

CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2005

AND

INDEPENDENT AUDITORS' REPORTS

CLARK COUNTY, NEVADA

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For the Year Ended June 30, 2005

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

For the Year Ended June 30, 2005

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

## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clark County, Nevada, as of and for the year ended June 30, 2005, 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, Clark County Water Reclamation District, Las Vegas Valley Water District, or Department of Aviation, which, when combined, represent 98 percent, 97 percent, and 94 percent, respectively, of the assets, net assets, and revenues of the Enterprise Funds. 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, Clark County Water Reclamation District, Las Vegas Valley Water District, and Department of Aviation 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, 2005, 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 December 6, 2005, 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.

Management's discussion and analysis, the budgetary comparison information, and pension trend data on pages 3 through 12 and 105 through 122 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County, Nevada's basic financial statements. The introductory section, combining and individual fund statements and schedules and statistical tables, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
December 6, 2005

Clark County, Nevada

Management's Discussion and Analysis  
June 30, 2005

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 auditors' report offers an unqualified opinion that the County's financial statements are presented fairly in all material respects.
- Government-wide net assets totaled \$7,342,447,631. Net assets of business-type activities totaled \$3,451,049,029 and those of governmental activities totaled \$3,891,398,602.
- The County's total net assets increased by \$903,596,285, resulting from an increase in net assets from governmental activities of \$577,994,716 and an increase in net assets from business-type activities of \$325,601,569. Net assets from governmental activities increased mainly due to cash and investment increases resulting from strong collections of ad valorem and consolidated taxes, as well as infrastructure additions of roadways and improvements. Net assets from business-type activities increased due to increases in net capital assets of the Las Vegas Valley Water District, Clark County Department of Aviation and Clark County Water Reclamation District.
- Unrestricted net assets were \$2,378,772,375, with \$1,444,834,008 resulting from governmental activities and \$933,938,367 from business-type activities. Unrestricted net assets from governmental and business-type activities increased by 26% and 10% over the prior year, respectively.
- Net capital assets were \$8,264,619,608 of which \$3,905,069,398 were from governmental activities and \$4,359,550,210 were from business type activities. Major additions for governmental activities during the year includes \$187 million toward roadways and streets, \$73 million in flood control projects, and \$9 million in beltway construction. Major additions for business-type activities during the year included \$276 million in water system additions, \$249 million for land and net construction-in-progress additions for the Department of Aviation and \$80 million in sewer system additions. Depreciation expense attributable to assets of governmental activities amounted to \$148,737,033 for the year, and \$165,087,188 for business-type activities.
- Bonds and loans payable totaled \$5,086,396,363. The following new debt was issued during the fiscal year:
  - Governmental activities:
    - General obligation bonds:
      - \$74,895,000 in transportation improvement refunding bonds
      - \$48,935,000 in park and justice center refunding bonds
  - Business-type activities:
    - General obligation bonds:
      - \$6,000,000 in refunding bonds for the Big Bend Water District, of which \$272,591 was drawn
      - \$330,350,000 in refunding bonds for Las Vegas Valley Water District
  - Revenue Bonds:
    - \$785,530,000 in refunding bonds for the Department of Aviation

Loans:

\$300,000,000 in commercial paper for the Las Vegas Valley Water District

- The County's primary revenue sources for governmental activities were ad valorem taxes (\$552,008,303) and consolidated taxes (\$635,069,363). These two revenue sources comprised 23% and 26% respectively, or 49% of total governmental activities revenues.
- The County's total expenses were \$3,141,131,682. Governmental activities comprised \$1,835,079,755 of total expenses, the largest functional expenses being public safety (\$728,488,845) and public works (\$377,839,619). Business-type activities contributed \$1,306,051,927 to total expenses, the largest components being hospital (\$482,064,800), water (\$388,341,493) and airport (\$311,709,817).
- Public works expenses were \$377,839,619, or 20% higher than in the prior year, largely because of increased sales and fuel tax remittances to the Regional Transportation Commission of Southern Nevada (RTC) for transportation improvements.
- At the end of the fiscal year, the unreserved fund balance for the General Fund was \$243,563,410, or 25% of total General Fund expenditures and transfers out. This was an increase of \$67,494,854 or 38% from the prior year, due to strong ad valorem and consolidated tax collections.

Overview of the Financial Statements

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

Government-Wide Financial Statements

- o The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.
- o The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- o The statement of activities presents information showing how the County's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).
- o The government-wide financial statements report three types of activities: governmental activities, business-type activities, and discretely presented component units. The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health, welfare, culture and recreation, other, and interest on long-term debt. The business-type activities of the County include operations of its hospital, water, airport, sewer, 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 unit include regional transportation and flood control planning. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.

- o The government-wide financial statements include not only the business-type activities of the County itself (known as the primary government), but also those of the legally separate component units: University Medical Center (UMC), Las Vegas Valley Water District, and the Clark County Water Reclamation District. The Board of County Commissioners acts as the governing board for each of these component units whose activities are blended with those of the primary government because they function as part of the County government. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.

#### Fund Financial Statements

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

#### Governmental Funds

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financial requirements.
- Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the County's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- The County maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Las Vegas Metropolitan Police Department, and the Master Transportation Plan fund, each of which is considered to be a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds are provided in the combining and individual fund statements and schedules.
- The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison statement is provided for each of the County's governmental funds to demonstrate compliance with the budget. The budgetary comparison statements for the major governmental funds are presented as required supplementary information in the basic financial statements; the budgetary comparison statements for all 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, water, airport, sewer, and other activities.
  - ◆ Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The County uses internal service funds to account for the following activities:

- \* Construction management
  - \* Automotive fleet
  - \* Investment pool operations
  - \* Employee benefits
  - \* Central printing and mailing
  - \* Information systems development
  - \* Self-insurance activities, including:
    - + Liability insurance
    - + Workers' compensation
    - + Group insurance
- 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 the University Medical Center, 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 are provided in the combining and individual fund statements and schedules.

#### Fiduciary Funds

- The County's fiduciary funds consist of two employee benefit funds, one pension fund, and 38 agency funds. The employee benefit funds are the Medical Insurance Premium Retirement Plan and the County Section 125 Plan. The pension fund is the Las Vegas Valley Water District Pension Plan. The agency funds are used to hold monies for other entities or individuals until disposition.

#### Notes to Financial Statements

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

#### Other Information

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

Government-Wide Financial Analysis

- Net assets of the County as of June 30, 2005, and June 30, 2004, are summarized and analyzed below:

Clark County, Nevada Net Assets – Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
<b>Assets</b>						
Current and other assets	\$2,710,361,593	\$2,695,429,970	\$3,152,277,466	\$2,640,352,728	\$ 5,862,639,059	\$5,335,782,698
Net capital assets	<u>3,905,069,398</u>	<u>3,559,264,644</u>	<u>4,359,550,210</u>	<u>4,055,903,632</u>	<u>8,264,619,608</u>	<u>7,615,168,276</u>
<b>Total Assets</b>	<u>6,615,430,991</u>	<u>6,254,694,614</u>	<u>7,511,827,676</u>	<u>6,696,256,360</u>	<u>14,127,258,667</u>	<u>12,950,950,974</u>
<b>Liabilities</b>						
Long-term debt outstanding	994,777,629	1,157,215,479	951,913,142	749,113,538	1,946,690,771	1,906,329,017
Other liabilities	<u>1,729,254,760</u>	<u>1,784,075,249</u>	<u>3,108,865,505</u>	<u>2,821,695,362</u>	<u>4,838,120,265</u>	<u>4,605,770,611</u>
<b>Total Liabilities</b>	<u>2,724,032,389</u>	<u>2,941,290,728</u>	<u>4,060,778,647</u>	<u>3,570,808,900</u>	<u>6,784,811,036</u>	<u>6,512,099,628</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	1,842,643,315	1,521,709,854	1,843,199,512	1,911,366,985	3,685,842,827	3,433,076,839
Restricted	603,921,279	641,740,301	673,911,150	367,371,023	1,277,832,429	1,009,111,324
Unrestricted	<u>1,444,834,008</u>	<u>1,149,953,731</u>	<u>933,938,367</u>	<u>846,709,452</u>	<u>2,378,772,375</u>	<u>1,996,663,183</u>
<b>Total Net Assets</b>	<u>\$3,891,398,602</u>	<u>\$3,313,403,886</u>	<u>\$3,451,049,029</u>	<u>\$3,125,447,460</u>	<u>\$ 7,342,447,631</u>	<u>\$6,438,851,346</u>

- As noted earlier, net assets may serve over time as a useful indicator of the County’s financial position. Assets exceeded liabilities by \$7,342,447,631 as of June 30, 2005, and by \$6,438,851,346 as of June 30, 2004, a net increase of \$903,596,285.
- The largest portion of the County’s net assets (50%) 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. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.
- The County’s restricted net assets (18%) represent resources that are subject to external restrictions on how they may be used. Of these restricted net assets, 42% is for repayment of long-term debt, 44% is for construction of capital assets (unspent proceeds from long-term debt issues) and the balance is restricted for the County’s special revenue funds.
- The remaining portion of the County’s net assets (32%) is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors.
- At June 30, 2005, the County had positive balances in all three categories of net assets, both for the government as a whole, as well as for separate governmental and business-type activities.

Clark County, Nevada Changes in Net Assets – Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Revenues:						
Program Revenues:						
Charges for services	\$ 420,021,293	\$479,460,395	\$1,238,166,480	\$1,173,548,435	\$1,658,187,773	\$1,653,008,830
Operating grants and Contributions	262,561,539	214,696,700	5,042,294	26,216	267,603,833	214,722,916
Capital grants and contributions	297,819,242	139,585,935	311,723,401	204,179,360	609,542,643	343,765,295
General Revenues:						
Ad Valorem taxes	552,008,303	494,305,442	14,108	14,403	552,022,411	494,319,845
Franchise fees	53,441,798	47,272,850	-	-	53,441,798	47,272,850
Consolidated tax	635,069,363	527,264,980	74,946	61,164	635,144,309	527,326,144
Fuel taxes	72,893,224	69,232,174	-	-	72,893,224	69,232,174
Motor vehicle privilege tax	42,769,179	37,741,601	-	-	42,769,179	37,741,601
Sales and use tax	-	-	14,911,562	12,948,963	14,911,562	12,948,963
Interest income	66,313,855	(18,333,539)	45,348,851	16,886,329	111,662,706	(1,447,210)
Other	23,251,683	44,649,124	-	-	23,251,683	44,649,124
Gain (loss) on sale or disposition of assets	<u>3,214,275</u>	<u>7,382,329</u>	<u>82,571</u>	<u>-</u>	<u>3,296,846</u>	<u>7,382,329</u>
Total revenues	<u>2,429,363,754</u>	<u>2,043,257,991</u>	<u>1,615,364,213</u>	<u>1,407,664,870</u>	<u>4,044,727,967</u>	<u>3,450,922,861</u>
Expenses						
General government	241,761,255	214,030,906	-	-	241,761,255	214,030,906
Judicial	135,049,067	127,159,363	-	-	135,049,067	127,159,363
Public safety	728,488,845	644,724,109	-	-	728,488,845	644,724,109
Public works	377,839,619	315,536,825	-	-	377,839,619	315,536,825
Health	34,791,793	27,982,546	-	-	34,791,793	27,982,546
Welfare	111,460,623	95,101,803	-	-	111,460,623	95,101,803
Culture and recreation	42,690,897	41,085,555	-	-	42,690,897	41,085,555
Other	70,216,891	59,289,017	-	-	70,216,891	59,289,017
Interest on long-term debt	92,780,765	84,838,899	-	-	92,780,765	84,838,899
Hospital	-	-	482,064,800	462,595,611	482,064,800	462,595,611
Water	-	-	388,341,493	363,521,612	388,341,493	363,521,612
Airport	-	-	311,709,817	277,464,258	311,709,817	277,464,258
Public transit	-	-	-	-	-	-
Sewer	-	-	75,301,431	74,741,129	75,301,431	74,741,129
Other	-	-	48,634,386	46,645,574	48,634,386	46,645,574
Total expenses	<u>1,835,079,755</u>	<u>1,609,749,023</u>	<u>1,306,051,927</u>	<u>1,224,968,184</u>	<u>3,141,131,682</u>	<u>2,834,717,207</u>
Increase (decrease) in net assets before transfers	594,283,999	433,508,968	309,312,286	182,696,686	903,596,285	616,205,654
Transfers	<u>(16,289,283)</u>	<u>(21,700,000)</u>	<u>16,289,283</u>	<u>21,700,000</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	577,994,716	411,808,968	325,601,569	204,396,686	903,596,285	616,205,654
Net assets – beginning	<u>3,313,403,886</u>	<u>2,901,594,918</u>	<u>3,125,447,460</u>	<u>2,921,050,774</u>	<u>6,438,851,346</u>	<u>5,822,645,692</u>
Net assets – ending	<u>\$3,891,398,602</u>	<u>\$3,313,403,886</u>	<u>\$3,451,049,029</u>	<u>\$3,125,447,460</u>	<u>\$7,342,447,631</u>	<u>\$6,438,851,346</u>

- Program revenues included charges for services, fines and forfeitures, certain licenses and permits, special assessments, and both operating and capital grants and contributions. Program revenues from governmental activities increased by \$146,659,044 or 18%, due primarily to an increase in capital grants and contributions.
- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, consolidated taxes, increased by \$107,804,383 or 20%. The second largest revenue, ad valorem taxes, increased by \$57,702,861 or 12%. The largest business-type general revenue, sales and use tax, increased by \$1,962,599 or 15%. Interest revenue for governmental activities increased by \$84,647,394 or 462%; interest revenue for business-type activities increased by \$28,462,522 or 169%. These increases were due to prior year negative interest from lower rates of return and unrealized investment losses plus an increase in current year interest from securities lending transactions.
- The County had a gain on disposition of assets of \$3,214,275 from governmental activities. This was mainly due to sales of County right-of-way and equipment during the fiscal year.

- Public works expenses for governmental activities increased by \$62,302,794 or 20%, largely due to increased sales and fuel tax remittances to RTC for transportation improvements.

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

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

#### Governmental Funds

- The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.
- As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$1,481,218,187, an increase of \$165,929,886 or 13% from the prior year. Approximately 79% of fund balances (\$1.2 billion) constitute unreserved fund balance. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$103 million), 2) to pay debt service (\$189 million), and 3) for other reasons (\$20 million).
- The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$243,563,410, an increase of \$67,494,854 or 38% from the prior year. The total fund balance was \$265,609,638, an increase of \$66,918,623 or 34% from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved fund balance represented 25% and 20% of total General Fund expenditures and transfers out for the fiscal years ended June 30, 2005, and 2004, respectively, whereas total fund balance represents 27% and 22% of that same amount.
- Key factors in the change in fund balance in the General Fund are as follows:
  - Revenues and transfers in increased by \$122,752,092 or 13%. General fund revenues increased by \$109,551,556 or 15%. Intergovernmental revenues generated the largest revenue increase of \$45,300,245 or 17% due to increases in consolidated tax. Ad valorem taxes increased by \$23,998,656 or 11% due to a combination of valuation increases and population growth. Licenses and permits increased by \$16,181,300 or 11% due to increased population growth. Charges for services increased by \$14,880,267 or 20% due to increases in Recorder's and engineering fees. Interest increased by \$10,444,565 or 933% due to prior year negative interest from lower rates of return and unrealized investment losses plus an increase in current year interest from securities lending transactions. The remaining revenues experienced only moderate growth. Transfers in increased by \$13,200,536 or 6%. The transfers in were primarily from the unincorporated towns and the Clark County Fire District.
  - Expenditures and transfers out increased by \$100,801,291 or 11%. General fund expenditures increased \$44,299,069 or 9% which is less than the 15% increase in revenues due to ongoing cost-containment procedures. Transfers out increased by \$56,502,222 or 16%. The transfers out are primarily to the Las Vegas Metropolitan Police Department and the Detention Services special revenue funds. In addition, periodic transfers are made from the general fund to the County Capital Projects Fund at the discretion of the Board of County Commissioners. Transfers between these funds were \$85,000,000 and \$60,000,000 for the fiscal years ended June 30, 2005, and 2004 respectively.
- Other major fund activity is as follows:
  - The Las Vegas Metropolitan Police Department operates from current year resources and it budgets for a zero fund balance; however, it ended the year with a total fund balance of \$19,872,075 of which \$8,717,566 was reserved. Total revenues and transfers in were \$391,924,922, which was an increase of 10%, or \$34,267,527, over the prior

year. This increased amount occurred primarily as a result of an 11% increase in ad valorem taxes of \$10,829,789 and a combined 8% increase of \$19,810,622 in City of Las Vegas contributions and County transfers.

- The Master Transportation Plan fund accounts for tax proceeds from a variety of sources used to improve transportation in Clark County. Total revenues increased \$56,015,372 or 20% over the prior year due to a strengthening economy and continued growth of the community. The proceeds of these taxes are then moved to the appropriate capital projects, debt service, or enterprise fund to effect the transportation improvements.
- The non-major governmental funds showed an increase in fund balances of \$86,786,232, with total fund balances of \$1,159,603,036, and unreserved fund balances of \$877,601,149. All funds have the resources to meet their commitments.

#### Enterprise Funds

- The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Minor differences arise between the enterprise funds and the business-type activities in the government-wide statements due to the effects of consolidation of internal service fund activities related to the enterprise funds. Unrestricted net assets of the enterprise funds totaled \$930,738,732, an increase of \$84,824,420 or 10%, and the total growth in net assets for these funds was \$323,217,013, a 10% increase 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 \$597,584,062 or .4% greater than the original budget of \$595,188,354. Actual expenditures were \$564,249,732, or 6% less than the final budget, primarily due to the County's cost containment efforts.
- Revenues of the general fund exceeded the final budget by \$121,620,035 or 17%. Intergovernmental revenue was over by \$65,151,687 or 26%, primarily from increases in the consolidated tax due to a strengthening economy and growth of the community. Charges for services followed at \$24,352,159 or 38% over budget primarily due to increases in Recorder's fees associated with increased real estate transactions. Licenses and permits were over budget by \$22,508,130 or 16%, primarily due to an increase in utility franchise fees and gaming fees.

#### Capital Assets and Debt Administration

##### Primary Government

- Capital Assets
  - o The County's investment in capital assets, net of accumulated depreciation at June 30, 2005, was \$8,264,619,608, an increase of \$649,451,332 or 9%. 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	\$ 187 million	Water system additions	\$276 million
Flood control projects	\$ 73 million	Airport land acquisition and construction	\$249 million
Beltway land acquisition and construction	\$ 9 million	Sewer system additions	\$ 80 million

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
Land and improvements	\$1,008,019,328	\$ 962,039,064	\$2,034,121,269	\$1,990,894,572	\$3,042,140,597	\$2,952,933,636
Buildings	484,640,630	491,954,132	1,352,517,760	1,358,899,727	1,837,158,390	1,850,853,859
Machinery and equipment	73,506,162	60,669,640	361,044,270	289,262,687	434,550,432	349,932,327
Infrastructure	1,861,376,883	1,719,277,838	-	-	1,861,376,883	1,719,277,838
Construction in progress	<u>477,526,395</u>	<u>325,323,970</u>	<u>611,866,911</u>	<u>416,846,646</u>	<u>1,089,393,306</u>	<u>742,170,616</u>
Total	<u>\$3,905,069,398</u>	<u>\$3,559,264,644</u>	<u>\$4,359,550,210</u>	<u>\$4,055,903,632</u>	<u>\$8,264,619,608</u>	<u>\$7,615,168,276</u>

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

Long-Term Debt

Primary Government

- At June 30, 2005, the County had total outstanding bonds and loans of \$5,086,396,363, an increase of \$356,088,226 or 8% from the prior year. Of this amount, \$1,394,299,931 comprised general obligation debt backed by the full faith and credit of the County, \$1,223,982,308 of general obligation bonds additionally secured by specified revenue sources, and \$250,377,569 was special assessment debt for which the County is liable in the event of default by the property owners subject to assessment.

Clark County, Nevada Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>	<u>2005</u>	<u>2004</u>
General obligation bonds	\$1,394,226,961	\$1,440,706,407	\$ 72,970	\$ 83,187	\$1,394,299,931	\$1,440,789,594
Revenue backed general obligation bonds	-	-	1,223,982,308	1,275,366,338	1,223,982,308	1,275,366,338
Revenue bonds	-	-	1,907,908,924	1,600,429,323	1,907,908,924	1,600,429,323
Special assessment bonds	250,377,569	261,760,245	-	-	250,377,569	261,760,245
Loan	<u>1,844,292</u>	<u>2,042,245</u>	<u>307,983,339</u>	<u>149,920,392</u>	<u>309,827,631</u>	<u>151,962,637</u>
Total	<u>\$1,646,448,822</u>	<u>\$1,704,508,897</u>	<u>\$3,439,947,541</u>	<u>\$3,025,799,240</u>	<u>\$5,086,396,363</u>	<u>\$4,730,308,137</u>

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

### Economic Factors

- The Las Vegas economy continues its recovery from the terrorist activity that occurred on September 11, 2001, as reflected by the increases in consolidated tax, which was composed mainly of sales and motor vehicle privilege taxes. The County's unemployment rate at June 30, 2005, was 4.10 % as compared to 4.80% in the prior year.
- Clark County remains a very attractive place for people to relocate and find employment. During the fiscal year ended June 30, 2005, approximately 5,700 people moved into the County each month and this rapid rate of growth does not appear to be slowing down. This rapid growth continues to create challenges in keeping up with infrastructure needs. The County has a Master Transportation Plan in place that was approved by the 1991 legislature. During the November 2002 general election, the voters of Clark County approved an additional funding measure, subsequently enacted by the legislature to allow an additional sales tax levy to further improve the County's transportation needs.
- UMC continues to deal with the impact of uninsured patients, resulting from the initial layoffs and slow rehiring by the resort industry following September 11, 2001. UMC's operating loss increased to \$14,227,963 for the fiscal year 2005 from \$6,231,414 in fiscal year 2004 due to continued high levels of care for uninsured and underinsured patients. The County may need to help with the financing of these continued losses.
- Despite UMC's financial difficulties, the County has positioned itself to meet the needs of its citizens. A broad, healthy tax base continues to provide adequate revenues to provide basic services. A cost containment program continues to be in place, enforcing a slowdown in hiring and position savings. The County's general fund unreserved ending fund balance of \$243,563,410 represented 25% of expenditures and transfers to other funds. Together, these factors have placed the County in sound financial position to mitigate any economic uncertainty.

### Requests for Information

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

## BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

Clark County, Nevada  
Statement of Net Assets  
June 30, 2005

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Clark County Flood Control District	Regional Transportation Commission of Southern Nevada	
<b>ASSETS</b>						
Cash and investments:						
In custody of the County Treasurer	\$ 1,641,367,564	\$ 281,379,304	\$ 1,922,746,868	\$ 184,573,209	208,283,939	
In custody of other officials	9,047,448	16,308,322	25,355,770	500	40,300	
With fiscal agent	54,324,373	-	54,324,373	2,033,310	20,410,431	
Investments	-	883,270,173	883,270,173	-	-	
Loaned securities	540,585,955	47,091,156	587,677,111	60,847,190	68,392,402	
Accounts receivable (net of provision for doubtful accounts)	29,516,688	241,102,054	270,618,742	22,500	12,159,057	
Interest receivable	10,536,927	6,260,401	16,797,328	1,167,115	1,307,383	
Commercial paper receivable	-	-	-	20,000,000	-	
Taxes receivable, delinquent	5,955,317	628	5,955,945	-	-	
Penalties receivable on delinquent taxes	2,596,436	-	2,596,436	-	-	
Special assessments receivable	234,204,217	-	234,204,217	-	-	
Internal balances	(1,940,181)	1,940,181	-	-	-	
Due from fiduciary funds	878,192	-	878,192	-	-	
Due from Clark County	-	-	-	-	-	
Due from other governmental units	164,937,024	21,897,764	186,834,788	14,638,762	38,355,344	
Inventories	534,917	19,435,772	19,970,689	-	9,601,330	
Prepaid items and other current assets	1,224,656	3,565,818	4,790,474	-	-	
Deferred charges and other assets	16,592,060	112,414,750	129,006,810	-	1,939,311	
Restricted assets:						
Cash and investments:						
In custody of the County Treasurer	-	359,511,564	359,511,564	-	-	
In custody of other officials	-	235,904,444	235,904,444	-	-	
Loaned securities	-	159,430,243	159,430,243	-	-	
Accounts receivable	-	762,637,802	762,637,802	-	-	
Prepaid items and other current assets	-	127,090	127,090	-	-	
Capital assets not being depreciated	1,349,047,687	1,220,272,987	2,569,320,674	97,409	28,219,377	
Capital assets being depreciated, net of accumulated depreciation	2,556,021,711	3,139,277,223	5,695,298,934	2,814,079	130,379,753	
<b>Total Assets</b>	<b>6,615,430,991</b>	<b>7,511,827,676</b>	<b>14,127,258,667</b>	<b>286,194,074</b>	<b>519,088,627</b>	

(Continued)

Clark County, Nevada  
Statement of Net Assets  
June 30, 2005  
(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	\$ 213,488,868	\$ 163,361,044	\$ 376,849,912	\$ 26,950,148	\$	\$ 33,367,541	
Accrued payroll and other accrued liabilities	45,277,934	69,883,704	115,161,638	76,765		498,019	
Accrued interest	-	-	-	-		5,783,143	
Due to fiduciary funds	50,480,226	-	50,480,226	-		-	
Due to Clark County	-	-	-	7,697		4,733,926	
Due to other governmental units	44,863,212	-	44,863,212	1,328		-	
Loaned securities	540,585,955	47,091,156	587,677,111	60,847,190		68,392,402	
Unearned revenue and other liabilities	29,214,059	52,123,235	81,337,294	1,444,055		17,842	
Liabilities payable from restricted assets:							
Accounts payable	-	22,065,172	22,065,172	-		-	
Customer deposits	-	7,977,509	7,977,509	-		-	
Accrued expenses	-	45,786,068	45,786,068	-		-	
Loaned securities	-	159,430,243	159,430,243	-		-	
Bonds and loans payable, due within one year	-	371,130,000	371,130,000	-		-	
Bonds and loans payable, due within one year	70,867,375	13,065,011	83,932,386	13,625,000		15,020,530	
Bonds and loans payable, due after one year	1,575,581,447	3,068,526,007	4,644,107,454	300,840,000		294,484,005	
Other non-current liabilities, due after one year	153,673,313	40,339,498	194,012,811	493,289		2,082,231	
Total Liabilities	2,724,032,389	4,060,778,647	6,784,811,036	404,285,472		424,379,639	
<b>NET ASSETS</b>							
Invested in capital assets, net of related debt	1,842,643,315	1,843,199,512	3,685,842,827	2,911,488		158,599,130	
Restricted for:							
Capital projects	225,799,993	330,691,437	556,491,430	95,587,765		93,743,867	
Debt service	189,092,808	343,219,713	532,312,521	11,365,282		41,475,523	
Other purposes	189,028,478	-	189,028,478	86,509,067		27,958,906	
Unrestricted	1,444,834,008	933,938,367	2,378,772,375	(314,465,000)		(227,068,436)	
Total Net Assets	\$ 3,891,398,602	\$ 3,451,049,029	\$ 7,342,447,631	\$ (118,091,398)	\$	\$ 94,708,990	

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

Clark County, Nevada  
Statement of Activities  
For the year ended June 30, 2005

	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	\$ 241,761,255	\$ 279,894,797	\$ 108,990,500	\$ 1,095,488	\$ 148,219,530	\$ -	\$ 148,219,530	\$ -	\$ -	
Judicial	135,049,067	32,319,394	14,514,350	1,518,628	(86,696,695)	-	(86,696,695)	-	-	
Public safety	728,488,845	28,625,991	138,006,872	-	(561,855,982)	-	(561,855,982)	-	-	
Public works	377,839,619	77,527,656	113,459	292,874,734	(7,323,770)	-	(7,323,770)	-	-	
Health	34,791,793	-	-	-	(34,791,793)	-	(34,791,793)	-	-	
Welfare	111,460,623	-	899,861	-	(110,560,762)	-	(110,560,762)	-	-	
Culture and recreation	42,690,897	1,653,455	36,497	2,330,392	(38,670,553)	-	(38,670,553)	-	-	
Other	70,216,891	-	-	-	(70,216,891)	-	(70,216,891)	-	-	
Interest on long-term debt	92,780,765	-	-	-	(92,780,765)	-	(92,780,765)	-	-	
Total governmental activities	1,835,079,755	420,021,293	262,561,539	297,819,242	(854,677,681)	-	(854,677,681)	-	-	

(Continued)



FUND FINANCIAL STATEMENTS

Clark County, Nevada  
Governmental Funds  
Balance Sheet  
June 30, 2005

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments:					
In custody of the County Treasurer	\$ 188,458,458	\$ 32,884,892	\$ 48,265,788	\$ 1,212,788,406	\$ 1,482,397,544
In custody of other officials	1,016,886	237,700	124,325	3,566,537	4,945,448
With fiscal agent	-	-	-	54,324,373	54,324,373
Loaned securities	62,041,763	10,709,541	15,544,226	398,614,653	486,910,183
Accounts receivable	37,511,806	2,019,401	-	6,851,667	46,382,874
Interest receivable	1,185,984	204,723	297,142	7,823,016	9,510,865
Taxes receivable, delinquent	2,782,854	1,177,468	-	1,994,995	5,955,317
Penalties receivable on delinquent taxes	2,596,436	-	-	-	2,596,436
Special assessments receivable	-	-	-	234,204,217	234,204,217
Due from other funds	22,602,599	276,407	3,472,705	106,258,759	132,610,470
Due from other governmental units	60,074,801	-	49,339,168	54,071,103	163,485,072
Prepaid items	-	20,367	-	186,724	207,091
<b>Total Assets</b>	<b>\$ 378,271,587</b>	<b>\$ 47,530,499</b>	<b>\$ 117,043,354</b>	<b>\$ 2,080,684,450</b>	<b>\$ 2,623,529,890</b>

(Continued)

Clark County, Nevada  
 Governmental Funds  
 Balance Sheet  
 June 30, 2005  
 (Continued)

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 14,452,890	\$ 3,635,415	\$ 6,912,665	\$ 105,845,299	\$ 130,846,269
Accrued payroll	11,177,428	10,304,060	-	5,524,502	27,005,990
Due to other funds	17,078,167	1,064,530	18,107,168	147,163,913	183,413,778
Due to other governmental units	4,268,181	64,950	40,345,857	184,224	44,863,212
Loaned securities	62,041,763	10,709,541	15,544,226	398,614,653	486,910,183
Deferred revenue	3,643,520	1,879,928	-	263,748,823	269,272,271
Total Liabilities	<u>112,661,949</u>	<u>27,658,424</u>	<u>80,909,916</u>	<u>921,081,414</u>	<u>1,142,311,703</u>
Fund Balances:					
Reserved for encumbrances	1,751,235	8,717,566	-	92,909,079	103,377,880
Reserved for long-term receivables	20,294,993	-	-	-	20,294,993
Reserved for debt service	-	-	-	189,092,808	189,092,808
Unreserved:					
Designated for specific projects:					
Special revenue funds	-	-	-	30,660,991	30,660,991
Capital projects funds	-	-	-	590,055,248	590,055,248
Undesignated, reported in:					
General fund	243,563,410	-	-	-	243,563,410
Special revenue funds	-	11,154,509	36,133,438	237,427,799	284,715,746
Capital projects funds	-	-	-	19,457,111	19,457,111
Total Fund Balances	<u>265,609,638</u>	<u>19,872,075</u>	<u>36,133,438</u>	<u>1,159,603,036</u>	<u>1,481,218,187</u>
Total Liabilities and Fund Balances	<u>\$ 378,271,587</u>	<u>\$ 47,530,499</u>	<u>\$ 117,043,354</u>	<u>\$ 2,080,684,450</u>	<u>\$ 2,623,529,890</u>

