

CLARK COUNTY, NEVADA  
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2012  
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, 2012

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CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2012

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## 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, 2012, 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 32 percent, 28 percent, and 60 percent, respectively, of the assets, net position, 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, 2012, 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 10, 2013, 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.



Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB trend data and related notes on pages 3 through 12 and 135 through 156 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The budgetary comparison information and related notes are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements and the information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

#### **Report on Schedule of Expenditures of Federal Awards**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County, Nevada's basic financial statements as a whole. 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada

January 10, 2013 except for our report on schedule of expenditures of federal awards  
for which the date is March 22, 2013

Clark County, Nevada

Management's Discussion and Analysis  
June 30, 2012

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 position totaled \$11,679,044,477. Net position of governmental activities totaled \$7,465,020,346 and those of business-type activities totaled \$4,214,024,131.
- The County's total net position decreased by \$167,028,725, resulting from a decrease in net position from governmental activities of \$47,414,719 and a decrease in net position from business-type activities of \$119,614,006. Net position from governmental activities decreased mainly due to an increase in other post-employment benefits liability. Net position from business-type activities decreased due to unrealized losses of the Department of Aviation on derivative investments and dispositions of capital assets.
- Unrestricted net position was \$2,058,250,046, with \$1,267,135,049 resulting from governmental activities and \$791,114,997 from business-type activities. Unrestricted net position from governmental activities decreased by 8 percent from the prior year, and unrestricted net position from business-type activities decreased by 5 percent over the prior year.
- Net capital assets were \$15,127,074,175 of which \$6,415,586,617 were from governmental activities and \$8,711,487,558 were from business-type activities. Major additions for governmental activities during the year included \$141 million toward beltways, roadways, and streets, and \$69 million toward flood control projects and \$69 million towards Parks and Recreation Facilities. Major additions for business-type activities during the year included \$28 million in water system additions, \$265 million for terminal 3 and other additions for the Department of Aviation, and \$64 million in sewer system additions. Depreciation expense attributable to assets of governmental activities amounted to \$257,878,397 for the year, and \$305,864,026 for business-type activities.
- Bonds and loans payable totaled \$10,000,712,571. The following new debt was issued during the fiscal year:

Governmental activities:

General obligation bonds:

\$85,015,000 in Southern Nevada Water Authority refunding bond bank bonds

Business-type activities:

General obligation bonds:

\$496,145,000 in bonds for the Las Vegas Valley Water District

Revenue bonds

\$200,000,000 in bonds for the Department of Aviation

- The County's primary revenue sources for governmental activities were ad valorem taxes (\$596,242,477) consolidated taxes (\$421,641,628), and sales and use taxes (\$231,643,158). These three revenue sources comprised 23 percent, 17 percent, and 9 percent, respectively, or 49 percent of total governmental activities revenues.
- The County's total expenses were \$4,256,296,523. Governmental activities comprised \$2,563,024,700 of total expenses, the largest functional expenses being public safety (\$1,148,289,674) and public works (\$476,903,001). Business-type activities contributed \$1,693,271,823 to total expenses, the largest components being hospital (\$578,145,268), airport (\$552,924,971), and water (\$382,888,651).
- General government expenses were \$168,284,261, or 10 percent less than the prior year due to continued cost containment.
- Welfare expenses were \$149,211,271 or 5 percent less than the prior year due to a decrease in available property taxes.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$166,968,111 or 11 percent of total General Fund expenditures and transfers out.

### Overview of the Financial Statements

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

#### Government-Wide Financial Statements

- 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.
- The statement of net position presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows. The difference between assets and deferred outflows less liabilities and deferred inflows is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The statement of activities presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).
- 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.
- 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: University Medical Center (UMC),

Las Vegas Valley Water District, Big Bend 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 and the Las Vegas Metropolitan Police Department fund, both of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the combining and individual fund statements and schedules. In accordance with Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions* certain special revenue funds have been included in the General Fund for financial reporting purposes as shown in the Major Governmental Funds section. These funds are not included for budgetary comparison purposes described below.
- The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the County's governmental funds to demonstrate compliance with the budget. The budgetary comparison statements for the major governmental funds are presented as required supplementary information; the budgetary comparison statements for all other governmental funds are included in the fund financial 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 as well as a schedule of funding progress for other post-employment benefits. It also includes a schedule of budgetary comparisons for the following major governmental funds:
  - ◆ General Fund
  - ◆ Las Vegas Metropolitan Police Department Special Revenue Fund
- The combining statements and individual fund budgetary schedules are presented immediately following the required supplementary information.
- Unaudited statistical information is provided on a ten-year basis for trend and historical analysis, except where data is not available due to the initial year of GASB Statement No. 34 presentation.

Government-Wide Financial Analysis

- Net position of the County as of June 30, 2012, and June 30, 2011, are summarized and analyzed below:

Clark County, Nevada Net Position – Primary Government

	<u>Government Activities</u>		<u>Business –type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Assets</b>						
Current and other assets	\$5,165,470,664	\$5,082,156,982	\$3,875,178,073	\$ 3,984,196,552	\$9,040,648,737	\$9,066,353,534
Net capital assets	<u>6,415,586,617</u>	<u>5,972,206,597</u>	<u>8,711,487,558</u>	<u>8,589,938,088</u>	<u>15,127,074,175</u>	<u>14,562,144,685</u>
Total assets	\$11,581,057,281	\$11,054,363,579	\$12,586,665,631	\$12,574,134,640	\$24,167,722,912	\$23,628,498,219
Deferred outflows	-	-	183,325,477	93,684,759	183,325,477	93,684,759
<b>Liabilities</b>						
Long-term Liabilities	2,886,815,903	2,544,557,078	7,382,754,374	7,049,903,234	10,269,570,277	9,594,460,312
Other Liabilities	<u>1,229,221,032</u>	<u>997,371,436</u>	<u>1,173,212,603</u>	<u>1,283,800,399</u>	<u>2,402,433,635</u>	<u>2,281,171,835</u>
Total liabilities	4,116,036,935	3,541,928,514	8,555,966,977	8,333,703,633	12,672,003,912	11,875,632,147
Deferred Inflows	-	-	-	477,629	-	477,629
<b>Net position</b>						
Net investment in capital assets	5,327,763,179	5,161,926,856	3,117,337,900	3,108,143,202	8,445,101,079	8,270,070,058
Restricted	870,122,118	997,318,673	305,571,234	396,624,708	1,175,693,352	1,393,943,381
Unrestricted	<u>1,267,135,049</u>	<u>1,353,189,536</u>	<u>791,114,997</u>	<u>828,870,227</u>	<u>2,058,250,046</u>	<u>2,182,059,763</u>
Total net position	<u>\$ 7,465,020,346</u>	<u>\$ 7,512,435,065</u>	<u>\$ 4,214,024,131</u>	<u>\$ 4,333,638,137</u>	<u>\$11,679,044,477</u>	<u>\$11,846,073,202</u>

- As noted earlier, net position may serve over time as a useful indicator of the County’s financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$11,679,044,477 as of June 30, 2012, and by \$11,846,073,202 as of June 30, 2011, a net decrease of \$167,028,725, or one (1) percent.
- The largest portion of the County’s net position (72 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt outstanding used to acquire those assets (unspent proceeds from long-term debt issues). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.
- The County’s restricted net position (10 percent) represents resources that are subject to external restrictions on how they may be used. Of restricted net position, 30 percent is for construction of capital assets, 33 percent is for repayment of long-term debt, 16 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 position (18 percent) is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors.
- At June 30, 2012, the County had positive balances in all three categories of net position, both for the government as a whole, as well as for separate governmental and business-type activities

Clark County, Nevada Changes in Net Position – Primary Government

	<u>Government Activities</u>		<u>Business –type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<b>Revenues</b>						
Program revenues						
Charges for services	\$351,204,629	\$353,233,862	\$1,504,170,864	\$1,445,400,401	\$1,855,375,493	\$1,798,634,263
Operating grants and contributions	489,127,418	532,327,951	31,137,054	65,000,000	520,264,472	597,327,951
Capital grants and contributions	135,744,804	176,377,216	74,408,261	64,861,568	210,153,065	241,238,784
General revenues						
Ad valorem taxes	596,242,477	601,438,779	266	12,713	596,242,743	601,451,492
Consolidated tax	421,641,628	403,987,801	10,346	48,509	421,651,974	404,036,310
Sales and use tax	231,643,158	218,240,722	14,365,220	13,408,757	246,008,378	231,649,479
Franchise fees	90,438,234	104,584,978	-	-	90,438,234	104,584,978
Fuel taxes	69,849,947	70,291,059	-	-	69,849,947	70,291,059
Motor vehicle privilege tax	45,920,073	46,673,088	-	-	45,920,073	46,673,088
Room tax	41,757,441	36,918,685	-	-	41,757,441	36,918,685
Other	29,968,189	32,660,591	-	-	29,968,189	32,660,591
Gain on sale or disposition of assets	1,107,019	2,949,516	63,228	657,218	1,170,247	3,606,734
Interest income (loss)	20,390,204	34,319,177	(51,488,094)	59,122,678	(31,097,890)	93,441,855
<b>Total revenues</b>	<b>2,525,035,221</b>	<b>2,614,003,425</b>	<b>1,572,667,145</b>	<b>\$1,648,511,844</b>	<b>4,097,702,366</b>	<b>\$4,262,515,269</b>
<b>Expenses</b>						
General government	168,284,261	187,548,288	-	-	168,284,261	187,548,288
Judicial	206,462,746	211,063,243	-	-	206,462,746	211,063,243
Public Safety	1,148,289,674	1,160,142,925	-	-	1,148,289,674	1,160,142,925
Public Works	476,903,001	418,406,823	-	-	476,903,001	418,406,823
Health	132,909,411	111,895,396	-	-	132,909,411	111,895,396
Welfare	149,211,271	156,825,380	-	-	149,211,271	156,825,380
Culture and recreation	30,542,396	28,788,472	-	-	30,542,396	28,788,472
Community support	24,608,108	39,629,471	-	-	24,608,108	39,629,471
Other	114,808,098	111,567,373	-	-	114,808,098	111,567,373
Interest on long-term debt	111,005,734	108,176,445	-	-	111,005,734	108,176,445
Hospital	-	-	578,145,268	569,477,328	578,145,268	569,477,328
Water	-	-	382,888,651	383,354,972	382,888,651	383,354,972
Airport	-	-	552,924,971	517,023,190	552,924,971	517,023,190
Sewer	-	-	135,662,685	153,062,108	135,662,685	153,062,108
Other	-	-	43,650,248	52,364,172	43,650,248	52,364,172
<b>Total expenses</b>	<b>2,563,024,700</b>	<b>2,534,043,816</b>	<b>1,693,271,823</b>	<b>1,675,281,770</b>	<b>4,256,296,523</b>	<b>4,209,325,586</b>
Increase (decrease) in net position before transfers	(37,989,479)	79,959,609	(120,604,678)	(26,769,926)	(158,594,157)	53,189,683
Transfers	(9,425,240)	(12,501,789)	9,425,240	12,501,789	-	-
Increase (decrease) in net position	(47,414,719)	67,457,820	(111,179,438)	(14,268,137)	(158,594,157)	53,189,683
Net position - beginning	7,512,435,065	7,444,977,245	4,333,638,137	4,347,906,274	11,846,073,202	11,792,883,519
Prior period adjustment	-	-	(8,434,568)	-	(8,434,568)	-
Net position – beginning, restated	7,512,435,065	7,444,977,245	4,325,203,569	4,347,906,274	11,837,638,634	11,792,883,519
Net position - ending	\$7,465,020,346	\$7,512,435,065	\$4,214,024,131	\$4,333,638,137	\$11,679,044,477	\$11,846,073,202

- Program revenues included charges for services, fines and forfeitures, certain licenses and permits, special assessments, and both operating and capital grants and contributions. Program revenues from governmental activities decreased by \$85,862,178, or eight (8) percent, due to decreases in donated infrastructure and decreases in federal grant activity. Program revenues from business-type activities increased by \$34,454,210, or two (2) percent, primarily due to increases in hospital revenue.

- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, ad valorem taxes, decreased by \$5,196,302 or one (1) percent. This relatively small decrease reflects the stabilization of assessed values during the fiscal year. Consolidated tax increased by \$17,653,827, or four (4) percent, and sales and use tax increased in governmental activities by \$13,402,436, or six (6) percent, both due to a continued increase in economic activity during fiscal year 2012. Franchise fees decreased by \$14,146,744 or fourteen (14) percent, due to non-recurring audit assessments in FY11. Interest revenue for governmental activities decreased by \$13,928,973 or 41 percent; interest revenue for business-type activities decreased by \$110,610,772, or 187 percent. These decreases were due to lower rates of investment returns and an unrealized loss of \$109 million on Department of Aviation derivative investments.
- County governmental activity expenses increased one (1) percent in fiscal year 2012. Decreases in general government of \$19,264,027 or 10 percent were due to a reduction in grants and election expenses. Public works expenses increased by \$58,496,178, or 14 percent due to increased road construction and financing. Health expenses increased \$21,014,015 or 19 percent due to retroactive payments to the State reimbursing Medicaid and training costs. Welfare support expenses decreased by \$7,614,109, or five (5) percent, due to reductions in property taxes available to fund this function. Community support decreased by \$15,021,363 or 38% due to decreased grant activity. Sewer functional area expenses decreased \$17,399,423, or 11 percent, due to a one-time loss of funds invested in the Clean Water Coalition in the prior year.

### 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.
- o As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$2,068,452,799, a decrease of \$154,593,151, or seven (7) percent, from the prior year primarily due to reduced fund balances in capital projects funds. Fund balance components have been classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of fund. Restricted fund balance is \$869,350,682 or 42% of the total. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. Restricted fund balances include \$324,077,683 for capital projects and \$183,843,577 for public safety activities and \$178,159,025 for debt service.

Committed and assigned fund balances combined represent 49% of total fund balance with spending constrained either by the Board of County Commissioners (BCC) (for committed) or senior management (for assigned). Committed balances in the special revenue funds are primarily due to transfers or revenues directed by the BCC to those funds to support the programs. Unassigned fund balance represents the General Fund remaining fund balance and is available to support general operations of the fund.

- o The General Fund is the main operating fund of the County. Nonspendable fund balance consists of long-term receivables. Restricted fund balance of \$57,031,783 includes restricted cash and unspent proceeds from legislatively mandated ad valorem taxes. Unrestricted fund balance, which includes committed, assigned, and unassigned balances, totaled \$251,798,148 at June 30, 2012. Unrestricted fund balance was 17% of expenditures and other financing uses and includes amounts assigned of \$ 84,830,037. Unassigned fund balance is 166,968,111, or 11% of expenditures and other financing uses.
- o Key factors in the change in fund balance in the General Fund as reported for budget purposes are as follows:
  - Revenues and transfers-in decreased by \$61,700,552, or 17 percent. General fund revenues decreased by \$2,648,477, or one (1) percent. Ad valorem tax revenues decreased only slightly by \$1,024,319, or one (1) percent. Licenses and permits decreased by \$7,024,698 or three (3) percent due to non-recurring franchise fee audit assessments, in FY11. Intergovernmental revenue, the largest component of which is the consolidated tax,



increased by \$10,009,100, or four (4) percent, due to the increased economic activity in the local economy. Charges for services decreased by \$5,818,668 or seven (7) percent, largely due to decreased Recorder, Assessor, and engineering fees. Interest income increased by \$1,164,240, or 139 percent, due to unrealized gain/loss variation between FY11 and FY12.

Transfers in decreased by \$59,052,075, or 17 percent, primarily due to the elimination of transfers in from the Master Transportation Plan special revenue fund and County Capital Projects fund.

- Expenditures and transfers out decreased by \$57,290,471, or five (5) percent. General fund expenditures decreased \$32,968,706, or four (4) percent primarily due to continued cost containment procedures. Transfers out decreased by \$24,321,765, or six (6) percent primarily due to reductions in transfers to the Las Vegas Metropolitan Police Department and Detention funds.

o Other major fund activity is as follows:

- The Las Vegas Metropolitan Police Department operates from current year resources and it typically budgets for a lower fund balance than other governmental units. However, it ended the year with a total unrestricted fund balance of \$54,416,626. Total revenues and transfers in were \$470,382,262, which was a decrease of \$40,141,829 or eight (8) percent, over the prior year. This decrease occurred primarily due to a reduction of contributions and property taxes. Expenditures, which are primarily personnel costs, decreased \$ 3,875,426 or one (1) percent.
- The non-major governmental funds showed a fund balance of \$1,681,163,474, of which \$812,318,899 or 48% was restricted. All funds have the resources to meet their commitments.

Enterprise Funds

- The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Minor differences arise between the enterprise funds and the business-type activities in the government-wide statements due to the effects of consolidation of internal service fund activities related to the enterprise funds. Unrestricted net position of the enterprise funds totaled \$803,807,485, a decrease of \$37,734,173, or 4 percent. Total net position for these funds decreased \$119,592,949, three (3) percent from the prior year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

Internal Service Funds

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

Budgetary Highlights

- The General Fund's legal level of budgetary control is the function level. The final amended budget for expenditure appropriation was \$785,826,869, unchanged from the original budget. Actual expenditures were \$754,490,501, or four (4) percent less than the final budget, primarily due to the County's ongoing cost containment efforts.
- Revenues of the general fund exceeded the final budget by \$12,298,243, or one (1) percent due to a slight increase in consolidated and sales taxes.

Capital Assets and Debt Administration

Primary Government

- Capital Assets

- o The County's investment in capital assets, net of accumulated depreciation at June 30, 2012, was \$15,121,223,344, an increase of \$559,078,659, or four (4) percent. Detail by type of activity and asset is summarized in the table below.

Major additions for this fiscal year are as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Roadways and streets	\$126 million	Water system additions	\$ 28 million
Flood control projects	\$ 69 million	Airport land acquisition and construction	\$ 265 million
Parks and Recreation facilities	\$ 69 million	Sewer system additions	\$ 64 million
Beltway land acquisition and construction	\$ 15 million		

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land and improvements	\$1,666,821,289	\$1,590,012,024	\$3,363,057,823	\$3,096,450,672	\$5,029,879,112	\$ 4,686,462,696
Buildings	1,198,340,867	868,261,365	4,273,023,510	2,612,582,538	5,471,364,377	3,480,843,903
Machinery and equipment	57,553,095	70,925,385	805,601,971	652,803,662	863,155,066	723,729,047
Infrastructure	3,246,058,331	3,221,604,929	-	-	3,246,058,331	3,221,604,929
Construction in progress	246,813,035	221,402,894	269,804,254	2,228,101,216	516,617,289	2,449,504,110
<b>Total</b>	<b><u>\$6,415,586,617</u></b>	<b><u>\$5,972,206,597</u></b>	<b><u>\$8,711,487,558</u></b>	<b><u>\$8,589,938,088</u></b>	<b><u>\$15,127,074,175</u></b>	<b><u>\$14,562,144,685</u></b>

- 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, 2012, the County had total outstanding bonds and loans of \$10,000,712,571, an increase of \$274,734,252, or three (3) percent, from the prior year. Of this amount, \$1,917,446,765 comprised general obligation debt backed by the full faith and credit of the County, \$2,655,497,162 of general obligation bonds additionally secured by specified revenue sources, \$4,451,155,136 of revenue bonds secured by pledges of various revenue sources, \$400,000,000 of loans, primarily in the form of commercial paper, \$227,261,233 in special assessment debt for which the County is liable in the event of default by the property owners subject to assessment, and \$349,352,275 in capital leases.

**Clark County, Nevada Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General obligation bonds	\$1,917,446,765	\$1,989,622,313	\$ -	\$ -	\$1,917,446,765	\$ 1,989,622,313
Revenue backed general obligation bonds	-	-	2,655,497,162	2,455,411,300	2,655,497,162	2,455,411,300
Revenue bonds	10,000	10,000	4,451,145,136	4,634,690,277	4,451,155,136	4,634,700,277
Special assessment bonds	227,261,233	246,062,739	-	-	227,261,233	246,062,739
Loans	-	181,690	400,000,000	400,000,000	400,000,000	400,181,690
Capital leases	349,352,275	-	-	-	349,352,275	-
<b>Total</b>	<b><u>\$2,494,070,273</u></b>	<b><u>\$2,235,876,742</u></b>	<b><u>\$7,506,642,298</u></b>	<b><u>\$ 7,490,101,577</u></b>	<b><u>\$10,000,712,571</u></b>	<b><u>\$ 9,725,978,319</u></b>

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

### Economic Factors

- UMC continues to deal with the impact of uninsured patients. UMC's operating loss was \$18,851,664 for the fiscal year 2012 compared to \$94,512,750 in fiscal year 2011. The decreased operating loss was due almost entirely to retroactive collections of State of Nevada Medicaid Upper Payment Limit program (UPL) funds from prior fiscal years. Continued high levels of care for uninsured and underinsured patients, and a decrease in State Medicaid funding will continue to contribute to sustained operating losses in the future. The County will need to fund these continued losses.
- Despite UMC's financial difficulties, the County has positioned itself to meet the needs of its citizens. The decrease in taxable values has leveled out and the remaining tax base will generate adequate revenues to provide basic services. A cost containment program continues to be in place, enforcing a reasonable pace of salary growth and position savings. The County's general fund unassigned ending fund balance remains healthy. Together, these factors have placed the County in an acceptable financial position to mitigate the current economic uncertainty. However, 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 Jessica L. Colvin, Comptroller, at 500 South Grand Central Parkway, Las Vegas, NV 89155.

**BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Clark County, Nevada  
Statement of Net Position  
June 30, 2012

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada
<b>ASSETS</b>					
Cash and investments:					
In custody of the County Treasurer	\$ 2,604,994,747	\$ 289,831,416	\$ 2,894,826,163	\$ 177,465,431	\$ 238,718,991
In custody of other officials	7,546,776	55,112,948	62,659,724	500	15,318,652
With fiscal agent	86,761,860	-	86,761,860	-	111,523,172
Investments in custody of other officials	-	588,770,607	588,770,607	-	-
Loaned securities	521,402,153	9,148,616	530,550,769	35,482,253	47,700,074
Accounts receivable (net of provision for doubtful accounts)	23,394,660	227,625,169	251,019,829	-	9,702,182
Interest receivable	5,397,463	5,990,538	11,388,001	351,708	472,812
Taxes receivable, delinquent	18,870,504	215	18,870,719	-	-
Penalties receivable on delinquent taxes	11,873,727	-	11,873,727	-	-
Special assessments receivable	229,554,678	-	229,554,678	-	-
Internal balances	20,201,705	(20,201,705)	-	-	-
Due from other governmental units	184,410,577	6,243,197	190,653,774	13,265,083	63,252,965
Inventories	359,707	37,264,932	37,624,639	-	-
Prepaid items and other current assets	1,663,462	3,268,226	4,931,688	-	189,852
Deferred charges and other assets	93,573,645	98,564,251	192,137,896	3,073,437	5,795,971
Restricted assets:					
Cash and investments:					
In custody of the County Treasurer	-	266,706,561	266,706,561	-	-
In custody of other officials	-	193,006,602	193,006,602	-	-
With fiscal agent	-	510,459,476	510,459,476	-	-
Loaned securities	-	101,484,025	101,484,025	-	-
Accounts receivable	-	409,912,999	409,912,999	-	-
Bond bank receivable, current	35,215,000	11,600,000	46,815,000	-	-
Bond bank receivable, noncurrent	1,320,250,000	1,080,390,000	2,400,640,000	-	-
Capital assets not being depreciated	1,650,936,452	1,194,601,181	2,845,537,633	139,246	59,807,553
Capital assets being depreciated, net of accumulated depreciation	4,764,650,165	7,516,886,377	12,281,536,542	2,378,283	341,958,465
<b>Total Assets</b>	<b>11,581,057,281</b>	<b>12,586,665,631</b>	<b>24,167,722,912</b>	<b>232,155,941</b>	<b>894,440,689</b>
<b>DEFERRED OUTFLOWS</b>					
Deferred outflows - hedging derivative instruments	-	183,325,477	183,325,477	-	-

(Continued)

Clark County, Nevada  
Statement of Net Position  
June 30, 2012  
(Continued)

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada
<b>LIABILITIES</b>					
Accounts payable	276,097,869	144,369,127	420,466,996	11,092,509	49,070,006
Accrued payroll and other accrued liabilities	134,670,700	91,307,072	225,977,772	48,285	3,554,359
Accrued interest	20,943,808	-	20,943,808	3,610,252	19,454,889
Due to other governmental units	108,480,799	-	108,480,799	152,940	-
Loaned securities	534,622,410	19,967,065	554,589,475	36,381,913	48,909,521
Unearned revenue and other liabilities	46,315,768	27,571,480	73,887,248	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	66,440,854	66,440,854	-	-
Customer deposits	-	18,168,961	18,168,961	-	-
Accrued expenses	-	152,630,779	152,630,779	-	-
Loaned securities	-	93,470,690	93,470,690	-	-
Bonds and loans payable, due within one year	-	553,208,529	553,208,529	-	-
Bonds and loans payable, due within one year	108,089,678	6,078,046	114,167,724	11,240,000	40,845,000
Bonds and loans payable, due after one year	2,385,980,595	6,947,355,723	9,333,336,318	400,129,082	765,939,143
Other non-current liabilities, due after one year	500,835,308	435,398,651	936,233,959	1,356,541	7,578,445
<b>Total Liabilities</b>	<b>4,116,036,935</b>	<b>8,555,966,977</b>	<b>12,672,003,912</b>	<b>464,011,522</b>	<b>935,351,363</b>
<b>NET POSITION</b>					
Net investment in capital assets	5,327,763,179	3,117,337,900	8,445,101,079	2,517,529	401,766,018
Restricted for:					
Capital projects	324,077,683	33,017,777	357,095,460	-	156,215,295
Debt service	178,930,461	213,133,493	392,063,954	7,536,198	99,158,405
Public safety	183,843,577	-	183,843,577	-	-
Other purposes	183,270,397	59,419,964	242,690,361	-	-
Unrestricted	1,267,135,049	791,114,997	2,058,250,046	(241,909,308)	(698,050,392)
<b>Total Net Position</b>	<b>\$ 7,465,020,346</b>	<b>\$ 4,214,024,131</b>	<b>\$ 11,679,044,477</b>	<b>\$ (231,855,581)</b>	<b>\$ (40,910,674)</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, 2012

	Net (Expenses) Revenues and Changes in Net Assets								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada
Governmental activities:									
General government	\$ 168,284,261	\$ 190,880,035	\$ 93,336,447	\$ -	\$ 115,932,221	\$ -	\$ 115,932,221	\$ -	\$ -
Judicial	206,462,746	66,419,851	21,373,422	-	(118,669,473)	-	(118,669,473)	-	-
Public safety	1,148,289,674	50,676,487	244,443,923	-	(853,169,264)	-	(853,169,264)	-	-
Public works	476,903,001	24,373,175	96,039,475	135,744,804	(220,745,547)	-	(220,745,547)	-	-
Health	132,909,411	7,547,046	3,899,816	-	(121,462,549)	-	(121,462,549)	-	-
Welfare	149,211,271	-	6,371,747	-	(142,839,524)	-	(142,839,524)	-	-
Culture and recreation	30,542,396	10,719,885	366,468	-	(19,456,043)	-	(19,456,043)	-	-
Community support	24,608,108	-	23,296,120	-	(1,311,988)	-	(1,311,988)	-	-
Other	114,808,098	588,150	-	-	(114,219,948)	-	(114,219,948)	-	-
Interest on long-term debt	111,005,734	-	-	-	(111,005,734)	-	(111,005,734)	-	-
Total governmental activities	<u>2,563,024,700</u>	<u>351,204,629</u>	<u>489,127,418</u>	<u>135,744,804</u>	<u>(1,586,947,849)</u>	<u>-</u>	<u>(1,586,947,849)</u>	<u>-</u>	<u>-</u>

(Continued)



Clark County, Nevada  
Statement of Activities  
For the fiscal year ended June 30, 2012  
(Continued)

	Net (Expenses) Revenues and Changes in Net Assets								
	Program Revenues				Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada
Business-type activities:									
Hospital	578,145,268	556,380,510	31,000,000	-	-	9,235,242	9,235,242	-	-
Water	382,888,651	340,948,416	-	17,028,825	-	(24,911,410)	(24,911,410)	-	-
Airport	552,924,971	435,056,951	-	36,755,085	-	(81,112,935)	(81,112,935)	-	-
Sewer	135,662,685	136,351,418	-	20,624,351	-	21,313,084	21,313,084	-	-
Other	43,650,248	35,433,569	137,054	-	-	(8,079,625)	(8,079,625)	-	-
Total business-type activities	1,693,271,823	1,504,170,864	31,137,054	74,408,261	-	(83,555,644)	(83,555,644)	-	-
Total primary government	<u>\$ 4,256,296,523</u>	<u>\$ 1,855,375,493</u>	<u>\$ 520,264,472</u>	<u>\$ 210,153,065</u>					
Component units:									
Clark County Regional Flood Control District	\$ 122,488,029	\$ -	\$ -	\$ 3,256,998			\$ (119,231,031)	\$ -	
Regional Transportation Commission of Southern Nevada	359,870,406	70,976,418	4,553,850	37,291,352			-	(247,048,786)	
Total component units	<u>\$ 482,358,435</u>	<u>\$ 70,976,418</u>	<u>\$ 4,553,850</u>	<u>\$ 40,548,350</u>			<u>\$ (119,231,031)</u>	<u>\$ (247,048,786)</u>	
General revenues:									
Ad valorem taxes					596,242,477	266	596,242,743	-	-
Consolidated tax					421,641,628	10,346	421,651,974	-	-
Sales and use tax					231,643,158	14,365,220	246,008,378	75,222,225	150,425,325
Franchise fees					90,438,234	-	90,438,234	-	-
Fuel taxes					69,849,947	-	69,849,947	-	68,580,921
Motor vehicle privilege tax					45,920,073	-	45,920,073	-	-
Room tax					41,757,441	-	41,757,441	-	-
Other					29,968,189	-	29,968,189	52,888	6,680,087
Gain on sale of capital assets					1,107,019	63,228	1,170,247	-	-
Interest income (loss)					20,390,204	(51,488,094)	(31,097,890)	2,082,961	3,275,535
Transfers					(9,425,240)	9,425,240	-	-	-
Total general revenues and transfers					1,539,533,130	(27,623,794)	1,511,909,336	77,358,074	228,961,868
Change in net position					(47,414,719)	(111,179,438)	(158,594,157)	(41,872,957)	(18,086,918)
Net position - beginning					7,512,435,065	4,333,638,137	11,846,073,202	(189,982,624)	(22,823,756)
Prior period adjustment					-	(8,434,568)	(8,434,568)	-	-
Net position - beginning as restated					7,512,435,065	4,325,203,569	11,837,638,634	(189,982,624)	(22,823,756)
Net position - ending					<u>\$ 7,465,020,346</u>	<u>\$ 4,214,024,131</u>	<u>\$ 11,679,044,477</u>	<u>\$ (231,855,581)</u>	<u>\$ (40,910,674)</u>

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

**FUND FINANCIAL STATEMENTS**

Clark County, Nevada  
Governmental Funds  
Balance Sheet  
June 30, 2012

	<u>General Fund</u>	<u>Las Vegas Metropolitan Police Department</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>				
Cash and investments:				
In custody of the County Treasurer	\$ 378,120,154	\$ 66,881,974	\$ 1,665,105,493	\$ 2,110,107,621
In custody of other officials	2,343,180	243,450	858,146	3,444,776
With fiscal agent	-	-	86,761,860	86,761,860
Loaned securities	76,301,051	13,355,826	332,691,253	422,348,130
Accounts receivable	42,707,960	695,411	2,387,396	45,790,767
Interest receivable	756,313	132,385	3,526,924	4,415,622
Taxes receivable, delinquent	12,325,361	3,456,755	3,088,388	18,870,504
Penalties receivable on delinquent taxes	11,873,727	-	-	11,873,727
Special assessments receivable	-	-	229,554,678	229,554,678
Due from other funds	4,695,936	1,393,253	66,223,064	72,312,253
Due from other governmental units	116,537,888	4,064,842	63,046,912	183,649,642
Prepaid items	-	318,060	-	318,060
Total Assets	<u>\$ 645,661,570</u>	<u>\$ 90,541,956</u>	<u>\$ 2,453,244,114</u>	<u>\$ 3,189,447,640</u>

(Continued)

Clark County, Nevada  
 Governmental Funds  
 Balance Sheet  
 June 30, 2012  
 (Continued)

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable	\$ 19,419,363	\$ 4,856,280	\$ 92,375,634	\$ 116,651,277
Accrued payroll	9,770,881	7,929,697	2,759,448	20,460,026
Due to other funds	120,287,012	1,785,105	33,905,992	155,978,109
Due to other governmental units	61,508,131	53,562	32,919,106	94,480,799
Loaned securities	78,235,685	13,694,466	341,126,701	433,056,852
Deferred revenue and other liabilities	23,567,799	7,806,220	268,993,759	300,367,778
<b>Total Liabilities</b>	<u>312,788,871</u>	<u>36,125,330</u>	<u>772,080,640</u>	<u>1,120,994,841</u>
Fund balances:				
Nonspendable	24,042,768	-	3,100,000	27,142,768
Restricted	57,031,783	-	812,318,899	869,350,682
Committed	-	2,457,584	45,524,292	47,981,876
Assigned	84,830,037	51,959,042	820,220,283	957,009,362
Unassigned	166,968,111	-	-	166,968,111
<b>Total Fund Balances</b>	<u>332,872,699</u>	<u>54,416,626</u>	<u>1,681,163,474</u>	<u>2,068,452,799</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 645,661,570</u>	<u>\$ 90,541,956</u>	<u>\$ 2,453,244,114</u>	<u>\$ 3,189,447,640</u>

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2012

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

Fund balances – governmental funds		\$2,068,452,799
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	\$ 8,923,122,421	
Less accumulated depreciation	<u>( 2,507,535,804)</u>	6,415,586,617
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	(2,144,717,998)	
Unamortized bond costs, premiums, and discounts	12,667,075	
Capital leases	(349,352,275)	
Litigation liability	(16,500,000)	
LVMPD OPEB liability, net of Detention portion	(195,520,321)	
Compensated absences	<u>(175,841,739)</u>	(2,869,265,258)
Accrued interest payable		(20,943,809)
Deferred revenue representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		254,326,222
Long-term receivables restricted 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	1,355,465,000	
LVMPD OPEB receivable from City of Las Vegas	<u>75,582,067</u>	1,431,047,067
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		197,166,988
Internal balances that are receivable from business-type activities		<u>12,692,488</u>
Net assets of governmental activities		<u>\$7,465,020,346</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, 2012

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Taxes	\$ 440,826,100	\$ 118,948,845	\$ 99,525,664	\$ 659,300,609
Special assessments	-	-	35,277,215	35,277,215
Licenses and permits	231,260,048	-	17,418,208	248,678,256
Intergovernmental revenue	670,784,244	130,748,976	454,986,292	1,256,519,512
Charges for services	84,462,482	29,473,794	32,629,034	146,565,310
Fines and forfeitures	25,602,847	-	2,957,168	28,560,015
Interest	4,398,115	616,975	21,154,667	26,169,757
Other	3,961,047	1,333,399	8,958,804	14,253,250
<b>Total revenues</b>	<u>1,461,294,883</u>	<u>281,121,989</u>	<u>672,907,052</u>	<u>2,415,323,924</u>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	114,186,536	-	18,825,479	133,012,015
Judicial	146,295,489	-	53,275,583	199,571,072
Public safety	412,698,707	490,706,329	174,288,072	1,077,693,108
Public works	211,215,181	-	47,606,093	258,821,274
Health	90,182,762	-	42,658,959	132,841,721
Welfare	79,543,396	-	69,383,426	148,926,822
Culture and recreation	10,054,485	-	1,182,507	11,236,992
Community support	-	-	24,655,247	24,655,247
Other general expenditures	100,062,897	-	-	100,062,897
Capital outlays	6,836,650	3,626,256	265,537,590	276,000,496
<b>Debt service:</b>				
Principal	-	178,480	89,750,000	89,928,480
Interest	-	4,825	105,351,018	105,355,843
Bond issuance costs	-	-	804,699	804,699
<b>Total expenditures</b>	<u>1,171,076,103</u>	<u>494,515,890</u>	<u>893,318,673</u>	<u>2,558,910,666</u>
Excess (deficiency) of revenues over (under) expenditures	<u>290,218,780</u>	<u>(213,393,901)</u>	<u>(220,411,621)</u>	<u>(143,586,742)</u>

(Continued)

Clark County, Nevada  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the fiscal year ended June 30, 2012  
(Continued)

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Transfers from other funds	9,794,231	189,260,273	217,631,177	416,685,681
Transfers to other funds	(328,372,280)	-	(100,124,509)	(428,496,789)
Refunding bonds issued	-	-	85,015,000	85,015,000
Premium on bonds issued	-	-	2,034,243	2,034,243
Payment to bond bank entity	-	-	(86,244,544)	(86,244,544)
Total other financing sources (uses)	<u>(318,578,049)</u>	<u>189,260,273</u>	<u>118,311,367</u>	<u>(11,006,409)</u>
Net changes in fund balances	(28,359,269)	(24,133,628)	(102,100,254)	(154,593,151)
Fund balance:				
Beginning of year	<u>361,231,968</u>	<u>78,550,254</u>	<u>1,783,263,728</u>	<u>2,223,045,950</u>
End of year	<u>\$ 332,872,699</u>	<u>\$ 54,416,626</u>	<u>\$ 1,681,163,474</u>	<u>\$ 2,068,452,799</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, 2012

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

Net change in fund balances – governmental funds \$ (154,593,151)

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

Capital outlay recorded in governmental funds	\$276,000,496	
Less amounts not capitalized	<u>(38,147,339)</u>	
Capitalized expenditures	237,853,157	
Capital Lease	182,619,483	
Less current year depreciation	<u>(251,832,012)</u>	168,640,628

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	135,770,369	
Loss on annexation of infrastructure	(21,990,000)	
Loss on sale of capital assets	(1,293,954)	
Change in deferred revenue	(27,446,907)	
Bond bank operating contribution	<u>(13,390,000)</u>	71,649,508

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. Also capital leases are not shown in governmental funds. This is the net effect of these differences in the treatment of long-term debt and related items.

