

CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2006

AND

INDEPENDENT AUDITORS' REPORTS

CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2006

TABLE OF CONTENTS

| <u>BASIC FINANCIAL STATEMENTS:</u> | <u>PAGE</u> |
|--|-------------|
| Independent Auditors' Report | 1 |
| Management's Discussion and Analysis | 3 |
| Basic Financial Statements: | |
| Government-Wide Financial Statements: | |
| Statement of Net Assets | 13 |
| Statement of Activities | 15 |
| Fund Financial Statements: | |
| Governmental Funds – Balance Sheet | 17 |
| Reconciliation of the Balance Sheet to the Statement of Net Assets | 19 |
| Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances | 20 |
| Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 22 |
| Proprietary Funds – Statement of Net Assets | 24 |
| Proprietary Funds – Statement of Revenues, Expenses and Changes in Net Assets | 28 |
| Proprietary Funds – Statement of Cash Flows | 32 |
| Fiduciary Funds – Statement of Net Assets | 40 |
| Fiduciary Funds – Statement of Changes in Net Assets | 41 |
| Notes to Financial Statements | 42 |
| Required Supplementary Information: | |
| General Fund | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | 107 |
| Schedule of Revenues and Transfers – Budget and Actual | 108 |
| Schedule of Expenditures and Transfers – Budget and Actual | 110 |
| Las Vegas Metropolitan Police Department | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | 121 |
| Master Transportation Plan | |
| Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual | 122 |
| Las Vegas Valley Water District Pension Trust – Defined Benefit Pension Plan Required Supplementary Information – Schedule of Employer Contributions | 123 |
| Notes to Required Supplementary Information | 124 |

CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2006

TABLE OF CONTENTS

(Continued)

COMMENTS OF INDEPENDENT AUDITORS

| | |
|---|-----|
| Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i> | 125 |
|---|-----|

ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS:

| | |
|---|-----|
| Independent Auditors' Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133 | 127 |
| Schedule of Expenditures of Federal Awards | 129 |
| Notes to Schedule of Expenditures of Federal Awards | 141 |
| Schedule of Findings and Questioned Costs | 142 |
| Summary Schedule of Prior Audit Findings | 154 |



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, 2006, 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, 96 percent, and 95 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, 2006, and the respective changes in financial position and cash flows, where applicable, thereof, for the year

then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2007, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, and pension trend data on pages 3 through 12 and 107 through 124 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 to the management's discussion and analysis and pension trend data, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

Kafoury, Armstrong & Co.

Las Vegas, Nevada
January 19, 2007

Clark County, Nevada

Management's Discussion and Analysis
June 30, 2006

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 \$8,775,605,267. Net assets of governmental activities totaled \$4,951,314,228 and those of business-type activities totaled \$3,824,291,039.
- The County's total net assets increased by \$1,115,882,868, resulting from an increase in net assets from governmental activities of \$742,640,858 and an increase in net assets from business-type activities of \$373,242,010. 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 \$2,023,658,176, with \$1,193,910,246 resulting from governmental activities and \$829,747,930 from business-type activities. Unrestricted net assets from governmental activities increased by 23 percent over the prior year, and unrestricted net assets from business-type activities decreased by 11 percent over the prior year.
- Net capital assets were \$9,432,490,033 of which \$4,549,428,848 were from governmental activities and \$4,883,061,185 were from business type activities. Major additions for governmental activities during the year included \$172 million toward roadways and streets, \$89 million in flood control projects, and \$92 million in beltway construction. Major additions for business-type activities during the year included \$332 million in water system additions, \$312 million for land and net construction-in-progress additions for the Department of Aviation, and \$95 million in sewer system additions. Depreciation expense attributable to assets of governmental activities amounted to \$163,718,883 for the year, and \$183,798,155 for business-type activities.
- Bonds and loans payable totaled \$5,276,045,385. The following new debt was issued during the fiscal year:

Governmental activities:

General obligation bonds:

\$242,880,000 in bond bank refunding bonds
\$115,585,000 in transportation refunding bonds
\$32,310,000 in park and justice center refunding bonds
\$20,475,000 in street refunding bonds

Special assessment bonds:

\$27,862,000 in special assessment bonds
\$44,135,000 in special assessment refunding bonds

Business-type activities:

General obligation bonds:

\$48,390,000 in refunding bonds for University Medical Center

\$151,555,000 in refunding bonds for Las Vegas Valley Water District

Revenue Bonds:

\$69,590,000 in bonds for the Department of Aviation

\$479,445,000 in refunding bonds for the Department of Aviation

Loans:

\$100,000,000 in commercial paper for the Las Vegas Valley Water District

- The County's primary revenue sources for governmental activities were consolidated taxes (\$690,137,896) and ad valorem taxes (\$610,199,304). These two revenue sources comprised 25 percent and 22 percent respectively, or 47 percent of total governmental activities revenues.
- The County's total expenses were \$3,524,463,298. Governmental activities comprised \$2,022,827,883 of total expenses, the largest functional expenses being public safety (\$830,649,965) and public works (\$442,737,383). Business-type activities contributed \$1,501,635,415 to total expenses, the largest components being hospital (\$513,914,433), water (\$505,873,873) and airport (\$342,206,340).
- Public works expenses were \$442,737,383, or 17 percent, 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, as well as increases in depreciation due to infrastructure additions.
- At the end of the fiscal year, the unreserved fund balance for the General Fund was \$282,831,718, or 25% of total General Fund expenditures and transfers out. This was an increase of \$39,268,308, or 16 percent, 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, airport, water and sewer utilities, and other operations. Discretely presented component units account for functions of legally separate entities for whom the County is financially accountable, but whose governing bodies are not substantially the same as the County. The activities of the discretely presented component units include regional transportation and flood control planning. Complete financial statements of the individual component units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.

- o The government-wide financial statements include not only the business-type activities of the County itself (known as the primary government), but also those of the legally separate component units: 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
- * Fleet maintenance
- * 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:
 - General Fund
 - Special Revenue Funds:
 - Las Vegas Metropolitan Police Department
 - Master Transportation Plan
- The combining statements and individual fund schedules are presented immediately following the required supplementary information.

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

Government-Wide Financial Analysis

- Net assets of the County as of June 30, 2006, and June 30, 2005, are summarized and analyzed below:

| <u>Clark County, Nevada Net Assets – Primary Government</u> | | | | | | |
|---|--------------------------------|-------------------------------|---------------------------------|-------------------------------|--------------------------------|-------------------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Assets | | | | | | |
| Current and other assets | \$3,077,086,934 | \$2,710,361,593 | \$3,354,294,632 | \$3,152,277,466 | \$ 6,431,381,566 | \$5,862,639,059 |
| Net capital assets | <u>4,549,428,848</u> | <u>4,222,344,166</u> | <u>4,883,061,185</u> | <u>4,359,550,210</u> | <u>9,432,490,033</u> | <u>8,581,894,376</u> |
| Total Assets | <u>7,626,515,782</u> | <u>6,932,705,759</u> | <u>8,237,355,817</u> | <u>7,511,827,676</u> | <u>15,863,871,599</u> | <u>14,444,533,435</u> |
| Liabilities | | | | | | |
| Long-term liabilities | 1,682,754,003 | 1,729,254,760 | 3,252,341,961 | 3,108,865,505 | 4,935,095,964 | 4,838,120,265 |
| Other liabilities | <u>992,447,551</u> | <u>994,777,629</u> | <u>1,160,722,817</u> | <u>951,913,142</u> | <u>2,153,170,368</u> | <u>1,946,690,771</u> |
| Total Liabilities | <u>2,675,201,554</u> | <u>2,724,032,389</u> | <u>4,413,064,778</u> | <u>4,060,778,647</u> | <u>7,088,266,332</u> | <u>6,784,811,036</u> |
| Net Assets | | | | | | |
| Invested in capital assets, net of related debt | 3,018,095,703 | 2,630,673,794 | 2,211,595,146 | 1,843,199,512 | 5,229,690,849 | 4,473,873,306 |
| Restricted | 739,308,279 | 603,921,279 | 782,947,963 | 673,911,150 | 1,522,256,242 | 1,277,832,429 |
| Unrestricted | <u>1,193,910,246</u> | <u>974,078,297</u> | <u>829,747,930</u> | <u>933,938,367</u> | <u>2,023,658,176</u> | <u>1,908,016,664</u> |
| Total Net Assets | <u>\$4,951,314,228</u> | <u>\$4,208,673,370</u> | <u>\$3,824,291,039</u> | <u>\$3,451,049,029</u> | <u>\$ 8,775,605,267</u> | <u>\$7,659,722,399</u> |

- As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. Assets exceeded liabilities by \$8,775,605,267 as of June 30, 2006, and by \$7,659,722,399 as of June 30, 2005, a net increase of \$1,115,882,868.
- The largest portion of the County's net assets (60 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt outstanding used to acquire those assets. 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 (17 percent) represent resources that are subject to external restrictions on how they may be used. Of these restricted net assets, 39 percent is for repayment of long-term debt, 45 percent 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 (23 percent) is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- At June 30, 2006, 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>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Revenues: | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | \$462,131,782 | \$420,021,293 | \$1,384,038,903 | \$1,238,166,480 | \$1,846,170,685 | \$1,658,187,773 |
| Operating grants and Contributions | 300,860,967 | 262,561,539 | 13,659,756 | 5,042,294 | 314,520,723 | 267,603,833 |
| Capital grants and contributions | 306,079,008 | 297,819,242 | 398,892,981 | 311,723,401 | 704,971,989 | 609,542,643 |
| General Revenues: | | | | | | |
| Ad valorem taxes | 610,199,304 | 552,008,303 | 13,016 | 14,108 | 610,212,320 | 552,022,411 |
| Franchise fees | 66,792,977 | 53,441,798 | - | - | 66,792,977 | 53,441,798 |
| Consolidated tax | 690,137,896 | 635,069,363 | 81,974 | 74,946 | 690,219,870 | 635,144,309 |
| Fuel taxes | 76,700,320 | 72,893,224 | - | - | 76,700,320 | 72,893,224 |
| Motor vehicle privilege tax | 45,951,198 | 42,769,179 | - | - | 45,951,198 | 42,769,179 |
| Sales and use tax | 66,077,771 | - | 16,286,165 | 14,911,562 | 82,363,936 | 14,911,562 |
| Development tax | - | - | 278,372 | - | 278,372 | - |
| Interest income | 88,719,008 | 66,313,855 | 58,442,394 | 45,348,851 | 147,161,402 | 111,662,706 |
| Other | 51,333,239 | 23,251,683 | 1,258,488 | - | 52,591,727 | 23,251,683 |
| Gain (loss) on sale or disposition of assets | <u>2,185,271</u> | <u>3,214,275</u> | <u>225,376</u> | <u>82,571</u> | <u>2,410,647</u> | <u>3,296,846</u> |
| Total revenues | <u>2,767,168,741</u> | <u>2,429,363,754</u> | <u>1,873,177,425</u> | <u>1,615,364,213</u> | <u>4,640,346,166</u> | <u>4,044,727,967</u> |
| Expenses | | | | | | |
| General government | 228,487,663 | 241,761,255 | - | - | 228,487,663 | 241,761,255 |
| Judicial | 149,715,624 | 135,049,067 | - | - | 149,715,624 | 135,049,067 |
| Public safety | 830,649,965 | 728,488,845 | - | - | 830,649,965 | 728,488,845 |
| Public works | 442,737,383 | 377,839,619 | - | - | 442,737,383 | 377,839,619 |
| Health | 53,539,912 | 34,791,793 | - | - | 53,539,912 | 34,791,793 |
| Welfare | 124,905,612 | 111,460,623 | - | - | 124,905,612 | 111,460,623 |
| Culture and recreation | 35,853,518 | 42,690,897 | - | - | 35,853,518 | 42,690,897 |
| Other | 75,730,667 | 70,216,891 | - | - | 75,730,667 | 70,216,891 |
| Interest on long-term debt | 81,207,539 | 92,780,765 | - | - | 81,207,539 | 92,780,765 |
| Hospital | - | - | 513,914,433 | 482,064,800 | 513,914,433 | 482,064,800 |
| Water | - | - | 505,873,873 | 388,341,493 | 505,873,873 | 388,341,493 |
| Airport | - | - | 342,206,340 | 311,709,817 | 342,206,340 | 311,709,817 |
| Sewer | - | - | 83,972,711 | 75,301,431 | 83,972,711 | 75,301,431 |
| Other | - | - | 55,668,058 | 48,634,386 | 55,668,058 | 48,634,386 |
| Total expenses | <u>2,022,827,883</u> | <u>1,835,079,755</u> | <u>1,501,635,415</u> | <u>1,306,051,927</u> | <u>3,524,463,298</u> | <u>3,141,131,682</u> |
| Increase (decrease) in net assets before transfers | 744,340,858 | 594,283,999 | 371,542,010 | 309,312,286 | 1,115,882,868 | 903,596,285 |
| Transfers | <u>(1,700,000)</u> | <u>(16,289,283)</u> | <u>1,700,000</u> | <u>16,289,283</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net assets | 742,640,858 | 577,994,716 | 373,242,010 | 325,601,569 | 1,115,882,868 | 903,596,285 |
| Net assets – beginning | <u>4,208,673,370</u> | <u>3,313,403,886</u> | <u>3,451,049,029</u> | <u>3,125,447,460</u> | <u>7,659,722,399</u> | <u>6,438,851,346</u> |
| Restatement | - | <u>317,274,768</u> | - | - | - | <u>317,274,768</u> |
| Net assets – ending | <u>\$4,951,314,228</u> | <u>\$4,208,673,370</u> | <u>\$3,824,291,039</u> | <u>\$3,451,049,029</u> | <u>\$8,775,605,267</u> | <u>\$7,659,722,399</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 \$88,669,683, or 9 percent, due to increases in charges for services and operating grants and contributions. Program revenues from business-type activities increased by \$241,659,465, or 16 percent, due to increases in charges for services and 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 \$55,068,533, or 9 percent. The second largest revenue, ad valorem taxes, increased by \$58,191,001, or 11 percent. These increases are a reflection of the continued growth in the County. Sales and use tax increased in governmental activities by \$66,077,771, due to the passage of a one-quarter cent sales tax to hire new police officers. The largest business-type general revenue, sales and use tax, increased by \$1,374,603, or 9 percent. Interest revenue for governmental activities increased by \$22,405,153 or 34 percent; interest

revenue for business-type activities increased by \$13,093,543, or 29 percent. These increases were primarily due to higher rates of investment returns.

- The County had a gain on disposition of assets of \$2,185,271 from governmental activities. This was mainly due to sales of County right-of-way and equipment during the fiscal year.
- The County had double-digit expense growth in several functional areas, again demonstrating the impacts of growth in the region. Public safety expenses for governmental activities increased \$102,161,120, or 14 percent, mostly due to increased expenditures of the Las Vegas Metropolitan Police Department. Public works expenses for governmental activities increased by \$64,897,764, or 17 percent, because of increased sales and fuel tax remittances to the Regional Transportation Commission of Southern Nevada (RTC) for transportation improvements, as well as increases in depreciation due to infrastructure additions. Health expenditures for governmental activities increased 18,748,119, or 54 percent, due to increased payments to the University Medical Center. The County hospital provides service to an ever growing population of non-insured patients. Welfare expenditures for governmental activities increased 13,444,989, or 12 percent, showing the growing demand of the County welfare system. The Judicial function also grew by \$14,666,557, or 11 percent, for governmental activities. Water functional area expenses increased \$117,532,380, or 30 percent, because of the increase in the quantity of water purchased by the Las Vegas Valley Water District, an additional 30,000 acre feet in fiscal year 2006 over fiscal 2005, and an increase in the per acre-foot cost. In addition, Water District expenses as a result of regional connection charge revenue passed on to the Southern Nevada Water Authority.

Financial Analysis of the County's Funds

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

Governmental Funds

- 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 \$1,809,300,999, an increase of \$328,082,812, or 22 percent, from the prior year. Approximately 81 percent of fund balances (\$1.5 billion) constitute unreserved fund balance. Eight hundred forty million dollars of the unreserved fund balance is designated for specific projects in special revenue and capital project funds. 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 (\$131 million), 2) to pay debt service (\$197 million), and 3) as reserves for long-term receivables (\$22 million).
- The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$282,831,718, an increase of \$39,268,308, or 16 percent, from the prior year. The total fund balance was \$307,922,722, an increase of \$42,313,084, or 16 percent, from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved fund balance represented 25 percent of total General Fund expenditures and transfers out for both of the fiscal years ended June 30, 2006, and 2005, whereas total fund balance represents 27 percent of that same amount in each year.
- Key factors in the change in fund balance in the General Fund are as follows:
 - Revenues and transfers-in increased by \$123,766,265, or 12 percent. General fund revenues increased by \$97,717,449, or 12 percent. Intergovernmental revenues generated the largest revenue increase of \$30,849,313, or 10 percent, due to increases in consolidated tax. Ad valorem taxes increased by \$29,274,820, or 12 percent, due to a combination of valuation increases and construction activity. Licenses and permits increased by \$28,342,202, or 18 percent, due to increased population growth. Almost all revenues sources increased at double digit rates,

demonstrating the growth in Clark County. Transfers in increased by \$26,048,816, or 12 percent. The transfers in were primarily from the unincorporated towns and the Clark County Fire District.

- Expenditures and transfers out increased by \$148,371,804, or 15 percent. General fund expenditures increased \$57,372,035, or 10 percent, which is less than the 12 percent increase in revenues due to ongoing cost-containment procedures. Transfers out increased by \$90,999,769, or 22 percent. The transfers out are primarily to the Las Vegas Metropolitan Police Department and the Detention Services special revenue funds. In addition, periodic transfers are made from the general fund to the County Capital Projects Fund at the discretion of the Board of County Commissioners. Transfers between these funds were \$154,229,996 and \$85,000,000 for the fiscal years ended June 30, 2006, and 2005 respectively.
- o 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 \$22,965,662 of which \$9,775,593 was reserved. Total revenues and transfers in were \$441,952,951, which was an increase of 13 percent, or \$50,028,029, over the prior year. This increased amount occurred primarily as a result of a 12 percent increase in ad valorem taxes of \$13,051,688 and a combined 11 percent increase of \$27,624,453 in City of Las Vegas contributions and County transfers. Expenditures, which are primarily personnel costs, increased 16 percent, or \$59,054,139.
 - The Master Transportation Plan fund accounts for tax proceeds from a variety of sources used to improve transportation in Clark County. Total revenues increased \$38,154,697, or 11 percent, 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 \$297,218,091, with total fund balances of \$1,456,821,127, and unreserved fund balances of \$1,142,189,585. 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 \$829,747,930 a decrease of \$104,190,437, or 11 percent, and the total growth in net assets for these funds was \$373,242,010, a 17 percent 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 \$655,792,329, which was unchanged from the original budget. Actual expenditures were \$621,621,767, or 5 percent less than the final budget, primarily due to the County's cost containment efforts.

- Revenues of the general fund exceeded the final budget by \$140,233,088, or 18 percent. Intergovernmental revenue was over by \$54,655,090, or 18 percent, primarily from increases in the consolidated tax due to a strengthening economy and growth of the community. Licenses and permits followed at \$39,585,332, or 27 percent, over budget primarily due increases 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, 2006, was \$9,432,490,032, an increase of \$850,595,656, or 10 percent. Prior year capital assets were restated by \$317,274,768 as part of the final implementation of GASB 34. 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 | \$ 172 million | Water system additions | \$332 million |
| Flood control projects | \$ 89 million | Airport land acquisition and construction | \$312 million |
| Beltway land acquisition and construction | \$ 92 million | Sewer system additions | \$ 95 million |

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

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|--------------------------|--------------------------------|------------------------|---------------------------------|------------------------|------------------------|------------------------|
| | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| Land and improvements | \$1,274,765,760 | \$ 1,209,218,821 | \$2,079,904,609 | \$2,034,121,269 | \$3,354,670,369 | \$3,243,343,090 |
| Buildings | 682,658,325 | 484,640,630 | 1,291,981,935 | 1,352,517,760 | 1,974,640,260 | 1,837,158,390 |
| Machinery and equipment | 96,418,359 | 73,506,162 | 417,913,646 | 361,044,270 | 514,332,005 | 434,550,432 |
| Infrastructure | 2,306,328,352 | 2,112,783,407 | - | - | 2,306,328,352 | 2,112,783,407 |
| Construction in progress | <u>189,258,052</u> | <u>342,195,146</u> | <u>1,093,260,995</u> | <u>611,866,911</u> | <u>1,282,519,047</u> | <u>954,062,057</u> |
| Total | <u>\$4,549,428,848</u> | <u>\$4,222,344,166</u> | <u>\$4,883,061,185</u> | <u>\$4,359,550,210</u> | <u>\$9,432,490,033</u> | <u>\$8,581,894,376</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, 2006, the County had total outstanding bonds and loans of \$5,276,045,385, an increase of \$189,649,022, or 4 percent, from the prior year. Of this amount, \$1,346,128,124 comprised general obligation debt backed by the full faith and credit of the County, \$1,338,571,172 of general obligation bonds additionally secured by specified revenue sources, \$407,562,522 of loans, primarily in the form of commercial paper, and \$254,639,567 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>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> | <u>2006</u> | <u>2005</u> |
| General obligation bonds | \$1,346,065,882 | \$1,394,226,961 | \$ 62,242 | \$ 72,970 | \$1,346,128,124 | \$1,394,299,931 |
| Revenue backed general obligation bonds | - | - | 1,338,571,172 | 1,223,982,308 | 1,338,571,172 | 1,223,982,308 |
| Revenue bonds | - | - | 1,929,144,000 | 1,907,908,924 | 1,929,144,000 | 1,907,908,924 |
| Special assessment bonds | 254,639,567 | 250,377,569 | - | - | 254,639,567 | 250,377,569 |
| Loans | <u>1,624,931</u> | <u>1,844,292</u> | <u>405,937,591</u> | <u>307,983,339</u> | <u>407,562,522</u> | <u>309,827,631</u> |
| Total | <u>\$1,602,330,380</u> | <u>\$1,646,448,822</u> | <u>\$3,673,715,005</u> | <u>\$3,439,947,541</u> | <u>\$5,276,045,385</u> | <u>\$5,086,396,363</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, 2006, was 4.3 percent as compared to 4.1 percent 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, 2006, 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. UMC's operating loss increased to \$34,295,525 for the fiscal year 2006 from \$14,227,963 in fiscal year 2005 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 reasonable pace of hiring and position savings. The County's general fund unreserved ending fund balance remains healthy. Together, these factors have placed the County in a 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 Edward M. Finger, County 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, 2006

| | Primary Government | | | Component Units | |
|---|-------------------------|--------------------------|-----------------------|--|---|
| | Governmental Activities | Business-Type Activities | Total | Clark County Regional Flood Control District | Regional Transportation Commission of Southern Nevada |
| ASSETS | | | | | |
| Cash and investments: | | | | | |
| In custody of the County Treasurer | \$ 1,874,926,001 | \$ 311,299,021 | \$ 2,186,225,022 | \$ 197,225,008 | \$ 216,059,925 |
| In custody of other officials | 5,286,615 | 9,356,755 | 14,643,370 | 371 | 50,294 |
| With fiscal agent | 83,309,228 | - | 83,309,228 | 3,265,714 | 21,246,345 |
| Investments in custody of other officials | - | 526,012,959 | 526,012,959 | - | - |
| Loaned securities | 545,363,370 | 43,680,884 | 589,044,254 | 57,548,540 | 63,047,019 |
| Accounts receivable (net of provision for doubtful accounts) | 39,302,592 | 253,769,238 | 293,071,830 | 66,265 | 40,831,952 |
| Interest receivable | 15,762,160 | 5,824,292 | 21,586,452 | 1,630,737 | 1,786,545 |
| Commercial paper receivable | - | - | - | - | - |
| Taxes receivable, delinquent | 6,305,350 | 317 | 6,305,667 | - | - |
| Penalties receivable on delinquent taxes | 2,299,973 | - | 2,299,973 | - | - |
| Special assessments receivable | 246,931,527 | - | 246,931,527 | - | - |
| Internal balances | 1,819,405 | (1,819,405) | - | - | - |
| Due from other governmental units | 205,772,777 | 41,737,700 | 247,510,477 | 15,479,982 | 6,155,152 |
| Inventories | 648,089 | 21,023,739 | 21,671,828 | - | - |
| Prepaid items and other current assets | 1,696,669 | 2,751,060 | 4,447,729 | - | - |
| Deferred charges and other assets | 47,663,178 | 72,385,544 | 120,048,722 | 1,564,465 | 1,831,572 |
| Restricted assets: | | | | | |
| Cash and investments: | | | | | |
| In custody of the County Treasurer | - | 453,729,892 | 453,729,892 | - | - |
| In custody of other officials | - | 92,290,588 | 92,290,588 | - | - |
| With fiscal agent | - | 490,112,719 | 490,112,719 | - | - |
| Loaned securities | - | 176,845,132 | 176,845,132 | - | - |
| Accounts receivable | - | 853,745,165 | 853,745,165 | - | - |
| Prepaid items and other current assets | - | 1,549,032 | 1,549,032 | - | - |
| Capital assets not being depreciated | 1,315,885,570 | 1,702,518,385 | 3,018,403,955 | 126,871 | 39,328,467 |
| Capital assets being depreciated, net of accumulated depreciation | 3,233,543,278 | 3,180,542,800 | 6,414,086,078 | 2,816,767 | 144,453,653 |
| Total Assets | 7,626,515,782 | 8,237,355,817 | 15,863,871,599 | 279,724,720 | 534,790,924 |

(Continued)

Clark County, Nevada
Statement of Net Assets
June 30, 2006

| | Primary Government | | | Component Units | |
|---|-------------------------|--------------------------|------------------|--|---|
| | Governmental Activities | Business-Type Activities | Total | Clark County Regional Flood Control District | Regional Transportation Commission of Southern Nevada |
| LIABILITIES | | | | | |
| Accounts payable | \$ 227,978,606 | \$ 229,851,687 | \$ 457,830,293 | \$ 7,062,479 | \$ 26,005,762 |
| Accrued payroll and other accrued liabilities | 36,578,167 | 70,360,436 | 106,938,603 | 92,701 | 587,249 |
| Accrued interest | 11,464,459 | - | 11,464,459 | 4,764,187 | 5,247,251 |
| Due to Clark County | - | - | - | - | 2,950,362 |
| Due to other governmental units | 45,611,289 | - | 45,611,289 | - | - |
| Loaned securities | 545,363,370 | 43,680,884 | 589,044,254 | 57,548,540 | 63,047,019 |
| Unearned revenue and other liabilities | 48,332,989 | 65,384,475 | 113,717,464 | - | - |
| Liabilities payable from restricted assets: | | | | | |
| Accounts payable | - | 30,668,815 | 30,668,815 | - | - |
| Customer deposits | - | 6,431,549 | 6,431,549 | - | - |
| Accrued expenses | - | 55,286,837 | 55,286,837 | - | - |
| Loaned securities | - | 176,845,132 | 176,845,132 | - | - |
| Bonds and loans payable, due within one year | - | 473,860,400 | 473,860,400 | - | - |
| Bonds and loans payable, due within one year | 77,118,671 | 8,352,602 | 85,471,273 | 14,458,951 | 15,150,000 |
| Bonds and loans payable, due after one year | 1,525,211,709 | 3,191,502,003 | 4,716,713,712 | 310,774,937 | 369,334,005 |
| Other non-current liabilities, due after one year | 157,542,294 | 60,839,958 | 218,382,252 | 555,184 | 2,164,916 |
| Total Liabilities | 2,675,201,554 | 4,413,064,778 | 7,088,266,332 | 395,256,979 | 484,486,564 |
| NET ASSETS | | | | | |
| Invested in capital assets, net of related debt | \$ 3,018,095,703 | \$ 2,211,595,146 | \$ 5,229,690,849 | \$ 52,943,638 | \$ 153,782,120 |
| Restricted for: | | | | | |
| Capital projects | 292,557,090 | 389,449,015 | 682,006,105 | 76,597,156 | 7,002,439 |
| Debt service | 197,076,626 | 393,498,948 | 590,575,574 | 12,209,873 | 43,014,291 |
| Other purposes | 249,674,563 | - | 249,674,563 | 117,950,962 | 68,717,193 |
| Unrestricted | 1,193,910,246 | 829,747,930 | 2,023,658,176 | (325,233,888) | (222,211,683) |
| Total Net Assets | \$ 4,951,314,228 | \$ 3,824,291,039 | \$ 8,775,605,267 | \$ (115,532,259) | \$ 50,304,360 |

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

Clark County, Nevada
Statement of Activities
For the year ended June 30, 2006

| | 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 | \$ 228,487,663 | \$ 218,922,886 | \$ 106,003,995 | \$ 2,557,256 | \$ 98,996,474 | \$ - | \$ 98,996,474 | \$ - | \$ - | - |
| Judicial | 149,715,624 | 40,900,693 | 14,539,537 | 396,455 | (93,878,939) | - | (93,878,939) | - | - | - |
| Public safety | 830,649,965 | 35,009,008 | 167,480,963 | - | (628,159,994) | - | (628,159,994) | - | - | - |
| Public works | 442,737,383 | 156,586,202 | 8,026,902 | 302,581,917 | 24,457,638 | - | 24,457,638 | - | - | - |
| Health | 53,539,912 | 9,481,401 | 3,712,570 | - | (40,345,941) | - | (40,345,941) | - | - | - |
| Welfare | 124,905,612 | - | 172,359 | - | (124,733,253) | - | (124,733,253) | - | - | - |
| Culture and recreation | 35,853,518 | 1,231,592 | 924,641 | 543,380 | (33,153,905) | - | (33,153,905) | - | - | - |
| Other | 75,730,667 | - | - | - | (75,730,667) | - | (75,730,667) | - | - | - |
| Interest on long-term debt | 81,207,539 | - | - | - | (81,207,539) | - | (81,207,539) | - | - | - |
| Total governmental activities | 2,022,827,883 | 462,131,782 | 300,860,967 | 306,079,008 | (953,756,126) | - | (953,756,126) | - | - | - |

(Continued)