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

Clark County, Nevada  
Reconciliation of the Balance Sheet  
to the Statement of Net Assets  
June 30, 2005

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

Fund balances – governmental funds		\$1,481,218,187
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	\$ 5,007,076,445	
Less accumulated depreciation	<u>(1,102,007,047)</u>	3,905,069,398
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	(1,644,604,530)	
Unamortized bond costs	16,592,060	
Loans payable	(1,844,292)	
Arbitrage liability	(600,000)	
Litigation liability	(2,500,000)	
Compensated absences	<u>(150,573,313)</u>	(1,783,530,075)
Accrued interest payable		(15,903,427)
Deferred revenue representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		240,069,537
Long-term receivables reserved in governmental funds, adjusted to allowance for uncollectibles in statement of net assets		(20,294,993)
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		87,969,610
Internal balances that are receivable from business-type activities		<u>(3,199,635)</u>
Net assets of governmental activities		<u>\$3,891,398,602</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 year ended June 30, 2005

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>					
Ad valorem taxes	\$ 237,128,773	\$ 108,537,351	\$ -	\$ 205,702,835	\$ 551,368,959
Special Assessments	-	-	-	27,679,716	27,679,716
Licenses and permits	159,868,130	-	40,387,987	39,652,540	239,908,657
Intergovernmental revenue	319,326,277	109,065,925	253,797,272	340,083,818	1,022,273,292
Charges for services	88,027,159	18,837,164	36,627,509	400,586,124	544,077,956
Fines and forfeitures	12,916,684	-	-	-	12,916,684
Interest	9,325,492	1,248,734	2,154,651	47,130,119	59,858,996
Other	5,610,589	2,304,655	-	16,617,349	24,532,593
<b>Total revenues</b>	<b>832,203,104</b>	<b>239,993,829</b>	<b>332,967,419</b>	<b>1,077,452,501</b>	<b>2,482,616,853</b>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	118,320,083	-	-	275,475,898	393,795,981
Judicial	102,130,423	-	-	29,343,541	131,473,964
Public safety	155,264,446	369,984,959	-	332,378,760	857,628,165
Public works	13,612,688	-	219,997,488	25,954,474	259,564,650
Health	19,900,651	-	-	14,303,237	34,203,888
Welfare	59,446,067	-	-	51,410,260	110,856,327
Culture and recreation	30,371,153	-	-	1,049,948	31,421,101
Other	62,776,655	-	-	2,786,690	65,563,345
Capital outlays	2,427,566	9,575,510	-	225,112,501	237,115,577
Debt service:					
Principal	-	164,034	-	67,063,499	67,227,533
Interest	-	80,722	-	88,999,444	89,080,166
Refunding bond issuance costs	-	-	-	1,022,252	1,022,252
<b>Total expenditures</b>	<b>564,249,732</b>	<b>379,805,225</b>	<b>219,997,488</b>	<b>1,114,900,504</b>	<b>2,278,952,949</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>267,953,372</b>	<b>(139,811,396)</b>	<b>112,969,931</b>	<b>(37,448,003)</b>	<b>203,663,904</b>

(Continued)

Clark County, Nevada  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the year ended June 30, 2005  
(Continued)

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):					
Refunding bonds issued	-	-	-	124,830,000	124,830,000
Premium (discount) on bonds issued	-	-	-	11,250,530	11,250,530
Transfers from other funds	219,794,772	151,931,093	-	496,885,893	868,611,758
Transfers to other funds	(420,829,521)	-	(112,864,597)	(374,731,923)	(908,426,041)
Payments to escrow agent	-	-	-	(134,000,265)	(134,000,265)
Total other financing sources (uses)	(201,034,749)	151,931,093	(112,864,597)	124,234,235	(37,734,018)
Net change in fund balances	66,918,623	12,119,697	105,334	86,786,232	165,929,886
Fund balance:					
Beginning of year	198,691,015	7,752,378	36,028,104	1,072,816,804	1,315,288,301
End of year	\$ 265,609,638	\$ 19,872,075	\$ 36,133,438	\$ 1,159,603,036	\$ 1,481,218,187

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, 2005

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

Net change in fund balances – governmental funds \$165,929,886

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. The Regional Transportation Commission and Regional Flood Control District utilize capital projects funds to construct infrastructure, not all of which is retained by the County. Also, the County relinquished infrastructure that was annexed by the cities. The County does not capitalize items costing less than \$3,000.

Capital projects recorded in governmental funds	\$ 237,115,577	
Less amounts not capitalized	<u>(24,966,831)</u>	
Capitalized expenditures	212,148,746	
Less current year depreciation	<u>(148,737,033)</u>	63,411,713

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	291,986,323	
Loss on sale of capital assets	(10,855,664)	
Change in deferred revenue	<u>(3,722,979)</u>	277,407,680

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

Bonds and loans issued	(124,830,000)	
Bond premiums and discounts	(11,250,530)	
Accrued interest	(3,438,320)	
Amortized bond costs	(1,014,199)	
Principal payment	67,227,533	
Payment to escrow agent	<u>134,000,265</u>	60,694,749

(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, 2005

(Continued)

Some expenses reported in the statement of net 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	\$ (9,256,225)	
Change in arbitrage liability	<u>900,000</u>	\$ (8,356,225)
Long-term receivable is recorded in the governmental funds. The current portion of the provision for doubtful accounts is recognized in the statement of activities.		789,037
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.		20,502,432
Reduction of internal balances that are receivable from business-type activities.		<u>(2,384,556)</u>
Change in net assets of governmental activities		<u>\$577,994,716</u>

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2005

	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	\$ 1,902,565	\$ -	\$ -	\$ 206,168,740
In custody of other officials	13,600	8,464,323	7,328,266	335,456
Investments in custody of other officials	-	340,361,572	80,115,952	-
Loaned securities	21,830,642	1,324,983	-	-
Interest receivable	-	1,920,109	835,087	3,037,663
Accounts receivable	174,338,434	8,939,585	46,446,785	11,060,158
Taxes receivable, delinquent	-	-	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	21,823,845
Inventories	7,416,574	1,428,499	7,749,629	1,576,629
Prepaid items and other current assets	2,050,241	251,136	-	1,249,441
Total unrestricted current assets	<u>207,552,056</u>	<u>362,690,207</u>	<u>142,475,719</u>	<u>245,251,932</u>
Restricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	65,819,990	4,034,480	-	288,072,755
In custody of other officials	-	-	-	235,904,444
Investments in custody of other officials	-	-	83,633,166	379,159,483
Loaned securities	-	-	-	158,907,552
Accounts receivable	-	-	314,343,959	3,813,843
Prepaid items and other current assets	127,090	-	-	-
Total restricted current assets	<u>65,947,080</u>	<u>4,034,480</u>	<u>397,977,125</u>	<u>1,065,858,077</u>
Total current assets	<u>273,499,136</u>	<u>366,724,687</u>	<u>540,452,844</u>	<u>1,311,110,009</u>
Noncurrent assets:				
Accounts receivable, restricted	-	-	444,480,000	-
Deferred charges and other assets	1,011,085	11,625,058	75,286,442	24,492,165
Capital assets:				
Property and equipment	223,967,614	1,062,200,426	1,825,277,671	2,803,867,333
Accumulated depreciation	(95,714,414)	(302,186,310)	(430,440,072)	(784,211,215)
Total capital assets, net of accumulated depreciation	<u>128,253,200</u>	<u>760,014,116</u>	<u>1,394,837,599</u>	<u>2,019,656,118</u>
Total noncurrent assets	<u>129,264,285</u>	<u>771,639,174</u>	<u>1,914,604,041</u>	<u>2,044,148,283</u>
Total assets	<u>402,763,421</u>	<u>1,138,363,861</u>	<u>2,455,056,885</u>	<u>3,355,258,292</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2005  
(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	\$ 5,268,654	\$ 6,585,000	-	\$ -
Accounts payable	63,782,006	19,589,430	35,912,936	42,348,820
Accrued expenses	30,333,630	3,842,254	19,993,618	10,420,991
Due to other funds	-	-	-	-
Loaned securities	21,830,642	1,324,983	-	-
Deferred revenue	-	-	-	28,334,040
Deposits and other current liabilities	-	3,425,737	20,015,580	-
Total current liabilities (payable from current assets)	<u>121,214,932</u>	<u>34,767,404</u>	<u>75,922,134</u>	<u>81,103,851</u>
Current liabilities (payable from restricted assets):				
Current maturities of long-term debt	-	-	331,010,000	40,120,000
Accounts payable	-	-	2,595,375	19,469,797
Accrued expenses	-	-	6,896,798	38,889,270
Customer deposits	-	-	7,977,509	-
Loaned securities	-	-	-	158,907,552
Total current liabilities (payable from restricted assets)	-	-	<u>348,479,682</u>	<u>257,386,619</u>
Total current liabilities	<u>121,214,932</u>	<u>34,767,404</u>	<u>424,401,816</u>	<u>338,490,470</u>
Noncurrent liabilities:				
Long-term debt, less current maturities	102,391,290	42,361,902	956,201,417	1,957,682,435
Deferred revenue and other non-current liabilities	27,331,020	111,600	12,896,878	-
Total noncurrent liabilities	<u>129,722,310</u>	<u>42,473,502</u>	<u>969,098,295</u>	<u>1,957,682,435</u>
Total Liabilities	<u>250,937,242</u>	<u>77,240,906</u>	<u>1,393,500,111</u>	<u>2,296,172,905</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	73,457,399	717,153,378	908,816,023	95,980,825
Restricted for:				
Capital projects	-	-	-	329,096,087
Debt service	1,537,199	4,034,480	8,456,484	329,191,550
Unrestricted	76,831,581	339,935,097	144,284,267	304,816,925
Total Net Assets	<u>\$ 151,826,179</u>	<u>\$ 1,061,122,955</u>	<u>\$ 1,061,556,774</u>	<u>\$ 1,059,085,387</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2005  
(Continued)

	Business-Type - Enterprise Funds		
	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>ASSETS</b>			
Unrestricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	\$ 73,307,999	\$ 281,379,304	\$ 158,970,020
In custody of other officials	166,677	16,308,322	4,102,000
Investments in custody of other officials	-	420,477,524	-
Loaned securities	23,935,531	47,091,156	53,675,772
Interest receivable	467,542	6,260,401	1,026,062
Accounts receivable	317,092	241,102,054	3,428,808
Taxes receivable, delinquent	628	628	-
Due from other funds	582,933	582,933	7,779,790
Due from other governmental units	73,919	21,897,764	1,451,952
Inventories	1,264,441	19,435,772	534,917
Prepaid items and other current assets	15,000	3,565,818	1,017,565
Total unrestricted current assets	100,131,762	1,058,101,676	231,986,886
Restricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	1,584,339	359,511,564	-
In custody of other officials	-	235,904,444	-
Investments in custody of other officials	-	462,792,649	-
Loaned securities	522,691	159,430,243	-
Accounts receivable	-	318,157,802	-
Prepaid items and other current assets	-	127,090	-
Total restricted current assets	2,107,030	1,535,923,792	-
Total current assets	102,238,792	2,594,025,468	231,986,886
Noncurrent assets:			
Accounts receivable, restricted	-	444,480,000	-
Deferred charges and other assets	-	112,414,750	-
Capital assets:			
Property and equipment	80,918,373	5,996,231,417	32,712,550
Accumulated depreciation	(24,129,196)	(1,636,681,207)	(26,784,439)
Total capital assets, net of accumulated depreciation	56,789,177	4,359,550,210	5,928,111
Total noncurrent assets	56,789,177	4,916,444,960	5,928,111
Total assets	159,027,969	7,510,470,428	237,914,997

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2005  
(Continued)

	Business-Type - Enterprise Funds			Governmental
	Other Enterprise Funds	Total Enterprise Funds	Activities - Internal	Service Funds
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Current maturities of long-term debt	\$ 1,211,357	\$ 13,065,011	\$ -	-
Accounts payable	1,727,852	163,361,044	82,642,599	
Accrued expenses	5,293,211	69,883,704	2,368,517	
Due to other funds	1,842,387	1,842,387	5,319,062	
Loaned securities	23,935,531	47,091,156	53,675,772	
Deferred revenue	300,976	28,635,016	8,826	
Deposits and other current liabilities	46,902	23,488,219	2,500	
Total current liabilities (payable from current assets)	<u>34,358,216</u>	<u>347,366,537</u>	<u>144,017,276</u>	
Current liabilities (payable from restricted assets):				
Current maturities of long-term debt	-	371,130,000	-	
Accounts payable	-	22,065,172	-	
Accrued expenses	-	45,786,068	-	
Customer deposits	-	7,977,509	-	
Loaned securities	522,691	159,430,243	-	
Total current liabilities (payable from restricted assets)	<u>522,691</u>	<u>606,388,992</u>	<u>-</u>	
Total current liabilities	<u>34,880,907</u>	<u>953,755,529</u>	<u>144,017,276</u>	
Noncurrent liabilities:				
Long-term debt, less current maturities	9,888,963	3,068,526,007	-	
Deferred revenue and other non-current liabilities	-	40,339,498	-	
Total noncurrent liabilities	<u>9,888,963</u>	<u>3,108,865,505</u>	<u>-</u>	
Total Liabilities	<u>44,769,870</u>	<u>4,062,621,034</u>	<u>144,017,276</u>	
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	47,791,887	1,843,199,512	-	
Restricted for:				
Capital projects	1,595,350	330,691,437	-	
Debt service	-	343,219,713	-	
Unrestricted	64,870,862	930,738,732	93,897,721	
Total Net Assets	<u>\$ 114,258,099</u>	<u>\$ 3,447,849,394</u>	<u>\$ 93,897,721</u>	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds				
Net assets of business-type of activities		<u>3,199,635</u>		
		<u>\$ 3,451,049,029</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 Assets  
For the fiscal year ended June 30, 2005

	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	-	87,570,925	-	-
Water sales and related water fees	-	-	341,868,819	-
Services to patients	449,209,168	-	-	-
Landing and other airport fees	-	-	-	37,112,626
Building and land rental	-	-	-	84,458,743
Concession fees	-	-	-	133,938,389
Constable fees	-	-	-	-
Building fees and permits	-	-	-	-
Recreation fees	-	-	-	-
Parking fees	-	-	-	-
Insurance	-	-	-	-
Other	-	-	-	-
Other operating revenues	16,146,215	-	9,861,753	6,056,605
Total operating revenues	<u>465,355,383</u>	<u>87,570,925</u>	<u>351,730,572</u>	<u>261,566,363</u>
Operating expenses:				
Salaries and benefits	-	-	-	63,328,730
General and administrative	125,821,384	18,528,926	110,616,367	7,702,998
Other professional services	340,555,767	3,410,148	-	-
Operating and maintenance	-	17,557,990	201,235,467	69,314,927
Depreciation	13,206,195	34,553,020	48,471,178	66,047,936
Total operating expenses	<u>479,583,346</u>	<u>74,050,084</u>	<u>360,323,012</u>	<u>206,394,591</u>
Operating income (loss)	<u>(14,227,963)</u>	<u>13,520,841</u>	<u>(8,592,440)</u>	<u>55,171,772</u>

(Continued)

Clark County, Nevada  
Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets

For the fiscal year ended June 30, 2005

(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	\$ 2,595,954	\$ 6,702,917	\$ 6,541,566	\$ 26,866,198
Interest expense	(3,757,520)	(1,331,682)	(24,516,679)	(105,806,313)
Gain (loss) on sale or abandonment of property and equipment	-	-	27,858	-
Consolidated tax	-	-	-	-
Sales and use tax	-	14,630,284	-	-
Contributions from other governmental units	4,947,196	-	-	-
Other	690,603	421,316	151,207	81,139,558
Total nonoperating revenues (expenses)	4,476,233	20,422,835	(17,796,048)	2,199,443
Income (loss) before contributions and transfers	(9,751,730)	33,943,676	(26,388,488)	57,371,215
Capital contributions	2,551,883	64,374,799	100,022,381	62,335,091
Transfers from other funds	15,000,000	-	-	-
Change in net assets	7,800,153	98,318,475	73,633,893	119,706,306
Net assets:				
Beginning of year	144,026,026	962,804,480	987,922,881	939,379,081
End of year	\$ 151,826,179	\$ 1,061,122,955	\$ 1,061,556,774	\$ 1,059,085,387

(Continued)

Clark County, Nevada  
Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets  
For the year ended June 30, 2005

(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	\$ 322,063	\$ 322,063	\$ -
Charges for services:			
Sewer services and operations	-	87,570,925	-
Water sales and related water fees	-	341,868,819	-
Services to patients	-	449,209,168	-
Landing and other airport fees	-	37,112,626	-
Building and land rental	-	84,458,743	-
Concession fees	-	133,938,389	-
Constable fees	2,946,489	2,946,489	-
Building fees and permits	55,669,326	55,669,326	-
Recreation fees	8,020,893	8,020,893	-
Parking fees	376,032	376,032	-
Insurance	-	-	95,031,162
Other	4,086,687	4,086,687	19,209,879
Other operating revenues	521,747	32,586,320	889,536
Total operating revenues	<u>71,943,237</u>	<u>1,238,166,480</u>	<u>115,130,577</u>
Operating expenses:			
Salaries and benefits	35,647,953	98,976,683	13,170,800
General and administrative	-	262,669,675	-
Other professional services	-	343,965,915	-
Operating and maintenance	13,626,856	301,735,240	110,933,616
Depreciation	2,808,859	165,087,188	2,015,617
Total operating expenses	<u>52,083,668</u>	<u>1,172,434,701</u>	<u>126,120,033</u>
Operating income (loss)	<u>19,859,569</u>	<u>65,731,779</u>	<u>(10,989,456)</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the year ended June 30, 2005  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	Funds
Nonoperating revenues (expenses):			
Interest income	\$ 2,642,216	\$ 45,348,851	\$ 6,454,859
Interest expense	(589,588)	(136,001,782)	-
Gain (loss) on sale or abandonment of property and equipment	54,713	82,571	(19,194)
Consolidated tax	74,946	74,946	-
Sales and use tax	281,278	14,911,562	-
Contributions from other governmental units	-	4,947,196	-
Other	109,206	82,511,890	-
Total nonoperating revenues (expenses)	2,572,771	11,875,234	6,435,665
Income (loss) before contributions and transfers	22,432,340	77,607,013	(4,553,791)
Capital contributions	36,563	229,320,717	1,531,223
Transfers from other funds	1,289,283	16,289,283	23,525,000
Change in net assets	23,758,186	323,217,013	20,502,432
Net assets:			
Beginning of year	90,499,913		73,395,289
End of year	\$ 114,258,099		\$ 93,897,721
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		2,384,556	
Change in net assets of business-type activities		\$ 325,601,569	

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

Clark County, Nevada  
Proprietary Funds

Statement of Cash Flows

For the year ended June 30, 2005

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Reclamation District	Las Vegas Valley Water District	Department of Aviation
Cash flows from operating activities:				
Cash received from customers	\$ 404,505,462	\$ 87,570,925	\$ 352,901,722	\$ 261,236,604
Cash paid for employees and for benefits	(252,435,600)	(18,528,927)	(79,435,300)	(62,401,434)
Cash paid for services and supplies	(173,732,772)	(24,215,723)	(232,318,652)	(73,136,822)
Other operating receipts	16,146,215	-	168,332	-
Net cash provided (used) by operating activities	(5,516,695)	44,826,275	41,316,102	125,698,348
Cash flows from noncapital financing activities:				
Cash provided by property taxes	-	-	-	-
Cash provided by consolidated taxes and sales and use taxes	-	-	-	-
Proceeds from interfund loan	20,000,000	-	-	-
Repayment of interfund loan	(20,000,000)	-	-	-
Federal and state grants	-	-	-	-
Transfers from other funds	-	-	-	-
Contributions from other governmental units	19,947,196	-	-	-
Net cash provided (used) by non-capital financing activities	19,947,196	-	-	-
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	2,551,883	48,149,859	50,111,872	786,492,211
Bonds and loans issued	-	-	3,300,000	-
Federal and state grants	-	-	-	39,781,246
Cash used for bond issue costs	-	-	(238,441)	(9,207,036)
Acquisition, construction, or improvement of capital assets	(24,500,888)	(40,518,200)	(109,533,862)	(221,745,197)
	(Continued)			

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the year ended June 30, 2005  
(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	\$ (6,642,052)	\$ (12,250,000)	\$ (19,930,000)	\$ (39,060,000)
Interest	(3,517,836)	(1,854,614)	(31,302,477)	(90,402,338)
Payment of bond proceeds to related party	-	-	(267,641)	-
Payments to bond refunding agent	-	-	(5,634,672)	(432,148,301)
Proceeds from the sale of capital assets	-	-	153,045	15,946,922
Proceeds from customer assessments	-	-	-	104,789,586
Sales tax apportionment	-	14,630,284	-	-
Cash provided by other capital	372,028	-	6,959,753	-
Net cash used by capital	(31,736,865)	8,157,329	(106,382,423)	154,447,093
and related financing activities:				
Cash flows from investing activities:				
Transfer to joint venture	-	(2,193,395)	-	-
Purchase of investments	-	(65,268,859)	(3,131,314,793)	(299,923,599)
Proceeds from maturities of investments	-	-	3,188,764,496	179,964,193
Interest income	2,073,304	6,903,959	7,154,228	25,907,628
Net cash provided (used) by investing activities	2,073,304	(60,558,295)	64,603,931	(94,051,778)
Net increase (decrease) in				
cash and cash equivalents	(15,233,060)	(7,574,691)	(462,390)	186,093,663
Cash and cash equivalents:				
Beginning of year	83,096,305	16,039,014	7,790,656	544,387,732
End of year:				
Unrestricted	1,916,165	8,464,323	7,328,266	206,504,196
Restricted	65,819,990	4,034,480	-	523,977,199
Total cash and cash equivalents	\$ 67,736,155	\$ 12,498,803	\$ 7,328,266	\$ 730,481,395
at end of year				

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2005  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
	\$ (14,227,963)	\$ 13,520,841	\$ (8,592,440)	\$ 55,171,772
Operating income (loss)	13,206,195	34,553,020	48,471,178	66,047,936
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	19,205,626	-	-	-
Depreciation	(44,703,706)	(1,609,352)	(532,958)	(1,417,409)
Provision for doubtful accounts	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	-
(Increase) decrease in due from other funds	-	-	-	-
(Increase) decrease in due from other governmental units	-	-	-	-
(Increase) decrease in inventory	(933,082)	(510,010)	(3,636,758)	(641,451)
(Increase) decrease in prepaid expense	-	160,138	(456,563)	(2,043)
(Increase) decrease in other assets	1,344,222	-	-	-
Increase (decrease) in accounts payable	24,591,907	(1,896,190)	4,994	-
Increase (decrease) in accrued payroll	-	-	1,880,401	4,524,597
Increase (decrease) in other non-current liabilities	(1,432,151)	-	3,567,225	927,296
Increase (decrease) in due to other funds	-	-	-	-
Increase (decrease) in deferred revenue	-	-	459,816	1,087,650
Increase (decrease) in deposits and other current liabilities	-	-	-	-
Net cash provided (used) by operating activities	(2,567,743)	607,828	151,207	-
	\$ (5,516,695)	\$ 44,826,275	\$ 41,316,102	\$ 125,698,348

(Continued)

Reconciliation of operating income (loss) to net cash flows

from operating activities:

Operating income (loss)	13,206,195
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	19,205,626
Depreciation	(44,703,706)
Provision for doubtful accounts	-
(Increase) decrease in accounts receivable	-
(Increase) decrease in due from other funds	-
(Increase) decrease in due from other governmental units	-
(Increase) decrease in inventory	(933,082)
(Increase) decrease in prepaid expense	-
(Increase) decrease in other assets	1,344,222
Increase (decrease) in accounts payable	24,591,907
Increase (decrease) in accrued payroll	-
Increase (decrease) in other non-current liabilities	(1,432,151)
Increase (decrease) in due to other funds	-
Increase (decrease) in deferred revenue	-
Increase (decrease) in deposits and other current liabilities	-
Net cash provided (used) by operating activities	(2,567,743)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2005  
(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	\$ -	\$ 16,224,940	\$ 49,910,509	\$ -
Property, plant and equipment purchased on account	-	18,245,578	-	-
Contributions from general fund	-	-	-	-
Change in fair value of investments	-	(495,637)	1,357,712	-
Refunding bonds issued	-	-	317,751,389	-
Bonds refunded	-	-	(306,580,328)	-
Deferred loss on refunded bonds	-	-	12,415,019	-
Debt issued on behalf of related party	-	-	189,807,309	-
Reduction of debt issued on behalf of related party	-	-	(41,715,661)	-

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows

For the fiscal year ended June 30, 2005  
(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	\$ 70,791,495	\$ 1,177,006,208	\$ 113,334,894	
Cash paid for employees and for benefits	(35,206,245)	(448,007,506)	(13,689,993)	
Cash paid for services and supplies	(12,357,066)	(515,761,035)	(102,537,236)	
Other operating receipts	357,834	16,672,381	889,536	
Net cash provided (used) by operating activities	<u>23,586,018</u>	<u>229,910,048</u>	<u>(2,002,799)</u>	
Cash flows from noncapital financing activities:				
Cash provided by property taxes	14,146	14,146	-	
Cash provided by consolidated taxes and sales and use taxes	381,181	381,181	-	
Proceeds from interfund loan	-	20,000,000	-	
Repayment of interfund loan	-	(20,000,000)	-	
Federal and state grants	36,031	36,031	-	
Transfers from other funds	1,289,283	1,289,283	23,525,000	
Contributions from other governmental units	-	19,947,196	-	
Net cash provided (used) by non- capital financing activities	<u>1,720,641</u>	<u>21,667,837</u>	<u>23,525,000</u>	
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	887,305,825	-	
Bonds and loans issued	808,890	4,108,890	-	
Federal and state grants	-	39,781,246	-	
Cash used for bond issue costs	-	(9,445,477)	-	
Acquisition, construction, or improvement of capital assets	(2,025,407)	(398,323,554)	(1,893,965)	

Clark County, Nevada  
 Proprietary Funds  
 Statement of Cash Flows

For the fiscal year ended June 30, 2005

(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		
Cash used for debt service:				
Principal	\$ (1,015,217)	\$ (78,897,269)	\$	-
Interest	(464,105)	(127,541,370)		-
Payment of bond proceeds to related party	-	(267,641)		-
Payments to bond refunding agent	-	(437,782,973)		-
Proceeds from the sale of capital assets	8,992	16,108,959		119,169
Proceeds from customer assessments	-	104,789,586		-
Sales tax apportionment	-	14,630,284		-
Cash provided by other capital	-	7,331,781		-
Net cash used by capital and related financing activities	(2,686,847)	21,798,287		(1,774,796)
Cash flows from investing activities:				
Transfer to joint venture	-	(2,193,395)		-
Purchase of investments	-	(3,496,507,251)		-
Proceeds from maturities of investments	-	3,368,728,689		-
Interest income	2,174,674	44,213,793		5,428,797
Net cash provided (used) by investing activities	2,174,674	(85,758,164)		5,428,797
Net increase (decrease) in cash and cash equivalents	24,794,486	187,618,008		25,176,202
Cash and cash equivalents:				
Beginning of year	50,264,529	701,578,236		137,895,818
End of year:				
Unrestricted	73,474,676	297,687,626		163,072,020
Restricted	1,584,339	595,416,008		-
Total cash and cash equivalents at end of year	\$ 75,059,015	\$ 893,103,634	\$	\$ 163,072,020

(Continued)

Clark County, Nevada  
Proprietary Funds

Statement of Cash Flows

For the fiscal year ended June 30, 2005

(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)	\$ 19,859,569	\$ 65,731,779	\$	(10,989,456)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,808,859	165,087,188		2,015,617
Provision for doubtful accounts	-	19,205,626		-
(Increase) decrease in accounts receivable	(61,256)	(48,324,681)		1,311
(Increase) decrease in due from other funds	(581,438)	(581,438)		(1,965,129)
(Increase) decrease in due from other governmental units	-	-		1,048,845
(Increase) decrease in inventory	-	(5,721,301)		(54,858)
(Increase) decrease in prepaid expense	-	(298,468)		(30,590)
(Increase) decrease in other assets	-	1,344,222		-
Increase (decrease) in accounts payable	(455,066)	22,245,645		7,381,413
Increase (decrease) in accrued payroll	441,708	6,846,706		(115,626)
Increase (decrease) in other non-current liabilities	-	3,062,370		-
Increase (decrease) in due to other funds	1,560,943	1,560,943		696,848
Increase (decrease) in deferred revenue	450	1,547,916		8,826
Increase (decrease) in deposits and other current liabilities	12,249	(1,796,459)		-
Net cash provided (used) by operating activities	\$ 23,586,018	\$ 229,910,048	\$	(2,002,799)

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2005  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Noncash investing, capital and financing activities			
Donated mains and services	\$ -	\$ 66,135,449	\$ -
Property, plant and equipment purchased on account	-	18,245,578	-
Contributions from general fund	-	-	1,057,673
Change in fair value of investments	-	862,075	-
Refunding bonds issued	-	317,751,389	-
Bonds refunded	-	(306,580,328)	-
Deferred loss on refunded bonds	-	12,415,019	-
Debt issued on behalf of related party	-	189,807,309	-
Reduction of debt issued on behalf of related party	-	(41,715,661)	-

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

Clark County, Nevada  
Fiduciary Funds  
Statement of Net Assets  
June 30, 2005

	Employee Benefit and Pension Funds	Agency Funds
<b>ASSETS</b>		
Cash and investments:		
In custody of the County Treasurer	\$ 1,553,831	\$ 88,064,349
In custody of other officials	-	58,552,834
With fiscal agent	85,507,029	-
Loaned securities	508,664	28,741,156
Accounts receivable	-	132,122
Interest receivable	9,724	549,413
Taxes receivable, delinquent	-	10,843,479
Due from other funds	-	50,480,226
Due from other governmental units	-	1,333,132
Prepaid items	-	282,615
Total Assets	87,579,248	238,979,326
<b>LIABILITIES</b>		
Accounts payable	-	521,075
Accrued payroll	-	17,192
Due to other funds	2,022	876,170
Loaned securities	508,664	28,741,156
Amounts held for others	-	208,823,733
Total Liabilities	510,686	238,979,326
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	\$ 87,068,562	\$ -

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

Clark County, Nevada  
Fiduciary Funds

Statement of Changes in Net Assets  
For the year ended June 30, 2005

	Employee Benefit and Pension Funds
<b>ADDITIONS</b>	
Contributions:	
Contributions from employer	\$ 15,137,310
Contributions from employees	1,613,742
Total contributions	<u>16,751,052</u>
Investment earnings:	
Interest	1,314,297
Net increase in fair value of investments	3,828,654
Total investment earnings	5,142,951
Less investment expense	(77,499)
Net investment earnings	<u>5,065,452</u>
Total additions	<u>21,816,504</u>
<b>DEDUCTIONS</b>	
General and administrative Benefit payments	166,900
	<u>10,563,647</u>
Total deductions	<u>10,730,547</u>
Change in net assets	11,085,957
<b>NET ASSETS</b>	
Beginning of year	75,982,605
End of year	<u>\$ 87,068,562</u>

The accompanying notes are an integral part of  
these financial statements

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

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), 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, 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 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 the Flood Control District because their debt constitutes a direct and general obligation of the County. The full faith and credit of the County is pledged to the payment of principal, interest, and any additional expenses due, subject to Nevada constitutional and statutory limitations, on the aggregate amount of ad valorem taxes. The debt is payable by the County from any source legally available at the time such payments are due, including the General Fund of the County. In the event that such legally available sources of funds are insufficient, the County is obligated to levy a general (ad valorem) tax on all taxable property within the County, subject to the limitations provided in the constitution and statutes of the State of Nevada.