Bonds and loans issued	(85,015,000)	
Bond issuance and other deferred costs	804,699	
Bond premium	(2,034,243)	
Accrued interest	(5,649,891)	
Amortized bond costs	1,041,055	
Principal payment	89,928,480	
Capital lease	(182,619,483)	
Payment to escrow agent	<u>86,244,544</u>	(97,299,839)

(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, 2012

(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	\$ 1,373,865	
Change in LVMPD OPEB liability	(38,245,067)	
Litigation liability	<u>(14,000,000)</u>	(50,871,202)
 Long-term LVMPD OPEB receivable due from the City of Las Vegas		 14,688,495
 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.		 349,785
 Increase to internal balances that are receivable from business-type activities.		 <u>21,057</u>
 Change in net assets of governmental activities		 <u><u>\$(47,414,719)</u></u>

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
Proprietary Funds  
Statement of Net Position  
June 30, 2012

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water 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	\$ 13,585,860	\$ -	\$ -	\$ 230,496,083
In custody of other officials	20,210	43,666,189	7,602,710	472,450
Investments in custody of other officials	-	468,737,569	120,033,038	-
Loaned securities	-	-	-	-
Accounts receivable	111,567,576	8,872,076	68,576,942	37,188,041
Interest receivable	-	786,255	449,701	4,663,900
Taxes receivable, delinquent	-	-	-	-
Due from other funds	8,007,136	-	-	1,822,080
Due from other governmental units	-	-	-	6,232,753
Inventories	12,646,678	2,519,419	16,829,934	5,172,791
Prepaid items and other current assets	1,816,581	690,441	-	741,875
Total unrestricted current assets	<u>147,644,041</u>	<u>525,271,949</u>	<u>213,492,325</u>	<u>286,789,973</u>
Restricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	37,984,636	20,424,604	-	208,297,321
In custody of other officials	-	-	71,175,925	-
With fiscal agent	-	-	-	290,424,604
Investments in custody of other officials	-	12,509,740	48,848,066	60,472,871
Investments with fiscal agent	-	-	-	220,034,872
Loaned securities	10,324,700	4,089,118	-	87,070,207
Accounts receivable	1,144,574	3,642,648	416,725,777	-
Total restricted current assets	<u>49,453,910</u>	<u>40,666,110</u>	<u>536,749,768</u>	<u>866,299,875</u>
Total current assets	<u>197,097,951</u>	<u>565,938,059</u>	<u>750,242,093</u>	<u>1,153,089,848</u>
Noncurrent assets:				
Bond bank receivable, restricted	-	-	1,080,390,000	-
Deferred charges and other assets	485,981	11,101,172	3,247,524	83,729,574
Capital assets:				
Property and equipment	333,604,039	2,140,756,245	2,785,139,154	6,529,575,727
Accumulated depreciation	(163,628,822)	(629,720,716)	(975,656,923)	(1,382,591,185)
Total capital assets, net of accumulated depreciation	<u>169,975,217</u>	<u>1,511,035,529</u>	<u>1,809,482,231</u>	<u>5,146,984,542</u>
Total noncurrent assets	<u>170,461,198</u>	<u>1,522,136,701</u>	<u>2,893,119,755</u>	<u>5,230,714,116</u>
Total assets	<u>367,559,149</u>	<u>2,088,074,760</u>	<u>3,643,361,848</u>	<u>6,383,803,964</u>
<b>DEFERRED OUTFLOWS</b>				
Deferred bond refundings and hedging derivative instruments	-	-	10,219,458	173,106,019

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Position  
June 30, 2012  
(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	5,730,000	-	-	-
Accounts payable	43,856,999	26,894,855	53,983,680	17,533,332
Accrued expenses	38,827,042	1,328,851	32,033,060	14,770,773
Due to other funds	14,461,610	-	-	175,607
Loaned securities	10,586,483	-	-	-
Deferred revenue	-	-	-	4,763,153
Deposits and other current liabilities	-	2,197,522	20,228,251	-
Total current liabilities (payable from current assets)	<u>113,462,134</u>	<u>30,421,228</u>	<u>106,244,991</u>	<u>37,242,865</u>
Current liabilities (payable from restricted assets):				
Current maturities of long-term debt	-	7,470,529	440,203,000	105,535,000
Accounts payable	-	-	-	66,440,854
Accrued expenses	-	11,525,197	12,523,919	128,581,663
Customer deposits	-	-	18,168,961	-
Loaned securities	-	4,192,800	-	89,277,890
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>23,188,526</u>	<u>470,895,880</u>	<u>389,835,407</u>
Total current liabilities	<u>113,462,134</u>	<u>53,609,754</u>	<u>577,140,871</u>	<u>427,078,272</u>
Noncurrent liabilities:				
Long-term debt, less current maturities	70,130,589	452,234,383	1,997,280,471	4,422,650,252
Deferred revenue and other non-current liabilities	114,519,615	13,450,807	11,944,770	295,483,459
Total noncurrent liabilities	<u>184,650,204</u>	<u>465,685,190</u>	<u>2,009,225,241</u>	<u>4,718,133,711</u>
Total Liabilities	<u>298,112,338</u>	<u>519,294,944</u>	<u>2,586,366,112</u>	<u>5,145,211,983</u>
<b>NET POSITION</b>				
Net investment in capital assets	109,286,502	1,052,521,242	932,362,278	954,546,039
Restricted for:				
Capital projects	-	3,784,442	128,730	29,104,605
Debt service	-	8,899,407	12,559,249	191,674,837
Other	9,180,044	-	-	50,239,920
Unrestricted	(49,019,735)	503,574,725	122,164,937	186,132,599
Total Net Position	<u>\$ 69,446,811</u>	<u>\$ 1,568,779,816</u>	<u>\$ 1,067,215,194</u>	<u>\$ 1,411,698,000</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Position  
June 30, 2012  
(Continued)

	<u>Business-Type Activities- Enterprise Funds</u>		Governmental
	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	Activities - Internal Service Funds
<b>ASSETS</b>			
Unrestricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	\$ 45,749,473	\$ 289,831,416	\$ 494,887,126
In custody of other officials	3,351,389	55,112,948	4,102,000
Investments in custody of other officials	-	588,770,607	-
Loaned securities	9,148,616	9,148,616	99,054,023
Accounts receivable	1,420,534	227,625,169	1,646,661
Interest receivable	90,682	5,990,538	981,842
Taxes receivable, delinquent	215	215	-
Due from other funds	105,188	9,934,404	106,713,375
Due from other governmental units	10,444	6,243,197	760,935
Inventories	96,110	37,264,932	359,707
Prepaid items and other current assets	19,329	3,268,226	1,345,402
Total unrestricted current assets	<u>59,991,980</u>	<u>1,233,190,268</u>	<u>709,851,071</u>
Restricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	-	266,706,561	-
In custody of other officials	-	71,175,925	-
With fiscal agent	-	290,424,604	-
Investments in custody of other officials	-	121,830,677	-
Investments with fiscal agent	-	220,034,872	-
Loaned securities	-	101,484,025	-
Accounts receivable	-	421,512,999	-
Total restricted current assets	<u>-</u>	<u>1,493,169,663</u>	<u>-</u>
Total current assets	<u>59,991,980</u>	<u>2,726,359,931</u>	<u>709,851,071</u>
Noncurrent assets:			
Bond bank receivable, restricted	-	1,080,390,000	-
Deferred charges and other assets	-	98,564,251	41,947,642
Capital assets:			
Property and equipment	113,200,995	11,902,276,160	182,945,268
Accumulated depreciation	(39,190,956)	(3,190,788,602)	(18,616,947)
Total capital assets, net of accumulated depreciation	<u>74,010,039</u>	<u>8,711,487,558</u>	<u>164,328,321</u>
Total noncurrent assets	<u>74,010,039</u>	<u>9,890,441,809</u>	<u>206,275,963</u>
Total assets	<u>134,002,019</u>	<u>12,616,801,740</u>	<u>916,127,034</u>
<b>DEFERRED OUTFLOWS</b>			
Deferred outflows - hedging derivative instruments	-	183,325,477	-

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Position  
June 30, 2012  
(Continued)

	<u>Business-Type Activities- Enterprise Funds</u>		Governmental
	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	Activities - Internal Service Funds
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Current maturities of long-term debt	348,046	6,078,046	969,678
Accounts payable	2,100,261	144,369,127	159,446,592
Accrued expenses	4,347,346	91,307,072	277,807,061
Due to other funds	2,806,404	17,443,621	15,538,302
Loaned securities	9,380,582	19,967,065	101,565,558
Deferred revenue	300,215	5,063,368	-
Deposits and other current liabilities	82,339	22,508,112	274,212
Total current liabilities (payable from current assets)	<u>19,365,193</u>	<u>306,736,411</u>	<u>555,601,403</u>
Current liabilities (payable from restricted assets):			
Current maturities of long-term debt	-	553,208,529	-
Accounts payable	-	66,440,854	-
Accrued expenses	-	152,630,779	-
Customer deposits	-	18,168,961	-
Loaned securities	-	93,470,690	-
Total current liabilities (payable from restricted assets)	<u>-</u>	<u>883,919,813</u>	<u>-</u>
Total current liabilities	<u>19,365,193</u>	<u>1,190,656,224</u>	<u>555,601,403</u>
Noncurrent liabilities:			
Long-term debt, less current maturities	5,060,028	6,947,355,723	165,763,114
Deferred revenue and other non-current liabilities	-	435,398,651	-
Total noncurrent liabilities	<u>5,060,028</u>	<u>7,382,754,374</u>	<u>165,763,114</u>
Total Liabilities	<u>24,425,221</u>	<u>8,573,410,598</u>	<u>721,364,517</u>
<b>NET POSITION</b>			
Net investment in capital assets	68,621,839	3,117,337,900	(2,404,471)
Restricted for:			
Capital projects	-	33,017,777	-
Debt service	-	213,133,493	-
Other	-	59,419,964	-
Unrestricted	40,954,959	803,807,485	197,166,988
Total Net Position	<u>\$ 109,576,798</u>	<u>\$ 4,226,716,619</u>	<u>\$ 194,762,517</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(12,692,488)	
Net assets of business-type of activities		<u>\$ 4,214,024,131</u>	

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

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the fiscal year ended June 30, 2012

	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	-	136,060,525	-	-
Water sales and related water fees	-	-	333,602,721	-
Services to patients	524,259,902	-	-	-
Landing and other airport fees	-	-	-	44,919,013
Building and land rental	-	-	-	216,475,543
Concession fees	-	-	-	68,295,717
Constable fees	-	-	-	-
Building fees and permits	-	-	-	-
Recreation fees	-	-	-	-
Parking fees	-	-	-	-
Insurance	-	-	-	-
Other	31,175,461	-	-	-
Other operating revenues	-	290,893	2,794,001	25,718,680
Total operating revenues	<u>555,435,363</u>	<u>136,351,418</u>	<u>336,396,722</u>	<u>355,408,953</u>
Operating expenses:				
Salaries and benefits	-	31,549,688	-	111,194,750
General and administrative	161,207,626	-	-	51,130,157
Other professional services	401,092,269	4,690,745	-	-
Operating and maintenance	-	24,606,922	253,808,618	62,830,882
Depreciation	11,987,132	71,292,101	85,072,124	134,232,068
Total operating expenses	<u>574,287,027</u>	<u>132,139,456</u>	<u>338,880,742</u>	<u>359,387,857</u>
Operating income (loss)	<u>(18,851,664)</u>	<u>4,211,962</u>	<u>(2,484,020)</u>	<u>(3,978,904)</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the fiscal year ended June 30, 2012  
(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	708,277	5,705,236	794,308	(59,272,418)
Interest expense	(3,815,043)	-	(39,624,869)	(160,446,494)
Gain (loss) on sale or abandonment of property and equipment	(16,800)	-	-	(33,000,245)
Consolidated tax	-	-	-	-
Sales and use tax	-	14,055,242	-	-
Contributions from primary government	31,000,000	-	-	-
Other	945,147	(3,519,218)	593,955	79,647,998
Total nonoperating revenues (expenses)	<u>28,821,581</u>	<u>16,241,260</u>	<u>(38,236,606)</u>	<u>(173,071,159)</u>
Income (loss) before contributions and transfers	9,969,917	20,453,222	(40,720,626)	(177,050,063)
Capital contributions	-	20,624,351	16,489,056	36,755,085
Transfers from other funds	1,500,000	-	-	7,425,240
Transfers to other funds	-	-	-	-
Change in net position	<u>11,469,917</u>	<u>41,077,573</u>	<u>(24,231,570)</u>	<u>(132,869,738)</u>
Net position:				
Beginning of year	57,976,894	1,527,702,243	1,099,881,332	1,544,567,738
Prior period adjustment	-	-	(8,434,568)	-
End of year	<u>\$ 69,446,811</u>	<u>\$ 1,568,779,816</u>	<u>\$ 1,067,215,194</u>	<u>\$ 1,411,698,000</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the fiscal year ended June 30, 2012  
(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	\$ 41,222	\$ 41,222	\$ -
Charges for services:			
Sewer services and operations	-	136,060,525	-
Water sales and related water fees	3,957,643	337,560,364	-
Services to patients	-	524,259,902	-
Landing and other airport fees	-	44,919,013	-
Building and land rental	-	216,475,543	-
Concession fees	-	68,295,717	-
Constable fees	3,219,813	3,219,813	-
Building fees and permits	20,973,642	20,973,642	-
Recreation fees	9,106,475	9,106,475	-
Parking fees	1,052,292	1,052,292	153,433
Insurance	-	-	166,383,466
Other	-	31,175,461	72,497,194
Other operating revenues	1,040,221	29,843,795	40,812,763
Total operating revenues	<u>39,391,308</u>	<u>1,422,983,764</u>	<u>279,846,856</u>
Operating expenses:			
Salaries and benefits	32,478,045	175,222,483	109,636,110
General and administrative	-	212,337,783	-
Other professional services	-	405,783,014	-
Operating and maintenance	12,307,301	353,553,723	173,068,277
Depreciation	3,280,602	305,864,027	6,046,385
Total operating expenses	<u>48,065,948</u>	<u>1,452,761,030</u>	<u>288,750,772</u>
Operating income (loss)	<u>(8,674,640)</u>	<u>(29,777,266)</u>	<u>(8,903,916)</u>

(Continued)



Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Position  
For the fiscal year ended June 30, 2012  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Nonoperating revenues (expenses):			
Interest income	576,503	(51,488,094)	5,968,650
Interest expense	(67,067)	(203,953,473)	(11,748,200)
Gain (loss) on sale or abandonment of property and equipment	63,228	(32,953,817)	319,458
Consolidated tax	10,346	10,346	-
Sales and use tax	309,978	14,365,220	-
Contributions from primary government	-	31,000,000	-
Other	301,527	77,969,409	12,327,925
Total nonoperating revenues (expenses)	1,194,515	(165,050,409)	6,867,833
Income (loss) before contributions and transfers	(7,480,125)	(194,827,675)	(2,036,083)
Capital contributions	375,562	74,244,054	-
Transfers from other funds	500,000	9,425,240	24,952,732
Transfers to other funds	-	-	(22,566,864)
Change in net position	(6,604,563)	(111,158,381)	349,785
Net position:			
Beginning of year	116,181,361		194,412,732
End of year	\$ 109,576,798		\$ 194,762,517
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(21,057)	
Change in net position of business-type activities		\$ (111,179,438)	

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, 2012  
(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	\$ 498,263,583	\$ 155,217,048	\$ 328,361,115	\$ 411,491,953
Cash paid for employees and for benefits	(319,287,384)	(29,612,899)	(124,172,959)	(103,151,837)
Cash paid for services and supplies	(194,820,451)	(32,875,659)	(111,549,252)	(107,988,967)
Other operating receipts	30,924,129	-	1,277,273	-
Net cash provided (used) by operating activities	<u>15,079,877</u>	<u>92,728,490</u>	<u>93,916,177</u>	<u>200,351,149</u>
Cash flows from noncapital financing activities:				
Cash provided by property taxes	-	-	-	-
Cash provided by consolidated taxes and sales and use taxes	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Contributions from other governmental units	32,500,000	-	-	-
Other noncapital financing payments	-	(3,496,025)	-	-
Net cash provided (used) by noncapital financing activities	<u>32,500,000</u>	<u>(3,496,025)</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	10,318,666	5,171,004	-
Bonds and loans issued	-	11,804,752	-	200,000,000
Federal and state grants	-	86,448	-	21,535,856
Cash used for bond issue costs	-	-	-	(859,212)
Acquisition, construction, or improvement of capital assets	(21,484,068)	(66,775,990)	(25,307,972)	(337,278,800)
Contributions received for capital purposes	-	38,019,754	-	-

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(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	(5,475,001)	(7,045,529)	(17,538,000)	(191,265,000)
Interest	(3,797,039)	(23,285,073)	(39,456,477)	(160,543,831)
Payments to bond refunding agent	-	-	-	(200,000,000)
Proceeds from the sale of capital assets	(16,800)	-	181,537	-
Proceeds from customer assessments	-	-	-	86,500,442
Sales tax apportionment	-	12,733,818	-	-
Cash provided by other capital	945,147	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(29,827,761)</u>	<u>(24,143,154)</u>	<u>(76,949,908)</u>	<u>(581,910,545)</u>
Cash flows from investing activities:				
Purchase of investments	-	(219,203,613)	(209,824,250)	(494,254,366)
Proceeds from maturities of investments	-	144,072,930	63,240,000	900,086,347
Interest income	782,642	6,499,680	617,239	8,010,873
Net cash provided (used) by investing activities	<u>782,642</u>	<u>(68,631,003)</u>	<u>(145,967,011)</u>	<u>413,842,854</u>
Net increase (decrease) in cash and cash equivalents	18,534,758	(3,541,692)	(129,000,742)	32,283,458
Cash and cash equivalents:				
Beginning of year	<u>33,055,948</u>	<u>67,632,485</u>	<u>207,779,377</u>	<u>697,406,926</u>
End of year:				
Unrestricted	13,606,070	43,666,189	7,602,710	230,968,533
Restricted	<u>37,984,636</u>	<u>20,424,604</u>	<u>71,175,925</u>	<u>498,721,925</u>
Total cash and cash equivalents at end of year	<u>\$ 51,590,706</u>	<u>\$ 64,090,793</u>	<u>\$ 78,778,635</u>	<u>\$ 729,690,458</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (18,851,664)	\$ 4,211,962	\$ (2,484,020)	\$ (3,978,904)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	11,987,132	71,292,101	85,072,124	137,052,183
Provision for doubtful accounts	49,894,132	-	-	-
(Increase) decrease in accounts receivable	(75,890,451)	18,865,629	(9,533,309)	54,658,378
Increase in due from other funds	-	-	-	-
(Increase) decrease in due from other governmental units	-	-	-	-
(Increase) decrease in inventory	898,244	225,064	-	(1,124,610)
(Increase) decrease in prepaid expense	-	(237,194)	605,269	(185,394)
(Increase) decrease in other assets	24,381,874	-	-	-
Increase (decrease) in accounts payable	22,704,590	(650,863)	12,838,803	6,602,252
Increase in accrued payroll	-	-	6,192,023	8,044,913
Increase in due to other funds	-	-	-	-
Increase (decrease) in other non-current liabilities	61,474	(978,209)	-	-
Increase (decrease) in deferred revenue	-	-	(30,912)	(1,017,553)
Increase (decrease) in deposits and other current liabilities	(105,454)	-	1,256,199	299,884
Net cash provided (used) by operating activities	<u>\$ 15,079,877</u>	<u>\$ 92,728,490</u>	<u>\$ 93,916,177</u>	<u>\$ 200,351,149</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(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	\$ -	\$ 9,987,987	\$ 11,318,052	\$ -
Property, plant and equipment purchased on account	-	15,360,077	-	-
Change in fair value of investments	-	2,385,768	(136,322)	-
Bond issuance costs deducted from bond proceeds	-	-	364,351	-
Refunding bonds issued plus premium	-	-	87,302,877	-
Bonds refunded plus premium	-	-	84,847,718	-
Deferred loss on refunded bonds	-	-	1,891,072	-
Debt issued on behalf of related party	-	-	397,465,000	-
Reduction of debt issued on behalf of related party	-	-	188,880,000	-
Contribution of land for Henderson Executive Airport	-	-	-	9,300,000

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(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	\$ 39,079,535	\$ 1,432,413,234	\$ 208,481,295
Cash paid for employees and for benefits	(33,841,973)	(610,067,052)	(42,128,134)
Cash paid for services and supplies	(13,229,900)	(460,464,229)	(189,671,569)
Other operating receipts	1,040,221	33,241,623	40,812,763
Net cash provided (used) by operating activities	<u>(6,952,117)</u>	<u>395,123,576</u>	<u>17,494,355</u>
Cash flows from noncapital financing activities:			
Cash provided by property taxes	327	327	-
Cash provided by consolidated taxes and sales and use taxes	46,773	46,773	-
Transfers from other funds	1,500,000	1,500,000	13,897,176
Transfers to other funds	-	-	(2,114,132)
Contributions from other governmental units	301,527	32,801,527	8,134
Other noncapital financing payments	-	(3,496,025)	-
Net cash provided (used) by noncapital financing activities	<u>1,848,627</u>	<u>30,852,602</u>	<u>11,791,178</u>
Cash flows from capital and related financing activities:			
Cash provided by contributed capital	375,562	15,865,232	-
Bonds and loans issued	-	211,804,752	-
Federal and state grants	-	21,622,304	-
Cash used for bond issue costs	-	(859,212)	-
Acquisition, construction, or improvement of capital assets	(2,073,472)	(452,920,302)	(902,975)
Contributions received for capital purposes	-	38,019,754	12,319,791

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Cash used for debt service:			
Principal	(337,187)	(221,660,717)	(667,208)
Interest	28,217	(227,054,203)	(11,652,583)
Payments to bond refunding agent	-	(200,000,000)	-
Proceeds from the sale of capital assets	9,256,606	9,421,343	323,070
Proceeds from customer assessments	-	86,500,442	-
Sales tax apportionment	273,551	13,007,369	-
Cash provided by other capital	-	945,147	-
Net cash provided (used) by capital and related financing activities	<u>7,523,277</u>	<u>(705,308,091)</u>	<u>(579,905)</u>
Purchase of investments	-	(923,282,229)	-
Proceeds from maturities of investments	-	1,107,399,277	-
Interest income	591,970	16,502,404	6,147,383
Net cash provided (used) by investing activities	<u>591,970</u>	<u>200,619,452</u>	<u>6,147,383</u>
Net increase (decrease) in cash and cash equivalents	3,011,757	(78,712,461)	34,853,011
Cash and cash equivalents:			
Beginning of year	<u>46,089,105</u>	<u>1,051,963,841</u>	<u>464,136,115</u>
End of year:			
Unrestricted	49,100,862	344,944,364	498,989,126
Restricted	-	628,307,090	-
Total cash and cash equivalents at end of year	<u>\$ 49,100,862</u>	<u>\$ 973,251,454</u>	<u>\$ 498,989,126</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Reconciliation of operating income (loss) to net cash flows from operating activities:			
Operating income (loss)	\$ (8,674,640)	\$ (29,777,266)	\$ (8,903,916)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	3,280,602	308,684,142	6,046,385
Provision for doubtful accounts	-	49,894,132	-
(Increase) decrease in accounts receivable	(131,428)	(12,031,181)	(376,253)
Increase in due from other funds	923,058	923,058	(19,974,854)
(Increase) decrease in due from other governmental units	29,515	29,515	213,966
Decrease in inventory	(96,110)	(97,412)	49,283
(Increase) decrease in prepaid expense	359	183,040	(112,441)
(Increase) decrease in other assets	-	24,381,874	(10,387,066)
Increase (decrease) in accounts payable	(887,982)	40,606,800	(17,694,029)
Increase in accrued payroll	(1,383,802)	12,853,134	67,507,976
Increase in due to other funds	(34,976)	(34,976)	1,187,760
Increase (decrease) in other non-current liabilities	-	(916,735)	-
Increase (decrease) in deferred revenue	(266)	(1,048,731)	-
Increase (decrease) in deposits and other current liabilities	23,553	1,474,182	(62,456)
Net cash provided (used) by operating activities	<u>\$ (6,952,117)</u>	<u>\$ 395,123,576</u>	<u>\$ 17,494,355</u>

(Continued)



Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2012  
(Continued)

	<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>
	<u>Other Enterprise Funds</u>	<u>Total Enterprise Funds</u>	
Noncash investing, capital and financing activities			
Donated mains and services	\$ -	\$ 21,306,039	\$ -
Property, plant and equipment purchased on account	-	15,360,077	-
Change in fair value of investments	-	2,249,446	-
Bond issuance costs deducted from bond proceeds	-	364,351	-
Refunding bonds issued plus premium	-	87,302,877	-
Bonds refunded plus premium	-	84,847,718	-
Deferred loss on refunded bonds	-	1,891,072	-
Debt issued on behalf of related party	-	397,465,000	-
Reduction of debt issued on behalf of related party	-	188,880,000	-
Contribution of land for Henderson Executive Airport	-	9,300,000	-
Capital expenditures funded by capital lease borrowing	-	-	167,400,000

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

Clark County, Nevada  
Fiduciary Funds  
Statement of Net Position  
June 30, 2012

	<u>Employee Benefit and Pension Trust Funds</u>	<u>Agency Funds</u>
<b>ASSETS</b>		
Cash and investments:		
In custody of the County Treasurer	\$ 2,691,428	\$ 167,043,951
In custody of other officials	-	40,703,062
With fiscal agent	191,109,390	7,908,944
Loaned securities	538,839	33,401,600
Accounts receivable	-	122,165
Interest receivable	963,104	331,083
Taxes receivable, delinquent	-	31,875,160
Due from other governmental units	-	561,806,267
Total Assets	<u>195,302,761</u>	<u>843,192,232</u>
<b>LIABILITIES</b>		
Accrued expenses	54,731	-
Loaned securities	552,501	34,248,506
Amounts held for others	-	808,943,726
Total Liabilities	<u>607,232</u>	<u>843,192,232</u>
<b>NET POSITION</b>		
Restricted for pension benefits and other purposes	<u>\$ 194,695,529</u>	<u>\$ -</u>

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

Clark County, Nevada  
Fiduciary Funds  
Statement of Changes in Net Position  
For the fiscal year ended June 30, 2012

	Employee Benefit and Pension Trust Funds
<b>ADDITIONS</b>	
Contributions:	
Contributions from employer	\$ 26,726,030
Contributions from employees	52,915
Total contributions	26,778,945
Investment earnings:	
Interest	1,544,029
Net increase in fair value of investments	10,134,848
Total investment earnings	11,678,877
Less investment expense	(116,969)
Net investment earnings	11,561,908
Total additions	38,340,853
<b>DEDUCTIONS</b>	
General and administrative	195,472
Benefit payments	30,371,301
Total deductions	30,566,773
Change in net position	7,774,080
<b>NET POSITION</b>	
Beginning of year	186,921,449
End of year	\$ 194,695,529

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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, 2012

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 accounted for in another fund.

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

The County reports the following major enterprise funds:

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, information technology, enterprise resource planning, investment pool costs and self-insurance services provided to other departments or agencies of the County, or to other governments, on a cost reimbursement basis.

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

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

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

Assets, Liabilities, and Net Position or Equity

Investments

With the exception of the Water Reclamation District 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, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position 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 pay the cost of capital projects and to meet debt service obligations.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bridges, flood control structures, traffic signals, streetlights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities, and Net Position 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 position. 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, except for the Water District that expenses these costs due to its early implementation of GASB 65, Items Previously Reported as Assets and Liabilities.

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

Net Position or Equity

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

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

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

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Position or Equity (Continued)

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

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

Accounting Changes and Restatements

In June 2012, the GASB approved Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, which changes how governments will organize their statements of financial position (such as the current government-wide statement of net position and the governmental funds balance sheet). Under these new standards, financial statements will include deferred outflows of resources and deferred inflows of resources ("deferrals"), in addition to assets and liabilities, and will report net position instead of net assets. The provisions of Statement 63 are effective for financial statements for periods ending December 31, 2012, and later. The County has elected to early implement GASB Statement No. 63 for the fiscal year ending June 30, 2012.

In April 2012, the GASB approved Statement No. 65, Items Previously Reported as Assets and Liabilities, clarifies the appropriate reporting of deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. Statement 65 reclassifies certain items currently being reported as assets and liabilities as deferred outflows of resources and deferred inflows of resources. In addition, this Statement recognizes certain items currently being reported as assets and liabilities as outflows of resources and inflows of resources. The provisions of Statement 65 are effective for financial statements for periods beginning after December 15, 2012. The Water District has elected to early implement GASB Statement No. 65 for the fiscal year ending June 30, 2012. Clark County and all other component units have not implemented GASB Statement No. 65 for the year ending June 30, 2012 or determined its impact on the financial statements.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Accounting Changes and Restatements (Cont)

Las Vegas Valley Water District

During the year, certain accounting changes were made that required the restatement of net position as shown in the table below:

	<u>As Previously Reported</u>	<u>Adjustment</u>	<u>Adjusted</u>
<b>Statement of Net Position</b>			
Accounts Receivable (2)	\$ 61,338,876	\$ (2,373,364)	\$ 58,965,512
Noncurrent Assets,			
Excluding capital assets (1)	891,815,084	(6,061,204)	885,753,880
Deferred Outflow Resources (1)	-	9,399,607	9,399,607
Noncurrent liabilities (1)	1,828,774,153	9,399,607	1,838,173,760
Net position			
Beginning of year(1)	1,122,130,040	(6,219,628)	1,115,910,412
End of year(1)(2)	\$ 1,099,881,332	\$ (8,434,568)	\$ 1,091,446,764

**Statement of Revenues, Expenses and Change in Net Position**

Total Operating Revenues (2)	\$ 333,104,590	\$ (2,373,364)	\$ 330,731,226
Non-Operating Expenses (1)	(38,997,212)	158,424	(38,838,788)
Net Loss (1)(2)	\$ (22,248,708)	\$ (2,214,940)	\$ (24,463,648)

Prior Period Adjustments

(1) Following GASB Statements No 63 and No. 65, fiscal year 2011 basic financial statements have been retroactively adjusted to recognize unamortized debt issuance costs, previously classified as noncurrent assets, as a component of interest expense. Further, unamortized debit balances resulting from advance bond refundings, previously reported as deduction to long-term bonds payable, have been reclassified as deferred outflow of resources. The effects of the adjustments on the fiscal year 2011 basic financial statements are summarized in the above table.

(2) In fiscal year 2011, accrued water sales included \$2,373,364 for unbilled Southern Nevada Water Authority (SNWA) regional commodity charges and regional reliability surcharges, but a corresponding expense to the SNWA was not accrued. (SNWA charges are collected for remittance to the SNWA). As discussed in Note 7, on the Statements of Revenues, and Changes in the Net Position, revenue collected for the SNWA is offset against the related remittance to the SNWA. Retroactive adjustments to the fiscal year 2011 basic financial statements are summarized in the above table.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Deficit Net Position

The LVMPD self-funded insurance pool fund had a fund deficit of \$5,510,704 and the Clark County Detention Center "CCDC" self-funded industrial insurance fund had a deficit of \$933,183 at June 30, 2012. Deficit positions are under review by County management and will continue to be addressed during the following fiscal year.

Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2012, the following funds exceeded appropriations:

The Big Bend Water District nonmajor enterprise fund operating and nonoperating expenses exceeded appropriations by \$19,274. The Other Post-Employment Benefits Reserve internal service fund expenses exceeded appropriations by \$38,715,035. The LVMPD Self-Funded Insurance and LVMPD Self-Funded Industrial Insurance funds expenses exceeded appropriations by \$2,282,287 and \$6,263,777 respectively.

III. DETAILED NOTES – ALL FUNDS

1. CASH AND INVESTMENTS

Deposits

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Deposits (Continued)

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 \$56,525,089 and the carrying amount was \$15,914,940. 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 \$161,679,244 and the carrying amount was \$150,203,389. The bank balance and the carrying value of deposits with fiscal agent was \$85,684.

At June 30, 2012, 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	\$5,137,973,914	
Derivative Instruments	60,472,871	
Loaned Securities	<u>749,157,560</u>	\$5,947,604,345
Cash		166,204,013
Water District Pension		<u>191,023,716</u>
 Grand total		 <u>\$6,304,832,074</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.

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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 the obligation 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, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2012, 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

Investment Type	<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>
<u>Debt Securities</u>					
U.S. Treasuries	\$ 638,258,106	\$ 118,152,921	\$ 520,105,185	\$ -	\$ -
U.S. Agencies	3,523,356,836	868,722,240	1,968,527,786	565,951,310	120,155,500
<u>State &amp; Local</u>					
Government Obligations	3,987,495	-	576,598	1,234,970	2,175,927
Corporate Obligations	364,084,017	189,829,051	141,333,016	32,921,950	-
Money Market Funds	309,876,843	309,876,843	-	-	-
Commercial Paper	208,777,420	208,777,420	-	-	-
Certificates of Deposit	206,555,582	202,715,234	3,840,348	-	-
<u>NV Local Government</u>					
Investment Pool	15,083,553	15,083,553	-	-	-
<u>Collateralized Mortgage</u>					
Obligations	39,421,967	-	818,443	6,082,427	32,521,097
<u>Collateralized</u>					
<u>Investment</u>					
Agreements*	14,867,770	14,867,770	-	-	-
Repurchase Agreements	491,669,031	491,669,031	-	-	-
Asset Backed Securities	71,192,854	-	48,333,344	17,079,610	5,779,900
Derivative Instruments	<u>60,472,871</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>60,472,871</u>
Total	<u>\$ 5,947,604,345</u>	<u>\$ 2,419,694,063</u>	<u>\$ 2,683,534,720</u>	<u>\$ 623,270,267</u>	<u>\$ 221,105,295</u>

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

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

At June 30, 2012, 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	\$110,813,819	58.01%
Equities	<u>80,209,897</u>	<u>41.99</u>
Total	<u>\$191,023,716</u>	<u>100.00%</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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	\$80,209,897
Domestic Bond Fund	Weighted Average 6.88 years	68,738,900
Money Market Fund	Weighted Average 49 days	208,598
Union Central Life Insurance Co. Contract	Open	1,558,683
N.Y. Life Insurance Co. Contract	Open	14,741,551
N.Y. Life Insurance Co. Contract	07/30/12	5,229,978
N.Y. Life Insurance Co. Contract	09/04/12	5,324,087
N.Y. Life Insurance Co. Contract	09/04/12	5,254,113
N.Y. Life Insurance Co. Contract	10/01/12	5,017,569
N.Y. Life Insurance Co. Contract	10/01/12	4,740,340
Total		<u>\$191,023,716</u>

At June 30, 2012, 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  
Quality Ratings by Moody's Investors Service

<u>Investment Type</u>	<u>Fair Value</u>	<u>Aaa</u>	<u>Aa</u>	<u>A</u>	<u>Baa</u>	<u>P**</u>	<u>Unrated</u>
<u>Debt Securities</u>							
U.S. Treasuries	\$ 638,258,106	\$ 621,290,249	\$ -	\$ -	\$ -	\$ 16,967,857	\$ -
U.S. Agencies	3,523,356,836	3,200,754,268	-	-	-	322,602,568	-
State & Local Government Obligations	3,987,495	-	3,987,495	-	-	-	-
Corporate Obligations	364,084,017	12,758,787	175,097,340	171,772,890	-	-	4,455,000
Money Market Funds	309,876,843	309,876,843	-	-	-	-	-
Commercial Paper	208,777,420	-	-	-	-	208,777,420	-
Certificates of Deposit	206,555,582	-	-	-	-	199,327,667	7,227,915
NV Local Government Investment Pool	15,083,553	-	-	-	-	-	15,083,553
Collateralized Mortgage Obligations	39,421,967	39,421,967	-	-	-	-	-
Collateralized Investment Agreements*	14,867,770	-	14,867,770	-	-	-	-
Repurchase Agreements	491,669,031	491,669,031	-	-	-	-	-
Asset Backed Securities	71,192,854	71,192,854	-	-	-	-	-
Derivative Instruments	60,472,871	-	-	-	60,472,871	-	-
Total	<u>\$5,947,604,345</u>	<u>\$4,746,963,999</u>	<u>\$193,952,605</u>	<u>\$171,772,890</u>	<u>\$60,472,871</u>	<u>\$747,675,512</u>	<u>\$ 26,766,468</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, 2012

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>06/30/12</u>
Domestic Bond Fund	AA	62.03%
Money Market Fund	Aaa	.19
Contracts	N/A	37.78

The managing institution of the Domestic Bond Fund reports an overall rating of AA at June 30, 2012, for the underlying securities. The Aaa ratings for the Money Market Fund were by Moody's.

The amounts above include investment balances for the RTC and the Flood Control District of \$413,260,889 and \$212,948,184, 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, 2012, the County invested in the following types of securities that have a higher sensitivity to interest rates:

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

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

I. 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>
313376PB5	\$24,995,750	01/11/13	Quarterly	N/A	Fixed
313379GX1	24,987,250	06/10/13	Monthly	N/A	Fixed
3134G24P4	50,093,500	11/14/14	One time	N/A	Fixed
3134G25H1	20,042,000	11/23/15	One time	N/A	Fixed
3134G3MR8	50,053,500	02/13/15	One time	N/A	Fixed
3134G3NZ9	20,018,200	02/27/15	One time	N/A	Fixed
3134G3UU2	50,000,500	05/22/15	One time	N/A	Fixed
3134G3UV0	20,006,200	11/23/15	One time	N/A	Fixed
3134G3XK1	49,931,500	06/27/18	One time	N/A	Fixed
3135G0CN1	50,029,500	08/28/14	One time	N/A	Fixed
3135G0DF7	20,012,600	09/19/14	One time	N/A	Fixed
3135G0DF7	50,031,500	09/19/14	One time	N/A	Fixed
3135G0JG9	13,613,600	09/26/14	Quarterly	N/A	Fixed
3135G0KK8	20,011,200	04/30/15	One time	N/A	Fixed
3135G0KK8	50,028,000	04/30/15	One time	N/A	Fixed
3135G0LG6	49,960,000	05/29/15	One time	N/A	Fixed
3136FR4Z3	5,011,100	09/28/16	One time	N/A	Fixed
3136FR4Z3	50,111,000	09/28/16	One time	N/A	Fixed
3136FT5E5	20,092,200	03/28/16	One time	N/A	Fixed
3136FT5E5	50,230,500	03/28/16	One time	N/A	Fixed
3136FTN62	20,171,600	02/13/17	One time	N/A	Fixed
3136FTN62	50,429,000	02/13/17	One time	N/A	Fixed
3136FTNT2	50,059,000	11/21/14	One time	N/A	Fixed
3136FTUN7	20,051,200	12/21/15	One time	N/A	Fixed
3136FTUN7	50,128,000	12/21/15	One time	N/A	Fixed
3136G0ES6	50,177,000	05/01/18	One time	N/A	Fixed
3136G0PM7	20,047,000	06/27/18	One time	N/A	Fixed
31398A4H2	50,519,000	10/08/13	One time	N/A	Fixed
80282GAC9	4,003,320	02/17/14	N/A	N/A	Fixed
65475GAD5	4,023,560	10/15/16	N/A	N/A	Fixed
98158VAD7	5,005,950	12/15/14	N/A	N/A	Fixed
92867DAC4	5,034,500	06/20/15	N/A	N/A	Fixed
36162NAD9	5,779,900	01/22/20	N/A	N/A	Fixed
44890EAC4	6,032,880	09/15/15	N/A	N/A	Fixed
80282DAC6	6,098,404	11/17/14	N/A	N/A	Fixed
89236QAC5	7,007,840	06/15/15	N/A	N/A	Fixed
43813BAD4	7,023,170	12/21/16	N/A	N/A	Fixed
65475NAD0	7,027,720	02/16/15	N/A	N/A	Fixed
65475HAD3	7,030,030	08/15/14	N/A	N/A	Fixed
43814AAD5	7,125,580	07/18/14	N/A	N/A	Fixed
31331KQW3	25,000,000	07/06/12	N/A	Prime -3.05	Floater

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

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 Moody's Investors Service as follows: U.S. Treasury Notes, Aaa; U.S. Treasury Bills, P-1; bonds of U.S. Federal agencies, Aaa; discount notes of U.S. Federal agencies, P-1; municipal bonds issued by state and local governments, Aa; money market funds, Aaa; commercial paper issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States, P-1 or higher; negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations, P-1 or higher; collateralized mortgage obligations, Aaa; collateralized investment agreements issued by insurance companies rated Aa or its equivalent or higher, or issued by entities rated A or its equivalent or higher; repurchase agreements transacted with primary dealers of the Federal Reserve and collateralized by permissible treasury and agency securities, Aaa; asset-backed securities, Aaa; corporate notes issued by corporations organized and operating in the United States which have a rating of A or its equivalent or higher. The County's investments in non-negotiable certificates of deposit are FDIC insured and do not exceed \$250,000 per insured institution.

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, 2012, the following investments exceeded five percent of the total cash and investments for all entities combined:

Federal Farm Credit Banks (FFCB)	12.44%
Federal Home Loan Banks (FHLB)	10.48
Federal Home Loan Mortgage Corporation (FHLMC)	26.50
Federal National Mortgage Association (FNMA)	20.82
Morgan Stanley Money Market Funds (MSGF)	5.98

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 brokers/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 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Securities Lending (Continued)

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's securities lending guidelines require that the aggregate reinvestment of the cash collateral may not be mismatched to the aggregate securities loaned by more than fifteen 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, 2012, was \$752,887,730. At June 30, 2012, the County had received cash collateral with a value totaling \$768,152,607. The total collateral received was in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

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, \$749,209,973 was held by the counterparty that was acting as the County's agent in securities lending transactions, and consisted of obligations of U.S. Federal agencies, U.S. corporate obligations, certificates of deposit, commercial paper, and repurchase agreements.