Clark County, Nevada
Statement of Activities
For the year ended June 30, 2006

| | Net (Expenses) Revenues and Changes in Net Assets | | | | | | | | |
|---|--|-------------------------|--|--|----------------------------|-----------------------------|------------------------|--|--|
| | Program Revenues | | | Primary Government | | Component Units | | | |
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-type Activities | Total | Clark County Regional Flood Control District | Regional Transportation Commission of Southern Nevada |
| Business-type activities: | | | | | | | | | |
| Hospital | \$ 513,914,433 | \$ 473,870,881 | \$ 13,500,000 | \$ 457,494 | \$ - | \$ (26,086,058) | \$ (26,086,058) | \$ - | \$ - |
| Water | 505,873,873 | 453,246,126 | - | 101,559,646 | - | 48,931,899 | 48,931,899 | - | - |
| Airport | 342,206,340 | 290,979,024 | - | 229,105,767 | - | 177,878,451 | 177,878,451 | - | - |
| Sewer | 83,972,711 | 96,456,509 | - | 67,770,074 | - | 80,253,872 | 80,253,872 | - | - |
| Other | 55,668,058 | 69,486,363 | 159,756 | - | - | 13,978,061 | 13,978,061 | - | - |
| Total business-type activities | 1,501,635,415 | 1,384,038,903 | 13,659,756 | 398,892,981 | - | 294,956,225 | 294,956,225 | - | - |
| Total primary government | \$ 3,524,463,298 | \$ 1,846,170,685 | \$ 314,520,723 | \$ 704,971,989 | - | - | - | - | - |
| Component units: | | | | | | | | | |
| Clark County Regional Flood Control District | \$ 95,710,801 | \$ - | \$ - | \$ - | \$ - | \$ (95,710,801) | \$ (95,710,801) | \$ - | \$ - |
| Regional Transportation Commission of Southern Nevada | 379,255,253 | 47,959,707 | 1,044,523 | 18,691,932 | - | - | - | (311,559,091) | - |
| Total component units | \$ 474,966,054 | \$ 47,959,707 | \$ 1,044,523 | \$ 18,691,932 | \$ - | \$ - | \$ (95,710,801) | \$ (311,559,091) | \$ - |
| General revenues: | | | | | | | | | |
| Ad valorem taxes | | | | | 610,199,304 | 13,016 | 610,212,320 | - | - |
| Franchise fees | | | | | 66,792,977 | - | 66,792,977 | - | - |
| Consolidated tax | | | | | 690,137,896 | 81,974 | 690,219,870 | - | - |
| Fuel taxes | | | | | 76,700,320 | - | 76,700,320 | - | 74,184,457 |
| Motor vehicle privilege tax | | | | | 45,951,198 | - | 45,951,198 | - | - |
| Sales and use tax | | | | | 66,077,771 | 16,286,165 | 82,363,936 | 88,486,168 | 176,637,562 |
| Development tax | | | | | - | 278,372 | 278,372 | - | 5,000,000 |
| Interest income | | | | | 88,719,008 | 58,442,394 | 147,161,402 | 8,963,050 | 8,986,210 |
| Other | | | | | 51,333,239 | 1,258,488 | 52,591,727 | 820,719 | 2,346,232 |
| Gain on sale of capital assets | | | | | 2,185,271 | 225,376 | 2,410,647 | - | - |
| Transfers | | | | | (1,700,000) | 1,700,000 | - | - | - |
| Total general revenues and transfers | | | | | 1,696,396,984 | 78,285,785 | 1,774,682,769 | 98,269,937 | 267,154,461 |
| Change in net assets | | | | | 742,640,858 | 373,242,010 | 1,115,882,868 | 2,559,136 | (44,404,630) |
| Net assets - beginning | | | | | 3,891,398,602 | 3,451,049,029 | 7,342,447,631 | (118,091,395) | 94,708,990 |
| Restatement of capital assets | | | | | 317,274,768 | - | 317,274,768 | - | - |
| Net assets - restated | | | | | 4,208,673,370 | 3,451,049,029 | 7,659,722,399 | (118,091,395) | 94,708,990 |
| Net assets - ending | | | | | \$ 4,951,314,228 | \$ 3,824,291,039 | \$ 8,775,605,267 | \$ (115,532,259) | \$ 50,304,360 |

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

FUND FINANCIAL STATEMENTS

Clark County, Nevada
 Governmental Funds
 Balance Sheet
 June 30, 2006

| | General Fund | Las Vegas Metropolitan Police Department | Master Transportation Plan | Other Governmental Funds | Total Governmental Funds |
|--|----------------|--|----------------------------|--------------------------|--------------------------|
| ASSETS | | | | | |
| Cash and investments: | | | | | |
| In custody of the County Treasurer | \$ 228,376,826 | \$ 36,857,738 | \$ 12,780,896 | \$ 1,432,593,842 | \$ 1,710,609,302 |
| In custody of other officials | 896,717 | 237,425 | - | 50,473 | 1,184,615 |
| With fiscal agent | - | - | - | 83,309,228 | 83,309,228 |
| Loaned securities | 71,353,184 | 11,330,486 | 3,667,847 | 412,091,455 | 498,442,972 |
| Accounts receivable | 45,063,267 | 1,227,986 | - | 9,267,410 | 55,558,663 |
| Interest receivable | 2,021,915 | 321,069 | 103,935 | 11,985,671 | 14,432,590 |
| Taxes receivable, delinquent | 3,050,350 | 1,244,498 | - | 2,010,502 | 6,305,350 |
| Penalties receivable on delinquent taxes | 2,299,973 | - | - | - | 2,299,973 |
| Special assessments receivable | - | - | - | 246,931,527 | 246,931,527 |
| Due from other funds | - | - | - | 26,164,771 | 26,164,771 |
| Due from other governmental units | 62,117,408 | 3,281,299 | 49,454,293 | 82,459,398 | 197,312,398 |
| Prepaid items | - | 542,593 | - | - | 542,593 |
| Total Assets | \$ 415,179,640 | \$ 55,043,094 | \$ 66,006,971 | \$ 2,306,864,277 | \$ 2,843,093,982 |

(Continued)

Clark County, Nevada
 Governmental Funds
 Balance Sheet
 June 30, 2006
 (Continued)

| | General Fund | Las Vegas Metropolitan Police Department | Master Transportation Plan | Other Governmental Funds | Total Governmental Funds |
|--|----------------|--|-------------------------------|--------------------------------|-----------------------------|
| LIABILITIES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 18,348,014 | \$ 4,963,012 | \$ 829,656 | \$ 118,974,750 | \$ 143,115,432 |
| Accrued payroll | 13,545,826 | 12,641,543 | - | 7,286,097 | 33,473,466 |
| Matured interest payable | - | - | - | 73,596 | 73,596 |
| Due to other funds | - | - | - | 26,164,771 | 26,164,771 |
| Due to other governmental units | - | 72,627 | 39,917,980 | 5,620,682 | 45,611,289 |
| Loaned securities | 71,353,184 | 11,330,486 | 3,667,847 | 412,091,455 | 498,442,972 |
| Deferred revenue and other liabilities | 4,009,894 | 3,069,764 | - | 279,831,799 | 286,911,457 |
| Total Liabilities | 107,256,918 | 32,077,432 | 44,415,483 | 850,043,150 | 1,033,792,983 |
| Fund Balances: | | | | | |
| Reserved for encumbrances | 3,497,066 | 9,775,593 | - | 117,554,916 | 130,827,575 |
| Reserved for long-term receivables | 21,593,938 | - | - | - | 21,593,938 |
| Reserved for debt service | - | - | - | 197,076,626 | 197,076,626 |
| Unreserved: | | | | | |
| Designated for specific projects, reported in: | | | | | |
| Special revenue funds | - | - | - | 38,198,555 | 38,198,555 |
| Capital projects funds | - | - | - | 801,481,712 | 801,481,712 |
| Undesignated, reported in: | | | | | |
| General fund | 282,831,718 | - | - | - | 282,831,718 |
| Special revenue funds | - | 13,190,069 | 21,591,488 | 289,672,496 | 324,454,053 |
| Capital projects funds | - | - | - | 12,836,822 | 12,836,822 |
| Total Fund Balances | 307,922,722 | 22,965,662 | 21,591,488 | 1,456,821,127 | 1,809,300,999 |
| Total Liabilities and Fund Balances | \$ 415,179,640 | \$ 55,043,094 | \$ 66,006,971 | \$ 2,306,864,277 | \$ 2,843,093,982 |

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, 2006

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

| | | |
|---|------------------------|-------------------------|
| Fund balances – governmental funds | | \$ 1,809,300,999 |
| Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds: | | |
| Governmental capital assets | \$ 5,855,999,380 | |
| Less accumulated depreciation | <u>(1,306,570,532)</u> | 4,549,428,848 |
| 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 | (1,600,705,449) | |
| Unamortized bond costs | 47,663,178 | |
| Loans payable | (1,624,931) | |
| Litigation liability | (2,500,000) | |
| Compensated absences | <u>(155,042,294)</u> | (1,712,209,496) |
| Accrued interest payable | | (11,390,863) |
| Deferred revenue representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds | | 238,578,468 |
| Long-term receivables reserved in governmental funds, adjusted to allowance for uncollectibles in statement of net assets | | (21,593,938) |
| 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 | | 97,380,805 |
| Internal balances that are receivable from business-type activities | | <u>1,819,405</u> |
| Net assets of governmental activities | | <u>\$ 4,951,314,228</u> |

The accompanying notes are an integral part of these financial statements

Clark County, Nevada
Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended June 30, 2006

| | General Fund | Las Vegas Metropolitan Police Department | Master Transportation Plan | Other Governmental Funds | Total Governmental Funds |
|---|----------------|--|-------------------------------|--------------------------------|--------------------------------|
| Revenues: | | | | | |
| Taxes | \$ 266,403,593 | \$ 121,589,039 | \$ 41,626,529 | \$ 229,843,189 | \$ 659,462,350 |
| Special assessments | - | - | - | 37,302,142 | 37,302,142 |
| Licenses and permits | 188,210,332 | - | 50,521,808 | 43,539,404 | 282,271,544 |
| Intergovernmental revenue | 350,175,590 | 125,855,108 | 275,331,807 | 551,892,682 | 1,303,255,187 |
| Charges for services | 90,156,159 | 19,991,129 | - | 33,009,698 | 143,156,986 |
| Fines and forfeitures | 14,666,431 | - | - | 3,081,430 | 17,747,861 |
| Interest | 13,677,370 | 1,937,588 | 3,641,972 | 63,928,997 | 83,185,927 |
| Other | 6,631,078 | 1,669,717 | - | 20,604,163 | 28,904,958 |
| Total revenues | 929,920,553 | 271,042,581 | 371,122,116 | 983,201,705 | 2,555,286,955 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 119,834,408 | - | - | 67,202,542 | 187,036,950 |
| Judicial | 108,939,441 | - | - | 30,783,450 | 139,722,891 |
| Public safety | 174,662,917 | 418,368,389 | - | 213,025,678 | 806,056,984 |
| Public works | 13,481,338 | - | 239,961,164 | 35,454,318 | 288,896,820 |
| Health | 34,606,571 | - | - | 18,314,309 | 52,920,880 |
| Welfare | 68,273,896 | - | - | 56,013,892 | 124,287,788 |
| Culture and recreation | 25,661,598 | - | - | 767,991 | 26,429,589 |
| Other general expenditures | 73,674,989 | - | - | - | 73,674,989 |
| Capital outlays | 2,486,609 | 20,226,201 | - | 344,442,506 | 367,155,316 |
| Debt service: | | | | | |
| Principal | - | 187,955 | - | 71,987,613 | 72,175,568 |
| Interest | - | 76,819 | - | 85,331,124 | 85,407,943 |
| Bond issuance costs and other | - | - | - | 7,940,554 | 7,940,554 |
| Advance refunding escrow | - | - | - | 17,112,563 | 17,112,563 |
| Total expenditures | 621,621,767 | 438,859,364 | 239,961,164 | 948,376,540 | 2,248,818,835 |
| Excess (deficiency) of revenues over (under) expenditures | 308,298,786 | (167,816,783) | 131,160,952 | 34,825,165 | 306,468,120 |

(Continued)

Clark County, Nevada
 Governmental Funds
 Statement of Revenues, Expenditures and Changes in Fund Balances
 For the fiscal year ended June 30, 2006
 (Continued)

| | General Fund | Las Vegas Metropolitan Police Department | Master Transportation Plan | Other Governmental Funds | Total Governmental Funds |
|--------------------------------------|----------------|--|-------------------------------|--------------------------------|--------------------------------|
| Other financing sources (uses): | | | | | |
| Transfers from other funds | 245,843,588 | 170,910,370 | - | 708,503,518 | 1,125,257,476 |
| Transfers to other funds | (511,829,290) | - | (145,702,902) | (479,411,587) | (1,136,943,779) |
| Bonds and loans issued | - | - | - | 27,862,000 | 27,862,000 |
| Refunding bonds issued | - | - | - | 454,385,000 | 454,385,000 |
| Premium on bonds issued | - | - | - | 14,699,621 | 14,699,621 |
| Discount on bonds issued | - | - | - | (33,963) | (33,963) |
| Payments to escrow agent | - | - | - | (463,611,663) | (463,611,663) |
| Total other financing sources (uses) | (265,985,702) | 170,910,370 | (145,702,902) | 262,392,926 | 21,614,692 |
| Net changes in fund balances | 42,313,084 | 3,093,587 | (14,541,950) | 297,218,091 | 328,082,812 |
| Fund balance: | | | | | |
| Beginning of year | 265,609,638 | 19,872,075 | 36,133,438 | 1,159,603,036 | 1,481,218,187 |
| End of year | \$ 307,922,722 | \$ 22,965,662 | \$ 21,591,488 | \$ 1,456,821,127 | \$ 1,809,300,999 |

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, 2006

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

Net change in fund balances – governmental funds \$328,082,812

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 | \$ 367,155,316 | |
| Less amounts not capitalized | <u>(51,238,457)</u> | |
| Capitalized expenditures | 315,916,859 | |
| Less current year depreciation | <u>(163,718,833)</u> | 152,198,026 |

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 | 191,638,682 | |
| Loss on sale of capital assets | (15,483,523) | |
| Change in deferred revenue | <u>12,177,088</u> | 188,332,247 |

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 | (482,247,000) | |
| Bond issuance and other deferred costs | 23,038,308 | |
| Bond premiums and discounts | (14,665,658) | |
| Accrued interest | 4,512,564 | |
| Amortized bond costs | (388,979) | |
| Principal payment | 72,175,568 | |
| Payments to escrow agents | <u>463,611,663</u> | 66,036,466 |

(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, 2006

(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 | \$ (4,468,981) | |
| Change in arbitrage liability | <u>600,000</u> | \$ (3,868,981) |
| Long-term receivable is recorded in the governmental funds. The current portion of the provision for doubtful accounts is recognized in the statement of activities. | | (1,298,945) |
| 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. | | 8,140,193 |
| Increase to internal balances that are receivable from business-type activities. | | <u>5,019,040</u> |
| Change in net assets of governmental activities | | <u>\$742,640,858</u> |

The accompanying notes are an integral part of these financial statements

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|----------------------------------|------------------------------------|---------------------------|
| | University Medical Center | Water Reclamation District | Las Vegas Valley Water District | Department of Aviation |
| ASSETS | | | | |
| Unrestricted current assets: | | | | |
| Cash and cash equivalents: | \$ 3,682,856 | \$ - | \$ - | \$ 211,659,775 |
| In custody of the County Treasurer | 12,650 | 2,397,091 | 6,852,314 | 93,250 |
| In custody of other officials | - | 379,191,794 | 146,821,165 | - |
| Investments in custody of other officials | - | - | - | - |
| Loaned securities | 14,333,029 | 1,429,206 | - | - |
| Accounts receivable | 178,751,353 | 15,459,555 | 43,997,345 | 15,079,961 |
| Interest receivable | - | 3,645,775 | 798,266 | 589,128 |
| Taxes receivable, delinquent | - | - | - | - |
| Due from other funds | - | - | - | - |
| Due from other governmental units | - | - | - | - |
| Inventories | 8,684,862 | 1,825,545 | 8,596,238 | 41,607,077 |
| Prepaid items and other current assets | 659,779 | 178,091 | - | 1,917,094 |
| Total unrestricted current assets | <u>206,124,529</u> | <u>404,127,057</u> | <u>207,065,328</u> | <u>272,844,475</u> |
| Restricted current assets: | | | | |
| Cash and cash equivalents: | | | | |
| In custody of the County Treasurer | 46,115,437 | 4,964,654 | - | 400,733,819 |
| With fiscal agent | - | - | - | 490,112,719 |
| Investments in custody of other officials | - | - | 92,290,588 | - |
| Loaned securities | - | - | - | 176,286,434 |
| Accounts receivable | - | - | 417,189,088 | - |
| Interest receivable | - | - | - | 5,455,383 |
| Due from other governmental units | - | - | - | - |
| Prepaid items and other current assets | - | - | - | - |
| Total restricted current assets | <u>46,115,437</u> | <u>4,964,654</u> | <u>509,479,676</u> | <u>1,549,032</u> |
| Total current assets | <u>252,239,966</u> | <u>409,091,711</u> | <u>716,545,004</u> | <u>1,074,137,387</u> |
| Noncurrent assets: | | | | |
| Accounts receivable, restricted | - | - | 430,965,000 | - |
| Deferred charges and other assets | 564,141 | 14,055,200 | 22,483,864 | 35,282,339 |
| Capital assets: | | | | |
| Property and equipment | 254,949,995 | 1,156,728,121 | 2,070,797,814 | 3,131,314,092 |
| Accumulated depreciation | (109,249,162) | (338,148,662) | (485,087,239) | (855,064,635) |
| Total capital assets, net of accumulated depreciation | <u>145,700,833</u> | <u>818,579,459</u> | <u>1,585,710,575</u> | <u>2,276,249,457</u> |
| Total noncurrent assets | <u>146,264,974</u> | <u>832,634,659</u> | <u>2,039,159,439</u> | <u>2,311,531,796</u> |
| Total assets | <u>398,504,940</u> | <u>1,241,726,370</u> | <u>2,755,704,443</u> | <u>3,658,513,658</u> |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|----------------------------------|------------------------------------|---------------------------|
| | University Medical Center | Water Reclamation District | Las Vegas Valley Water District | Department of Aviation |
| LIABILITIES | | | | |
| Current liabilities (payable from current assets): | | | | |
| Current maturities of long-term debt | \$ 5,022,458 | \$ 1,735,000 | \$ - | \$ - |
| Accounts payable | 86,819,214 | 21,083,893 | 65,606,632 | 52,724,713 |
| Accrued expenses | 29,550,691 | 4,038,841 | 22,334,988 | 8,340,418 |
| Due to other funds | - | - | - | - |
| Loaned securities | 14,333,029 | 1,429,206 | - | - |
| Deferred revenue | - | - | - | 39,244,558 |
| Deposits and other current liabilities | 7,358,721 | 3,938,189 | 14,491,919 | - |
| Total current liabilities (payable from current assets) | <u>143,084,113</u> | <u>32,225,129</u> | <u>102,433,539</u> | <u>100,309,689</u> |
| Current liabilities (payable from restricted assets): | | | | |
| Current maturities of long-term debt | - | - | 433,075,000 | 40,785,400 |
| Accounts payable | - | - | 9,161,296 | 21,507,519 |
| Accrued expenses | - | - | 6,288,321 | 48,998,516 |
| Customer deposits | - | - | 6,431,549 | - |
| Loaned securities | - | - | - | 176,286,434 |
| Total current liabilities (payable from restricted assets) | <u>-</u> | <u>-</u> | <u>454,956,166</u> | <u>287,577,869</u> |
| Total current liabilities | <u>143,084,113</u> | <u>32,225,129</u> | <u>557,389,705</u> | <u>387,887,558</u> |
| Noncurrent liabilities: | | | | |
| Long-term debt, less current maturities | 97,332,691 | 39,927,972 | 1,079,914,825 | 1,965,960,156 |
| Deferred revenue and other non-current liabilities | 26,511,131 | 111,600 | 3,559,427 | 30,657,800 |
| Total noncurrent liabilities | <u>123,843,822</u> | <u>40,039,572</u> | <u>1,083,474,252</u> | <u>1,996,617,956</u> |
| Total Liabilities | <u>266,927,935</u> | <u>72,264,701</u> | <u>1,640,863,957</u> | <u>2,384,505,514</u> |
| NET ASSETS | | | | |
| Invested in capital assets, net of related debt | 75,871,359 | 778,175,934 | 976,969,567 | 333,718,928 |
| Restricted for: | | | | |
| Capital projects | 1,743,189 | - | - | 385,654,150 |
| Debt service | - | 4,964,654 | 6,434,015 | 382,100,279 |
| Unrestricted | 53,962,457 | 386,321,081 | 131,436,904 | 172,534,787 |
| Total Net Assets | <u>\$ 131,577,005</u> | <u>\$ 1,169,461,669</u> | <u>\$ 1,114,840,486</u> | <u>\$ 1,274,008,144</u> |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2006
(Continued)

| | Business-Type - Enterprise Funds | | |
|---|----------------------------------|------------------------|--|
| | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
| ASSETS | | | |
| Unrestricted current assets: | | | |
| Cash and cash equivalents: | | | |
| In custody of the County Treasurer | \$ 95,956,390 | \$ 311,299,021 | \$ 164,316,699 |
| In custody of other officials | 1,450 | 9,356,755 | 4,102,000 |
| Investments in custody of other officials | - | 526,012,959 | - |
| Loaned securities | 27,918,649 | 43,680,884 | 46,920,398 |
| Accounts receivable | 481,024 | 253,769,238 | 5,337,867 |
| Interest receivable | 791,123 | 5,824,292 | 1,329,571 |
| Taxes receivable, delinquent | 317 | 317 | - |
| Due from other funds | - | - | 2,425,000 |
| Due from other governmental units | 130,623 | 41,737,700 | 8,460,379 |
| Inventories | - | 21,023,739 | 648,089 |
| Prepaid items and other current assets | 15,000 | 2,751,060 | 1,154,076 |
| Total unrestricted current assets | <u>125,294,576</u> | <u>1,215,455,965</u> | <u>234,694,079</u> |
| Restricted current assets: | | | |
| Cash and cash equivalents: | | | |
| In custody of the County Treasurer | 1,915,982 | 453,729,892 | - |
| With fiscal agent | - | 490,112,719 | - |
| Investments in custody of other officials | - | 92,290,588 | - |
| Loaned securities | 558,698 | 176,845,132 | - |
| Accounts receivable | 59,936 | 417,249,024 | - |
| Interest receivable | 15,832 | 5,471,215 | - |
| Due from other governmental units | 59,926 | 59,926 | - |
| Prepaid items and other current assets | - | 1,549,032 | - |
| Total restricted current assets | <u>2,610,374</u> | <u>1,637,307,528</u> | <u>-</u> |
| Total current assets | <u>127,904,950</u> | <u>2,852,763,493</u> | <u>234,694,079</u> |
| Noncurrent assets: | | | |
| Accounts receivable, restricted | - | 430,965,000 | - |
| Deferred charges and other assets | - | 72,385,544 | - |
| Capital assets: | | | |
| Property and equipment | 82,453,152 | 6,696,243,174 | 29,517,916 |
| Accumulated depreciation | (25,632,291) | (1,813,181,989) | (24,858,308) |
| Total capital assets, net of accumulated depreciation | <u>56,820,861</u> | <u>4,883,061,185</u> | <u>4,659,608</u> |
| Total noncurrent assets | <u>56,820,861</u> | <u>5,386,411,729</u> | <u>4,659,608</u> |
| Total assets | <u>184,725,811</u> | <u>8,239,175,222</u> | <u>239,353,687</u> |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2006
(Continued)

| | Business-Type - Enterprise Funds | | Governmental |
|---|----------------------------------|------------------------|-------------------------------------|
| | Other Enterprise Funds | Total Enterprise Funds | Activities - Internal Service Funds |
| LIABILITIES | | | |
| Current liabilities (payable from current assets): | | | |
| Current maturities of long-term debt | \$ 1,595,144 | \$ 8,352,602 | \$ - |
| Accounts payable | 3,617,235 | 229,851,687 | 84,863,174 |
| Accrued expenses | 6,095,498 | 70,360,436 | 3,104,701 |
| Due to other funds | - | - | 2,425,000 |
| Loaned securities | 27,918,649 | 43,680,884 | 46,920,398 |
| Deferred revenue | 300,297 | 39,544,855 | - |
| Deposits and other current liabilities | 50,791 | 25,839,620 | 2,500 |
| Total current liabilities (payable from current assets) | 39,577,614 | 417,630,084 | 137,315,773 |
| Current liabilities (payable from restricted assets): | | | |
| Current maturities of long-term debt | - | 473,860,400 | - |
| Accounts payable | - | 30,668,815 | - |
| Accrued expenses | - | 55,286,837 | - |
| Customer deposits | - | 6,431,549 | - |
| Loaned securities | 558,698 | 176,845,132 | - |
| Total current liabilities (payable from restricted assets) | 558,698 | 743,092,733 | - |
| Total current liabilities | 40,136,312 | 1,160,722,817 | 137,315,773 |
| Noncurrent liabilities: | | | |
| Long-term debt, less current maturities | 8,366,359 | 3,191,502,003 | - |
| Deferred revenue and other non-current liabilities | - | 60,839,958 | - |
| Total noncurrent liabilities | 8,366,359 | 3,252,341,961 | - |
| Total Liabilities | 48,502,671 | 4,413,064,778 | 137,315,773 |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 46,859,358 | 2,211,595,146 | 4,659,608 |
| Restricted for: | | | |
| Capital projects | 2,051,676 | 389,449,015 | - |
| Debt service | - | 393,498,948 | - |
| Unrestricted | 87,312,106 | 831,567,335 | 97,378,306 |
| Total Net Assets | \$ 136,223,140 | \$ 3,826,110,444 | \$ 102,037,914 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | |
| Net assets of business-type of activities | | (1,819,405) | |
| | | \$ 3,824,291,039 | |

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, 2006
(Continued)

| | 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 | - | 96,456,509 | - | - |
| Water sales and related water fees | - | - | 439,418,769 | - |
| Services to patients | 454,445,237 | - | - | - |
| Landing and other airport fees | - | - | - | 34,111,585 |
| Building and land rental | - | - | - | 103,170,878 |
| Concession fees | - | - | - | 149,371,346 |
| Constable fees | - | - | - | - |
| Building fees and permits | - | - | - | - |
| Recreation fees | - | - | - | - |
| Parking fees | - | - | - | - |
| Insurance | - | - | - | - |
| Other | - | - | - | - |
| Other operating revenues | 19,425,644 | - | 9,729,698 | 4,325,215 |
| Total operating revenues | <u>473,870,881</u> | <u>96,456,509</u> | <u>449,148,467</u> | <u>290,979,024</u> |
| Operating expenses: | | | | |
| Salaries and benefits | - | 20,806,006 | - | 67,127,722 |
| General and administrative | 117,204,444 | - | 144,926,640 | 7,639,965 |
| Other professional services | 377,437,189 | 4,334,668 | - | - |
| Operating and maintenance | - | 20,415,903 | 273,897,751 | 82,209,112 |
| Depreciation | 13,524,773 | 36,086,997 | 57,838,741 | 70,853,419 |
| Total operating expenses | <u>508,166,406</u> | <u>81,643,574</u> | <u>476,663,132</u> | <u>227,830,218</u> |
| Operating income (loss) | <u>(34,295,525)</u> | <u>14,812,935</u> | <u>(27,514,665)</u> | <u>63,148,806</u> |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
For the fiscal year ended June 30, 2006
(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 | \$ 3,077,962 | \$ 12,036,965 | \$ 3,167,368 | \$ 36,128,924 |
| Interest expense | (2,989,105) | (2,168,339) | (23,537,538) | (113,460,740) |
| Gain (loss) on sale or abandonment of property and equipment | - | - | (391,099) | - |
| Consolidated tax | - | - | - | - |
| Sales and use tax | - | 15,887,079 | - | - |
| Contributions from other governmental units | 13,500,000 | - | - | - |
| Other | 414,263 | (435,350) | 280,767 | 112,919,119 |
| Total nonoperating revenues (expenses) | <u>14,003,120</u> | <u>25,320,355</u> | <u>(20,480,502)</u> | <u>35,587,303</u> |
| Income (loss) before contributions and transfers | (20,292,405) | 40,133,290 | (47,995,167) | 98,736,109 |
| Capital contributions | 43,231 | 68,205,424 | 101,278,879 | 116,186,648 |
| Transfers from other funds | - | - | - | - |
| Transfers to other funds | - | - | - | - |
| Change in net assets | <u>(20,249,174)</u> | <u>108,338,714</u> | <u>53,283,712</u> | <u>214,922,757</u> |
| Net assets: | | | | |
| Beginning of year | 151,826,179 | 1,061,122,955 | 1,061,556,774 | 1,059,085,387 |
| End of year | <u>\$ 131,577,005</u> | <u>\$ 1,169,461,669</u> | <u>\$ 1,114,840,486</u> | <u>\$ 1,274,008,144</u> |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
For the year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|------------------------------------|--|---------------------------|---------------------------|---|
| | Other Enterprise Funds | Total Enterprise Funds | Total Enterprise Funds | |
| Operating revenues: | | | | |
| Licenses and permits: | | | | |
| New development fees | \$ 278,372 | 278,372 | \$ - | - |
| Charges for services: | | | | |
| Sewer services and operations | - | 96,456,509 | - | - |
| Water sales and related water fees | 4,097,659 | 443,516,428 | - | - |
| Services to patients | - | 454,445,237 | - | - |
| Landing and other airport fees | - | 34,111,585 | - | - |
| Building and land rental | - | 103,170,878 | - | - |
| Concession fees | - | 149,371,346 | - | - |
| Constable fees | 2,869,935 | 2,869,935 | - | - |
| Building fees and permits | 57,957,595 | 57,957,595 | - | - |
| Recreation fees | 8,093,931 | 8,093,931 | - | - |
| Parking fees | 564,902 | 564,902 | - | - |
| Insurance | - | - | 101,185,179 | - |
| Other | - | - | 23,636,196 | - |
| Other operating revenues | 593,579 | 34,074,136 | 5,814,402 | - |
| Total operating revenues | <u>74,455,973</u> | <u>1,384,910,854</u> | <u>130,635,777</u> | <u>17,965,306</u> |
| Operating expenses: | | | | |
| Salaries and benefits | 39,417,725 | 127,351,453 | - | - |
| General and administrative | - | 269,771,049 | - | - |
| Other professional services | - | 381,771,857 | - | - |
| Operating and maintenance | 15,728,449 | 392,251,215 | 118,722,236 | - |
| Depreciation | 2,924,719 | 181,228,649 | 1,653,209 | - |
| Total operating expenses | <u>58,070,893</u> | <u>1,352,374,223</u> | <u>138,340,751</u> | <u>17,965,306</u> |
| Operating income (loss) | <u>16,385,080</u> | <u>32,536,631</u> | <u>(7,704,974)</u> | <u>17,965,306</u> |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
For the year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | Governmental Activities - Internal Service Funds |
|--|--|---------------------------|---|
| | Other Enterprise Funds | Total Enterprise Funds | Funds |
| Nonoperating revenues (expenses): | | | |
| Interest income | \$ 4,031,175 | \$ 58,442,394 | \$ 7,645,516 |
| Interest expense | (1,695,331) | (143,851,053) | (2,112,435) |
| Gain (loss) on sale or abandonment of property and equipment | 225,376 | (165,723) | 195,129 |
| Consolidated tax | 81,974 | 81,974 | - |
| Sales and use tax | 399,086 | 16,286,165 | - |
| Contributions from other governmental units | - | 13,500,000 | - |
| Other | 837,681 | 114,016,480 | 130,654 |
| Total nonoperating revenues (expenses) | 3,879,961 | 58,310,237 | 5,858,864 |
| Income (loss) before contributions and transfers | 20,265,041 | 90,846,868 | (1,846,110) |
| Capital contributions | - | 285,714,182 | - |
| Transfers from other funds | 1,700,000 | 1,700,000 | 10,986,303 |
| Transfers to other funds | - | - | (1,000,000) |
| Change in net assets | 21,965,041 | 378,261,050 | 8,140,193 |
| Net assets: | | | |
| Beginning of year | 114,258,099 | | 93,897,721 |
| End of year | \$ 136,223,140 | | \$ 102,037,914 |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | (5,019,040) | |
| Change in net assets of business-type activities | | \$ 373,242,010 | |

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, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | |
|--|---|----------------------------------|------------------------------------|---------------------------|
| | University Medical Center | Water Reclamation District | Las Vegas Valley Water District | Department of Aviation |
| Cash flows from operating activities: | | | | |
| Cash received from customers | \$ 447,606,646 | \$ 96,456,509 | \$ 438,120,900 | \$ 287,342,417 |
| Cash paid for employees and for benefits | (279,455,318) | (20,806,006) | (88,158,610) | (69,208,295) |
| Cash paid for services and supplies | (188,504,949) | (30,763,277) | (243,370,712) | (81,909,528) |
| Other operating receipts | 19,425,644 | - | 297,463 | - |
| Net cash provided (used) by operating activities | (927,977) | 44,887,226 | 106,889,041 | 136,224,594 |
| 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 | - | - | - | - |
| Transfers to other funds | - | - | - | - |
| Contributions from other governmental units | 13,500,000 | - | - | - |
| Other nonoperating revenues (expenses) | - | - | - | - |
| Net cash provided (used) by non-capital financing activities | 13,500,000 | - | - | - |
| Cash flows from capital and related financing activities: | | | | |
| Cash provided by contributed capital | - | 53,694,207 | 52,203,741 | - |
| Bonds and loans issued | 47,990,929 | - | 155,566,310 | 547,916,935 |
| Federal and state grants | - | - | - | 57,881,001 |
| Cash used for bond issue costs | - | - | (244,584) | (5,552,954) |
| Acquisition, construction, or improvement of capital assets | (25,635,654) | (78,712,041) | (190,143,927) | (354,593,621) |
| | (Continued) | | | |