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

Las Vegas Valley 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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Reporting Entity (Continued)

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

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

Government-Wide and Fund Financial Statements

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

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

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

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-Wide Financial Statements (Continued)

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.

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 to be available if they are 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 nonoperating 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 nonoperating revenues and expenses.

The County reports the following major governmental funds:

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

The Las Vegas Metropolitan Police Department Fund accounts for the operation of a police department.

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

The County reports the following major enterprise funds:

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

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

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

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

Additionally, the County reports the following fund types:

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

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

The agency funds are also included as fiduciary funds and they account for assets held by the County as an agent for other governmental entities.

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

Assets, Liabilities, and Net Assets or Equity

Investments

With the exception of the component units, 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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments (Continued)

individual funds. The component units 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 governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

Inventories and Prepaid Items

The Water District enterprise fund inventories are valued at the weighted average moving cost. The inventories of the other proprietary funds are valued at the lower of cost, determined by first-in, first-out method, or market. Inventories consist primarily of materials and supplies.

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

Restricted Assets

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

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bridges, flood control structures, traffic signals, streetlights, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial individual cost of more than \$3,000 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 market 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Capital Assets (Continued)

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

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

Compensated Absences

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

Long-Term Obligations

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

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

Fund Equity

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

Reclassifications

Certain amounts in the prior year statements have been reclassified for comparison purposes to conform with the current year presentation. Beginning net assets differ from prior year ending net assets due to RTC and the Flood Control District being presented as discretely presented component units in the current year. In prior years these entities were treated as blended component units.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Assets

Funds that had deficit net assets at June 30, 2005, are as follows:

	<u>Amount of Deficit</u>
Internal Service Funds:	
LVMPD Self-Funded Insurance	\$ (2,832,463)
LVMPD Self-Funded Industrial Insurance	(7,453,568)

The County and the City of Las Vegas fund the Las Vegas Metropolitan Police Department (LVMPD) jointly. The County's funding portion is 59.6% of the above deficit. The County has transferred sufficient monies to the County's Liability Insurance and Workers' Compensation funds to cover the County's portion of the deficit.

Excess of Expenditures Over Appropriations

Nevada law requires disclosure of fund expenditures in excess of appropriations. For the fiscal year ended June 30, 2005, the Revenue Stabilization Debt Service Fund services and supplies expenditures exceeded appropriations by \$3,130 due to an adjustment to expenditures for securities lending expenses. The Fort Mojave Reserve Debt Service Fund services and supplies expenditures exceeded appropriations by \$1,107 due to an adjustment to expenditures for securities lending expenses. The Clark County Fire Service District Debt Service Fund services and supplies expenditures exceeded appropriations by \$10,663 due to adjustment to expenditures for securities lending expenses. The Searchlight Town Debt Service Fund services and supplies and interest expenditures exceeded appropriations by \$334 due to adjustment to expenditure for securities lending expenses. In prior year's CAFR, these expenditures were netted against revenue. This fiscal year, the revenues and expenditures are reported at gross. These expenditures will be incorporated in the subsequent year's budget.

III. DETAILED NOTES – ALL FUNDS

1. CASH AND INVESTMENTS

Deposits

According to state statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within the County. The County is authorized to use demand accounts, time accounts, and certificates of deposit. State statutes do not specifically require collateral for demand deposits,

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Deposits (Continued)

but do specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable County investments described below, except that statutes permit a longer term and include securities issued by municipalities within Nevada. The County's deposits are fully covered by federal depository insurance or collateral held by the County's agent in the County's name. The County has written custodial agreements with the various financial institutions' trust banks for demand deposits and certificates of deposits. These custodial agreements pledge securities totaling 102% of the deposits with each financial institution. The County has a written agreement with the State Treasurer for monitoring the collateral maintained by the County's depository institutions.

All deposits are subject to credit risk. Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations. At year end, the bank balance of deposits held in custody of the County Treasurer was \$18,670,075 and the carrying amount was (\$35,251,858). The negative carrying amount represents outstanding checks in excess of bank balances. 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 \$30,124,924 and the carrying amount was \$28,376,858. The bank balance and the carrying value of deposits with fiscal agent was \$5,146,499.

At June 30, 2005, the fair value of Countywide deposits, investments, and loaned securities consisted of the following:

Total Cash, Investments and Loaned Securities All Entities Combined (Expressed in Thousands)		
		<u>Fair Value</u>
Investments	\$4,045,758	
Loaned securities	<u>905,597</u>	4,951,355
Cash		(1,728)
Water District Pension		<u>85,437</u>
Grand total		<u>\$5,035,064</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 Treasurer comprise the investment pool.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

Securities purchased by the County are delivered against payments and held in a custodial safekeeping account with the trust department of a bank designated by the County.

As described above, the cash and investments in custody of the County Treasurer are invested as a pool. Entity-wide investment pools are considered to have the general characteristics of demand deposits in that the entity may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Therefore, cash and investments in custody of the County Treasurer for the proprietary funds are considered cash equivalents for the purposes of the statement of cash flows. Cash received as collateral for loaned securities is not considered a cash equivalent for the purpose of the statement of cash flows.

State statutes authorize the County to invest in the following: Obligations of the U.S. Treasury and U.S. agencies not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada; negotiable certificates of deposit insured by commercial banks, credit unions or savings and loan associations; nonnegotiable certificates of deposit issued by insured commercial banks, credit unions or savings and loan associations, except certificates that are not within limits of insurance provided by the Federal Deposit Insurance Corporation, unless those certificates are collateralized as is required for uninsured deposits; bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180 days maturity and 20 percent of total investments; obligations of state and local governments if the interest on the obligation is tax exempt and is rated "A" or its equivalent; commercial paper having an "A-1" rating or equivalent, not to exceed 270 days maturity and 20 percent of 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, 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 collateralized at 102 percent and 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, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2005, the fair value of Countywide investments and securities lending were categorized by maturity as follows:

Primary Government Investments with Securities Lending  
(Expressed in Thousands)

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 to 2</u>	<u>3 to 5</u>	<u>6 to 10</u>
Debt Securities:					
U.S. Treasuries	\$ 705,242	\$ 89,249	\$ 346,529	\$ 269,464	\$ -
U.S. Agencies	2,166,100	392,976	869,591	828,056	75,477
Corporate Obligations	488,306	339,352	104,239	44,715	-
Money Market Funds	372,202	372,202	-	-	-
Commercial Paper	311,956	311,956	-	-	-
State Investment Pool	100,609	100,609	-	-	-
Collateralized Investment Agreements*	334,718	334,718	-	-	-
Repurchase Agreements	405,247	405,247	-	-	-
Asset Backed Securities	<u>66,975</u>	<u>-</u>	<u>-</u>	<u>66,975</u>	<u>-</u>
	<u>\$4,951,355</u>	<u>\$2,346,309</u>	<u>\$1,320,359</u>	<u>\$1,209,210</u>	<u>\$ 75,477</u>

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

At June 30, 2005, 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	\$50,652,083	59.29%
Equities	<u>34,785,455</u>	<u>40.71</u>
Total	<u>\$85,437,538</u>	<u>100.00%</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

<u>Investment</u>	<u>Maturities</u>	<u>Carrying Value</u>
Northern Trust Co., Domestic Equity Fund	N/A	\$34,785,455
Mellon Bank, Domestic Bond Fund	Weighted Average 6.66 years	26,212,756
Nevada State Bank, Money Market Fund	Weighted Average 10 days	45,512
Union Central Life Insurance Co. Contract	Open	1,478,947
N.Y. Life Insurance Co. Contract	Open	6,944,726
N.Y. Life Insurance Co. Contract	09/04/07	4,242,438
N.Y. Life Insurance Co. Contract	09/04/07	4,085,284
N.Y. Life Insurance Co. Contract	10/01/07	<u>7,642,420</u>
Total		<u>\$85,437,538</u>

At June 30, 2005, the fair value of Countywide investments and securities lending were categorized by quality rating as follows:

Primary Government Investments with Securities Lending  
(Expressed in Thousands)

<u>Investment Type</u>	<u>Fair Value</u>	<u>Quality Ratings by Moody's</u>				
		<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A-1</u>	<u>Unrated</u>
<u>Debt Securities</u>						
U.S. Treasuries	\$ 705,242	\$ 705,242	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	2,166,100	2,166,100	-	-	-	-
Corporate Obligations	488,306	74,959	10,140	63,855	339,352	-
Money Market Funds	372,202	372,202	-	-	-	-
Commercial Paper	311,956	-	-	-	311,956	-
State Investment Pool	100,609	-	-	-	-	100,609
Collateralized Investment Agreements*	334,718	-	-	-	-	334,718
Repurchase Agreements	405,247	-	-	-	-	405,247
Asset Backed Securities	<u>66,975</u>	<u>66,975</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$4,951,355</u>	<u>\$3,385,478</u>	<u>\$10,140</u>	<u>\$63,855</u>	<u>\$651,308</u>	<u>\$840,574</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, 2005

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>06/30/05</u>
Domestic Bond Fund	AAA/AA1	51.76%
Money Market Fund	AAA/Aaa	00.08
Contracts	N/A	48.16

The AAA/AA1 ratings for the Domestic Bond Fund were by Standard & Poor's and Moody's respectively, and the AAA/Aaa ratings for the Money Market Fund were by Standard & Poor's and Moody's respectively.

The amounts above include investment balances for the RTC and the Flood Control District of \$297,127,072 and \$247,454,209, 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 effect 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

The County invests in the following types of securities that have a higher sensitivity to interest rates:

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

*Step-up securities* have fixed rate coupons for a specific time interval that will step-up a predetermined number of basis points at scheduled coupon or other reset dates. These securities are callable one time or on their 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 three month LIBOR plus 125 basis points. In some cases, interest rate caps are reset higher annually. These securities are callable generally on their coupon dates.

*CPI floaters* have a variable rate coupon based on the Consumer Price Index Year-Over-Year index plus 114 basis points. This rate resets and pays a coupon monthly.

*Range Notes* have fixed rate coupons based on three month LIBOR staying within a range for a time period, generally one year. If three month LIBOR is within the predetermined range for a specific time period, the coupon rate is set at a higher rate that steps at periodic intervals. If three month LIBOR is out

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity (Continued)

of the predetermined range, the coupon rate is reset to a floor rate or 1%. These securities are also callable on their coupon dates.

*Corporate note floaters* have a variable rate coupon based on a 2 year LIBOR minus 65 basis points. This resets and pays coupons quarterly.

Terms Table of Interest Rate Sensitive Securities

<u>CUSIP</u>	<u>Fair Value</u>	<u>Date</u>	<u>Call Frequency</u>	<u>Index</u>	<u>Coupon</u>
36962GG99	\$ 4,895,000	03/02/09	N/A	2 Yr. LIBOR	Floating
3133XAY43	24,851,563	03/15/07	One time	N/A	Fixed
3128X3H55	24,635,000	11/02/07	One time	N/A	Fixed
31359MUB7	24,811,250	02/17/09	N/A	CPI	Floating
3133X65D4	25,202,750	04/28/09	Semi annually	3 Mo. LIBOR	Floating
3133X5JF6	25,276,000	10/08/09	Quarterly	3 Mo. LIBOR	Floating
3133X8N81	25,000,000	09/30/11	Quarterly	3 Mo. LIBOR	Floating
3133X9BE9	25,534,750	11/17/11	Quarterly	3 Mo. LIBOR	Floating
3133XB2X2	24,984,375	09/28/06	Quarterly	N/A	Step-up
3136F4DL5	24,984,375	09/06/07	One time	N/A	Step-up
3133XBEP6	25,046,875	04/11/08	Semi annually	N/A	Step-up
3133XBWY7	49,843,750	06/09/08	Semi annually	N/A	Step-up
3136F5JM4	24,664,063	03/23/09	N/A	N/A	Step-up
3133X8NW8	24,953,125	09/29/09	Semi annually	N/A	Step-up
3136F6JQ3	24,937,500	11/09/09	Semi annually	N/A	Step-up
3128X3G23	24,756,500	11/09/09	One time	N/A	Step-up
3133X9T26	24,992,188	12/17/09	Quarterly	N/A	Step-up
3136F6RP6	24,820,313	12/28/09	Semi annually	N/A	Step-up
3133XB3D5	25,023,437	03/23/10	Semi annually	N/A	Step-up
3133XAZE0	25,031,250	03/24/10	Quarterly	N/A	Step-up
3128X3X99	24,943,500	12/29/11	Semi annually	N/A	Step-up

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies the prudent-person rule: "In investing the County's monies, there shall be exercised the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The County's investments in the bonds of U.S. Federal agencies were rated AAA by Standard & Poor's and Fitch Ratings, and Aaa by Moody's Investors Service. The County's investment policy limits investments in corporate bonds to an "A" as rated by a nationally recognized rating service and all corporate bond investments were rated "A" or its equivalent or higher. The County's investments in commercial paper are rated P-1 by Moody's Investors Services, F-1 by Fitch Ratings, and A-1 by Standard & Poor's or higher.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

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 has a limit of no more than 5% of the Clark County investment pool be invested in obligations of any one issuer except direct obligations of the U.S. government or federal agencies.

At June 30, 2005, the following investments exceeded 5% of the total cash, investments, and loaned securities collateral for all entities combined.

Federal Home Loan Banks (FHLB)	25.83%
Federal National Mortgage Association (FNMA)	8.59
Federal Home Loan Mortgage Corporation (FHLMC)	7.65

Securities Lending

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

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

The County has the ability to pledge or sell collateral securities without a borrower default. There were no borrower defaults during the period nor were there any prior period losses to recover.

State statutes place no restrictions on the amount of securities that can be loaned. Either the County or the borrower can terminate all open securities loans on demand. Cash collateral is invested in accordance with the investment guidelines stated in NRS 355.170. The County investment policy requires that the maturities of the investments made with cash collateral may not be mismatched with the maturities of the securities loaned by more than three business days. Such amounts are included in loaned securities in investments and liabilities.

The fair value of the securities on loan at June 30, 2005, was \$885,887,439. At June 30, 2005, the County had collateral with a fair value totaling \$905,596,765, which consisted of U.S. corporate obligations, repurchase agreements, and asset-backed securities. The total collateral received was in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

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, \$905,596,765 was held by the counterparty that was acting as the County's agent in securities lending transactions.

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 quarterly 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.

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, 2005:

<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Total</u>
\$3,593,881	\$1,995,922	\$141,398	\$5,731,201

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2005, consisted of the following:

	<u>Accounts</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<u>Primary Government</u>			
Governmental activities:			
General	\$ 37,511,806	\$(20,294,993)	\$ 17,216,813
Las Vegas Metropolitan Police	2,019,401	-	2,019,401
Other governmental	6,851,667	-	6,851,667
Internal Service	<u>3,428,808</u>	<u>-</u>	<u>3,428,808</u>
Total governmental activities	<u>\$ 49,811,682</u>	<u>\$(20,294,993)</u>	<u>\$ 29,516,689</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 20,294,993</u>		
Business-type activities:			
University Medical Center	\$208,712,434	\$(34,374,000)	\$174,338,434
Reclamation District	9,199,151	(259,566)	8,939,585
Water District	47,021,785	(575,000)	46,446,785
Department of Aviation	12,185,295	(1,125,137)	11,060,158
Other proprietary	<u>317,092</u>	<u>-</u>	<u>317,092</u>
Total business-type activities	<u>\$277,435,757</u>	<u>\$(36,333,703)</u>	<u>\$241,102,054</u>
Business-type activities restricted:			
Department of Aviation	\$ 3,813,843	\$ -	\$ 3,813,843
Total business-type activities restricted	<u>\$ 3,813,843</u>	<u>\$ -</u>	<u>\$ 3,813,843</u>
Amounts not scheduled for collection during the subsequent year	<u>\$844,480,000</u>		

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

Discretely Presented Component Units

Regional Transportation Commission of Southern Nevada	<u>\$ 1,251,648</u>	<u>\$ -</u>	<u>\$ 1,251,648</u>
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Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2005, was as follows:

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2005</u>
<b><u>Primary Government</u></b>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$ 846,432,785	\$ 25,618,538	\$ 530,031	\$ 871,521,292
Construction in progress	<u>325,323,970</u>	<u>275,579,470</u>	<u>123,377,045</u>	<u>477,526,395</u>
Total capital assets not being depreciated	<u>1,171,756,755</u>	<u>301,198,008</u>	<u>123,907,076</u>	<u>1,349,047,687</u>
Capital assets being depreciated:				
Buildings	584,220,109	7,935,832	5,656,515	586,499,426
Improvements other than buildings	162,175,754	30,064,715	37,021	192,203,448
Equipment	215,946,786	39,818,615	23,097,599	232,667,802
Infrastructure	<u>2,398,749,192</u>	<u>247,908,890</u>	<u>-</u>	<u>2,646,658,082</u>
Total capital assets being depreciated	<u>3,361,091,841</u>	<u>325,728,052</u>	<u>28,791,135</u>	<u>3,658,028,758</u>
Less accumulated depreciation for:				
Buildings	92,265,977	11,881,253	2,288,434	101,858,796
Improvements other than buildings	46,569,475	9,157,958	22,021	55,705,412
Equipment	155,277,146	21,887,977	18,003,483	159,161,640
Infrastructure	<u>679,471,354</u>	<u>105,809,845</u>	<u>-</u>	<u>785,281,199</u>
Total accumulated depreciation	<u>973,583,952</u>	<u>148,737,033</u>	<u>20,313,938</u>	<u>1,102,007,047</u>
Total capital assets being depreciated, net	<u>2,387,507,889</u>	<u>176,991,019</u>	<u>8,477,197</u>	<u>2,556,021,711</u>
Governmental activities capital assets, net	<u>\$3,559,264,644</u>	<u>\$478,189,027</u>	<u>\$132,384,273</u>	<u>\$3,905,069,398</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	\$ 601,367,092	\$ 38,701,583	\$ 31,662,599	\$ 608,406,076
Construction in progress	<u>416,846,646</u>	<u>373,970,214</u>	<u>178,949,949</u>	<u>611,866,911</u>
Total capital assets not being depreciated	<u>1,018,213,738</u>	<u>412,671,797</u>	<u>210,612,548</u>	<u>1,220,272,987</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Business-type activities (Continued):

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2005</u>
Capital assets being depreciated:				
Land improvements	\$1,931,964,860	\$ 91,218,054	\$ 687,447	\$2,022,495,467
Buildings and improvements	1,968,198,844	75,434,062	19,085,503	2,024,547,403
Equipment	<u>666,164,760</u>	<u>101,317,095</u>	<u>38,566,295</u>	<u>728,915,560</u>
 Total capital assets being depreciated	 <u>4,566,328,464</u>	 <u>267,969,211</u>	 <u>58,339,245</u>	 <u>4,775,958,430</u>
Less accumulated depreciation for:				
Land improvements	542,437,380	54,414,269	71,375	596,780,274
Buildings and improvements	609,299,117	62,730,526	-	672,029,643
Equipment	<u>376,902,073</u>	<u>47,942,393</u>	<u>56,973,176</u>	<u>367,871,290</u>
 Total accumulated depreciation	 <u>1,528,638,570</u>	 <u>165,087,188</u>	 <u>57,044,551</u>	 <u>1,636,681,207</u>
 Total capital assets being depreciated, net	 <u>3,037,689,894</u>	 <u>102,882,023</u>	 <u>1,294,694</u>	 <u>3,139,277,223</u>
 Business-type activities capital assets, net	 <u>\$4,055,903,632</u>	 <u>\$515,553,820</u>	 <u>\$211,907,242</u>	 <u>\$4,359,550,210</u>

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

**Governmental activities:**

General government	\$ 9,398,604
Judicial	3,221,740
Public safety	17,907,899
Public works	107,491,502
Health	224,073
Welfare	462,635
Culture and recreation	9,485,536
Other	<u>545,044</u>

Total depreciation expense – governmental activities \$148,737,033

**Business-type activities:**

Hospital	\$ 13,206,195
Water	49,633,369
Airport	66,047,936
Sewer	34,553,020
Other	<u>1,646,668</u>

Total depreciation expense – business-type activities \$165,087,188

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

**Construction Commitments**

Major projects included in construction-in-progress are the Regional Justice Center, Detention Center expansion, 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, 2005, were as follows:

	<u>Spent to date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Buildings and improvements	\$183,996,462	\$ 34,709,887
Infrastructure:		
Work in progress (flood structures) RFCD	104,734,196	32,297,336
Work in progress – Public Works	91,818,087	56,614,307
Work in progress – RTC Clark County projects	<u>96,977,650</u>	<u>406,899,364</u>
Total infrastructure	<u>293,529,933</u>	<u>495,811,007</u>
Total governmental activities	<u>\$477,526,395</u>	<u>\$530,520,894</u>
Business-type activities:		
Hospital	\$ 11,296,719	\$ 54,555,953
Water	108,341,916	257,973,765
Airport	409,296,119	1,600,000,000
Sewer	<u>82,932,157</u>	<u>58,878,100</u>
Total	<u>\$611,866,911</u>	<u>\$1,971,407,818</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units

Flood Control District

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2005</u>
Capital assets not being depreciated:				
Construction in progress	\$ <u>52,430</u>	\$ <u>44,979</u>	\$ <u>-</u>	\$ <u>97,409</u>
Capital assets being depreciated:				
Buildings	2,982,918	11,771	-	2,994,689
Equipment	<u>1,266,287</u>	<u>84,807</u>	<u>16,158</u>	<u>1,334,936</u>
Total capital assets being depreciated	<u>4,249,205</u>	<u>96,578</u>	<u>16,158</u>	<u>4,329,625</u>
Less accumulated depreciation for:				
Buildings	346,582	60,048	-	406,630
Equipment	<u>1,025,853</u>	<u>86,472</u>	<u>3,409</u>	<u>1,108,916</u>
Total accumulated depreciation	<u>1,372,435</u>	<u>146,520</u>	<u>3,409</u>	<u>1,515,546</u>
Total capital assets being depreciated, net	<u>2,876,770</u>	<u>(49,942)</u>	<u>12,749</u>	<u>2,814,079</u>
Government activities capital assets, net	<u>\$2,929,200</u>	<u>\$ (4,963)</u>	<u>\$12,749</u>	<u>\$2,911,488</u>

Depreciation expense totaled \$146,520.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

RTC

	<u>Balance</u> <u>July 1, 2004</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2005</u>
Governmental activities:				
Buildings	\$ 15,934,700	\$ 98,009	\$ -	\$ 16,032,709
Equipment	<u>1,238,075</u>	<u>967,478</u>	<u>26,150</u>	<u>2,179,403</u>
Total capital assets	<u>17,172,775</u>	<u>1,065,487</u>	<u>26,150</u>	<u>18,212,112</u>
Less accumulated depreciation for:				
Buildings	1,808,842	339,880	-	2,148,722
Equipment	<u>666,300</u>	<u>278,292</u>	<u>26,150</u>	<u>918,442</u>
Total accumulated depreciation	<u>2,475,142</u>	<u>618,172</u>	<u>26,150</u>	<u>3,067,164</u>
Governmental activities capital assets, net	<u>\$ 14,697,633</u>	<u>\$ 447,315</u>	<u>\$ -</u>	<u>\$ 15,144,948</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 7,095,864	\$10,067,361	\$ -	\$ 17,163,225
Construction in progress	<u>1,018,750</u>	<u>10,037,402</u>	<u>-</u>	<u>11,056,152</u>
Total capital assets not being depreciated	<u>8,114,614</u>	<u>20,104,763</u>	<u>-</u>	<u>28,219,377</u>
Capital assets being depreciated:				
Buildings and improvements	62,121,831	1,789,701	-	63,911,532
Equipment	<u>129,597,374</u>	<u>21,108,611</u>	<u>1,297,081</u>	<u>149,408,904</u>
Total capital assets being depreciated	<u>191,719,205</u>	<u>22,898,312</u>	<u>1,297,081</u>	<u>213,320,436</u>
Less accumulated depreciation for:				
Buildings and improvements	12,287,548	2,423,587	-	14,711,135
Equipment	<u>70,057,209</u>	<u>13,341,088</u>	<u>23,801</u>	<u>83,374,496</u>
Total accumulated depreciation	<u>82,344,757</u>	<u>15,764,675</u>	<u>23,801</u>	<u>98,085,631</u>
Total capital assets being depreciated, net	<u>109,374,448</u>	<u>7,133,637</u>	<u>1,273,280</u>	<u>115,234,805</u>
Business-type activities capital assets, net	<u>\$117,489,062</u>	<u>\$27,238,400</u>	<u>\$1,273,280</u>	<u>\$143,454,182</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense totaled \$16,382,846.

Construction commitments include major arterial roadway projects with various local entities of approximately \$310,062,000. In addition, the Public Transit fund has outstanding construction commitments of approximately \$27,602,000 for busses and \$3,000,000 for a fixed guideway feasibility study.

5. INTERFUND TRANSACTIONS

Due to/from other funds at June 30, 2005, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 19,018,372
	Nonmajor enterprise funds	1,743,041
	Internal service funds	986,303
	Fiduciary funds	697,096
	Las Vegas Metropolitan Police Fund	157,787
Las Vegas Metropolitan Police Fund	Fiduciary funds	61,672
	Nonmajor governmental funds	4,734
	Internal service funds	210,001
Master Transportation Fund	Nonmajor governmental funds	3,472,705
Nonmajor governmental funds	General Fund	13,667,006
	Las Vegas Metropolitan Police Fund	469,259
	Master Transportation Fund	18,107,168
Nonmajor governmental funds	Between nonmajor governmental funds	73,892,831
	Fiduciary funds	117,402
	Internal Service Funds	3,071
	Employee Benefit and Pension Funds	2,022
Nonmajor enterprise funds	Nonmajor governmental funds	143,650
	General Fund	439,283
Internal service funds	General Fund	2,971,878
	Las Vegas Metropolitan Police Fund	437,484
	Nonmajor governmental funds	151,395
	Nonmajor enterprise funds	99,346
	Between internal service funds	4,119,687
Fiduciary funds	Nonmajor governmental funds	<u>50,480,226</u>
Total due to/from other funds		<u>\$191,453,419</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

These 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.

Interfund transfers for the year ended June 30, 2005, consisted of the following:

<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$219,794,772
Las Vegas Metropolitan Police Fund	General Fund	151,879,438
	Nonmajor governmental funds	51,655
Nonmajor governmental funds	General Fund	250,660,800
	Master Transportation Fund	112,864,597
	Between nonmajor governmental funds	133,360,496
University Medical Center fund	General Fund	15,000,000
Nonmajor enterprise funds	General Fund	1,289,283
Internal service funds	General Fund	2,000,000
	Nonmajor governmental funds	21,525,000
Fiduciary funds	Between fiduciary funds	<u>3,580,000</u>
Total interfund transfers		<u>\$912,006,041</u>

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT

Primary Government

Governmental Activities:

The governmental activities column of the government-wide statement of net assets reports the following liabilities that are not reported in the governmental funds:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General obligation bonds	\$1,394,226,961	\$61,507,048	\$1,332,719,913
Special assessment bonds, with government commitment	250,377,569	9,155,875	241,221,694
Loans	1,844,292	204,452	1,639,840
Litigation accrual	2,500,000	-	2,500,000
Arbitrage	14,900,000	14,300,000	600,000
Compensated absences	<u>150,573,313</u>	<u>-</u>	<u>150,573,313</u>
 Total liabilities	 <u>\$1,814,422,135</u>	 <u>\$85,167,375</u>	 <u>\$1,729,254,760</u>

General Obligation Bonds:

The following is a summary of general obligation bond activities for the year ended June 30, 2005:

Bonds payable July 1, 2004	\$1,440,706,407
Bonds issued	123,830,000
Bonds retired	<u>(170,309,446)</u>
 Bonds payable June 30, 2005	 <u>\$1,394,226,961</u>

The following individual issues comprised the bonds payable at June 30, 2005. New bond issues are designated by an asterisk (\*).

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Clark County Street Improvement:			
Series of December 1, 1995	\$ 22,285,000	5.10-5.20%	\$ 20,700,000
Series of 2002A	26,495,000	3.00-5.00	9,920,000
 Unamortized premium			443,118
Unamortized refunding loss			(337,798)
 Transportation Improvement:			
Series of June 1, 1992	250,000,000	4.90-8.00	69,475,000
Series of July 1, 1994	104,200,000	5.40-6.20	3,645,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

General Obligation Bonds (Continued):

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Series of January 15, 1996	\$136,005,000	4.25-5.25%	\$120,770,000
Series of March 1, 1998	118,060,000	4.00-5.25	79,675,000
Series of 2004A	41,685,000*	3.00-5.00	41,685,000
Unamortized premium			3,505,030
Unamortized refunding loss			(1,058,296)
Series of 2004B	33,210,000*	3.00-5.00	33,210,000
Unamortized premium			3,051,172
Unamortized refunding loss			(782,849)
Series of December 1, 1998	100,000,000	4.00-5.25	53,485,000
Series of 2000	85,000,000	5.00-6.00	25,945,000
Medium Term:			
Series of 2002B	20,000,000	4.50-5.00	14,780,000
Unamortized premium			715,374
Park and Justice Center:			
Series of November 1, 1999	107,015,000	5.00-6.00	50,530,000
Series of 2004C	48,935,000*	3.00-5.00	48,935,000
Unamortized premium			4,292,909
Unamortized refunding loss			(980,978)
Government Center:			
Series of 2004	7,910,000	2.00-5.00	6,070,000
Unamortized premium			697,057
Unamortized refunding gain			434,526
Public Facilities			
Series of March 1, 1999	71,060,000	3.25-5.125	63,310,000
Clark County Public Safety:			
Series of October 1, 1996	120,000,000	5.25-6.00	4,955,000
Series of February 1, 1999	20,000,000	4.00-5.00	8,930,000
Series of 2000	18,000,000	5.00-6.00	7,205,000
Series of 2004	75,610,000	2.50-5.00	75,610,000
Unamortized premium			7,459,981
Unamortized refunding loss			(1,487,239)

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

General Obligation Bonds (Continued):

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
<b>Bond Bank:</b>			
Series of 2000	\$200,000,000	5.50-8.00%	\$ 193,790,000
Series of 2001	250,000,000	5.00-5.50	241,755,000
Series of 2002	200,000,000	5.00-5.25	196,455,000
Unamortized premium			5,904,488
<b>Clark County Fire District:</b>			
Series of November 1, 1995	10,500,000	4.20-6.13	1,445,000
<b>Town of Searchlight:</b>			
Series of 1982	236,720	5.00	<u>90,466</u>
<b>Total General Obligation Bonds</b>			<b><u>\$1,394,226,961</u></b>

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2006	\$ 61,507,048	\$ 71,176,841	\$ 132,683,889
2007	63,162,603	67,897,982	131,060,585
2008	65,968,080	64,567,635	130,535,715
2009	65,711,990	61,110,903	126,822,893
2010	66,702,633	57,570,618	124,273,251
2011-2015	356,255,152	236,517,487	592,772,639
2016-2020	309,185,894	145,589,108	454,775,002
2021-2025	166,818,643	86,724,219	253,542,862
2026-2030	183,143,643	41,773,313	224,916,956
2031-2035	<u>55,771,275</u>	<u>3,096,438</u>	<u>58,867,713</u>
<b>Total</b>	<b><u>\$1,394,226,961</u></b>	<b><u>\$836,024,544</u></b>	<b><u>\$2,230,251,505</u></b>

Special Assessment Bonds:

The following is a summary of special assessment bond activities for the year ended June 30, 2005:

Bonds payable July 1, 2004	\$261,760,245
Bonds retired	<u>(11,382,676)</u>
Bonds payable at June 30, 2005	<b><u>\$250,377,569</u></b>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued):

The following individual issues comprised the bonds payable at June 30, 2005. New bond issues are designated by an asterisk (\*).