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 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

2. PROPERTY TAXES (Continued)

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, 2012:

<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>
\$19,622,586	\$2,786,825	\$ 2,323,702	\$ 195,601	\$ 214	\$24,928,928

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2012, consisted of the following:

	<u>Accounts Receivable</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<u>Primary Government</u>			
<b>Governmental activities:</b>			
General Fund	\$ 44,646,701	\$ (25,981,509)	\$ 18,665,192
Las Vegas Metropolitan Police	695,411	-	695,411
Other governmental	4,378,395	(1,990,999)	2,387,396
Internal service	<u>7,457,239</u>	<u>(5,810,578)</u>	<u>1,646,661</u>
Total governmental activities	<u>\$ 57,177,746</u>	<u>\$ (33,783,086)</u>	<u>\$ 23,394,660</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 24,042,768</u>		
<b>Business-type activities:</b>			
University Medical Center	\$ 429,164,826	(317,597,250)	\$ 111,567,576
Reclamation District	9,823,206	(951,130)	8,872,076
Water District	70,307,552	(1,730,610)	68,576,942
Department of Aviation	37,608,599	(420,558)	37,188,041
Other proprietary	<u>1,448,306</u>	<u>(27,772)</u>	<u>1,420,534</u>
Total business-type activities	<u>\$ 548,352,489</u>	<u>\$ (320,727,320)</u>	<u>\$ 227,625,169</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE (Continued)

	Accounts Receivable	Provisions for Doubtful Accounts	Net Accounts Receivable
<u>Primary Government (Continued)</u>			
<b>Business-type activities restricted:</b>			
University Medical Center	\$ 1,144,574	\$ -	\$ 1,144,574
Reclamation District	3,642,648	-	3,642,648
Water District	<u>1,497,115,777</u>	<u>-</u>	<u>1,497,115,777</u>
Total business-type activities restricted	<u>\$ 1,501,902,999</u>	<u>\$ -</u>	<u>\$ 1,501,902,999</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 1,080,390,000</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 Unit

Regional Transportation Commission of Southern Nevada	<u>\$10,138,562</u>	<u>\$(436,380)</u>	<u>\$9,702,182</u>
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Bond Bank Receivable

Nevada Revised Statute authorizes the County to issue general obligation bonds for the purpose of acquiring obligations issued by municipalities and authorities in Clark County for certain purposes. These general obligation bonds are shown in Note 6. The obligations issued by municipalities and authorities are shown as a bond bank receivable on the statement of net position. Balance as of June 30, 2012:

	<u>Government Activities</u>	<u>Business-Type Activities</u>
Bond bank receivable, current	\$ 35,215,000	\$ 11,600,000
Bond bank receivable, noncurrent	<u>1,320,250,000</u>	<u>1,080,390,000</u>
Total bond bank receivable	<u>\$1,355,465,000</u>	<u>\$1,091,990,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS

	<u>Balance</u> <u>July 1, 2011</u>	<u>Reclassification</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
Primary Government					
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$1,363,688,312	\$ 17,600,000	\$ 22,890,453	\$ 55,348	\$1,404,123,417
Construction in progress	<u>221,402,894</u>	<u>-</u>	<u>202,578,116</u>	<u>177,167,975</u>	<u>246,813,035</u>
Total capital assets not being depreciated	<u>1,585,091,206</u>	<u>17,600,000</u>	<u>225,468,569</u>	<u>177,223,323</u>	<u>1,650,936,452</u>
Capital assets being depreciated:					
Buildings	1,073,716,981	165,019,483	209,510,360	-	1,448,246,824
Improvements other than buildings	349,748,767	-	53,222,006	-	402,970,773
Equipment	329,376,633	-	17,665,136	15,679,829	331,361,940
Infrastructure	<u>4,897,406,983</u>	<u>-</u>	<u>214,189,449</u>	<u>21,990,000</u>	<u>5,089,606,432</u>
Total capital assets being depreciated	<u>6,650,249,364</u>	<u>165,019,483</u>	<u>494,586,951</u>	<u>37,669,829</u>	<u>7,272,185,969</u>
Less accumulated depreciation for:					
Buildings	205,455,616	11,014,365	33,435,976	-	249,905,957
Improvements other than buildings	123,425,055	-	16,847,846	-	140,272,901
Equipment	258,451,248	-	29,305,617	13,948,020	273,808,845
Infrastructure	<u>1,675,802,054</u>	<u>-</u>	<u>167,746,047</u>	<u>-</u>	<u>1,843,548,101</u>
Total accumulated depreciation	<u>2,263,133,973</u>	<u>11,014,365</u>	<u>247,335,486</u>	<u>13,948,020</u>	<u>2,507,535,804</u>
Total capital assets being depreciated, net	<u>4,387,115,391</u>	<u>154,005,118</u>	<u>247,251,465</u>	<u>23,721,809</u>	<u>4,764,650,165</u>
Government activities capital assets, net	<u>\$5,972,206,597</u>	<u>\$171,605,118</u>	<u>\$472,720,034</u>	<u>\$200,945,132</u>	<u>\$6,415,586,617</u>
<b>Business-type activities:</b>					
Capital assets not being depreciated:					
Land	\$ 913,334,267	\$ -	\$ 11,462,660	\$ -	\$ 924,796,927
Construction in progress	<u>2,228,101,216</u>	<u>-</u>	<u>430,183,778</u>	<u>2,388,480,740</u>	<u>269,804,254</u>
Total capital assets Not being depreciated.	<u>3,141,435,483</u>	<u>-</u>	<u>441,646,438</u>	<u>2,388,480,740</u>	<u>1,194,601,181</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Reclassification</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
Primary Government (Continued)					
Capital assets being depreciated:					
Land improvements	3,222,672,801	-	352,516,634	7,086,020	3,568,103,415
Buildings and improvements	3,873,110,559	-	1,837,716,449	83,409,459	5,627,417,549
Equipment	<u>1,294,908,574</u>	<u>-</u>	<u>228,543,390</u>	<u>11,297,948</u>	<u>1,512,154,016</u>
Total capital assets being depreciated	<u>8,390,691,934</u>	<u>-</u>	<u>2,418,776,473</u>	<u>101,793,427</u>	<u>10,707,674,980</u>
Less accumulated depreciation for:					
Land improvements	1,039,556,396	-	97,380,134	7,094,011	1,129,842,519
Buildings and improvements	1,260,528,021	-	135,296,574	41,430,556	1,354,394,039
Equipment	<u>642,104,912</u>	<u>-</u>	<u>73,187,319</u>	<u>8,740,186</u>	<u>706,552,045</u>
Total accumulated depreciation	<u>2,942,189,329</u>	<u>-</u>	<u>305,864,027</u>	<u>57,264,753</u>	<u>3,190,788,603</u>
Total capital assets being depreciated, net	<u>5,448,502,605</u>	<u>-</u>	<u>2,112,912,446</u>	<u>44,528,674</u>	<u>7,516,886,377</u>
Business-type activities capital assets, net	<u>\$8,589,938,088</u>	<u>\$ -</u>	<u>\$2,554,558,884</u>	<u>\$2,433,009,414</u>	<u>\$8,711,487,558</u>

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

**Governmental activities:**

General government	\$ 19,571,949
Judicial	6,680,940
Public safety	41,674,097
Public works	170,621,691
Health	99,425
Welfare	488,117
Culture and recreation	17,996,977
Other	<u>745,201</u>

Total depreciation expense – governmental activities \$257,878,397

**Business-type activities:**

Hospital	\$ 11,987,132
Water	86,277,561
Airport	134,232,068
Sewer	71,292,101
Other	<u>2,075,165</u>

Total depreciation expense – business-type activities \$305,864,027



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012, were as follows:

	<u>Spent to date</u>	<u>Remaining Commitment</u>
<b>Governmental activities:</b>		
Buildings and improvements	\$ 133,939,311	\$ 191,975,709
Infrastructure:		
Work in progress – RFCDC Clark County projects	13,385,949	96,479,507
Work in progress – Public Works	91,560,538	724,670,367
Work in progress – RTC Clark County projects	<u>7,927,237</u>	<u>37,020,815</u>
Total infrastructure	<u>112,873,724</u>	<u>858,170,689</u>
Total governmental activities	<u>\$ 246,813,035</u>	<u>\$1,050,146,398</u>
<b>Business-type activities:</b>		
Hospital	\$ 23,047,463	\$ 17,300,000
Water	50,865,066	11,677,423
Airport	42,154,679	509,151,003
Sewer	153,692,077	135,165,129
Other	<u>44,969</u>	<u>-</u>
Total business-type activities	<u>\$ 269,804,254</u>	<u>\$ 673,293,555</u>

Discretely Presented Component Units

Flood Control District

	<u>Balance July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2012</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 129,444	\$ 44,627	\$ 34,825	\$ 139,246
Capital assets being depreciated:				
Building	3,019,694	-	-	3,019,694
Equipment	<u>1,596,868</u>	<u>139,547</u>	<u>80,404</u>	<u>1,656,011</u>
Total capital assets being depreciated	<u>\$ 4,616,562</u>	<u>139,547</u>	<u>80,404</u>	<u>4,675,705</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued)

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
Less accumulated depreciation for:				
Building	779,886	63,017	-	842,903
Equipment	<u>1,433,782</u>	<u>99,907</u>	<u>79,170</u>	<u>1,454,519</u>
Total accumulated depreciation	<u>2,213,668</u>	<u>162,924</u>	<u>79,170</u>	<u>2,297,422</u>
 Total capital assets being depreciated, net	 <u>2,402,894</u>	 <u>(23,377)</u>	 <u>1,234</u>	 <u>2,378,283</u>
 Government activities capital assets, net	 <u>\$2,532,338</u>	 <u>\$ 21,250</u>	 <u>\$ 36,059</u>	 <u>\$2,517,529</u>

Depreciation expense of \$162,924 was charged to the public works function.

RTC

	<u>Balance</u> <u>July 1, 2011</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2012</u>
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 264,472	\$ 2,741,545	\$ 418,767	\$ 2,587,250
Total capital assets not being depreciated	<u>264,472</u>	<u>2,741,545</u>	<u>418,767</u>	<u>2,587,250</u>
 Capital assets being depreciated:				
Buildings	18,522,095	-	-	18,522,095
Equipment	<u>3,290,715</u>	<u>418,767</u>	<u>-</u>	<u>3,709,482</u>
Total capital assets being depreciated	<u>21,812,810</u>	<u>418,767</u>	<u>-</u>	<u>22,231,577</u>
 Less accumulated depreciation for:				
Buildings	4,523,846	369,120	-	4,892,966
Equipment	<u>2,304,074</u>	<u>379,185</u>	<u>-</u>	<u>2,683,259</u>
Total accumulated depreciation	<u>6,827,920</u>	<u>748,305</u>	<u>-</u>	<u>7,576,225</u>
 Total capital assets being depreciated, net	 <u>14,984,890</u>	 <u>(329,538)</u>	 <u>-</u>	 <u>14,655,352</u>
 Governmental activities capital assets, net	 <u>\$ 15,249,362</u>	 <u>\$ 2,412,007</u>	 <u>418,767</u>	 <u>\$17,242,602</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

	Balance July 1, 2011	Increases	Decreases	Balance June 30, 2012
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 32,038,082	\$ -	\$ -	\$ 32,038,082
Construction Progress	<u>17,630,804</u>	<u>15,340,609</u>	<u>7,789,192</u>	<u>25,182,221</u>
Total capital assets not being depreciated	<u>49,668,886</u>	<u>15,340,609</u>	<u>7,789,192</u>	<u>57,220,303</u>
Capital assets being depreciated:				
Buildings and improvements	176,772,362	4,625,079	-	181,397,441
Equipment	<u>330,749,225</u>	<u>3,164,113</u>	<u>19,400,747</u>	<u>314,512,591</u>
Total capital assets being depreciated	<u>507,521,587</u>	<u>7,789,192</u>	<u>19,400,747</u>	<u>495,910,032</u>
Less accumulated depreciation for:				
Buildings and improvements	27,991,955	5,694,107	-	33,686,062
Equipment	<u>124,427,914</u>	<u>29,893,690</u>	<u>19,400,747</u>	<u>134,920,857</u>
Total accumulated depreciation	<u>152,419,869</u>	<u>35,587,797</u>	<u>19,400,747</u>	<u>168,606,919</u>
Total capital assets being depreciated, net	<u>355,101,718</u>	<u>(27,798,605)</u>	<u>-</u>	<u>327,303,113</u>
Business-type activities capital assets, net	<u>\$404,770,604</u>	<u>\$(12,457,996)</u>	<u>\$ 7,789,192</u>	<u>\$384,523,416</u>

Depreciation expense was charged to the following functions or programs:

**Governmental activities:**

Public Works \$ 748,305

**Business-type activities:**

Public Transit \$ 35,587,797

Construction commitments include major arterial roadway projects with various local entities of approximately \$57,550,000. In addition, the Public Transit fund has outstanding construction commitments of approximately \$15,600,000 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

Due to/from other funds at June 30, 2012, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 2,856,699
	Las Vegas Metropolitan Police Fund	1,283,936
	Nonmajor Enterprise Funds	296,469
	Internal Service Funds	95,796
	University Medical Center	16,679
	Department of Aviation	146,357
Las Vegas Metropolitan Police Fund	General Fund	1,283,936
	Nonmajor Governmental Funds	108,966
	Between Las Vegas Metropolitan Police Fund	351
Nonmajor Governmental Funds	General Fund	47,714,148
	Between Nonmajor Governmental Funds	18,343,489
	Internal Service Funds	165,427
Department of Aviation	General Fund	1,337,932
	Las Vegas Metropolitan Police Fund	484,148
University Medical Center	General Fund	4,121,247
	Nonmajor Governmental Funds	3,885,889
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	75,938
	Department of Aviation	29,250
	General Fund	65,829,749
Internal Service Funds	Nonmajor Governmental Funds	8,635,011
	Las Vegas Metropolitan Police Fund	16,670
	Nonmajor Enterprise Funds	2,509,935
	Between Internal Service Funds	15,277,079
	University Medical Center	14,444,931
Total due to/from other funds		<u>\$ 188,960,032</u>

Interfund transfers for the year ended June 30, 2012, consisted of the following:

<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 9,794,231
	Las Vegas Metropolitan Police Fund	189,260,273
	Nonmajor Governmental Funds	129,186,767
	Between Nonmajor Governmental Funds	86,330,278
	Internal Service Funds	2,114,132
Nonmajor Enterprise Funds	General Fund	500,000
	General Fund	2,000,000
Internal Service Funds	Nonmajor Governmental Funds	2,500,000
	Between Internal Service Funds	20,452,732
	Nonmajor Governmental Funds	1,500,000
University Medical Center	General Fund	7,425,240
Department of Aviation		<u>\$ 451,063,653</u>
Total interfund transfers		<u>\$ 451,063,653</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012, 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, 2012</u>
1992	Transportation Improvement	06/01/92	06/01/17	4.90-8.00 %	\$250,000,000	\$ 21,800,000
2001	Bond Bank	06/01/01	06/01/13	5.00-5.50	250,000,000	6,580,000
2002	Bond Bank	11/01/02	12/01/14	5.00-5.25	200,000,000	15,750,000
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	38,850,000
2004	Transportation Improvement	12/30/04	12/01/19	3.00-5.00	74,895,000	67,910,000
2004	Park and Justice Center	12/30/04	11/01/17	3.00-5.00	48,935,000	37,305,000
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	70,820,000
2006	Bond Bank	06/13/06	06/01/30	4.00-4.75	242,880,000	229,755,000
2006	Bond Bank	11/02/06	11/01/36	2.50-5.00	604,140,000	582,405,000
2007	Public Facilities	05/24/07	06/01/24	4.00-5.00	22,325,000	21,250,000
2008	Transportation Improvement	03/13/08	06/01/19	3.460	71,045,000	47,940,000
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	18,180,000
2009	Public Facilities	05/14/09	06/01/24	2.00-4.75	24,865,000	10,295,000
2009	Transportation BABs	06/23/09	06/01/29	2.69-7.05	60,000,000	53,150,000
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	119,510,000
2012	Bond Bank	06/20/12	06/01/32	4.00-5.00	85,015,000	85,015,000
Total General Obligation Bonds						<u>\$1,900,855,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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 Requirement</u>
2013	\$ 91,985,000	\$ 92,412,476	\$ 184,397,476
2014	96,505,000	86,512,854	183,017,854
2015	97,780,000	80,518,946	178,298,946
2016	100,150,000	74,889,479	175,039,479
2017	106,500,000	70,034,269	176,534,269
2018-2022	376,675,000	286,872,453	663,547,453
2023-2027	395,335,000	195,263,539	590,598,539
2028-2032	386,455,000	100,064,801	486,519,801
2033-2037	223,900,000	32,787,125	256,687,125
2038	<u>25,570,000</u>	<u>1,278,500</u>	<u>26,848,500</u>
	<u>\$1,900,855,000</u>	<u>\$1,020,634,442</u>	<u>\$2,921,489,442</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, 2012</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 Requirement</u>
2013	\$ -	\$ 583	\$ 583
2014	-	583	583
2015	-	583	583
2016	-	583	583
2017	-	583	583
2018-2022	-	2,915	2,915
2023-2027	-	2,915	2,915
2028-2032	-	2,915	2,915
2033-2037	=	2,915	2,915

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Revenue Bonds (Continued)

Year Ending June 30,	Principal	Interest	Total Requirement
	-	2,915	2,915
2038-2042	-	2,915	2,915
2043-2047	-	2,915	2,915
2053-2057	-	2,915	2,915
2058-2059	10,000	1,166	11,166
	<u>\$ 10,000</u>	<u>\$ 27,401</u>	<u>\$ 37,401</u>

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

Special Assessment 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, 2012</u>
2001	Summerlin Centre #128B	05/17/01	02/01/21	4.50-6.75	\$ 10,000,000	\$ 3,705,000
2001	Summerlin Centre #132	05/17/01	02/01/21	4.50-6.875	24,000,000	12,495,000
2002	Durango #89	06/15/02	08/01/12	1.50-4.20	150,000	6,052
2002	Tropicana #116	06/15/02	08/01/12	1.50-4.20	118,000	7,627
2002	Maryland Parkway #118	06/15/02	08/01/12	1.50-4.20	421,000	30,052
2002	Craig Road #119A	06/15/02	08/01/12	1.50-4.20	67,000	2,170
2002	Jones Blvd. #120	06/15/02	08/01/12	1.50-4.20	194,000	5,760
2003	Flamingo Rd. #123	06/15/02	08/01/12	1.50-4.20	405,000	13,339
2003	Las Vegas Blvd. #97A	06/01/03	03/01/16	2.00-3.70	6,970,000	1,755,000
2003	Durango #117	06/01/03	03/01/14	2.00-3.50	277,000	19,246
2003	Summerlin Gardens #124A	12/23/03	02/01/20	2.25-4.50	4,399,431	2,149,914
2003	Summerlin Gardens #124B	12/23/03	02/01/20	1.50-5.90	1,929,727	989,592
2003	Jones Blvd. #125	06/01/03	03/01/14	2.00-3.50	322,000	58,871
2003	Boulder Highway #126A	06/01/03	03/01/23	2.00-4.30	2,119,000	915,000
2003	Tenaya Way #136	06/01/03	03/01/14	2.00-3.50	300,000	54,165
2003	Buffalo Drive #139	06/01/03	03/01/14	2.00-3.50	527,000	52,717
2003	Summerlin Centre #128A	11/03/03	02/01/21	3.50-6.30	10,000,000	6,125,000
2003	Mountains Edge #142	12/04/03	08/01/23	2.25-6.375	92,360,000	64,625,000
2003	Summerlin South #108A	12/23/03	02/01/17	2.25-4.50	17,335,569	6,375,086
2003	Summerlin South #108B	12/23/03	02/01/17	3.30-5.70	8,375,273	3,280,408
2004	Mountain Vista St. #113	6/29/04	02/01/15	3.50-4.30	322,424	45,019
2004	Silverado Ranch Blvd. #130	6/29/04	02/01/15	3.50-4.30	1,747,504	386,293
2004	Stewart Ave. #133	6/29/04	02/01/15	3.50-4.30	205,850	40,241
2004	Pebble Road #138	6/29/04	02/01/15	3.50-4.30	808,817	220,989
2004	Buffalo Drive #141	6/29/04	02/01/15	3.50-4.30	64,569	7,033

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued)

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2012
2004	Alta Drive Bridge #143	6/29/04	02/01/14	3.50-4.30	1,807,964	456,688
2004	Durango #144B	6/29/04	02/01/15	3.50-4.30	816,871	223,737
2005	Summerlin Mesa #151	10/12/05	08/01/25	3.15-5.00	25,485,000	19,975,000
2006	Commercial Center #140	05/23/06	02/01/16	4.50	709,000	249,939
2006	Robindale Road #134	05/23/06	02/01/16	4.50	21,000	7,995
2006	Russell Road #127	05/23/06	02/01/16	4.50	1,522,000	414,474
2006	Tenaya Way #145	05/23/06	02/01/16	4.50	125,000	27,592
2006	Southern Highlands #121A	05/31/06	12/01/19	3.75-5.00	30,620,000	17,535,000
2006	Southern Highlands #121B	05/31/06	12/01/29	3.90-5.30	13,515,000	10,255,000
2007	Alexander #146	05/02/07	02/01/17	4.00-4.25	448,000	129,256
2007	Craig Road #148	05/02/07	02/01/17	4.00-4.25	495,000	145,530
2007	Durango #144A	05/02/07	02/01/17	4.00-4.25	397,000	179,639
2007	Fort Apache #131	05/02/07	02/01/17	4.00-4.25	462,000	205,575
2007	Summerlin Centre #128A	05/01/07	02/01/31	3.95-5.05	10,755,000	9,440,000
2007	Summerlin Centre #128A	05/01/07	02/01/21	3.95-5.00	480,000	345,000
2008	Flamingo Underground #112	05/13/08	08/01/37	4.00-5.00	70,000,000	65,720,000
2009	Industrial Road #135	11/10/09	08/01/18	2.00-4.00	431,459	330,492
2009	Durango Drive #144C	11/10/09	08/01/19	2.00-4.00	5,213,541	<u>4,109,509</u>
Total Special Assessment Bonds						<u>\$233,115,000</u>

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2013	\$ 15,135,000	\$ 11,984,201	\$ 27,119,201
2014	15,675,000	11,259,766	26,934,766
2015	16,035,000	10,482,898	26,517,898
2016	16,480,000	9,662,934	26,142,934
2017	16,575,000	8,793,710	25,368,710
2018-2022	72,325,000	30,884,580	103,209,580
2023-2027	38,580,000	14,216,331	52,796,331
2028-2032	19,450,000	8,036,189	27,486,189
2033-2037	18,580,000	3,481,250	22,061,250
2038	<u>4,280,000</u>	<u>107,000</u>	<u>4,387,000</u>
	<u>\$233,115,000</u>	<u>\$108,908,859</u>	<u>\$342,023,859</u>



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Capital Leases

<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2012</u>
Low-Level Offender Detention Facility	08/15/09	08/15/39	7.35%	\$182,619,483	\$182,619,483
LVMPD Headquarters Complex	07/01/11	06/01/41	6.97%	167,400,000	<u>166,732,792</u>
					<u>\$349,352,275</u>

Future minimum lease payments under these capital leases without exercising the purchase options described below are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Accrued Interest</u>	<u>Total Requirement</u>
2013	\$ 969,678	\$ 23,625,312	\$ 1,900,422	\$ 26,495,412
2014	1,299,016	24,148,732	1,426,619	26,874,367
2015	1,657,260	24,167,126	1,406,828	27,231,214
2016	2,046,593	24,676,795	858,396	27,581,784
2017	2,469,362	24,648,239	787,709	27,905,310
2018-2022	15,284,312	124,006,371	176,824	139,467,507
2023-2027	30,763,584	114,131,480	-	144,895,064
2028-2032	73,685,681	94,279,417	-	167,965,098
2033-2037	123,724,499	59,460,784	-	183,185,283
2038-2041	<u>97,452,290</u>	<u>11,234,447</u>	<u>-</u>	<u>108,686,737</u>
	<u>\$ 349,352,275</u>	<u>\$ 524,378,703</u>	<u>\$ 6,556,798</u>	<u>\$ 880,287,776</u>

Low-Level Offender Detention Facility

On September 14, 2007, the County entered in a long-term lease agreement (the “Master Lease”) with PH Metro, LLC for the lease of a detention facility of approximately 1,000 beds contained in approximately 139,000 square feet and an administrative building of approximately 60,000 square feet located on 17 acres at the Northeast corner of Sloan and Las Vegas Boulevard, Las Vegas, Nevada (the “Leased Property”). The Leased Property is for the operation of a low level offender facility and administrative offices. The facility is valued at \$17,600,000 for land and \$165,019,483 for buildings. Accumulated depreciation is \$16,043,561 as of June 30, 2012. The term of the lease commenced on August 10, 2009 and continues for a period of approximately thirty years at a monthly base rent of \$945,660 and is subject to a 6% increase every 24 months. The Master Lease provides for the option to extend the lease term by three separate renewal periods, each of five years in duration.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Capital Leases (Cont.)

Low Level Offender Detention Facility (Cont.)

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

LVMPD Headquarters Complex

On December 2, 2008, the County entered in a long-term lease agreement (the "Master Lease") with Project Alta II, LLC for the lease of three multi-story office buildings totaling 370,500 square feet located at the Northwest corner of Martin Luther King Boulevard and Alta Drive in Las Vegas, Nevada (the "Leased Property"). The Leased Property is for the operation of the Las Vegas Metropolitan Police Department ("LVMPD") headquarters complex that includes various administrative offices, training and meeting rooms, and investigative bureaus (including specialized evidence processing and storage rooms). The complex is valued at \$5,082,187 for land and \$162,317,813 for buildings. Accumulated depreciation is \$5,410,594 as of June 30, 2012. The term of the lease commenced on July 1, 2011 and continues for a period of approximately thirty years at a monthly base rent of \$1,026,649 and is subject to an annual base rent adjustment. The Master Lease provides for the option to extend the lease term by two separate renewal periods, each of ten years in duration. Clark County has the option to purchase the Leased Property during any of the following 12-month periods: (A) the 12-month period beginning upon the earlier of (i) the third annual anniversary of the commencement date of the last building, or (ii) the first day of the forty-seventh month after the commencement date of the first building (the earlier of the two options herein referred to as the "Option Period Reference Date") or (B) the 12 month periods which commence upon the fifth, tenth, fifteenth, twentieth, and twenty-fifth annual anniversaries of Option Period Reference Date. The price to be paid for the purchase of the Leased Property shall be the greater of (i) \$167,400,000, or (ii) fair market value. In accordance with State law, the County may terminate the Master Lease at the end of each fiscal year if the County decides not to appropriate funds to pay amounts due under the Master Lease in the ensuing fiscal year.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

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 “rebatale arbitrage,” is due five years after issuing the bonds. Excess earnings of one year may be offset by lesser earnings in subsequent years.

The following summarizes activity for the year:

	<u>Litigation</u>	<u>Arbitrage</u>	<u>Total</u>
Accrual, July 1, 2011	\$2,500,000	\$ 100,000	\$ 2,600,000
Additions	-	-	-
Deletions	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Accrual, June 30, 2012	<u>\$2,500,000</u>	<u>\$ -</u>	<u>\$2,500,000</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012:

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

The total remaining principal and interest payments for property tax supported bonds was \$44,755,500 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$8,907,250, and required debt service totaled \$8,907,250.

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>
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 \$100,657,609 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$41,142,089 (of the total \$274,280,594 of general fund consolidated tax), and required debt service totaled \$13,693,029.

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, 2012

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
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 bonds was \$322,900,115 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$52,117,932; consisting of \$45,920,073 of supplemental governmental services tax; \$1,708,728 of non-resort corridor room tax; and \$4,489,131 of the total \$6,700,196 development tax. Required debt service totaled \$31,213,412. 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 2012, \$493,563 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	12/01/2012
2004B Transportation Improvement	12/01/2019
2006B Transportation Improvement	06/01/2016

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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 \$184,561,843 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$36,529,090. Required debt service totaled \$21,259,380.

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 \$5,499,415 at June 30, 2012. In fiscal year 2012, revenues from the Laughlin room tax amounted to \$518,841 requiring an additional \$493,563 of beltway revenues to provide the annual debt service of \$1,012,404. As described above, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service.

Court Administrative Assessment Supported Bonds

These bonds are secured by a pledge of the \$10 court administrative assessment for the provision of justice court facilities. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest. The 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 \$10,654,063 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$1,612,900. Required debt service totaled \$1,402,374.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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 \$23,930,608 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$1,991,740. Required debt service totaled \$1,991,740.

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 \$342,023,859 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$34,417,036. Required debt service totaled \$32,129,916.

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
2012 Bond Bank (SNWA)	06/01/2032

The total remaining principal and interest payments for bond bank supported bonds was \$2,208,047,777 at June 30, 2012. In fiscal year 2012, pledged revenues received totaled \$78,071,556. Required debt service totaled \$78,071,556.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type 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, 2012</u>
2003	Big Bend Water District	06/03/04	01/01/25	3.19 %	\$ 4,000,000	\$ 2,876,819 (a)
2004	Big Bend Water District	08/06/04	07/01/24	3.20	6,000,000	2,511,380 (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	11/1/03	09/01/23	2.25-5.00	37,765,000	9,055,000 (c)
2005	University Medical Center	07/28/05	03/01/20	4.00-5.00	48,390,000	43,140,000 (c)
2007	University Medical Center	05/22/07	09/01/23	4.19	18,095,000	17,990,000(c)
2009	University Medical Center	03/10/09	11/01/07	3.00-3.50	6,950,000	6,285,000(c)
2003	Water Reclamation District	04/01/03	07/01/12	2.70-5.00	47,170,000	7,060,000 (d)
2007	Water Reclamation District	11/13/07	07/01/37	4.00-4.75	55,000,000	55,000,000 (d)
2008	Water Reclamation District	11/20/08	07/01/38	4.00-6.00	115,825,000	115,825,000 (d)
2009A	Water Reclamation District	04/01/09	07/01/38	4.00-5.25	135,000,000	135,000,000 (d)
2009B	Water Reclamation District	04/01/09	07/01/38	4.00-5.75	125,000,000	125,000,000 (d)
2009C	Water Reclamation District	10/16/09	07/01/29	0.00	5,744,780	5,434,251 (d)
2011A	Water Reclamation District	03/25/11	01/01/31	3.188	40,000,000	13,448,420 (d)
2003A	Las Vegas Valley Water Dist.	01/09/03	06/01/32	4.00-5.2525	168,685,000	43,960,000 (d)
2005A	Las Vegas Valley Water Dist.	05/04/05	06/01/27	4.00-5.00	302,425,000	233,310,000 (e)
2006A	Las Vegas Valley Water Dist.	06/01/06	06/01/36	4.75-5.00	151,555,000	140,330,000 (e)
2006B	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	69,465,000 (e)
2006C	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	69,465,000 (e)
2008A	Las Vegas Valley Water Dist.	02/19/08	12/01/37	5.00	190,760,000	165,520,000 (e)
2008B	Las Vegas Valley Water Dist.	02/19/08	06/01/26	3.50-5.00	171,720,000	116,335,000 (e)
2009A	Las Vegas Valley Water Dist.	08/05/09	06/01/39	7.10	90,000,000	90,000,000 (e)
2009B	Las Vegas Valley Water Dist.	08/05/09	06/01/32	4.00-5.25	10,000,000	10,000,000(e)
2009C	Las Vegas Valley Water Dist.	12/29/09	06/01/39	7.013-7.26	348,115,000	348,115,000(e)
2009D	Las Vegas Valley Water Dist.	12/29/09	06/01/30	4.25-5.25	71,965,000	71,965,000(e)
2010A	Las Vegas Valley Water Dist.	06/15/10	03/01/40	5.60-5.70	75,995,000	75,995,000(e)
2010B	Las Vegas Valley Water Dist.	06/15/10	03/01/38	2.00-4.625	31,075,000	31,075,000(e)
2011A	Las Vegas Valley Water Dist.	05/26/11	06/01/26	4.84	58,110,000	58,110,000(e)
2011B	Las Vegas Valley Water Dist.	10/19/11	06/01/27	4.29	129,650,000	129,650,000(e)
2011C	Las Vegas Valley Water Dist.	10/19/11	06/01/38	4.04	287,815,000	267,815,000(e)
2011D	Las Vegas Valley Water Dist.	10/19/11	06/01/27	3.57	78,680,000	<u>78,680,000(e)</u>
Total General Obligation Bonds						<u>\$2,618,520,870</u>

- (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, 2012.
- (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 Clark County Water Reclamation District enterprise fund.
- (e) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

General Obligation Bonds (Continued)

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2013	\$ 53,583,575	\$ 130,941,117	\$ 184,524,692
2014	54,304,783	128,679,581	182,984,364
2015	70,284,772	126,348,916	196,633,688
2016	82,278,293	123,976,789	206,255,082
2017	83,495,620	120,399,806	203,895,426
2018-2022	473,187,339	542,152,648	1,015,339,987
2023-2027	578,910,166	418,139,963	997,050,129
2028-2032	412,621,322	297,678,913	710,300,235
2033-2037	513,775,000	182,254,219	696,029,219
2038-2040	296,080,000	29,535,607	325,615,607
	<u>\$ 2,618,520,870</u>	<u>\$ 2,100,107,559</u>	<u>\$ 4,718,628,429</u>

Revenue Bonds

	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2012
1993A	Department of Aviation	5/18/93	07/01/12	variable %	\$339,000,000	\$ 34,400,000(a)
1998 APFC	Department of Aviation	04/01/98	07/01/22	4.10-5.50	214,245,000	81,690,000(a)
2002APFC	Department of Aviation	10/01/02	07/01/13	4.00-5.25	34,490,000	5,645,000(a)
2003C	Department of Aviation	5/29/03	07/01/22	5.00-5.375	105,435,000	89,405,000(a)
2004A1	Department of Aviation	09/01/04	07/01/22	5.00-5.50	128,430,000	128,430,000(a)
2004A2	Department of Aviation	09/01/04	07/01/24	5.00-5.125	232,725,000	232,725,000(a)
2005A	Department of Aviation	09/14/05	07/01/36	4.50	69,590,000	69,590,000(a)
2006A	Department of Aviation	09/21/06	07/01/40	4.00-5.00	100,000,000	32,585,000(a)
2007A1	Department of Aviation	05/16/07	07/01/40	4.00-5.00	150,400,000	150,400,000(a)
2007A2	Department of Aviation	05/16/07	07/01/27	5.00	56,225,000	56,225,000(a)
2007A1PFC	Department of Aviation	04/27/07	07/01/40	4.00-5.00	113,510,000	112,205,000(a)
2007A2PFC	Department of Aviation	04/27/07	07/01/26	5.00	105,475,000	105,475,000(a)
2008C1	Department of Aviation	03/19/08	07/01/27	variable	122,900,000	122,900,000(a)
2008C2	Department of Aviation	03/19/08	07/01/40	variable	71,550,000	71,550,000(a)
2008C3	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,450,000(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)

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012</u>
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	42,750,000(a)
2008APFC	Department of Aviation	06/26/08	07/01/18	5.00-5.25	115,845,000	100,345,000(a)
2008A2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000(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	6.88	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	3.00-5.42	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	200,000,000(a)
2010F1	Department of Aviation	11/04/10	07/01/17	2.00-5.00	104,160,000	90,065,000(a)
2010F2	Department of Aviation	11/04/10	07/01/22	3.00	100,000,000	100,000,000(a)
2011B1	Department of Aviation	8/03/11	07/01/22	Variable	100,000,000	100,000,000(a)
2011B2	Department of Aviation	8/03/11	07/01/22	Variable	100,000,000	100,000,000(a)
2008	Las Vegas Valley Water District	07/15/18	12/15/22	1.30	2,520,000	<u>1,848,000(b)</u>
Total Revenue Bonds						<u>\$4,436,333,000</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, 2012.
- (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 Requirement</u>
2013	\$ 105,703,000	\$ 237,349,666	\$ 343,052,666
2014	268,138,000	229,074,121	497,212,121
2015	67,068,000	225,755,688	292,823,688
2016	71,463,000	222,148,662	293,611,662
2017	84,403,000	217,965,109	302,368,109
2018-2022	684,070,000	988,281,607	1,672,351,607
2023-2027	716,488,000	803,588,696	1,520,076,696
2028-2032	508,175,000	638,299,245	1,146,474,245

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Revenue Bonds (Continued)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2033-2037	\$ 582,830,000	\$ 497,794,021	\$ 1,080,624,021
2038-2042	847,305,000	290,513,006	1,137,818,006
2043-2046	<u>500,690,000</u>	<u>58,710,775</u>	<u>559,400,775</u>
	<u>\$ 4,436,333,000</u>	<u>\$ 4,409,480,596</u>	<u>\$ 8,845,813,596</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, 2012</u>
2004	Commercial Paper	06/02/04	02/28/14	.20%	\$400,000,000	\$400,000,000 (a)
	<u>Total Loans Payable</u>					<u>\$400,000,000</u>

(a) 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 Requirement</u>
2013	\$400,000,000	\$73,198	\$400,073,198
	<u>\$400,000,000</u>	<u>\$73,198</u>	<u>\$400,073,198</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Reclassification</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Government Activities:						
Gen. obligation bonds	\$1,971,170,000	\$ -	\$ 85,015,000	\$ 155,330,000	\$1,900,855,000	\$ 91,985,000
Revenue bonds	10,000	-	-	-	10,000	-
Special assessment bonds with governmental commitment	252,320,000	-	-	19,205,000	233,115,000	15,135,000
Loans	181,690	-	-	181,690	-	-
Capital leases	-	182,619,483	167,400,000	667,208	349,352,275	969,678
Litigation accrual	2,500,000	-	-	-	2,500,000	-
County and Fire OPEB liability	124,111,793	-	46,234,837	-	170,346,630	-
LVMPD OPEB liability	202,194,586	-	49,053,452	-	251,248,038	-
Compensated absences	<u>183,120,648</u>	<u>-</u>	<u>117,313,417</u>	<u>118,693,425</u>	<u>181,740,640</u>	<u>105,000,000</u>
Total	<u>\$2,735,608,717</u>	<u>\$ 182,619,483</u>	<u>\$ 465,016,706</u>	<u>\$294,077,323</u>	<u>\$3,089,167,583</u>	<u>\$ 213,089,678</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	\$ 2,431,668,836	\$ 496,145,000	\$ 309,292,966	\$ 2,618,520,870	\$ 53,583,575
Revenue bonds	4,627,766,000	200,000,000	391,433,000	4,436,333,000	105,703,000
Loans	400,000,000	-	-	400,000,000	400,000,000
OPEB Liability	99,057,463	40,104,505	-	139,161,968	1,300,000
Compensated absences	63,322,730	59,174,270	57,653,438	64,843,562	60,727,801
Other liabilities	<u>135,018,716</u>	<u>160,827,469</u>	<u>2,425,263</u>	<u>293,420,922</u>	<u>-</u>
Total	<u>7,756,833,745</u>	<u>956,251,244</u>	<u>760,804,667</u>	<u>7,952,280,322</u>	<u>621,314,376</u>
Total long-term debt	<u>\$10,492,442,462</u>	<u>\$1,603,887,433</u>	<u>\$1,054,881,990</u>	<u>\$11,041,447,905</u>	<u>\$834,404,054</u>

Unamortized premium/discount on governmental activity general obligation bonds amounted to \$16,591,765.  
Unamortized premium/discount on governmental activity special assessment bonds amounted to \$(5,853,767).  
Unamortized premium/discount on business-type activity general obligation bonds amounted to \$ 26,736,959.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III.DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Unamortized premium/discount on business-type activity revenue bonds amounted to \$14,812,136. The Water District has implemented GASB Statements No. 63 and No. 65 to recognize unamortized debt issuance costs, previously classified as noncurrent assets as a component of interest expense. These adjustments resulted in a \$10,239,333 difference in unamortized premium/discount on business-type activity for general obligation bonds. 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

In August 2011, the County issued \$200 million in AMT weekly variable rate debt obligations. The Series 2011B-1 bonds, for \$100 million in principal, and 2011B-2 bonds, also for \$100 million in principal, mature on July 1, 2022. The Series 2011B bonds were issued to refund the outstanding Clark County, Nevada, Airport System Junior Subordinate Lien Revenue Notes, Series 2008A-1 bonds and 2008B-1 bonds, each with \$100 million in principal. The irrevocable, transferable letter of credit for the 2011B-1 bonds carries a term through 2014. The annual commitment fee to Citibank, N.A. is 85 basis points. The direct pay letter of credit for the 2011B-2 bonds has a term through 2014. The annual commitment fee to Royal Bank of Canada is 85 basis points.

On October 19, 2011, the Water District issued Series 2011B, \$129,650,000 par value general obligation refunding bonds, additionally secured by the SNWA pledged revenues, at par, with a true interest cost of 4.29%. The bonds were dated and delivered October 19, 2011. Proceeds of the bonds, less \$878,685 to pay the costs of issuing the bonds, were deposited into escrow to purchase government securities to advance refund at 100% of par plus accrued interest certain outstanding SNWA bond obligations totaling \$114,960,000 principal.

On October 19, 2011, the Water District issued Series 2011C, \$267,815,000 par value general obligation refunding bonds, additionally secured by the SNWA pledged revenues, for a net premium of \$24,389,617 and a true interest cost of 4.04%. The bonds were dated and delivered October 19, 2011. Proceeds of the bonds together with \$24,389,617 of SNWA funds, less \$1,663,124 to pay the cost of issuing the bonds, were deposited into escrow to purchase government securities to advance refund at 100% of par plus accrued interest certain outstanding SNWA bond obligations totaling \$286,615,000 principal, including \$188,880,000 principal of the Water District's Series 2003B bonds, additionally secured by SNWA pledged revenues. The average coupon rate of the Series 2003B advanced refunded bonds is 5.10%.