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|-------------------------|------------------------------------|------------------|
| | Water | | | Department of |
| | University Medical Center | Reclamation District | Las Vegas Valley Water District | Aviation |
| Cash used for debt service: | | | | |
| Principal | \$ (2,045,747) | \$ (6,585,000) | \$ (19,975,000) | \$ (130,203,607) |
| Interest | (2,873,988) | (2,226,730) | (27,500,149) | (110,570,899) |
| Payments to bond refunding agent | (51,425,000) | - | - | (251,004,449) |
| Proceeds from the sale of capital assets | - | - | 214,398 | 45,586 |
| Proceeds from customer assessments | - | - | - | 118,767,041 |
| Sales tax apportionment | - | 14,890,305 | - | - |
| Cash provided (used) by other capital Net cash used by capital and related financing activities | 414,263 | - | (5,776,484) | - |
| Cash flows from investing activities: | (33,575,197) | (18,939,259) | (35,655,695) | (127,314,967) |
| Transfer to joint venture | - | (3,496,276) | - | - |
| Purchase of investments | - | (47,900,048) | (10,484,432,994) | - |
| Proceeds from maturities of investments | - | 10,000,000 | 10,409,922,651 | 323,584,031 |
| Interest income | 3,077,962 | 10,311,299 | 2,801,045 | 39,624,510 |
| Net cash provided (used) by investing activities | 3,077,962 | (31,085,025) | (71,709,298) | 363,208,541 |
| Net increase (decrease) in cash and cash equivalents | (17,925,212) | (5,137,058) | (475,952) | 372,118,168 |
| Cash and cash equivalents: | | | | |
| Beginning of year | 67,736,155 | 12,498,803 | 7,328,266 | 730,481,395 |
| End of year: | | | | |
| Unrestricted | 3,695,506 | 2,397,091 | 6,852,314 | 211,753,025 |
| Restricted | 46,115,437 | 4,964,654 | - | 890,846,538 |
| Total cash and cash equivalents at end of year | \$ 49,810,943 | \$ 7,361,745 | \$ 6,852,314 | \$ 1,102,599,563 |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | |
|---|---|----------------------------------|------------------------------------|---------------------------|
| | University Medical Center | Water Reclamation District | Las Vegas Valley Water District | Department of Aviation |
| | \$ (34,295,525) | \$ 14,812,935 | \$ (27,514,665) | \$ 63,148,806 |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | |
| Operating income (loss) | 13,524,773 | 36,086,997 | 57,838,741 | 70,853,419 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | 48,457,008 | - | - | - |
| Depreciation | (55,295,599) | (6,519,970) | 2,474,948 | (1,806,474) |
| 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 | (1,268,288) | (397,046) | 56,989,883 | (340,465) |
| (Increase) decrease in prepaid expense | - | 73,045 | (846,610) | (648,750) |
| (Increase) decrease in other assets | 4,226,687 | - | - | - |
| Increase (decrease) in accounts payable | 18,056,409 | 260,422 | - | 8,928,763 |
| Increase (decrease) in accrued payroll | - | - | 25,482,928 | (2,080,571) |
| Increase (decrease) in other non-current liabilities | (969,878) | 570,843 | 4,336,990 | - |
| Increase (decrease) in due to other funds | - | - | - | - |
| Increase (decrease) in deferred revenue | - | - | (11,984,974) | (1,830,134) |
| Increase (decrease) in deposits and other current liabilities | - | - | - | - |
| Net cash provided (used) by operating activities | 6,636,436 | 111,800 | - | - |
| | \$ (927,977) | \$ 44,887,226 | \$ 106,889,041 | \$ 136,224,594 |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2006
(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 | \$ - | \$ 14,511,217 | \$ 49,075,138 | \$ - |
| Property, plant and equipment purchased on account | - | 19,678,214 | - | - |
| Change in fair value of investments | - | (407,699) | (287,042) | - |
| Bond issuance costs deducted from bond proceeds | - | - | 1,386,782 | - |
| Debt issued on behalf of related party | - | - | 100,000,000 | - |
| Reduction of debt issued on behalf of related party | - | - | (11,035,000) | - |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | |
|--|--|---------------------------|---|
| | Other Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
| Cash flows from operating activities: | | | |
| Cash received from customers | \$ 75,372,480 | \$ 1,344,898,952 | \$ 121,252,955 |
| Cash paid for employees and for benefits | (38,601,069) | (496,229,298) | (17,229,122) |
| Cash paid for services and supplies | (15,695,822) | (560,244,288) | (119,645,406) |
| Other operating receipts | 593,579 | 20,316,686 | 5,814,402 |
| Net cash provided (used) by operating activities | 21,669,168 | 308,742,052 | (9,807,171) |
| Cash flows from noncapital financing activities: | | | |
| Cash provided by property taxes | 13,327 | 13,327 | - |
| Cash provided by consolidated taxes and sales and use taxes | 481,060 | 481,060 | - |
| Proceeds from interfund loan | - | 20,000,000 | - |
| Repayment of interfund loan | - | (20,000,000) | - |
| Federal and state grants | 169,675 | 169,675 | - |
| Transfers from other funds | 1,700,000 | 1,700,000 | 10,986,303 |
| Transfers to other funds | - | - | (1,000,000) |
| Contributions from other governmental units | - | 13,500,000 | - |
| Other nonoperating revenues (expenses) | 654,990 | 654,990 | 130,654 |
| Net cash provided (used) by non-capital financing activities | 3,019,052 | 16,519,052 | 10,116,957 |
| Cash flows from capital and related financing activities: | | | |
| Cash provided by contributed capital | - | 105,897,948 | - |
| Bonds and loans issued | - | 751,474,174 | - |
| Federal and state grants | - | 57,881,001 | - |
| Cash used for bond issue costs | - | (5,797,538) | - |
| Acquisition, construction, or improvement of capital assets | (2,746,023) | (651,831,266) | (442,876) |

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|--|---------------------------|---------------------------|---|
| | Other Enterprise Funds | Total Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
| Cash used for debt service: | | | | |
| Principal | \$ (1,138,817) | \$ (159,948,171) | | \$ - |
| Interest | (579,929) | (143,751,695) | | - |
| Payments to bond refunding agent | - | (302,429,449) | | - |
| Proceeds from the sale of capital assets | 14,998 | 274,982 | | 253,298 |
| Proceeds from customer assessments | - | 118,767,041 | | - |
| Sales tax apportionment | - | 14,890,305 | | - |
| Cash provided (used) by other capital Net cash used by capital and related financing activities | - | (5,362,221) | | - |
| Cash flows from investing activities: | (4,449,771) | (219,934,889) | | (189,578) |
| Transfer to joint venture | - | (3,496,276) | | - |
| Purchase of investments | - | (10,532,333,042) | | - |
| Proceeds from maturities of investments | - | 10,743,506,682 | | - |
| Interest income | 2,576,358 | 58,391,174 | | 5,226,471 |
| Net cash provided (used) by investing activities | 2,576,358 | 266,068,538 | | 5,226,471 |
| Net increase (decrease) in cash and cash equivalents | 22,814,807 | 371,394,753 | | 5,346,679 |
| Cash and cash equivalents: | | | | |
| Beginning of year | 75,059,015 | 893,103,634 | | 163,072,020 |
| End of year: | | | | |
| Unrestricted | 95,957,840 | 320,655,776 | | 168,418,699 |
| Restricted | 1,915,982 | 943,842,611 | | - |
| Total cash and cash equivalents at end of year | \$ 97,873,822 | \$ 1,264,498,387 | | \$ 168,418,699 |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2006
(Continued)

| | Business-Type Activities - Enterprise Funds | | | Governmental Activities - Internal Service Funds |
|---|--|---------------------------|---------------------------|---|
| | Other Enterprise Funds | Total Enterprise Funds | Total Enterprise Funds | Governmental Activities - Internal Service Funds |
| Reconciliation of operating income (loss) to net cash flows from operating activities: | | | | |
| Operating income (loss) | \$ 16,385,080 | \$ 32,536,631 | \$ 32,536,631 | \$ (7,704,974) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | |
| Depreciation | 2,924,719 | \$ 181,228,649 | 1,653,209 | - |
| Provision for doubtful accounts | - | 48,457,008 | - | - |
| (Increase) decrease in accounts receivable | (223,868) | (61,370,963) | (1,905,957) | 5,354,790 |
| (Increase) decrease in due from other funds | 582,933 | 582,933 | - | - |
| (Increase) decrease in due from other governmental units | (116,630) | (116,630) | (7,008,427) | - |
| (Increase) decrease in inventory | 1,264,441 | 56,248,525 | (113,172) | - |
| (Increase) decrease in prepaid expense | - | (1,422,315) | (136,511) | - |
| (Increase) decrease in other assets | - | 4,226,687 | - | - |
| Increase (decrease) in accounts payable | 1,889,383 | 29,134,977 | 2,220,575 | 736,184 |
| Increase (decrease) in accrued payroll | 802,287 | 24,204,644 | - | - |
| Increase (decrease) in other non-current liabilities | - | 3,937,955 | - | - |
| Increase (decrease) in due to other funds | (1,842,387) | (1,842,387) | (2,894,062) | - |
| Increase (decrease) in deferred revenue | (679) | (13,815,787) | (8,826) | - |
| Increase (decrease) in deposits and other current liabilities | 3,889 | 6,752,125 | - | - |
| Net cash provided (used) by operating activities | \$ 21,669,168 | \$ 308,742,052 | \$ 308,742,052 | \$ (9,807,171) |

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2006
(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 | \$ | - | \$ 63,586,355 | - |
| Property, plant and equipment purchased on account | - | - | 19,678,214 | - |
| Change in fair value of investments | - | - | (694,741) | - |
| Bond issuance costs deducted from bond proceeds | - | - | 1,386,782 | - |
| Debt issued on behalf of related party | - | - | 100,000,000 | - |
| Reduction of debt issued on behalf of related party | - | - | (11,035,000) | - |

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

Clark County, Nevada
Fiduciary Funds
Statement of Net Assets
June 30, 2006

| | Employee Benefit and Pension Funds | Agency Funds |
|--|--|----------------|
| ASSETS | | |
| Cash and investments: | | |
| In custody of the County Treasurer | \$ 2,111,363 | \$ 164,558,424 |
| In custody of other officials | - | 54,831,212 |
| With fiscal agent | 97,685,485 | - |
| Loaned securities | 612,059 | 47,713,540 |
| Accounts receivable | 51,185 | 1,058,662 |
| Interest receivable | 17,344 | 1,352,045 |
| Taxes receivable, delinquent | - | 11,637,771 |
| Due from other governmental units | - | 709,774 |
| | 100,477,436 | 281,861,428 |
| LIABILITIES | | |
| Loaned securities | 612,059 | 47,713,540 |
| Amounts held for others | - | 234,147,888 |
| | 612,059 | 281,861,428 |
| NET ASSETS | | |
| Held in trust for pension benefits and other purposes | \$ 99,865,377 | \$ - |

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, 2006

| | Employee Benefit and Pension Funds |
|--|--|
| ADDITIONS | |
| Contributions: | |
| Contributions from employer | \$ 18,913,372 |
| Contributions from employees | 1,681,125 |
| Total contributions | <u>20,594,497</u> |
| Investment earnings: | |
| Interest | 1,299,023 |
| Net increase in fair value of investments | 3,050,129 |
| Total investment earnings | 4,349,152 |
| Less investment expense | (54,755) |
| Net investment earnings | <u>4,294,397</u> |
| Total additions | <u>24,888,894</u> |
| DEDUCTIONS | |
| General and administrative Benefit payments | 197,520 |
| | <u>11,894,559</u> |
| Total deductions | <u>12,092,079</u> |
| Change in net assets | 12,796,815 |
| NET ASSETS | |
| Beginning of year | <u>87,068,562</u> |
| End of year | <u>\$ 99,865,377</u> |

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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 Clark County Regional Flood Control District (Flood Control District). The RTC and the Flood Control District are governed by two members of the Board of County Commissioners, two members of the City of Las Vegas Council; and one member from the city council of every other incorporated city in Clark County. The County is financially accountable for RTC and the Flood Control District, and exclusion of these units would render the financial statements of the County incomplete.

Separately issued financial statements for the component units 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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Reporting Entity (Continued)

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.

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.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Government-Wide Financial Statements (Continued)

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.

The Las Vegas Metropolitan Police Department Fund accounts for the operation of a police department serving the citizens of unincorporated Clark County and the City of Las Vegas.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

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 Water Reclamation District and Water District, the County pools the cash of its individual funds for investment purposes. Each fund in the pool records its own interest earnings. At year end, all the investments in the pool are adjusted to fair value, regardless of the length of time remaining to maturity. The proportionate share of each fund's unrealized gain or loss at year end is adjusted against the interest earnings of the individual funds. The Water Reclamation District and Water District also adjust

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Investments (Continued)

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 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, 2006

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 to the current year presentation.

Use of Estimates

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Net Assets

Funds that had deficit net assets at June 30, 2006, are as follows:

| | <u>Amount of Deficit</u> |
|--|------------------------------|
| Internal Service Funds: | |
| LVMPD Self-Funded Insurance | \$ (475,666) |
| LVMPD Self-Funded Industrial Insurance | (3,292,516) |

The County and the City of Las Vegas fund the Las Vegas Metropolitan Police Department (LVMPD) jointly. The County's funding portion is 60.6 percent 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, 2006, the Revenue Stabilization Debt Service Fund expenditures exceeded appropriations by \$306,487 due to an adjustment for securities lending expenses. The Medical Assistance to Indigent Persons Special Revenue Fund expenditures exceeded appropriations by \$234,044 due to an adjustment to for securities lending expenses. The Clark County Fire Service District Debt Service Fund expenditures exceeded appropriations by \$16,561 due to an adjustment for securities lending expenses. Police Sales Tax Distribution Fund expenditures exceeded appropriations by \$38,456 due to adjustment for securities lending expenses. The Special Ad Valorem Distribution Special Revenue Fund exceeded appropriations by \$168,452 due to an adjustment to expenditures for securities lending expense. The Medium-Term Financing Debt Service Fund exceeded appropriations by \$29,596 due to an adjustment to expenditures for securities lending expense. The Special Assessment Surplus and Deficiency Debt Service Fund exceeded appropriations by \$14,976 due to an adjustment to expenditures for securities lending expense. The LVMPD Shared State Forfeitures Fund expenditures and transfers exceeded appropriations by \$353,919. In the 2006 budget, securities lending expenditures were netted against revenue. 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, 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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Deposits (Continued)

totaling 102 percent of the deposits with each financial institution. The County has a written agreement with the State Treasurer for monitoring the collateral maintained by the County's depository institutions.

All deposits are subject to credit risk. Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations. At year end, the bank balance of deposits held in custody of the County Treasurer was \$22,847,206 and the carrying amount was (\$15,241,262). 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 \$21,294,241 and the carrying amount was \$18,483,144. The bank balance and the carrying value of deposits with fiscal agent was \$3,115,852.

At June 30, 2006, 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) | | |
|--|-------------|-------------|
| | | Fair Value |
| Investments | \$4,499,387 | |
| Loaned securities | 934,811 | 5,434,198 |
| Cash | | 6,358 |
| Water District Pension | | 97,613 |
| Grand total | | \$5,538,169 |

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.

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

State statutes authorize the County to invest in the following: Obligations of the U.S. Treasury and U.S. agencies not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada; negotiable certificates of deposit insured by commercial banks, credit unions or savings and loan associations; nonnegotiable certificates of deposit issued by insured commercial banks, credit unions or savings and loan associations, except certificates that are not within limits of insurance provided by the Federal Deposit Insurance Corporation, unless those certificates are collateralized as is required for uninsured deposits; bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180 days maturity and 20 percent of total investments; obligations of state and local governments if the interest on the obligation is tax exempt and 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 are collateralized at 102 percent and are executed with a primary dealer, not to exceed 90 days maturity. State Statutes require the County to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are a group of dealers that submit daily reports of market positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2006, the fair value of Countywide investments and securities lending were categorized by maturity as follows:

Investments with Securities Lending – All Entities Combined
(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 3</u> | <u>3 to 5</u> | <u>5 to 10</u> |
| Debt Securities: | | | | | |
| U.S. Treasuries | \$ 632,451 | \$ 137,897 | \$ 240,748 | \$ 193,355 | \$ 60,451 |
| U.S. Agencies | 2,631,988 | 735,256 | 1,524,326 | 297,524 | 74,882 |
| Corporate Obligations | 176,463 | 139,447 | 37,016 | - | - |
| Money Market Funds | 430,864 | 430,864 | - | - | - |
| Commercial Paper | 447,873 | 447,873 | - | - | - |
| State Investment Pool | 99,899 | 99,899 | - | - | - |
| Collateralized Investment Agreements* | 256,313 | 256,313 | - | - | - |
| Repurchase Agreements | 691,364 | 691,364 | - | - | - |
| Asset Backed Securities | <u>66,983</u> | <u>-</u> | <u>66,983</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$5,434,198</u> | <u>\$2,938,913</u> | <u>\$1,869,073</u> | <u>\$ 490,879</u> | <u>\$ 135,333</u> |

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

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

At June 30, 2006, 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 | \$57,896,549 | 59.31% |
| Equities | <u>39,716,832</u> | <u>40.69</u> |
| Total | <u>\$97,613,381</u> | <u>100.00%</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

| <u>Investment</u> | <u>Maturities</u> | <u>Carrying Value</u> |
|--|-----------------------------|-----------------------|
| Alliance Capital, Domestic Equity Fund | N/A | \$39,716,833 |
| Mellon Bank, Domestic Bond Fund | Weighted Average 6.66 years | 34,806,256 |
| Nevada State Bank, Money Market Fund | Weighted Average 10 days | 55,762 |
| Union Central Life Insurance Co. Contract | Open | 1,478,593 |
| N.Y. Life Insurance Co. Contract | Open | 5,058,849 |
| N.Y. Life Insurance Co. Contract | 09/04/07 | 4,382,014 |
| N.Y. Life Insurance Co. Contract | 09/04/07 | 4,219,690 |
| N.Y. Life Insurance Co. Contract | 10/01/07 | <u>7,895,384</u> |
| Total | | <u>\$97,613,381</u> |

At June 30, 2006, the fair value of Countywide investments and securities lending were categorized by quality rating as follows:

Investments with Securities Lending – All Entities Combines
(Expressed in Thousands)

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Quality Ratings by Standard & Poor'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 | \$ 632,451 | \$ 632,451 | \$ - | \$ - | \$ - | \$ - |
| U.S. Agencies | 2,631,988 | 2,631,988 | - | - | - | - |
| Corporate Obligations | 176,463 | - | - | 61,123 | 115,340 | - |
| Money Market Funds | 430,864 | 430,864 | - | - | - | - |
| Commercial Paper | 447,873 | - | - | - | 447,873 | - |
| State Investment Pool | 99,899 | - | - | - | - | 99,899 |
| Collateralized Investment Agreements* | 256,313 | - | - | 156,054 | - | 100,259 |
| Repurchase Agreements | 691,364 | - | - | - | - | 691,364 |
| Asset Backed Securities | <u>66,983</u> | <u>66,983</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>\$5,434,198</u> | <u>\$3,762,286</u> | <u>\$ -</u> | <u>\$217,177</u> | <u>\$563,213</u> | <u>\$891,522</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, 2006

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>06/30/06</u> |
|--------------------|---------|-----------------|
| Domestic Bond Fund | AA1/AA2 | 60.12% |
| Money Market Fund | AAA/Aaa | 00.10 |
| Contracts | N/A | 39.78 |

The managing institution of the Domestic Bond Fund reports an overall rating of AA1/AA2 at June 30, 2006, for the underlying securities. The fund is benchmarked off the Lehman Aggregate Bond Index. Lehman interpolates the ratings by the three major credit rating agencies, which the bank adjusts for market value weight. The resulting ratings correspond to Moody's rating alpha codes. The AAA/Aaa ratings for the Money Market Fund were by Standard & Poor's and Moody's.

The amounts above include investment balances for the RTC and the Flood Control District of \$300,403,583 and \$258,039,633, 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.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity (Continued)

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

Terms Table of Interest Rate Sensitive Securities

| <u>CUSIP</u> | <u>Fair Value</u> | <u>Maturity Date</u> | <u>Call Frequency</u> | <u>Index</u> | <u>Coupon</u> |
|--------------|-------------------|----------------------|-----------------------|--------------|---------------|
| 3133XD2U4 | \$ 49,562,500 | 03/19/07 | One time | N/A | Fixed |
| 3128X4B91 | 49,574,500 | 08/14/07 | One time | N/A | Fixed |
| 31359MZK2 | 49,578,125 | 11/28/07 | One time | N/A | Fixed |
| 3136F7SV0 | 49,484,375 | 08/15/08 | Quarterly | N/A | Fixed |
| 31359MUB7 | 24,265,625 | 02/17/09 | N/A | CPI | Floating |
| 3133X65D4 | 25,124,250 | 04/28/09 | Semiannually | 3 Mo. LIBOR | Floating |
| 3133X5JF6 | 25,179,000 | 10/08/09 | Quarterly | 3 Mo. LIBOR | Floating |
| 3133X8N81 | 25,000,000 | 09/30/11 | Quarterly | 3 Mo. LIBOR | Floating |
| 3133X9BE9 | 25,371,250 | 11/17/11 | Quarterly | 3 Mo. LIBOR | Floating |
| 3133XBEP6 | 24,835,938 | 04/11/08 | Semiannually | N/A | Step-up |
| 3133XBWY7 | 49,609,375 | 06/09/08 | Semiannually | N/A | Step-up |
| 3128X4DR9 | 49,601,000 | 07/11/08 | Semiannually | N/A | Step-up |
| 3128X4EQ0 | 49,358,000 | 07/25/08 | Semiannually | N/A | Step-up |
| 3133XCTJ2 | 49,718,750 | 08/27/08 | Semiannually | N/A | Step-up |
| 3128X4HR5 | 49,869,000 | 09/02/08 | Semiannually | N/A | Step-up |
| 3133XCZK2 | 49,453,125 | 09/08/08 | Semiannually | N/A | Step-up |
| 3128X4KN0 | 49,400,500 | 09/30/08 | Semiannually | N/A | Step-up |
| 3136F5JM4 | 24,117,188 | 03/23/09 | N/A | N/A | Step-up |
| 3133X8NW8 | 24,429,688 | 09/29/09 | Semiannually | N/A | Step-up |
| 3128X3G23 | 24,464,500 | 11/09/09 | One time | N/A | Step-up |
| 3136F6JQ3 | 24,562,500 | 11/09/09 | Semiannually | N/A | Step-up |
| 3133X9T26 | 24,789,063 | 12/17/09 | Quarterly | N/A | Step-up |
| 3136F6RP6 | 24,437,500 | 12/28/09 | Semiannually | N/A | Step-up |
| 3133XB3D5 | 24,609,375 | 03/23/10 | Semiannually | N/A | Step-up |
| 3133XAZE0 | 24,695,313 | 03/24/10 | Quarterly | N/A | Step-up |
| 3128X3X99 | 24,510,500 | 12/29/11 | Semiannually | 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,

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Credit Risk (Continued)

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.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The County’s investment policy limits the amount that may be invested in obligations of any one issuer, except direct obligations of the U.S. government or federal agencies, to no more than 5 percent of the Clark County investment pool.

At June 30, 2006, the following investments exceeded 5 percent of the total cash, investments, and loaned securities collateral for all entities combined.

| | |
|--|--------|
| Federal Home Loan Banks (FHLB) | 28.82% |
| Federal Home Loan Mortgage Corporation (FHLMC) | 15.20 |
| Federal National Mortgage Association (FNMA) | 13.21 |
| Federated Money Market Funds | 7.30 |

Securities Lending

Nevada Revised Statute (NRS) 355.178 authorizes the County to participate in securities lending transactions, where the County’s securities are loaned to broker/dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. The County’s securities lending agent administers the securities lending program and receives cash or other securities equal to at least 102 percent of the fair value of the loaned securities plus accrued interest as collateral for securities of the type on loan at year end. The collateral for the loans is maintained at 102 percent, and the value of the securities borrowed is determined on a daily basis.

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

The County 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.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Securities Lending (Continued)

The fair value of the securities on loan at June 30, 2006, was \$917,565,148. At June 30, 2006, the County had collateral with a fair value totaling \$934,810,544, 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.

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, \$934,810,544 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, 2006:

| <u>General Fund</u> | <u>Special Revenue Funds</u> | <u>Debt Service Funds</u> | <u>Non-Major Enterprise Funds</u> | <u>Total</u> |
|-------------------------|----------------------------------|-------------------------------|---------------------------------------|--------------|
| \$4,009,894 | \$2,298,346 | \$141,279 | \$297 | \$6,449,816 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2006, 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 | \$45,063,267 | \$(21,593,938) | \$23,469,329 |
| Las Vegas Metropolitan Police | 1,227,986 | - | 1,227,986 |
| Other governmental | 9,267,410 | - | 9,267,410 |
| Internal Service | <u>5,337,867</u> | <u>-</u> | <u>5,337,867</u> |
| Total governmental activities | <u>\$60,896,530</u> | <u>\$(21,593,938)</u> | <u>\$39,302,592</u> |
| Amounts not scheduled for collection during the subsequent year | <u>\$21,593,938</u> | | |
| Business-type activities: | | | |
| University Medical Center | \$215,205,353 | \$(36,454,000) | \$178,751,353 |
| Reclamation District | 15,629,024 | (169,469) | 15,459,555 |
| Water District | 44,577,395 | (580,050) | 43,997,345 |
| Department of Aviation | 15,661,953 | (581,992) | 15,079,961 |
| Other proprietary | <u>481,024</u> | <u>-</u> | <u>481,024</u> |
| Total business-type activities | <u>\$291,554,749</u> | <u>\$(37,785,511)</u> | <u>\$253,769,238</u> |
| Business-type activities restricted: | | | |
| Water District | \$848,154,088 | \$ - | \$848,154,088 |
| Other proprietary | <u>59,936</u> | <u>-</u> | <u>59,936</u> |
| Total business-type activities restricted | <u>\$848,214,024</u> | <u>\$ -</u> | <u>\$848,214,024</u> |
| Amounts not scheduled for collection during the subsequent year | <u>\$430,965,000</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>\$ 40,831,952</u> | <u>\$ -</u> | <u>\$ 40,831,952</u> |
|--|----------------------|-------------|----------------------|

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS

The following balances as of June 30, 2005, have been restated as a part of the implementation of infrastructure reporting required by GASB Statement 34.

| | <u>Balance</u> <u>July 1, 2005</u> | <u>Restatement</u> | <u>Restated</u> <u>Balance</u> <u>July 1, 2005</u> |
|--|---------------------------------------|----------------------|--|
| Governmental activities: | | | |
| Capital assets not being depreciated: | | | |
| Land | \$ 871,521,292 | \$ 201,199,493 | \$1,072,720,785 |
| Construction in Progress | <u>477,526,395</u> | <u>(135,331,249)</u> | <u>342,195,146</u> |
| Total capital assets not being depreciated | <u>\$1,349,047,687</u> | <u>\$ 65,868,244</u> | <u>\$1,414,915,931</u> |
| Capital assets being depreciated: | | | |
| Infrastructure | \$2,646,658,082 | \$ 325,363,768 | \$2,972,021,850 |
| Less accumulated depreciation for: | | | |
| Infrastructure | \$ 785,281,199 | \$ 73,957,244 | \$ 859,238,443 |

Capital asset activity for the year ended June 30, 2006, was as follows:

| | <u>Balance</u> <u>July 1, 2005</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2006</u> |
|--|---------------------------------------|--------------------|--------------------|--|
| <u>Primary Government</u> | | | | |
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$1,072,720,785 | \$ 53,906,733 | \$ - | \$1,126,627,518 |
| Construction in progress | <u>342,195,146</u> | <u>255,877,724</u> | <u>408,814,818</u> | <u>189,258,052</u> |
| Total capital assets not being depreciated | <u>1,414,915,931</u> | <u>309,784,457</u> | <u>408,814,818</u> | <u>1,315,885,570</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 586,499,426 | 211,174,616 | 46,529 | 797,627,513 |
| Improvements other than buildings | 192,203,448 | 20,243,201 | - | 212,446,649 |
| Equipment | 232,667,802 | 56,178,895 | 38,842,223 | 250,004,474 |
| Infrastructure | <u>2,972,021,850</u> | <u>318,989,189</u> | <u>10,975,865</u> | <u>3,280,035,174</u> |
| Total capital assets being depreciated | <u>3,983,392,526</u> | <u>606,585,901</u> | <u>49,864,617</u> | <u>4,540,113,810</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

| | <u>Balance</u> <u>July 1, 2005</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2006</u> |
|--|---------------------------------------|----------------------|----------------------|--|
| Governmental activities (Continued): | | | | |
| Less accumulated depreciation for: | | | | |
| Buildings | \$ 101,858,796 | \$ 13,112,128 | \$ 1,736 | \$ 114,969,188 |
| Improvements other than buildings | 55,705,412 | 8,602,995 | - | 64,308,407 |
| Equipment | 159,161,640 | 27,535,331 | 33,110,856 | 153,586,115 |
| Infrastructure | <u>859,238,443</u> | <u>114,468,379</u> | <u>-</u> | <u>973,706,822</u> |
| Total accumulated depreciation | <u>1,175,964,291</u> | <u>163,718,833</u> | <u>33,112,592</u> | <u>1,306,570,532</u> |
| Total capital assets being depreciated, net | <u>2,807,428,235</u> | <u>442,867,068</u> | <u>16,752,025</u> | <u>3,233,543,278</u> |
| Governmental activities capital assets, net | <u>\$4,222,344,166</u> | <u>\$752,651,525</u> | <u>\$425,566,843</u> | <u>\$4,549,428,848</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 608,406,076 | \$ 851,314 | \$ - | \$ 609,257,390 |
| Construction in progress | <u>656,725,756</u> | <u>570,113,013</u> | <u>133,577,774</u> | <u>1,093,260,995</u> |
| Total capital assets not being depreciated | <u>1,265,131,832</u> | <u>570,964,327</u> | <u>133,577,774</u> | <u>1,702,518,385</u> |
| Capital assets being depreciated: | | | | |
| Land improvements | 1,998,897,579 | 127,425,922 | 529,869 | 2,125,793,632 |
| Buildings and improvements | 2,003,286,446 | 26,519,275 | 629,199 | 2,029,176,522 |
| Equipment | <u>728,915,560</u> | <u>121,336,021</u> | <u>11,496,946</u> | <u>838,754,635</u> |
| Total capital assets being depreciated | <u>4,731,099,585</u> | <u>275,281,218</u> | <u>12,656,014</u> | <u>4,993,724,789</u> |
| Less accumulated depreciation for: | | | | |
| Land improvements | 597,694,059 | 57,631,226 | 178,872 | 655,146,413 |
| Buildings and improvements | 671,115,858 | 66,485,087 | 406,358 | 737,194,587 |
| Equipment | <u>367,871,290</u> | <u>57,112,336</u> | <u>4,142,637</u> | <u>420,840,989</u> |
| Total accumulated depreciation | <u>1,636,681,207</u> | <u>181,228,649</u> | <u>4,727,867</u> | <u>1,813,181,989</u> |
| Total capital assets being depreciated, net | <u>3,094,418,378</u> | <u>94,052,569</u> | <u>7,928,147</u> | <u>3,180,542,800</u> |
| Business-type activities capital assets, net | <u>\$4,359,550,210</u> | <u>\$665,016,896</u> | <u>\$141,505,921</u> | <u>\$4,883,061,185</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