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
<b>Laughlin:</b>			
Series of December 15, 1995	\$ 6,107,000	4.25-7.63%	\$ 4,080,000
Series of December 15, 1995	689,040	4.00-5.00	72,600
Series of March 1, 1998	353,000	3.65-4.30	55,000
Series of September 1, 1998	2,155,000	4.10-7.20	1,050,000
<b>Spring Mountain:</b>			
Series of March 1, 1998	739,000	3.65-4.30	125,000
Series of January 1, 2000	648,000	4.25-5.40	355,000
<b>Southern Highlands:</b>			
Series of 1999	60,630,000	5.70-7.50	51,590,000
<b>Gowan Road:</b>			
Series of January 1, 2000	147,000	4.25-5.40	55,000
<b>Desert Inn Road:</b>			
Series of April 1, 1997	216,380	3.80-5.00	21,700
Series of February 1, 1999	76,000	3.25-4.20	40,000
Series of April 1, 1999	300,000	3.40-4.50	125,000
<b>Jones Boulevard:</b>			
Series of June 15, 2002	194,000	1.50-4.20	121,037
Series of 2003	322,000	2.00-3.50	280,000
<b>Russell Road:</b>			
Series of September 1, 1998	7,155,000	3.65-5.00	4,405,000
Series of January 1, 2000	432,000	4.25-5.40	105,000
<b>Charleston Boulevard:</b>			
Series of March 1, 1996	2,510,000	4.10-5.80	260,000
<b>Mountain Vista Street:</b>			
Series of 2004	322,424	3.50-4.30	282,944
<b>Silverado Ranch Boulevard:</b>			
Series of 2004	1,747,504	3.50-4.30	1,669,023

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued):

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Stewart Avenue: Series of 2004	\$ 205,850	3.50-4.30%	\$ 196,605
Boulder Highway: Series of 2003	2,119,000	2.00-4.30	1,510,000
Vegas Manor: Series of February 1, 1999	1,754,000	3.25-4.20	535,000
Oquendo Road: Series of April 1, 1999	399,000	3.40-4.50	85,000
Tenaya Way: Series of 2003	300,000	2.00-3.50	260,870
Buffalo Drive: Series of 2003	527,000	2.00-3.50	408,261
Series of 2004	64,569	3.50-4.30	56,670
Las Vegas Boulevard: Series of 2003	6,970,000	2.00-3.70	5,690,000
Unamortized Discount and Refunding Loss			(304,173)
Valley View: Series of March 1, 1998	2,492,000	3.65-4.30	610,000
Series of April 1, 2000	2,123,000	5.10-5.25	1,200,000
Summerlin: Series of May 1, 1997, Senior	17,335,569	4.50-6.25	16,071,825
Series of May 1, 1997, Subordinate	8,375,273	4.50-6.25	7,818,985
Unamortized discount			(292,344)
Series of 2000, Senior	4,399,431	2.25-4.50	4,158,175
Series of 2000, Subordinate	1,929,727	3.00-5.90	1,836,015
Unamortized discount			(67,018)
Series of May 1, 2001	58,000,000	4.50-6.875	40,025,000
Series of 2003B	10,000,000	3.50-6.30	9,745,000
Unamortized premium			1,182
Eastern Avenue: Series of April 1, 1997	132,620	3.80-5.00	13,300

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued):

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Windmill:			
Series of June 1, 1996	\$ 159,000	4.00-5.30%	\$ 37,522
Series of March 1, 1998	195,000	3.65-4.30	65,000
Series of January 1, 2001	1,604,000	4.25-4.75	835,000
Tropicana Avenue:			
Series of June 15, 2002	118,000	1.50-4.20	88,827
Flamingo Road:			
Series of June 15, 2002	405,000	1.50-4.20	239,870
Craig Road:			
Series of June 15, 2002	67,000	1.50-4.20	45,435
Durango:			
Series of June 15, 2002	150,000	1.50-4.20	97,915
Series of 2003	277,000	2.00-3.50	240,870
Series of 2004	816,871	3.50-4.30	780,185
Unamortized premium			58,922
Pebble Road:			
Series of June 15, 2002	421,000	1.50-4.20	236,915
Unamortized discount			(6,179)
Series of 2004	808,817	3.50-4.30	737,493
Sahara Avenue:			
Series of December 15, 1995	354,960	4.00-5.00	37,400
Warm Springs:			
Series of August 1, 1995	50,000	3.75-5.10	15,000
Alta Drive Bridge:			
Series of 2004	1,807,964	3.50-4.30	1,722,080
Mountains Edge:			
Series of 2003	92,360,000	2.25-6.375	92,355,000
Unamortized discount			(1,467,822)
Industrial:			
Series of June 1, 1996	25,000	4.00-5.30	<u>7,479</u>
Total Special Assessment Bonds			<u>\$250,377,569</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued):

Special assessment debt (all of which the County is liable for should the property owners default) is reported in the governmental activities column. The County's special assessment surplus and deficiency debt service fund, established to cover special assessment shortfalls, had a fund balance of \$3,141,541 at June 30, 2005.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2006	\$ 9,155,875	\$ 13,905,342	\$ 23,061,217
2007	12,305,874	13,445,572	25,751,446
2008	12,920,874	12,906,031	25,826,905
2009	13,145,874	12,299,133	25,445,007
2010	13,625,874	11,655,032	25,280,906
2011-2015	75,024,292	46,905,004	121,929,296
2016-2020	79,869,690	24,050,113	103,919,803
2021-2025	<u>34,329,216</u>	<u>4,177,830</u>	<u>38,507,046</u>
Total	<u>\$250,377,569</u>	<u>\$139,344,057</u>	<u>\$389,721,626</u>

Loans Payable:

The following is a summary of loan transactions of the governmental activities for the year ended June 30, 2005:

Loans payable July 1, 2004	\$2,042,245
Loans retired	<u>(197,953)</u>
Loans payable June 30, 2005	<u>\$1,844,292</u>

The following is a list of loans payable at June 30, 2005. New loans obtained are designated by an asterisk (\*):

<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, 2005</u>
U.S. Bank	\$ 800,000	Various	06/01/16	5.75%	\$ 434,386 (a)
G.E. Capital	1,817,013	06/03/02	05/01/12	5.36	<u>1,409,906 (b)</u>
Total loans payable					<u>\$1,844,292</u>

(a) This loan is being serviced, principal and interest, by the Moapa debt service fund.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Loans Payable (Continued):

The debt service requirements are as follows:

<u>Year Ending</u> <u>June 30,</u>	<u>Principal</u>	<u>Total</u> <u>Interest</u>	<u>Requirements</u>
2006	\$ 204,452	\$ 89,794	\$ 294,246
2007	215,450	78,891	294,341
2008	226,937	67,404	294,341
2009	239,039	55,302	294,341
2010	251,791	42,551	294,342
2011-2015	658,020	60,102	718,122
2016-2020	<u>48,603</u>	<u>1,332</u>	<u>49,935</u>
Total	<u>\$1,844,292</u>	<u>\$395,376</u>	<u>\$2,239,668</u>

Litigation Accrual and Arbitrage Liability

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

When a state or local government earns interest at a higher rate of return on tax-exempt bond issues than it pays on the debt, a liability for the spread is payable to the federal government. This interest spread, known as “rebtable arbitrage,” is due five years after issuing the bonds. Excess earnings of one year may be offset by lesser earnings in subsequent years. As of June 30, 2005, the County has incurred an estimated arbitrage liability of \$14,900,000. This estimated liability consists of \$14,300,000 recorded as a current liability on both the fund financial statements and the governmental activities column, and \$600,000 recorded as a noncurrent liability in the governmental activities column.

The following summarizes activity for the year:

	<u>Litigation</u>	<u>Arbitrage</u>	<u>Total</u>
Accrual, July 1, 2004	\$2,500,000	\$ 15,800,000	\$18,300,000
Deletions	<u>-</u>	<u>(900,000)</u>	<u>(900,000)</u>
Accrual, June 30, 2005	<u>\$2,500,000</u>	<u>\$14,900,000</u>	<u>\$17,400,000</u>
Due within one year	<u>\$ -</u>	<u>\$14,300,000</u>	<u>\$14,300,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits recorded as a noncurrent liability in the governmental activities column as of June 30, 2005:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2004	\$141,317,088
Additional amount accrued during the year	<u>9,256,225</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2005	<u>\$150,573,313</u>

The employees of the County have historically earned more sick leave and vacation benefits each year than they have used. Since the compensated absences liability has consistently increased each year over the prior year, none of the above amount is considered to be current and due within the next year. The County recognizes the amounts utilized on the last-earned-first-taken basis and the amount taken will not exceed the amount earned during the coming year.

Business-Type Activities:

The business-type activities column of the government-wide statement of net assets reports the following liabilities for enterprise funds:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General obligation bonds	\$1,224,055,278	\$42,915,272	\$1,181,140,006
Revenue bonds	1,907,908,924	37,102,047	1,870,806,877
Loans	<u>307,983,339</u>	<u>302,045,748</u>	<u>5,937,591</u>
Total liabilities	<u>\$3,439,947,541</u>	<u>\$382,063,067</u>	<u>\$3,057,884,474</u>

General Obligation Bonds:

The following is a summary of general obligation bond activities for the year ended June 30, 2005:

Bonds payable at July 1, 2004	\$1,275,449,525
Bonds issued	330,622,591
Bonds retired	<u>(382,016,838)</u>
Bonds payable June 30, 2005	<u>\$1,224,055,278</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

General Obligation Bonds (Continued):

The following individual issues comprised the bonds payable at June 30, 2005. New bond issues are designated by an asterisk (\*).

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
<b>Big Bend Water District:</b>			
Nevada Drinking Water State Revolving Fund	\$ 4,000,000	3.19%	\$ 4,000,000 (a)
Series of 2003	8,195,000	3.00-5.00	7,190,000 (a)
Unamortized premium and refunding loss			(435,241)(a)
Nevada Drinking Water State Revolving Fund	6,000,000*	3.20	272,591
<b>Department of Aviation:</b>			
Series of 2003A	42,550,000	variable	42,550,000 (b)
Series of 2003B	37,000,000	4.75-5.00	37,000,000 (b)
Unamortized premium and refunding loss			(2,429,966)(b)
<b>University Medical Center:</b>			
Series of 2000	56,825,000	5.00-5.75	56,725,000 (c)
Unamortized premium and refunding loss			(319,432)(c)
Series of 2003	36,565,000	2.25-5.00	35,020,000 (c)
Unamortized premium and refunding loss			230,147 (c)
Series of 2004	8,085,000	2.25-3.50	8,085,000 (c)
Unamortized premium and refunding loss			(64,110)(c)
<b>Kyle Canyon Water District:</b>			
Series of October 30, 1980	221,000	5.00	72,970 (d)
<b>Clark County Water Reclamation District:</b>			
Series of 1996	9,975,000	3.85-5.40	4,895,000 (e)
Series of 2003	47,170,000	2.70-5.00	41,125,000 (e)
Unamortized premium and refunding loss			2,926,902 (e)
<b>Las Vegas Valley Water District:</b>			
Series of November 1, 1995	126,000,000	5.00-8.00	2,820,000 (f)
Series of July 1, 1996	180,000,000	5.50-7.00	3,215,000 (f)
Series of June 1, 1997	220,000,000	5.00-6.50	10,000,000 (f)
Series of April 1, 1998	190,255,000	5.50-7.00	185,880,000 (f)
Series of April 1, 1998	52,100,000	4.50-5.50	50,755,000 (f)
Series of 2003	168,685,000	4.85-5.07	154,875,000 (f)

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

General Obligation Bonds (Continued):

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Series of 2003	\$250,000,000	5.08%	\$ 238,495,000 (f)
Series of 2005A	302,425,000 *	4.00-5.00	302,425,000 (f)
Series of 2005B	27,925,000 *	3.75-5.00	27,925,000 (f)
Unamortized premium and refunding loss			<u>10,821,417 (f)</u>
 Total General Obligation Bonds			 <u>\$1,224,055,278</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 a rate in effect as of June 30, 2005.
- (c) These bonds are being serviced, principal and interest, by the University Medical Center enterprise fund.
- (d) This issue is being serviced, principal and interest, by the Kyle Canyon Water District enterprise fund.
- (e) These bonds are being serviced, principal and interest, by the Clark County Water Reclamation District enterprise fund.
- (f) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

The debt service requirements (net of amortized costs) are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2006	\$ 42,915,272	\$ 61,516,831	\$ 104,432,103
2007	40,251,568	58,218,252	98,469,820
2008	46,256,477	56,151,430	102,407,907
2009	47,342,213	53,883,863	101,226,076
2010	51,115,541	51,554,151	102,669,692
2011-2015	253,298,487	219,179,241	472,477,728
2016-2020	235,059,479	158,430,291	393,489,770
2021-2025	322,131,429	90,747,109	412,878,538
2026-2030	166,381,632	19,912,862	186,294,494
2031-2035	<u>19,303,180</u>	<u>1,427,500</u>	<u>20,730,680</u>
 Total	 <u>\$1,224,055,278</u>	 <u>\$771,021,530</u>	 <u>\$1,995,076,808</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Revenue Bonds:

The following is a summary of revenue bond activities for the year ended June 30, 2005:

Bonds payable July 1, 2004	\$1,600,429,323
Bonds issued	785,530,000
Bonds retired	<u>(478,050,399)</u>
 Bonds payable June 30, 2005	 <u>\$1,907,908,924</u>

The following individual issues comprised the bonds payable at June 30, 2005. New bond issues are designated by an asterisk:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Department of Aviation:			
Series of August 1, 1992	\$296,000,000	4.95-6.50%	\$ 21,975,000
Series of 1993	339,000,000	variable	220,600,000
Series of 1995	100,000,000	variable	69,925,000
Series of April 1, 1998	198,845,000	variable	104,100,000
Series of 1998B	77,800,000	variable	50,900,000
Series of April 1, 1998 (PFC)	214,245,000	4.10-5.50	211,420,000
Series of 2001A	59,920,000	4.30	59,920,000
Series of 2001B	184,805,000	variable	184,805,000
Series of 2001C	115,560,000	6.00	115,560,000
Series of 2002	34,490,000	4.00-5.25	31,790,000
Series of 2003C	105,435,000	variable	105,435,000
Series of 2004 A-1	128,430,000*	5.00-5.50	128,430,000
Series of 2004 A-2	232,725,000*	5.00-5.125	232,725,000
Series of 2004B	65,000,000*	variable	65,000,000
Series of 2004C	39,300,000*	variable	39,300,000
Series of 2005 A-1	130,000,000*	variable	130,000,000
Series of 2005 A-2	129,900,000*	variable	129,900,000
Series of 2005B	60,175,000*	variable	60,175,000
Unamortized discount and refunding loss			<u>(54,051,076)</u>
 Total Revenue Bonds			 <u>\$1,907,908,924</u>

The Department of Aviation capitalized interest expense of \$586,000 in fiscal year 1996, \$4,000,000 in fiscal year 1997 and \$13,147,000 in fiscal year 1998. A portion of the interest required for debt service during fiscal years 1993 through 1998 was provided by the capitalized interest from bond proceeds.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Revenue Bonds (Continued):

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, 2005.

The debt service requirements (net of amortized costs) are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2006	\$ 37,102,047	\$ 100,446,311	\$ 137,548,358
2007	49,271,866	97,892,529	147,164,395
2008	52,538,189	94,599,434	147,137,623
2009	56,467,154	90,972,364	147,439,518
2010	60,598,319	87,287,946	147,886,265
2011-2015	332,824,966	324,630,666	657,455,632
2016-2020	337,056,292	247,058,346	584,114,638
2021-2025	346,385,268	162,388,558	508,773,826
2026-2030	329,275,121	99,683,486	428,958,607
2031-2035	239,408,691	40,774,344	280,183,035
2036-2040	<u>66,981,011</u>	<u>1,623,650</u>	<u>68,604,661</u>
Total	<u>\$1,907,908,924</u>	<u>\$1,347,357,634</u>	<u>\$3,255,266,558</u>

Loans Payable:

The following is a summary of loan transactions of the enterprise funds for the year ended June 30, 2005.

Loans payable July 1, 2004	\$149,920,392
Loans issued	160,000,000
Loans retired	<u>(1,937,053)</u>
Loans payable June 30, 2005	<u>\$307,983,339</u>

Loans payable at June 30, 2005, are comprised of the following: New loans are designated by an asterisk (\*).

<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, 2005</u>
Citicorp Leasing, Inc.	\$ 7,556,694	6-30-96	7-31-06	6.45%	\$ 992,341 (a)
LaSalle Bank, NA	8,079,363	6-20-04	5-20-11	4.56	6,990,998 (a)
Commercial paper	300,000,000*	3-02-04	3-09-09	1.06	<u>300,000,000 (b)</u>
Total loans payable					<u>\$307,983,339</u>

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

(b) This loan is being serviced, principal and interest, by the Water District.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Loans Payable (Continued):

On March 2, 2004, the Water District, a component unit (see Note 1), approved by resolution the issuance of a maximum of \$400,000,000 in General Obligation (Limited Tax) Water Commercial Paper Notes – SNWA Revenue Supported. The notes are further backed by letters of credit of two international banks. Unless extended, the letters of credit terminate March 9, 2009. The Water District entered into agreements with two nationally recognized purchasers/dealers. The notes have multiple interest rates, ranging from 2.100% to 2.850%, with the average rate being 2.560%. The outstanding principal balance as of June 30, 2005, as shown below, is \$300,000,000. Of that amount, \$154,600,000 matures on various dates in July 2005; \$115,900,000 in August 2005; \$22,000,000 in September 2005; and \$7,500,000 in October 2005. Maturing notes in fiscal 2005 were rolled over. The intent in fiscal 2006 is also to renew maturing notes with additional short-term notes. Standard and Poor's rates these notes "A-1+," and Moody's "P-1."

Proceeds from the notes were delivered to SNWA, a joint venture (Note 11) to finance water projects. It is projected that ultimately \$200 million of the \$400 million authorized will be used to fund capital improvements, \$100 million to purchase a 25% interest in a power plant, and \$100 million to acquire water resources.

The receivable from SNWA, as well as the liability for the notes, is shown on the financial statements of the Water District. As of June 30, 2005, principal and accrued interest receivable for the notes is \$300,900,225. Total principal and interest receivable from SNWA at June 30, 2005, is \$758,823,959, consisting of \$300,900,225 for the notes and \$457,923,734 for bonds.

<u>Commercial Paper Notes Activity</u>			
<u>Date</u>	<u>Issued</u>	<u>Repayments</u>	<u>Balance</u>
07-01-04	\$ -	\$ -	\$140,000,000
07-15-04	60,000,000	-	200,000,000
02-25-05	100,000,000	-	300,000,000

The Water District had no other short-term debt activity in fiscal 2005.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2006	\$302,045,748	\$1,221,244	\$303,266,992
2007	1,102,458	247,902	1,350,360
2008	1,153,795	196,566	1,350,361
2009	1,207,521	142,839	1,350,360
2010	1,263,750	86,611	1,350,361
2011-2015	<u>1,210,067</u>	<u>27,764</u>	<u>1,237,831</u>
Total	<u>\$307,983,339</u>	<u>\$1,922,926</u>	<u>\$309,906,265</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Loans Payable (Continued):

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 December 2004, Clark County issued \$41,685,000 in General Obligation (Limited Tax) Transportation Refunding Bonds with interest ranging from 3.0% to 5.0% to advance refund the outstanding 1998A and 2000A series with interest ranging from 5.125% to 6.0%.

The bonds were issued at a premium of \$3,626,591. The bond proceeds totaled \$45,311,591. Net proceeds of \$44,972,506 were deposited in a special trust account created and authorized to refund and pay interest on the refunded bonds. This amount, together with the yield from U.S. Government obligations purchased by the trust, is deemed to be sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a partial defeasance of the 1998A and 2000A bond issues and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$1,095,000, which represents the difference between the defeased bonds and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of \$2,806,289 and an economic gain (difference between the present values of the old and new debt service payments) of \$2,157,770.

In December 2004, Clark County issued \$33,210,000 in General Obligation (Limited Tax) Transportation Refunding Bonds with interest ranging from 3.0% to 5.0% to advance refund the outstanding 1998B and 2000B series with interest ranging from 5.125% to 6.0%.

The bonds were issued at a premium of \$3,156,993. The bond proceeds totaled \$36,366,993. Net proceeds of \$36,006,276 were deposited in a special trust account created and authorized to refund and pay interest on the refunded bonds. This amount, together with the yield from U.S. Government obligations purchased by the trust, is deemed to be sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a partial defeasance of the 1998B and 2000B bond issues and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$810,000, which represents the difference between the defeased bonds and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of \$2,310,451 and an economic gain (difference between the present value of the old and new debt service payments) of \$1,775,917.

In December 2004, Clark County issued \$48,935,000 in General Obligation (Limited Tax) Park, Regional Justice Center and Public Safety Refunding Bonds with interest ranging from 3.0% to 5.0% to advance refund the outstanding 1999 and 2000 series with interest ranging from 5.4% to 6.0%.

The bonds were issued at a premium of \$4,466,946. The bond proceeds totaled \$53,401,946. Net proceeds of \$53,021,483 were deposited in a special trust account created and authorized to refund and pay interest on the refunded bonds. This amount, together with the yield from U.S. Government obligations purchased by

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Current Year Refunded and Defeased Bond Issues (Continued)

the trust, is deemed to be sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a partial defeasance of the 1999 and 2000 bond issues and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$1,015,000, which represents the difference between the defeased bonds and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of \$3,824,816 and an economic gain (difference between the present values of the old and new debt service payments) of \$3,080,840.

On May 4, 2005, the Water District, a component unit (see Note 1), issued \$302,425,000 in General Obligation Refunding bonds for a premium of \$18,326,389. The average interest rate is 4.891%. The bonds were dated and delivered May 4, 2005.

On May 4, 2005, proceeds of the bonds, less issue costs of \$1,659,261 were deposited, along with \$4,914,528 of debt service monies, into escrow to refund, in whole or in part, the following four bond issues.

The escrow will currently refund all of the 1993B bonds, principal amount \$9,475,000, on July 1, 2005, at the redemption price of 100.5%. The average interest rate of the refunded bonds is 4.95%.

The escrow will currently refund all of the 1994 bonds, principal amount \$9,415,000 on July 1, 2005, at the redemption price of 101.0%. The average interest rate of the refunded bonds is 5.568%.

The escrow will advance refund a portion of the 1995 bonds, principal amount \$107,095,000 on November 1, 2005, at the redemption price of 101.0%. The average interest rate of the refunded bonds is 5.49%.

The escrow will advance refund a portion of the 1997 bonds, principal amount \$186,230,000, on March 1, 2007, at the redemption price of 101.0%. The average interest rate of the 1997 bonds is 5.51%.

Although the refunding resulted in the recognition of an accounting loss of \$12,754,149, the Water District reduced its aggregate debt service payments over the next 22 years by \$39,041,536, affecting a net economic gain of \$25,026,436. The economic gain is the present value of the debt service savings.

Following GASB Statement 23, the accounting loss of \$12,754,149 is deferred as a deduction from bonds payable and will be equally amortized as a component of interest expense.

Besides issuing \$302,405,000 in refunding bonds, the Water District also issued on May 4, 2005, \$27,925,000 in refunding bonds, additionally secured by pledged revenue of the SNWA, a joint venture (Note 11) for a premium of \$1,550,661. The average rate is 3.086%. The bonds were dated and delivered May 4, 2005.

On May 4, 2005, proceeds from the bonds, less issue costs of \$208,807, were deposited, together with \$770,646 transferred from the SNWA, into a separate escrow to refund, in whole or in part, the following three bond issues additionally secured by pledged revenue of the SNWA.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Current Year Refunded and Defeased Bond Issues (Continued)

The escrow will currently refund all of the 1995 bonds, principal amount \$3,060,000, on July 1, 2005, at the redemption price of 101.0%. The average interest rate of the refunded bonds is 5.68%.

The escrow will currently refund a portion of the 1995B bonds, principal amount \$6,295,000, on July 1, 2005, at the redemption price of 101.0%. The average interest rate of the refunded bonds is 5.324%.

The escrow will advance refund a portion of the 1996 bonds, principal amount \$19,205,000, on May 15, 2006, at the redemption price of 101.0%. The average interest rate of the refunded bonds is 5.775%.

Since the liability for bonds additionally secured by pledged revenue of the SNWA is offset by receivables from the SNWA, this refunding had no effect on the Water District's income or equity.

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, 2005, the following were the remaining balances of the defeased bond issues:

Clark County Street Improvement:	
Series of October 1, 1987	\$ 10,840,000
Special Assessment Bonds:	
Series of December 1, 1992	4,645,000
Series of April 15, 1994	1,355,000
Clark County Public Safety:	
Series of October 1, 1996	76,025,000
Series of October 1, 1995	9,050,000
Clark County Transportation:	
Series of June 1, 1992 (C)	4,200,000
Series of July 1, 1994 (A)	69,870,000
Series of July 1, 1994 (C)	2,495,000
Big Bend Water District:	
Series of November 1, 1990	6,985,000
Series of 1993	7,430,000
Las Vegas Valley Water District:	
General Obligation Bonds:	
Series of April 1, 1986	2,240,000
Series of May 1, 1988	3,835,000
Series of October 1, 1989	3,755,000
Series of August 1, 1990	9,185,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Series of September 1, 1992	\$ 22,545,000
Series of April 1, 1994	29,200,000
Series of March 1, 1995	9,715,000
Series of July 1, 1995	12,380,000
Series of July 1, 1996	149,095,000
 Clark County Water Reclamation District: Series of June 1, 1993	 42,535,000
 Clark County Government Center: Series of July 1, 1993	 24,220,000
 Airport Improvement Bonds: Series of August 1, 1992 (A)	 147,120,000
Series of August 1, 1992 (B)	77,355,000
Series of May 1, 1993	41,320,000
Series of September 1, 1993	29,070,000
Series of 1999 (A)	<u>105,220,000</u>
 Total	 <u>\$901,685,000</u>

Conduit Debt Obligations

The County has issued approximately \$1,438,705,000 in economic development revenue bonds since 1990. The bonds have been issued for a number of economic development projects, including: utility projects, healthcare projects, and education projects. The bonds are paid solely from the revenues derived from the respective projects, therefore, these bonds are not liabilities of the County under any condition, and they are not included as a liability of the County.

Discretely Presented Component Units

Flood Control District:

The following is a summary of bonds, loans, and compensated absences payable by the Flood Control District for the year ended June 30, 2005:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General obligation bonds	\$134,465,000	\$13,625,000	\$120,840,000
Loans	180,000,000	-	180,000,000
Compensated absences	<u>493,289</u>	<u>-</u>	<u>493,289</u>
 Total liabilities	 <u>\$314,958,289</u>	 <u>\$13,625,000</u>	 <u>\$301,333,289</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Flood Control District (Continued):

Bonds payable July 1, 2004	\$147,420,000
Bonds retired	<u>(12,955,000)</u>
 Bonds payable June 30, 2005	 <u>\$134,465,000</u>

The following individual issues comprised the bonds payable at June 30, 2005.

	Original Amount	Interest Rate	Balance June 30, 2005
Series of November 1, 1997	\$ 29,930,000	4.10-5.50%	\$ 15,630,000
Series of September 15, 1998	150,000,000	4.25-5.25	<u>118,835,000</u>
 Total general obligation bonds			 <u>\$134,465,000</u>

The debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2006	\$ 13,625,000	\$ 6,279,463	\$ 19,904,463
2007	14,355,000	5,579,313	19,934,313
2008	6,615,000	5,050,725	11,665,725
2009	6,955,000	4,711,475	11,666,475
2010	7,320,000	4,345,450	11,665,450
2011-2015	42,900,000	15,433,281	58,333,281
2016-2020	<u>42,695,000</u>	<u>3,964,007</u>	<u>46,659,007</u>
 Total	 <u>\$134,465,000</u>	 <u>\$45,363,714</u>	 <u>\$179,828,714</u>

Loans Payable

The following is a summary of loan transactions of the Flood Control District for the year ended June 30, 2005:

Loan payable July 1, 2004	\$ 80,000,000
Loans obtained	<u>100,000,000</u>
 Loans payable June 30, 2005	 <u>\$180,000,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Flood Control District (Continued):

The following is the loan payable at June 30, 2005. New loans obtained are designated by an asterisk (\*):

<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, 2005</u>
Commercial Paper	\$180,000,000*	Various	Various	Variable	\$180,000,000

This loan is being serviced, principal and interest, by the Flood Control District. A commercial paper note may have a maturity date from 1 to 270 days after its issuance, provided, however, that no note may mature after the earlier of August 1, 2033, or five days prior to the line of credit expiration date. The line of credit expiration date is September 3, 2008, provided that extensions are exercised on September 3, 2006, and September 3, 2007. However, a line of credit will always be in effect while the notes remain outstanding. The variable rate note is valued at the rate in effect as of June 30, 2005.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Total Interest</u>	<u>Requirements</u>
2006	\$ -	\$ 3,960,000	\$ 3,960,000
2007	-	3,960,000	3,960,000
2008	-	3,960,000	3,960,000
2009	<u>180,000,000</u>	<u>3,960,000</u>	<u>183,960,000</u>
	<u>\$180,000,000</u>	<u>\$15,840,000</u>	<u>\$195,840,000</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2005:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2004	\$446,725
Additional amount accrued during the year	<u>46,564</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2005	<u>\$493,289</u>

Prior Year Defeasance of Debt

In prior years, the Flood Control District defeased certain general obligation 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 Flood Control District's financial statements.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Flood Control District (Continued):

At June 30, 2005, the following was the remaining balance of the defeased bond issue:

Flood Control District: Series of November 1, 1991	\$15,500,000
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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 district operations.