On October 19, 2011 the Water District issued Series 2011D, \$78,680,000 par value general obligation refunding bonds for a net premium of \$8,622,887 and a true interest cost of 3.57%. The bonds were dated and delivered October 19, 2011. Proceeds of the bonds, less \$564,097 to pay the costs of issuing the bonds, were deposited into escrow to purchase government securities to advance refund at 100% of par plus accrued interest \$81,990,000 of the Water District's Series 2003A general obligation water improvement and refunding bonds. The average coupon rate of the Series 2003A refunding bonds is 5.10%.

The partial refunding of the Series 2003A bond issue by the 2011D issue resulted in an accounting loss of \$1,891,072. Following GASB Statement No. 23, the Water District has deferred the accounting loss and will amortize it as a component of interest expense through fiscal year 2027. The Water District reduced its total debt service payments over the current and next 15 fiscal years by \$6,614,618 and obtained a present value economic gain of \$5,204,097.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Current Year Refunded and Defeased Bond Issues (Cont)

On June 20, 2012, the County issued \$85,015,000 general obligation (limited tax) Bond Bank Refunding Bonds (additionally secured by pledged revenues) Series 2012 at a fixed rate that ranges between 4.00 and 5.00 percent. The bonds were issued for the purpose of refunding \$30,805,000 of the Bond Bank Series 2001 and \$53,980,000 of Series 2002 bonds and to pay certain costs of issuance thereof. The bonds were issued at a premium of \$2,034,243 and resulted in a gain of \$2,086,056. This refunding resulted in a net present value savings of \$10,445,365.

Discretely Presented Component Units

RTC

On November 29, 2011 the Clark County issued \$118,105,000 Highway Revenue (Motor Vehicle Fuel Tax) Refunding Bonds at a fixed rate that ranges between 4 and 5 percent for the RTC. The bonds were issued for the purpose of refunding \$124,025,000 of the County's Highway Revenue (Motor Vehicle Fuel Tax) Improvement and Refunding Bonds, Series 2003 and to pay certain costs of issuance thereof. The bonds were issued at a premium of \$17.4 million and resulted in a loss of \$7.8 million. This refunding resulted in a future cash flow savings \$12 million, which has a present value savings of \$10.2 million and a net present value savings of \$8.8 million. The 2011 refunding bonds mature in 2023

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, 2012, the following were the remaining balances of the defeased bond issues:

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Special Assessment Bonds:	
Series of December 1, 1992	\$ 720,000
Series of October 1, 1995	3,970,000
Series of April 15, 1994	300,000
Series of December 14, 1999	33,810,000
Clark County Public Safety:	
Series of October 1, 1996	40,245,000
Series of March 1, 2000	4,805,000
Clark County Transportation:	
Series of June 1, 1992 (C)	2,620,000
Series of July 1, 1994 (A)	44,075,000
Series of July 1, 1994 (C)	1,570,000
Series of December 1, 1998(A)	30,040,000
Series of December 1, 1998(B)	20,030,000
Series of February 1, 2000(A)	24,000,000
Series of February 1, 2000(B)	21,340,000
Series of January 15, 1996(A)	40,260,000
Series of January 15, 1996(B)	32,205,000
Series of March 1, 1998(A)	44,600,000
Series of March 1, 1998(C)	4,165,000
Las Vegas Valley Water District:	
General Obligation Bonds:	
Series of September 1, 1992	3,415,000
Series of April 1, 1994	13,950,000
Series of March 1, 1995	4,685,000
Series of July 1, 1995	8,700,000
Series of July 1, 1996	137,040,000
Clark County Parks and Regional Justice Center:	
Series of 1999	64,680,000
Clark County Bond Bank:	
Series of July 1, 2000	166,110,000
Series of June 1, 2001	197,720,000
Series of November 1, 2002	151,435,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Clark County Government Center:	
Series of July 1, 1993	6,505,000
Clark County Public Facilities:	
Series of March 1, 1999(A)	3,950,000
Series of March 1, 1999(B)	9,035,000
Series of March 1, 1999(C)	18,225,000
Airport Improvement Bonds:	
Series of August 1, 1992(A)	128,855,000
Series of August 1, 1992(B)	51,170,000
Series of May 1, 1993	14,855,000
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)	50,750,000
Series of 2005(C1, 2, 3)	215,150,000
Series of 2005(D1, 2, 3)	205,375,000
Series of 2005(E1, 2, 3)	58,920,000
Series of 1998(A)	50,535,000
Series of 1998(A) PFC	103,330,000
Hospital Bonds:	
Series of 2000	43,665,000
Series of 2003	17,205,000
Series of 2007	6,245,000
Flood Control Bonds:	
Series of September 15, 1998	<u>69,750,000</u>
Total	<u>\$2,413,340,000</u>

Conduit Debt Obligations

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



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments

(a) Interest Rate Swaps

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

As summarized in the tables below, the Department has 22 outstanding swap transactions as of June 30, 2012, with initial notional amounts totaling \$3,137,170,000. The outstanding notional total as of June 30, 2012, was \$2,410,685,000, comprising \$1,493,340,000 in floating-to-fixed swaps, \$400,364,000 in fixed-to-fixed swaps, and \$516,981,000 in basis swaps. The current mark-to-market value, or fair value, of each derivative instrument is detailed below, with the total valuation of all outstanding swap agreements as of June 30, 2012, being \$(197,578,321).

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

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

With regard to credit risk, the potential exposure is mitigated through the use of an ISDA credit support annex ("CSA"). Under the terms of a master agreement between the Department and the counterparties, each swap counterparty is required to post collateral to a third party when the counterparty's credit rating falls below the trigger level defined in each swap agreement. As long as the Department retains insurance, the Department is not required to post any collateral. Only the counterparties are required to post collateral. As of June 30, 2012, none of the counterparties are required to post collateral. This protects the Department from credit risks inherent in the swap agreements.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

Interest Rate Swap Analysis and Market Values  
as of June 30, 2012

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	County Pays	County Receives	Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Counterparty Moody's	Counterparty S&P	Counterparty Ratings Fitch	Outstanding Notional June 30, 2012
01	Floating-to-Fixed	1993A Non-AMT	6.6900%	Bond Rate	6/1/1993	7/1/2012	\$ 259,700,000	AIG Financial Products Corp.	Baa1	A-	N/A	\$ 34,400,000
02	Basis Swap	Initially 2004B AMT	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%	8/23/2001	7/1/2036	185,855,000	Citigroup Financial Products Inc.	Baa2	A-	A	81,318,000
03 *	Floating-to-Fixed	2005A-1, 2005A-2 AMT	5.4900% to 7/2010; 3.0000% to maturity	69.0% of USD LIBOR + 0.350%	4/4/2005	7/1/2022	259,900,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
04	Basis Swap	Initially 2001B, 1998A, 2003B Non-AMT	SIFMA Swap Index	68.0% of USD LIBOR + 0.435%	7/1/2003	7/1/2025	200,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	135,663,000
05 *	Floating-to-Fixed	2008C AMT	4.9700% to 7/2010; 3.0000% to maturity	62.6% of USD LIBOR + 0.330%	3/19/2008	7/1/2025	60,175,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
06	Basis Swap	Initially 2004A-1 AMT, 2004 A-2 Non-AMT	SIFMA Swap Index	62.2% of USD LIBOR + 0.300% to 7/2010; 62.2% of USD LIBOR + 1.052% to maturity	9/1/2004	7/1/2025	300,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	300,000,000
07A †	Floating-to-Fixed	2008A-2 AMT, 2011 B-2 AMT	4.3057% to 7/2017; 0.2500% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	150,000,000
07B †	Floating-to-Fixed	2008B-2 AMT, 2011 B-1 AMT	4.3057% to 7/2017; 0.2500% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	UBS AG	A2	A	A	150,000,000
08A	Floating-to-Fixed	2008C AMT	4.0000% to 7/2015; 3.0000% to maturity	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	3/19/2008	7/1/2040	151,200,000	Citigroup Financial Products Inc.	Baa2	A-	A	151,200,000
08B	Floating-to-Fixed	2008C AMT	4.0000% to 7/2015; 3.0000% to maturity	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	3/19/2008	7/1/2040	31,975,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	31,975,000
08C	Floating-to-Fixed	2008C AMT	4.0000% to 7/2015; 3.0000% to maturity	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	3/19/2008	7/1/2040	31,975,000	UBS AG	A2	A	A	31,975,000
09A	Floating-to-Fixed	2008D-1 AMT	5.0000% to 7/2015; 1.2100% to maturity	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	3/19/2008	7/1/2036	41,330,000	Citigroup Financial Products Inc.	Baa2	A-	A	41,330,000
09B	Floating-to-Fixed	2008D-1 AMT	5.0000% to 7/2015; 1.2100% to maturity	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	3/19/2008	7/1/2036	8,795,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	8,795,000
09C	Floating-to-Fixed	2008D-1 AMT	5.0000% to 7/2015; 1.2100% to maturity	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	3/19/2008	7/1/2036	8,795,000	UBS AG	A2	A	A	8,795,000
10A *	Floating-to-Fixed	2008D-2 AMT	4.0030% to 7/2015; 2.2700% to maturity	62.0% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	139,735,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
10B	Floating-to-Fixed	2008D-2 AMT	4.0030% to 7/2015; 2.2700% to maturity	62.0% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	29,935,000
10C	Floating-to-Fixed	2008D-2 AMT	4.0030% to 7/2015; 2.2700% to maturity	62.0% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	UBS AG	A2	A	A	29,935,000
11 *	Floating-to-Fixed	2008D-3 Non-AMT	4.7420% to 7/2010; 1.2120% to maturity	62.0% of USD LIBOR + 0.280%	4/4/2008	7/1/2029	122,865,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
12A	Floating-to-Fixed	2008D-2A / 2008D-2B AMT, 2008D-3 AMT	5.6260% to 7/2017; 0.2500% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2026	200,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	200,000,000
12B †	Floating-to-Fixed	2008C / 2008D-2 / 2010F-2 / 2010E-2 / 2011A	6.0000% to 7/2017; 1.4550% to maturity	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2038	350,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	350,000,000
13 *	Floating-to-Fixed	2010A AMT	6.0000% to 7/2017; 1.9130% to maturity	61.9% of USD LIBOR + 0.270%	7/1/2010	7/1/2040	150,000,000	Citigroup Financial Products Inc.	Baa2	A-	A	-
14A **	Floating-to-Fixed	2008A	3.8860%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2030	73,025,000	UBS AG	A2	A	A	73,025,000
14B **	Floating-to-Fixed	2008A / 2010E-2 / 2011A	3.8810%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2037	201,975,000	Citigroup Financial Products Inc.	Baa2	A-	A	201,975,000
<b>Remaining portions of swaps after April 6, 2010 terminations</b>												
15	Fixed-to-Fixed	swap #03 (amended and restated)	1.0200% until 7/1/2010	1.4700% starting at 7/1/2010	4/6/2010	7/1/2022	-	Citigroup Financial Products Inc.	Baa2	A-	A	59,879,000
16	Fixed-to-Fixed	swap #05 (amended and restated)	1.3700% until 7/1/2010	0.6000% starting at 7/1/2010	4/6/2010	7/1/2025	-	Citigroup Financial Products Inc.	Baa2	A-	A	50,750,000
17	Fixed-to-Fixed	swap #10A (amended and restated)	0.8730% until 7/1/2015	0.8600% starting at 7/1/2015	4/6/2010	7/1/2040	-	Citigroup Financial Products Inc.	Baa2	A-	A	139,735,000
18	Fixed-to-Fixed	swap #13 (amended and restated)	2.4930% until 7/1/2017	1.5940% starting at 7/1/2017	4/6/2010	7/1/2040	-	Citigroup Financial Products Inc.	Baa2	A-	A	150,000,000
							<b>\$ 3,137,170,000</b>					<b>\$ 2,410,685,000</b>

Source: The PFM Group

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

† On November 4, 2010, the Department refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Upon refunding, swap #12B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2010 F-2 PFC bonds and became an investment instrument. The remaining \$250 million was re-associated with the 2008 C and 2008 D-3 bonds along with the 2010 E-2 notes.

‡ On August 3, 2011, the Department refunded the outstanding principal of its Series 2008 A-1 and B-1 bonds with the Series 2011 B-1 and B-2 bonds, respectively. Upon refunding, swap #7B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-1 bonds, and swap #7A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-2 bonds.

\*\* On July 1, 2011, forward swaps 14A and 14B, both with a trade date of April 17, 2007, became effective as scheduled. \$4.48 million of the entire notional amount of swap 14A, \$73.025 million, was associated with the 2008A general obligation bonds, with the excess notional balance classified as an investment derivative. The entire notional amount of swap 14B, \$201.975 million, was associated both with the principal of the 2008A general obligation bonds remaining after the association of swap 14A and with the 2010 E-2 notes and 2011A notes. Although the notes are deemed to mature in perpetuity, the 2008A general obligation bond matures on July 1, 2027, a date in advance of the maturities of swaps 14A and 14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps 14A and 14B associated with these excess maturities were classified as investment derivatives.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

As indicated in the previous section, the Department entered into various interest rate swap agreements to hedge financial risks associated with the cost of borrowing and the cash flows associated with the Department's variable interest rate debt. In accordance with the provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, the Department is required to report the fair value of all derivative instruments on the Statement of Net Position. In addition, GASB Statement No. 53 requires that all derivatives be classified into two basic types: (1) hedging derivatives and (2) investment derivatives. Hedging derivatives are derivative instruments that significantly reduce an identified financial risk by substantially offsetting changes in cash flows or fair values of an associated hedgeable item. Hedging derivatives are required to be tested for their effectiveness. The effectiveness is tested using 1) Consistent Critical Terms method and 2) Regression Analysis method. The Department uses an external consulting firm to perform this evaluation. Investment derivatives either are derivative instruments entered into primarily for income or profit purposes or are derivative instruments that do not meet the criteria of an effective hedging derivative instrument. Changes in the fair value of hedging derivative instruments are presented as deferred inflows or deferred outflows on the Statement of Net Position, and changes in the fair value of investment derivative instruments are recognized as gains or losses on the Statement of Revenues, Expenses, and Changes in Net Position.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

The table below provides the fair values and the changes in fair value of the Department's interest rate swap agreements for the year ended June 30, 2012.

Swap #	Description	Fair Value and Classifications as of June 30, 2012			Changes in fair value for the twelve months ended June 30, 2012		
		Outstanding Notional	Derivative Instrument Classification	Amount	Deferred Outflows	Deferred Inflows	Net Change
<b>Hedging derivative instruments</b>							
01	Floating-to-Fixed Interest Rate Swap	\$ 34,400,000	Non-current liability	\$ (11,216)	\$ (2,199,456)	\$ -	\$ (2,199,456)
03 *	Floating-to-Fixed Interest Rate Swap	-	-	-	-	-	-
05 *	Floating-to-Fixed Interest Rate Swap	-	-	-	-	-	-
07A ‡	Floating-to-Fixed Interest Rate Swap	150,000,000	Non-current liability	(11,285,484)	(331,896)	-	(331,896)
07B ‡	Floating-to-Fixed Interest Rate Swap	150,000,000	Non-current liability	(11,277,896)	(331,766)	-	(331,766)
10A *	Floating-to-Fixed Interest Rate Swap	-	-	-	-	-	-
10B	Floating-to-Fixed Interest Rate Swap	29,935,000	Non-current asset	(4,344,539)	4,344,539	(238,793)	4,583,332
10C	Floating-to-Fixed Interest Rate Swap	29,935,000	Non-current asset	(4,344,540)	4,344,540	(238,836)	4,583,376
11 *	Floating-to-Fixed Interest Rate Swap	-	-	-	-	-	-
12A	Floating-to-Fixed Interest Rate Swap	200,000,000	Non-current liability	(25,051,110)	13,665,974	-	13,665,974
12B †	Floating-to-Fixed Interest Rate Swap	250,000,000	Non-current liability	(56,285,881)	43,747,223	-	43,747,223
13 *	Forward Floating-to-Fixed Interest Rate Swap	-	-	-	-	-	-
14A **	Floating-to-Fixed Interest Rate Swap	4,480,000	Non-current liability	(1,073,504)	(10,092,994)	-	(10,092,994)
14B **	Floating-to-Fixed Interest Rate Swap	201,975,000	Non-current liability	(59,431,849)	26,274,098	-	26,274,098
Total hedging activities		1,050,725,000		(173,106,019)	79,420,262	(477,629)	79,897,891
<b>Investing derivative instruments</b>							
02	Basis Rate Swap	81,318,000	Non-current liability	(4,167,084)	\$ (231,949)	\$ -	(231,949)
04	Basis Rate Swap	135,663,000	Non-current asset	989,229	917,854	-	917,854
06	Basis Rate Swap	300,000,000	Non-current asset	17,556,634	6,699,911	-	6,699,911
08A	Floating-to-Fixed Interest Rate Swap	151,200,000	Non-current asset	(29,613,471)	(33,315,922)	-	(33,315,922)
08B	Floating-to-Fixed Interest Rate Swap	31,975,000	Non-current asset	(6,262,420)	(7,045,741)	-	(7,045,741)
08C	Floating-to-Fixed Interest Rate Swap	31,975,000	Non-current asset	(6,262,437)	(7,045,786)	-	(7,045,786)
09A	Floating-to-Fixed Interest Rate Swap	41,330,000	Non-current asset	(2,011,378)	(6,551,950)	-	(6,551,950)
09B	Floating-to-Fixed Interest Rate Swap	8,795,000	Non-current asset	(428,230)	(1,394,076)	-	(1,394,076)
09C	Floating-to-Fixed Interest Rate Swap	8,795,000	Non-current asset	(428,225)	(1,394,086)	-	(1,394,086)
12B †	Floating-to-Fixed Interest Rate Swap	100,000,000	Non-current asset	542,590	(628,245)	-	(628,245)
14A **	Floating-to-Fixed Interest Rate Swap	68,545,000	Non-current liability	(21,779,168)	(21,779,168)	-	(21,779,168)
14B **	Floating-to-Fixed Interest Rate Swap	-	Non-current liability	(13,992,758)	(13,992,758)	-	(13,992,758)
<b>*Remaining portions of swaps after April 6, 2010 terminations</b>							
15	Fixed-to-Fixed Swap (formerly Swap #03)	59,879,000	Non-current asset	4,500,480	(589,193)	-	(589,193)
16	Fixed-to-Fixed Swap (formerly Swap #05)	50,750,000	Non-current asset	3,395,203	75,349	-	75,349
17	Fixed-to-Fixed Swap (formerly Swap #10A)	139,735,000	Non-current asset	15,054,437	5,150,025	-	5,150,025
18	Fixed-to-Fixed Swap (formerly Swap #13)	150,000,000	Non-current asset	18,434,296	12,137,412	-	12,137,412
Total investing activities		1,359,960,000		(24,472,302)	(68,988,323)	-	(68,988,323)
<b>Total</b>		<b>\$ 2,410,685,000</b>		<b>\$ (197,578,321)</b>			<b>\$ 10,909,568</b>

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

† Hedging component or investment component, as applicable.

‡ On August 3, 2011, the Department refunded the outstanding principal of its Series 2008 A-1 and B-1 bonds with the Series 2011 B-1 and B-2 bonds, respectively. Upon refunding, swap #7B was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-1 bonds, and swap #7A was re-associated with the cash flows of the \$100 million of outstanding principal of the Series 2011 B-2 bonds.

\*\* Hedging component or investment component, as applicable.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

On November 4, 2010, the Department refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Prior to the refunding, swap #12B served as a hedge to the cash flows associated with \$100,000,000 in principal of the Series 2005 A-1 PFC bonds. Upon execution of the refunding, swap #12B was re-associated with the cash flows of the \$100,000,000 of outstanding principal of the Series 2010 F-2 PFC bonds, and the fair value of swap #12B was revalued using the forward rates in effect at the time of the refunding. This created an asset, a deferred loss on imputed debt, and an offsetting liability, imputed debt, in the amount of \$12,388,710, and this deferred loss on imputed debt and corresponding imputed debt are amortized against each other on a straight-line basis over the remaining life of the swap. In addition, the term life of the cash flows associated with \$100,000,000 in outstanding notional for swap #12B exceeded the term life of the cash flows associated with the outstanding principal of the Series 2010 F-2 PFC bonds; therefore, the portion of the fair value of swap #12B whose term life matched the that of the Series 2010 F-2 PFC bonds was classified as a hedging derivative, and the remaining portion of the fair value of swap #12B was classified as an investment derivative. Specifically, \$1,182,879 of swap #12B was reclassified from being a hedging derivative to being an investment derivative.

On July 1, 2011, forward floating-to-fixed swaps #14A and #14B, both with a trade date of April 17, 2007, became effective as scheduled. \$4,480,000 of the entire notional amount of swap 14A, \$73,025,000, was associated with the 2008A general obligation bonds, with the excess notional balance of \$68,545,000 classified as an investment derivative. The entire notional amount of swap #14B, \$201,975,000, was associated both with the principal of the 2008A general obligation bonds remaining after the association of swap #14A and with the 2010 E-2 notes and 2011A notes. Although these two notes are deemed to mature in perpetuity, the 2008A general obligation bond matures on July 1, 2027, a date in advance of the maturities of swaps #14A and #14B, which occur on July 1, 2030 and July 1, 2037, respectively. Therefore, those portions of swaps #14A and #14B associated with these excess maturities were classified as investment derivatives. On June 19, 2012, the Department paid down the Series 2011A Note.

On August 3, 2011, the Department refunded the Series 2008 B-1 bonds and the Series 2008 A-1 bonds with the Series 2011 B-2 bonds and the Series 2011 B-1 bonds, respectively. At the time of the refunding, swap #7A, with a notional amount of \$150,000,000, hedged both the 2008 A-2 bonds, with principal of \$50,000,000, and the 2008 B-1 bonds, with principal of \$100,000,000. Also at the time of the refunding, swap #7B, with a notional amount of \$150,000,000, hedged both the 2008 B-2 bonds, with principal of \$50,000,000, and the 2008 A-1 bonds, with principal of \$100,000,000. When the 2008 B-1 bonds and the 2008 A-1 bonds were refunded, the \$100,000,000 notional components of both swap #7A and #7B, respectively, were also refunded. Upon refunding, the \$100,000,000 notional component of swap #7A and the \$100,000,000 notional component of swap #7B were re-associated with the 2011 B-2 bonds and the 2011 B-1 bonds, respectively. This re-association resulted in a revaluation of swaps #7A and #7B to adjust the overall swap rates of each swap to the market rate, which created an asset, a deferred loss on imputed debt, and an offsetting liability, imputed debt, in the amount of \$10,706,687 for swap #7A and in the amount of \$10,706,687 for swap #7B. This deferred loss on imputed debt and corresponding imputed debt are amortized against each other on a straight-line basis over the remaining lives of the

On July 1, 2012, the Department refunded the \$200,000,000 Series 2010 E-2 Notes by issuing the Series 2012 A-1 Subordinate Lien Revenue Notes for \$180,000,000, along with a contribution by the Department of \$22,631,319 and obtained \$120,000,000 in new proceeds with the issuance of the Series 2010 A-2 Subordinate Lien Revenue Notes. When this refunding occurred, the notional components of swap #14B that were associated with notes 2010 E-2 and 2011A were re-associated with notes 2012 A-1 and 2012 A-2.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

(b) Hedging Derivative Instruments

On June 30, 2012, the Department had nine outstanding floating-to-fixed interest rate swap agreements considered to be hedging derivative instruments in accordance with the provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

Objective:

As a means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department executed floating-to-fixed interest rate swaps in connection with its issuance of variable rate bonds. The intention of implementing these swaps was to convert the Department's variable interest rates on the bonds to synthetic fixed rates. As of June 30, 2012, the Department had six outstanding hedging swaps that had been structured with step-down coupons to reduce the cash outflows of the fixed leg of those swaps in the later years of the swap.

Forward Starting Swap Agreements:

On January 3, 2006, the Department entered into five swap agreements (swaps #7A, #7B, #12A, #12B, and #13) to hedge future variable rate debt as a means to lower its borrowing costs and to provide favorable synthetically fixed rates for financing the construction of Terminal 3 and other related projects. Swap #7A, with a notional amount of \$150,000,000, hedged both the 2008 A-2 bonds, with principal of \$50,000,000 and the 2008 B-1 bonds, with principal of \$100,000,000, while swap #7B, with a notional amount of \$150,000,000, hedged both the 2008 B-2 bonds, with principal of \$50,000,000, and the 2008 A-1 bonds, with principal of \$100,000,000. Swaps #12A and #12B, with notional amounts totaling \$550,000,000, became effective July 1, 2009; and swap #13, with a notional amount totaling \$150,000,000, was scheduled to become effective July 1, 2010. Due to the attractive market rates for fixed rate bonds, together with the favorable provisions of the American Recovery and Reinvestment Act of 2009, the Department chose to refinance its outstanding bond anticipation notes and issue fixed rate bonds to complete financing for the construction of Terminal 3. As a result, the planned \$550,000,000 of 2009 series A and B variable rate bonds was not issued on July 1, 2009. In addition, to better match its outstanding notional of floating-to-fixed interest rate swaps to the cash flows associated with its outstanding variable rate bonds, on April 6, 2010, the Department terminated \$543,300,000 in notional amounts of its outstanding floating-to-fixed interest rate swaps (swaps #3, #5, #10A, and #11) and \$150,000,000 in the notional amount of the July 1, 2010, forward starting swap #13. On April 17, 2007, the Department entered into two additional forward starting swaps, swaps #14A and #14B, with notional amounts totaling \$275,000,000, which became effective July 1, 2011, as scheduled.

Terms, Notional Amounts, and Fair Values:

The terms, notional amounts, and fair values of the Department's hedging derivatives at June 30, 2012, are included in the table below. The notional amounts of the swap agreements match the principal portions of the associated debt and contain reductions in the notional amounts that are expected to follow the reductions in principal of the associated outstanding

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	Effective Date	Outstanding Notional Amount	County Pays	County Receives	Fair Value	Maturity Date
01	Floating-to-Fixed	1993A Non-AMT	6/1/1993	\$ 34,400,000	6.6900%	Bond Rate	\$ (11,216)	7/1/2012
07A	Floating-to-Fixed	2008A-2 AMT, 2008B-2 AMT	7/1/2008	150,000,000	4.3057% to 7/2017; 0.2500% to maturity	64.7% of USD LIBOR + 0.280%	(11,285,484)	7/1/2022
07B	Floating-to-Fixed	2008B-2 AMT, 2011 B-1 AMT	7/1/2008	150,000,000	4.3057% to 7/2017; 0.2500% to maturity	64.7% of USD LIBOR + 0.280%	(11,277,896)	7/1/2022
10B	Floating-to-Fixed	2008D-2 AMT	3/19/2008	29,933,000	4.0030% to 7/2015; 2.2700% to maturity	62.0% of USD LIBOR + 0.280%	(4,344,539)	7/1/2040
10C	Floating-to-Fixed	2008D-3 AMT	3/19/2008	29,933,000	4.0030% to 7/2015; 2.2700% to maturity	62.0% of USD LIBOR + 0.280%	(4,344,540)	7/1/2040
12A	Floating-to-Fixed	2008D-2A / 2008D-2B AMT, 2008D-3 AMT	7/1/2009	200,000,000	5.6260% to 7/2017; 0.2500% to maturity	64.7% of USD LIBOR + 0.280%	(25,051,110)	7/1/2026
12B †	Floating-to-Fixed	2008C / 2008D-2 / 2010F-2 / 2010E-2 / 2011A	7/1/2009	250,000,000	6.0000% to 7/2017; 1.4550% to maturity	64.7% of USD LIBOR + 0.280%	(56,285,881)	7/1/2038
14A **	Floating-to-Fixed	2008A	7/1/2011	4,480,000	5.8860%	64.4% of USD LIBOR + 0.280%	(1,073,504)	7/1/2030
14B **	Floating-to-Fixed	2008A / 2010E-2 / 2011A	7/1/2011	201,973,000	5.8810%	64.4% of USD LIBOR + 0.280%	(59,431,849)	7/1/2037
				<u>\$ 1,050,723,000</u>			<u>\$ (173,106,019)</u>	

† Hedging component only  
\*\* Hedging component only

Due to a decrease in variable rates during FY 2012, none of the Department's hedging derivatives had positive fair values as of June 30, 2012. The fair values are estimated using the methodology discussed above under subnote (a), "Interest Rate Swaps."

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

*Associated Debt Cash Flows:*

The net cash flows for the Department's hedging derivative instruments for the year ended June 30, 2012, are provided in the table below.

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payment
			(Pay)	Receive	Net		
01	Floating-to-Fixed	1993A Non-AMT	\$ (2,301,360)	\$ 639,496	\$ (1,661,864)	\$ (954,482)	\$ (2,616,346)
03 *	Floating-to-Fixed	2005A-1, 2005A-2 AMT	-	-	-	-	-
05 *	Floating-to-Fixed	2008C AMT	-	-	-	-	-
07A	Floating-to-Fixed	2008A-2 AMT, 2008B-2 AMT	(6,458,550)	652,328	(5,806,222)	(600,507)	(6,406,729)
07B	Floating-to-Fixed	2008B-2 AMT, 2011 B-1 AMT	(6,458,550)	652,437	(5,806,113)	(655,918)	(6,462,031)
10A *	Floating-to-Fixed	2008D-2 AMT	-	-	-	-	-
10B	Floating-to-Fixed	2008D-2 AMT	(1,198,298)	128,520	(1,069,778)	(35,262)	(1,105,040)
10C	Floating-to-Fixed	2008D-2 AMT	(1,198,298)	128,505	(1,069,793)	(35,262)	(1,105,055)
11 *	Floating-to-Fixed	2008D-3 Non-AMT	-	-	-	-	-
12A	Floating-to-Fixed	2008D-2A / 2008D-2B AMT, 2008D-3 AMT	(11,252,000)	871,251	(10,380,749)	(280,672)	(10,661,421)
12B	Floating-to-Fixed	2008C / 2008D-2 / 2010F-2 / 2010E-2 / 2011A	(15,000,000) †	1,089,064 †	(13,910,936)	(10,441,674)	(24,352,610)
13 *	Floating-to-Fixed	2010A AMT	-	-	-	-	-
14A	Floating-to-Fixed	2008A	(66,652) **	7,450 **	(59,202)	(627,778)	(686,980)
14B	Floating-to-Fixed	2008A / 2010E-2 / 2011A	(3,172,407) **	354,956 **	(2,817,451)	(627,778)	(3,445,229)
			<u>\$ (47,106,115)</u>	<u>\$ 4,524,007</u>	<u>\$ (42,582,108)</u>	<u>\$ (14,259,333)</u>	<u>\$ (56,841,441)</u>

\* Terminated on April 6, 2010

† Hedging component only, pro-rated over swap notional

\*\* Hedging component only, pro-rated over swap notional

*Credit Risk:*

The Department is exposed to credit risk in the amount of the hedging derivatives' positive fair values. Since none of the hedging derivatives had a positive fair value as of June 30, 2012, the Department was exposed to no credit risk for these derivatives. Nonetheless, as described earlier, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances. The counterparty credit ratings for the Department's hedging derivative instruments at June 30, 2012, are included in the table below.



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

Swap#	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
01	Floating-to-Fixed	AIG Financial Products Corp.	Baa1	A-	N/A	\$ -
03 *	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
05 *	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
07A	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	-
07B	Floating-to-Fixed	UBS AG	A2	A	A	-
10A *	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
10B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	-
10C	Floating-to-Fixed	UBS AG	A2	A	A	-
11 *	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
12B †	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
13 *	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
14A **	Floating-to-Fixed	UBS AG	A2	A	A	-
14B **	Floating-to-Fixed	Citigroup Financial Products Inc.	Baa2	A-	A	-
						\$ -

\* Terminated on April 6, 2010

† Hedging component only

\*\* Hedging component only

*Basis and Interest Rate Risk:*

The floating-to-fixed swap #01 is not subject to basis risk or interest rate risk because the variable amount received from the swap counterparty matches the payment due to the bondholders on the 1993A Non-AMT bonds. All the remaining hedging derivative swaps are subject to basis and interest rate risk should the relationship between the LIBOR rate and the Department's bond rates converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

*Tax Policy Risk:*

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

*Termination Risk:*

The Department is exposed to termination risk if either the credit rating of the bonds associated with the swap or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, i.e. if an additional termination event ("ATE") occurs. If at the time of the ATE the swap has a negative fair value, the Department would be liable to the counterparty for a payment equal to the swap's fair value. For all swap agreements, except for swap #06, #08A, and #09A, the Department is required to designate a day between 5 and 30 days to provide written notice following the ATE date. For the exceptions, the designated date is 30 days after the ATE days.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

*Rollover Risk and Other Risk:*

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

(c) Investment Derivative Instruments

As of June 30, 2012, the Department has 13 outstanding interest rate swaps considered to be investment derivative instruments in accordance with the provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments. In addition to these 13 swaps, components of swaps #12B, #14A, and #14B are designated as investment derivatives in accordance with the provisions of GASB Statement No. 53.

*Terms, Notional Amounts, and Fair Values:*

The terms, notional amounts, and fair values of the Department's investment derivatives at June 30, 2012, are included in the table below.

Swap #	Interest Rate Swap Description	Associated Variable Rate Bonds	Effective Date	Outstanding Notional	County Pays	County Receives	Fair Value	Maturity Date
02	Basis Swap	Initially 2004B AMT	8/23/2001	\$ 81,318,000	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.410%	\$ (4,167,084)	7/1/2036
04	Basis Swap	Initially 2001B, 1998A, 2003B Non-AMT	7/1/2003	135,663,000	SIFMA Swap Index	68.0% of USD LIBOR + 0.435%	989,229	7/1/2025
06	Basis Swap	Initially 2004A-1 AMT, 2004 A-2 Non-AMT	9/1/2004	300,000,000	SIFMA Swap Index	62.2% of USD LIBOR + 0.300% to 7/2010; 62.2% of USD LIBOR + 1.052% to maturity	17,556,634	7/1/2025
08A	Floating-to-Fixed	2008C AMT	3/19/2008	151,200,000	4.0000% to 7/2015; 3.0000% to maturity	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	(29,613,471)	7/1/2040
08B	Floating-to-Fixed	2008C AMT	3/19/2008	31,975,000	4.0000% to 7/2015; 3.0000% to maturity	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	(6,262,420)	7/1/2040
08C	Floating-to-Fixed	2008C AMT	3/19/2008	31,975,000	4.0000% to 7/2015; 3.0000% to maturity	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	(6,262,437)	7/1/2040
09A	Floating-to-Fixed	2008D-1 AMT	3/19/2008	41,330,000	5.0000% to 7/2015; 1.2100% to maturity	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	(2,011,378)	7/1/2036
09B	Floating-to-Fixed	2008D-1 AMT	3/19/2008	8,795,000	5.0000% to 7/2015; 1.2100% to maturity	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	(428,230)	7/1/2036
09C	Floating-to-Fixed	2008D-1 AMT	3/19/2008	8,795,000	5.0000% to 7/2015; 1.2100% to maturity	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	(428,225)	7/1/2036
12B †	Floating-to-Fixed	2008C / 2008D-2 / 2010F-2 / 2010E-2 / 2011A	7/1/2009	100,000,000	6.0000% to 7/2017; 1.4550% to maturity	64.7% of USD LIBOR + 0.280%	542,590	7/1/2038
14A **	Floating-to-Fixed	2008A	7/1/2011	68,545,000	3.8860%	64.4% of USD LIBOR + 0.280%	(21,779,168)	7/1/2030
14B **	Floating-to-Fixed	2008A / 2010E-2 / 2011A	7/1/2011	-	3.8810%	64.4% of USD LIBOR + 0.280%	(13,992,758)	7/1/2037
<u>Remaining portions of swaps after April 6, 2010 terminations</u>								
15	Fixed Rate Basis Swap	swap #03 (amended and restated)	4/6/2010	59,879,000	1.0200% until 7/1/2010	1.4700% starting at 7/1/2010	4,500,480	7/1/2022
16	Fixed Rate Basis Swap	swap #05 (amended and restated)	4/6/2010	50,750,000	1.3700% until 7/1/2010	0.6000% starting at 7/1/2010	3,395,203	7/1/2025
17	Fixed Rate Basis Swap	swap #10A (amended and restated)	4/6/2010	139,735,000	0.8730% until 7/1/2015	0.8600% starting at 7/1/2015	13,054,437	7/1/2040
18	Fixed Rate Basis Swap	swap #13 (amended and restated)	4/6/2010	150,000,000	2.4930% until 7/1/2017	1.5940% starting at 7/1/2017	18,434,296	7/1/2040
				<u>\$ 1,359,960,000</u>			<u>\$ (24,473,302)</u>	

† Investment component only

\*\* Investment component only

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

*Credit Risk:*

The Department is exposed to credit risk on the seven interest rate swaps with positive fair values totaling \$60,472,869. The Department is not exposed to credit risk on the remaining interest rate swaps with negative fair values. Should forward interest rates change such that the fair values of the those swaps become positive, the Department would then be exposed to credit risk in the amount of those derivatives' fair values. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances. The counterparty credit ratings for the Department's investment derivative swaps at June 30, 2012, are included in the table below.

Swap#	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
02	Basis Swap	Citigroup Financial Products Inc.	Baa2	A-	A	\$ -
04	Basis Swap	Citigroup Financial Products Inc.	Baa2	A-	A	989,229
06	Basis Swap	Citigroup Financial Products Inc.	Baa2	A-	A	17,556,634
08A	Floating-to-Fixed Interest Rate Swap	Citigroup Financial Products Inc.	Baa2	A-	A	-
08B	Floating-to-Fixed Interest Rate Swap	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	-
08C	Floating-to-Fixed Interest Rate Swap	UBS AG	A2	A	A	-
09A	Floating-to-Fixed Interest Rate Swap	Citigroup Financial Products Inc.	Baa2	A-	A	-
09B	Floating-to-Fixed Interest Rate Swap	JPMorgan Chase Bank, N.A.	Aa3	A+	A+	-
09C	Floating-to-Fixed Interest Rate Swap	UBS AG	A2	A	A	-
12B †	Floating-to-Fixed Interest Rate Swap	Citigroup Financial Products Inc.	Baa2	A-	A	542,590
14A **	Floating-to-Fixed Interest Rate Swap	UBS AG	A2	A	A	-
14B **	Floating-to-Fixed Interest Rate Swap	Citigroup Financial Products Inc.	Baa2	A-	A	-
<u>Remaining portions of swaps after April 6, 2010 terminations</u>						
15	Fixed-to-Fixed Swap	Citigroup Financial Products Inc.	Baa2	A-	A	4,500,480
16	Fixed-to-Fixed Swap	Citigroup Financial Products Inc.	Baa2	A-	A	3,395,203
17	Fixed-to-Fixed Swap	Citigroup Financial Products Inc.	Baa2	A-	A	15,054,437
18	Fixed-to-Fixed Swap	Citigroup Financial Products Inc.	Baa2	A-	A	18,434,296
						\$ 60,472,869

† Investment component only

\*\* Investment component only

*Interest Rate Risk:*

Swaps #02, #04, and #06 are subject to interest rate risk should the relationship between the LIBOR rate and the SIFMA rate converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

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

Swaps #12B, #14A, and #14B are subject to interest rate risk should the relationship between the LIBOR rate and the Department's bond rates converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

The investment components of Swaps #15 through #18 are not subject to interest rate risk.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

*Foreign Currency Risk*

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

(d) Projected Maturities and Interest on Variable Rate Bond, Bond Anticipation Note, and Swap Payments

Using the rates effective on June 30, 2012, the approximate maturities and interest payments of the Department's variable rate debt and bond anticipation notes plus the net payment projections on the floating-to-fixed interest rate swaps are presented in the following table.