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

Governmental activities:

| | |
|------------------------|---------------|
| General government | \$ 11,263,973 |
| Judicial | 6,678,878 |
| Public safety | 19,856,722 |
| Public works | 117,248,381 |
| Health | 271,003 |
| Welfare | 387,028 |
| Culture and recreation | 8,006,704 |
| Other | <u>6,144</u> |

Total depreciation expense – governmental activities \$163,718,833

Business-type activities:

| | |
|----------|------------------|
| Hospital | \$ 13,524,773 |
| Water | 57,838,741 |
| Airport | 70,853,419 |
| Sewer | 36,086,997 |
| Other | <u>2,924,719</u> |

Total depreciation expense – business-type activities \$181,228,649

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, 2006, were as follows:

| | <u>Spent to date</u> | <u>Remaining Commitment</u> |
|--|----------------------|---------------------------------|
| Governmental activities: | | |
| Buildings and improvements | \$ 40,275,658 | \$212,602,355 |
| Infrastructure: | | |
| Work in progress (flood structures) RFCD | 13,093,287 | 27,705,138 |
| Work in progress – Public Works | 29,836,199 | 586,245,825 |
| Work in progress – RTC Clark County projects | <u>106,052,908</u> | <u>121,410,763</u> |
| Total infrastructure | <u>148,982,394</u> | <u>735,361,726</u> |
| Total governmental activities | <u>\$189,258,052</u> | <u>\$947,964,081</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Construction Commitments (Continued)

| | <u>Spent to date</u> | <u>Remaining Commitment</u> |
|---------------------------|------------------------|---------------------------------|
| Business-type activities: | | |
| Hospital | \$ 37,442,415 | \$ 30,049,986 |
| Water | 222,405,056 | 190,785,118 |
| Airport | 687,447,220 | 2,700,000,000 |
| Sewer | <u>145,966,303</u> | <u>66,007,315</u> |
| Total | <u>\$1,093,260,994</u> | <u>\$2,986,842,419</u> |

Discretely Presented Component Units

Flood Control District

| | <u>Balance July 1, 2005</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance June 30, 2006</u> |
|--|---------------------------------|------------------|------------------|----------------------------------|
| Capital assets not being depreciated: | | | | |
| Construction in progress | \$ <u>97,409</u> | \$ <u>82,975</u> | \$ <u>53,513</u> | \$ <u>126,871</u> |
| Capital assets being depreciated: | | | | |
| Buildings | 2,994,689 | - | - | 2,994,689 |
| Equipment | <u>1,334,936</u> | <u>167,191</u> | <u>27,862</u> | <u>1,474,265</u> |
| Total capital assets being depreciated | <u>4,329,625</u> | <u>167,191</u> | <u>27,862</u> | <u>4,468,954</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 406,630 | 60,835 | - | 467,465 |
| Equipment | <u>1,108,916</u> | <u>100,024</u> | <u>24,218</u> | <u>1,184,722</u> |
| Total accumulated depreciation | <u>1,515,546</u> | <u>160,859</u> | <u>24,218</u> | <u>1,652,187</u> |
| Total capital assets being depreciated, net | <u>2,814,079</u> | <u>6,332</u> | <u>3,644</u> | <u>2,816,767</u> |
| Government activities capital assets, net | <u>\$2,911,488</u> | <u>\$ 89,307</u> | <u>\$57,157</u> | <u>\$2,943,638</u> |

Depreciation expense of \$160,859 was charged to the public works function.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

RTC

| | <u>Balance</u> <u>July 1, 2005</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2006</u> |
|--|---------------------------------------|---------------------|---------------------|--|
| Governmental activities: | | | | |
| Buildings | \$ 16,032,709 | \$ 278,801 | \$ - | \$ 16,311,510 |
| Equipment | <u>2,179,403</u> | <u>1,124,394</u> | <u>746,332</u> | <u>2,557,465</u> |
| Total capital assets | <u>18,212,112</u> | <u>1,403,195</u> | <u>746,332</u> | <u>18,868,975</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 2,148,722 | 354,560 | 7,641 | 2,495,641 |
| Equipment | <u>918,442</u> | <u>777,216</u> | <u>675,641</u> | <u>1,020,017</u> |
| Total accumulated depreciation | <u>3,067,164</u> | <u>1,131,776</u> | <u>683,282</u> | <u>3,515,658</u> |
| Governmental activities capital assets, net | <u>\$ 15,144,948</u> | <u>\$ 271,419</u> | <u>\$ 63,050</u> | <u>\$ 15,353,317</u> |
| Business-type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 17,163,225 | \$14,616,318 | \$ - | \$ 31,779,543 |
| Construction in progress | <u>11,056,152</u> | <u>5,983,877</u> | <u>9,491,105</u> | <u>7,548,924</u> |
| Total capital assets not being depreciated | <u>28,219,377</u> | <u>20,600,195</u> | <u>9,491,105</u> | <u>39,328,467</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 63,911,532 | 45,034 | - | 63,956,566 |
| Equipment | <u>149,408,904</u> | <u>34,515,818</u> | <u>8,856,177</u> | <u>170,068,545</u> |
| Total capital assets being depreciated | <u>213,320,436</u> | <u>34,560,852</u> | <u>8,856,177</u> | <u>239,025,111</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 14,711,134 | 2,142,449 | - | 16,853,583 |
| Equipment | <u>83,374,496</u> | <u>17,053,445</u> | <u>7,356,749</u> | <u>93,071,192</u> |
| Total accumulated depreciation | <u>98,085,630</u> | <u>19,195,894</u> | <u>7,356,749</u> | <u>109,924,775</u> |
| Total capital assets being depreciated, net | <u>115,234,806</u> | <u>15,364,958</u> | <u>1,499,428</u> | <u>129,100,336</u> |
| Business-type activities capital assets, net | <u>\$143,454,183</u> | <u>\$35,965,153</u> | <u>\$10,990,533</u> | <u>\$168,428,803</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the following functions or programs:

| | |
|---------------------------|---------------------|
| Governmental activities: | |
| Public Works | <u>\$ 1,131,776</u> |
| Business-type activities: | |
| Public Transit | <u>\$19,195,894</u> |

Construction commitments include major arterial roadway projects with various local entities of approximately \$292,805,844. In addition, the Public Transit fund has outstanding construction commitments of approximately \$1,380,722 for buses.

5. INTERFUND TRANSACTIONS

Due to/from other funds at June 30, 2006, were as follows:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|-----------------------------|-------------------------------------|----------------------|
| Nonmajor governmental funds | Between nonmajor governmental funds | \$ 26,164,771 |
| Internal service funds | Between internal service funds | <u>2,425,000</u> |
| | Total due to/from other funds | <u>\$ 28,589,771</u> |

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, 2006, consisted of the following:

| <u>Fund transferred to:</u> | <u>Fund transferred from:</u> | <u>Amount</u> |
|------------------------------------|-------------------------------------|------------------------|
| General Fund | Nonmajor governmental funds | \$ 245,843,588 |
| Las Vegas Metropolitan Police Fund | General Fund | 170,910,370 |
| Nonmajor governmental funds | General Fund | 337,218,920 |
| | Between nonmajor governmental funds | 224,581,694 |
| | Master Transportation Fund | 145,702,902 |
| | Internal service funds | 1,000,000 |
| Nonmajor enterprise funds | General Fund | 1,700,000 |
| Internal service funds | General Fund | 2,000,000 |
| | Nonmajor governmental funds | 8,986,303 |
| Fiduciary funds | Between fiduciary funds | <u>2,678,789</u> |
| | Total interfund transfers | <u>\$1,140,622,566</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, 2006

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 | \$1,346,065,882 | \$65,376,562 | \$1,280,689,320 |
| Special assessment bonds, with government commitment | 254,639,567 | 11,541,568 | 243,097,999 |
| Loans | 1,624,931 | 200,541 | 1,424,390 |
| Litigation accrual | 2,500,000 | - | 2,500,000 |
| Arbitrage | 5,350,000 | 5,350,000 | - |
| Compensated absences | <u>155,042,294</u> | <u>-</u> | <u>155,042,294</u> |
| Total liabilities | <u>\$1,765,222,674</u> | <u>\$82,468,671</u> | <u>\$1,682,754,003</u> |

Arbitrage expenditures are liquidated in the capital fund where the bond proceeds were received. Compensated absences are generally liquidated in the fund where the employee's payroll expenditures were incurred. As of June 30, 2006, liability for compensated absences consisted of \$65,902,929 in the general fund, \$66,811,230 in the Las Vegas Metropolitan Police Department fund, and \$10,870,017 in the Detention Services Fund. The remaining \$12,366,419 of liability was spread between 24 other funds. These other funds are primarily special revenue funds.

General Obligation Bonds:

The following is a summary of general obligation bond activities for the year ended June 30, 2006:

| | |
|---|------------------------|
| Bonds payable July 1, 2005 | \$1,394,226,961 |
| Bonds issued | 411,250,000 |
| Bonds retired | (467,151,111) |
| Plus: bond premium/discount additions | 9,976,893 |
| Less: amortization of bond premium/discount | <u>(2,236,861)</u> |
| Bonds payable June 30, 2006 | <u>\$1,346,065,882</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

General Obligation Bonds (Continued):

The following individual issues comprised the bonds payable at June 30, 2006. New bond issues are designated by an asterisk (*).

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2006</u> |
|----------------------------------|----------------------------|--------------------------|----------------------------------|
| Clark County Street Improvement: | | | |
| Series of 2002A | \$ 26,495,000 | 3.00-5.00% | \$ 3,895,000 |
| Unamortized premium | | | 246,177 |
| Unamortized refunding loss | | | (187,666) |
| Series of 2005A | 20,475,000* | 3.50-5.00 | 20,215,000 |
| Unamortized premium | | | 628,034 |
| Unamortized gain | | | 24,783 |
| Transportation Improvement: | | | |
| Series of June 1, 1992 | 250,000,000 | 4.90-8.00 | 58,830,000 |
| Series of March 1, 1998 | 118,060,000 | 4.00-5.25 | 79,285,000 |
| Series of 2004A | 41,685,000 | 3.00-5.00 | 41,525,000 |
| Unamortized premium | | | 3,261,906 |
| Unamortized refunding loss | | | (984,888) |
| Series of 2004B | 33,210,000 | 3.00-5.00 | 33,110,000 |
| Unamortized premium | | | 2,839,530 |
| Unamortized refunding loss | | | (728,547) |
| Series of December 1, 1998 | 100,000,000 | 4.00-5.25 | 49,580,000 |
| Series of 2000 | 85,000,000 | 5.00-6.00 | 22,790,000 |
| Series of 2006A | 64,240,000* | 5.00 | 64,240,000 |
| Unamortized premium | | | 4,586,318 |
| Unamortized refunding gain | | | 2,453,880 |
| Series of 2006B | 51,345,000* | 5.00 | 51,345,000 |
| Unamortized premium | | | 3,665,635 |
| Unamortized refunding gain | | | 1,960,200 |
| Medium Term: | | | |
| Series of 2002B | 20,000,000 | 4.50-5.00 | 12,900,000 |
| Unamortized premium | | | 587,247 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006</u> |
|---------------------------------------|----------------------------|--------------------------|----------------------------------|
| Park and Justice Center: | | | |
| Series of November 1, 1999 | \$107,015,000 | 5.00-6.00% | \$ 15,295,000 |
| Series of 2004C | 48,935,000 | 3.00-5.00 | 48,740,000 |
| Unamortized premium | | | 3,944,835 |
| Unamortized refunding loss | | | (901,887) |
| Series of 2005B | 32,310,000* | 4.125-5.00 | 32,310,000 |
| Unamortized premium | | | 2,115,106 |
| Unamortized refunding loss | | | (736,750) |
| Government Center: | | | |
| Series of 2004 | 7,910,000 | 2.00-5.00 | 6,070,000 |
| Unamortized premium | | | 615,050 |
| Unamortized refunding gain | | | 383,406 |
| Public Facilities | | | |
| Series of March 1, 1999 | 71,060,000 | 3.25-5.125 | 59,455,000 |
| Clark County Public Safety: | | | |
| Series of February 1, 1999 | 20,000,000 | 4.00-5.00 | 6,825,000 |
| Series of 2000 | 18,000,000 | 5.00-6.00 | 6,150,000 |
| Series of 2004 | 75,610,000 | 2.50-5.00 | 75,050,000 |
| Unamortized premium | | | 6,833,969 |
| Unamortized refunding loss | | | (1,362,435) |
| Bond Bank: | | | |
| Series of 2000 | 200,000,000 | 5.50-8.00 | 19,705,000 |
| Series of 2001 | 250,000,000 | 5.00-5.50 | 173,430,000 |
| Series of 2002 | 200,000,000 | 5.00-5.25 | 192,765,000 |
| Unamortized premium | | | 5,683,759 |
| Series of 2006 | 242,880,000* | 4.00-4.75 | 242,880,000 |
| Unamortized premium | | | 2,994,954 |
| Unamortized refunding loss | | | (8,326,089) |
| Town of Searchlight: | | | |
| Series of 1982 | 236,720 | 5.00 | <u>79,355</u> |
| Total General Obligation Bonds | | | <u>\$1,346,065,882</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

General Obligation Bonds (Continued):

The debt service requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|---------------------------------|------------------------|----------------------|-------------------------------|
| 2007 | \$ 65,376,562 | \$ 65,095,047 | \$ 130,471,609 |
| 2008 | 67,817,038 | 62,128,948 | 129,945,986 |
| 2009 | 67,535,948 | 58,685,551 | 126,221,499 |
| 2010 | 68,951,591 | 55,188,214 | 124,139,805 |
| 2011 | 72,064,523 | 51,832,667 | 123,897,190 |
| 2012-2016 | 372,649,371 | 207,761,976 | 580,411,347 |
| 2017-2021 | 268,405,072 | 121,793,659 | 390,198,731 |
| 2022-2026 | 171,559,683 | 72,668,337 | 244,228,020 |
| 2027-2031 | 178,550,547 | 29,181,588 | 207,732,135 |
| 2032-2036 | <u>13,155,547</u> | <u>649,500</u> | <u>13,805,047</u> |
| Total | <u>\$1,346,065,882</u> | <u>\$724,985,487</u> | <u>\$2,071,051,369</u> |

Special Assessment Bonds:

The following is a summary of special assessment bond activities for the year ended June 30, 2006:

| | |
|---|----------------------|
| Bonds payable July 1, 2005 | \$250,377,569 |
| Bonds issued | 71,997,000 |
| Bonds retired | (60,935,000) |
| Less: bond premium/discount reductions | (6,955,769) |
| Plus: amortization of bond premium/discount | <u>155,767</u> |
| Bonds payable at June 30, 2006 | <u>\$254,639,567</u> |

The following individual issues comprised the bonds payable at June 30, 2006. New bond issues are designated by an asterisk (*).

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2006</u> |
|-----------------------------|----------------------------|--------------------------|----------------------------------|
| Laughlin: | | | |
| Series of December 15, 1995 | \$ 6,107,000 | 4.25-7.63% | \$3,795,000 |
| Series of March 1, 1998 | 353,000 | 3.65-4.30 | 20,000 |
| Series of September 1, 1998 | 2,155,000 | 4.10-7.20 | 930,000 |
| Spring Mountain: | | | |
| Series of March 1, 1998 | 739,000 | 3.65-4.30 | 70,000 |
| Series of January 1, 2000 | 648,000 | 4.25-5.40 | 290,000 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006</u> |
|-----------------------------------|----------------------------|--------------------------|----------------------------------|
| Southern Highlands: | | | |
| Series of 2006, Senior | \$ 30,620,000* | 3.75-4.63% | \$ 30,620,000 |
| Series of 2006, Subordinate | 13,515,000* | 3.90-5.33 | 13,515,000 |
| Unamortized refunding loss | | | (7,078,474) |
| Unamortized premium | | | 17,077 |
| | | | |
| Gowan Road: | | | |
| Series of January 1, 2000 | 147,000 | 4.25-5.40 | 40,000 |
| | | | |
| Desert Inn Road: | | | |
| Series of April 1, 1997 | 216,380 | 3.80-5.00 | 21,700 |
| Series of February 1, 1999 | 76,000 | 3.25-4.20 | 30,000 |
| Series of April 1, 1999 | 300,000 | 3.40-4.50 | 75,000 |
| | | | |
| Jones Boulevard: | | | |
| Series of June 15, 2002 | 194,000 | 1.50-4.20 | 80,288 |
| Series of 2003 | 322,000 | 2.00-3.50 | 251,774 |
| | | | |
| Russell Road: | | | |
| Series of September 1, 1998 | 7,155,000 | 3.65-5.00 | 3,935,000 |
| Series of January 1, 2000 | 432,000 | 4.25-5.40 | 70,000 |
| Series of 2006 | 1,522,000* | 4.50 | 1,522,000 |
| | | | |
| Mountain Vista Street: | | | |
| Series of 2004 | 322,424 | 3.50-4.30 | 239,449 |
| | | | |
| Silverado Ranch Boulevard: | | | |
| Series of 2004 | 1,747,504 | 3.50-4.30 | 1,506,682 |
| | | | |
| Stewart Avenue: | | | |
| Series of 2004 | 205,850 | 3.50-4.30 | 171,605 |
| | | | |
| Boulder Highway: | | | |
| Series of 2003 | 2,119,000 | 2.00-4.30 | 1,415,000 |
| | | | |
| Vegas Manor: | | | |
| Series of February 1, 1999 | 1,754,000 | 3.25-4.20 | 410,000 |
| | | | |
| Oquendo Road: | | | |
| Series of April 1, 1999 | 399,000 | 3.40-4.50 | 55,000 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006</u> |
|---|----------------------------|--------------------------|----------------------------------|
| Tenaya Way: | | | |
| Series of 2003 | \$ 300,000 | 2.00-3.50% | \$ 234,572 |
| Series of 2006 | 125,000* | 4.50 | 125,000 |
| Buffalo Drive: | | | |
| Series of 2003 | 527,000 | 2.00-3.50 | 342,065 |
| Series of 2004 | 64,569 | 3.50-4.30 | 41,964 |
| Las Vegas Boulevard: | | | |
| Series of 2003 | 6,970,000 | 2.00-3.70 | 5,210,000 |
| Unamortized Discount and Refunding Loss | | | (274,318) |
| Valley View: | | | |
| Series of March 1, 1998 | 2,492,000 | 3.65-4.30 | 400,000 |
| Series of April 1, 2000 | 2,123,000 | 5.10-5.25 | 985,000 |
| Summerlin: | | | |
| Series of May 1, 1997, Senior | 17,335,569 | 4.50-6.2 | 14,474,533 |
| Series of May 1, 1997, Subordinate | 8,375,273 | 4.50-6.25 | 7,090,383 |
| Unamortized discount | | | (267,982) |
| Series of 2000, Senior | 4,399,431 | 2.25-4.50 | 3,725,467 |
| Series of 2000, Subordinate | 1,929,727 | 3.00-5.90 | 1,649,617 |
| Unamortized discount | | | (62,550) |
| Series of May 1, 2001 | 58,000,000 | 4.50-6.875 | 37,840,000 |
| Series of 2003B | 10,000,000 | 3.50-6.30 | 9,340,000 |
| Unamortized premium | | | 1,108 |
| Summerlin-Mesa: | | | |
| Series of 2006 | 25,485,000* | 3.15-5.00 | 25,485,000 |
| Unamortized premium | | | 86,125 |
| Eastern Avenue: | | | |
| Series of April 1, 1997 | 132,620 | 3.80-5.00 | 13,300 |
| Windmill: | | | |
| Series of March 1, 1998 | 195,000 | 3.65-4.30 | 40,000 |
| Series of January 1, 2001 | 1,604,000 | 4.25-4.75 | 660,000 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006</u> |
|--|----------------------------|--------------------------|----------------------------------|
| Tropicana Avenue: Series of June 15, 2002 | \$ 118,000 | 1.50-4.20% | \$ 79,247 |
| Flamingo Road: Series of June 15, 2002 | 405,000 | 1.50-4.20 | 201,992 |
| Craig Road: Series of June 15, 2002 | 67,000 | 1.50-4.20 | 39,996 |
| Durango: Series of June 15, 2002 | 150,000 | 1.50-4.20 | 70,738 |
| Series of 2003 | 277,000 | 2.00-3.50 | 216,588 |
| Series of 2004 | 816,871 | 3.50-4.30 | 720,660 |
| Unamortized premium | | | 52,773 |
| Pebble Road: Series of June 15, 2002 | 421,000 | 1.50-4.20 | 197,738 |
| Unamortized discount | | | (5,313) |
| Series of 2004 | 808,817 | 3.50-4.30 | 638,554 |
| Alta Drive Bridge: Series of 2004 | 1,807,964 | 3.50-4.30 | 1,571,087 |
| Mountains Edge: Series of 2003 | 92,360,000 | 2.25-6.375 | 92,330,000 |
| Unamortized discount | | | (1,387,023) |
| Commercial Center: Series of 2006 | 709,000* | 4.50 | 709,000 |
| Robindale Road: Series of 2006 | 21,000* | 4.50 | 21,000 |
| Unamortized premium | | | <u>41,145</u> |
| Total Special Assessment Bonds | | | <u>\$254,639,567</u> |

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 \$3,446,668 at June 30, 2006.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued):

The debt service requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|---------------------------------|----------------------|----------------------|-------------------------------|
| 2007 | \$ 11,541,568 | \$ 12,980,212 | \$ 24,521,780 |
| 2008 | 13,504,568 | 12,531,404 | 26,035,972 |
| 2009 | 13,674,568 | 11,968,926 | 25,643,494 |
| 2010 | 14,099,568 | 11,372,556 | 25,472,124 |
| 2011 | 14,339,568 | 10,739,849 | 25,079,417 |
| 2012-2016 | 78,321,706 | 42,828,462 | 121,150,168 |
| 2017-2021 | 74,751,037 | 22,030,496 | 96,781,533 |
| 2922-2026 | 32,769,724 | 4,472,497 | 37,242,221 |
| 2027-2031 | <u>1,637,260</u> | <u>292,428</u> | <u>1,929,688</u> |
| Total | <u>\$254,639,567</u> | <u>\$129,216,830</u> | <u>\$383,856,397</u> |

Loans Payable:

The following is a summary of loan transactions of the governmental activities for the year ended June 30, 2006:

| | |
|-----------------------------|--------------------|
| Loans payable July 1, 2005 | \$1,844,292 |
| Loans retired | <u>(219,361)</u> |
| Loans payable June 30, 2006 | <u>\$1,624,931</u> |

The following is a list of loans payable at June 30, 2006.

| <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, 2006</u> |
|---------------------|----------------------------|-------------------------|-----------------------------------|--------------------------|----------------------------------|
| U.S. Bank | \$ 800,000 | Various | 06/01/16 | 5.75% | \$ 402,979 (a) |
| G.E. Capital | 1,817,013 | 06/03/02 | 05/01/12 | 5.36 | <u>1,221,952 (b)</u> |
| Total loans payable | | | | | <u>\$1,624,931</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, 2006

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 June 30,</u> | <u>Principal</u> | <u>Total Interest</u> | <u>Requirements</u> |
|---------------------------------|--------------------|---------------------------|---------------------|
| 2007 | \$ 200,541 | \$ 78,891 | \$ 279,432 |
| 2008 | 226,937 | 67,404 | 294,341 |
| 2009 | 239,039 | 55,302 | 294,341 |
| 2010 | 251,791 | 42,551 | 294,342 |
| 2011 | 265,225 | 29,116 | 294,341 |
| 2012-2016 | <u>441,398</u> | <u>32,318</u> | <u>473,716</u> |
| Total | <u>\$1,624,931</u> | <u>\$305,582</u> | <u>\$1,930,513</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, 2006, the County has incurred an estimated arbitrage liability of \$5,350,000. This estimated liability consists of \$5,350,000 recorded as a current liability on both the fund financial statements and the governmental activities column.

The following summarizes activity for the year:

| | <u>Litigation</u> | <u>Arbitrage</u> | <u>Total</u> |
|------------------------|--------------------|---------------------|---------------------|
| Accrual, July 1, 2005 | \$2,500,000 | \$ 14,900,000 | \$17,400,000 |
| Deletions | <u>-</u> | <u>(9,550,000)</u> | <u>(9,550,000)</u> |
| Accrual, June 30, 2006 | <u>\$2,500,000</u> | <u>\$ 5,350,000</u> | <u>\$ 7,850,000</u> |
| Due within one year | <u>\$ -</u> | <u>\$ 5,350,000</u> | <u>\$ 5,350,000</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (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, 2006:

| | |
|--|----------------------|
| Long-term portion of accrued sick leave and vacation benefits at July 1, 2005 | \$150,573,313 |
| Additional amount accrued during the year | <u>4,468,981</u> |
| Long-term portion of accrued sick leave and vacation benefits at June 30, 2006 | <u>\$155,042,294</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 | \$1,338,633,414 | \$ 40,651,618 | \$1,297,981,796 |
| Revenue bonds | 1,929,144,000 | 40,816,000 | 1,888,328,000 |
| Loans | 405,937,591 | 401,102,458 | 4,835,133 |
| Compensated absences and other liabilities | <u>60,839,958</u> | <u>-</u> | <u>60,839,958</u> |
| Total liabilities | <u>\$3,734,554,963</u> | <u>\$482,570,076</u> | <u>\$3,251,984,887</u> |

General Obligation Bonds:

The following is a summary of general obligation bond activities for the year ended June 30, 2006:

| | |
|---|------------------------|
| Bonds payable at July 1, 2005 | \$1,224,055,278 |
| Bonds issued | 199,945,000 |
| Bonds retired | (90,231,357) |
| Plus: amortization of bond premium/discount | <u>4,864,493</u> |
| Bonds payable June 30, 2006 | <u>\$1,338,633,414</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006. New bond issues are designated by an asterisk (*).

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2006</u> |
|--|----------------------------|--------------------------|----------------------------------|
| Big Bend Water District: | | | |
| Nevada Drinking Water State Revolving Fund Series of 2003 | \$ 4,000,000 | 3.19% | \$ 3,854,371 (a) |
| Unamortized premium and refunding loss | 8,195,000 | 3.00-5.00 | 6,135,000 (a) |
| Nevada Drinking Water State Revolving Fund | 6,000,000 | 3.20 | (362,701)(a) 272,591 (a) |
| Department of Aviation: | | | |
| 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 | | | (1,948,444)(b) |
| University Medical Center: | | | |
| Series of 2000 | 56,825,000 | 5.00-5.75 | 8,750,000 (c) |
| Unamortized premium and refunding loss | | | (247,157)(c) |
| Series of 2003 | 36,565,000 | 2.25-5.00 | 33,345,000 (c) |
| Unamortized premium and refunding loss | | | 217,594 (c) |
| Series of 2004 | 8,085,000 | 2.25-3.50 | 6,510,000 (c) |
| Unamortized premium and refunding loss | | | (50,372)(c) |
| Series of 2005 | 48,390,000* | 4.00-5.00 | 48,190,000 (c) |
| Unamortized refunding loss | | | (297,507)(c) |
| Kyle Canyon Water District: | | | |
| Series of October 30, 1980 | 221,000 | 5.00 | 62,242 (d) |
| Clark County Water Reclamation District: | | | |
| Series of 2003 | 47,170,000 | 2.70-5.00 | 39,435,000 (e) |
| Unamortized premium and refunding loss | | | 2,227,972 (e) |
| Las Vegas Valley Water District: | | | |
| Series of June 1, 1997 | 220,000,000 | 5.00-6.50 | 5,145,000 (f) |
| Series of April 1, 1998 | 190,255,000 | 5.50-7.00 | 185,105,000 (f) |
| Series of April 1, 1998 | 52,100,000 | 4.50-5.50 | 48,390,000 (f) |
| Series of 2003 | 168,685,000 | 4.85-5.07 | 148,425,000 (f) |
| Series of 2003 | 250,000,000 | 5.08 | 232,365,000 (f) |
| Series of 2005A | 302,425,000 | 4.00-5.00 | 298,940,000 (f) |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006</u> |
|--|----------------------------|--------------------------|----------------------------------|
| Series of 2005B | \$ 27,925,000 | 3.75-5.00% | \$ 27,010,000 (f) |
| Series of 2006A | 151,555,000* | 4.75-5.00 | 151,555,000 (f) |
| Unamortized premium and refunding loss | | | <u>16,054,825(f)</u> |
| Total General Obligation Bonds | | | <u>\$1,338,633,414</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, 2006.
- (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> |
|---------------------------------|------------------------|----------------------|-------------------------------|
| 2007 | \$ 40,651,618 | \$ 65,067,964 | \$ 105,719,582 |
| 2008 | 46,514,881 | 63,277,418 | 109,792,299 |
| 2009 | 50,232,027 | 61,003,851 | 111,235,878 |
| 2010 | 54,135,355 | 58,537,889 | 112,673,244 |
| 2011 | 55,116,324 | 55,896,540 | 111,012,864 |
| 2012-2016 | 263,192,292 | 238,601,563 | 501,793,855 |
| 2017-2021 | 264,905,491 | 174,869,327 | 439,774,818 |
| 2022-2026 | 357,051,676 | 98,648,572 | 455,700,248 |
| 2027-2031 | 152,346,616 | 27,991,137 | 180,337,753 |
| 2032-2036 | <u>54,487,134</u> | <u>7,189,076</u> | <u>61,676,210</u> |
| Total | <u>\$1,338,633,414</u> | <u>\$851,083,337</u> | <u>\$2,189,716,751</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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, 2006:

| | |
|--|----------------------------|
| Bonds payable July 1, 2005 | \$1,907,908,924 |
| Bonds issued | 549,035,000 |
| Bonds retired | (517,229,000) |
| Less : amortization of bond premium/discount | <u>(10,570,924)</u> |
| Bonds payable June 30, 2006 | <u>\$1,929,144,000</u> |

The following individual issues comprised the bonds payable at June 30, 2006. New bond issues are designated by an asterisk:

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2006</u> |
|---|----------------------------|--------------------------|----------------------------------|
| Department of Aviation: | | | |
| Series of August 1, 1992 | \$296,000,000 | 4.95-6.50% | \$ 15,610,000 |
| Series of 1993 | 339,000,000 | variable | 199,000,000 |
| Series of April 1, 1998 | 198,845,000 | variable | 97,595,000 |
| Series of April 1, 1998 (PFC) | 214,245,000 | 4.10-5.50 | 210,410,000 |
| Series of 2001C | 115,560,000 | 6.00 | 115,560,000 |
| Series of 2002 | 34,490,000 | 4.00-5.25 | 30,191,000 |
| Series of 2003C | 105,435,000 | variable | 104,460,000 |
| 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 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 | 60,850,000 |
| Series of 2005A | 69,590,000* | variable | 69,590,000 |
| Series of 2005C-1 | 151,200,000* | variable | 151,200,000 |
| Series of 2005C-2 | 31,975,000* | variable | 31,975,000 |
| Series of 2005C-3 | 31,975,000* | variable | 31,975,000 |
| Series of 2005D-1 | 143,815,000* | variable | 143,815,000 |
| Series of 2005D-2 | 30,780,000* | variable | 30,780,000 |
| Series of 2005D-3 | 30,780,000* | variable | 30,780,000 |
| Series of 2005E-1 | 41,330,000* | variable | 41,330,000 |
| Series of 2005E-2 | 8,795,000* | variable | 8,795,000 |
| Series of 2005E-3 | 8,795,000* | variable | 8,795,000 |
| Unamortized discount and refunding loss | | | <u>(64,622,000)</u> |
| Total Revenue Bonds | | | <u>\$1,929,144,000</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, 2006

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, 2006.