The pledged revenues and debt service coverage for the year ended June 30, 2005, are:

Pledged revenues – sales tax	\$81,058,122	
Debt service	21,846,097	
Coverage	3.71	

RTC:

The following is a summary of bonds, loans, and compensated absences payable by the RTC for the year ended June 30, 2005:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Revenue bonds	\$229,504,535	\$15,020,530	\$214,484,005
Loans	80,000,000	-	80,000,000
Compensated absences	<u>1,301,616</u>	<u>-</u>	<u>1,301,616</u>
Total liabilities	<u>\$310,806,151</u>	<u>\$15,020,530</u>	<u>\$295,785,621</u>

Revenue Bonds

The following is a summary of revenue bond activities for the year ended June 30, 2005:

Bonds payable July 1, 2004	\$241,449,672
Bonds retired	<u>(11,945,137)</u>
Bonds payable June 30, 2005	<u>\$229,504,535</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

RTC (Continued):

The following individual issues comprised the bonds payable at June 30, 2005. New bond issues are designated by an asterisk (\*):

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2005</u>
Highway Improvement Motor Vehicle Fuel Tax Revenue Bonds:			
Series of April 15, 1997	\$ 70,000,000	4.50-6.00%	\$ 24,875,000
Series of 2003	200,000,000	4.50-6.00	194,810,000
Unamortized Premium			<u>9,819,535</u>
Total Revenue Bonds			<u>\$229,504,535</u>

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2006	\$ 15,020,530	\$ 10,856,150	\$ 25,876,680
2007	15,695,530	10,089,581	25,785,111
2008	16,415,530	9,282,456	25,697,986
2009	7,975,530	8,656,331	16,631,861
2010	8,310,530	8,276,456	16,586,986
2011-2015	47,557,648	34,978,369	82,536,017
2016-2020	59,937,648	21,860,973	81,798,621
2021-2025	<u>58,591,589</u>	<u>5,868,875</u>	<u>64,460,464</u>
Total	<u>\$229,504,535</u>	<u>\$109,869,191</u>	<u>\$339,373,726</u>

Loans Payable

The following is a summary of loan transactions of the RTC for the year ended June 30, 2005:

Loan payable July 1, 2004	\$ -
Loan obtained	<u>80,000,000</u>
Loan payable June 30, 2005	<u>\$80,000,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

RTC (Continued):

The following is the loan payable at June 30, 2005:

<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, 2005</u>
Commercial Paper	\$80,000,000	Various	Various	Variable	\$80,000,000

This loan is being serviced, principal and interest, by the RTC. The variable rate note is valued at the rate in effect as of June 30, 2005.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Total Interest</u>	<u>Requirements</u>
2006	\$ -	\$1,975,300	\$ 1,975,300
2007	-	1,975,300	1,975,300
2008	<u>80,000,000</u>	<u>1,589,416</u>	<u>81,589,416</u>
Total	<u>\$80,000,000</u>	<u>\$5,540,016</u>	<u>\$85,540,016</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2005:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2004	\$1,084,575
Additional amount accrued during the year	<u>217,041</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2005	<u>\$1,301,616</u>

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS

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

Condensed Statement of Net Assets

Assets:

Current Assets	\$ 8,179,372
Restricted assets	2,107,030
Capital assets	<u>33,135,452</u>
Total assets	<u>43,421,854</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS (Continued)

Condensed Statement of Net Assets (Continued)

Liabilities:

Current liabilities	3,843,623
Current liabilities payable from restricted assets	522,691
Noncurrent liabilities	<u>9,826,721</u>
Total liabilities	<u>14,193,035</u>

Net Assets:

Invested in capital assets, net of related debt	24,215,132
Restricted	1,595,350
Unrestricted	<u>3,418,337</u>
Total net assets	<u>\$29,228,819</u>

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

Water sales and related water fees	\$ 3,545,950
Depreciation expense	( 1,037,609)
Other operating expenses	<u>(2,058,613)</u>
Operating income	449,728
Nonoperating revenues (expenses):	
Interest income	270,703
Sales and use tax	281,278
Interest expense	<u>(585,757)</u>
Change in net assets	415,952
Beginning net assets	<u>28,812,867</u>
Ending net assets	<u>\$29,228,819</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:

Operating activities	\$ 1,688,593
Noncapital financing activities	306,199
Capital and related financing activities	(1,001,851)
Investing activities	<u>228,157</u>
Net increase	1,221,098
Beginning cash and cash equivalents	<u>5,527,801</u>
Ending cash and cash equivalents	<u>\$ 6,748,899</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES

Primary Government

Net Assets:

Net Assets Restricted for Other Purposes:

At June 30, 2005, net assets restricted for other purposes on the government-wide statement of net assets totaled \$189,028,478. These net assets utilize revenue sources that are externally imposed by creditors, grantors, and contributors or are imposed by law through enabling legislation. The primary activities of restriction are habitat conservation for \$45,521,015, roads for \$16,352,674, transportation for \$36,133,439, parks for \$10,838,591, public safety for \$19,872,076, and air quality management for \$12,468,985. The remaining activities totaled \$47,841,698.

Designated for Specific Projects:

Nonmajor governmental funds:

Special revenue	\$ 30,660,991
Capital projects	<u>590,055,248</u>
	<u>\$620,716,239</u>

Special revenue fund balances are designated principally for road repair and maintenance projects of \$12,956,865, and park projects of \$10,838,591. Capital projects fund balances are designated largely for transportation projects of \$171,607,377, special improvement district street improvement projects of \$71,734,813, various projects within the County Capital Projects fund of \$236,228,417, parks projects of \$52,587,909, public safety of \$27,689,287, and Regional Justice Center of \$17,443,925.

Discretely Presented Component Units

Flood Control District

Net Assets:

The government-wide statement of net assets reports \$193,462,114 of restricted net assets, of which \$182,096,832 is restricted by enabling legislation for flood control activities and \$11,365,282 is restricted by creditors for general obligation debt repayment.

RTC

Net Assets:

The government-wide statement of net assets reports \$163,178,296 of restricted net assets, of which \$121,702,773 is restricted by enabling legislation for street and highway projects and other related activities and \$41,475,523 is restricted by creditors for general obligation debt repayment.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

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 \$1,000,000 per claim. 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.

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

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

LVMPD Self-Funded Industrial Insurance

The LVMPD has established a self-insurance fund to pay workers' compensation claims. Self-insurance is in effect up to an individual stop loss amount of \$1,000,000. 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

County Liability Insurance Pool

The County has established a general liability insurance pool for the benefit of County funds. Self-insurance is in effect for loss amounts over the \$25,000 retention up to \$2,000,000 per occurrence, accident, or loss. Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$10,000,000. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Changes in Liability Amounts:

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

	<u>Liability</u> <u>July 1, 2004</u>	<u>Current-Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>June 30, 2005</u>
Self-Funded Group Insurance Clark County Workers'	\$ 8,451,174	\$52,209,335	\$48,645,437	\$12,015,072
Compensation	24,166,076	10,027,326	10,067,917	24,125,485
LVMPD Self-Funded Insurance	16,297,097	3,843,262	3,850,205	16,290,154
LVMPD Self-Funded Industrial Insurance	15,303,449	10,398,713	11,168,477	14,533,685
County Liability Insurance Pool	4,510,711	877,789	878,270	4,510,230
County Liability Insurance Pool	<u>5,095,261</u>	<u>5,191,691</u>	<u>3,880,284</u>	<u>6,406,668</u>
Total Self-Insurance Funds	<u>\$73,823,768</u>	<u>\$82,548,116</u>	<u>\$78,490,590</u>	<u>\$77,881,294</u>

The total liability at June 30, 2005, is included in the accounts payable line item in the government-wide financial statements.

	<u>Liability</u> <u>July 1, 2003</u>	<u>Current-Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>June 30, 2004</u>
Self-Funded Group Insurance Clark County Workers'	\$ 8,242,186	\$45,934,588	\$45,725,600	\$ 8,451,174
Compensation	24,198,587	10,426,640	10,459,151	24,166,076
LVMPD Self-Funded Insurance	16,719,529	4,472,308	4,894,740	16,297,097
LVMPD Self-Funded Industrial Insurance	14,686,278	10,100,211	9,483,040	15,303,449
County Liability Insurance Pool	4,600,017	1,555,269	1,644,575	4,510,711
County Liability Insurance Pool	<u>5,077,264</u>	<u>4,682,962</u>	<u>4,664,965</u>	<u>5,095,261</u>
Total Self-Insurance Funds	<u>\$73,523,861</u>	<u>\$77,171,978</u>	<u>\$76,872,071</u>	<u>\$73,823,768</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES

Las Vegas Convention Authority Bonds

In addition to the County general obligation bonds, the County is contingently liable on the Las Vegas Convention Authority (the "Authority") general obligation bonds, Series September 1, 1996, April 1, 1998, and May 15, 2003, in the amount of \$46,775,000, \$35,885,000, and \$35,075,000 respectively. Although the County is contingently liable for the general obligation bonds of the Authority, in the event of a default by the Authority, it is anticipated that additional ad valorem taxes would be levied to retire the bonds. Therefore, the County's exposure to this contingent liability is remote.

Grant Entitlement

The County is a participant in a number of federal and state-assisted programs. These programs are subject to compliance audits by the grantors. The audits of these programs for fiscal year 2005 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.

Primary Government

Operating Lease Commitments

The following summarizes the current operating lease commitments of the County:

<u>Lessor</u>	<u>Department Utilizing Lease</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Department of Aviation	Public Works	\$ 11,457	07/01/98	06/30/05*
Stolz Management	Election	57,156	02/01/98	11/30/09
Frontier Radio	Information Technology	810	07/15/02	07/15/08
City of Boulder City	Boulder Township Justice Court	1,075	10/15/96	10/01/08
Pines Corporation	LVMPD-IAB	27,871	05/01/02	04/01/07
Harsh Properties	LVMPD – Evidence Annex	6,968	01/01/02	12/01/08
Stephanie Partners LLC	Assessor	2,700	04/01/02	03/31/09
AM Properties LLC	Assessor	3,800	01/14/05	01/12/13
FMP Renaissance	Juvenile Justice	10,931	02/21/94	02/20/08
Salomon Barron	Administrative Services	776	12/16/97	12/15/11
Aleco Stewart Enterprises	Family Services	7,199	10/31/96	10/31/06
Storage One @ Downtown	Real Property Management	1,660	06/26/97	06/30/05*
Storage One @ Downtown	Justice Court	146	08/15/98	06/30/05*
Hunterton Associates	Clark County Justice Court	18,686	10/21/02	10/20/06

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

<u>Lessor</u>	<u>Department Utilizing Lease</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Las Vegas Motor Speedway	LVMPD-Track Rental	\$ 14,765	07/01/02	06/01/06
Williams Scotsman	LVMPD-Mobile Office	885	07/01/02	06/30/05*
Cheyenne Air Center	LVMPD Swat/K-09Rescue/ Mounted	18,716	04/16/99	02/01/06
Las Vegas Convention and Visitors Authority	LVMPD Bike Office	2,200	03/01/99	04/01/07
Tomorrow 33	LVMPD Training/Inspection	21,360	05/24/99	05/01/06
Executive Development	LVMPD-Homicide	12,802	03/01/00	10/05/05
McCarran Center	LVMPD-Vice	118,114	02/01/00	01/01/10
Spring Mountain Properties	LVMPD Southwest Area Command	20,388	12/01/95	06/01/06*
Harsch Properties	LVMPD-General Services	24,064	03/01/96	02/01/06
Clark County Jean Airport	LVMPD Substation	125	08/18/97	Interlocal
Tomorrow 33	LVMPD Personnel/Payroll	37,348	06/01/98	05/01/06
Storage USA	Parks and Recreation	117	02/01/05	02/01/06
McLeod LLC	Fire Department	956	04/01/04	03/31/07
Gordon Partners LTD	Family Services	19,950	04/01/04	06/30/11
Charleston Ranch LLC	Finance	42,580	08/01/04	07/31/09
RTC	Administrative Services	1,167	01/17/99	12/31/08
McHenry Commons Partners	Air Quality	10,092	04/01/04	08/31/07
City of Henderson	Air Quality	5,500	02/01/05	01/31/10
Mary Crest Partners III LLC	Recorder	5,650	07/01/04	06/30/11
6185 Harrison/6265 McLeod LLC	Parks and Recreation	381	02/01/05	10/31/06
Clark County Department of Aviation	Justice Court	1,109	03/01/03	12/31/15
State of Nevada	Family Services	11,212	09/01/03	08/31/08
Equus Management Corp.	Real Property Management	4,138	06/01/03	07/31/10
Southwest Gas Corporation	Information Technology	10	06/15/82	06/30/05*
City of Henderson	Justice Court	10,958	07/01/03	06/30/05*
Harsch Properties	LVMPD/Driver's Training	1,238	02/25/02	02/01/07
Triple Net Properties	LVMPD/Robbery	52,875	01/01/01	12/01/06
North Las Vegas Airport	LVMPD/Jean	2,649	03/15/05	06/30/05*
Lewis Properties	LVMPD-Evidence Vault	25,695	07/01/00	06/01/08
Ribeiro Companies	LVMPD/PEAP	4,878	11/01/96	10/01/06
Harsch Properties	LVMPD-Warehouse	1,726	10/01/99	01/01/06
Executive Development	LVMPD (Criminalistics Lab)	59,111	03/01/00	10/05/05
Tomorrow 33	LVMPD/Quality Assurance	9,588	08/01/00	05/01/06
Executive Development	LVMPD/ROP/Fugitive	8,064	03/01/01	10/05/05
Buffalo Nickel	District Court	1,464	01/01/01	12/31/05
Leonard I Properties	Public Response	2,500	10/03/00	09/30/08
Soli & Alexandra Munakesh	Juvenile Justice	7,199	07/01/03	10/31/06

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

<u>Lessor</u>	<u>Department Utilizing Lease</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Catholic Charities of Southern Nevada	Real Property Management	\$ 500	06/01/05	05/31/06*
Department of Aviation	Airport Automotive	4,700	01/01/93	06/30/05*
Speedway Commerce Ctr.	Fire Department	4,891	05/01/04	04/30/06
McHenry Common Partners	Department of Family Services	47,680	01/01/03	12/31/09
Xerox	Various Departments**	<u>100,000</u>	07/01/01	06/30/06
		<u>\$870,580</u>		

\* Lease automatically renews each year unless terminated by either party.

\*\* Estimated monthly rental – varies based on actual usage.

The County does not have any material capital leases. The total rent expense/expenditure for fiscal year 2005 was \$18,360,752, which included nonrecurring rental items.

The following is a schedule of future minimum lease payments for operating leases (with initial or remaining terms in excess of one year) as of June 30, 2005:

Years ending June 30:	
2006	\$ 8,983,717
2007	6,486,278
2008	4,386,429
2009	3,784,827
2010	1,811,000
2011-2015	<u>457,588</u>
Total minimum lease payments	<u>\$25,909,839</u>

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2005, for noncancelable operating leases for property and equipment as follows:

Years ending June 30:	
2006	\$ 4,223,232
2007	3,369,090
2008	3,088,034
2009	1,899,271
2010	970,944
Thereafter	<u>4,381,264</u>
Total	<u>\$17,931,835</u>

The rental expense of UMC for property and equipment was approximately \$6,763,234 for the year ended June 30, 2005.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

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 principally from terminal building rentals, apron charges and airfield landing fees in accordance with the Scheduled Airline Operating Agreement and Terminal Building Lease that expire on June 30, 2008. The Department of Aviation leases land, building, and terminal space to concessionaires under operating leases that expire at various times through 2025. Under the terms of the agreements, concession fees are based principally on a percentage of the concessionaire's revenues or a stated minimum annual guarantee, whichever is greater; land and building rentals are based on square footage rates. The Department of Aviation received \$77,832,474 in FY 2005 and \$79,296,656 in FY 2004 for contingent rental payments in excess of stated minimum annual guarantees.

The following is a schedule of minimum future rentals receivable on non-cancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2005:

Years ending June 30:

2006	\$119,653,652
2007	114,402,465
2008	112,432,808
2009	42,324,093
2010	8,989,744
Thereafter	<u>217,009,976</u>
Total minimum rents receivable	<u>\$614,812,738</u>

Discretely Presented Component Units

RTC:

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

<u>Lessor</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Ferguson Family Trust	\$33,207	10/01/02	09/30/07
Laidlaw Transit Services	14,905	06/30/03	06/30/05
TCM Copiers	<u>2,980</u>	07/01/00	06/30/05*
	<u>\$51,092</u>		

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

Rentals and Operating Leases

RTC (Continued):

The following is a schedule of future minimum lease payments for operating leases as of June 30, 2005:

Years ending June 30:

2006	\$409,425
2007	419,668
2008	<u>105,687</u>
Total	<u>\$934,780</u>

The total rent expense for fiscal year 2005 was \$613,104.

Litigation

There are various outstanding claims against the County for which a probability of loss exists with a cumulative amount of approximately \$2,500,000. An accrual for litigation losses has been provided in the governmental activities column.

Other cases, some of which involve alleged civil rights violations, have been filed against the County. These cases are in the discovery stage and no estimate of the probability or extent of possible losses can be determined at this time.

11. JOINT VENTURE

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 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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURE (Continued)

have an expressed claim to the resources of the SNWA except that, upon termination of the joint venture, any water right or facility 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.

In December 1995, the SNWA, of which the Water District is a member, 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. On March 1, 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. 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.

The contributions for the fiscal year 2005 for the SNWS expansion totaled \$109,405,582. Additionally, the Water District contributed \$1,210,785 to SNWA in the fiscal year 2005 to help fund a groundwater management program in the Las Vegas Valley. Total contributions to the SNWA for the fiscal year ended June 30, 2005, were \$110,616,367 and were recorded as an SNWA expense on the Water District's financial statements.

Audited financial reports for fiscal year 2004/05 can be obtained by contacting:

Treasurer, Southern Nevada Water Authority  
c/o Las Vegas Valley Water District  
1001 South Valley View Boulevard  
Las Vegas, Nevada 89153

12. RETIREMENT SYSTEM

Clark County, Nevada employees, with the exception of those of the Water District enterprise fund, are covered by the State of Nevada Public Employees' Retirement System (the "System"). The System was established on July 1, 1948, by the Legislature and is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor. All public employees who meet certain eligibility requirements participate in the System, which is a cost sharing multiple-employer defined benefit plan.

Clark County, Nevada does not exercise any control over the System. Nevada Revised Statute 286.110 states that: "Respective participating public employers are not liable for any obligation of the System."

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

Monthly benefit allowances for regular members and police and firemen are computed at 2.5 percent for service credits earned prior to July 1, 2001, and 2.67 percent for service credit earned July 1, 2001, and thereafter, of average compensation (36 consecutive months of highest compensation) for each accredited year of service prior to retirement up to a maximum of 90 percent of the average compensation for employees who entered the System prior to July 1, 1985, and 75 percent for those entering after that date. The System

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

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 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 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 yearly increases of up to 1 percent until such time as the actuarially determined unfunded liability of the System is reduced to zero. The County is obligated to contribute all amounts due under the System. The contribution rate for regular members, based on covered payroll, for the years ended June 30, 2005, and June 30, 2004, was 20.25 percent and for the year ended, June 30, 2003, was 18.75 percent. The contribution rate for police and fireman was 28.50 percent for all three years.

The County's contributions to the plan for the years ended June 30, 2005, 2004, and 2003 were \$193,648,869, \$178,720,960, and \$162,178,881, 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, 2005, the contributions for this purpose were \$201,360; for the year ended June 30, 2004, there were no contributions.

The Plan was amended effective February 15, 2005, to provide the following: (1) Increase the annual service credit of 2 percent to 2.17 for years of service after July 1, 2001. (Service credit is the accumulation of pension plan years 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

Other than COLA, 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 2, 2001, and 2.17 percent of their average monthly compensation multiplied for the years of service after July 1, 2001 to a maximum of 30 years.

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, 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 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, 2005, participants in the Plan consisted of the following:

Retirees in pay status with unpurchased benefits	71
Terminated employees not yet receiving benefits	247
Active employees	
Fully vested	766
Partially vested	-
Nonvested	<u>448</u>
Total active employees	<u>1,214</u>
Total participants	<u>1,532</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

<u>Three-Year Trend Information</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/03	\$11,080,679	100%	\$ -
06/30/04	12,923,933	100	-
06/30/05	15,137,310	100	-

B. Supplemental Information

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

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 \$15,137,310 for the year ended June 30, 2005. The significant actuarial assumptions used to determine the ARC are: (a) rate of return on the investment of present and future assets of 8.00% per year compounded annually, (b) projected salary increases of 3.0% per year compounded annually, attributable to inflation, (c) additional projected salary increases of 3.0% attributable to seniority/merit, and (d) postretirement benefit increases for cost of living adjustments which are limited to certain maximum rates.

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

- C. The plan uses the “Aggregate Cost Method” for funding; therefore, no separate unfunded actuarial accrued liability is determined for any plan year and a schedule of funding progress is not required. The value of actuarial assets for computation purposes is the sum of the accrued balances and contractual annuity accounts plus the market value of certain investments held and any accrued but unpaid employer contributions.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

D. Identification of Investments

	<u>June 30, 2005</u>	<u>June 30, 2004</u>
Investments at contract value:		
Union Central Life Insurance Company	\$ 1,478,947	\$ 1,455,751
New York Life Insurance Company	<u>22,914,868</u>	<u>26,881,260</u>
Total investments at contract value	<u>24,393,815</u>	<u>28,337,011</u>
Investments at fair value:		
Northern Trust Co., Domestic Equity	34,785,955	30,504,239
Mellon Bank, Domestic Bond	26,212,756	15,748,088
Nevada State Bank, Money Market Fund	<u>45,512</u>	<u>84,556</u>
Total investments at fair value	<u>61,043,723</u>	<u>46,336,883</u>
Total investments	<u>\$85,437,530</u>	<u>\$74,673,894</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.

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

G. Financial Statements

Las Vegas Valley Water District Pension Plan  
Statement of Net Assets  
June 30, 2005

ASSETS	
Cash and investments:	
With fiscal agent	\$84,791,359
Interest receivable	<u>646,179</u>
Total assets	<u>\$85,437,538</u>
NET ASSETS	
Held in trust for pension benefits and other purposes	<u>\$85,437,538</u>

Las Vegas Valley Water District Pension Plan  
Statement of Changes in Net Assets  
For the fiscal year ended June 30, 2005

ADDITIONS	
Contributions:	
Contributions from employer	\$15,137,310
Contributions from employees	<u>201,360</u>
Total contributions	<u>15,338,670</u>
Investment earnings:	
Interest	1,250,331
Net increase (decrease) in fair value of investments	<u>3,828,654</u>
Total investment earnings	5,078,985
Less investment expense	<u>(77,499)</u>
Net investment earnings	<u>5,001,486</u>
Total additions	<u>20,340,156</u>
DEDUCTIONS	
General and Administrative	166,900
Benefit payments	<u>9,409,612</u>
Total deductions	<u>9,576,512</u>
Change in net assets	10,763,644
NET ASSETS	
Beginning of year	<u>74,673,894</u>
End of year	<u>\$85,437,538</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

13. RELATED PARTY TRANSACTIONS

The County transfers sales, fuel and various other taxes 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, 2005, totaled \$161,231,644. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2005, was \$46,908,895.

14. SUBSEQUENT EVENTS

Primary Government

In July 2005, the County issued \$48,390,000 in general obligation (limited tax) hospital refunding bonds (additionally secured with pledged gross revenues), Series 2005. The bonds bear interest rates from 4.00 to 5.00%, payable on March 1, 2006, and semiannually thereafter on March 1 and September 1. Principal payments commence on March 1, 2006, and continue annually through March 1, 2020. The proceeds of the bonds will be used to refund a portion of the County's outstanding 2000 bonds and pay the costs of issuing the 2005 bonds.

In July 2005, the County issued \$20,475,000 in general obligation (limited tax) street refunding bonds, Series 2005A. The bonds bear interest rates from 3.50 to 5.00 %, payable on October 1, 2005, and semiannually thereafter on April 1 and October 1. Principal payments commence on October 1, 2005, and continue annually through October 1, 2010. The proceeds of the bonds will be used to refund a portion of the outstanding Clark County, Nevada general obligation (limited tax) street refunding bonds, Series 1995, and pay the costs of issuing the 2005A bonds.

In July 2005, the County issued \$32,310,000 in general obligation (limited tax) park and Regional Justice Center refunding bonds, (additionally secured by pledged revenues) Series 2005B. The bonds bear interest rates from 4.125 to 5.00 %, payable on November 1, 2005, and semiannually thereafter on May 1 and November 1. Principal payments commence on November 1, 2018, and continue annually through November 1, 2024. The proceeds of the bonds will be used to refund a portion of the outstanding Clark County, Nevada general obligation (limited tax) park and Regional Justice Center bonds (additionally secured by pledged revenues), Series 1999, and pay the costs of issuing the 2005B bonds.

In July 2005, the County entered into a forward delivery agreement to issue \$64,240,000 in general obligation (limited tax) transportation refunding bonds (additionally secured with pledged revenues) Series 2006A on or about March 7, 2006. The bonds will bear interest rates at 5.00%, payable on June 1, 2006, and semiannually thereafter on December 1 and June 1. Principal payments commence on June 1, 2010, and continue annually through June 1, 2016. The proceeds of the bonds will be used to refund a portion of the outstanding Clark County, Nevada general obligation (limited tax) transportation refunding bonds (additionally secured with pledged revenues), Series 1996A and paying the costs of issuing the 2006A bonds.

In July 2005, the County entered into a forward delivery agreement to issue \$51,345,000 in general obligation (limited tax) transportation refunding bonds (additionally secured with pledged revenues) Series 2006B on or about March 7, 2006. The bonds will bear interest rates at 5.00%, payable on June 1, 2006, and semiannually thereafter on December 1 and June 1. Principal payments commence on June 1, 2010 and continue annually through June 1, 2016. The proceeds of the bonds will be used to refund a portion of the outstanding Clark County, Nevada general obligation (limited tax) transportation refunding bonds (additionally secured with pledged revenues), Series 1996B and paying the costs of issuing the 2006B bonds.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2005

III. DETAILED NOTES – ALL FUNDS (Continued)

14. SUBSEQUENT EVENTS (Continued)

Primary Government (Continued)

In August 2005, the County refunded \$479,445,000 in variable rate airport system subordinated lien revenue bonds. The bonds bear synthetic fixed rates of 3.351 to 3.56%. The purpose for refunding these variable rate bonds was to restructure the amortization periods and to convert the bonds from variable to a synthetic fixed rate in order to give the County flexibility in issuing new variable rate debt in the future for airport terminal 3. The airport Series 2005 bonds are special obligations of the County payable solely from net revenues of the Department of Aviation.

In September 2005, the County issued \$69,590,000 in senior lien airport system revenue bonds. This financing was needed for the costs of certain capital improvement projects to the airport system. The Series 2005A bonds are secured by a lien on, and are payable from, net revenues of the Department of Aviation on parity with \$199.0 million of outstanding senior lien bonds.

In September 2005, Delta Air Lines and Northwest Airlines filed for Chapter 11 bankruptcy protection. These two bankruptcies together with those airlines that have previously filed and are now under Chapter 11 (United, US Airways and Aloha) made up approximately 21.6% of the market share in Las Vegas during fiscal year 2005. All of the airlines that are currently under bankruptcy protection at the Airport have pre-petition amounts due the Department of Aviation of \$940,700. Post-petition amounts due are current for these airlines. The Department of Aviation has letters of credit with each of these carriers for three months of estimated rents. The Department of Aviation does not foresee any adverse financial effects should any or all of these airlines discontinue service in the Las Vegas market.

In October 2005, the County issued \$25,485,000 in local improvement bonds for special improvement district number 151 (Summerlin-Mesa), Series 2005. The bonds bear interest rates from 3.15 to 5.00%, payable on February 1, 2006, and semiannually thereafter on February 1 and August 1. Principal payments commence on August 1, 2006, and continue annually through August 1, 2025. The proceeds of the bonds will finance the acquisition of certain public improvements specially benefiting property located in the County's special improvement district number 151 (Summerlin-Mesa). The bonds do not constitute a debt of the County, and the County will not be liable thereon except for such pledged property. The full faith and credit of the County is not pledged to the payment of the bonds; and the payment of the bonds is not secured by any encumbrance, mortgage or other pledge of the County except the pledge of such property.

Discretely Presented Component Units

In August of 2005, the RTC issued \$10,000,000 from its public transit commercial paper program. The proceeds, which were deposited into the Public Transit Fund, are to be used for RTC's transit and air quality projects.

In October 2005, the Flood Control District issued the final \$20,000,000 available from its commercial paper program. The proceeds, which were deposited into the RFCDC Capital Improvements Fund, are to be used as part of the Flood Control District's building program to construct regional flood control facilities.

