

CLARK COUNTY, NEVADA  
FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2008  
AND  
INDEPENDENT AUDITOR'S REPORTS

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For the Year Ended June 30, 2008

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CLARK COUNTY, NEVADA

FINANCIAL STATEMENTS WITH ACCOMPANYING INFORMATION  
PERTAINING TO EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2008

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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, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, or Department of Aviation, which, when combined, represent 98 percent, 96 percent, and 94 percent, respectively, of the assets, net assets, and revenues of the Enterprise Funds. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, and Department of Aviation is based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the County as of June 30, 2008, 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 13, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, the budgetary comparison information, and pension trend data on pages 3 through 12 and 102 through 117 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures to the management's discussion and analysis and pension trend data, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

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

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
January 13, 2009

Clark County, Nevada

Management's Discussion and Analysis  
June 30, 2008

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 \$11,255,480,998. Net assets of governmental activities totaled \$6,918,700,917 and those of business-type activities totaled \$4,336,780,081.
- The County's total net assets increased by \$913,893,824, resulting from an increase in net assets from governmental activities of \$689,278,519 (including a restatement of \$2,798,703 discussed in note 16) and an increase in net assets from business-type activities of \$224,615,305. Net assets from governmental activities increased mainly due to cash and investment increases resulting from ad valorem taxes and interest income, as well as infrastructure additions of roadways and improvements. Net assets from business-type activities increased due to increases in net capital assets of the Las Vegas Valley Water District, Clark County Department of Aviation and Clark County Water Reclamation District.
- Unrestricted net assets were \$1,847,794,228, with \$1,218,285,419 resulting from governmental activities and \$629,508,809 from business-type activities. Unrestricted net assets from governmental activities decreased by 1 percent from the prior year, and unrestricted net assets from business-type activities decreased by 30 percent over the prior year.
- Net capital assets were \$11,537,972,072 of which \$5,230,348,275 were from governmental activities and \$6,307,623,796 were from business type activities. Major additions for governmental activities during the year included \$259 million toward roadways and streets, mainly for beltway construction. Major additions for business-type activities during the year included \$71 million in water system additions, \$211 million for terminal 3 and other additions for the Department of Aviation, and \$135 million in sewer system additions. Depreciation expense attributable to assets of governmental activities amounted to \$192,478,854 for the year, and \$227,670,319 for business-type activities.
- Bonds and loans payable totaled \$7,002,740,640. The following new debt was issued during the fiscal year:

Governmental activities:

General obligation bonds:

\$71,045,000 in transportation refunding bonds

Special assessment bonds:

\$70,000,000 in special assessment bonds

Business-type activities:

General obligation bonds:

\$43,105,000 in refunding bonds for the Department of Aviation

\$55,000,000 in refunding bonds for the Water Reclamation District

\$7,000,000 in bonds for University Medical Center (UMC)

\$362,480,000 in refunding bonds for Las Vegas Valley Water District

#### Revenue Bonds:

\$400,000,000 in bonds for the Department of Aviation

\$1,124,665,000 in refunding bonds for the Department of Aviation

- The County's primary revenue sources for governmental activities were ad valorem taxes (\$799,257,814) consolidated taxes (\$489,752,501), and sales and use tax (\$265,477,538). These three revenue sources comprised 25 percent, 15 percent, and 8 percent, respectively, or 48 percent of total governmental activities revenues.
- The County's total expenses were \$4,205,515,941. Governmental activities comprised \$2,506,782,626 of total expenses, the largest functional expenses being public safety (\$1,082,216,327) and public works (\$467,845,743). Business-type activities contributed \$1,698,733,315 to total expenses, the largest components being hospital (\$589,797,799), water (\$431,929,066) and airport (\$495,754,402).
- Public safety expenses were \$1,082,216,327, or 18 percent higher than in the prior year. This increase is due to continued growth in the program to hire new police officers funded by a voter-approved one-quarter of a cent sales tax as well as growth in fire protection costs.
- Public works expenses were \$467,845,743, or 44 percent lower than in the prior year, largely because of \$389,820,000 in bond bank proceeds transferred to the Southern Nevada Water Authority and classified as expense in fiscal year 2007.
- At the end of the fiscal year, the unreserved fund balance for the General Fund was \$180,196,062 or 13 percent of total General Fund expenditures and transfers out. This was a decrease of \$107,801,198, or 37 percent, from the prior year.

#### Overview of the Financial Statements

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

#### Government-Wide Financial Statements

- The government-wide financial statements are designed to provide readers with a broad overview of the County's finances in a manner similar to a private-sector business.
- The statement of net assets presents information on all of the County's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- 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).
- The government-wide financial statements report three types of activities: governmental activities, business-type activities, and discretely presented component units. The government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, judicial, public safety, public works, health, welfare, culture and recreation, community support, other, and interest on long-term debt. The business-type activities of the County include operations of its hospital, airports, water and sewer utilities, and other operations. Discretely presented component units account for functions of legally separate entities for whom the County is financially accountable, but whose governing bodies are not substantially the same as the County. The activities of the discretely presented component units include regional transportation and flood control planning.

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

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

#### Fund Financial Statements

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

#### Governmental Funds

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

#### Proprietary Funds

- The County maintains two distinct types of proprietary funds.
  - ◆ Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its hospital, airport, water, sewer, and other activities.

◆ Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The County uses internal service funds to account for the following activities:

- \* Construction management
- \* Fleet maintenance
- \* Investment pool operations
- \* Employee benefits
- \* Central printing and mailing
- \* Information systems development
- \* Self-insurance activities, including:
  - + Liability insurance
  - + Workers' compensation
  - + Group insurance
  - + Other post-employment benefits

– Proprietary funds provide the same type of information as the government-wide financial statements, but with more detail. The proprietary fund financial statements provide separate information for the 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 employee benefit funds, one pension fund, and 38 agency funds. The employee benefit funds are the Medical Insurance Premium Retirement Plan and the County Section 125 Plan. The pension fund is the Las Vegas Valley Water District Pension Plan. The agency funds are used to hold monies for other entities or individuals until disposition.

#### Notes to Financial Statements

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

#### Other Information

– In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Las Vegas Valley Water District's progress in funding its obligation to provide pension benefits to its employees. It also includes a schedule of budgetary comparisons for the following major governmental funds:

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

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

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

Government-Wide Financial Analysis

- Net assets of the County as of June 30, 2008, and June 30, 2007, are summarized and analyzed below:

<u>Clark County, Nevada Net Assets – Primary Government</u>						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
<b>Assets</b>						
Current and other assets	\$ 4,835,784,306	\$4,573,953,320	\$ 4,104,821,265	\$4,036,443,489	\$ 8,940,605,571	\$ 8,610,396,809
Net capital assets	<u>5,230,348,275</u>	<u>4,834,436,227</u>	<u>6,307,623,796</u>	<u>5,402,294,793</u>	<u>11,537,972,071</u>	<u>10,236,731,020</u>
Total assets	<u>10,066,132,581</u>	<u>9,408,389,547</u>	<u>10,412,445,061</u>	<u>9,438,738,282</u>	<u>20,478,577,642</u>	<u>18,847,127,829</u>
<b>Liabilities</b>						
Long-term liabilities	1,974,091,972	1,984,131,419	4,669,661,491	3,818,085,813	6,643,753,463	5,802,217,232
Other liabilities	<u>1,173,339,692</u>	<u>1,194,835,730</u>	<u>1,406,003,489</u>	<u>1,508,487,693</u>	<u>2,579,343,181</u>	<u>2,703,323,423</u>
Total liabilities	<u>3,147,431,664</u>	<u>3,178,967,149</u>	<u>6,075,664,980</u>	<u>5,326,573,506</u>	<u>9,223,096,644</u>	<u>8,505,540,655</u>
<b>Net assets</b>						
Invested in capital assets, net of related debt	4,436,761,991	3,934,405,026	3,023,318,923	1,676,012,461	7,460,080,914	5,610,417,487
Restricted	1,263,653,507	1,071,678,656	683,952,349	1,539,605,868	1,947,605,856	2,611,284,524
Unrestricted	<u>1,218,285,419</u>	<u>1,223,338,716</u>	<u>629,508,809</u>	<u>896,546,447</u>	<u>1,847,794,228</u>	<u>2,119,885,163</u>
Total net assets	<u>\$ 6,918,700,917</u>	<u>\$6,229,422,398</u>	<u>\$ 4,336,780,081</u>	<u>\$4,112,164,776</u>	<u>\$11,255,480,998</u>	<u>\$10,341,587,174</u>

- As noted earlier, net assets may serve over time as a useful indicator of the County’s financial position. Assets exceeded liabilities by \$11,255,480,998 as of June 30, 2008, and by \$10,341,587,174 as of June 30, 2007, a net increase of \$928,516,870, or 9 percent.
- The largest portion of the County’s net assets (66 percent) reflects its investment in capital assets (e.g., land, buildings, infrastructure, machinery and equipment, etc.), less any related debt outstanding used to acquire those assets. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate the debt.
- The County’s restricted net assets (17 percent) represent resources that are subject to external restrictions on how they may be used. Of these restricted net assets, 43 percent is for construction of capital assets (unspent proceeds from long-term debt issues), 35 percent is for repayment of long-term debt, and the balance is restricted for the County’s special revenue funds.
- The remaining portion of the County’s net assets (17 percent) is unrestricted and may be used to meet the County’s ongoing obligations to citizens and creditors.
- At June 30, 2008, 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>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Revenues:						
Program revenues:						
Charges for services	\$ 487,124,450	\$ 434,707,492	\$1,581,233,246	\$1,396,379,893	\$2,068,357,696	\$ 1,831,087,385
Operating grants and contributions	414,259,506	839,811,992	31,000,000	5,711,070	445,259,506	845,523,062
Capital grants and contributions	253,029,125	121,599,428	132,905,410	291,717,009	385,934,535	413,316,437
General revenues:						
Ad valorem taxes	799,257,814	706,958,778	15,181	13,437	799,272,995	706,972,215
Consolidated tax	489,752,501	510,113,865	65,526	89,561	489,818,027	510,203,426
Sales and use tax	265,477,538	274,441,898	15,813,975	16,475,970	281,291,513	290,917,868
Franchise fees	91,081,001	83,299,640	-	-	91,081,001	83,299,640
Fuel taxes	77,710,751	77,971,661	-	-	77,710,751	77,971,661
Motor vehicle privilege tax	47,805,025	48,010,194	-	-	47,805,025	48,010,194
Room tax	45,917,555	44,426,388	-	-	45,917,555	44,426,388
Other	34,901,285	31,350,915	-	-	34,901,285	31,350,915
Gain (loss) on sale or disposition of assets	2,620,375	5,136,782	323,033	-	2,943,408	5,136,782
Interest income	<u>208,926,347</u>	<u>137,693,927</u>	<u>137,391,418</u>	<u>98,788,139</u>	<u>346,317,765</u>	<u>236,482,066</u>
Total revenues	<u>3,217,863,273</u>	<u>3,315,522,960</u>	<u>1,898,747,789</u>	<u>1,809,175,579</u>	<u>5,116,611,062</u>	<u>5,124,698,539</u>
Expenses						
General government	220,165,615	234,250,001	-	-	220,165,615	234,250,001
Judicial	199,563,451	168,895,185	-	-	199,563,451	168,895,185
Public safety	1,082,216,327	917,463,036	-	-	1,082,216,327	917,463,036
Public works	467,845,743	832,920,960	-	-	467,845,743	832,920,960
Health	84,025,232	55,814,102	-	-	84,025,232	55,814,102
Welfare	174,289,857	154,155,995	-	-	174,289,857	154,155,995
Culture and recreation	54,067,340	42,704,498	-	-	54,067,340	42,704,498
Community support	19,710,319	-	-	-	19,710,319	-
Other	113,762,028	103,518,536	-	-	113,762,028	103,518,536
Interest on long-term debt	91,136,714	85,412,573	-	-	91,136,714	85,412,573
Hospital	-	-	589,797,799	563,070,068	589,797,799	563,070,068
Water	-	-	431,929,066	455,666,217	431,929,066	455,666,217
Airport	-	-	495,754,402	416,371,633	495,754,402	416,371,633
Sewer	-	-	106,987,817	91,559,270	106,987,817	91,559,270
Other	-	-	74,264,231	65,694,558	74,264,231	65,694,558
Total expenses	<u>2,506,782,626</u>	<u>2,595,134,886</u>	<u>1,698,733,315</u>	<u>1,592,361,746</u>	<u>4,205,515,941</u>	<u>4,187,496,632</u>
Increase in net assets before transfers	711,080,647	720,388,074	200,014,474	216,813,833	911,095,121	937,201,907
Transfers	<u>(24,600,831)</u>	<u>(71,059,904)</u>	<u>24,600,831</u>	<u>71,059,904</u>	-	-
Increase (decrease) in net assets	<u>686,479,816</u>	<u>649,328,170</u>	<u>224,615,305</u>	<u>287,873,737</u>	<u>911,095,121</u>	<u>937,201,907</u>
Net assets – beginning	6,229,422,398	5,580,094,228	4,112,164,776	3,824,291,039	10,341,587,174	9,404,385,267
Restatement of beginning fund balances	<u>2,798,703</u>	-	-	-	<u>2,798,703</u>	-
Net assets restated	6,232,221,101	5,580,094,228	4,112,164,776	3,824,291,039	10,344,385,877	9,404,385,267
Net assets – ending	<u>\$6,918,700,917</u>	<u>\$6,229,422,398</u>	<u>\$4,336,780,081</u>	<u>\$4,112,164,776</u>	<u>\$11,255,480,998</u>	<u>\$10,341,587,174</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 \$241,705,831, or 17 percent, due to \$389 million revenue recorded to recognize the liability of the Southern Nevada Water Authority for a bond bank debt issuance during 2007. Program revenues from business-type activities increased by \$51,330,684, or 3 percent, due to increases in charges for services and decreases in capital grants and contributions, the largest item being a decrease of \$100 million in capital contributions to the Department of Aviation.
- General revenues consisted of taxes and interest not allocable to specific programs. For governmental activities, the largest of these revenues, ad valorem taxes, increased by \$92,299,036, or 13 percent. This increase was due mainly to increases in assessed valuation. Franchise fees grew \$7,781,361, or 9 percent, due to increases in customer accounts and franchise revenues. Sales and use tax decreased in governmental activities by \$8,964,360, or 3 percent, due to the general economic downturn during fiscal year 2008. Interest revenue for governmental activities increased by \$71,232,420 or 52

percent; interest revenue for business-type activities increased by \$38,602,779, or 39 percent. These increases were due to higher rates of investment returns.

- The County had a gain on disposition of assets of \$323,033 from governmental activities. This was mainly due to sales of County right-of-way and equipment during the fiscal year.
- The County had double-digit expense growth in several functional areas, again demonstrating the impacts of growth in the region. Increases in the judicial function of 18 percent were due to the reorganization of the Clerk of the Court division from the general government function, as well as increases in staffing in the District Attorney and Special Public Defender offices. Public safety expenses for governmental activities increased \$164,753,291, or 18 percent, mostly due to increased expenditures of the Las Vegas Metropolitan Police Department, including the hiring of new officers as a result of the previously mentioned sales tax. Increases in fire protection costs were also a factor. Public works expenses for governmental activities decreased by \$365,075,217, or 44 percent, because of the already described \$389 million bond bank issuance. Health expenditures increased \$28,211,130 or 50 percent due to increased subsidies to the University Medical Center and greater demands for health care to low income clients. Welfare expenditures for governmental activities increased 20,133,862, or 13 percent, showing the growing demand on the County welfare system. Water functional area expenses decreased \$23,737,151, or 5 percent, because of the decrease in the regional connection fees paid by the Las Vegas Valley Water District to the Southern Nevada Water Authority. Airport functional expenses increased \$79,382,769, or 19 percent, because of two primary events; 1) the completion of the Airport's in-line baggage handling system which is owned and operated by the Airport and maintained by Airport system staff; and 2) unfunded security related mandates from the Transportation Security Administration which require the Airport to physically man all terminal access point doorways into the secured areas of the terminal.

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

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

#### Governmental Funds

- The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balance may serve as a useful measure of the County's net resources available for spending at the end of the fiscal year.
- As of the end of the current fiscal year, the County's governmental funds reported a combined ending fund balance of \$2,370,241,507, an increase of \$280,749,805, or 13 percent, from the prior year. Approximately 78 percent of fund balances (\$1.8 billion) constitute unreserved fund balance. Approximately \$1.2 billion dollars of the unreserved fund balance is designated for specific projects in special revenue and capital project funds. Of the unreserved fund balance, \$612 million, or 34 percent, is undesignated. The remainder of the fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$342 million), 2) to pay debt service (\$221 million), and 3) as reserves for long-term receivables (\$21 million).
- The General Fund is the main operating fund of the County. At the end of the current fiscal year, the unreserved fund balance of the General Fund was \$180,196,062, a decrease of \$107,801,198, or 37 percent, from the prior year. The total fund balance was \$218,453,884, a decrease of \$91,348,264, or 29 percent, from the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers. Unreserved fund balance represented 13 percent of total General Fund expenditures and transfers out for the fiscal year ended June 30, 2008, and 22 percent for the fiscal year ended June 30, 2007. Total fund balance represented 15 percent and 24 percent of that same amount in the fiscal years ended June 30, 2008, and June 30, 2007, respectively.
- Key factors in the change in fund balance in the General Fund are as follows:

- Revenues and transfers-in increased by \$57,330,714, or 4 percent. General fund revenues increased by \$19,304,052, or 2 percent. Ad valorem tax revenues generated the largest revenue increase of \$38,618,919, or 13 percent, due to valuation increases. Licenses and permits increased by \$7,237,250, or 3 percent, due to increased franchise fees as a result of population growth. The transfers in were primarily ad valorem and consolidated taxes from the unincorporated towns and the Clark County Fire District. Increases in ad valorem taxes were also reflected in transfers into the general fund, which increased by \$38,026,662, or 14 percent.
  - Expenditures and transfers out increased by \$150,558,404, or 12 percent. General fund expenditures increased \$72,026,289, or 11 percent. Transfers out increased by \$78,532,115, or 13 percent. The transfers out are primarily to the Las Vegas Metropolitan Police Department and the Detention Services special revenue funds. In addition, periodic transfers are made from the general fund to the County Capital Projects Fund at the discretion of the Board of County Commissioners. Transfers between these funds were \$208,352,070 and \$209,808,852 for the fiscal years ended June 30, 2008, and 2007 respectively.
- o Other major fund activity is as follows:
- The Las Vegas Metropolitan Police Department operates from current year resources and it budgets for a zero fund balance; however, it ended the year with a total fund balance of \$60,973,189 of which \$28,838,266 was reserved. Total revenues and transfers in were \$535,815,471, which was an increase of 10 percent, or \$48,112,669, over the prior year. This increased amount occurred primarily as a result of a 12 percent increase in ad valorem taxes of \$17,037,706 and a combined 8 percent increase of \$25,550,858 in City of Las Vegas contributions and County transfers. Expenditures, which are primarily personnel costs, increased 11 percent, or \$50,864,394.
  - The Master Transportation Plan fund accounts for tax proceeds from a variety of sources used to improve transportation in Clark County. Total revenues increased \$62,926, or 0.02 percent, from the prior year, remaining flat due to a decline in development fees as a result of the slowing housing market. The proceeds of these taxes are then moved to the appropriate capital projects, debt service, or enterprise fund to effect the transportation improvements.
  - The non-major governmental funds showed an increase in fund balances of \$360,171,465, with total fund balances of \$2,090,814,434, and unreserved fund balances of \$1,573,904,868. 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 \$633,921,258 a decrease of \$265,284,532, or 30 percent, and the total growth in net assets for these funds was \$226,368,411, a 6 percent increase from the prior year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

#### Internal Service Funds

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

Budgetary Highlights

- The General Fund’s legal level of budgetary control is the function level. The final amended budget for expenditure appropriation was \$798,383,917, an increase of \$16,000,000 or 2 percent from the original budget. Actual expenditures were \$750,490,656, or 6 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 \$24,401,706, or 2 percent. This was created by generally conservative revenue forecasts in spite of decreases to intergovernmental revenue, and charges for services.

Capital Assets and Debt Administration

Primary Government

- Capital Assets
  - o The County’s investment in capital assets, net of accumulated depreciation at June 30, 2008, was \$11,537,972,071, an increase of \$1,301,241,051, or 13 percent. Detail by type of activity and asset is summarized in the table below.

Major additions for this fiscal year are as follows:

<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
Roadways and streets (beltway)	\$274 million	Water system additions	\$126 million
Flood control projects	\$ 77 million	Airport land acquisition and construction	\$259 million
		Sewer system additions	\$ 47 million

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Land and improvements	\$1,434,470,355	\$1,353,843,627	\$2,635,898,572	\$2,413,816,588	\$4,070,368,927	\$ 3,767,660,215
Buildings	736,399,089	671,463,731	2,022,984,206	2,043,665,132	2,759,383,295	2,715,128,863
Machinery and equipment	106,367,566	103,385,094	507,978,156	521,311,033	614,345,722	624,696,127
Infrastructure	2,646,517,066	2,439,991,395	-	-	2,646,517,066	2,439,991,395
Construction in progress	<u>306,594,199</u>	<u>265,752,380</u>	<u>1,140,762,862</u>	<u>423,502,040</u>	<u>1,447,357,061</u>	<u>689,254,420</u>
Total	<u>\$5,230,348,275</u>	<u>\$4,834,436,227</u>	<u>\$6,307,623,796</u>	<u>\$5,402,294,793</u>	<u>\$11,537,972,071</u>	<u>\$10,236,731,020</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, 2008, the County had total outstanding bonds and loans of \$7,002,740,640, an increase of \$484,599,869, or 7 percent, from the prior year. Of this amount, \$1,601,922,574 comprised general obligation debt backed by the full faith and credit of the County, \$1,612,753,453 of general obligation bonds additionally secured by specified revenue sources, \$424,862,279 of loans, primarily in the form of commercial paper, and \$295,574,559 was special assessment debt for which the County is liable in the event of default by the property owners subject to assessment.

### Clark County, Nevada Outstanding Debt

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
General obligation bonds	\$1,601,883,424	\$1,669,208,726	\$ 39,150	\$ 50,978	\$1,601,922,574	\$1,669,259,704
Revenue backed general obligation bonds	-	-	1,612,753,453	1,448,186,686	1,612,753,453	1,448,186,686
Revenue bonds	-	-	3,067,627,775	2,746,436,773	3,067,627,775	2,746,436,773
Special assessment bonds	295,574,559	247,998,901	-	-	295,574,559	247,998,901
Loans	<u>21,180,941</u>	<u>1,423,574</u>	<u>403,681,338</u>	<u>404,835,133</u>	<u>424,862,279</u>	<u>406,258,707</u>
Total	<u>\$1,918,638,924</u>	<u>\$1,918,631,201</u>	<u>\$5,084,101,716</u>	<u>\$4,599,509,570</u>	<u>\$7,002,740,640</u>	<u>\$6,518,140,771</u>

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

#### Economic Factors

- After several years of significant economic growth, Las Vegas showed signs of continued slowing in 2008. Both taxable sales and new and existing home sales showed significant decreases. The County's unemployment rate at June 30, 2008, was 5.5 percent as compared to 4.7 percent in the prior year.
- Clark County remains an attractive place for people to relocate and find employment. Although population growth slowed in 2008, several significant projects in the County strip resort corridor provide the opportunity for continued growth. The rapid growth in recent years, and the likelihood of growth in the near future, continues to create challenges in keeping up with infrastructure needs. The County has a Master Transportation Plan in place that was approved by the 1991 legislature. During the November 2002 general election, the voters of Clark County approved an additional funding measure, subsequently enacted by the legislature to allow an additional sales tax levy to further improve the County's transportation needs.
- UMC continues to deal with the impact of uninsured patients. UMC's operating loss was \$54,999,992 for the fiscal year 2008 from \$56,286,137 in fiscal year 2007 due to continued high levels of care for uninsured and underinsured patients. The County may need to help with the financing of these continued losses.
- Despite UMC's financial difficulties, the County has positioned itself to meet the needs of its citizens. A solid tax base continues to provide adequate revenues to provide basic services. A cost containment program continues to be in place, enforcing a reasonable pace of hiring and position savings. The County's general fund unreserved ending fund balance remains healthy. Together, these factors have placed the County in a sound financial position to mitigate short-term economic uncertainty.