The debt service requirements are as follows:

| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> <u>Requirements</u> |
|---------------------------------------|------------------------|------------------------|-------------------------------------|
| 2007 | \$ 40,816,000 | \$ 102,559,406 | \$ 143,375,406 |
| 2008 | 53,180,000 | 100,603,218 | 153,783,218 |
| 2009 | 56,710,000 | 97,402,323 | 154,112,323 |
| 2010 | 60,665,000 | 93,873,753 | 154,538,753 |
| 2011 | 64,665,000 | 90,295,035 | 154,960,035 |
| 2012-2016 | 324,360,000 | 341,557,259 | 665,917,259 |
| 2017-2021 | 331,550,000 | 230,225,624 | 561,775,624 |
| 2022-2026 | 267,415,000 | 162,152,651 | 429,567,651 |
| 2027-2031 | 255,425,000 | 118,056,041 | 373,481,041 |
| 2032-2036 | 268,855,000 | 75,339,606 | 344,194,606 |
| 2037-2041 | <u>270,125,000</u> | <u>26,027,561</u> | <u>296,152,561</u> |
| Total | <u>\$1,993,766,000</u> | <u>\$1,438,092,477</u> | <u>\$3,431,858,477</u> |

Loans Payable:

The following is a summary of loan transactions of the enterprise funds for the year ended June 30, 2006.

| | |
|-----------------------------|----------------------|
| Loans payable July 1, 2005 | \$307,983,339 |
| Loans issued | 100,000,000 |
| Loans retired | <u>(2,045,748)</u> |
| Loans payable June 30, 2006 | <u>\$405,937,591</u> |

Loans payable at June 30, 2006, are comprised of the following:

| <u>Lender</u> | <u>Original</u> <u>Amount</u> | <u>Date of</u> <u>Loan</u> | <u>Date Final</u> <u>Payment Due</u> | <u>Interest</u> <u>Rate</u> | <u>Balance</u> <u>June 30, 2006</u> |
|---------------------|----------------------------------|-------------------------------|---|--------------------------------|--|
| LaSalle Bank, NA | \$ 8,079,363 | 6-20-04 | 5-20-11 | 4.56% | \$ 5,937,591(a) |
| Commercial paper | 400,000,000 | 6-02-04 | 3-09-09 | 3.55 | <u>400,000,000(b)</u> |
| Total loans payable | | | | | <u>\$405,937,591</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, 2006

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 3.300 percent to 3.650 percent, with the average rate being 3.470 percent. The outstanding principal balance as of June 30, 2006, as shown below, is \$400,000,000. Of that amount, \$187,100,000 matures on various dates in July 2006; \$154,700,000 in August 2006; and \$58,200,000 in September 2006. Maturing notes in fiscal 2006 were rolled over. The intent in fiscal 2007 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 percent 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, 2006, principal and accrued interest receivable for the notes is \$401,419,922. Total principal and interest receivable from SNWA at June 30, 2006, is \$848,154,088, consisting of \$401,419,922 for the notes and \$446,734,166 for bonds.

| Commercial Paper Notes Activity | | | |
|---------------------------------|-------------|------------|---------------|
| Date | Issued | Repayments | Balance |
| 07-01-04 | \$ - | \$ - | \$140,000,000 |
| 07-15-04 | 60,000,000 | - | 200,000,000 |
| 02-02-05 | 100,000,000 | - | 300,000,000 |
| 10-11-05 | 100,000,000 | - | 400,000,000 |

The Water District had no other short-term debt activity in fiscal 2006.

The debt service requirements are as follows:

| Year Ending June 30, | Principal | Interest | Total Requirements |
|-------------------------|---------------|-------------|-----------------------|
| 2007 | \$401,102,458 | \$1,667,824 | \$402,770,282 |
| 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 | 1,210,067 | 27,764 | 1,237,831 |
| Total | \$405,937,591 | \$2,121,604 | \$408,059,195 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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 July 2005, Clark County issued \$20,475,000 in General Obligation (Limited Tax) Street Refunding Bonds with interest ranging from 3.5 percent to 5.0 percent to advance refund the outstanding 1995 series with interest ranging from 5.1 percent to 5.2 percent.

The bonds were issued at a premium of \$760,252. The bond proceeds totaled \$21,235,252. Net proceeds of \$21,093,363 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 1995 bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a gain of \$30,000, 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 \$926,968 and an economic gain (difference between the present values of the old and new debt service payments) of \$854,178.

In July 2005, Clark County issued \$32,310,000 in General Obligation (Limited Tax) Park and Regional Justice Center Refunding Bonds with interest ranging from 4.125 percent to 5.0 percent to advance refund the outstanding 1999 series with interest ranging from 5.0 percent to 6.0 percent.

The bonds were issued at a premium of \$2,227,413. The bond proceeds totaled \$34,838,283. Net proceeds of \$34,514,690 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 1999 bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$775,870, 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 \$3,103,855 and an economic gain (difference between the present value of the old and new debt service payments) of \$2,288,379.

In July 2005, Clark County issued \$48,390,000 in General Obligation (Limited Tax) Hospital Refunding Bonds (additionally secured with pledged gross revenues) with interest ranging from 4.0 percent to 5.0 percent to advance refund the outstanding 2000 series with interest ranging from 5.0 percent to 5.75 percent.

The bonds were issued at a premium of \$4,338,966. The bond proceeds totaled \$53,646,570. Net proceeds of \$53,240,444 were deposited in a special trust account created and authorized to refund and pay interest on

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Current Year Refunded and Defeased Bond Issues (Continued)

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 2000 bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$1,432,604 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 \$3,867,842 and an economic gain (difference between the present values of the old and new debt service payments) of \$2,883,595.

In March 2006, Clark County issued \$64,240,000 in General Obligation (Limited Tax) Transportation Refunding Bonds with interest at 5.0 percent to advance refund the outstanding 1996A series with interest ranging from 4.70 percent to 5.25 percent.

The bonds were issued at a premium of \$4,737,931. The bond proceeds totaled \$68,977,931. Net proceeds of \$68,298,392 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 defeasance of the 1996A bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a gain of \$2,535,000, 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 \$4,931,384 and an economic gain (difference between the present value of the old and new debt service payments) of \$4,257,620.

In March 2006, Clark County issued \$51,345,000 in General Obligation (Limited Tax) Transportation Refunding Bonds with interest at 5 percent to advance refund the outstanding 1996B series with interest ranging from 4.70 percent to 5.25 percent.

The bonds were issued at a premium of \$3,786,813. The bond proceeds totaled \$55,131,813. Net proceeds of \$54,587,620 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 defeasance of the 1996B bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a gain of \$2,025,000, 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 \$3,954,056 and an economic gain (difference between the present value of the old and new debt service payments) of \$3,404,955.

In May 2006, Clark County issued \$44,135,000 in Special Improvement District No. 121 (Southern Highlands Area) Senior and Subordinate Local Improvement Refunding Bonds with interest ranging from 3.75 percent to 5 percent to advance refund the outstanding 1999 series with interest ranging from 5.7 percent to 7.5 percent.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Current Year Refunded and Defeased Bond Issues (Continued)

The bonds were issued at a premium of \$17,273. The bond proceeds totaled \$44,152,273. Net proceeds of \$43,601,433 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 1999 bond issue and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$7,103,664, 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 \$15,185,065 and an economic gain (difference between the present value of the old and new debt service payments) of \$13,664,127.

In June 2006, Clark County issued \$242,880,000 in General Obligation (Limited Tax) Bond Bank Refunding Bonds with interest ranging from 4.0 percent to 4.75 percent to advance refund the outstanding 2000 and 2001 series with interest ranging from 5.25 percent to 5.5 percent.

The bonds were issued at a premium of \$3,005,353. The bond proceeds totaled \$245,885,353. Net proceeds of \$243,118,051 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 2000 and 2001 bond issues and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$8,355,000, 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 \$16,665,724 and an economic gain (difference between the present values of the old and new debt service payments) of \$12,753,161.

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, 2006, the following were the remaining balances of the defeased bond issues:

| | |
|----------------------------------|--------------|
| Clark County Street Improvement: | |
| Series of October 1, 1987 | \$ 7,525,000 |
| Series of December 1, 1995 | 20,505,000 |
| Special Assessment Bonds: | |
| Series of December 1, 1992 | 4,180,000 |
| Series of April 15, 1994 | 1,205,000 |
| Series of October 1, 1995 | 8,435,000 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

Series of December 14, 1999 49,120,000

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Clark County Public Safety:

Series of October 1, 1996 76,025,000
Series of March 1, 2000 6,240,000

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
Series of December 1, 1998(A) 16,590,000
Series of December 1, 1998(B) 11,060,000
Series of February 1, 2000(A) 24,000,000
Series of February 1, 2000(B) 21,340,000
Series of January 15, 1996(A) 66,775,000
Series of January 15, 1996(B) 53,370,000

Big Bend Water District:

Series of November 1, 1990 6,030,000
Series of 1993 6,345,000

Las Vegas Valley Water District:

General Obligation Bonds:

Series of May 1, 1988 2,655,000
Series of October 1, 1989 3,105,000
Series of August 1, 1990 7,915,000
Series of September 1, 1992 20,260,000
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
Series of June 1, 1997 186,230,000

Clark County Water Reclamation District:

Series of June 1, 1993 40,540,000

Clark County Parks and Regional Justice Center:

Series of 1999 73,515,000

Clark County Bond Bank:

Series of July 1, 2000 170,730,000
Series of June 1, 2001 63,795,000

Clark County Government Center:

Series of July 1, 1993 22,095,000

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

| | |
|------------------------------|------------------------|
| Airport Improvement Bonds: | |
| Series of August 1, 1992 (A) | 147,120,000 |
| Series of August 1, 1992 (B) | 75,845,000 |
| Series of May 1, 1993 | 38,130,000 |
| Series of September 1, 1993 | 24,850,000 |
| Series of 1999 (A) | 105,220,000 |
| | |
| Hospital Bonds: | |
| Series of 2000 | <u>47,875,000</u> |
| | |
| Total | <u>\$1,685,580,000</u> |

Conduit Debt Obligations

The County has issued approximately \$1,554,005,000 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, 2006:

| | <u>Liability</u> | <u>Due Within One Year</u> | <u>Due After One Year</u> |
|--------------------------|----------------------|--------------------------------|-------------------------------|
| General obligation bonds | \$325,233,888 | \$14,502,694 | \$310,731,194 |
| Compensated absences | <u>555,184</u> | - | <u>555,184</u> |
| Total liabilities | <u>\$325,789,072</u> | <u>\$14,502,694</u> | <u>\$311,286,378</u> |

| | |
|------------------------------------|----------------------|
| Bonds payable July 1, 2005 | \$134,465,000 |
| Bonds issued | 200,000,000 |
| Bonds retired | (13,625,000) |
| Plus: bond premium additions | 4,428,538 |
| Less: amortization of bond premium | <u>(34,650)</u> |
| Bonds payable June 30, 2006 | <u>\$325,233,888</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Flood Control District (Continued):

The following individual issues comprised the bonds payable at June 30, 2006. New bond issues are designated by an asterisk (*):

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2006</u> |
|--------------------------------|----------------------------|--------------------------|----------------------------------|
| Series of November 1, 1997 | \$ 29,930,000 | 4.10-5.50% | \$ 8,045,000 |
| Series of September 15, 1998 | 150,000,000 | 4.25-5.25 | 112,795,000 |
| Series of 2006 | 200,000,000* | 3.50-4.75 | 200,000,000 |
| Unamortized premium | | | <u>4,393,888</u> |
| Total general obligation bonds | | | <u>\$325,233,888</u> |

The debt service requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|---------------------------------|----------------------|----------------------|-------------------------------|
| 2007 | \$ 14,502,694 | \$ 16,860,981 | \$ 31,363,675 |
| 2008 | 6,762,694 | 14,495,843 | 21,258,537 |
| 2009 | 7,202,694 | 14,154,843 | 21,357,537 |
| 2010 | 7,567,694 | 13,785,318 | 21,353,012 |
| 2011 | 7,962,694 | 13,386,899 | 21,349,593 |
| 2012-2016 | 46,378,468 | 60,316,294 | 106,694,762 |
| 2017-2021 | 50,143,468 | 48,587,355 | 98,730,823 |
| 2022-2026 | 48,183,468 | 37,911,055 | 86,094,523 |
| 2027-2031 | 60,018,469 | 25,308,711 | 85,327,180 |
| 2032-2036 | <u>76,511,545</u> | <u>9,362,250</u> | <u>85,873,795</u> |
| Total | <u>\$325,233,888</u> | <u>\$254,169,549</u> | <u>\$579,403,437</u> |

Loans Payable

The following is a summary of loan transactions of the Flood Control District for the year ended June 30, 2006:

| | |
|-----------------------------|--------------------|
| Loan payable July 1, 2005 | \$180,000,000 |
| Loans obtained | 20,000,000 |
| Loans retired | <u>200,000,000</u> |
| Loans payable June 30, 2006 | <u>\$ -</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Flood Control District (Continued):

Loans Payable (Continued):

The following is the loan payable at June 30, 2006.

| <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, 2006</u> |
|------------------|------------------------|---------------------|-------------------------------|----------------------|------------------------------|
| Commercial Paper | \$180,000,000 | Various | Various | Variable | \$ - |

In August 2003, the Flood Control District established a commercial paper program allowing for the issuance of \$200 million in tax-exempt commercial paper. During the current fiscal year, this commercial paper was fully issued and, as of June 30, 2006, the entire \$200 million has been refunded with the Series 2006 General Obligation Refunding Bond.

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2006:

| | |
|--|------------------|
| Long-term portion of accrued sick leave and vacation benefits at July 1, 2005 | \$493,289 |
| Additional amount accrued during the year | <u>61,895</u> |
| Long-term portion of accrued sick leave and vacation benefits at June 30, 2006 | <u>\$555,184</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.

At June 30, 2006, the following was the remaining balance of the defeased bond issue:

| | |
|---|-------------|
| Flood Control District: Series of November 1, 1991 | \$8,010,000 |
|---|-------------|

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, 2006, are:

| | |
|------------------------------|--------------|
| Pledged revenues – sales tax | \$88,486,168 |
| Debt service | 23,712,434 |
| Coverage | 3.73 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

RTC:

The following is a summary of bonds, loans, and compensated absences payable by the RTC for the year ended June 30, 2006:

Governmental activities:

| | <u>Liability</u> | <u>Due Within One Year</u> | <u>Due After One Year</u> |
|----------------------|----------------------|--------------------------------|-------------------------------|
| Revenue bonds | \$214,484,005 | \$15,695,530 | \$198,788,475 |
| Loans | 140,000,000 | - | 140,000,000 |
| Compensated absences | <u>1,315,056</u> | <u>-</u> | <u>1,315,056</u> |
| Total liabilities | <u>\$355,799,061</u> | <u>\$15,695,530</u> | <u>\$340,103,531</u> |

Revenue Bonds

The following is a summary of revenue bond activities for the year ended June 30, 2006:

| | |
|-----------------------------|----------------------|
| Bonds payable July 1, 2005 | \$229,504,535 |
| Bonds retired | <u>(15,020,530)</u> |
| Bonds payable June 30, 2006 | <u>\$214,484,005</u> |

The following individual issues comprised the bonds payable at June 30, 2006.

| | <u>Original Amount</u> | <u>Interest Rate</u> | <u>Balance June 30, 2006</u> |
|--|----------------------------|--------------------------|----------------------------------|
| Highway Improvement Motor Vehicle Fuel Tax Revenue Bonds: | | | |
| Series of April 15, 1997 | \$ 70,000,000 | 4.50-6.00% | \$ 17,005,000 |
| Series of 2003 | 200,000,000 | 4.50-6.00 | 188,205,000 |
| Unamortized Premium | | | <u>9,274,005</u> |
| Total Revenue Bonds | | | <u>\$214,484,005</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

RTC (Continued):

The debt service requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Requirements</u> |
|---------------------------------|----------------------|---------------------|-------------------------------|
| 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 | 8,660,530 | 7,879,456 | 16,539,986 |
| 2012-2016 | 49,797,648 | 32,619,800 | 82,417,448 |
| 2017-2021 | 62,797,648 | 18,857,459 | 81,655,107 |
| 2022-2026 | <u>44,831,059</u> | <u>3,351,500</u> | <u>48,182,559</u> |
| Total | <u>\$214,484,005</u> | <u>\$99,013,039</u> | <u>\$313,497,044</u> |

Loans Payable

The following is a summary of loan transactions of the RTC for the year ended June 30, 2006:

| | |
|----------------------------|----------------------|
| Loan payable July 1, 2005 | \$ 80,000,000 |
| Loan obtained | <u>60,000,000</u> |
| Loan payable June 30, 2006 | <u>\$140,000,000</u> |

The following is the loan payable at June 30, 2006:

| <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, 2006</u> |
|------------------|----------------------------|-------------------------|-----------------------------------|--------------------------|----------------------------------|
| Commercial Paper | \$140,000,000 | Various | Various | Variable | \$140,000,000 |

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, 2006.

The debt service requirements are as follows:

| <u>Year Ending June 30,</u> | <u>Principal</u> | <u>Total Interest</u> | <u>Requirements</u> |
|---------------------------------|----------------------|---------------------------|----------------------|
| 2007 | \$ - | \$3,610,600 | \$ 3,610,600 |
| 2008 | <u>140,000,000</u> | <u>4,513,248</u> | <u>144,513,248</u> |
| Total | <u>\$140,000,000</u> | <u>\$8,123,848</u> | <u>\$148,123,848</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

RTC (Continued):

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2006:

| | |
|--|--------------------|
| Long-term portion of accrued sick leave and vacation benefits at July 1, 2005 | \$1,301,616 |
| Additional amount accrued during the year | <u>13,440</u> |
| Long-term portion of accrued sick leave and vacation benefits at June 30, 2006 | <u>\$1,315,056</u> |

Business-type activities:

| | <u>Liability</u> | <u>Due Within One Year</u> | <u>Due After One Year</u> |
|----------------------|---------------------|--------------------------------|-------------------------------|
| Loans | \$30,000,000 | \$ - | \$30,000,000 |
| Compensated absences | <u>849,860</u> | <u>-</u> | <u>849,860</u> |
| | <u>\$30,849,860</u> | <u>\$ -</u> | <u>\$30,849,860</u> |

Loans Payable

The following is a summary of loan transactions of the RTC for the year ended June 30, 2006:

| | |
|----------------------------|---------------------|
| Loan payable July 1, 2005 | \$10,000,000 |
| Loan obtained | <u>20,000,000</u> |
| Loan payable June 30, 2006 | <u>\$30,000,000</u> |

The following is the loan payable at June 30, 2006:

| <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, 2006</u> |
|------------------|----------------------------|-------------------------|-----------------------------------|--------------------------|----------------------------------|
| Commercial Paper | \$30,000,000 | Various | Various | Variable | \$30,000,000 |

This loan is being serviced, principal and interest, by the RTC. The variable note is valued at the rate in effect as of June 30, 2006.

The debt service requirements are as follows:

| <u>Year Ending June 30</u> | <u>Principal</u> | <u>Total Interest</u> | <u>Requirements</u> |
|--------------------------------|---------------------|---------------------------|---------------------|
| 2007 | \$ - | \$510,000 | \$ 510,000 |
| 2008 | <u>30,000,000</u> | <u>225,000</u> | <u>30,225,000</u> |
| Total | <u>\$30,000,000</u> | <u>\$735,000</u> | <u>\$30,735,000</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

RTC (Continued):

Compensated Absences

| | |
|--|------------------|
| Long-term portion of accrued sick leave and vacation benefits at July 1, 2005 | \$780,615 |
| Additional amount accrued during the year | <u>69,245</u> |
| Long-term portion of accrued sick leave and vacation benefits at June 30, 2006 | <u>\$849,860</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 | \$ 9,256,917 |
| Restricted assets | 2,610,374 |
| Capital assets | <u>32,681,775</u> |
| Total assets | <u>44,549,066</u> |

Liabilities:

| | |
|--|-------------------|
| Current liabilities | 5,731,171 |
| Current liabilities payable from restricted assets | 558,698 |
| Noncurrent liabilities | <u>8,366,359</u> |
| Total liabilities | <u>14,656,228</u> |

Net Assets:

| | |
|---|---------------------|
| Invested in capital assets, net of related debt | 22,782,514 |
| Restricted | 2,051,676 |
| Unrestricted | <u>5,058,648</u> |
| Total net assets | <u>\$29,892,838</u> |

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

| | |
|------------------------------------|---------------------|
| Water sales and related water fees | \$ 3,869,394 |
| Depreciation expense | (1,047,298) |
| Other operating expenses | <u>(2,309,545)</u> |
| Operating income | 512,551 |
| Nonoperating revenues (expenses): | |
| Interest income | 327,994 |
| Sales and use tax | 399,086 |
| Interest expense | <u>(575,612)</u> |
| Change in net assets | 664,019 |
| Beginning net assets | <u>29,228,819</u> |
| Ending net assets | <u>\$29,892,838</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS (Continued):

Condensed Statement of Cash Flows

| | |
|--|---------------------|
| Net cash provided (used) by: | |
| Operating activities | \$ 3,877,271 |
| Noncapital financing activities | 399,086 |
| Capital and related financing activities | (2,297,322) |
| Investing activities | <u>296,003</u> |
| Net increase | 2,275,038 |
| Beginning cash and cash equivalents | <u>6,748,899</u> |
| Ending cash and cash equivalents | <u>\$ 9,023,937</u> |

8. NET ASSETS AND FUND BALANCES

Primary Government

Net Assets:

The government-wide statement of net assets reports \$1,522,256,242 of restricted net assets, of which \$168,352,424 is restricted by enabling legislation.

Net Assets Restricted for Other Purposes:

At June 30, 2006, net assets restricted for other purposes on the government-wide statement of net assets totaled \$249,674,563. 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 public safety for \$66,416,594, habitat conservation for \$51,503,527, transportation for \$21,591,488, roads for \$16,087,696, parks for \$14,617,089, and air quality management for \$14,419,422. The remaining activities totaled \$65,038,747.

Fund Balances:

Designated for Specific Projects:

| | |
|------------------------------|----------------------|
| Nonmajor governmental funds: | |
| Special revenue | \$ 38,198,555 |
| Capital projects | <u>801,481,712</u> |
| | <u>\$839,680,267</u> |

Special revenue fund balances are designated principally for park projects of \$17,853,362, and road repair and maintenance projects of \$14,920,345. Capital projects fund balances are designated largely for various projects within the County Capital Projects fund of \$292,639,204, transportation projects of \$237,556,508, parks projects of \$107,800,810, special improvement district street improvement projects of \$82,990,812, public safety of \$46,809,440, and Regional Justice Center of \$15,684,451.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES (Continued):

Discretely Presented Component Units

Flood Control District

Net Assets:

The government-wide statement of net assets reports \$206,757,991 of restricted net assets, of which \$194,548,118 is restricted by enabling legislation for flood control activities and \$12,209,873 is restricted by creditors for general obligation debt repayment.

RTC

Net Assets:

The government-wide statement of net assets reports \$118,733,923 of restricted net assets, of which \$75,719,632 is restricted by enabling legislation for street and highway projects and other related activities and \$43,014,291 is restricted by creditors for debt repayment.

9. RISK MANAGEMENT

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

Self-Funded Group Insurance and Group Insurance Reserve

The County has established self-insurance funds for insuring medical benefits provided to County employees and covered dependents. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Clark County Workers' Compensation

The County has established a fund for self-insurance related to workers' compensation claims. Self-insurance is in effect up to an individual stop loss amount of \$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.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

LVMPD Self-Funded Industrial Insurance

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

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, 2005</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, 2006</u> |
|--|---|---|---------------------------------|--|
| Self-Funded Group Insurance Clark County Workers' Compensation | \$12,015,072 | \$53,450,331 | \$50,276,700 | \$15,188,703 |
| LVMPD Self-Funded Insurance | 24,125,485 | 11,744,588 | 8,701,420 | 27,168,653 |
| LVMPD Self-Funded Industrial Insurance | 16,290,154 | 5,269,722 | 5,131,713 | 16,428,163 |
| County Liability Insurance | 14,533,685 | 9,837,608 | 9,845,338 | 14,525,955 |
| County Liability Insurance Pool | 4,510,230 | 1,431,195 | 1,344,961 | 4,596,464 |
| | <u>6,406,668</u> | <u>2,780,003</u> | <u>4,124,618</u> | <u>5,062,053</u> |
| Total Self-Insurance Funds | <u>\$77,881,294</u> | <u>\$84,513,447</u> | <u>\$79,424,750</u> | <u>\$82,969,991</u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

The total liability at June 30, 2006, is included in the accounts payable line item in the government-wide financial statements.

| | <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’ Compensation | \$ 8,451,174 | \$52,209,335 | \$48,645,437 | \$12,015,072 |
| LVMPD Self-Funded Insurance | 24,166,076 | 10,027,326 | 10,067,917 | 24,125,485 |
| LVMPD Self-Funded Industrial Insurance | 16,297,097 | 3,843,262 | 3,850,205 | 16,290,154 |
| County Liability Insurance Pool | 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 |
| | <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> |

10. COMMITMENTS AND CONTINGENCIES

Las Vegas Convention and Visitors Authority Bonds

In addition to the County general obligation bonds, the County is contingently liable on the Las Vegas Convention and Visitors Authority (the “Authority”) general obligation bonds, Series September 1, 1996, April 1, 1998, and May 15, 2003, in the amount of \$43,500,000, \$35,740,000, and \$18,370,000 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 2006 and certain earlier years have not yet been completed. Accordingly, the County’s compliance with applicable program requirements is not completely established. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time. The County believes it has adequately provided for potential liabilities, if any, which may arise from the grantors’ audits.

Medicare and Medicaid Reimbursements

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

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> |
|--|---|-----------------------|-----------------------------|------------------------------|
| Frontier Radio SREF/GTIS Vegas Investors, LLC | Information Technology | \$ 851 | 07/15/02 | 07/15/08 |
| Aleco Stewart Enterprises | Elections | 46,185 | 02/01/98 | 11/30/09 |
| City of Henderson | Family Services | 7,575 | 08/06/91 | 10/31/07 |
| AM Properties, LLC | Air Quality | 5,722 | 03/01/05 | 02/28/10 |
| Salmon Barron | Assessor | 3,824 | 01/14/05 | 01/13/12 |
| Fisher Brothers | Laughlin Town Manager | 783 | 12/16/97 | 12/15/11 |
| Charleston Rancho, LLC | Air Quality | 12,752 | 11/01/05 | 10/31/10 |
| Stephanie Partners Phase I, LLC | ERP Finance | 43,750 | 08/27/04 | 06/31/09 |
| McHenry Commons | Assessor | 2,510 | 04/01/02 | 03/31/09 |
| McHenry Commons | Air Quality | 1,754 | 06/01/05 | 05/31/08 |
| McHenry Commons | Air Quality | 10,699 | 09/01/04 | 08/31/07 |
| Equastone 300 Vegas, LLC | Justice Court, District Court, Public Defender, Special Public Defender | 50,254 | 09/01/05 | 08/31/11 |
| McHenry Commons | Family & Youth Services | 40,887 | 06/08/02 | 12/31/09 |
| McHenry Commons | Family & Youth Services | 6,898 | 02/01/05 | 12/31/09 |
| Alisam Renaissance III, LLC | Family & Youth Services | 12,036 | 02/21/94 | 02/20/08 |
| Coast Center | Family & Youth Services | 20,549 | 04/01/04 | 06/20/11 |
| Coast Center | Family & Youth Services | 5,985 | 06/01/06 | 06/30/11 |
| Walter & Barbara Knoll | State of Nevada | 2,594 | 10/19/05 | 09/30/07 |
| Leonardi Properties | Public Response | 5,318 | 10/01/03 | 09/20/08 |
| McHenry Commons | Social Service | 2,932 | 09/01/06 | 08/31/11 |
| City of Boulder City | Justice Court | 1,525 | 11/01/03 | 10/31/08 |
| Storage One @ Downtown Div. of Child & Family Services of So. Nevada | Parks and Recreation | 1,855 | 09/13/04 | 06/30/06* |
| Boulder Marketplace, c/o Kaufman Properties | Family & Youth Services | 24,382 | 03/01/03 | Interlocal* |
| Maycliff Mini Storage & RV Park | Social Services | 4,457 | 06/01/03 | 06/30/10 |
| McHenry Commons | Air Quality | 275 | 06/01/02 | 06/30/07 |
| McHenry Commons | Family & Youth Services, Dept. of Juvenile Justice Ser. | 8,536 | 12/15/05 | 12/31/09 |
| McHenry Commons | Family & Youth Services | 14,641 | 01/15/05 | 12/31/09 |
| McHenry Commons | Family & Youth Services | 3,216 | 01/15/05 | 12/31/09 |
| McLeod Ltd. Liability Co. | Fire | 753 | 04/01/04 | 03/31/07 |
| Mary Crest Partners III | Recorder | 5,834 | 06/01/04 | 05/31/11 |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

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> |
|---|---|---------------------------|---------------------------------|----------------------------------|
| Div. of Child & Family Services, So. Nevada | Family & Youth Services | 6,964 | 10/01/04 | 06/30/06 |
| Storage One @ Downtown 333 South Sixth St., LLC | Justice Court | 495 | 08/01/06 | 06/30/06 |
| Clark Co. Dept. of Aviation | Justice Court | 18,963 | 10/21/02 | 10/20/08 |
| Speedway Commerce Center, LLC | Justice Court | 1,109 | 03/01/03 | 12/31/15 |
| McHenry Commons | Fire | 7,749 | 05/01/04 | 04/30/08 |
| Clark Co. Dept. of Aviation | Juvenile Justice Services | 9,055 | 05/01/06 | 04/30/11 |
| City of Mesquite | Public Works | 11,487 | 06/01/01 | 06/30/06* |
| Xerox | Justice Court | 2,240 | 09/01/02 | 08/31/12 |
| Goodsprings Justice Court | Various Departments** | 100,000 | 07/01/01 | 06/30/07 |
| Las Vegas Speedway | LVMPD Substation | 125 | 02/01/06 | Interlocal* |
| William Scotsman | LVMPD – Track Rental | 15,356 | 05/09/06 | 05/08/07 |
| McCarran Center | LVMPD – 3 Mobile Offices | 885 | 07/01/02 | 06/30/06* |
| Brownstone Capital | LMVPD – Vice | 118,114 | 02/01/00 | 01/01/10 |
| Harsch Properties 6185 Harrison/6265 | LVMPD – Evidence Vault | 25,696 | 07/01/00 | 06/30/10 |
| McLeod, LLC | LVMPD – Warehouse | 1,732 | 03/01/06 | 02/28/09 |
| Beltway Business Park 1, LLC | Parks and Recreation | 394 | 02/01/05 | 10/31/08 |
| Ribeiro Co. | LVMPD-CSI/Photo Lab/Forensics | 79,130 | 08/20/05 | 08/31/10 |
| Pines Corp. | LVMPD/PEAP | 4,507 | 11/01/96 | 10/31/08 |
| Harsch Properties Tomorrow 33 | LVMPD-IAB | 28,079 | 05/01/02 | 04/01/08 |
| Harsch Properties | LVMPD-Logistics & Acctg. | 25,288 | 03/01/06 | 02/28/09 |
| Spring Mtn. Properties | LVMPD Personnel/Payroll/Quality Assurance | 62,731 | 06/01/06 | 05/31/11 |
| LV Convention & Visitors Authority | LVMPD – Evidence Annex | 7,536 | 01/01/02 | 12/31/08 |
| Cheyenne Air Center | LVMPD SW Area Command | 21,102 | 12/01/95 | 12/31/07 |
| Harsch Properties | LVMPD Bike Office | 2,200 | 03/01/99 | Interlocal* |
| TransAero Land & Dev. | LVMPD SWAT/SSB | 19,647 | 03/01/99 | 02/28/11 |
| North Las Vegas Airport | LVMPD/Driver's Training | 1,312 | 02/25/02 | 02/01/07 |
| CC Water Reclamation Dist. | LVMPD Investigative Ser. | 156,269 | 08/01/05 | 06/30/11 |
| | LVMPD Air Support S&R | 2,650 | 03/15/05 | 05/28/09 |
| | LVMPD Mounted Patrol Unit | <u>50</u> | 03/01/05 | Interlocal* |
| | | <u>\$1,080,197</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 2006 was \$23,975,490, which included nonrecurring rental items.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

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, 2006:

| | |
|------------------------------|---------------------|
| Years ending June 30: | |
| 2007 | \$13,124,212 |
| 2008 | 11,329,617 |
| 2009 | 10,151,408 |
| 2010 | 8,637,165 |
| 2011 | 6,019,125 |
| 2012-2016 | <u>433,097</u> |
| Total minimum lease payments | <u>\$49,694,624</u> |

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2006, for noncancelable operating leases for property and equipment as follows:

| | |
|-----------------------|---------------------|
| Years ending June 30: | |
| 2007 | \$ 4,536,767 |
| 2008 | 4,496,203 |
| 2009 | 3,373,274 |
| 2010 | 2,642,217 |
| 2011 | 1,661,160 |
| Thereafter | <u>2,786,766</u> |
| Total | <u>\$19,496,387</u> |

The rental expense of UMC for property and equipment was approximately \$6,870,261 for the year ended June 30, 2006.