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, 2005

(With comparative actual for the fiscal year ended June 30, 2004)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Ad valorem taxes	\$ 235,223,479	\$ 235,223,479	\$ 237,128,773	\$ 1,905,294	\$ 213,130,117
Licenses and permits	137,360,000	137,360,000	159,868,130	22,508,130	143,686,830
Intergovernmental revenue	254,174,590	254,174,590	319,326,277	65,151,687	274,026,032
Charges for services	63,675,000	63,675,000	88,027,159	24,352,159	73,146,892
Fines and forfeitures	10,200,000	10,200,000	12,916,684	2,716,684	10,153,620
Interest	6,500,000	6,500,000	9,325,492	2,825,492	(1,119,073)
Other	3,450,000	3,450,000	5,610,589	2,160,589	9,627,130
<b>Total revenues</b>	<b>710,583,069</b>	<b>710,583,069</b>	<b>832,203,104</b>	<b>121,620,035</b>	<b>722,651,548</b>
<b>Other financing sources:</b>					
Transfers from other funds	228,305,641	229,421,798	219,794,772	(9,627,026)	206,594,236
<b>Total revenues and other financing sources</b>	<b>938,888,710</b>	<b>940,004,867</b>	<b>1,051,997,876</b>	<b>111,993,009</b>	<b>929,245,784</b>
<b>Expenditures:</b>					
General government	129,057,950	129,672,869	119,894,855	(9,778,014)	108,303,991
Judicial	102,593,820	106,359,284	102,130,423	(4,228,861)	95,814,462
Public safety	157,952,864	159,837,358	155,264,446	(4,572,912)	147,890,711
Public works	16,296,137	15,089,337	13,612,688	(1,476,649)	14,484,674
Health	20,941,231	20,941,231	19,900,651	(1,040,580)	17,141,009
Welfare	66,803,301	66,722,934	59,479,322	(7,243,612)	50,819,946
Culture and recreation	32,087,187	32,246,808	30,371,153	(1,875,655)	29,996,265
Other general expenditures	69,455,864	66,714,241	63,596,194	(3,118,047)	55,499,605
<b>Total expenditures</b>	<b>595,188,354</b>	<b>597,584,062</b>	<b>564,249,732</b>	<b>(33,334,330)</b>	<b>519,950,663</b>
<b>Other financing uses:</b>					
Transfers to other funds	353,204,104	421,204,104	420,829,521	(374,583)	364,327,299
<b>Total expenditures and other financing uses</b>	<b>948,392,458</b>	<b>1,018,788,166</b>	<b>985,079,253</b>	<b>(33,708,913)</b>	<b>884,277,962</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>(9,503,748)</b>	<b>(78,783,299)</b>	<b>66,918,623</b>	<b>145,701,922</b>	<b>44,967,822</b>
<b>Fund balance:</b>					
Beginning of year	125,429,545	194,709,096	198,691,015	3,981,919	153,723,193
End of year	\$ 115,925,797	\$ 115,925,797	\$ 265,609,638	\$ 149,683,841	\$ 198,691,015

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, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues:					
Taxes:					
Ad valorem taxes	\$ 228,823,479	\$ 228,823,479	\$ 230,269,765	\$ 1,446,286	\$ 204,089,285
Penalties and interest on delinquent taxes	6,400,000	6,400,000	6,859,008	459,008	9,040,832
Total taxes	<u>235,223,479</u>	<u>235,223,479</u>	<u>237,128,773</u>	<u>1,905,294</u>	<u>213,130,117</u>
Licenses and permits:					
Business licenses	25,000,000	25,000,000	25,746,192	746,192	23,504,997
Liquor licenses	5,400,000	5,400,000	5,504,489	104,489	6,059,678
County gaming licenses	33,500,000	33,500,000	36,361,889	2,861,889	33,221,699
Franchise fees:					
Gas	3,000,000	3,000,000	5,434,790	2,434,790	3,638,892
Electric	24,000,000	24,000,000	26,390,057	2,390,057	23,323,143
Other	15,400,000	15,400,000	21,227,381	5,827,381	20,025,150
Other licenses and permits	28,560,000	28,560,000	36,561,112	8,001,112	31,324,643
Marriage licenses	2,500,000	2,500,000	2,642,220	142,220	2,588,628
Total licenses and permits	<u>137,360,000</u>	<u>137,360,000</u>	<u>159,868,130</u>	<u>22,508,130</u>	<u>143,686,830</u>
Intergovernmental revenue:					
Federal grants	1,000,000	1,000,000	2,390,722	1,390,722	2,898,053
Federal payment in lieu of taxes	2,000,000	2,000,000	2,053,206	53,206	3,812,819
State grants	500,000	500,000	458,575	(41,425)	2,122,698
State gaming licenses	160,000	160,000	158,345	(1,655)	161,184
Court administrative assessment	700,000	700,000	622,797	(77,203)	630,750
Consolidated tax	249,714,590	249,714,590	313,642,515	63,927,925	264,091,201
Other	100,000	100,000	117	(99,883)	309,327
Total intergovernmental revenue	<u>254,174,590</u>	<u>254,174,590</u>	<u>319,326,277</u>	<u>65,151,687</u>	<u>274,026,032</u>
Charges for services:					
General government:					
Clerk fees	2,575,000	2,575,000	3,375,986	800,986	3,163,608
Recorder fees	16,000,000	16,000,000	29,083,284	13,083,284	23,953,965
Map fees	130,000	130,000	187,714	57,714	159,019
Assessor commissions	8,000,000	8,000,000	9,155,013	1,155,013	8,443,030
Building and zoning fees	1,000,000	1,000,000	1,722,692	722,692	1,418,219
Room tax collection commissions	5,500,000	5,500,000	7,211,488	1,711,488	6,216,472
Administrative fees	8,400,000	8,400,000	11,878,426	3,478,426	10,665,051
Other	3,070,000	3,070,000	3,080,980	10,980	1,948,428

(Continued)

Clark County, Nevada  
General Fund

Schedule of Revenues and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues (Continued):					
Charges for services (Continued):					
Judicial:					
Clerk fees	\$ 3,200,000	\$ 3,200,000	\$ 6,976,470	\$ 3,776,470	\$ 7,411,831
Other	4,300,000	4,300,000	1,276,515	(3,023,485)	1,208,560
Public safety:					
Fire protection services	6,000,000	6,000,000	6,472,932	472,932	5,747,509
Other	1,250,000	1,250,000	1,194,475	(55,525)	1,269,327
Public works:					
Engineering	3,800,000	3,800,000	5,762,908	1,962,908	937,662
Health and welfare:					
Animal control	100,000	100,000	117,699	17,699	122,281
Culture and recreation:					
Other	350,000	350,000	530,577	180,577	481,930
Total charges for services	<u>63,675,000</u>	<u>63,675,000</u>	<u>88,027,159</u>	<u>24,352,159</u>	<u>73,146,892</u>
Fines and forfeitures:					
Court fines	4,500,000	4,500,000	5,063,621	563,621	4,435,197
Court forfeitures	5,700,000	5,700,000	7,853,063	2,153,063	5,718,423
Total fines and forfeitures	<u>10,200,000</u>	<u>10,200,000</u>	<u>12,916,684</u>	<u>2,716,684</u>	<u>10,153,620</u>
Interest	6,500,000	6,500,000	9,325,492	2,825,492	(1,119,073)
Other	3,450,000	3,450,000	5,610,589	2,160,589	9,627,130
Total revenues	710,583,069	710,583,069	832,203,104	121,620,035	722,651,548
Other financing sources:					
Transfers from other funds	228,305,641	229,421,798	219,794,772	(9,627,026)	206,594,236
Total revenues and other financing sources	<u>\$ 938,888,710</u>	<u>\$ 940,004,867</u>	<u>\$ 1,051,997,876</u>	<u>\$ 111,993,009</u>	<u>\$ 929,245,784</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, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004
	Original Budget	Final Budget	Actual	Actual
<b>Expenditures:</b>				
General Government:				
Commission/Manager:				
Salaries and wages	\$ 2,807,964	\$ 2,895,148	\$ 2,845,811	\$ 2,682,992
Employee benefits	933,814	969,174	939,483	867,691
Services and supplies	753,762	785,644	403,838	302,210
Total Commission/Manager	4,495,540	4,649,966	4,189,132	3,852,893
Office of Diversity:				
Salaries and wages	290,559	293,882	282,071	266,555
Employee benefits	100,559	101,232	103,035	91,601
Services and supplies	61,815	61,815	24,683	20,108
Total Office of Diversity	452,933	456,929	409,789	378,264
Organizational Development Center:				
Salaries and wages	733,619	158,883	131,644	712,313
Employee benefits	244,959	46,450	47,677	228,003
Services and supplies	321,997	44,762	53,241	220,643
Total Organizational Development Center	1,300,575	250,095	232,562	1,160,959
Internal Audit:				
Salaries and wages	873,671	884,352	888,617	768,904
Employee benefits	294,758	296,726	288,802	243,566
Services and supplies	66,196	66,196	23,874	33,530
Total Internal Audit	1,234,625	1,247,274	1,201,293	1,046,000
Finance:				
Salaries and wages	5,170,152	5,082,178	4,376,637	4,458,178
Employee benefits	1,819,378	1,785,206	1,530,983	1,490,604
Services and supplies	621,641	632,802	852,628	397,544
Total Finance	7,611,171	7,500,186	6,760,248	6,346,326
Comptroller:				
Salaries and wages	1,771,652	1,780,535	1,655,110	1,832,820
Employee benefits	643,275	644,479	556,230	588,859
Services and supplies	199,744	199,809	268,111	138,934
Total Comptroller	2,614,671	2,624,823	2,479,451	2,560,613

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Expenditures (Continued):</b>					
<b>General Government (Continued):</b>					
Treasurer:					
Salaries and wages	\$ 1,783,644	\$ 1,790,046	\$ 1,655,112	\$ (134,934)	\$ 1,643,603
Employee benefits	642,455	643,381	574,795	(68,586)	566,218
Services and supplies	728,144	729,772	554,456	(175,316)	595,798
Total Treasurer	<u>3,154,243</u>	<u>3,163,199</u>	<u>2,784,363</u>	<u>(378,836)</u>	<u>2,805,619</u>
Elections:					
Salaries and wages	5,338,684	5,361,221	5,108,692	(252,529)	2,186,691
Employee benefits	1,266,905	1,269,655	1,027,466	(242,189)	751,460
Services and supplies	6,232,921	6,341,643	5,545,593	(796,050)	1,429,869
Capital outlay	-	170,941	170,941	-	26,600
Total Elections	<u>12,838,510</u>	<u>13,143,460</u>	<u>11,852,692</u>	<u>(1,290,768)</u>	<u>4,394,620</u>
Assessor:					
Salaries and wages	10,115,250	10,172,068	9,865,126	(306,942)	9,426,765
Employee benefits	3,614,434	3,623,003	3,354,255	(268,748)	3,156,342
Services and supplies	1,274,748	1,281,154	1,548,577	267,423	1,027,363
Total Assessor	<u>15,004,432</u>	<u>15,076,225</u>	<u>14,767,958</u>	<u>(308,267)</u>	<u>13,610,470</u>
Recorder:					
Salaries and wages	2,643,690	2,649,132	2,354,471	(294,661)	2,238,217
Employee benefits	1,013,118	1,014,036	875,808	(138,228)	804,466
Services and supplies	580,147	580,199	453,774	(126,425)	541,417
Capital outlay	-	-	-	-	3,181
Total Recorder	<u>4,236,955</u>	<u>4,243,367</u>	<u>3,684,053</u>	<u>(559,314)</u>	<u>3,587,281</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
Clerk:					
Salaries and wages	\$ 11,514,315	\$ 11,532,683	\$ 11,427,793	\$ (104,890)	\$ 10,938,486
Employee benefits	4,416,574	4,420,293	4,029,668	(390,625)	3,833,367
Services and supplies	952,077	947,801	829,329	(118,472)	730,819
Capital outlay	-	7,400	7,376	(24)	-
Total Clerk	<u>16,882,966</u>	<u>16,908,177</u>	<u>16,294,166</u>	<u>(614,011)</u>	<u>15,502,672</u>
Administrative Services:					
Salaries and wages	2,095,001	2,287,110	2,101,718	(185,392)	1,797,883
Employee benefits	723,961	786,571	723,591	(62,980)	606,864
Services and supplies	523,977	713,713	397,138	(316,575)	305,636
Total Administrative Services	<u>3,342,939</u>	<u>3,787,394</u>	<u>3,222,447</u>	<u>(564,947)</u>	<u>2,710,383</u>
Human Resources:					
Salaries and wages	1,923,786	2,239,486	2,088,300	(151,186)	1,771,049
Employee benefits	664,740	753,350	712,045	(41,305)	594,733
Services and supplies	642,660	784,967	475,690	(309,277)	510,277
Total Human Resources	<u>3,231,186</u>	<u>3,777,803</u>	<u>3,276,035</u>	<u>(501,768)</u>	<u>2,876,059</u>
Comprehensive Planning:					
Salaries and wages	5,655,065	5,446,921	4,919,715	(527,206)	2,998,760
Employee benefits	1,971,418	1,903,427	1,659,169	(244,258)	1,004,650
Services and supplies	1,352,694	1,427,333	1,120,598	(306,735)	550,405
Total Comprehensive Planning	<u>8,979,177</u>	<u>8,777,681</u>	<u>7,699,482</u>	<u>(1,078,199)</u>	<u>4,553,815</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
A-95 Clearinghouse Council:					
Salaries and wages	\$ 45,163	\$ 45,163	\$ 33,249	\$ (11,914)	\$ 42,471
Employee benefits	21,635	21,635	15,133	(6,502)	16,677
Services and supplies	20,600	20,627	2,986	(17,641)	2,379
Total A-95 Clearinghouse Council	<u>87,398</u>	<u>87,425</u>	<u>51,368</u>	<u>(36,057)</u>	<u>61,527</u>
Center for Enterprise Information Technology:					
Salaries and wages	12,398,150	11,769,065	11,931,879	162,814	11,302,485
Employee benefits	4,353,018	4,138,507	3,856,310	(282,197)	3,733,530
Services and supplies	1,220,652	1,281,826	1,067,983	(213,843)	925,403
Capital outlay	-	25,000	25,000	-	-
Total Center for Enterprise Information Technology	<u>17,971,820</u>	<u>17,214,398</u>	<u>16,881,172</u>	<u>(333,226)</u>	<u>15,961,418</u>
Business License:					
Salaries and wages	4,395,383	4,416,732	4,296,935	(119,797)	4,022,811
Employee benefits	1,583,880	1,587,103	1,511,745	(75,358)	1,378,862
Services and supplies	480,199	484,726	403,119	(81,607)	361,960
Total Business License	<u>6,459,462</u>	<u>6,488,561</u>	<u>6,211,799</u>	<u>(276,762)</u>	<u>5,763,633</u>
Real Property Management:					
Salaries and wages	9,325,628	9,336,962	8,152,225	(1,184,737)	7,642,668
Employee benefits	3,522,560	3,524,464	2,972,180	(552,284)	2,680,188
Services and supplies	5,311,159	5,830,206	5,400,985	(429,221)	4,718,466
Capital outlay	1,000,000	1,584,274	1,371,455	(212,819)	2,110,391
Total Real Property Management	<u>19,159,347</u>	<u>20,275,906</u>	<u>17,896,845</u>	<u>(2,379,061)</u>	<u>17,151,713</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
Development Services:					
Salaries and wages	\$ -	\$ -	\$ -	\$ -	\$ 2,595,706
Employee benefits	-	-	-	-	847,866
Services and supplies	-	-	-	-	536,154
Total Development Services	-	-	-	-	3,979,726
Total General Government	129,057,950	129,672,869	119,894,855	(9,778,014)	108,303,991
Judicial:					
Outlying Constables:					
Salaries and wages	97,161	97,161	98,509	1,348	91,023
Employee benefits	102,960	102,960	97,566	(5,394)	89,035
Services and supplies	22,129	22,148	11,223	(10,925)	11,327
Total Outlying Constables	222,250	222,269	207,298	(14,971)	191,385
Henderson Constable:					
Salaries and wages	106,766	115,086	127,912	12,826	107,454
Employee benefits	49,162	50,056	53,707	3,651	45,757
Services and supplies	22,484	22,484	13,424	(9,060)	15,563
Total Henderson Constable	178,412	187,626	195,043	7,417	168,774
North Las Vegas Constable:					
Salaries and wages	103,219	103,219	98,581	(4,638)	93,389
Employee benefits	42,124	42,124	41,013	(1,111)	37,504
Services and supplies	16,627	16,863	11,151	(5,712)	12,745
Total North Las Vegas Constable	161,970	162,206	150,745	(11,461)	143,638

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004
	Original Budget	Final Budget	Actual	Actual
Expenditures (Continued):				
Judicial (Continued):				
District Attorney:				
Salaries and wages	\$ 23,123,219	\$ 23,745,638	\$ 22,244,669	\$ 21,857,907
Employee benefits	7,763,532	7,874,257	7,217,705	6,928,668
Services and supplies	1,985,816	2,010,707	1,719,511	1,710,705
Total District Attorney	<u>32,872,567</u>	<u>33,630,602</u>	<u>31,181,885</u>	<u>30,497,280</u>
Witness/Legal Fees:				
Services and supplies	1,472,300	1,572,300	1,436,085	1,466,732
District Court:				
Salaries and wages	14,672,510	14,692,377	14,643,411	14,211,308
Employee benefits	5,147,137	5,157,577	4,902,250	4,551,258
Services and supplies	7,137,678	7,439,715	8,313,496	7,656,399
Total District Court	<u>26,957,325</u>	<u>27,289,669</u>	<u>27,859,157</u>	<u>26,418,965</u>
Special Public Defender:				
Salaries and wages	1,383,512	1,929,287	1,188,328	1,142,467
Employee benefits	453,699	461,281	377,019	371,888
Services and supplies	302,192	302,367	225,565	175,542
Total Special Public Defender	<u>2,139,403</u>	<u>2,692,935</u>	<u>1,790,912</u>	<u>1,689,897</u>
Court Jury Services:				
Salaries and wages	286,615	286,615	269,565	278,176
Employee benefits	106,427	106,427	99,458	98,756
Services and supplies	1,097,294	1,098,547	1,073,918	1,076,832
Total Court Jury Services	<u>1,490,336</u>	<u>1,491,589</u>	<u>1,442,941</u>	<u>1,453,764</u>
Grand Jury:				
Services and supplies	124,197	124,197	135,441	141,744

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
Las Vegas Justice Court:					
Salaries and wages	\$ 8,695,059	\$ 8,718,631	\$ 8,419,247	\$ (299,384)	\$ 7,904,018
Employee benefits	3,212,059	3,215,447	2,809,872	(405,575)	2,626,466
Services and supplies	1,718,003	1,951,951	1,842,318	(109,633)	1,693,128
Total Las Vegas Justice Court	13,625,121	13,886,029	13,071,437	(814,592)	12,223,612
Henderson Justice Court:					
Salaries and wages	1,065,370	1,065,370	1,069,133	3,763	1,025,700
Employee benefits	396,988	396,988	389,874	(7,114)	364,365
Services and supplies	128,868	129,311	140,875	11,564	120,091
Total Henderson Justice Court	1,591,226	1,591,669	1,599,882	8,213	1,510,156
North Las Vegas Justice Court:					
Salaries and wages	1,056,486	1,075,974	1,129,146	53,172	1,021,554
Employee benefits	427,625	429,720	415,218	(14,502)	375,690
Services and supplies	251,432	230,126	216,975	(13,151)	194,490
Total North Las Vegas Justice Court	1,735,543	1,735,820	1,761,339	25,519	1,591,734
Outlying Justice Courts:					
Salaries and wages	1,338,379	1,338,379	1,341,604	3,225	1,273,073
Employee benefits	481,176	481,176	444,283	(36,893)	409,911
Services and supplies	151,061	156,612	132,564	(24,048)	138,268
Total Outlying Justice Courts	1,970,616	1,976,167	1,918,451	(57,716)	1,821,252
Public Defender:					
Salaries and wages	11,962,206	13,671,850	13,226,638	(445,212)	11,084,863
Employee benefits	3,951,178	3,962,818	4,050,616	87,798	3,415,945
Services and supplies	1,045,931	1,067,885	1,130,792	62,907	986,151
Total Public Defender	16,959,315	18,702,553	18,408,046	(294,507)	15,486,959

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004
	Original Budget	Final Budget	Actual	Actual
Expenditures (Continued):				
Judicial (Continued):				
Neighborhood Justice Center:				
Salaries and wages	\$ 674,352	\$ 674,352	\$ 648,744	\$ 643,325
Employee benefits	238,368	238,368	223,132	219,895
Services and supplies	180,519	180,933	99,885	145,350
Total Neighborhood Justice Center	1,093,239	1,093,653	971,761	1,008,570
Total Judicial	102,593,820	106,359,284	102,130,423	95,814,462
Public Safety:				
Office of the Sheriff:				
Salaries and wages	162,949	162,949	162,072	163,961
Employee benefits	34,067	34,067	8,006	8,068
Services and supplies	-	2,000	1,877	5,485
Total Office of the Sheriff	197,016	199,016	171,955	177,514
Fire Department:				
Salaries and wages	62,122,776	62,165,464	62,519,512	59,293,403
Employee benefits	24,617,651	24,626,053	23,935,543	22,023,801
Services and supplies	6,812,055	7,050,429	6,555,593	6,220,245
Total Fire Department	93,552,482	93,841,946	93,010,648	87,537,449
Volunteer Fire and Ambulance:				
Salaries and wages	-	-	-	172
Services and supplies	288,924	298,835	194,399	218,110
Total Volunteer Fire and Ambulance	288,924	298,835	194,399	218,282

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004
	Original Budget	Final Budget	Actual	Actual
Expenditures (Continued):				
Public Safety (Continued):				
Public Guardian:				
Salaries and wages	\$ 1,321,077	\$ 1,326,016	\$ 1,220,316	\$ 1,135,319
Employee benefits	494,018	495,018	447,479	396,675
Services and supplies	208,787	211,737	140,222	137,523
Total Public Guardian	<u>2,023,882</u>	<u>2,032,771</u>	<u>1,808,017</u>	<u>1,669,517</u>
Public Administrator:				
Salaries and wages	661,888	661,888	642,179	573,377
Employee benefits	174,282	174,282	175,229	139,149
Services and supplies	96,578	96,578	73,289	82,237
Total Public Administrator	<u>932,748</u>	<u>932,748</u>	<u>890,697</u>	<u>794,763</u>
Coroner:				
Salaries and wages	2,148,265	2,207,584	2,409,936	2,220,880
Employee benefits	762,084	747,762	756,352	677,403
Services and supplies	635,706	721,456	706,407	729,445
Total Coroner	<u>3,546,055</u>	<u>3,676,802</u>	<u>3,872,695</u>	<u>3,627,728</u>
Juvenile Justice Services:				
Salaries and wages	23,000,416	23,031,744	22,115,427	22,804,566
Employee benefits	8,925,565	8,930,224	8,168,112	7,900,716
Services and supplies	3,967,311	4,154,031	3,488,836	3,218,267
Total Juvenile Justice Services	<u>35,893,292</u>	<u>36,115,999</u>	<u>33,772,375</u>	<u>33,923,549</u>
Family Services:				
Salaries and wages	14,351,584	14,379,497	14,253,161	13,143,320
Employee benefits	4,895,634	4,899,965	4,538,512	4,126,474
Services and supplies	2,271,247	3,459,779	2,751,987	2,672,115
Total Family Services	<u>21,518,465</u>	<u>22,739,241</u>	<u>21,543,660</u>	<u>19,941,909</u>
Total Public Safety	<u>157,952,864</u>	<u>159,837,358</u>	<u>155,264,446</u>	<u>147,890,711</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004 Actual
	Original Budget	Final Budget	Actual	
Expenditures (Continued):				
Public Works:				
Salaries and wages	\$ 9,655,784	\$ 9,863,032	\$ 8,959,133	\$ 9,046,672
Employee benefits	3,433,278	3,480,888	3,117,920	3,065,975
Services and supplies	3,207,075	1,745,417	1,535,635	2,279,212
Capital outlay	-	-	-	92,815
Total Public Works	16,296,137	15,089,337	13,612,688	14,484,674
Health:				
Emergency Room Admittance:				
Services and supplies	17,890,781	17,890,781	17,890,781	15,068,027
Emergency Medical Clinics:				
Services and supplies	450	450	544	958
Emergency Medical Care:				
Services and supplies	3,050,000	3,050,000	2,009,326	2,072,024
Total Health	20,941,231	20,941,231	19,900,651	17,141,009
Welfare:				
Salaries and wages	7,742,737	7,876,147	7,110,130	6,753,181
Employee benefits	2,712,653	2,783,602	2,401,054	2,241,990
Services and supplies	55,847,911	55,563,185	49,934,883	41,777,098
Capital outlay	500,000	500,000	33,255	47,677
Total Welfare	66,803,301	66,722,934	59,479,322	50,819,946
Culture and Recreation:				
Salaries and wages	18,009,713	18,119,195	17,299,625	17,242,817
Employee benefits	6,608,670	6,507,102	6,092,556	5,932,731
Services and supplies	7,468,804	7,620,511	6,978,972	6,659,633
Capital outlay	-	-	-	161,084
Total Culture and Recreation	32,087,187	32,246,808	30,371,153	29,996,265

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)  
(Continued)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Other General Expenditures:					
Utilities	\$ 20,523,000	\$ 19,884,645	\$ 17,234,216	\$ (2,650,429)	\$ 16,347,953
Building rental	2,240,400	2,240,862	2,049,818	(191,044)	1,957,039
Capital replacement	3,200,000	2,625,271	1,415,356	(1,209,915)	3,202,319
Administrative assessments	598,912	994,742	381,662	(613,080)	471,090
Maintenance contracts	10,687,782	10,705,399	8,390,785	(2,314,614)	8,035,510
Insurance and official bonds	3,446,455	3,446,455	3,500,722	54,267	3,035,488
Miscellaneous refunds and expenditures	6,819,262	5,174,696	4,965,510	(209,186)	2,734,121
Publications and professional services	3,270,053	2,972,171	2,040,929	(931,242)	2,276,085
Contributions	18,670,000	18,670,000	23,617,196	4,947,196	17,440,000
Total Other General Expenditures	69,455,864	66,714,241	63,596,194	(3,118,047)	55,499,605
Total expenditures	595,188,354	597,584,062	564,249,732	(33,334,330)	519,950,663
Transfers to other funds	353,204,104	421,204,104	420,829,521	(374,583)	364,327,299
Total expenditures and transfers	\$ 948,392,458	\$ 1,018,788,166	\$ 985,079,253	\$ (33,708,913)	\$ 884,277,962

See notes to Required Supplementary Information

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FUND

To account for the operations of the Las Vegas Metropolitan Police Department. Financing is provided primarily by contributions from the City of Las Vegas and transfers from the County general fund.

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, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)

	2005			2004	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Ad valorem taxes	\$ 107,374,870	\$ 109,874,870	\$ 108,537,351	\$ (1,337,519)	\$ 97,707,562
Intergovernmental revenue:					
Federal and state grants	-	25,524,263	6,055,198	(19,469,065)	5,350,865
City of Las Vegas contribution	102,985,727	102,985,727	103,010,727	25,000	98,264,128
Charges for services:					
Airport security	9,359,362	9,359,362	9,804,387	445,025	9,438,925
Other	7,375,000	7,375,000	9,032,777	1,657,777	7,601,880
Interest	600,000	600,000	1,248,734	648,734	50,124
Other	2,954,717	2,982,055	2,304,655	(677,400)	2,376,841
Total revenues	<u>230,649,676</u>	<u>258,701,277</u>	<u>239,993,829</u>	<u>(18,707,448)</u>	<u>220,790,325</u>
Other financing sources:					
Transfers from other funds	152,049,409	152,315,837	151,931,093	(384,744)	136,867,070
Total revenues and other financing sources	<u>382,699,085</u>	<u>411,017,114</u>	<u>391,924,922</u>	<u>(19,092,192)</u>	<u>357,657,395</u>
<b>Expenditures:</b>					
Salaries and wages	240,030,681	243,159,365	239,733,047	(3,426,318)	221,051,750
Employee benefits	84,073,254	84,241,100	82,823,972	(1,417,128)	77,997,690
Services and supplies	49,939,774	69,680,024	47,672,696	(22,007,328)	43,976,077
Capital outlay	9,155,376	21,422,575	9,575,510	(11,847,065)	8,641,816
Total expenditures	<u>383,199,085</u>	<u>418,503,064</u>	<u>379,805,225</u>	<u>(38,697,839)</u>	<u>351,667,333</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(500,000)	(7,485,950)	12,119,697	19,605,647	5,990,062
Fund balance:					
Beginning of year	500,000	7,485,950	7,752,378	266,428	1,762,316
End of year	-	-	\$ 19,872,075	\$ 19,872,075	\$ 7,752,378

See notes to Required Supplementary Information

## MASTER TRANSPORTATION PLAN FUND

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

Clark County, Nevada  
Master Transportation Plan  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2005  
(With comparative actual for the fiscal year ended June 30, 2004)

	2005			2004
	Original Budget	Final Budget	Actual	Actual
Revenues:				
Licenses and permits:				
New development fees	\$ 30,000,000	\$ 30,000,000	\$ 40,387,987	\$ 37,943,458
Intergovernmental revenue:				
Sales and use tax	132,978,544	132,978,544	161,231,644	122,226,714
Motor vehicle privilege tax	37,980,000	37,980,000	42,769,179	37,741,601
Motor vehicle fuel tax	36,973,911	36,973,911	36,806,650	35,006,225
Aviation fuel tax	12,000,000	12,000,000	12,989,799	12,277,771
Charges for services:				
Room tax	30,500,308	30,500,308	36,627,509	31,758,006
Interest	600,000	600,000	2,154,651	(1,728)
Total revenues	<u>281,032,763</u>	<u>281,032,763</u>	<u>332,967,419</u>	<u>276,952,047</u>
Expenditures:				
Services and supplies	196,305,575	196,305,575	219,997,488	177,826,068
Other financing uses:				
Transfers to other funds	108,359,691	118,359,691	112,864,597	86,824,156
Total expenditures and other financing uses	<u>304,665,266</u>	<u>314,665,266</u>	<u>332,862,085</u>	<u>264,650,224</u>
Excess (deficiency) of revenues over (under) expenditures and other financing uses	(23,632,503)	(33,632,503)	105,334	12,301,823
Fund balance:				
Beginning of year	23,632,503	33,632,503	36,028,104	23,726,281
End of year	<u>-</u>	<u>-</u>	<u>\$ 36,133,438</u>	<u>\$ 36,028,104</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>
1996	\$ 2,672,415	100
1997	2,971,580	100
1998	3,103,106	100
1999	3,004,678	100
2000	3,304,517	100
2001	4,125,838	100
2002	9,284,697	100
2003	11,080,679	100
2004	12,923,933	100
2005	15,338,670	100

Annual required contributions are determined as part of the actuarial valuations at July 1 of each plan year. The aggregate actuarial cost method is used, and therefore no separate unfunded actuarial accrued liability is determined for any plan year.

Additional actuarial assumptions as of the latest actuarial valuation:

Investment rate of return	8.0%
Projected salary increases	6.0%

See notes to Required Supplementary Information

Clark County, Nevada  
Notes to Required Supplementary Information  
Year Ended June 30, 2005

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 Commission 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, 2005, as originally adopted, were augmented during the year for grants and other County Commission action.



**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, 2005, which collectively comprise the County's basic financial statements and have issued our report thereon dated December 6, 2005. 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. We did not audit the financial statements of University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, or Department of Aviation, which, when combined, represent 98 percent, 97 percent, and 94 percent, respectively, of the assets, net assets, and revenues of the Enterprise Funds. 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, Clark County Water Reclamation District, Las Vegas Valley Water District, and Department of Aviation is based solely on the reports of the other auditors. As stated in the other auditors' reports, the financial statements of University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, and Department of Aviation were audited in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements 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 or other matters that are required to be reported under *Government Auditing Standards*.

However, we noted other matters involving internal control and other issues that we have reported to management of Clark County, Nevada in a separate letter dated December 6, 2005.

