

CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2011

AND

INDEPENDENT AUDITOR'S REPORTS

CLARK COUNTY, NEVADA

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

For the Year Ended June 30, 2011

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clark County, Nevada, as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of University Medical Center of Southern Nevada, Las Vegas Valley Water District, or Big Bend Water District, which, when combined, represent 30 percent, 27 percent, and 56 percent, respectively, of the assets, net assets, and revenues of the Enterprise Funds. Additionally, we did not audit the financial statements of the Regional Transportation Commission of Southern Nevada, a discretely presented component unit. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District, and Regional Transportation Commission of Southern Nevada is based solely on the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2011, 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 9, 2012, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, and pension and OPEB trend data and related notes on pages 3 through 12 and 129 through 150 are not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis and pension and OPEB trend data, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary comparison information and related notes have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Clark County, Nevada's basic financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Kafoury, Armstrong & Co.

Las Vegas, Nevada
January 9, 2012

Clark County, Nevada

Management's Discussion and Analysis

June 30, 2011

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

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

Financial Highlights – Primary Government

- The auditor's report offers an unqualified opinion that the County's financial statements are presented fairly in all material respects.
- Government-wide net assets totaled \$11,846,073,202. Net assets of governmental activities totaled \$7,512,435,065 and those of business-type activities totaled \$4,333,638,137.
- The County's total net assets increased by \$53,189,683, resulting from an increase in net assets from governmental activities of \$67,457,820 and a decrease in net assets from business-type activities of \$14,268,137. Net assets from governmental activities increased mainly due to continued cost containment efforts and a 5% increases in both consolidated and sales taxes. Net assets from business-type activities decreased due to operating losses of University Medical Center and the Las Vegas Valley Water District, as well as a one-time loss by the Water Reclamation District of funds invested in the Clean Water Coalition.
- Unrestricted net assets were \$2,182,059,763, with \$1,353,189,536 resulting from governmental activities and \$828,870,227 from business-type activities. Unrestricted net assets from governmental activities increased by 21 percent from the prior year, and unrestricted net assets from business-type activities increased by 14 percent over the prior year.
- Net capital assets were \$14,562,144,685 of which \$5,972,206,597 were from governmental activities and \$8,589,938,088 were from business-type activities. Major additions for governmental activities during the year included \$182 million toward beltways, roadways, and streets, and \$89 million toward flood control projects. Major additions for business-type activities during the year included \$30 million in water system additions, \$113 million for terminal 3 and other additions for the Department of Aviation, and \$333 million in sewer system additions. Depreciation expense attributable to assets of governmental activities amounted to \$233,415,343 for the year, and \$302,871,157 for business-type activities.
- Bonds and loans payable totaled \$9,725,978,319. There were no new debt issues for governmental activities during the fiscal year. The following new debt was issued for business-type activities during the fiscal year:

General obligation bonds:

\$1,643,669 in bonds for the Clark County Water Reclamation District

\$58,110,000 in bonds for the Las Vegas Valley Water District

Revenue bonds

\$100,000,000 in bonds for the Department of Aviation

- The County's primary revenue sources for governmental activities were ad valorem taxes (\$601,438,779) consolidated taxes (\$403,987,801), and sales and use taxes (\$218,240,722). These three revenue sources comprised 23 percent, 16 percent, and 8 percent, respectively, or 47 percent of total governmental activities revenues.

- The County's total expenses were \$4,209,325,586. Governmental activities comprised \$2,534,043,816 of total expenses, the largest functional expenses being public safety (\$1,160,142,925) and public works (\$418,406,823). Business-type activities contributed \$1,675,281,770 to total expenses, the largest components being hospital (\$569,477,328), airport (\$517,023,190), and water (\$383,354,972).
- General government expenses were \$187,548,288, or 19 percent less than the prior year due to cost containment, the inactivation of the Clark County Redevelopment Agency and the transfer of information technology costs to an internal service fund.
- Welfare expenses were \$156,825,380 or 15 percent less than the prior year due to a decrease in available property taxes.
- At the end of the fiscal year, the unassigned fund balance for the General Fund was \$159,723,367 or 10 percent of total General Fund expenditures and transfers out.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

units can be obtained from their respective administrative offices. Contact information is included in The Reporting Entity section of Note I, Summary of Significant Accounting Policies.

Fund Financial Statements

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

Governmental Funds

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

Proprietary Funds

- The County maintains two distinct types of proprietary funds.
 - ◆ Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its hospital, airport, water, sewer, and other activities.
 - ◆ Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The County uses internal service funds to account for the following activities:
 - * Construction management

- * Fleet maintenance
- * Investment pool operations
- * Employee benefits
- * Central printing and mailing
- * Information systems development
- * Self-insurance activities, including:
 - + Liability insurance
 - + Workers' compensation
 - + Group insurance
 - + Other post-employment benefits
- Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for UMC, Clark County Water Reclamation District, and the Las Vegas Valley Water District, each of which is a blended component unit and reported as a major fund within the fund financial statements. In addition, separate information is provided for an additional major fund, the Department of Aviation. Conversely, the internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining and individual fund statements and schedules.

Fiduciary Funds

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

Notes to Financial Statements

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

Other Information

- In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Las Vegas Valley Water District's progress in funding its obligation to provide pension benefits to its employees as well as a schedule of funding progress for other post-employment benefits. It also includes a schedule of budgetary comparisons for the following major governmental funds:
 - ♦ General Fund
 - ♦ Las Vegas Metropolitan Police Department Special Revenue Fund
- The combining statements and individual fund 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, 2011, and June 30, 2010, are summarized and analyzed below:

Clark County, Nevada Net Assets – Primary Government

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Assets						
Current and other assets	\$5,082,156,982	\$ 4,796,635,499	\$ 3,984,196,552	\$ 4,458,083,840	\$ 9,066,353,534	\$ 9,254,719,339
Net capital assets	<u>5,972,206,597</u>	<u>5,853,032,202</u>	<u>8,589,938,088</u>	<u>8,165,813,126</u>	<u>14,562,144,685</u>	<u>14,018,845,328</u>
Total assets	<u>11,054,363,579</u>	<u>10,649,667,701</u>	<u>12,574,134,640</u>	<u>12,623,896,966</u>	<u>23,628,498,219</u>	<u>23,273,564,667</u>
Deferred outflows	-	-	<u>93,684,759</u>	<u>147,533,756</u>	<u>93,684,759</u>	<u>147,533,756</u>
Liabilities						
Long-term liabilities	2,544,557,078	2,547,855,200	7,049,903,234	7,319,397,117	9,594,460,312	9,867,252,317
Other liabilities	<u>997,371,436</u>	<u>656,835,256</u>	<u>1,283,800,399</u>	<u>1,104,127,331</u>	<u>2,281,171,835</u>	<u>1,760,962,587</u>
Total liabilities	<u>3,541,928,514</u>	<u>3,204,690,456</u>	<u>8,333,703,633</u>	<u>8,423,524,448</u>	<u>11,875,632,147</u>	<u>11,628,214,904</u>
Deferred inflows	-	-	<u>477,629</u>	-	<u>477,629</u>	-
Net assets						
Invested in capital assets, net of related debt	5,161,926,856	4,995,921,396	3,108,143,202	3,220,806,971	8,270,070,058	8,216,728,367
Restricted	997,318,673	1,326,516,499	396,624,708	398,799,707	1,393,943,381	1,725,316,206
Unrestricted	<u>1,353,189,536</u>	<u>1,122,539,350</u>	<u>828,870,227</u>	<u>728,299,596</u>	<u>2,182,059,763</u>	<u>1,850,838,946</u>
Total net assets	<u>\$7,512,435,065</u>	<u>\$ 7,444,977,245</u>	<u>\$ 4,333,638,137</u>	<u>\$ 4,347,906,274</u>	<u>\$11,846,073,202</u>	<u>\$11,792,883,519</u>

- As noted earlier, net assets may serve over time as a useful indicator of the County's financial position. Assets exceeded liabilities by \$11,846,073,202 as of June 30, 2011, and by \$11,792,883,519 as of June 30, 2010, a net increase of \$53,189,683, or one (1) percent.
- The largest portion of the County's net assets (70 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt outstanding used to acquire those assets (unspent proceeds from long-term debt issues). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate the debt.
- The County's restricted net assets (12 percent) represent resources that are subject to external restrictions on how they may be used. Of these restricted net assets, 43 percent is for construction of capital assets, 26 percent is for repayment of long-term debt, 14 percent is for police protection, and the balance is restricted for the County's special revenue funds or other purposes.
- The remaining portion of the County's net assets (18 percent) is unrestricted and may be used to meet the County's ongoing obligations to citizens and creditors.
- At June 30, 2011, 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>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues:						
Program revenues:						
Charges for services	\$353,233,862	\$ 367,818,754	\$1,445,400,401	\$1,429,880,969	\$1,798,634,263	\$1,797,699,723
Operating grants and contributions	532,327,951	532,784,892	65,000,000	65,400,000	597,327,951	598,184,892
Capital grants and contributions	176,377,216	256,791,998	64,861,568	60,209,144	241,238,784	317,001,142
General revenues:						
Ad valorem taxes	601,438,779	773,956,199	12,713	16,738	601,451,492	773,972,937
Consolidated tax	403,987,801	383,366,531	48,509	50,042	404,036,310	383,416,573
Sales and use tax	218,240,722	208,946,026	13,408,757	12,472,583	231,649,479	221,418,609
Franchise fees	104,584,978	96,089,107	-	-	104,584,978	96,089,107
Fuel taxes	70,291,059	71,381,785	-	-	70,291,059	71,381,785
Motor vehicle privilege tax	46,673,088	47,373,522	-	-	46,673,088	47,373,522
Room tax	36,918,685	32,338,354	-	-	36,918,685	32,338,354
Other	32,660,591	29,054,214	-	-	32,660,591	29,054,214
Gain on sale or disposition of assets	2,949,516	1,747,497	657,218	709,052	3,606,734	2,456,549
Interest income	34,319,177	75,901,563	59,122,678	41,167,124	93,441,855	117,068,687
Total revenues	<u>2,614,003,425</u>	<u>2,877,550,442</u>	<u>1,648,511,844</u>	<u>1,609,905,652</u>	<u>4,262,515,269</u>	<u>4,487,456,094</u>
Expenses:						
General government	187,548,288	230,702,394	-	-	187,548,288	230,702,394
Judicial	211,063,243	201,902,371	-	-	211,063,243	201,902,371
Public safety	1,160,142,925	1,212,609,296	-	-	1,160,142,925	1,212,609,296
Public works	418,406,823	436,880,168	-	-	418,406,823	436,880,168
Health	111,895,396	101,240,331	-	-	111,895,396	101,240,331
Welfare	156,825,380	184,093,105	-	-	156,825,380	184,093,105
Culture and recreation	28,788,472	35,200,111	-	-	28,788,472	35,200,111
Community support	39,629,471	44,195,982	-	-	39,629,471	44,195,982
Other	111,567,373	111,022,098	-	-	111,567,373	111,022,098
Interest on long-term debt	108,176,445	111,231,936	-	-	108,176,445	111,231,936
Hospital	-	-	569,477,328	581,325,269	569,477,328	581,325,269
Water	-	-	383,354,972	371,696,883	383,354,972	371,696,883
Airport	-	-	517,023,190	528,022,591	517,023,190	528,022,591
Sewer	-	-	153,062,108	116,989,734	153,062,108	116,989,734
Other	-	-	52,364,172	60,566,115	52,364,172	60,566,115
Total expenses	<u>2,534,043,816</u>	<u>2,669,077,792</u>	<u>1,675,281,770</u>	<u>1,658,600,592</u>	<u>4,209,325,586</u>	<u>4,327,678,384</u>
Increase in net assets before transfers	79,959,609	208,472,650	(26,769,926)	(48,694,940)	53,189,683	159,777,710
Transfers	<u>(12,501,789)</u>	<u>(13,664,476)</u>	<u>12,501,789</u>	<u>13,664,476</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net assets	<u>67,457,820</u>	<u>194,808,174</u>	<u>(14,268,137)</u>	<u>(35,030,464)</u>	<u>53,189,683</u>	<u>159,777,710</u>
Net assets – beginning	7,444,977,245	7,250,169,071	4,347,906,274	4,400,667,720	11,792,883,519	11,650,836,791
Restatement of beginning fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(17,730,982)</u>	<u>-</u>	<u>(17,730,982)</u>
Net assets restated	<u>7,444,977,245</u>	<u>7,250,169,071</u>	<u>4,347,906,274</u>	<u>4,382,936,738</u>	<u>11,792,883,519</u>	<u>11,633,105,809</u>
Net assets – ending	<u>\$7,512,435,065</u>	<u>\$7,444,977,245</u>	<u>\$4,333,638,137</u>	<u>\$4,347,906,274</u>	<u>\$11,846,073,202</u>	<u>\$11,792,883,519</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 decreased by \$95,456,615, or eight (8) percent, due to decreases in donated infrastructure, partially offset by increases in federal grant activity. Program revenues from business-type activities increased by \$19,771,856, or one (1) percent, with slight increases in all categories
- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, ad valorem taxes, decreased by \$172,517,420, or 22 percent. This decrease was due mainly to decreases in commercial assessed valuation. Consolidated tax increased by \$20,621,270, or five (5) percent, and sales

and use tax increased in governmental activities by \$9,294,696, or four (4) percent, both due to increased economic activity in the local economy during fiscal year 2011. Franchise fees increased by \$8,495,871 or nine (9) percent, due to non-recurring audit assessments. Interest revenue for governmental activities decreased by \$41,582,386 or 55 percent; interest revenue for business-type activities decreased by \$17,955,554, or 44 percent. These decreases were due to lower rates of investment returns.

- County governmental activity expenses decreased five (5) percent in fiscal year 2011. Decreases in general government of \$ 43,154,106 or 19 percent were due to cost containment efforts, the deactivation of the Clark County Redevelopment Agency and the transfer of information technology costs to an internal service fund. Public Safety expenses decreased by \$52,466,371, or four (4) percent due to cost containment and decreased capital outlay. Public works expenses decreased by 18,473,345, or four (4) percent due to decreased road construction and financing. Welfare support expenses decreased by \$27,267,725, or 15 percent, due reductions in property taxes available to fund this function. Sewer functional area expenses increased \$36,072,374, or 31 percent, due to a one-time loss of funds invested in the Clean Water Coalition.

Financial Analysis of the County's Funds

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

Governmental Funds

- o The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements.
- o As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$2,223,045,950, a decrease of \$104,759,736, or five (5) percent, from the prior year primarily due to reduced fund balances in capital projects funds. As mentioned previously, the County implemented GASB Statement 54, *Fund Balance Reporting and Government Fund Type Definitions*, which changed the classification of fund balances and clarified the definitions of governmental fund types. Fund balance components have been classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of fund. Restricted fund balance is \$936,141,551 or 42% of the total. Spending of these resources is constrained by externally imposed (statutory, bond covenant, or grantors) limitations on their use. Restricted fund balances include \$376,965,225 for capital projects and \$196,088,919 for public safety activities and \$178,312,212 for debt service.

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

- o The General Fund is the main operating fund of the County. Fund balance categories have changed from the prior year as a result of the implementation of GASB Statement 54. Nonspendable fund balance consists of long-term receivables. Restricted fund balance of \$69,691,630 includes restricted cash and unspent proceeds from legislatively mandated ad valorem taxes. Unrestricted fund balance, which includes committed, assigned, and unassigned balances, totaled 266,253,115 at June 30, 2011. Unrestricted fund balance was 17% of expenditures and other financing uses and includes amounts assigned of \$106,529,748. Unassigned fund balance is 159,723,367, or 10% of expenditures and other financing uses.
- o Key factors in the change in fund balance in the General Fund as reported for budget purposes are as follows:
 - Revenues and transfers-in decreased by \$44,094,014, or three (3) percent. General fund revenues decreased by \$73,544,519, or eight (8) percent. Ad valorem tax revenues generated the largest revenue decrease of \$69,067,918, or 20 percent, due to commercial valuation decreases. Licenses and permits increased by \$8,621,834 or four (4) percent due to non-recurring franchise fee audit assessments. Intergovernmental revenue, the largest component of which is the consolidated tax, increased by \$13,418,899, or five (5) percent, due to the increased

economic activity in the local economy. Charges for services increased by \$5,125,886 or seven (7) percent, largely due to first-time overhead charges to the IT function, which was included in the general fund in prior years. Interest income decreased by \$4,006,506, or 83 percent, due to lower interest rates. Other revenues decreased due to a \$25 million land sale last year.

- Expenditures and transfers out decreased by \$101,982,929, or eight (8) percent. General fund expenditures decreased \$22,974,168, or three (3) percent primarily due to continued cost containment procedures and a partial transfer of the information technology function to an internal service fund. Transfers out decreased by \$79,008,761, or 16 percent primarily due to reductions in transfers to capital project funds and to the Las Vegas Metropolitan Police Department.

o Other major fund activity is as follows:

- The Las Vegas Metropolitan Police Department operates from current year resources and it typically budgets for a lower fund balance than other governmental units. However, it ended the year with a total unrestricted fund balance of \$78,550,254. Total revenues and transfers in were \$510,524,091, which was a decrease of \$55,191,434 or 10 percent, over the prior year. This decrease occurred primarily due to a reduction of property taxes. Expenditures, which are primarily personnel costs, decreased \$22,965,565 or four (4) percent.
- The non-major governmental funds showed a fund balance of \$1,784,508,183, of which \$866,449,921 or 49% was restricted. All funds have the resources to meet their commitments.

Enterprise Funds

- The County's enterprise funds provide the same type of information found in the government-wide financial statements, but in more detail. Minor differences arise between the enterprise funds and the business-type activities in the government-wide statements due to the effects of consolidation of internal service fund activities related to the enterprise funds. Unrestricted net assets of the enterprise funds totaled \$841,541,658, an increase of \$104,145,324, or 14 percent. Total net assets for these funds decreased \$14,268,137, one (1) percent from the prior year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

Internal Service Funds

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

Budgetary Highlights

- The General Fund's legal level of budgetary control is the function level. The final amended budget for expenditure appropriation was \$824,511,814, unchanged from the original budget. Actual expenditures were \$787,459,207, or four (4) 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 \$31,722,569, or four (4) percent due to an increase in consolidated and sales taxes, as well as non-recurring franchise fee audit assessments.

Capital Assets and Debt Administration

Primary Government

- Capital Assets

- o The County's investment in capital assets, net of accumulated depreciation at June 30, 2011, was \$14,562,144,685, an increase of \$543,299,357, or four (4) percent. Detail by type of activity and asset is summarized in the table below.

Major additions for this fiscal year are as follows:

Governmental Activities

Roadways and streets (beltway)	\$182 million
Flood control projects	\$89 million
Parks and Recreation facilities	\$29 million
Traffic signals and street lights	\$27 million
Fire Department	\$18 million

Business-Type Activities

Water system additions	\$ 30 million
Airport land acquisition and construction	\$ 113 million
Sewer system additions	\$ 333 million

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Land and improvements	\$1,590,012,024	\$1,564,248,453	\$ 3,096,450,672	\$3,083,563,595	\$4,686,462,696	\$4,647,812,048
Buildings	868,261,365	846,089,522	2,612,582,538	2,545,433,689	3,480,843,903	3,391,523,211
Machinery and equipment	70,925,385	88,440,270	652,803,662	574,355,273	723,729,047	662,795,543
Infrastructure	3,221,604,929	3,096,378,527	-	-	3,221,604,929	3,096,378,527
Construction in progress	221,402,894	257,875,430	2,228,101,216	1,962,460,569	2,449,504,110	2,220,335,999
Total	<u>\$5,972,206,597</u>	<u>\$5,853,032,202</u>	<u>\$8,589,938,088</u>	<u>\$8,165,813,126</u>	<u>\$14,562,144,685</u>	<u>\$14,018,845,328</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, 2011, the County had total outstanding bonds and loans of \$9,725,978,319, a decrease of \$191,965,246, or two (2) percent, from the prior year. Of this amount, \$1,989,622,313 comprised general obligation debt backed by the full faith and credit of the County, \$2,455,411,300 of general obligation bonds additionally secured by specified revenue sources, \$400,181,690 of loans, primarily in the form of commercial paper, and \$246,062,739 in special assessment debt for which the County is liable in the event of default by the property owners subject to assessment.

Clark County, Nevada Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General obligation bonds	\$1,989,622,313	\$2,055,166,107	\$ -	\$ 13,692	\$1,989,622,313	\$2,055,179,799
Revenue backed general obligation bonds	-	-	2,455,411,300	2,473,627,359	2,455,411,300	2,473,627,359
Revenue bonds	10,000	10,000	4,634,690,277	4,724,153,300	4,634,700,277	4,724,163,300
Special assessment bonds	246,062,739	263,354,244	-	-	246,062,739	263,354,244
Loans	181,690	408,796	400,000,000	401,210,067	400,181,680	401,618,863
Total	<u>\$2,235,876,742</u>	<u>\$2,318,939,147</u>	<u>\$7,490,101,577</u>	<u>\$7,599,004,418</u>	<u>\$9,725,978,319</u>	<u>\$9,917,943,565</u>

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

Economic Factors

- UMC continues to deal with the impact of uninsured patients. UMC's operating loss was \$94,512,750 for the fiscal year 2011 compared to \$85,011,779 in fiscal year 2010. Continued high levels of care for uninsured and underinsured patients, and a decrease in State Medicaid funding contributed to the increased operating loss. The County will need to continue to fund these continued losses.
- Despite UMC's financial difficulties, the County has positioned itself to meet the needs of its citizens. The decrease in taxable values has leveled out and the remaining tax base will generate adequate revenues to provide basic services. A cost containment program continues to be in place, enforcing a reasonable pace of salary growth and position savings. The County's general fund unassigned ending fund balance remains healthy. Together, these factors have placed the County in an acceptable financial position to mitigate the current economic uncertainty. However, the length of the economic downturn could ultimately result in a continued deterioration of the County's financial condition.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Clark County, Nevada
Statement of Net Assets
June 30, 2011

	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	\$ 2,669,377,932	\$ 235,258,505	\$ 2,904,636,437	\$ 234,669,947	\$ 272,893,377
In custody of other officials	6,969,705	124,509,952	131,479,657	500	15,000
With fiscal agent	100,027,619	-	100,027,619	-	158,055,235
Investments in custody of other officials	-	431,755,263	431,755,263	-	-
Loaned securities	341,951,343	5,481,765	347,433,108	30,105,906	34,958,790
Accounts receivable (net of provision for doubtful accounts)	9,293,566	250,095,588	259,389,154	3,859,430	2,797,958
Interest receivable	8,216,906	6,910,239	15,127,145	691,111	802,514
Bond bank receivable	13,620,000	-	13,620,000	-	-
Taxes receivable, delinquent	22,638,924	542	22,639,466	-	-
Penalties receivable on delinquent taxes	14,624,154	-	14,624,154	-	-
Special assessments receivable	249,253,647	-	249,253,647	-	-
Internal balances	16,706,888	(16,706,888)	-	-	-
Due from other governmental units	193,012,721	890,279	193,903,000	12,442,379	56,785,480
Inventories	408,990	37,772,790	38,181,780	-	-
Prepaid items and other current assets	1,945,228	2,662,736	4,607,964	-	187,715
Deferred charges and other assets	78,874,359	143,256,656	222,131,015	3,056,292	6,673,083
Restricted assets:					
Cash and investments:					
In custody of the County Treasurer	-	348,002,611	348,002,611	-	-
In custody of other officials	-	221,783,058	221,783,058	-	-
With fiscal agent	-	832,044,990	832,044,990	-	-
Loaned securities	-	69,318,906	69,318,906	-	-
Accounts receivable	-	407,754,560	407,754,560	-	-
Prepaid items and other current assets	-	-	-	5,158	-
Bond bank receivable, noncurrent	1,355,235,000	883,405,000	2,238,640,000	-	-
Capital assets not being depreciated	1,585,091,206	3,141,435,483	4,726,526,689	129,444	49,930,128
Capital assets being depreciated, net of accumulated depreciation	4,387,115,391	5,448,502,605	9,835,617,996	2,402,894	370,086,608
Total Assets	11,054,363,579	12,574,134,640	23,628,498,219	287,363,061	953,185,888
DEFERRED OUTFLOWS					
Deferred outflows - hedging derivative instruments	-	93,684,759	93,684,759	-	-

(Continued)

Clark County, Nevada
Statement of Net Assets
June 30, 2011
(Continued)

	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	258,582,181	127,206,635	385,788,816	17,800,273	62,177,682
Accrued payroll and other accrued liabilities	185,749,789	166,443,642	352,193,431	141,393	3,731,697
Accrued interest	15,293,917	-	15,293,917	3,692,742	19,799,033
Due to other governmental units	47,551,998	-	47,551,998	153,030	-
Loaned securities	357,074,673	12,708,054	369,782,727	31,437,383	36,504,896
Unearned revenue and other liabilities	46,872,188	31,442,556	78,314,744	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	107,814,424	107,814,424	-	-
Customer deposits	-	15,379,893	15,379,893	-	-
Accrued expenses	-	136,221,317	136,221,317	-	-
Loaned securities	-	65,400,791	65,400,791	-	-
Bonds and loans payable, due within one year	-	608,803,000	608,803,000	-	-
Bonds and loans payable, due within one year	86,246,690	12,857,717	99,104,407	10,775,000	29,290,000
Bonds and loans payable, due after one year	2,149,630,052	6,868,440,860	9,018,070,912	412,170,822	818,871,219
Other non-current liabilities, due after one year	394,927,026	180,984,744	575,911,770	1,175,044	5,635,117
Total Liabilities	3,541,928,514	8,333,703,633	11,875,632,147	477,345,687	976,009,644
DEFERRED INFLOWS					
Deferred inflows - hedging derivative instruments	-	477,629	477,629	-	-
NET ASSETS					
Invested in capital assets, net of related debt	5,161,926,856	3,108,143,202	8,270,070,058	2,532,338	420,016,736
Restricted for:					
Capital projects	376,965,225	226,992,785	603,958,010	-	213,090,483
Debt service	239,489,334	128,676,887	368,166,221	7,222,959	95,806,212
Public safety	196,088,919	-	196,088,919	-	-
Other purposes	184,775,195	40,955,036	225,730,231	-	-
Unrestricted	1,353,189,536	828,870,227	2,182,059,763	(199,737,923)	(751,737,187)
Total Net Assets	\$ 7,512,435,065	\$ 4,333,638,137	\$ 11,846,073,202	\$ (189,982,626)	\$ (22,823,756)

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

Clark County, Nevada
Statement of Activities
For the fiscal year ended June 30, 2011

	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Primary Government				Component Units		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 187,548,288	\$ 187,853,000	\$ 95,147,811	\$ -	\$ 95,452,523	\$ -	\$ 95,452,523
Judicial	211,063,243	68,921,942	25,808,221	-	(116,333,080)	-	(116,333,080)
Public safety	1,160,142,925	47,225,729	274,501,254	-	(838,415,942)	-	(838,415,942)
Public works	418,406,823	27,401,919	93,106,280	176,377,216	(121,521,408)	-	(121,521,408)
Health	111,895,396	7,746,649	3,437,736	-	(100,711,011)	-	(100,711,011)
Welfare	156,825,380	-	6,596,800	-	(150,228,580)	-	(150,228,580)
Culture and recreation	28,788,472	13,614,695	106,198	-	(15,067,579)	-	(15,067,579)
Community support	39,629,471	-	33,623,651	-	(6,005,820)	-	(6,005,820)
Other	111,567,373	469,928	-	-	(111,097,445)	-	(111,097,445)
Interest on long-term debt	108,176,445	-	-	-	(108,176,445)	-	(108,176,445)
Total governmental activities	2,534,043,816	353,233,862	532,327,951	176,377,216	(1,472,104,787)	-	(1,472,104,787)

(Continued)

Clark County, Nevada
Statement of Activities
For the fiscal year ended June 30, 2011
(Continued)

				Net (Expenses) Revenues and Changes in Net Assets			
				Primary Government		Component Units	
				Governmental Activities	Business-type Activities	Total	
				Capital Grants and Contributions			Clark County Regional Flood Control District
				Operating Grants and Contributions			Regional Transportation Commission of Southern Nevada
				Charges for Services			
				Expenses			
Business-type activities:							
Hospital	569,477,328	470,602,382	-	65,000,000	(33,874,946)	(33,874,946)	-
Water	383,354,972	337,120,307	-	23,994,468	(22,240,197)	(22,240,197)	-
Airport	517,023,190	470,467,082	-	16,760,815	(29,795,293)	(29,795,293)	-
Sewer	153,062,108	134,773,538	-	24,106,285	5,817,715	5,817,715	-
Other	52,364,172	32,437,092	-	-	(19,927,080)	(19,927,080)	-
Total business-type activities	1,675,281,770	1,445,400,401	-	65,000,000	(100,019,801)	(100,019,801)	-
Total primary government	\$ 4,209,325,586	\$ 1,798,634,263	\$ 241,238,784	\$ 597,327,951			
Component units:							
Clark County Regional Flood Control District	\$ 123,561,722	\$ -	\$ 15,000	\$ 3,285,569			\$ (120,261,153)
Regional Transportation Commission of Southern Nevada	396,422,807	67,128,699	6,901,776	68,133,455			(254,258,877)
Total component units	\$ 519,984,529	\$ 67,128,699	\$ 6,901,776	\$ 71,419,024			\$ (120,261,153)
General revenues:							
Ad valorem taxes				601,438,779	12,713	601,451,492	-
Consolidated tax				403,987,801	48,509	404,036,310	-
Sales and use tax				218,240,722	13,408,757	231,649,479	70,918,028
Franchise fees				104,584,978	-	104,584,978	-
Fuel taxes				70,291,059	-	70,291,059	-
Motor vehicle privilege tax				46,673,088	-	46,673,088	-
Room tax				36,918,685	-	36,918,685	-
Other				32,660,591	-	32,660,591	-
Gain on sale of capital assets				2,949,516	657,218	3,606,734	4,170,451
Interest income				34,319,177	59,122,678	93,441,855	-
Transfers				(12,501,789)	12,501,789	-	2,657,386
Total general revenues and transfers				1,539,562,607	85,751,664	1,625,314,271	-
Change in net assets				67,457,820	(14,268,137)	53,189,683	77,445,974
Net assets - beginning				7,444,977,245	4,347,906,274	11,792,883,519	(42,815,179)
Net assets - ending				\$ 7,512,435,065	\$ 4,333,638,137	\$ 11,846,073,202	(147,167,447)
							\$ (189,982,626)
							\$ (22,823,756)

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

FUND FINANCIAL STATEMENTS

Clark County, Nevada
Governmental Funds
Balance Sheet
June 30, 2011

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments:				
In custody of the County Treasurer	\$ 346,897,819	\$ 109,913,203	\$ 1,752,532,795	\$ 2,209,343,817
In custody of other officials	2,170,881	239,250	457,574	2,867,705
With fiscal agent	-	-	100,027,619	100,027,619
Loaned securities	44,894,220	14,099,721	223,939,436	282,933,377
Accounts receivable	25,859,770	805,428	5,400,728	32,065,926
Interest receivable	1,030,593	323,673	5,507,825	6,862,091
Taxes receivable, delinquent	14,628,679	4,168,631	3,841,614	22,638,924
Penalties receivable on delinquent taxes	14,624,154	-	-	14,624,154
Special assessments receivable	-	-	249,253,647	249,253,647
Due from other funds	47,938,205	122,139	104,757,959	152,818,303
Due from other governmental units	127,255,258	3,713,995	61,068,567	192,037,820
Prepaid items	-	712,267	-	712,267
Total Assets	<u>\$ 625,299,579</u>	<u>\$ 134,098,307</u>	<u>\$ 2,506,787,764</u>	<u>\$ 3,266,185,650</u>

(Continued)

Clark County, Nevada
Governmental Funds
Balance Sheet
June 30, 2011
(Continued)

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 14,311,335	\$ 7,655,467	\$ 68,871,934	\$ 90,838,736
Accrued payroll	27,346,696	24,894,913	7,581,336	59,822,945
Due to other funds	113,312,929	345,553	107,512,343	221,170,825
Due to other governmental units	38,374,091	52,992	9,124,915	47,551,998
Loaned securities	46,879,749	14,723,303	233,843,495	295,446,547
Deferred revenue and other liabilities	25,087,266	7,875,825	295,345,558	328,308,649
Total Liabilities	265,312,066	55,548,053	722,279,581	1,043,139,700
Fund balances:				
Nonspendable	24,042,768	-	3,100,000	27,142,768
Restricted	69,691,630	-	866,449,921	936,141,551
Committed	-	5,371,045	68,297,293	73,668,338
Assigned	106,529,748	73,179,209	846,660,969	1,026,369,926
Unassigned	159,723,367	-	-	159,723,367
Total Fund Balances	359,987,513	78,550,254	1,784,508,183	2,223,045,950
Total Liabilities and Fund Balances	\$ 625,299,579	\$ 134,098,307	\$ 2,506,787,764	\$ 3,266,185,650

The accompanying notes are an integral part of these financial statements

Clark County, Nevada
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Assets
June 30, 2011

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

Fund balances – governmental funds		\$2,223,045,950
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	\$8,235,340,570	
Less accumulated depreciation	<u>(2,263,133,973)</u>	5,972,206,597
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore not reported in governmental funds:		
Bonds payable, net of premiums and discounts	(2,235,695,052)	
Unamortized bond costs, premiums, and discounts	12,856,284	
Loans payable	(181,690)	
Litigation liability	(2,500,000)	
LVMPD OPEB liability, net of Detention portion	(157,275,254)	
Compensated absences	<u>(177,215,604)</u>	(2,560,011,316)
Accrued interest payable		(15,293,920)
Deferred revenue representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		281,773,129
Long-term receivables restricted in governmental funds, adjusted to allowance for uncollectibles in statement of net assets		(24,042,768)
Long-term receivables not recorded in governmental funds:		
Bond bank receivable from So. Nevada Water Authority	1,368,855,000	
LVMPD OPEB receivable from City of Las Vegas	<u>60,893,572</u>	1,429,748,572
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		192,337,390
Internal balances that are receivable from business-type activities		<u>12,671,431</u>
Net assets of governmental activities		<u>\$7,512,435,065</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, 2011

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 450,762,559	\$ 130,995,489	\$ 78,563,800	\$ 660,321,848
Special assessments	-	-	35,852,582	35,852,582
Licenses and permits	236,903,430	-	17,012,239	253,915,669
Intergovernmental revenue	646,662,910	143,732,253	486,514,267	1,276,909,430
Charges for services	90,398,423	25,933,461	36,671,628	153,003,512
Fines and forfeitures	24,078,067	-	2,267,512	26,345,579
Interest	3,930,060	1,280,941	23,274,907	28,485,908
Other	6,242,274	3,958,618	7,447,930	17,648,822
Total revenues	1,458,977,723	305,900,762	687,604,865	2,452,483,350
Expenditures:				
Current:				
General government	124,033,734	-	34,778,401	158,812,135
Judicial	147,861,720	-	55,408,274	203,269,994
Public safety	414,191,894	490,582,981	177,496,495	1,082,271,370
Public works	202,677,006	-	26,410,353	229,087,359
Health	96,771,650	-	15,002,846	111,774,496
Welfare	79,487,635	-	77,019,661	156,507,296
Culture and recreation	11,325,699	-	305,892	11,631,591
Community support	-	-	39,568,939	39,568,939
Other general expenditures	110,932,665	-	-	110,932,665
Capital outlays	431,091	7,563,928	221,511,066	229,506,085
Debt service:				
Principal	-	227,106	80,405,000	80,632,106
Interest	-	17,301	108,994,474	109,011,775
Total expenditures	1,187,713,094	498,391,316	836,901,401	2,523,005,811
Excess (deficiency) of revenues over (under) expenditures	271,264,629	(192,490,554)	(149,296,536)	(70,522,461)

(Continued)

Clark County, Nevada
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the fiscal year ended June 30, 2011
(Continued)

	General Fund	Las Vegas Metropolitan Police Department	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):				
Transfers from other funds	49,900,988	204,623,329	241,230,442	495,754,759
Transfers to other funds	(347,606,905)	(10,000,000)	(172,385,129)	(529,992,034)
Total other financing sources (uses)	(297,705,917)	194,623,329	68,845,313	(34,237,275)
Net changes in fund balances	(26,441,288)	2,132,775	(80,451,223)	(104,759,736)
Fund balance:				
Beginning of year	386,428,801	76,417,479	1,864,959,406	2,327,805,686
End of year	<u>\$ 359,987,513</u>	<u>\$ 78,550,254</u>	<u>\$ 1,784,508,183</u>	<u>\$ 2,223,045,950</u>

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

Clark County, Nevada
Reconciliation of Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2011

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

Net change in fund balances – governmental funds \$ (104,759,736)

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. Also, the County relinquished infrastructure that was annexed by the cities. The County does not capitalize items costing less than \$5,000.