Due for the Fiscal Year Ended June 30,	Variable Rate Bonds		Bond Anticipation Notes		Net Swap Payment	Total
	Principal	Interest	Principal	Interest		
2013	\$ 34,500,000	\$ 4,024,198	\$ -	\$ 6,790,000	\$ 62,467,847	\$ 107,782,045
2014	100,000	4,023,448	200,000,000	1,800,000	62,487,864	268,411,312
2015	100,000	4,022,698	-	-	62,487,864	66,610,562
2016	3,865,000	4,005,089	-	-	59,713,260	67,583,349
2017	14,130,000	3,929,291	-	-	56,730,658	74,789,949
2018-2022	371,080,000	15,437,807	-	-	109,149,187	495,666,994
2023-2027	180,490,000	8,689,569	-	-	88,715,341	277,894,910
2028-2032	218,230,000	3,607,629	-	-	75,085,198	296,922,827
2033-2037	165,445,000	1,957,987	-	-	35,333,801	202,736,788
2038-2042	136,855,000	401,024	-	-	3,775,102	141,031,126
<b>Total</b>	<b>\$ 1,124,795,000</b>	<b>\$ 50,098,740</b>	<b>\$ 200,000,000</b>	<b>\$ 8,590</b>	<b>\$ 615,946,122</b>	<b>\$ 1,999,429,862</b>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES -- ALL FUNDS (Continued)

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, 2012:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General obligation bonds	\$404,525,000	\$11,240,000	\$393,285,000
Compensated absences	804,027	-	804,027
Other post-employment benefits	550,103	-	550,103
Total liabilities	<u>\$405,879,130</u>	<u>\$11,240,000</u>	<u>\$394,639,130</u>

Bonds payable July 1, 2011	\$415,300,000
Reductions	<u>(10,775,000)</u>

Bonds payable June 30, 2012	<u>\$404,525,000</u>
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Unamortized premium on governmental activity general obligation bonds amounted to \$7,645,822.

The following individual issues comprised the bonds payable at June 30, 2012:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2012</u>
Series of 2006	\$200,000,000	3.50-4.75	\$199,600,000
Series of 2008	50,570,000	3.00-5.00	35,085,000
Series of 2009B	150,000,000	2.69-7.25	140,415,000
Series of 2011	29,425,000	5.00	<u>29,425,000</u>
Total general obligation bonds			<u>\$404,525,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued):

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2013	\$ 11,240,000	\$ 21,661,513	\$ 32,901,513
2014	11,730,000	21,124,138	32,854,138
2015	12,260,000	20,546,098	32,806,098
2016	12,820,000	19,929,849	32,749,849
2017	12,810,000	19,288,140	32,098,140
2018-2022	64,250,000	86,591,438	150,841,438
2023-2027	72,575,000	69,412,866	141,987,866
2028-2032	91,045,000	47,255,239	138,300,239
2033-2037	98,610,000	19,178,163	117,788,163
2038-2039	<u>17,185,000</u>	<u>1,260,594</u>	<u>18,445,594</u>
Total	<u>\$ 404,525,000</u>	<u>\$ 326,248,038</u>	<u>\$ 730,773,038</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2012:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2011	\$ 770,312
Additional amount accrued during the year	402,674
Less amount used during the year	<u>(368,959)</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2012	<u>\$ 804,027</u>

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, 2012, are:

Pledged revenues – sales tax	\$75,222,225
Debt service	32,931,451
Coverage	2.28

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC:

The following is a summary of bonds, loans, and compensated absences payable by the RTC for the year ended June 30, 2012:

**Governmental activities:**

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Revenue bonds	\$773,655,000	\$32,845,000	\$740,810,000
Loans payable	8,000,000	8,000,000	-
Compensated absences	2,090,093	736,657	1,353,436
Other post-employment benefits	<u>3,084,661</u>	<u>-</u>	<u>3,084,661</u>
Total liabilities	<u>\$786,829,754</u>	<u>\$41,581,657</u>	<u>\$745,248,097</u>

Revenue Bonds

The following is a summary of revenue bond activities for the year ended June 30, 2012:

Bonds Payable July 1, 2011	\$808,865,000
Reductions	(153,315,000)
Additions	<u>118,105,000</u>
Total liabilities	<u>\$773,655,000</u>

Unamortized premium/discount and deferred charges on governmental activity revenue bonds amounted to \$25,129,243.

The following individual issues comprised the bonds payable at June 30, 2012.

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2012</u>
Highway Improvement Motor Vehicle Fuel Tax Revenue Bonds:			
Series of 2003	\$200,000,000	4.50-6.00%	\$ 18,335,000
Series of 2007	300,000,000	3.00-5.00	261,325,000
Series 2010A	32,595,000	6.10-6.35	32,595,000
Series 2010B	51,180,000	5.00	51,180,000
Series 2011	118,105,000	4.00-5.00%	118,105,000
Sales Tax Revenue Bonds:			
Series 2010	69,595,000	3.00-5.00	64,590,000
Series 2010B	94,835,000	3.00-5.00	86,965,000
Series 2010C	140,560,000	5.10-6.15	<u>140,560,000</u>
Total revenue bonds			<u>\$773,655,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

Unamortized premium on governmental activity revenue bonds amounted to \$32,593,668.

The debt service requirements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u> <u>Requirement</u>
2013	\$ 32,845,000	\$ 37,617,445	\$ 70,462,445
2014	32,080,000	35,579,301	67,659,301
2015	33,030,000	34,034,038	67,064,038
2016	34,545,000	32,463,313	67,008,313
2017	36,170,000	30,787,788	66,957,788
2018-2022	208,105,000	125,891,902	333,996,902
2023-2027	230,395,000	70,752,545	301,147,545
2028-2031	<u>166,485,000</u>	<u>16,626,378</u>	<u>183,111,378</u>
Total	<u>\$ 773,655,000</u>	<u>\$ 383,752,710</u>	<u>\$1,157,407,710</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, 2012, this program has been closed. Expiration date is January 23, 2015; however, the line of credit may be extended from time to time. Interest rates are variable and averaged 0.3 percent at June 30, 2012.

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, 2012, \$ 8 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 0.3 percent at June 30, 2012.

As of June 30, 2012, the total amount of commercial paper approved for sale was \$100 million, which was divided equally into two separate issues, Series 2008A and Series 2008B with an aggregate of \$8 million issued and outstanding.



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Loans Payable (Continued)

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 position.

The following is the loan payable at June 30, 2012:

<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, 2012</u>
Commercial Paper	\$200,000,000	03/05/08	Various	0.34%	\$ 8,000,000

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, 2012:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2011	\$ 1,961,861
Reductions during the year	(736,657)
Additions during the year	<u>864,889</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2012	<u>\$ 2,090,093</u>

**Business-type activities:**

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$ 1,153,591	\$ 561,423	\$ 592,168
Other post-employment benefits	<u>2,548,189</u>	<u>-</u>	<u>2,548,189</u>
	<u>\$ 3,701,780</u>	<u>\$ 561,423</u>	<u>\$3,140,357</u>

Long-term portion of accrued sick leave and vacation benefits at July 1, 2011	\$1,090,179
Reductions during the year	(561,423)
Additions during the year	<u>624,835</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2012	<u>\$ 1,153,591</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

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, 2012, were as follows:

Pledged revenues (net of administrative expenditures)	
State motor vehicle fuel tax	\$ 18,483,425
County motor vehicle fuel tax	<u>64,923,105</u>
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan	\$ 83,406,530
	<u>(2,069,823)</u>
	<u>\$ 81,336,707</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.

The net pledged revenues for the year ended June 30, 2012, were as follows:

Pledged revenues	
Sales and excise tax	\$ 75,212,662
Jet aviation fuel tax	<u>3,712,620</u>
Total pledged revenues	<u>\$ 78,925,282</u>

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Pledged Revenues (Continued)

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 Position

Assets:	
Current assets	\$ 3,888,148
Capital assets	<u>33,939,529</u>
Total assets	<u>37,827,677</u>
Liabilities:	
Current liabilities	773,820
Noncurrent liabilities	<u>5,060,028</u>
Total liabilities	<u>5,833,848</u>
Net Position:	
Net investment in capital assets	28,551,329
Unrestricted	<u>3,442,500</u>
Total net position	<u>\$ 31,993,829</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS (Continued)

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

Water Sales and related water fees	\$ 3,628,084
Depreciation expense	(1,205,437)
Other operating expenses	<u>(2,574,813)</u>
Operating loss	(152,166)
Non-operating revenues (expenses)	
Interest income	9,701
Sales and use tax	273,551
Interest expense	(57,850)
Capital contributions	<u>375,562</u>
Change in net position	448,798
Beginning net position	<u>31,545,031</u>
Ending net position	<u>\$ 31,993,829</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 1,236,775
Capital and related financing activities	(1,257,082)
Investing activities	<u>9,701</u>
Net increase (decrease)	(10,606)
Beginning cash and cash equivalents	<u>3,333,433</u>
Ending cash and cash equivalents	<u>\$ 3,322,827</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET POSITION AND FUND BALANCES

Primary Government

Net Position - Government-wide Financial Statements:

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

Restricted assets are assets that have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified either by function, debt service, capital projects, or claims. Assets restricted by function relate to net position of government and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restriction for use on specific projects or programs. The government-wide statement of net position reports \$1,175,693,352 of restricted net position, all of which is externally imposed.

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

Fund Balances - Fund Financial Statements:

Government Funds

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

<u>Fund Balances</u>	<u>General Funds</u>	<u>Las Vegas Metropolitan Police Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:				
Long-term receivable and endowment	\$ 24,042,768	\$ -	\$ 3,100,000	\$ 27,142,768
Restricted for:				
General government	42,526,023	-	68,583,299	111,109,322
Judicial	-	-	24,402,270	24,402,270
Public safety	14,480,889	-	169,362,688	183,843,577
Public works	-	-	4,910,314	4,910,314
Health	-	-	11,402,896	11,402,896
Welfare	-	-	346,794	346,794
Culture and Recreation	24,871	-	19,418,902	19,443,773
Community support	-	-	11,655,028	11,655,028
Capital projects:				
Public works	-	-	324,077,683	324,077,683

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET POSITION AND FUND BALANCES (Continued)

Government Funds (Continued)

<u>Fund Balances</u>	<u>General Funds</u>	<u>Las Vegas Metropolitan Police Department</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Debt service	-	-	<u>178,159,025</u>	<u>178,159,025</u>
Total Restricted	<u>57,031,783</u>	-	<u>812,318,899</u>	<u>869,350,682</u>
Committed to:				
General government	-	-	10,580,447	10,580,447
Judicial	-	-	150,877	150,877
Public safety	-	2,457,584	-	2,457,584
Community support	-	-	1,056,107	1,056,107
Capital projects:				
Public works	-	-	<u>33,736,861</u>	<u>33,736,861</u>
Total Committed	-	<u>2,457,584</u>	<u>45,524,292</u>	<u>47,981,876</u>
Assigned to:				
General Government	10,274,519	-	27,809,073	38,083,592
Judicial	725,131	-	13,109,969	13,835,100
Public Safety	72,995,693	51,959,042	36,990,340	161,945,075
Public Works	834,694	-	25,498,107	26,332,801
Health	-	-	6,871,039	6,871,039
Welfare	-	-	1,298,083	1,298,083
Culture and Recreation	-	-	1,750,361	1,750,361
Community Support	-	-	2,502,500	2,502,500
Capital Projects:				
Public Works	-	-	627,798,747	627,798,747
Debt Service	-	-	<u>76,592,064</u>	<u>76,592,064</u>
Total Assigned	<u>84,830,037</u>	<u>51,959,042</u>	<u>820,220,283</u>	<u>957,009,362</u>
Unassigned	<u>166,968,111</u>	-	-	<u>166,968,111</u>
Total fund balances	<u>\$ 332,872,699</u>	<u>\$ 54,416,626</u>	<u>\$1,681,163,474</u>	<u>\$2,068,452,799</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET POSITION AND FUND BALANCES (Continued)

Discretely Presented Component Units

Flood Control District

Net Position:

The government-wide statement of net position reports \$7,536,198 of restricted net position which is restricted by creditors for general obligation debt repayment.

RTC

Net Position:

The government-wide statement of net position reports \$255,373,700 of restricted net position, of which \$156,215,295 is restricted by enabling legislation for street and highway projects and other related activities and \$99,158,405 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

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

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

LVMPD and CCDC Self-Funded Industrial Insurance

The County has established separate self-insurance funds to pay workers' compensation claims of the LVMPD and CCDC. Self-insurance is in effect up to an individual stop loss amount of \$1,000,000 per occurrence in the first year, \$300,000 in the second year, and \$200,000 each year thereafter. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to \$10,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Liability Insurance

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

County Liability Insurance Pool

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

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



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

Changes in Liability Amounts

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

	<u>Liability July 1, 2011</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30, 2012</u>
Self-funded group insurance Clark County workers' compensation	\$ 22,864,699	\$ 79,052,977	\$ 67,963,094	\$ 33,954,582
LVMPD self-funded insurance	28,175,422	12,643,149	12,700,284	28,118,287
LVMPD self-funded industrial insurance	12,444,035	9,995,837	9,102,592	13,337,280
CCDC self-funded insurance	54,113,290	19,672,732	20,896,738	52,889,284
CCDC self-funded industrial insurance	-	1,941,979	-	1,941,979
County liability insurance	-	8,933,183	-	8,933,183
County liability insurance pool	5,668,054	948,581	980,481	5,636,154
	<u>10,322,106</u>	<u>3,646,438</u>	<u>3,675,589</u>	<u>10,292,955</u>
<b>Total self-insurance funds</b>	<b><u>\$133,587,606</u></b>	<b><u>\$136,834,876</u></b>	<b><u>\$115,318,778</u></b>	<b><u>\$155,103,704</u></b>

The total liability at June 30, 2012, is included in the accounts payable line item in the government-wide financial statements.

	<u>Liability July 1, 2010</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30, 2011</u>
Self-funded group insurance Clark County workers' compensation	\$ 21,191,508	\$ 80,891,537	\$ 79,218,346	\$ 22,864,699
LVMPD self-funded insurance	28,097,378	12,923,248	12,845,204	28,175,422
LVMPD self-funded industrial insurance	12,323,134	5,743,580	5,622,679	12,444,035
County liability insurance	54,113,331	13,754,626	13,754,667	54,113,290
County liability insurance pool	5,634,888	841,374	808,208	5,668,054
	<u>10,374,803</u>	<u>3,536,176</u>	<u>3,588,873</u>	<u>10,322,106</u>
<b>Total self-insurance funds</b>	<b><u>\$131,735,042</u></b>	<b><u>\$ 117,690,541</u></b>	<b><u>\$115,837,977</u></b>	<b><u>\$ 133,587,606</u></b>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES

Encumbrances

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

<u>Major Funds</u>	<u>Restricted Fund Balance</u>	<u>Committed Fund Balance</u>	<u>Assigned Fund Balance</u>
General Fund	\$ -	\$ -	\$ 562,484
Las Vegas Metropolitan Police Department	-	2,457,584	342,044
<u>Nonmajor Funds</u>			
Aggregate nonmajor funds	<u>200,458,584</u>	<u>34,943,845</u>	<u>3,682,252</u>
	<u>\$ 200,458,584</u>	<u>\$ 37,401,429</u>	<u>\$ 4,586,780</u>

LVCVA Bonds

In addition to the County general obligation bonds, the County is contingently liable on the Las Vegas Convention and Visitors Authority (LVCVA) general obligation bonds, Series May 31, 2007, August 19, 2008, January 26, 2010, and December 8, 2010, in the amounts of \$29,920,000, \$25,080,000, \$122,210,000 and \$170,745,000 respectively. Although the County is contingently liable for the general obligation bonds of the LVCVA, in the event of a default by the LVCVA, 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 2012 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, 2012

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 primarily for office and storage space (with initial or remaining terms in excess of one year) as of June 30, 2012:

Years ending June 30:	
2013	\$ 11,348,805
2014	10,615,802
2015	9,579,868
2016	6,892,167
2017	6,302,177
Thereafter	<u>19,079,941</u>
Total minimum lease payments	<u>\$ 63,818,760</u>

Rental expenditures including nonrecurring items was approximately \$19,810,452 for the year ended June 30, 2012.

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2012, for noncancelable operating leases for property and equipment as follows:

Years ending June 30:	
2013	\$ 7,895,667
2014	5,055,340
2015	3,351,864
2016	2,183,569
2017	2,164,212
Thereafter	<u>1,343,851</u>
Total	<u>\$ 21,994,503</u>

The rental expense of UMC for property and equipment was approximately \$9,838,944 for the year ended June 30, 2012.

Rentals and Operating Leases

The Department of Aviation derives a substantial portion of its revenues from fees and charges to air carriers and concessionaires. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Lease, or provisions of the County's annual ordinance. 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 \$105,808,789 in FY 2012 and \$85,087,275 in FY 2011 for contingent rental payments in excess of stated annual minimum guarantees.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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, 2012:

Years ending June 30:	
2013	\$ 156,168,215
2014	146,936,458
2015	141,848,780
2016	80,528,632
2017	53,572,986
Thereafter	<u>232,509,542</u>
Total minimum rents receivable	<u>\$ 811,564,613</u>

Discretely Presented Component Units

RTC:

Operating Lease Commitments

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

Lessor	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Live Work, LLC	<u>\$115,533</u>	01/05/08	01/04/48
Total	<u>\$115,533</u>		

Rentals and Operating Leases

The following is a schedule of future minimum lease payments for operating leases as of June 30, 2012:

Years ending June 30:	
2013	\$ 1,449,093
2014	1,513,669
2015	1,559,079
2016	1,605,851
2017	1,654,027
Thereafter	<u>93,058,477</u>
Total minimum rents receivable	<u>\$ 100,840,196</u>

The total rent expense for fiscal year 2012 was \$1,386,397.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (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.

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

11. JOINT VENTURES

Southern Nevada Water Authority

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

The SNWA is governed by a seven-member board of directors composed of one director from each member agency. The Water District is the operating agent for the SNWA; the General Manager of the Water District is the General Manager of the SNWA; and the 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, 2012

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 2012, the District billed the SNWA \$102.5 million for expenditures made on behalf of the SNWA. The SNWA in turn billed the District for its share of these and other costs, computed at a flat rate per acre-foot of water delivered (wholesale delivery charge). The District records the wholesale delivery charge as a component of purchased water expense.

Audited financial reports for fiscal year 2012 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). In December 2009, the Systems Conveyance and Operations Program (SCOP) project was suspended until future assessments of the necessity of the SCOP project could be completed. As of February 2010, the Reclamation District's Board of Trustees approved the termination of the CWC's portion of the Reclamation District's SDA (connection) fees, and on January 25, 2011 the CWC Board terminated the collection of the CWC quarterly user fees from the member agencies effective as of October 1, 2010. On October 1, 2010 the Reclamation District reduced their expenses by \$2,740,307 when the three unpaid quarterly invoices from the CWC were reversed. The Reclamation District was not obligated to repay these funds to the CWC or its customers; therefore on July 1, 2011, the Reclamation District reduced its customer's annual sewer service bill which in turn reduced the Reclamation District's sewer service revenue by \$2,748,402.

On May 17, 2011, the Reclamation District's Board of Trustees approved the reduction of the Reclamation District's previously approved sewer service rates to reflect the termination of CWC user fees. The annual sewer service rate effective July 1, 2011 will be reduced by \$6.81 per ERU for a total of \$4,122,808. The annual sewer service rate effective July 1, 2012 will be reduced by \$6.79 per ERU for a total of \$4,110,700.

On August 30, 2011 the CWC Board approved the termination of the SCOP project and the distribution of unspent CWC funds, in the amount of \$62 million, to the member agencies in accordance with their proportionate share of contributions. The CWC's Board has not terminated the CWC as an agency.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURES (Continued)

Clean Water Coalition (Continued)

As stated above, the Reclamation District had invested in the capacity rights of the CWC joint venture SCOP project. These capacity rights were considered an intangible asset with a definite useful life and with a value in the amount of \$32,800,740. As such, the asset would have been amortized over the useful life of the project once the project was put into service. Since the SCOP project was terminated, the investment amount was reduced by the anticipated refund from the CWC in the amount of \$11,872,888. The investment balance of \$20,927,853 was then expensed as a loss on the intangible asset. As of July 1, 2012 the total refund of \$19,957,912 from CWC which included \$5,220,252 for sewer service credits, \$2,899,910 for system development approval credits and \$11,837,750 for direct rebates was issued directly to the District rate payers as a rebate and/or issued as a credit against rate payers annual sewer service bills.

Separate audited financial statements for the CWC are prepared annually and can be obtained by contacting the Reclamation District's Financial Services 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 rate for regular members, based on covered payroll, was 23.75 percent for the year ended June 30, 2012 and 21.5 percent for the years ended June 30, 2011 and 2010. The contribution rate for police and fire was 39.75 percent for the year ended June 30, 2012 and was 37.0 percent and for the years ended June 30, 2011 and 2010.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

The County's contributions to the plan for the years ended June 30, 2012, 2011, and 2010 were \$303,980,018, \$295,183,959, and \$300,559,749, 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, 2012, the contributions for this purpose were \$19,844; for the year ended June 30, 2011, the contributions were \$58,261.

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, 2012

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, 2012, and 2011, participants in the Plan consisted of the following:

	<u>2012</u>	<u>2011</u>
Retirees in pay status with unpurchased benefits	272	231
Terminated employees not yet receiving benefits	318	315
Active Employees		
Fully vested	1,249	1,138
Nonvested	<u>121</u>	<u>276</u>
Total active employees	<u>1,370</u>	<u>1,414</u>
Total participants	<u>1,960</u>	<u>1,960</u>

Three-Year Trend Information

Fiscal Year <u>Ended</u>	Annual Pension Cost (APC) <u>Cost (APC)</u>	Percentage Of APC Contributed <u>Contributed</u>	Net Pension Obligation <u>Obligation</u>
06/30/10	\$25,753,794	100%	\$ -
06/30/11	26,606,950	100	-
06/30/12	26,721,710	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, 2012

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 \$26,721,710 for the year ended June 30, 2012, and \$26,606,950 for the year ended June 30, 2011. 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, (d) inflation rate of 3.00%.

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

	June 30, 2012	June 30, 2011
Investments at contract value:		
Union Central Life Insurance Company	\$ 1,558,683	\$ 1,544,965
New York Life Insurance Company	<u>40,307,638</u>	<u>32,612,352</u>
Total investments at contract value	<u>\$ 41,866,321</u>	<u>\$ 34,157,317</u>
Investments at fair value:		
Alliance Capital Domestic Equity	80,209,897	77,218,761
Mellon Bank, Domestic Bond	68,738,900	71,595,108
Nevada State Bank, Money Market Fund	<u>208,598</u>	<u>227,586</u>
Total investments at fair value	<u>149,157,395</u>	<u>149,041,455</u>
Total investments at fair value	<u>\$ 191,023,716</u>	<u>\$ 183,198,772</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, 2012

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. Funded Status and Funding Progress

As of July 1, 2011, the most recent actuarial valuation date, the plan was 52.2% funded. The actuarial accrued liability was \$347.9 million, and the actuarial value of assets was \$181.4 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$166.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$117.2 million, and the ratio of UAAL to the covered payroll was 142.0%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the plan and the annual required contributions for the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities. However, because fiscal year 2008 was a transition year for calculating the plan's funded status and funding progress using the entry age normal actuarial cost method, only three years are available for display. The reference to the schedule of funding progress presented as RSI does not represent or imply incorporation of the schedule into the notes to the basic financial statements.

H. Financial Statements

Las Vegas Valley Water District Pension Plan  
Statement of Net Position  
June 30, 2012

Assets:

Cash and Investments:

With a fiscal agent	\$ 191,023,716
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Interest receivable	<u>957,763</u>
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Total assets	<u>\$ 191,981,479</u>
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Net Position:

Held in trust for pension benefits and other purposes	<u>\$ 191,981,479</u>
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Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

I.

Las Vegas Valley Water District Pension Plan  
Statement of Changes in Net Position  
For the fiscal year ended June 30, 2012

Additions:

Contributions:

Contributions from employer	\$ 26,721,710
Contributions from employees	<u>19,844</u>
Total contributions	<u>\$ 26,741,554</u>

Investment earnings

Interest	1,508,694
Net increase in fair value of investments	<u>10,134,848</u>
Total investment earnings	11,643,542

Less investment expenses	<u>(116,401)</u>
Net investment earnings	<u>11,527,141</u>

Total additions	<u>\$ 38,268,695</u>
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Deductions:

General and administrative	195,472
Benefit payments	<u>30,074,584</u>

Total deductions	<u>30,270,056</u>
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Change in net position	\$ 7,998,639
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Net Position:

Beginning of year	<u>183,982,840</u>
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End of year	<u>\$ 191,981,479</u>
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Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

13. RELATED PARTY TRANSACTIONS

The County transfers sales, fuel, and various other taxes and fees deposited in the Master Transportation Plan special revenue fund to the RTC, a discretely presented component unit. Transfers during the fiscal year ended June 30, 2012, totaled \$219,115,854. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2012, was \$38,342,929.

The County is reimbursed by the RFCD for construction and maintenance of flood control projects. At June 30, 2012, the County had open interlocal contracts totaling \$163,043,214. Of those contracts, \$107,501,222 was spent, and there remain outstanding contract balances totaling \$55,141,992. Reimbursements during the fiscal year ended June 30, 2012 totaled \$34,739,853. The balance receivable from the RFCD to the County as of June 30, 2012 was \$2,695,097.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Information

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

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Information (Continued)

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

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

Participating Employers

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

Las Vegas Convention and Visitors Authority  
Southern Nevada Health District  
Henderson District Library  
Boulder City Library District

Funding Policy and Annual OPEB Cost

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

Clark County is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. In 2012, retirees were eligible for a minimum subsidy of \$105 per month after 5 years of service with a Nevada state or local government entity. The maximum subsidy of \$575 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:

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost (Continued)

	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro (1)</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)	\$ 82,105,781	\$ 7,400,847	\$ 13,866,883	\$ 53,435,119	\$ 2,956,988
Interest on net OPEB obligations	7,253,402	614,554	-	6,933,218	143,592
Adjustments to ARC	<u>(11,020,881)</u>	<u>(309,701)</u>	<u>-</u>	<u>(10,406,284)</u>	<u>(215,523)</u>
Annual OPEB cost	78,338,302	7,705,700	13,866,883	49,962,053	2,885,057
Contributions made	<u>(6,679,395)</u>	<u>(4,134,975)</u>	<u>(2,757,173)</u>	<u>(3,526,290)</u>	<u>(267,368)</u>
Increase in net OPEB obligation	71,658,907	3,570,725	11,109,710	46,435,763	2,617,689
Net OPEB obligation beginning of year	<u>189,230,086</u>	<u>6,536,594</u>	<u>27,402,576</u>	<u>198,091,946</u>	<u>4,102,640</u>
Net OPEB obligation end of year	<u>\$ 260,888,993</u>	<u>\$ 10,107,319</u>	<u>\$ 38,512,286</u>	<u>\$ 244,527,709</u>	<u>\$ 6,720,329</u>

(1) The County is responsible for 100 percent of the net OPEB obligation for the Detention Center employees covered under the Metro and Metro Civilian plans in the amount of \$55,727,717. The remaining net OPEB obligation of \$195,520,321 for the Las Vegas Metropolitan Police Department (LVMPD), is jointly funded by the County and the City of Las Vegas. The City currently funds 38.41 percent of the LVMPD and is liable for \$75,582,067 of the Metro net OPEB obligation. A receivable has been established in the government-wide statement of net position for the City's portion.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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 2010, 2011, and 2012 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	06/30/2010	\$ 51,088,752	12.4 %	\$ 117,940,512
County	06/30/2011	79,237,356	10.0	189,230,086
County	06/30/2012	78,338,302	8.5	260,888,993
PEBP	06/30/2010	6,317,248	78.1	3,883,270
PEBP	06/30/2011	7,209,234	63.2	6,536,594
PEBP	06/30/2012	7,705,700	53.7	10,107,319
Fire	06/30/2010	7,965,942	23.1	16,292,866
Fire	06/30/2011	13,866,883	19.9	27,402,576
Fire	06/30/2012	13,866,883	19.9	38,512,286
Metro	06/30/2010	44,726,366	6.9	156,458,734
Metro	06/30/2011	44,726,366	6.9	198,091,946
Metro	06/30/2012	49,962,053	7.1	244,527,709
Metro Civilian	06/30/2010	2,196,668	6.6	2,051,320
Metro Civilian	06/30/2011	2,196,668	6.6	4,102,640
Metro Civilian	06/30/2012	2,885,057	9.3	6,720,329

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)	\$ 693,803,547	\$ 127,975,674	\$ 138,226,725	\$447,563,618	\$ 19,304,624
Actuarial value of plan assets (b)	-	-	6,541,552	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	693,803,547	127,975,674	131,685,173	447,563,618	19,304,624
Funded ratio (b)/(a)	0%	0%	4.7%	0%	0%
Covered payroll (c)	765,110,216	-	74,167,614	302,392,694	95,492,430
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	90.7%	N/A	177.6%	148.0%	20.2%

\* 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, 2012

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	07/01/10	07/01/10	07/01/10	06/30/12	06/30/12
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 trusts	No assets in trusts	Date of valuation	No assets in trusts	No assets in trusts
Actuarial assumptions:					
Investment rate of return	4.0%	4.0%	4.0%	3.5 %	3.5%
Healthcare inflation rate	5-10% initial 5% ultimate	5 – 10% initial 5% ultimate	10.5% initial 4.5% ultimate	7.25% initial 5% ultimate	7% initial 4.75% ultimate

County Net Position in Internal Service Fund

The County uses the Other Postemployment Benefits Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

County Net Position in Internal Service Fund (Continued)

Reserve fund for their portion of the annual OPEB cost. As of June 30, 2012, the Other Postemployment Benefit Reserve fund had \$191,712,173 in cash and investments, and \$118,430,116 in receivables that the County intends to use for future OPEB costs for the net OPEB obligations of the County, PEBP, Fire and Detention portion of Metro and Metro Civilian plans, which total \$365,236,315 as of June 30, 2012. 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 2011 to comply with governmental accounting standards regarding OPEB assets not held in trust. The beginning balance is equal to the net OPEB obligation (NOO) as of June 30, 2011. 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, 2012.

Clark County Self-Funded Group Medical and Dental Benefits Plan

Clark County administers the Clark County Self-Funded Group Medical and Dental Benefits Plan, an agent, multiple-employer defined benefit plan (the “Self-Funded Plan”). Participants of the Self-Funded Plan include Clark County, University Medical Center of Southern Nevada, the Las Vegas Valley Water District, the Clark County Water Reclamation District, the Las Vegas Convention and Visitors Authority, the Regional Transportation Commission of Southern Nevada, the Regional Flood Control District, the Henderson Library District, and the Southern Nevada Health District. The Self-Funded Plan provides benefits for all full-time active employees of each participant entity effective the first day of the month following two consecutive months of active employment, as well as for retired employees of the entities. As of June 30, 2012, there were 7,641 employee members and 1,487 retired members enrolled in the Self-Funded Plan, with 9,504 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, 2012

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 \$8,451 per active employee for the year ended June 30, 2012. 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)	\$164,292	\$ 18,718
Interest on net OPEB obligation	17,704	(1,426)
Adjustment to annual required contribution	<u>(30,408)</u>	<u>6,874</u>
Annual OPEB cost	151,588	24,166
Contributions made	<u>(6,217)</u>	<u>(16,597)</u>
Increase in net OPEB obligation	145,371	7,569
Net OPEB obligation/(benefit), beginning of year	<u>404,732</u>	<u>(5,158)</u>
Net OPEB obligation, end of year	<u>\$ 550,103</u>	<u>\$ 2,411</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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 2010, 2011, and 2012 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	06/30/2010	95,478	3.6 %	253,248
County	06/30/2011	160,630	5.7	404,732
County	06/30/2012	151,588	4.1	550,103
PEBP	06/30/2010	17,631	109.1	(6,705)
PEBP	06/30/2011	18,367	91.6	(5,158)
PEBP	06/30/2012	24,166	68.7	2,411

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2010, was as follows:

	<u>County</u>	<u>PEBP*</u>
Actuarial accrued liability (a)	\$ 1,339,836	\$ 323,668
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability		
(funding excess) (a) – (b)	1,339,836	323,668
Funded ratio (b)/(a)	0.0%	0.0%
Covered payroll (c)	2,373,056	-
Unfunded actuarial accrued liability		
(funding excess) as a percentage		
of covered payroll (a) – (b)/(c)	56.5%	n/a

\* 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, 2012, the Other Postemployment Benefit Reserve fund had \$580,015 in cash, investments, and receivables held on behalf of the District. The District intends to use these assets for future OPEB funding. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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:

	<u>County</u>	<u>PEBP</u>
Annual required contribution (ARC)	\$ 1,750,697	\$ 141,359
Interest on net OPEB obligation	142,872	13,718
Adjustment to annual required contribution	<u>(132,119)</u>	<u>(94,271)</u>
Annual OPEB cost	1,761,450	60,806
Contributions made	<u>(30,988)</u>	<u>(73,170)</u>
Increase (decrease) in net OPEB obligation	1,730,462	(12,364)
Net OPEB obligation, beginning of year	<u>3,831,901</u>	<u>82,841</u>
Net OPEB obligation (benefit), end of year	<u>\$ 5,562,363</u>	<u>\$ 70,477</u>

The RTC's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2010, 2011, and 2012 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	06/30/2010	\$ 882,970	4.7 %	2,302,973
County	06/30/2011	1,561,702	2.1	3,831,901
County	06/30/2012	1,761,450	1.8	5,562,363
PEBP	06/30/2010	47,503	75.5	52,229
PEBP	06/30/2011	123,212	75.2	82,841
PEBP	06/30/2012	60,806	120.3	70,477

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date, July 1, 2010, was as follows:

	<u>County</u>	<u>PEBP</u>
Actuarial accrued liability (a)	\$ 11,562,585	\$ 2,444,380
Actuarial value of plan assets (b)	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	11,562,585	2,444,380
Funded ratio (b)/(a)	0.0%	0.0%
Covered payroll (c)	17,646,945	n/a
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	65.5%	n/a

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

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 Post-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, 2012, the Other Postemployment Benefit Reserve fund had \$222,932 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

On July 1, 2012, the County refunded the Series 1998 PFC bonds, consisting of \$64,360,000 of Non-AMT Fixed Rate Airport Passenger Facility Charge Revenue Bonds, with the 2012B bonds. The new bonds have a maturity that differs from that of the 1998 PFC bonds. The new bonds mature in 2033 with an interest rate of 5 percent per annum.

On July 1, 2012, the County issued Series 2012 A-1 and 2012 A-2 notes for \$180,000,000 and \$120,000,000, respectively. The 2012A-1 Note is an AMT Fixed Rate Airport System Junior Subordinate Lien Revenue Note, and the 2012 A-2 Note is a Non-AMT Fixed Rate Airport System Junior Subordinate Lien Revenue Note. The 2012 A-1 Note proceeds, in conjunction with the Department of Aviation's contribution of \$22,631,319, were used to satisfy the outstanding principal and interest balance of 2010 E-2 Airport System Junior Lien Subordinate Lien Note. The 2012 A-2 Note provided the Department of Aviation with \$119,267,717 in new project proceeds to be used for future capital improvements to the Airport System. Both notes mature on July 1, 2013, and bear an annual interest rate of 2 percent.

The Department of Aviation retained the services of Domingo Cambeiro Professional Corporation ("Cambeiro") for the design and preparation of construction drawings for the CB-1C Gate pedestrian bridge and for the C-1A boarding gate at the Airport. During the course of construction, the contractor requested additional compensation for revised work and delays resulting from alleged design errors and omissions to the construction drawings which resulted in the Department of Aviation paying additional money to the contractor. On August 5, 2009, the Department of Aviation, through the County, filed a lawsuit against Cambeiro asserting claims of damages for design-related errors and omissions. Case No. A09598875C. The parties agreed to mediate the dispute and, on August 13, 2012, reached an agreement subject to Board ratification. The agreement stipulated a settlement in the amount of \$600,000 due to the Department of Aviation. On September 4, 2012, the Board ratified the agreement and released Cambeiro of its retention.

The Department of Aviation retained the services of Lendall Mains Architect ("LMA") for the design and preparation of construction drawings for Bus Plaza Security Expansion at the Airport. During the course of construction, the contractor requested additional compensation for revised work and delays resulting from alleged design errors and omissions to the construction drawings which resulted in the Department of Aviation paying

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

15. SUBSEQUENT EVENTS (Continued)

additional money to the contractor. On July 2, 2009, the Department of Aviation, through the County, filed a lawsuit against LMA asserting claims of damages for design-related errors and omissions. Case No. A09594554. The parties agreed to mediate the dispute and reached an agreement, subject to Board ratification. The agreement stipulated a settlement in the amount \$1,200,000 due to the Department of Aviation. On September 18, 2012, the Board ratified the agreement.

On July 5, 2011 the County made a claim upon the State Board of Examiners for refund of certain ad valorem taxes paid to or retained by the State of Nevada pursuant to AB 543 (2009) and AB 595 (2007) of the Nevada Legislature. On or about June 6, 2012, the County filed, against the State of Nevada and the members of the Nevada State Board of Examiners a complaint for injunctive and declaratory relief and for damages. In December 2012, both parties agreed to settle this dispute regarding the claim and the related law suit. The State of Nevada has agreed to obligate funding through its Department of Transportation (NDOT) in the amount of thirty-five million dollars to Clark County's McCarran Airport Connector Project, Phase II. In addition, the State of Nevada has amended the interlocal contract for voluntary contributions, inpatient, outpatient, and graduate medical education hospital services with the County. The amendment amends the agreement, reducing the fiscal year 2010 and 2011 voluntary contributions of the County to \$220,000 and \$440,000 respectively. The County voluntary contribution percentage has been set at 56% for fiscal year 2013

On July 13, 2012, the Water Reclamation District issued a \$30 million bond to the State of Nevada as collateral for funding received through the State's revolving loan fund. The original issue amount represents the total amount of authorization. On July 13, 2012, the Water Reclamation District closed on the loan and had its first draw down of approximately \$2.372 million of the authorized \$30 million.

On July 31, 2012 the Water District issued Series 2012B, \$360,000,000, general obligation bonds, additionally secured by SNWA pledged revenues, with a true interest cost of 3.98 percent (rounded). The 2012B Bond proceeds will be used to acquire and construct water improvement projects for the SNWA, pay capitalized interest, and pay the costs of issuing the bonds.

On August 1, 2012 the County issued \$8,925,000 Special Improvement District No. 132 (Summerlin South Area (Villages 15A and 18)) Local Improvement Refunding Bonds, Series 2012. The bonds bear interest rates from 2.00 to 5.00 percent, payable on February 1, 2013 and semiannually thereafter on August 1 and February 1. Principal payments commence on February 1, 2013 and continue annually through February 1, 2021. The proceeds of the bond will be used to (i) refund all of the County's outstanding Special Improvement District No. 132 (Summerlin South Area (Villages 15A and 18)) Local Improvement Bonds, Series 2001, (ii) fund deposit to the Bond Reserve Fund, and (iii) pay the costs of issuance of the Bonds.

On August 1, 2012 the County issued \$49,445,000 Special Improvement District No. 142 (Mountain's Edge) Local Improvement Refunding Bonds, Series 2012. The bonds bear interest rates from 2.00 to 5.00 percent, payable on February 1, 2013 and semiannually thereafter on August 1 and February 1. Principal payments commence on August 1, 2013 and continue annually through August 1, 2023. The proceeds of the bond will be used to (i) refund all of the County's outstanding Special Improvement District No. 142 (Mountain's Edge) Local improvement Bonds, Series 2003, (ii) fund a deposit to the Bond Reserve Fund, and (iii) to pay the costs of issuance of the Bonds.

On September 5, 2012, the Water District issued Series 2012A, \$39,310,000, general obligation bonds, with a true interest cost of 3.98 percent (rounded). The 2012A Bond proceeds will (1) together with other funds, refinance the entire \$43,960,000 principal balance of the Districts 2003A Bond issue; and (2) pay the costs of issuing the 2012A Bonds.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2012

III. DETAILED NOTES – ALL FUNDS (Continued)

15. SUBSEQUENT EVENTS (Continued)

In June 2011 the Southern Nevada Health District (“the Health District”) filed a lawsuit naming Clark County and the Board of Commissioners of Clark County as defendants over a budget dispute. The dispute revolved around the interpretation of NRS 439.365. The Health District alleged the County did not comply with NRS 439.365 by not appropriating the maximum amount of property tax revenue to the Health District as statutorily allowed for the fiscal year ending June 30, 2012. On December 6, 2012 the Nevada Supreme Court ruled the Health District was entitled to the statutory maximum set forth in NRS 439.365(2). As a result of this decision, the County owes the Health District approximately \$14 million as of June 30, 2012. This liability is included in due to other government units in the statement of net position.