This report is intended solely for the information and use of management and 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  
December 6, 2005

ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
OFFICE OF NATIONAL DRUG CONTROL POLICY				
Direct Program:				
Executive Office of the President				
2001 HIDTA #11PNVP501 (1/1/01-12/31/02 ext.)	07.501	None	\$ 1,400,000	\$ 107,695
2002 HIDTA #12PNVP501 (1/1/02-12/31/02)	07.501	None	2,000,000	116,605
2003 HIDTA #13PNVP501 (1/1/03-12/31/03)	07.501	None	1,400,000	421,489
2004 HIDTA #14PNVP501 Z(1/1/04-12/31/04)	07.501	None	1,740,000	902,501
2005 HIDTA #15PNVP501 Z(1/1/04-12/31/05)	07.501	None	1,400,000	<u>61,602</u>
Total Office of National Drug Control Policy				<u>1,609,892</u>
DEPARTMENT OF AGRICULTURE				
Passed Through Nevada Department of Education:				
Food Distribution (Commodity)	10.550	None	28,724	28,724
Child Nutrition Cluster				
Passed Through Nevada Department of Education:				
School Breakfast Program, FY 04-05	10.553	Program 32		53,243
School Breakfast Program, FY 04-05	10.553	Program 32	164,082	<u>164,082</u>
				<u>217,325</u>
Passed Through Nevada Department of Education:				
National School Lunch Program-Snack (9/1/04-6/30/05)	10.555	None	80,933	80,933
National School Lunch Program, FY 04-05	10.555	Program 32	80,164	80,164
National School Lunch Program, FY 04-05	10.555	Program 32	257,834	<u>257,834</u>
				<u>418,931</u>
Passed Through Nevada Department of Education:				
Special Milk Program for Children, FY 04-05	10.556	Coop Agreement	20,233	20,233
Passed Through Nevada Department of Education:				
Summer Food Service Program for Children, 2004	10.559	None	131,901	<u>33,849</u>
Total Child Nutrition Cluster				<u>690,338</u>
Total Department of Agriculture				<u>719,062</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG – Entitlement and (HUD-Administered) Small Cities Cluster				
Direct Program:				
Community Development Block Grant, FY 04-05	14.218	B-04-UC-32-0001	\$ 9,231,000	\$ 2,137,920
Community Development Block Grant, FY 03-04	14.218	B-03-UC-32-0001	9,243,000	4,383,139
Community Development Block Grant, FY 02-03	14.218	B-02-UC-32-0001	6,243,000	717,642
Community Development Block Grant, FY 01-02	14.218	B-01-UC-32-0001	6,152,000	477,576
Community Development Block Grant, FY 00-01	14.218	B-00-UC-32-0001	5,881,000	<u>138,076</u>
Total CDBG – Entitlement and (HUD-Administered) Small Cities Cluster				<u>7,854,353</u>
Direct Program:				
Emergency Shelter Grants Program, FY 04-05	14.231	S-04-UC-32-0001	271,090	271,090
Emergency Shelter Grants Program, FY 03-04	14.231	S-03-UC-32-0001	169,000	<u>47,571</u>
				<u>318,661</u>
Passed Through The Salvation Army:				
Supportive Housing Program - Safe Haven	14.235	NV39B970001	36,050	36,050
Direct Program:				
Home Investment Partnerships Program, FY 03-04	14.239	M-03-DC-320224	6,417,840	1,350,061
Home Investment Partnerships Program, FY 02-03	14.239	M-02-DC-320224	4,124,000	3,938,288
Recaptured Home Funds				<u>166,458</u>
				<u>5,454,807</u>
Passed Through Nevada Housing Division:				
Home Investment Partnerships Program, FY 02-03	14.239	M-02-SG320106	856,720	631,577
Home Investment Partnerships Program, FY 01-02	14.239	M-01-SG320106	849,467	<u>540,474</u>
				<u>1,172,051</u>
Direct Program:				
Housing Opportunities for Persons with AIDS	14.241	NV01C900001	728,160	<u>150,765</u>
Total Department of Housing and Urban Development				<u>14,986,687</u>
DEPARTMENT OF INTERIOR				
Passed Through Nevada Department of Wildlife:				
Statewide Hunter Education Program – Clark County Shooting Range	15.626	W-66-E	240,000	69,412
Passed Through Nevada Division of State Parks:				
Wetlands Park Recreation Facilities (PK04411-P473)	15.916	32-00-00261	132,560	100,000

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF INTERIOR (Continued)				
Direct Program:				
Bureau of Land Management				
Rural Fire Assistance Grant FY2004	15.FAA	FAA040018	\$ 55,000	\$ 55,000
Rural Fire Assistance Grant FY2003	15.FAA	FAA030032	75,000	<u>75,000</u>
				<u>130,000</u>
Total Department of Interior				<u>299,412</u>
DEPARTMENT OF JUSTICE				
Direct Program:				
State and Local Domestic Preparedness Exercise Support	16.009	2002-GP-CX-0039	480,000	120,000
Passed Through Nevada Department of Human Resources:				
Juvenile Accountability Incentive Block Grant	16.523	2003JB-XV-0004	769,804	445,763
Juvenile Accountability Incentive Block Grant	16.523	2002JB-XV-0032	1,013,075	<u>393,053</u>
				<u>838,816</u>
Passed Through Nevada Department of Human Resources:				
Juvenile Justice and Delinquency Prevention, FY 04-05	16.540	None	321,922	263,255
Juvenile Justice and Delinquency Prevention, FY 03-04	16.540	None	38,071	10,186
Juvenile Justice and Delinquency Prevention, FY 03-04	16.540	None	145,860	<u>42,193</u>
				<u>315,634</u>
Passed Through the Nevada Childrens Alliance:				
Program Support Grant Sexual – Abuse Investigative Team	16.543	LasVeg-046-PS05	10,000	2,997
Program Support Grant Sexual – Abuse Investigative Team	16.543	LasVeg-046-PS04	8,500	<u>8,500</u>
				<u>11,497</u>
Passed Through Nevada Department of Human Resources:				
Missing Children’s Assistance	16.543	2000-MC-CX-K006	946,441	<u>210,751</u>
				<u>222,248</u>
Direct Program:				
National Institute of Justice Research, Evaluation, and Development Project Grants:				
Coverdell Forensic Science Improvement	16.560	2004-DNBX-0206	80,233	30,738
Coverdell DNA Capacity Enhancement	16.560	2004-DNBX-K204	281,455	<u>82,600</u>
				<u>113,338</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Passed Through Nevada Division of Child & Family Services:				
Crime Victim Assistance	16.575	04-27-VOCA	\$ 150,000	\$ 57,068
Crime Victim Assistance	16.575	01-27-VOCA	150,000	69,015
Crime Victim Assistance	16.575	04-29-VOCA	70,000	54,477
Crime Victim Assistance	16.575	04-29-VOCA	70,000	15,701
Crime Victim Assistance	16.575	01-12-VOCA	132,282	<u>54,522</u>
				<u>250,783</u>
Passed Through Nevada Dept of Motor Vehicles & Public Safety:				
Byrne Formula Grant Program:				
Clark County Juvenile Gang Task Force Project	16.579	04-NC-023	111,175	104,577
Narcotics Control Program (Gang)	16.579	04-NC-025	25,203	25,203
Narcotics Control Program (Forensics)	16.579	01-NC-029	114,011	23,963
Narcotics Control Program (METH)	16.579	01-NC-007	43,128	<u>43,128</u>
				<u>196,871</u>
Direct Program:				
Edward Byrne Memorial State and Local Law Enforcement Assistance				
Discretionary Grants Program:				
BJA - Advent	16.580	2003-DD-BX-0307	397,400	73,819
BJA - Hispanic Interpreters	16.580	2003-DD-BX-0258	496,750	335,117
BJA - Equipment	16.580	2004-DD-BX-1472	395,791	124,899
BJA - Automated Identification Network	16.580	2002-RG-CX-0003	998,907	<u>264,488</u>
				<u>798,323</u>
Passed Through National Children's Alliance:				
Crime Victim Assistance/Discretionary Grants:				
SAINT Training and Program Development Grant, 2003	16.582	None	10,000	2,598
Direct Program:				
Single Jurisdiction Enhancement Drug Court Grants	16.585	2004-DC-BX-0070	200,000	50,000
Passed Through the State of Nevada Office of the Attorney General:				
Violence Against Women Formula Grant	16.588	2004STOP-04-VAWA	30,000	21,187
Violence Against Women Formula Grant	16.588	2002-VAWG-42	8,613	1,211
Violence Against Women Formula Grant	16.588	2003-VAWG-03	43,948	<u>24,192</u>
				<u>46,590</u>
Direct Program:				
Local Law Enforcement Block Grant	16.592	03-LB-BX-1340	518,956	123,088
Local Law Enforcement Block Grant	16.592	03-LB-BX-1490	1,119,466	817,334
Local Law Enforcement Block Grant	16.592	02-LB-BX-2698	1,541,825	<u>247,077</u>
				<u>1,187,499</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Passed Through City of Las Vegas:				
Executive Office for Weed and Seed, 2005	16.595	None	\$ 25,472	\$ 25,472
Executive Office for Weed and Seed, 2005	16.595	None	60,240	57,030
Executive Office for Weed and Seed, 2005	16.595	None	16,118	26,118
Executive Office for Weed and Seed, 2004	16.595	None	101,503	33,343
Executive Office for Weed and Seed, 2004	16.595	None	6,399	<u>1,445</u>
				<u>143,408</u>
Direct Program:				
State Criminal Alien Assistance Program	16.606	2002APBX0375	5,343,778	1,241,896
State Criminal Alien Assistance Program	16.606	1999APVX0143	552,622	99,339
State Criminal Alien Assistance Program	16.606	1999APVX0314	356,371	<u>67,700</u>
				<u>1,408,935</u>
Direct Program:				
Community Prosecution and Project Safe Neighborhoods				
State Safe Neighborhoods	16.609	03-PSN-003	39,634	24,804
Federal Safe Neighborhoods	16.609	2002-GP-CX-0239	166,793	<u>97,024</u>
				<u>121,828</u>
Direct Program:				
Public Safety Partnership and Community Policing Grants:				
Community Oriented Policing (Cyber Crime)	16.710	2002CKWX0118	500,000	32,847
Passed Through Nevada State Juvenile Justice Commission:				
Enforcing Underage Drinking Program	16.727	None	60,000	7,468
Enforcing Underage Drinking Program	16.727	None	52,989	52,989
Enforcing Underage Drinking Program	16.727	None	39,196	<u>2,060</u>
				<u>62,517</u>
Total Department of Justice				<u>5,912,235</u>
DEPARTMENT OF LABOR				
Direct Program:				
Careers in Construction Program	17.246	AF13744046	250,000	66,222
WIA Cluster				
Passed Through the Southern Nevada Workforce Investment Board				
Youth Employment and Training Services – Workforce Investment Act	17.259	PY-04	300,000	<u>81,015</u>
Total WIA Cluster				<u>81,015</u>
Total Department of Labor				<u>147,237</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF STATE				
BUREAU OF DIPLOMATIC SECURITY				
Foreign Police Training	19.999	S-DSASD-03-GR-001	\$ 76,976	\$ 16,101
Total Department of State				<u>16,101</u>
DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster				
Passed Through Nevada Department of Transportation:				
Highway Planning & Construction	20.205	NV-80-X008, 009, 010	413,528	89,099
Highway Planning & Construction	20.205	NV-80-X011, X012	438,469	338,587
Highway Planning & Construction	20.205	UPWP, FY 2002	3,466,963	1,566,406
Highway Planning & Construction	20.205	P406-99-010	2,454,239	<u>516,313</u>
Total Highway Planning and Construction Cluster				<u>2,510,405</u>
Passed Through Nevada Division of State Parks:				
Recreation Trails Program	20.219	None	4,000	4,000
Federal Transit Cluster				
Direct Federal Programs:				
Federal Transit Capital Investment Grants	20.500	NV-03-0019-02	6,408,490	96,971
Federal Transit Capital Investment Grants	20.500	NV-03-0024-01	11,634,414	1,238,836
Federal Transit Capital Investment Grants	20.500	NV-03-0015-00	4,274,270	<u>683,617</u>
				<u>2,019,424</u>
Direct Federal Programs:				
Federal Transit - Formula Grant	20.507	NV-90-X033-01	13,893,602	261,548
Federal Transit - Formula Grant	20.507	NV-90-X035-01	17,213,379	844,004
Federal Transit - Formula Grant	20.507	NV-90-X039-00	26,641,645	12,461,418
Federal Transit - Formula Grant	20.507	NV-90-X043-02	37,319,889	<u>8,130,105</u>
				<u>21,697,075</u>
Total Federal Transit Cluster				<u>23,716,499</u>
Highway Safety Cluster				
Passed Through Nevada Department of Motor Vehicles:				
State & Community Highway Safety	20.600	25-J8-18-6	20,000	6,988
State & Community Highway Safety	20.600	25-PT-2	35,700	13,090
State & Community Highway Safety	20.600	23J8-18-16.8/23-157INV-1.8	65,826	8,967
State & Community Highway Safety	20.600	25-AL-2	60,000	26,614
State & Community Highway Safety	20.600	25-JF-1.5	69,120	42,008
State & Community Highway Safety	20.600	24-PT-7	15,654	15,654
State & Community Highway Safety	20.600	24-PT-9	4,990	<u>4,990</u>
Total Highway Safety Cluster				<u>118,311</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF TRANSPORTATION (Continued)				
Passed Through Nevada Emergency Response Commission: Interagency Hazardous Materials Public Sector Training and Planning				
HEMP Training Grant	20.703	04-HMEP-03-02	\$ 10,960	<u>\$ 8,843</u>
Total Department of Transportation				<u>26,358,058</u>
FEDERAL MEDIATION AND CONCILIATION SERVICE				
Direct Program:				
Labor Management Cooperation	34.002	02-062-NV/PS	64,123	<u>16,581</u>
Total Federal Mediation and Conciliation Service				<u>16,581</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Passed Through Nevada Arts Council:				
Promotion of the Arts – Partnership Agreements (Art in Residence)	45.025	A/R-#35-FY04	2,694	334
Direct Program:				
Promotion of the Humanities Extending the Reach Grants to Underserved Areas				
National Endowment for the Humanities (Clark County Heritage Museum)	45.166	HA-20017-00	4,920	4,405
National Endowment for the Humanities (Howard W. Cannon Aviation Museum)	45.166	HA-20077-00	4,340	<u>49</u>
				<u>4,454</u>
Total National Foundation on the Arts and the Humanities				<u>4,788</u>
ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Air Pollution Control Program Support	66.001	A-97914704-0	754,225	267,438
Air Pollution Control Program Support	66.001	PM-97986001-0	146,720	<u>77,680</u>
				<u>345,118</u>
Surveys, Studies PM 2.5 Monitoring Network	66.034	PM-96921201-0	139,800	67,700

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
ENVIRONMENTAL PROTECTION AGENCY (Continued)				
Passed Through the State of Nevada Emergency Response Commission and Nevada Division of Environmental Protection: Chemical Emergency Preparedness and Prevention (CEPP) Technical Assistance Grants Program				
CEPP Training HazMat Explo Conference (2004)	66.810	04-EPA-03-01	\$ 15,000	\$ 6,346
CEPP Training HazMat Explo Conference (7/1/03-6/30/07)	66.810	VC98979401	100,000	7,398
CEPP Training HazMat Explo Conference (2004)	66.810	04-SERC-03-02	50,000	<u>15,550</u>
				<u>29,294</u>
Total Environmental Protection Agency				<u>442,112</u>
DEPARTMENT OF ENERGY				
Direct Program:				
Study and Demo Integration of Emergency Response Planning/Technology	81.065	DE-FG28-04RW12225	2,000,000	1,491,023
Nuclear Waste Disposal Siting, 10/1/02 - 9/30/03 - Yucca Mountain Project	81.065	PL	1,675,874	1,165,251
Nuclear Waste Disposal Siting, 10/1/01 - 9/30/02 - Yucca Mountain Project	81.065	PL	1,560,000	<u>393,343</u>
				<u>3,049,617</u>
Passed Through Nevada Division of Emergency Management:				
Emergency Preparedness Working Group - FY 05	81.502	8150205	100,000	71,770
Emergency Preparedness Working Group - FY 04	81.502	8150204	100,000	<u>24,148</u>
				<u>95,918</u>
Total Department of Energy				<u>3,145,535</u>
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed Through State of Nevada Department of Public Safety Division of Emergency Management				
Citizens Corps, Planning 02 - Supplemental	83.564	8356403	16,540	8,657
Citizens Corps, Planning 02 - Supplemental Community Emergency Response Teams	83.564	83564E3	93,928	<u>54,084</u>
Total Federal Emergency Management Agency				<u>62,741</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster				
Passed Through Nevada Division for Aging Services:				
Representative Payee Grant, FY 04-05	93.044	0315-21-05	\$ 140,000	\$ 140,000
Independent Living, 10/1/04 – 9/30/05	93.044	0305-80-05	197,000	197,000
Independent Living, 10/1/03 - 9/30/04	93.044	0305-80-03	144,353	41,261
Senior Citizens Protective Services, FY 04-05	93.044	0305-20-05	88,367	88,367
Homemaker Home Health Aide, FY 04-05	93.044	0305-02-05	166,385	<u>166,385</u>
Total Aging Cluster				<u>633,013</u>
Passed Through Nevada Division for Aging Services:				
National Family Caregiver Support Program	93.052	0306-61-05	96,545	56,142
National Family Caregiver Support Program	93.052	0305-61-04	67,199	<u>25,790</u>
				<u>81,932</u>
Passed Through Nevada Department of Human Resources:				
Promoting Safe and Stable Families				
Title IV-B Support to Children Welfare	93.556		139,466	139,466
Title IV-B Support to Children Welfare (Diligent Search Project)	93.556	IV-B-3145/17-SFY05-07-017	117,279	12,844
Title IV-B Support to Children Welfare (Diligent Search Project)	93.556	IV-B-02-05/119	54,000	<u>9,094</u>
				<u>161,404</u>
Passed Through Nevada Department of Human Resources:				
Temporary Assistance for Needy Families, FY 04-05	93.558	Contr of Svcs	756,825	756,825
Temporary Assistance for Needy Families, FY 04-05	93.558	Integration	1,222,066	<u>1,222,066</u>
				<u>1,978,891</u>
Passed Through Nevada Department of Human Resources:				
Child Support Enforcement - Hearing Master, FY 04-05	93.563	Coop Agreement	366,535	366,535
Child Support Enforcement, FY 04-05	93.563	Contr. of Svcs.	13,142,186	<u>13,142,186</u>
				<u>13,508,721</u>
Passed Through Nevada Department of Human Resources:				
Empowerment Zones Program (SNEC)	93.585	None	2,947,368	15,393
Passed Through Administrative Office of the Courts:				
State Court Improvement Program (CASA)	93.586	G-0101NVSCIP	25,000	25,000

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Division of Family Health Services:				
Community-Based Family Resource and Support Grants	93.590	Children 2005	\$ 75,900	\$ 77,098
Community-Based Family Resource and Support Grants	93.590	Children 2004	75,911	<u>369</u>
				<u>77,467</u>
Passed Through Nevada Department of Human Resources:				
Grants to States for Access and Visitation Programs:				
Family Access & Visitation, FY 04-05 MEAD05	93.597	None	57,305	57,305
Passed Through Nevada Department of Human Resources:				
Federal Adoption Incentive Program				
	93.603	FAIG-3229/31-SFY04-001	164,060	23,736
Passed Through Nevada Department of Human Resources:				
Foster Care Title IV-E				
	93.658		6,235,052	6,235,052
Passed Through Nevada Department of Human Resources:				
Adoption Assistance (Title IV-E)				
	93.659		3,002,222	3,002,222
Passed Through Nevada Department of Human Resources:				
Social Services Block Grant:				
Title XX 2005	93.667	15	1,314,103	1,314,103
Doctor for a Day (Title XX 2005)	93.667	15	18,659	17,859
Parenting Project (Title XX 2005)	93.667	15	23,784	<u>23,784</u>
				<u>1,355,746</u>
Direct Program:				
Caring Communities Demonstration Project (Kinship-05)	93.670	90CA1717/02	500,000	276,118
Caring Communities Demonstration Project (Kinship-04)	93.670	90CA1717/01	499,530	<u>113,825</u>
				<u>389,943</u>
Passed Through Nevada Department of Human Resources:				
Chafee Independent Living Program				
	93.674	Chafee- 3229/32-3142/12-SFY05-06	233,610	77,870
Passed Through Nevada Department of Human Resources:				
HIV Care Formula Grants, 4/1/04 - 3/31/05 (RYAN06)				
	93.917	RW19-03	288,000	82,241
HIV Care Formula Grants, 4/1/04 - 3/31/05 (RYAN05)	93.917	RW19-03	281,764	203,142
HIV Care Formula Grants, 4/1/03 - 3/31/04 (RYAN04)	93.917	RW19-03	369,359	<u>58,357</u>
				<u>343,740</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Bureau of Alcohol and Drug Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse:				
Parenting Project (BADA 237 2005)	93.959	06081TX	\$ 119,997	\$ 119,997
Parenting Project (BADA 2005)	93.959	05041PX	85,000	<u>83,794</u>
				<u>203,791</u>
Total Department of Health and Human Services				<u>28,171,226</u>
SOCIAL SECURITY ADMINISTRATION				
Direct Program:				
Clark County Outreach and Assistance to Chronically Homeless	96.007	18-11-40031-9-01	200,000	<u>75,652</u>
Total Social Security Administration				<u>75,652</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

<u>Federal CFDA Number</u>	<u>Grant Year</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
DEPARTMENT OF HOMELAND SECURITY					
Homeland Security Grant Program Cluster					
U.S. Department of Justice					
16.007	2003	Homeland Security Grant – Phase II & Supplemental	1600723	\$ 7,695,758	\$ 5,143,849
	2004	Department of Justice Domestic Preparedness Equipment Funding	1600703	2,128,656	<u>833,418</u>
		Total Department of Justice			<u>5,977,267</u>
Department of Homeland Security					
97.004		State Domestic Preparedness Equipment Support Program			
	2003	Rotunda Thunda Exercise	97004E3	500,000	17,828
	2004	Citizens Corps Program	97004CL4	19,282	19,180
		Law Enforcement Terrorism Prevention Program	97004LL4	2,645,968	698,975
		State Homeland Security Program	97004HL4	8,914,226	1,331,443
97.042	2003	Emergency Management Performance Grant	8355203	13,655	13,855
	2004	Emergency Management Performance Grant	8355204	188,757	84,926
		Emergency Management Performance Grant	8355204	40,119	17,638
97.053	2003	Planning Grant Supplemental, Citizens Corps Councils	8356423	131,949	103,891
97.067	2005	Passed Through Nevada Division of Emergency Mgmt. Emergency Management Performance Grant	9704205	196,475	122,146
		Emergency Management Performance Grant	9704205	88,893	<u>15,536</u>
		Total Department of Homeland Security			<u>2,425,418</u>
		Total Homeland Security Grant Cluster			<u>8,402,685</u>
97.008	2004	Urban Area Security Initiative	9700804	10,468,892	<u>6,638,518</u>
97.024	2004	Passed Through United Way of America: Emergency Food and Shelter National Board Program	PHASE 22	75,000	37,796
	2003	Emergency Food and Shelter National Board Program	PHASE 21	84,000	<u>8,241</u>
					<u>46,037</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

<u>Federal CFDA Number</u>	<u>Grant Year</u>	<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
DEPARTMENT OF HOMELAND SECURITY (Continued)					
		Direct Program:			
97.025	2004	National Urban Search & Rescue Response System	EMW-2004-CA-06	\$ 18,000	\$ 13,807
		National Urban Search & Rescue Response System	EMW-2004-CA-04	973,035	38,018
	2001	National Urban Search & Rescue Response System	EMW-2001-CA-01	150,000	<u>4,970</u>
					<u>56,795</u>
		Passed Through Nevada Department of Motor Vehicles & Public Safety:			
97.036	2005	Public Assistance Grants 2005 Flood/Snow	None	141,486	141,486
		Direct Program:			
97.044	2002	Assistance to Firefighters Grant	EMW-2002-FG-18	152,129	7,507
		Passed Through State of Nevada Department of Public Safety Division of Emergency Management			
97.051	2002	Planning Grant Supplemental, Emergency Operating Planning	8356203	296,988	<u>271,554</u>
		Total Department of Homeland Security			<u>15,564,582</u>
TOTAL FEDERAL DISBURSEMENTS/EXPENDITURES					<u>\$97,531,901</u>

(Continued)

Clark County, Nevada

Notes to Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2005

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 Department of Aviation, Las Vegas Valley Water District, University Medical Center of Southern Nevada, and Clark County Water Reclamation District, if any, are not included in this schedule. All federal financial assistance received directly from federal agencies as well as federal financial assistance passed through other government agencies are included in the schedule.

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General fund	\$ 3,555,361
Special revenue funds	68,996,565
Capital Projects funds	100,000
Enterprise funds	<u>24,879,975</u>
Total	<u>\$97,531,901</u>

4. SUBRECIPIENT EXPENDITURES

Clark County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Subrecipient Expenditures</u>
Community Development Block Grant	14.218	\$ 5,053,303
Emergency Shelter Grants Program	14.231	318,661
Home Investment Partnerships Program	14.239	6,509,449
Local Law Enforcement Block Grant	16.592	359,054
Homeland Security Grant Cluster	16.007/97.004/97.053	3,611,721
Urban Area Security Initiative Cluster	97.008	<u>5,347,278</u>
		<u>\$21,199,466</u>

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**JUNE 30, 2005**

**A. SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

- Kafoury, Armstrong & Co. issued an unqualified opinion on the basic financial statements of Clark County, Nevada for the year June 30, 2005.
- No reportable conditions were disclosed during the audit of the financial statements.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Clark County, Nevada.

***Federal Awards***

- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance over major programs of Clark County, Nevada.
- Reportable conditions relating to the audit of the major federal award programs are reported in Part C of this Schedule.
- No material weaknesses were identified.
- Audit findings relative to the major federal award programs required to be reported in accordance with section 510(a) of OMB Circular A-133 are reported in Part C of this Schedule.
- The programs tested as major programs include:
  - HOME Investment Partnerships Program – CFDA # 14.239
  - Juvenile Accountability Block Grant – CFDA # 16.523
  - Nuclear Waste Disposal Siting – CFDA # 81.065
  - Child Support Enforcement – CFDA #93.563
  - Foster Care- Title IV-E – CFDA # 93.658
  - Adoption Assistance (Title IV-E) – CFDA # 93.659
  - Social Services Block Grant – CFDA # 93.667
  - Urban Areas Security Initiative – CFDA # 97.008
  - Homeland Security Cluster:
    - State Homeland Security Grant Program – CFDA # 16.007
    - State Homeland Security Grant Program, Citizens Corp Program – CFDA # 97.004
    - Emergency Management Performance Grant – CFDA # 97.042
    - Homeland Security Grant Program – CFDA # 97.067
- The threshold used for distinguishing between Type A and Type B programs was \$2,925,957.
- Clark County, Nevada was determined to be a low risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no financial statement audit findings.

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)  
JUNE 30, 2005**

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

U.S. Department of Homeland Security:

Finding 05-1

Urban Areas Security Initiative, CFDA 97.008

Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.042, and 97.067

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008, 16.007, 97.004, 97.042, and 97.067 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* OMB Circular A-133 requires an entity that passes through funds to a subrecipient to (1) ensure that those subrecipients expending \$500,000 or more in Federal awards during the subrecipient's fiscal year have met the audit requirements of OMB Circular A-133 and that the required audits are completed within nine months of the end of the subrecipient's audit period, (2) issue a management decision on audit findings within six months after receipt of the subrecipient's audit report and (3) ensure that the subrecipient takes timely and appropriate corrective action on all audit findings.

*The County did not obtain copies of their subrecipients' audits to ensure they met the audit requirements under OMB Circular A-133.*

*Questioned Costs:* None.

*Context:* The problem is systemic as there were no procedures in place to monitor subrecipients' compliance with the audit requirements under OMB Circular A-133.

*Effect:* The County is not in compliance with subrecipient monitoring requirements under OMB Circular A-133.

*Cause:* Adequate procedures were not in place to ensure the County was in compliance with its responsibilities as a pass-through entity under OMB Circular A-133.

*Recommendation:* We recommend that the County establish procedures to ensure subrecipient audits under OMB Circular A-133 are obtained and reviewed, and issue any necessary management decisions.

*Management's Response:* See management's response beginning on page 147.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Homeland Security:

Finding 05-2

Urban Areas Security Initiative, CFDA 97.008  
Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.042, and 97.067

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008, 16.007, 97.004, 97.042, and 97.067 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement states a pass-through entity shall monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Part of this monitoring includes compliance with equipment and real property management requirements.

*A significant portion of payments to subrecipients is for the purchase of equipment. During our testing over subrecipient monitoring, we noted the County's subrecipient monitoring procedures are not adequate to ensure their compliance with Equipment and Real Property Management requirements under OMB Circular A-133.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as the procedures in place to monitor subrecipients' compliance with Equipment and Real Property Management requirements under OMB Circular A-133 are not adequate.

*Effect:* The County is not in compliance with subrecipient monitoring requirements under OMB Circular A-133.

*Cause:* Adequate procedures were not in place to ensure the County was in compliance with its responsibilities as a pass-through entity under OMB Circular A-133.

*Recommendation:* We recommend that the County strengthen their procedures to ensure that subrecipient monitoring be performed in accordance with the requirements under OMB Circular A-133.

*Management's Response:* See management's response beginning on page 147.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Homeland Security:

Finding 05-3

Urban Areas Security Initiative, CFDA 97.008

Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.042, and 97.067

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008, 16.007, 97.004, 97.042, and 97.067 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement, Homeland Security Grant Cluster program funds and Urban Areas Security Initiative funds must be used consistent with the applicable provisions of the Buy American Act.

*The County did not perform procedures to ensure funds were used in accordance with the applicable provisions of the Buy American Act.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as there were no procedures in place to ensure compliance with the Buy American Act.

*Effect:* The County is not in compliance with the Homeland Security Grant Cluster program and Urban Areas Security Initiative procurement requirements as noted in the OMB Circular A-133 Compliance Supplement.

*Cause:* Adequate procedures were not in place to ensure the purchasing process included compliance with the applicable provisions of the Buy American Act.

*Recommendation:* We recommend that the County incorporate procedure into the purchasing process to ensure compliance with the applicable Buy American Act.

*Management's Response:*

See management's response beginning on page 147.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Homeland Security:

Finding 05-4

Urban Areas Security Initiative, CFDA 97.008  
Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.042, and 97.067

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008, 16.007, 97.004, 97.042, and 97.067 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement requires subrecipients of States who are local governments to use State laws and procedures for equipment acquired under a subgrant from a State. NRS 354.625 requires local governments to establish and maintain adequate property and equipment records, and when appropriate, adequate inventory control.

*During our testing for compliance with Equipment and Real Property Management requirements, we noted that equipment purchased under this award was not assigned an asset identification tag. Additionally, the equipment was transferred to another County department and the program has not monitored the status of this equipment to ensure compliance with federal requirements.*

*Questioned Costs:* Undeterminable

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* The County is not in compliance with Equipment and Real Property requirements under OMB Circular A-133.

*Cause:* Adequate procedures were not in place to maintain adequate property and equipment records for equipment purchased with federal funds.

*Recommendation:* We recommend that the County establish procedures to ensure that property records are maintained for all equipment purchased with federal funds.

*Management's Response:* See management's response beginning on page 147.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Homeland Security:

Finding 05-5

Urban Areas Security Initiative, CFDA 97.008

Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.042, and 97.067

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008, 16.007, 97.004, 97.042, and 97.067 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement states a pass-through entity shall advise subrecipients of requirements imposed on them by Federal laws, regulations, and the provisions of contracts or grant agreements as well as any supplemental requirements imposed by the pass-through entity.

During our testing over subrecipient monitoring, we selected four of six subrecipient grant agreements entered into during the current fiscal year. We noted that the agreements did not contain the requirement that funds be used in accordance with the applicable provisions of the Buy American Act.