Capital outlay recorded in governmental funds	\$229,506,084	
Less amounts not capitalized	<u>(36,819,078)</u>	
Capitalized expenditures	192,687,006	
Less current year depreciation	<u>(232,693,908)</u>	(40,006,902)

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	159,707,192	
Gain on sale of capital assets	65,545	
Change in deferred revenue	(18,503,074)	
Bond bank operating contribution	<u>(4,355,000)</u>	136,914,663

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:

Accrued interest	835,330	
Amortized bond costs	1,524,860	
Principal payment	<u>80,632,106</u>	82,992,296

(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, 2011

(Continued)

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

Change in long-term compensated absences	\$9,708,321	
Change in LVMPD OPEB liability	(38,730,694)	
Change in arbitrage rebate liability	<u>100,000</u>	\$(28,922,373)

Long-term LVMPD OPEB receivable due from the City of Las Vegas	13,354,544
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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.	4,310,635
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Increase to internal balances that are receivable from business-type activities.	<u>3,574,693</u>
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Change in net assets of governmental activities	<u>\$67,457,820</u>
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The accompanying notes are an integral part of these financial statements

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2011

	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:				
In custody of the County Treasurer	\$ 12,718,967	\$ -	\$ -	\$ 179,802,296
In custody of other officials	23,510	17,462,559	103,763,322	472,501
Investments in custody of other officials	-	424,677,390	7,077,873	-
Loaned securities	-	-	-	-
Accounts receivable	105,878,924	39,621,257	61,338,876	42,013,727
Interest receivable	-	1,585,390	67,857	5,131,152
Taxes receivable, delinquent	-	-	-	-
Due from other funds	12,477,787	-	-	345,553
Due from other governmental units	-	-	-	850,320
Inventories	13,544,922	2,744,483	17,435,203	4,048,182
Prepaid items and other current assets	1,671,469	415,097	-	556,482
Total unrestricted current assets	146,315,579	486,506,176	189,683,131	233,220,213
Restricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	20,313,471	19,100,636	-	308,588,504
In custody of other officials	-	-	104,016,055	2,365,488
With fiscal agent	-	-	-	832,044,990
Investments in custody of other officials	-	50,529,030	15,379,893	48,928,789
Loaned securities	4,237,629	2,450,429	-	62,630,848
Accounts receivable	893,242	2,321,224	404,540,094	-
Total restricted current assets	25,444,342	74,401,319	523,936,042	1,254,558,619
Total current assets	171,759,921	560,907,495	713,619,173	1,487,778,832
Noncurrent assets:				
Bond bank receivable, restricted	-	-	883,405,000	-
Deferred charges and other assets	529,017	10,616,822	8,410,084	123,700,733
Capital assets:				
Property and equipment	305,241,879	2,041,237,530	2,755,278,604	6,309,871,421
Accumulated depreciation	(151,666,890)	(559,053,953)	(892,571,775)	(1,302,855,577)
Total capital assets, net of accumulated depreciation	153,574,989	1,482,183,577	1,862,706,829	5,007,015,844
Total noncurrent assets	154,104,006	1,492,800,399	2,754,521,913	5,130,716,577
Total assets	325,863,927	2,053,707,894	3,468,141,086	6,618,495,409
DEFERRED OUTFLOWS				
Deferred outflows - hedging derivative instruments	-	-	-	93,684,759

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2011
(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	5,475,000	7,045,529	-	-
Accounts payable	30,602,002	40,516,784	41,445,875	11,824,170
Accrued expenses	100,061,035	13,779,382	29,973,263	16,814,442
Due to other funds	15,780,787	-	-	264,876
Loaned securities	4,425,047	2,558,802	-	-
Deferred revenue	-	-	-	4,848,564
Deposits and other current liabilities	-	3,175,731	23,039,120	-
Total current liabilities (payable from current assets)	156,343,871	67,076,228	94,458,258	33,752,052
Current liabilities (payable from restricted assets):				
Current maturities of long-term debt	-	-	417,538,000	191,265,000
Accounts payable	-	-	-	107,814,424
Accrued expenses	-	-	12,109,450	124,111,867
Customer deposits	-	-	15,379,893	-
Loaned securities	-	-	-	65,400,791
Total current liabilities (payable from restricted assets)	-	-	445,027,343	488,592,082
Total current liabilities	156,343,871	67,076,228	539,485,601	522,344,134
Noncurrent liabilities:				
Long-term debt, less current maturities	75,804,716	448,124,651	1,818,910,981	4,520,212,313
Deferred revenue and other non-current liabilities	35,738,446	10,804,772	9,863,172	124,578,354
Total noncurrent liabilities	111,543,162	458,929,423	1,828,774,153	4,644,790,667
Total Liabilities	267,887,033	526,005,651	2,368,259,754	5,167,134,801
DEFERRED INFLOWS				
Deferred inflows - hedging derivative instruments	-	-	-	477,629
NET ASSETS				
Invested in capital assets, net of related debt	75,365,189	1,066,697,040	972,216,922	915,132,589
Restricted for:				
Capital projects	-	2,462,555	118,424	223,848,003
Debt service	-	7,397,497	14,863,255	106,416,135
Other	11,532,383	-	-	29,422,653
Unrestricted	(28,920,678)	451,145,151	112,682,731	269,748,358
Total Net Assets	\$ 57,976,894	\$ 1,527,702,243	\$ 1,099,881,332	\$ 1,544,567,738

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2011
(Continued)

	Business-Type Activities- Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
ASSETS			
Unrestricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	\$ 42,737,242	\$ 235,258,505	\$ 460,034,115
In custody of other officials	2,788,060	124,509,952	4,102,000
Investments in custody of other officials	-	431,755,263	-
Loaned securities	5,481,765	5,481,765	59,017,966
Accounts receivable	1,242,804	250,095,588	1,270,408
Interest receivable	125,840	6,910,239	1,354,816
Taxes receivable, delinquent	542	542	-
Due from other funds	2,028,246	14,851,586	75,682,965
Due from other governmental units	39,959	890,279	974,901
Inventories	-	37,772,790	408,990
Prepaid items and other current assets	19,688	2,662,736	1,232,961
Total unrestricted current assets	54,464,146	1,110,189,245	604,079,122
Restricted current assets:			
Cash and cash equivalents:			
In custody of the County Treasurer	-	348,002,611	-
In custody of other officials	563,803	106,945,346	-
With fiscal agent	-	832,044,990	-
Investments in custody of other officials	-	114,837,712	-
Loaned securities	-	69,318,906	-
Accounts receivable	-	407,754,560	-
Total restricted current assets	563,803	1,878,904,125	-
Total current assets	55,027,949	2,989,093,370	604,079,122
Noncurrent assets:			
Bond bank receivable, restricted	-	883,405,000	-
Deferred charges and other assets	-	143,256,656	31,560,576
Capital assets:			
Property and equipment	120,497,982	11,532,127,416	16,041,930
Accumulated depreciation	(36,041,133)	(2,942,189,328)	(13,966,586)
Total capital assets, net of accumulated depreciation	84,456,849	8,589,938,088	2,075,344
Total noncurrent assets	84,456,849	9,616,599,744	33,635,920
Total assets	139,484,798	12,605,693,114	637,715,042
DEFERRED OUTFLOWS			
Deferred outflows - hedging derivative instruments	-	93,684,759	-

Clark County, Nevada
Proprietary Funds
Statement of Net Assets
June 30, 2011
(Continued)

	Business-Type Activities- Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
LIABILITIES			
Current liabilities (payable from current assets):			
Current maturities of long-term debt	337,188	12,857,717	-
Accounts payable	2,817,804	127,206,635	167,743,445
Accrued expenses	5,815,520	166,443,642	210,299,085
Due to other funds	2,841,380	18,887,043	3,294,986
Loaned securities	5,724,205	12,708,054	61,628,126
Deferred revenue	300,481	5,149,045	-
Deposits and other current liabilities	78,660	26,293,511	336,668
Total current liabilities (payable from current assets)	17,915,238	369,545,647	443,302,310
Current liabilities (payable from restricted assets):			
Current maturities of long-term debt	-	608,803,000	-
Accounts payable	-	107,814,424	-
Accrued expenses	-	136,221,317	-
Customer deposits	-	15,379,893	-
Loaned securities	-	65,400,791	-
Total current liabilities (payable from restricted assets)	-	933,619,425	-
Total current liabilities	17,915,238	1,303,165,072	443,302,310
Noncurrent liabilities:			
Long-term debt, less current maturities	5,388,199	6,868,440,860	-
Deferred revenue and other non-current liabilities	-	180,984,744	-
Total noncurrent liabilities	5,388,199	7,049,425,604	-
Total Liabilities	23,303,437	8,352,590,676	443,302,310
DEFERED INFLOWS			
Deferred inflows - hedging derivative instruments	-	477,629	-
NET ASSETS			
Invested in capital assets, net of related debt	78,731,462	3,108,143,202	2,075,342
Restricted for:			
Capital projects	563,803	226,992,785	-
Debt service	-	128,676,887	-
Other	-	40,955,036	-
Unrestricted	36,886,096	841,541,658	192,337,390
Total Net Assets	116,181,361	4,346,309,568	194,412,732
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(12,671,431)	
Net assets of business-type of activities		4,333,638,137	

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, 2011

	Business-Type Activities - Enterprise Funds			
	Water			
	University Medical Center	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	-	134,213,867	-	-
Water sales and related water fees	-	-	326,336,623	-
Services to patients	438,342,856	-	-	-
Landing and other airport fees	-	-	-	63,274,639
Building and land rental	-	-	-	236,123,861
Concession fees	-	-	-	67,247,080
Constable fees	-	-	-	-
Building fees and permits	-	-	-	-
Recreation fees	-	-	-	-
Parking fees	-	-	-	-
Insurance	-	-	-	-
Other	31,246,838	-	-	-
Other operating revenues	-	559,671	6,767,967	25,908,193
Total operating revenues	469,389,694	134,773,538	333,104,590	392,553,773
Operating expenses:				
Salaries and benefits	-	32,536,080	-	111,185,545
General and administrative	152,264,935	-	-	49,203,001
Other professional services	399,008,585	6,351,481	-	-
Operating and maintenance	-	26,034,045	248,781,458	56,962,443
Depreciation	12,828,924	63,893,458	89,745,416	136,104,432
Total operating expenses	564,102,444	128,815,064	338,526,874	353,455,421
Operating income (loss)	(94,512,750)	5,958,474	(5,422,284)	39,098,352

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water			Department of
	University Medical Center	Reclamation District	Las Vegas Valley Water District	Aviation
Nonoperating revenues (expenses):				
Interest income	419,970	6,440,296	575,256	51,334,114
Interest expense	(4,078,198)	-	(39,676,785)	(162,162,402)
Gain (loss) on sale or abandonment of property and equipment	169,613	692	-	-
Consolidated tax	-	-	-	-
Sales and use tax	-	13,134,404	-	-
Contributions from primary government	65,000,000	-	-	-
Other	1,012,688	(24,133,089)	104,317	77,913,309
Total nonoperating revenues (expenses)	62,524,073	(4,557,697)	(38,997,212)	(32,914,979)
Income (loss) before contributions and transfers	(31,988,677)	1,400,777	(44,419,496)	6,183,373
Capital contributions	-	24,106,285	22,170,788	16,760,815
Transfers from other funds	6,183,933	-	-	7,317,856
Transfers to other funds	-	-	-	-
Change in net assets	(25,804,744)	25,507,062	(22,248,708)	30,262,044
Net assets:				
Beginning of year	83,781,638	1,502,195,181	1,122,130,040	1,514,305,694
End of year	\$ 57,976,894	\$ 1,527,702,243	\$ 1,099,881,332	\$ 1,544,567,738

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Revenues, Expenses and Changes in Net Assets
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		
Operating revenues:				
Licenses and permits:				
New development fees	\$ 75,545	\$ 75,545	\$	-
Charges for services:				
Sewer services and operations	-	134,213,867		-
Water sales and related water fees	3,909,861	330,246,484		-
Services to patients	-	438,342,856		-
Landing and other airport fees	-	63,274,639		-
Building and land rental	-	236,123,861		-
Concession fees	-	67,247,080		-
Constable fees	3,837,531	3,837,531		-
Building fees and permits	16,934,219	16,934,219		-
Recreation fees	8,677,266	8,677,266		-
Parking fees	1,406,195	1,406,195		174,635
Insurance	-	-		161,017,861
Other	-	31,246,838		80,860,929
Other operating revenues	1,354,657	34,590,488		8,411,888
Total operating revenues	36,195,274	1,366,216,869		250,465,313
Operating expenses:				
Salaries and benefits	38,751,832	182,473,457		109,079,935
General and administrative	-	201,467,936		-
Other professional services	-	405,360,066		-
Operating and maintenance	14,661,660	346,439,606		164,097,337
Depreciation	3,119,041	305,691,271		721,435
Total operating expenses	56,532,533	1,441,432,336		273,898,707
Operating income (loss)	(20,337,259)	(75,215,467)		(23,433,394)

(Continued)

Clark County, Nevada

Proprietary Funds

Statement of Revenues, Expenses and Changes in Net Assets

For the fiscal year ended June 30, 2011

(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Nonoperating revenues (expenses):			
Interest income	353,042	59,122,678	5,741,082
Interest expense	(224,267)	(206,141,652)	(7,813)
Gain (loss) on sale or abandonment of property and equipment	486,913	657,218	207,555
Consolidated tax	48,509	48,509	-
Sales and use tax	274,353	13,408,757	-
Contributions from primary government	-	65,000,000	-
Other	1,296,397	56,193,622	67,719
Total nonoperating revenues (expenses)	2,234,947	(11,710,868)	6,008,543
Income (loss) before contributions and transfers	(18,102,312)	(86,926,335)	(17,424,851)
Capital contributions	693,214	63,731,102	-
Transfers from other funds	1,000,000	14,501,789	22,358,305
Transfers to other funds	(2,000,000)	(2,000,000)	(622,819)
Change in net assets	(18,409,098)	(10,693,444)	4,310,635
Net assets:			
Beginning of year	134,590,459		190,102,097
End of year	\$ 116,181,361		\$ 194,412,732

Adjustment to reflect the consolidation of internal service
fund activities related to enterprise funds
Change in net assets of business-type activities

(3,574,693)
\$ (14,268,137)

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

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011

	Business-Type Activities - Enterprise Funds			
	Water			Department of
	University Medical Center	Reclamation District	Las Vegas Valley Water District	Aviation
Cash flows from operating activities:				
Cash received from customers	\$ 449,677,784	\$ 134,543,414	\$ 328,315,915	\$ 381,688,450
Cash paid for employees and for benefits	(308,342,536)	(27,732,658)	(124,851,036)	(100,802,334)
Cash paid for services and supplies	(233,629,708)	(30,755,967)	(121,552,962)	(111,992,040)
Other operating receipts	31,653,060	(1,147,121)	1,227,176	-
Net cash provided (used) by operating activities	(60,641,400)	74,907,668	83,139,093	168,894,076
Cash flows from noncapital financing activities:				
Cash provided by property taxes	-	-	-	-
Cash provided by consolidated taxes and sales and use taxes	-	-	-	-
Federal and state grants	-	-	-	-
Transfers from other funds	-	-	-	-
Transfers to other funds	-	-	-	-
Contributions from other governmental units	-	-	-	-
Net cash provided by noncapital financing activities	64,600,338	-	-	-
Cash flows from capital and related financing activities:	64,600,338	-	-	-
Cash provided by contributed capital	-	9,203,733	8,424,208	-
Bonds and loans issued	-	-	-	315,438,418
Federal and state grants	-	235,872	-	19,612,285
Cash used for bond issue costs	-	-	(114,298)	(2,215,377)
Acquisition, construction, or improvement of capital assets	(3,646,822)	(73,721,227)	(18,473,838)	(641,483,593)
	(Continued)			

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			
	Water			
	University Medical Center	Reclamation District	Las Vegas Valley Water District	Department of Aviation
Cash used for debt service:				
Principal	(5,800,067)	(6,420,000)	(18,463,000)	(86,150,000)
Interest	(4,055,689)	(23,887,644)	(39,567,054)	(150,748,913)
Payments to bond refunding agent	-	-	-	(318,800,000)
Proceeds from the sale of capital assets	13,710	7,101,210	226,983	-
Proceeds from customer assessments	-	-	-	84,180,538
Sales tax apportionment	-	12,933,505	-	-
Cash provided by other capital	1,012,688	-	(184,095)	-
Net cash used by capital and related financing activities:	(12,476,180)	(74,554,551)	(68,151,094)	(780,166,642)
Cash flows from investing activities:				
Purchase of investments	-	(245,885,384)	(27,450,705)	-
Proceeds from maturities of investments	-	243,578,222	26,000,000	-
Interest income	379,776	7,425,437	593,168	10,621,663
Net cash provided by investing activities	379,776	5,118,275	(857,537)	10,621,663
Net increase (decrease) in cash and cash equivalents	(8,137,466)	5,471,392	14,130,462	(600,650,903)
Cash and cash equivalents:				
Beginning of year	41,193,414	31,091,803	193,648,915	1,923,924,683
End of year:				
Unrestricted	12,742,477	17,462,559	103,763,322	180,274,797
Restricted	20,313,471	19,100,636	104,016,055	1,142,998,982
Total cash and cash equivalents at end of year	\$ 33,055,948	\$ 36,563,195	\$ 207,779,377	\$ 1,323,273,779

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
	\$ (94,512,750)	\$ 5,958,474	\$ (5,422,284)	\$ 39,098,352
Operating income (loss)	12,828,924	63,893,458	89,745,416	136,104,432
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	55,781,143	-	-	-
Depreciation	(44,446,214)	121,774	(3,109,531)	(8,982,089)
Provision for doubtful accounts	-	-	-	-
(Increase) decrease in accounts receivable	-	-	-	-
Increase in due from other funds	-	-	-	-
(Increase) decrease in due from other governmental units	-	-	-	-
(Increase) decrease in inventory	(767,912)	(304,664)	-	(2,263,164)
(Increase) decrease in prepaid expense	-	(117,152)	107,026	4,645
(Increase) decrease in other assets	(542,626)	-	-	-
Increase (decrease) in accounts payable	14,201,048	5,038,527	4,132,190	(3,590,972)
Increase in accrued payroll	-	-	(3,482,296)	10,383,106
Increase in due to other funds	-	-	-	-
Increase (decrease) in other non-current liabilities	(2,046,365)	317,251	-	-
Increase (decrease) in deferred revenue	-	-	(30,912)	(1,853,491)
Increase (decrease) in deposits and other current liabilities	(1,136,648)	-	1,199,484	(6,743)
Net cash provided (used) by operating activities	\$ (60,641,400)	\$ 74,907,668	\$ 83,139,093	\$ 168,894,076

(Continued)

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

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

Clark County, Nevada
Proprietary Funds

Statement of Cash Flows

For the fiscal year ended June 30, 2011

(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	\$ -	\$ 14,595,621	\$ 13,137,380	\$ -
Property, plant and equipment purchased on account	-	15,087,133	-	-
Change in fair value of investments	-	5,311,226	7,061	-
Debt issued on behalf of related party	-	-	58,110,000	-
Reduction of debt issued on behalf of related party	-	-	51,930,000	-

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		
Cash flows from operating activities:				
Cash received from customers	\$ 32,434,982	\$ 1,326,660,545	\$	217,944,296
Cash paid for employees and for benefits	(41,511,995)	(603,240,559)		(43,461,926)
Cash paid for services and supplies	(15,969,516)	(513,900,193)		(159,933,788)
Other operating receipts	1,354,657	33,087,772		8,411,888
Net cash provided (used) by operating activities	(23,691,872)	242,607,565		22,960,470
Cash flows from noncapital financing activities:				
Cash provided by property taxes	12,885	12,885		-
Cash provided by consolidated taxes and sales and use taxes	48,509	48,509		-
Federal and state grants	1,297,459	1,297,459		-
Transfers from other funds	1,000,000	1,000,000		22,358,305
Transfers to other funds	(2,000,000)	(2,000,000)		(622,819)
Contributions from other governmental units	(13,775)	64,586,563		67,719
Net cash provided by noncapital financing activities	345,078	64,945,416		21,803,205
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	17,627,941		-
Bonds and loans issued	-	315,438,418		-
Federal and state grants	-	19,848,157		-
Cash used for bond issue costs	-	(2,329,675)		-
Acquisition, construction, or improvement of capital assets	(12,202,974)	(749,528,454)		(129,996)

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	
Cash used for debt service:			
Principal	(1,508,320)	(118,341,387)	-
Interest	(157,658)	(218,416,958)	-
Payments to bond refunding agent	-	(318,800,000)	-
Proceeds from the sale of capital assets	491,321	7,833,224	207,555
Proceeds from customer assessments	-	84,180,538	-
Sales tax apportionment	274,353	13,207,858	-
Cash provided by other capital	-	828,593	-
Net cash used by capital and related financing activities	(13,103,278)	(948,451,745)	77,559
Purchase of investments	-	(273,336,089)	-
Proceeds from maturities of investments	-	269,578,222	-
Interest income	367,498	19,387,542	6,429,798
Net cash provided by investing activities	367,498	15,629,675	6,429,798
Net increase (decrease) in cash and cash equivalents	(36,082,574)	(625,269,089)	51,271,032
Cash and cash equivalents:			
Beginning of year	82,171,678	2,272,030,493	412,865,083
End of year:			
Unrestricted	45,525,302	359,768,457	464,136,115
Restricted	563,803	1,286,992,947	-
Total cash and cash equivalents at end of year	\$ 46,089,105	\$ 1,646,761,404	\$ 464,136,115

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (20,337,259)	\$ (75,215,467)	\$	(23,433,394)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	3,119,041	305,691,271		721,435
Provision for doubtful accounts	-	55,781,143		-
(Increase) decrease in accounts receivable	(509,763)	(56,925,823)		142,811
Increase in due from other funds	(1,871,385)	(1,871,385)		(9,262,987)
(Increase) decrease in due from other governmental units	(21,360)	(21,360)		11,683
Decrease in inventory	-	(3,335,740)		(34,005)
(Increase) decrease in prepaid expense	(4,688)	(10,169)		(17,996)
(Increase) decrease in other assets	-	(542,626)		(15,256,149)
Increase (decrease) in accounts payable	(2,497,446)	17,283,347		2,272,906
Increase in accrued payroll	(2,760,163)	4,140,647		65,618,009
Increase in due to other funds	1,194,278	1,194,278		1,976,509
Increase (decrease) in other non-current liabilities	-	(1,729,114)		-
Increase (decrease) in deferred revenue	(149)	(1,884,552)		-
Increase (decrease) in deposits and other current liabilities	(2,978)	53,115		221,648
Net cash provided (used) by operating activities	\$ (23,691,872)	\$ 242,607,565	\$	22,960,470

(Continued)

Clark County, Nevada
Proprietary Funds
Statement of Cash Flows
For the fiscal year ended June 30, 2011
(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	\$ -	\$ 27,733,001	\$ -
Property, plant and equipment purchased on account	-	15,087,133	-
Change in fair value of investments	-	5,318,287	-
Debt issued on behalf of related party	-	58,110,000	-
Reduction of debt issued on behalf of related party	-	51,930,000	-

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

Clark County, Nevada
Fiduciary Funds
Statement of Net Assets
June 30, 2011

	Employee Benefit and Pension Trust Funds	Agency Funds
ASSETS		
Cash and investments:		
In custody of the County Treasurer	\$ 2,905,282	\$ 158,864,080
In custody of other officials	-	43,670,403
With fiscal agent	183,282,396	7,908,132
Loaned securities	372,720	20,377,038
Accounts receivable	1,162	894,949
Interest receivable	792,624	467,853
Taxes receivable, delinquent	-	46,043,648
Due from other governmental units	-	426,474,211
Total Assets	<u>187,354,184</u>	<u>704,700,314</u>
LIABILITIES		
Accrued expenses	43,531	-
Loaned securities	389,204	21,278,242
Amounts held for others	-	683,422,072
Total Liabilities	<u>432,735</u>	<u>704,700,314</u>
NET ASSETS		
Held in trust for pension benefits and other purposes	<u>\$ 186,921,449</u>	<u>-</u>

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

Clark County, Nevada
Fiduciary Funds

Statement of Changes in Net Assets
For the fiscal year ended June 30, 2011

	Employee Benefit and Pension Trust Funds
ADDITIONS	
Contributions:	
Contributions from employer	\$ 26,640,861
Contributions from employees	101,282
Total contributions	<u>26,742,143</u>
Investment earnings:	
Interest	1,533,339
Net increase in fair value of investments	21,712,979
Total investment earnings	<u>23,246,318</u>
Less investment expense	(112,632)
Net investment earnings	<u>23,133,686</u>
Total additions	<u>49,875,829</u>
DEDUCTIONS	
General and administrative Benefit payments	207,757
	<u>17,647,965</u>
Total deductions	<u>17,855,722</u>
Change in net assets	32,020,107
NET ASSETS	
Beginning of year	154,901,342
End of year	<u>\$ 186,921,449</u>

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

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

Blended Component Units

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

Although each of the above-mentioned governmental units operates as a separate entity, the members of the Board of Clark County Commissioners are also the board members (ex-officio) of each entity. Because each of the component units has substantially the same governing body as the primary government, they are blended into the financial statements. The operations of the Water District, Big Bend Water District, UMC, and the Reclamation District are reflected as enterprise funds. The Redevelopment Agency is reflected as a special revenue fund.

Discretely Presented Component Units

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

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

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

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

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Government-Wide Financial Statements

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements

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

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

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

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

The County reports the following major governmental funds:

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

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

The County reports the following major enterprise funds:

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

Assets, Liabilities, and Net Assets or Equity

Investments

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

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Receivables and Payables (Continued)

governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

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

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

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

Long-Term Obligations

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

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

Net Assets or Equity

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

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Net Assets or Equity (Continued)

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes and Restatements

The County implemented Governmental Accounting Standards Board (GASB) Statement 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. As a result of this statement, two new financial statement elements – deferred outflows and deferred inflows – have been added to the Statement of Net Assets. Deferred outflows are added to net assets and deferred inflows are subtracted from net assets. Refer to the “Derivative Instruments” section of Note 6 for more details.

During the year, certain accounting changes were made that required the restatement of fund balances and net assets as shown and discussed below:

Restatements to Fund Balances/Net Assets

	July 1, 2010 as Previously Reported	Restatements	July 1, 2010 as Restated
Government Fund and Government Activities			
Major Funds:			
General Fund	\$ 172,111,310	\$ 214,317,491	\$ 386,428,801
Las Vegas Metropolitan Police Dept	76,417,479	-	76,417,479
Master Transportation Plan	29,779,486	(29,779,486)	-
Total Major Funds	<u>278,308,275</u>	<u>184,538,005</u>	<u>462,846,280</u>
Nonmajor Funds:			
Special Revenue Funds	614,037,147	(184,538,005)	429,499,142
Debt Service Funds	258,498,983	-	258,498,983
Capital Project Funds	1,176,961,281	-	1,176,961,281
Total Nonmajor Fund Balances	<u>2,049,497,411</u>	<u>(184,538,005)</u>	<u>1,864,959,406</u>
Total Government Fund Balances	2,327,805,686	-	2,327,805,686
Government Activities			
Other Adjustments	<u>5,117,171,559</u>	-	<u>5,117,171,559</u>
Total Government Activities Net Assets	<u>\$ 7,444,977,245</u>	<u>\$ -</u>	<u>\$ 7,444,977,245</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Changes and Restatements (Continued)

The County implemented GASB Statement 54, *Fund Balance Reporting and Government Fund Type Definitions*, which changed the classification of fund balances and clarified the definitions of the general fund and other fund types. Several of the County's funds including the Master Transportation Fund, accounted for as special revenue funds in prior years, no longer meet the definition of a special revenue fund under GASB Statement 54. Fund balances in the general fund and special revenue funds have been restated by \$214,317,491 to reflect this change.

Reclassifications

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

Use of Estimates

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Excess of Expenditures Over Appropriations

For the fiscal year ended June 30, 2011, the following funds exceeded appropriations:

The Kyle Canyon Water District nonmajor enterprise fund expenses exceeded appropriations by \$17,912. The Other Post-Employment Benefits Reserve internal service fund expenses exceeded appropriations by \$14,864,463.

III. DETAILED NOTES – ALL FUNDS

I. CASH AND INVESTMENTS

Deposits

According to state statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within the County. The County is authorized to use demand accounts, time accounts, and certificates of deposit. State statutes do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible investments. Permissible investments are similar to allowable County investments described below, except that statutes permit a longer term and include securities issued by municipalities within Nevada. The County's deposits are fully covered by federal depository insurance or collateral held by the County's agent in the County's name. The County has written custodial agreements with the various financial institutions' trust banks for demand deposits and certificates of deposits. These custodial agreements pledge securities totaling 102 percent of the deposits with each financial institution. The County has a written agreement with the State Treasurer for monitoring the collateral maintained by the County's depository institutions.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Deposits (Continued)

All deposits are subject to credit risk. Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations. At year end, the bank balance of deposits held in custody of the County Treasurer was \$102,595,646 and the carrying amount was \$75,520,731. 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 \$280,173,896 and the carrying amount was \$274,747,559. The bank balance and the carrying value of deposits with fiscal agent was \$5,091,955.

At June 30, 2011, the fair value of Countywide deposits, investments, derivative instruments, and loaned securities reinvested consisted of the following:

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

		<u>Fair Value</u>
Investments	\$5,444,506,181	
Derivative Instruments	48,928,789	
Loaned Securities	<u>502,566,468</u>	\$5,996,001,438
Cash		355,360,245
Water District Pension		<u>183,198,772</u>
Grand total		<u>\$6,534,560,455</u>

Investments

When investing monies, the County is required to be in conformance with state statutes and written policies adopted by the Board of County Commissioners designating allowable investments and the safeguarding of those investments. The County invests monies both by individual fund and through a pooling of monies. The pooled monies, referred to as the investment pool, are theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the County Treasurer is able to invest the monies at a higher interest rate for a longer period of time. Interest is apportioned monthly to each fund in the pool based on the average daily cash balances of the funds for the month in which the investment matures. Cash and investments in the custody of the County Treasurer comprise the investment pool.

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

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 the total investments; money market mutual funds with "AAA" rating invested only in federal government or agency securities; master notes, bank notes or other short-term commercial paper rated "A-1" or its equivalent, or in repurchase agreements fully collateralized by such securities; notes, bonds, and other unconditional obligations issued by corporations organized and operating in the United States, having an "A" rating or equivalent, not to exceed 5 years maturity and 20 percent of the total investments; collateralized mortgage obligations that are rated "AAA" or its equivalent, not to exceed 20 percent of the total investments; asset-backed securities that are rated "AAA" or its equivalent, not to exceed 20 percent of the total investments; repurchase agreements that are collateralized at 102 percent and are executed with a primary dealer, not to exceed 90 days maturity. State statutes require the County to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are a group of dealers that submit daily reports of market positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2011, the fair value of Countywide investments, derivative instruments, and loaned securities reinvested were categorized by maturity as follows:

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

<u>Investment Type</u>	<u>Investment Maturities (in Years)</u>				
	<u>Fair Value</u>	<u>Less Than 1</u>	<u>1 to 3</u>	<u>3 to 5</u>	<u>More Than 5</u>
<u>Debt Securities</u>					
U.S. Treasuries	\$978,538,423	\$255,589,834	\$664,214,916	\$58,733,673	\$ -
U.S. Agencies	3,562,419,355	1,272,981,465	1,829,699,460	459,738,430	-
Corporate Obligations	290,108,961	85,667,414	167,806,247	36,635,300	-
Money Market Funds	464,234,672	464,234,672	-	-	-
Commercial Paper	416,426,887	416,426,887	-	-	-
Certificates of Deposit	41,600,747	41,600,747	-	-	-
NV Local Government Investment Pool **	65,423,563	65,423,563	-	-	-
Collateralized Mortgage Obligations	41,946,756	829,518	5,315,256	2,517,013	33,284,969
Collateralized Investment Agreements*	17,461,210	17,461,210	-	-	-
Asset Backed Securities	68,912,075	-	25,217,356	36,544,179	7,150,540
Derivative Instruments	48,928,789	-	-	-	48,928,789
Total	<u>\$5,996,001,438</u>	<u>\$2,620,215,310</u>	<u>\$2,692,253,235</u>	<u>\$594,168,595</u>	<u>\$89,364,298</u>

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

** The average duration is 69 days

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

At June 30, 2011, 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	\$105,980,011	57.85%
Equities	<u>77,218,761</u>	<u>42.15</u>
Total	<u>\$183,198,772</u>	<u>100.00%</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

<u>Investment</u>	<u>Maturities</u>	<u>Carrying Value</u>
Domestic Equity Fund	N/A	\$77,218,761
Domestic Bond Fund	Weighted Average 7.23 years	71,595,108
Money Market Fund	Weighted Average 42 days	227,586
Union Central Life Insurance Co. Contract	Open	1,544,965
N.Y. Life Insurance Co. Contract	Open	7,628,461
N.Y. Life Insurance Co. Contract	07/30/12	5,190,235
N.Y. Life Insurance Co. Contract	09/04/12	5,069,115
N.Y. Life Insurance Co. Contract	09/04/12	5,230,795
N.Y. Life Insurance Co. Contract	10/01/12	4,772,280
N.Y. Life Insurance Co. Contract	10/01/12	<u>4,721,466</u>
Total		<u>\$183,198,772</u>

At June 30, 2011, the fair value of Countywide investments, derivative instruments, and loaned securities reinvested were categorized by quality rating as follows:

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

<u>Investment Type</u>	<u>Quality Ratings by Standard & Poor's</u>					
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A-1</u>	<u>Unrated</u>
<u>Debt Securities</u>						
U.S. Treasuries	\$ 978,538,423	\$ 946,472,287	\$ -	\$ -	\$ 32,066,136	\$ -
U.S. Agencies	3,562,419,355	2,793,280,710	-	-	769,138,645	-
Corporate Obligations	290,108,961	40,765,987	123,026,406	118,591,568	-	7,725,000
Money Market Funds	464,234,672	464,234,672	-	-	-	-
Commercial Paper	416,426,887	-	-	-	416,426,887	-
Certificates of Deposit	41,600,747	-	-	-	40,350,747	1,250,000
NV Local Government Investment Pool	65,423,563	-	-	-	-	65,423,563
Collateralized Mort- gage Obligations	41,946,756	41,946,756	-	-	-	-
Collateralized Invest- ment Agreements*	17,461,210	-	14,867,770	2,593,440	-	-
Asset Backed Securities	68,912,075	68,912,075	-	-	-	-
Derivative Instruments	<u>48,928,789</u>	<u>-</u>	<u>1,987,959</u>	<u>46,940,830</u>	<u>-</u>	<u>-</u>
Total	<u>\$5,996,001,438</u>	<u>\$4,355,612,487</u>	<u>\$139,882,135</u>	<u>\$168,125,838</u>	<u>\$1,257,982,415</u>	<u>\$ 74,398,563</u>

* These are fully collateralized guaranteed investment contracts and forward delivery agreements related to bond proceeds. The rating reported is that of the entity issuing the investment agreement.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

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>06/30/11</u>
Domestic Bond Fund	AA	67.56%
Money Market Fund	AAA/Aaa	.21
Contracts	N/A	32.23

The managing institution of the Domestic Bond Fund reports an overall rating of AA at June 30, 2011, for the underlying securities. The fund is benchmarked off the Capital Aggregate Bond Index; therefore, the fund uses Barclays' rating methodology. The methodology uses the middle rating of Moody's, Standard & Poor's, and Fitch after dropping the highest and lowest available ratings. The AAA/Aaa ratings for the Money Market Fund were by Standard & Poor's and Moody's.

The amounts above include cash and investment balances for the RTC and the Flood Control District of \$465,922,402 and \$264,776,353, respectively, which are discretely presented component units and are not broken out separately as they participate in the investment pool.

Interest Rate Risk

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

Interest Rate Sensitivity

At June 30, 2011, the County invested in the following types of securities that have a higher sensitivity to interest rates:

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

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

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 or minus a specified number of basis points. In some cases, interest rate caps are reset higher annually. These securities are callable generally on their coupon dates.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Interest Rate Sensitivity (Continued)

Terms Table of Interest Rate Sensitive Securities

<u>CUSIP</u>	<u>Fair Value</u>	<u>Maturity Date</u>	<u>Call Frequency</u>	<u>Index</u>	<u>Coupon</u>
41283VAD5	\$ 718,549	08/15/13	Monthly	N/A	Fixed
055669AD7	2,256,030	01/15/14	Monthly	N/A	Fixed
89235YAD7	3,134,100	01/17/17	Monthly	N/A	Fixed
06052MAC9	3,170,475	07/15/14	Monthly	N/A	Fixed
65476CAC5	3,213,824	01/15/16	Monthly	N/A	Fixed
80282GAC9	4,012,320	02/17/14	Monthly	N/A	Fixed
09657CAD2	4,015,320	08/15/13	Monthly	N/A	Fixed
65475GAD5	4,016,440	10/15/16	Monthly	N/A	Fixed
92867EAD0	5,017,250	10/20/15	Monthly	N/A	Fixed
92867DAC4	5,028,500	06/20/15	Monthly	N/A	Fixed
44890EAC4	6,011,580	09/15/15	Monthly	N/A	Fixed
43813BAD4	6,971,930	11/21/13	Monthly	N/A	Fixed
43814AAD5	7,022,540	07/18/14	Monthly	N/A	Fixed
80282DAC6	7,080,010	11/17/14	Monthly	N/A	Fixed
36161XAC0	7,243,207	11/20/13	Monthly	N/A	Fixed
02666QH63	25,006,000	12/08/11	N/A	Libor	Floater
3134G2MW9	19,920,600	06/29/15	One time	N/A	Fixed
31398A6K3	20,039,200	11/29/13	One time	N/A	Fixed
31398A4A7	20,041,000	09/27/13	One time	N/A	Fixed
3134G2HC9	20,046,000	11/25/14	One time	N/A	Fixed
3134G2LU4	49,661,000	12/29/14	One time	N/A	Fixed
3134G2MW9	49,801,500	06/29/15	One time	N/A	Fixed
31398A5H1	49,935,000	11/04/13	One time	N/A	Fixed
31398A5B4	50,049,500	11/01/12	One time	N/A	Fixed
3135G0AS2	50,089,000	02/25/14	One time	N/A	Fixed
31398A2A9	50,092,500	08/05/15	One time	N/A	Fixed
3134G16K5	50,115,000	03/14/14	Quarterly	N/A	Fixed
3134G2HC9	50,115,000	11/25/14	One time	N/A	Fixed
31398A6L1	50,119,500	11/29/13	One time	N/A	Fixed
3134G1W91	50,204,500	07/26/13	One time	N/A	Fixed
3134G2DP4	50,411,000	04/18/14	One time	N/A	Fixed
31398A4H2	50,549,000	10/08/13	One time	N/A	Fixed
3134G1WW0	13,602,448	10/28/13	Quarterly	N/A	Step-up
3136FPKE6	48,962,500	09/29/15	Quarterly	N/A	Step-up
3136FPGQ4	49,074,000	09/17/15	Quarterly	N/A	Step-up

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's investment policy applies the prudent-person rule: "In investing the County's monies, there shall be exercised the judgment and care under the circumstances then prevailing which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The County's investments were rated by Standard & Poor's and Moody's Investors Service, respectively, as follows: U.S. Treasury Notes, AAA/Aaa; U.S. Treasury Bills, A-1/P-1; bonds of U.S. Federal agencies, AAA/Aaa; discount notes of U.S. Federal agencies, A-1/P-1; money market funds, AAA/Aaa; commercial paper issued by corporations organized and operating in the United States or by depository institutions licensed by the United States or any state and operating in the United States, A-1/P-1; negotiable certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations, A-1/P-1; collateralized mortgage obligations, AAA/Aaa; collateralized investment agreements issued by insurance companies rated AA/Aa2 or its equivalent or higher, or issued by entities rated A/A2 or its equivalent or higher; asset-backed securities, AAA/Aaa; corporate notes issued by corporations organized and operating in the United States which have a rating of A or its equivalent or higher. The County's investments in non-negotiable certificates of deposit are FDIC insured and do not exceed \$250,000 per insured institution.

Concentration of Credit Risk

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

At June 30, 2011, the following investments exceeded five percent of the total cash and investments for all entities combined.

Federal Farm Credit Banks (FFCB)	8.32%
Federal Home Loan Banks (FHLB)	14.46
Federal Home Loan Mortgage Corporation (FHLMC)	26.05
Federal National Mortgage Association (FNMA)	18.14

Securities Lending

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Securities Lending (Continued)

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

The fair value of the securities on loan at June 30, 2011, was \$514,240,879. At June 30, 2011, the County had received cash collateral with a value totaling \$524,793,243. 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, \$502,566,468 was held by the counterparty that was acting as the County's agent in securities lending transactions, and consisted of U.S. corporate obligations, certificates of deposit, commercial paper, and money market funds.