#### Requests for Information

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

## **BASIC FINANCIAL STATEMENTS**

GOVERNMENT-WIDE FINANCIAL STATEMENTS

Clark County, Nevada  
Statement of Net Assets  
June 30, 2008

	Primary Government			Component Units		
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District		Regional Transportation Commission of Southern Nevada
<b>ASSETS</b>						
Cash and investments:						
In custody of the County Treasurer	\$ 2,509,772,980	\$ 318,007,904	\$ 2,827,780,884	\$ 229,022,657	\$ 281,401,493	
In custody of other officials	7,128,120	11,462,827	18,590,947	488	60,500	
With fiscal agent	141,845,748	-	141,845,748	3,517,645	41,753,364	
Investments in custody of other officials	-	457,152,453	457,152,453	-	-	
Loaned securities	480,843,376	26,801,088	507,644,464	43,106,571	53,881,470	
Accounts receivable (net of provision for doubtful accounts)	16,415,187	247,571,920	263,987,107	6,530	1,432,733	
Interest receivable	24,309,036	15,616,521	39,925,557	2,149,804	2,681,744	
Bond bank receivable	34,745,000	-	34,745,000	-	-	
Taxes receivable, delinquent	15,738,002	633	15,738,635	-	-	
Penalties receivable on delinquent taxes	8,148,672	-	8,148,672	-	-	
Special assessments receivable	296,032,895	-	296,032,895	-	-	
Internal balances	27,756,648	(27,756,648)	-	-	-	
Due from other governmental units	239,602,061	10,423,111	250,025,172	17,249,354	46,932,722	
Inventories	486,713	33,096,711	33,583,424	-	-	
Prepaid items and other current assets	2,105,370	3,656,327	5,761,697	-	-	
Deferred charges and other assets	41,049,498	122,747,244	163,796,742	1,441,762	3,223,237	
Restricted assets:						
Cash and investments:						
In custody of the County Treasurer	-	493,114,468	493,114,468	-	-	
In custody of other officials	-	141,223,172	141,223,172	-	-	
With fiscal agent	-	1,211,562,949	1,211,562,949	-	-	
Loaned securities	-	228,624,713	228,624,713	-	-	
Accounts receivable	-	422,189,954	422,189,954	-	-	
Prepaid items and other current assets	-	25,918	25,918	-	-	
Bond bank receivable, noncurrent	989,805,000	389,300,000	1,379,105,000	-	-	
Capital assets not being depreciated	1,600,519,433	1,990,774,733	3,591,294,166	125,748	149,626,747	
Capital assets being depreciated, net of accumulated depreciation	3,629,828,842	4,316,849,063	7,946,677,905	2,779,853	191,320,887	
<b>Total Assets</b>	<b>10,066,132,581</b>	<b>10,412,445,061</b>	<b>20,478,577,642</b>	<b>299,400,412</b>	<b>772,314,897</b>	

(Continued)

Clark County, Nevada  
Statement of Net Assets  
June 30, 2008  
(Continued)

	Primary Government		Component Units		
	Governmental Activities	Business-Type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada
<b>LIABILITIES</b>					
Accounts payable	\$ 250,849,445	\$ 191,414,939	\$ 442,264,384	\$ 26,252,184	\$ 64,344,349
Accrued payroll and other accrued liabilities	227,287,591	94,804,190	322,091,781	105,869	886,151
Accrued interest	13,923,355	-	13,923,355	2,359,140	11,274,041
Due to other governmental units	49,606,887	-	49,606,887	-	-
Loaned securities	483,378,265	138,800,108	622,178,373	43,333,818	54,165,520
Unearned revenue and other liabilities	48,888,759	171,991,328	220,880,087	-	-
Liabilities payable from restricted assets:					
Accounts payable	-	93,257,675	93,257,675	-	-
Customer deposits	-	5,621,507	5,621,507	-	-
Accrued expenses	-	70,294,973	70,294,973	-	-
Loaned securities	-	117,440,493	117,440,493	-	-
Bonds and loans payable, due within one year	-	506,825,000	506,825,000	-	-
Bonds and loans payable, due within one year	99,405,390	15,553,276	114,958,666	7,055,000	15,875,000
Bonds and loans payable, due after one year	1,819,233,534	4,561,723,440	6,380,956,974	296,913,500	570,153,358
Other non-current liabilities, due after one year	154,858,438	107,938,051	262,796,489	776,148	3,021,413
Total Liabilities	3,147,431,664	6,075,664,980	9,223,096,644	376,795,659	719,719,832
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	4,436,761,991	3,023,318,923	7,460,080,914	2,905,601	340,947,635
Restricted for:					
Capital projects	622,339,242	224,297,644	846,636,886	152,032,648	158,817,095
Debt service	220,641,995	459,654,705	680,296,700	9,345,244	68,533,453
Other purposes	420,672,270	-	420,672,270	62,289,760	3,447,135
Unrestricted	1,218,285,419	629,508,809	1,847,794,228	(303,968,500)	(519,150,253)
Total Net Assets	\$ 6,918,700,917	\$ 4,336,780,081	\$ 11,255,480,998	\$ (77,395,247)	\$ 52,595,065

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

Clark County, Nevada  
Statement of Activities  
For the fiscal year ended June 30, 2008

	Program Revenues				Primary Government			Component Units			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	Net (Expenses) Revenues and Changes in Net Assets	
Governmental activities:											
General government	\$ 220,165,615	\$ 205,306,476	\$ 106,076,329	\$ -	\$ 91,217,190	\$ -	\$ 91,217,190	\$ -	\$ -	\$ -	\$ -
Judicial	199,563,451	50,990,053	19,283,563	-	(129,289,835)	-	(129,289,835)	-	-	-	-
Public safety	1,082,216,327	50,446,619	222,113,089	2,481,902	(807,174,717)	-	(807,174,717)	-	-	-	-
Public works	467,845,743	153,231,371	54,423,189	246,043,397	(14,147,786)	-	(14,147,786)	-	-	-	-
Health	84,025,232	8,750,448	2,594,900	-	(72,679,884)	-	(72,679,884)	-	-	-	-
Welfare	174,289,857	-	8,772,341	-	(165,517,516)	-	(165,517,516)	-	-	-	-
Culture and recreation	54,067,340	17,924,654	996,095	4,503,826	(30,642,765)	-	(30,642,765)	-	-	-	-
Community support	19,710,319	-	-	-	(19,710,319)	-	(19,710,319)	-	-	-	-
Other	113,762,028	474,829	-	-	(113,287,199)	-	(113,287,199)	-	-	-	-
Interest on long-term debt	91,136,714	-	-	-	(91,136,714)	-	(91,136,714)	-	-	-	-
Total governmental activities	2,506,782,626	487,124,450	414,259,506	253,029,125	(1,352,369,545)	-	(1,352,369,545)	-	-	-	-

(Continued)

Clark County, Nevada  
Statement of Activities  
For the fiscal year ended June 30, 2008  
(Continued)

	Net (Expenses) Revenues and Changes in Net Assets									
	Program Revenues					Primary Government			Component Units	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Clark County Regional Flood Control District	Regional Transportation Commission of Southern Nevada	
<b>Business-type activities:</b>										
Hospital	\$ 589,797,799	\$ 529,627,459	\$ 31,000,000	\$ -	\$ -	\$ (29,170,340)	\$ (29,170,340)	\$ -	\$ -	\$ -
Water	431,929,066	359,819,825	-	60,502,744	-	(11,606,497)	(11,606,497)	-	-	-
Airport	495,754,402	506,442,294	-	22,315,727	-	33,003,619	33,003,619	-	-	-
Sewer	106,987,817	103,737,269	-	50,086,939	-	46,836,391	46,836,391	-	-	-
Other	74,264,231	81,606,399	-	-	-	7,342,168	7,342,168	-	-	-
<b>Total business-type activities</b>	<u>1,698,733,315</u>	<u>1,581,233,246</u>	<u>31,000,000</u>	<u>132,905,410</u>	<u>-</u>	<u>46,405,341</u>	<u>46,405,341</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total primary government</b>	<u>\$ 4,205,515,941</u>	<u>\$ 2,068,357,696</u>	<u>\$ 445,259,506</u>	<u>\$ 385,934,535</u>	<u>\$ 105,754,563</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,754,563)</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Component units:</b>										
Clark County Regional Flood Control District	346,743,949	56,227,963	4,410,614	25,376,346	-	-	-	-	-	-
Regional Transportation Commission of Southern Nevada	<u>452,498,512</u>	<u>56,227,963</u>	<u>4,410,614</u>	<u>25,376,346</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(105,754,563)</u>	<u>-</u>	<u>(260,729,026)</u>
<b>Total component units</b>	<u>\$ 800,242,461</u>	<u>\$ 112,455,926</u>	<u>\$ 8,821,228</u>	<u>\$ 50,752,692</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (105,754,563)</u>	<u>\$ -</u>	<u>\$ (260,729,026)</u>
<b>General revenues:</b>										
Ad valorem taxes					799,257,814	15,181	799,272,995	-	-	-
Consolidated tax					489,752,501	65,526	489,818,027	-	-	-
Sales and use tax					265,477,538	1,581,395	281,291,513	86,295,315	172,523,136	-
Franchise fees					91,081,001	-	91,081,001	-	-	-
Fuel taxes					77,710,751	-	77,710,751	-	-	74,954,816
Motor vehicle privilege tax					47,805,025	-	47,805,025	-	-	-
Room tax					45,917,555	-	45,917,555	-	-	-
Other					34,901,285	-	34,901,285	3,968,808	10,793,672	-
Gain on sale of capital assets					2,620,375	323,033	2,943,408	-	-	-
Interest income					208,926,347	137,391,418	346,317,765	19,857,170	24,340,000	-
Transfers					(24,600,831)	24,600,831	-	-	-	-
<b>Total general revenues and transfers</b>					<u>2,038,849,361</u>	<u>178,209,964</u>	<u>2,217,059,325</u>	<u>110,121,293</u>	<u>282,611,624</u>	<u>-</u>
Change in net assets					686,479,816	224,615,305	911,095,121	4,366,730	21,882,598	-
Net assets - beginning					6,232,221,101	4,112,164,776	10,344,385,877	(81,761,977)	24,952,123	-
Prior period adjustment					-	-	-	-	5,760,344	-
Net assets - beginning as restated					<u>6,232,221,101</u>	<u>4,112,164,776</u>	<u>10,344,385,877</u>	<u>(81,761,977)</u>	<u>30,712,467</u>	<u>-</u>
<b>Net assets - ending</b>					<u>\$ 6,918,700,917</u>	<u>\$ 4,336,780,081</u>	<u>\$ 11,255,480,998</u>	<u>\$ (77,395,247)</u>	<u>\$ 52,595,065</u>	<u>\$ -</u>

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

FUND FINANCIAL STATEMENTS

Clark County, Nevada  
Governmental Funds  
Balance Sheet  
June 30, 2008

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and investments:					
In custody of the County Treasurer	\$ 133,891,711	\$ 83,340,311	\$ 801,614	\$ 2,003,687,679	\$ 2,221,721,315
In custody of other officials	1,194,208	238,000	-	1,593,912	3,026,120
With fiscal agent	-	-	-	141,845,748	141,845,748
Loaned securities	54,706,186	15,793,769	7,065,802	358,800,898	436,366,655
Accounts receivable	26,418,759	2,328,571	-	4,437,113	33,184,443
Interest receivable	2,722,728	786,050	351,662	18,235,003	22,095,443
Taxes receivable, delinquent	7,097,734	2,972,556	-	5,667,712	15,738,002
Penalties receivable on delinquent taxes	8,148,672	-	-	-	8,148,672
Special assessments receivable	-	-	-	296,032,895	296,032,895
Due from other funds	400,543	-	-	21,514,059	21,914,602
Due from other governmental units	83,578,527	4,636,003	43,355,264	107,984,703	239,554,497
Prepaid items	-	738,931	-	-	738,931
Total Assets	<u>\$ 318,159,068</u>	<u>\$ 110,834,191</u>	<u>\$ 51,574,342</u>	<u>\$ 2,959,799,722</u>	<u>\$ 3,440,367,323</u>

(Continued)

Clark County, Nevada  
 Governmental Funds  
 Balance Sheet  
 June 30, 2008  
 (Continued)

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable	\$ 15,741,539	\$ 10,263,770	\$ 958,950	\$ 122,719,218	\$ 149,683,477
Accrued payroll	16,968,445	16,394,345	-	10,312,668	43,675,458
Due to other funds	279,455	455,471	7,540,333	17,331,396	25,606,655
Due to other governmental units	-	-	35,972,009	13,634,878	49,606,887
Loaned securities	54,994,593	15,877,030	7,103,050	360,692,402	438,667,075
Deferred revenue and other liabilities	11,721,152	6,870,386	-	344,294,726	362,886,264
Total Liabilities	99,705,184	49,861,002	51,574,342	868,985,288	1,070,125,816
Fund Balances:					
Reserved for encumbrances	17,390,541	28,838,266	-	296,267,571	342,496,378
Reserved for long-term receivables	20,867,281	-	-	-	20,867,281
Reserved for debt service	-	-	-	220,641,995	220,641,995
Unreserved:					
Designated for specific projects, reported in:					
Major funds	3,778,545	24,676,792	-	-	28,455,337
Special revenue funds	-	-	-	85,325,556	85,325,556
Capital projects funds	-	-	-	1,060,831,005	1,060,831,005
Undesignated, reported in:					
Major funds	176,417,517	7,458,131	-	-	183,875,648
Special revenue funds	-	-	-	424,328,489	424,328,489
Capital projects funds	-	-	-	3,419,818	3,419,818
Total Fund Balances	218,453,884	60,973,189	-	2,090,814,434	2,370,241,507
Total Liabilities and Fund Balances	\$ 318,159,068	\$ 110,834,191	\$ 51,574,342	\$ 2,959,799,722	\$ 3,440,367,323

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
Reconciliation of the Balance Sheet  
to the Statement of Net Assets  
June 30, 2008

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

Fund balances – governmental funds		\$2,370,241,507
Capital assets used in governmental activities are not financial resources and are therefore not reported in the governmental funds:		
Governmental capital assets	\$6,876,479,046	
Less accumulated depreciation	<u>(1,646,130,771)</u>	5,230,348,275
Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore not reported in governmental funds:		
Bonds payable, net of premiums and discounts	(1,897,457,983)	
Unamortized bond costs, premiums and discounts	21,745,749	
Loans payable	(21,180,941)	
Litigation liability	(55,193,173)	
Litigation settlement	(20,000,000)	
LVMPD OPEB liability	(49,996,761)	
Compensated absences	<u>(170,413,790)</u>	(2,192,496,899)
Accrued interest payable		(13,923,355)
Deferred revenue representing amounts that were not available to fund current expenditures and therefore are not reported in governmental funds		314,300,024
Long-term receivables reserved in governmental funds, adjusted to allowance for uncollectibles in statement of net assets		(20,867,281)
Long-term receivables not recorded in governmental funds:		
Bond bank receivable from So. Nevada Water Authority	1,024,550,000	
LVMPD OPEB receivable from City of Las Vegas	19,303,749	1,043,853,749
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		182,832,448
Internal balances that are receivable from business-type activities		<u>4,412,449</u>
Net assets of governmental activities		<u>\$6,918,700,917</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, 2008

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ 345,422,881	\$ 155,881,191	\$ 45,917,555	\$ 304,118,472	\$ 851,340,099
Special assessments	-	-	-	37,236,673	37,236,673
Licenses and permits	219,886,318	-	44,381,875	36,089,254	300,357,447
Intergovernmental revenue	330,571,827	141,455,100	273,626,768	552,850,441	1,298,504,136
Charges for services	82,533,326	23,780,005	-	56,004,093	162,317,424
Fines and forfeitures	24,644,256	-	-	2,063,775	26,708,031
Interest	27,324,416	6,811,363	3,081,155	157,074,086	194,291,020
Other	6,370,568	1,905,541	-	16,608,569	24,884,678
Total revenues	1,036,753,592	329,833,200	367,007,353	1,162,045,363	2,895,639,508
Expenditures:					
Current:					
General government	105,885,528	-	-	36,852,536	142,738,064
Judicial	144,277,455	-	-	41,716,390	185,993,845
Public safety	205,777,429	493,268,049	-	304,933,967	1,003,979,445
Public works	15,207,744	-	226,233,018	44,007,866	285,448,628
Health	62,919,755	-	-	19,509,296	82,429,051
Welfare	83,934,144	-	-	88,626,755	172,560,899
Culture and recreation	29,258,569	-	-	1,587,716	30,846,285
Community support	-	-	-	19,615,501	19,615,501
Other general expenditures	107,867,495	-	-	5,544,539	113,412,034
Capital outlays	1,045,200	16,154,747	-	363,450,464	380,650,411
Debt service:					
Principal	-	208,284	-	88,407,600	88,615,884
Interest	-	56,490	-	90,776,686	90,833,176
Bond issuance costs and other	-	-	-	441,645	441,645
Total expenditures	756,173,319	509,687,570	226,233,018	1,105,470,961	2,597,564,868
Excess (deficiency) of revenues over (under) expenditures	280,580,273	(179,854,370)	140,774,335	56,574,402	298,074,640

(Continued)

Clark County, Nevada  
Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
For the fiscal year ended June 30, 2008  
(Continued)

	General Fund	Las Vegas Metropolitan Police Department	Master Transportation Plan	Other Governmental Funds	Total Governmental Funds
Other financing sources (uses):					
Transfers from other funds	303,535,415	205,982,271	-	798,006,432	1,307,524,118
Transfers to other funds	(675,463,952)	(17,000,000)	(140,774,335)	(563,683,662)	(1,396,921,949)
Bonds and loans issued	-	-	-	70,000,000	70,000,000
Refunding bonds issued	-	-	-	71,045,000	71,045,000
Payments to escrow agent	-	-	-	(71,770,707)	(71,770,707)
Total other financing sources (uses)	<u>(371,928,537)</u>	<u>188,982,271</u>	<u>(140,774,335)</u>	<u>303,597,063</u>	<u>(20,123,538)</u>
Net changes in fund balances	(91,348,264)	9,127,901	-	360,171,465	277,951,102
Fund balance:					
Beginning of year	309,802,148	51,845,288	-	1,730,642,969	2,092,290,405
End of year	<u>\$ 218,453,884</u>	<u>\$ 60,973,189</u>	<u>\$ -</u>	<u>\$ 2,090,814,434</u>	<u>\$ 2,370,241,507</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, 2008

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

Net change in fund balances – governmental funds \$277,951,102

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives. The Regional Transportation Commission and Regional Flood Control District utilize capital projects funds to construct infrastructure, not all of which is retained by the County. Also, the County relinquished infrastructure that was annexed by the cities. The County does not capitalize items costing less than \$5,000.

Capital outlay recorded in governmental funds	\$ 380,650,411	
Less amounts not capitalized	<u>(94,916,543)</u>	
Capitalized expenditures	285,733,868	
Less current year depreciation	<u>(192,478,854)</u>	93,255,014

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	238,080,700	
Loss on sale of capital assets	(8,116,839)	
Change in deferred revenue	61,034,370	
Bond bank operating contribution	<u>(14,050,000)</u>	276,948,231

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

Bonds and loans issued	(141,045,000)	
Bond issuance and other deferred costs	441,645	
Accrued interest	610,493	
Amortized bond costs	(914,031)	
Principal payment	88,615,884	
Payments to escrow agents	<u>71,770,707</u>	19,479,698

(Continued)

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, 2008

(Continued)

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

Change in long-term compensated absences	(6,844,200)	
Change in LVMPD OPEB liability	(49,996,761)	\$(56,840,961)
Long-term receivable is recorded in the governmental funds. The current portion of the provision for doubtful accounts is recognized in the statement of activities.		
		(1,355,486)
Long-term LVMPD OPEB receivable due from the City of Las Vegas		
		19,303,749
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.		
		55,985,363
Increase to internal balances that are receivable from business-type activities.		
		<u>1,753,106</u>
Change in net assets of governmental activities		
		<u>\$686,479,816</u>

The accompanying notes are an integral part of these financial statements

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2008

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
<b>ASSETS</b>				
Unrestricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	\$ 7,174,871	\$ -	\$ -	\$ 174,713,546
In custody of other officials	12,000	7,306,011	4,014,616	127,550
Investments in custody of other officials	-	379,710,179	77,442,274	-
Loaned securities	-	-	-	-
Accounts receivable	149,320,907	14,571,498	57,197,279	26,183,188
Interest receivable	-	3,385,047	534,830	10,362,764
Taxes receivable, delinquent	-	-	-	-
Due from other funds	-	-	-	1,540,333
Due from other governmental units	-	-	-	10,406,640
Inventories	13,817,058	2,250,398	13,477,024	3,552,231
Prepaid items and other current assets	798,590	378,462	-	2,464,275
Total unrestricted current assets	<u>171,123,426</u>	<u>407,601,595</u>	<u>152,666,023</u>	<u>229,350,527</u>
Restricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	46,899,464	10,304,688	-	433,190,602
With fiscal agent	-	-	-	1,211,562,949
Investments in custody of other officials	-	-	141,223,172	-
Loaned securities	9,205,055	102,595,031	-	116,303,868
Accounts receivable	1,721,224	2,644,000	417,824,730	-
Interest receivable	-	-	-	-
Total restricted current assets	<u>57,825,743</u>	<u>115,543,719</u>	<u>559,047,902</u>	<u>1,761,057,419</u>
Total current assets	<u>228,949,169</u>	<u>523,145,314</u>	<u>711,713,925</u>	<u>1,990,407,946</u>
Noncurrent assets:				
Accounts receivable, restricted	-	-	389,300,000	-
Deferred charges and other assets	458,537	33,503,843	10,866,103	77,918,761
Capital assets:				
Property and equipment	291,347,425	1,512,040,132	2,511,704,427	4,072,759,372
Accumulated depreciation	(136,130,712)	(419,213,022)	(629,432,683)	(955,022,425)
Total capital assets, net of accumulated depreciation	<u>155,216,713</u>	<u>1,092,827,110</u>	<u>1,882,271,744</u>	<u>3,117,736,947</u>
Total noncurrent assets	<u>155,675,250</u>	<u>1,126,330,953</u>	<u>2,282,437,847</u>	<u>3,195,655,708</u>
Total assets	<u>384,624,419</u>	<u>1,649,476,267</u>	<u>2,994,151,772</u>	<u>5,186,063,654</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
<b>LIABILITIES</b>				
Current liabilities (payable from current assets):				
Current maturities of long-term debt	\$ 5,272,521	\$ 5,825,000	\$ -	\$ -
Accounts payable	55,105,054	60,006,497	46,352,503	26,829,101
Accrued expenses	45,717,695	7,759,612	28,582,487	10,780,034
Due to other funds	18,984,366	-	-	5,900,166
Loaned securities	9,253,582	102,604,150	-	-
Deferred revenue	-	-	-	3,042,928
Deposits and other current liabilities	-	3,367,857	15,376,773	149,852,708
Total current liabilities (payable from current assets)	<u>134,333,218</u>	<u>179,563,116</u>	<u>90,311,763</u>	<u>196,404,937</u>
Current liabilities (payable from restricted assets):				
Current maturities of long-term debt	-	-	440,675,000	66,150,000
Accounts payable	-	-	6,141,037	87,116,638
Accrued expenses	-	-	8,437,539	61,857,434
Customer deposits	-	-	5,621,507	-
Loaned securities	-	-	-	116,916,989
Total current liabilities (payable from restricted assets)	-	-	<u>460,875,083</u>	<u>332,041,061</u>
Total current liabilities	<u>134,333,218</u>	<u>179,563,116</u>	<u>551,186,846</u>	<u>528,445,998</u>
Noncurrent liabilities:				
Long-term debt, less current maturities	94,036,943	82,475,682	1,299,286,562	3,080,025,662
Deferred revenue and other non-current liabilities	28,113,156	1,349,373	4,216,850	68,769,088
Total noncurrent liabilities	<u>122,150,099</u>	<u>83,825,055</u>	<u>1,303,503,412</u>	<u>3,148,794,750</u>
Total Liabilities	<u>256,483,317</u>	<u>263,388,171</u>	<u>1,854,690,258</u>	<u>3,677,240,748</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	86,741,233	1,004,526,428	1,038,965,684	843,898,120
Restricted for:				
Capital projects	6,444,936	-	-	217,852,708
Debt service	-	12,948,688	13,546,266	430,416,864
Unrestricted	34,954,933	368,612,980	86,949,564	16,655,214
Total Net Assets	<u>\$ 128,141,102</u>	<u>\$ 1,386,088,096</u>	<u>\$ 1,139,461,514</u>	<u>\$ 1,508,822,906</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2008  
(Continued)

	Business-Type - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		
<b>ASSETS</b>				
Unrestricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	\$ 136,119,487	\$ 318,007,904	\$ 288,051,665	
In custody of other officials	2,650	11,462,827	4,102,000	
Investments in custody of other officials	-	457,152,453	-	
Loaned securities	26,801,088	26,801,088	44,476,721	
Accounts receivable	299,048	247,571,920	4,098,025	
Interest receivable	1,333,880	15,616,521	2,213,594	
Taxes receivable, delinquent	633	633	-	
Due from other funds	-	1,540,333	31,536,252	
Due from other governmental units	16,471	10,423,111	47,564	
Inventories	-	33,096,711	486,713	
Prepaid items and other current assets	15,000	3,656,327	1,366,439	
Total unrestricted current assets	<u>164,588,257</u>	<u>1,125,329,828</u>	<u>376,378,973</u>	
Restricted current assets:				
Cash and cash equivalents:				
In custody of the County Treasurer	2,719,714	493,114,468	-	
With fiscal agent	-	1,211,562,949	-	
Investments in custody of other officials	-	141,223,172	-	
Loaned securities	520,759	228,624,713	-	
Accounts receivable	-	422,189,954	-	
Interest receivable	25,918	25,918	-	
Total restricted current assets	<u>3,266,391</u>	<u>2,496,741,174</u>	<u>-</u>	
Total current assets	<u>167,854,648</u>	<u>3,622,071,002</u>	<u>376,378,973</u>	
Noncurrent assets:				
Accounts receivable, restricted	-	389,300,000	-	
Deferred charges and other assets	-	122,747,244	-	
Capital assets:				
Property and equipment	89,127,463	8,476,978,819	24,429,187	
Accumulated depreciation	(29,556,181)	(2,169,355,023)	(19,746,669)	
Total capital assets, net of accumulated depreciation	<u>59,571,282</u>	<u>6,307,623,796</u>	<u>4,682,518</u>	
Total noncurrent assets	<u>59,571,282</u>	<u>6,819,671,040</u>	<u>4,682,518</u>	
Total assets	<u>227,425,930</u>	<u>10,441,742,042</u>	<u>381,061,491</u>	

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Net Assets  
June 30, 2008  
(Continued)

	Business-Type - Enterprise Funds		
	Other Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
<b>LIABILITIES</b>			
Current liabilities (payable from current assets):			
Current maturities of long-term debt	\$ 4,455,755	\$ 15,553,276	-
Accounts payable	3,121,784	191,414,939	101,165,968
Accrued expenses	7,453,946	100,293,774	42,866,847
Due to other funds	-	24,884,532	4,500,000
Loaned securities	26,942,376	138,800,108	44,711,190
Deferred revenue	300,309	3,343,237	-
Deposits and other current liabilities	50,753	168,648,091	302,520
Total current liabilities (payable from current assets)	<u>42,324,923</u>	<u>642,937,957</u>	<u>193,546,525</u>
Current liabilities (payable from restricted assets):			
Current maturities of long-term debt	-	506,825,000	-
Accounts payable	-	93,257,675	-
Accrued expenses	-	70,294,973	-
Customer deposits	-	5,621,507	-
Loaned securities	523,504	117,440,493	-
Total current liabilities (payable from restricted assets)	<u>523,504</u>	<u>793,439,648</u>	<u>-</u>
Total current liabilities	<u>42,848,427</u>	<u>1,436,377,605</u>	<u>193,546,525</u>
Noncurrent liabilities:			
Long-term debt, less current maturities	5,898,591	4,561,723,440	-
Deferred revenue and other non-current liabilities	-	102,448,467	-
Total noncurrent liabilities	<u>5,898,591</u>	<u>4,664,171,907</u>	<u>-</u>
Total Liabilities	<u>48,747,018</u>	<u>6,100,549,512</u>	<u>193,546,525</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	49,187,458	3,023,318,923	4,682,518
Restricted for:			
Capital projects	-	224,297,644	-
Debt service	2,742,887	459,654,705	-
Unrestricted	126,748,567	633,921,258	182,832,448
Total Net Assets	<u>\$ 178,678,912</u>	<u>\$ 4,341,192,530</u>	<u>\$ 187,514,966</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(4,412,449)	
Net assets of business-type of activities		<u>\$ 4,336,780,081</u>	