*Questioned Costs:* Undeterminable

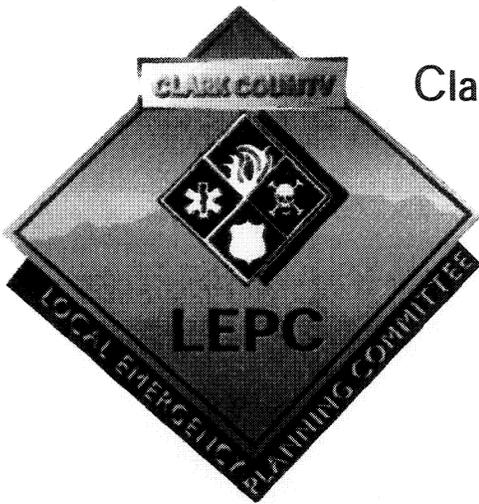
*Context:* The problem is systemic as there were no procedures in place to verify the subrecipient agreements contained the Buy American Act provisions.

*Effect:* The County is not informing its subrecipients of applicable compliance requirements.

*Cause:* Adequate procedures were not in place to ensure the County was in compliance with its responsibilities as a pass-through entity under OMB Circular A-133.

*Recommendation:* We recommend that the County establish procedures to ensure that all subrecipient agreements contain the information required under OMB Circular A-133.

*Management's Response:* See management's response beginning on page 147.



## Clark County Local Emergency Planning Committee

March 24, 2006

Kafoury, Armstrong & Co.  
801 S. Rancho Suite E-6  
Las Vegas, NV 89106

Dear Sir or Madam:

Our office has reviewed the findings from your audit year ending June 30, 2005. Since the last audit, our office has instituted corrective actions to subrecipients requesting audit findings and equipment inventory to remain in compliance in with OMB circular A-133 however, it is entirely up to the sub recipient to provide to our office the requested information. Subrecipients agree to these terms by signing the interlocal contract. The following is our corrective action plan for the year-end 2005 audit.

### Finding 05-1

Condition	<i>The County did not obtain copies of their subrecipients' audits to ensure they met the audit requirements under OMB Circular A-133.</i>
Corrective Action	Subrecipients are reminded in the quarterly report reminder email of their obligation to submit audit reports once a year per the signed interlocal agreement. Our office makes the appropriate requests of the subrecipients however there is no mechanism to enforce the submission of the audit report from the subrecipient.

Finding 05-2

Condition *A significant portion of payments to subrecipients is for the purchase of equipment. During our testing over subrecipient monitoring, we noted the County's subrecipient monitoring procedures are not adequate to ensure their compliance with Equipment and Real Property Management requirements under OMB circular A-133.*

Corrective Action Subrecipients are reminded to submit equipment inventory sheets to keep in compliance with grant guidelines. Information from subrecipients are requested and are at times intermittently returned. Any purchase requests made through our office now requires us to verify the receipt of goods prior to paying the invoice. Reimbursements are issued to subrecipients only on grant authorized equipment.

Finding 05-3

Condition *The County did not perform procedures to ensure funds were used in accordance with the applicable provisions of the Buy American Act.*

Corrective Action Per Andrew DuMond, Grants and Projects Analyst for the Division of Emergency Management, in his conversation with Nevada's Department of Homeland Security Preparedness Officer, the Buy American Act is not applicable to the SHSP, LETPP, CCP or UASI grants (see attached email).

Finding 05-4

Condition *During our testing for compliance with Equipment and Real Property Management requirements, we noted that equipment purchased under this award was not assigned an asset identification tag. Additionally, the equipment was transferred to another County department and the program has not monitored the status of this equipment to ensure compliance with federal requirements.*

Corrective Action      Asset tags are issued for all equipment that meets County asset tag requirements (for individual items exceeding \$3,000). Assets transferred to other entities are documented on asset transfer forms.

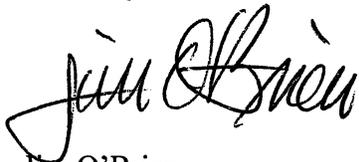
Finding 05-5:

Condition                *During our testing over subrecipient monitoring, we selected four of six subrecipient grant agreements entered into during the current fiscal year. We noted that the agreements did not contain the requirement that funds be used in accordance with the applicable provisions of the Buy American Act.*

Corrective Action      Per Andrew DuMond, Grants and Projects Analyst for the Division of Emergency Management, in his conversation with Nevada's Department of Homeland Security Preparedness Officer, the Buy American Act is not applicable to the SHSP, LETPP, CCP or UASI grants (see attached email).

Should you have any questions, please feel free to contact our office at (702) 455-5710.

Sincerely,



Jim O'Brien  
Emergency Manager

Enclosure

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Health and Human Services:

Finding 05-6

Child Support Enforcement, CFDA 93.563

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement, the IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. These services must be provided within the time frames specified in 45 CFR section 303.3 (b)(3) and (b)(5), 303.3(c) and 303.4(d).

- *In two of forty case files reviewed the County did not attempt to establish the support obligation within the required time frame.*
- *In two of forty case files reviewed the County did not attempt to locate the non-custodial parent within the required time frame.*
- *One of the forty case files selected could not be located by the County.*

*Questioned Costs:* None

*Context:* The conditions noted above appear to be systemic problems.

*Effect:* The County is not in compliance with the requirements for establishment of support obligations and location of non-custodial parents as noted in the OMB Circular A-133 Compliance Supplement.

*Cause:* Adequate procedures were not in place to monitor compliance with this requirement.

*Recommendation:* We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

*Management's Response:* See management's response beginning on page 154.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Health and Human Services:

Finding 05-7

Child Support Enforcement, CFDA 93.563

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement, for all cases referred to the IV-D agency or applying for services under 45 CFR section 302.33 in which an obligation to support and the amount of the obligation has been established, the agency must maintain a system for (a) monitoring compliance with the support obligation; (b) identifying on the date the parent fails to make payments in an amount equal to support payable for one month, or an earlier date in accordance with State law, those cases in which there is a failure to comply with the support obligation; and (c) enforcing the obligation. To enforce the obligation the agency must initiate income withholding, if required by and in accordance with 45 CFR section 303.100, and initiate any other enforcement action, unless service of process is necessary, within 30 calendar days of identification of the delinquency or other support-related noncompliance, or location of the absent parent, whichever occurs later. If service of process is necessary, service must be completed and enforcement action taken within 60 calendar days of identification of the delinquency or other noncompliance, or the location of the absent parent whichever occurs later.

- *In three of forty case files reviewed the County did not enforce the obligation in accordance with 45 CFR 303.6 and 303.100.*
- *One of the forty case files selected could not be located by the County.*

*Questioned Costs:* None

*Context:* The conditions noted above appear to be systemic problems.

*Effect:* The County is not in compliance with the support obligation enforcement requirements as noted in the OMB Circular A-133 Compliance Supplement.

*Cause:* Adequate procedures were not in place to monitor compliance with this requirement.

*Recommendation:* We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

*Management's Response:* See management's response beginning on page 154.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Health and Human Services:

Finding 05-8

Child Support Enforcement, CFDA 93.563

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement, the IV-D agency must attempt to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for services under 45 CFR section 302.33. Specifically, the IV-D agency must determine whether the custodial parent and child have satisfactory health insurance other than Medicaid.

- *In one of forty case files reviewed the County did not establish the medical support obligation.*
- *One of the forty case files selected could not be located by the County.*

*Questioned Costs:* None

*Context:* The conditions noted above appear to be systemic problems.

*Effect:* The County is not in compliance with the medical support obligation requirements as noted in the OMB Circular A-133 Compliance Supplement.

*Cause:* Adequate procedures were not in place to monitor compliance with this requirement.

*Recommendation:* We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

*Management's Response:* See management's response beginning on page 154.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Health and Human Services:

Finding 05-9

Child Support Enforcement, CFDA 93.563

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* As noted in the OMB Circular A-133 Compliance Supplement, there are specific time frame requirements for responding and initiating interstate cases.

- *In one of forty case files reviewed, the interstate case was not initiated within the required time frame.*
- *In one of forty case files reviewed, the County did not respond to the interstate case within the required time frame.*

*Questioned Costs:* None

*Context:* The conditions noted above appear to be systemic problems.

*Effect:* The County is not in compliance with the time requirements for interstate cases as noted in the OMB Circular A-133 Compliance Supplement.

*Cause:* Adequate procedures were not in place to monitor compliance with this requirement.

*Recommendation:* We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

*Management's Response:* See management's response beginning on page 154.

# OFFICE OF THE DISTRICT ATTORNEY



**DAVID ROGER**  
*District Attorney*

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

**ADMINISTRATION**  
301 Clark Avenue, Suite 100, Las Vegas, Nevada 89101  
Fax: (702) 366-2400

**ROBERT W. TEUTON**  
*Assistant District Attorney*

**CHRISTOPHER J. LALLI**  
*Assistant District Attorney*

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

**C.A. WATTS**  
*Director*

March 27, 2006

Kafoury, Armstrong & Co.  
801 S. Rancho Suite E-6  
Las Vegas, NV 89106

Attn: Anna Danchik, CPA

Dear Ms. Danchik,

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

## **FINDING 05-6:**

**Contact Staff: C.A. Watts, Sue Berfield, or Kathi Brunson**

Criteria and Condition: As noted in the OMB Circular A-133 Compliance Supplement, the IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. These services must be provided within the time frames specified in 45 CFR section 303.3 (b) (3) and (b) (5), 303.3(c) and 303.4(d).

- In two of forty case files reviewed the County did not attempt to establish the support obligation within the required time frames.
- In two of forty case files reviewed the County did not attempt to locate the noncustodial parent within the required time frame.
- One of the forty case files selected could not be located by the County.

Questioned Costs: None

Context: The conditions noted above appear to be systemic problems.

Effect: The County is not in compliance with the requirements for establishment of support obligations and location of noncustodial parents as noted in the OMB Circular A-133 Compliance Supplement.

Cause: Adequate procedures were not in place to monitor compliance with this requirement.

Recommendation: We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

**DAFS Comments:** Section 303.3(b) (3) and (b) (5) and 303(c) of 45 CFR refer to “location of noncustodial parents” and not to the establishment of paternity and support obligations. 45 CFR 303.4(d) states “Within 90 calendar days of locating the alleged father or noncustodial parent, regardless of whether paternity has been established, establish an order for support or complete service of process necessary to commence proceedings to establish a support order and, if necessary, paternity...”.

The external audit reviewed forty cases and determined two cases were not processed within the federally required time frames in accordance with 45 CFR 303.4 (d). We agree with this part of the finding.

In two of the forty case files that were reviewed, the auditors indicated that DAFS did not attempt to locate the non-custodial parent within the required time frame. We do not agree with this part of the finding. The NOMADS computer system has automated locate features that match data from the appropriate various locate sources when the case is loaded on the system. In addition, our locate personnel and the NOMADS computer system repeat locate attempts until the noncustodial parent is found or the case can be closed. We believe that both of these cases are in compliance with the locate requirements in 45 CFR section 303.3 (b) (3) and (b) (5), 303.3 (c).

DAFS was not able to locate one of the forty case files used in this audit. We agree that one of the cases requested for this audit, out of the eighty three thousand (83,000) DAFS active case load, could not be located. However; it appears that the case in question was an enforcement case not a paternity and establishment case and should not be listed under this finding.

DAFS staff currently has case processing procedures and computer alerts for the case managers to use; however NOMADS, the State computer system that we are required to use, does little to provide useful monitoring tools, case tracking, or management reports.

**DAFS Corrective Action Plan:** DAFS will continue to request the NOMADS computer system be corrected to allow for better, more accurate and user friendly compliance monitoring tools and reports. The Division will continue to review and streamline the policies and procedures and make necessary changes to strengthen our processes for monitoring compliance in this area. In addition, in cooperation with the State of Nevada, DAFS will institute a quality control process and implement the new, State mandated Management Evaluation (ME) tool.

**Anticipated Completion Date:** Continuous but benchmarked annually.

**FINDING 05-7:**

**Contact Staff: C.A. Watts, Sue Berfield, or Kathi Brunson**

Criteria and Condition: As noted in the OMB Circular A-133 Compliance Supplement, for all cases referred to the IV-D agency or applying for services under 45 CFR section 302.33 in which an obligation to support and the amount of the obligation has been established, the agency must maintain a system for (a) monitoring compliance with the support obligation; (b) identifying on the date the parent fails to make payments in an amount equal to support payable for one month, or an earlier date in accordance with State law, those cases in which there is a failure to comply with the support obligation; and (c) enforcing the obligation. To enforce the obligation the agency must initiate income withholding, if required by and in accordance with 45 CFR section 303.100, and initiate any other enforcement action, unless service of process is necessary, within 30 calendar days of identification of the delinquency or other support-related noncompliance, or location of the absent parent, whichever occurs later. If service of process is necessary service must be completed and enforcement action taken within 60 calendar days of identification of the delinquency or other noncompliance, or the location of the absent parent whichever occurs later.

- In three of forty case files reviewed the County did not enforce the obligation in accordance with 45 CFR 303.6 and 303.100.
- One of the forty case files selected could not be located by the County.

Questioned Costs: None

Context: The conditions noted above appear to be systemic problems.

Effect: The County is not in compliance with the support obligation enforcement requirements as noted in the OMB Circular A-133 Compliance Supplement.

Cause: Adequate procedures were not in place to monitor compliance with this requirement.

Recommendation: We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

DAFS Comments: The Federal threshold requirements for overall enforcement of child support obligations are to maintain at least a 75% compliance rating with applicable laws and regulations; it appears the external audit uses the criteria set forth in the OMB Circular A-133 which may differ from program compliance policy and procedure.

The external audit reviewed forty cases and determined three cases were not processed within the federally required time frames in accordance with 45 CFR 303.6 and 303.100. We agree with this part of the finding.

DAFS was not able to locate one of the forty case files used in this audit. We agree that one of the cases requested for this audit, out of the eighty three thousand (83,000) DAFS active case load, could not be located.

DAFS staff currently has case processing procedures and computer alerts for the case managers to use; however NOMADS, the State computer system that we are required to use, does little to provide useful monitoring tools, case tracking, or management reports.

**DAFS Corrective Action Plan:** DAFS will continue to request the NOMADS computer system be corrected to allow for better, more accurate and user friendly compliance monitoring tools and reports. The Division will continue to review and streamline the policies and procedures and make necessary changes to strengthen our processes for monitoring compliance in this area. In addition, in cooperation with the State of Nevada, DAFS will institute a quality control process and implement the new, State mandated Management Evaluation (ME) tool.

**Anticipated Completion Date:** Continuous but benchmarked annually.

#### **FINDING 05-8:**

**Contact Staff: C.A. Watts, Sue Berfield, or Kathi Brunson**

**Criteria and Condition:** As noted in the OMB Circular A-133 Compliance Supplement, the IV-D agency must attempt to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for services under 45 CFR section 302.33. Specifically, the IV-D agency must determine whether the custodial parent and child have satisfactory health insurance other than Medicaid.

- In one of forty case files reviewed the County did not establish the medical support obligation.
- One of the forty case files selected could not be located by the County.

**Questioned Costs:** None

**Context:** The conditions noted above appear to be systemic problems.

**Effect:** The County is not in compliance with the medical support obligation requirements as noted in the OMB Circular A-133 Compliance Supplement.

**Cause:** Adequate procedures were not in place to monitor compliance with this requirement.

**Recommendation:** We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

**DAFS Comments:** In the criteria and condition section listed above the external audit states “Specifically, the IV-D agency must determine whether the custodial parent and child have satisfactory health insurance other than Medicaid.” In accordance with 45 CFR section 303.31, securing and enforcing medical support obligations, DAFS is only required to determine and establish medical support obligations for the child or children, not the custodial parent or any other party to the case. The Federal threshold requirements for overall establishment of medical support obligations are to maintain at least a 75% compliance rating with applicable laws and regulations; it appears the external audit uses the criteria set forth in the OMB Circular A-133 which may differ from program compliance policy and procedure.

The external audit reviewed forty cases and determined one did not establish the medical support obligation. We agree with this part of the finding.

DAFS was not able to locate one of the forty case files used in this audit. We agree that one of the cases requested for this audit, out of the eighty three thousand (83,000) DAFS active case load, could not be located. However; it appears that the case in question was an enforcement case not a medical support obligation, paternity, or establishment case and should not be listed under this finding.

DAFS staff currently has case processing procedures and computer alerts for the case managers to use; however NOMADS, the State computer system that we are required to use, does little to provide useful monitoring tools, case tracking, or management reports.

**DAFS Corrective Action Plan:** DAFS will continue to request the NOMADS computer system be corrected to allow for better, more accurate and user friendly compliance monitoring tools and reports. The Division will continue to review and streamline the policies and procedures and make necessary changes to strengthen our processes for monitoring compliance in this area. In addition, in cooperation with the State of Nevada, DAFS will institute a quality control process and implement the new, State mandated Management Evaluation (ME) tool.

**Anticipated Completion Date:** Continuous but benchmarked annually.

## **FINDING 05-9:**

**Contact Staff:** C.A. Watts, Sue Berfield, or Kathi Brunson

**Criteria and Condition:** As noted in the OMB Circular A-133 Compliance Supplement, there are specific time frame requirements for responding and initiating interstate cases.

- In one of forty case files reviewed the interstate case was not initiated within the required time frame.
- One of the forty case files reviewed, the County did not respond to the interstate case within the required time frame.

Questioned Costs: None

Context: The conditions noted above appear to be systemic problems.

Effect: The County is not in compliance with the time requirements for interstate cases as noted in the OMB Circular A-133 Compliance Supplement.

Cause: Adequate procedures were not in place to monitor compliance with this requirement.

Recommendation: We recommend that the County strengthen its procedures for monitoring compliance with this requirement.

**DAFS Comments:** The Federal threshold requirements for overall interstate case processing is to maintain at least a 75% compliance rating with applicable laws and regulations; it appears the external audit uses the criteria set forth in the OMB Circular A-133 which may differ from program compliance policy and procedure.

The external audit reviewed forty cases and determined one interstate case was not initiated within the required time frame. We agree with this part of the finding.

The external audit reviewed forty cases and determined one interstate case was not responded to within the required time frame. We agree with this part of the finding.

DAFS staff currently has case processing procedures and computer alerts for the case managers to use; however NOMADS, the State computer system that we are required to use, does little to provide useful monitoring tools, case tracking, or management reports.

**DAFS Corrective Action Plan:** DAFS will continue to request the NOMADS computer system be corrected to allow for better, more accurate and user friendly compliance monitoring tools and reports. The Division will continue to review and streamline the policies and procedures and make necessary changes to strengthen our processes for monitoring compliance in this area. In addition, in cooperation with the State of Nevada, DAFS will institute a quality control process and implement the new, State mandated Management Evaluation (ME) tool.

**Anticipated Completion Date:** Continuous but benchmarked annually.

Sincerely,



C.A. Watts  
Director

Cc: Robert Teuton, Assistant District Attorney  
Sue Berfield, Assistant Director  
Kathi Brunson, Unit Administrator

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Health and Human Services:

Finding 05-10

Foster Care-Title IVE, CFDA 93.658  
Adoption Assistance (Title IVE), CFDA 93.659

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.658 and 93.659 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement requires that claims for Federal financial participation for costs associated with the program be in accordance with its approved cost allocation plan. Additionally, the OMB Circular A-133 Compliance Supplement requires that reports of Federal awards submitted to the Federal awarding agency or pass-through entity include all activity of the reporting period, be supported by underlying accounting or performance records, and be fairly presented in accordance with program requirements.

*We noted during our testing of one of three quarterly claims, the results of the random moment study included in the approved cost allocation plan were not correctly accumulated and applied.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as there were no procedures in place to verify the accuracy of the accumulation and application of the random moment study results.

*Effect:* Costs charged to the program are not in accordance with the approved cost allocation plan. As a result, we noted that for one quarter tested at least \$55,177 was incorrectly charged to CFDA 93.658 and at least \$17,800 was incorrectly charged to CFDA 93.659.

*Cause:* There are not adequate procedures in place to verify the random moment study results are correctly accumulated or applied.

*Recommendation:* We recommend that the County implement procedures to ensure the random moment study results are correctly accumulated and applied.

*Management's Response:* See management's response on page 161.

In reference to the audit finding 05-10 on the Random Moment Study

We concur with the finding and have recently implemented a system to ensure that all of the data balances to the number of RMS forms returned. We are also in the process of revising and simplifying the RMS so that the data compilation will be easier. Therefore we should not sustain any monetary losses in the future.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2005**

U.S. Department of Energy:

Finding 05-11

Nuclear Waste Disposal Siting, CFDA 81.065

*Grant Award Number:* Potentially affects all grant awards included under CFDA 81.065 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement requires local governments acquiring equipment under Federal awards received directly from a Federal Awarding agency to maintain equipment records, perform a physical inventory at least every two years and have an appropriate control system to safeguard equipment.

*During our testing for compliance with Equipment and Real Property Management requirements, we noted that equipment purchased under this award was not assigned an asset identification tag or included in the County's annual physical inventory.*

*Questioned Costs:* Undeterminable

*Context:* The condition noted above appears to be a systemic problem.

*Effect:* The County is not in compliance with Equipment and Real Property requirements under OMB Circular A-133.

*Cause:* Adequate procedures were not in place to maintain adequate property and equipment records for equipment purchased with federal funds.

*Recommendation:* We recommend that the County establish procedures to ensure that property records are maintained for all equipment purchased with federal funds.

*Management's Response:* See management's response on page 163.

## Response to Finding 05-11

The audit notes that the Nuclear Waste Division should have had asset identification tags on all assets received under this Grant. While funds were provided to purchase various assets and paid for by staff of the Nuclear Waste Division, all assets were received, tagged and placed into service by various operating departments.

While the account funding mechanism would not have shown the receipt of an asset, the operating departments were aware that they were receiving assets. By following the County's policy on asset identification and inventory control all assets have been tagged and the Comptroller Office is aware of these assets.

As an example, two (2) microwave communication towers, purchased under the ITS Grant would not have automatically been entered into the asset system. However, the operating department, following Clark County's policy, entered these towers into the system. The tag numbers are: #117017 and #117016.

As an additional follow-up we have sent an e-mail to all departments involved in the ITS program that did receive assets reminding them of the County's policy and the need to tag all assets, no matter what the source of funding, and send copies of these assets to the Comptroller's Office to enter them into the inventory system.

**CLARK COUNTY, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2005**

See pages 165 through 171.



# Clark County Local Emergency Planning Committee

March 23, 2006

Kafoury, Armstrong & Co.  
801 S. Rancho Suite E-6  
Las Vegas, NV 89106

Dear Sir or Madam:

In response to your inquiry of the current status of the 2004 findings, please read the following for updated information:

## Finding 04-1

Condition	<i>Cash advances of federal funds were not timed to be in accordance with the actual immediate cash requirements of the county in carrying out the purpose of the approved program. In addition, the County advanced funds to subrecipients, and did not verify whether the funds were for the subrecipients' actual immediate cash requirements.</i>
Status	It was recommended that the County establish written policies regarding cash management procedures in compliance with the A-102 Common Rule. This condition has been corrected and funds are not advanced to subrecipients.

Finding 04-2

Condition *Review of the quarterly financial reports submitted to the State of Nevada's Division of Emergency Management during the 2004 fiscal year indicated several instances where expenditures were reported in the incorrect period or not reported at all.*

Status Condition has been corrected. Incorrect expenditures due to a clerical oversight of an overburdened staff, has been corrected by the hiring of two additional staff members whose job it is to maintain Homeland Security grants.

Finding 04-3

Condition *Subgrantee contracts do not contain the CFDA title and number, name of Federal agency, or the requirements imposed by federal laws, regulations, or the provisions of contracts or grant agreements.*

Status Steps have been taken to include the CFDA title and number as well as the requirements imposed by federal laws and regulations in our contracts. Along with Interlocal Contracts, subgrantees are given a copy of the Federal, State and County assurances and certification. Prior grants reviewed will not contain the updated information however any grants that have been applied for and awarded from the audit review forward have contained the required information.

Finding 04-4

Condition *County does not monitor subrecipients to ensure their compliance with Equipment and Real Property Management requirements under OMB Circular A-133.*

Status Quarterly report reminders are sent to subrecipients via email when the quarter closes as well as the mid point of their reporting period (7 days after the quarter ends). In the email, an equipment inventory sheet is attached so that the subrecipient may submit the required information. There is no mechanism to enforce the submission of the reports therefore our office does not always receive the information required by OMB Circular No. A-133.

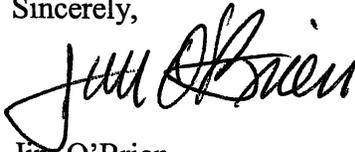
Finding 04-5

Condition *County does not obtain copies of their subrecipients' audits to ensure they met the audit requirements under OMB circular A-133.*

Status Subrecipients are reminded in the quarterly report reminder email of their obligation to submit audit reports once a year per the signed interlocal agreement. Our office makes the appropriate requests of the subrecipients however there is no mechanism in place to enforce the submission of the audit report.

Findings 04-4 and 04-5 are being corrected over time, as our office will no longer be subgranting funds, subrecipients will subgrant on their own and report to the State themselves. Should you have any questions, please feel free to contact our office at (702) 455-5710.

Sincerely,



Jim O'Brien  
Emergency Manager



# Department of Finance

## Community Resources Management

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

George W. Stevens, Chief Financial Officer • Douglas R. Bell, Manager

March 28, 2006

Kafoury, Armstrong & Co.  
8329 West Sunset Suite 201  
Las Vegas, NV 89113

Dear Sir or Madam:

Pursuant to OMB Circular A-133 requirements, please find below the status of prior year audit findings (FY 04) performed by Clark County's external auditors, Kafoury, Armstrong & Co.

The fiscal year 2004 audit identified two findings for the HOME Program (CFDA 14.239), Findings 04-6 and 04-7 as described below.

### **Audit Finding 04-6**

#### Criteria and Condition (Kafoury, Armstrong)

In two of five Subrecipient monitoring files reviewed, a copy of the Subrecipient's audit report was not obtained. The County's policy is to obtain a copy of the most recent audit report during the initial application process.

#### Recommendation (Kafoury, Armstrong)

Recommend that the County establish procedures outside the application process to ensure Subrecipient audits under OMB Circular A-133 are obtained and reviewed in a timely manner, and issue any necessary management decisions.

### **Audit Finding 04-7**

#### Criteria and Condition (Kafoury, Armstrong)

During the period of affordability for HOME assisted rental housing, participating jurisdictions must perform on-site inspections to determine compliance with property standards and verify the information submitted by the

owners no less than: (a) every three years for projects containing 1 to 4 units, (b) every two years for projects containing 5 to 25 units, and (c) every year for projects containing 26 or more units. The participating jurisdiction must perform on-site inspections of rental housing occupied by tenants receiving HOME-assisted tenant-based rental assistance to determine compliance with housing quality standards.

The County passed this requirement down to its Subrecipients to perform, and did not monitor whether the above requirements were performed by its Subrecipients.

Recommendation (Kafoury, Armstrong)

Recommend that the County establish procedures to monitor Subrecipient compliance for any HOME requirements it passes down to them.

In a March 9, 2005, letter to Ms. Anna Danchik, CPA for Kafoury, Armstrong & Co., the County provided a written response to the audit findings and established a corrective action plan to address the issues.

**The County implemented the corrective action plan to insure that we obtained the required subrecipient audits (Finding 04-6).**

**The County implemented the corrective action plan to address the issue of subrecipient monitoring (Finding 04-7). We prioritized which subrecipients required monitoring and developed a short-term and long-term schedule to complete the monitoring. We periodically review and update the schedule to incorporate new, recently completed projects and we continue to be actively engaged in performing subrecipient monitoring.**

If you have further questions, please contact me or Mike Pawlak at 455-5025.

Sincerely,



Douglas R. Bell, Manager  
Community Resources Management Division

Cc: George Stevens  
Mark Gamett  
Mike Pawlak  
Helen Kawi

# OFFICE OF THE DISTRICT ATTORNEY



**DAVID ROGER**  
*District Attorney*

## Family Support Division

(702) 671-9200 - TDD (702) 385-7486 (for the hearing impaired)

**ADMINISTRATION**  
301 Clark Avenue, Suite 100, Las Vegas, Nevada 89101  
Fax: (702) 366-2400

**ROBERT W. TEUTON**  
*Assistant District Attorney*

**CHRISTOPHER J. LALLI**  
*Assistant District Attorney*

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

**C.A. WATTS**  
*Director*

March 28, 2006

Kafoury, Armstrong & Co.  
801 S. Rancho Suite E-6  
Las Vegas, NV 89106

Attn: Anna Danchik, CPA

Dear Ms. Danchik,

Per your request, following is a status update to the corrective action plans for last year's (period ending June 30, 2004) external compliance audit.

### **FINDING 04-8:**

**DAFS Corrective Action Plan:** Request that the State of Nevada enhance their NOMADS computer system to provide accurate and user friendly compliance monitoring tools and reports. The office policies and procedures will be reviewed and necessary changes made to strengthen our processes for monitoring compliance in this area.

**Status Update:** Clark County, District Attorney Family Support Division (DAFS) continuously submits work items, to the State, for improvements, enhancements, and improved efficiencies in the NOMADS computer system. Currently there are over 300 work items statewide waiting to be programmed. Depending on the complexity and priority of the programming changes it can take up to 5 – 10 years, maybe longer, for some of the work item to be completed and put into production.

The DAFS Policy and Procedure Team constantly review, update, and make changes to the DAFS policy and procedures. The Upper Management Team, supervisors, leads, and workers make suggestions on how to improve our processes for monitoring for, and obtaining compliance in this area. The suggestions are considered and, if applicable, incorporated into the DAFS policy and procedures. Staff is then trained.

This is a continuous process because the child support enforcement program is dynamic and is in a constant state of change. This is especially true in the legal aspects of the program.

**FINDING 04-9:**

**DAFS Corrective Action Plan:** Request that the State of Nevada enhance their NOMADS computer system to provide accurate and user friendly compliance monitoring tools and reports. The office policies and procedures will be reviewed and necessary changes made to strengthen our processes for monitoring compliance in this area.

**Status Update:** Clark County, District Attorney Family Support Division (DAFS) continuously submits work items, to the State, for improvements, enhancements, and improved efficiencies in the NOMADS computer system. Currently there are over 300 work items statewide waiting to be programmed. Depending on the complexity and priority of the programming changes it can take up to 5 – 10 years, maybe longer, if ever, for some of the work item to be completed and put into production.

The DAFS Policy and Procedure Team constantly review, update, and make changes to the DAFS policy and procedures. The Upper Management Team, supervisors, leads, and workers make suggestions on how to improve our processes for monitoring for, and obtaining compliance in this area. The suggestions are considered and, if applicable, incorporated into the DAFS policy and procedures. Staff is then trained.

This is a continuous process because the child support enforcement program is dynamic and is in a constant state of change. This is especially true in the legal aspects of the program.

Sincerely,



C.A. Watts  
Director

Cc: Robert Teuton, Assistant District Attorney  
Sue Berfield, Assistant Director  
Kathi Brunson, Unit Administrator