**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, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Taxes	\$ 274,961,743	\$ 274,961,743	\$ 277,796,141	\$ 2,834,398	\$ 278,820,460
Licenses and permits	206,600,000	206,600,000	211,956,838	5,356,838	218,981,536
Intergovernmental revenue	262,294,315	262,294,315	280,458,862	18,164,547	270,449,762
Charges for services	74,553,455	74,553,455	74,621,408	67,953	80,440,076
Fines and forfeitures	25,500,000	25,500,000	25,602,847	102,847	24,078,067
Interest	3,000,000	3,000,000	2,002,407	(997,593)	838,167
Other	16,537,720	16,537,720	3,306,973	(13,230,747)	4,785,885
<b>Total revenues</b>	<u>863,447,233</u>	<u>863,447,233</u>	<u>875,745,476</u>	<u>12,298,243</u>	<u>878,393,953</u>
<b>Other financing sources:</b>					
Transfers from other funds	289,656,140	291,783,250	288,586,393	(3,196,857)	347,638,468
<b>Total revenues and other financing sources</b>	<u>1,153,103,373</u>	<u>1,155,230,483</u>	<u>1,164,331,869</u>	<u>9,101,386</u>	<u>1,226,032,421</u>
<b>Expenditures:</b>					
General government	114,000,279	118,276,292	112,069,672	(6,206,620)	118,794,960
Judicial	149,453,418	149,453,418	145,197,706	(4,255,712)	147,118,284
Public safety	208,702,096	208,699,253	206,238,005	(2,461,248)	210,248,288
Public works	11,717,717	11,717,717	10,983,376	(734,341)	12,677,523
Health	91,235,820	91,235,820	90,182,762	(1,053,058)	96,771,650
Welfare	80,030,247	79,903,247	79,543,396	(359,851)	79,487,635
Culture and recreation	10,694,233	10,694,233	10,026,008	(668,225)	11,304,303
Other general expenditures	119,993,059	115,846,889	100,249,576	(15,597,313)	111,056,564
<b>Total expenditures</b>	<u>785,826,869</u>	<u>785,826,869</u>	<u>754,490,501</u>	<u>(31,336,368)</u>	<u>787,459,207</u>
<b>Other financing uses:</b>					
Transfers to other funds	415,090,031	415,090,031	402,596,624	(12,493,407)	426,918,389
<b>Total expenditures and other financing uses</b>	<u>1,200,916,900</u>	<u>1,200,916,900</u>	<u>1,157,087,125</u>	<u>(43,829,775)</u>	<u>1,214,377,596</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financial uses</b>	(47,813,527)	(45,686,417)	7,244,744	52,931,161	11,654,825
<b>Fund balance:</b>					
Beginning of year	183,643,161	183,643,161	183,766,135	122,974	172,111,310
End of year	<u>\$ 135,829,634</u>	<u>\$ 137,956,744</u>	<u>\$ 191,010,879</u>	<u>\$ 53,054,135</u>	<u>\$ 183,766,135</u>

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, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Ad valorem taxes	\$ 261,961,743	\$ 261,961,743	\$ 262,056,143	\$ 94,400	\$ 260,364,565
Penalties & interest on delinquent taxes	13,000,000	13,000,000	15,739,998	2,739,998	18,455,895
Total taxes	<u>274,961,743</u>	<u>274,961,743</u>	<u>277,796,141</u>	<u>2,834,398</u>	<u>278,820,460</u>
<b>Licenses and permits:</b>					
Business licenses	28,000,000	28,000,000	28,938,500	938,500	29,412,455
Liquor licenses	7,300,000	7,300,000	7,785,880	485,880	7,623,890
County gaming licenses	38,000,000	38,000,000	37,467,989	(532,011)	35,817,756
<b>Franchise fees:</b>					
Utilities	70,000,000	70,000,000	65,436,687	(4,563,313)	79,023,807
Other	26,300,000	26,300,000	24,539,869	(1,760,131)	25,106,944
Other licenses and permits	35,000,000	35,000,000	45,928,891	10,928,891	40,108,553
Marriage licenses	2,000,000	2,000,000	1,859,022	(140,978)	1,888,131
Total licenses and permits	<u>206,600,000</u>	<u>206,600,000</u>	<u>211,956,838</u>	<u>5,356,838</u>	<u>218,981,536</u>
<b>Intergovernmental revenue:</b>					
Federal grants	2,512,750	2,512,750	1,457,305	(1,055,445)	3,057,095
Federal payments in lieu of taxes	3,056,565	3,056,565	3,203,504	146,939	3,134,374
State grants	500,000	500,000	487,250	(12,750)	329,301
State gaming licenses	150,000	150,000	145,126	(4,874)	144,416
Consolidated tax	255,000,000	255,000,000	274,280,594	19,280,594	262,887,094
Court administrative assessment	950,000	950,000	795,389	(154,611)	818,480
Other	125,000	125,000	89,694	(35,306)	79,002
Total intergovernmental revenue	<u>262,294,315</u>	<u>262,294,315</u>	<u>280,458,862</u>	<u>18,164,547</u>	<u>270,449,762</u>
<b>Charges for services:</b>					
<b>General government</b>					
Clerk fees	3,000,000	3,000,000	2,673,155	(326,845)	2,889,886
Recorder fees	20,000,000	20,000,000	17,377,995	(2,622,005)	19,981,375
Map fees	25,000	25,000	45,869	20,869	46,753
Assessor commissions	8,500,000	8,500,000	5,961,593	(2,538,407)	6,678,535
Building and zoning fees	675,000	675,000	887,992	212,992	610,081
Room tax collection commissions	5,500,000	5,500,000	6,315,787	815,787	5,479,966
Administrative fees	11,000,000	11,000,000	13,460,747	2,460,747	14,737,444
Other	4,000,000	4,000,000	3,388,054	(611,946)	4,806,532

(Continued)

Clark County, Nevada  
General Fund  
Schedule of Revenues and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues (Continued):					
Charges for services (Continued):					
Judicial					
Clerk fees	8,250,000	8,250,000	10,125,009	1,875,009	9,980,484
Other	2,000,000	2,000,000	2,277,933	277,933	2,364,856
Public safety					
Fire protection services	8,253,455	8,253,455	7,333,160	(920,295)	7,183,605
Other	1,000,000	1,000,000	1,254,353	254,353	1,128,376
Public works					
Engineering	2,250,000	2,250,000	3,407,161	1,157,161	4,447,312
Health and welfare					
Animal control	100,000	100,000	112,520	12,520	104,801
Culture and recreation					
Other	-	-	80	80	70
Total charges for services	<u>74,553,455</u>	<u>74,553,455</u>	<u>74,621,408</u>	<u>67,953</u>	<u>80,440,076</u>
Fines and forfeitures:					
Court fines	10,500,000	10,500,000	9,521,585	(978,415)	9,663,117
Court forfeits	15,000,000	15,000,000	16,081,262	1,081,262	14,414,950
Total fines and forfeitures	<u>25,500,000</u>	<u>25,500,000</u>	<u>25,602,847</u>	<u>102,847</u>	<u>24,078,067</u>
Interest	3,000,000	3,000,000	2,002,407	(997,593)	838,167
Other	16,537,720	16,537,720	3,306,973	(13,230,747)	4,785,885
Total revenues	<u>863,447,233</u>	<u>863,447,233</u>	<u>875,745,476</u>	<u>12,298,243</u>	<u>878,393,953</u>
Other financing sources:					
Transfers from other funds	<u>289,656,140</u>	<u>291,783,250</u>	<u>288,586,393</u>	<u>(3,196,857)</u>	<u>347,638,468</u>
Total revenues and other financing sources	<u>\$ 1,153,103,373</u>	<u>\$ 1,155,230,483</u>	<u>\$ 1,164,331,869</u>	<u>\$ 9,101,386</u>	<u>\$ 1,226,032,421</u>

See notes to Required Supplementary Information

Clark County, Nevada  
 General Fund  
 Schedule of Expenditures and Transfers - Budget and Actual  
 For the fiscal year ended June 30, 2012  
 (With comparative actual for the fiscal year ended June 30, 2011)  
 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>2011</u>
Expenditures					
General Government					
Commission/Manager:					
Salaries and wages	\$ 2,745,622	\$ 2,745,622	\$ 2,852,054	\$ 106,432	\$ 2,836,604
Employee benefits	1,138,539	1,138,539	1,297,831	159,292	1,206,730
Services and supplies	275,300	275,300	178,097	(97,203)	282,008
Total Commission/Manager	<u>4,159,461</u>	<u>4,159,461</u>	<u>4,327,982</u>	<u>168,521</u>	<u>4,325,342</u>
Office of Diversity:					
Salaries and wages	418,993	418,993	401,359	(17,634)	483,789
Employee benefits	180,705	180,705	183,014	2,309	192,115
Services and supplies	26,200	26,200	20,663	(5,537)	17,159
Total Office of Diversity	<u>625,898</u>	<u>625,898</u>	<u>605,036</u>	<u>(20,862)</u>	<u>693,063</u>
Office of Appointed Counsel					
Salaries and wages	175,531	175,531	179,780	4,249	181,375
Employee benefits	55,514	55,514	59,646	4,132	56,809
Services and supplies	9,573,850	11,573,850	11,239,727	(334,123)	11,078,780
Total Office of Appointed Counsel	<u>9,804,895</u>	<u>11,804,895</u>	<u>11,479,153</u>	<u>(325,742)</u>	<u>11,316,964</u>
Audit:					
Salaries and wages	790,868	790,868	590,081	(200,787)	778,567
Employee benefits	316,559	316,559	272,208	(44,351)	297,150
Services and supplies	25,150	25,150	22,302	(2,848)	14,524
Total Audit	<u>1,132,577</u>	<u>1,132,577</u>	<u>884,591</u>	<u>(247,986)</u>	<u>1,090,241</u>
Finance:					
Salaries and wages	3,440,567	3,440,567	3,500,126	59,559	2,675,172
Employee benefits	1,470,997	1,470,997	1,596,298	125,301	1,300,970
Services and supplies	549,025	619,025	235,854	(383,171)	230,002
Total Finance	<u>5,460,589</u>	<u>5,530,589</u>	<u>5,332,278</u>	<u>(198,311)</u>	<u>4,206,144</u>
Comptroller:					
Salaries and wages	2,573,019	2,573,019	2,413,991	(159,028)	2,405,984
Employee benefits	1,159,652	1,159,652	1,203,433	43,781	1,151,613
Services and supplies	156,700	156,700	123,580	(33,120)	127,523
Total Comptroller	<u>3,889,371</u>	<u>3,889,371</u>	<u>3,741,004</u>	<u>(148,367)</u>	<u>3,685,120</u>
Treasurer:					
Salaries and wages	1,548,422	1,598,422	1,648,339	49,917	1,757,599
Employee benefits	768,251	818,251	832,303	14,052	876,546
Services and supplies	1,009,395	1,009,395	934,850	(74,545)	913,055
Total Treasurer	<u>3,326,068</u>	<u>3,426,068</u>	<u>3,415,492</u>	<u>(10,576)</u>	<u>3,547,200</u>

(Continued)

Clark County, Nevada  
General Fund  
Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)  
(Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
Elections:					
Salaries and wages	3,581,048	3,581,048	3,138,108	(442,940)	3,839,649
Employee benefits	1,637,394	1,637,394	1,152,488	(484,906)	1,148,532
Services and supplies	3,187,280	3,187,280	1,378,953	(1,808,327)	3,249,415
Total Elections	<u>8,405,722</u>	<u>8,405,722</u>	<u>5,669,549</u>	<u>(2,736,173)</u>	<u>8,237,596</u>
Assessor:					
Salaries and wages	8,978,142	9,378,142	9,286,130	(92,012)	10,145,411
Employee benefits	4,027,056	4,127,056	4,303,412	176,356	4,378,035
Services and supplies	1,177,798	1,177,798	889,845	(287,953)	1,043,622
Total Assessor	<u>14,182,996</u>	<u>14,682,996</u>	<u>14,479,387</u>	<u>(203,609)</u>	<u>15,567,068</u>
Recorder:					
Salaries and wages	2,306,285	2,306,285	2,285,813	(20,472)	2,500,190
Employee benefits	1,178,246	1,178,246	1,263,084	84,838	1,272,216
Services and supplies	222,980	222,980	209,954	(13,026)	227,317
Total Recorder	<u>3,707,511</u>	<u>3,707,511</u>	<u>3,758,851</u>	<u>51,340</u>	<u>3,999,723</u>
Clerk:					
Salaries and wages	2,101,529	2,101,529	2,029,271	(72,258)	2,288,007
Employee benefits	1,073,204	1,073,204	1,092,562	19,358	1,127,875
Services and supplies	167,450	163,614	87,793	(75,821)	140,408
Total Clerk	<u>3,342,183</u>	<u>3,338,347</u>	<u>3,209,626</u>	<u>(128,721)</u>	<u>3,556,290</u>
Administrative Services:					
Salaries and wages	6,361,918	6,361,918	6,185,939	(175,979)	6,567,628
Employee benefits	3,085,712	3,085,712	3,022,441	(63,271)	3,054,612
Services and supplies	3,532,084	3,589,084	3,268,755	(320,329)	3,753,383
Total Administrative Services	<u>12,979,714</u>	<u>13,036,714</u>	<u>12,477,135</u>	<u>(559,579)</u>	<u>13,375,623</u>
Human Resources:					
Salaries and wages	1,980,145	1,980,145	1,916,135	(64,010)	2,183,340
Employee benefits	844,488	844,488	820,285	(24,203)	906,495
Services and supplies	402,860	402,860	207,283	(195,577)	235,252
Total Human Resources	<u>3,227,493</u>	<u>3,227,493</u>	<u>2,943,703</u>	<u>(283,790)</u>	<u>3,325,087</u>
Comprehensive Planning:					
Salaries and wages	3,521,584	4,221,584	4,005,536	(216,048)	4,174,310
Employee benefits	1,517,599	1,817,599	1,820,302	2,703	1,758,552
Services and supplies	405,614	405,614	286,459	(119,155)	268,745
Total Comprehensive Planning	<u>5,444,797</u>	<u>6,444,797</u>	<u>6,112,297</u>	<u>(332,500)</u>	<u>6,201,607</u>

(Continued)

Clark County, Nevada  
General Fund  
Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)  
(Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
A-95 Clearinghouse Council:					
Salaries and wages	48,000	48,000	46,394	(1,606)	51,212
Employee benefits	25,674	25,674	30,361	4,687	27,967
Services and supplies	6,375	6,375	2,345	(4,030)	5,329
Total A-95 Clearinghouse Council	<u>80,049</u>	<u>80,049</u>	<u>79,100</u>	<u>(949)</u>	<u>84,508</u>
Information Technology:					
Salaries and wages	-	-	-	-	-
Employee benefits	-	-	-	-	(164)
Services and supplies	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total Information Technology	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(164)</u>
Business License:					
Salaries and wages	3,819,760	3,819,760	3,543,153	(276,607)	4,086,498
Employee benefits	1,769,338	1,769,338	1,727,587	(41,751)	1,868,725
Services and supplies	414,050	414,050	341,482	(72,568)	400,390
Total Business License	<u>6,003,148</u>	<u>6,003,148</u>	<u>5,612,222</u>	<u>(390,926)</u>	<u>6,355,613</u>
Real Property Management:					
Salaries and wages	11,790,906	11,990,906	11,707,599	(283,307)	12,793,546
Employee benefits	5,406,752	5,606,752	5,911,638	304,886	5,883,483
Services and supplies	11,030,149	11,182,998	10,323,029	(859,969)	10,550,906
Capital outlay	-	-	-	-	-
Total Real Property Management	<u>28,227,807</u>	<u>28,780,656</u>	<u>27,942,266</u>	<u>(838,390)</u>	<u>29,227,935</u>
Total General Government	<u>114,000,279</u>	<u>118,276,292</u>	<u>112,069,672</u>	<u>(6,206,620)</u>	<u>118,794,960</u>
Judicial:					
Outlying Constable:					
Salaries and wages	93,469	93,469	92,876	(593)	87,353
Employee benefits	151,846	151,846	190,434	38,588	177,000
Services and supplies	11,950	10,980	8,252	(2,728)	6,243
Total Outlying Constable	<u>257,265</u>	<u>256,295</u>	<u>291,562</u>	<u>35,267</u>	<u>270,596</u>
Henderson Constable:					
Salaries and wages	100,899	95,899	81,865	(14,034)	92,783
Employee benefits	59,737	59,737	63,722	3,985	67,797
Services and supplies	17,250	22,250	18,724	(3,526)	26,010
Total Henderson Constable	<u>177,886</u>	<u>177,886</u>	<u>164,311</u>	<u>(13,575)</u>	<u>186,590</u>

(Continued)



Clark County, Nevada  
General Fund  
Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)  
(Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
North Las Vegas Constable:					
Salaries and wages	103,209	103,209	102,827	(382)	105,213
Employee benefits	62,804	60,304	69,085	8,781	66,471
Services and supplies	28,300	31,770	31,716	(54)	25,810
Total North Las Vegas Constable	<u>194,313</u>	<u>195,283</u>	<u>203,628</u>	<u>8,345</u>	<u>197,494</u>
District Attorney:					
Salaries and wages	26,890,437	26,890,437	25,352,065	(1,538,372)	26,116,169
Employee benefits	10,933,299	10,933,299	10,770,865	(162,434)	10,408,949
Services and supplies	1,346,020	1,346,020	1,176,388	(169,632)	1,189,808
Capital outlay	-	-	-	-	38,747
Total District Attorney	<u>39,169,756</u>	<u>39,169,756</u>	<u>37,299,318</u>	<u>(1,870,438)</u>	<u>37,753,673</u>
Witness/Legal Fees:					
Services and supplies	2,050,000	2,050,000	1,417,135	(632,865)	1,447,052
Total Witness/Legal Fees	<u>2,050,000</u>	<u>2,050,000</u>	<u>1,417,135</u>	<u>(632,865)</u>	<u>1,447,052</u>
Family Court:					
Salaries and wages	7,448,331	7,448,331	7,188,620	(259,711)	7,215,693
Employee benefits	3,200,839	3,200,839	3,366,440	165,601	3,096,024
Services and supplies	1,367,650	1,404,050	1,302,339	(101,711)	1,319,834
Total Family Court	<u>12,016,820</u>	<u>12,053,220</u>	<u>11,857,399</u>	<u>(195,821)</u>	<u>11,631,551</u>
Civil/Criminal:					
Salaries and wages	11,886,936	11,886,936	12,238,830	351,894	12,725,818
Employee benefits	5,275,439	5,275,439	5,625,991	350,552	5,530,797
Services and supplies	2,435,289	2,717,289	2,586,944	(130,345)	2,488,932
Total Civil/Criminal	<u>19,597,664</u>	<u>19,879,664</u>	<u>20,451,765</u>	<u>572,101</u>	<u>20,745,547</u>
Clerk of the Court:					
Salaries and wages	12,385,422	12,385,422	11,272,625	(1,112,797)	12,061,366
Employee benefits	6,028,446	6,028,446	6,046,247	17,801	5,964,180
Services and supplies	565,150	564,150	459,288	(104,862)	637,816
Total Clerk of the Court	<u>18,979,018</u>	<u>18,978,018</u>	<u>17,778,160</u>	<u>(1,199,858)</u>	<u>18,663,362</u>
Alternative Dispute Resolution					
Salaries and wages	450,085	450,085	411,848	(38,237)	450,439
Employee benefits	209,930	209,930	211,664	1,734	223,283
Services and supplies	107,385	106,985	103,753	(3,232)	93,303
Total Alternative Dispute Resolution	<u>767,400</u>	<u>767,000</u>	<u>727,265</u>	<u>(39,735)</u>	<u>767,025</u>

(Continued)

Clark County, Nevada  
 General Fund  
 Schedule of Expenditures and Transfers - Budget and Actual  
 For the fiscal year ended June 30, 2012  
 (With comparative actual for the fiscal year ended June 30, 2011)  
 (Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
Special Public Defender:					
Salaries and wages	2,129,624	2,129,624	2,120,049	(9,575)	2,112,516
Employee benefits	866,223	866,223	941,103	74,880	883,818
Services and supplies	437,385	437,385	246,050	(191,335)	253,435
Total Special Public Defender	<u>3,433,232</u>	<u>3,433,232</u>	<u>3,307,202</u>	<u>(126,030)</u>	<u>3,249,769</u>
Court Jury Services:					
Salaries and wages	193,360	193,360	155,084	(38,276)	169,986
Employee benefits	113,526	113,526	106,142	(7,384)	111,032
Services and supplies	1,339,550	1,022,550	978,768	(43,782)	1,031,670
Total Court Jury Services	<u>1,646,436</u>	<u>1,329,436</u>	<u>1,239,994</u>	<u>(89,442)</u>	<u>1,312,688</u>
Grand Jury:					
Services and supplies	208,750	208,750	193,225	(15,525)	204,449
Total Grand Jury	<u>208,750</u>	<u>208,750</u>	<u>193,225</u>	<u>(15,525)</u>	<u>204,449</u>
Las Vegas Justice Court:					
Salaries and wages	11,144,534	11,144,534	10,715,508	(429,026)	10,507,875
Employee benefits	4,962,709	4,962,709	5,261,425	298,716	4,877,521
Services and supplies	1,826,336	1,826,336	1,671,496	(154,840)	2,410,407
Total Las Vegas Justice Court	<u>17,933,579</u>	<u>17,933,579</u>	<u>17,648,429</u>	<u>(285,150)</u>	<u>17,795,803</u>
Henderson Justice Court:					
Salaries and wages	1,726,761	1,726,761	1,691,881	(34,880)	1,719,864
Employee benefits	774,117	774,117	812,880	38,763	765,072
Services and supplies	183,600	183,600	134,439	(49,161)	164,387
Total Henderson Justice Court	<u>2,684,478</u>	<u>2,684,478</u>	<u>2,639,200</u>	<u>(45,278)</u>	<u>2,649,323</u>
North Las Vegas Justice Court:					
Salaries and wages	1,865,148	1,865,148	1,859,046	(6,102)	1,917,775
Employee benefits	846,190	846,190	918,015	71,825	900,732
Services and supplies	136,700	136,700	77,524	(59,176)	94,117
Total North Las Vegas Justice Court	<u>2,848,038</u>	<u>2,848,038</u>	<u>2,854,585</u>	<u>6,547</u>	<u>2,912,624</u>
Outlying Justice Court:					
Salaries and wages	1,677,027	1,677,027	1,635,083	(41,944)	1,616,421
Employee benefits	684,872	684,872	732,378	47,506	689,149
Services and supplies	231,187	231,187	190,846	(40,341)	213,751
Total Outlying Justice Court	<u>2,593,086</u>	<u>2,593,086</u>	<u>2,558,307</u>	<u>(34,779)</u>	<u>2,519,321</u>

(Continued)

Clark County, Nevada  
 General Fund  
 Schedule of Expenditures and Transfers - Budget and Actual  
 For the fiscal year ended June 30, 2012  
 (With comparative actual for the fiscal year ended June 30, 2011)  
 (Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
Public Defender:					
Salaries and wages	15,793,091	15,793,091	15,461,726	(331,365)	15,853,683
Employee benefits	6,316,210	6,316,210	6,700,693	384,483	6,418,664
Services and supplies	1,117,267	1,117,267	872,415	(244,852)	929,698
Total Public Defender	<u>23,226,568</u>	<u>23,226,568</u>	<u>23,034,834</u>	<u>(191,734)</u>	<u>23,202,045</u>
Neighborhood Justice Center:					
Salaries and wages	811,220	811,220	743,597	(67,623)	812,862
Employee benefits	349,259	349,259	374,343	25,084	368,631
Services and supplies	508,650	508,650	413,447	(95,203)	427,879
Total Neighborhood Justice Center	<u>1,669,129</u>	<u>1,669,129</u>	<u>1,531,387</u>	<u>(137,742)</u>	<u>1,609,372</u>
Total Judicial	<u>149,453,418</u>	<u>149,453,418</u>	<u>145,197,706</u>	<u>(4,255,712)</u>	<u>147,118,284</u>
Public Safety:					
Office of the Sheriff:					
Salaries and wages	174,640	174,640	173,492	(1,148)	168,592
Employee benefits	16,648	16,648	23,438	6,790	23,342
Services and supplies	1,000	1,000	78	(922)	117
Total Office of the Sheriff	<u>192,288</u>	<u>192,288</u>	<u>197,008</u>	<u>4,720</u>	<u>192,051</u>
Fire Department:					
Salaries and wages	75,927,804	75,072,354	72,007,054	(3,065,300)	76,480,884
Employee benefits	44,918,603	44,918,603	45,504,685	586,082	46,165,415
Services and supplies	7,421,587	8,281,837	7,789,310	(492,527)	7,299,753
Total Fire Department	<u>128,267,994</u>	<u>128,272,794</u>	<u>125,301,049</u>	<u>(2,971,745)</u>	<u>129,946,052</u>
Volunteer Fire and Ambulance:					
Services and supplies	266,385	261,585	203,228	(58,357)	220,213
Total Volunteer Fire and Ambulance	<u>266,385</u>	<u>261,585</u>	<u>203,228</u>	<u>(58,357)</u>	<u>220,213</u>
Public Guardian:					
Salaries and wages	1,437,931	1,437,931	1,207,636	(230,295)	1,401,471
Employee benefits	685,332	685,332	611,147	(74,185)	641,640
Services and supplies	133,240	133,240	77,198	(56,042)	76,053
Total Public Guardian	<u>2,256,503</u>	<u>2,256,503</u>	<u>1,895,981</u>	<u>(360,522)</u>	<u>2,119,164</u>

(Continued)

Clark County, Nevada  
General Fund  
Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)  
(Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Public Safety (Continued):					
Public Administrator:					
Salaries and wages	605,577	605,577	663,642	58,065	671,426
Employee benefits	207,206	207,206	257,975	50,769	230,027
Services and supplies	73,291	73,291	38,151	(35,140)	68,572
Total Public Administrator	<u>886,074</u>	<u>886,074</u>	<u>959,768</u>	<u>73,694</u>	<u>970,025</u>
Coroner:					
Salaries and wages	2,971,295	2,971,295	3,047,636	76,341	3,109,414
Employee benefits	1,161,085	1,161,085	1,211,782	50,697	1,200,364
Services and supplies	1,097,500	1,097,500	869,831	(227,669)	850,055
Total Coroner	<u>5,229,880</u>	<u>5,229,880</u>	<u>5,129,249</u>	<u>(100,631)</u>	<u>5,159,833</u>
Juvenile Justice:					
Salaries and wages	24,837,816	24,837,816	25,088,186	250,370	25,973,742
Employee benefits	13,715,766	13,715,766	13,697,244	(18,522)	13,283,001
Services and supplies	4,479,620	4,476,777	3,707,745	(769,032)	3,626,799
Total Juvenile Justice	<u>43,033,202</u>	<u>43,030,359</u>	<u>42,493,175</u>	<u>(537,184)</u>	<u>42,883,542</u>
Family Services:					
Salaries and wages	18,252,756	18,252,756	17,442,658	(810,098)	18,432,377
Employee benefits	8,074,014	8,044,014	8,098,947	54,933	8,178,036
Services and supplies	2,243,000	2,273,000	4,516,942	2,243,942	2,110,111
Capital outlay	-	-	-	-	36,884
Total Family Services	<u>28,569,770</u>	<u>28,569,770</u>	<u>30,058,547</u>	<u>1,488,777</u>	<u>28,757,408</u>
Total Public Safety	<u>208,702,096</u>	<u>208,699,253</u>	<u>206,238,005</u>	<u>(2,461,248)</u>	<u>210,248,288</u>
Public Works:					
Public Works:					
Salaries and wages	7,033,835	7,033,835	6,828,121	(205,714)	8,096,452
Employee benefits	3,109,607	3,109,607	2,907,116	(202,491)	3,333,747
Services and supplies	1,574,275	1,574,275	1,248,139	(326,136)	1,247,324
Total Public Works	<u>11,717,717</u>	<u>11,717,717</u>	<u>10,983,376</u>	<u>(734,341)</u>	<u>12,677,523</u>

(Continued)

Clark County, Nevada  
General Fund  
Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)  
(Continued)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Health:					
Emergency Room Admittance:					
Services and supplies	88,185,820	88,185,820	87,335,719	(850,101)	94,035,620
Total Emergency Room Admittance	<u>88,185,820</u>	<u>88,185,820</u>	<u>87,335,719</u>	<u>(850,101)</u>	<u>94,035,620</u>
Emergency Medical Care:					
Services and supplies	3,050,000	3,050,000	2,847,043	(202,957)	2,736,030
Total Emergency Medical Care	<u>3,050,000</u>	<u>3,050,000</u>	<u>2,847,043</u>	<u>(202,957)</u>	<u>2,736,030</u>
Total Health	<u>91,235,820</u>	<u>91,235,820</u>	<u>90,182,762</u>	<u>(1,053,058)</u>	<u>96,771,650</u>
Welfare:					
Salaries and wages	6,792,736	6,792,736	6,752,773	(39,963)	7,375,885
Employee benefits	3,154,557	3,154,557	3,316,178	161,621	3,398,074
Services and supplies	70,082,954	69,955,954	69,474,445	(481,509)	68,713,676
Total Welfare	<u>80,030,247</u>	<u>79,903,247</u>	<u>79,543,396</u>	<u>(359,851)</u>	<u>79,487,635</u>
Culture and Recreation:					
Salaries and wages	6,736,551	6,736,551	6,349,691	(386,860)	7,393,944
Employee benefits	2,907,176	2,907,176	2,940,229	33,053	3,135,845
Services and supplies	1,050,506	1,050,506	736,088	(314,418)	774,514
Total Culture and Recreation	<u>10,694,233</u>	<u>10,694,233</u>	<u>10,026,008</u>	<u>(668,225)</u>	<u>11,304,303</u>
Other General Expenditures:					
Utilities	24,678,727	24,125,623	18,574,977	(5,550,646)	18,140,190
Building rental	16,291,639	16,291,639	1,913,008	(14,378,631)	3,003,688
Capital replacement	1,955,600	1,495,570	1,555,476	59,906	139,120
Administrative assessments	1,906,000	1,672,964	932,410	(740,554)	550,436
Maintenance contracts	-	-	-	-	-
Insurance and official bonds	4,240,530	4,240,530	3,630,310	(610,220)	3,918,167
Miscellaneous refunds and expenditures	16,592,714	13,692,714	16,984,338	3,291,624	14,886,239
Internal service charges	45,314,549	45,314,549	40,745,704	(4,568,845)	46,601,017
Publications and professional services	3,320,805	3,320,805	2,849,467	(471,338)	2,410,861
Contributions	5,692,495	5,692,495	13,063,886	7,371,391	21,406,846
Total Other General Expenditures	<u>119,993,059</u>	<u>115,846,889</u>	<u>100,249,576</u>	<u>(15,597,313)</u>	<u>111,056,564</u>
Total expenditures	<u>785,826,869</u>	<u>785,826,869</u>	<u>754,490,501</u>	<u>(31,336,368)</u>	<u>787,459,207</u>
Transfers to other funds	415,090,031	415,090,031	402,596,624	(12,493,407)	426,918,389
Total expenditures and transfers	<u>\$ 1,200,916,900</u>	<u>\$ 1,200,916,900</u>	<u>\$ 1,157,087,125</u>	<u>\$ (43,829,775)</u>	<u>\$ 1,214,377,596</u>

See notes to Required Supplementary Information

Clark County  
Reconciliation of General Fund (Budgetary Basis) to the General Fund (Modified Accrual Basis)  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended June 30, 2012

	General Fund Budgetary Basis	Internally Reported Funds	Eliminations	General Fund Modified Accrual Basis
<b>Revenues:</b>				
Taxes	\$ 277,796,141	\$ 163,029,959	\$ -	\$ 440,826,100
Special assessments	-	-	-	-
Licenses and permits	211,956,838	19,303,210	-	231,260,048
Intergovernmental revenue	280,458,862	390,325,382	-	670,784,244
Charges for services	74,621,408	9,841,074	-	84,462,482
Fines and forfeitures	25,602,847	-	-	25,602,847
Interest	2,002,407	2,395,708	-	4,398,115
Other	3,306,973	654,074	-	3,961,047
<b>Total revenues</b>	<b>875,745,476</b>	<b>585,549,407</b>	<b>-</b>	<b>1,461,294,883</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	111,009,314	3,177,222	-	114,186,536
Judicial	145,197,706	1,097,783	-	146,295,489
Public safety	206,238,005	206,460,702	-	412,698,707
Public works	10,983,376	200,231,805	-	211,215,181
Health	90,182,762	-	-	90,182,762
Welfare	79,543,396	-	-	79,543,396
Culture and recreation	10,026,008	28,477	-	10,054,485
Other general expenditures	100,062,897	-	-	100,062,897
Capital outlays	1,247,037	5,589,613	-	6,836,650
<b>Debt service:</b>				
Principal	-	-	-	-
Interest	-	-	-	-
<b>Total expenditures</b>	<b>754,490,501</b>	<b>416,585,602</b>	<b>-</b>	<b>1,171,076,103</b>
Excess of revenues over expenditures	121,254,975	168,963,805	-	290,218,780
<b>Other financing sources (uses):</b>				
Transfers from other funds	288,586,393	177,766,657	456,558,819	9,794,231
Transfers to other funds	(402,596,624)	(382,334,475)	(456,558,819)	(328,372,280)
<b>Total other financing sources (uses)</b>	<b>(114,010,231)</b>	<b>(204,567,818)</b>	<b>-</b>	<b>(318,578,049)</b>
Net changes in fund balances	7,244,744	(35,604,013)	-	(28,359,269)
<b>Fund balance:</b>				
Beginning of year	183,766,135	177,465,833	-	361,231,968
End of year	<b>\$ 191,010,879</b>	<b>\$ 141,861,820</b>	<b>\$ -</b>	<b>\$ 332,872,699</b>

Clark County, Nevada  
Internally Reported Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the fiscal year ended June 30, 2012

	Detention Services	Master Transportation Plan	Court Education Program	Citizen Review Board Administration	Personnel Services	Technology Fees
<b>Revenues:</b>						
Taxes	\$ -	\$ 41,757,441	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	6,700,196	-	-	-	-
Intergovernmental revenue	-	243,554,535	155,569	81,640	-	-
Charges for services	5,077,693	-	705,959	-	163,052	-
Fines and forfeitures	-	-	-	-	-	-
Interest	660,287	285,990	11,182	676	(91)	45,266
Other	309,699	-	-	-	-	-
<b>Total revenues</b>	<u>6,047,679</u>	<u>292,298,162</u>	<u>872,710</u>	<u>82,316</u>	<u>162,961</u>	<u>45,266</u>
<b>Expenditures:</b>						
Salaries and wages	84,527,992	-	530,305	144,405	102,622	615,904
Employee benefits	50,605,688	-	259,635	50,932	58,285	303,825
Services and supplies	40,499,934	199,916,265	307,843	22,959	2,054	1,759,389
Capital outlay	5,567,687	-	-	-	-	21,926
<b>Total expenditures</b>	<u>181,201,301</u>	<u>199,916,265</u>	<u>1,097,783</u>	<u>218,296</u>	<u>162,961</u>	<u>2,701,044</u>
Excess (deficiency) of revenues over (under) expenditures	(175,153,622)	92,381,897	(225,073)	(135,980)	-	(2,655,778)
<b>Other financing sources (uses):</b>						
Transfers from other funds	159,684,835	-	429,509	160,984	-	2,228,960
Transfers to other funds	-	(92,381,897)	(174,000)	-	-	-
<b>Total other financing sources (uses)</b>	<u>159,684,835</u>	<u>(92,381,897)</u>	<u>255,509</u>	<u>160,984</u>	<u>-</u>	<u>2,228,960</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(15,468,787)	-	30,436	25,004	-	(426,818)
<b>Fund balance:</b>						
Beginning of year	48,899,594	-	694,695	223	-	4,473,912
<b>End of year</b>	<u>\$ 33,430,807</u>	<u>\$ -</u>	<u>\$ 725,131</u>	<u>\$ 25,227</u>	<u>\$ -</u>	<u>\$ 4,047,094</u>

(Continued)

Clark County, Nevada  
Internally Reported Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the fiscal year ended June 30, 2012  
(Continued)

	Fire Prevention Bureau	LVMPD Seized Funds	County Licensing Applications	Satellite Detention Center	Special Improvement District Administration	In-Transit
<b>Revenues:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	-
Charges for services	3,430,506	-	-	-	463,864	-
Fines and forfeitures	-	-	-	-	-	-
Interest	49,062	23,108	64,408	401,884	7,310	714,025
Other	3,584	-	16,040	826	-	257,787
Total revenues	<u>3,483,152</u>	<u>23,108</u>	<u>80,448</u>	<u>402,710</u>	<u>471,174</u>	<u>971,812</u>
<b>Expenditures:</b>						
Salaries and wages	5,883,309	-	-	-	239,434	-
Employee benefits	3,303,757	-	-	-	129,723	-
Services and supplies	662,164	2,279	15,403	12,724,593	39,441	8,386
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>9,849,230</u>	<u>2,279</u>	<u>15,403</u>	<u>12,724,593</u>	<u>408,598</u>	<u>8,386</u>
Excess (deficiency) of revenues over (under) expenditures	(6,366,078)	20,829	65,045	(12,321,883)	62,576	963,426
<b>Other financing sources (uses):</b>						
Transfers from other funds	4,000,000	-	-	6,000,000	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>4,000,000</u>	<u>-</u>	<u>-</u>	<u>6,000,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(2,366,078)	20,829	65,045	(6,321,883)	62,576	963,426
<b>Fund balance:</b>						
Beginning of year	<u>5,227,352</u>	<u>94,869</u>	<u>1,244,455</u>	<u>42,909,797</u>	<u>772,118</u>	<u>7,342,701</u>
End of year	<u>\$ 2,861,274</u>	<u>\$ 115,698</u>	<u>\$ 1,309,500</u>	<u>\$ 36,587,914</u>	<u>\$ 834,694</u>	<u>\$ 8,306,127</u>

(Continued)



Clark County, Nevada  
Internally Reported Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the fiscal year ended June 30, 2012  
(Continued)

	Bunkerville Town	Clark County Fire Service District	Enterprise Town	Indian Springs Town	Laughlin Town
Revenues:					
Taxes	\$ 5,266	\$ 62,146,976	\$ 10,748,443	\$ 2,313	\$ 3,010,419
Special assessments	-	-	-	-	-
Licenses and permits	-	-	750,520	9,900	1,222,170
Intergovernmental revenue	533,860	39,969,580	3,085,901	-	6,005,711
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	-	132,601
Other	-	4	-	-	66,134
Total revenues	<u>539,126</u>	<u>102,116,560</u>	<u>14,584,864</u>	<u>12,213</u>	<u>10,437,035</u>
Expenditures:					
Salaries and wages	-	-	-	-	4,981,969
Employee benefits	-	-	-	-	2,659,504
Services and supplies	-	-	-	-	609,513
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,250,986</u>
Excess (deficiency) of revenues over (under) expenditures	539,126	102,116,560	14,584,864	12,213	2,186,049
Other financing sources (uses):					
Transfers from other funds	9,233	-	1,162,376	-	-
Transfers to other funds	(584,818)	(116,099,900)	(16,727,597)	(11,288)	(1,283,936)
Total other financing sources (uses)	<u>(575,585)</u>	<u>(116,099,900)</u>	<u>(15,565,221)</u>	<u>(11,288)</u>	<u>(1,283,936)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(36,459)	(13,983,340)	(980,357)	925	902,113
Fund balance:					
Beginning of year	<u>135,909</u>	<u>20,592,271</u>	<u>3,359,475</u>	<u>2,690</u>	<u>6,969,845</u>
End of year	<u>\$ 99,450</u>	<u>\$ 6,608,931</u>	<u>\$ 2,379,118</u>	<u>\$ 3,615</u>	<u>\$ 7,871,958</u>

(Continued)

Clark County, Nevada  
Internally Reported Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the fiscal year ended June 30, 2012  
(Continued)

	Moapa Town	Moapa Valley Town	Mt. Charleston Town	Paradise Town	Searchlight Town	Spring Valley Town
Revenues:						
Taxes	\$ 61,052	\$ 33,921	\$ 9,239	\$ 24,240,332	\$ 4,401	\$ 9,751,835
Special assessments	-	-	-	-	-	-
Licenses and permits	1,319	5,130	1,410	8,293,368	21,240	211,950
Intergovernmental revenue	-	720,728	-	58,015,623	375,846	16,247,431
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>62,371</u>	<u>759,779</u>	<u>10,649</u>	<u>90,549,323</u>	<u>401,487</u>	<u>26,211,216</u>
Expenditures:						
Salaries and wages	20,822	-	-	-	-	-
Employee benefits	528	-	-	-	-	-
Services and supplies	7,127	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>28,477</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	33,894	759,779	10,649	90,549,323	401,487	26,211,216
Other financing sources (uses):						
Transfers from other funds	-	32,681	-	1,662,098	-	1,494,770
Transfers to other funds	(26,775)	(711,463)	(10,842)	(91,720,000)	(441,251)	(26,500,000)
Total other financing sources (uses)	<u>(26,775)</u>	<u>(678,782)</u>	<u>(10,842)</u>	<u>(90,057,902)</u>	<u>(441,251)</u>	<u>(25,005,230)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	7,119	80,997	(193)	491,421	(39,764)	1,205,986
Fund balance:						
Beginning of year	<u>17,752</u>	<u>195,185</u>	<u>1,014</u>	<u>18,554,101</u>	<u>91,581</u>	<u>5,269,658</u>
End of year	<u>\$ 24,871</u>	<u>\$ 276,182</u>	<u>\$ 821</u>	<u>\$ 19,045,522</u>	<u>\$ 51,817</u>	<u>\$ 6,475,644</u>