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

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2008

	Business-Type Activities - Enterprise Funds			
	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	-	101,765,294	-	-
Water sales and related water fees	-	-	351,434,705	-
Services to patients	501,854,545	-	-	-
Landing and other airport fees	-	-	-	41,706,379
Building and land rental	-	-	-	133,907,751
Concession fees	-	-	-	197,451,187
Constable fees	-	-	-	-
Building fees and permits	-	-	-	-
Recreation fees	-	-	-	-
Parking fees	-	-	-	-
Insurance	-	-	-	-
Other	27,161,153	-	-	-
Other operating revenues	-	1,506,196	3,770,683	2,871,909
Total operating revenues	<u>529,015,698</u>	<u>103,271,490</u>	<u>355,205,388</u>	<u>375,937,226</u>
Operating expenses:				
Salaries and benefits	-	25,721,855	-	98,753,171
General and administrative	138,108,735	-	-	19,268,377
Other professional services	431,856,946	6,640,975	-	-
Operating and maintenance	-	25,483,043	312,112,789	138,451,419
Depreciation	14,050,009	42,402,545	79,632,209	81,013,873
Total operating expenses	<u>584,015,699</u>	<u>100,248,418</u>	<u>391,744,998</u>	<u>337,486,840</u>
Operating income (loss)	<u>(54,999,992)</u>	<u>3,023,072</u>	<u>(36,539,610)</u>	<u>38,450,386</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Nonoperating revenues (expenses):				
Interest income	\$ 3,154,252	\$ 31,150,467	\$ 5,543,414	\$ 86,342,093
Interest expense	(5,207,053)	-	(35,326,780)	(157,604,320)
Gain (loss) on sale or abandonment of property and equipment	-	(6,673,493)	-	-
Consolidated tax	-	-	-	-
Sales and use tax	-	15,595,269	-	-
Contributions from other governmental units	31,000,000	-	-	-
Other	611,761	465,779	423,351	130,505,068
Total nonoperating revenues (expenses)	<u>29,558,960</u>	<u>40,538,022</u>	<u>(29,360,015)</u>	<u>59,242,841</u>
Income (loss) before contributions and transfers	(25,441,032)	43,561,094	(65,899,625)	97,693,227
Capital contributions	-	50,086,939	60,502,744	22,315,727
Transfers from other funds	13,800,000	-	-	9,498,355
Change in net assets	<u>(11,641,032)</u>	<u>93,648,033</u>	<u>(5,396,881)</u>	<u>129,507,309</u>
Net assets:				
Beginning of year	139,782,134	1,292,440,063	1,144,858,395	1,379,315,597
End of year	<u>\$ 128,141,102</u>	<u>\$ 1,386,088,096</u>	<u>\$ 1,139,461,514</u>	<u>\$ 1,508,822,906</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2008  
(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	\$ 151,188	151,188	\$ -	-
Charges for services:				
Sewer services and operations	-	101,765,294	-	-
Water sales and related water fees	4,116,040	355,550,745	-	-
Services to patients	-	501,854,545	-	-
Landing and other airport fees	-	41,706,379	-	-
Building and land rental	-	133,907,751	-	-
Concession fees	-	197,451,187	-	-
Constable fees	3,139,164	3,139,164	-	-
Building fees and permits	68,056,221	68,056,221	-	-
Recreation fees	9,339,325	9,339,325	-	-
Parking fees	564,140	564,140	207,562	-
Insurance	-	-	130,713,562	-
Other	-	27,161,153	49,872,462	-
Other operating revenues	356,571	8,505,359	6,221,775	-
Total operating revenues	<u>85,722,649</u>	<u>1,449,152,451</u>	<u>187,015,361</u>	<u>-</u>
Operating expenses:				
Salaries and benefits	51,489,602	175,964,628	66,773,381	-
General and administrative	-	157,377,112	-	-
Other professional services	-	438,497,921	-	-
Operating and maintenance	20,998,568	497,045,819	142,462,491	-
Depreciation	3,189,321	220,287,957	1,347,869	-
Total operating expenses	<u>75,677,491</u>	<u>1,489,173,437</u>	<u>210,583,741</u>	<u>-</u>
Operating income (loss)	<u>10,045,158</u>	<u>(40,020,986)</u>	<u>(23,568,380)</u>	<u>-</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Net Assets  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	Funds
Nonoperating revenues (expenses):			
Interest income	\$ 11,201,192	\$ 137,391,418	\$ 18,823,016
Interest expense	(2,995,126)	(201,133,279)	(4,187,664)
Gain (loss) on sale or abandonment of property and equipment	323,033	(6,350,460)	81,075
Consolidated tax	65,526	65,526	-
Sales and use tax	233,887	15,829,156	-
Contributions from other governmental units	-	31,000,000	-
Other	74,836	132,080,795	211,950
Total nonoperating revenues (expenses)	8,903,348	108,883,156	14,928,377
Income (loss) before contributions and transfers	18,948,506	68,862,170	(8,640,003)
Capital contributions	-	132,905,410	-
Transfers from other funds	1,302,476	24,600,831	64,797,000
Change in net assets	20,250,982	226,368,411	56,156,997
Net assets:			
Beginning of year	158,427,930		131,357,969
End of year	\$ 178,678,912		\$ 187,514,966
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds		(1,753,106)	
Change in net assets of business-type activities		\$ 224,615,305	

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, 2008

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Cash flows from operating activities:				
Cash received from customers	\$ 520,486,625	\$ 104,576,487	\$ 349,238,081	\$ 363,697,533
Cash paid for employees and for benefits	(325,921,004)	(24,996,690)	(108,628,284)	(98,529,311)
Cash paid for services and supplies	(233,907,057)	(25,130,860)	(210,020,041)	(148,877,592)
Other operating receipts	27,161,152	-	438,148	-
Net cash provided (used) by operating activities	(12,180,284)	54,448,937	31,027,904	116,290,630
Cash flows from noncapital financing activities:				
Cash provided by property taxes	-	-	-	-
Cash provided by consolidated taxes and sales and use taxes	-	-	-	-
Repayment of interfund loan	(1,000,000)	-	-	-
Federal and state grants	-	-	-	-
Transfers from other funds	13,800,000	-	-	-
Contributions from other governmental units	31,000,000	-	-	-
Other nonoperating revenues (expenses)	-	-	126,353	-
Net cash provided (used) by non-capital financing activities	43,800,000	-	126,353	-
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	35,891,091	48,233,187	-
Bonds and loans issued	7,000,000	-	157,480,955	1,614,644,425
Federal and state grants	-	18,453	-	47,724,875
Cash used for bond issue costs	-	-	(236,478)	(10,335,042)
Acquisition, construction, or improvement of capital assets	(8,865,679)	(213,811,774)	(134,956,122)	(460,259,884)
	(Continued)			

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Reclamation District	Las Vegas Valley Water District	Department of Aviation
Cash used for debt service:				
Principal	\$ (5,253,795)	\$ (5,550,000)	\$ (20,565,000)	\$ (69,485,000)
Interest	(5,151,627)	(1,746,250)	(35,898,574)	(185,231,588)
Payments to bond refunding agent	-	-	-	(1,184,464,862)
Proceeds from the sale of capital assets	-	54,491,743	222,337	-
Proceeds from customer assessments	-	-	-	90,084,692
Sales tax apportionment	-	15,717,452	-	-
Cash provided by other capital	611,761	-	(1,354,238)	-
Net cash used by capital and related financing activities	(11,659,340)	(114,989,285)	12,926,067	(157,322,384)
Cash flows from investing activities:				
Transfer to joint venture	-	(10,788,961)	-	-
Purchase of investments	-	(97,364,650)	(19,748,582,048)	-
Proceeds from maturities of investments	-	146,869,206	19,667,820,500	-
Interest income	3,154,252	33,205,408	2,413,458	94,194,744
Net cash provided (used) by investing activities	3,154,252	71,921,003	(78,348,090)	94,194,744
Net increase (decrease) in cash and cash equivalents	23,114,628	11,380,655	(34,267,766)	53,162,990
Cash and cash equivalents:				
Beginning of year	30,971,707	6,230,044	38,282,382	1,766,431,657
End of year:				
Unrestricted	7,186,871	7,306,011	4,014,616	174,841,096
Restricted	46,899,464	10,304,688	-	1,644,753,551
Total cash and cash equivalents at end of year	\$ 54,086,335	\$ 17,610,699	\$ 4,014,616	\$ 1,819,594,647

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds			
	University Medical Center	Water Reclamation District	Las Vegas Valley Water District	Department of Aviation
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (54,999,992)	\$ 3,023,072	\$ (36,539,610)	\$ 38,450,386
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	14,050,009	42,402,545	79,632,209	81,013,873
Provision for doubtful accounts	200,968,657	-	-	-
(Increase) decrease in accounts receivable	(182,336,578)	1,416,596	(7,882,863)	(11,211,566)
(Increase) decrease in due from other funds	-	-	-	-
(Increase) decrease in due from other governmental units	-	-	-	-
(Increase) decrease in inventory	(4,747,875)	(503,571)	-	(1,226,761)
(Increase) decrease in prepaid expense	-	(35,349)	(2,982,707)	(623,282)
(Increase) decrease in other assets	2,110,152	-	(223,443)	8,693,170
Increase (decrease) in accounts payable	7,294,081	8,318,427	(6,954,360)	202,000
Increase (decrease) in accrued payroll	-	-	5,599,959	223,860
Increase (decrease) in other non-current liabilities	839,741	(172,783)	-	-
Increase (decrease) in deferred revenue	-	-	(30,912)	768,950
Increase (decrease) in deposits and other current liabilities	4,641,521	-	409,631	-
Net cash provided (used) by operating activities	<u>\$ (12,180,284)</u>	<u>\$ 54,448,937</u>	<u>\$ 31,027,904</u>	<u>\$ 116,290,630</u>

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(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	\$ -	\$ 12,457,110	\$ 12,143,204	\$ -
Property, plant and equipment purchased on account	-	48,458,441	-	-
Change in fair value of investments	-	6,549,887	(91,694)	-
Bond issuance costs deducted from bond proceeds	-	-	(491,787)	-
Debt issued on behalf of related party	-	-	171,720,000	-
Reduction of debt issued on behalf of related party	-	-	(197,975,000)	-
Liability for litigation settlements charged to capital assets	-	-	-	204,000,000

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities -			Governmental Activities -
	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds	
Cash flows from operating activities:				
Cash received from customers	\$ 85,458,923	\$ 1,423,457,649	\$ 172,439,979	
Cash paid for employees and for benefits	(50,748,338)	(608,823,627)	(28,472,443)	
Cash paid for services and supplies	(25,057,809)	(642,993,359)	(140,980,160)	
Other operating receipts	356,571	27,955,871	6,221,775	
Net cash provided (used) by operating activities	10,009,347	199,596,534	9,209,151	
Cash flows from noncapital financing activities:				
Cash provided by property taxes	15,102	15,102	-	
Cash provided by consolidated taxes and sales and use taxes	10,346	10,346	-	
Repayment of interfund loan	-	(1,000,000)	-	
Federal and state grants	74,836	74,836	-	
Transfers from other funds	1,302,476	15,102,476	64,797,000	
Contributions from other governmental units	-	31,000,000	-	
Other nonoperating revenues (expenses)	-	126,353	211,950	
Net cash provided (used) by non-capital financing activities	1,402,760	45,329,113	65,008,950	
Cash flows from capital and related financing activities:				
Cash provided by contributed capital	-	84,124,278	-	
Bonds and loans issued	2,856,311	1,781,981,691	-	
Federal and state grants	-	47,743,328	-	
Cash used for bond issue costs	-	(10,571,520)	-	
Acquisition, construction, or improvement of capital assets	(3,157,265)	(821,050,724)	(1,438,428)	

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
Cash used for debt service:				
Principal	\$ (1,264,432)	\$ (102,118,227)		\$ -
Interest	(383,072)	(228,411,111)		-
Payments to bond refunding agent	-	(1,184,464,862)		-
Proceeds from the sale of capital assets	-	54,714,080		-
Proceeds from customer assessments	-	90,084,692		-
Sales tax apportionment	273,886	15,991,338		-
Cash provided by other capital	-	(742,477)		-
Net cash used by capital and related financing activities	(1,674,572)	(272,719,514)		(1,438,428)
Cash flows from investing activities:				
Transfer to joint venture	-	(10,788,961)		-
Purchase of investments	-	(19,845,946,698)		-
Proceeds from maturities of investments	-	19,814,689,706		-
Interest income	8,672,639	141,640,501		14,586,138
Net cash provided (used) by investing activities	8,672,639	99,594,548		14,586,138
Net increase (decrease) in cash and cash equivalents	18,410,174	71,800,681		87,365,811
Cash and cash equivalents:				
Beginning of year	120,431,677	1,962,347,467		204,787,854
End of year:				
Unrestricted	136,122,137	329,470,731		292,153,665
Restricted	2,719,714	1,704,677,417		-
Total cash and cash equivalents at end of year	\$ 138,841,851	\$ 2,034,148,148		\$ 292,153,665

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(Continued)

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Other Enterprise Funds	Total Enterprise Funds		Total Enterprise Funds	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash flows from operating activities:					
Operating income (loss)	\$ 10,045,158	\$ (40,020,986)	\$	(23,568,380)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	3,189,321	220,287,957		1,347,869	
Provision for doubtful accounts	-	200,968,657		-	
(Increase) decrease in accounts receivable	(85,934)	(200,100,345)		1,376,161	
(Increase) decrease in due from other funds	-	-		(9,782,224)	
(Increase) decrease in due from other governmental units	174,919	174,919		(47,564)	
(Increase) decrease in inventory	-	(6,478,207)		48,637	
(Increase) decrease in prepaid expense	-	(3,641,338)		(108,755)	
(Increase) decrease in other assets	-	10,579,879		-	
Increase (decrease) in accounts payable	(4,046,726)	4,813,422		1,542,449	
Increase (decrease) in accrued payroll	728,749	6,552,568		38,300,938	
Increase (decrease) in other non-current liabilities	-	666,958		-	
Increase (decrease) in deferred revenue	(220)	737,818		-	
Increase (decrease) in deposits and other current liabilities	4,080	5,055,232		100,020	
Net cash provided (used) by operating activities	\$ 10,009,347	\$ 199,596,534	\$	9,209,151	

(Continued)

Clark County, Nevada  
Proprietary Funds  
Statement of Cash Flows  
For the fiscal year ended June 30, 2008  
(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	\$	-	\$
Property, plant and equipment purchased on account	-	48,458,441	-
Change in fair value of investments	-	6,458,193	-
Bond issuance costs deducted from bond proceeds	-	(491,787)	-
Debt issued on behalf of related party	-	171,720,000	-
Reduction of debt issued on behalf of related party	-	(197,975,000)	-
Liability for litigation settlements charged to capital assets	-	204,000,000	-

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

Clark County, Nevada  
Fiduciary Funds  
Statement of Net Assets  
June 30, 2008

	Employee Benefit and Pension Funds	Agency Funds
<b>ASSETS</b>		
Cash and investments:		
In custody of the County Treasurer	\$ 3,448,244	\$ 164,642,480
In custody of other officials	-	39,681,315
With fiscal agent	125,224,502	-
Loaned securities	660,254	32,705,337
Accounts receivable	-	254,446
Interest receivable	1,088,815	1,627,735
Taxes receivable, delinquent	-	30,843,720
Due from other governmental units	-	3,748,565
	130,421,815	273,503,598
<b>LIABILITIES</b>		
Accrued expenses	37,884	-
Loaned securities	663,735	32,877,751
Amounts held for others	-	240,625,847
	701,619	273,503,598
<b>NET ASSETS</b>		
Held in trust for pension benefits and other purposes	\$ 129,720,196	\$ -

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, 2008

	Employee Benefit and Pension Funds
<b>ADDITIONS</b>	
Contributions:	
Contributions from employer	\$ 23,682,756
Contributions from employees	977,039
Total contributions	<u>24,659,795</u>
Investment earnings:	
Interest	1,788,361
Net increase in fair value of investments	<u>(3,744,154)</u>
Total investment earnings	(1,955,793)
Less investment expense	<u>(150,302)</u>
Net investment earnings	<u>(2,106,095)</u>
Total additions	<u>22,553,700</u>
<b>DEDUCTIONS</b>	
General and administrative Benefit payments	181,558
	<u>14,939,481</u>
Total deductions	<u>15,121,039</u>
Change in net assets	7,432,661
<b>NET ASSETS</b>	
Beginning of year	<u>122,287,535</u>
End of year	<u>\$ 129,720,196</u>

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Reporting Entity

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

Blended Component Units

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

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

Discretely Presented Component Units

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

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

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

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

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

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

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, 2008

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Government-Wide Financial Statements

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

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

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, 2008

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

The County reports the following major governmental funds:

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

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

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

The County reports the following major enterprise funds:

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements (Continued)

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

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

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

Additionally, the County reports the following fund types:

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

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

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

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

Assets, Liabilities, and Net Assets or Equity

Investments

With the exception of the Water Reclamation District and Water District, the County pools the cash of its individual funds for investment purposes. Each fund in the pool records its own interest earnings. At year end, all the investments in the pool are adjusted to fair value, regardless of the length of time remaining to maturity. The proportionate share of each fund's unrealized gain or loss at year end is adjusted against the interest earnings of the individual funds. The Water Reclamation District and Water District also adjust their investments to fair value, but only to the extent that they are maturing longer than a year from year end. (Also see Note II.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, 2008

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, 2008

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Compensated Absences

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

Long-Term Obligations

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

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

Fund Equity

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

Reclassifications

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

Use of Estimates

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS

1. CASH AND INVESTMENTS

Deposits

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

All deposits are subject to credit risk. Credit risk is defined as the risk that another party to a deposit or investment transaction (counterparty) will not fulfill its obligations. At year end, the bank balance of deposits held in custody of the County Treasurer was \$29,504,453 and the carrying amount was (\$26,817,663). The negative carrying amount represents outstanding checks in excess of bank balances. The County utilizes zero balance sweep accounts and there are money market funds available to cover amounts presented for payment.

The bank balance of deposits held in the custody of other officials was \$26,670,647 and the carrying amount was \$20,883,584. The bank balance and the carrying value of deposits with fiscal agent was \$567,834.

At June 30, 2008, the fair value of Countywide deposits, investments, and loaned securities reinvested consisted of the following:

Total Cash, Investments and Loaned Securities Reinvested All Entities Combined		<u>Fair Value</u>
Investments	\$6,060,242,640	
Loaned securities	<u>866,622,809</u>	\$6,926,865,449
Cash		(5,366,245)
Water District Pension		<u>125,146,915</u>
Grand total		<u>\$7,046,646,119</u>

Investments

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

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

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

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

State statutes authorize the County to invest in the following: obligations of the U.S. Treasury and U.S. agencies not to exceed ten years maturity; negotiable notes or short-term negotiable bonds issued by other local governments of the State of Nevada; negotiable certificates of deposit insured by commercial banks, credit unions or savings and loan associations; nonnegotiable certificates of deposit issued by insured commercial banks, credit unions or savings and loan associations, except certificates that are not within limits of insurance provided by the Federal Deposit

Insurance Corporation, unless those certificates are collateralized as is required for uninsured deposits; bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180 days maturity and 20 percent of total investments; obligations of state and local governments if the interest on the obligation is tax exempt and is rated "A" or its equivalent; commercial paper having an "A-1" rating or equivalent, not to exceed 270 days maturity and 20 percent of total investments; money market mutual funds with "AAA" rating invested only in federal government or agency securities; master notes, bank notes or other short-term commercial paper rated "A-1" or its equivalent, or in repurchase agreements fully collateralized by such securities; notes, bonds, and other unconditional obligations issued by corporations organized and operating in the United States, not to exceed 5 years maturity and 20 percent of the total investments; collateralized mortgage obligations that are rated "AAA" or its equivalent, not to exceed 20 percent of the total investments; asset-backed securities that are rated "AAA" or its equivalent, not to exceed 20 percent of the total investments; repurchase agreements that are collateralized at 102 percent and are executed with a primary dealer, not to exceed 90 days maturity. State Statutes require the County to invest with security dealers who are primary dealers when investing in repurchase agreements. Primary dealers are a group of dealers that submit daily reports of market positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its formal oversight.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Investments (Continued)

At June 30, 2008, the fair value of Countywide investments and securities reinvested were categorized by maturity as follows:

Investments with 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>5 to 10</u>
<b>Debt Securities:</b>					
U.S. Treasuries	\$ 636,158,006	\$ 100,898,500	\$ 474,808,503	\$ 1,119,818	\$59,331,185
U.S. Agencies	3,498,027,449	979,348,627	1,965,167,899	531,131,698	22,379,225
Corporate Obligations	597,912,419	279,425,864	253,148,505	65,338,050	-
Money Market Funds	998,665,860	998,665,860	-	-	-
Commercial Paper	209,041,589	209,041,589	-	-	-
Negotiable CDs	59,993,802	59,993,802	-	-	-
State Investment Pool	105,484,473	105,484,473	-	-	-
Collateralized Investment					
Agreements*	447,228,110	447,228,110	-	-	-
Repurchase Agreements	324,500,947	324,500,947	-	-	-
Asset Backed Securities	<u>49,852,794</u>	<u>30,022,113</u>	<u>19,830,681</u>	-	-
<b>Total</b>	<b><u>\$6,926,865,449</u></b>	<b><u>\$3,534,609,885</u></b>	<b><u>\$2,712,955,588</u></b>	<b><u>\$597,589,566</u></b>	<b><u>\$81,710,410</u></b>

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

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

At June 30, 2008, 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	\$ 74,280,534	59.35%
Equities	<u>50,866,381</u>	<u>40.65</u>
<b>Total</b>	<b><u>\$125,146,915</u></b>	<b><u>100.00%</u></b>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. 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	\$ 50,866,381
Domestic Bond Fund	Weighted Average 7.30 years	45,523,709
Money Market Fund	Weighted Average 19 days	77,596
Union Central Life Insurance Co. Contract	Open	1,443,041
N.Y. Life Insurance Co. Contract	Open	5,575,888
N.Y. Life Insurance Co. Contract	07/30/10	4,529,491
N.Y. Life Insurance Co. Contract	09/03/10	4,543,424
N.Y. Life Insurance Co. Contract	10/01/10	4,104,459
N.Y. Life Insurance Co. Contract	09/04/12	4,376,924
N.Y. Life Insurance Co. Contract	10/01/12	<u>4,106,002</u>
Total		<u>\$125,146,915</u>

At June 30, 2008, the fair value of Countywide investments and loaned securities reinvested were categorized by quality rating as follows:

Investments with Loaned Securities Reinvested – All Entities Combined

<u>Investment Type</u>	<u>Quality Ratings by Standard &amp; Poor's</u>					
	<u>Fair Value</u>	<u>AAA</u>	<u>AA</u>	<u>A</u>	<u>A-1</u>	<u>Unrated</u>
<u>Debt Securities</u>						
U.S. Treasuries	\$ 636,158,006	\$ 636,158,006	\$ -	\$ -	\$ -	\$ -
U.S. Agencies	3,498,027,449	3,498,027,449	-	-	-	-
Corporate Obligations	597,912,419	21,953,767	231,518,708	65,014,080	279,425,864	-
Money Market Funds	998,665,860	998,665,860	-	-	-	-
Commercial Paper	209,041,589	-	-	-	209,041,589	-
Negotiable CDs	59,993,802	-	-	-	59,993,802	-
State Investment Pool	105,484,473	-	-	-	-	105,484,473
Collateralized Investment Agreements*	447,228,110	117,948,687	329,279,423	-	-	-
Repurchase Agreements	324,500,947	-	-	-	-	324,500,947
Asset Backed Securities	<u>49,852,794</u>	<u>49,852,794</u>	-	-	-	-
Total	<u>\$6,926,865,449</u>	<u>\$5,322,606,563</u>	<u>\$560,798,131</u>	<u>\$65,014,080</u>	<u>\$548,461,255</u>	<u>\$429,985,420</u>

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. 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>06/30/08</u>
Domestic Equity and Bond Funds	AA	61.29%
Money Market Fund	AAA/Aaa	00.10
Contracts	N/A	38.61

The managing institution of the Domestic Bond Fund reports an overall rating of AA+ at June 30, 2008, for the underlying securities. The fund is benchmarked off the Lehman Brothers Aggregate Bond Index; therefore, the fund uses Lehman Brothers' rating methodology. The methodology uses the middle rating of Moody's, Standard & Poor's, and Fitch after dropping the highest and lowest available ratings. The AAA/Aaa ratings for the Money Market Fund were by Standard & Poor's and Moody's.

The amounts above include investment balances for the RTC and the Flood Control District of \$377,096,827 and \$275,647,361, respectively, which are discretely presented component units and are not broken out separately as they participate in the investment pool.

Interest Rate Risk

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

Interest Rate Sensitivity

At June 30, 2008, the County invested in the following types of securities that have a higher sensitivity to interest rates:

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

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. 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>
3133XHNL2	\$50,437,500	11/03/09	One time	N/A	Fixed
3136F9LP6	49,859,375	04/28/10	One time	N/A	Fixed
31398ARR5	49,906,250	06/04/10	One time	N/A	Fixed
31331YDQ0	50,281,250	11/19/10	One time	N/A	Fixed
3136F8B95	50,234,375	01/14/11	One time	N/A	Fixed
31398ANY4	49,984,375	02/25/11	One time	N/A	Fixed
31398ANH1	49,703,125	02/25/11	One time	N/A	Fixed
31398AQS4	49,859,375	04/28/11	One time	N/A	Fixed
3136F9KF9	49,566,246	04/29/11	One time	N/A	Fixed
3136F8MA0	50,359,375	05/10/11	One time	N/A	Fixed
3128X5ZC5	50,626,500	02/02/12	One time	N/A	Fixed
3136F8Y33	49,687,500	02/15/12	Semi annually	N/A	Step-down
3136F9PM9	49,758,157	11/15/12	One time	N/A	Fixed
3128X7VS0	49,805,000	05/29/13	One time	N/A	Fixed
3133XPN67	49,984,375	02/11/09	One time	N/A	Fixed
3133XQLA8	49,781,250	04/07/09	Quarterly	N/A	Fixed
3128X7HD9	49,847,500	04/09/09	One time	N/A	Fixed
3133XQXX5	49,906,250	05/06/09	One time	N/A	Fixed
3128X7RM8	49,824,500	05/19/09	One time	N/A	Fixed
3136F9JR5	49,467,104	04/21/11	One time	N/A	Step-up
3133XRBT6	49,890,625	06/03/09	Quarterly	N/A	Step-up

Credit Risk

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

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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

At June 30, 2008, the following investments exceeded five percent of the total cash, investments, and loaned securities collateral for all entities combined.

Federal Farm Credit Banks (FFCB)	8.53%
Federal Home Loan Banks (FHLB)	22.91
Federal Home Loan Mortgage Corporation (FHLMC)	11.07
Federal National Mortgage Association (FNMA)	14.63
Federated Money Market Funds	5.67
Morgan Stanley Money Market Funds	10.09

Securities Lending

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

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

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

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

The fair value of the securities on loan at June 30, 2008, was \$755,831,287. At June 30, 2008, the County had received cash collateral with a value totaling \$769,794,371. The total collateral received was in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

The Clark County Water Reclamation District began participating in securities lending activities through its custodial bank in September 2007. In addition to the District's allocated share of loaned securities with the County, the loaned securities in the District's custodial bank were \$100,865,319, having an underlying fair value of \$99,087,528. The collateral consisted of repurchase agreements with a fair value totaling \$100,872,569 at June 30, 2008.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

1. CASH AND INVESTMENTS (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Consistent with the County's securities lending policy, \$765,757,490 was held by the counterparty that was acting as the County's agent in securities lending transactions, and consisted of U.S. corporate obligations, repurchase agreements, and asset-backed securities. In addition, \$100,865,000 was held by the Clark County Water Reclamation District's agent in securities lending transactions conducted through the District's custodial bank.

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 property tax abatement law that generally caps increases in property taxes received from any residential property to three percent per year, and eight percent per year for non-residential property.

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue in the governmental funds as they are not available to pay liabilities of the current period. The revenue is fully recognized at the government-wide level. The following delinquent taxes receivable and penalties receivable on delinquent taxes have been deferred as of June 30, 2008:

<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Non-Major Enterprise Funds</u>	<u>Total</u>
\$11,721,152	\$6,340,212	\$272,965	\$309	\$18,334,638

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE

Accounts receivable balances at June 30, 2008, consisted of the following:

	<u>Accounts</u>	<u>Provisions for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
<u>Primary Government</u>			
Governmental activities:			
General	\$ 26,418,759	\$(20,867,281)	\$ 5,551,478
Las Vegas Metropolitan Police	2,328,571	-	2,328,571
Other governmental	4,437,113	-	4,437,113
Internal Service	<u>4,098,025</u>	<u>-</u>	<u>4,098,025</u>
Total governmental activities	<u>\$ 37,282,468</u>	<u>\$(20,867,281)</u>	<u>\$ 16,415,187</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ 20,867,281</u>		
Business-type activities:			
University Medical Center	\$245,501,387	\$(96,180,480)	\$149,320,907
Reclamation District	14,821,498	(250,000)	14,571,498
Water District	58,277,279	(1,080,000)	57,197,279
Department of Aviation	28,654,226	(2,471,038)	26,183,188
Other proprietary	299,048	-	299,048
Total business-type activities	<u>\$347,553,438</u>	<u>\$(99,981,518)</u>	<u>\$247,571,920</u>
Business-type activities restricted:			
Reclamation District	\$ 2,644,000	\$ -	\$ 2,644,000
Water District	807,124,730	-	807,124,730
University Medical Center	<u>1,721,224</u>	<u>-</u>	<u>1,721,224</u>
Total business-type activities restricted	<u>\$811,489,954</u>	<u>\$ -</u>	<u>\$811,489,954</u>
Amounts not scheduled for collection during the subsequent year	<u>\$389,300,000</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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

3. ACCOUNTS RECEIVABLE (Continued)

Discretely Presented Component Units

	<u>Accounts</u>	<u>Provision for Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
Regional Transportation Commission of Southern Nevada	\$1,432,733	\$ _____ -	\$1,432,733
Regional Flood Control District	\$ 6,530	\$ _____ -	\$ 6,530

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 obligation issued by municipalities and authorities are shown as bond bank receivable on the statement of net assets.