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 expires 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 \$93,762,430 in FY 2006 and \$77,832,474 in FY 2005 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, 2006:

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

Rentals and Operating Leases (Continued)

Years ending June 30:

| | |
|--------------------------------|----------------------|
| 2007 | \$117,825,513 |
| 2008 | 114,079,659 |
| 2009 | 44,660,035 |
| 2010 | 33,867,018 |
| 2011 | 29,243,799 |
| Thereafter | <u>240,810,077</u> |
| Total minimum rents receivable | <u>\$580,486,101</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 | <u>\$33,207</u> | 10/01/02 | 09/30/07 |
| | <u>\$33,207</u> | | |

Rentals and Operating Leases

The following is a schedule of future minimum lease payments for operating leases as of June 30, 2006:

Years ending June 30:

| | |
|-------|------------------|
| 2007 | \$419,668 |
| 2008 | <u>105,687</u> |
| Total | <u>\$525,355</u> |

The total rent expense for fiscal year 2006 was \$705,058.

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.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Litigation (Continued)

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 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, or as noted below, in some instances as capital projects.

In 1995, the SNWA, approved agreements for the repayment of the cost of an additional expansion of the Southern Nevada Water System (SNWS). The agreements required contributions from purveyor members, including the Water District, benefiting from the expansion. In 1996, the Water District approved the collection of regional connection charges, regional commodity charges, and regional reliability surcharges to fund these contributions. The Water District records these charges as operating revenues and contributions to the SNWA as operating expenses, except for District funded capital projects. On a Water District funded capital project, no regional revenue is collected, but a contribution to SNWA is still required, and it is charged to the capital project instead of operating expenses. The Water District does not act as a collecting agency for the SNWA. If the regional revenue were not collected, the Water District would still have the liability to the SNWA.

The contributions for the fiscal year 2006 for the SNWS expansion totaled \$143,715,854. Additionally, the Water District contributed \$1,210,785 to SNWA in the fiscal year 2006 to help fund a groundwater management program in the Las Vegas Valley. Total contributions to the SNWA for the fiscal year ended June 30, 2006, were \$144,926,639 and were recorded as an SNWA expense on the Water District’s financial statements.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURE (Continued)

Audited financial reports for fiscal year 2006 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 offers several alternatives to the unmodified service retirement allowance which, in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during the employee's life and various optional monthly payments to a named beneficiary after the employee's death. Regular members are eligible for full retirement benefits at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Police and firemen are eligible for full retirement benefits with 5 years of service at age 65, with 10 years of service at age 55, at age 50 with 20 years of service, or at any age with 25 years of service.

Contribution rates are established by NRS 286.410. The statute provides for 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 year ended June 30, 2006, was 19.75 percent, and for the years ended June 30, 2005, and June 30, 2004, was 20.25 percent. The contribution rate for police and firemen was 32.00 percent for the year ended June 30, 2006, and for the years ended June 30, 2005, and June 30, 2004, was 28.50 percent.

The County's contributions to the plan for the years ended June 30, 2006, 2005, and 2004 were \$214,503,913, \$193,648,869, and \$178,720,960, respectively, equal to the required contributions for each year.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

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, 2006, the contributions for this purpose were \$128,759; for the year ended June 30, 2005, the contributions were \$201,360.

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.

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

All Water District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment. Subject to a maximum pension benefit, normally 60 percent of average monthly compensation, Water District employees who retire at age 65 are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2 percent of their average monthly compensation multiplied by the years of service prior to July 2, 2001, and 2.17 percent of their average monthly compensation multiplied for the years of service after July 1, 2001.

For the purpose of calculating the pension benefit, average monthly compensation means the average of a member's 36 consecutive months of highest compensation, after excluding certain elements, times approximately 110 percent, while participating in the Plan. For participants in the plan as of January 1, 2001, benefits start to vest after three years of service with a 20 percent vested interest; after four years of service, 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.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

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, 2006, participants in the Plan consisted of the following:

| | | |
|--|------------|--------------|
| Retirees in pay status with unpurchased benefits | | 90 |
| Terminated employees not yet receiving benefits | | 267 |
| Active employees | | |
| Fully vested | 823 | |
| Partially vested | - | |
| Nonvested | <u>464</u> | |
| | | |
| Total active employees | | <u>1,287</u> |
| | | |
| Total participants | | <u>1,644</u> |

Three-Year Trend Information

| <u>Fiscal Year Ended</u> | <u>Annual Pension Cost (APC)</u> | <u>Percentage of APC Contributed</u> | <u>Net Pension Obligation</u> |
|----------------------------------|--|--|---------------------------------------|
| 06/30/04 | \$12,923,933 | 100% | \$ - |
| 06/30/05 | 15,137,310 | 100 | - |
| 06/30/06 | 18,912,372 | 100 | - |

B. Supplemental Information

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

C. Annual Pension Cost and Net Pension Obligation

It is the policy of the Water District to pay Annual Required Contributions (ARC) when due; therefore, annual pension cost and the ARC are the same and aggregated \$18,913,372 for the year ended June 30, 2006. 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 percent per year compounded annually, (b) projected salary increases of 3.0 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 3.0 percent attributable to seniority/merit, and (d) postretirement benefit increases for cost of living adjustments which are limited to certain maximum rates.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

C. Annual Pension Cost and Net Pension Obligation (Continued)

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

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.

D. Identification of Investments

| | <u>June 30, 2006</u> | <u>June 30, 2005</u> |
|--------------------------------------|----------------------|----------------------|
| Investments at contract value: | | |
| Union Central Life Insurance Company | \$ 1,478,593 | \$ 1,478,947 |
| New York Life Insurance Company | <u>21,555,937</u> | <u>22,914,868</u> |
| Total investments at contract value | <u>23,034,530</u> | <u>24,393,815</u> |
| Investments at fair value: | | |
| Alliance Capital Domestic Equity | 39,716,833 | 34,785,455 |
| Mellon Bank, Domestic Bond | 34,806,256 | 26,212,756 |
| Nevada State Bank, Money Market Fund | <u>55,762</u> | <u>45,512</u> |
| Total investments at fair value | <u>74,578,851</u> | <u>61,043,723</u> |
| Total investments | <u>\$97,613,381</u> | <u>\$85,437,538</u> |

E. Valuation of Investments

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

F. Basis of Accounting

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

G. Financial Statements

Las Vegas Valley Water District Pension Plan
Statement of Net Assets
June 30, 2006

Assets:

| | |
|-----------------------|--------------------------------|
| Cash and investments: | |
| With fiscal agent | \$96,875,961 |
| Interest receivable | <u>737,420</u> |
| Total assets | <u><u>\$97,613,381</u></u> |

Net Assets:

| | |
|---|----------------------------|
| Held in trust for pension benefits and other purposes | <u><u>\$97,613,381</u></u> |
|---|----------------------------|

Las Vegas Valley Water District Pension Plan
Statement of Changes in Net Assets
For the fiscal year ended June 30, 2006

Additions:

| | |
|--|--------------------------|
| <u>Contributions:</u> | |
| Contributions from employer | \$18,913,372 |
| Contributions from employees | <u>128,759</u> |
| Total contributions | <u><u>19,042,131</u></u> |
| <u>Investment earnings:</u> | |
| Interest | 1,213,851 |
| Net increase (decrease) in fair value of investments | <u>3,050,129</u> |
| Total investment earnings | 4,263,980 |
| Less investment expense | <u>(54,755)</u> |
| Net investment earnings | <u>4,209,225</u> |
| Total additions | <u><u>23,251,356</u></u> |

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

G. Financial Statements (Continued)

Las Vegas Valley Water District Pension Plan
Statement of Changes in Net Assets
For the fiscal year ended June 30, 2006
(Continued)

| | |
|----------------------------|---------------------|
| <u>Deductions:</u> | |
| General and Administrative | 172,134 |
| Benefit payments | <u>10,903,379</u> |
| Total deductions | <u>11,075,513</u> |
| Change in net assets | 12,175,843 |
| <u>Net Assets:</u> | |
| Beginning of year | <u>85,437,538</u> |
| End of year | <u>\$97,613,381</u> |

13. RELATED PARTY TRANSACTIONS

The County transfers sales, fuel, and various other taxes and fees deposited in the Master Transportation Plan special revenue fund to the RTC, a discretely presented component unit. Transfers during the fiscal year ended June 30, 2006, totaled \$186,742,752. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2006, was \$38,253,852.

14. NEW ACCOUNTING PRONOUNCEMENTS

Effective July 1, 2005, the County adopted GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This statement requires governments to report the effects of capital asset impairments in their financial statements when they occur rather than as a part of the ongoing depreciation expense for the capital asset or upon disposal of the capital asset. This statement had no effect on the County's financial statements.

Effective July 1, 2005, the County adopted GASB Statement No. 44, *Economic Condition Reporting: The Statistical Section*. This statement is intended to improve the understandability and usefulness of statistical section information by addressing the comparability problems that have developed in practice and by adding information from the new financial reporting model for state and local governments required by GASB Statement 34. The unaudited statistical section near the end of this report has been prepared in conformance with this statement.

Effective July 1, 2005, the County adopted GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation – An Amendment of GASB Statement No. 34*. This statement requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. The statement of net assets

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

14. NEW ACCOUNTING PRONOUNCEMENTS (Continued)

has been prepared in conformance with this statement and the notes of the financial statements include required disclosures.

Effective July 1, 2005, the County adopted GASB Statement No. 47, *Accounting for Termination Benefit*. This statement requires recognition of liabilities for voluntary and involuntary termination benefits. This statement had no effect on the County's financial statements.

The County is completing actuarial and other implementation review efforts in anticipation of implementing GASB 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

15. SUBSEQUENT EVENTS

Primary Government

In September 2006, the County issued \$100,000,000 in airport system subordinate lien revenue bonds, Series 2006A. The bonds bear interest rates from 4.00 to 5.00 percent, payable on January 1, 2007, and semiannually thereafter on January 1 and July 1. Principal payments commence on July 1, 2007, and continue annually through July 1, 2040. The proceeds of the bonds will be used to pay the costs of certain capital improvements to the Clark County, Nevada, Las Vegas-McCarran International Airport system, to fund a deposit to the reserve fund for the Series 2006A bonds and to pay certain costs of issuance.

In September 2006, the County issued \$300,000,000 in airport system junior subordinate lien revenue notes, Series 2006 B-1. The notes bear an interest rate of 5.00 percent, payable on January 1, 2007, and semiannually thereafter on January 1 and July 1. Principal payment is due on July 1, 2008. The proceeds of the notes will be used to provide interim funding for capital improvements to the Clark County, Nevada, Las Vegas-McCarran International Airport system, including certain improvements to existing facilities and a portion of the costs of Terminal 3 and to pay certain costs of issuance.

In November 2006, the County issued \$604,140,000 in general obligation (limited tax) bond bank bonds (additionally secured by pledged revenues), Series 2006. The bonds bear interest rates from 2.50 to 5.00 percent, payable on May 1, 2007, and semiannually thereafter on May 1 and November 1. Principal payments commence on November 1, 2009, and continue annually through November 1, 2036. The proceeds of the bonds will be used to make a loan by purchasing a local water revenue bond (the "SNWA Bond") to be issued for the purpose of defraying wholly or in part the cost of (i) acquiring and constructing improvements for water projects for the Southern Nevada Water Authority (the "SNWA"); (ii) paying capitalized interest; (iii) paying the cost of issuance, and (iv) refinancing a portion of the County's outstanding Bond Bank Bonds (additionally secured by pledged revenues), Series 2001 and Bond Bank Bonds (additionally secured by pledged revenues), Series 2002.

On July 20, 2006, the Las Vegas Valley Water District issued \$150,000,000 in general obligation bonds, additionally secured by pledged revenues, consisting of: \$75,000,000 2006B Adjustable Rate Water Improvement Bonds, and \$75,000,000 2006C Adjustable Rate Water Improvement Bonds. The bonds were issued to acquire and construct water projects for the District.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2006

III. DETAILED NOTES – ALL FUNDS (Continued)

15. SUBSEQUENT EVENTS (Continued)

On August 30, 2006, the Department of Aviation issued \$100 million of Clark County, Nevada, Subordinate Lien Non-AMT Airport System Revenue Bonds. This financing was needed for the costs of certain capital improvement projects to the airport system. The Series 2006A bonds are secured by a lien on and are payable solely from net revenues of the Department of Aviation subordinate and junior to the lien of the \$245.5 million of senior bonds outstanding and any senior bonds that may be issued in the future.

On September 14, 2006, the Department of Aviation issued \$300 million AMT Airport System Junior Subordinate Lien Revenue Notes, Series 2006B-1. The Series 2006B1 Notes were issued to provide interim funding for capital improvements to the airport system, including a portion of the costs of designing and constructing Terminal 3. The 2006B notes are being used to finance improvements to the airport system in anticipation of proceeds of the Series 2008A and 2008B bonds which have been authorized and sold by the County and have an expected delivery date on or about July 1, 2008. The Series 2006B notes are secured by and are payable from the net revenues of the airport system, subordinate and junior to the lien of the outstanding senior lien bonds and any outstanding second lien securities, and any additional senior or second lien securities that may be issued in the future.

Discretely Presented Component Units

In November of 2006, the RTC issued \$70,000,000 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.

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, 2006
(With comparative actual for the fiscal year ended June 30, 2005)

| | 2006 | | | 2005 | |
|--|-----------------|----------------|----------------|----------------|----------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Revenues: | | | | | |
| Taxes | \$ 250,556,425 | \$ 250,556,425 | \$ 266,403,593 | \$ 15,847,168 | \$ 237,128,773 |
| Licenses and permits | 148,625,000 | 148,625,000 | 188,210,332 | 39,585,332 | 159,868,129 |
| Intergovernmental revenue | 295,520,500 | 295,520,500 | 350,175,590 | 54,655,090 | 319,326,277 |
| Charges for services | 75,785,540 | 75,785,540 | 90,156,159 | 14,370,619 | 88,047,933 |
| Fines and forfeitures | 10,200,000 | 10,200,000 | 14,666,431 | 4,466,431 | 12,940,703 |
| Interest | 5,000,000 | 5,000,000 | 13,677,370 | 8,677,370 | 9,325,492 |
| Other | 4,000,000 | 4,000,000 | 6,631,078 | 2,631,078 | 5,565,796 |
| Total revenues | 789,687,465 | 789,687,465 | 929,920,553 | 140,233,088 | 832,203,104 |
| Other financing sources: | | | | | |
| Transfers from other funds | 247,225,149 | 247,803,017 | 245,843,588 | (1,959,429) | 219,794,772 |
| Total revenues and other financing sources | 1,036,912,614 | 1,037,490,482 | 1,175,764,141 | 138,273,659 | 1,051,997,876 |
| Expenditures: | | | | | |
| General government | 135,240,402 | 132,378,479 | 122,314,860 | (10,063,619) | 121,425,325 |
| Judicial | 109,702,662 | 113,127,662 | 108,939,441 | (4,188,221) | 102,130,423 |
| Public safety | 173,376,260 | 175,176,260 | 174,669,074 | (507,186) | 155,264,446 |
| Public works | 15,325,193 | 15,825,193 | 13,481,338 | (2,343,855) | 13,612,688 |
| Health | 35,501,449 | 35,501,449 | 34,606,571 | (894,878) | 19,900,651 |
| Welfare | 75,249,587 | 75,249,587 | 68,273,896 | (6,975,691) | 59,479,322 |
| Culture and recreation | 27,701,744 | 28,201,744 | 25,661,598 | (2,540,146) | 28,840,683 |
| Other general expenditures | 83,695,032 | 80,331,955 | 73,674,989 | (6,656,966) | 63,596,194 |
| Total expenditures | 655,792,329 | 655,792,329 | 621,621,767 | (34,170,562) | 564,249,732 |
| Other financing uses: | | | | | |
| Transfers to other funds | 419,114,740 | 512,114,740 | 511,829,290 | (285,450) | 420,829,521 |
| Total expenditures and other financing uses | 1,074,907,069 | 1,167,907,069 | 1,133,451,057 | (34,456,012) | 985,079,253 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses | (37,994,455) | (130,416,587) | 42,313,084 | 172,729,671 | 66,918,623 |
| Fund balance: | | | | | |
| Beginning of year | 175,612,868 | 175,612,868 | 265,609,638 | 89,996,770 | 198,691,015 |
| End of year | \$ 137,618,413 | \$ 45,196,281 | \$ 307,922,722 | \$ 262,726,441 | \$ 265,609,638 |

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, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 | |
|--|-------------------------|-------------------------|-------------------------|-----------------------|-------------------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Revenues (Continued): | | | | | |
| Charges for services (Continued): | | | | | |
| Judicial | | | | | |
| Clerk fees | 7,300,000 | 7,300,000 | 7,221,570 | (78,430) | 6,493,157 |
| Other | 905,540 | 905,540 | 2,430,100 | 1,524,560 | 1,949,800 |
| Public safety | | | | | |
| Fire protection services | 6,300,000 | 6,300,000 | 6,644,137 | 344,137 | 6,472,932 |
| Other | 600,000 | 600,000 | 1,222,844 | 622,844 | 1,042,587 |
| Public works | | | | | |
| Engineering | 1,000,000 | 1,000,000 | 1,023,066 | 23,066 | 5,565,502 |
| Health and welfare | | | | | |
| Animal control | 100,000 | 100,000 | 131,698 | 31,698 | 138,467 |
| Culture and recreation | | | | | |
| Other | 400,000 | 400,000 | 295,814 | (104,186) | 488,351 |
| Total charges for services | <u>75,785,540</u> | <u>75,785,540</u> | <u>90,156,159</u> | <u>14,370,619</u> | <u>88,047,933</u> |
| Fines and forfeitures: | | | | | |
| Court fines | 4,500,000 | 4,500,000 | 5,237,751 | 737,751 | 5,063,621 |
| Court forfeits | 5,700,000 | 5,700,000 | 9,428,680 | 3,728,680 | 7,877,082 |
| Total fines and forfeitures | <u>10,200,000</u> | <u>10,200,000</u> | <u>14,666,431</u> | <u>4,466,431</u> | <u>12,940,703</u> |
| Interest | 5,000,000 | 5,000,000 | 13,677,370 | 8,677,370 | 9,325,492 |
| Other | 4,000,000 | 4,000,000 | 6,631,078 | 2,631,078 | 5,565,796 |
| Total revenues | <u>789,687,465</u> | <u>789,687,465</u> | <u>929,920,553</u> | <u>140,233,088</u> | <u>832,203,104</u> |
| Other financing sources: | | | | | |
| Transfers from other funds | 247,225,149 | 247,803,017 | 245,843,588 | (1,959,429) | 219,794,772 |
| Total revenues and other financing sources | <u>\$ 1,036,912,614</u> | <u>\$ 1,037,490,482</u> | <u>\$ 1,175,764,141</u> | <u>\$ 138,273,659</u> | <u>\$ 1,051,997,876</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, 2006
(With comparative actual for the fiscal year ended June 30, 2005)

| | 2006 | | | 2005 | |
|---------------------------|-----------------|--------------|--------------|------------|--------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures: | | | | | |
| General Government: | | | | | |
| Commission/Manager: | | | | | |
| Salaries and wages | \$ 2,941,048 | \$ 2,941,048 | \$ 3,105,795 | \$ 164,747 | \$ 2,845,811 |
| Employee benefits | 956,220 | 956,220 | 941,312 | (14,908) | 939,483 |
| Services and supplies | 603,980 | 603,980 | 446,899 | (157,081) | 403,838 |
| Total Commission/Manager | 4,501,248 | 4,501,248 | 4,494,006 | (7,242) | 4,189,132 |
| Office of Diversity: | | | | | |
| Salaries and wages | 308,714 | 308,714 | 290,062 | (18,652) | 282,071 |
| Employee benefits | 104,766 | 104,766 | 100,320 | (4,446) | 103,035 |
| Services and supplies | 61,942 | 61,942 | 33,405 | (28,537) | 24,683 |
| Total Office of Diversity | 475,422 | 475,422 | 423,787 | (51,635) | 409,789 |
| Internal Audit: | | | | | |
| Salaries and wages | 982,400 | 982,400 | 983,702 | 1,302 | 888,617 |
| Employee benefits | 316,862 | 316,862 | 311,603 | (5,259) | 288,802 |
| Services and supplies | 64,198 | 64,198 | 27,892 | (36,306) | 23,874 |
| Total Internal Audit | 1,363,460 | 1,363,460 | 1,323,197 | (40,263) | 1,201,293 |
| Finance: | | | | | |
| Salaries and wages | 4,932,335 | 4,732,335 | 4,459,824 | 272,921 | 4,150,634 |
| Employee benefits | 1,689,844 | 1,364,844 | 1,469,699 | (104,695) | 1,460,822 |
| Services and supplies | 1,527,414 | 727,414 | 383,215 | 2,395,605 | 796,164 |
| Capital outlay | - | - | 72,563 | 2,395,605 | - |
| Total Finance | 8,149,593 | 6,824,593 | 6,385,301 | (439,292) | 6,407,620 |
| Comptroller: | | | | | |
| Salaries and wages | 1,744,009 | 1,744,009 | 1,699,009 | (45,000) | 1,655,110 |
| Employee benefits | 598,175 | 598,175 | 534,986 | (63,189) | 556,230 |
| Services and supplies | 287,487 | 287,487 | 132,668 | (154,819) | 268,111 |
| Total Comptroller | 2,629,671 | 2,629,671 | 2,366,663 | (263,008) | 2,479,451 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | 2005 | |
|--|-----------------|--------------|------------|-------------|
| | Original Budget | Final Budget | Actual | Variance |
| Expenditures (Continued): | | | | |
| General Government (Continued): | | | | |
| Treasurer: | | | | |
| Salaries and wages | 1,899,675 | 1,899,675 | 1,749,503 | (150,172) |
| Employee benefits | 660,720 | 660,720 | 611,356 | (49,364) |
| Services and supplies | 735,628 | 735,628 | 757,606 | 21,978 |
| Total Treasurer | 3,296,023 | 3,296,023 | 3,118,465 | (177,558) |
| Elections: | | | | |
| Salaries and wages | 3,491,123 | 2,891,123 | 2,333,629 | (557,494) |
| Employee benefits | 1,311,047 | 1,311,047 | 811,199 | (499,848) |
| Services and supplies | 3,072,892 | 2,572,892 | 2,133,736 | (439,156) |
| Capital outlay | 2,000,000 | 2,000,000 | 1,629,952 | (370,048) |
| Total Elections | 9,875,062 | 8,775,062 | 6,908,516 | (1,866,546) |
| Assessor: | | | | |
| Salaries and wages | 10,607,404 | 10,207,404 | 9,982,681 | (224,723) |
| Employee benefits | 3,594,348 | 3,594,348 | 3,352,767 | (241,581) |
| Services and supplies | 1,276,285 | 1,476,285 | 1,432,864 | (43,421) |
| Total Assessor | 15,478,037 | 15,278,037 | 14,768,312 | (509,725) |
| Recorder: | | | | |
| Salaries and wages | 2,646,408 | 2,646,408 | 2,381,770 | (264,638) |
| Employee benefits | 985,082 | 985,082 | 867,059 | (118,023) |
| Services and supplies | 593,583 | 593,583 | 402,542 | (191,041) |
| Total Recorder | 4,225,073 | 4,225,073 | 3,651,371 | (573,702) |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | Variance | 2005 | |
|---------------------------------|-----------------|--------------|-----------|------------|--------|
| | Original Budget | Final Budget | | Actual | Actual |
| Expenditures (Continued): | | | | | |
| General Government (Continued): | | | | | |
| Clerk: | | | | | |
| Salaries and wages | 12,172,938 | 12,097,938 | 832,511 | 11,427,793 | |
| Employee benefits | 4,595,109 | 4,520,109 | (240,529) | 4,029,668 | |
| Services and supplies | 1,107,552 | 1,607,552 | (592,722) | 829,329 | |
| Capital outlay | - | - | - | 7,376 | |
| Total Clerk | 17,875,599 | 18,225,599 | (740) | 16,294,166 | |
| Administrative Services: | | | | | |
| Salaries and wages | 4,365,290 | 4,365,290 | (23,943) | 2,961,224 | |
| Employee benefits | 1,480,353 | 1,480,353 | (51,247) | 1,036,673 | |
| Services and supplies | 3,014,494 | 3,014,494 | (327,216) | 987,582 | |
| Total Administrative Services | 8,860,137 | 8,860,137 | (402,406) | 4,985,479 | |
| Human Resources: | | | | | |
| Salaries and wages | 2,337,731 | 2,262,731 | (105,444) | 2,088,300 | |
| Employee benefits | 765,765 | 765,765 | (58,821) | 712,045 | |
| Services and supplies | 785,842 | 785,842 | (251,693) | 475,690 | |
| Total Human Resources | 3,889,338 | 3,814,338 | (415,958) | 3,276,035 | |
| Comprehensive Planning: | | | | | |
| Salaries and wages | 5,550,542 | 5,550,542 | (435,383) | 4,919,715 | |
| Employee benefits | 1,882,126 | 1,882,126 | (186,847) | 1,659,169 | |
| Services and supplies | 1,358,459 | 1,358,459 | (366,762) | 1,120,598 | |
| Total Comprehensive Planning | 8,791,127 | 8,791,127 | (988,992) | 7,699,482 | |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2006

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

(Continued)

| | 2006 | | | 2005 Actual |
|----------------------------------|-----------------|--------------|-------------|----------------|
| | Original Budget | Final Budget | Actual | |
| Expenditures (Continued): | | | | |
| General Government (Continued): | | | | |
| A-95 Clearinghouse Council: | | | | |
| Salaries and wages | 47,898 | 47,898 | 30,036 | 33,249 |
| Employee benefits | 18,082 | 18,082 | 14,955 | 15,133 |
| Services and supplies | 20,627 | 20,627 | 10,571 | 2,986 |
| Total A-95 Clearinghouse Council | 86,607 | 86,607 | 55,562 | 51,368 |
| Information Technology: | | | | |
| Salaries and wages | 12,726,899 | 12,651,899 | 11,794,819 | 11,931,879 |
| Employee benefits | 4,321,860 | 4,321,860 | 3,787,299 | 3,856,310 |
| Services and supplies | 1,395,456 | 958,533 | 1,141,490 | 1,067,983 |
| Capital outlay | - | - | - | 25,000 |
| Total Information Technology | 18,444,215 | 17,932,292 | 16,723,608 | 16,881,172 |
| Business License: | | | | |
| Salaries and wages | 4,771,057 | 4,771,057 | 4,550,727 | 4,522,938 |
| Employee benefits | 1,631,846 | 1,631,846 | 1,483,414 | 1,581,906 |
| Services and supplies | 480,199 | 480,199 | 417,797 | 459,582 |
| Total Business License | 6,883,102 | 6,883,102 | 6,451,938 | 6,564,426 |
| Real Property Management: | | | | |
| Salaries and wages | 9,671,485 | 9,671,485 | 7,721,395 | 8,152,225 |
| Employee benefits | 3,562,449 | 3,562,449 | 2,681,208 | 2,972,180 |
| Services and supplies | 5,843,754 | 5,943,754 | 6,580,489 | 5,400,985 |
| Capital outlay | 1,339,000 | 1,239,000 | 777,937 | 1,371,455 |
| Total Real Property Management | 20,416,688 | 20,416,688 | 17,761,029 | 17,896,845 |
| Total General Government | 135,240,402 | 132,378,479 | 122,314,860 | 121,425,325 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 | |
|---------------------------------|-----------------|--------------|------------|-------------|------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures (Continued): | | | | | |
| Judicial: | | | | | |
| Outlying Constable: | | | | | |
| Salaries and wages | 109,612 | 109,612 | 108,182 | (1,430) | 98,509 |
| Employee benefits | 96,441 | 96,441 | 93,750 | (2,691) | 97,566 |
| Services and supplies | 22,129 | 22,129 | 12,096 | (10,033) | 11,223 |
| Total Outlying Constable | 228,182 | 228,182 | 214,028 | (14,154) | 207,298 |
| Henderson Constable: | | | | | |
| Salaries and wages | 125,908 | 125,908 | 136,312 | 10,404 | 127,912 |
| Employee benefits | 50,835 | 50,835 | 53,160 | 2,325 | 53,707 |
| Services and supplies | 22,984 | 22,984 | 13,188 | (9,796) | 13,424 |
| Total Henderson Constable | 199,727 | 199,727 | 202,660 | 2,933 | 195,043 |
| North Las Vegas Constable: | | | | | |
| Salaries and wages | 108,200 | 108,200 | 102,197 | (6,003) | 98,581 |
| Employee benefits | 41,938 | 41,938 | 38,767 | (3,171) | 41,013 |
| Services and supplies | 16,957 | 16,957 | 11,735 | (5,222) | 11,151 |
| Total North Las Vegas Constable | 167,095 | 167,095 | 152,699 | (14,396) | 150,745 |
| District Attorney: | | | | | |
| Salaries and wages | 24,428,769 | 24,428,769 | 23,533,569 | (895,200) | 22,244,669 |
| Employee benefits | 7,958,614 | 7,958,614 | 7,400,737 | (557,877) | 7,217,705 |
| Services and supplies | 2,070,804 | 2,070,804 | 1,915,382 | (155,422) | 1,719,511 |
| Total District Attorney | 34,458,187 | 34,458,187 | 32,849,688 | (1,608,499) | 31,181,885 |
| Witness/Legal Fees: | | | | | |
| Services and supplies | 1,550,000 | 1,550,000 | 1,538,532 | (11,468) | 1,436,085 |
| Total Witness/Legal Fees | 1,550,000 | 1,550,000 | 1,538,532 | (11,468) | 1,436,085 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 | |
|-------------------------------|-----------------|--------------|------------|-------------|------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures (Continued): | | | | | |
| Judicial (Continued): | | | | | |
| District Court: | | | | | |
| Salaries and wages | 15,577,064 | 15,577,064 | 15,359,029 | (218,035) | 14,643,411 |
| Employee benefits | 5,333,789 | 5,333,789 | 4,954,333 | (379,456) | 4,902,250 |
| Services and supplies | 7,500,005 | 9,300,005 | 10,123,952 | 823,947 | 8,313,496 |
| Capital outlay | 192,557 | 192,557 | - | (192,557) | - |
| Total District Court | 28,603,415 | 30,403,415 | 30,437,314 | 33,899 | 27,859,157 |
| Special Public Defender: | | | | | |
| Salaries and wages | 1,417,072 | 1,417,072 | 1,355,329 | (61,743) | 1,188,328 |
| Employee benefits | 463,636 | 463,636 | 436,992 | (26,644) | 377,019 |
| Services and supplies | 307,018 | 507,018 | 303,195 | (203,823) | 225,565 |
| Total Special Public Defender | 2,187,726 | 2,387,726 | 2,095,516 | (292,210) | 1,790,912 |
| Court Jury Services: | | | | | |
| Salaries and wages | 297,808 | 297,808 | 280,934 | (16,874) | 269,565 |
| Employee benefits | 101,743 | 101,743 | 101,280 | (463) | 99,458 |
| Services and supplies | 1,107,741 | 1,407,741 | 1,103,486 | (304,255) | 1,073,918 |
| Total Court Jury Services | 1,507,292 | 1,807,292 | 1,485,700 | (321,592) | 1,442,941 |
| Grand Jury: | | | | | |
| Services and supplies | 125,850 | 125,850 | 124,319 | (1,531) | 135,441 |
| Total Grand Jury | 125,850 | 125,850 | 124,319 | (1,531) | 135,441 |
| Las Vegas Justice Court: | | | | | |
| Salaries and wages | 9,186,547 | 9,186,547 | 8,833,189 | (353,358) | 8,419,247 |
| Employee benefits | 3,223,965 | 3,223,965 | 2,904,641 | (319,324) | 2,809,872 |
| Services and supplies | 1,878,197 | 2,478,197 | 2,128,464 | (349,733) | 1,842,318 |
| Total Las Vegas Justice Court | 14,288,709 | 14,888,709 | 13,866,294 | (1,022,415) | 13,071,437 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2006