GASB 31

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

2. PROPERTY TAXES

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

2. PROPERTY TAXES (Continued)

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue in the governmental funds as they are not available to pay liabilities of the current period. The revenue is fully recognized at the government-wide level. The following delinquent taxes receivable and penalties receivable on delinquent taxes have been deferred as of June 30, 2011:

General Fund	Las Vegas Metropolitan Police	Nonmajor Special Revenue Funds	Debt Service Funds	Nonmajor Enterprise Funds	Total
\$23,882,800	\$3,435,106	\$ 2,924,038	\$ 246,193	\$ 481	\$ 30,488,618

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2011, consisted of the following:

	Accounts Receivable	Provisions for Doubtful Accounts	Net Accounts Receivable
<u>Primary Government</u>			
Governmental activities:			
General Fund	\$ 27,797,703	\$ (25,980,701)	\$ 1,817,002
Las Vegas Metropolitan Police	805,428	-	805,428
Other governmental	8,140,433	(2,739,705)	5,400,728
Internal service	<u>7,030,992</u>	<u>(5,760,584)</u>	<u>1,270,408</u>
Total governmental activities	<u>\$ 43,774,556</u>	<u>\$ (34,480,990)</u>	<u>\$ 9,293,566</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 24,042,768</u>		
Business-type activities:			
University Medical Center	\$ 330,924,181	\$(225,045,257)	\$105,878,924
Reclamation District	45,806,925	(6,185,668)	39,621,257
Water District	62,703,333	(1,364,457)	61,338,876
Department of Aviation	42,595,289	(581,562)	42,013,727
Other proprietary	<u>1,322,514</u>	<u>(79,710)</u>	<u>1,242,804</u>
Total business-type activities	<u>\$ 483,352,242</u>	<u>\$(233,256,654)</u>	<u>\$250,095,588</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE (Continued)

	<u>Accounts Receivable</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<u>Primary Government (Continued)</u>			
Business-type activities restricted:			
University Medical Center	\$ 893,242	\$ -	\$ 893,242
Reclamation District	2,321,224	-	2,321,224
Water District	<u>1,287,945,094</u>	<u>-</u>	<u>1,287,945,094</u>
Total business-type activities restricted	<u>\$1,291,159,560</u>	<u>\$ -</u>	<u>\$1,291,159,560</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 883,405,000</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>\$ 3,306,880</u>	<u>\$ (508,922)</u>	<u>\$ 2,797,958</u>
Regional Flood Control District	<u>\$ 3,859,430</u>	<u>\$ -</u>	<u>\$ 3,859,430</u>

Bond Bank Receivable

Nevada Revised Statute authorizes the County to issue general obligation bonds for the purpose of acquiring obligations issued by municipalities and authorities in Clark County for certain purposes. These general obligation bonds are shown in Note 6. The obligations issued by municipalities and authorities are shown as a bond bank receivable on the statement of net assets. Balance as of June 30, 2011:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Bond bank receivable, current	\$ 13,620,000	\$ -
Bond bank receivable, noncurrent	<u>1,355,235,000</u>	<u>883,405,000</u>
Total bond bank receivable	<u>\$1,368,855,000</u>	<u>\$883,405,000</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS

	<u>Balance</u> <u>July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>Primary Government</u>				
Governmental activities:				
Capital assets not being depreciated:				
Land	\$1,351,597,090	\$ 12,123,460	\$ 32,238	\$1,363,688,312
Construction in progress	<u>257,875,430</u>	<u>171,005,896</u>	<u>207,478,432</u>	<u>221,402,894</u>
Total capital assets not being depreciated	<u>1,609,472,520</u>	<u>183,129,356</u>	<u>207,510,670</u>	<u>1,585,091,206</u>
Capital assets being depreciated:				
Buildings	1,030,091,150	43,625,831	-	1,073,716,981
Improvements other than buildings	320,615,820	29,132,947	-	349,748,767
Equipment	322,003,935	18,129,974	10,757,276	329,376,633
Infrastructure	<u>4,611,325,033</u>	<u>286,093,320</u>	<u>11,370</u>	<u>4,897,406,983</u>
Total capital assets being depreciated	<u>6,284,035,938</u>	<u>376,982,072</u>	<u>10,768,646</u>	<u>6,650,249,364</u>
Less accumulated depreciation for:				
Buildings	184,001,628	21,453,988	-	205,455,616
Improvements other than buildings	107,964,457	15,460,598	-	123,425,055
Equipment	233,563,665	35,645,209	10,757,626	258,451,248
Infrastructure	<u>1,514,946,506</u>	<u>160,855,548</u>	<u>-</u>	<u>1,675,802,054</u>
Total accumulated depreciation	<u>2,040,476,256</u>	<u>233,415,343</u>	<u>10,757,626</u>	<u>2,263,133,973</u>
Total capital assets being depreciated, net	<u>4,243,559,682</u>	<u>143,566,729</u>	<u>11,020</u>	<u>4,387,115,391</u>
Governmental activities capital assets, net	<u>\$5,853,032,202</u>	<u>\$326,696,085</u>	<u>\$207,521,690</u>	<u>\$5,972,206,597</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 908,072,419	\$ 5,261,848	\$ -	\$ 913,334,267
Construction in progress	1,962,460,569	730,579,796	464,939,149	2,228,101,216
Intangible asset	<u>32,800,741</u>	<u>-</u>	<u>32,800,741</u>	<u>-</u>
Total capital assets not being depreciated	<u>2,903,333,729</u>	<u>735,841,644</u>	<u>497,739,890</u>	<u>3,141,435,483</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
<u>Primary Government (Continued)</u>				
Capital assets being depreciated:				
Land improvements	3,087,608,670	137,982,342	2,918,211	3,222,672,801
Buildings and improvements	3,681,535,710	212,890,294	21,315,445	3,873,110,559
Equipment	<u>1,156,447,430</u>	<u>156,598,090</u>	<u>18,136,946</u>	<u>1,294,908,574</u>
Total capital assets being depreciated	<u>7,925,591,810</u>	<u>507,470,726</u>	<u>42,370,602</u>	<u>8,390,691,934</u>
Less accumulated depreciation for:				
Land improvements	944,918,235	95,166,371	528,210	1,039,556,396
Buildings and improvements	1,136,102,021	130,666,036	6,240,036	1,260,528,021
Equipment	<u>582,092,157</u>	<u>77,038,750</u>	<u>17,025,995</u>	<u>642,104,912</u>
Total accumulated depreciation	<u>2,663,112,413</u>	<u>302,871,157</u>	<u>23,794,241</u>	<u>2,942,189,329</u>
Total capital assets being depreciated, net	<u>5,262,479,397</u>	<u>204,599,569</u>	<u>18,576,361</u>	<u>5,448,502,605</u>
Business-type activities capital assets, net	<u>\$8,165,813,126</u>	<u>\$ 940,441,213</u>	<u>\$516,316,251</u>	<u>\$8,589,938,088</u>

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

Governmental activities:

General government	\$ 17,757,934
Judicial	6,432,319
Public safety	27,049,165
Public works	164,014,747
Health	273,352
Welfare	493,443
Culture and recreation	16,759,675
Other	<u>634,708</u>

Total depreciation expense – governmental activities \$233,415,343

Business-type activities:

Hospital	\$ 12,828,924
Water	91,270,258
Airport	136,104,432
Sewer	63,893,458
Other	<u>1,594,199</u>

Total depreciation expense – business-type activities \$305,691,271

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Primary Government (Continued)

Construction Commitments

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

Construction-in-progress and remaining commitments as of June 30, 2011, were as follows:

	<u>Spent to date</u>	<u>Remaining Commitment</u>
Governmental activities:		
Buildings and improvements	\$ 137,522,839	\$ 222,144,080
Infrastructure:		
Work in progress – RFCD Clark County projects	13,699,549	103,018,693
Work in progress – Public Works	48,342,632	925,019,502
Work in progress – RTC Clark County projects	<u>21,837,874</u>	<u>90,848,671</u>
Total infrastructure	<u>83,880,055</u>	<u>1,118,886,866</u>
Total governmental activities	<u>\$ 221,402,894</u>	<u>\$1,341,030,946</u>
Business-type activities:		
Hospital	\$ 1,717,519	\$ -
Water	48,060,474	13,791,854
Airport	2,060,655,719	757,700,000
Sewer	<u>177,165,711</u>	<u>122,772,491</u>
Total	<u>\$2,287,599,423</u>	<u>\$ 894,264,345</u>

Discretely Presented Component Units

Flood Control District

	<u>Balance July 1, 2010</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2011</u>
Capital assets not being depreciated:				
Construction in progress	\$ 114,841	\$ 38,084	\$ 23,481	\$ 129,444
Capital assets being depreciated:				
Buildings	3,019,694	-	-	3,019,694
Equipment	<u>1,582,973</u>	<u>35,105</u>	<u>21,210</u>	<u>1,596,868</u>
Total capital assets being depreciated	<u>4,602,667</u>	<u>35,105</u>	<u>21,210</u>	<u>4,616,562</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued)

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Less accumulated depreciation for:				
Buildings	716,869	63,017	-	779,886
Equipment	<u>1,355,716</u>	<u>95,222</u>	<u>17,156</u>	<u>1,433,782</u>
Total accumulated depreciation	<u>2,072,585</u>	<u>158,239</u>	<u>17,156</u>	<u>2,213,668</u>
Total capital assets being depreciated, net	<u>2,530,082</u>	<u>(123,134)</u>	<u>4,054</u>	<u>2,402,894</u>
Government activities capital assets, net	<u>\$2,644,923</u>	<u>\$ (85,050)</u>	<u>\$ 27,535</u>	<u>\$ 2,532,338</u>

Depreciation expense of \$158,239 was charged to the public works function.

RTC

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	\$ -	\$ 261,242	\$ -	\$ 261,242
Total capital assets not being depreciated	<u>-</u>	<u>261,242</u>	<u>-</u>	<u>261,242</u>
Capital assets being depreciated:				
Buildings	18,522,095			18,522,095
Equipment	<u>2,993,314</u>	<u>310,886</u>	<u>13,485</u>	<u>3,290,715</u>
Total capital assets being depreciated	<u>21,515,409</u>	<u>310,886</u>	<u>13,485</u>	<u>21,812,810</u>
Less accumulated depreciation for:				
Buildings	4,106,738	417,108		4,523,846
Equipment	<u>1,843,325</u>	<u>474,234</u>	<u>13,485</u>	<u>2,304,074</u>
Total accumulated depreciation	<u>5,950,063</u>	<u>891,342</u>	<u>13,485</u>	<u>6,827,920</u>
Total capital assets being depreciated, net	<u>15,565,346</u>	<u>(580,456)</u>	<u>-</u>	<u>14,984,890</u>
Governmental activities capital assets, net	<u>\$ 15,565,346</u>	<u>\$ (319,214)</u>	<u>\$ -</u>	<u>\$15,246,132</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 32,038,082	\$ -	\$ -	\$ 32,038,082
Construction in progress	<u>49,347,223</u>	<u>28,596,421</u>	<u>60,312,840</u>	<u>17,630,804</u>
Total capital assets not being depreciated	<u>81,385,305</u>	<u>28,596,421</u>	<u>60,312,840</u>	<u>49,668,886</u>
Capital assets being depreciated:				
Buildings and improvements	147,172,194	39,982,549	10,382,381	176,772,362
Equipment	<u>315,871,774</u>	<u>20,617,485</u>	<u>5,740,034</u>	<u>330,749,225</u>
Total capital assets being depreciated	<u>463,043,968</u>	<u>60,600,034</u>	<u>16,122,415</u>	<u>507,521,587</u>
Less accumulated depreciation for:				
Buildings and improvements	28,940,902	9,433,434	10,382,381	27,991,955
Equipment	<u>101,985,230</u>	<u>28,182,718</u>	<u>5,740,034</u>	<u>124,427,914</u>
Total accumulated depreciation	<u>130,926,132</u>	<u>37,616,152</u>	<u>16,122,415</u>	<u>152,419,869</u>
Total capital assets being depreciated, net	<u>332,117,836</u>	<u>22,983,882</u>	<u>-</u>	<u>355,101,718</u>
Business-type activities capital assets, net	<u>\$413,503,141</u>	<u>\$ 51,580,303</u>	<u>\$ 60,312,840</u>	<u>\$404,770,604</u>

Depreciation expense was charged to the following functions or programs:

Governmental activities:

 Public Works \$ 891,342

Business-type activities:

 Public Transit \$ 37,616,152

Construction commitments include major arterial roadway projects with various local entities of approximately \$126,000,000. In addition, the Public Transit fund has outstanding construction commitments of approximately \$23,200,000 for capital projects and vehicles.

5. INTERFUND TRANSACTIONS

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

Due to/from other funds at June 30, 2011, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 46,053,734
	Nonmajor Enterprise Funds	295,552
	Internal Service Funds	105,735
	University Medical Center	1,328,454
	Department of Aviation	154,730
Las Vegas Metropolitan Police Fund	Nonmajor Governmental Funds	110,383
	Internal Service Funds	11,756
Nonmajor Governmental Funds	General Fund	64,814,920
	Between Nonmajor Governmental Funds	39,925,299
	Nonmajor Enterprise Fund	17,740
Department of Aviation	Las Vegas Metropolitan Police Fund	345,553
University Medical Center	General Funds	3,000,000
	Nonmajor Governmental Funds	9,477,787
Nonmajor Enterprise Funds	General Fund	1,021,806
	Nonmajor Governmental Funds	211,522
	Between Nonmajor Enterprise Funds	763,718
	Department of Aviation	31,200
Internal Service funds	General Fund	44,445,384
	Nonmajor Governmental Funds	11,764,438
	Nonmajor Enterprise Funds	1,764,370
	Between Internal Service Funds	3,177,496
	University Medical Center	14,452,332
	Department of Aviation	78,945
Total due to/from other funds		<u>\$ 243,352,854</u>

Interfund transfers for the year ended June 30, 2011, consisted of the following:

<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 47,900,988
	Nonmajor Enterprise Funds	2,000,000
Las Vegas Metropolitan Police Fund	General Fund	204,623,329
Nonmajor Governmental Funds	General Fund	130,165,720
	Between Nonmajor Governmental Funds	111,064,722
Nonmajor Enterprise Funds	General Fund	1,000,000
Internal Service Funds	General Fund	4,500,000
	Nonmajor Governmental Funds	7,235,486
	Las Vegas Metropolitan Police Fund	10,000,000
	Between Internal Service Funds	622,819
University Medical Center	Nonmajor Governmental Funds	6,183,933
Department of Aviation	General Fund	7,317,856
Total interfund transfers		<u>\$ 532,614,853</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

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

6. LONG-TERM DEBT

Primary Government

Bonds payable at June 30, 2011, are comprised of the following individual issues:

Governmental Activities:

General Obligation Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
1992	Transportation Improvement	06/01/92	06/01/17	4.90-8.00 %	\$250,000,000	\$ 21,800,000
2000	Transportation Improvement	02/01/00	12/01/11	5.00-6.00	85,000,000	4,325,000
2001	Bond Bank	06/01/01	06/01/31	5.00-5.50	250,000,000	37,385,000
2002	Medium Term	02/01/02	02/01/12	4.50-5.00	20,000,000	2,375,000
2002	Bond Bank	11/01/02	06/01/32	5.00-5.25	200,000,000	69,730,000
2004	Government Center	04/01/04	01/01/14	2.00-5.00	7,910,000	6,070,000
2004	Public Safety	04/01/04	06/01/17	2.50-5.00	75,610,000	45,520,000
2004	Transportation Improvement	12/30/04	12/01/19	3.00-5.00	74,895,000	73,225,000
2004	Park and Justice Center	12/30/04	11/01/17	3.00-5.00	48,935,000	43,415,000
2005	Park and Justice Center	07/06/05	11/01/24	4.125-5.00	32,310,000	32,310,000
2006	Transportation Improvement	03/07/06	06/01/16	5.00	115,585,000	86,470,000
2006	Bond Bank	06/13/06	06/01/30	4.00-4.75	242,880,000	235,765,000
2006	Bond Bank	11/02/06	11/01/36	2.50-5.00	604,140,000	590,015,000
2007	Public Facilities	05/24/07	06/01/24	4.00-5.00	22,325,000	22,115,000
2008	Transportation Improvement	03/13/08	06/01/19	3.460	71,045,000	54,195,000
2008	Bond Bank	07/02/08	06/01/38	5.00	400,000,000	385,960,000
2009	Public Facilities	03/10/09	11/01/18	3.00-4.00	24,750,000	20,470,000
2009	Public Facilities	05/14/09	06/01/24	2.00-4.75	24,865,000	15,085,000
2009	Transportation BABs	06/23/09	06/01/29	2.69-7.05	60,000,000	55,430,000
2009	Bond Bank	11/10/09	06/01/30	5.00	50,000,000	50,000,000
2009	Transportation	12/08/09	12/01/29	1.00-5.00	124,465,000	<u>119,510,000</u>
Total General Obligation Bonds						<u>\$1,971,170,000</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

General Obligation Bonds (Continued)

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 70,545,000	\$ 92,425,519	\$ 162,970,519
2013	91,985,000	89,263,930	181,248,930
2014	96,505,000	84,735,185	181,240,185
2015	97,780,000	80,104,965	177,884,965
2016	100,435,000	75,687,591	176,122,591
2017-2021	412,455,000	310,337,136	722,792,136
2022-2026	382,750,000	218,122,086	600,872,086
2027-2031	417,220,000	122,026,414	539,246,414
2032-2036	227,385,000	42,939,288	270,324,288
2037	74,110,000	4,077,063	78,187,063
	<u>\$1,971,170,000</u>	<u>\$1,119,719,177</u>	<u>\$3,090,889,177</u>

Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
2009	Performing Arts	04/01/09	04/01/59	5.83%	\$10,000	\$10,000

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ -	\$ 583	\$ 583
2013	-	583	583
2014	-	583	583
2015	-	583	583
2016	-	583	583
2017-2021	-	2,915	2,915
2022-2026	-	2,915	2,915
2027-2031	-	2,915	2,915
2032-2036	-	2,915	2,915
2037-2041	-	2,915	2,915

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Revenue Bonds (Continued)

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2042-2046	-	2,915	2,915
2047-2051	-	2,915	2,915
2052-2056	-	2,915	2,915
2057-2059	<u>10,000</u>	<u>1,749</u>	<u>11,749</u>
	<u>\$10,000</u>	<u>\$27,984</u>	<u>\$37,984</u>

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

Special Assessment Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
1998	Laughlin Wash #71A	09/01/98	04/15/14	4.10-7.20 %	\$ 2,155,000	\$ 345,000
1998	Russell Road #81	09/01/98	12/01/12	3.65-5.00	7,155,000	1,250,000
2001	Summerlin Centre #128B	05/17/01	02/01/21	4.50-6.75	10,000,000	4,140,000
2001	Summerlin Centre #132	05/17/01	02/01/21	4.50-6.875	24,000,000	13,700,000
2002	Durango #89	06/15/02	08/01/12	1.50-4.20	150,000	11,550
2002	Tropicana #116	06/15/02	08/01/12	1.50-4.20	118,000	14,819
2002	Maryland Parkway #118	06/15/02	08/01/12	1.50-4.20	421,000	58,550
2002	Craig Road #119A	06/15/02	08/01/12	1.50-4.20	67,000	9,092
2002	Jones Blvd. #120	06/15/02	08/01/12	1.50-4.20	194,000	15,804
2002	Flamingo Rd. #123	06/15/02	08/01/12	1.50-4.20	405,000	35,184
2003	Las Vegas Blvd. #97A	06/01/03	03/01/16	2.00-3.70	6,970,000	2,145,000
2003	Durango #117	06/01/03	03/01/14	2.00-3.50	277,000	37,412
2003	Summerlin Gardens #124A	12/23/03	02/01/20	2.25-4.50	4,399,431	2,433,317
2003	Summerlin Gardens #124B	12/23/03	02/01/20	1.50-5.90	1,929,727	1,110,328
2003	Jones Blvd. #125	06/01/03	03/01/14	2.00-3.50	322,000	86,613
2003	Boulder Highway #126A	06/01/03	03/01/23	2.00-4.30	2,119,000	990,000
2003	Tenaya Way #136	06/01/03	03/01/14	2.00-3.50	300,000	84,670
2003	Buffalo Drive #139	06/01/03	03/01/14	2.00-3.50	527,000	111,304
2003	Summerlin Centre #128A	11/03/03	02/01/21	3.50-6.30	10,000,000	6,725,000
2003	Mountains Edge #142	12/04/03	08/01/23	2.25-6.375	92,360,000	69,680,000
2003	Summerlin South #108A	12/23/03	02/01/17	2.25-4.50	17,335,569	7,741,683
2003	Summerlin South #108B	12/23/03	02/01/17	3.30-5.70	8,375,273	3,944,672
2004	Mountain Vista St. #113	06/29/04	02/01/15	3.50-4.30	322,424	73,175
2004	Silverado Ranch Blvd. #130	06/29/04	02/01/15	3.50-4.30	1,747,504	505,992
2004	Stewart Ave. #133	06/29/04	02/01/15	3.50-4.30	205,850	56,409

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued)

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
2004	Pebble Road #138	06/29/04	02/01/15	3.50-4.30	808,817	299,161
2004	Buffalo Drive #141	06/29/04	02/01/15	3.50-4.30	64,569	13,673
2004	Alta Drive Bridge #143	06/29/04	02/01/14	3.50-4.30	1,807,964	668,854
2004	Durango #144B	06/29/04	02/01/15	3.50-4.30	816,871	327,738
2005	Summerlin Mesa #151	10/12/05	08/01/25	3.15-5.00	25,485,000	21,015,000
2006	Commercial Center #140	05/23/06	02/01/16	4.50	709,000	326,525
2006	Robindale Road #134	05/23/06	02/01/16	4.50	21,000	10,116
2006	Russell Road #127	05/23/06	02/01/16	4.50	1,522,000	538,147
2006	Tenaya Way #145	05/23/06	02/01/16	4.50	125,000	40,212
2006	Southern Highlands #121A	05/31/06	12/01/19	3.75-5.00	30,620,000	19,830,000
2006	Southern Highlands #121B	05/31/06	12/01/29	3.90-5.30	13,515,000	10,830,000
2007	Alexander #146	05/02/07	02/01/17	4.00-4.25	448,000	197,248
2007	Craig Road #148	05/02/07	02/01/17	4.00-4.25	495,000	186,103
2007	Durango #144A	05/02/07	02/01/17	4.00-4.25	397,000	230,199
2007	Fort Apache #131	05/02/07	02/01/17	4.00-4.25	462,000	256,450
2007	Summerlin Centre #128A	05/01/07	02/01/31	3.95-5.05	10,755,000	9,740,000
2007	Summerlin Centre #128A	05/01/07	02/01/21	3.95-5.00	480,000	375,000
2008	Flamingo Underground #112	05/13/08	08/01/37	4.00-5.00	70,000,000	67,090,000
2009	Industrial Road #135	11/10/09	08/01/18	2.00-4.00	431,459	378,475
2009	Durango Drive #144C	11/10/09	08/01/19	2.00-4.00	5,213,541	4,661,525
Total Special Assessment Bonds						<u>\$252,320,000</u>

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 15,520,000	\$ 12,883,357	\$ 28,403,357
2013	16,125,000	12,164,265	28,289,265
2014	16,075,000	11,406,900	27,481,900
2015	16,335,000	10,610,464	26,945,464
2016	16,765,000	9,774,725	26,539,725
2017-2021	79,055,000	35,531,245	114,586,245
2022-2026	46,375,000	16,552,680	62,927,680
2027-2031	20,000,000	9,000,771	29,000,771
2032-2036	17,710,000	4,384,488	22,094,488
2037-2038	<u>8,360,000</u>	<u>423,000</u>	<u>8,783,000</u>
	<u>\$252,320,000</u>	<u>\$122,731,895</u>	<u>\$375,051,895</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Loans Payable

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
2002	LVMPD Helicopter	06/03/02	05/01/12	5.36 %	\$ 1,817,013	<u>\$181,690 (a)</u>
Total Loans Payable						<u>\$181,690</u>

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

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	<u>\$181,690</u>	<u>\$4,915</u>	<u>\$186,605</u>
	<u>\$181,690</u>	<u>\$4,915</u>	<u>\$186,605</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.

The following summarizes activity for the year:

	<u>Litigation</u>	<u>Arbitrage</u>	<u>Total</u>
Accrual, July 1, 2010	\$2,500,000	\$ 100,000	\$2,600,000
Additions	-	-	-
Deletions	-	(100,000)	(100,000)
Accrual, June 30, 2011	<u>\$2,500,000</u>	<u>\$ -</u>	<u>\$2,500,000</u>
Due within one year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Pledged Revenues

The County has pledged certain revenues for the payment of debt principal and interest. The following revenues were pledged as of June 30, 2011:

Property Tax Supported Bonds

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

<u>Bond Issue</u>	<u>Maturity (Length of Pledge)</u>
2004A Public Safety	06/01/2017

The total remaining principal and interest payments for property tax supported bonds was \$53,662,750 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$8,899,500, and required debt service totaled \$8,899,500.

Consolidated Tax Supported Bonds

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

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

The total remaining principal and interest payments for consolidated tax supported bonds was \$114,350,638 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$39,443,064 (of the total \$ 262,887,094 of general fund consolidated tax), and required debt service totaled \$12,267,329.

Beltway Pledged Revenue Bonds

These bonds are secured by the combined pledge of: 1) a one percent supplemental governmental services (motor vehicle privilege) tax; 2) a one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the County but outside of the strip and Laughlin resort corridors (non-resort corridor); and 3) a

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Beltway Pledged Revenue Bonds (Continued)

portion of the development tax. The development tax is \$700 per single-family dwelling of residential development, and 75 cents per square foot on commercial, industrial, and other development. Of this, \$500 per single-family dwelling and 50 cents per square foot of commercial, industrial, and other development is pledged. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest. The following debt issuances are Beltway pledged revenue supported:

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

The total remaining principal and interest payments for Beltway pledged revenue tax supported bonds was \$354,113,526 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$52,017,944; consisting of \$46,673,088 of supplemental governmental services tax; \$1,833,030 of non-resort corridor room tax; and \$3,511,826 of the total \$5,241,532 development tax. Required debt service totaled \$31,278,683. As described below, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service for Laughlin resort corridor room tax supported bonds. During fiscal 2011, \$492,872 of Beltway Pledged Revenues were required to cover the Laughlin Resort Corridor Debt (Series C), representing the difference between fiscal year debt service and Laughlin Room Tax Collections.

Strip Resort Corridor Room Tax Supported Bonds

These bonds are secured by a pledge of the one percent room tax collected on the gross receipts from the rental of hotel and motel rooms within the strip resort corridor. This tax is imposed specifically for the purpose of transportation improvements within the strip resort corridor, or within one mile outside the boundaries of the strip resort corridor. These bonds also constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest. The following debt issuances are strip resort corridor room tax supported:

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Strip Resort Corridor Room Tax Supported Bonds (Continued)

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

The total remaining principal and interest payments for strip resort corridor room tax supported bonds was \$205,821,222 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$31,930,790. Required debt service totaled \$21,327,755.

Laughlin Resort Corridor Room Tax Supported Bonds

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

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

The total remaining principal and interest payments for Laughlin resort corridor room tax supported bonds was \$6,511,819 at June 30, 2011. In fiscal year 2011, revenues from the Laughlin room tax amounted to \$510,828 requiring an additional \$492,872 of beltway revenues to provide the annual debt service of \$1,003,700. As described above, beltway pledged revenues are also pledged to make up any difference between pledged revenues and annual debt service.

Court Administrative Assessment Supported Bonds

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

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

The total remaining principal and interest payments for court administrative assessment supported bonds was \$12,056,436 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$2,152,773. Required debt service totaled \$1,371,474.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Pledged Revenues (Continued)

Interlocal Agreement Supported Bonds

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

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

The total remaining principal and interest payments for interlocal agreement supported bonds was \$25,922,348 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$1,997,440. Required debt service totaled \$1,997,440.

Special Assessment Bonds

Special assessment supported bonds are secured by property assessments within the individual districts. The bonds are identified as special assessment bonds in this note above. The total remaining principal and interest payments for special assessment supported bonds was \$375,051,895 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$36,494,101. Required debt service totaled \$31,354,327.

Bond Bank Bonds

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

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

The total remaining principal and interest payments for bond bank supported bonds was \$2,292,548,550 at June 30, 2011. In fiscal year 2011, pledged revenues received totaled \$69,127,581. Required debt service totaled \$69,127,581.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities:

General Obligation Bonds

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2011
2003	Big Bend Water District	06/03/04	01/01/25	3.19%	\$ 4,000,000	\$ 3,052,902 (a)
2004	Big Bend Water District	08/06/04	07/01/24	3.20	6,000,000	2,672,485 (a)
2003B	Department of Aviation	05/29/03	07/01/24	4.75-5.00	37,000,000	37,000,000 (b)
2008A	Department of Aviation	02/26/08	07/01/27	variable	43,105,000	43,105,000 (b)
2003	University Medical Center	11/01/03	09/01/23	2.25-5.00	36,765,000	9,500,000 (c)
2005	University Medical Center	07/28/05	03/01/20	4.00-5.00	48,390,000	47,440,000 (c)
2007	University Medical Center	05/22/07	09/01/23	4.19	18,095,000	18,055,000 (c)
2009	University Medical Center	03/10/09	11/01/17	3.00-3.50	6,950,000	6,950,000 (c)
2003	Water Reclamation Dist.	04/01/03	07/01/12	2.70-5.00	47,170,000	13,795,000 (d)
2007	Water Reclamation Dist.	11/13/07	07/01/37	4.00-4.75	55,000,000	55,000,000 (d)
2008	Water Reclamation Dist.	11/20/08	07/01/38	4.00-6.00	115,825,000	115,825,000 (d)
2009A	Water Reclamation Dist.	04/01/09	07/01/38	4.00-5.25	135,000,000	135,000,000 (d)
2009B	Water Reclamation Dist.	04/01/09	07/01/38	4.00-5.75	125,000,000	125,000,000 (d)
2009C	Water Reclamation Dist.	10/16/09	07/01/29	0.00	5,744,780	5,744,780 (d)
2011A	Water Reclamation Dist.	03/25/11	01/01/31	3.188	40,000,000	1,643,669 (d)
2003A	Las Vegas Valley Water Dist.	01/09/03	06/01/32	4.00-5.25	168,685,000	125,950,000 (e)
2003B	Las Vegas Valley Water Dist.	01/01/03	06/01/27	4.00-5.25	250,000,000	188,880,000 (e)
2005A	Las Vegas Valley Water Dist.	05/04/05	06/01/27	4.00-5.00	302,425,000	243,940,000 (e)
2006A	Las Vegas Valley Water Dist.	06/01/06	06/01/36	4.75-5.00	151,555,000	140,330,000 (e)
2006B	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	69,465,000 (e)
2006C	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	69,465,000 (e)
2008A	Las Vegas Valley Water Dist.	02/19/08	12/01/37	5.00	190,760,000	172,260,000 (e)
2008B	Las Vegas Valley Water Dist.	02/19/08	06/01/26	3.50-5.00	171,720,000	116,335,000 (e)
2009A	Las Vegas Valley Water Dist.	08/05/09	06/01/39	7.10	90,000,000	90,000,000 (e)
2009B	Las Vegas Valley Water Dist.	08/05/09	06/01/32	4.00-5.25	10,000,000	10,000,000 (e)
2009C	Las Vegas Valley Water Dist.	12/29/09	06/01/39	7.013-7.26	348,115,000	348,115,000 (e)
2009D	Las Vegas Valley Water Dist.	12/29/09	06/01/30	4.25-5.25	71,965,000	71,965,000 (e)
2010A	Las Vegas Valley Water Dist.	06/15/10	03/01/40	5.60-5.70	75,995,000	75,995,000 (e)
2010B	Las Vegas Valley Water Dist.	06/15/10	03/01/38	2.00-4.625	31,075,000	31,075,000 (e)
2011A	Las Vegas Valley Water Dist.	05/26/11	06/01/26	4.84	58,110,000	58,110,000 (e)

Total General Obligation Bonds

\$2,431,668,836

- (a) These bonds are being serviced, principal and interest, by the Big Bend Water District enterprise fund.
- (b) These bonds are being serviced, principal and interest, by the Department of Aviation enterprise fund. The variable rate bond is valued at the rate in effect as of June 30, 2011.
- (c) These bonds are being serviced, principal and interest, by the University Medical Center enterprise fund.
- (d) These bonds are being serviced, principal and interest, by the Clark County Water Reclamation District enterprise fund.
- (e) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

General Obligation Bonds (Continued)

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 30,227,716	\$ 125,854,685	\$ 156,082,401
2013	53,263,575	124,336,766	177,600,341
2014	54,374,783	121,761,463	176,136,246
2015	57,976,952	119,219,869	177,196,821
2016	74,241,362	116,511,185	190,752,547
2017-2021	406,874,493	527,271,185	934,145,678
2022-2026	533,173,105	416,311,520	949,484,625
2027-2031	354,931,850	306,589,059	661,520,909
2032-2036	483,495,000	207,840,714	691,335,714
2037-2041	<u>383,110,000</u>	<u>53,135,749</u>	<u>436,245,749</u>
	<u>\$2,431,668,836</u>	<u>\$2,118,832,195</u>	<u>\$4,550,501,031</u>

Revenue Bonds

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
1993A	Department of Aviation	05/18/93	07/01/12	variable %	\$339,000,000	\$ 66,600,000 (a)
1998APFC	Department of Aviation	04/01/98	07/01/22	4.10-5.50	214,245,000	81,690,000 (a)
2002APFC	Department of Aviation	10/01/02	07/01/13	4.00-5.25	34,490,000	8,605,000 (a)
2003C	Department of Aviation	05/29/03	07/01/22	5.00-5.375	105,435,000	93,195,000 (a)
2004A1	Department of Aviation	09/01/04	07/01/24	5.00-5.50	128,430,000	128,430,000 (a)
2004A2	Department of Aviation	09/01/04	07/01/36	5.00-5.125	232,725,000	232,725,000 (a)
2005A	Department of Aviation	09/14/05	07/01/40	4.50	69,590,000	69,590,000 (a)
2006A	Department of Aviation	09/21/06	07/01/40	4.00-5.00	100,000,000	50,940,000 (a)
2007A1	Department of Aviation	05/16/07	07/01/27	4.00-5.00	150,400,000	150,400,000 (a)
2007A2	Department of Aviation	05/16/07	07/01/40	5.00	56,225,000	56,225,000 (a)
2007A1PFC	Department of Aviation	04/27/07	07/01/26	4.00-5.00	113,510,000	113,510,000 (a)
2007A2PFC	Department of Aviation	04/27/07	07/01/27	5.00	105,475,000	105,475,000 (a)
2008C1	Department of Aviation	03/19/08	07/01/40	variable	122,900,000	122,900,000 (a)
2008C2	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,550,000 (a)
2008C3	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,550,000 (a)
2008D1	Department of Aviation	03/19/08	07/01/36	variable	58,920,000	58,920,000 (a)
2008D2	Department of Aviation	03/19/08	07/01/40	variable	199,605,000	199,605,000 (a)
2008D3	Department of Aviation	03/19/08	07/01/29	variable	122,865,000	122,865,000 (a)
2008E	Department of Aviation	05/28/08	07/01/17	4.00-5.00	61,430,000	51,970,000 (a)

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Revenue Bonds (Continued)

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
2008APFC	Department of Aviation	06/26/08	07/01/18	5.00-5.25	115,845,000	109,585,000 (a)
2008A1	Department of Aviation	06/26/08	07/01/22	variable	100,000,000	100,000,000 (a)
2008A2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000 (a)
2008B1	Department of Aviation	06/26/08	07/01/22	variable	100,000,000	100,000,000 (a)
2008B2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000 (a)
2009B	Department of Aviation	09/24/09	07/01/42	6.88	300,000,000	300,000,000 (a)
2009C	Department of Aviation	09/24/09	07/01/26	5.00	168,495,000	168,495,000 (a)
2010A	Department of Aviation	02/03/10	07/01/42	3.00-5.42	450,000,000	450,000,000 (a)
2010B	Department of Aviation	02/03/10	07/01/42	5.00-5.75	350,000,000	350,000,000 (a)
2010C	Department of Aviation	02/23/10	07/01/45	6.82	454,280,000	454,280,000 (a)
2010D	Department of Aviation	02/23/10	07/01/24	3.00-5.00	132,485,000	132,485,000 (a)
2010E	Department of Aviation	05/27/10	07/01/12	2.50-5.00	300,000,000	200,000,000 (a)
2010F1	Department of Aviation	11/04/10	07/01/17	2.00-5.00	104,160,000	104,160,000 (a)
2010F2	Department of Aviation	11/04/10	07/01/22	3.00	100,000,000	100,000,000 (a)
2011A	Department of Aviation	05/15/11	06/19/12	2.00	100,000,000	100,000,000 (a)
2008	Las Vegas Valley Water District	07/15/08	12/15/22	1.30	2,520,000	<u>2,016,000 (b)</u>
Total Revenue Bonds						<u>\$4,627,766,000</u>

(a) These bonds are being serviced, principal and interest, by the Department of Aviation enterprise fund. The variable rate bonds are valued at the rate in effect as of June 30, 2011.

(b) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 191,433,000	\$ 176,233,403	\$ 367,666,403
2013	305,703,000	165,145,396	470,848,396
2014	68,138,000	156,874,150	225,012,150
2015	67,068,000	153,560,007	220,628,007
2016	71,463,000	150,101,312	221,564,312
2017-2021	613,405,000	693,060,897	1,306,465,897
2022-2026	718,011,000	580,044,731	1,298,055,731
2027-2031	565,115,000	459,166,235	1,024,281,235
2032-2036	531,540,000	372,754,670	904,294,670

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Revenue Bonds (Continued)

2037-2041	810,065,000	248,325,359	1,058,390,359
2042-2046	<u>685,825,000</u>	<u>67,613,353</u>	<u>753,438,353</u>
	<u>\$4,627,766,000</u>	<u>\$3,222,879,513</u>	<u>\$7,850,645,513</u>

Loans Payable

<u>Series</u>	<u>Purpose</u>	<u>Date Issued</u>	<u>Date of Final Maturity</u>	<u>Interest</u>	<u>Original Issue</u>	<u>Balance June 30, 2011</u>
2004	Commercial Paper	06/02/04	05/06/12	.33%	\$400,000,000	\$400,000,000(a)
Total Loans Payable						<u>\$400,000,000</u>

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

Commercial Paper Notes Activity

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

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	<u>\$400,000,000</u>	<u>\$133,101</u>	<u>\$400,133,101</u>
	<u>\$400,000,000</u>	<u>\$133,101</u>	<u>\$400,133,101</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
Gen. obligation bonds	\$2,033,880,000	\$ -	\$ 62,710,000	\$1,971,170,000	\$ 70,545,000
Revenue bonds	10,000	-	-	10,000	-
Special assessment bonds with govern- mental commitment	270,015,000	-	17,695,000	252,320,000	15,520,000
Loans	408,796	-	227,106	181,690	181,690
Litigation accrual	2,500,000	-	-	2,500,000	-
Arbitrage	100,000	-	100,000	-	-
County and Fire OPEB liability	77,930,407	46,181,386	-	124,111,793	-
LVMPD OPEB liability	158,510,054	43,684,532	-	202,194,586	-
Compensated absences	<u>191,041,239</u>	<u>122,559,721</u>	<u>130,480,312</u>	<u>183,120,648</u>	<u>117,000,000</u>
Total	<u>2,734,395,496</u>	<u>212,425,639</u>	<u>211,212,418</u>	<u>2,735,608,717</u>	<u>203,246,690</u>

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

Business-Type Activities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Gen. obligation bonds	2,449,200,946	59,753,669	77,285,779	2,431,668,836	30,227,717
Revenue bonds	4,728,724,000	100,000,000	200,958,000	4,627,766,000	191,433,000
Loans	401,210,067	-	1,210,067	400,000,000	400,000,000
OPEB Liability	60,186,241	38,871,222	-	99,057,463	56,904,956
Compensated absences	63,415,806	58,239,743	58,332,819	63,322,730	59,031,580
Other liabilities	<u>177,182,780</u>	<u>39,753,463</u>	<u>81,917,527</u>	<u>135,018,716</u>	<u>-</u>
Total	<u>7,879,919,840</u>	<u>296,618,097</u>	<u>419,704,192</u>	<u>7,756,833,745</u>	<u>737,597,253</u>
Total long-term debt	<u>\$10,614,315,336</u>	<u>\$ 509,043,736</u>	<u>\$ 630,916,610</u>	<u>\$10,492,442,462</u>	<u>\$ 940,843,943</u>

Unamortized premium/discount on governmental activity general obligation bonds amounted to \$18,452,313.

Unamortized premium/discount on governmental activity special assessment bonds amounted to \$(6,257,261).