	<u>Balance June 30, 2008</u>
Bond bank receivable, current	\$ 34,745,000
Bond bank receivable, noncurrent	<u>989,805,000</u>
Total bond bank receivable	<u>\$1,024,550,000</u>

4. CAPITAL ASSETS

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
<u>Primary Government</u>				
<b>Governmental activities:</b>				
Capital assets not being depreciated:				
Land	\$1,214,575,179	\$ 79,350,055	\$ -	\$1,293,925,234
Construction in progress	<u>265,752,380</u>	<u>215,136,774</u>	<u>174,294,955</u>	<u>306,594,199</u>
Total capital assets not being depreciated	<u>1,480,327,559</u>	<u>294,486,829</u>	<u>174,294,955</u>	<u>1,600,519,433</u>
Capital assets being depreciated:				
Buildings	804,936,086	80,923,527	3,190,066	882,669,547
Improvements other than buildings	213,664,517	18,529,102	7,459,997	224,733,622
Equipment	270,951,636	51,403,918	24,696,858	297,658,696
Infrastructure	<u>3,535,479,645</u>	<u>335,418,103</u>	<u>_____ -</u>	<u>3,870,897,748</u>
Total capital assets being depreciated	<u>4,825,031,884</u>	<u>486,274,650</u>	<u>35,346,921</u>	<u>5,275,959,613</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Less accumulated depreciation for:				
Buildings	133,472,355	15,409,490	2,611,387	146,270,458
Improvements other than buildings	74,396,069	10,213,061	420,629	84,188,501
Equipment	167,566,542	37,963,871	14,239,283	191,291,130
Infrastructure	<u>1,095,488,250</u>	<u>128,892,432</u>	<u>-</u>	<u>1,224,380,682</u>
Total accumulated depreciation	<u>1,470,923,216</u>	<u>192,478,854</u>	<u>17,271,299</u>	<u>1,646,130,771</u>
Total capital assets being depreciated, net	<u>3,354,108,668</u>	<u>293,795,796</u>	<u>18,075,622</u>	<u>3,629,828,842</u>
Governmental activities capital assets, net	<u>\$4,834,436,227</u>	<u>\$588,282,625</u>	<u>\$192,370,577</u>	<u>\$5,230,348,275</u>
<b>Business-type activities:</b>				
Capital assets not being depreciated:				
Land	643,141,590	206,897,557	27,277	850,011,870
Construction in progress	<u>423,502,040</u>	<u>1,478,259,273</u>	<u>760,998,451</u>	<u>1,140,762,862</u>
Total capital assets not being depreciated	<u>1,066,643,630</u>	<u>1,685,156,830</u>	<u>761,025,728</u>	<u>1,990,774,732</u>
Capital assets being depreciated:				
Land improvements	2,493,352,490	91,902,957	30,765,088	2,554,490,359
Buildings and improvements	2,918,239,459	75,686,689	37,616,942	2,956,309,206
Equipment	<u>942,249,633</u>	<u>66,366,662</u>	<u>33,211,773</u>	<u>975,404,522</u>
Total capital assets being depreciated	<u>6,353,841,582</u>	<u>233,956,308</u>	<u>101,593,803</u>	<u>6,486,204,087</u>
Less accumulated depreciation for:				
Land improvements	722,677,492	58,390,772	12,464,607	768,603,657
Buildings and improvements	874,574,327	103,991,577	45,240,904	933,325,000
Equipment	<u>420,938,600</u>	<u>65,287,970</u>	<u>18,800,204</u>	<u>467,426,366</u>
Total accumulated depreciation	<u>2,018,190,419</u>	<u>227,670,319</u>	<u>76,505,715</u>	<u>2,169,355,023</u>
Total capital assets being depreciated, net	<u>4,335,651,163</u>	<u>6,285,989</u>	<u>25,088,088</u>	<u>4,316,849,064</u>
Business-type activities capital assets, net	<u>\$5,402,294,793</u>	<u>\$1,691,442,819</u>	<u>\$786,113,816</u>	<u>\$6,307,623,796</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

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

<b>Governmental activities:</b>	
General government	\$ 19,795,541
Judicial	3,593,707
Public safety	24,729,942
Public works	132,416,394
Health	518,074
Welfare	429,203
Culture and recreation	10,492,120
Other	<u>503,873</u>

Total depreciation expense – governmental activities	<u>\$192,478,854</u>
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<b>Business-type activities:</b>	
Hospital	\$ 14,050,009
Water	79,632,209
Airport	88,396,235
Sewer	42,402,545
Other	<u>3,189,321</u>

Total depreciation expense – business-type activities	<u>\$227,670,319</u>
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**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, 2008, were as follows:

	<u>Spent to date</u>	<u>Remaining Commitment</u>
<b>Governmental activities:</b>		
Buildings and improvements	\$171,527,543	\$ 373,602,262
Infrastructure:		
Work in progress RFCDC Clark County projects	22,588,830	22,561,576
Work in progress – Public Works	98,303,726	1,197,896,688
Work in progress – RTC Clark County projects	<u>14,174,100</u>	<u>75,823,567</u>
Total infrastructure	<u>135,066,656</u>	<u>1,296,281,831</u>
Total governmental activities	<u>\$306,594,199</u>	<u>\$1,669,884,093</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

**Business-type activities:**

Hospital	\$ 8,621,521	\$ 13,159,830
Water	127,483,711	102,400,000
Airport	681,614,403	2,500,000,000
Sewer	<u>339,627,089</u>	<u>329,642,726</u>
Total	<u>\$1,157,346,724</u>	<u>\$2,945,202,556</u>

Discretely Presented Component Units

Flood Control District

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Capital assets not being depreciated:				
Construction in progress	<u>\$ 94,242</u>	<u>\$ 55,604</u>	<u>\$ 24,098</u>	<u>\$ 125,748</u>
Capital assets being depreciated:				
Buildings	2,994,689	21,019	-	3,015,708
Equipment	<u>1,587,499</u>	<u>170,154</u>	<u>255,523</u>	<u>1,502,130</u>
Total capital assets being depreciated	<u>4,582,188</u>	<u>191,173</u>	<u>255,523</u>	<u>4,517,838</u>
Less accumulated depreciation for:				
Buildings	528,301	62,586	-	590,887
Equipment	<u>1,247,931</u>	<u>123,791</u>	<u>224,624</u>	<u>1,147,098</u>
Total accumulated depreciation	<u>1,776,232</u>	<u>186,377</u>	<u>224,624</u>	<u>1,737,985</u>
Total capital assets being depreciated, net	<u>2,805,956</u>	<u>4,796</u>	<u>30,899</u>	<u>2,779,853</u>
Government activities capital assets, net	<u>\$2,900,198</u>	<u>\$ 60,400</u>	<u>\$ 54,997</u>	<u>\$2,905,601</u>

Depreciation expense of \$186,377 was charged to the public works function.

RTC

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Governmental activities:				
Capital assets not being depreciated:				
Construction in progress	<u>\$ -</u>	<u>\$ 235,718</u>	<u>\$ -</u>	<u>\$ 235,718</u>
Total capital assets not being depreciated	<u>\$ -</u>	<u>\$ 235,718</u>	<u>\$ -</u>	<u>\$ 235,718</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

	<u>Balance July 1, 2007</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2008</u>
Capital assets being depreciated:				
Buildings	\$ 18,522,095	\$ -	\$ -	\$ 18,522,095
Equipment	<u>3,437,103</u>	<u>408,554</u>	<u>1,088,649</u>	<u>2,757,008</u>
Total capital assets	<u>21,959,198</u>	<u>408,554</u>	<u>1,088,649</u>	<u>21,279,103</u>
Less accumulated depreciation for:				
Buildings	2,855,414	417,108	-	3,272,522
Equipment	<u>1,471,835</u>	<u>1,040,825</u>	<u>1,088,649</u>	<u>1,424,011</u>
Total accumulated depreciation	<u>4,327,249</u>	<u>1,457,933</u>	<u>1,088,649</u>	<u>4,696,533</u>
Total capital assets being depreciated, net	<u>17,631,949</u>	<u>(1,049,379)</u>	<u>-</u>	<u>16,582,570</u>
Governmental activities capital assets, net	<u>\$ 17,631,949</u>	<u>\$ (813,661)</u>	<u>\$ -</u>	<u>\$ 16,818,288</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 33,650,793	\$ -	\$ -	\$ 33,650,793
Construction in progress	<u>32,809,818</u>	<u>138,731,896</u>	<u>55,801,478</u>	<u>115,740,236</u>
Total capital assets not being depreciated	<u>66,460,611</u>	<u>138,731,896</u>	<u>55,801,478</u>	<u>149,391,029</u>
Capital assets being depreciated:				
Buildings and improvements	65,909,186	498,478	-	66,407,664
Equipment	<u>189,573,859</u>	<u>56,098,473</u>	<u>26,603,455</u>	<u>219,068,877</u>
Total capital assets being depreciated	<u>255,483,045</u>	<u>56,596,951</u>	<u>26,603,455</u>	<u>285,476,541</u>
Less accumulated depreciation for:				
Buildings and improvements	19,345,290	2,600,381	-	21,945,671
Equipment	<u>96,934,793</u>	<u>18,072,941</u>	<u>26,215,181</u>	<u>88,792,553</u>
Total accumulated depreciation	<u>116,280,083</u>	<u>20,673,322</u>	<u>26,215,181</u>	<u>110,738,224</u>
Total capital assets being depreciated, net	<u>139,202,962</u>	<u>35,923,629</u>	<u>388,274</u>	<u>174,738,317</u>
Business-type activities capital assets, net	<u>\$205,663,573</u>	<u>\$174,655,525</u>	<u>\$56,189,752</u>	<u>\$324,129,346</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

4. CAPITAL ASSETS (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued)

Depreciation expense was charged to the following functions or programs:

Governmental activities:	
Public Works	<u>\$ 1,457,933</u>
Business-type activities:	
Public Transit	<u>\$20,673,322</u>

Construction commitments include major arterial roadway projects with various local entities of approximately \$308,717,000. In addition, the Public Transit fund has outstanding construction commitments of approximately \$32,809,000 for capital projects and vehicles.

5. INTERFUND TRANSACTIONS

Due to/from other funds at June 30, 2008, were as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Las Vegas Metropolitan Police Fund	\$ 400,543
Nonmajor governmental funds	General Fund	279,455
	Between nonmajor governmental funds	15,234,604
Nonmajor governmental funds	Master Transportation Fund	6,000,000
Department of Aviation	Master Transportation Fund	1,540,333
Internal Service funds	Las Vegas Metropolitan Police Fund	54,928
	Nonmajor Governmental funds	2,096,791
	Between internal service funds	4,500,000
Internal service funds	Department of Aviation	5,900,166
Internal service funds	University Medical Center	<u>18,984,367</u>
		<u>\$54,991,187</u>
Total due to/from other funds		

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

5. INTERFUND TRANSACTIONS (Continued)

Interfund transfers for the year ended June 30, 2008, consisted of the following:

<u>Fund transferred to:</u>	<u>Fund transferred from:</u>	<u>Amount</u>
General Fund	Nonmajor governmental funds	\$ 303,535,415
Las Vegas Metropolitan Police Fund	General Fund	205,982,271
Nonmajor governmental funds	General Fund	447,579,206
	Between nonmajor governmental funds	219,151,247
	Master Transportation Fund	131,275,981
Nonmajor enterprise funds	General Fund	1,302,475
Internal service funds	General Fund	20,600,000
	Nonmajor governmental funds	27,197,000
	Las Vegas Metropolitan Police Fund	17,000,000
University Medical Center	Nonmajor governmental funds	13,800,000
Department of Aviation	Master Transportation Fund	<u>9,498,354</u>
		<u>\$1,396,921,949</u>

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

6. LONG-TERM DEBT

Primary Government

Bonds payable at June 30, 2008, are comprised of the following individual issues:

Governmental Activities:

General Obligation Bonds:

<u>Series</u>	<u>Purpose</u>	<u>Date</u>	<u>Date of</u>	<u>Interest</u>	<u>Original</u>	<u>Balance</u>
		<u>Issued</u>	<u>Final</u>		<u>Issue</u>	<u>June 30, 2008</u>
1992	Transportation Improvement	06/01/92	06/01/17	4.90-7.50 %	\$250,000,000	\$ 35,085,000
1998	Transportation Improvement	03/01/98	06/01/19	4.25-5.125	82,885,000	190,000
1998	Transportation Improvement	12/01/98	12/01/19	4.00-5.25	100,000,000	41,280,000
1999	Public Safety	02/01/99	02/01/09	4.00-5.00	20,000,000	2,365,000
1999	Public Facilities	03/01/99	06/01/24	3.25-5.125	71,060,000	29,210,000
1999	Park and Justice Center	11/01/99	11/01/09	5.00-6.00	107,015,000	8,005,000
2000	Transportation Improvement	02/01/00	12/01/11	5.00-6.00	85,000,000	15,980,000
2000	Public Safety	03/01/00	03/01/11	5.00-6.00	18,000,000	3,875,000
2000	Bond Bank	07/01/00	07/01/10	5.50-6.50	200,000,000	12,450,000
2001	Bond Bank	06/01/01	06/01/31	5.00-5.50	250,000,000	60,495,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

General Obligation Bonds (Continued):

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2008
2002	Medium Term	02/01/02	02/01/12	4.50-5.00	20,000,000	8,935,000
2002	Bond Bank	11/01/02	06/01/32	5.00-5.25	200,000,000	87,485,000
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	63,695,000
2004	Transportation Improvement	12/30/04	12/01/19	3.00-5.00	74,895,000	74,095,000
2004	Park and Justice Center	12/30/04	11/01/17	3.00-5.00	48,935,000	48,335,000
2005	Street Improvement	07/06/05	10/01/10	3.50-5.00	20,475,000	10,690,000
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	115,585,000
2006	Bond Bank	06/13/06	06/01/30	4.00-4.75	242,880,000	239,980,000
2006	Bond Bank	11/02/06	11/01/36	2.50-5.00	604,140,000	604,140,000
2007	Public Facilities	05/24/07	06/01/24	4.00-5.00	22,325,000	22,285,000
2008	Transportation Improvement	03/13/08	06/01/19	3.460	71,045,000	71,045,000
1982	Searchlight	10/15/82	01/01/12	5.00	236,720	55,438
Total General Obligation Bonds						<u>\$1,593,640,438</u>

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2009	\$ 65,237,862	\$ 74,423,023	\$ 139,660,885
2010	73,483,505	70,804,476	144,287,981
2011	76,974,181	67,161,400	144,135,581
2012	76,824,890	63,537,997	140,362,887
2013	77,875,000	59,849,585	137,724,585
2014-2018	400,965,000	239,541,573	640,506,573
2019-2023	260,945,000	156,069,507	417,014,507
2024-2028	254,370,000	95,979,980	350,349,980
2029-2033	214,755,000	39,426,606	254,181,606
2034-2038	92,210,000	5,738,275	97,948,275
	<u>\$1,593,640,438</u>	<u>\$872,532,422</u>	<u>\$2,466,172,860</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds:

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2008
1995	Hiko Springs/Laughlin #74	12/15/95	12/15/15	4.25-7.63 %	\$ 6,107,000	\$ 3,180,000
1998	Laughlin Wash #71A	09/01/98	04/15/14	4.10-7.20	2,155,000	695,000
1998	Russell Road #81	09/01/98	12/01/12	3.65-5.00	7,155,000	2,930,000
1999	Patrick Lane #107	04/01/99	02/01/09	3.40-4.50	399,000	10,000
1999	Desert Inn #104	02/01/99	02/01/09	3.25-4.20	76,000	10,000
1999	Desert Inn #102	04/01/99	02/01/09	3.40-4.50	300,000	20,000
1999	Vegas Manor #110	02/01/99	02/01/09	3.25-4.20	1,754,000	140,000
2000	Russell Road #82	01/01/00	02/01/10	4.25-5.40	432,000	20,000
2000	Spring Mountain #103	01/01/00	02/01/10	4.25-5.40	648,000	150,000
2000	Gowan Road #106	01/01/00	02/01/10	4.25-5.40	147,000	15,000
2000	Valley View #109	04/01/00	02/01/10	5.10-5.25	2,123,000	520,000
2001	Windmill #105	01/01/01	02/01/11	4.25-4.75	1,604,000	365,000
2001	Summerlin Centre #128B	05/17/01	02/01/21	4.50-6.75	10,000,000	5,420,000
2001	Summerlin Centre #132	05/01/01	02/01/21	4.50-6.875	24,000,000	17,395,000
2002	Durango #89	06/15/02	08/01/12	1.50-4.20	150,000	29,723
2002	Tropicana #116	06/15/02	08/01/12	1.50-4.20	118,000	33,782
2002	Maryland Parkway #118	06/15/02	08/01/12	1.50-4.20	421,000	144,723
2002	Craig Road #119A	06/15/02	08/01/12	1.50-4.20	67,000	28,376
2002	Jones Blvd. #120	06/15/02	08/01/12	1.50-4.20	194,000	46,642
2002	Flamingo Rd. #123	06/15/02	08/01/12	1.50-4.20	405,000	116,753
2003	Las Vegas Blvd. #97A	06/01/03	03/01/16	2.00-3.70	6,970,000	3,635,000
2003	Durango #117	06/01/03	03/01/14	2.00-3.50	277,000	92,055
2003	Summerlin Gardens #124A	12/23/03	02/01/20	2.25-4.50	4,399,431	3,229,907
2003	Summerlin Gardens #124B	12/23/03	02/01/20	1.50-5.90	1,929,727	1,452,818
2003	Jones Blvd. #125	06/01/03	03/01/14	2.00-3.50	322,000	194,194
2003	Boulder Highway #126A	06/01/03	03/01/23	2.00-4.30	2,119,000	1,210,000
2003	Tenaya Way #136	06/01/03	03/01/14	2.00-3.50	300,000	170,926
2003	Buffalo Drive #139	06/01/03	03/01/14	2.00-3.50	527,000	237,826
2003	Summerlin Centre #128A	11/03/03	02/01/21	3.50-6.30	10,000,000	8,380,000
2003	Mountains Edge #142	12/04/03	08/01/23	2.25-6.375	92,360,000	84,235,000
2003	Summerlin South #108A	12/23/03	02/01/17	2.25-4.50	17,335,569	11,685,093
2003	Summerlin South #108B	12/23/03	02/01/17	3.30-5.70	8,375,273	5,807,182
2004	Mountain Vista St. #113	06/29/04	02/01/15	3.50-4.30	322,424	167,802
2004	Silverado Ranch Blvd. #130	06/29/04	02/01/15	3.50-4.30	1,747,504	1,041,762
2004	Stewart Ave. #133	06/29/04	02/01/15	3.50-4.30	205,850	118,631
2004	Pebble Road #138	06/29/04	02/01/15	3.50-4.30	808,817	513,996
2004	Buffalo Drive #141	06/29/04	02/01/15	3.50-4.30	64,569	31,621
2004	Alta Drive Bridge #143	06/29/04	02/01/14	3.50-4.30	1,807,964	1,241,378
2004	Durango #144B	06/29/04	02/01/15	3.50-4.30	816,871	589,811
2005	Summerlin Mesa #151	10/12/05	08/01/25	3.15-5.00	25,485,000	24,135,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Special Assessment Bonds (Continued):

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2008
2006	Commercial Center #140	05/23/06	02/01/16	4.50	709,000	552,775
2006	Robindale Road #134	05/23/06	02/01/16	4.50	21,000	16,521
2006	Russell Road #127	05/23/06	02/01/16	4.50	1,522,000	1,107,366
2006	Tenaya Way #145	05/23/06	02/01/16	4.50	125,000	88,338
2006	Southern Highlands #121A	05/31/06	12/01/19	3.75-4.63	30,620,000	26,735,000
2006	Southern Highlands #121B	05/31/06	12/01/29	3.90-5.33	13,515,000	12,555,000
2007	Alexander #146	05/02/07	02/01/17	4.00-4.25	448,000	326,181
2007	Craig Road #148	05/02/07	02/01/17	4.00-4.25	495,000	415,395
2007	Silverado Ranch Blvd. #150	05/02/07	02/01/17	4.00-4.25	5,664,000	24,183
2007	Durango #144A	05/02/07	02/01/17	4.00-4.25	397,000	353,205
2007	Fort Apache #131	05/02/07	02/01/17	4.00-4.25	462,000	406,035
2007	Summerlin Centre #128A	05/01/07	02/01/31	3.95-5.05	10,755,000	10,565,000
2007	Summerlin Centre #128A	05/01/07	02/01/21	3.95-5.00	480,000	460,000
2008	Flamingo Underground #112	05/13/08	08/01/37	4.00-5.00	70,000,000	<u>70,000,000</u>
Total Special Assessment Bonds						<u>\$303,045,000</u>

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2009	\$ 13,945,000	\$ 14,422,399	\$ 28,367,399
2010	15,305,000	14,707,386	30,012,386
2011	15,515,000	14,027,056	29,542,056
2012	16,030,000	13,312,741	29,342,741
2013	16,725,000	12,550,191	29,275,191
2014-2018	83,805,000	49,919,544	133,724,544
2019-2023	71,930,000	27,528,387	99,458,387
2024-2028	31,420,000	12,416,129	43,836,129
2029-2033	18,880,000	7,094,298	25,974,298
2034-2038	<u>19,490,000</u>	<u>2,529,500</u>	<u>22,019,500</u>
	<u>\$303,045,000</u>	<u>\$168,507,631</u>	<u>\$471,552,631</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. 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, 2008</u>
1996	Moapa Park	01/31/96	06/01/16	5.75 %	\$ 800,000	\$ 335,732 (a)
2002	LVMPD Helicopter	06/03/02	05/01/12	5.36	1,817,013	845,209 (b)
2008	Commercial Paper	04/01/08	04/08/13	1.375	200,000,000	<u>20,000,000 (c)</u>
Total Loans Payable						<u>\$21,180,941</u>

- (a) This loan is being serviced, principal and interest, by the Moapa debt service fund.
- (b) This loan is being serviced, principal and interest, by the Las Vegas Metropolitan Police special revenue fund.
- (c) This commercial paper is being serviced, principal and interest, by the Clean Water Coalition.

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>
2009	\$20,222,528	\$325,302	\$20,547,830
2010	251,791	42,551	294,342
2011	265,225	29,116	294,341
2012	259,013	14,962	273,975
2013	42,674	7,261	49,935
2014-2016	<u>139,710</u>	<u>10,095</u>	<u>149,805</u>
	<u>\$21,180,941</u>	<u>\$429,287</u>	<u>\$21,610,228</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. An addition of \$52,693,173 is shown to disclose an arbitration award dated November 30, 2008, on litigation arising from the construction of the Regional Justice Center.

When a state or local government earns interest at a higher rate of return on tax-exempt bond issues than it pays on the debt, a liability for the spread is payable to the federal government. This interest spread, known as “rebtable arbitrage,” is due five years after issuing the bonds. Excess earnings of one year may be offset by lesser earnings in subsequent years. As of June 30, 2008, the County has incurred an estimated arbitrage liability of \$3,948,398. This estimated liability consists of \$3,948,398 recorded as a current liability on both the fund financial statements and the governmental activities column.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Governmental Activities (Continued):

Litigation Accrual and Arbitrage Liability (Continued)

The following summarizes activity for the year:

	<u>Litigation</u>	<u>Arbitrage</u>	<u>Total</u>
Accrual, July 1, 2007	\$ 2,500,000	\$5,350,000	\$7,850,000
Additions	52,693,173	-	52,693,173
Deletions	<u>-</u>	<u>1,401,602</u>	<u>1,401,602</u>
Accrual, June 30, 2008	<u>\$55,193,173</u>	<u>\$3,948,398</u>	<u>\$59,141,571</u>
Due within one year	<u>\$52,693,173</u>	<u>\$3,948,398</u>	<u>\$56,641,571</u>

Compensated Absences

The following is the change in long-term accrued vacation, sick leave, longevity, and severance benefits recorded as a noncurrent liability in the governmental activities column as of June 30, 2008:

Long-Term portion of accrued sick leave and vacation benefits at July 1, 2007	\$163,569,590
Additional amount accrued during the year	134,452,937
Less amount paid during the year	<u>123,615,924</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2008	<u>\$174,406,603</u>

Business-Type Activities:

General Obligation Bonds:

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2008
2003	Big Bend Water District	06/03/04	01/01/25	3.190 %	\$ 4,000,000	\$ 3,548,915(a)
2003	Big Bend Water District	11/25/03	11/01/10	3.00-5.00	8,195,000	3,855,000(a)
2004	Big Bend Water District	TBD	TBD	3.20	6,000,000	3,128,902(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)
2000	University Medical Center	03/01/00	03/01/11	5.00-5.75	56,825,000	8,550,000(c)
2003	University Medical Center	11/01/03	09/01/23	2.25-5.00	36,765,000	11,930,000(c)
2004	University Medical Center	05/01/04	09/01/09	2.25-3.50	8,085,000	3,210,000(c)
2005	University Medical Center	07/28/05	03/01/20	4.00-5.00	48,390,000	47,890,000(c)
2007	University Medical Center	05/22/07	09/01/23	4.19	18,095,000	18,085,000(c)
2007	University Medical Center	11/29/07	11/01/17	3.889	7,000,000	7,000,000(c)

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

General Obligation Bonds (Continued):

Series	Purpose	Date Issued	Date of Final Maturity	Interest	Original Issue	Balance June 30, 2008
1980	Kyle Canyon Water Dist.	10/30/80	10/30/10	5.00	221,000	39,150(d)
2003	Water Reclamation Dist.	04/01/03	07/01/12	2.70-5.00	47,170,000	32,150,000(e)
2007	Water Reclamation Dist.	11/13/07	07/01/37	4.00-4.75	55,000,000	55,000,000(e)
2003A	Las Vegas Valley Water Dist.	01/09/03	06/01/32	4.00-5.25	168,685,000	139,480,000(f)
2003B	Las Vegas Valley Water Dist.	01/01/03	06/01/27	4.00-5.25	250,000,000	219,295,000(f)
2005A	Las Vegas Valley Water Dist.	05/04/05	06/01/27	4.00-5.00	302,425,000	277,845,000(f)
2005B	Las Vegas Valley Water Dist.	05/04/05	06/01/10	3.75-5.00	27,925,000	13,695,000(f)
2006A	Las Vegas Valley Water Dist.	06/01/06	06/01/36	4.75-5.00	151,555,000	151,555,000(f)
2006B	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	75,000,000(f)
2006C	Las Vegas Valley Water Dist.	07/20/06	06/01/36	variable	75,000,000	75,000,000(f)
2008A	Las Vegas Valley Water Dist.	02/19/08	12/01/37	5.00	190,760,000	190,760,000(f)
2008B	Las Vegas Valley Water Dist.	02/19/08	06/01/26	3.50-5.00	171,720,000	171,720,000(f)

Total General Obligation Bonds \$1,588,841,967

- (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, 2008.
- (c) These bonds are being serviced, principal and interest, by the University Medical Center enterprise fund.
- (d) These bonds are being serviced, principal and interest, by the Kyle Canyon Water District enterprise fund.
- (e) These bonds are being serviced, principal and interest, by the Clark County Water Reclamation District enterprise fund.
- (f) These bonds are being serviced, principal and interest, by the Las Vegas Valley Water District enterprise fund.