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

(Continued)

| | 2006 | | | 2005 | |
|-------------------------------------|-----------------|--------------|------------|-----------|------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures (Continued): | | | | | |
| Judicial (Continued): | | | | | |
| Henderson Justice Court: | | | | | |
| Salaries and wages | 1,121,909 | 1,121,909 | 1,141,404 | 19,495 | 1,069,133 |
| Employee benefits | 417,844 | 417,844 | 404,741 | (13,103) | 389,874 |
| Services and supplies | 141,990 | 241,990 | 140,834 | (101,156) | 140,875 |
| Total Henderson Justice Court | 1,681,743 | 1,781,743 | 1,686,979 | (94,764) | 1,599,882 |
| North Las Vegas Justice Court: | | | | | |
| Salaries and wages | 1,192,112 | 1,192,112 | 1,175,756 | (16,356) | 1,129,146 |
| Employee benefits | 441,048 | 441,048 | 424,806 | (16,242) | 415,218 |
| Services and supplies | 252,119 | 402,119 | 280,223 | (121,896) | 216,975 |
| Total North Las Vegas Justice Court | 1,885,279 | 2,035,279 | 1,880,785 | (154,494) | 1,761,339 |
| Outlying Justice Court: | | | | | |
| Salaries and wages | 1,381,340 | 1,381,340 | 1,424,368 | 43,028 | 1,341,604 |
| Employee benefits | 473,704 | 473,704 | 444,134 | (29,570) | 444,283 |
| Services and supplies | 154,344 | 229,344 | 178,414 | (50,930) | 132,564 |
| Total Outlying Justice Court | 2,009,388 | 2,084,388 | 2,046,916 | (37,472) | 1,918,451 |
| Public Defender: | | | | | |
| Salaries and wages | 13,967,818 | 13,967,818 | 13,838,790 | (129,028) | 13,226,638 |
| Employee benefits | 4,497,100 | 4,497,100 | 4,265,121 | (231,979) | 4,050,616 |
| Services and supplies | 1,206,410 | 1,406,410 | 1,323,340 | (83,070) | 1,130,792 |
| Total Public Defender | 19,671,328 | 19,871,328 | 19,427,251 | (444,077) | 18,408,046 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 |
|------------------------------------|-----------------|--------------|-------------|-------------|
| | Original Budget | Final Budget | Actual | Actual |
| Expenditures (Continued): | | | | |
| Judicial (Continued): | | | | |
| Neighborhood Justice Center: | | | | |
| Salaries and wages | 726,341 | 726,341 | 664,215 | 648,745 |
| Employee benefits | 232,352 | 232,352 | 205,969 | 223,131 |
| Services and supplies | 180,048 | 180,048 | 60,576 | 99,885 |
| Total Neighborhood Justice Center | 1,138,741 | 1,138,741 | 930,760 | 971,761 |
| Total Judicial | 109,702,662 | 113,127,662 | 108,939,441 | 102,130,423 |
| Public Safety: | | | | |
| Office of the Sheriff: | | | | |
| Salaries and wages | 170,070 | 170,070 | 162,072 | 162,072 |
| Employee benefits | 37,341 | 37,341 | 10,142 | 8,006 |
| Services and supplies | 10,000 | 10,000 | 2,070 | 1,877 |
| Total Office of the Sheriff | 217,411 | 217,411 | 174,284 | 171,955 |
| Fire Department: | | | | |
| Salaries and wages | 68,838,203 | 68,838,203 | 69,322,022 | 62,519,512 |
| Employee benefits | 28,289,775 | 28,289,775 | 27,754,847 | 23,935,543 |
| Services and supplies | 7,047,387 | 7,047,387 | 7,871,108 | 6,555,593 |
| Total Fire Department | 104,175,365 | 104,175,365 | 104,947,977 | 93,010,648 |
| Volunteer Fire and Ambulance: | | | | |
| Services and supplies | 288,870 | 288,870 | 240,629 | 194,399 |
| Total Volunteer Fire and Ambulance | 288,870 | 288,870 | 240,629 | 194,399 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 | |
|----------------------------|-----------------|--------------|------------|-----------|------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures (Continued): | | | | | |
| Public Safety (Continued): | | | | | |
| Public Guardian: | | | | | |
| Salaries and wages | 1,425,637 | 1,425,637 | 1,214,204 | (211,433) | 1,220,316 |
| Employee benefits | 513,030 | 513,030 | 424,774 | (88,256) | 447,479 |
| Services and supplies | 208,787 | 208,787 | 135,222 | (73,565) | 140,222 |
| Total Public Guardian | 2,147,454 | 2,147,454 | 1,774,200 | (373,254) | 1,808,017 |
| Public Administrator: | | | | | |
| Salaries and wages | 695,367 | 695,367 | 694,184 | (1,183) | 642,179 |
| Employee benefits | 172,652 | 172,652 | 176,260 | 3,608 | 175,229 |
| Services and supplies | 96,578 | 96,578 | 86,296 | (10,282) | 73,289 |
| Total Public Administrator | 964,597 | 964,597 | 956,740 | (7,857) | 890,697 |
| Coroner: | | | | | |
| Salaries and wages | 2,639,979 | 2,639,979 | 2,801,171 | 161,192 | 2,409,936 |
| Employee benefits | 856,999 | 856,999 | 819,004 | (37,995) | 756,352 |
| Services and supplies | 734,454 | 1,034,454 | 756,365 | (278,089) | 706,407 |
| Total Coroner | 4,231,432 | 4,531,432 | 4,376,540 | (154,892) | 3,872,695 |
| Juvenile Justice: | | | | | |
| Salaries and wages | 23,286,943 | 23,286,943 | 23,696,747 | 409,804 | 22,115,427 |
| Employee benefits | 9,071,324 | 9,071,324 | 8,627,536 | (443,788) | 8,168,112 |
| Services and supplies | 4,748,474 | 5,248,474 | 4,650,960 | (597,514) | 3,488,836 |
| Total Juvenile Justice | 37,106,741 | 37,606,741 | 36,975,243 | (631,498) | 33,772,375 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 | |
|--|-----------------|--------------|-------------|-------------|-------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures (Continued): | | | | | |
| Public Safety (Continued): | | | | | |
| Family Services: | | | | | |
| Salaries and wages | 16,281,235 | 16,281,235 | 17,174,479 | 893,244 | 14,253,161 |
| Employee benefits | 5,347,838 | 5,347,838 | 5,079,220 | (268,618) | 4,538,512 |
| Services and supplies | 2,615,317 | 3,615,317 | 2,963,605 | (651,712) | 2,751,987 |
| Capital outlay | - | - | 6,157 | 6,157 | - |
| Total Family Services | 24,244,390 | 25,244,390 | 25,223,461 | (20,929) | 21,543,660 |
| Total Public Safety | 173,376,260 | 175,176,260 | 174,669,074 | (507,186) | 155,264,446 |
| Public Works: | | | | | |
| Public Works: | | | | | |
| Salaries and wages | 9,733,008 | 9,733,008 | 8,929,968 | (803,040) | 8,959,133 |
| Employee benefits | 3,353,294 | 3,353,294 | 2,917,369 | (435,925) | 3,117,920 |
| Services and supplies | 1,738,891 | 2,238,891 | 1,634,001 | (604,890) | 1,535,635 |
| Capital outlay | 500,000 | 500,000 | - | (500,000) | - |
| Total Public Works | 15,325,193 | 15,825,193 | 13,481,338 | (2,343,855) | 13,612,688 |
| Health: | | | | | |
| Emergency Room Admittance: | | | | | |
| Services and supplies | 18,949,949 | 18,949,949 | 18,949,949 | - | 17,890,781 |
| Contributions to University Medical Center | 13,500,000 | 13,500,000 | 13,500,000 | - | - |
| Emergency Medical Clinics: | | | | | |
| Services and supplies | 1,500 | 1,500 | 204 | (1,296) | 544 |
| Emergency Medical Care: | | | | | |
| Services and supplies | 3,050,000 | 3,050,000 | 2,156,418 | (893,582) | 2,009,326 |
| Total Health | 35,501,449 | 35,501,449 | 34,606,571 | (894,878) | 19,900,651 |

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2006
(With comparative actual for the fiscal year ended June 30, 2005)
(Continued)

| | 2006 | | | 2005 | |
|--|------------------|------------------|------------------|-----------------|----------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Expenditures (Continued): | | | | | |
| Welfare: | | | | | |
| Salaries and wages | 7,839,831 | 7,839,831 | 7,445,912 | (393,919) | 7,110,130 |
| Employee benefits | 2,633,896 | 2,633,896 | 2,496,624 | (137,272) | 2,401,054 |
| Services and supplies | 64,275,860 | 64,275,860 | 58,331,360 | (5,944,500) | 49,934,883 |
| Capital outlay | 500,000 | 500,000 | - | (500,000) | 33,255 |
| Total Welfare | 75,249,587 | 75,249,587 | 68,273,896 | (6,975,691) | 59,479,322 |
| Culture and Recreation: | | | | | |
| Salaries and wages | 16,533,279 | 16,533,279 | 15,702,546 | (830,733) | 16,571,763 |
| Employee benefits | 5,867,120 | 5,867,120 | 5,238,172 | (628,948) | 5,827,151 |
| Services and supplies | 5,301,345 | 5,801,345 | 4,720,880 | (1,080,465) | 6,441,769 |
| Capital outlay | - | - | - | - | - |
| Total Culture and Recreation | 27,701,744 | 28,201,744 | 25,661,598 | (2,540,146) | 28,840,683 |
| Other General Expenditures: | | | | | |
| Utilities | 23,851,600 | 22,351,600 | 18,333,019 | (4,018,581) | 17,234,216 |
| Building rental | 3,010,000 | 3,010,000 | 2,317,054 | (692,946) | 2,049,818 |
| Capital replacement | 4,200,000 | 3,200,000 | 1,785,093 | (1,414,907) | 1,415,356 |
| Administrative assessments | 496,557 | 496,557 | 577,530 | 80,973 | 381,662 |
| Maintenance contracts | 14,778,920 | 13,778,920 | 12,326,757 | (1,452,163) | 8,390,785 |
| Insurance and official bonds | 3,869,755 | 3,456,678 | 3,305,174 | (151,504) | 3,500,722 |
| Miscellaneous refunds and expenditures | 9,633,200 | 8,633,200 | 7,719,972 | (913,228) | 4,965,510 |
| Internal service charges | - | 2,050,000 | - | (2,050,000) | - |
| Publications and professional services | 3,525,000 | 3,025,000 | 2,443,133 | (581,867) | 2,040,929 |
| Contributions | 20,330,000 | 20,330,000 | 20,330,000 | - | 23,617,196 |
| Interest - securities lending | - | - | 4,537,257 | 4,537,257 | - |
| Total Other General Expenditures | 83,695,032 | 80,331,955 | 73,674,989 | (6,656,966) | 63,596,194 |
| Total expenditures | 655,792,329 | 655,792,329 | 621,621,767 | (34,170,562) | 564,249,732 |
| Transfers to other funds | 419,114,740 | 512,114,740 | 511,829,290 | (285,450) | 420,829,521 |
| Total expenditures and transfers | \$ 1,074,907,069 | \$ 1,167,907,069 | \$ 1,133,451,057 | \$ (34,456,012) | \$ 985,079,253 |

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, 2006
(With comparative actual for the fiscal year ended June 30, 2005)

| | 2006 | | | 2005 | |
|---|-----------------|----------------|----------------|---------------|----------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Revenues: | | | | | |
| Ad valorem taxes | \$ 117,227,828 | \$ 119,106,840 | \$ 121,589,039 | \$ 2,482,199 | \$ 108,537,351 |
| Intergovernmental revenue: | | | | | |
| Federal and state grants | - | 21,261,176 | 14,285,567 | (6,975,609) | 6,055,198 |
| City of Las Vegas contribution | 111,450,861 | 111,450,861 | 111,569,541 | 118,680 | 103,010,727 |
| Charges for services: | | | | | |
| Airport security | 11,864,000 | 11,864,000 | 11,387,576 | (476,424) | 9,804,387 |
| Other | 8,275,000 | 8,275,000 | 8,603,553 | 328,553 | 9,032,777 |
| Interest | 913,852 | 1,203,763 | 1,937,588 | 733,825 | 1,248,734 |
| Other | 3,595,000 | 3,595,000 | 1,669,717 | (1,925,283) | 2,304,655 |
| Total revenues | 253,326,541 | 276,756,640 | 271,042,581 | (5,714,059) | 239,993,829 |
| Other financing sources: | | | | | |
| Transfers from other funds | 170,942,717 | 171,224,871 | 170,910,370 | (314,501) | 151,931,093 |
| Total revenues and other financing sources | 424,269,258 | 447,981,511 | 441,952,951 | (6,028,560) | 391,924,922 |
| Expenditures: | | | | | |
| Salaries and wages | 262,253,941 | 263,163,285 | 262,486,125 | (677,160) | 239,733,047 |
| Employee benefits | 98,401,181 | 98,827,007 | 97,785,825 | (1,041,182) | 82,823,972 |
| Services and supplies | 51,526,124 | 66,765,773 | 57,641,953 | (9,123,820) | 47,427,941 |
| Capital outlay | 17,435,091 | 30,379,955 | 20,226,201 | (10,153,754) | 9,575,510 |
| Principal | - | - | 187,955 | 187,955 | 164,034 |
| Interest | - | - | 531,305 | 531,305 | 80,721 |
| Total expenditures | 429,616,337 | 459,136,020 | 438,859,364 | (20,276,656) | 379,805,225 |
| Excess (deficiency) of revenues and other financing sources over (under) expenditures | (5,347,079) | (11,154,509) | 3,093,587 | 14,248,096 | 12,119,697 |
| Fund balance: | | | | | |
| Beginning of year | 5,847,079 | 11,654,509 | 19,872,075 | 8,217,566 | 7,752,378 |
| End of year | \$ 500,000 | \$ 500,000 | \$ 22,965,662 | \$ 22,465,662 | \$ 19,872,075 |

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, 2006
(With comparative actual for the fiscal year ended June 30, 2005)

| | 2006 | | | 2005 | |
|--|-----------------|---------------|---------------|---------------|---------------|
| | Original Budget | Final Budget | Actual | Variance | Actual |
| Revenues: | | | | | |
| Taxes: | | | | | |
| Room tax | \$ 38,000,000 | \$ 38,000,000 | \$ 41,626,529 | \$ 3,626,529 | \$ 36,627,509 |
| Licenses and permits: | | | | | |
| New development fees | 43,200,000 | 43,200,000 | 50,521,808 | 7,321,808 | 40,387,987 |
| Intergovernmental revenue: | | | | | |
| Sales and use tax | 172,000,000 | 172,000,000 | 176,637,562 | 4,637,562 | 161,231,644 |
| Motor vehicle privilege tax | 45,436,800 | 45,436,800 | 45,951,198 | 514,398 | 42,769,179 |
| Motor vehicle fuel tax | 37,800,000 | 37,800,000 | 38,669,617 | 869,617 | 36,806,650 |
| Aviation fuel tax | 12,800,000 | 12,800,000 | 14,068,275 | 1,268,275 | 12,989,799 |
| Juvenile Court administrative fee | - | - | 5,155 | 5,155 | - |
| Interest | 800,000 | 800,000 | 3,641,972 | 2,841,972 | 2,154,651 |
| Total revenues | 350,036,800 | 350,036,800 | 371,122,116 | 21,085,316 | 332,967,419 |
| Expenditures: | | | | | |
| Services and supplies | 236,300,000 | 240,400,000 | 238,424,212 | (1,975,788) | 219,997,488 |
| Interest | - | - | 1,536,952 | 1,536,952 | - |
| Total expenditures | 236,300,000 | 240,400,000 | 239,961,164 | (438,836) | 219,997,488 |
| Other financing uses: | | | | | |
| Transfers to other funds | 145,702,902 | 145,702,902 | 145,702,902 | - | 112,864,597 |
| Total expenditures and other financing uses | 382,002,902 | 386,102,902 | 385,664,066 | (438,836) | 332,862,085 |
| Excess (deficiency) of revenues over (under) expenditures and other financing uses | (31,966,102) | (36,066,102) | (14,541,950) | 21,524,152 | 105,334 |
| Fund balance: | | | | | |
| Beginning of year | 31,966,102 | 36,066,102 | 36,133,438 | 67,336 | 36,028,104 |
| End of year | - | \$ - | \$ 21,591,488 | \$ 21,591,488 | \$ 36,133,438 |

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> |
|--------------------------------|--|-----------------------------------|
| 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 |
| 2006 | 18,913,372 | 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, 2006

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, 2006, as originally adopted, were augmented during the year for grants and other County Commission action.

COMMENTS OF INDEPENDENT AUDITORS



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, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 19, 2007. 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, 96 percent, and 95 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 January 19, 2007.

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
January 19, 2007

ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS



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

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of Clark County, Nevada (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

Clark County, Nevada's financial statements include the operations of the following component units: University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, as well as the Department of Aviation. The federal awards received by these entities are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2006. Our audit, described below, did not include the operations of University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, or the Department of Aviation because these entities engaged other auditors to perform their audits in accordance with OMB Circular A-133.

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

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 06-2 through 06-6.

Internal Control Over Compliance

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying schedule of findings and questioned costs as items 06-2 through 06-6.

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 noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above is a material weakness.

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
February 16, 2007

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| 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 | | | | |
| 2002 HIDTA #12PNVP501 (1/1/02-12/31/02) | 07.Unknown | None | \$ 2,000,000 | \$ 297,803 |
| 2003 HIDTA #13PNVP501 (1/1/03-12/31/03) | 07.Unknown | None | 1,400,000 | 196,289 |
| 2004 HIDTA #14PNVP501Z (1/1/04-12/31/04) | 07.Unknown | None | 1,740,000 | 549,609 |
| 2005 HIDTA #15PNVP501Z (1/1/04-12/31/05) | 07.Unknown | None | 1,900,000 | 1,008,054 |
| 2006 HIDTA #16PNVP501Z (1/1/05-12/31/06) | 07.Unknown | None | 1,400,000 | <u>101,191</u> |
| Total Office of National Drug Control Policy | | | | <u>2,152,946</u> |
| DEPARTMENT OF AGRICULTURE | | | | |
| Passed Through Nevada Department of Education: | | | | |
| Food Distribution (Commodity) | 10.550 | None | 22,967 | 22,967 |
| Child Nutrition Cluster | | | | |
| Passed Through Nevada Department of Education: | | | | |
| School Breakfast Program, FY 05-06 | 10.553 | Program 32 | 59,739 | 59,739 |
| School Breakfast Program, FY 05-06 | 10.553 | Program 32 | 176,117 | <u>176,117</u> |
| | | | | <u>235,856</u> |
| Passed Through Nevada Department of Education: | | | | |
| National School Lunch Program, FY 05-06 | 10.555 | Program 32 | 90,549 | 90,549 |
| National School Lunch Program, FY 05-06 | 10.555 | Program 32 | 274,636 | <u>274,636</u> |
| | | | | <u>365,185</u> |
| Passed Through Nevada Department of Education: | | | | |
| Special Milk Program for Children, FY 05-06 | 10.556 | Coop Agreement | 22,292 | 22,292 |
| Passed Through Nevada Department of Education: | | | | |
| Summer Food Service Program Administrative, 2005 | 10.559 | None | 4,830 | 4,830 |
| Summer Food Service Program for Children, 2005 | 10.559 | None | 57,434 | <u>35,858</u> |
| | | | | <u>40,688</u> |
| Total Child Nutrition Cluster | | | | <u>664,021</u> |
| Passed Through Nevada Department of Education | | | | |
| Child and Adult Care Food Program | 10.558 | None | 89,709 | 89,709 |
| Total Department of Agriculture | | | | <u>776,697</u> |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| <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 HOUSING AND URBAN DEVELOPMENT | | | | |
| CDBG – Entitlement and (HUD-Administered) Small Cities Cluster | | | | |
| Direct Program: | | | | |
| Community Development Block Grant, FY 05-06 | 14.218 | B-05-UC-32-0001 | \$ 8,819,545 | \$ 1,252,935 |
| Community Development Block Grant, FY 04-05 | 14.218 | B-04-UC-32-0001 | 9,231,000 | <u>7,093,080</u> |
| Total CDBG – Entitlement and (HUD-Administered) Small Cities Cluster | | | | <u>8,346,015</u> |
| Passed Through Community Action Partnership: | | | | |
| Child Care Mandatory and Matching Funds for the Child Care Development Fund | 14.228 | None | 90,000 | 31,419 |
| Child Care Mandatory and Matching Funds for the Child Care Development Fund | 14.228 | None | 90,850 | <u>1,800</u> |
| | | | | <u>33,219</u> |
| Direct Program: | | | | |
| Emergency Shelter Grants Program, FY 05-06 | 14.231 | S-05-UC-32-0001 | 270,298 | 270,298 |
| Direct Program: | | | | |
| Home Investment Partnerships Program, FY 03-04 Recaptured Home Funds | 14.239 | M-03-DC-320224 | 6,417,840 | 3,475,624 |
| | | | | <u>349,560</u> |
| | | | | <u>3,825,184</u> |
| Passed Through Nevada Housing Division: | | | | |
| Home Investment Partnerships Program, FY 03-04 | 14.239 | M-03-SG320106 | 903,415 | 184,848 |
| Home Investment Partnerships Program, FY 02-03 Recaptured Home Funds | 14.239 | M-02-SG320106 | 856,720 | 225,143 |
| | | | | <u>84,764</u> |
| | | | | <u>494,755</u> |
| Direct Program: | | | | |
| Housing Opportunities for Persons with AIDS | 14.241 | NV01C900001 | 728,160 | 89,975 |
| Direct Program: | | | | |
| Brownfield's Economic Development Initiative | 14.246 | B-03-SP-NV-0504 | 894,150 | <u>255,701</u> |
| Total Department of Housing and Urban Development | | | | <u>13,315,147</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 | <u>93,986</u> |
| Total Department of Interior | | | | <u>93,986</u> |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| <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 JUSTICE | | | | |
| Passed Through Nevada Department of Human Resources: | | | | |
| Juvenile Accountability Incentive Block Grant | 16.523 | JBFFY03-08 | \$ 254,927 | \$ 188,799 |
| Juvenile Accountability Incentive Block Grant | 16.523 | 2003JB-XV-0004 | 769,804 | <u>324,041</u> |
| | | | | <u>512,840</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Juvenile Justice and Delinquency Prevention, FY 05-06 | 16.540 | None | 290,000 | 193,972 |
| Juvenile Justice and Delinquency Prevention, FY 04-05 | 16.540 | None | 321,922 | 25,700 |
| Juvenile Justice and Delinquency Prevention, FY 03-04 | 16.540 | None | 38,071 | <u>7,508</u> |
| | | | | <u>227,180</u> |
| Passed Through the Nevada Childrens Alliance: | | | | |
| Program Support Grant – Sexual Abuse Investigative Team | 16.543 | LasVeg-046-PS06 | 10,000 | 5,901 |
| Program Support Grant – Sexual Abuse Investigative Team | 16.543 | LasVeg-046-PS05 | 10,000 | 7,003 |
| Program Support Grant – Sexual Abuse Investigative Team | 16.543 | LasVeg-046-PS04 | 8,500 | <u>8,500</u> |
| | | | | <u>21,404</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Missing Children’s Assistance | 16.543 | 2000-MC-CX-K117 | 390,000 | 266,262 |
| Missing Children’s Assistance | 16.543 | 2005-MC-CX-K006 | 946,441 | <u>31,464</u> |
| | | | | <u>297,726</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Title V Delinquency Prevention Program | 16.548 | None | 50,000 | 38,302 |
| Passed Through Nevada Department of Human Resources: | | | | |
| State Challenge Activities | 16.549 | CHFFY03-05 | 10,625 | 7,250 |
| Passed Through Nevada Division of Child & Family Services: | | | | |
| Crime Victim Assistance | 16.575 | 05-46-VOCA | 448,463 | 291,253 |
| Crime Victim Assistance | 16.575 | 04-27-VOCA | 150,000 | 92,383 |
| Crime Victim Assistance | 16.575 | 04-27-VOCA | 150,000 | 30,442 |
| Crime Victim Assistance | 16.575 | 04-29-VOCA | 70,000 | 56,436 |
| Crime Victim Assistance | 16.575 | 04-29-VOCA | 73,237 | 18,760 |
| Crime Victim Assistance | 16.575 | 04-12-VOCA | 160,482 | <u>64,637</u> |
| | | | | <u>553,911</u> |
| Passed Through Nevada Dept of Motor Vehicles & Public Safety: | | | | |
| Edward Byrne Memorial Formula Grant Program: | | | | |
| Narcotics Control Program (Gangs) | 16.579 | 04-NC-023 | 111,175 | 6,598 |
| Narcotics Control Program (Gangs) | 16.579 | 03-NC-042 | 19,994 | <u>19,994</u> |
| | | | | <u>26,592</u> |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| <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 JUSTICE (Continued) | | | | |
| Direct Program: | | | | |
| Edward Byrne Memorial State and Local Law Enforcement Assistance | | | | |
| Discretionary Grants Program: | | | | |
| BJA – Sex Offender Management | 16.580 | 2005-WP-BX-0002 | \$ 249,976 | \$ 22,565 |
| BJA – Equipment | 16.580 | 2004-DD-BX-1472 | 395,791 | 259,092 |
| BJA – Hispanic Interpreters | 16.580 | 2003-DD-BX-0258 | 496,750 | 74,145 |
| BJA – Advent | 16.580 | 2003-DD-BX-0307 | 397,400 | 52,410 |
| BJA – Mobile Command Post | 16.580 | 2000-DD-BX-1451 | 197,895 | <u>197,895</u> |
| | | | | <u>606,107</u> |
| Direct Program: | | | | |
| Single Jurisdiction Enhancement Drug Court Grants | 16.585 | 2004-DC-BX-0070 | 200,000 | 91,667 |
| Passed Through the State of Nevada Office of the Attorney General: | | | | |
| Violence Against Women Formula Grant | 16.588 | 2005-STOP-01 | 49,972 | 23,023 |
| Violence Against Women Formula Grant | 16.588 | 2004-STOP-44-VAWA | 30,000 | 7,508 |
| Violence Against Women Formula Grant | 16.588 | 2005-STOP-44 | 25,000 | <u>7,533</u> |
| | | | | <u>38,064</u> |
| Direct Program: | | | | |
| Local Law Enforcement Block Grant | 16.592 | 03-LB-BX-1340 | 518,956 | 395,868 |
| Local Law Enforcement Block Grant | 16.592 | 03-LB-BX-1490 | 1,119,466 | <u>28,818</u> |
| | | | | <u>424,686</u> |
| Passed Through City of Las Vegas: | | | | |
| Executive Office for Weed and Seed, 2005 | 16.595 | None | 60,240 | 3,190 |
| 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>37,978</u> |
| Direct Program: | | | | |
| Bulletproof Vest Partnership Program | | | | |
| Specialized Emergency Response Equipment | 16.607 | BVP 2006 | 6,313 | 6,313 |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| 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) | | | | |
| Direct Program: | | | | |
| Community Prosecution and Project Safe Neighborhoods | | | | |
| State Safe Neighborhoods | 16.609 | 05-PSN-003 | \$ 37,400 | \$ 26,149 |
| Federal Safe Neighborhoods | 16.609 | 2002-GP-CX-0239 | 166,793 | <u>2,287</u> |
| | | | | <u>28,436</u> |
| Direct Program: | | | | |
| Public Safety Partnership and Community Policing Grants: | | | | |
| Community Oriented Policing (Radio Upgrade) | 16.710 | 2005-CKWX-0210 | 1,479,965 | 23,233 |
| Community Oriented Policing (ID Theft) | 16.710 | 2005-CKWX-0258 | 197,329 | <u>22,565</u> |
| | | | | <u>45,798</u> |
| Passed Through Nevada State Juvenile Justice Commission: | | | | |
| Combating Underage Drinking Program | 16.727 | None | 63,000 | 1,636 |
| Combating Underage Drinking Program | 16.727 | None | 60,000 | 43,827 |
| Combating Underage Drinking Program | 16.727 | None | 63,000 | <u>9,058</u> |
| | | | | <u>54,521</u> |
| Direct Program: | | | | |
| Edward Byrne Memorial Justice Assistance Grant | 16.738 | 2006-DJ-BX-0465 | 1,156,066 | 344,088 |
| Passed Through Nevada Office of Criminal Justice Assistance: | | | | |
| Edward Byrne Memorial Justice Assistance Grant Program: | | | | |
| Narcotics Control Program (Gangs) | 16.738 | 05-JAG-017 | 28,598 | 27,078 |
| Narcotics Control Program (Narcotics) | 16.738 | 05-JAG-024 | 60,000 | 59,918 |
| Narcotics Control Program (METH) | 16.738 | 05-JAG-009 | 43,128 | <u>43,128</u> |
| | | | | <u>130,124</u> |
| Direct Program: | | | | |
| National Institute of Justice: | | | | |
| Forensic DNA Capacity Enforcement Program (2005) | 16.741 | 2004-DN-BX-K204 | 281,455 | 76,752 |
| Direct Program: | | | | |
| National Institute of Justice: | | | | |
| Paul Coverdell Forensic Sciences Improvement Grant Program 2005 | 16.742 | 2004-DM-BX-0206 | 80,233 | 48,848 |
| Direct Program: | | | | |
| National Institute of Justice: | | | | |
| Forensic Casework DNA Backlog Reduction Program (2005) | 16.743 | 2004-DN-BX-K053 | 396,752 | 188,590 |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| <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 JUSTICE (Continued) | | | | |
| Direct Program: | | | | |
| FBI Safe Streets Task Force | 16.Unknown | None | \$ 60,576 | \$ 23,699 |
| FBI Safe Streets Task Force | 16.Unknown | None | 58,665 | 9,111 |
| DEA – So. NV Gang Task Force | 16.Unknown | None | 90,864 | 18,702 |
| DEA – So. NV Gang Task Force | 16.Unknown | None | 87,997 | 15,918 |
| DEA – Marijuana Education | 16.Unknown | None | 12,000 | <u>3,816</u> |
| | | | | <u>71,246</u> |
| Total Department of Justice | | | | <u>3,878,423</u> |
| DEPARTMENT OF LABOR | | | | |
| Direct Program: | | | | |
| Careers in Construction Program | 17.246 | AF137440460 | 250,000 | 53,222 |
| WIA Cluster | | | | |
| Passed Through the So. Nevada Workforce Investment Board: | | | | |
| Youth Employment and Training Services – Workforce Investment Act | 17.259 | PY-04 | 498,655 | <u>306,506</u> |
| Total WIA Cluster | | | | <u>306,506</u> |
| Total Department of Labor | | | | <u>359,728</u> |
| DEPARTMENT OF STATE | | | | |
| BUREAU OF DIPLOMATIC SECURITY | | | | |
| Foreign Police Training | 19.Unknown | S-DSASD-03-GR-001 | 115,156 | <u>39,280</u> |
| Total Department of State | | | | <u>39,280</u> |
| DEPARTMENT OF TRANSPORTATION | | | | |
| Highway Planning and Construction Cluster | | | | |
| Passed Through Nevada Department of Transportation: | | | | |
| Highway Planning & Construction | 20.205 | NV-80-X012, X013,X014 | 650,378 | 407,725 |
| Highway Planning & Construction | 20.205 | NV-80-X011, X012 | 438,469 | 40,980 |
| Highway Planning & Construction | 20.205 | UPWP, FY 2002 | 4,076,569 | <u>631,403</u> |
| Total Highway Planning and Construction Cluster | | | | <u>1,080,108</u> |
| Direct Program: | | | | |
| Railroad Development – Rapid Transit Corridor | 20.314 | DTFR53-05-H-00200 | 160,000 | 97,021 |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| 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) | | | | |
| Federal Transit Cluster | | | | |
| Direct Federal Programs: | | | | |
| Federal Transit Capital Investment Grants | 20.500 | NV-03-0019-02 | \$ 6,408,490 | \$ 525,518 |
| Federal Transit Capital Investment Grants | 20.500 | NV-26-7007-00 | 50,000 | <u>40,298</u> |
| | | | | <u>565,816</u> |
| Direct Federal Programs: | | | | |
| Federal Transit – Formula Grant | 20.507 | NV-90-X033-01 | 13,893,602 | 43,878 |
| Federal Transit – Formula Grant | 20.507 | NV-90-X035-01 | 17,213,379 | 291,593 |
| Federal Transit – Formula Grant | 20.507 | NV-90-X039-00 | 26,641,645 | 8,403,436 |
| Federal Transit – Formula Grant | 20.507 | NV-90-X043-02 | 37,319,899 | <u>11,045,013</u> |
| | | | | <u>19,783,920</u> |
| Total Federal Transit Cluster | | | | <u>20,349,736</u> |
| Highway Safety Cluster | | | | |
| Passed Through Nevada Department of Motor Vehicles: | | | | |
| State & Community Highway Safety | 20.600 | 25-JB-18-6 | 20,000 | 11,831 |
| State & Community Highway Safety | 20.600 | 25-PT-2 | 35,700 | 22,015 |
| State & Community Highway Safety | 20.600 | 26-JF-1.5 | 54,960 | 31,905 |
| State & Community Highway Safety | 20.600 | 25-AL-2 | 60,000 | 18,620 |
| State & Community Highway Safety | 20.600 | 25-JF-1.5 | 69,120 | 19,030 |
| State & Community Highway Safety | 20.600 | 26-J8-18-7 | 34,500 | 27,524 |
| State & Community Highway Safety | 20.600 | 25-163TR-4.1 | 2,000 | 2,000 |
| State & Community Highway Safety | 20.600 | 26-PT-5 | 19,000 | <u>16,442</u> |
| Total Highway Safety Cluster | | | | <u>149,367</u> |
| Total Department of Transportation | | | | <u>21,676,232</u> |
| DEPARTMENT OF TREASURY | | | | |
| Secret Service Agreement | 21.Unknown | None | 167,000 | 167,000 |
| Secret Service Agreement | 21.Unknown | None | 81,000 | <u>49,122</u> |
| Total Department of Treasury | | | | <u>216,122</u> |
| ENVIRONMENTAL PROTECTION AGENCY | | | | |
| Direct Program: | | | | |
| Air Pollution Control Program Support | 66.001 | A-97914706-1 | 750,240 | 750,240 |
| Air Pollution Control Program Support | 66.001 | A-97914705-0 | 738,275 | <u>243,368</u> |
| | | | | <u>993,608</u> |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| 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) | | | | |
| Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act | | | | |
| Direct Program: | | | | |
| PM 2.5 Monitoring Network | 66.034 | PM-96975601-1 | \$ 259,800 | \$ 129,230 |
| PM 2.4 Monitoring Network | 66.034 | PM-96921201-0 | 139,800 | 72,100 |
| Special Appropriation – Biowatch | 66.034 | X-969602901-0 | 534,438 | 397,826 |
| Special Appropriation – Ozone Transportation | 66.034 | X-96902901-0 | 397,500 | <u>397,500</u> |
| | | | | <u>996,656</u> |
| Total Environmental Protection Agency | | | | <u>1,990,264</u> |
| DEPARTMENT OF ENERGY | | | | |
| Direct Program: | | | | |
| Study and Demo Integration of Emergency Response Planning/Technology | 81.065 | DE-FG28-04RW1222 | 2,000,000 | 209,560 |
| Nuclear Waste Disposal Siting, 10/1/04 - 9/30/05 - Yucca Mountain Project | 81.065 | PL | 1,488,000 | 737,441 |
| Nuclear Waste Disposal Siting, 10/1/03 – 9/30/04 – Yucca Mountain Project | 81.065 | PL | 358,864 | 358,684 |
| Nuclear Waste Disposal Siting, 10/1/02 – 9/30/03 – Yucca Mountain Project | 81.065 | PL | 38,640 | 38,640 |
| Nuclear Waste Disposal Siting, 10/1/02 – 9/30/03 – Yucca Mountain Project | 81.065 | PL | 1,675,874 | <u>510,623</u> |
| | | | | <u>1,854,948</u> |
| Passed Through Nevada Division of Emergency Management: | | | | |
| Emergency Preparedness Working Group – FY 06 | 81.502 | 8150206 | 50,000 | 37,859 |
| Emergency Preparedness Working Group – FY 05 | 81.502 | 8150205 | 100,000 | <u>6,914</u> |
| | | | | <u>44,773</u> |
| Total Department of Energy | | | | <u>1,899,721</u> |
| DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | | |
| Aging Cluster | | | | |
| Passed Through Nevada Division for Aging Services: | | | | |
| Representative Payee Grant, FY 05-06 | 93.044 | 0315-21-06 | 140,000 | 140,000 |
| Independent Living, 10/1/05 – 9/30/06 | 93.044 | 0305-80-06 | 197,000 | 18,860 |
| Homemaker Home Health Aide, FY 05-06 | 93.044 | 0305-02-06 | 148,500 | <u>148,500</u> |
| Total Aging Cluster | | | | <u>307,360</u> |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| <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 Division for Aging Services: | | | | |
| National Family Caregiver Support Program | 93.052 | 0365-45-06E | \$ 51,942 | \$ 2,413 |
| National Family Caregiver Support Program | 93.052 | 0305-61-05 | 195,234 | <u>112,384</u> |
| | | | | <u>114,797</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Promoting Safe and Stable Families | | | | |
| Title IV-B Support to Children's Welfare | 93.556 | None | 158,019 | 158,019 |
| Title IV-B Support to Children's Welfare (Diligent Search Project) | 93.556 | IVB-3145/17/SFY05-07-017 | 150,174 | <u>60,690</u> |
| | | | | <u>218,709</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Child Support Enforcement - Hearing Master, FY 05-06 | | | | |
| Child Support Enforcement, FY 05-06 | 93.563 | Coop Agreement | 374,569 | 374,569 |
| | 93.563 | Contr. of Svcs. | 13,057,677 | <u>13,057,677</u> |
| | | | | <u>13,432,246</u> |
| Passed Through Nevada Division of Family Health Services: | | | | |
| Community-Based Family Resource and Support Grants | 93.590 | Children 2006 | 75,900 | 75,900 |
| Passed Through the Best Coalition Corporation | | | | |
| Child Care Mandatory and Matching Funds of the Child Care And Development Fund | 93.596 | BCSIG05-40 | 31,100 | 30,141 |
| Passed Through the Nevada Division of Family & Health Services | | | | |
| Child Care Mandatory and Matching Funds of the Child Care And Development Fund | 93.596 | Coop Agreement | 3,100,000 | <u>550,000</u> |
| | | | | <u>580,141</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Grants to States for Access and Visitation Programs: | | | | |
| Family Access & Visitation, FY 05-06 MEAD06 | 93.597 | None | 75,000 | 3,260 |
| Family Access & Visitation, FY 04-05 MEAD05 | 93.597 | None | 69,000 | <u>11,695</u> |
| | | | | <u>14,955</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Federal Adoption Incentive Program | 93.603 | FAIG-3229/31-SFY04-001 | 164,060 | 121,869 |
| Passed Through Nevada Department of Human Resources: | | | | |
| Foster Care Title IV-E (FY-06) | 93.658 | Foster Care | 10,577,181 | 10,577,181 |
| Passed Through Nevada Department of Human Resources: | | | | |
| Adoption Assistance (Title IV-E) | 93.659 | Adoption Assistance | 4,663,048 | 4,663,048 |