Unamortized premium/discount on business-type activity general obligation bonds amounted to \$23,742,464.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Changes in Long-Term Liabilities (Continued)

Unamortized premium/discount on business-type activity revenue bonds amounted to \$6,924,277. There are a number of limitations and restrictions contained in the various bond indentures. Management believes the County is in compliance with all significant limitations and restrictions.

Current Year Refunded and Defeased Bond Issues

On November 4, 2010, the County issued \$204 million of Non-AMT Private Activity Passenger Facility Charge Refunding Revenue Bonds. \$104.2 million at a fixed rate that ranges between 2.00 and 5.00 percent and \$100 million at a weekly variable rate. The yield interest rate is .54 to 2.63 percent. The bonds were issued for the purpose of refunding the 2005A PFC bonds and to pay certain costs of issuance thereof. The bonds were issued at a premium of \$9.8 million and resulted in a loss of \$10.8 million. This refunding resulted in a net present value savings of \$2.4 million. The F1 series matures in 2017 and the F2 series matures in 2022. The remarketing agent on the series F2 Bonds is Citigroup Global Markets, Inc. and the letter of credit provider is Union Bank, N.A.

On May 26, 2011, the Water District issued Series 2011 A \$58,110,000 par value general obligation taxable bonds, additionally secured by pledged revenue of the SNWA, for a true interest cost of 4.879% (rounded). Proceeds of the 2011A Bonds were used to advance refund \$51,930,000 of the February 2008 Water District general obligations bonds (Series 2008B). The redemption price of the partially refunded 2008B bonds is 100% and the average coupon rate 5.00%. Because the liability for bonds additionally secured by pledged revenue of the SNWA are offset by an SNWA receivable, issuing the Series 2011A bonds and partially refunding the Series 2008B bonds had no effect on the Water District operations or financial position.

Discretely Presented Component Units

Flood Control District

In July 2010, the Flood Control District issued \$29,425,000 in General Obligation Flood Control Refunding Bonds Series 2010 for the purpose of extinguishing \$32,740,000 in General Obligation Flood Control Bonds Series 1998. From November 2010 through November 2018, the refunding bonds will achieve a cash flow savings of \$3,619,700 and present value economic savings of \$2,946,491 or 6.7% of the original debt service requirements of the General Obligation Flood Control Bonds Series 1998.

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, 2011, the following were the remaining balances of the defeased bond issues:

Special Assessment Bonds:	
Series of December 1, 1992	\$ 1,395,000
Series of October 1, 1995	4,820,000
Series of April 15, 1994	450,000
Series of December 14, 1999	36,825,000

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

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	47,035,000
Series of March 1, 2000	6,240,000
Clark County Transportation:	
Series of June 1, 1992 (C)	3,180,000
Series of July 1, 1994 (A)	49,015,000
Series of July 1, 1994 (C)	1,745,000
Series of December 1, 1998(A)	33,055,000
Series of December 1, 1998(B)	22,040,000
Series of February 1, 2000(A)	24,000,000
Series of February 1, 2000(B)	21,340,000
Series of January 15, 1996(A)	49,115,000
Series of January 15, 1996(B)	39,290,000
Series of March 1, 1998(A)	49,820,000
Series of March 1, 1998(C)	4,925,000
Las Vegas Valley Water District:	
General Obligation Bonds:	
Series of September 1, 1992	6,640,000
Series of April 1, 1994	18,090,000
Series of March 1, 1995	6,060,000
Series of July 1, 1995	10,590,000
Series of July 1, 1996	143,230,000
Clark County Water Reclamation District:	
Series of June 1, 1993	7,715,000
Clark County Parks and Regional Justice Center:	
Series of 1999	69,210,000
Clark County Bond Bank:	
Series of July 1, 2000	170,730,000
Series of June 1, 2001	173,170,000
Series of November 1, 2002	102,215,000
Series of 2008	7,190,000
Clark County Government Center:	
Series of July 1, 1993	9,485,000
Clark County Public Facilities:	
Series of March 1, 1999(A)	7,325,000
Series of March 1, 1999(B)	9,985,000
Series of March 1, 1999(C)	19,315,000

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

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)	137,030,000
Series of August 1, 1992(B)	54,280,000
Series of May 1, 1993	19,295,000
Series of 1999(A)	105,220,000
Series of 2003(A)	42,550,000
Series of 2001(C)	115,560,000

Series of 2005(B)	50,850,000
Series of 2005(C1, 2, 3)	215,150,000
Series of 2005(D1, 2, 3)	205,375,000
Series of 2005(E1, 2, 3)	58,920,000
Series of 1998(A)	59,465,000
Series of 1998(A) PFC	112,775,000

Hospital Bonds:

Series of 2000	47,875,000
Series of 2003	17,205,000
Series of 2007	6,880,000

Flood Control Bonds:

Series of September 15, 1998	<u>77,880,000</u>
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Total	<u><u>\$2,481,550,000</u></u>
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Conduit Debt Obligations

The County has issued approximately \$1,726,245,000 in economic development revenue bonds since 1990. The bonds have been issued for a number of economic development projects, including: utility projects, healthcare projects, and education projects. The bonds are paid solely from the revenues derived from the respective projects, therefore, these bonds are not liabilities of the County under any condition, and they are not included as a liability of the County.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments

(a) Interest Rate Swaps

The intention of the Department of Aviation's swap portfolio was to change variable interest rate bonds to synthetically fixed rate bonds. As a means to lower its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department of Aviation executed several floating-to-fixed swaps in connection with its issuance of variable rate bonds. The Department of Aviation also executed forward starting swaps to lock in attractive synthetically fixed rates for future variable rate bonds. Some of the Department of Aviation's swaps are structured with step-down coupons in order to shift savings from the early years to the later years of the swap.

As summarized in the tables below, the Department of Aviation has 22 outstanding swap transactions as of June 30, 2011 with initial notional amounts totaling \$3,137,170,000. The outstanding notional amount as of June 30, 2011, was \$2,455,452,191, including \$1,250,540,000 in Floating-to-Fixed swaps; \$275,000,000 of Forward Floating-to-Fixed swaps; and \$929,912,191 in Basis swaps. The current mark-to-market or fair value of each derivative instrument is detailed below and the total valuation of all outstanding swap agreements as of June 30, 2011 is (\$82,622,049). The mark-to-market or fair value for each swap is estimated using the zero-coupon method. Under this method, future payments are calculated assuming that the current forward rates of the appropriate yield curve, Securities Industry and Financial Markets Association (SIFMA), formerly known as BMA or London Interbank Offered Rate (LIBOR), correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current LIBOR yield curve for hypothetical zero-coupon rate bonds due on the date of each future net settlement on the swaps.

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

With regard to credit risk, the potential exposure is mitigated through the use of an ISDA Credit Support Annex (CSA). Under the terms of the CSA, each swap counterparty is required to post collateral to a third party when their credit ratings fall below the trigger level as defined in each swap agreement. As long as the Department of Aviation retains insurance and its credit rating stays above the established threshold, the Department of Aviation is not required to post any collateral. This protects the Department of Aviation from credit risks inherent in the swap agreements.

Clark County, Nevada Notes to Financial Statements Year Ended June 30, 2011

Interest Rate Swap Analysis and Market Values
As of June 30, 2011

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	County Pays	County Receives	Effective Date	Maturity Date	Initial Notional Amount	Counterparty	Moody's S&P	Finch	Outstanding Notional as of June 30, 2011
01	Floating-to-Fixed	1931A Non-AMT	6.6900%	Bond Rate	6/1/1993	7/1/2012	\$ 259,700,000	AIG Financial Products Corp.	Baa1	A-	\$ 66,600,000
02	Basis Swap	Initially 2004B AMT	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.41%	8/23/2001	7/1/2036	185,855,000	Citigroup Financial Products Inc.	A3	A	82,056,714
03	Floating-to-Fixed	2005A-1, 2005A-2 AMT	5.49% to 7/2010; 3%	69.0% of USD LIBOR + 0.35%	4/4/2005	7/1/2022	259,900,000	Citigroup Financial Products Inc.	A3	A	-
04	Basis Swap	Initially 2001B, 1998A, 2003B Non-AMT	SIFMA Swap Index	68.0% of USD LIBOR + 0.435%	7/1/2003	7/1/2025	200,000,000	Citigroup Financial Products Inc.	A3	A	142,219,696
05	Floating-to-Fixed	2008C AMT	4.97% to 7/2010; 3%	62.0% of USD LIBOR + 0.330%	3/19/2008	7/1/2025	60,175,000	Citigroup Financial Products Inc.	A3	A	-
06	Basis Swap	Initially 2004A-1 AMT, 2004 A-2 Non-AMT	SIFMA Swap Index	62.2% of USD LIBOR + 0.300% to 7/2010; 62.2% of USD LIBOR + 1.052% to maturity	9/1/2004	7/1/2025	300,000,000	Citigroup Financial Products Inc.	A3	A	300,000,000
07A	Floating-to-Fixed	2008A AMT	4.3057% to 7/2017, 0.25%	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	JPMorgan Chase Bank, N.A.	Aa1	AA-	150,000,000
07B	Floating-to-Fixed	2008B AMT	4.3057% to 7/2017, 0.25%	64.7% of USD LIBOR + 0.280%	7/1/2008	7/1/2022	150,000,000	UBS AG	Aa3	A+	150,000,000
08A	Floating-to-Fixed	2008C AMT	4% to 7/2015; 3%	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	3/19/2008	7/1/2040	151,200,000	Citigroup Financial Products Inc.	A3	A	151,200,000
08B	Floating-to-Fixed	2008C AMT	4% to 7/2015; 3%	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	3/19/2008	7/1/2040	31,975,000	JPMorgan Chase Bank, N.A.	Aa1	AA-	31,975,000
08C	Floating-to-Fixed	2008C AMT	4% to 7/2015; 3%	82.0% of USD LIBOR - 0.460% to 7/2009; 82.0% of 10 year CMS - 0.936% to maturity	3/19/2008	7/1/2040	31,975,000	UBS AG	Aa3	A+	31,975,000
09A	Floating-to-Fixed	2008D-1 AMT	5% to 7/2015; 1.21%	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	3/19/2008	7/1/2036	41,330,000	Citigroup Financial Products Inc.	A3	A	41,330,000
09B	Floating-to-Fixed	2008D-1 AMT	5% to 7/2015; 1.21%	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	3/19/2008	7/1/2036	8,795,000	JPMorgan Chase Bank, N.A.	Aa1	AA-	8,795,000
09C	Floating-to-Fixed	2008D-1 AMT	5% to 7/2015; 1.21%	82.0% of USD LIBOR - 0.560% to 7/2009; 82.0% of 10 year CMS - 1.031% to maturity	3/19/2008	7/1/2036	8,795,000	UBS AG	Aa3	A+	8,795,000
10A	Floating-to-Fixed	2008D-2 AMT	4.003% to 7/2015; 2.27%	62.0% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	139,735,000	Citigroup Financial Products Inc.	A3	A	-
10B	Floating-to-Fixed	2008D-2 AMT	4.003% to 7/2015; 2.27%	62.0% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	JPMorgan Chase Bank, N.A.	Aa1	AA-	29,935,000
10C	Floating-to-Fixed	2008D-2 AMT	4.003% to 7/2015; 2.27%	62.0% of USD LIBOR + 0.280%	3/19/2008	7/1/2040	29,935,000	UBS AG	Aa3	A+	29,935,000
11	Floating-to-Fixed	2008D-3 Non-AMT	4.742% to 7/2010; 1.212%	62.0% of USD LIBOR + 0.280%	4/4/2008	7/1/2029	122,865,000	Citigroup Financial Products Inc.	A3	A	-
12A	Floating-to-Fixed	2009A AMT	5.626% to 7/2017, 0.25%	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2036	200,000,000	Citigroup Financial Products Inc.	A3	A	200,000,000
12B	Floating-to-Fixed	2009B AMT	6% to 7/2017, 1.455%	64.7% of USD LIBOR + 0.280%	7/1/2009	7/1/2038	350,000,000	Citigroup Financial Products Inc.	A3	A	350,000,000
13	Floating-to-Fixed	2010A AMT	6% to 7/2017, 1.913%	61.9% of USD LIBOR + 0.270%	7/1/2010	7/1/2040	150,000,000	Citigroup Financial Products Inc.	A3	A	-
14A	Forward Floating-to-Fixed	2011A	3.886%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2030	73,025,000	UBS AG	Aa3	A+	73,025,000
14B	Forward Floating-to-Fixed	2011A	3.881%	64.4% of USD LIBOR + 0.280%	7/1/2011	7/1/2037	201,975,000	Citigroup Financial Products Inc.	A3	A	201,975,000
*Remaining portions of swaps after April 6, 2010 terminations											
15	Fixed Rate Basis Swap	swap #03 (amended and restated)	1.0200% until 7/1/2010	1.4700% starting at 7/1/2010	4/6/2010	7/1/2022	-	Citigroup Financial Products Inc.	A3	A	64,350,781
16	Fixed Rate Basis Swap	swap #05 (amended and restated)	1.3700% until 7/1/2010	0.6000% starting at 7/1/2010	4/6/2010	7/1/2025	-	Citigroup Financial Products Inc.	A3	A	50,850,000
17	Fixed Rate Basis Swap	swap #10A (amended and restated)	0.8750% until 7/1/2015	0.8600% starting at 7/1/2015	4/6/2010	7/1/2040	-	Citigroup Financial Products Inc.	A3	A	139,375,000
18	Fixed Rate Basis Swap	swap #13 (amended and restated)	2.4950% until 7/1/2017	1.5940% starting at 7/1/2017	4/6/2010	7/1/2040	-	Citigroup Financial Products Inc.	A3	A	150,000,000
											<u>\$ 2,455,452,191</u>

Source: The PFM Group

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

As summarized in the previous section, the Department of Aviation has entered into various interest rate swap agreements to hedge financial risks associated with the cost of borrowing and cash flows associated with the Department of Aviation's variable interest rate debt.

In accordance with the provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, the Department of Aviation is required to report the fair value of all derivative instruments on the statement of net assets. In addition, GASB Statement No. 53 requires that all derivatives be sorted into two basic types; (1) hedging derivative instruments and (2) investment derivative instruments. Hedging derivatives instruments significantly reduce an identified financial risk by substantially offsetting changes in cash flows or fair values of an associated hedgeable item. Investment derivative instruments are entered into primarily for income or profit purposes or they are derivative instruments that do not meet the criteria of an effective hedging derivative instrument. Changes in fair value of hedging derivative instruments are deferred on the statement of net assets; and changes in fair value of investing derivative instruments are recognized as gains or losses on the statement of Revenue, Expenses, and Changes in Net Assets.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

The tables below provide the fair value and changes in fair value of the Department of Aviation's interest rate swap agreements as of June 30, 2011.

		Fair Value and Classifications as of Jun. 30, 2011		Changes in fair value for the twelve months ended June 30, 2011			
Swap#	Description	Outstanding Notional (000)	Derivative Instrument Classification	Amount	Deferred Outflows	Deferred Inflows	Net Change
Hedging derivative instruments							
Cash flow hedges:							
01	Floating-to-Fixed Interest Rate Swap	\$ 66,600,000	Other non-current liability	\$ (2,210,673)	\$ 3,992,945	\$ -	\$ 3,992,945
03	Floating-to-Fixed Interest Rate Swap	-	*	-	-	-	-
05	Floating-to-Fixed Interest Rate Swap	-	*	-	-	-	-
07A	Floating-to-Fixed Interest Rate Swap	150,000,000	Other non-current liability	(11,617,381)	3,438,257	-	3,438,257
07B	Floating-to-Fixed Interest Rate Swap	150,000,000	Other non-current liability	(11,609,662)	3,439,436	-	3,439,436
10A	Floating-to-Fixed Interest Rate Swap	-	*	-	-	-	-
10B	Floating-to-Fixed Interest Rate Swap	29,935,000	Restricted asset	238,793	1,188,276	238,793	1,427,069
10C	Floating-to-Fixed Interest Rate Swap	29,935,000	Restricted asset	238,836	1,188,261	238,836	1,427,097
11	Floating-to-Fixed Interest Rate Swap	-	*	-	-	-	-
12A	Floating-to-Fixed Interest Rate Swap	200,000,000	Other non-current liability	(11,385,136)	9,086,823	-	9,086,823
12B	Floating-to-Fixed Interest Rate Swap	350,000,000	Other non-current liability	(12,538,397)	30,836,171	-	30,836,171
13	Forward Floating-to-Fixed Interest Rate Swap	-	*	-	-	-	-
14A	Forward Floating-to-Fixed Interest Rate Swap	73,025,000	Other non-current liability	(11,165,498)	461,964	-	461,964
14B	Forward Floating-to-Fixed Interest Rate Swap	201,975,000	Other non-current liability	(33,157,751)	2,559,124	-	2,559,124
Total hedging activities		1,251,470,000		(93,206,869)	56,191,257	477,629	56,668,886
					*Deferrals		
					Gain/(loss) on investment	included in gain/(loss)	
Investing derivative instruments							
02	Basis Rate Swap	82,056,714	Other non-current liability	(3,935,135)	\$ 1,980,920	\$ -	\$ 1,980,920
04	Basis Rate Swap	142,919,696	Restricted asset	71,375	1,655,093	-	1,655,093
06	Basis Rate Swap	300,000,000	Restricted asset	10,856,723	4,885,345	-	4,885,345
08A	Floating-to-Fixed Interest Rate Swap	151,200,000	Restricted asset	3,702,452	15,043,712	-	15,043,712
08B	Floating-to-Fixed Interest Rate Swap	31,975,000	Restricted asset	783,321	3,181,857	-	3,181,857
08C	Floating-to-Fixed Interest Rate Swap	31,975,000	Restricted asset	783,350	3,181,893	-	3,181,893
09A	Floating-to-Fixed Interest Rate Swap	41,330,000	Restricted asset	4,540,573	4,110,506	-	4,110,506
09B	Floating-to-Fixed Interest Rate Swap	8,795,000	Restricted asset	965,846	874,575	-	874,575
09C	Floating-to-Fixed Interest Rate Swap	8,795,000	Restricted asset	965,860	874,584	-	874,584
12B	Floating-to-Fixed Interest Rate Swap	See note*	Restricted asset	1,170,835	(12,044)	1,182,879	1,170,835
*Remaining portions of swaps after April 6, 2010 terminations							
11	Floating-to-Fixed Interest Rate Swap	-		-	-	-	-
15	Fixed Rate Basis Swap (formerly Swap #03)	64,350,781	Restricted asset	5,089,674	(790,398)	-	(790,398)
16	Fixed Rate Basis Swap (formerly Swap #05)	50,850,000	Restricted asset	3,319,855	(219,973)	-	(219,973)
17	Fixed Rate Basis Swap (formerly Swap #10A)	139,735,000	Restricted asset	9,904,412	1,074,176	-	1,074,176
18	Fixed Rate Basis Swap (formerly Swap #13)	150,000,000	Restricted asset	6,296,885	2,691,567	-	2,691,567
Total investing activities		1,203,982,191		44,516,026	\$ 38,531,813	\$ 1,182,879	39,714,692
Total		\$ 2,455,452,191		\$ (48,690,843)			\$ 96,383,578

*On November 4, 2010 the Department refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Upon refunding, swap #12B was refunding, swap #12B was re-associated with the cash flows of the \$100,000,000 of outstanding principal of the Series 2010 F-2 PFC Bonds.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

On November 4, 2010 the Department of Aviation refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. At the time of refunding, swap #12B served as a hedge to the cash flows associated with \$100,000,000 in principal of the Series 2005A PFC Bonds.

Upon refunding, swap #12B was re-associated with the cash flows of the \$100,000,000 of outstanding principal of the Series 2010 F-2 PFC Bonds and the fair value of swap #12B was revalued using the market rates at the time of the refunding, this created a deferred loss on refunding and imputed borrowing of \$12,388,710. In addition, cash flows associated with \$100,000,000 in outstanding notional for swap #12B exceeded the cash flows associated with the outstanding principal of the Series 2010 F-2 PFC bonds, therefore a portion of the fair value of swap #12B is classified as a hedging derivative and the fair value of the excess portion is classified as an investment derivative.

For the fiscal year ended June 30, 2011, \$1,182,879 of Swap 12B was reclassified from hedging derivative to investing derivative. No other swaps were reclassified for the fiscal year ended June 30, 2011.

(b) Hedging Derivative Instruments:

On June 30, 2011, the Department of Aviation had nine (9) outstanding floating-to-fixed interest rate swap agreements considered to be hedging derivative instruments in accordance with the provisions of GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Below is a summary of the objectives, terms, values, and risks associated with the Department of Aviation's hedging derivative instruments.

Objective:

As a means to lower its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Department of Aviation executed floating-to-fixed interest rate swaps in connection with its issuance of Variable Rate Bonds. The intention of these swaps was to change the Department of Aviation's variable interest rate on the bonds to synthetic fixed rates. As of June 30, 2011 the Department of Aviation had six (6) outstanding swaps that were structured with step-down coupons in order to shift savings from the early years to the later years of the swap.

Forward starting swap agreements:

On January 3, 2006, the Department of Aviation entered into five (5) swap agreements (Swaps #7A, #7B, #12A, #12B, and #13) to hedge future variable rate debt, as a means to lower its borrowing costs and provide favorable synthetically fixed rates for the financing of the Terminal 3 Project and other related projects. Swaps #7A and 7B# with notional amounts totaling \$300,000,000 became effective on July 1, 2008 and hedge the 2008 series A and B variable rate bonds. Swaps #12A and #12B with notional amounts totaling \$550,000,000 became effective July 1, 2009 and swap

#13 with a notional amount totaling \$150,000,000 was scheduled to become effective July 1, 2010. Due to the attractive market rates for fixed rate bonds together with the favorable provisions of the American Recovery and Reinvestment Act of 2010, the Department of Aviation chose to refinance its outstanding bond anticipation notes and issue fixed rate bonds to complete financing of the Terminal 3 Project. As a result, the planned \$550,000,000 of 2009 series A and B variable rate bonds were not issued on July 1, 2009.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

In addition, on April 6, 2010, the Department of Aviation terminated \$543,300,000 in notional amounts of its outstanding floating to fixed interest rate swaps (Swaps #3, #5, #10A, and #11) and the \$150,000,000 in notional amounts of the July 1, 2010 forward starting swap #13 to better match its outstanding notional of floating-to-fixed interest rate swaps to the cash flows associated with its outstanding variable rate bonds.

On April 17, 2007, the Department of Aviation entered into two (2) additional forward starting swap agreements (swaps #14A and #14B) with notional amounts totaling \$275,000,000 which are scheduled to become effective July 1, 2011.

Terms, notional amounts, and fair values:

The terms, notional amounts, and fair value of the Department of Aviation's hedging derivatives at June 30, 2011 are included in the table below. Notional amounts of the swap agreements match the principal portions of the associated debt and contain reductions in the notional amounts that are expected to follow the reductions in the associated outstanding variable interest rate debt except as discussed in the section on rollover risk.

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	Effective Date	Outstanding Notional Amount	County Pays	County Receives	Fair Value	Maturity Date
01	Floating-to-Fixed	1993A Non-AMT	6/1/1993	\$ 66,600,000	6.6900%	Bond Rate	\$ (2,210,673)	7/1/2012
07A	Floating-to-Fixed	2008A AMT	7/1/2008	150,000,000	4.3057% to 7/2017; 0.2500%	64.7% of USD LIBOR + 0.280%	(11,617,381)	7/1/2022
07B	Floating-to-Fixed	2008B AMT	7/1/2008	150,000,000	4.3057% to 7/2017; 0.2500%	64.7% of USD LIBOR + 0.280%	(11,609,662)	7/1/2022
10B	Floating-to-Fixed	2008D-2 AMT	3/19/2008	29,935,000	4.0030% to 7/2015; 2.2700%	62.0% of USD LIBOR + 0.280%	238,793	7/1/2040
10C	Floating-to-Fixed	2008D-2 AMT	3/19/2008	29,935,000	4.0030% to 7/2015; 2.2700%	62.0% of USD LIBOR + 0.280%	238,836	7/1/2040
12A	Floating-to-Fixed	2009A AMT	7/1/2009	200,000,000	5.6260% to 7/2017; 0.2500%	64.7% of USD LIBOR + 0.280%	(11,385,136)	7/1/2026
12B	Floating-to-Fixed	2009B AMT	7/1/2009	350,000,000	6.0000% to 7/2017; 1.4550%	64.7% of USD LIBOR + 0.280%	(20,016,397)	7/1/2038
14A	Forward Floating-to-Fixed	2011A	7/1/2011	73,025,000	3.8860%	64.4% of USD LIBOR + 0.280%	(11,165,498)	7/1/2030
14B	Forward Floating-to-Fixed	2011A	7/1/2011	201,975,000	3.8810%	64.4% of USD LIBOR + 0.280%	(33,157,751)	7/1/2037
				<u>\$ 1,251,470,000</u>			<u>\$ (100,684,869)</u>	

Due to an increase in interest rates during Fiscal Year 2011, two of the Department of Aviation's hedging derivatives had positive fair values as of June 30, 2011. The fair values are estimated using the zero-coupon method. Under this method, future payments are calculated assuming that the current forward rates of the appropriate yield curve, Securities Industry and Financial Markets Association (SIFMA), formerly known as BMA or London Interbank Offered Rate (LIBOR), correctly anticipate future spot rates. These payments are then discounted using the spot rates implied by the current LIBOR yield curve for hypothetical zero-coupon rate bonds due on the date of each future net settlement on the swaps.

Credit Risk:

As of June 30, 2011, the Department of Aviation was exposed to credit risk on two of its outstanding hedging derivative swaps because these swaps all had positive fair values. The Department of Aviation is exposed to credit risk in the amount of the derivatives' fair values. As described earlier, a CSA is in place to provide collateral to protect the value of the swaps under specific circumstances.

The counterparty credit ratings for the Department of Aviation's hedging derivative instruments at June 30, 2011 are included in the table below.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

Swap#	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
01	Floating-to-Fixed	AIG Financial Products Corp.	Baa1	A-	N/A	\$ -
03 *	Floating-to-Fixed	* Citigroup Financial Products Inc.	A3	A	A+	-
05 *	Floating-to-Fixed	* Citigroup Financial Products Inc.	A3	A	A+	-
07A	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa1	AA-	AA-	-
07B	Floating-to-Fixed	UBS AG	Aa3	A+	A+	-
10A *	Floating-to-Fixed	* Citigroup Financial Products Inc.	A3	A	A+	238,793
10B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa1	AA-	AA-	238,836
10C	Floating-to-Fixed	UBS AG	Aa3	A+	A+	-
11 *	Floating-to-Fixed	* Citigroup Financial Products Inc.	A3	A	A+	-
12A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	-
12B	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	-
13 *	Forward Floating-to-Fixed	* Citigroup Financial Products Inc.	A3	A	A+	-
14A	Forward Floating-to-Fixed	UBS AG	Aa3	A+	A+	-
14B	Forward Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	-
						<u>\$ 477,629</u>

Associated Debt:

The net cash flows for the Department of Aviation's hedging derivative instruments at June 30, 2011 are included in the table below.

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	Counterparty Swap Interest			Interest to Bondholders	Net Interest Payment 2011
			Pay	Receive	Net		
01	Floating-to-Fixed	1993A Non-AMT	\$ (4,455,540)	\$ 1,030,019	\$ (3,425,521)	\$ (1,030,019)	\$ (4,455,540)
03 *	Floating-to-Fixed	2005A-1, 2005A-2 AMT	-	-	-	-	-
05 *	Floating-to-Fixed	2008C AMT (\$50.8 million)	-	-	-	-	-
07A	Floating-to-Fixed	2008A AMT	(6,458,550)	681,174	(5,777,376)	(649,644)	(6,427,020)
07B	Floating-to-Fixed	2008B AMT	(6,458,550)	681,174	(5,777,376)	(689,356)	(6,466,732)
10A *	Floating-to-Fixed	2008D-2 AMT	-	-	-	-	-
10B	Floating-to-Fixed	2008D-2 AMT	(1,198,298)	133,814	(1,064,484)	(81,115)	(1,145,599)
10C	Floating-to-Fixed	2008D-2 AMT	(1,198,298)	133,814	(1,064,484)	(81,115)	(1,145,599)
11 *	Floating-to-Fixed	2008D-3 Non-AMT	-	-	-	-	-
12A	Floating-to-Fixed	2008D-2, D-3 Non-AMT	(11,252,000)	908,232	(10,343,768)	(543,644)	(10,887,412)
12B	Floating-to-Fixed	2008D-3 Non-AMT, 2008C, 2010E Note	(21,000,000)	1,589,406	(19,410,594)	(13,132,612)	(32,543,206)
14A	Forward Floating-to-Fixed	2011A	-	-	-	-	-
14B	Forward Floating-to-Fixed	2011A	-	-	-	-	-

*Terminated on April 6, 2010.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

Basis and Interest Rate Risk:

The \$66,600,000 notional floating-to-fixed swap (Swap #01) is not subject to basis or interest rate risk as the variable amount received from the swap counterparty matches the payment due on the 1993A Non-AMT bonds. All of the remaining hedging derivative swaps are subject to basis and interest rate risk should the relationship between LIBOR and SIFMA rates converge. If a change occurs that results in the rates moving to convergence, the expected cost savings and expected cash flows of the swaps may not be realized.

Tax Risk:

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

Termination Risk:

The Department of Aviation is exposed to termination risk if either the credit rating of the bonds associated with the swap, or the credit rating of the swap counterparty falls below the threshold defined in the swap agreement, then an Additional Termination Event (ATE) may occur. At the time of the ATE, if the swap has a negative value, the Department of Aviation would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk:

The amounts of swaps #01, #07A, #07B, #10B, #10C, #12A, and #12B match the principal portions of the associated debt and contain reductions in the notional amounts that are expected to follow the reduction in the associated outstanding variable rate debt.

On November 4, 2010 the Department of Aviation refunded the outstanding principal of its Series 2005 A-1 and A-2 PFC bonds with the Series 2010 F-1 and F-2 PFC bonds. Upon refunding, cash flows associated with \$100,000,000 in outstanding notional for swap #12B exceeded the cash flows associated with the outstanding principal of the Series 2010 F-2 PFC bonds, therefore a portion of the fair value of swap #12B is classified as a hedging derivative and the fair value of the excess portion is classified as an investment derivative.

On April 6, 2010, the swaps that originally served as hedges to \$229,900,000 of the outstanding 2005 series A-1 and A-2 bonds (swap #3); \$50,850,000 of the outstanding 2008 series C bonds (swap #5); \$139,735,000 of the outstanding 2008 series D-2 bonds (swap #10A); and \$122,865,000 of the outstanding 2008 series D-3 bonds (swap #11) were terminated, leaving cash flows from these variable rate bonds to be associated with the outstanding swaps #12A and #12B.

(c) *Investing Derivative Instruments:*

On June 30, 2011, the Department of Aviation has outstanding 13 interest rate swap agreements considered to be investing derivative instruments in accordance with the provisions of GASB Statement No. 53, Accounting and Financial Reporting for Derivative Instruments.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

Terms, notional amounts, and fair values:

The terms, notional amounts, and fair values of the Department of Aviation's investing derivatives at June 30, 2011 are included in the table below.

Swap#	Interest Rate Swap Description	Associated Variable Rate Bonds	Effective Date	Outstanding Notional	County Pays	County Receives	Fair Value	Maturity Date
02	Basis Swap	Initially 2004B AMT	8/23/2001	\$ 82,056,714	SIFMA Swap Index - 0.41%	72.5% of USD LIBOR - 0.41%	\$ (3,935,135)	7/1/2036
04	Basis Swap	Initially 2001B, 1998A, 2003B Non-AMT	7/1/2003	142,919,696	SIFMA Swap Index	68% of USD LIBOR + 0.435%	71,375	7/1/2025
06	Basis Swap	Initially 2004A-1 AMT, 2004 A-2 Non-AMT	9/1/2004	300,000,000	SIFMA Swap Index	62.2% of USD LIBOR + 0.3% to 7/2010; 62.2% of USD LIBOR + 1.052% to maturity	10,856,723	7/1/2025
08A	Floating-to-Fixed	2008C AMT	3/19/2008	151,200,000	4% to 7/2015; 3%	82% of USD LIBOR - 0.46% to 7/2009; 82% of 10 year CMS - 0.936% to maturity	3,702,452	7/1/2040
08B	Floating-to-Fixed	2008C AMT	3/19/2008	31,975,000	4% to 7/2015; 3%	82% of USD LIBOR - 0.460% to 7/2009; 82% of 10 year CMS - 0.936% to maturity	783,321	7/1/2040
08C	Floating-to-Fixed	2008C AMT	3/19/2008	31,975,000	4% to 7/2015; 3%	82% of USD LIBOR - 0.460% to 7/2009; 82% of 10 year CMS - 0.936% to maturity	783,350	7/1/2040
09A	Floating-to-Fixed	2008D-1 AMT	3/19/2008	41,330,000	5% to 7/2015; 1.21%	82% of USD LIBOR - 0.560% to 7/2009; 82% of 10 year CMS - 1.031% to maturity	4,540,573	7/1/2036
09B	Floating-to-Fixed	2008D-1 AMT	3/19/2008	8,795,000	5% to 7/2015; 1.21%	82% of USD LIBOR - 0.560% to 7/2009; 82% of 10 year CMS - 1.031% to maturity	965,846	7/1/2036
09C	Floating-to-Fixed	2008D-1 AMT	3/19/2008	8,795,000	5% to 7/2015; 1.21%	82% of USD LIBOR - 0.560% to 7/2009; 82% of 10 year CMS - 1.031% to maturity	965,860	7/1/2036
<u>Remaining portions of swaps after April 6, 2010 terminations</u>								
15	Fixed Rate Basis Swap	swap #03 (amended and restated)	4/6/2010	64,350,781	1.02% until 7/1/2010	1.47% starting at 7/1/2010	5,089,674	7/1/2022
16	Fixed Rate Basis Swap	swap #05 (amended and restated)	4/6/2010	50,850,000	1.37% until 7/1/2010	0.6% starting at 7/1/2010	3,319,855	7/1/2025
17	Fixed Rate Basis Swap	swap #10A (amended and restated)	4/6/2010	139,735,000	0.873% until 7/1/2015	0.86% starting at 7/1/2015	9,904,412	7/1/2040
18	Fixed Rate Basis Swap	swap #13 (amended and restated)	4/6/2010	150,000,000	2.493% until 7/1/2017	1.594% starting at 7/1/2017	6,296,885	7/1/2040
				<u>\$ 1,203,982,191</u>			<u>\$ 43,345,191</u>	

Credit Risk:

The Department of Aviation is exposed to credit risk on the twelve (12) interest rate swaps with positive fair values totaling \$47,280,326. The Department of Aviation is not exposed to credit risk on the remaining interest rate swap with a negative fair value. Should interest rates change and the fair values of the swaps become positive the Department of Aviation would then be exposed to credit risk in the amount of the derivatives' fair values. As described earlier, a CSA is in place to provide collateral to protect the value of the swap under specific circumstances.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

The counterparty credit ratings for the Department of Aviation's investing derivative swaps at June 30, 2011 are included in the table below.

Swap#	Interest Rate Swap Description	Counterparty	Counterparty Ratings			Credit Risk Exposure
			Moody's	S&P	Fitch	
02	Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	\$ -
04	Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	71,375
06	Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	10,856,723
08A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	3,702,452
08B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa1	AA-	AA-	783,321
08C	Floating-to-Fixed	UBS AG	Aa3	A+	A+	783,350
09A	Floating-to-Fixed	Citigroup Financial Products Inc.	A3	A	A+	4,540,573
09B	Floating-to-Fixed	JPMorgan Chase Bank, N.A.	Aa1	AA-	AA-	965,846
09C	Floating-to-Fixed	UBS AG	Aa3	A+	A+	965,860
<u>Remaining portions of swaps after April 6, 2010 terminations</u>						
15	Fixed Rate Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	5,089,674
16	Fixed Rate Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	3,319,855
17	Fixed Rate Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	9,904,412
18	Fixed Rate Basis Swap	Citigroup Financial Products Inc.	A3	A	A+	6,296,885
						<u>\$ 47,280,326</u>

Interest Rate Risk:

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

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

Items #15 through #18 are not subject to interest rate risk.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Derivative Instruments (Continued)

Foreign Currency Risk

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

(d) Using the rates effective on June 30, 2011 the approximate maturities and interest of the Department of Aviation's variable rate debt and bond anticipation notes plus the net payments on floating-to-fixed interest rate swaps are as follows:

Due for the Fiscal Year Ended June 30,	Variable Rate Bonds		Bond Anticipation Notes		Net Swap Payment	Total
	Principal	Interest	Principal	Interest		
2012	\$ 32,300,000	\$ 6,875,000	\$ 100,000,000	\$ 12,189,000	\$ 55,682,804	\$ 207,046,804
2013	34,500,000	5,843,000	200,000,000	5,000,000	58,788,499	304,131,499
2014	100,000	5,843,000	-	-	58,812,831	64,755,831
2015	100,000	5,843,000	-	-	58,813,242	64,756,242
2016	3,865,000	5,788,000	-	-	56,524,871	66,177,871
2017 - 2021	296,325,000	21,422,000	-	-	133,359,274	451,106,274
2022 - 2026	241,700,000	3,859,000	-	-	77,041,655	322,600,655
2027 - 2031	216,045,000	5,427,000	-	-	71,708,090	293,180,090
2032 - 2036	159,940,000	4,604,000	-	-	39,409,397	203,953,397
2037 - 2041	172,220,000	3,819,000	-	-	5,842,225	181,881,225
2042 - 2046	-	3,492,000	-	-	-	3,492,000
2047 - 2048	-	1,746,000	-	-	-	1,746,000
Total	<u>\$ 1,157,095,000</u>	<u>\$ 74,561,000</u>	<u>\$ 300,000,000</u>	<u>\$ 17,189,000</u>	<u>\$ 615,982,888</u>	<u>\$ 2,164,827,888</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

Discretely Presented Component Units

Flood Control District:

The following is a summary of bonds, loans, and compensated absences payable by the Flood Control District for the year ended June 30, 2011:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
General obligation bonds	\$415,300,000	\$10,775,000	\$404,525,000
Compensated absences	770,312	-	770,312
Other post-employment benefits	404,732	-	404,732
Total liabilities	<u>\$416,475,044</u>	<u>\$10,775,000</u>	<u>\$405,700,044</u>

Bonds payable July 1, 2010	\$428,965,000
Additions	29,425,000
Reductions	<u>(43,090,000)</u>

Bonds payable June 30, 2011 \$415,300,000

Unamortized premium on governmental activity general obligation bonds amounted to \$7,645,822.

The following individual issues comprised the bonds payable at June 30, 2011:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>
Series of 2006	200,000,000	3.50-4.75	\$199,700,000
Series of 2008	50,570,000	3.00-5.00	42,810,000
Series of 2009B	150,000,000	2.69-7.25	143,365,000
Series of 2010	29,425,000	5.00	<u>29,425,000</u>
Total general obligation bonds			<u>\$415,300,000</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued):

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 10,775,000	\$ 22,156,451	\$ 32,931,451
2013	11,240,000	21,661,513	32,901,513
2014	11,730,000	21,124,138	32,854,138
2015	12,260,000	20,546,098	32,806,098
2016	12,820,000	19,929,849	32,749,849
2017-2021	64,295,000	89,821,299	154,116,299
2022-2026	69,530,000	73,182,558	142,712,558
2027-2031	86,845,000	52,147,514	138,992,514
2032-2036	110,620,000	25,038,563	135,658,563
2037-2041	<u>25,185,000</u>	<u>2,796,506</u>	<u>27,981,506</u>
Total	<u>\$415,300,000</u>	<u>\$348,404,489</u>	<u>\$763,704,489</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2011:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2010	\$ 721,485
Additional amount accrued during the year	424,478
Less amount used during the year	<u>(375,651)</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2011	<u>\$ 770,312</u>

Pledged Revenues

All bonds issued by the Flood Control District are collateralized by a portion of the one-quarter cent sales tax authorized by NRS 543.600 for Flood Control District operations.