The annual debt service requirements to maturity are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2009	\$ 55,020,755	\$ 74,117,385	\$ 129,138,140
2010	55,924,022	71,300,813	127,224,835
2011	57,059,289	68,672,971	125,732,260
2012	57,181,082	65,899,399	123,080,481
2013	60,196,744	63,082,782	123,279,526
2014-2018	284,295,228	274,524,782	558,820,010
2019-2023	344,351,718	201,036,697	545,388,415
2024-2028	392,653,129	109,364,648	502,017,777
2029-2033	162,395,000	46,506,283	208,901,283
2034-2038	119,765,000	13,649,895	133,414,895
	<u>\$1,588,841,967</u>	<u>\$988,155,655</u>	<u>\$2,576,997,622</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

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, 2008</u>
1992	Department of Aviation	08/01/92	07/01/08	4.95-6.50 %	\$209,000,000	\$ 9,420,000
1993A	Department of Aviation	05/18/93	07/01/12	variable	339,000,000	151,200,000
1998APFC	Department of Aviation	04/01/98	07/01/22	4.10-5.50	214,245,000	89,015,000
1998A	Department of Aviation	04/01/98	07/01/18	3.75-6.00	121,045,000	24,115,000
2002APFC	Department of Aviation	10/01/02	07/01/13	4.00-5.25	34,490,000	19,010,000
2003C	Department of Aviation	05/29/03	07/01/22	5.00-5.375	105,435,000	101,335,000
2004A1	Department of Aviation	09/01/04	07/01/24	5.00-5.50	128,430,000	128,430,000
2004A2	Department of Aviation	09/01/04	07/01/36	5.00-5.125	232,725,000	232,725,000
2005A	Department of Aviation	09/14/05	07/01/40	variable	69,590,000	69,590,000
2005A1	Department of Aviation	04/03/05	07/01/22	variable	130,000,000	125,200,000
2005A2	Department of Aviation	04/03/05	07/01/22	variable	129,900,000	125,200,000
2006A	Department of Aviation	09/21/06	07/01/40	4.00-5.00	100,000,000	83,695,000
2007A1	Department of Aviation	05/16/07	07/01/27	5.00	150,400,000	150,400,000
2007A2	Department of Aviation	05/16/07	07/01/40	5.00	56,225,000	56,225,000
2007A1PFC	Department of Aviation	04/27/07	07/01/26	4.00-5.00	113,510,000	113,510,000
2007A2PFC	Department of Aviation	04/27/07	07/01/27	5.00	105,475,000	105,475,000
2008C1	Department of Aviation	03/19/08	07/01/40	variable	122,900,000	122,900,000
2008C2	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,550,000
2008C3	Department of Aviation	03/19/08	07/01/29	variable	71,550,000	71,550,000
2008D1	Department of Aviation	03/19/08	07/01/36	variable	58,920,000	58,920,000
2008D2	Department of Aviation	03/19/08	07/01/40	variable	199,605,000	199,605,000
2008D3	Department of Aviation	03/19/08	07/01/29	variable	122,865,000	122,865,000
2008E	Department of Aviation	05/28/08	07/01/17	4.00-5.00	61,430,000	61,430,000
2008APFC	Department of Aviation	06/26/08	07/01/18	variable	115,845,000	115,845,000
2008F	Department of Aviation	06/26/08	07/01/09	3.00	400,000,000	400,000,000
2008A1	Department of Aviation	06/26/08	07/01/22	variable	100,000,000	100,000,000
2008A2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000
2008B1	Department of Aviation	06/26/08	07/01/22	variable	100,000,000	100,000,000
2008B2	Department of Aviation	06/26/08	07/01/22	variable	50,000,000	50,000,000
Total Revenue Bonds						<u>\$3,109,210,000</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>
2009	\$ 66,150,000	\$ 120,721,523	\$ 186,871,523
2010	471,780,000	133,230,096	605,010,096
2011	86,150,000	117,335,173	203,485,173
2012	92,370,000	107,118,993	199,488,993

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities / Revenue Bonds (Continued):

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2013	107,385,000	101,908,629	209,293,629
2014-2018	355,040,000	431,559,793	786,599,793
2019-2023	665,925,000	279,194,546	945,119,546
2024-2028	505,035,000	187,219,218	692,254,218
2029-2033	267,140,000	109,250,917	376,390,917
2034-2038	301,855,000	61,000,718	362,855,718
2039-2042	190,380,000	10,602,329	200,982,329
	<u>\$3,109,210,000</u>	<u>\$1,659,141,935</u>	<u>\$4,768,351,935</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, 2008</u>
2004	University Medical Center	06/20/04	05/20/04	4.56%	\$ 8,079,363	\$ 3,681,338(a)
2004	Commercial Paper	06/02/04	03/09/09	3.55	400,000,000	<u>400,000,000(b)</u>
Total loans payable						<u>\$403,681,338</u>

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

Commercial Paper Notes Activity:

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

The annual debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2009	\$401,207,521	\$868,013	\$402,075,534
2010	1,263,750	86,611	1,350,361
2011	1,210,067	27,764	1,237,831
	<u>\$403,681,338</u>	<u>\$982,388</u>	<u>\$404,663,726</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Changes in Long-Term Liabilities:

Long-term liability activity for the year ended June 30, 2008 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Gen. obligation bonds	\$1,657,982,688	\$ 71,045,000	\$ 135,387,250	\$1,593,640,438	\$ 65,237,862
Special assessment bonds with govern- mental commitment	256,396,000	70,000,000	23,351,000	303,045,000	13,945,000
Loans	1,423,574	20,000,000	242,633	21,180,941	20,222,528
Litigation settlement	-	20,000,000	-	20,000,000	10,000,000
Litigation accrual	2,500,000	52,693,173	-	55,193,173	52,693,173
Arbitrage	5,350,000	-	1,401,602	3,948,398	3,948,398
County and Fire OPEB liability	-	33,580,581	-	33,580,581	4,106,902
LVMPD OPEB liability	-	49,996,761	-	49,996,761	3,018,605
Compensated absences	<u>163,569,590</u>	<u>134,452,937</u>	<u>123,615,924</u>	<u>174,406,603</u>	<u>108,500,000</u>
<b>Total</b>	<u>2,087,221,852</u>	<u>451,768,452</u>	<u>283,998,409</u>	<u>2,254,991,895</u>	<u>281,672,468</u>
<b>Business-Type Activities:</b>					
Gen. obligation bonds	1,433,927,628	467,585,000	312,670,661	1,588,841,967	55,020,755
Revenue bonds	2,778,560,000	1,524,665,000	1,194,015,000	3,109,210,000	66,150,000
Loans	404,835,133	-	1,153,795	403,681,338	401,207,521
OPEB Liability	-	18,260,213	-	18,260,213	-
Compensated absences and other liabilities	<u>46,220,583</u>	<u>180,311,412</u>	<u>57,772,364</u>	<u>168,759,631</u>	<u>52,455,651</u>
<b>Total</b>	<u>4,663,543,344</u>	<u>2,190,821,625</u>	<u>1,565,611,820</u>	<u>5,288,753,149</u>	<u>574,833,927</u>
<b>Total long-term debt</b>	<u>\$6,750,765,196</u>	<u>\$2,642,590,077</u>	<u>\$1,849,610,229</u>	<u>\$7,543,745,044</u>	<u>\$ 856,506,395</u>

Unamortized premium/discount on governmental activity general obligation bonds amounted to \$8,242,986. Unamortized premium/discount on governmental activity special assessment bonds amounted to \$(7,470,441). Unamortized premium/discount on business-type activity general obligation bonds amounted to \$23,950,636. Unamortized premium/discount on business-type activity revenue bonds amounted to \$(41,582,225). 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT

Business-Type Activities (Continued):

Current Year Refunded and Defeased Bond Issues

On February 19, 2008, the Water District issued \$190,760,000 par value general obligation improvement and refunding bonds (2008A Bonds) for a premium of \$10,997,918 with a true interest cost of 4.50 percent. The bonds were dated and delivered February 19, 2008.

On February 19, 2008, bond proceeds of \$43,785,177, together with \$564,428 debt service monies, were deposited into escrow (2008A escrow) to currently refund the 1998A Bonds. The amounts deposited into the 2008A escrow were invested in government securities to provide funds sufficient to pay on May 15, 2008, interest of \$1,128,856 and principal of \$43,450,000 on the refunded bonds. The redemption price was 100 percent and the average coupon rate of the refunded bonds was 5.16 percent.

Although the refunding resulted in an accounting loss of \$596,323, the Water District reduced its debt service payments by \$4,785,631 over the next 7 years, affecting a net economic gain of \$3,144,929. Economic gain is the present value of the debt service savings. Following GASB Statement 23, the Water District will defer the accounting loss of \$596,323 and equably amortize it as a component of interest expense.

The bond proceeds balance of \$157,972,741 (\$190,760,000 par value plus \$10,997,918 premium less \$43,785,177 escrow deposit) will be used to acquire and construct water improvement projects for the Water District, pay capitalized interest, and pay the costs of issuing the 2008A Bonds.

In addition to the 2008A Bonds, the Water District issued on February 19, 2008, \$171,720,000 par value refunding bonds (2008B Bonds) additionally secured by pledged revenue of the SNWA, for a premium of \$13,828,281 with true interest cost of 3.93 percent. The bonds were dated and delivered February 19, 2008.

On February 19, 2008, the \$185,548,281 bond proceeds (\$171,720,000 par value plus \$13,838,281 premium) plus \$2,281,678 SNWA debt service funds, less \$813,356 closing costs, for a total amount of \$187,016,603 were deposited into a separate escrow (2008B escrow) to currently refund the 1998B bonds, also additionally secured by pledged revenue of the SNWA.

The amounts deposited into the 2008B escrow were invested in government securities to provide funds sufficient to pay on May 15, 2008, interest of \$100,555,244 and principal of \$183,420,000 on the refunded bonds. The redemption price was 100 percent and the average coupon rate of the refunded bonds was 4.91 percent.

Because the liability for bonds additionally secured by pledged revenue of the SNWA is offset by receivables from the SNWA, the refunding of the 1998B Bonds has no effect on the Water District's income or equity.

In March 2008, Clark County issued \$64,025,000 in General Obligation (Limited Tax) Transportation Refunding Bonds with interest of 3.46 percent to advance refund the outstanding 1998A series with interest ranging from 4.25 to 5.00 percent.

The bond proceeds totaled \$64,625,000. Net proceeds of \$65,303,580 were deposited in a special trust account created and authorized to refund and pay interest on the refunded bonds. This amount, together with the yield from U.S. Government obligations purchased by the trust, is deemed to be sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a partial defeasance of the 1998A bond issue, and the related liability has been removed from the financial statements of the County.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Current Year Refunded and Defeased Bond Issues (Continued)

The refunding resulted in a loss of \$600,000, which represents the difference between the defeased bonds and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of \$6,306,451 and an economic gain (difference between the present value of the old and new debt service payments) of \$5,225,681.

In March 2008, Clark County issued \$6,420,000 in General Obligation (Limited Tax) Transportation Refunding Bonds with an interest rate of 3.46 percent to advance refund the outstanding 1998C series with an interest rate of 4.75 percent.

The bond proceeds totaled \$6,420,000. Net proceeds of \$6,467,125 were deposited in a special trust account created and authorized to refund and pay interest on the refunded bonds. This amount, together with the yield from U.S. Government obligations purchased by the trust, is deemed sufficient to meet the debt service provisions of the refunded bonds. This transaction resulted in a partial defeasance of the 1998C bond issue, and the related liability has been removed from the financial statements of the County.

The refunding resulted in a loss of \$80,000, which represents the difference between the defeased bonds and the amount placed in escrow. The advanced refunding also resulted in future cash flow savings of \$557,805 and an economic gain (difference between the present value of the old and new debt service payments) of \$463,841.

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, 2008, the following were the remaining balances of the defeased bond issues:

Clark County Street Improvement:	
Series of December 1, 1995	\$ 10,985,000
Special Assessment Bonds:	
Series of December 1, 1992	3,170,000
Series of October 1, 1995	7,100,000
Series of April 15, 1994	900,000
Series of December 14, 1999	44,695,000
Clark County Public Safety:	
Series of October 1, 1996	65,330,000
Series of March 1, 2000	6,240,000
Clark County Transportation:	
Series of June 1, 1992 (C)	4,200,000
Series of July 1, 1994 (A)	62,230,000
Series of July 1, 1994 (C)	2,220,000
Series of December 1, 1998(A)	16,590,000
Series of December 1, 1998(B)	11,060,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Prior Year Defeasance of Debt (Continued)

Series of February 1, 2000(A)	24,000,000
Series of February 1, 2000(B)	21,340,000
Series of January 15, 1996(A)	66,020,000
Series of January 15, 1996(B)	52,795,000
Series of March 1, 1998(A)	64,025,000
Series of March 1, 1998(C)	6,340,000
Big Bend Water District:	
Series of November 1, 1990	3,890,000
Series of 1993	4,005,000
Las Vegas Valley Water District:	
General Obligation Bonds:	
Series of October 1, 1989	1,665,000
Series of August 1, 1990	5,085,000
Series of September 1, 1992	15,275,000
Series of April 1, 1994	29,200,000
Series of March 1, 1995	9,715,000
Series of July 1, 1995	12,380,000
Series of July 1, 1996	149,095,000
Clark County Water Reclamation District:	
Series of June 1, 1993	28,480,000
Clark County Parks and Regional Justice Center:	
Series of 1999	73,515,000
Clark County Bond Bank:	
Series of July 1, 2000	170,730,000
Series of June 1, 2001	166,915,000
Series of November 1, 2002	97,455,000
Clark County Government Center:	
Series of July 1, 1993	17,475,000
Clark County Public Facilities:	
Series of March 1, 1999(A)	2,570,000
Series of March 1, 1999(B)	5,905,000
Series of March 1, 1999(C)	13,395,000
Airport Improvement Bonds:	
Series of August 1, 1992(A)	147,120,000
Series of August 1, 1992(B)	64,820,000
Series of May 1, 1993	31,210,000

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Business-Type Activities (Continued):

Prior Year Defeasance of Debt (Continued)

Airport Improvement Bonds (Continued):

Series of September 1, 1993	15,720,000
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	119,210,000
Series of 2006(B)	300,000,000

Hospital Bonds:

Series of 2000	47,875,000
Series of 2003	<u>17,205,000</u>

Total	<u>\$2,872,240,000</u>
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Conduit Debt Obligations

The County has issued approximately \$1,676,245,000 in economic development revenue bonds since 1990. The bonds have been issued for a number of economic development projects, including: utility projects, healthcare projects, and education projects. The bonds are paid solely from the revenues derived from the respective projects, therefore, these bonds are not liabilities of the County under any condition, and they are not included as a liability of the County.

Discretely Presented Component Units

Flood Control District:

The following is a summary of bonds, loans, and compensated absences payable by the Flood Control District for the year ended June 30, 2008:

	<u>Liability</u>	<u>Due After One Year</u>	<u>Due Within One Year</u>
General obligation bonds	\$299,870,000	\$292,815,000	\$7,055,000
Compensated absences	676,409	676,409	-
Other post-employment benefits	<u>99,739</u>	<u>99,739</u>	<u>-</u>
Total liabilities	<u>\$300,646,148</u>	<u>\$293,591,148</u>	<u>\$7,055,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued):

Bonds payable July 1, 2007	\$306,485,000
Bonds retired	<u>(6,615,000)</u>
 Bonds payable June 30, 2008	 <u>\$299,870,000</u>

Unamortized premium on governmental activity general obligation bonds amounted to \$4,098,500.

The following individual issues comprised the bonds payable at June 30, 2008.

	Original Amount	Interest Rate	Balance June 30, 2008
Series of September 15, 1998	\$150,000,000	4.25-5.25%	\$ 99,870,000
Series of 2006	200,000,000	3.50-4.75	<u>200,000,000</u>
 Total general obligation bonds			 <u>\$299,870,000</u>

The debt service requirements are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2009	\$ 7,055,000	\$ 14,154,843	\$ 21,209,843
2010	7,420,000	13,785,318	21,205,318
2011	7,815,000	13,386,899	21,201,899
2012	8,230,000	12,966,967	21,196,967
2013	8,660,000	12,535,805	21,195,805
2014-2018	50,280,000	55,634,406	105,914,406
2019-2023	45,645,000	44,272,008	89,917,008
2024-2028	51,745,000	33,202,381	84,947,381
2029-2033	65,280,000	19,397,100	84,677,100
2034-2038	<u>47,740,000</u>	<u>3,477,000</u>	<u>51,217,000</u>
 Total	 <u>\$299,870,000</u>	 <u>\$222,812,727</u>	 <u>\$522,682,727</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2008:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2007	\$632,803
Additional amount accrued during the year	<u>43,606</u>
 Long-term portion of accrued sick leave and vacation benefits at June 30, 2008	 <u>\$676,409</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

Flood Control District (Continued):

Pledged Revenues

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

The pledged revenues and debt service coverage for the year ended June 30, 2008, are:

Pledged revenues – sales tax	\$86,295,315
Debt service	21,110,843
Coverage	4.09

RTC:

The following is a summary of bonds, loans, and compensated absences payable by the RTC for the year ended June 30, 2008:

Governmental activities:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Revenue bonds	\$474,190,000	\$15,875,000	\$458,315,000
Loans payable	100,000,000	-	100,000,000
Compensated absences	1,388,523	-	1,388,523
Other post-employment benefits	<u>314,602</u>	<u>-</u>	<u>314,602</u>
Total liabilities	<u>\$575,893,125</u>	<u>\$15,875,000</u>	<u>\$560,018,125</u>

Revenue Bonds

The following is a summary of revenue bond activities for the year ended June 30, 2008:

Bonds payable July 1, 2007	\$490,060,000
Bonds retired	<u>(15,870,000)</u>
Bonds payable June 30, 2008	<u>\$474,190,000</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Revenue Bonds (Continued)

The following individual issues comprised the bonds payable at June 30, 2008.

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2008</u>
Highway Improvement Motor Vehicle Fuel Tax Revenue Bonds:			
Series of 2003	200,000,000	4.50-6.00%	\$174,190,000
Series of 2007	300,000,000	5.00	<u>300,000,000</u>
Total Revenue Bonds			<u>\$474,190,000</u>

Unamortized premium on governmental activity revenue bonds amounted to \$11,838,358.

The debt service requirements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2009	\$ 15,875,000	\$ 22,151,206	\$ 38,026,206
2010	17,355,000	21,320,456	38,675,456
2011	18,185,000	20,431,956	38,616,956
2012	19,090,000	19,500,081	38,590,081
2013	20,045,000	18,521,706	38,566,706
2014-2018	116,300,000	75,848,509	192,148,509
2019-2023	148,425,000	42,566,463	190,991,463
2024-2028	<u>118,915,000</u>	<u>9,183,725</u>	<u>128,098,725</u>
Total	<u>\$474,190,000</u>	<u>\$229,524,102</u>	<u>\$703,714,102</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, 2008, \$100 million has been issued. The loan is being serviced, interest only in the current year, through budgeted transfers from the Highway Improvement Acquisition fund (4100) and the Highway Improvement Fund (4130). The commercial paper notes may have a maturity date from 1 to 270 days after their issuance, provided, however, that no note may mature after the earlier of January 1, 2018, or five days prior to the line of credit expiration date. The line of credit expiration date is January 23, 2015; however, the line of credit may be extended from time to time. Interest rates are fixed at a rate of 12 percent per annum.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

The following is the loan payable at June 30, 2008:

<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, 2008</u>
Commercial Paper	\$200,000,000	01/08	Various	12%	\$100,000,000

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

The debt service requirements are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Total Interest</u>	<u>Requirements</u>
2009	\$ -	\$12,000,000	\$ 12,000,000
2010	-	12,000,000	12,000,000
2011	-	12,000,000	12,000,000
2012	-	12,000,000	12,000,000
2013	-	12,000,000	12,000,000
2014-2015	100,000,000	18,000,000	118,000,000

In December 2004, the RTC established a commercial paper program allowing for the issuance of \$200 million in tax-exempt commercial paper notes (Series 2004A and Series 2004B) for transit projects. This commercial paper is being issued as needed, and as of June 30, 2008, \$30 million has been issued. The loan was fully repaid during the year along with accrued interest by the Public Transit Fund.

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits as of June 30, 2008:

Long-term portion of accrued sick leave and vacation benefits at July 1, 2007	\$1,369,359
Additional amount accrued during the year	<u>19,164</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2008	<u>\$1,388,523</u>

Business-type activities:

	<u>Liability</u>	<u>Due Within One Year</u>	<u>Due After One Year</u>
Compensated absences	\$ 947,594	\$ -	\$ 947,594
Other post-employment benefits	<u>370,694</u>	<u>-</u>	<u>370,694</u>
	<u>\$1,318,288</u>	<u>\$ -</u>	<u>\$1,318,288</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

6. LONG-TERM DEBT (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Loans Payable

The following is a summary of loan transactions of the RTC for the year ended June 30, 2008:

Loan payable July 1, 2007	\$30,000,000
Reductions	<u>(30,000,000)</u>
Loan payable June 30, 2008	<u>\$ -</u>

Compensated Absences

Long-term portion of accrued sick leave and vacation benefits at July 1, 2007	\$856,656
Additional amount accrued during the year	<u>90,938</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2008	<u>\$947,594</u>

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

<u>Assets:</u>	
Current Assets	\$ 8,640,737
Restricted assets	3,266,391
Capital assets	<u>33,447,391</u>
Total assets	<u>45,354,519</u>
<u>Liabilities:</u>	
Current liabilities	6,628,167
Current liabilities payable from restricted assets	523,504
Noncurrent liabilities	<u>5,871,860</u>
Total liabilities	<u>13,023,531</u>
<u>Net Assets:</u>	
Invested in capital assets, net of related debt	23,132,196
Restricted	2,742,887
Unrestricted	<u>6,455,905</u>
Total net assets	<u>\$32,330,988</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. 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	\$ 3,820,833
Depreciation expense	(1,130,712)
Other operating expenses	<u>(2,463,644)</u>
Operating income	226,477
Nonoperating revenues (expenses):	
Interest income	927,830
Sales and use tax	218,706
Interest expense	<u>(593,441)</u>
Change in net assets	779,572
Beginning net assets	<u>31,551,416</u>
Ending net assets	<u><u>\$32,330,988</u></u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$(2,701,095)
Noncapital financing activities	-
Capital and related financing activities	1,227,418
Investing activities	<u>732,593</u>
Net increase (decrease)	(741,084)
Beginning cash and cash equivalents	<u>10,326,249</u>
Ending cash and cash equivalents	<u><u>\$ 9,585,165</u></u>

8. NET ASSETS AND FUND BALANCES

Primary Government

Net Assets:

The government-wide statement of net assets reports \$1,947,605,856 of restricted net assets, of which \$324,291,026 is restricted by enabling legislation.

Net Assets Restricted for Other Purposes:

At June 30, 2008, net assets restricted for other purposes on the government-wide statement of net assets totaled \$420,672,270. These net assets utilize revenue sources that are externally imposed by creditors, grantors, and contributors or are imposed by law through enabling legislation. The primary activities of restriction are public safety for \$209,571,672, habitat conservation for \$57,430,586, Clark County redevelopment for \$22,785,759, parks for \$20,839,046, roads for \$19,864,673, and air quality management for \$18,110,730. The remaining activities totaled \$72,069,804.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

8. NET ASSETS AND FUND BALANCES (Continued)

Fund Balances:

Designated for Specific Projects:

Nonmajor governmental funds:

Special revenue	\$ 85,325,556
Capital projects	<u>1,060,831,005</u>
	<u>\$1,146,156,561</u>

Special revenue fund balances are designated principally for park projects of \$23,940,824, road repair and maintenance projects of \$19,826,176, Clark County redevelopment of \$14,971,110, public safety of \$10,806,200, and funding for federal and state grants of \$6,552,333. Capital projects fund balances are designated largely for various projects within the County Capital Projects fund of \$440,093,749, transportation projects of \$256,202,186, special improvement district street improvement projects of \$117,960,522, public safety of \$97,117,370, and park projects of \$92,936,297.

Discretely Presented Component Units

Flood Control District

Net Assets:

The government-wide statement of net assets reports \$223,667,652 of restricted net assets, of which \$214,322,408 is restricted by enabling legislation for flood control activities and \$9,345,244 is restricted by creditors for general obligation debt repayment.

RTC

Net Assets:

The government-wide statement of net assets reports \$230,797,683 of restricted net assets, of which \$162,264,230 is restricted by enabling legislation for street and highway projects and other related activities and \$68,533,453 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, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

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 \$10,000,000. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

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

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

LVMPD Self-Funded Industrial Insurance

The LVMPD has established a self-insurance fund to pay workers' compensation claims. Self-insurance is in effect up to an individual stop loss amount of \$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, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

9. RISK MANAGEMENT (Continued)

Changes in Liability Amounts:

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

	<u>Liability July 1, 2007</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30, 2008</u>
Self-Funded Group Insurance Clark County Workers' Compensation	\$17,720,730	\$ 71,361,740	\$ 72,561,096	\$16,521,374
LVMPD Self-Funded Insurance	27,146,638	9,902,259	8,948,947	28,099,950
LVMPD Self-Funded Industrial Insurance	10,423,002	4,843,356	4,874,295	10,392,063
County Liability Insurance	31,544,697	12,520,633	12,499,384	31,565,946
County Liability Insurance Pool	4,545,694	1,709,127	1,240,757	5,014,064
	<u>5,117,497</u>	<u>5,239,449</u>	<u>5,207,144</u>	<u>5,149,802</u>
 Total Self-Insurance Funds	 <u>\$96,498,258</u>	 <u>\$105,576,564</u>	 <u>\$105,331,623</u>	 <u>\$96,743,199</u>

The total liability at June 30, 2007, is included in the accounts payable line item in the government-wide financial statements.

	<u>Liability July 1, 2006</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30, 2007</u>
Self-Funded Group Insurance Clark County Workers' Compensation	\$15,188,703	\$ 54,771,646	\$52,239,619	\$17,720,730
LVMPD Self-Funded Insurance	27,168,653	11,145,745	11,167,760	27,146,638
LVMPD Self-Funded Industrial Insurance	16,428,163	5,687,690	11,692,851	10,423,002
County Liability Insurance Pool	14,525,955	25,802,363	8,783,621	31,544,697
County Liability Insurance Pool	4,596,464	1,002,118	1,052,888	4,545,694
	<u>5,062,053</u>	<u>4,181,989</u>	<u>4,126,545</u>	<u>5,117,497</u>
 Total Self-Insurance Funds	 <u>\$82,969,991</u>	 <u>\$102,591,551</u>	 <u>\$89,063,284</u>	 <u>\$96,498,258</u>

10. COMMITMENTS AND CONTINGENCIES

In addition to the County general obligation bonds, the County is contingently liable on the Las Vegas Convention and Visitors Authority (the "Authority") general obligation bonds, Series April 1, 1998, and May 31, 2007, in the amounts of \$35,575,000, and \$38,200,000 respectively. Although the County is contingently liable for the general obligation bonds of the Authority, in the event of a default by the Authority, it is anticipated that additional ad

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

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 2008 and certain earlier years have not yet been completed. Accordingly, the County's compliance with applicable program requirements is not completely established. The amount, if any, of expenditures that may be disallowed by the grantors cannot be determined at this time. The County believes it has adequately provided for potential liabilities, if any, which may arise from the grantors' audits.