(Continued)

Clark County, Nevada  
Internally Reported Special Revenue Funds  
Combining Statement of Revenues, Expenditures and Changes in Fund Balance  
For the fiscal year ended June 30, 2012  
(Continued)

	Summerlin Town	Sunrise Manor Town	Whitney Town	Winchester Town	2012	2011
<b>Revenues:</b>						
Taxes	\$ 3,208,895	\$ 4,437,141	\$ 1,031,785	\$ 2,580,500	\$ 163,029,959	\$ 171,942,099
Special assessments	-	-	-	-	-	-
Licenses and permits	307,250	1,093,226	59,910	625,621	19,303,210	17,921,894
Intergovernmental revenue	131,720	7,992,116	628,867	12,826,255	390,325,382	376,213,148
Charges for services	-	-	-	-	9,841,074	9,958,347
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	2,395,708	3,136,834
Other	-	-	-	-	654,074	1,456,389
<b>Total revenues</b>	<b>3,647,865</b>	<b>13,522,483</b>	<b>1,720,562</b>	<b>16,032,376</b>	<b>585,549,407</b>	<b>580,628,711</b>
<b>Expenditures:</b>						
Salaries and wages	-	-	-	-	97,046,762	101,708,794
Employee benefits	-	-	-	-	57,371,877	51,693,950
Services and supplies	-	-	-	-	256,577,350	246,544,005
Capital outlay	-	-	-	-	5,589,613	307,192
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>416,585,602</b>	<b>400,253,941</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>3,647,865</b>	<b>13,522,483</b>	<b>1,720,562</b>	<b>16,032,376</b>	<b>168,963,805</b>	<b>180,374,770</b>
<b>Other financing sources (uses):</b>						
Transfers from other funds	142,766	359,069	61,963	337,413	177,766,657	185,656,596
Transfers to other funds	(4,000,000)	(13,500,000)	(1,660,708)	(16,500,000)	(382,334,475)	(404,082,592)
<b>Total other financing sources (uses)</b>	<b>(3,857,234)</b>	<b>(13,140,931)</b>	<b>(1,598,745)</b>	<b>(16,162,587)</b>	<b>(204,567,818)</b>	<b>(218,425,996)</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(209,369)</b>	<b>381,552</b>	<b>121,817</b>	<b>(130,211)</b>	<b>(35,604,013)</b>	<b>(38,051,226)</b>
<b>Fund balance:</b>						
Beginning of year	2,009,994	3,232,854	210,370	5,163,418	177,465,833	215,517,059
<b>End of year</b>	<b>\$ 1,800,625</b>	<b>\$ 3,614,406</b>	<b>\$ 332,187</b>	<b>\$ 5,033,207</b>	<b>\$ 141,861,820</b>	<b>\$ 177,465,833</b>

**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, 2012  
(With comparative actual for the fiscal year ended June 30, 2011)

	2012				2011
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Ad valorem taxes	\$ 118,402,736	\$ 118,764,744	\$ 118,948,845	\$ 184,101	\$ 130,995,489
<b>Intergovernmental revenue:</b>					
Federal and state grants	-	25,577,653	12,737,377	(12,840,276)	13,434,259
City of Las Vegas contribution	118,011,599	118,011,599	118,011,599	-	130,297,994
<b>Charges for services:</b>					
Airport security	18,879,231	18,435,848	18,297,219	(138,629)	15,990,809
Other	8,850,000	10,332,398	11,176,575	844,177	9,942,652
Interest	1,900,000	1,171,651	616,975	(554,676)	1,280,941
Other	1,550,000	1,086,251	1,333,399	247,148	3,958,618
<b>Total revenues</b>	<u>267,593,566</u>	<u>293,380,144</u>	<u>281,121,989</u>	<u>(12,258,155)</u>	<u>305,900,762</u>
<b>Other financing sources:</b>					
Transfers from other funds	189,260,273	189,260,273	189,260,273	-	204,623,329
<b>Total revenues and other financing sources</b>	<u>456,853,839</u>	<u>482,640,417</u>	<u>470,382,262</u>	<u>(12,258,155)</u>	<u>510,524,091</u>
<b>Expenditures:</b>					
Salaries and wages	305,138,667	308,679,447	298,901,381	(9,778,066)	311,585,641
Employee benefits	137,156,638	134,674,224	129,869,042	(4,805,182)	128,738,901
Services and supplies	58,921,706	74,833,973	61,935,906	(12,898,067)	50,258,439
Capital outlay	90,000	2,868,466	3,626,256	757,790	7,563,928
Principal	-	-	178,480	178,480	227,106
Interest	-	-	4,825	4,825	17,301
<b>Total expenditures</b>	<u>501,307,011</u>	<u>521,056,110</u>	<u>494,515,890</u>	<u>(26,540,220)</u>	<u>498,391,316</u>
<b>Other financing uses:</b>					
Transfers to other funds	-	-	-	-	10,000,000
<b>Total expenditures and other financing uses</b>	<u>501,307,011</u>	<u>521,056,110</u>	<u>494,515,890</u>	<u>(26,540,220)</u>	<u>508,391,316</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<u>(44,453,172)</u>	<u>(38,415,693)</u>	<u>(24,133,628)</u>	<u>14,282,065</u>	<u>2,132,775</u>
<b>Fund balance:</b>					
Beginning of year	84,587,733	78,550,254	78,550,254	-	76,417,479
<b>End of year</b>	<u>\$ 40,134,561</u>	<u>\$ 40,134,561</u>	<u>\$ 54,416,626</u>	<u>\$ 14,282,065</u>	<u>\$ 78,550,254</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>
2007	\$ 22,040,681	100 %
2008	23,587,076	100
2009	27,262,106	100
2010	25,753,794	100
2011	26,606,950	100
2012	26,721,710	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. Beginning with 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%
Total payroll growth	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

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
07/01/10	165,504,117	322,902,749	157,398,632	51.30	119,663,339	131.50
07/01/11	181,450,882	347,880,294	166,429,412	52.20	117,220,320	142.0

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%	\$713,875,929	51.7%
	07/01/2008	-	447,990,595	447,990,595	0.0	766,272,363	58.5%
	07/01/2010	-	639,803,547	693,803,547	0.0	765,110,216	90.7%
PEBP*	06/30/2006	-	61,169,230	61,169,230	0.0	561,796,448	10.9
	07/01/2008	-	111,336,740	111,336,740	0.0	-	n/a
	07/01/2010	-	127,975,674	127,975,674	0.0	-	n/a
Fire Plan	07/01/2006	4,638,905	52,091,883	47,452,978	8.9	66,241,179	71.6
	07/01/2008	5,552,810	85,378,281	79,825,471	6.5	77,213,379	103.4
	07/01/2010	6,541,552	138,226,725	131,685,173	4.7	74,167,614	177.6
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
	06/30/2012	-	447,563,618	447,563,618	0.0	302,392,694	148.0
Metro Civilian Plan**	06/30/2010	-	14,554,697	14,554,697	0.0	71,192,228	20.4
	06/30/2012	-	19,304,624	19,304,624	0.0	95,492,430	20.2

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

\*\* Calculation based on Projected-unit-credit-cost actuarial cost method

See notes to Required Supplementary Information



Clark County, Nevada  
Notes to Required Supplementary Information  
Year Ended June 30, 2012

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, 2012, as originally adopted, were augmented during the year for grants and other County Commission action.

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

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

Internally Reported Special Revenue Funds

This statement details special revenue funds on a budgetary basis that are included in the general fund under the modified accrual basis.

**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, 2012, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 10, 2013. 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**

Management of the County is responsible for establishing and maintaining effective 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 opinions 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.

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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

## 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*.

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.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
January 10, 2013

**ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS**

**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, 2012. 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, and Regional Transportation Commission of Southern Nevada, which received \$7,199,570, \$1,139,373, and \$41,322,192, respectively, in federal awards which are not included in the schedule during the year ended June 30, 2012. Our audit, as 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 \$27,455,088 in federal awards which is not included in the schedule during the year ended June 30, 2012. Our audit, as 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.

In our opinion, Clark County, Nevada complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed 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 2012-1, 2012-2, 2012-3, 2012-4, 2012-5, 2012-6, 2012-7 and 2012-8.

### **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 and other deficiencies that we consider to be significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-1, 2012-2, 2012-6 and 2012-7 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 items 2012-3, 2012-4, and 2012-5 to be significant deficiencies.

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.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
March 22, 2013

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster				
Passed Through Nevada Department of Education: School Breakfast Program	10.553	Agreement R-315-11	\$ 160,078	\$ 160,078
Passed Through Nevada Department of Education: National School Lunch Program	10.555	Agreement R-315-11	241,140	241,140
Passed Through Nevada Department of Education: Special Milk Program For Children	10.556	Agreement #M-102500-11	32,878	32,878
Passed Through Nevada Department of Education: Summer Food Service Program for Children Total Child Nutrition Cluster	10.559	SFSP-AGREE2011	215,020	<u>79,396</u> <u>513,492</u>
Passed Through Nevada Department of Education: Child and Adult Care Food Program	10.558	Cooperative Agreement	260,000	67,677
Forest Service Schools and Roads Cluster				
Passed Through the State of Nevada, Office of the Controller:				
Schools and Roads - Grants to States - Title I	10.665	Public Law 106-393	198,218	198,218
Schools and Roads - Grants to States - Title III	10.665	Public Law 106-393	34,979	34,979
Total Forest Service Schools and Roads Cluster				<u>233,197</u>
Direct:				
Spring Mountain Youth Camp Forestry Program	10.Unknown	05-PA-11041705-021	17,000	12,009
Total Department of Agriculture				<u>826,375</u>



Clark County, Nevada  
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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF COMMERCE				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2007 Public Safety Interoperable Communications Grant Program	11.555	1155507	\$ 494,655	\$ 120,790
2007 Public Safety Interoperable Communications Grant Program	11.555	1155507	120,734	120,734
2008 Public Safety Interoperable Communications Grant Program	11.555	1155507	5,084,126	46,687
Total Department of Commerce				<u>288,211</u> <u>288,211</u>
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG-Entitlement Grants Cluster				
Direct Program:				
CDBG Entitlement Grants:				
Neighborhood Stabilization Program 1	14.218	B-08-UN-32-0001	29,666,798	184,265
Neighborhood Stabilization Program 3	14.218	B-11-UN-32-0001	20,253,261	4,162,016
Recaptured NSP Funds	14.218			3,351,386
Community Development Block Grant, FY11	14.218	B-10-UC-32-0001	8,752,999	4,073,815
				<u>11,771,482</u>
Passed Through Nevada Housing Division:				
CDBG Entitlement Grants:				
Neighborhood Stabilization Program 1	14.218	B-08-DN-32-0001	10,370,986	617,668
Neighborhood Stabilization Program 3	14.218	B-11-DN-32-0001	500,000	500,000
Recaptured NSP Funds	14.218			312,621
				<u>1,430,289</u> <u>13,201,771</u>

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)				
Direct Program:				
ARRA - Community Development Block Grant Entitlement Grants (CDBG-R)	14.253	B-09-UY-32-0001	\$ 2,140,484	\$ 71,624
Total CDBG-Entitlement Grants Cluster				<u>13,273,395</u>
Direct Program:				
Emergency Solutions Grant Program	14.231	S-10-UC-32-0001	279,951	8,661
Emergency Solutions Grant Program	14.231	E-11-UC-32-0001	280,725	181,336
				<u>189,997</u>
Direct Program:				
Shelter Plus Care	14.238	NV01C700001	3,525,720	706,672
Direct Program:				
Home Investment Partnerships Program	14.239	M08-DC320224	3,313,850	679,325
Home Investment Partnerships Program	14.239	M09-DC320224	3,680,224	2,077,039
Recaptured Home Funds				38,987
				<u>2,795,351</u>
Passed Through Nevada Housing Division:				
Home Investment Partnerships Program	14.239	M08-SG320106	744,259	81,902
				<u>2,877,253</u>
Direct Program:				
ARRA - Homelessness Prevention and Rapid Re-Housing Program - City of North Las Vegas	14.257	S-09-MY-32-0003	677,704	88,024
ARRA - Homelessness Prevention and Rapid Re-Housing Program - Clark County	14.257	S-09-UY-32-0001	2,595,173	641,896
				<u>729,920</u>

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)				
Passed Through Nevada Housing Division:				
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	HPRP-2009-0003	\$ 897,388	\$ 65,741
Total Department of Housing and Urban Development				<u>795,661</u> <u>17,842,978</u>
DEPARTMENT OF INTERIOR				
Passed Through the State of Nevada, Office of the Controller:				
Distribution of Receipts to State and Local Governments	15.227	FLPMA of 1976	207	207
Direct Program:				
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC13256	4,479,566	223,929
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC13257	17,424,000	2,623,645
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC13523	17,424,000	5,688,917
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC13726	4,120,769	60,631
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC13849	4,065,600	1,236,354
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC13851	2,323,200	910,262
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC14149	1,162,400	331,662
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC14402	13,600,746	4,192,223
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC14425	6,262,560	2,443,950
Southern Nevada Public Land Mangement Act - CCPW	15.235	L05AC14675	4,939,500	112,710
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13118	15,840,000	8,274,407
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13228	3,520,000	582
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13231	10,218,734	2,794,605
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13495	1,870,000	1,013,693
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13496	1,732,687	140,111
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13809	5,940,000	472,602
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC13819	1,470,000	721,335

Clark County, Nevada  
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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF INTERIOR (Continued)				
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC14115	\$ 3,520,000	\$ 708,692
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC14116	46,376,000	279,198
Southern Nevada Public Land Mangement Act - CCPW	15.235	L07AC14399	14,080,000	8,771,550
Southern Nevada Public Land Mangement Act - CCPW	15.235	L08AC12964	1,320,000	3,165
Southern Nevada Public Land Mangement Act - CCPW	15.235	L08AC13680	2,200,000	719,437
Southern Nevada Public Land Mangement Act - CCPW	15.235	L08AC14128	2,475,000	839,483
Southern Nevada Public Land Mangement Act - CCPW	15.235	L09AC15505	1,712,700	47,923
Southern Nevada Public Land Mangement Act - CCPW	15.235	L09AC15506	563,750	97,997
Southern Nevada Public Land Mangement Act - CCPW	15.235	L11AC20012	922,900	104,959
Southern Nevada Public Land Mangement Act - CCPW	15.235	L11AC20153	8,500,000	233,438
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC12970	3,646,939	276,975
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC12972	180,000	55,000
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13129	88,674	33,674
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13245	440,000	51,500
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13510	127,270	44,670
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13677	263,423	29,766
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13814	946,389	145,389
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13829	270,212	58,072
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14112	545,668	109,000
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14413	25,000	25,000
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14632	458,200	154,700
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14892	319,432	52,888
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14893	744,822	64,377
Southern Nevada Public Land Mangement Act - DCP	15.235	L08AC13225	1,134,842	14,236
Southern Nevada Public Land Mangement Act - DCP	15.235	L08AC13507	245,367	23,652
Southern Nevada Public Land Mangement Act - DCP	15.235	L08AC13805	2,672,120	151,167
Southern Nevada Public Land Mangement Act - DCP	15.235	L09AC15342	3,245,369	164,661
				44,502,187

Clark County, Nevada  
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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF INTERIOR (Continued)				
Passed through Nevada State Office, Bureau of Land Management: National Fire Plan - Rural Fire Assistance Total Department of Interior	15.242	L10AC20237	\$ 194,171	\$ 98,691
				<u>44,601,085</u>
DEPARTMENT OF JUSTICE				
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Juvenile Accountability Block Grant	16.523	2005-JB-FX-0043	299,208	14,584
Juvenile Accountability Block Grant	16.523	2011-JB-FX-0007	242,000	242,000
Juvenile Accountability Block Grant - Interest	16.523	2008-JB-FX-0020, 2009-JB-FX-0018 and 2010-JB-FX-0052	3,534	3,534
				<u>260,118</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Juvenile Justice Delinquency Prevention Formula Grant	16.540	2011-JF-FX-0013	218,960	218,960
Direct Program:				
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	2009-JL-FX-0156	754,000	184,975
Direct Program:				
Missing Children's Assistance	16.543	2008-MC-CX-K008	965,354	240,173
Missing Children's Assistance	16.543	2011-MC-CX-K002	273,817	125,440
ARRA - Missing Children's Assistance	16.543	2009-SN-B9-K022	566,519	324,318
				<u>689,931</u>

Clark County, Nevada  
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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Title V - Delinquency Prevention Program	16.548	2010-JP-FX-004	\$ 50,000	\$ 9,810
Title V - Delinquency Prevention Program	16.548	2011-JP-FX-016	32,960	7,990
				<u>17,800</u>
Direct Program:				
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2009-DN-BX-K195	394,926	9,171
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2009-DN-BX-0085	499,695	196,982
National Institute of Justice Research, Evaluation, and Development Project Grants	16.560	2010-DN-BX-K201	258,054	123,230
				<u>329,383</u>
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	420,192	420,192
Direct Program:				
Drug Court Discretionary Grant Program	16.585	2010-DC-BX-0058	172,072	65,496
Drug Court Discretionary Grant Program	16.585	2011-DC-BX-0114	188,613	28,764
				<u>94,260</u>
Passed through the State of Nevada, Office of the Attorney General:				
Violence Against Women Formula Grants	16.588	2010-STOP-09	19,034	19,034
Violence Against Women Formula Grants	16.588	2011-STOP-09	100,000	54,361
Violence Against Women Formula Grants	16.588	2010-STOP-35	38,564	32,093
Violence Against Women Formula Grants	16.588	2011-STOP-35	45,737	24,029

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Violence Against Women Formula Grants	16.588	2010-STOP-02	\$ 29,333	\$ 15,230
Violence Against Women Formula Grants	16.588	2011-STOP-02	34,000	14,747
				<u>159,494</u>
Direct Program:				
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0539	2,713,602	154,004
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1670	2,458,833	13,221
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0803	2,370,394	359,654
State Criminal Alien Assistance Program	16.606	2010-AP-BX-0348	2,127,110	838,558
				<u>1,365,437</u>
Passed through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Project Safe Neighborhoods	16.609	08-PSN/AG-02	71,420	29,250
Project Safe Neighborhoods	16.609	10-PSN-02	11,010	7,755
Project Safe Neighborhoods	16.609	11-PSN-02	11,000	5,205
				<u>42,210</u>
Direct Program:				
Public Safety Partnership and Community Policing Grants	16.710	2009-CK-WX-0298	750,000	424,982
Public Safety Partnership and Community Policing Grants	16.710	2010CKWX0239	300,000	58,868
				<u>483,850</u>
Direct Program:				
Enforcing Underage Drinking Laws Program	16.727	Agreement	64,307	62,779
Enforcing Underage Drinking Laws Program	16.727	Agreement	68,000	6,672
				<u>69,451</u>

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
JAG Program Cluster				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2008-DJ-BX-0641	\$ 441,303	\$ 30,648
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2010-DJ-BX-0933	1,552,085	624,820
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DB-BX-0022	400,000	25,547
Recaptured JAG Funds	16.738			16,499
				<u>697,514</u>
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	08-JAG-17	5,367	5,367
Edward Byrne Memorial Justice Assistance Grant Program	16.738	08-JAG-18	2,350	2,350
Edward Byrne Memorial Justice Assistance Grant Program	16.738	08-JAG-20	4,700	4,700
Edward Byrne Memorial Justice Assistance Grant Program	16.738	08-JAG-19	7,500	7,500
				<u>19,917</u>
Passed through City of Las Vegas:				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Interlocal Agreement	1,356,474	664,465
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-JAG-07	300,000	287,713
Edward Byrne Memorial Justice Assistance Grant Program	16.738	Interlocal Agreement	382,696	3,329
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2011-DJ-BX-3025	245,337	245,337
				<u>1,200,844</u>
				<u>1,918,275</u>
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	799,787



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DEPARTMENT OF JUSTICE (Continued)				
Passed through City of Las Vegas:				
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	Interlocal Agreement	\$ 1,220,939	\$ 335,176
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	2009-SB-B9-1637	1,400,000	461,148
				<u>796,324</u>
Total JAG Program Cluster				<u>3,514,386</u>
Direct Program:				
DNA Backlog Reduction Program	16.741	2010-DN-BX-K076	872,138	169,079
DNA Backlog Reduction Program	16.741	2011-DN-BX-K439	839,498	439,055
				<u>608,134</u>
Direct Program:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2010-CD-BX-0079	175,000	64,917
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2011-CD-BX-0095	175,000	126,753
				<u>191,670</u>
Passed through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	11-FSI-03	49,455	21,114
				<u>212,784</u>
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	5,886	5,886
Direct Program:				
Postconviction DNA Testing Program	16.820	2009-DN-BX-K025	102,025	16,650
Postconviction DNA Testing Program	16.820	2010-DN-BX-K028	109,410	45,544
				<u>62,194</u>

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DEPARTMENT OF JUSTICE (Continued)				
Direct Program:				
Equitable Sharing Program	16.922	Cooperative Agreement	\$ 1,339,959	\$ 1,339,959
Direct Program:				
ATF - Gang Task Force	16.Unknown	Agreement	52,618	5,373
ATF - Gang Task Force	16.Unknown	Agreement	86,011	18,385
ATF - Armor Task Force	16.Unknown	Agreement	137,618	3,505
DEA - So. NV Gang Task Force	16.Unknown	Agreement	90,208	35,948
DEA - So. NV Gang Task Force	16.Unknown	Agreement	103,214	62,194
DEA - Tactical Diversion Task Force	16.Unknown	Agreement	30,100	7,789
DEA - Tactical Diversion Task Force	16.Unknown	Agreement	34,405	25,562
DEA - Marijuana Eradication	16.Unknown	Agreement #2011-99	30,000	5,087
DEA - Marijuana Eradication	16.Unknown	Agreement #2012-99	120,000	10,804
FBI - Criminal Apprehension Team	16.Unknown	Agreement	139,770	49,686
FBI - Criminal Apprehension Team	16.Unknown	Agreement	172,023	138,118
FBI - Eastern European Organized Crime Task Force	16.Unknown	Agreement	53,531	26,321
FBI - Eastern European Organized Crime Task Force	16.Unknown	Agreement	361,247	34,774
FBI - Joint Terrorism Task Force	16.Unknown	Agreement	60,188	17,850
FBI - Joint Terrorism Task Force	16.Unknown	Agreement	68,809	27,174
FBI - Innocence Lost Task Force	16.Unknown	Agreement	59,656	12,733
FBI - Innocense Lost Task Force	16.Unknown	Agreement	86,011	27,141
FBI - Las Vegas Safe Streets Gang Task Force	16.Unknown	Agreement	98,272	11,191
FBI - Las Vegas Safe Streets Gang Task Force	16.Unknown	Agreement	90,792	65,792
US Marshals - NV Fugitive Investigative Strike Team Truck	16.Unknown	Agreement	9,347	2,691
US Marshals - NV Fugitive Investigative Strike Team Truck	16.Unknown	Agreement	2,000	2,000
US Marshals - NV Fugitive Investigative Strike Team	16.Unknown	Agreement	44,217	22,697
US Marshals - NV Fugitive Investigative Strike Team	16.Unknown	Agreement	137,618	13,347
				<u>626,162</u>
Total Department of Justice				<u>10,705,566</u>

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF LABOR				
WIA Cluster				
Passed through the Southern Nevada Workforce Investment Board:				
WIA Youth Activities-Governor's Reserve Fund	17.259	Agreement #10-YOU-GOVRES-SBI-01	\$ 260,471	\$ 237,425
WIA Youth Activities-Governor's Reserve Fund	17.259	Agreement #012-YOU-GOVRES-SBI-00	75,000	29,432
Total WIA Cluster				<u>266,857</u>
Total Department of Labor				<u>266,857</u>
DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster				
Passed Through Nevada Department of Transportation:				
Highway Planning and Construction	20.205	Agreement PR194-08-063	404,500	37,192
Highway Planning and Construction	20.205	Agreement PR201-09-063	480,707	18,487
ARRA - Highway Planning and Construction	20.205	Agreement P156-09-063	2,524,081	2,740
Highway Planning and Construction	20.205	Agreement PR330-09-063	4,290,483	1,638,142
Highway Planning and Construction	20.205	Agreement PR033-11-015	35,998,546	10,098,702
Highway Planning and Construction	20.205	Agreement PR234-10-063	650,000	45,748
Total Highway Planning and Construction Cluster				<u>11,841,011</u>
Highway Safety Cluster				
Passed Through Nevada Department of Public Safety, Office of Traffic Safety:				
State & Community Highway Safety	20.600	21-AL-4	45,000	11,250
State & Community Highway Safety	20.600	21-CP-4	7,527	1,022
State & Community Highway Safety	20.600	22-AL-4	80,000	60,647
State & Community Highway Safety	20.600	22-CP-8	11,200	8,226

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DEPARTMENT OF TRANSPORTATION (Continued)				
Passed Through Nevada Department of Public Safety, Office of Traffic Safety:				
State & Community Highway Safety	20.600	21-JF-1.10 & 1.11 DV	\$ 164,532	\$ 31,808
State & Community Highway Safety	20.600	22-JF-1.11 & 22-JF-1.11DV	264,445	193,169
State & Community Highway Safety	20.600	22-CP-2.4	3,376	3,376
State & Community Highway Safety	20.600	22-PT-3	25,000	25,000
Total Highway Safety Cluster				<u>334,498</u>
Passed Through the State Emergency Response Commission:				
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	11-HMEP-03-01	9,693	4,806
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	11-HMEP-03-02	6,973	6,973
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	12-HMEP-03-01	10,063	10,063
				<u>21,842</u>
Total Department of Transportation				<u>12,197,351</u>
DEPARTMENT OF THE TREASURY				
Community Development Financial Institutions Cluster				
Direct Program:				
Community Development Financial Institutions Program	21.020	212882252	20,000	<u>8,057</u>
Total Community Development Financial Institutions Cluster				<u>8,057</u>
Total Department of the Treasury				<u>8,057</u>

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NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Passed Through the Nevada Arts Council:				
Promotion of the Arts - Grants to Organizations and Individuals	45.024	PIE12:5:04/AEC12:0:07	\$ 14,211	\$ 14,211
Total National Foundation on the Arts and the Humanities:				<u>14,211</u>
ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Air Pollution Control Program Support	66.001	A-97914712-1	853,102	853,102
Direct Program:				
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-96948101-7	130,780	130,780
Direct Program:				
Congressionally Mandated Projects	66.202	XP-00T21101-3	171,174	85,358
Congressionally Mandated Projects	66.202	XP-00T57501-0	1,006,100	6,848
				<u>92,206</u>
Passed through Nevada Division of Environmental Protection:				
Water Quality Management Planning	66.454	Agreement DEP-S 11-007	40,000	8,390
Passed through Nevada Division of Environmental Protection:				
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS32-1018	15,563,075	12,761,298
Passed through Nevada Division of Environmental Protection:				
Non-Point Source Implementation Grants	66.460	Agreement DEP S: 10-032-1	74,027	23,048
Total Environmental Protection Agency				<u>13,868,824</u>

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012  
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF ENERGY				
Direct Program:				
Nuclear Waste Disposal Siting	81.065	Public Law	\$ 223,630	\$ 223,630
Direct Program:				
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-EE0000685	7,663,500	2,868,367
Recaptured EECBG Funds	81.128			236,586
				<u>3,104,953</u>
Passed Through Nevada State Office of Energy:				
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	SEPARRA032910006	326,979	326,979
				<u>3,431,932</u>
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Emergency Preparedness Working Group	81.502	8150211	36,918	36,918
Total Department of Energy				<u>3,692,480</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster				
Passed Through Nevada Department of Health and Human Services, Aging and Disability Services Division:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	03-005-13-LX-12	45,329	45,329
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	03-015-21-BX-12	135,975	135,975
Total Aging Cluster				<u>181,304</u>

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012  
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through Southern Nevada Health District:				
Public Health Emergency Preparedness	93.069	Interlocal Contract	\$ 196,000	\$ 50,894
Passed through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Enhance Safety of Children Affected by Parental Substance Abuse	93.087	RPG12-13-010	82,892	69,601
Direct Program:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	5H79TI021878-02	319,728	51,148
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	5H79TI021878-03	294,081	261,749
				<u>312,897</u>
Direct Program:				
Promoting Safe and Stable Families	93.556	90CW1140/01	500,000	145,673
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Promoting Safe and Stable Families:				
Title IV-B Support to Children Welfare	93.556	1201NV1400	186,015	186,015
Time-Limited Reunification - Safety Teams (year 2)	93.556	IVB-2-3145/17-SFY11-13-045	150,000	134,931
Family Preservation (year 2)	93.556	IVB-2-3145/17-SFY11-13-048	262,404	229,831
Title IV-B Case Worker Visits (year 1)	93.556	IVB-2-3145/17-SFY11-15-050	67,193	2,898
Title IV-B Case Worker Visits (year 2)	93.556	IVB-2-3145/17-SFY11-15-050	70,277	51,250
				<u>604,925</u>
				<u>750,598</u>

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012  
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Department of Health & Human Services, Division of Welfare and Supportive Services:				
Child Support Enforcement -Hearing Master, FY12	93.563	Interlocal Agreement	\$ 1,059,224	\$ 1,059,224
Child Support Enforcement -Hearing Master, FY12 Pilot	93.563	Interlocal Agreement	295,236	295,236
Child Support Enforcement, FY12	93.563	Interlocal Agreement	17,477,119	17,477,119
Child Support Enforcement, FFY09 Incentive Award	93.563	Interlocal Agreement	1,266,586	1,142,870
Child Support Enforcement, FFY10 Incentive Award	93.563	Interlocal Agreement	1,363,593	156,172
Child Support Enforcement, Incentive Funds (Statewide Employer Service Center Project)	93.563	Interlocal Agreement	162,240	120,326
Child Support Enforcement, Incentive Funds (Statewide Employer Service Center Project)	93.563	Interlocal Agreement	212,285	61,589
				<u>20,312,536</u>
Research & Development Cluster				
Passed through Nevada Department of Health & Human Services, Division of Welfare and Supportive Services:				
Child Support Enforcement Research	93.564	90FD0136/02	199,884	38,610
Child Support Enforcement Research	93.564	90FD0136/03	163,288	51,764
Total Research & Development Cluster				<u>90,374</u>
Passed through the Nevada Administration of the Courts and the Nevada Supreme Court:				
State Court Improvement Program	93.586	Contract #A11-27	94,000	86,167
State Court Improvement Program	93.586	Contract #A11-34 B	6,213	6,213
				<u>92,380</u>
Passed through Nevada Department of Health & Human Services, Grants Management Unit:				
Community-Based Child Abuse Prevention Grants	93.590	Agreement	69,869	69,814



Clark County, Nevada  
 Schedule of Expenditures of Federal Awards  
 for the fiscal year ended June 30, 2012  
 (Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through Nevada Department of Health & Human Services, Division of Welfare and Supportive Services:				
Grants to States for Access and Visitation Programs	93.597	1101NVSAPV	\$ 68,414	\$ 20,695
Grants to States for Access and Visitation Programs	93.597	1101NVSAPV	76,349	<u>53,757</u>
				<u>74,452</u>
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Adoption Incentive Payments (year 1)	93.603	A13229/31-SFY10-13-009	127,870	21,933
Adoption Incentive Payments (year 2)	93.603	A13229/31-SFY10-13-009	300,721	173,610
Adoption Incentive Payments (year 1)	93.603	AI-2012-009	267,514	<u>33,922</u>
				<u>229,465</u>
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Children's Justice Grants to States	93.643	CJA-2012-039	10,000	10,000
Direct Program:				
Adoption Opportunities	93.652	90CO1054/01	389,637	52,972
Adoption Opportunities	93.652	90CO1054/02	389,637	<u>199,710</u>
				<u>252,682</u>
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
ARRA - Foster CareTitle IV-E	93.658	1101INV1404	180,462	38,415
Foster CareTitle IV-E	93.658	1201INV1401	21,451,207	<u>21,451,207</u>
				<u>21,489,622</u>

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012  
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
ARRA - Adoption Assistance Title IV-E	93.659	1101NV1405	\$ 193,731	\$ 6,511
Adoption Assistance Title IV-E	93.659	1201NV1407	12,288,666	<u>12,288,666</u>
				<u>12,295,177</u>
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Social Services Block Grant:				
TitleXX 2012	93.667	2012G992342	2,062,635	2,062,635
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Chafee Foster Care Independence Program	93.674	CH3145/32-SFY-11-13-031	913,820	832,689
Direct Program:				
HIV Emergency Relief Project Grants:				
Ryan White Part A Minority AIDS Initiative Program	93.914	2 H89HA06900-06-05	366,885	266,572
Ryan White - HIV Emergency Relief Project	93.914	2 H89HA06900-06-05	4,910,819	4,084,130
Ryan White Part A Minority AIDS Initiative Program	93.914	2 H89HA06900-07-00	338,974	92,298
Ryan White - HIV Emergency Relief Project	93.914	2 H89HA06900-07-00	5,271,120	<u>652,604</u>
				<u>5,095,604</u>
Total Department of Health and Human Services				<u>64,272,724</u>

Clark County, Nevada  
 Schedule of Expenditures of Federal Awards  
 for the fiscal year ended June 30, 2012  
 (Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
OFFICE OF THE NATIONAL DRUG CONTROL POLICY				
Direct Program:				
Executive Office of the President:				
High Intensity Drug Trafficking Areas Program	95.001	G09NV0001A	\$ 3,128,162	\$ 24,323
High Intensity Drug Trafficking Areas Program	95.001	G10NV0001A	3,232,324	554,019
High Intensity Drug Trafficking Areas Program	95.001	G11NV0001A	3,326,150	2,456,688
High Intensity Drug Trafficking Areas Program	95.001	G12NV0001A	3,060,000	285,665
Total Office of The National Drug Control Policy				<u>3,320,695</u>
DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
National Urban Search & Rescue Response System	97.025	2010-SR-24-K051	1,089,171	176,904
National Urban Search & Rescue Response System	97.025	EMW-2011-CA-K00066-S01	1,122,078	882,881
Recaptured Urban Search & Rescue Response System Funds	97.025			29,975
				<u>1,089,760</u>
Passed Through State of Nevada Department of Public Safety, Division of Emergency Management:				
Emergency Management Performance Grant	97.042	9704211	527,806	144,218
Emergency Management Performance Grant	97.042	9702412	529,000	347,853
				<u>492,071</u>
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Pre-Disaster Mitigation	97.047	97017L8	49,500	40,700

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012  
(Continued)

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Total Federal Disbursements/ Expenditures</u>
DEPARTMENT OF HOMELAND SECURITY (Continued)				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Interoperable Emergency Communications	97.055	9700108	\$ 292,319	\$ 262,801
Interoperable Emergency Communications	97.055	9705510	415,000	<u>368,944</u>
				<u>631,745</u>
Homeland Security Grant Program:				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Homeland Security Grant Program:				
2009 Citizen Corps Program	97.067	97067CL9	41,044	7,044
2010 Citizen Corps Program	97.067	97067CL1	3,718	1,998
2007 Urban Area Security Initiative	97.067	97067U07	8,464,542	461,633
2008 Urban Area Security Initiative	97.067	97067U08	8,602,426	1,457,119
2009 Urban Area Security Initiative	97.067	97067U09	7,326,292	2,804,172
2010 Urban Area Security Initiative	97.067	97067U10	1,265,762	108,108
2010 Urban Area Security Initiative	97.067	97067U10	5,871,378	2,273,708
2011 Urban Area Security Initiative	97.067	97067.11.U11	3,275,779	111,339
2007 State Homeland Security Program	97.067	97067HS7	452,006	107,074
2008 State Homeland Security Program	97.067	97067HL8	1,617,005	21,870
2009 State Homeland Security Program	97.067	97067HL9	97,460	90,001
2010 State Homeland Security Program	97.067	97067HL1	472,765	117,746
2011 State Homeland Security Program	97.067	97067.11-HL1	710,355	<u>19,586</u>
Total Homeland Security Grant Program				<u>7,581,398</u>
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Buffer Zone Protection Program	97.078	97078B05	1,995,000	1,005,769

(Continued)

Clark County, Nevada  
Schedule of Expenditures of Federal Awards  
for the fiscal year ended June 30, 2012  
(Continued)

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Total Federal Disbursements/ Expenditures
DEPARTMENT OF HOMELAND SECURITY (Continued)				
Direct Program:				
Homeland Security Biowatch Program	97.091	2006-ST-091-000011-05	\$ 748,384	\$ 554
Homeland Security Biowatch Program	97.091	2006-ST-091-000011-06	794,870	794,870
				<u>795,424</u>
Direct Program:				
2011 Secret Service Agreement	97.Unknown	None	14,072	5,321
2012 Secret Service Agreement	97.Unknown	None	3,600	2,898
2011 US Customs - ICE	97.Unknown	None	56,283	3,077
2012 US Customs - ICE	97.Unknown	LV02PR06LV0017	51,607	3,869
				<u>15,165</u>
Total Department of Homeland Security				<u>11,652,032</u>
TOTAL FEDERAL DISBURSEMENTS/EXPENDITURES				<u>\$ 183,557,446</u>

Clark County, Nevada  
Notes to Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2012

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, Clark County 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 is included in the schedule.

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General fund	\$ 10,277,865
Special revenue funds	105,473,722
Capital projects funds	54,920,710
Enterprise funds	12,884,942
Agency funds	<u>207</u>
Total	<u>\$ 183,557,446</u>

4. SUBRECIPIENT EXPENDITURES

Clark County provided Federal funds to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Subrecipient Expenditures</u>
Public Safety Interoperable Communications Grant Program	11.555	\$ 120,790
Community Development Block Grants/Entitlement Grants	14.218	11,580,698
Emergency Solutions Grant Program	14.231	189,996
Shelter Plus Care	14.238	706,672
Home Investment Partnerships Program	14.239	2,778,172
ARRA - Homelessness Prevention and Rapid Re-Housing Program	14.257	375,905
Missing Children's Assistance	16.543	70,179
Edward Byrne Memorial Justice Assistance Grant Program	16.738	265,234
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	105,131
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	15,792
HIV Emergency Relief Project Grants	93.914	4,655,968
Interoperable Emergency Communications	97.055	368,945
Homeland Security Grant Program	97.067	<u>463,539</u>
Total		<u>\$ 21,697,021</u>

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**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?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
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
Homelessness Prevention and Rapid Re-Housing Program	14.257
Southern Nevada Public Land Management	15.235
JAG Program Cluster	16.738/16.803/16.804
Equitable Sharing Program	16.922
Highway Planning and Construction Cluster	20.205
Capital Grants for Clean Water State Revolving Funds	66.458
Energy Efficiency and Conservation Block Grant	81.128
Child Support Enforcement	93.563
Foster Care – Title IV-E	93.658
Adoption Assistance – Title IV-E	93.659
HIV Emergency Relief Project Grants	93.914
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

**SECTION II – FINANCIAL STATEMENT FINDINGS**

There were no findings.

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

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

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
DEPARTMENT OF JUSTICE - DIRECT AND PASSED THROUGH NEVADA DEPARTMENT OF PUBLIC SAFETY  
DEPARTMENT OF TRANSPORTATION - PASSED THROUGH NEVADA DEPARTMENT OF TRANSPORTATION  
DEPARTMENT OF ENERGY – DIRECT AND PASSED THROUGH NEVADA STATE OFFICE OF ENERGY  
DEPARTMENT OF HEALTH AND HUMAN SERVICES – DIRECT AND PASSED THROUGH NEVADA DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF WELFARE AND SUPPORT SERVICES**

**Questioned  
Costs**

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**2012-1                      PROCUREMENT SUSPENSION AND DEBARMENT**

CDBG Entitlement Grants Cluster: Community Development Block Grants (CDBG) – CFDA No. 14.218; B-10-UC-320001

Homelessness Prevention and Rapid Re-Housing Program – CFDA No. 14.257; S-09-UJ-32-0001

JAG Program Cluster:  
Recovery Act - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories – CFDA No. 16.803; 09-ARRA-06

Highway Planning and Construction Cluster – CFDA No. 20.205; Agreements PR033-11-015, PR234-10-063

Energy Efficiency and Conservation Block Grant – CFDA No. 81.128; DE-EE0000685, DE-EE0000687

Child Support Enforcement – CFDA No. 93.563; Interlocal agreement

HIV Emergency Relief Grant – CFDA No. 93.914; Grant Award Nos. 6H89HA06900-07-00, 6H89HA06900-07-01, 6H89HA06900-06-07, and 6H89HA06900-06-08

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



**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2012**

collecting a certification from the entity, or adding a clause or condition to the covered transaction with that entity (2 CFR section 180.300).