The pledged revenues and debt service coverage for the year ended June 30, 2011, are:

Pledged revenues – sales tax	\$70,918,028
Debt service	32,674,708
Coverage	2.17

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC:

The following is a summary of bonds, loans, and compensated absences payable by the RTC for the year ended June 30, 2011:

Governmental activities:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Revenue bonds	\$808,865,000	\$29,290,000	\$779,575,000
Loans payable	16,000,000	-	16,000,000
Compensated absences	1,961,861	744,412	1,217,449
Other post-employment benefits	<u>1,942,872</u>	<u>-</u>	<u>1,942,872</u>
Total liabilities	<u>\$ 828,769,733</u>	<u>\$ 30,034,412</u>	<u>\$798,735,321</u>

Revenue Bonds

The following is a summary of revenue bond activities for the year ended June 30, 2011:

Bonds payable July 1, 2010	\$594,330,000
Reductions	(20,860,000)
Additions	<u>235,395,000</u>
Bonds payable June 30, 2011	<u>\$808,865,000</u>

The following individual issues comprised the bonds payable at June 30, 2011.

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2011</u>
Highway Improvement Motor Vehicle Fuel Tax Revenue Bonds:			
Series of 2003	\$200,000,000	4.50-6.00%	\$150,880,000
Series of 2007	300,000,000	3.00-5.00	271,895,000
Series 2010A1	32,595,000	6.10-6.35	32,595,000
Series 2010B	51,180,000	5.00	51,180,000
Sales Tax Revenue Bonds:			
Series 2010	69,595,000	3.00-5.00	66,920,000
Series 2010B	94,835,000	3.00-5.00	94,835,000
Series 2010C	140,560,000	5.10-6.15	<u>140,560,000</u>
Total revenue bonds			<u>\$808,865,000</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

Unamortized premium on governmental activity revenue bonds amounted to \$23,296,220.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2012	\$ 29,290,000	\$ 38,944,519	\$ 68,234,519
2013	30,645,000	37,565,594	68,210,594
2014	32,080,000	36,094,407	68,174,407
2015	33,605,000	34,522,444	68,127,444
2016	35,175,000	32,896,326	68,071,326
2017-2021	202,625,000	137,030,474	339,655,474
2022-2026	232,910,000	82,058,692	314,968,692
2027-2031	<u>212,535,000</u>	<u>26,580,531</u>	<u>239,115,531</u>
Total	<u>\$808,865,000</u>	<u>\$425,692,987</u>	<u>\$1,234,557,987</u>

Loans Payable

In January 2008, the RTC established a commercial paper program allowing for the issuance of \$200 million in tax-exempt commercial paper notes (Series 2008A and Series 2008B) for the streets and highways improvements projects incorporated in Clark County's Master Transportation Plan. As of June 30, 2011, this program has been closed. Expiration date is January 23, 2015; however, the line of credit may be extended from time to time. Interest rates are variable and averaged 0.3 percent at June 30, 2011.

Commercial Paper Notes Payable

In February 2008, the RTC established a commercial paper program for the streets and highways improvements projects incorporated in Clark County's Master Transportation Plan. This program is authorized for the issuance of up to \$200 million in tax-exempt commercial paper notes to be paid from pledged motor vehicle fuel tax revenues and additionally secured by an irrevocable letter of credit dated March 5, 2008 (Series 2008A and Series 2008B). As of June 30, 2011, \$16 million is outstanding. The commercial paper notes may have a maturity date from 1 to 270 days after their issuance; however, no note may mature after the earlier of March 4, 2018, or five days prior to the line of credit expiration date, currently March 13, 2013. Interest rates are variable and averaged 0.3 percent at June 30, 2011.

As of June 30, 2011, the total amount of commercial paper approved for sale was \$100 million, which was divided equally into two separate issues, Series 2008A and Series 2008B with an aggregate of \$16 million issued and outstanding.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Loans Payable (Continued)

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

The following is the loan payable at June 30, 2011:

<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, 2011</u>
Commercial Paper	\$200,000,000	03/05/08	Various	0.34%	\$16,000,000

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

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2011:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2010	\$ 1,579,952
Reductions during the year	(744,412)
Additions during the year	<u>1,126,321</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2011	<u>\$ 1,961,861</u>

Business-type activities:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$1,090,179	\$ 587,253	\$ 502,926
Other post-employment benefits	<u>1,971,870</u>	<u>-</u>	<u>1,971,870</u>
	<u>\$ 3,062,049</u>	<u>\$ 587,253</u>	<u>\$ 2,474,796</u>
Long-term portion of accrued sick leave and vacation benefits at July 1, 2010			\$1,011,736
Reductions during the year			(587,253)
Additions during the year			<u>665,696</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2011			<u>\$ 1,090,179</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Pledged Revenues

Motor vehicle fuel tax revenue bonds issued for RTC purposes are collateralized by a maximum of nine cents per gallon motor vehicle fuel tax levied by the County, except that portion required to be allocated as direct distributions for those political subdivisions not included in the “Las Vegas Valley Area Major Street and Highway Plan.”

The bonds are additionally collateralized by the County’s share of the three cents per gallon tax levied by the State pursuant to NRS 365.180 and 365.190 and accounted for in other County funds.

The net pledged revenues for the year ended June 30, 2011, were as follows:

Pledged revenues (net of administrative expenditures)	
State motor vehicle fuel tax	\$ 19,736,746
County motor vehicle fuel tax	<u>65,464,850</u>
	<u>85,201,596</u>
Direct distributions allocated for certain political subdivisions not included in the Las Vegas Valley Area Major Street and Highway Plan	<u>(2,148,177)</u>
Net pledged revenues	<u>\$ 83,053,419</u>

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

The net pledged revenues for the year ended June 30, 2011, were as follows:

Pledged revenues:	
Sales and excise tax	\$ 35,444,544
Jet aviation fuel tax	<u>3,658,928</u>
Total pledged revenues	<u>\$ 39,103,472</u>

Arbitrage Rebate and Debt Covenant Requirements

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Pledged Revenues (Continued)

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

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS

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

Condensed Statement of Net Assets

Assets:	
Current assets	\$ 3,317,364
Restricted assets	563,803
Capital assets	<u>33,594,043</u>
Total assets	<u>37,475,210</u>
Liabilities:	
Current liabilities	541,980
Noncurrent liabilities	<u>5,388,199</u>
Total liabilities	<u>5,930,179</u>
Net Assets:	
Invested in capital assets, net of related debt	27,868,656
Restricted	563,803
Unrestricted	<u>3,112,572</u>
Total net assets	<u>\$ 31,545,031</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

7. SEGMENT INFORMATION FOR NONMAJOR ENTERPRISE FUNDS (Continued)

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

Water sales and related water fees	\$ 3,576,480
Other operating revenue	
Depreciation expense	(1,170,642)
Other operating expenses	<u>(2,701,907)</u>
Operating loss	(296,069)
Non-operating revenues (expenses):	
Interest income	13,936
Sales and use tax	274,353
Interest expense	(222,995)
Capital contributions	<u>469,890</u>
Change in net assets	239,115
Beginning net assets	<u>31,305,916</u>
Ending net assets	<u>\$31,545,031</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 1,067,324
Capital and related financing activities	(4,407,599)
Investing activities	<u>13,936</u>
Net increase (decrease)	(3,326,339)
Beginning cash and cash equivalents	<u>6,659,772</u>
Ending cash and cash equivalents	<u>\$ 3,333,433</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES

Primary Government

Net Assets - Government-wide Financial Statements:

The government-wide Statement of Net Assets utilizes a net asset presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted and unrestricted. Related debt is the debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Restricted assets are assets which have externally imposed (statutory, bond covenant, contract, or grantor) limitations on their use. Restricted assets are classified either by function, debt service, capital projects, or claims. Assets restricted by function relate to net assets of government and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restriction for use on specific projects or programs. Net assets restricted for claims represent the amount legally required to be held for payment for future claims in the self-insurance funds. The government-wide statement of net assets reports \$1,393,943,381 of restricted net assets, all of which is externally imposed.

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

Fund Balances - Fund Financial Statements:

Government Funds

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

Fund Balances	General Fund	Las Vegas Metropolitan Police Department	Nonmajor Governmental Funds	Total
Nonspendable:				
Long-term receivable and endowment	\$ 24,042,768	\$ -	\$ 3,100,000	\$ 27,142,768
Restricted for:				
General government	42,111,762	-	71,159,795	113,271,557
Judicial	-	-	31,123,017	31,123,017
Public safety	27,562,116	-	168,526,803	196,088,919
Public works	-	-	7,002,108	7,002,108
Health	-	-	8,876,208	8,876,208
Culture and recreation	17,752	-	17,999,736	18,017,488
Community support	-	-	6,484,817	6,484,817
Capital projects:				
Public works	-	-	376,965,225	376,965,225

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES (Continued)

Government Funds (Continued)

Fund Balances	General Fund	Las Vegas Metropolitan Police Department	Nonmajor Governmental Funds	Total
Debt service	-	-	178,312,212	178,312,212
Total Restricted	69,691,630	-	866,449,921	936,141,551
Committed to:				
General government	-	-	10,556,057	10,556,057
Judicial	-	-	355,754	355,754
Public safety	-	5,371,045	-	5,371,045
Community support	-	-	1,005,916	1,005,916
Capital projects:				
Public works	-	-	56,379,566	56,379,566
Total Committed	-	5,371,045	68,297,293	73,668,338
Assigned to:				
General Government	7,931,323	-	27,659,073	35,590,396
Judicial	694,695	-	15,576,935	16,271,630
Public Safety	97,131,612	73,179,209	31,787,476	202,098,297
Public Works	772,118	-	21,476,986	22,249,104
Health	-	-	6,581,804	6,581,804
Welfare	-	-	1,091,507	1,091,507
Culture and				
Recreation	-	-	1,740,409	1,740,409
Community Support	-	-	2,358,844	2,358,844
Capital Projects:				
Public Works	-	-	658,802,233	658,802,233
Debt Service	-	-	79,585,702	79,585,702
Total Assigned	106,529,748	73,179,209	846,660,969	1,026,369,926
Unassigned	159,723,367	-	-	159,723,367
Total fund balances	\$ 359,987,513	\$ 78,550,254	\$ 1,784,508,183	\$ 2,223,045,950

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

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 \$7,222,959 of restricted net assets which is restricted by creditors for general obligation debt repayment.

RTC

Net Assets:

The government-wide statement of net assets reports \$308,896,695 of restricted net assets, of which \$213,090,483 is restricted by enabling legislation for street and highway projects and other related activities and \$95,806,212 is restricted by creditors for debt repayment.

9. RISK MANAGEMENT

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

Self-Funded Group Insurance and Group Insurance Reserve

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

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

Clark County Workers' Compensation

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

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

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

LVMPD Self-Funded Industrial Insurance

The LVMPD has established a self-insurance fund to pay workers' compensation claims. Self-insurance is in effect up to an individual stop loss amount of \$500,000 per occurrence in the first year, \$275,000 in the second year, and \$175,000 each year thereafter. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to \$10,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Liability Insurance

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

County Liability Insurance Pool

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

Coverage from private insurers is maintained for losses in excess of the stop loss amount up to \$10,000,000. An independent claims administrator performs all claims-handling procedures. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

Changes in Liability Amounts

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

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

The total liability at June 30, 2011, is included in the accounts payable line item in the government-wide financial statements.

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES

Encumbrances

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

	Restricted Fund Balance	Committed Fund Balance	Assigned Fund Balance
<u>Major Funds</u>			
General Fund	\$ -	\$ -	\$ -
Las Vegas Metropolitan Police Department	-	5,371,045	-
<u>Nonmajor Funds</u>			
Aggregate nonmajor funds	97,435,130	57,741,238	2,737,000
	<u>\$ 97,435,130</u>	<u>\$ 63,112,283</u>	<u>\$ 2,737,000</u>

LVCVA Bonds

In addition to the County general obligation bonds, the County is contingently liable on the Las Vegas Convention and Visitors Authority (LVCVA) general obligation bonds, Series May 31, 2007, August 19, 2008, January 26, 2010, and December 8, 2011, in the amounts of \$32,185,000, \$25,555,000, 124,290,000 and \$173,905,000 respectively. Although the County is contingently liable for the general obligation bonds of the LVCVA, in the event of a default by the LVCVA, it is anticipated that additional ad valorem taxes would be levied to retire the bonds. Therefore, the County's exposure to this contingent liability is remote.

Grant Entitlement

The County is a participant in a number of federal and state-assisted programs. These programs are subject to compliance audits by the grantors. The audits of these programs for fiscal year 2011 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, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Primary Government

Operating Lease Commitments

The following is a schedule of future minimum lease payments for operating leases (with initial or remaining terms in excess of one year) as of June 30, 2011:

Years ending June 30:

2012	\$ 23,883,528
2013	22,796,275
2014	22,511,772
2015	21,970,704
2016	19,828,512
2017-2021	<u>94,370,754</u>
Total minimum lease payments	<u>\$ 205,361,545</u>

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2011, for noncancelable operating leases for property and equipment as follows:

Years ending June 30:

2012	\$ 8,767,130
2013	7,913,526
2014	5,074,639
2015	3,367,268
2016	2,194,042
Thereafter	<u>3,550,355</u>
Total	<u>\$ 30,866,960</u>

The rental expense of UMC for property and equipment was approximately \$9,799,279 for the year ended June 30, 2011.

Rentals and Operating Leases

The Department of Aviation derives a substantial portion of its revenues from fees and charges to air carriers and concessionaires. Charges to air carriers are generated from terminal building rentals, gate use fees, and landing fees in accordance with the Lease, or provisions of the County's annual ordinance. The Department of Aviation leases land, building, and terminal space to concessionaires under operating leases that expire at various times through 2048. Under the terms of the agreements, concession fees are based principally on a percentage of the concessionaires' gross sales or a stated minimum annual guarantee, whichever is greater; and land and building rents that are based on square footage rates. The Department of Aviation received \$85,087,275 in FY 2011 and \$69,035,918 in FY 2010 for contingent rental payments in excess of stated annual minimum guarantees.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Rentals and Operating Leases (Continued)

The following is a schedule of minimum future rentals receivable on non-cancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2011:

Years ending June 30:	
2012	\$ 193,028,538
2013	188,764,493
2014	181,845,133
2015	178,720,415
2016	67,182,104
Thereafter	<u>238,981,691</u>
Total minimum rents receivable	<u>\$1,048,522,374</u>

Discretely Presented Component Units

RTC:

Operating Lease Commitments

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

<u>Lessor</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Live Work, LLC	<u>\$112,168</u>	01/05/08	01/04/48
Total	<u>\$112,168</u>		

Rentals and Operating Leases

The following is a schedule of future minimum lease payments for operating leases as of June 30, 2011:

Years ending June 30:	
2012	\$ 1,386,397
2013	1,449,093
2014	1,513,669
2015	1,559,079
2016	1,605,851
Thereafter	<u>94,712,504</u>
Total	<u>\$102,226,593</u>

The total rent expense for fiscal year 2011 was \$1,346,017.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Litigation

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

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

11. JOINT VENTURES

Southern Nevada Water Authority

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

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

The SNWA has the power to periodically assess the Members directly for operating and capital costs and for the satisfaction of any liabilities imposed against the SNWA. The Water District and other members do not have an expressed claim to the resources of the SNWA except that, upon termination of the joint venture, any assets remaining after payment of all obligations shall be returned to the contributing member. For this reason, the Water District records capital contributions as an operating expense, or as noted below, in some instances as capital projects.

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURES (Continued)

Southern Nevada Water Authority (Continued)

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

During fiscal year 2011, the SNWA reimbursed the Water District \$105.9 million (excluding funds advanced for unbilled expenditures – see next paragraph) for expenditures made by the Water District on behalf of the SNWA. For these and other costs of SNWA, including debt service, SNWA billed the Water District for its share based on water delivered at a flat rate per acre-foot (wholesale delivery charge). The wholesale delivery charge is recorded as a component of purchased water expense.

The contributions for fiscal year 2011 for the SNWS expansion totaled \$34,671,234, and in fiscal year 2010 totaled \$15,702,502. Additionally, the Water District contributed \$524,674 in fiscal year 2011 and in fiscal year 2010 to SNWA to help fund a groundwater management program in the Las Vegas Valley. Total contributions to the SNWA for the fiscal year ended June 30, 2011, were \$35,195,908 and in fiscal year 2010 were \$16,227,176, and were recorded as SNWA expense on the Water District's financial statements.

Audited financial reports for fiscal year 2011 can be obtained by contacting:

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

Clean Water Coalition

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

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

On August 30, 2011 the CWC Board approved the termination of the SCOP project and the distribution of unspent CWC funds, in the amount of \$62 million, to the member agencies in accordance with their proportionate share of contributions. The amount returned to the Reclamation District on September 23, 2011 was \$31,830,800. On September 6, 2011, the Reclamation District's Board approved the distribution of \$19,957,911 to the Reclamation

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURES (Continued)

Clean Water Coalition (Continued)

District's rate payers through sewer service credits and SDA refunds, and \$11,872,888 will be returned to the Reclamation District's reserve cash account. The CWC's Board has not terminated the CWC as an agency.

As stated above, the Reclamation District had invested in the capacity rights of the CWC joint venture SCOP project. These capacity rights were considered an intangible asset with a definite useful life and with a value in the amount of \$32,800,740. As such, the asset would have been amortized over the useful life of the project once the project was put into service. Since the SCOP project was terminated, the investment amount was reduced by the anticipated refund from the CWC in the amount of \$11,872,888. The investment balance of \$20,927,853 was then expensed as a loss on the intangible asset. The anticipated refund of \$19,957,911 from CWC was listed on the Reclamation District's financials as a liability, as the amount will be refunded directly to the Reclamation District rate payers or issued as a credit against rate payers annual sewer service bills.

Separate audited financial statements for the CWC are prepared annually and can be obtained by contacting the Reclamation District's Financial Services Manager.

12. RETIREMENT SYSTEM

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

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

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

Contribution rates are established by NRS 286.410. The statute provides for increases in odd-numbered years to an actuarially determined rate sufficient to amortize the unfunded liability of the system to zero over a 30-year amortization period. The County is obligated to contribute all amounts due under the System. The contribution

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

rate for regular members, based on covered payroll, was 21.5 percent for the years ended June 30, 2011 and 2010, and 20.5 percent for June 30, 2009. The contribution rate for police and firemen was 37.0 percent and for the years ended June 30, 2011 and 2010, and 33.5 percent for the year ended June 30, 2009.

The County's contributions to the plan for the years ended June 30, 2011, 2010, and 2009 were \$295,183,959, \$300,559,749, and \$279,280,514, respectively, equal to the required contributions for each year.

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

Las Vegas Valley Water District Retirement Plan

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

A. Plan Description

The Water District contributes to the Las Vegas Valley Water District Pension Plan (the "Plan"), a single-employer defined benefit pension trust fund established by the Water District to provide pension benefits solely for the employees of the Water District. The Board of Trustees of the Plan, composed of the Water District's board of directors, has the authority to establish and amend the benefit provisions of the Plan and the contribution requirements of the Water District and the employees. Water District employees are not required to contribute to the Plan. Water District employees may, however, under certain conditions, purchase additional years of service for eligibility and increased benefits. For the year ended, June 30, 2011, the contributions for this purpose were \$58,261; for the year ended June 30, 2010, the contributions were \$172,445.

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

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

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

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

At June 30, 2011, and 2010, participants in the Plan consisted of the following:

	<u>2011</u>	<u>2010</u>
Retirees in pay status with unpurchased benefits	231	200
Terminated employees not yet receiving benefits	315	299
Active employees		
Fully vested	1,138	1,029
Partially vested	-	-
Nonvested	<u>276</u>	<u>475</u>
Total active employees	<u>1,414</u>	<u>1,504</u>
Total participants	<u>1,960</u>	<u>2,003</u>

Three-Year Trend Information

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>	<u>Net</u> <u>Pension</u> <u>Obligation</u>
06/30/09	\$27,262,106	100%	\$ -
06/30/10	25,753,794	100	-
06/30/11	26,606,950	100	-

B. Supplemental Information

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

C. Annual Pension Cost and Net Pension Obligation

It is the policy of the Water District to pay Annual Required Contributions (ARC) when due; therefore, annual pension cost and the ARC are the same and aggregated \$26,606,950 for the year ended June 30, 2011, and \$25,753,794 for the year ended June 30, 2010. The significant actuarial assumptions used to determine the ARC are: (a) rate of return on the investment of present and future assets of 7.50 percent per year compounded annually, (b) individual salary increases of 5.25 percent per year (c) total payroll increases of 5.00 percent, (d) inflation rate of 6.25%.

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

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

D. Identification of Investments

	<u>June 30, 2011</u>	<u>June 30, 2010</u>
Investments at contract value:		
Union Central Life Insurance Company	\$ 1,544,965	\$ 1,508,708
New York Life Insurance Company	<u>32,612,352</u>	<u>35,659,631</u>
Total investments at contract value	<u>34,157,317</u>	<u>37,168,339</u>
Investments at fair value:		
Alliance Capital Domestic Equity	77,218,761	61,031,521
Mellon Bank, Domestic Bond	71,595,108	51,868,948
Nevada State Bank, Money Market Fund	<u>227,586</u>	<u>218,302</u>
Total investments at fair value	<u>149,041,455</u>	<u>113,118,771</u>
Total investments	<u>\$ 183,198,772</u>	<u>\$150,287,110</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, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

F. Basis of Accounting

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

G. Funded Status and Funding Progress

As of July 1, 2010, the most recent actuarial valuation date, the plan was 51.3 % funded. The actuarial accrued liability was \$322.9 million, and the actuarial value of assets was \$165.5 million, resulting in an unfunded actuarial accrued liability (UAAL) of \$157.4 million. The covered payroll (annual payroll of active employees covered by the plan) was \$119.7 million, and the ratio of UAAL to the covered payroll was 131.5%.

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

H. Financial Statements

Las Vegas Valley Water District Pension Plan
Statement of Net Assets
June 30, 2011

Assets:

Cash and investments:

with fiscal agent	\$ 183,198,772
Interest receivable	<u>784,068</u>

Total assets	<u>\$ 183,982,840</u>
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Net Assets:

Held in trust for pension benefits and other purposes	<u>\$ 183,982,840</u>
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Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

H. Financial Statements (Continued)

Las Vegas Valley Water District Pension Plan
Statement of Changes in Net Assets
For the fiscal year ended June 30, 2011

Additions:

Contributions:

Contributions from employer	\$ 26,606,950
Contributions from employees	<u>58,261</u>
Total contributions	<u>\$ 26,665,211</u>

Investment earnings:

Interest	1,494,409
Net increase in fair value of investments	<u>21,712,979</u>
Total investment earnings	23,207,388

Less investment expense	<u>(112,575)</u>
Net investment earnings	<u>23,094,813</u>

Total additions	<u>49,760,024</u>
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Deductions:

General and administrative	207,757
Benefit payments	<u>17,262,277</u>
Total deductions	<u>17,470,034</u>

Change in net assets	32,289,990
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Net Assets:

Beginning of year	<u>151,692,850</u>
End of year	<u>\$ 183,982,840</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

13. RELATED PARTY TRANSACTIONS

The County transfers sales, fuel, and various other taxes and fees deposited in the Master Transportation Plan special revenue fund to the RTC, a discretely presented component unit. Transfers during the fiscal year ended June 30, 2011, totaled \$210,957,184. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2011, was \$36,474,209.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Information

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

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

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

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

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

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Plan Information (Continued)

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

Funding Policy and Annual OPEB Cost

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

Clark County is required to pay the PEBP an explicit subsidy, based on years of service, for retirees who enroll in this plan. In 2011, retirees were eligible for a minimum subsidy of \$86 per month after 5 years of service with a Nevada state or local government entity. The maximum subsidy of \$473 is earned after 20 years of combined service with any eligible entity. The subsidy is set by the State Legislature.

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost (Continued)

	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro ⁽¹⁾</u>	<u>Metro Civilian</u>
Contribution Rates:	Actuarially determined, premium sharing determined by union contracts	Set by State Legislature	Contractually determined	Contractually determined	Contractually Determined
County Plan members annual required contribution (ARC)	\$ 81,313,342	\$ 7,400,847	\$13,866,883	\$44,376,050	\$ 2,196,668
Interest on net OPEB obligations	4,491,082	405,955	-	4,593,021	-
Adjustment to ARC	<u>(6,567,068)</u>	<u>(597,568)</u>	<u>-</u>	<u>(4,242,705)</u>	<u>-</u>
Annual OPEB cost	79,237,356	7,209,234	13,866,883	44,726,366	2,196,668
Contributions made	<u>(7,947,782)</u>	<u>(4,555,910)</u>	<u>(2,757,173)</u>	<u>(3,093,154)</u>	<u>(145,348)</u>
Increase in net OPEB obligation	71,289,574	2,653,324	11,109,710	41,633,212	2,051,320
Net OPEB obligation, beginning of year	<u>117,940,512</u>	<u>3,883,270</u>	<u>16,292,866</u>	<u>156,458,734</u>	<u>2,051,320</u>
Net OPEB obligation, end of year	<u>\$ 189,230,086</u>	<u>\$ 6,536,594</u>	<u>\$ 27,402,576</u>	<u>\$ 198,091,946</u>	<u>\$ 4,102,640</u>

- ⁽¹⁾ The County is responsible for 100 percent of the net OPEB obligation for the Detention Center employees covered under the Metro and Metro Civilian plans in the amount of \$44,919,332. The remaining net OPEB obligation of \$ 157,275,254 for the Las Vegas Metropolitan Police Department (LVMPD), is jointly funded by the County and the City of Las Vegas. The City currently funds 38.90 percent of the LVMPD and is liable for \$60,893,572 of the Metro net OPEB obligation. A receivable has been established in the government-wide statement of net assets for the City's portion.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost (Continued)

The County's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2009, 2010, and 2011 were as follows:

<u>Plan</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County	06/30/2009	\$ 45,137,935	14.1%	\$ 73,162,221
County	06/30/2010	51,088,752	12.4	117,940,512
County	06/30/2011	79,237,356	10.0	189,230,086
PEBP	06/30/2009	6,148,762	80.2	2,500,101
PEBP	06/30/2010	6,317,248	78.1	3,883,270
PEBP	06/30/2011	7,209,234	63.2	6,536,594
Fire	06/30/2009	7,965,942	23.1	10,168,582
Fire	06/30/2010	7,965,942	23.1	16,292,866
Fire	06/30/2011	13,866,883	19.9	27,402,576
Metro	06/30/2009	67,847,366	4.4	114,825,522
Metro	06/30/2010	44,726,366	6.9	156,458,734
Metro	06/30/2011	44,726,366	6.9	198,091,946
Metro Civilian	06/30/2010	2,196,668	6.6	2,051,320
Metro Civilian	06/30/2011	2,196,668	6.6	4,102,640

Funded Status and Funding Progress

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

	<u>County</u>	<u>PEBP*</u>	<u>Fire</u>	<u>Metro</u>	<u>Metro Civilian</u>
Actuarial accrued liability (a)	\$ 693,803,547	\$ 127,975,674	\$ 138,226,725	\$ 398,433,914	\$ 14,554,697
Actuarial value of plan assets (b)	-	-	6,541,552	-	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	693,803,547	127,975,674	131,685,173	398,433,914	14,554,697
Funded ratio (b)/(a)	0%	0%	4.7%	0%	0%
Covered payroll (c)	765,110,216	-	74,167,614	349,202,005	71,192,228
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	90.7%	N/A	177.6%	114.1%	20.4%

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funded Status and Funding Progress (Continued)

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

Actuarial Methods and Assumptions

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

	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro</u>	<u>Metro Civilian</u>
Actuarial valuation date	07/01/10	07/01/10	07/01/10	06/30/10	06/30/10
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Projected unit credit cost	Projected unit credit cost
Amortization method	Level dollar	Level dollar	Level dollar	Level percent	Level percent
Remaining amortization period	30 years, open	30 years, open	30 years, open	30 years, open	30 years, open
Asset valuation method	No assets in trust	No assets in trust	Date of valuation	No assets in trust	No assets in trust
Actuarial assumptions:					
Investment rate of return	4.0%	4.0%	4.0%	4.0%	4.0%
Projected salary increases	N/A	N/A	N/A	3.25%	3.25%
Healthcare inflation rate	5-10% initial 5% ultimate	5-10% initial 5% ultimate	10.5% initial 4.5% ultimate	8.25% initial 4.75% ultimate	8.25% initial 4.75% ultimate

County Net Assets in Internal Service Fund

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

County Net Assets in Internal Service Fund (Continued)

Reserve fund for their portion of the annual OPEB cost. As of June 30, 2011, the Other Postemployment Benefit Reserve fund had \$162,711,002 in cash and investments, and \$79,919,165 in receivables that the County intends to use for future OPEB costs for the net OPEB obligations of the County, PEBP, Fire and Detention portion of Metro and Metro Civilian plans, which total \$268,088,588 as of June 30, 2011. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

Agency Fund

The County established the Other Postemployment Benefits Agency Fund during fiscal year 2010 to comply with governmental accounting standards regarding OPEB assets not held in trust. The beginning balance is equal to the net OPEB obligation (NOO) as of June 30, 2010. Additions consist of the increase to NOO and deletions comprise contributions paid during the fiscal year. The ending balance equals the NOO as of June 30, 2011.

Clark County Self-Funded Group Medical and Dental Benefits Plan

Clark County administers the Clark County Self-Funded Group Medical and Dental Benefits Plan, an agent, multiple-employer defined benefit plan (the “Self-Funded Plan”). Participants of the Self-Funded Plan include Clark County, University Medical Center of Southern Nevada, the Las Vegas Valley Water District, the Clark County Water Reclamation District, the Las Vegas Convention and Visitors Authority, the Regional Transportation Commission of Southern Nevada, the Regional Flood Control District, and the Henderson Library District. The Self-Funded Plan provides benefits for all full-time active employees of each participant entity effective the first day of the month following two consecutive months of active employment, as well as for retired employees of the entities. As of June 30, 2011, there were 7,725 employee members and 1,363 retired members enrolled in the Self-Funded Plan, with 9,594 additional covered dependents. The Self-Funded Plan provides medical, dental, and vision benefits. The Self-Funded Plan is governed by an interlocal agreement between each of the participant entities, and all Self-Funded Plan benefit changes must be approved by the governing boards of these entities.

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

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

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

Retirement Health Account Plan

Effective November 1, 2005, Clark County established a retirement health account plan under the provisions of Internal Revenue Code sections 105 and 106. The purpose of the plan is to provide employees a means to save for

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Retirement Health Account Plan (Continued)

the cost of health insurance premiums once they retire. Each participant maintains a separate account within the plan. All contributions come from employees, with the exception that the County provides a 100 percent match up to \$480 annually for a maximum of five years to employees in eligible bargaining units. Retirees are reimbursed from their individual accounts for their out-of-pocket health insurance premium costs as they submit documentation of those costs. As of July 1, 2007, the plan was closed to new participants.

Contributions and Reserves

Premium rates for the Plan are established through the previously mentioned interlocal agreement. Each participant entity, through its employee bargaining and budgeting processes, establishes the employer and employee contribution sharing percentages. All administrative costs other than personnel costs are funded through premium rates. Administrative personnel costs are funded through the County Liability Insurance Internal Service fund, which provides general risk management administration. The County pays approximately 90 percent of premiums for active employee coverage, an average of \$8,117 per active employee for the year ended June 30, 2011. County retirees pay the entire cost of their premium. Active and retiree loss experience is combined to create a single, blended premium for each level of coverage (member only, member plus spouse, member plus children, or family), as required by state law. This combining of loss experience creates an implicit subsidy to the retirees who would otherwise pay higher premiums if their loss experience were rated separately.

Clark County Regional Flood Control District

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

	<u>County</u>	<u>PEBP</u>
Annual required contribution (ARC)	\$164,292	\$ 18,718
Interest on net OPEB obligation	9,286	891
Adjustment to annual required contribution	<u>(12,948)</u>	<u>(1,243)</u>
Annual OPEB cost	160,630	18,366
Contributions made	<u>(9,146)</u>	<u>(16,820)</u>
Increase (decrease) in net OPEB obligation	151,484	(1,546)
Net OPEB obligation, beginning of year	<u>253,248</u>	<u>(6,704)</u>
Net OPEB obligation (benefit), end of year	<u>\$404,732</u>	<u>\$ (5,158)</u>

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Clark County Regional Flood Control District (Continued)

The District's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2009, 2010, and 2011 were as follows:

<u>Plan</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation Benefit</u>
County	06/30/2009	\$64,883	5.3%	\$161,196
County	06/30/2010	95,478	3.6	253,248
County	06/30/2011	160,630	5.7	404,732
PEBP	06/30/2009	14,147	136.0	(5,094)
PEBP	06/30/2010	17,631	109.1	(6,704)
PEBP	06/30/2011	18,367	91.6	(5,158)

Funded Status and Funding Progress

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

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

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

District Assets in Internal Service Fund

Clark County utilizes the Other Postemployment Benefit Reserve internal service fund to allocate OPEB costs to each fund, based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2011, the Other Postemployment Benefit Reserve fund had \$420,567 in cash, investments, and receivables held on behalf of the District. The District intends to use these assets for future OPEB funding. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Regional Transportation Commission of Southern Nevada

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

	<u>County</u>	<u>PEBP</u>
Annual required contribution (ARC)	\$ 1,750,697	\$ 141,359
Interest on net OPEB obligation	79,818	7,664
Adjustment to annual required contribution	<u>(268,813)</u>	<u>(25,811)</u>
Annual OPEB cost	1,561,702	123,212
Contributions made	<u>(32,774)</u>	<u>(92,600)</u>
Increase (decrease) in net OPEB obligations	1,528,928	30,612
Net OPEB obligation, beginning of year	<u>2,302,973</u>	<u>52,229</u>
Net OPEB obligation (benefit), end of year	<u>\$ 3,831,901</u>	<u>\$ 82,841</u>

The RTC's annual OPEB cost, the percentage of annual cost contributed to the program, and the net OPEB obligation for 2009, 2010, and 2011 were as follows:

<u>Plan</u>	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
County	06/30/2009	\$853,424	4.8%	\$1,461,201
County	06/30/2010	882,970	4.7	2,302,973
County	06/30/2011	1,561,702	2.1	3,831,901
PEBP	06/30/2009	40,095	89.4	40,571
PEBP	06/30/2010	47,503	75.5	52,229
PEBP	06/30/2011	123,212	75.2	82,841

Funded Status and Funding Progress

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

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

Clark County, Nevada
Notes to Financial Statements
Year Ended June 30, 2011

III. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Regional Transportation Commission of Southern Nevada (Continued)

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

RTC Assets in Internal Service Fund

Clark County utilizes the Other Employment Benefit Reserve internal service fund to allocate OPEB costs to each fund based on employee count. Each fund incurs a charge for service from the Other Postemployment Benefit Reserve fund for their portion of the annual OPEB cost. As of June 30, 2011, the Other Postemployment Benefit Reserve fund had \$220,332 in cash, investments, and interest receivable held on behalf of the RTC. The RTC intends to use these assets for future OPEB funding. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

15. SUBSEQUENT EVENTS

Primary Government

On August 3, 2011 The Department of Aviation refunded the series 2008A-1 and 2008B-1 with the 2011B-1, and 2011B-2, respectively consisting of \$200 million of AMT Adjustable Rate Airport System Subordinate Lien Revenue Bonds. The letter of credit provider on the 2011B-1 is Citibank, N.A. The remarketing agent for the 2011B-1 is Citibank Global Markets Inc. The annual fees for the 2011B-1 series are 85 basis points. The letter of credit for the 2011 B-2 is Royal Bank of Canada. The remarketing agent for 2011B-2 is RBC Capital Markets, LLC. The annual fees for the 2011B-2 are 85 basis points. The 2011B-1 series bond matures in 2022 and the series 2011B-2 bond matures in 2022. The maturities of the 2011B-1 and 2011B-2 series are identical to the 2008A-1 and 2008B-1 maturities respectively.

On October 19, 2011 the Water District issued the following bonds: Series 2011 B, \$129,650,000 general obligation refunding bonds, additionally secured by SNWA pledged revenues, with a true interest cost of 4.29%; Series 2011C, \$267,815,000 general obligation refunding bonds, additionally secured by SNWA pledged revenues, with a true interest cost of 4.04%; and Series 2011D, \$78,680,000 general obligation refunding bonds with a true interest cost of 3.57%

The 2011B Bond proceeds advance and currently refund certain SNWA bond issues. A portion of the 2011C Bond proceeds advance refund the \$188,880,000 remaining balance of the Water District's 2003B bonds. The 2011D Bond proceeds advance refund \$81,990,000 of the Water District's 2003A bonds.

See Note 11, Joint Ventures, for Water Reclamation District subsequent events.

Discretely Presented Component Unit

In November 2011, Clark County sold approximately \$118.1 million in revenue refunding bonds on behalf of the RTC. The RTC refunded the motor vehicle fuel tax revenue bond series 2003, which resulted in a cash flow interest expense savings of approximately \$10.6 million and a net present value savings of approximately \$1.5 million. The revenue refunding bonds mature in July 2023 with an overall interest rate ranging from 4.00 to 5.00% and true interest cost, net of premium, of 2.79%. Interest and principal payments will begin in July 2012. All debt service payments will be funded with Motor Vehicle Fuel Tax revenue. The bond proceeds can only be used for bond sale expenses and refunding of existing bonds.