Medicare and Medicaid Reimbursements

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

Primary Government

Operating Lease Commitments

The following 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, 2008:

Years ending June 30:	
2009	\$16,667,722
2010	9,816,555
2011	4,942,384
2012	1,395,738
2013	1,192,274
2014-2018	<u>1,490,702</u>
Total minimum lease payments	<u>\$35,505,375</u>

The UMC enterprise fund also had future minimum rental commitments as of June 30, 2008, for noncancelable operating leases for property and equipment as follows:

Years ending June 30:	
2009	\$ 8,363,373
2010	7,096,764
2011	4,962,244
2012	4,696,357
2013	4,159,234
Thereafter	<u>16,777,013</u>
Total	<u>\$46,054,985</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

The rental expense of UMC for property and equipment was approximately \$8,798,111 for the year ended June 30, 2008.

Rentals and Operating Leases

The Department of Aviation derives a substantial portion of its revenues from fees and charges to air carriers and concessionaires. Charges to air carriers are generated principally from terminal building rentals, apron charges and airfield landing fees in accordance with the Scheduled Airline Operating Agreement and Terminal Building Lease that expired on June 30, 2008. The Department of Aviation leases land, building, and terminal space to concessionaires under operating leases that expire at various times through 2048. Under the terms of the agreements, concession fees are based principally on a percentage of the concessionaire's revenues or a stated minimum annual guarantee, whichever is greater; land and building rentals are based on square footage rates. The Department of Aviation received \$108,781,147 in FY 2008 and \$107,871,184 in FY 2007 for contingent rental payments in excess of stated minimum annual guarantees.

The following is a schedule of minimum future rentals receivable on non-cancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2008:

Years ending June 30:

2009	\$ 107,409,595
2010	100,785,736
2011	93,300,450
2012	88,262,610
2013	87,519,706
Thereafter	<u>571,649,174</u>
Total minimum rents receivable	<u>\$1,048,927,271</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>
Ferguson Family Trust	<u>\$35,229</u>	10/01/02	09/30/09

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

10. COMMITMENTS AND CONTINGENCIES (Continued)

Discretely Presented Component Units (Continued)

RTC (Continued):

Rentals and Operating Leases

The following is a schedule of future minimum lease payments for operating leases as of June 30, 2008:

Years ending June 30:

2009	\$445,226
2010	<u>112,123</u>
Total	<u>\$557,349</u>

The total rent expense for fiscal year 2008 was \$432,258.

Litigation

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

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

11. JOINT VENTURE

The Water District, a component unit (see Note 1), has a joint venture with the Southern Nevada Water Authority (“SNWA”).

The SNWA is a political subdivision of the State of Nevada, created on July 25, 1991, by a cooperative agreement between the Water District, the Big Bend Water District, the City of Boulder City, the City of Henderson, the City of Las Vegas, the City of North Las Vegas, and the Reclamation District (the “Members”). SNWA was created to secure additional supplies of water and effectively manage existing supplies of water 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 water right or facility remaining after payment of all obligations shall be returned to the contributing member. For this reason, the

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

11. JOINT VENTURE (Continued)

Water District records capital contributions as an operating expense, or as noted below, in some instances as capital projects.

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

The 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 2008, the Water District billed SNWA \$40,925,562 for expenditures made by the Water District on behalf of SNWS. 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). From July through December 2005, the wholesale delivery charge was recorded primarily as purchased water expense and partly as water recharge inventory. From January through June 2006, the wholesale delivery charge was recorded entirely as purchased water expense.

The contributions for fiscal year 2008 for the SNWS expansion totaled \$54,209,202, and in fiscal year 2007 totaled \$96,933,426. Additionally, the Water District contributed \$1,210,785 in both fiscal year 2008 and 2007 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, 2008, were \$55,419,987 and in fiscal year 2007 were \$98,144,211, and were recorded as an SNWA expense on the Water District's financial statements.

Audited financial reports for fiscal year 2008 can be obtained by contacting:

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

12. RETIREMENT SYSTEM

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

Benefits, as required by statute, are determined by the number of years of accredited service at the time of retirement

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

and the member's highest average compensation in any 36 consecutive months. Benefit payments to which participants may be entitled under the System include pension benefits, disability benefits, and death benefits.

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

Contribution rates are established by NRS 286.410. The statute provides for increases in odd-numbered years to an actuarially determined rate sufficient to amortize the unfunded liability of the system to zero over a 30-year amortization period. The County is obligated to contribute all amounts due under the System. The contribution rate for regular members, based on covered payroll, for the year ended June 30, 2008, was 20.5 percent and was 19.75 percent and for the years ended June 30, 2007, and June 30, 2006. The contribution rate for police and firemen for the years ended June 30, 2008, was 33.5 percent and was 32.0 percent for the years ended June 30, 2007, and June 30, 2006.

The County's contributions to the plan for the years ended June 30, 2008, 2007, and 2006 were \$261,696,406, \$229,810,822, and \$214,503,913, 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, 2008, the contributions for this purpose were \$13,239; for the year ended June 30, 2007, the contributions were \$197,723.

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

pension plan years an employee was in paid status at the Water District.) (2) Change the benefit formula to increase the calculation of highest average pay by approximately 10 percent as currently prescribed in the Nevada Revised Statutes. (3) Add shift differential and standby pay to the total compensation counted toward the pension benefit.

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

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

For the purpose of calculating the pension benefit, average monthly compensation means the average of a member's 36 consecutive months of highest compensation, after excluding certain elements, times approximately 110 percent, while participating in the Plan. For participants in the plan as of January 1, 2001, benefits start to vest after three years of service with a 20 percent vested interest; after four years of service, 40 percent; and after five years of service, 100 percent. New participants after January 1, 2001, start to vest at 5 years of service at which time they are vested 100 percent. The Plan also provides for early retirement and pre-retirement death benefits. The Plan is not subject to the Employee Retirement Income Security Act (ERISA) of 1974, but is operated consistent with ERISA requirements.

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, 2008, and 2007, participants in the Plan consisted of the following:

	<u>2008</u>	<u>2007</u>
Retirees in pay status with unpurchased benefits	150	121
Terminated employees not yet receiving benefits	301	276
Active employees		
Fully vested	894	867
Partially vested	-	-
Nonvested	<u>410</u>	<u>330</u>
Total active employees	<u>1,304</u>	<u>1,197</u>
Total participants	<u>1,755</u>	<u>1,594</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description (Continued)

<u>Three-Year Trend Information</u>			
<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/06	\$18,913,372	100%	\$ -
06/30/07	22,040,681	100	-
06/30/08	23,587,076	100	-

B. Supplemental Information

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

C. Annual Pension Cost and Net Pension Obligation

It is the policy of the Water District to pay Annual Required Contributions (ARC) when due; therefore, annual pension cost and the ARC are the same and aggregated \$23,587,076 for the year ended June 30, 2008, and \$22,040,681 for the year ended June 30, 2007. The significant actuarial assumptions used to determine the ARC are: (a) rate of return on the investment of present and future assets of 8.00 percent per year compounded annually, (b) estimated salary increases of 3.0 percent per year compounded annually, attributable to inflation, (c) additional estimated salary increases of 3.0 percent attributable to seniority/merit, and (d) postretirement benefit increases for cost of living adjustments which are limited to certain maximum rates.

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

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

D. Identification of Investments

	<u>June 30, 2008</u>	<u>June 30, 2007</u>
Investments at contract value:		
Union Central Life Insurance Company	\$ 1,443,041	\$ 1,477,900
New York Life Insurance Company	<u>27,236,188</u>	<u>20,451,633</u>
Total investments at contract value	<u>28,679,229</u>	<u>21,929,533</u>
Investments at fair value:		
Alliance Capital Domestic Equity	50,866,381	47,706,018
Mellon Bank, Domestic Bond	45,523,709	48,932,769
Nevada State Bank, Money Market Fund	<u>77,596</u>	<u>49,029</u>
Total investments at fair value	<u>96,467,686</u>	<u>96,687,816</u>
Total investments	<u>\$125,146,915</u>	<u>\$118,617,349</u>

E. Valuation of Investments

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

F. Basis of Accounting

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

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

12. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

G. Financial Statements

Las Vegas Valley Water District Pension Plan  
Statement of Net Assets  
June 30, 2008

Assets:

Cash and investments:	
with fiscal agent	\$125,146,915
Interest receivable	<u>1,055,954</u>
Total assets	<u>\$126,202,869</u>

Net Assets:

Held in trust for pension benefits and other purposes	<u>\$126,202,869</u>
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Las Vegas Valley Water District Pension Plan  
Statement of Changes in Net Assets  
For the fiscal year ended June 30, 2008

Additions:

<u>Contributions:</u>	
Contributions from employer	\$ 23,587,076
Contributions from employees	<u>13,239</u>
Total contributions	<u>23,600,315</u>

Investment earnings:

Interest	1,516,502
Net increase (decrease) in fair value of investments	<u>(3,744,154)</u>
Total investment earnings	(2,227,652)
Less investment expense	<u>(84,213)</u>
Net investment earnings	<u>2,311,865</u>
Total additions	<u>21,288,450</u>

Deductions:

General and Administrative	181,558
Benefit payments	<u>14,046,066</u>
Total deductions	<u>14,227,624</u>

Change in net assets	7,060,826
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Net Assets:

Beginning of year	<u>119,142,043</u>
End of year	<u>\$126,202,869</u>

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. 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, 2008, totaled \$231,327,390. The balance payable from the Master Transportation Plan fund to the RTC as of June 30, 2008, was \$35,972,009.

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Information

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

1. Clark County Retiree Health program (County) – the County plan is a cost-sharing, 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) – a cost-sharing multiple-employer, defined benefit plan;
3. Clark County Firefighters Union Local 1908 Security Fund (Fire Plan) – a single-employer, defined benefit plan; and
4. Las Vegas Metro Employee Benefit Trust (Metro 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 Clark County Firefighters Union Local 1908 Security Fund, the Public Employee Benefit Plan, 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 Metro Employee Benefit Trust  
UMR  
700 E. Warm Springs, Suite 210  
Las Vegas, NV 89119  
(866) 868-1395

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

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 2008, retirees were eligible for a \$91 per month subsidy after five years of service with a Nevada state or local government entity. The maximum subsidy of \$502 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 thirty years. The County's annual OPEB cost for the current year and the related information for each program are as follows:

	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro <sup>(1)</sup></u>
Contribution Rates:	Actuarially determined, premium sharing determined by union contracts	Set by State Legislature	Contractually determined	Contractually determined
County Plan members annual required contribution (ARC)	\$26,744,737	\$ 2,496,404	\$ 5,682,663	\$53,015,366
Interest on net OPEB obligations	-	-	-	-
Adjustment to annual required contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Annual OPEB cost	26,744,737	2,496,404	5,682,663	53,015,366
Contributions made	<u>(4,219,914)</u>	<u>(1,610,409)</u>	<u>(1,638,365)</u>	<u>(3,018,605)</u>
Increase in net PEBP obligation	22,524,823	885,995	4,044,298	49,996,761
Net OPEB obligation, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net OPEB obligation, end of year	<u>\$22,524,823</u>	<u>\$ 885,995</u>	<u>\$ 4,044,298</u>	<u>\$49,996,761</u>

<sup>(1)</sup> The County and the City jointly fund the Las Vegas Metropolitan Police Department (LVMPD). The City of Las Vegas funds 38.61 percent of the LVMPD and is liable for \$19,303,749 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, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Funding Policy and Annual OPEB Cost (Continued)

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

	<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percent of OPEB Cost Contributed</u>	<u>Net OPEB Cost</u>
County	06/30/2008	\$26,744,737	15.8%	\$21,402,586
PEBP	06/30/2008	2,496,404	64.5	885,995
Fire	06/30/2008	5,682,663	28.8	4,044,298
Metro	06/30/2008	53,015,366	5.7	49,996,761

Funded Status and Funding Progress

The funded status of the plans as of June 30, 2008, was as follows:

	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro</u>
Actuarial accrued liability (a)	\$259,507,352	\$ 41,507,606	\$52,091,883	\$446,757,386
Actuarial value of plan assets (b)	-	-	4,638,906	-
Unfunded actuarial accrued liability (funding excess) (a) – (b)	259,507,352	41,507,606	47,452,978	446,757,386
Fund ratio (b)/(a)	0%	0%	0%	0%
Covered payroll (c)	352,267,566	352,267,566	91,246,350	304,976,928
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll (a) – (b)/(c)	73.7%	11.8%	52.0%	146.5%

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 and new estimates are made about the future. The required schedule of funding progress presented as required 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:

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Actuarial Methods and Assumptions (Continued)

	<u>County</u>	<u>PEBP</u>	<u>Fire</u>	<u>Metro</u>
Actuarial valuation date	06/30/06	06/30/06	06/30/06	06/30/06
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Project unit credit cost
Amortization method	Level dollar	Level dollar	Level dollar	Level percentage
Remaining amortization period	30 years	30 years	30 years	30 years
Asset valuation method	No assets in trust	No assets in trust	Date of valuation	No assets in trust
Actuarial assumptions:				
Investment rate of return	4.0%	4.0%	4.0%	4.0%
Projected salary increases	N/A	N/A	N/A	3.3%
Healthcare inflation rate	8% initial 5% ultimate	8% initial 5% ultimate	8% initial 5% ultimate	14% initial 5% 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 Reserve fund for their portion of the annual OPEB cost. As of June 30, 2008, the Other Postemployment Benefit Reserve fund had \$42,513,190 in cash and investments, and \$7,844,957 in due from other funds that the County intends to use for future OPEB costs for the net OPEB obligations of the County, PEBP, and Fire plans, which total \$26,332,879 as of June 30, 2008. These assets cannot be included in the plan assets considered in the OPEB funding schedules because they are not held in trust.

Clark County Self-Funded Group Medical and Dental Benefits Plan

Clark County administers the Clark County Self-Funded Group Medical and Dental Benefits Plan, a cost-sharing multiple-employer defined benefit plan (the "Self-Funded Plan"). Participants of the Self-Funded Plan include Clark County, University Medical Center of Southern Nevada, the Las Vegas Valley Water District, the Clark County Water Reclamation District, the Las Vegas Convention and Visitors Authority, the Regional Transportation Commission of Southern Nevada, the Regional Flood Control District, and the Henderson Library District. The Self-Funded Plan provides benefits for all full-time active employees of each participant entity effective the first day of the month following two consecutive months of active employment, as well as for retired employees of the entities. As of June 30, 2008, there were 7,937 employee members and 1,195 retired members enrolled in the Self-Funded Plan, with 9,211 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.

Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

14. OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

Clark County Self-Funded Group Medical and Dental Benefits Plan (Continued)

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 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 \$608 per active employee for the year ended June 30, 2008. 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.

15. NEW ACCOUNTING PRONOUNCEMENTS

Effective July 1, 2007, the County adopted GASB Statement No. 45, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*. The required disclosures are provided in Note 14.

16. FUND RECLASSIFICATIONS

As of July 1, 2007, the County Payroll Benefits and LVMPD Payroll Benefits special revenue funds were reclassified to agency funds. Also, the Southern Nevada Area Communications agency fund was reclassified as a special revenue fund. The effect of these reclassifications on fund balances and amounts held for others is shown below:



Clark County, Nevada  
Notes to Financial Statements  
Year Ended June 30, 2008

II. DETAILED NOTES – ALL FUNDS (Continued)

17. SUBSEQUENT EVENTS (Continued)

Primary Government (Continued)

In November 2008, the Water Reclamation District issued \$115,825,000 in general obligation (limited tax) water reclamation bonds (additionally secured by pledged revenues), Series 2008. The bonds bear interest rates from 4.00 to 6.00 percent, payable on July 1, 2009, and semiannually thereafter on January 1 and July 1. Principal payments commence on July 1, 2013, and continue annually through July 1, 2038. The proceeds of the bonds will be used to construct, reconstruct, improve, extend the Water Reclamation District's sanitary sewer system, and pay the costs of issuing the 2008 bonds.

Discretely Presented Component Unit

Flood Control District

In August 2008, the Flood Control District issued \$50,570,000 in general obligation (limited tax) flood control refunding bonds (additionally secured with pledged revenues), Series 2008. The bonds bear interest rates from 3.00 to 5.00 percent, payable on November 1, 2008, and semiannually thereafter on May 1 and November 1. Principal payments commence on November 1, 2008, and November 1, 2010, and continue annually through November 1, 2015. The proceeds of the bonds will provide funds for the purpose of refunding a portion of the outstanding Clark County general obligation (limited tax) flood control bonds (additionally secured with pledged revenues), Series 1998 and paying the costs of issuing the 2008 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, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
Taxes	\$ 338,365,361	\$ 338,365,361	\$ 345,422,881	\$ 7,057,520	\$ 306,803,962
Licenses and permits	194,981,000	194,981,000	219,886,318	24,905,318	212,649,068
Intergovernmental revenue	366,549,100	366,549,100	330,571,827	(35,977,273)	352,645,765
Charges for services	86,920,000	86,920,000	82,533,326	(4,386,674)	91,872,856
Fines and forfeitures	15,000,000	15,000,000	24,644,256	9,644,256	20,767,142
Interest	7,000,000	7,000,000	27,324,416	20,324,416	21,542,826
Other	3,536,425	3,536,425	6,370,568	2,834,143	11,167,921
Total revenues	1,012,351,886	1,012,351,886	1,036,753,592	24,401,706	1,017,449,540
<b>Other financing sources:</b>					
Transfers from other funds	316,495,024	316,785,189	303,535,415	(13,249,774)	265,508,753
Total revenues and other financing sources	1,328,846,910	1,329,137,075	1,340,289,007	11,151,932	1,282,958,293
<b>Expenditures:</b>					
General government	119,621,594	119,800,820	105,966,417	(13,834,403)	116,465,703
Judicial	142,508,122	148,932,577	144,277,455	(4,655,122)	122,571,248
Public safety	210,862,073	213,452,073	205,777,429	(7,674,644)	182,948,608
Public works	16,730,136	16,730,136	15,227,899	(1,502,237)	14,308,081
Health	47,086,620	63,086,620	62,919,755	(166,865)	36,801,893
Welfare	87,769,438	86,719,676	83,974,688	(2,744,988)	84,392,332
Culture and recreation	29,685,307	30,341,941	29,258,569	(1,083,372)	27,346,167
Other general expenditures	128,120,627	119,320,074	108,771,107	(10,548,967)	99,312,998
Total expenditures	782,383,917	798,383,917	756,173,319	(42,210,598)	684,147,029
<b>Other financing uses:</b>					
Transfers to other funds	585,463,952	675,463,952	675,463,952	-	596,931,837
Total expenditures and other financing uses	1,367,847,869	1,473,847,869	1,431,637,271	(42,210,598)	1,281,078,866
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(39,000,959)	(144,710,794)	(91,348,264)	53,362,530	1,879,426
<b>Fund balance:</b>					
Beginning of year	208,245,635	314,245,635	309,802,148	(4,443,487)	307,922,722
End of year	\$ 169,244,676	\$ 169,534,841	\$ 218,453,884	\$ 48,919,043	\$ 309,802,148

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, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008			2007
	Original Budget	Final Budget	Actual	Variance
			Actual	Actual
Revenues:				
Charges for services:				
Judicial				
Clerk fees	7,500,000	7,500,000	8,735,914	1,235,914
Other	2,000,000	2,000,000	1,964,007	(35,993)
Public safety				
Fire protection services	6,550,000	6,550,000	7,917,355	1,367,355
Other	450,000	450,000	1,171,001	721,001
Public works				
Engineering	1,000,000	1,000,000	2,071,009	1,071,009
Health and welfare				
Animal control	100,000	100,000	11,541	(88,459)
Culture and recreation				
Other	150,000	150,000	9,263	(140,737)
Total charges for services	86,920,000	86,920,000	82,533,326	(4,386,674)
Fines and forfeitures:				
Court fines	5,500,000	5,500,000	7,668,674	2,168,674
Court forfeits	9,500,000	9,500,000	16,975,582	7,475,582
Total fines and forfeitures	15,000,000	15,000,000	24,644,256	9,644,256
Interest	7,000,000	7,000,000	27,324,416	20,324,416
Other	3,536,425	3,536,425	6,370,568	2,834,143
Total revenues	1,012,351,886	1,012,351,886	1,036,753,592	24,401,706
Other financing sources:				
Transfers from other funds	316,495,024	316,785,189	303,535,415	(13,249,774)
Total revenues and other financing sources	\$ 1,328,846,910	\$ 1,329,137,075	\$ 1,340,289,007	\$ 11,151,932
				\$ 1,282,958,293

See notes to Required Supplementary Information

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Expenditures</b>					
General Government:					
Commission/Manager:					
Salaries and wages	\$ 3,185,046	\$ 3,185,046	\$ 3,204,677	\$ 19,631	\$ 3,074,016
Employee benefits	1,062,026	1,062,026	1,017,040	(44,986)	928,809
Services and supplies	554,460	554,460	400,706	(153,754)	471,335
Total Commission/Manager	<u>4,801,532</u>	<u>4,801,532</u>	<u>4,622,423</u>	<u>(179,109)</u>	<u>4,474,160</u>
Office of Diversity:					
Salaries and wages	364,404	364,404	374,228	9,824	279,939
Employee benefits	121,712	121,712	115,264	(6,448)	91,734
Services and supplies	61,900	125,900	73,620	(52,280)	42,215
Total Office of Diversity	<u>548,016</u>	<u>612,016</u>	<u>563,112</u>	<u>(48,904)</u>	<u>413,888</u>
Audit:					
Salaries and wages	1,085,609	1,085,609	927,156	(158,453)	993,701
Employee benefits	346,674	346,674	281,097	(65,577)	291,468
Services and supplies	61,716	61,716	41,878	(19,838)	36,172
Total Audit	<u>1,493,999</u>	<u>1,493,999</u>	<u>1,250,131</u>	<u>(243,868)</u>	<u>1,321,341</u>
Finance:					
Salaries and wages	3,987,282	3,987,282	3,056,902	(930,380)	3,719,480
Employee benefits	1,281,216	1,281,216	979,957	(301,259)	1,116,293
Services and supplies	1,420,590	1,120,590	269,057	(851,533)	289,788
Total Finance	<u>6,689,088</u>	<u>6,389,088</u>	<u>4,305,916</u>	<u>(2,083,172)</u>	<u>5,125,561</u>
Comptroller:					
Salaries and wages	2,362,253	2,362,253	2,222,475	(139,778)	1,939,725
Employee benefits	808,835	808,835	697,943	(110,892)	602,832
Services and supplies	297,476	297,476	238,534	(58,942)	201,716
Total Comptroller	<u>3,468,564</u>	<u>3,468,564</u>	<u>3,158,952</u>	<u>(309,612)</u>	<u>2,744,273</u>
Treasurer:					
Salaries and wages	1,993,654	1,993,654	1,869,416	(124,238)	1,780,841
Employee benefits	704,500	704,500	663,272	(41,228)	617,977
Services and supplies	820,373	945,373	819,806	(125,567)	1,053,177
Total Treasurer	<u>3,518,527</u>	<u>3,643,527</u>	<u>3,352,494</u>	<u>(291,033)</u>	<u>3,451,995</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008		2007		
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
General Government (Continued):					
Elections:					
Salaries and wages	3,056,793	3,056,793	2,720,213	(336,580)	4,493,344
Employee benefits	1,578,079	1,578,079	895,718	(682,361)	934,974
Services and supplies	3,578,335	3,153,335	2,057,740	(1,095,595)	4,703,179
Capital outlay	-	-	-	-	36,865
Total Elections	8,213,207	7,788,207	5,673,671	(2,114,536)	10,168,362
Assessor:					
Salaries and wages	11,278,930	11,278,930	10,528,556	(750,374)	10,090,467
Employee benefits	3,914,004	3,914,004	3,456,392	(457,612)	3,283,094
Services and supplies	1,563,032	1,562,884	1,300,495	(262,389)	1,192,306
Total Assessor	16,755,966	16,755,818	15,285,443	(1,470,375)	14,565,867
Recorder:					
Salaries and wages	2,960,423	2,960,423	2,615,733	(344,690)	2,438,896
Employee benefits	1,094,692	1,094,692	955,238	(139,454)	848,504
Services and supplies	554,333	554,333	488,533	(65,800)	417,872
Total Recorder	4,609,448	4,609,448	4,059,504	(549,944)	3,705,272
Clerk:					
Salaries and wages	2,431,807	2,431,807	2,441,517	9,710	8,188,901
Employee benefits	929,319	929,319	871,122	(58,197)	2,743,443
Services and supplies	240,231	255,231	199,603	(55,628)	674,316
Total Clerk	3,601,357	3,616,357	3,512,242	(104,115)	11,606,660
Administrative Services:					
Salaries and wages	5,283,726	5,285,371	5,230,733	(54,638)	4,919,588
Employee benefits	1,835,663	1,835,663	1,724,902	(110,761)	1,559,646
Services and supplies	3,435,187	3,899,981	3,333,392	(566,589)	2,980,046
Total Administrative Services	10,554,576	11,021,015	10,289,027	(731,988)	9,459,280
Human Resources:					
Salaries and wages	2,688,569	2,688,569	2,620,627	(67,942)	2,556,432
Employee benefits	897,253	897,253	828,055	(69,198)	789,748
Services and supplies	745,872	803,653	695,502	(108,151)	589,955
Capital outlay	-	12,219	12,219	-	-
Total Human Resources	4,331,694	4,401,694	4,156,403	(245,291)	3,936,135

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008		2007
	Original Budget	Final Budget	Actual
			Variance
		Actual	Actual
Expenditures (Continued):			
General Government (Continued):			
Comprehensive Planning:			
Salaries and wages	5,951,060	5,951,060	5,555,484
Employee benefits	2,022,823	2,022,823	1,772,841
Services and supplies	1,382,715	1,382,715	624,213
Total Comprehensive Planning	9,356,598	9,356,598	7,952,538
A-95 Clearinghouse Council:			
Salaries and wages	34,648	34,648	39,905
Employee benefits	16,774	16,774	17,449
Services and supplies	13,875	13,875	5,637
Total A-95 Clearinghouse Council	65,297	65,297	62,991
Information Technology:			
Salaries and wages	10,231,456	10,231,722	8,973,992
Employee benefits	3,286,197	3,286,197	2,800,380
Services and supplies	1,469,954	1,463,734	1,379,669
Total Information Technology	14,987,607	14,981,653	13,154,041
Business License:			
Salaries and wages	5,024,648	5,024,648	4,673,582
Employee benefits	1,757,208	1,757,208	1,507,904
Services and supplies	494,787	544,787	473,109
Total Business License	7,276,643	7,326,643	6,654,595
Real Property Management:			
Salaries and wages	7,779,736	7,779,736	7,343,401
Employee benefits	2,674,573	2,674,573	2,422,792
Services and supplies	7,291,166	8,607,516	8,078,071
Capital outlay	1,604,000	407,539	68,670
Total Real Property Management	19,349,475	19,469,364	17,912,934
Total General Government	119,621,594	119,800,820	105,966,417
			(13,834,403)