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

| 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 Department of Human Resources: | | | | |
| Social Services Block Grant: | | | | |
| Title XX 2006 | 93.667 | 15 | \$ 1,314,103 | \$ 1,314,103 |
| Direct Program: | | | | |
| Caring Communities Demonstration Project (Kinship-06) | 93.670 | 90CA1717/03 | 500,000 | 292,374 |
| Caring Communities Demonstration Project (Kinship-05) | 93.670 | 90CA1717/02 | 500,000 | 75,676 |
| Caring Communities Demonstration Project (Kinship-04) | 93.670 | 90CA1717/01 | 499,530 | <u>98,585</u> |
| | | | | <u>466,635</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| Chafee Independent Living Program | 93.674 | Chafee- 3229/32-3142/12-SFY05-06 | 233,610 | 155,740 |
| HIV Emergency Relief Project Grants | | | | |
| Direct Program: | | | | |
| Ryan White Title I FY06 | 93.914 | H89HA06900 | 4,323,627 | 448,756 |
| Ryan White Title I FY05 | 93.914 | H89HA06900 | 2,443,178 | <u>2,443,178</u> |
| | | | | <u>2,891,934</u> |
| Passed Through Nevada Department of Human Resources: | | | | |
| HIV Care Formula Grants, 4/1/04 - 3/31/05 (RYAN06) | 93.917 | RW19-03 | 288,000 | 213,417 |
| Passed Through Nevada Bureau of Alcohol and Drug Abuse: | | | | |
| Block Grants for Prevention and Treatment of Substance Abuse: | | | | |
| Parenting Project (BADA 237 2006) | 93.959 | 06081TX | 115,808 | 115,808 |
| Parenting Project (BADA 2006) | 93.959 | 06081TX | 88,958 | 88,958 |
| Parenting Project (BADA 2005) | 93.959 | 05041PX | 85,948 | <u>2,154</u> |
| | | | | <u>206,920</u> |
| Total Department of Health and Human Services | | | | <u>35,354,955</u> |
| SOCIAL SECURITY ADMINISTRATION | | | | |
| Research and Development Cluster | | | | |
| Direct Program: | | | | |
| Clark Co. Outreach and Assistance to Chronically Homeless | 96.007 | 18-H-40031-9-02 | 150,000 | 92,798 |
| Clark Co. Outreach and Assistance to Chronically Homeless | 96.007 | 18-H-40031-9-01 | 200,000 | <u>124,358</u> |
| Total Research and Development Cluster | | | | <u>217,156</u> |
| Total Social Security Administration | | | | <u>217,156</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 | 2004 | Department of Justice Domestic Preparedness Equipment Funding | 1600703 | \$ 2,128,656 | \$ 122,190 |
| 16.007 | 2003 | Homeland Security Grant – Phase II & Supplemental | 1600723 | 7,754,133 | 196,013 |
| 16.007 | 2002 | Department of Justice Domestic Preparedness Equipment Funding | 1600702 | 1,173,672 | <u>344</u> |
| Total Department of Justice | | | | | <u>318,547</u> |
| Department of Homeland Security | | | | | |
| State Domestic Preparedness Equipment Support Program | | | | | |
| Passed Through Nevada Division of Emergency Mgmt: | | | | | |
| 97.004 | 2005 | Emergency Managers Meeting | 97004A3 | 5,000 | 2,263 |
| 97.004 | 2004 | Citizens Corps Program | 97004CL4 | 19,282 | 4,044 |
| 97.004 | 2004 | Law Enforcement Terrorism Prevention Program | 97004LL4 | 2,845,968 | 2,124,494 |
| 97.004 | 2004 | State Homeland Security Program | 97004HL4 | 8,914,226 | 3,275,712 |
| 97.004 | 2003 | Rotunda Thunda Exercise | 97004E3 | 620,000 | 595,302 |
| 97.008 | 2005 | Urban Area Security Initiative | 9700805 | 8,159,854 | 6,917,940 |
| Passed Through Nevada Division of Emergency Mgmt: | | | | | |
| 97.042 | 2004 | Emergency Management Performance Grant | 8355204 | 188,747 | 84,926 |
| 97.042 | 2004 | Emergency Management Performance Grant | 8355204 | 40,119 | 17,638 |
| 97.042 | 2003 | Emergency Management Performance Grant | 8355203 | 13,855 | 13,855 |
| 97.067 | 2005 | Emergency Management Performance Grant | 9704205 | 88,893 | 40,278 |
| 97.073 | 2005 | State Homeland Security Program | 97073HL5 | 4,933,440 | 1,506,143 |
| 97.074 | 2005 | Law Enforcement Terrorism Prevention Program | 97074LL5 | 2,306,072 | <u>2,004,400</u> |
| Total Department of Homeland Security | | | | | <u>16,586,995</u> |
| Total Homeland Security Grant Cluster | | | | | <u>16,905,542</u> |
| Passed Through Nevada Division of Emergency Mgmt: | | | | | |
| 97.008 | 2004 | Urban Area Security Initiative | 9700804 | 10,468,892 | 3,184,984 |
| Passed Through the State Emergency Response Commission: | | | | | |
| 97.021 | 2006 | Hazardous Materials Assistance Program | 06-FEMA-03-01 | 5,000 | 5,000 |

(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) | | | | | |
| 97.024 | 2004 | Passed Through United Way of America: Emergency Food and Shelter National Board Program | PHASE 21 | \$ 84,000 | \$ 8,241 |
| Direct Program: | | | | | |
| 97.025 | 2005 | National Urban Search & Rescue Response System | EMW-2005-CA-0254 | 961,000 | 158,067 |
| 97.025 | 2004 | National Urban Search & Rescue Response System | EMW-2004-CA-0442 | 973,035 | 330,714 |
| 97.025 | 2003 | National Urban Search & Rescue Response System | EMW-2003-CA-0303 | 1,000,000 | <u>53,900</u> |
| | | | | | <u>542,681</u> |
| 97.025 | 2004 | Passed Through Nevada Division of Emergency Mgmt: National Urban Search and Rescue Response System | EMW-2004-CA-0610 | 3,394,000 | 2,371,201 |
| 97.036 | 2004 | Passed Through Nevada Division of Emergency Mgmt: Disaster Grants-Public Assistance Hurricane Katrina | FEMA-3243-EM-NV | 386,305 | 321,972 |
| 97.053 | 2003 | Passed Through Nevada Division of Emergency Mgmt: Citizen Corps | 8356423 | 283,180 | 27,615 |
| 97.067 | 2006 | Passed Through Nevada Division of Emergency Mgmt: Emergency Management Performance Grant | 9704206 | 196,475 | 69,997 |
| 97.078 | 2005 | Passed Through Nevada Division of Emergency Mgmt: Buffer Zone Protection Program | 97078805 | 650,000 | 294,834 |
| Direct Program: | | | | | |
| 97.Unknown | 2005 | FBI – Joint Terrorism Task Force | 66F-LV-A35763 | 75,720 | 46,516 |
| 97.Unknown | 2005 | FBI – Joint Terrorism Task Force | 66F-LV-A35763 | 73,331 | <u>8,554</u> |
| | | | | | <u>55,070</u> |
| Total Department of Homeland Security | | | | | <u>23,787,137</u> |
| TOTAL FEDERAL DISBURSEMENTS/EXPENDITURES | | | | | <u>\$105,757,794</u> |

(Continued)

Clark County, Nevada

Notes to Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2006

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 | \$ 3,790,531 |
| Special revenue funds | 80,959,800 |
| Enterprise funds | <u>21,007,463</u> |
| Total | <u>\$105,757,794</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 | \$ 5,341,449 |
| Emergency Shelter Grants Program | 14.231 | 270,298 |
| Home Investment Partnerships Program | 14.239 | 4,198,988 |
| Local Law Enforcement Block Grant | 16.592 | 152,886 |
| Ryan White Title I | 93.914 | 2,411,239 |
| Homeland Security Grant Cluster | 97.004/97.073/97.074 | 4,349,348 |
| Urban Area Security Initiative Cluster | 97.008 | <u>7,769,877</u> |
| | | <u>\$24,494,085</u> |

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2006

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, 2006.
- 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:
 - Child Support Enforcement – CFDA # 93.563
 - Foster Care – Title IV-E – CFDA # 93.658
 - Adoption Assistance (Title IV-E) – CFDA # 93.659
 - HIV Emergency Relief Project Grants – CFDA # 93.914
 - 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
 - State Homeland Security Program – CFDA # 97.073
 - Law Enforcement Terrorism Prevention Program – CFDA # 97.074
- The threshold used for distinguishing between Type A and Type B programs was \$3,000,000.
- 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, 2006**

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

Finding number 06-1 was not used.

U.S. Department of Homeland Security:

Finding 06-2

Urban Areas Security Initiative, CFDA 97.008 FY 2004

Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.008, 97.042, 97.067, 97.073, and 97.074

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 146.

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2006

U.S. Department of Homeland Security:

Finding 06-3

Urban Areas Security Initiative, CFDA 97.008 FY 2004

Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.008, 97.042, 97.067, 97.073, and 97.074

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 146.

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2006

U.S. Department of Homeland Security:

Finding 06-4

Urban Areas Security Initiative, CFDA 97.008 FY 2004

Homeland Security Grant Program Cluster, CFDA 16.007, 97.004, 97.008, 97.042, 97.067, 97.073, and 97.074

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 three 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

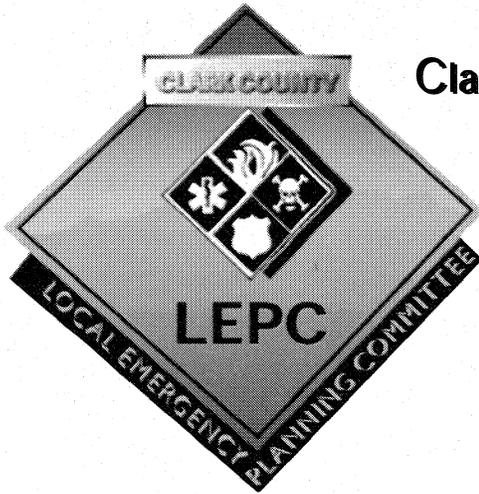
Context: The problem is systemic as there were no procedures in place to verify the subrecipient agreements contained the Buy American Act provisions.

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 146.



Clark County Local Emergency Planning Committee

March 16, 2007

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

Dear Sir or Madam:

Our office has reviewed the findings from the year ending June 30, 2006 Urban Area Security Grant Program Cluster audit. Below are the responses to the three audit findings.

In reference to Finding 06-2

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:

For clarification, Clark County itself is a sub recipient of subject funds. These funds are primarily administered at the State level. The County's sub recipients are reminded to submit equipment inventory sheets through quarterly report reminders. Although this information is requested quarterly as well as required in the signed interlocal agreement, information is often submitted intermittently. Any purchase requests made through our office requires verification of the receipt of goods prior to paying the invoice. Reimbursements are issued to sub recipients only on grant authorized equipment.

Finding 06-3

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: As stated in the *Financial Management Guide* from the U.S. Department of Homeland Security, Preparedness Directorate, Office of Grants and Training, January 2006, “grantees generally are not required to comport with the restriction of the Buy American Act (41 U.S.C. 10a).” Therefore, the Buy American Act is not applicable to the Urban Area Security Initiative program or the Homeland Security Grant Program Cluster stated in the schedule of findings.

Finding 06-4

Condition: *During our testing over subrecipient monitoring, we selected 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: As stated in the *Financial Management Guide* from the U.S. Department of Homeland Security, Preparedness Directorate, Office of Grants and Training, January 2006, “grantees generally are not required to comport with the restriction of the Buy American Act (41 U.S.C. 10a).” Therefore, the Buy American Act is not applicable to the Urban Area Security Initiative program or the Homeland Security Grant Program Cluster stated in the schedule of findings.

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

Sincerely,


Jim O'Brien
Emergency Manager

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
JUNE 30, 2006

U.S. Department of Health and Human Services:

Finding 06-5

Child Support Enforcement, CFDA 93.563

Criteria and Condition: As noted in the OMB Circular A-133 Compliance Supplement for Child Support Enforcement under *Special Tests and Provisions*, the IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. These services must be provided for any child in cases referred to the IV-D agency ... Additionally, 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).

As part of our audit process, we are required to test a sample of case files referred to the agency during the audit period to determine whether or not the requirements mentioned above have been fulfilled. However, Child Support Enforcement program personnel were only able to provide us with a partial listing of their cases. Since Child Support Enforcement program personnel could not produce a complete listing of case files, we were unable to include the entire population of case files in our sample selection for testing of the above noted requirements.

Questioned Costs: None

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

Effect: The County is not able to keep an accurate audit trail of the paternity and support obligation cases they serve.

Cause: It appears that the NOMADS computer system was not able to generate a complete list of cases receiving payments during the year.

Recommendation: We recommend that the County strengthen the output capabilities of the NOMADS computer system in order to produce a complete listing of cases served.

Management's Response: See management's response beginning on page 149.

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 23, 2007

Kafoury, Armstrong & Co.
8329 W. Sunset Road Ste. 210
Las Vegas, NV 89113

Attn: Tami Miramontes, CPA

Dear Ms. Miramontes,

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 06-5

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

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 Child Support Enforcement under *Special Tests and Provisions*, the IV-D agency must attempt to establish paternity and a support obligation for children born out of wedlock. These services must be provided for any child in cases referred to the IV-D agency ... Additionally, 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).

As part of our audit process, we are required to test a sample of case files referred to the agency during the audit period to determine whether or not the requirements mentioned above have been fulfilled. However, Child Support Enforcement program personnel were only able to provide us with a partial listing of their cases. Since Child Support Enforcement program personnel could not produce a complete listing of case files, we were unable to include the entire population of case files in our sample selection for testing of the above noted requirements.

| | |
|--------------------------|--|
| <i>Questioned Costs:</i> | None |
| <i>Context:</i> | The conditions noted above appear to be systemic problems. |
| <i>Effect:</i> | The County is not able to keep an accurate audit trail of the paternity and support obligation cases they serve. |
| <i>Cause:</i> | It appears that the NOMAD computer system was not able to generate a complete list of cases receiving payments during the year. |
| <i>Recommendation:</i> | We recommend that the County strengthen the output capabilities of the NOMAD computer system in order to produce a complete listing of cases served. |

DAFS Comments: DAFS was asked to identify initiating and responding interstate cases in the list of cases opened during the period being audited. A query was developed using NOMADS data to identify the initiating and responding interstate cases. In a meeting held on December 18, 2006, DAFS provided Kafoury, Armstrong & Co. with a hardcopy list of what they believed to be a complete list of cases opened between July 1, 2005 and June 30, 2006. During the onsite audit, DAFS was asked to provide a DVD containing the list of cases opened during the audit period. DAFS provided that DVD. Later, it was discovered by Kafoury, Armstrong & Co. that the hardcopy list could not be verified to contain the entire universe of initiating and responding interstate cases that was contained on the DVD. The reason was that NOMADS does not capture jurisdiction type on a "case-level" basis; it is captured on a court docket-level basis. Many of the cases had multiple dockets, so this resulted in not all cases, opened during the requested date range, being selected and appearing on the list. Additionally some of the cases did not have docket numbers and were omitted from the hardcopy list.

The limited NOMADS data that DAFS can access and use to build queries is stored and maintained by the State of Nevada. Although there are some reporting capabilities based on daily downloads of specified case data, DAFS does not have direct access to all case data in the NOMADS database. As a result, DAFS has learned they do not have the ability to provide a list of all cases that identifies cases that have initiating interstate and responding interstate dockets.

In the "Effect" portion of the finding Kafoury, Armstrong & Co. states: "The County is not able to keep an accurate audit trail of the paternity and support obligation cases they serve." This statement is misleading. NOMADS is the case management and tracking system that has been approved by the Federal Government. As part of that approval process NOMADS has been certified and keeps an accurate audit trail of all cases in the State. The assumption that, because this office could not provide a complete listing of cases broken down to the "docket level" versus the "case level", does not hamper having an accurate audit trail of the paternity and support obligation cases in the DAFS caseload. As stated above; a complete listing of all paternity and establishment cases for this office is available for review and, on a "case level" basis.

Kafoury, Armstrong & Co. also stated "Cause: It appears that the NOMAD computer system was not able to generate a complete list of cases receiving payments during the year." This statement is also confusing. Every payment on a case is made to the State Collection and Disbursement Unit (SCaDU) who posts the payment to the proper account and automatically updates the NOMADS accounts on each case receiving money. Since SCaDU is a State function, a list could be requested which would show every payment received, distributed, and disbursed on every case

that has received a payment. In addition, each individual case, in the entire statewide caseload that receives a payment is individually accounted for at the case level in NOMADS.

This "Cause" does not appear to have any bearing on the "Criteria and Condition" of this finding. Section 303.3(b)(3) and (b)(5) and 303(c) of 45 CFR refer to "location of non-custodial 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 non-custodial 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..." DAFS is perplexed about where cases receiving payments fall within this finding.

DAFS Corrective Action Plan: DAFS will submit a work item to the State of Nevada to develop a query to obtain a complete listing of cases opened in NOMADS during the next audit period which also identifies which of those cases are interstate initiating and responding. We will also ask that this query be available for use for future audits. The Division will continue to participate, to the extent possible, with the State of Nevada to strengthen the reporting capabilities of the NOMADS computer system.

Anticipated Completion Date: The work item will be submitted not later than May 1, 2007 and DAFS will continue to participate in the various NOMADS committees on a continuing basis.

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, 2006

U.S. Department of Health and Human Services:

Finding 06-6

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

Criteria and Condition: As noted in the OMB Circular A-133 Compliance Supplement, entities utilize the financial report ACF-IV-E1, *Foster Care and Adoption Assistance Financial Report (OMB No. 0970-0205)* to report current expenditures for the previous quarter.

The ACF-IV-E1 report calculates the amount of federal and state reimbursement due to Clark County. For the quarter ended June 30, 2006, "Grants Unallowable" costs were improperly reported. Instead of reporting the unallowable costs for the quarter, the County reported the unallowable costs for the entire year. The difference of \$1,734,094 impacted the administration cost distribution percentage, which resulted in underreporting the amount of eligible federal and state reimbursements by \$38,389 and \$76,474, respectively.

Questioned Costs: Not applicable.

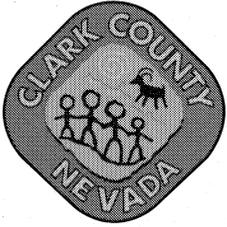
Context: The condition noted above appears to be an isolated problem. We reviewed the calculations for some of the other quarters and noted that only the amount of grants unallowable costs for the quarter were being used in the calculation.

Effect: The County did not request the full portion of Title IV-E costs which it was eligible to receive.

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

Recommendation: The calculations are complex and the ACF-IV-E1 form is lengthy, so it is understandable that errors can occur. Because of this we recommend that a review process be implemented prior to submission of these quarterly reports. Additionally, the County should investigate the possibility of filing an amended quarterly report for June 30, 2006, in order to recover the remaining eligible federal and state reimbursements.

Management's Response: See management's response on page 153.



Department of Family Services

701K N Pecos Road, Las Vegas NV 89101-2411

(702) 455-5444 Hotline 399-0081

Thomas D Morton, Director Ann Rubin, Assistant Director Nancy Lynn McLane, Assistant Director

Response

DFS agrees with the recommendation to implement a review process. Federal IVE claims can be amended up to 8 quarters after the original claim. The amendment for this quarter will be submitted with the March or June 2007 claim. Clarification of finding: The correction of the \$1.7 million difference in unallowable grant cost resulted in an increase to the IVE allowable cost pool of \$125,834. This additional cost resulted in an increase to the IVE computable figure of \$76,474 which resulting in an increase in federal funding of \$38,389.

Board of County Commissioners
Rory Reid, Chairman ` Susan Brager
Tom Collins ` Lawrence Weekly ` Chip Maxfield ` Chris Giunchigliani
Virginia Valentine County Manager

**CLARK COUNTY, NEVADA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2006**

See pages 155 through 162.



Clark County Local Emergency Planning Committee

March 23, 2007

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

Dear Sir or Madam:

In response to your inquiry of the current status of the 2005 findings, please read the following for updated information:

Finding 05-1

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

Status Audits from subrecipients are kept on file in the office or notation of the location of where to find the subrecipients audit report is in the grant file.

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.

Status Subrecipients are reminded quarterly to submit equipment inventory sheets to our office. Information is often submitted intermittently although it is a requirement through the signed interlocal contract.

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.*

Status In the *Financial Management Guide* from the U.S. Department of Homeland Security, it states that the Buy American Act is not applicable to the Urban Area Security Initiative Program or the Homeland Security Grant Program Cluster.

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.*

Status Asset tags are issued for all equipment that meets County asset tag requirements (for individual items exceeding \$3,000) and proper forms are filled out and submitted to the Comptrollers office. Assets that are transferred to other entities are documented on assets transfer forms and also submitted for recording to the Comptrollers office.

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.*

Status In the *Financial Management Guide* from the U.S. Department of Homeland Security, it states that the Buy American Act is not applicable to the Urban Area Security Initiative Program or the Homeland Security Grant Program Cluster.

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

Sincerely,



Carolyn Levering
Plans and Operations Coordinator

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 23, 2007

Kafoury, Armstrong & Co.
8329 W. Sunset Road Ste. 210
Las Vegas, NV 89113

Attn: Tami Miramontes, CPA

Dear Ms. Miramontes,

Per your request, following is a status update to the corrective action plans for last year's (period ending June 30, 2005) external compliance audit.

FINDING 05-6:

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

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.

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 reviews, updates, and makes 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.

DAFS instituted a new quality control process and has implemented the new, State mandated Management Evaluation (ME) tool. The results indicate better scores on the Federal and State audits and case quality has improved.

FINDING 05-7:

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

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.

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.

DAFS instituted a new quality control process and has implemented the new, State mandated Management Evaluation (ME) tool. The results have been better scores on the Federal and State audits and case quality has improved.

FINDING 05-8:

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

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.

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.

DAFS instituted a new quality control process and has implemented the new, State mandated Management Evaluation (ME) tool. The results have been better scores on the Federal and State audits and case quality has improved.

FINDING 05-9:

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

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.

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.

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Sincerely,



C.A. Watts
Director

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



Department of Family Services

701K N Pecos Road, Las Vegas NV 89101-2411

(702) 455-5444 Hotline 399-0081

Thomas D Morton, Director Ann Rubin, Assistant Director Nancy Lynn McLane, Assistant Director

FY 05 Single Audit (Finding 05-10)

FY 05 Single audit findings noted incorrect addition on the Random Moment Study (RMS).

The State of Nevada Department of Child and Family Services conducted an audit and noted exceptions due to the categorization of RMS areas allowable and unallowable.

All claims for 05 will be revised and re-submitted.

Board of County Commissioners
Rory Reid, Chairman ` Susan Brager
Tom Collins ` Lawrence Weekly ` Chip Maxfield ` Chris Giunchigliani
Virginia Valentine County Manager



Department of Comprehensive Planning

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(702) 455-4314 • Fax (702) 385-8940

Barbara Ginoulas, Director • Rod Allison, Assistant Director

March 23, 2007

Kafoury, Armstrong & Company
801 S. Rancho Drive Suite E – 6
Las Vegas, NV. 89106

Dear Sirs or Madam,

In response to your inquiry of the current status of the 2004 finding, please note the following updated information:

Finding 05-11

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 or included in the County's annual physical inventory.*

Status It was recommended that the County establish procedures to ensure that property records are maintained for all equipment purchased with federal funds. This condition has been corrected, the County has a policy in place and all assets have been entered into the inventory system.

Respectfully,


for Irene Navis
Planning Manager