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, 2011
(With comparative actual for the fiscal year ended June 30, 2010)

	2011			2010
	Original Budget	Final Budget	Actual	Variance
Revenues:				
Taxes	\$ 273,664,483	\$ 273,664,483	\$ 278,820,460	\$ 5,155,977
Licenses and permits	208,200,000	208,200,000	218,981,536	10,781,536
Intergovernmental revenue	254,171,574	254,171,574	270,449,762	16,278,188
Charges for services	79,885,327	79,885,327	80,440,076	554,749
Fines and forfeitures	24,750,000	24,750,000	24,078,067	(671,933)
Interest	4,000,000	4,000,000	838,167	(3,161,833)
Other	2,000,000	2,000,000	4,785,885	2,785,885
Total revenues	846,671,384	846,671,384	878,393,953	31,722,569
Other financing sources:				
Transfers from other funds	364,154,788	364,154,788	347,638,468	(16,516,320)
Total revenues and other financing sources	1,210,826,172	1,210,826,172	1,226,032,421	15,206,249
Expenditures:				
General Government	128,242,443	130,177,496	118,794,960	(11,382,536)
Judicial	154,658,081	154,667,257	147,118,284	(7,548,973)
Public Safety	222,765,322	222,741,227	210,248,288	(12,492,939)
Public Works	14,406,952	14,406,952	12,677,523	(1,729,429)
Health	97,086,620	97,086,620	96,771,650	(314,970)
Welfare	79,969,773	79,969,773	79,487,635	(482,138)
Culture and Recreation	12,520,783	12,666,715	11,304,303	(1,362,412)
Other General Expenditures	114,861,840	112,795,774	111,056,564	(1,739,210)
Total expenditures	824,511,814	824,511,814	787,459,207	(37,052,607)
Other financing uses:				
Transfers to other funds	432,090,070	432,090,070	426,918,389	(5,171,681)
Total expenditures and other financing uses	1,256,601,884	1,256,601,884	1,214,377,596	(42,224,288)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financial uses	(45,775,712)	(45,775,712)	11,654,825	57,430,537
Fund balance:				
Beginning of year	148,490,710	148,490,710	172,111,310	23,620,600
End of year	\$ 102,714,998	\$ 102,714,998	\$ 183,766,135	\$ 81,051,137

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, 2011
(With comparative actual for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues:					
Taxes:					
Ad valorem taxes	\$ 260,674,227	\$ 260,674,227	\$ 260,364,565	\$ (309,662)	\$ 331,065,060
Penalties & interest on delinquent taxes	12,990,256	12,990,256	18,455,895	5,465,639	16,823,318
Total taxes	273,664,483	273,664,483	278,820,460	5,155,977	347,888,378
Licenses and permits:					
Business licenses	26,000,000	26,000,000	29,412,455	3,412,455	34,431,294
Liquor licenses	7,000,000	7,000,000	7,623,890	623,890	8,218,138
County gaming licenses	44,000,000	44,000,000	35,817,756	(8,182,244)	36,001,643
Franchise fees:					
Gas	2,200,000	2,200,000	4,585,249	2,385,249	2,448,171
Electric	68,500,000	68,500,000	74,438,558	5,938,558	67,289,836
Other	25,000,000	25,000,000	25,106,944	106,944	25,894,763
Other licenses and permits	33,500,000	33,500,000	40,108,553	6,608,553	34,162,967
Marriage licenses	2,000,000	2,000,000	1,888,131	(111,869)	1,912,890
Total licenses and permits	208,200,000	208,200,000	218,981,536	10,781,536	210,359,702
Intergovernmental revenue:					
Federal grants	2,019,120	2,019,120	3,057,095	1,037,975	2,919,936
Federal payments in lieu of taxes	3,137,454	3,137,454	3,134,374	(3,080)	3,173,079
State grants	500,000	500,000	329,301	(170,699)	342,127
State gaming licenses	150,000	150,000	144,416	(5,584)	150,947
Consolidated tax	247,400,000	247,400,000	262,887,094	15,487,094	249,384,438
Court administrative assessment	865,000	865,000	818,480	(46,520)	918,464
Other	100,000	100,000	79,002	(20,998)	141,872
Total intergovernmental revenue	254,171,574	254,171,574	270,449,762	16,278,188	257,030,863
Charges for services:					
General government					
Clerk fees	3,520,000	3,520,000	2,889,886	(630,114)	2,738,481
Recorder fees	24,500,000	24,500,000	19,981,375	(4,518,625)	20,450,376
Map fees	10,000	10,000	46,753	36,753	39,660
Assessor commissions	11,300,000	11,300,000	6,678,535	(4,621,465)	8,137,222
Building and zoning fees	850,000	850,000	610,081	(239,919)	511,923
Room tax collection commissions	6,000,000	6,000,000	5,479,966	(520,034)	4,849,858
Administrative fees	9,602,724	9,602,724	14,737,444	5,134,720	10,432,497
Other	3,500,000	3,500,000	4,806,532	1,306,532	5,254,708

(Continued)

Clark County, Nevada
General Fund

Schedule of Revenues and Transfers - Budget and Actual

For the fiscal year ended June 30, 2011

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

	2011			2010	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues (Continued):					
Charges for services (Continued):					
Judicial					
Clerk fees	8,250,000	8,250,000	9,980,484	1,730,484	7,671,650
Other	1,200,000	1,200,000	2,364,856	1,164,856	2,552,779
Public safety					
Fire protection services	8,552,603	8,552,603	7,183,605	(1,368,998)	8,369,885
Other	1,000,000	1,000,000	1,128,376	128,376	1,633,509
Public works					
Engineering	1,500,000	1,500,000	4,447,312	2,947,312	2,567,082
Health and welfare					
Animal control	100,000	100,000	104,801	4,801	103,974
Culture and recreation					
Other	-	-	70	70	586
Total charges for services	79,885,327	79,885,327	80,440,076	554,749	75,314,190
Fines and forfeitures:					
Court fines	7,850,000	7,850,000	9,663,117	1,813,117	10,486,418
Court forfeits	16,900,000	16,900,000	14,414,950	(2,485,050)	15,184,877
Total fines and forfeitures	24,750,000	24,750,000	24,078,067	(671,933)	25,671,295
Interest	4,000,000	4,000,000	838,167	(3,161,833)	4,844,673
Other	2,000,000	2,000,000	4,785,885	2,785,885	30,829,371
Total revenues	846,671,384	846,671,384	878,393,953	31,722,569	951,938,472
Other financing sources:					
Transfers from other funds	364,154,788	364,154,788	347,638,468	(16,516,320)	318,187,963
Total revenues and other financing sources	\$ 1,210,826,172	\$ 1,210,826,172	\$ 1,226,032,421	\$ 15,206,249	\$ 1,270,126,435

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2011

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

	2011			2010	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures					
General Government					
Commission/Manager:					
Salaries and wages	\$ 3,230,138	\$ 3,105,881	\$ 2,836,604	\$ (269,277)	\$ 3,223,246
Employee benefits	1,242,117	1,204,423	1,206,730	2,307	1,186,639
Services and supplies	511,832	481,832	282,008	(199,824)	223,859
Total Commission/Manager	4,984,087	4,792,136	4,325,342	(466,794)	4,633,744
Office of Diversity:					
Salaries and wages	483,896	483,896	483,789	(107)	374,208
Employee benefits	187,238	187,238	192,115	4,877	149,110
Services and supplies	33,000	33,000	17,159	(15,841)	18,905
Total Office of Diversity	704,134	704,134	693,063	(11,071)	542,223
Office of Appointed Counsel					
Salaries and wages	179,767	179,767	181,375	1,608	163,388
Employee benefits	56,135	56,135	56,809	674	52,731
Services and supplies	8,163,400	9,763,400	11,078,780	1,315,380	10,660,079
Total Office of Appointed Counsel	8,399,302	9,999,302	11,316,964	1,317,662	10,876,198
Audit:					
Salaries and wages	952,263	952,263	778,567	(173,696)	1,141,667
Employee benefits	362,283	362,283	297,150	(65,133)	364,231
Services and supplies	27,470	27,470	14,524	(12,946)	13,794
Total Audit	1,342,016	1,342,016	1,090,241	(251,775)	1,519,692
Finance:					
Salaries and wages	3,037,539	3,037,539	2,675,172	(362,367)	3,146,579
Employee benefits	1,229,624	1,229,624	1,300,970	71,346	1,205,985
Services and supplies	570,811	570,811	230,002	(340,809)	269,896
Total Finance	4,837,974	4,837,974	4,206,144	(631,830)	4,622,460
Comptroller:					
Salaries and wages	2,467,951	2,467,951	2,405,984	(61,967)	2,444,033
Employee benefits	1,064,912	1,064,912	1,151,613	86,701	1,045,560
Services and supplies	167,020	167,020	127,523	(39,497)	140,903
Total Comptroller	3,699,883	3,699,883	3,685,120	(14,763)	3,630,496
Treasurer:					
Salaries and wages	1,840,119	1,840,119	1,757,599	(82,520)	1,699,910
Employee benefits	803,064	803,064	876,546	73,482	752,101
Services and supplies	969,191	969,191	913,055	(56,136)	962,670
Total Treasurer	3,612,374	3,612,374	3,547,200	(65,174)	3,414,681

(Continued)

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2011
(With comparative actual for the fiscal year ended June 30, 2010)
(Continued)

(Continued)

Clark County, Nevada
General Fund
Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2011
(With comparative actual for the fiscal year ended June 30, 2010)
(Continued)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
A-95 Clearinghouse Council:					
Salaries and wages	44,874	44,874	51,212	6,338	44,932
Employee benefits	22,330	22,330	27,967	5,637	23,886
Services and supplies	6,375	6,375	5,329	(1,046)	5,743
Total A-95 Clearinghouse Council	73,579	73,579	84,508	10,929	74,561
Information Technology:					
Salaries and wages	-	-	-	-	8,270,753
Employee benefits	-	-	(164)	(164)	2,921,908
Services and supplies	-	-	-	-	1,224,092
Capital outlay	-	-	-	-	406,353
Total Information Technology	-	-	(164)	(164)	12,823,106
Business License:					
Salaries and wages	4,453,205	4,453,205	4,086,498	(366,707)	4,503,701
Employee benefits	1,908,482	1,908,482	1,868,725	(39,757)	1,800,342
Services and supplies	370,187	420,187	400,390	(19,797)	346,627
Total Business License	6,731,874	6,781,874	6,355,613	(426,261)	6,650,670
Real Property Management:					
Salaries and wages	13,748,256	13,748,256	12,793,546	(954,710)	9,785,534
Employee benefits	5,887,880	5,887,880	5,883,483	(4,397)	4,244,152
Services and supplies	11,829,729	11,948,008	10,550,906	(1,397,102)	10,253,929
Capital outlay	-	-	-	-	490,589
Total Real Property Management	31,465,865	31,584,144	29,227,935	(2,356,209)	24,774,204
Total General Government	128,242,443	130,177,496	118,794,960	(11,382,536)	127,176,984
Judicial:					
Outlying Constable:					
Salaries and wages	90,042	90,042	87,353	(2,689)	88,177
Employee benefits	120,631	120,631	177,000	56,369	124,036
Services and supplies	13,350	13,350	6,243	(7,107)	9,203
Total Outlying Constable	224,023	224,023	270,596	46,573	221,416
Henderson Constable:					
Salaries and wages	104,627	104,627	92,783	(11,844)	102,475
Employee benefits	52,792	52,792	67,797	15,005	48,189
Services and supplies	19,450	28,626	26,010	(2,616)	12,608
Total Henderson Constable	176,869	186,045	186,590	545	163,272

(Continued)

Clark County, Nevada
General Fund

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2011
(With comparative actual for the fiscal year ended June 30, 2010)
(Continued)

	2011			2010
	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued):				
Judicial (Continued):				
Special Public Defender:				
Salaries and wages	2,178,799	2,178,799	2,112,516	(66,283)
Employee benefits	844,625	844,625	883,818	39,193
Services and supplies	493,200	493,200	253,435	(239,765)
Total Special Public Defender	3,516,624	3,516,624	3,249,769	(266,855)
Court Jury Services:				
Salaries and wages	212,785	212,785	169,986	(42,799)
Employee benefits	100,086	100,086	111,032	10,946
Services and supplies	1,354,749	1,353,249	1,031,670	(321,579)
Total Court Jury Services	1,667,620	1,666,120	1,312,688	(353,432)
Grand Jury:				
Services and supplies	189,210	214,210	204,449	(9,761)
Total Grand Jury	189,210	214,210	204,449	(9,761)
Las Vegas Justice Court:				
Salaries and wages	11,374,744	11,374,744	10,507,875	(866,869)
Employee benefits	4,651,876	4,651,876	4,877,521	225,645
Services and supplies	2,508,094	2,558,594	2,410,407	(148,187)
Total Las Vegas Justice Court	18,534,714	18,585,214	17,795,803	(789,411)
Henderson Justice Court:				
Salaries and wages	1,721,078	1,721,078	1,719,864	(1,214)
Employee benefits	724,176	724,176	765,072	40,896
Services and supplies	218,604	218,604	164,387	(54,217)
Total Henderson Justice Court	2,663,858	2,663,858	2,649,323	(14,535)
North Las Vegas Justice Court:				
Salaries and wages	1,899,720	1,899,720	1,917,775	18,055
Employee benefits	777,134	777,134	900,732	123,598
Services and supplies	349,332	349,332	94,117	(255,215)
Total North Las Vegas Justice Court	3,026,186	3,026,186	2,912,624	(113,562)
Outlying Justice Court:				
Salaries and wages	1,703,994	1,703,994	1,616,421	(87,573)
Employee benefits	657,540	657,540	689,149	31,609
Services and supplies	236,187	236,187	213,751	(22,436)
Total Outlying Justice Court	2,597,721	2,597,721	2,519,321	(78,400)

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2011
(With comparative actual for the fiscal year ended June 30, 2010)
(Continued)

	2011				2010
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
Public Defender:					
Salaries and wages	16,486,347	16,486,347	15,853,683	(632,664)	16,095,269
Employee benefits	6,196,069	6,196,069	6,418,664	222,595	5,806,260
Services and supplies	1,124,972	1,124,972	929,698	(195,274)	1,035,919
Total Public Defender	23,807,388	23,807,388	23,202,045	(605,343)	22,937,448
Neighborhood Justice Center:					
Salaries and wages	823,239	823,239	812,862	(10,377)	784,352
Employee benefits	322,116	322,116	368,631	46,515	319,065
Services and supplies	514,441	463,941	427,879	(36,062)	379,779
Total Neighborhood Justice Center	1,659,796	1,609,296	1,609,372	76	1,483,196
Total Judicial	154,658,081	154,667,257	147,118,284	(7,548,973)	146,502,648
Public Safety:					
Office of the Sheriff:					
Salaries and wages	189,500	189,500	168,592	(20,908)	176,711
Employee benefits	19,531	19,531	23,342	3,811	20,458
Services and supplies	5,000	5,000	117	(4,883)	187
Total Office of the Sheriff	214,031	214,031	192,051	(21,980)	197,356
Fire Department:					
Salaries and wages	83,572,210	83,475,410	76,480,884	(6,994,526)	83,153,114
Employee benefits	45,750,191	45,750,191	46,165,415	415,224	40,584,267
Services and supplies	8,402,382	8,470,087	7,299,753	(1,170,334)	7,260,117
Total Fire Department	137,724,783	137,695,688	129,946,052	(7,749,636)	130,997,498
Volunteer Fire and Ambulance:					
Services and supplies	266,385	271,385	220,213	(51,172)	179,408
Total Volunteer Fire and Ambulance	266,385	271,385	220,213	(51,172)	179,408
Public Guardian:					
Salaries and wages	1,565,916	1,565,916	1,401,471	(164,445)	1,476,746
Employee benefits	682,739	682,739	641,640	(41,099)	640,461
Services and supplies	213,040	213,040	76,053	(136,987)	85,395
Total Public Guardian	2,461,695	2,461,695	2,119,164	(342,531)	2,202,602

(Continued)

Clark County, Nevada
General Fund

(Continued)

Clark County, Nevada
General Fund

Schedule of Expenditures and Transfers - Budget and Actual
For the fiscal year ended June 30, 2011
(With comparative actual for the fiscal year ended June 30, 2010)
(Continued)

	2011			2010
	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued):				
Health:				
Emergency Room Admittance:				
Services and supplies	94,036,620	94,036,620	94,035,620	(1,000)
Total Emergency Room Admittance	94,036,620	94,036,620	94,035,620	(1,000)
Emergency Medical Care:				
Services and supplies	3,050,000	3,050,000	2,736,030	(313,970)
Total Emergency Medical Care	3,050,000	3,050,000	2,736,030	(313,970)
Total Health	97,086,620	97,086,620	96,771,650	(314,970)
Welfare:				
Salaries and wages	7,472,869	7,375,885	7,375,885	-
Employee benefits	2,765,065	2,589,084	3,398,074	808,990
Services and supplies	69,731,839	70,004,804	68,713,676	(1,291,128)
Total Welfare	79,969,773	79,969,773	79,487,635	(482,138)
Culture and Recreation:				
Salaries and wages	8,069,109	8,193,366	7,393,944	(799,422)
Employee benefits	3,224,842	3,262,536	3,135,845	(126,691)
Services and supplies	1,226,832	1,210,813	774,514	(436,299)
Total Culture and Recreation	12,520,783	12,666,715	11,304,303	(1,362,412)
Other General Expenditures:				
Utilities	21,808,000	18,208,000	18,140,190	(67,810)
Building rental	3,226,155	3,071,525	3,003,688	(67,837)
Capital replacement	2,128,500	328,500	139,120	(189,380)
Administrative assessments	1,242,000	1,139,740	550,436	(589,304)
Maintenance contracts	-	-	-	-
Insurance and official bonds	4,227,877	3,918,701	3,918,167	(534)
Miscellaneous refunds and expenditures	8,227,500	14,927,500	14,886,239	(41,261)
Internal service charges	49,009,002	46,609,002	46,601,017	(7,985)
Publications and professional services	3,585,960	3,185,960	2,410,861	(775,099)
Contributions	21,406,846	21,406,846	21,406,846	-
Total Other General Expenditures	114,861,840	112,795,774	111,056,564	(1,739,210)
Total expenditures	824,511,814	824,511,814	787,459,207	(37,052,607)
Transfers to other funds	432,090,070	432,090,070	426,918,389	(5,171,681)
Total expenditures and transfers	\$ 1,256,601,884	\$ 1,256,601,884	\$ 1,214,377,596	\$ (42,224,288)
				\$ 1,316,360,525

See notes to Required Supplementary Information

Clark County
Reconciliation of General Fund (Budgetary Basis) to the General Fund (Modified Accrual Basis)
Statement of Revenues, Expenditures, and Changes in Fund Balance
For the Year Ended June 30, 2011

	General Fund Budgetary Basis	Internally Reported Funds	Eliminations	General Fund Modified Accrual Basis
Revenues:				
Taxes	\$ 278,820,460	\$ 171,942,099	\$ -	\$ 450,762,559
Special assessments	-	-	-	-
Licenses and permits	218,981,536	17,921,894	-	236,903,430
Intergovernmental revenue	270,449,762	376,213,148	-	646,662,910
Charges for services	80,440,076	9,958,347	-	90,398,423
Fines and forfeitures	24,078,067	-	-	24,078,067
Interest	838,167	3,091,893	-	3,930,060
Other	4,785,885	1,456,389	-	6,242,274
Total revenues	<u>878,393,953</u>	<u>580,583,770</u>	<u>-</u>	<u>1,458,977,723</u>
Expenditures:				
Current:				
General government	118,794,960	5,238,774	-	124,033,734
Judicial	147,118,284	743,436	-	147,861,720
Public safety	210,248,288	203,943,606	-	414,191,894
Public works	12,677,523	189,999,483	-	202,677,006
Health	96,771,650	-	-	96,771,650
Welfare	79,487,635	-	-	79,487,635
Culture and recreation	11,304,303	21,396	-	11,325,699
Other general expenditures	110,932,665	-	-	110,932,665
Capital outlays	123,899	307,192	-	431,091
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	<u>787,459,207</u>	<u>400,253,887</u>	<u>-</u>	<u>1,187,713,094</u>
Excess of revenues over expenditures	<u>90,934,746</u>	<u>180,329,883</u>	<u>-</u>	<u>271,264,629</u>
Other financing sources (uses):				
Transfers from other funds	347,638,468	185,656,596	483,394,076	49,900,988
Transfers to other funds	(426,918,389)	(404,082,592)	(483,394,076)	(347,606,905)
Total other financing sources (uses)	<u>(79,279,921)</u>	<u>(218,425,996)</u>	<u>-</u>	<u>(297,705,917)</u>
Net changes in fund balances	<u>11,654,825</u>	<u>(38,096,113)</u>	<u>-</u>	<u>(26,441,288)</u>
Fund balance:				
Beginning of year	172,111,310	214,317,491	-	386,428,801
End of year	<u>\$ 183,766,135</u>	<u>\$ 176,221,378</u>	<u>\$ -</u>	<u>\$ 359,987,513</u>

Clark County, Nevada
Internally Reported Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2011

	Detention Services	Master Transportation Plan	Court Education Program	Citizen Review Board Administration	Personnel Services	Technology Fees
Revenues:						
Taxes	\$ -	\$ 36,918,685	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	5,241,532	-	-	-	-
Intergovernmental revenue	-	235,800,317	6,506	80,150	-	-
Charges for services	4,858,445	-	1,030,169	-	248,646	-
Fines and forfeitures	-	-	-	-	-	-
Interest	782,267	991,288	10,655	245	28	50,782
Other	1,003,716	-	599	-	-	43,724
Total revenues	6,644,428	278,951,822	1,047,929	80,395	248,674	94,506
Expenditures:						
Salaries and wages	87,306,681	-	376,121	145,647	171,110	817,526
Employee benefits	44,556,467	-	188,916	48,709	75,115	417,561
Services and supplies	38,949,300	189,695,714	178,399	23,526	2,449	2,647,769
Capital outlay	75,884	-	-	-	-	231,308
Total expenditures	170,888,332	189,695,714	743,436	217,882	248,674	4,114,164
Excess (deficiency) of revenues over (under) expenditures	(164,243,904)	89,256,108	304,493	(137,487)	-	(4,019,658)
Other financing sources (uses):						
Transfers from other funds	168,089,300	-	30,200	137,710	-	2,599,386
Transfers to other funds	-	(119,035,594)	(400,000)	-	-	-
Total other financing sources (uses)	168,089,300	(119,035,594)	(369,800)	137,710	-	2,599,386
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	3,845,396	(29,779,486)	(65,307)	223	-	(1,420,272)
Fund balance:						
Beginning of year	45,054,198	29,779,486	760,002	-	-	5,894,184
End of year	\$ 48,899,594	\$ -	\$ 694,695	\$ 223	\$ -	\$ 4,473,912

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2011
(Continued)

	Fire Prevention Bureau	LVMPD Seized Funds	Satellite Detention Center	Special Improvement District Administration	In-Transit	Bunkerville Town
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,336
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental revenue	-	-	-	-	-	515,127
Charges for services	3,262,443	-	-	558,644	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	59,683	12,219	465,836	8,583	628,437	-
Other	11,689	-	-	-	347,291	-
Total revenues	<u>3,333,815</u>	<u>12,219</u>	<u>465,836</u>	<u>567,227</u>	<u>975,728</u>	<u>523,463</u>
Expenditures:						
Salaries and wages	6,864,485	-	-	265,614	-	-
Employee benefits	3,582,635	-	(185)	128,511	-	-
Services and supplies	1,512,388	545	12,035,984	2,756	796,250	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>11,959,508</u>	<u>545</u>	<u>12,035,799</u>	<u>396,881</u>	<u>796,250</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8,625,693)</u>	<u>11,674</u>	<u>(11,569,963)</u>	<u>170,346</u>	<u>179,478</u>	<u>523,463</u>
Other financing sources (uses):						
Transfers from other funds	4,800,000	-	10,000,000	-	-	-
Transfers to other funds	-	-	-	-	-	(516,384)
Total other financing sources (uses)	<u>4,800,000</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>(516,384)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,825,693)</u>	<u>11,674</u>	<u>(1,569,963)</u>	<u>170,346</u>	<u>179,478</u>	<u>7,079</u>
Fund balance:						
Beginning of year	9,053,045	83,195	44,479,760	601,772	7,163,223	128,830
End of year	<u>\$ 5,227,352</u>	<u>\$ 94,869</u>	<u>\$ 42,909,797</u>	<u>\$ 772,118</u>	<u>\$ 7,342,701</u>	<u>\$ 135,909</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2011
(Continued)

	Clark County Fire Service District	Enterprise Town	Indian Springs Town	Laughlin Town	Moapa Town
Revenues:					
Taxes	\$ 69,116,133	\$ 11,709,324	\$ 2,489	\$ 3,427,007	\$ 63,093
Special assessments	-	-	-	-	-
Licenses and permits	-	768,532	10,920	1,277,190	1,229
Intergovernmental revenue	38,232,429	3,200,144	-	5,746,648	-
Charges for services	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Interest	-	-	-	81,870	-
Other	-	-	-	49,370	-
Total revenues	107,348,562	15,678,000	13,409	10,582,085	64,322
Expenditures:					
Salaries and wages	-	-	-	5,744,135	17,475
Employee benefits	-	-	-	2,695,760	461
Services and supplies	-	-	-	695,411	3,460
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	9,135,306	21,396
Excess (deficiency) of revenues over (under) expenditures	107,348,562	15,678,000	13,409	1,446,779	42,926
Other financing sources (uses):					
Transfers from other funds	-	-	-	-	-
Transfers to other funds	(117,305,818)	(16,100,000)	(13,110)	-	(41,372)
Total other financing sources (uses)	(117,305,818)	(16,100,000)	(13,110)	-	(41,372)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(9,957,256)	(422,000)	299	1,446,779	1,554
Fund balance:					
Beginning of year	30,549,527	3,781,475	2,391	5,523,066	16,198
End of year	\$ 20,592,271	\$ 3,359,475	\$ 2,690	\$ 6,969,845	\$ 17,752

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2011
(Continued)

	Moapa Valley Town	Mt. Charleston Town	Paradise Town	Searchlight Town	Spring Valley Town	Summerlin Town
Revenues:						
Taxes	\$ 37,736	\$ 9,879	\$ 27,620,753	\$ 4,713	\$ 10,625,911	\$ 3,374,406
Special assessments	-	-	-	-	-	-
Licenses and permits	6,330	1,859	8,139,795	23,630	207,060	414,840
Intergovernmental revenue	711,388	-	55,372,905	350,921	15,434,182	130,228
Charges for services	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total revenues	<u>755,454</u>	<u>11,738</u>	<u>\$ 91,133,453</u>	<u>\$ 379,264</u>	<u>\$ 26,267,153</u>	<u>\$ 3,919,474</u>
Expenditures:						
Salaries and wages	-	-	-	-	-	-
Employee benefits	-	-	-	-	-	-
Services and supplies	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>755,454</u>	<u>11,738</u>	<u>91,133,453</u>	<u>379,264</u>	<u>26,267,153</u>	<u>3,919,474</u>
Other financing sources (uses):						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	(866,486)	(10,961)	(87,900,000)	(378,816)	(26,500,000)	(4,200,000)
Total other financing sources (uses)	<u>(866,486)</u>	<u>(10,961)</u>	<u>(87,900,000)</u>	<u>(378,816)</u>	<u>(26,500,000)</u>	<u>(4,200,000)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	<u>(111,032)</u>	<u>777</u>	<u>3,233,453</u>	<u>448</u>	<u>(232,847)</u>	<u>(280,526)</u>
Fund balance:						
Beginning of year	<u>306,217</u>	<u>237</u>	<u>15,320,648</u>	<u>91,133</u>	<u>5,502,505</u>	<u>2,290,520</u>
End of year	<u>\$ 195,185</u>	<u>\$ 1,014</u>	<u>\$ 18,554,101</u>	<u>\$ 91,581</u>	<u>\$ 5,269,658</u>	<u>\$ 2,009,994</u>

(Continued)

Clark County, Nevada
Internally Reported Special Revenue Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balance
For the fiscal year ended June 30, 2011
(Continued)

	Sunrise Manor Town	Whitney Town	Winchester Town	Total
Revenues:				
Taxes	\$ 4,731,108	\$ 1,184,744	\$ 3,107,782	\$ 171,942,099
Special assessments	-	-	-	-
Licenses and permits	1,103,582	58,140	667,255	17,921,894
Intergovernmental revenue	7,482,595	641,064	12,508,544	376,213,148
Charges for services	-	-	-	9,958,347
Fines and forfeitures	-	-	-	-
Interest	-	-	-	3,091,893
Other	-	-	-	1,456,389
Total revenues	\$ 13,317,285	\$ 1,883,948	16,283,581	580,583,770
Expenditures:				
Salaries and wages	-	-	-	101,708,794
Employee benefits	-	-	-	51,693,950
Services and supplies	-	-	-	246,543,951
Capital outlay	-	-	-	307,192
Total expenditures	-	-	-	400,253,887
Excess (deficiency) of revenues over (under) expenditures	13,317,285	1,883,948	16,283,581	180,329,883
Other financing sources (uses):				
Transfers from other funds	-	-	-	185,656,596
Transfers to other funds	(12,700,000)	(1,914,051)	(16,200,000)	(404,082,592)
Total other financing sources (uses)	(12,700,000)	(1,914,051)	(16,200,000)	(218,425,996)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	617,285	(30,103)	83,581	(38,096,113)
Fund balance:				
Beginning of year	2,615,569	240,473	5,079,837	214,317,491
End of year	\$ 3,232,854	\$ 210,370	\$ 5,163,418	\$ 176,221,378

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FUND

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

Clark County, Nevada
Las Vegas Metropolitan Police Department
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the fiscal year ended June 30, 2011
(With comparative actual for the fiscal year ended June 30, 2010)

	2011			2010	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues:					
Ad valorem taxes	\$ 130,572,313	\$ 130,572,313	\$ 130,995,489	\$ 423,176	\$ 165,184,055
Intergovernmental revenue:					
Federal and state grants	-	25,084,431	13,434,259	(11,650,172)	16,104,034
City of Las Vegas contribution	130,298,017	130,298,017	130,297,994	(23)	137,151,588
Charges for services:					
Airport security	16,336,362	16,336,362	15,990,809	(345,553)	17,537,871
Other	8,578,176	8,578,176	9,942,652	1,364,476	8,484,802
Interest	1,600,000	1,600,000	1,280,941	(319,059)	2,290,155
Other	690,000	732,329	3,958,618	3,226,289	1,374,604
Total revenues	288,074,868	313,201,628	305,900,762	(7,300,866)	348,127,109
Other financing sources:					
Transfers from other funds	204,623,329	204,623,326	204,623,329	3	217,588,416
Total revenues and other financing sources	492,698,197	517,824,954	510,524,091	(7,300,863)	565,715,525
Expenditures:					
Salaries and wages	321,931,200	318,602,683	311,585,641	(7,017,042)	316,595,522
Employee benefits	133,272,650	131,538,077	128,738,901	(2,799,176)	135,974,372
Services and supplies	55,071,364	71,407,680	50,258,439	(21,149,241)	61,675,159
Capital outlay	2,322,980	6,176,514	7,563,928	1,387,414	6,867,422
Principal	-	-	227,106	227,106	215,753
Interest	-	-	17,301	17,301	28,653
Total expenditures	512,598,194	527,724,954	498,391,316	(29,333,638)	521,356,881
Other financing uses:					
Transfers to other funds	-	10,000,000	10,000,000	-	20,000,000
Total expenditures and other financing uses	512,598,194	537,724,954	508,391,316	(29,333,638)	541,356,881
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(19,899,997)	(19,900,000)	2,132,775	22,032,775	24,358,644
Fund balance:					
Beginning of year	72,429,203	72,429,203	76,417,479	3,988,276	52,058,835
End of year	\$ 52,529,206	\$ 52,529,203	\$ 78,550,254	\$ 26,021,051	\$ 76,417,479

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>
2006	\$18,913,372	100%
2007	22,040,681	100
2008	23,587,076	100
2009	27,262,106	100
2010	25,753,794	100
2011	26,606,950	100

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

Additional actuarial assumptions as of the latest actuarial valuation:

Investment rate of return	7.50%
Projected salary increases	5.00%

See notes to Required Supplementary Information

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

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

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Entry Age Normal Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
07/01/07	\$119,142,043	\$222,471,907	\$103,329,864	53.60%	\$ 97,880,824	105.60%
07/01/08	127,179,936	250,041,067	122,870,131	50.90	111,054,552	110.60
07/01/09	156,464,229	300,396,876	143,932,647	52.10	122,006,497	118.00
07/01/10	165,504,117	322,902,749	157,398,632	51.30	119,663,339	131.50

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

The July 1, 2007, actuarial valuation is the first to use the entry age actuarial cost method. As additional actuarial valuations using this method are obtained, this schedule will ultimately present information from the six most recent valuations.

See notes to Required Supplementary Information

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

	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
County Plan	06/30/2006	\$ -	\$369,159,987	\$369,159,987	0.0%	\$713,875,929	51.7%
	07/01/2008	-	447,990,595	447,990,595	0.0	766,272,363	58.5%
	07/01/2010	-	639,803,547	693,803,547	0.0	765,110,216	90.7%
PEBP*	06/30/2006	-	61,169,230	61,169,230	0.0	561,796,448	10.9
	07/01/2008	-	111,336,740	111,336,740	0.0	-	n/a
	07/01/2010	-	127,975,674	127,975,674	0.0	-	n/a
Fire Plan	07/01/2006	4,638,905	52,091,883	47,452,978	8.9	66,241,179	71.6
	07/01/2008	5,552,810	85,378,281	79,825,471	6.5	77,213,379	103.4
	07/01/2010	6,541,552	138,226,725	131,685,173	4.7	74,167,614	177.6
Metro Plan	06/30/2008	-	446,757,386	446,757,386	0.0	415,850,264	107.4
	06/30/2010	-	398,433,914	398,433,914	0.0	349,202,005	114.1
Metro Civilian Plan	06/30/2010	-	14,554,697	14,554,697	0.0	71,192,228	20.4

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

See notes to Required Supplementary Information

Clark County, Nevada
Notes to Required Supplementary Information
Year Ended June 30, 2011

Budgetary Information

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

- a. Prior to April 15, the County Manager submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
- c. Public hearings are conducted on the third Monday in May.
- d. After all the changes have been noted and hearings closed, the County Commission adopts the budget on or before June 1.
- e. The County Manager is authorized to transfer budgeted amounts within functions or funds, but the County Commissioners must approve any transfers between funds or increases to a fund's original appropriated level.
- f. Increases to a fund's budget (augmentations) other than by transfers are accomplished through formal County Commission action.
- g. The General Fund and all special revenue, debt service, and capital project funds have legally adopted annual budgets.
- h. Statutory regulations require budgetary control to be exercised at the function level within the General Fund or at the fund level of all other funds. The County administratively exercises control at the budgeted item level within a department.
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are reappropriated in the ensuing fiscal year.
- j. Budgets are adopted on a basis consistent with the method used to report on governmental funds that are prepared in accordance with the accounting principles generally accepted in the United States of America.
- k. Budgeted expenditure amounts for the year ended June 30, 2011, as originally adopted, were augmented during the year for grants and other County Commission action.

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

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

Internal Reported Special Revenue Funds

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

COMMENTS OF INDEPENDENT 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, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 9, 2012. Our report was modified to include a reference to other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Other auditors audited the financial statements of University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District, and Regional Transportation Commission of Southern Nevada, as described in our report on Clark County, Nevada's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies

in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and responses as item 2011-1 FS that we consider to be a significant deficiency in internal control over financial reporting. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the financial statements of the County are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

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

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

Kafoury, Armstrong & Co.

Las Vegas, Nevada
January 9, 2012

ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS



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

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

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

Compliance

We have audited Clark County, Nevada's (the "County") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2011. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

Clark County, Nevada's basic financial statements include the component unit operations of University Medical Center of Southern Nevada, Las Vegas Valley Water District, and Regional Transportation Commission of Southern Nevada, which received \$6,651,056, \$3,069,177, and \$75,275,381, respectively, in federal awards which are not included in the schedule during the year ended June 30, 2011. Our audit, as described below, did not include the operations of University Medical Center of Southern Nevada, Las Vegas Valley Water District, Big Bend Water District or Regional Transportation Commission of Southern Nevada because these entities engaged other auditors to perform their audits in accordance with OMB Circular A-133.

Clark County, Nevada's basic financial statements include the operations of the Department of Aviation, which received \$16,760,815 in federal awards which is not included in the schedule during the year ended June 30, 2011. Our audit, as described below, did not include the operations of the Department of Aviation because they were audited separately in accordance with OMB Circular A-133.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County's compliance with those requirements.

In our opinion, Clark County, Nevada complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. 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 2011-1, 2011-2, 2011-3, 2011-4, 2011-5 and 2011-6.

Internal Control Over Compliance

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

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2011-3, 2011-4, and 2011-6 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2011-1 and 2011-5 to be significant deficiencies.