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial:					
Outlying Constable:					
Salaries and wages	120,395	120,395	95,342	(25,053)	116,851
Employee benefits	103,218	103,218	75,773	(27,445)	92,025
Services and supplies	24,716	24,716	14,988	(9,728)	9,746
Total Outlying Constable	<u>248,329</u>	<u>248,329</u>	<u>186,103</u>	<u>(62,226)</u>	<u>218,622</u>
Henderson Constable:					
Salaries and wages	152,149	152,149	177,842	25,693	161,407
Employee benefits	58,584	58,584	66,734	8,150	62,054
Services and supplies	23,120	27,120	18,360	(8,760)	22,820
Total Henderson Constable	<u>233,853</u>	<u>237,853</u>	<u>262,936</u>	<u>25,083</u>	<u>246,281</u>
North Las Vegas Constable:					
Salaries and wages	102,322	102,322	95,486	(6,836)	90,284
Employee benefits	40,703	40,703	38,671	(2,032)	38,077
Services and supplies	17,767	22,767	12,815	(9,952)	14,225
Total North Las Vegas Constable	<u>160,792</u>	<u>165,792</u>	<u>146,972</u>	<u>(18,820)</u>	<u>142,586</u>
District Attorney:					
Salaries and wages	27,618,008	27,618,008	27,586,428	(31,580)	25,374,560
Employee benefits	9,012,859	9,012,859	8,209,500	(803,359)	7,686,511
Services and supplies	2,162,233	2,162,233	1,905,020	(257,213)	1,873,078
Total District Attorney	<u>38,793,100</u>	<u>38,793,100</u>	<u>37,700,948</u>	<u>(1,092,152)</u>	<u>34,934,149</u>
Witness/Legal Fees:					
Services and supplies	1,580,000	1,730,000	1,653,472	(76,528)	1,668,549
Total Witness/Legal Fees	<u>1,580,000</u>	<u>1,730,000</u>	<u>1,653,472</u>	<u>(76,528)</u>	<u>1,668,549</u>
Family Court:					
Salaries and wages	7,145,269	7,145,269	6,735,004	(410,265)	6,418,374
Employee benefits	2,433,976	2,433,976	2,169,774	(264,202)	1,994,846
Services and supplies	1,602,490	1,840,990	1,609,710	(231,280)	1,750,423
Total Family Court	<u>11,181,735</u>	<u>11,420,235</u>	<u>10,514,488</u>	<u>(905,747)</u>	<u>10,163,643</u>
Indigent Defense:					
Services and supplies	5,480,100	8,052,100	8,463,001	410,901	6,456,447
Total Indigent Defense	<u>5,480,100</u>	<u>8,052,100</u>	<u>8,463,001</u>	<u>410,901</u>	<u>6,456,447</u>

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008

(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008		2007		
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Judicial (Continued):					
Civil/Criminal:					
Salaries and wages	10,514,076	10,795,836	11,011,974	216,138	8,843,358
Employee benefits	3,667,745	3,769,155	3,514,667	(254,488)	2,769,995
Services and supplies	3,004,283	4,051,947	3,873,584	(178,363)	3,497,785
Total Civil/Criminal	17,186,104	18,616,938	18,400,225	(216,713)	15,111,138
Clerk of the Court:					
Salaries and wages	11,179,741	12,129,741	12,222,897	93,156	5,428,784
Employee benefits	4,156,248	4,156,248	3,887,909	(268,339)	1,572,569
Services and supplies	885,468	1,223,468	1,139,866	(83,602)	451,964
Total Clerk of the Court	16,221,457	17,509,457	17,250,672	(258,785)	7,453,317
Special Public Defender:					
Salaries and wages	1,976,573	1,976,573	1,944,765	(31,808)	1,638,975
Employee benefits	654,815	654,815	611,708	(43,107)	506,085
Services and supplies	360,267	410,267	338,315	(71,952)	350,670
Total Special Public Defender	2,991,655	3,041,655	2,894,788	(146,867)	2,495,730
Court Jury Services:					
Salaries and wages	335,139	335,139	307,478	(27,661)	307,258
Employee benefits	119,910	119,910	104,856	(15,054)	107,033
Services and supplies	1,161,125	1,524,648	1,354,580	(170,068)	1,208,031
Total Court Jury Services	1,616,174	1,979,697	1,766,914	(212,783)	1,622,322
Grand Jury:					
Services and supplies	149,700	124,700	94,611	(30,089)	86,683
Total Grand Jury	149,700	124,700	94,611	(30,089)	86,683
Las Vegas Justice Court:					
Salaries and wages	10,568,534	10,290,638	10,242,706	(47,932)	9,667,982
Employee benefits	3,718,379	3,617,898	3,252,387	(365,511)	2,938,362
Services and supplies	2,279,434	2,489,641	2,386,356	(103,285)	2,284,379
Total Las Vegas Justice Court	16,566,347	16,398,177	15,881,449	(516,728)	14,890,723

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008			2007
	Original Budget	Final Budget	Actual	Variance
Expenditures (Continued):				
Judicial (Continued):				
Henderson Justice Court:				
Salaries and wages	1,236,037	1,236,037	1,235,674	(363)
Employee benefits	457,206	457,206	433,114	(24,092)
Services and supplies	171,210	203,080	183,369	(19,711)
Total Henderson Justice Court	1,864,453	1,896,323	1,852,157	(44,166)
North Las Vegas Justice Court:				
Salaries and wages	1,347,249	1,347,249	1,345,307	(1,942)
Employee benefits	501,271	501,271	484,985	(16,286)
Services and supplies	280,685	384,051	361,539	(22,512)
Total North Las Vegas Justice Court	2,129,205	2,232,571	2,191,831	(40,740)
Outlying Justice Court:				
Salaries and wages	1,588,325	1,622,233	1,607,009	(15,224)
Employee benefits	516,665	525,159	482,872	(42,287)
Services and supplies	173,806	261,936	259,839	(2,097)
Total Outlying Justice Court	2,278,796	2,409,328	2,349,720	(59,608)
Public Defender:				
Salaries and wages	15,895,853	15,895,853	15,508,371	(387,482)
Employee benefits	5,130,629	5,130,629	4,737,313	(393,316)
Services and supplies	1,517,952	1,517,952	1,309,553	(208,399)
Total Public Defender	22,544,434	22,544,434	21,555,237	(989,197)
Neighborhood Justice Center:				
Salaries and wages	865,303	865,303	715,311	(149,992)
Employee benefits	286,314	286,314	224,560	(61,754)
Services and supplies	130,271	380,271	172,060	(208,211)
Total Neighborhood Justice Center	1,281,888	1,531,888	1,111,931	(419,957)
Total Judicial	142,508,122	148,932,577	144,277,455	(4,655,122)

(Continued)

Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual

For the fiscal year ended June 30, 2008

(With comparative actual for the fiscal year ended June 30, 2007)

(Continued)

	2008		2007		
	Original Budget	Final Budget	Actual	Variance	Actual
Expenditures (Continued):					
Public Safety:					
Office of the Sheriff:					
Salaries and wages	164,263	164,263	173,564	9,301	161,440
Employee benefits	19,931	19,931	16,655	(3,276)	13,157
Services and supplies	10,000	10,000	133	(9,867)	3,208
Total Office of the Sheriff	194,194	194,194	190,352	(3,842)	177,805
Fire Department:					
Salaries and wages	84,422,571	84,422,571	78,216,612	(6,205,959)	72,241,884
Employee benefits	33,503,621	33,503,621	37,779,446	4,275,825	27,477,236
Services and supplies	8,452,658	8,607,803	8,205,655	(402,148)	7,826,454
Total Fire Department	126,378,850	126,533,995	124,201,713	(2,332,282)	107,545,574
Volunteer Fire and Ambulance:					
Services and supplies	346,657	391,512	339,856	(51,656)	287,902
Total Volunteer Fire and Ambulance	346,657	391,512	339,856	(51,656)	287,902
Public Guardian:					
Salaries and wages	1,649,640	1,649,640	1,421,345	(228,295)	1,358,207
Employee benefits	597,740	597,740	476,820	(120,920)	471,559
Services and supplies	213,541	213,541	174,231	(39,310)	151,094
Total Public Guardian	2,460,921	2,460,921	2,072,396	(388,525)	1,980,860
Public Administrator:					
Salaries and wages	754,315	754,315	811,189	56,874	808,654
Employee benefits	205,945	205,945	181,901	(24,044)	172,447
Services and supplies	102,528	127,528	100,509	(27,019)	96,026
Total Public Administrator	1,062,788	1,087,788	1,093,599	5,811	1,077,127
Coroner:					
Salaries and wages	3,374,314	3,374,314	3,456,730	82,416	3,132,602
Employee benefits	1,322,139	1,322,139	1,021,954	(300,185)	905,308
Services and supplies	831,094	831,094	768,154	(62,940)	788,817
Total Coroner	5,527,547	5,527,547	5,246,838	(280,709)	4,826,727

(Continued)



Clark County, Nevada  
General Fund

Schedule of Expenditures and Transfers - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)  
(Continued)

	2008		2007
	Original Budget	Final Budget	Actual
<b>Expenditures (Continued):</b>			
Welfare:			
Salaries and wages	9,531,703	9,531,703	8,298,427
Employee benefits	3,233,085	3,233,085	2,730,390
Services and supplies	72,504,650	73,856,006	72,905,327
Capital outlay	2,500,000	98,882	40,544
Total Welfare	<u>87,769,438</u>	<u>86,719,676</u>	<u>83,974,688</u>
Culture and Recreation:			
Salaries and wages	17,545,505	17,929,745	17,619,089
Employee benefits	6,192,127	6,213,887	5,771,221
Services and supplies	5,947,675	6,198,309	5,868,259
Total Culture and Recreation	<u>29,685,307</u>	<u>30,341,941</u>	<u>29,258,569</u>
Other General Expenditures:			
Utilities	27,111,000	19,702,000	18,850,077
Building rental	4,737,791	3,844,764	3,678,288
Capital replacement	4,380,549	2,382,226	1,792,202
Administrative assessments	1,609,800	1,529,800	771,823
Maintenance contracts	15,529,987	13,529,987	12,816,414
Insurance and official bonds	5,666,125	5,666,125	3,723,497
Miscellaneous refunds and expenditures	17,590,575	21,262,844	17,072,221
Internal service charges	21,365,600	22,421,428	22,135,216
Publications and professional services	4,656,200	3,507,900	2,458,369
Contributions	25,473,000	25,473,000	25,473,000
Total Other General Expenditures	<u>128,120,627</u>	<u>119,320,074</u>	<u>108,771,107</u>
Total expenditures	782,383,917	798,383,917	756,173,319
Transfers to other funds	585,463,952	675,463,952	675,463,952
Total expenditures and transfers	<u>\$ 1,367,847,869</u>	<u>\$ 1,473,847,869</u>	<u>\$ 1,431,637,271</u>
			<u>\$ 1,281,078,867</u>
			<u>(\$ 42,210,598)</u>
			<u>684,147,030</u>
			<u>596,931,837</u>
			<u>22,450,600</u>
			<u>99,312,998</u>
			<u>17,250,146</u>
			<u>3,638,061</u>
			<u>13,985,640</u>
			<u>4,653,006</u>
			<u>11,925,954</u>
			<u>456,015</u>
			<u>2,242,940</u>
			<u>3,333,293</u>
			<u>19,377,343</u>
			<u>27,346,167</u>
			<u>5,708,241</u>
			<u>5,316,255</u>
			<u>16,321,671</u>
			<u>(1,083,372)</u>
			<u>(330,050)</u>
			<u>(442,666)</u>
			<u>(310,656)</u>
			<u>(2,744,988)</u>
			<u>(58,338)</u>
			<u>(950,679)</u>
			<u>(502,695)</u>
			<u>(1,233,276)</u>
			<u>7,717,151</u>
			<u>2,397,438</u>
			<u>74,257,413</u>
			<u>20,330</u>
			<u>84,392,332</u>
			<u>88,974,688</u>
			<u>40,544</u>
			<u>72,905,327</u>
			<u>2,730,390</u>
			<u>8,298,427</u>
			<u>(1,233,276)</u>
			<u>(502,695)</u>
			<u>(950,679)</u>
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			<u>(502,695)</u>
			<u>(950,679)</u>
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			<u>8,298,427</u>
			<u>(1,233,276)</u>
			<u>(502,695)</u>
			<u>(950,679)</u>
			<u>(58,338)</u>
			<u>(2,744,988)</u>
			<u>20,330</u>
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			<u>40,544</u>
			<u>72,905,327</u>
			<u>2,730,390</u>
			<u>8,298,427</u>
			<u>(1,233,276)</u>
			<u>(502,695)</u>
			<u>(950,679)</u>

LAS VEGAS METROPOLITAN POLICE DEPARTMENT FUND

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

Clark County, Nevada  
Las Vegas Metropolitan Police Department  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance	Actual
Revenues:					
Ad valorem taxes	\$ 155,815,479	\$ 158,254,000	\$ 155,881,191	\$ (2,372,809)	\$ 138,843,485
Intergovernmental revenue:					
Federal and state grants	-	26,679,866	11,929,927	(14,749,939)	12,237,734
City of Las Vegas contribution	129,525,173	129,525,173	129,525,173	-	122,031,169
Charges for services:					
Airport security	13,259,604	13,283,279	13,044,177	(239,102)	11,938,814
Other	8,150,000	8,150,000	10,735,828	2,585,828	10,120,944
Interest	1,600,000	4,500,000	6,811,363	2,311,363	3,560,344
Other	1,462,000	1,462,000	1,905,541	443,541	1,352,702
Total revenues	<u>309,812,256</u>	<u>341,854,318</u>	<u>329,833,200</u>	<u>(12,021,118)</u>	<u>300,085,192</u>
Other financing sources:					
Transfers from other funds	205,982,271	205,982,271	205,982,271	-	187,617,610
Total revenues and other financing sources	<u>515,794,527</u>	<u>547,836,589</u>	<u>535,815,471</u>	<u>(12,021,118)</u>	<u>487,702,802</u>
Expenditures:					
Salaries and wages	305,976,498	310,841,336	304,976,928	(5,864,408)	280,150,167
Employee benefits	124,131,469	124,431,426	116,906,013	(7,525,413)	106,513,098
Services and supplies	66,169,821	94,670,016	71,385,108	(23,284,908)	58,099,530
Capital outlay	20,016,739	47,535,145	16,154,747	(31,380,398)	13,836,341
Principal	-	-	208,284	208,284	168,459
Interest	-	-	56,490	56,490	55,581
Total expenditures	<u>516,294,527</u>	<u>577,477,923</u>	<u>509,687,570</u>	<u>(67,790,353)</u>	<u>458,823,176</u>
Other financing uses:					
Transfers to other funds	-	17,000,000	17,000,000	-	-
Total expenditures and other financing uses	<u>516,294,527</u>	<u>594,477,923</u>	<u>526,687,570</u>	<u>(67,790,353)</u>	<u>458,823,176</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(500,000)	(46,641,334)	9,127,901	55,769,235	28,879,626
Fund balance:					
Beginning of year	22,834,173	68,975,507	51,845,288	(17,130,219)	22,965,662
End of year	<u>\$ 22,334,173</u>	<u>\$ 22,334,173</u>	<u>\$ 60,973,189</u>	<u>\$ 38,639,016</u>	<u>\$ 51,845,288</u>

See notes to Required Supplementary Information

## MASTER TRANSPORTATION PLAN FUND

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

Clark County, Nevada  
Master Transportation Plan  
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
For the fiscal year ended June 30, 2008  
(With comparative actual for the fiscal year ended June 30, 2007)

	2008			2007	
	Original Budget	Final Budget	Actual	Variance	Actual
<b>Revenues:</b>					
<b>Taxes:</b>					
Room tax	\$ 45,526,400	\$ 45,526,400	\$ 45,917,555	\$ 391,155	\$ 44,426,388
<b>Licenses and permits:</b>					
New development fees	41,564,800	41,564,800	44,381,875	2,817,075	34,427,710
<b>Intergovernmental revenue:</b>					
Sales and use tax	184,550,000	184,550,000	172,523,136	(12,026,864)	178,716,556
Motor vehicle privilege tax	50,533,000	50,533,000	47,805,025	(2,727,975)	48,010,194
Motor vehicle fuel tax	40,770,000	40,770,000	39,051,076	(1,718,924)	39,467,494
Aviation fuel tax	14,880,000	14,880,000	14,247,531	(632,469)	14,039,856
Interest	890,000	890,000	3,081,155	2,191,155	7,856,229
<b>Total revenues</b>	<u>378,714,200</u>	<u>378,714,200</u>	<u>367,007,353</u>	<u>(11,706,847)</u>	<u>366,944,427</u>
<b>Expenditures:</b>					
<b>Services and supplies</b>					
Contributions to other local governments	234,331,400	234,331,400	225,392,931	(8,938,469)	231,847,016
Other	2,063,600	2,063,600	840,087	(1,223,513)	2,641,018
<b>Total expenditures</b>	<u>236,395,000</u>	<u>236,395,000</u>	<u>226,233,018</u>	<u>(10,161,982)</u>	<u>234,488,034</u>
<b>Other financing uses:</b>					
Transfers to other funds	142,319,200	142,319,200	140,774,335	(1,544,865)	154,047,881
<b>Total expenditures and other financing uses</b>	<u>378,714,200</u>	<u>378,714,200</u>	<u>367,007,353</u>	<u>(11,706,847)</u>	<u>388,535,915</u>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	-	-	-	-	(21,591,488)
<b>Fund balance:</b>					
Beginning of year	-	-	-	-	21,591,488
<b>End of year</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See notes to Required Supplementary Information

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

<u>Year Ended June 30,</u>	<u>Annual Required Contributions</u>	<u>Percentage Contributed</u>
1999	\$ 3,004,678	100%
2000	3,304,517	100
2001	4,125,838	100
2002	9,284,697	100
2003	11,080,679	100
2004	12,923,933	100
2005	15,338,670	100
2006	18,913,372	100
2007	22,040,681	100
2008	23,587,076	100

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

Additional actuarial assumptions as of the latest actuarial valuation:

Investment rate of return	8.0%
Projected salary increases	6.0%

See notes to Required Supplementary Information

Clark County, Nevada  
Notes to Required Supplementary Information  
Year Ended June 30, 2008

Budgetary Information

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

- a. Prior to April 15, the County Manager submits to the Nevada State Department of Taxation the tentative budget for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means of financing them.
- b. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
- c. Public hearings are conducted on the third Monday in May.
- d. After all the changes have been noted and hearings closed, the County Commission adopts the budget on or before June 1.
- e. The County Manager is authorized to transfer budgeted amounts within functions or funds, but the County Commission must approve any transfers between funds or increases to a fund's original appropriated level.
- f. Increases to a fund's budget (augmentations) other than by transfers are accomplished through formal County Commission action.
- g. The General Fund and all special revenue, debt service, and capital project funds have legally adopted annual budgets.
- h. Statutory regulations require budgetary control to be exercised at the function level within the General Fund or at the fund level of all other funds. The County administratively exercises control at the budgeted item level within a department
- i. All appropriations lapse at the end of the fiscal year. Encumbrances are reappropriated in the ensuing fiscal year.
- j. Budgets are adopted on a basis consistent with the method used to report on governmental funds that are prepared in accordance with the accounting principles generally accepted in the United States of America.
- k. Budgeted expenditure amounts for the year ended June 30, 2008, as originally adopted, were augmented during the year for grants and other County Commission action.

Other Post Employment Benefit (OPEB) Plans

The funded status and funding progress of the County's OPEB plans are not included as required supplementary information since no trend information is yet available. This information from the initial actuarial valuations is disclosed in Note 14 to the financial statements.

COMMENTS OF INDEPENDENT AUDITOR



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

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Clark County, Nevada (the "County") as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 13, 2009. 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, Clark County Water Reclamation District, Las Vegas Valley Water District, or Department of Aviation, 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 or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

#### Compliance and Other Matters

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

We noted certain matters that we reported to management of the County in a separate letter dated January 13, 2009.

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

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
January 13, 2009

ACCOMPANYING INFORMATION – EXPENDITURES OF FEDERAL AWARDS



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

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

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

Compliance

We have audited the compliance of Clark County, Nevada (the "County") with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

Clark County, Nevada's financial statements include the operations of the following component units: University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, as well as the Department of Aviation. The federal awards received by these entities are not included in the County's schedule of expenditures of federal awards for the year ended June 30, 2008. Our audit, described below, did not include the operations of University Medical Center of Southern Nevada, Clark County Water Reclamation District, Las Vegas Valley Water District, or the Department of Aviation because these entities engaged other auditors to perform their audits in accordance with OMB Circular A-133.

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

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2008. 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 08-1 through 08-7.

#### Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the County's internal control. We noted certain matters involving the internal control over compliance and its operation that we consider to be significant deficiencies. These are described in the accompanying schedule of findings and questioned costs as items 08-1 through 08-7.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the County's internal control. We do not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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

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

*Kafoury, Armstrong & Co.*

Las Vegas, Nevada  
March 9, 2009

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>OFFICE OF NATIONAL DRUG CONTROL POLICY</b>				
Direct Program:				
Executive Office of the President				
2004 HIDTA #14PNVP501Z (1/1/04-12/31/04)	07.Unknown	None	\$ 1,740,000	\$ 28,693
2005 HIDTA #15PNVP501Z (1/1/05-12/31/05)	07.Unknown	None	1,900,000	173,029
2006 HIDTA #16PNVP501Z (1/1/06-12/31/06)	07.Unknown	None	2,500,000	917,433
2007 HIDTA #17PNVP501Z (1/1/07-12/31/07)	07.Unknown	None	2,625,000	1,757,942
2008 HIDTA #18PNVP501Z (1/1/08-12/31/08)	07.Unknown	None	2,500,000	<u>149,953</u>
Total Office of National Drug Control Policy				<u>3,027,050</u>
<b>DEPARTMENT OF AGRICULTURE</b>				
Passed Through Nevada Department of Education:				
Food Distribution (Commodity)	10.550	Permanent Agreement	10,591	10,591
Child Nutrition Cluster				
Passed Through Nevada Department of Education:				
School Breakfast Program, FY 07-08	10.553	Program 32	23,915	23,915
School Breakfast Program, FY 07-08	10.553	Agreement 315/08	166,580	<u>166,580</u>
				<u>190,495</u>
Passed Through Nevada Department of Education:				
National School Lunch Program, FY 07-08	10.555	Program 32	36,708	36,708
National School Lunch Program, FY 07-08	10.555	Agreement 315/08	265,008	<u>265,008</u>
				<u>301,716</u>
Passed Through Nevada Department of Education:				
Special Milk Program for Children, FY 07-08	10.556	Coop Agreement	22,699	22,699
Passed Through Nevada Department of Education:				
Summer Food Service Program Administrative 6/9/08-8/22/08	10.559	None	20,368	981
Summer Food Service Program for Children, 6/9/08-8/22/08	10.559	None	127,450	11,754
Summer Food Service Program Administrative, 2008	10.559	None	4,943	4,943
Summer Food Service Program for Children, 2008	10.559	None	58,296	<u>58,296</u>
				<u>75,974</u>
Total Child Nutrition Cluster				<u>590,884</u>
Passed Through Nevada Department of Education:				
Child and Adult Care Food Program CACFP	10.558	None	69,693	69,693
Direct Program:				
United States Department of Agriculture Forest Service	10.917	06-CA-11046000-044	498,000	<u>95,219</u>
Total Department of Agriculture				<u>766,387</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>				
CDBG – Entitlement and (HUD-Administered) Small Cities Cluster				
Direct Program:				
Community Development Block Grant, FY 07-08	14.218	B-07-UC-32-0001	\$ 8,077,442	\$ 2,478,839
Community Development Block Grant, FY 06-07	14.218	B-06-UC-32-0001	8,018,956	<u>5,749,623</u>
Total CDBG – Entitlement and (HUD-Administered) Small Cities Cluster				<u>8,228,462</u>
Direct Program:				
Emergency Shelter Grants Program, FY 07-08	14.231	S-06-UC-32-0001	276,198	276,198
Direct Program:				
HOME Investment Partnerships Program, FY 04-05	14.239	M-04-DC-320224	7,182,129	4,718,106
Recaptured Home Funds				<u>838,348</u>
				<u>5,556,454</u>
Total Department of Housing and Urban Development				<u>14,061,114</u>
<b>DEPARTMENT OF INTERIOR</b>				
Passed Through Nevada Division of State Parks:				
Wetlands Land and Water Conservation (PK04411-P473)	15.916	32-00-00261	135,000	<u>123,000</u>
Total Department of Interior				<u>123,000</u>
<b>DEPARTMENT OF JUSTICE</b>				
Passed Through Nevada Department of Human Services:				
Juvenile Accountability Incentive Block Grant, 7/1/07-6/30/08	16.523	2008-JP-FX-0002	253,891	237,916
Juvenile Accountability Incentive Block Grant, 7/1/06-6/30/07	16.523	2006-JB-FX-0048	253,891	<u>32,650</u>
				<u>270,566</u>
Direct Program:				
Office of Juvenile Justice and Delinquency Prevention	16.540	2006-JL-FX-0260	246,807	33,552
Passed Through Nevada Department of Human Services:				
Juvenile Justice and Delinquency Prevention Formula Grant, FY 07-08	16.540	2007-JF-FX-0061	195,000	195,000
Juvenile Justice and Delinquency Prevention, FY 06-07	16.540	None (OJJDP 2007)	255,000	<u>35,056</u>
				<u>230,056</u>
Direct Program:				
Internet Crimes Against Children	16.543	2005-MC-CX-K117 (ICAC)	615,000	160,592