*Condition:* Our tests disclosed that procedures related to suspension and debarment requirements were not being adhered to. In thirteen transactions tested out of a sample population of twenty two transactions, the Purchasing and Contracts Division of Clark County did not verify that the vendor or sub-recipient was not suspended or debarred. In one of these thirteen transactions, personnel from the Real Property Management Department did verify the vendor was not suspended or debarred; however, there was no evidence to support that the verification had been performed.

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

*Cause:* The Purchasing and Contracts Division of Clark County (the Division) implemented formal suspension and debarment control policies and procedures in April 2010 that were revised in April 2011. These policies and procedures require that any county department requesting a procurement that is funded with a federal grant or a federal financial assistance agreement must inform the Division of the federal funding. The Division will then perform a verification to determine if the prospective vendor or subrecipient is suspended or debarred. This procedure was not consistently adhered to during fiscal year 2012 as the Division was not informed that the thirteen transactions previously noted were federally funded and, therefore, no verification procedures were performed.

*Recommendation:* The County should strengthen its existing policies and procedures over the process for complying with suspension and debarment requirements to enhance the communication process between the Purchasing and Contracts Division and other departments.

*Views of responsible officials and planned corrective actions:* See pages 187-188.



# 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  
Adleen B. Stidhum, Acting Purchasing Administrator

March 15, 2013

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

Subject: Section III – Federal Award Findings and Questioned Costs

To Whom It May Concern:

This letter is in response to your finding 2012-1 Procurement and Suspension and Debarment

*Condition:* Our tests disclosed that procedures related to suspension and debarment requirements were not being adhered to. In thirteen transactions tested out of a sample population of twenty two transactions, the Purchasing and Contracts Division of Clark County did not verify that the vendor or sub-recipient was not suspended or debarred. In one of these thirteen transactions, personnel from the Real Property Management Department did verify the vendor was not suspended or debarred; however, there was no evidence to support that the verification had been performed.

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

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

*Cause:* The Purchasing and Contracts Division of Clark County (the Division) implemented formal suspension and debarment control policies and procedures in April 2010 that were revised in April 2011. These policies and procedures require that any county department requesting a procurement that is funded with a federal grant or a federal financial assistance agreement must inform the Division of the federal funding. The Division will then perform a verification to determine if the prospective vendor or subrecipient is suspended or debarred. This procedure was not consistently adhered to during fiscal year 2012 as the Division was not informed that the thirteen transactions previously noted were federally funded and, therefore, no verification procedures were performed. .

*Recommendation:* The County should strengthen its existing policies and procedures over the process for complying with suspension and debarment requirements to enhance the communication process between the Purchasing and Contracts Division and other departments.

*Corrective Action:* Clark County Purchasing and Contracts will perform suspension and debarment verification through the federal System for Award Management (SAM) on contracts when the federal funding sources are acknowledged by the County departments or indicated on the purchasing requisition (PR) or purchasing adjustment requisition (PAR). Suspension and debarment verifications will be performed on existing contracts when renewed and or amended with federal expenditures. When the SAM verifications are completed the results will be scanned and e-filed in the contract folder and a copy also attached to the electronic purchase order. If only a purchase order is required with no written contract, a verification check will be performed and attached to the purchase order. In addition, the current Revised April 2011 policies and procedures will be updated to include these corrective actions and continue to be updated as needed.

Sincerely,



Adleen B. Stidhum  
Acting Purchasing Administrator

cc: Jessica Colvin  
Elizabeth Vorce  
Mark Gammett  
George Stevens  
Yolanda King

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
DEPARTMENT OF JUSTICE**

**Questioned  
Costs**

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**2012-2 SUBRECIPIENT MONITORING**

CDBG Entitlement Grants Cluster: Community Development Block Grants (CDBG) – CFDA No. 14.218; B-10-UC-320001

JAG Program Cluster:  
Edward Byrne Memorial Justice Assistance Grant Program – CFDA No. 16.738; 2010-DJ-BX-0933

*Criteria:* The OMB Circular A-133 Compliance Supplement states that Clark County’s responsibilities regarding subrecipients include the following:

Subrecipient Audits – Clark County is required to:

1. Ensure that subrecipients expending \$500,000 or more in Federal awards during the subrecipient’s fiscal year for fiscal years ending after December 31, 2003 as provided in OMB Circular A-133 have met the audit requirements of OMB Circular A-133 and that the required audits are completed within 9 months of the end of the subrecipient’s audit period;
2. Issue a management decision on audit findings within 6 months after receipt of the subrecipient’s audit report;
3. Ensure that the subrecipient takes timely and appropriate corrective action on all audit findings. In cases of continued inability or unwillingness of a subrecipient to have the required audits, the City shall take appropriate action using sanctions.

*Condition:* Our tests disclosed that policies and procedures related to subrecipient monitoring were not being adhered to by Clark County Community Resources Management Division personnel. Specifically, those policies and procedures related to ensuring subrecipients meet the audit requirements of OMB Circular A-133.

The Community Development Block Grant (CDBG) had four subrecipients that received \$2,688,885 in funding during fiscal year 2012, approximately 66% of Clark County’s CDBG expenditures. Two of the four subrecipients were selected for testing and both subrecipients were subject to the audit requirements of OMB Circular A-133. However, neither of the subrecipient’s monitoring documentation included copies of audited financial statements.

The JAG Program Cluster had eight subrecipients that received \$333,926 in funding during fiscal year 2012, approximately 10% of the JAG Program Cluster’s total expenditures. Of this population three were selected for testing. Of these three, one subrecipient was subject to the audit requirements of OMB Circular A-133. However, the subrecipient’s monitoring documentation did not include copies of the audited financial statements.

*Effect:* There was no evidence to support that Clark County was in compliance with the subrecipient monitoring audit requirements specified by the OMB Circular A-133 Compliance Supplement. If subrecipient audit requirements are not consistently monitored, there is a greater risk that instances of

None

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2012**

subrecipient noncompliance with program requirements could go undetected by Clark County.

*Cause:* It appears that Clark County Community Resources Management Division personnel were not consistently complying with existing policies and procedures related to acquiring, reviewing and filing the audited financial statements of subrecipients. Subrecipient monitoring documentation was not reviewed by division management to ensure that all subrecipients were monitored as specified by the OMB Circular A-133 Compliance Supplement.

*Recommendation:* The Clark County Community Resources Management Division should strengthen its policies and procedures over subrecipient monitoring to ensure that all subrecipients are consistently monitored for compliance with the audit requirements of OMB Circular A-133. These policies and procedures should specify that copies of audited financial statements be included with subrecipient monitoring documentation files. Policies and procedures should include a periodic review of the subrecipient monitoring documentation file by management to ensure that monitoring personnel are obtaining and reviewing the audited financial statements.

*Views of responsible officials and planned corrective actions:* See pages 191-192.



# Department of Administrative Services Community Resources Management

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

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

March 15, 2013

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 2012-2 identified by the County's external auditors, Kafoury, Armstrong & Co., related to their review of the CDBG Entitlement Grants Cluster and the JAG Program Cluster.

## **2012-2** **Condition:**

Our tests disclosed that policies and procedures related to subrecipient monitoring were not being adhered to by Clark County Community Resources Management Division personnel. Specifically, those policies and procedures related to ensuring subrecipients meet the audit requirements of OMB Circular A-133.

The Community Development Block Grant (CDBG) had four subrecipients that received \$2,688,885 in funding during fiscal year 2012, approximately 66% of Clark County's CDBG expenditures. Two of the four subrecipients were selected for testing and both subrecipients were subject to the audit requirements of OMB Circular A-133. However, neither of the subrecipient's monitoring documentation included copies of audited financial statements.

The JAG Program Cluster had eight subrecipients that received \$333,926 in funding during fiscal year 2012, approximately 10% of the JAG Program Cluster's total expenditures. Of this population three were selected for testing. Of these three, one subrecipient was subject to the audit requirements of OMB Circular A-133. However, the subrecipient's monitoring documentation did not include copies of the audited financial statements.

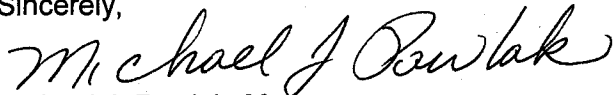
## **Corrective Action:**

The Clark County Community Resources Management Division will strengthen its policies and procedures over subrecipient monitoring to ensure that all subrecipients are consistently monitored for compliance with the audit requirements of OMB Circular A-133. Standard practice is that the assigned Grant Coordinator is responsible for ensuring compliance to the audit requirements, including requiring subrecipients to annually submit a copy of the audited financial statements. As a precaution against individual error on the part of the Grant Coordinators, Community Resources Management Division will take several additional steps to address this finding, to include:

1. Management will communicate to Grant Coordinators that all Grant Agreements include the specific requirement that the grantee provide Community Resources Management Division with a copy of their audited financial statements annually during the term of the agreement.
2. Management will require Grant Coordinators to maintain a list identifying all of their assigned, open grants, identifying the date of the most current audited financial statement on file, the date of review, notes on any required issues and resolutions and the due date for the next audited financial statement. Management will periodically review the subrecipient monitoring documentation file to ensure that monitoring personnel are obtaining and reviewing the audited financial statements.
3. Management will investigate the feasibility of assigning a single, qualified staff person to review and evaluate the grantee's annual audited financial statements.

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

Sincerely,



Michael J. Pawlak, Manager  
Community Resources Management

cc: Sabra Smith-Newby  
Mark Gamett  
Elizabeth Vorce

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2012**

**DEPARTMENT OF JUSTICE**

**Questioned  
Costs**

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**2012-3                    PROCUREMENT SUSPENSION AND DEBARMENT**

Equitable Sharing Program – CFDA No. 16.922; NV0020100

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

*Condition:*                    Our tests disclosed that procedures related to suspension and debarment requirements at the Las Vegas Metropolitan Police Department did not ensure that evidence of verification was maintained to support compliance with the requirements. Two vendors were tested for compliance with the suspension and debarment requirements and for both vendors there was no evidence included with purchasing documents to support that the vendors had been verified to ensure they were not suspended or debarred.

*Effect:*                        There was insufficient documentation to support that the Las Vegas Metropolitan Police Department was in compliance with the verification requirements related to suspension and debarment specified by federal regulations.

None

*Cause:*                        The Las Vegas Metropolitan Police Department implemented formal suspension and debarment control policies and procedures in April 2011. These policies and procedures require that grant purchase requisitions are reviewed and vendors are verified to ensure they are not suspended or debarred. These policies and procedures were revised in February 2012 to require that evidence of the verification be included with purchase requisitions to document compliance with the suspension and debarment requirements. The contracts with the two vendors tested were initiated and processed prior to this revision.

*Recommendation:*                    The Las Vegas Metropolitan Police Department should continue to enforce the policies and procedures over the process for complying with suspension and debarment requirements that were revised in February 2012. The Department should consider performing a retrospective review of contracts initiated prior to the revision and updating those files with documentation of compliance with the suspension and debarment requirements.

*Views of responsible officials and planned corrective actions:* See page 194.



CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012

LVMPD Response: LVMPD will comply with our procedure that was initiated in February 2012 to electronically attach documentation to the purchase order requisition verifying that vendors are not suspended or disbarred.

  
\_\_\_\_\_  
Karen Keller, LVMPD Chief Financial Officer

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**DEPARTMENT OF JUSTICE  
DIRECT AND PASSED THROUGH NEVADA DEPARTMENT OF PUBLIC SAFETY AND THE CITY OF  
LAS VEGAS, NEVADA**

	<u>Questioned Costs</u>
<b>2012-4</b>	<b>ALLOWABLE COSTS/COST PRINCIPLES</b>
	JAG Program Cluster: Edward Byrne Memorial Justice Assistance Grant Program – CFDA No. 16.738; 2010-DJ-BX-0933, 2009-SB-B9-1637
<i>Criteria:</i>	OMB Circular A-87 requires that “where employees are expected to work solely on a single federal award or cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having firsthand knowledge of the work performed by the employee”.
<i>Condition:</i>	Our testing disclosed that for three out of eight payroll transactions tested, the County did not obtain the required payroll certifications for employees who charged their salaries and wages to the grant.
<i>Effect:</i>	The County is not in compliance with Federal requirements for supporting salaries and wages charged to the grant. <span style="float: right;">None</span>
<i>Cause:</i>	It appears that there were inadequate policies and procedures over the allowable costs/cost principles requirements.
<i>Recommendation:</i>	The County should continue to strengthen its policies and procedures for obtaining the required payroll certifications under OMB A-87.
<i>Views of responsible officials and planned corrective actions:</i>	See page 197.

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**DEPARTMENT OF JUSTICE**

**Questioned  
Costs**

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**2012-5**

**REPORTING**

JAG Program Cluster:  
Edward Byrne Memorial Justice Assistance Grant Program – CFDA No. 16.738; 2010-DJ-BX-0933

*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”.

*Condition:* Our testing at the Clark County Community Resources Management Division (Division) disclosed that for each quarter of fiscal year 2012, the SF-425 reports for Grant #2010-DJ-BX-0933 were not supported by the County’s accounting records and in total the reports overstated expenditures by \$92,417 for the fiscal year ending June 30, 2012. In addition, the reports were signed and authorized by the same individual who prepared them; there were no internal controls in place to ensure the reports were reviewed before they were submitted.

*Effect:* The federal share of expenditures was not reported correctly to the grantor for each quarter of fiscal year 2012 and for the year in total.

None

*Cause:* The reporting interface for this grant allows access to only one Division employee who enters the quarterly financial data and submits the report. As a result, this process does not allow for review and approval by a separate Division employee. Copies of the accounting records that supported the amounts reported were not kept on file and subsequent entries into the accounting system prevent the amounts from currently being reproduced from the system.

*Recommendation:* The Clark County Community Resources Management Division should implement policies and procedures over report preparation that includes management oversight and segregation of duties. Specifically, the reports should be reviewed and approved by an individual other than the report’s preparer before the report’s data is entered in the reporting interface. Documentation should be maintained that includes evidence of each report’s review and approval and copies of the related accounting records that support the amounts included on the report.

*Views of responsible officials and planned corrective actions:* See pages 197-198.



# Department of Administrative Services

## Community Resources Management

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

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

March 15, 2013

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 2012-4 and 2012-5 identified by the County's external auditors, Kafoury, Armstrong & Co., related to their review of the CDBG Entitlement Grants Cluster and the JAG Program Cluster.

### **2012-4**

#### **Condition:**

Testing disclosed that for three out of eight payroll transactions tested, the County did not obtain the required payroll certifications for employees who charged their salaries and wages to the grant.

#### **Corrective Action:**

The three employees for whom payroll certifications were missing were County employees assigned to the District Attorney's office. Community Resources Management Division enters into an MOU with the D.A.'s office enabling that office to operate a JAG funded program. Management will strengthen its policies and procedures for obtaining the required payroll certifications under OMB A-87 by including this requirement in future MOU's and grant agreements and will monitor subgrantees to ensure compliance.

### **2012-5**

#### **Condition:**

Testing at the Community Resources Management Division disclosed that for each quarter of fiscal year 2012, the SF-425 reports for Grant #2010-DJ-BX-0933 were not supported by the County's accounting records and in total the reports overstated expenditures by \$92,417 for the fiscal year ending June 30, 2012. In addition, the reports were signed and authorized by the same individual who prepared them; there were no internal controls in place to ensure the reports were reviewed before they were submitted.

**Corrective Action:**

As indicated in the Auditor's comments in the "Cause" section of the Finding, the reporting interface for this grant allows access to only one Division employee, the designated Financial Point of Contact (FPOC) who enters the quarterly financial data and submits the report. As a result, this process does not allow for review and approval by a separate Division employee. Copies of the accounting records that supported the amounts reported were not kept on file and subsequent entries into the accounting system prevent the amounts from currently being reproduced from the system.

The County Community Resources Management Division will implement policies and procedures over report preparation that are similar in nature to its other grant programs which require a non-electronic, paper submission of the SF-425. This will include management oversight and segregation of duties. Prior to electronic submission, the FPOC will provide a written report to Community Resources Management Division's assigned Budget Analyst who will reconcile this information against the information in the County's financial system (SAP). Once the Budget Analyst concurs with the FPOC, a recommendation will be made to Management to authorize electronic submission. Appropriate documentation will be maintained in the file evidencing each report's review and approval and copies of the related accounting records that support the amounts included on the report.

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

Sincerely,



Michael J. Pawlak, Manager  
Community Resources Management

cc: Sabra Smith-Newby  
Mark Gamett  
Elizabeth Vorce





# Clark County Water Reclamation District

*Mission: To manage reclaimed water as a resource.*

March 15, 2013

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

Dear Auditor,

The purpose of this letter is to respond to the single audit performed by your firm, for fiscal year ending June 30, 2012. This audit included a sub-recipient federal grant received through the Nevada Clean Water State Revolving Fund (CFDA 66.458; Contract CS32-1018). Funds were used for Clark County Water Reclamation District's (CCWRD) Capital Project 586 AWT Membrane/Ozone Phase I.

Finding 2012-6

*Auditor Finding:*

Auditor tests found that the Clark County Water Reclamation District had not complied with the suspension and debarment requirements of OMB Circular A-133. The District did not perform procedures to verify that the two contractors associated with this project were not suspended or debarred.

*Auditor Recommendation:*

The Clark County Water Reclamation District should implement and enforce policies and procedures over the process for complying with suspension and debarment requirements of OMB Circular A-133. There are no questioned costs associated with this finding.

*Corrective Action:*

CCWRD staff immediately verified (as did the auditor) that neither contractors working on this project are on the suspended or debarred listing. CCWRD has implemented a Procurement Suspensions & Debarments Policy, which will provide reasonable assurance that procurement of goods and services are made in compliance with the provisions of OMB-A133 Compliance Supplement and the Suspension and Debarment A102 Common Rule. This policy/procedure establishes roles and responsibilities for each party involved with federally funded contracts to ensure that Federal grant transactions are not made with debarred or suspended consultants and/or contractors and their immediate sub-contractors/consultants.

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

Sincerely,

Bridgette McNally  
Financial Services Manager

CC: Tom Minwegen, Deputy General Manager  
Elizabeth Vorce, Clark County Comptroller's Office  
Mark Gamett, Clark County Comptroller's Office

BOARD OF TRUSTEES

Lawrence L. Brown III, *Chair*. Steve Sisolak, *Vice Chair*.  
Susan Brager . Tom Collins . Chris Giunchigliani . Mary Beth Scow . Lawrence Weekly  
Tom Minwegen, *Deputy General Manager*

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

**DEPARTMENT OF ENERGY  
DIRECT AND PASSED THROUGH NEVADA STATE OFFICE OF ENERGY**

			<u>Questioned Costs</u>
<b>2012-7</b>	<b>REPORTING</b>		
	Energy Efficiency and Conservation Block Grant – CFDA No. 81.128; DE-EE0000685, DE-EE0000687		
<i>Criteria:</i>	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”.		
<i>Condition:</i>	The SF-425 report initially submitted for the quarter ending September 30, 2011 and the previous quarter included incorrect data for disbursements, expenditures and obligations. Revised and corrected reports for both quarters were submitted in January 2012 after guidance had been provided by the grantor agency.		
<i>Effect:</i>	The grantor agency was reported inaccurate data for the first quarter of the fiscal year.		None
<i>Cause:</i>	Due to miscommunications with Department of Energy personnel, Clark County Real Property Management Division personnel categorized certain amounts incorrectly on the SF-425 reports for quarters ending June 30, 2011 and September 30, 2011. Subsequent to the filing of the September 30, 2011 report, Division personnel received clarifying guidance from the Department of Energy and submitted corrected reports for those quarters. Reports for subsequent quarters reflected the new guidance and categorized amounts correctly.		
<i>Recommendation:</i>	The County should strengthen its management oversight of report preparation to include a review of the data included to ensure it is presented in accordance with reporting guidelines.		

*Views of responsible officials and planned corrective actions:* See page 202.





# Department of Real Property Management

500 S Grand Central Pky 4th Fl • Box 551825 • Las Vegas NV 89155-1825  
(702) 455-4616 • Fax (702) 455-4055

Jerome A. Stueve, Acting Director

March 13, 2013

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

Dear Auditors:

The purpose of this letter is to respond to the finding identified by the County's external auditors, Kafoury, Armstrong & Co., related to the review of FY 2012 Energy Efficiency and Conservation Block Grant (EECBG) – CFDA No. 81.128, DE-EE0000685.

## 2012-7

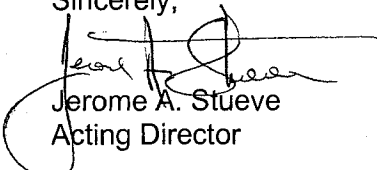
**Condition:** The SF-425 report initially submitted for the quarter ending September 30, 2011 and the previous quarter included incorrect data for disbursements, expenditures and obligations. Revised and corrected reports for both quarters were submitted in January 2012 after guidance had been provided by the grantor agency.

**Cause:** Due to miscommunications with the Department of Energy personnel, Clark County Real Property Management categorized certain amounts incorrectly on the SF-425 reports for quarters ending June 30, 2011 and September 30, 2011. Subsequent to the filing of the September 30, 2011 report, Division personnel received clarifying guidance from Department of Energy and submitted corrected reports for those quarters. Reports for subsequent quarters reflected the new guidance and categorized amounts correctly.

**Response:** Because the County had obtained Department of Energy's approval of the June 30, 2011 and September 30, 2011 reports, staff was unaware of reporting incorrect data. Once staff received clarifying guidance from the Department of Energy's newly assigned project manager, the information was revised and future reports were submitted in accordance with the new guidance.

Thank you for the opportunity to respond to the audit finding. If you have any questions, please contact Lisa Kremer at (702) 455-2907.

Sincerely,

  
Jerome A. Stueve  
Acting Director

Cc: Mark Gamett  
Elizabeth Vorce

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2012**

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

			<u>Questioned Costs</u>
<b>2012-8</b>	<b>REPORTING</b>		
	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 these CFDA Nos. on the schedule of expenditures of federal awards.		
<i>Criteria:</i>	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”.		
<i>Condition:</i>	The CB-496 Report submitted for the quarter ending March 31, 2012 included incorrect current quarter claim amounts for both programs.		
<i>Effect:</i>	The grantor agency was reported inaccurate data for the third quarter of the fiscal year and Clark County received an over-reimbursement of \$161,355. Of this amount, \$16,787 was attributable to the Adoption Assistance program and \$144,568 was attributable to the Foster Care program.		\$161,355
<i>Cause:</i>	During the report preparation process, certain overhead amounts that should have been subtracted from the calculation of direct costs were instead added. This was a manual error that was detected by Clark County Department of Family Services personnel subsequent to the report’s filing and we were alerted to the error at the beginning of audit procedures.		
<i>Recommendation:</i>	The County should strengthen its management oversight of report preparation to include a more timely review of the data to ensure calculations do not contain errors prior to each report’s submission. The County should also include a prior quarter adjustment in the March 31, 2013 CB-496 Report submission to address this error.		

*Views of responsible officials and planned corrective actions:* See page 204.



# Department of Family Services

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

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



March 19, 2013

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

Subject: Title IV-E Foster Care (CFDA No.93.658) and Adoption Assistance Program (CFDA No 93.659) – Audit Findings

Finding 2012-8 – The CB-496 Report submitted for the quarter ending March 31, 2012 included incorrect current quarter claim amounts for both programs. The grantor agency was reported inaccurate data for the third quarter of the fiscal year and Clark County received an over-reimbursement of \$161,355. During the report preparation process, certain overhead amounts that should have been subtracted from the calculation of direct costs were instead added. This was a manual error that was detected by Clark County Department of Family Services personnel subsequent to the report's filing.

Corrective Action – The Fiscal unit began implementation of the verification and balancing review only to determine that the current worksheets are too cumbersome to allow for efficient review. DFS contracted with the Public Consulting Group (PCG) to provide software (AlloCap) that DFS will use in the quarterly Federal claim process. This software will increase DFS' accuracy and efficiency, compared to the current spreadsheet based process. AlloCAP quarterly claiming uses the SAP downloads minimizing data entry. This is the same back-end system structure currently in use by Nevada State Department of Health and Human Services and Washoe County Department of Social Services in addition to other agencies outside of the State of Nevada.

Federal program guidelines do not specify a deadline for refunding over-reimbursements; however, the over-reimbursement amount of \$161,355 will be processed as a prior-quarter adjustment on the FY13 (March 3<sup>rd</sup> quarter) Title IV-E Foster Care and Adoption Assistance Financial Report.

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

Sincerely,

Lisa Ruiz-Lee  
Director  
Department of Family Services

Cc: Mark Gammet

**CLARK COUNTY, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2012**

See pages 206-216.



# Department of Administrative Services Community Resources Management

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

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

March 15, 2013

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

Dear Auditors:

The purpose of this letter is to confirm implementation of the Corrective Action Letter dated March 15, 2012, for the finding reported during the 2011 OMB A-133 Single Audit.

**2011-1**  
**Condition:**

Clark County did not file the first two quarterly SF-425 reports during the year for NSP1 activity (grant number B-08-UN-320001). Additionally, none of the SF-425 reports were reported on a cumulative basis for CDBG grant numbers B-09-UC-320001, B-09-UY-320001, and B-10-UC-320001.

**Corrective Action:**

Following the 2010 audit report finding in March of 2011, beginning with the third quarter reports for FY 2011, Clark County began submitting cumulative SF-425 reports for NSP1 expenditures. The County began submitting cumulative SF-425 reports for the CDBG grants beginning in the second quarter of FY 2012.

I hope this information provides you with the necessary update requested as part of your current audit.

Sincerely,

Michael J. Pawlak, Manager  
Community Resources Management

cc: Sabra Smith-Newby  
Mark Gamett  
Elizabeth Vorce



# Department of Comprehensive Planning

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

Nancy Lipski, Director

March 14, 2013

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

## **SUBJECT: DEPARTMENT OF THE INTERIOR – 2011-2 AUDIT FINDING UPDATE**

Dear Sirs:

Our office has reviewed the above noted finding from the year ending June 30, 2011, and we are providing the following response to you.

### **Original Condition:**

Our tests disclosed that for 5 of the 17 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. This was also noted as a finding in the 2010 audit. The reports with errors were all prepared and submitted prior to the notification of the noncompliance finding. All of the June 30, 2011, quarterly reports tested correctly reported cash receipts and disbursements on a cumulative basis.

### **Original Response:**

The following response information is provided regarding the five incorrect SF-425's. The project numbers for the five projects were provided by Kafoury, Armstrong & Co.

### **CC18 (12/31/2010), CC32 (9/31/2010) and CC44 (12/31/2010)**

All three SF-425's were prepared and submitted prior to the notification of the 2010 non-compliance finding as noted in the Condition. As mentioned in the response to the 2010 audit, we have provided additional staff to review the reports for accuracy prior to submittal to the Grantor.

**Corrective Action:** No additional corrective action is necessary for these three projects, since the errors occurred prior to the notification of non-compliance.

### **CC25 (3/31/2011)**

For CC25, all entries on the SF-425 are correct. The error was found in the retention amount shown on the attached Project Cost Tracking Worksheet. The Worksheet indicated a retention amount of \$116,426.34 which was the amount encumbered during the reporting Quarter, rather than the cumulative amount of \$217,778.80, which was reflected on the signed SF-425.

**Corrective Action:** The Department of Comprehensive Planning will provide a corrected Project Cost Tracking Worksheet to the Grantor for the CC25 project.

#### **BOARD OF COUNTY COMMISSIONERS**

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

**CC49 (3/31/2011)**

For CC49, the unliquidated obligations (Section 10f) incorrectly stated a quarterly retention amount of \$12,435.51 rather than the cumulative retention amount of \$20,000.00. This error caused the Federal Share (Section 10g) and the Unobligated Balance of Federal Funds (Section 10h) to be reported incorrectly. Additionally, the attached Project Cost Tracking Worksheet showed no retention for the CC49 project, which further compounded the error.

**Corrective Action:** The Department of Comprehensive Planning will provide a corrected SF-425 and Project Cost Tracking Worksheet to the Grantor for the CC49 project.

The errors on CC25 and CC49 were due to the fact that staff was still evolving the review process from the 2010 audit finding when the 2<sup>nd</sup> Quarter 2011 (i.e., period ending 3/31/2011) reports were prepared. Since then, staff has fully implemented the review process to ensure accurate recording of the financial status and project status reports submitted to the Grantor.

**CORRECTIVE ACTIONS TAKEN:**

In response to the 2011 audit finding, staff implemented the following actions:

**CC18 (12/31/2010), CC32 (9/31/2010) and CC44 (12/31/2010)**

No additional corrective action was taken on these three projects, since the errors occurred prior to the notification of non-compliance. To ensure compliance for all future submittals, the Department of Comprehensive Planning instituted a multi-staff quality control review process to check all SF-425's by a minimum of two people prior to reporting to the grantor. This review is documented via a signed form, which notes who reviewed all the documents in the quarterly report, including the SF-425's..

**CC25 (3/31/2011)**

The Department of Comprehensive Planning provided a corrected Project Cost Tracking Worksheet to the grantor.

**CC49 (3/31/2011)**

The Department of Comprehensive Planning provided a corrected SF-425 and Project Cost Tracking Worksheet to the grantor for the CC49 project.

Should you have any questions regarding this response, feel free to contact Ron Gregory, Principal Planner at (702) 455-3121 or [rgv@clarkcountynv.gov](mailto:rgv@clarkcountynv.gov).

Sincerely,



Nancy Lipski  
Director

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



# Department of Public Works

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

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

March 13, 2013

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

## HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA NO. 20.205

The Clark County Department of Public Works (Department) has performed an updated review of Finding No. 2011-3 concerning grant numbers P156-09-063, P153-09-063, P154-09-063 and P202-09-063 from the year ending June 30, 2011, and provides the following response:

**Condition:** This was a finding during the prior year audit. The County did not begin to obtain required payroll certifications for employees who charged their salaries and wages to the grant until after the finding was noted. Beginning in April 2011, the County did begin receiving the certifications; however, the employees did not sign the payroll certifications within a timely manner.

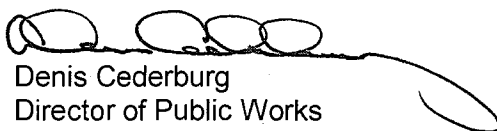
In addition, our testing revealed that indirect costs related to vehicle use were calculated as part of the labor charges. Indirect costs are not an allowable cost under the grant.

**Response:** Beginning April 2011, and upon receipt of the payroll certification notice finding ending June 30 2010, the Department established a procedure to meet the required payroll certification requirements as prescribed under OMB A-87. The Department continues to require bi-monthly signed time cards by all employees working on grant projects.

Additionally, 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 vehicle use. All federal awards accepted by the Department 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.

Should you have any questions, please feel free to contact Scott Trierweiler at (702) 455-6019.

Sincerely,

  
Denis Cederburg  
Director of Public Works

DC:ST:gms

cc: Becky Deuel, Finance Department – Support Services  
Scott Trierweiler, Finance Department – Support Services



# OFFICE OF THE DISTRICT ATTORNEY



**STEVEN B. WOLFSON**  
*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*  
**CHRISTOPHER J. LALLI**  
*Assistant District Attorney*  
**MARY-ANNE MILLER**  
*County Counsel*  
**JEFFREY J. WITHUN**  
*Assistant Director*

March 15, 2013

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

Dear Mr. Rushin:

Clark County District Attorney, Family Support Division (DAFS) has taken the following actions to implement the corrective action plan for Finding 2011-4 from our 2011 OMB A-133 Single Audit:

We continue the internal QC process that we started in 2010 where cases are reviewed at closure for the accurate setting of Born Out Of Wedlock indicators and to ensure compliance with federal closure criteria. Refresher BOW (Born Out Of Wedlock) training is given to all staff annually, and during that training staff are tested on the topics covered. Supervisors provide additional training and mentoring to staff who fail to achieve satisfactory scores on the test.

We implemented an internal Quality Control (QC) Team in August 2012. Due to staffing limitations, we are only able to dedicate one full-time employee to that team. She reviews cases to ensure compliance in the areas of case closure, data reliability, case initiation, locate, establishment, enforcement, and order entry.

In addition, we are in the final phase of becoming 100% paperless and there is a QC component where cases scanned by a vendor are reviewed for accuracy and data reliability. QC efforts by the units/teams are ongoing and the supervisors are monitoring to ensure that is being done.

Sincerely,

A handwritten signature in cursive script that reads "Teresa M. Lowry".

Teresa M. Lowry  
Assistant District Attorney

CC: Jeffrey J. Witthun, Assistant Director – Operations  
Kathi M. 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

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



March 13, 2013

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

Subject: Title IV-E Foster Care (CFDA No.93.658) and Adoption Assistance Program (CFDA No 93.659) – Audit Findings

The Department of Family Services (DFS) has reviewed the previously submitted audit response dated March 13, 2012 and has implemented the corrective actions outlined below. The prior quarter adjustment for FY11 is currently being processed.

Finding 2011-5 – It was reported that the County’s internal control over the review of the Title IV-E Foster Care and Adoption Assistance Reports were ineffective. Formula errors were identified one of the report computations which resulted in an over-reimbursement from the grantor in the amount of \$16,981. The findings noted “ineffective management oversight over the reporting compliance requirement, as there was a lack of adequate review of the Title IV-E Foster and Adoption Assistance Reports prior to their submission to the grantor.”

Corrective Action – The existing process for preparation of the Title IV-E Foster Care and Adoption Assistance Financial Reports necessitate a reconciliation of quarterly period expenditures balanced with general ledger expense transactions recorded in the County’s Financial System, SAP. This reconciliation task is performed by the Title IV-E financial analyst.

One Senior Financial Analyst was reassigned to oversee, review, and implement internal controls of the IV-E process to strengthen the DFS Title IVE-E claim process.

A financial working group was also assembled to address the issues of formula errors, duplicate entries and inaccurate data. This group met with the Title IV-E representative from the Federal and State level to discuss solutions of accurately calculating the cost pool as it relates to Title IV-E claiming.

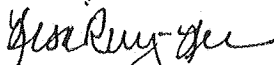
In addition, DFS contracted with the Public Consulting Group (PCG) to provide software that DFS will use in the quarterly Federal claim process. This software will increase DFS’ accuracy and efficiency compared to the current spreadsheet based process. This is the same back-end system structure currently in use by Nevada State Department of Health and Human Services, and Washoe County Department of Social Service, in addition to other agencies outside of the State of Nevada.

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DON BURNETTE, County Manager

The 2011 3<sup>rd</sup> quarter claim has been reviewed by the DFS IVE Financial Analyst. The claim has been recalculated and found that the over reimbursement reported had not been regrouped to its appropriate expense category and allocation method. For this reason the overstated amount has been reduced to \$608. This reassessment of the finding's questioned cost has not been reviewed by the awarding agencies or subjected to audit procedures by Kafoury, Armstrong & Co.

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

Sincerely,



Lisa Ruiz-Lee  
Director  
Department of Family Services

Cc: Mark Gammet



# Department of Social Service

## Tim Burch, 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 14, 2013

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

RE: Update on FY11 Finding 2011-6

In response to this finding concerning the women, infants, children and youth (WICY) earmarking compliance, staff has received technical assistance from the federal funding agency, Health Resources and Services Administration (HRSA). The technical assistance resulted in the development of a policy statement regarding a methodology that will satisfy the federal reporting requirement of tracking actual expenditures for this WICY report while still utilizing the cost based reimbursement method. The policy with corresponding tracking number is enclosed in addition to the HRSA approval again reflecting the corresponding tracking number which was received on February 25, 2013.

Additionally, contract language was developed and implemented in Exhibit A of all sub-recipient contracts for the current grant year (March 1, 2013-February 28, 2014) which states; "**PROVIDER** shall serve women, infants, children and youth (WICY) and document client numbers and funds spent for the mandated WICY report. **PROVIDER** shall report to **COUNTY** the WICY population served upon request."

Staff will continue to work with HRSA to ensure maintenance of effort compliance going forward. No penalty was incurred for the FY 10-11 decreased in maintenance of effort funding.

Please do not hesitate to contact our office if you have questions related to this correspondence.

Sincerely,

Tim Burch  
Director

Enclosures

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Donald G. Brunette, County Manager



# Department of Social Service

## Tim Burch, 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

January 9, 2013

Lennwood Green  
Public Health Analyst  
U.S. Department of Health and Human Services  
Health Resources and Services Administration  
Division of Service Systems HAB  
Western Services Branch  
5600 Fishers Lane 7A-55  
Rockville, MD 20857

RE: WICY Policy Statement submission PA-00026588

Lennie,

Please see the WICY Policy Statement below for your review and approval.

### Las Vegas TGA Part A Program Policy Statement Women, Infants, Children and Youth (WICY) Reporting

#### Policy Statement

Ryan White Program Authorization language stipulates, in relation to services for women, infants, children and youth with HIV disease, including treatment measures to prevent the perinatal transmission of HIV, a TGA shall use for services to each of these populations an amount not less than the percentage of grant funds made available in a fiscal year constituted by the ratio of the population involved (women, youth, infants, or children) in such area with HIV/AIDS, to the metropolitan area's overall population with HIV/AIDS.

HRSA/HAB requires that a TGA report the total amount and percentage of funds expended retrospectively for WICY in the previous grant year. HRSA/HAB provides reporting updates and guidance during the year to be reported on in advance of the reporting deadline. This guidance includes the official CDC percentages of WICY in the TGA during the reporting year.

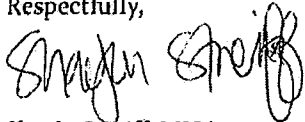
#### Procedure

To satisfy the WICY reporting requirement, Ryan White program staff shall, over the course of the year and prior to the WICY report deadline, conduct the following activities:

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- 1) Contracted sub-grantees enter services delivered in CAREWare. CAREWare tracks client level demographic information such as, gender, age and client level service delivery information such as service name and number of units.
- 2) Grantee staff monitor service delivery rates across the TGA by HRSA defined WICY demographic, age and gender to identify any change in historical service delivery levels,
- 3) If applicable, Grantee staff addresses significant decreases in WICY service delivery levels through consultation with service providers,
- 4) After the close of the grant year and prior to the WICY report deadline, Grantee staff calculates the amount of funds utilized to serve the WICY populations with the following procedure:
  - a. Run a CAREWare report per sub-contractor for the total number of clients served in grant year including client age and gender,
  - b. Calculate all funds reimbursed to each sub-contractor over the course of the grant year,
  - c. From the CAREWare report per sub-contractor of the total number of clients served, break out the number of HRSA defined Women, Infant, Children and Youth served,
  - d. Divide the number of Women by the total number of clients served deriving the percentage of Women served per sub-contractor, multiply the percentage of Women by the total grant year funds reimbursed per sub-contractor,
  - e. Divide the number of Infants by the total number of clients served deriving the percentage of Infants served per sub-contractor, multiply the percentage of Infants by the total grant year funds reimbursed per sub-contractor,
  - f. Divide the number of Children by the total number of clients served deriving the percentage of Children served per sub-contractor, multiply the percentage of Children by the total grant year funds reimbursed per sub-contractor,
  - g. Divide the number of Youth by the total number of clients served deriving the percentage of Youth served per sub-contractor, multiply the percentage of Youth by the total grant year funds reimbursed per sub-contractor,
  - h. Complete HRSA created WICY report by contractor using the amount of funds derived from letters a - g, the CDC spreadsheet listing the Percent of AIDS cases in EMA/TGA and following the instructions included in the HRSA created spreadsheet.

Respectfully,



Shayla Streiff, MHA  
Acting Grant Administrator  
Las Vegas TGA

## Shayla Streiff

---

**From:** ppettway@hrsa.gov  
**Sent:** Monday, February 25, 2013 2:51 AM  
**To:** Shayla Streiff  
**Subject:** Other - Other Prior Approval Request Approved by HRSA

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Following Prior Approval Request has been Reviewed and Approved by HRSA:

Request Type: Other - Other  
Tracking Number: PA-00026588  
Grant Number: H89HA06900

Following Comments were added by the HRSA Reviewer for your information:  
Accepted

If you have any questions, please contact your GMS.

For any questions regarding online submission, please contact the Contact Center at 877-Go4-HRSA/877-464-4772 or Email at [CallCenter@HRSA.GOV](mailto:CallCenter@HRSA.GOV).

NOTE: This is a system generated message. Please do not respond to this message.