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

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

Kafoury, Armstrong & Co

Las Vegas, Nevada
March 23, 2012

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster				
Passed Through Nevada Department of Education: School Breakfast Program	10.553	Agreement R-315-10	\$ 173,828	\$ 173,828
Passed Through Nevada Department of Education: National School Lunch Program	10.555	Agreement R-315-10	252,611	252,611
Passed Through Nevada Department of Education: Special Milk Program For Children	10.556	Agreement #M-102500-11	27,317	27,317
Passed Through Nevada Department of Education: Summer Food Service Program for Children	10.559	SFSP-AGREE2010	68,837	45,692
Summer Food Service Program for Children	10.559	SFSP-AGREE2011	215,020	20,817
Total Child Nutrition Cluster				<u>66,509</u>
				<u>520,265</u>
Passed Through Nevada Department of Education: Child and Adult Care Food Program (CACFP)	10.558	Agreement	107,624	62,757
Passed Through Nevada Division of Forestry:				
Cooperative Forestry Assistance - Cal-Nev-Ari Station 84	10.664	USDA/VFA/09-17	19,585	19,585
Cooperative Forestry Assistance - Cold Creek Station 82	10.664	USDA/VFA/09/16	19,822	19,822
Cooperative Forestry Assistance - Good Springs Station 78	10.664	USDA/FVA/09/15	10,238	10,238
				<u>49,645</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF AGRICULTURE (Continued)				
Schools and Roads Cluster				
Direct:				
Schools and Roads - Grants to States - Title I	10.665	Public Law 106-393	\$ 182,282	\$ 182,282
Schools and Roads - Grants to States - Title III	10.665	Public Law 106-393	32,168	32,168
Total Schools and Roads Cluster				<u>214,450</u>
Direct:				
Spring Mountain Youth Camp Forestry Program	10. Unknown	05-PA-11041705-001	10,877	6,187
Spring Mountain Youth Camp Forestry Program	10. Unknown	05-PA-11041705-021	17,000	3,423
Total Department of Agriculture				<u>9,610</u>
				<u>856,727</u>
DEPARTMENT OF COMMERCE				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2007 Public Safety Interoperable Communications Grant Program	11.555	1155507	725,000	33,789
2008 Public Safety Interoperable Communications Grant Program	11.555	1155507	5,114,182	4,271,171
Total Department of Commerce				<u>4,304,960</u>

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Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
CDBG-Entitlement Grants Cluster				
Direct Program:				
Neighborhood Stabilization Program 1 (NSP1)	14.218	B-08-UN-32-0001	\$ 29,666,798	\$ 11,562,540
Community Development Block Grant, FY10	14.218	B-09-UC-32-0001	8,052,700	3,805,503
Community Development Block Grant, FY11	14.218	B-10-UC-32-0001	8,752,999	1,187,160
Recaptured CDBG Funds				19,800
				<u>16,575,003</u>
Passed Through Nevada Housing Division:				
Neighborhood Stabilization Program 1 (NSP1)	14.218	B-08-DN-32-0001	10,370,986	2,598,025
				<u>2,598,025</u>
				<u>19,173,028</u>
Direct Program:				
ARRA - Community Development Block Grant Entitlement Grants (CDBG-R)				
Total CDBG-Entitlement Grants Cluster	14.253	B-09-UY-32-0001	2,140,484	914,113
				<u>20,087,141</u>
Direct Program:				
Emergency Shelter Grants Program, FY10	14.231	S-09-UC-32-0001	278,212	68
Emergency Shelter Grants Program, FY11	14.231	S-10-UC-32-0001	279,951	271,290
				<u>271,358</u>
Direct Program:				
Shelter Plus Care Grant (year 1)	14.238	NV01C700001	3,525,720	667,916

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (Continued)				
Direct Program:				
HOME Investment Partnerships Program, FFY 2006	14.239	M-06-DC-320224	\$ 3,494,680	\$ 1,801,514
HOME Investment Partnerships Program, FFY 2007	14.239	M07-DC320224	3,480,852	2,620,697
				<u>4,422,211</u>
Passed Through Nevada Housing Division:				
HOME Investment Partnerships Program, FY06	14.239	M-05-SG320106	823,837	806,953
HOME Investment Partnerships Program, FY07	14.239	M-06-SG320106	743,765	743,765
HOME Investment Partnerships Program, FY08	14.239	M07-SG320106	443,352	443,352
HOME Investment Partnerships Program, FY09	14.239	M08-SG320106	744,259	132,468
				<u>2,126,538</u>
				<u>6,548,749</u>
Direct Program:				
ARRA - Homeless Prevention and Rapid Re-Housing Program - City of North Las Vegas	14.257	S-09-MY-32-0003	677,704	483,236
ARRA - Homeless Prevention and Rapid Re-Housing Program - Clark County	14.257	S-09-UY-32-0001	2,595,173	1,603,919
				<u>2,087,155</u>
Passed Through Nevada Housing Division:				
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257	HPRP-2009-0003	897,388	576,421
				<u>2,663,576</u>
Total Department of Housing and Urban Development				<u>30,238,740</u>

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DEPARTMENT OF INTERIOR				
Direct Program:				
Taylor Grazing Act	15.227	FLPMA of 1976	\$ 173	\$ 173
Direct Program:				
Rangeland Resource Management	15.228	Agreement #FAA060070	66,000	66,000
Direct Program:				
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC13256	4,479,566	6,180
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC13257	17,424,000	3,944,594
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC13523	17,424,000	4,843,282
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC13726	4,530,240	3,547,902
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC13849	4,065,600	96,960
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC14402	13,600,746	7,081,270
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC14425	6,262,560	67,257
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC14675	4,939,500	1,538,397
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC14902	2,915,965	805,761
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC14903	1,060,801	54,605
Southern Nevada Public Land Management Act - CCPW	15.235	L05AC14904	527,944	73,360
Southern Nevada Public Land Management Act - CCPW	15.235	L07AC13118	15,840,000	4,169,986
Southern Nevada Public Land Management Act - CCPW	15.235	L07AC13231	10,218,734	5,267,408
Southern Nevada Public Land Management Act - CCPW	15.235	L07AC13492	550,000	2,615
Southern Nevada Public Land Management Act - CCPW	15.235	L07AC13495	1,870,000	31,026
Southern Nevada Public Land Management Act - CCPW	15.235	L07AC13496	1,732,687	30,742
Southern Nevada Public Land Management Act - CCPW	15.235	L07AC13809	5,940,000	153,196

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DEPARTMENT OF INTERIOR (Continued)				
15.235	Southern Nevada Public Land Mangement Act - CCPW	L07AC13819	\$ 1,470,000	\$ 560,906
15.235	Southern Nevada Public Land Mangement Act - CCPW	L07AC14115	3,520,000	317
15.235	Southern Nevada Public Land Mangement Act - CCPW	L07AC14116	46,376,000	587,689
15.235	Southern Nevada Public Land Mangement Act - CCPW	L07AC14399	14,080,000	357,879
15.235	Southern Nevada Public Land Mangement Act - CCPW	L07AC14880	1,361,136	41,573
15.235	Southern Nevada Public Land Mangement Act - CCPW	L08AC14127	500,000	125,000
15.235	Southern Nevada Public Land Mangement Act - CCPW	L08AC14128	2,475,000	145,482
15.235	Southern Nevada Public Land Mangement Act - CCPW	L09AC15505	1,712,700	15,074
15.235	Southern Nevada Public Land Mangement Act - CCPW	L09AC15506	563,750	40,900
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC12949	25,611	15,611
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC12970	3,646,939	366,905
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC12972	198,000	45,000
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC12973	297,671	56,070
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13129	104,009	26,000
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13238	414,356	106,356
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13245	440,000	100,500
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13510	127,270	28,000
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13677	264,000	86,972
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13797	354,200	174,188
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13813	117,182	257
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13814	989,955	241,000
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13815	21,589	1,589
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13829	286,726	51,783
15.235	Southern Nevada Public Land Mangement Act - DCP	L07AC13831	339,452	124,371

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DEPARTMENT OF INTERIOR (Continued)				
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13832	\$ 419,192	\$ 96
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC13833	219,903	60,903
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14112	550,000	239,088
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14113	353,651	145,335
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14133	1,430,001	634,861
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14369	33,000	587
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14412	282,285	306
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14630	30,120	4,120
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14632	475,848	239,500
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14635	107,615	257
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14892	319,432	15,700
Southern Nevada Public Land Mangement Act - DCP	15.235	L07AC14893	744,822	77,000
Southern Nevada Public Land Mangement Act - DCP	15.235	L08AC13225	1,320,000	1,016
Southern Nevada Public Land Mangement Act - DCP	15.235	L08AC13507	245,367	228
Southern Nevada Public Land Mangement Act - DCP	15.235	L08AC13805	2,672,120	546,499
Southern Nevada Public Land Mangement Act - DCP	15.235	L09AC15342	3,245,368	276,938
				<u>37,256,397</u>
Passed through Nevada State Office, Bureau of Land Management:				
National Fire Plan - Rural Fire Assistance	15.242	L10AC20237	194,171	95,480
Total Department of Interior				<u>37,418,050</u>

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DEPARTMENT OF JUSTICE				
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
FFY05 Juvenile Accountability Block Grant	16.523	2005-JB-FX-0043	\$ 299,208	\$ 162,776
FFY06 Juvenile Accountability Block Grant	16.523	2006-JB-FX-0048	253,891	35,902
FFY09 Juvenile Accountability Block Grant	16.523	2009-JB-FX-0018	324,839	73,085
FFY10 Juvenile Accountability Block Grant	16.523	2010-JB-FX-0052	313,938	313,938
				<u>585,701</u>
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Juvenile Justice Delinquency Prevention Formula Grant	16.540	2009-JF-FX-0011	256,700	216
Juvenile Justice Delinquency Prevention Formula Grant	16.540	2010-JF-FX-0018	237,720	237,720
				<u>237,936</u>
Direct Program:				
Part E - Developing, Testing and Demonstrating Promising New Programs	16.541	2009-JL-FX-0156	754,000	301,268
Direct Program:				
Internet Crimes Against Children	16.543	2008-MC-CX-K008	965,354	279,835
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
FFY10 Title V - New Inspirations/Empower Program	16.548	2010-JP-FX-004	50,000	40,190

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DEPARTMENT OF JUSTICE (Continued)				
Direct Program:				
National Institute of Justice Research, Evaluation, and Development Project Grants - DNA Technology to Identify the Missing	16.560	2009-DN-BX-K195	\$ 400,000	\$ 338,670
Passed through Nevada Department of Health and Human Services, Division of Child and Family Services:				
Crime Victim Assistance	16.575	VOCA-3145/20-SFY10-12-073	482,616	482,616
Crime Victim Assistance	16.575	VOCA-3145/20-SFY11-102	4,452	4,452
				<u>487,068</u>
Direct Program:				
Edward Byrne Memorial State and Local Law Enforcement Assistance, Discretionary Grants Program:				
BJA - Mobile Command Post Vehicle	16.580	2008-DD-BX-0412	422,065	402,456
Direct Program:				
Drug Court Discretionary Grant Program	16.585	2010-DC-BX-0058	172,072	28,766
Passed through the State of Nevada Office of the Attorney General:				
ARRA - Violence Against Women Formula Grant	16.588	2009-RAVAVW-19	94,621	47,030
Violence Against Women Formula Grant	16.588	2009-STOP-02	26,693	11,846
Violence Against Women Formula Grant	16.588	2010-STOP-02	25,913	14,102
Violence Against Women Formula Grant	16.588	2010-STOP-35	47,480	6,471
				<u>79,449</u>

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DEPARTMENT OF JUSTICE (Continued)				
Direct Program:				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program	16.590	2007-WE-AX-0046	\$ 263,259	\$ 13,571
Direct Program:				
State Criminal Alien Assistance Program	16.606	2008-AP-BX-0539	2,713,602	761,887
State Criminal Alien Assistance Program	16.606	2008-AP-BX-1670	2,458,833	449,224
State Criminal Alien Assistance Program	16.606	2009-AP-BX-0803	2,370,394	1,184,024
				2,395,135
Passed through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Project Safe Neighborhoods	16.609	08-PSN/AG-02	71,431	30,778
Project Safe Neighborhoods	16.609	09-PSN-02	48,000	22,845
Project Safe Neighborhoods	16.609	10-PSN-02	11,010	3,255
				56,878
Direct Program:				
Public Safety Partnership and Community Policing Grants	16.710	2009-CK-WX-0195	199,966	199,966
Public Safety Partnership and Community Policing Grants	16.710	2009-CK-WX-0298	750,000	316,621
				516,587
Passed Through Nevada State Juvenile Justice Commission:				
Enforcing Underage Drinking Program	16.727	Agreement	57,203	57,203
Enforcing Underage Drinking Program	16.727	Agreement	68,000	1,528
Enforcing Underage Drinking Program	16.727	Agreement	230,934	161,642

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DEPARTMENT OF JUSTICE (Continued)				
Enforcing Underage Drinking Program	16.727	Agreement	\$ 42,583	\$ 42,583
				<u>262,956</u>
JAG Program Cluster				
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant	16.738	2007-DJ-BX-1380	1,240,885	91,899
Edward Byrne Memorial Justice Assistance Grant	16.738	2008-DJ-BX-0641	441,303	30,608
Edward Byrne Memorial Justice Assistance Grant	16.738	2010-DJ-BX-0933	1,552,085	32,427
				<u>154,934</u>
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Byrne Formula Grant Program:				
Edward Byrne Memorial Justice Assistance Grant	16.738	07-JAG-42	39,190	39,190
Passed through City of Las Vegas:				
Edward Byrne Memorial Justice Assistance Grant	16.738	Interlocal Agreement	1,356,474	412,332
				<u>606,456</u>
Passed through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.803	09-ARRA-06	2,000,000	38,980

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DEPARTMENT OF JUSTICE (Continued)				
Passed through City of Las Vegas:				
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	Interlocal Agreement	\$ 1,220,939	\$ 452,185
ARRA - Edward Byrne Memorial Justice Assistance Grant	16.804	JAG/ARRA	1,400,000	868,701
Total JAG Program Cluster				<u>1,320,886</u>
				<u>1,966,322</u>
Direct Program:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2008-CD-BX-0085	95,000	1,250
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	2010-CD-BX-0079	175,000	110,083
				<u>111,333</u>
Passed through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	09-PC-03	25,255	22,632
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	10-FSI-03	6,964	6,964
				<u>29,596</u>
				<u>140,929</u>
Direct Program:				
Forensic Casework DNA Cold Case Crimes	16.743	2009-DN-BX-0085	499,695	100,643
Forensic Casework DNA Convicted Offender Backlog	16.743	2009-DN-BX-K025	102,025	52,665
Forensic Casework DNA Backlog Reduction Program	16.743	2009-DN-BX-K057	489,000	142,838
Forensic Casework DNA Convicted Offender Backlog	16.743	2010-DN-BX-K028	109,410	7,455

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DEPARTMENT OF JUSTICE (Continued)				
Forensic Casework DNA Backlog Reduction Program	16.743	2010-DN-BX-K076	\$ 872,138	\$ 150,162
Forensic Casework DNA R&D on Instrumental Analysis	16.743	2010-DN-BX-K201	118,322	107,503
				<u>561,266</u>
Direct Program:				
ARRA - Internet Crimes Against Children	16.800	2009-SN-B9-K022	566,519	112,361
Passed Through Nevada Department of Health and Human Services, Division of Child and Family Services:				
ARRA - State Victim Assistance Formula Grant Program	16.801	2009-SG-B9-0114	31,412	31,412
Direct Program:				
ATF - Gang Task Force	16. Unknown	Agreement	56,380	7,227
ATF - Gang Task Force	16. Unknown	Agreement	87,500	47,245
ATF - Armor Task Force	16. Unknown	Agreement	53,194	1,536
ATF - Armor Task Force	16. Unknown	Agreement	12,070	12,070
DEA - So. NV Gang Task Force	16. Unknown	Agreement	93,174	27,972
DEA - So. NV Gang Task Force	16. Unknown	Agreement	137,618	54,260
DEA - Tactical Diversion Task Force	16. Unknown	Agreement	33,251	8,067
DEA - Marijuana Eradication	16. Unknown	Agreement #2010-94	35,000	35,000
DEA - Marijuana Eradication	16. Unknown	Agreement #2011-99	30,000	24,913
DEA - Tactical Diversion Task Force	16. Unknown	Agreement	86,011	22,311
FBI - Criminal Apprehension Team	16. Unknown	Agreement	88,939	20,667
FBI - Criminal Apprehension Team	16. Unknown	Agreement	90,084	90,084
FBI - Eastern European Organized Crime Task Force	16. Unknown	Agreement	93,336	46,700
FBI - Eastern European Organized Crime Task Force	16. Unknown	Agreement	68,809	27,210
FBI - Joint Terrorism Task Force	16. Unknown	Agreement	65,787	4,183

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DEPARTMENT OF JUSTICE (Continued)				
FBI - Joint Terrorism Task Force	16. Unknown	Agreement	\$ 68,809	\$ 42,338
FBI - Innocence Lost Task Force	16. Unknown	Agreement	64,857	25,619
FBI - Innocence Lost Task Force	16. Unknown	Agreement	154,820	46,923
FBI - Las Vegas Safe Streets Gang Task Force	16. Unknown	Agreement	91,161	18,192
FBI - Las Vegas Safe Streets Gang Task Force	16. Unknown	Agreement	87,081	87,081
US Marshals - NV Fugitive Investigative Strike Team Surveillance Van	16. Unknown	Agreement	33,560	5,980
US Marshals - NV Fugitive Investigative Strike Team Vehicle	16. Unknown	Agreement	7,026	2,164
US Marshals - NV Fugitive Investigative Strike Team Truck	16. Unknown	Agreement	11,000	6,656
US Marshals - NV Fugitive Investigative Strike Team	16. Unknown	Agreement	54,231	18,164
US Marshals - NV Fugitive Investigative Strike Team	16. Unknown	Agreement	68,809	21,520
Total Department of Justice				704,082
				9,542,838
DEPARTMENT OF LABOR				
WIA Cluster				
Passed through the Southern Nevada Workforce Investment Board:				
WIA Youth Activities-Governor's Reserve Fund	17.259	Agreement	330,969	220,674
WIA Youth Activities-Governor's Reserve Fund	17.259	Agreement #10-YOU- GOVRES-SBI-01	299,030	23,046
WIA Youth Activities-Governor's Reserve Fund	17.259	Agreement	146,573	93,567
Total WIA Cluster				337,287
Total Department of Labor				337,287

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DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster				
Passed Through Nevada Department of Transportation:				
Highway Planning and Construction	20.205	Agreement PR194-08-063	\$ 571,275	\$ 318,120
ARRA - Highway Planning and Construction - Project No. 60374	20.205	Agreement PR201-09-063	498,750	422,471
ARRA - Highway Planning and Construction - Project No. 60378	20.205	Agreement P156-09-063	4,733,817	2,511,701
ARRA - Highway Planning and Construction - Project No. 60379	20.205	Agreement P153-09-063	1,754,262	1,754,262
ARRA - Highway Planning and Construction - Project No. 60380	20.205	Agreement P154-09-063	5,136,134	5,136,134
ARRA - Highway Planning and Construction - Project No. 60388	20.205	Agreement P211-09-063	319,189	56,544
Highway Planning and Construction	20.205	Agreement P202-09-063	3,346,867	3,346,867
Highway Planning and Construction	20.205	Agreement PR330-09-063	4,800,000	2,651,786
Total Highway Planning and Construction Cluster	20.205	Agreement PR033-11-015	35,998,546	403,512
				<u>16,601,397</u>
Highway Safety Cluster				
Passed Through Nevada Department of Public Safety, Office of Traffic Safety:				
State & Community Highway Safety	20.600	28-K8-18-6	100,000	10,422
State & Community Highway Safety	20.600	21-AL-4	45,000	33,750
State & Community Highway Safety	20.600	21-CP-4	8,700	6,505
				<u>50,677</u>

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DEPARTMENT OF TRANSPORTATION (Continued)				
Passed Through Nevada Department of Public Safety, Office of Traffic Safety:				
State & Community Highway Safety	20.600	210-JF-1.10 & 1.11 DV	\$ 152,291	\$ 31,958
State & Community Highway Safety	20.600	21-JF-1.10 & 1.11 DV	189,525	132,724
State & Community Highway Safety	20.600	27-K8-18-11	65,250	58,082
Total Highway Safety Cluster				<u>222,764</u>
				<u>273,441</u>
Passed Through the State Emergency Response Commission: Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	09-HMEP-03-01	23,864	9,679
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	11-HMEP-03-01	13,615	4,887
Total Department of Transportation				<u>14,566</u>
				<u>16,889,404</u>
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES				
Passed Through the Nevada Arts Council: Partners in Excellence; Tier II	45.024	PIE11:5:04	9,968	9,968
Partners in Excellence; Tier II	45.024	TMB-FY11:03	443	443
				<u>10,411</u>

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for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES (Continued)				
Passed Through Nevada Humanities:				
Promotion of the Humanities - Federal/State Partnership	45.129	2010-72	\$ 1,000	\$ 1,000
Total National Foundation on the Arts and the Humanities:				11,411
ENVIRONMENTAL PROTECTION AGENCY				
Direct Program:				
Air Pollution Control Program Support	66.001	A-97914711-1	793,101	793,101
Direct Program:				
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act PM 2.5 Monitoring Network	66.034	PM-96948101-6	117,074	117,074
Direct Program:				
Congressionally Mandated Projects - Indian Springs	66.202	XP-96920201-5	578,600	145,760
Congressionally Mandated Projects - Overton	66.202	XP-00T21101-2	203,000	85,816
Congressionally Mandated Projects - Searchlight	66.202	XP-00T57501-0	1,006,100	4,297
				235,873
Passed through Nevada Division of Environmental Protection:				
Water Quality Management Planning	66.454	Agreement DEP-S 11-007	40,000	20,872

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
ENVIRONMENTAL PROTECTION AGENCY (Continued)				
Passed through State of Nevada, Division of Environmental Protection:				
ARRA - Capitalization Grants for Clean Water State Revolving Funds	66.458	CS32-0921S	\$ 5,744,780	\$ 5,457,541
Capitalization Grants for Clean Water State Revolving Funds	66.458	CS32-1018	12,407,688	2,143,239
				<u>7,600,780</u>
Passed through Nevada Division of Environmental Protection:				
Non-Point Source Implementation Grants	66.460	Agreement DEP S: 10-032-1	74,027	36,824
Total Environmental Protection Agency				<u>8,804,524</u>
DEPARTMENT OF ENERGY				
Direct Program:				
Nuclear Waste Disposal Siting, 10/1/09-9/30/10 - YUCCA Mtn. Project	81.065	Public Law	801,800	801,800
Direct Program:				
ARRA - Energy Efficiency and Conservation Block Grant	81.128	DE-EE00000685	7,663,500	4,179,926
Passed Through Nevada State Office of Energy:				
ARRA - Idle Reduction Program	81.128	DE-EE000000687	178,199	178,199
				<u>4,358,125</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant or Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
DEPARTMENT OF ENERGY (Continued)				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Emergency Preparedness Working Group	81.502	8150210A	\$ 30,062	\$ 30,062
Total Department of Energy				<u>5,189,987</u>
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Aging Cluster				
Passed Through Nevada Department of Health and Human Services, Aging and Disability Services Division:				
Senior Advocate Program	93.044	03-005-13-BX-11	45,329	45,329
Older Americans Act/Representative Payee Program (Title III B)	93.044	03-015-21-BX-11	135,975	135,975
Total Aging Cluster				<u>181,304</u>
Passed through Southern Nevada Health District:				
Public Health Emergency Preparedness	93.069	Interlocal Contract	196,000	97,272
Passed through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse (year 1)	93.087	RPG-3145/25-SFY08-10-001	77,275	46,493
Enhance the Safety of Children Affected by Parental Methamphetamine or Other Substance Abuse (year 3)	93.087	RPG-3145/25-SFY08-10-001	72,296	1,451
				<u>47,944</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Direct Program:				
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	1H79TI021878-01	\$ 259,152	\$ 186,004
Substance Abuse and Mental Health Services - Projects of Regional and National Significance	93.243	5H79TI021878-02	231,174	231,174
				417,178
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services: Promoting Safe and Stable Families:				
Title IV-B Support to Children Welfare	93.556	1101NV1400	158,019	158,019
Title IV-B Case Worker Visit Sub-Grant	93.556	IVB-2-3145/17-SFY07-10-034	169,316	9,893
Time-Limited Reunification - Safety Teams	93.556	IVB-2-3145/17-SFY11-13-045	87,253	87,253
Family Preservation (year 1)	93.556	IVB-2-3145/17-SFY11-13-048	288,846	253,942
Title IV-B Case Worker Visits	93.556	IVB-2-3145/17-SFY11-15-050	65,295	64,295
				573,402
TANF Cluster				
Passed through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Temporary Assistance for Needy Families, FY 10-11	93.558	Agreement/Integration	1,503,392	1,503,392
Total TANF Cluster				1,503,392
Passed Through Nevada Department of Health & Human Services, Welfare Division:				
Child Support Enforcement -Hearing Master, FY11 District Court	93.563	Interlocal Agreement	1,096,354	1,096,354

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES				
(Continued)				
Child Support Enforcement -Hearing Master, FY11 DC Pilot	93.563	Interlocal Agreement	\$ 197,676	\$ 197,676
Child Support Enforcement, FY11	93.563	Interlocal Agreement	17,912,993	17,912,993
Child Support Enforcement, FFY06 Incentive Award	93.563	Interlocal Agreement	1,186,015	433,159
ARRA - Child Support Enforcement, FFY06 Incentive Award	93.563	Interlocal Agreement	4,884,412	2,350,046
Child Support Enforcement, FFY07 Incentive Award	93.563	Interlocal Agreement	1,036,026	1,036,026
Child Support Enforcement, FFY08 Incentive Award	93.563	Interlocal Agreement	1,049,946	1,049,946
Child Support Enforcement, FFY09 Incentive Award	93.563	Interlocal Agreement	1,266,586	123,716
Child Support Enforcement, Incentive Funds (Northwoods Statewide Extension)	93.563	Interlocal Agreement	2,316,864	611,822
Child Support Enforcement, Incentive Funds (Statewide Employer Service Center Project)	93.563	Interlocal Agreement	162,240	41,914
				24,853,652
Research & Development Cluster				
Passed through Nevada Department of Health & Human Services, Welfare Division:				
Child Support Enforcement Research	93.564	90FD0136/01	209,462	65,731
Child Support Enforcement Research	93.564	90FD0136/02	244,612	197,080
Total Research & Development Cluster				262,811
Passed through the Nevada Administration of the Courts and the Nevada Supreme Court:				
State Court Improvement Program	93.586	Contract #A11-27	94,000	7,833
State Court Improvement Program	93.586	Subgrant Agreement 10-326	1,304	1,304
				9,137

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed through Nevada Department of Health & Human Services, Grants Management Unit:				
Community-based Child Abuse Prevention Grants	93.590	Agreement	\$ 69,047	\$ 69,047
Passed through Nevada Department of Health & Human Services, Division of Welfare and Supportive Services:				
Grants to States for Access and Visitation Programs	93.597	0901NVSAVP	58,359	15,681
Grants to States for Access and Visitation Programs	93.597	1101NVSAVP	76,349	49,131
				<u>64,812</u>
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Adoption Incentive Payments	93.603	AI3229/31-SFY10-13-009	127,870	19,065
Direct Program:				
Adoption Opportunities	93.652	90CO1054/01	389,637	68,065
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Foster Care Title IV-E	93.658	1101NV1401	20,277,370	20,277,370
ARRA - Foster Care Title IV-E	93.658	1101NV1402	399,247	399,247
ARRA - Foster Care Title IV-E	93.658	1101NV1404	142,047	142,047
				<u>20,818,664</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Adoption Assistance Title IV-E	93.659	1101NV1407	\$ 10,154,517	\$ 10,154,517
ARRA - Adoption Assistance Title IV-E	93.659	1101NV1403	496,566	496,566
ARRA - Adoption Assistance Title IV-E	93.659	1101NV1405	187,220	187,220
				<u>10,838,303</u>
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Social Services Block Grant:				
TitleXX 2011	93.667	2011G992342	1,794,755	1,794,755
Passed Through Nevada Department of Health & Human Services, Division of Child and Family Services:				
Chafee Independent Living Program (Year 1)	93.674	CH3145/32-SFY-11-13-031	943,786	895,343
Direct Program:				
HIV Emergency Relief Project Grants:				
Ryan White - HIV Emergency Relief Project	93.914	2 H89HA06900-04-02	5,315,131	84
Ryan White - HIV Emergency Relief Project	93.914	2 H89HA06900-05-01	5,238,617	3,751,097
Ryan White Part A Minority AIDS Initiative Program	93.914	2 H89HA06900-05-00	245,672	245,672
Ryan White Part A Minority AIDS Initiative Program	93.914	2 H89HA06900-06-05	332,431	100,313
Ryan White - HIV Emergency Relief Project	93.914	2 H89HA06900-06-05	5,366,869	826,689
Ryan White Part A Minority AIDS Initiative Program	93.914	5 H3MHA08430-03-00	257,354	19,644
				<u>4,943,499</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Luz Community Development Coalition:				
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10026	\$ 31,460	\$ 31,460
Block Grants for Prevention and Treatment of Substance Abuse	93.959	10036	69,990	69,990
Total Department of Health and Human Services				101,450
				67,559,095
OFFICE OF THE NATIONAL DRUG CONTROL POLICY				
Direct Program:				
Executive Office of the President:				
2008 HIDTA # 18PNVP501Z	95.001	18PNVP501Z	3,162,150	64,207
2009 HIDTA # G09NV0001A	95.001	G09NV0001A	3,128,162	416,731
2010 HIDTA # G10NV0001A	95.001	G10NV0001A	3,232,324	2,433,959
2011 HIDTA # G11NV0001A	95.001	G11NV0001A	1,285,200	168,324
Total Office of The National Drug Control Policy				3,083,221
DEPARTMENT OF HOMELAND SECURITY				
Direct Program:				
2009 National Urban Search & Rescue Response System	97.025	2009-SR-24-K014	1,001,910	18,402
2009 National Urban Search & Rescue Response System	97.025	2010-SR-24-K051	1,089,171	905,974
2008 National Urban Search & Rescue Response System	97.025	EMW-2008-CA-1494	1,087,621	9,144
				933,520

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HOMELAND SECURITY (Continued)				
Passed Through State of Nevada Department of Public Safety, Division of Emergency Management:				
2010 FFY10 Emergency Management Performance Grant	97.042	9704210	\$ 614,540	\$ 136,944
2010 FFY10 Emergency Management Performance Grant- Supplemental	97.042	9704210	315	315
2011 FFY11 Emergency Management Performance Grant- Supplemental	97.042	9704211	529,000	383,588
				<u>520,847</u>
Direct Program:				
FY2009 Assistance to Firefighters Grant	97.044	EMW-2009-FO-06188	258,000	258,000
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
Pre-Disaster Mitigation (PDM) Competitive Grant	97.047	97017L8	75,981	8,800
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
DHS/FFY08 Interoperable Emergency Communications Grant Program	97.055	9700108	45,878	15,140
DHS/FFY08 Interoperable Emergency Communications Grant Program	97.055	9700108	325,271	29,518
DHS/FFY10 Interoperable Emergency Communication Grant Program	97.055	9705510	415,000	25,306
				<u>69,964</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HOMELAND SECURITY (Continued)				
Homeland Security Cluster				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2008 Citizen Corps Program	97.067	97067CL8	\$ 19,612	\$ 17,378
2009 Citizen Corps Program	97.067	97067CL9	41,064	15,000
2010 Citizen Corps Program	97.067	97067CL1	8,300	1,720
2007 Urban Area Security Initiative	97.067	97067U07	8,522,421	1,462,408
2007 Urban Area Security Initiative Supplemental	97.067	97067U07	205,005	184,045
2007 Urban Area Security Initiative Supplemental	97.067	97067U07	61,463	61,463
2008 Urban Area Security Initiative	97.067	97067U08	8,759,130	2,922,874
2009 Urban Area Security Initiative	97.067	97067U09	7,899,473	3,393,062
2010 Urban Area Security Initiative	97.067	97067U10	1,265,762	270,511
2010 Urban Area Security Initiative	97.067	97067U10	5,890,783	984,542
2007 Law Enforcement Terrorism Prevention Program	97.067	97067LL7	2,686,623	544,903
2006 State Homeland Security Program	97.067	97067HL6	371,327	112,578
2007 State Homeland Security Program	97.067	97067HE7	173,251	48,991
2007 State Homeland Security Program	97.067	97067HS7	444,932	374,186
2007 State Homeland Security Program	97.067	97067HL7	346,523	46,851
2008 State Homeland Security Program	97.067	97067HL8	1,698,771	913,159
2010 State Homeland Security Program	97.067	97067HL1	537,765	27,830
Total Homeland Security Cluster				11,381,501
Direct Program:				
Homeland Security Biowatch Program	97.091	2006-ST-091-000011-05	826,003	747,830

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards
for the fiscal year ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Grant or Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HOMELAND SECURITY (Continued)				
Direct Program:				
2010 Secret Service Agreement	97.Unknown	None	\$ 36,301	\$ 1,458
2010 US Customs- ICE	97.Unknown	None	78,759	28,449
2011 Secret Service Agreement	97.Unknown	None	20,000	8,751
2011 US Customs-ICE	97.Unknown	None	154,820	53,206
				<u>91,864</u>
Total Department of Homeland Security				<u>14,012,326</u>
TOTAL FEDERAL				<u>\$ 198,248,570</u>
DISBURSEMENTS/EXPENDITURES				

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

Clark County, Nevada

Notes to Schedule of Expenditures of Federal Awards
for the Year Ended June 30, 2011

1. REPORTING ENTITY

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General fund	\$ 7,845,447
Special revenue funds	144,679,285
Capital projects funds	37,675,418
Enterprise funds	7,957,106
Agency funds	<u>91,314</u>
Total	<u>\$ 198,248,570</u>

4. SUBRECIPIENT EXPENDITURES

Clark County provided Federal funds to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Subrecipient Expenditures</u>
Public Safety Interoperable Communications Grant Program	11.555	\$ 2,250,783
CDBG – Entitlement Grants Cluster	14.218	16,334,390
Emergency Shelter Grants Program	14.231	271,358
Shelter Care Plus Grant	14.238	667,916
HOME Investment Partnerships Program	14.239	6,453,880
ARRA – Homeless Prevention and Rapid Re-Housing Program	14.257	851,877
Justice Assistance Grant	16.738	30,056
Hazardous Materials Emergency Preparedness Training	20.703	9,466
HIV Emergency Relief Project Grants	93.914	4,431,752
Homeland Security Cluster	97.067	<u>1,412,224</u>
Total		<u>\$ 32,713,702</u>

**CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
• Material weakness(es) identified?	Yes
• Significant deficiency(ies) identified that are not considered to be material weaknesses?	Yes
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	Yes

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Public Safety Interoperable Communications Grant Program	11.555
Community Development Block Grants - Entitlement Grants Cluster	14.218/14.253
HOME Investment Partnership Program	14.239
Southern Nevada Public Land Management	15.235
Highway Planning and Construction Cluster	20.205
Capital Grants for Clean Water State Revolving Funds	66.458
Energy Efficiency and Conservation Block Grant	81.128
Child Support Enforcement	93.563
Foster Care – Title IV-E	93.658
Adoption Assistance – Title IV-E	93.659
HIV Emergency Relief Project Grants	93.914
High Intensity Drug Trafficking Areas Program	95.001
Homeland Security Cluster	97.067
Dollar threshold used to distinguish between type A and type B programs:	\$3,000,000
Auditee qualified as low-risk auditee?	No

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011

SECTION II – FINANCIAL STATEMENT FINDINGS

FINDING 2011-1-FS POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

Criteria:	Governmental Accounting Standards Board (GASB) Statement No. 45, <i>Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions</i> , establishes standards of accounting and financial reporting for OPEB expenses and related OPEB liabilities as well as note disclosures and required supplementary information in the financial reports of state and local government employers. In determining the OPEB expenses and related liabilities, employers are required to obtain an actuarial valuation at least biennially for OPEB plans with total membership of 200 or more participants.
Condition:	The biennial OPEB valuation was obtained for the County's main plan during the year under audit. However, we noted that certain census data provided to the actuary was inaccurate. Providing the actuary with accurate census data is a continued problem that has occurred over the past three years.
Cause:	As in the prior year, there appears to be insufficient controls in place over the review of the census data submitted to the actuary.
Effect:	Insufficient controls over the OPEB actuarial valuation process increase the likelihood that OPEB expenses and related OPEB liabilities will be materially misstated in the County's financial reports and the likelihood that management and other financial statement users will rely on faulty information to make important decisions about the entity.
Recommendation:	The County should have sufficient controls in place over the actuarial valuation process of postemployment benefits other than pensions (OPEB) for each of the OPEB plans to which it contributes. These controls should help to ensure that the independent actuary is provided with accurate census data.
Management's Response:	The County will implement procedures to ensure the validation of census data against County payroll records prior to its submission to the actuary.

**CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

		Questioned Costs
2011-1	REPORTING - FEDERAL FINANCIAL REPORTS (SF-425)	
	CDBG Entitlement Grants Cluster: Community Development Block Grants (CDBG) – CFDA No. 14.218; Community Development Block Grant ARRA Entitlement Grants (CDBG-R) – CFDA No. 14.253; Grant Nos. B-08-UN-320001 (NSP1), B-09-UC-320001, B-09-UY-320001 (CDBG-R), and B-10-UC-320001	
<i>Criteria:</i>	Clark County is required to submit federal financial reports (SF-425) on a quarterly basis. According to the instructions for completing the SF-425, the County should be entering cumulative amounts in the "Transactions" section of the report. These cumulative dates are from the date of inception of the award through the end date of the reporting period.	
<i>Condition:</i>	Clark County did not file the first two quarterly SF-425 reports during the year for NSP1 activity (grant number B-08-UN-320001). Additionally, none of the SF-425 reports were reported on a cumulative basis for CDBG grant numbers B-09-UC-320001, B-09-UY-320001, and B-10-UC-320001.	
<i>Effect:</i>	The SF-425 reports underreported NSP1 cumulative cash receipts and disbursements of \$18,152,557 and \$19,978,245 for the quarters ending September 30, 2010 and December 31, 2010, respectively. Additionally, the "Federal Cash" section of the SF-425 reports for non-NSP1 activity were not completed on cumulative basis.	None
<i>Cause:</i>	It appears that there was ineffective management oversight over the reporting compliance requirement, as the internal control process failed to ensure that all reports were timely filed and that all required information was properly included in the reports prior to their submission.	
<i>Recommendation:</i>	The County should continue to strengthen its procedures over the review process of the federal reports for the CDBG program, to include an emphasis on new funding and new grant reporting requirements. The problem with not filing the federal financial reports for the NSP1 activity was noted as a finding in the prior year, and was corrected upon notification of the finding.	
<i>Views of responsible officials and planned corrective actions:</i> See page 186.		



Department of Administrative Services Community Resources Management

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(702) 455-5025 • Fax (702) 455-5038

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

March 15, 2012

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

Dear Auditors:

The purpose of this letter is to respond to the finding 2011-1 identified by the County's external auditors, Kafoury, Armstrong & Co., related to their review of the FY 2011 CDBG Entitlement Grants Cluster.

2011-1

Condition:

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

Corrective Action:

This is the same finding as in the previous year, FY 2010, and the same corrective action that cleared that finding is applicable to this finding.

As the auditors note in their 2011-1 report in the Recommendation section, "the problem with not filing the federal financial reports for the NSP1 activity was noted as a finding in the prior year, and was corrected upon notification of the finding".

Following the 2010 audit report finding in March of 2011, beginning with the third quarter reports for FY 2011, Clark County began submitting cumulative SF-425 reports of all NSP1 and CDBG cluster expenditures. Because the reports submitted at that time were cumulative cash receipts and expenditure data, financial information for NSP1 and CDBG was not underreported as of that date.

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

Sincerely,

Michael J. Pawlak, Manager
Community Resources Management

cc: Sabra Smith-Newby
Mark Gamett
Elizabeth Vorce

**CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

DEPARTMENT OF THE INTERIOR

		<u>Questioned Costs</u>
2011-2	REPORTING - FEDERAL FINANCIAL REPORTS (SF-425)	
	Southern Nevada Public Land Management Act (SNPLMA) – CFDA No. 15.235; Grant Award Nos. L05AC14148, L05AC14902, L05AC13256, L05AC14402, L05AC13726, L05AC13849, L05AC13523, L05AC14425, L05AC13851, L05AC13257, L05AC14149, L05AC14903, L05AC14675, L05AC14676, L05AC14904, L07AC13495, L07AC13809, L07AC13492, L07AC13118, L07AC14880, L07AC14115, L07AC14399, L07AC13496, L07AC14116, L07AC13819, L07AC13231, L08AC14127, L08AC14128, L09AC15505, L09AC15506	
<i>Criteria:</i>	Clark County is required to submit federal financial reports (SF-425) on a quarterly basis. According to the instructions for completing the SF-425, the County should be entering cumulative amounts in the "Transactions" section of the report. These cumulative dates are from the date of inception of the award through the end date of the reporting period.	
<i>Condition:</i>	Our tests disclosed that for 5 of the 17 SF-425 reports tested, the County incorrectly reported cash receipts and cash disbursements on the SF-425 by using quarterly totals instead of the required cumulative totals. This was also noted as a finding in the 2010 audit. The reports with errors were all prepared and submitted prior to the notification of the noncompliance finding. All of the June 30, 2011, quarterly reports tested correctly reported cash receipts and disbursements on a cumulative basis.	
<i>Effect:</i>	Total grant receipts and outlays (grant expenditures) were improperly reported to the grantor for the first three quarters of the year.	None
<i>Cause:</i>	It appears that there was ineffective management oversight for ensuring reports were being prepared properly prior to notification of the prior year's noncompliance finding.	
<i>Recommendation:</i>	The County should continue to strengthen its procedures over the review process of the federal reports.	
<i>Views of responsible officials and planned corrective actions:</i> See pages 188-189.		



Department of Comprehensive Planning

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

Nancy Lipski, Director

March 16, 2012

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

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

Dear Sirs:

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

CONDITION:

Our tests disclosed that for 5 of the 17 SF-425 reports tested, the County incorrectly reported cash receipts and cash disbursements on the SF-425 by using quarterly totals instead of the required cumulative totals. This was also noted as a finding in the 2010 audit. The reports with errors were all prepared and submitted prior to the notification of the noncompliance finding. All of the June 30, 2011, quarterly reports tested correctly reported cash receipts and disbursements on a cumulative basis.

RESPONSE:

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

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

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

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

CC25 (3/31/2011)

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

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

BOARD OF COUNTY COMMISSIONERS

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DONALD G. BURNETTE, County Manager

CC49 (3/31/2011)

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

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

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

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

Sincerely,



Nancy Lipski
Director

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

**CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

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

		Questioned Costs
2011-3	ALLOWABLE COSTS/COST PRINCIPLES	
	Highway Planning and Construction Cluster – CFDA No. 20.205; Agreements P156-09-063, P153-09-063, P154-09-063, P202-09-063	
<i>Criteria:</i>	For employees who work on multiple activities or cost objectives, OMB Circular A-87 requires a “distribution of their salaries or wages supported by personnel activity reports or equivalent documentation which must a) reflect an after-the-fact distribution of the actual activity of each employee, b) account for the total activity for which each employee is compensated, c) be prepared at least monthly and coincide with one or more pay periods, and d) they must be signed by the employee”. Additionally, per review of the grant agreement, indirect costs are not an allowed cost under the grant.	
<i>Condition:</i>	This was a finding during the prior year audit. The County did not begin to obtain required payroll certifications for employees who charged their salaries and wages to the grant until after the finding was noted. Beginning in April 2011, the County did begin receiving the certifications; however, the employees did not sign the payroll certifications within a timely manner. In addition, our testing revealed that indirect costs related to vehicle use were calculated as part of the labor charges. Indirect costs are not an allowable cost under the grants.	
<i>Effect:</i>	The County is not in compliance with Federal requirements for supporting salaries and wages charged to the grant. During the year, ended June 30, 2011, the County charged approximately \$434,900 of payroll costs to the grant, of which \$334,605 related to direct payroll costs and \$100,295 was for indirect costs related to vehicle use.	\$100,295
<i>Cause:</i>	It appears that there were inadequate policies and procedures over the allowable costs/cost principles requirements.	
<i>Recommendation:</i>	The County should continue to strengthen its policies and procedures for obtaining the required payroll certifications under OMB A-87. Specifically, the payroll certifications must be certified (via signature) by the employee performing the work at least monthly and should coincide with one or more pay periods. Also, if the County believes that an indirect cost charge is appropriate, management must submit the indirect cost rate to the grantor for prior approval.	

Views of responsible officials and planned corrective actions: See page 191.



Department of Public Works

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

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

March 16, 2012

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

HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA No 20.205

Our office has reviewed Finding No. 2011-3 concerning grant numbers P156-09-063, P153-09-063, P154-09-063 and P202-09-063 from the year ending June 30, 2011, and provides the following response:

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

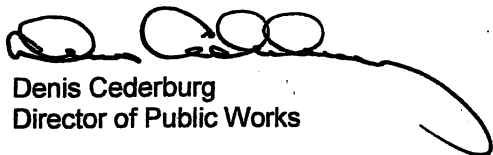
In addition, our testing revealed that indirect costs related to vehicle use were calculated as part of the labor charges. Indirect costs are not an allowable cost under the grant.

Response: Beginning April 2011 and upon receipt of the payroll certification notice finding ending June 30 2010, the Department established a procedure to meet the required payroll certification requirements as prescribed under OMB A-87. It is the goal of the Department to continue to have time cards signed timely by all employees working on grant projects.

Additionally, the Department is in agreement that it did not obtain prior approval from the federal agency to incur and seek reimbursement for indirect costs related to vehicle use. Corrective action will be taken to ensure future awards are in full compliance with the requirement to prepare and submit an indirect cost rate proposal to the federal agency when deemed appropriate for the project.

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

Sincerely,



Denis Cederburg
Director of Public Works

DLC:ST:iam

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

**CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

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

		Questioned Costs
2011-4	SPECIAL TESTS AND PROVISIONS	
	Child Support Enforcement – CFDA No. 93.563; Interlocal agreement	
<i>Criteria:</i>	The OMB Circular A-133 Compliance Supplement (dated March, 2011), lists specific compliance requirements under the special tests and provisions section for the Child Support Enforcement grant, which are also found in the federal laws and regulations governing the Child Support Enforcement grant. The County should have adequate controls in place to provide reasonable assurance that the federal laws and regulations governing the Child Support Enforcement grant are being adhered to.	
<i>Condition:</i>	During the year under audit, the County served more than 85,700 active child support enforcement cases (they are a IV-D agency under Nevada's program). As a component of our procedures, we tested compliance with the special tests and provisions requirement outlined in the OMB Circular A-133 Compliance Supplement for the Child Support Enforcement program. The special provisions tested include establishment of paternity and support obligations, enforcement of support obligations, securing and enforcing medical support obligations – state programs, and provisions of child support services for interstate cases – state programs. Of the 40 case files tested for establishment of paternity and support obligations, we noted one (1) instance of noncompliance. There was no documentation pertaining to the establishment of the paternity or support obligation. Of the 40 case files tested for enforcement of support obligations, we noted two (2) instances of noncompliance. No enforcement actions had been taken on these cases for over a year. Of the 40 case files tested for securing and enforcing medical support obligations – state programs, we noted six (6) instances of noncompliance in addition to the two (2) instances addressed above. In all of the instances, while medical support was ordered, the County did not follow up to determine if the child in fact had satisfactory health insurance. In regards to the special provisions for interstate cases – state programs, we tested a sample of 40 initiating and 40 responding interstate cases to verify that required information was provided to the other jurisdictions within required time frames. We noted a total of four (4) instances of noncompliance. In one (1) instance, the County was late initiating requests for additional information from the responding jurisdiction. In the other three (3) instances, the County was late in responding to requests for additional information from initiating jurisdictions. The County had a similar finding over compliance with special tests and provisions during the fiscal years 2009 and 2010 audits.	
<i>Effect:</i>	Without proper controls in place, the County has a higher risk of material noncompliance with the federal laws and regulations governing this grant.	None
<i>Cause:</i>	It appears that there was ineffective management oversight over the special provisions applicable to this grant.	

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011

Recommendation: During 2010, the County implemented procedures to monitor cases for compliance with the special tests and provisions related to this grant. Such procedures include reviewing various case status reports on a regular basis. However, this review process does not appear to be fully effective since errors are still occurring. The County should continue to strengthen its management oversight monitoring controls over this program. Specifically, the County could develop specific time intervals in which monitoring reports are to be reviewed by supervisors and develop documentation to support supervisor review of the reports and case follow-up.

Views of responsible officials and planned corrective actions: See pages 194-198.

OFFICE OF THE DISTRICT ATTORNEY



STEVEN B. WOLFSON
District Attorney

Family Support Division
(702) 671-9200 - TDD (702) 385-7486 (for the hearing impaired)
LEGAL SECTION
1900 East Flamingo Road, Suite 100, Las Vegas, Nevada 89119-5168
Fax: (702) 366-2440

TERESA M. LOWRY
Assistant District Attorney

CHRIS OWENS
Assistant District Attorney

MARY-ANNE MILLER
County Counsel

JEFFREY J. WITTHUN
Assistant Director

March 15, 2012

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

Dear Ms. Miramontes:

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

2011-4 Child Support Enforcement – CFDA No. 93.563; Interlocal agreement

Condition: During the year under audit, the County served more than 85,700 active child support enforcement cases (they are a IV-D agency under Nevada's program). As a component of our procedures, we tested compliance with the special tests and provisions requirement outlined in the OMB Circular A-133 Compliance Supplement for the Child Support Enforcement program. The special provisions tested include establishment of paternity and support obligations, enforcement of support obligations, securing and enforcing medical support obligations – state programs, and provisions of child support services for interstate cases – state programs.

Of the 40 case files tested for establishment of paternity and support obligations, we noted one (1) instance of noncompliance. There was no documentation pertaining to the establishment of the paternity or support obligation

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

Of the 40 case files tested for securing and enforcing medical support obligations – state programs, we noted six (6) instances of noncompliance in addition to the two (2) instances addressed above. In all of the instances, while medical support was ordered, the County did not follow up to determine if the child in fact had satisfactory health insurance.

In regards to the special provisions for interstate cases – state programs, we tested a sample of 40 initiating and 40 responding interstate cases to verify that required information was provided to the other jurisdictions within the required time frames. We noted a total of four (4) instances of

noncompliance. In one (1) instance, the County was late initiating requests for additional information from the responding jurisdiction. In the other three (3) instances, the County was late in responding to requests for additional information from initiating jurisdictions.

The County had a similar finding over compliance with special tests and provisions during the fiscal years 2009 and 2010 audit.

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

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

Recommendation: During 2010, the County implemented procedures to monitor cases for compliance with the special tests and provisions related to this grant. Such procedures include reviewing various case status reports on a regular basis. However, this review process does not appear to be fully effective since errors are still occurring. The County should strengthen its management oversight monitoring controls over this grant. Specifically, the County should develop specific time intervals in which monitoring reports are to be reviewed by supervisors and develop documentation to support supervisor review of the reports and case follow-up.

DAFS Comments:

In reviewing the 13 cases with findings, we found that six (6) of the findings are not valid for the following reasons:

1 Establishment Finding

Case ID 738786100B – The Born Out Of Wedlock (BOW) and Paternity Established indicators were set based on state policy in Policy and Procedure Inquiry # CSEP PP-10-03 (attached) when there is no information to make a determination.

1 Medical Finding

Case ID 408021000C – The case has been arrears only since 2004, one child emancipated in 2003 and the other child emancipated in 2008. A health insurance provision was not ordered or required during the audit period.

1 Initiating Interstate Finding

Case ID 390061200A – Per state policy, we tried enforcement by direct income withholding first. We had regular communications with NCP and were receiving payments from his unemployment benefits. It was then determined that we needed to pursue enforcement as a two-state case and send

the request to CA on 06/10/2011. The end of the CFY was 06/30/2011 so no follow up was required between 06/10/2011 and the end of the audit period.

Please note: As of 02/27/2012, the state implemented an Intergovernmental Initiating Unit that took all of our initiating interstate cases. Effective that date, the only interstate cases we are responsible for are ones in which we are responding.

3 Responding Interstate Findings

Case ID 205368100C – NCP paid by income withholding until he re-located to MO and we received permission from the initiating state to close our case. There was never a reason for us to ask the initiating state for additional information.

Case ID 264946100A – NCP paid by income withholding until he re-located to KY and we received permission from the initiating state to close our case. There was never a reason for us to ask the initiating state for additional information.

Case ID 234247000B – NCP has been paying by income withholding from February 2011 to present. There was never a reason for us to ask the initiating state for additional information.

Remaining Valid Findings

We agree actions were not taken within the required timeframes on the other seven (7) cases (two (2) enforcement and five (5) medical) that resulted in findings.

DAFS Corrective Action Plan:

While we have over 300 staff and 63,628 child support cases as of 03/04/2012 (caseload reduction due to the recent reassignment of initiating interstate cases to the state), it will never be possible to guarantee that each and every case in the caseload is worked at all times in a proper manner so as to be 100% free of error. It is DAFS' intention in this corrective action plan to make our casework as error-free as possible.

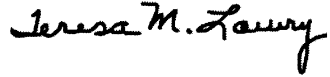
In 2010, we put in place an internal QC process in terms of reviewing cases upon closure for the accurate setting of Born Out Of Wedlock indicators and to ensure compliance with federal closure criteria. These closure reviews were done by the unit administrator and supervisors on the Establishment Unit, the supervisor on the Locate Team, and the Enforcement Closure Team. We intend for these closure QC reviews to continue.

In a further effort to ensure a reduction in valid findings in the future, DAFS intends to develop an internal Quality Control (QC) Team/component this year within the P&P/Training Unit. This QC team will review cases to ensure compliance with federal regulation and state policy in the area of

Page 4

Establishment, Locate, and Enforcement (child support and medical). This new QC team will be in addition to the QC efforts being done on the units/teams.

Sincerely,

A handwritten signature in black ink that reads "Teresa M. Lowry". The signature is written in a cursive style with a large, stylized 'T' and 'L'.

Teresa M. Lowry
Assistant District Attorney

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

State of Nevada
Division of Welfare and Supportive Services
POLICY AND PROCEDURE INQUIRY

TO: X Child Support Enforcement Chief

Log No.: CSEP PP-10-03

SUBJECT: Born Out of Wedlock (BOW) Status

QUESTION:

Regarding determination of a child's born out of wedlock (BOW) status, Support Enforcement Manual (SEM) 400(B) states:

BOW status (i.e., whether the child was born out of wedlock or born of a marriage) may be determined based on the information the custodian provides on the child support application, Non-Custodial Parent Form, or in an interview with IV-D staff. It is not necessary to obtain additional documentation to establish BOW status unless case specific circumstances indicate verification of the custodian's information is warranted.

However, policy does not provide instructions for cases in which the born out of wedlock status is unknown. How should BOW and paternity status be coded if it is unknown whether a child was born out of wedlock or born of a marriage?

ANSWER:

Case managers may code the statewide child support system as "BOW = No" and "Paternity Established = Yes" if the BOW status of a child is truly unknown and no information is available to reasonably conclude the child was born out of wedlock (e.g., the alleged father has a different last name than the child and custodian or the custodian (CST) has named more than one alleged father). As a reminder, the BOW status of a child is based on the circumstances of the child's birth with respect to the child's parents and does not take into consideration the gender of the noncustodial parent (NCP).

Both the Application for Child Support Services (Form 4000) and the Noncustodial Parent Form (Form 2906) require the recipient of child support services to provide information about the marital status of a child's parents. Federal regulations (45 CFR 303.2) require enforcing authorities to solicit necessary and relevant information within 20 calendar days of receiving a case. An enforcing authority must attempt to obtain the information necessary to determine BOW status within 20 days of case initiation.

Pursuant to SEM 400(D), born out of wedlock and paternity status must be updated in NOMADS within 10 days of receiving new information. Failure to do so increases the risk of data reliability errors. Unreliable or erroneous data subjects the statewide child support program to federal financial penalties which negatively impacts all of Nevada's IV-D offices and the families we serve.

Manual Revision Needed X YES NO

Case Specific Response YES X NO

/S/

Date: 9/15/10

Signed: _____

Louise Bush, Chief, Child Support Enforcement Program

**CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011**

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

		<u>Questioned Costs</u>
2011-5	ALLOWABLE COSTS AND REPORTING	
	Foster Care Title IV-E – CFDA No. 93.658; Adoption Assistance Title IV-E – CFDA No. 93.659; all grant numbers and grant periods reported for this CFDA on the schedule of expenditures of federal awards.	
<i>Criteria:</i>	OMB Circular A-133 establishes certain requirements for non-Federal entities that expend Federal awards. For example, the County is required to “maintain internal control over Federal programs that provides reasonable assurance that the [County] is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs”. According to the OMB Circular A-133 Compliance Supplement (dated March, 2011), “for reporting periods beginning October 1, 2010 or later: CB-496, <i>Title IV-E Programs Quarterly Financial Report (OMB No. 0970-0205)</i> – Title IV-E agencies report current expenditures and information on children assisted for the quarter that has just ended and estimates of expenditures and children to be assisted for the next quarter.”	
<i>Condition:</i>	We tested two of the four quarterly Title IV-E Foster Care and Adoption Assistance Financial Reports and noted that the County’s internal control over the review of the reports was ineffective. Specifically, formula errors were noted in one of the report computations, which the review control did not identify prior to submission to the grantor.	
<i>Effect:</i>	Our audit testing revealed that formula errors in the quarter ended March 31, 2011, report resulted in an overstatement of costs in the cost pool of \$70,019. This amount, reduced further by the Federal reimbursement percentage, yielded an over-reimbursement from the grantor of \$16,981 as this amount was not related to actual costs. Of this amount, \$1,286 relates to ARRA funding.	\$16,981
<i>Cause:</i>	There was a lack of adequate review of the Title IV-E Foster Care and Adoption Assistance Financial Reports prior to their submission to the grantor.	
<i>Recommendation:</i>	The County should strengthen its procedures over the review processes of the quarterly financial reports for the Foster Care and Adoption Title IV-E programs.	
<i>Views of responsible officials and planned corrective actions:</i> See pages 200-201.		



Department of Family Services

121 South Martin Luther King Boulevard • Las Vegas, Nevada 89106-4309
(702) 455-7200 • Fax (702) 385-2999 • Hotline (702) 399-0081

Lisa Ruiz Lee, Interim Director • Paula Hammack, Assistant Director



March 13, 2012

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

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

The Department of Family Services (DFS) has reviewed and completed the items addressed during the subject audit. Below is DFS' response to Finding 2011-5.

Finding 2011-5 – It was reported that the County's internal control over the review of the Title IV-E Foster Care and Adoption Assistance Reports were ineffective. Formula errors were identified for two (2) quarters which resulted in an over-reimbursement from the grantor in the amount of \$16,981. The findings noted "ineffective management oversight over the reporting compliance requirement, as there was a lack of adequate review of the Title IV-E Foster Care and Adoption Assistance Reports prior to their submission to grantor."

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

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

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

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

Federal program guidelines do not specify a deadline for refunding over-reimbursements; however, the over-reimbursement amount of \$16,981 will be processed as a prior-quarter adjustment on the FY 12 (March 3rd quarter) Title IV-E Foster Care and Adoption Assistance Financial Report.

If you have any questions concerning this response please contact Alex Ortiz at (702) 455-5966.

BOARD OF COUNTY COMMISSIONERS
SUSAN BRAGER, Chairman ♦ STEVE SISOLAK, Vice Chair
TOM COLLINS ♦ LARRY BROWN ♦ LAWRENCE WEEKLY ♦ CHRIS GIUNCHIGLIANI ♦ MARY BETH SCOW
DON BURNETTE, County Manager

Sincerely,

A handwritten signature in black ink that reads "Paula Hammack". The signature is written in a cursive, flowing style.

Paula Hammack
Assistant Director
Department of Family Services

cc: Mark Gammet
Alex Ortiz

CLARK COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2011

DEPARTMENT OF HEALTH AND HUMAN SERVICES

		<u>Questioned Costs</u>
2011-6	MATCHING, LEVEL OF EFFORT, AND EARMARKING	
	HIV Emergency Relief Grant – CFDA No. 93.914; Grant Award Nos. 2H89HA06900-05-00, 5H3MHA08430-03-00, 2H89HA06900-04-02, 2H89HA06900-05-01, and 2H89HA06900-06-05	
<i>Criteria:</i>	The OMB Circular A-133 Compliance Supplement (dated March 2011), lists specific earmarking and level of effort - maintenance of effort compliance requirements for the HIV Emergency Relief Grant. The County should have controls in place for monitoring expenditures under this grant in order to provide reasonable assurance that the earmarking requirements are met using only allowable funds or costs, which are properly calculated and valued. Also, the level of effort - maintenance of effort compliance requirement states that “each political subdivision within the metropolitan area is required to maintain its level of expenditures for...core and support services at a level equal to its level of such expenditures for the preceding fiscal year.”	
<i>Condition:</i>	The County did not sufficiently monitor the women, infants, children, and youth (WICY) earmarking compliance requirement specific to the HIV Emergency Relief Grant. In calculating the earmarking requirement specific to WICY, program personnel did not track actual expenditures (as required by the grant), but instead calculated an average cost per participant. This average cost was then applied to the WICY population in determining whether the earmark requirement was achieved. The County had a similar finding over WICY earmarking compliance for the fiscal years 2009 and 2010 audits. In addition, the County's total expenditures for core and support services fell short of the amount expended in the prior year by \$947,343. It appears that the County did not sufficiently monitor the level of effort - maintenance of effort compliance requirement specific to the HIV Emergency Relief Grant.	
<i>Effect:</i>	Without proper controls in place, the County has a higher risk of noncompliance with the WICY earmarking and level of effort - maintenance of effort requirements for this grant. The County was not in compliance with the level of effort - maintenance of effort. The level of expenditures for the current year was under funded by \$947,343 compared to the prior year.	\$947,343
<i>Cause:</i>	The grant year on which the earmarking calculation was performed by the County during fiscal year 2011 ended prior to the date the County received results from the 2010 audit. Therefore, procedures to correct the finding had not been implemented to remedy the current year finding. However, it appears that there was still ineffective management oversight over the WICY earmarking compliance requirement during the year, as no further action to correct the noted deficiency had been taken by the County. For the level of effort - maintenance of effort requirement, management was not monitoring its expenditures throughout the year.	
<i>Recommendation:</i>	The County should strengthen monitoring efforts for the HIV Emergency Relief Grant WICY earmarking and level of effort - maintenance of effort compliance requirements.	

Views of responsible officials and planned corrective actions: See page 203.



Department of Social Service

Tim Burch, Director

Bobby J. Gordon, Acting Assistant Director • Sandy Jeantete, Assistant Director
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

March 15, 2012

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

The audit finding for the Ryan White Part A program for the year ending June 30, 2011 has been reviewed by Department management and the Acting Grant Administrator of the Ryan White program. Below is our response:

In reference to Finding 2011-6

Corrective Action:

In response to this finding concerning the women, infants, children and youth (WICY) earmarking compliance, staff has made a previous formal request for technical assistance from the federal funding agency, Health Resources and Services Administration (HRSA). The technical assistance request is to assist in developing a reporting methodology that will satisfy the federal reporting requirement of tracking actual expenditures for the WICY report, while still utilizing the cost based reimbursement method. Once this methodology is developed, contract language will be included in provider contracts related to the financial reporting of services provided to WICY clients. In response to this finding, concerning the level of effort-maintenance of effort compliance, the political subdivision's expenditures experienced an overall decrease in FY 10-11. This was due to a decrease in patient volume and a concerted effort of cost containment measures by the political subdivisions, as a result, the total expenditure amounts decreased by \$947,343. Staff contacted HRSA concerning the decreased level of effort amount for FY 10-11. Correspondence received from HRSA stated Clark County would not be required to repay the \$947,343. Staff will work with HRSA going forward to determine the best method to comply in light of these conditions.

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

Sincerely,

Tim Burch
Director

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Lawrence L. Brown III • Tom Collins • Chris Giunchigliani • Mary Beth Scow • Lawrence Weekly
Donald G. Brunette, County Manager

**CLARK COUNTY, NEVADA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
JUNE 30, 2011**

See pages 205-222.



Department of Finance

Purchasing and Contracts

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

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

March 14, 2012

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

Subject: Section III – Federal Award Findings and Questioned Costs – OMB Circular A-133

To Whom It May Concern:

This letter is in response to your finding 2010-1 by Kaufoury, Armstrong & Co., regarding the above reference subject.

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

Criteria: The OMB Circular A-133 Compliance Supplement (dated June 2010), states that “non-federal entities are prohibited from contracting with or making subawards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred. ‘Covered transactions’ include those procurement contracts for goods and services awarded under a nonprocurement transaction (e.g., grant or cooperative agreement) that are expected to equal or exceed \$25,000... [and] all nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount.” Prior to entering into a contract for a covered transaction, the non-federal entity is required to verify that the entity is not suspended or debarred or otherwise excluded. The compliance supplement provides three options for performing the verification.

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

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

Cause: The Purchasing and Contracts Division for the County implemented formal suspension and debarment and Buy American Act control policies and procedures in April 2010. Procedures were not performed retrospectively on existing contracts or on contract amendments dated subsequent to the date of the policy issuance.

Therefore, existing contracts with current year federal expenditures were not in compliance with the federal procurement requirements. Additionally, it was noted that the Purchasing and Contracts Division for Metro had not implemented formal policies and procedures regarding the handling of federal procurement requirements.

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

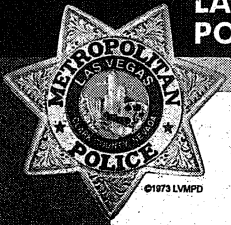
Corrective Action: Clark County accepts the auditor's recommendation. Clark County Purchasing and Contracts will perform suspension and debarment verification on existing contracts and contract amendments with federal expenditures. This will be done by obtaining a report on active federally funded projects in the system. In addition, policies and procedures will continue to be updated as needed.

Sincerely,



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

cc: Jessica Colvin
Elizabeth Vorce
George Stevens
Yolanda King



**LAS VEGAS METROPOLITAN
POLICE DEPARTMENT**

DOUGLAS C. GILLESPIE, Sheriff

Partners with the Community

March 13, 2012

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

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

To Whom It May Concern:

Last year, the Las Vegas Metropolitan Police Department (LVMPD) accepted the recommendations made in Finding 2010-1 From the FY 10 Grant Single Audit. That finding recommends that LVMPD develop and implement procedures for documenting search results demonstrating compliance to suspended and debarred vendor exclusion requirements. At the time, LVMPD committed to develop and implement a policy requiring that a search be conducted of the Excluded Parties List System prior to the entry of a grant purchase requisition in SAP. This policy was to prohibit entry of the requisition if the search results return a possible match, and was to also require the results to be printed and attached to the appropriate purchase requisition. I am pleased to report that LVMPD complied with our response to the finding by developing a compliant policy and instituting practices accordingly.

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

Sincerely,

Richard Hoggan
Budget Director, LVMPD





Department of Administrative Services

Community Resources Management

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

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

March 15, 2012

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

Dear Auditors:

The purpose of this letter is to confirm implementation of the Corrective Action Letter dated March 8, 2011, for findings reported during the 2010 OMB A-133 Single Audit.

2010-2 **Condition:**

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

Corrective Action Taken in 2011:

Following the 2010 audit report finding in March of 2011, beginning with the third quarter reports for FY 2011, Clark County immediately took corrective action and began submitting cumulative SF-425 reports of all NSP1 and CDBG cluster expenditures. Because the reports submitted at that time were cumulative cash receipts and expenditure data, financial information for NSP1 and CDBG was not underreported as of that date.

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

Sincerely,

Michael J. Pawlak, Manager
Community Resources Management

cc: Mark Gamett
Elizabeth Vorce



Department of Comprehensive Planning

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

Nancy Lipski, Director

March 16, 2012

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

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

Dear Sirs:

Our office has implemented corrective action on the above noted finding from the year ending June 30, 2010, and provide the following update to you.

Original Condition:

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

Original Response:

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

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

Corrective Action Taken:

In response to the 2010 audit finding, staff initiated the following actions:

- (1) County staff notified the Grantor of the finding, which prompted them to alter their instructions to other fund grantee's, of which about one-half were filling out the SF-425 forms incorrectly.

BOARD OF COUNTY COMMISSIONERS

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DONALD G. BURNETTE, County Manager

- (2) Staff implemented a multi-person process to ensure each document was reviewed and checked for accuracy by a minimum of two people prior to reporting to the Grantor.
- (3) Staff has implemented a process which creates documentation of those reviews, noting who reviewed the reports and which reports they reviewed. This signed document is included in the County files kept for each reporting time period.

With just a few minor exceptions, these corrective actions have provided an efficient process which provides accurate and timely reporting to the Grantor for all the SNPLMA Park, Trail and Natural Area projects currently being implemented by Clark County.

Should you have any questions regarding this update, feel free to contact Ron Gregory at (702) 455-3121 or rgy@clarkcountynv.gov.

Sincerely,


Nancy Lipski
Director

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

OFFICE OF THE DISTRICT ATTORNEY



STEVEN B. WOLFSON
District Attorney

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

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

TERESA M. LOWRY
Assistant District Attorney

CHRIS OWENS
Assistant District Attorney

MARY-ANNE MILLER
County Counsel

JEFFREY J. WITTHUN
Assistant Director

March 15, 2012

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

Dear Ms. Miramontes:

Clark County District Attorney, Family Support Division (DAFS) has taken the following actions to implement the corrective action plan for Finding 2010-4 from our 2010 OMB A-133 Single Audit:

Since June 2011, we have had the ability to fill many of the vacant positions which remained open for the past three years and we are starting to fill those positions. This will enable us to reduce caseload sizes which will allow case managers additional time to more efficiently and effectively manage their cases. This will increase the likelihood that we will further improve our compliance with state and federal requirements.

Despite persistence of the poor economy in Clark County, as well as the nation, DAFS management and staff remain committed to continued improvement in our performance and providing excellent service to our customers. This is evidenced by record increases at DAFS in four of the federal performance measures ending Federal Fiscal Year 2011, specifically paternity rate, court order rate, current support collections, and payments on arrears.

In 2011, we implemented the four items in our corrective action plan with significant success. Some of the specific initiatives include:

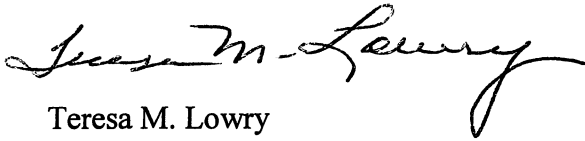
- * We sought to change state policy regarding reasonable orders for incarcerated NCPs.
- * New and enhanced reports (partial payment, delinquency, drivers license suspension, arrears only).
- * Auto-dialer to contact NCPs that were not making payments
- * Doubled court calendars for modifications and contempt actions for failure to pay, and added pay/stay calendars where NCPs are required to make a payment or they are sent to jail.
- * Mandatory phone calls to NCPs who were not making payments.
- * An amnesty project where case managers negotiated payments on bench warrants and drivers license suspensions.

Page 2

In 2010, we put in place an internal QC process in terms of reviewing cases upon closure for the accurate setting of Born Out Of Wedlock indicators and to ensure compliance with federal closure criteria. These closure reviews were done by the unit administrator and supervisors on the Establishment Unit, the supervisor on the Locate Team, and the Enforcement Closure Team. We intend for these closure QC reviews to continue.

We continue to encourage case managers to think outside the box to exercise independent judgment while utilizing their tools and reports and managing their caseloads for optimal collections.

Sincerely,

A handwritten signature in black ink, appearing to read "Teresa M. Lowry". The signature is fluid and cursive, with the first name "Teresa" and last name "Lowry" clearly distinguishable.

Teresa M. Lowry
Assistant District Attorney

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



Department of Family Services

121 South Martin Luther King Boulevard • Las Vegas, Nevada 89106-4309
(702) 455-7200 • Fax (702) 385-2999 • Hotline (702) 399-0081

Lisa Ruiz Lee, Interim Director • Paula Hammack, Assistant Director

March 13, 2012

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

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

The Department of Family Services (DFS) has reviewed and completed the items addressed during the subject audit. Below is DFS' response to Finding 2010-5, 2010-6, 2010-7, and 2010-8.

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

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

The Eligibility workers continue to sample 10 cases from each Title IV-E Foster Care and Adoption program each quarter for Title IV-E compliance period. These findings are then staffed with the supervisor and the IV-E Determination Worksheet is kept by the supervisor for audit purposes.

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

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

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

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

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

Federal program guidelines do not specify a deadline for refunding over-reimbursements; however, the over-reimbursement amount of \$43,618 was adjusted to \$1,845 based on further review from the State and Federal agencies. The 1,845 was processed as a prior-quarter adjustment on the FY 11 (December 4th quarter) Title IV-E Foster Care and Adoption Assistance Financial Report.

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

Corrective Action – The Child Welfare Integration Budget no longer includes Federal Chafee funds. However, the Chafee Federal Guidelines designate 30% of funding for room and board expenses for youth 18 years and over. As part of the corrective action plan, Fiscal Supervisor will review and sign off on Chafee Requests for Reimbursement funded through the Child Welfare Integration Budget and ensure that the youth are 18 years and over.

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

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

As of the review date Department of Family Services no longer accept cash advances

Sincerely,



Paula Hammack

Assistant Director

Department of Family Services

cc: Mark Gamett
Alex Ortiz

Department of Social Service

Tim Burch, Director

Bobby J. Gordon, Acting Assistant Director • Sandy Jeantete, Assistant Director
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

March 15, 2012

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

The audit findings and corrective actions for the Ryan White Part A program for the fiscal year ending June 30, 2010 have been reviewed by Department management and the Acting Administrator of the Ryan White program. Below are the updates:

In reference to Finding 2010-9

Update: Staff has formally requested technical assistance from our HRSA Project Officer to develop a methodology to track actual expenditures for the WICY report, while still utilizing the cost based reimbursement method. Once this methodology is developed, contract language will be included in provider contracts related to the financial reporting of services provided to WICY clients.

In reference to Finding 2010-10

Update: Staff is following the additional compliance and monitoring procedures that cover both doing business with suspended and debarred parties and OMB A-133 audit requirements. Staff has checked the EPLS (Excluded Parties List System) annually for each contracted provider, prior to the beginning of the grant year, which is also the beginning of the provider contract year. In addition, staff has communicated to all providers the policy regarding the requirement that they check all their providers against the EPLS as needed and appropriate. Staff also verifies that providers have made the appropriate checks during yearly site visits and randomly re-verify that their providers do not appear on the EPLS list. Staff ensures that all provider A-133 audits are submitted, reviewed and any required management action is taken upon submission of the provider audit. Per the updated procedure, staff ensures providers are aware and receive reminders of the grantee required timeframes for submission of A-133 audits. Provider contract language will be updated to include relevant timeframes as well.

In reference to Finding 2010-11

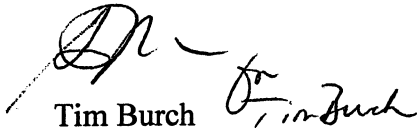
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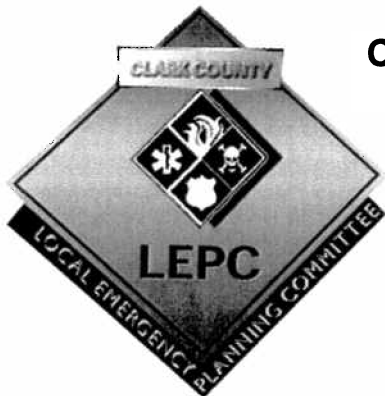
Update:

It appears that the Department of Health and Human Services Payment Management System utilized by Clark County to produce the Federal Financial Reports still incorrectly populates the cumulative totals as required on the SF-425 based on information entered by the County. Clark County will continue to work with HRSA and our Project Officer to resolve the auto population issue in the HHS Payment Management System.

Please do not hesitate to contact our office if you have additional questions.

Sincerely,


Tim Burch
Director



Clark County Local Emergency Planning Committee

March 13, 2012

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

Dear Sir or Madam:

Our office has reviewed the findings from the year ending June 30, 2010 Emergency Management Performance Grant and Homeland Security Grant Program Cluster audit. Below are the responses to the two audit conditions:

In reference to Finding 2010-12

Conditions: *Subsequent to June 30, 2010, the County established internal controls over the employee certifications and over the quarterly financial reporting requirements. Also, monitoring procedures have been enhanced as they related to reviewing and approving updates to quarterly financial reports. The County's SAP system is used to obtain the payroll cost for the grant.*

Documentation is poor and internal controls are weak in relation to the activities, allowable costs, matching criteria, and reporting requirements for this grant. Grant personnel could not specifically identify how employee time spent and charged to the grant related to the EMPG work plans (as required by the grant). Additionally, for those employees working on activities other than those supported by the

Emergency Management Performance Grant, there were no personnel activity reports to support salaries and wages charged to the grants (both the federal and matching portions). For those employees working solely on the Emergency Management Performance Grant, the required semi-annual certifications from employees or their direct supervisors indicating that 100% of the time was spent on the Emergency Management Performance Grant were not completed. Also, the quarterly financial reports submitted were not supported by a general ledger. The County had a similar finding over compliance with this program during the fiscal year 2009 audit.

Subsequent to June 30, 2010, the County established procedures to obtain semi annual certifications of employees charged 100% to the grant and established a certification for employees not charged 100% to the grant. Also, management established procedures to gather payroll cost by employee from the County's SAP system. Also, management has established review and approval procedures over the quarterly financial reporting.

Corrective Action: The Clark County Office of Emergency Management and Homeland Security (CCOEMHS) recognizes there are two different funding sources available for reimbursement of personnel and operation expenses. Homeland Security is a function of Emergency Management and all work preformed is Emergency Management based. The CCOEMHS conducted a Time Analysis of each FTE position funded under the EMPG grant in order to directly link each function performed and time allocated under the grant. This "timesheet" is given to our payroll department in order to ensure all FTE grant paid employees are paid in accordance to the grant cluster they worked on.

The CCOEMHS has engaged both the Budget and Comptrollers offices in an effort to produce reports and documentation that support the Quarterly Financial Report. Files are maintained which include each years EMPG Guidance, for grant administration, allowable costs and levels of approval for all expenditures under the grant. Also included within this file are the Semi-Annual Payroll Certification Forms, signed by each of the FTE's paid at 100% by the EMPG grant in order to comply with federal requirements OMB Circular A-87.

Approved work plans will be reviewed quarterly to ensure each staff member is working within the plan as outlined in the annual application.

See above under "Recommendation" the listed corrective action has been observed and acknowledged by the auditing agency.

Finding 2010-13

Conditions:

The County paid \$1,784,991 to its four (4) sub recipient's under the Homeland Security Grant Program Cluster during the year. We noted that the County did not perform some of the required compliance and monitoring procedures for these sub recipients under this federal grant. Specifically, during the current year, the County did not monitor its sub recipients compliance with the Federal procurement requirements regarding not doing business with suspended and debarred parties. Also, we tested 1 of the 4 sub recipients for compliance with obtaining sub recipients audit reports and taking corrective action and noted that current audit reports were not obtained. Additionally, assets purchased by sub recipients were not monitored to ensure required physical inventories were being performed or, in the case of asset dispositions that the equipment was disposed of in accordance with Federal requirements. The County had a similar finding over sub recipient monitoring compliance during the fiscal year 2009 audit.

Corrective Actions: As stated in all Interlocal Agreements, which are distributed upon approval to each sub recipient, under Federal Certification Item 2 Titled DEBARMENT, SUSPENSION, AND OTHER RESPONSIBILITY MATTERS, each sub recipient is advised of the requirements relative to Debarment and Suspension as required by Executive Order 12549 and implemented at 28 CFR Part 67 section 67.510.

In 2008, our office instituted corrective actions to sub recipients requesting audit findings and equipment inventory to remain in compliance with OMB circular A-133. However, it is entirely up to the sub recipient to provide to our office the requested information. Sub recipients agree to these terms

by signing the interlocal contract thereby, authorizing them to purchase only grant approved equipment. Clark County itself is a sub recipient of subject funds. These funds are primarily administered at the State level. The County's sub recipients are reminded to submit equipment inventory sheets as well as any audit reports through quarterly report reminders. Although this information is requested quarterly as well as required in the signed interlocal agreement, information is often submitted intermittently. Any purchase requests made through our office requires verification of the receipt of goods prior to paying the invoice. Purchased equipment, \$5,000.00 and over, is tagged and inventoried by the sub recipient. Reimbursements are issued to sub recipients only on grant-authorized equipment from the Department of Homeland Security Authorized Equipment List (AEL).

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

Sincerely,

A handwritten signature in black ink, appearing to read "Irene Navis", written in a cursive style.

Irene Navis
Division Manager



Department of Public Works

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

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



November 18, 2011

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

HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA NO. 20.205 RE: FINDINGS FOR 2010-14 AND 2014-15 -- CORRECTIVE ACTIONS TAKEN

Per your request, the following are the corrective actions that were taken concerning finding No. 2010-14, Grant No. PR185-08-083 from the year ending June 30, 2010, and provides the following response.

Condition: The County did not obtain required payroll certifications per OMB A-87 for employees who charged their salaries and wages to the grant during the year. Additionally, we noted that internal controls are weak in relation to the activities allowed/allowable costs payroll requirements. Specifically, no controls were noted over the reporting of payroll hours and pay rates under the Public Works time-keeping system.

In addition, our testing revealed that indirect payroll rates were charged to the grant over and above the actual employee hourly rate. Indirect costs are not an allowed cost under the grant.

Response: The Department is in agreement that it did not obtain prior approval from the federal agency to incur and seek reimbursement for indirect costs related to this project. Corrective action will be taken to ensure current and future awards are in full compliance with the requirement to prepare and submit an indirect cost rate proposal to the federal agency when deemed appropriate for the project.

Action Taken: The Department returned to the Grantor that portion of the labor invoice that was not allowable. Additionally, the Department has implemented a procedure whereby payroll time cards are now certified.

..//..

Kafoury, Armstrong & Co.

HIGHWAY PLANNING AND CONSTRUCTION CLUSTER – CFDA NO. 20.205

RE: FINDINGS FOR 2010-14 AND 2014-15 -- CORRECTIVE ACTIONS TAKEN

November 18, 2011

Page 2

Per your request, the following are the corrective actions that were taken concerning Finding No. 2010-15, Grant No. PR185-08-083 and P211-09-063 from the year ending June 30, 2010, and provides the following response.

Condition: We tested ten reimbursement requests submitted by the County during the year and our tests disclosed that four of the reimbursement requests included construction retention amounts totaling \$90,216.00 which were not yet paid by the County. Since the County is paid under these grant contracts on a reimbursement basis, the retention was not yet eligible for reimbursement.

Response: The Department has strengthened its controls and has taken corrective action, whereby invoices submitted to the federal agency for reimbursement are based on actual payments made to the vendor, and will not include funds held in retention.

Action Taken: The Department has discontinued invoicing the Grantor for the retention portion of the pay estimate until the County has released the retention.

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

Sincerely,



Denis Cederburg
Director of Public Works

DLC:ST:iam

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