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
DEPARTMENT OF JUSTICE (Continued)				
Passed Through the National Childrens Alliance:				
Program Support Grant Sexual - Abuse Investigative Team	16.543	LasVeg-046-PS07	\$ 10,000	\$ 5,121
Passed Through Nevada Department of Human Services:				
Title V – Family Functional Therapy	16.548	2007-JP-FX-0042	30,000	30,000
Passed Through Nevada Division of Child & Family Services:				
Crime Victim Assistance	16.575	VOCA3145/20-SFY07-09-073	664,366	275,734
Crime Victim Assistance	16.575	VOCA-3145	138,371	<u>71,432</u>
				<u>347,166</u>
Direct Program:				
Edward Byrne Memorial State and Local Law Enforcement Assistance				
Discretionary Grants Program:				
BJA – Sex Offender Management	16.580	2005-WP-BX-0002	232,485	159,424
BJA – Southern Nevada Human Trafficking Task Force	16.580	2006-CC-BX-0001	369,572	83,543
BJA – SWAT/Mobile Booking Earmark	16.580	2006-DD-BX-0381	684,714	<u>263,826</u>
				<u>506,793</u>
Passed Through the State of Nevada Office of the Attorney General:				
Violence Against Women Formula Grant (FC-VAWA2006)	16.588	2006-STOP-34	50,000	28,225
Violence Against Women Formula Grant	16.588	2006-STOP-03	50,000	<u>27,619</u>
				<u>55,844</u>
Direct Program:				
Grants to Encourage Arrest Policies and Enforcement of Protection Orders Program				
	16.590	2007-WB-AX-0046	309,763	42,738
Passed Through the Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Community Prosecution and Project Safe Neighborhoods:				
Project Safe Neighborhood Youth Project	16.609	04-PSN-002	8,866	8,866
Project Safe Neighborhood (Gangs)	16.609	07-PSN/AG-03	41,255	<u>41,255</u>
				<u>50,121</u>
Direct Program:				
Public Safety Partnership and Community Policing Grants:				
Community Oriented Policing (Radio Upgrade)	16.710	2005-CKWX-0210	1,479,965	772,244
Community Oriented Policing (ID Theft)	16.710	2005-CKWX-0258	193,049	<u>11,591</u>
				<u>783,835</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Passed Through Nevada State Juvenile Justice Commission:				
Combating Underage Drinking Program (6/1/08-5/31/09)	16.727	None	\$ 68,000	\$ 8,336
Combating Underage Drinking Program (6/1/07-5/31/08)	16.727	None	45,868	<u>43,981</u>
				<u>52,317</u>
Direct Program:				
Edward Byrne Memorial Justice Assistance Grant (FY 07 JAG)	16.738	2007-DJ-BX-1380	1,240,885	314,006
Edward Byrne Memorial Assistance Justice Grant (FY06 JAG)	16.738	2006-DJ-BX-0465	729,448	286,061
Edward Byrne Memorial Assistance Justice Grant (FY05 JAG)	16.738	2005-DJ-BX-0023	1,156,066	<u>464,928</u>
				<u>1,064,995</u>
Passed Through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Byrne Formula Grant Program:				
Narcotics Control Program (Gangs)	16.738	07-JAG-016	29,552	29,552
Narcotics Control Program (Gangs)	16.738	07-JAG-018	18,858	18,858
Narcotics Control Program (Meth)	16.738	07-JAG-017	44,885	<u>44,885</u>
				<u>93,295</u>
Direct Program:				
Forensic DNA Capacity Enhancement Program (2005)	16.741	2005-DA-BX-K058	340,360	217,429
Forensic DNA Capacity Enhancement Program (2006)	16.741	2005-DN-BX-K185	180,357	<u>172,782</u>
				<u>390,211</u>
Direct Program:				
Paul Coverdell Forensic Sciences Improvement Grant Program (2007)	16.742	2007-CD-BX-0019	71,664	48,849
Passed Through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Paul Coverdell Forensic Sciences Improvement Grant Program (2007)	16.742	07-PC-01	87,921	74,674
Direct Program:				
Forensic Casework DNA Backlog Reduction Program (2005)	16.743	2005-DN-BX-K084	263,185	36,170
Forensic Casework DNA Backlog Reduction Program (2005)	16.743	2005-DN-BX-K052	118,329	43,891
Forensic Casework DNA Backlog Reduction Program (2007)	16.743	2007-DN-BX-K133	251,695	<u>168,250</u>
				<u>248,311</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF JUSTICE (Continued)				
Passed Through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Project Safe Neighborhoods Anti Gang Initiative Grant	16.744	07-PSN/AG-01	\$ 165,732	\$ 109,946
Project Safe Neighborhoods Anti Gang Initiative Grant	16.744	06-PSN/AG-02	76,015	44,337
Project Safe Neighborhoods Anti Gang Initiative Grant	16.744	06-PSN/AG-03	145,523	<u>75,577</u>
				<u>229,860</u>
Direct Program:				
ATF Gang Task Force	16.Unknown	None	140,400	63,083
ATF Intel Task Force	16.Unknown	None	78,000	68,000
DEA – So. NV Gang Task Force	16.Unknown	None	95,125	69,094
DEA – So. NV Gang Task Force	16.Unknown	None	86,252	27,029
DEA – Marijuana Eradication	16.Unknown	None	31,000	31,000
DEA – Marijuana Eradication	16.Unknown	None	10,000	10,000
FBI Safe Streets Task Force	16.Unknown	None	79,271	30,820
FBI Safe Streets Task Force	16.Unknown	None	22,692	4,755
FBI – Joint Terrorism Task Force	16.Unknown	66F-LV-A35763	63,417	44,729
FBI – Joint Terrorism Task Force	16.Unknown	66F-LV-A35763	63,120	14,748
FBI – Innocence Lost Task Force	16.Unknown	None	142,688	62,316
FBI – Innocence Lost Task Force	16.Unknown	None	42,908	25,114
FBI – Las Vegas Safe Streets Gang Task Force	16.Unknown	None	47,600	26,981
US Marshals – Operations Falcon 4	16.Unknown	None	9,000	9,000
US Marshals – NV Fugitive Investigative Strike Team	16.Unknown	None	25,000	<u>10,350</u>
				<u>497,019</u>
Total Department of Justice				<u>5,215,915</u>
DEPARTMENT OF STATE BUREAU OF DIPLOMATIC SECURITY				
Direct Program:				
Foreign Police Training	19.Unknown	S-DSASD-03-GR-001	156,052	<u>23,534</u>
Total Department of State				<u>23,534</u>
DEPARTMENT OF TRANSPORTATION				
Direct Program:				
Las Vegas to Los Angeles Rail Corridor Study	20.200	Coop. Agreement DTFR53-05-H-00200	228,696	26,796

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
for the Year Ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF TRANSPORTATION (Continued)				
Federal Transit Cluster				
Direct Program:				
Federal Transit Capital Investment Grants	20.500	NV-03-0019-02	\$ 6,408,490	\$ 2,699,830
FTA Section 5309 New Starts Program	20.500	NV-03-0028	24,945,000	5,163,982
FTA Section 5309 New Starts Program	20.500	NV-03-0034	2,940,300	<u>869,818</u>
				8,733,630
Passed Through Nevada Department of Transportation:				
Purchase of 22 Paratransit Vehicles	20.500	NDOT PR112-08-802	1,186,891	<u>1,186,891</u>
				<u>9,920,521</u>
Direct Program:				
Federal Transit – Formula Grant	20.507	NV-90-X033-01	13,893,602	102,501
Federal Transit – Formula Grant	20.507	NV-90-X043-02	37,319,889	904,978
Federal Transit – Formula Grant	20.507	NV-90-X048-01	33,432,410	<u>13,724,560</u>
				<u>14,732,039</u>
Total Federal Transit Cluster				<u>24,652,560</u>
Highway Planning and Construction Cluster				
Passed Through Nevada Department of Transportation:				
Laughlin-Bullhead City Bridge Project	20.205	NDOT PR312-06-063	2,612,160	1,021,459
Transportation Demand Mgmt. Program – CMAQ Funding	20.205	NDOT PR715-05-804	1,300,000	<u>846,965</u>
Total Highway Planning and Construction Cluster				<u>1,868,424</u>
Passed Through Nevada Department of Transportation:				
FTA Section 5303 Planning Funds	20.505	NDOT PR768-02-802	1,024,847	133,384
FTA Section 5303 Planning Funds	20.505	NDOT PR252-08-802	1,288,190	728,690
PL Funds	20.505	NDOT PR238-04-804	2,673,188	<u>1,581,718</u>
				<u>2,443,792</u>
Highway Safety Cluster				
Passed Through Nevada Department of Motor Vehicles:				
State & Community Highway Safety	20.600	27-408TR-1. M1	9,600	9,600
State & Community Highway Safety	20.600	27-K8-18-13	61,080	36,571
State & Community Highway Safety	20.600	28-PT-2	34,125	34,125
State & Community Highway Safety	20.600	27-JF-1.08	101,520	26,930
State & Community Highway Safety	20.600	28-JF-1.11	150,420	107,711
State & Community Highway Safety	20.600	27-K8-18-9	51,451	4,627
State & Community Highway Safety	20.600	27-K8-18-16.8	1,150	1,150
State & Community Highway Safety	20.600	28-K8-18-15.4	2,000	<u>1,579</u>
Total Highway Safety Cluster				<u>222,293</u>
Passed Through State Emergency Response Commission:				
HMEP Training	20.703	08-HMEP-03-01	18,150	<u>18,150</u>
Total Department of Transportation				<u>29,232,015</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

<u>Federal Grantor/ Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Pass-Through Number</u>	<u>Program or Award Amount</u>	<u>Federal Disbursements/ Expenditures</u>
<b>NATIONAL FOUNDATION ON THE ARTS &amp; THE HUMANITIES</b>				
Direct Program:				
National Endowment for the Arts – Challenge America Reaching Every Community	45.024	07-7900-7102	\$ 10,000	\$ 10,000
National Endowment for the Arts – Challenge America Reaching Every Community	45.024	06-7900-7095	10,000	<u>10,000</u>
				<u>20,000</u>
Passed Through Nevada Arts Council:				
Partners in Excellence Tier I and II	45.024	PIE08:5:04	23,393	23,393
Partners in Excellence Grant (AIR) Year 2	45.024	PIEII:5:02	17,610	<u>10</u>
				<u>23,403</u>
Total National Foundation on the Arts and the Humanities				<u>43,403</u>
<b>ENVIRONMENTAL PROTECTION AGENCY</b>				
Direct Program:				
Air Pollution Control Program Support	66.001	A-97914708-0	771,742	771,742
Direct Program:				
Surveys, Studies, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act PM 2.5 Monitoring Network	66.034	PM-99947801-1	172,370	<u>172,370</u>
Total Environmental Protection Agency				<u>944,112</u>
<b>DEPARTMENT OF ENERGY</b>				
Direct Program:				
Nuclear Waste Disposal Siting, 10/1/07 - 9/30/08 – Yucca Mountain Project	81.065	Public Law	1,781,412	741,187
Nuclear Waste Disposal Siting, 10/1/06 – 9/30/07 – Yucca Mountain Project	81.065	Public Law	1,385,999	1,385,999
Nuclear Waste Disposal Siting, 10/1/05 – 9/30/06 – Yucca Mountain Project	81.065	Public Law	1,584,000	<u>707,207</u>
Total Department of Energy				<u>2,834,393</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
Aging Cluster				
Passed Through Nevada Division for Aging Services:				
Older American Act/State Senior Advocacy Program	93.044	03-005-13-BX-08	\$ 43,170	\$ 34,653
Independent Living 10/1/07-9/30/08	93.044	03-005-20-LX-08	350,000	350,000
Representative Payee Grant, FY 07-08	93.044	03-015-21-BX-08	129,500	129,500
Homemaker Home Health Aide, FY 07-08	93.044	003-005-02-BX-08	55,500	<u>55,500</u>
Total Aging Cluster				<u>569,653</u>
Passed Through Nevada Division for Aging Services:				
National Family Caregiver Support Program	93.052	03-066-13-EX-07	38,957	324
Passed Through Nevada Department of Human Services, Division of Child and Family Services:				
Regional Partnership Grant/Meth Grant	93.087	RPG-3145/25-SFY08-10-001	90,580	16,320
Direct Program:				
Prevention/Treatment of HIV/AIDS & Substance Abuse-Paths	93.230	5H79T1010382-03 Revised	526,630	376,771
Prevention/Treatment of HIV/AIDS & substance Abuse-Paths	93.230	5H79TI10382-02	430,251	<u>141,531</u>
				<u>518,302</u>
Passed Through Nevada Department of Human Services:				
Promoting Safe and Stable Families:				
Title IV-B Support to Children Welfare	93.556	Interlocal Agreement	158,017	158,017
Medical Wrap Around Services	93.556	IVB-2-3145/17-SFY08-10-048	204,146	204,146
Title IV-B Case Worker Visit Sub-Grant	93.556	IVB-3145/17-SFY07-08-034	139,980	11,420
Title IV-B Support to Children Welfare (Family Preservation Home Maker)	93.556	IVB-3145/17-SFY07-031	95,293	<u>49,942</u>
				<u>423,525</u>
Passed Through Nevada Department of Human Services:				
Child Support Enforcement – Hearing Master, FY 07-08	93.563	Coop. Agreement	630,085	630,085
Child Support Enforcement – Hearing Master, FY 07-08	93.563	Coop. Agreement	542,657	542,657
Child Support Enforcement, FY 07-08	93.563	Interlocal Agreement	14,901,642	<u>14,901,642</u>
				<u>16,074,384</u>
CCDF Cluster				
Passed Through Nevada Dept. of Human Services, Welfare Div.:				
Child Care and Development Program	93.575	Agreement	181,369	181,369
Child Care and Development Block Grant	93.575	Agreement	90,000	<u>65,907</u>
Total CCDF Cluster				<u>247,276</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Department of Human Services:				
Access and Visitation Grant (10/1/07-9/30/08)	93.597	0801NVSAVP	\$ 76,000	\$ 54,743
Access and Visitation Grant (10/1/06-9/30/07)	93.597	0601NVSAVP	50,377	<u>16,308</u>
				<u>71,051</u>
Passed Through Nevada Department of Human Services:				
Federal Adoption Incentive Program (Year 2)	93.603	AI3229/31-SFY07-002	98,560	70,600
Federal Adoption Incentive Program (Year 1)	93.603	AI3229/31-SFY07-002	319,428	<u>139,582</u>
				<u>210,182</u>
Passed Through Nevada Department of Human Services:				
CPS Digital Technology	93.643	CJA-3145/11-SFY07-020	10,000	10,000
Clark Co. Dept. of Family Services Sexual Assault/Sexual Abuse Seminar	93.643	CJA-3271/10-SFY06-08-012	2,500	<u>2,500</u>
				<u>12,500</u>
Passed Through Nevada Department of Human Services:				
Foster Care Title IV-E (FY08)	93.658	0801NV1401	10,939,058	10,939,058
Passed Through Nevada Department of Human Services:				
Adoption Assistance Title IV-E (FY08)	93.659	0801NV1407	6,584,829	6,584,829
Passed Through Nevada Department of Human Services:				
Social Services Block Grant: Title XX 2008	93.667	2008G992342	2,194,755	2,194,755
Direct Program:				
Caring Communities Demonstration Project (Kinship-08)	93.670	90CA1717/05	500,000	460,534
Caring Communities Demonstration Project (Kinship-07)	93.670	90CA1717/04	301,080	<u>73,423</u>
				<u>533,957</u>
Passed Through Nevada Department of Human Services:				
Chafee Independent Living Program	93.674	CH3145/32-SFY08-10-018	900,149	777,407
Direct Program:				
HIV Emergency Relief Project Grants:				
Ryan White Part A Minority AIDS Initiative Program	93.914	H3MHA08430	202,174	146,596
Ryan White Carryover – HIV Emergency Relief Project	93.914	H89HA06900-02-02	667,950	599,383
Ryan White Transitional Grant Area Supplemental - HIV Emergency Relief Project	93.914	H89HA06900	4,305,702	900,831
Ryan White Transitional Grant Area Supplemental – HIV Emergency Relief Project	93.914	H89HA06900-02-02	1,193,110	1,155,692
Ryan White Title I (FY07)	93.914	H89HA06900-02-02	3,251,501	<u>2,850,717</u>
				<u>5,653,219</u>

(Continued)

Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)				
Passed Through Nevada Bureau of Alcohol and Drug Abuse:				
Block Grants for Prevention and Treatment of Substance Abuse:				
Substance Abuse Prevention and Treatment Agency	93.959	08041PX	\$ 89,000	\$ 87,608
Substance Abuse Prevention and Treatment Agency	93.959	08081TX	97,301	<u>97,301</u>
				<u>184,909</u>
Total Department of Health and Human Services				<u>45,011,651</u>
SOCIAL SECURITY ADMINISTRATION				
Research and Development Cluster				
Direct Program:				
Clark Co. Outreach and Assistance to Chronically Homeless	96.007	18-H-40031-9-04	96,070	<u>81,028</u>
Total Research and Development Cluster				<u>81,028</u>
Total Social Security Administration				<u>81,028</u>
DEPARTMENT OF HOMELAND SECURITY				
Homeland Security Grant Program Cluster				
Department of Homeland Security:				
State Domestic Preparedness Equipment Support Program				
Passed Through Nevada Department of Public Safety, Division of Emergency Management:				
2004 State Homeland Security Program	97.004	97004HL4	8,914,226	167,985
2005 Urban Area Security Initiative	97.008	9700805	8,159,854	2,070
2006 Citizen Corps Program	97.067	97067CL6	154,267	63,015
2007 Citizen Corps Program	97.067	97067CL7	8,200	7,316
2006 Urban Area Security Initiative	97.067	97067U06	7,362,500	3,752,608
2007 Urban Area Security Initiative	97.067	97067U07	8,594,500	400,872
2006 Law Enforcement Terrorism Prevention Program	97.067	97067LL06	3,971,000	409,832
2006 State Homeland Security Program	97.067	97067HL6	387,437	128,698
2006 State Homeland Security Program	97.067	97067HL6	2,474,436	277,487
2007 State Homeland Security Program	97.067	97067HL7	70,000	23,464
2007 State Homeland Security Program	97.067	97067HE7	173,251	2,421
2007 State Homeland Security Program	97.067	97067HS7	452,006	45,836
2007 State Homeland Security Program	97.067	97067HL7	560,744	1,412
2005 State Homeland Security Program	97.073	97073HL5	4,933,440	<u>323,738</u>
Total Homeland Security Grant Cluster				<u>5,606,754</u>

(Continued)

## Clark County, Nevada

Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant Pass-Through Number	Program or Award Amount	Federal Disbursements/ Expenditures
<b>DEPARTMENT OF HOMELAND SECURITY (Continued)</b>				
<b>Direct Program:</b>				
2007 National Urban Search & Rescue Response System	97.025	EMW-2007-CA-0173	\$ 819,500	\$ 511,538
2006 National Urban Search & Rescue Response System	97.025	EMW-2006-CA-0226	592,915	272,907
2005 National Urban Search & Rescue Response System	97.025	EMW-2005-CA-0254	961,100	57,282
2004 National Urban Search & Rescue Response System	97.025	EMW-2004-CA-0610	18,000	2,711
2004 National Urban Search & Rescue Response System	97.025	EMW-2004-CA-0442	973,035	<u>230,881</u>
				<u>1,075,319</u>
<b>Passed Through Nevada Department of Public Safety, Division of Emergency Management:</b>				
2006 Emergency Management Performance Grant	97.042	9704206	7,500	3,302
2007 Emergency Management Performance Grant	97.042	9704207	137,369	85,903
2007 Emergency Management Performance Grant	97.042	9704207	186,456	140,853
2007 Emergency Management Performance Grant	97.042	97042S7	132,599	<u>132,599</u>
				<u>362,657</u>
<b>Passed Through Nevada Department of Public Safety, Division of Emergency Management:</b>				
2005 Transit Security Grant Program	97.075	97075TS5	500,000	369,483
2007 IPP Transit Security Grant Program Supplemental	97.075	97075TS7	468,739	<u>5,859</u>
				<u>375,342</u>
<b>Passed Through Nevada Department of Public Safety, Division of Emergency Management:</b>				
2006 Buffer Zone Protection Program	97.078	97078B06	1,189,000	773,613
<b>Direct Program:</b>				
2006 Bio Watch Program	97.091	2006-ST-091-000011-02	205,728	205,728
<b>Direct Program:</b>				
2008 Secret Service Agreement	97.Unknown	None	110,000	105,744
2007 Secret Service Agreement	97.Unknown	None	109,983	1,248
2008 US Customs – ICE	97.Unknown	None	200,000	<u>191,607</u>
				<u>298,599</u>
Total Department of Homeland Security				<u>8,698,012</u>
<b>TOTAL FEDERAL DISBURSEMENTS EXPENDITURES</b>				<u><b>\$110,061,614</b></u>

Clark County, Nevada

Notes to Schedule of Expenditures of Federal Awards  
For the fiscal year ended June 30, 2008

1. REPORTING ENTITY

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

2. BASIS OF ACCOUNTING

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

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

General fund	\$ 1,761,447
Special revenue funds	82,967,896
Capital project funds	123,000
Enterprise funds	<u>25,209,271</u>
<b>Total</b>	<b><u>\$110,061,614</u></b>

4. SUBRECIPIENT EXPENDITURES

Clark County provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>Federal CFDA#</u>	<u>Subrecipient Expenditures</u>
Community Development Block Grant	14.218	\$ 4,733,756
Emergency Shelter Grants Program	14.231	276,198
Home Investment Partnerships Program	14.239	1,721,845
Justice Assistance Grant	16.738	28,377
HIV Emergency Relief Project Grant	93.914	4,121,970
Homeland Security Grant Cluster	97.004/97.008/ 97.067/97.073	316,421
Hazardous Materials Emergency Preparedness Training	20.703	<u>18,150</u>
		<b><u>\$11,216,717</u></b>

**CLARK COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2008**

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

***Financial Statements***

- Kafoury, Armstrong & Co. issued an unqualified opinion on the basic financial statements of Clark County, Nevada for the year June 30, 2008.
- No significant deficiencies or material weaknesses were disclosed during the audit of the financial statements.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Clark County, Nevada.

***Federal Awards***

- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance over major programs of Clark County, Nevada.
- Significant deficiencies relating to the audit of the major federal award programs are reported in Part C of this Schedule.
- No material weaknesses were identified.
- Audit findings relative to the major federal award programs required to be reported in accordance with section 510(a) of OMB Circular A-133 are reported in Part C of this Schedule.
- The programs tested as major programs include:
  - HIDTA – CFDA # 07.unknown
  - HOME Investment Partnerships Program – CFDA # 14.239
  - Federal Transit Cluster:
    - Capital Investment Grants – CFDA # 20.500
    - Formula Grants – CFDA # 20.507
  - Nuclear Waste Disposal Siting – CFDA # 81.065
  - Foster Care – Title IV-E – CFDA # 93.658
  - Adoption Assistance (Title IV-E) – CFDA # 93.659
  - Chafee Foster Care Independence – CFDA # 93.674
  - HIV Emergency Relief Project Grants – CFDA # 93.914
  - Urban Areas Security Initiative – CFDA # 97.067
  - Homeland Security Cluster:
    - State Homeland Security Grant Program, Citizens Corp Program – CFDA # 97.004
    - Urban Areas Security initiative – CFDA # 97.008
    - Emergency Management Performance Grant – CFDA # 97.042
    - Homeland Security Grant Program – CFDA # 97.067
    - State Homeland Security Program – CFDA # 97.073

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

**A. SUMMARY OF AUDITOR'S RESULTS (Continued)**

- The threshold used for distinguishing between Type A and Type B programs was \$3,000,000.
- Clark County, Nevada was determined to be a low risk auditee.

**B. FINDINGS – FINANCIAL STATEMENT AUDIT**

There were no financial statement audit findings.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

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

U.S. Department of Homeland Security:

Finding 08-1

**Urban Areas Security Initiative, CFDA 97.008**  
**Homeland Security Grant Program Cluster, CFDA 97.004, 97.008, 97.042, 97.067, and**  
**97.073**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008, 97.004, 97.042, 97.067, and 97.073 on the Schedule of Expenditures of Federal Awards.

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

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

*Questioned Costs:* Undeterminable

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

*Effect:* Noncompliance at the subrecipient level could occur and not be detected by the County.

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

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

*Management's  
Response:*

See management's response beginning on page 138.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

U.S. Department of Homeland Security:

Finding 08-2

**Urban Areas Security Initiative, CFDA 97.008**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 97.008 on the Schedule of Expenditures of Federal Awards.

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

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

*Questioned Costs:* Undeterminable

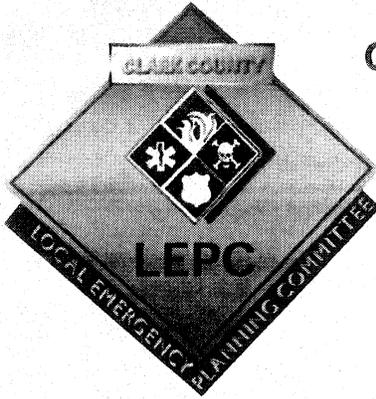
*Context:* The problem is systemic as there were no procedures in place to ensure compliance with the Buy American Act.

*Effect:* American companies may not receive special consideration on contracts as allowed in the OMB Circular A-133 Compliance Supplement.

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

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

*Management's Response:* See management's response beginning on page 138.



## Clark County Local Emergency Planning Committee

March 06, 2009

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, 2008 Urban Area Security and Grant Program Cluster audit. Below are the responses to the two audit findings:

In reference to Finding 08-1

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

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

Finding 08-2

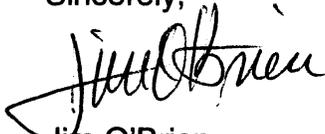
Conditions:

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

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

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

Sincerely,



Jim O'Brien  
Emergency Manager

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 08-3

**Chafee Foster Care Independence, CFDA 93.674 FY 2008**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.674 on the Schedule of Expenditures of Federal Awards.

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

*Since a significant portion of the subrecipients cost is related directly to the activities of the program, adequate supporting documentation from the subrecipients would need to be reviewed for compliance with activities allowed and allowable costs. During our testing over subrecipient monitoring, we noted the County's subrecipient monitoring procedures are not adequate to ensure their compliance with activities allowed and allowable costs under OMB Circular A-133.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as the procedures in place to monitor subrecipients' compliance with activities allowed and allowable costs requirements under OMB Circular A-133 are not adequate.

*Effect:* Noncompliance with activities allowed and allowable cost at the subrecipient level could occur and not be detected by the County.

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

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

*Management's Response:* See management's response beginning on page 143.

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 08-4

**Chafee Foster Care Independence, CFDA 93.674 FY 2008**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.674 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement states a pass-through entity shall monitor the activities of subrecipients as necessary to ensure that Federal awards are used for authorized purposes in compliance with laws, regulations, and the provisions of contracts or grant agreements and that performance goals are achieved. Part of this monitoring includes verification that any required subrecipient audits were completed and any audit findings were addressed by management within six months after receipt. Additionally, monitoring includes ensuring the subrecipient has taken appropriate and timely corrective actions on all findings.

*Since a significant portion of the program's costs are paid to subrecipients, adequate tracking of the subrecipient's audited financial statements and any necessary follow-up to audit findings would be needed. During our testing over subrecipient monitoring, we noted the County's subrecipient monitoring procedures are not adequate to ensure their compliance with financial statement reporting requirements under OMB Circular A-133.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as the procedures in place to monitor subrecipients' compliance with financial statement reporting requirements under OMB Circular A-133 are not adequate.

*Effect:* Noncompliance at the subrecipient level could occur and not be detected by the County.

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

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

*Management's Response:* See management's response beginning on page 143

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 08-5

**Chafee Foster Care Independence, CFDA 93.674 FY 2008**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.674 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement prohibits a pass-through entity from contracting with or making subawards to parties that are suspended or debarred.

*A significant portion of the program's contracts are through awards issued to subrecipients. During our testing over subrecipient monitoring, we noted the County did not verify if the entity was suspended or debarred as required under OMB Circular A-133.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as the procedures in place to ensure compliance with suspension and debarment under OMB Circular A-133 are not adequate.

*Effect:* The subrecipient may not be in compliance with suspension and debarment requirements and the County would not be aware.

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

*Recommendation:* We recommend that the County strengthen their procedures to ensure that suspension and debarment procedures are performed in accordance with the requirements under OMB Circular A-133.

*Management's Response:* See management's response beginning on page 143.



# Department of Family Services

701K N Pecos Road • Las Vegas NV 89101-2411  
(702) 455-5444 • Fax (702) 385-2999 • Hotline (702) 399-0081

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

March 12, 2009

Kafoury, Armstrong & Co  
1700 West Horizon Ridge Parkway #203  
Henderson, NV 89012

Attention: Robert A. Leavitt

Subject: Chafee Foster Care Independence Program – Audit Findings

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

**Finding 08-3** – It was reported that adequate supporting documentation from the sub recipients would need to be reviewed for compliance with activities allowed and allowable costs. The procedures in place to monitor sub recipient compliance were not adequate.

Corrective Action – Sub recipients are now required to provide supporting documentation for all expenses incurred on a monthly basis. Expenses are reviewed for compliance with activities allowed and allowable under Federal award.

**Finding 08-4** – No verification that audits were completed and any audit findings were addressed by management within six months after receipt.

Corrective action – Sub recipient audits are now performed on a quarterly basis. Audit findings require a compliance action plan. The Sub recipient Audit Tracking Form will be used to monitor audits completed (see attached). Monitoring includes requirement for appropriate and timely corrective action on all findings.

**Finding 08-5** – Non-compliance with the suspension and debarment requirement under OMB Circular A-133.

Corrective action – Procedures are in place to ensure compliance with OMB Circular A-133. Subcontractors funded through grant awards are required to complete the attached Certification #1, Regarding Debarment.

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

Sincerely,

A handwritten signature in black ink that reads "Thomas Morton". The signature is written in a cursive style with a large, prominent initial "T".

Thomas Morton  
Director  
Department of Family Services



## **CERTIFICATION # 1**

### **Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions**

#### **Instructions for Certification**

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to whom this proposal is submitted if at any time the prospective lower tier participant learns that certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms “covered transaction”, “debarred”, “suspended”, “ineligible”, “lower tier covered transaction”, “participant”, “person”, “primary covered transaction”, “principal”, “proposal” and “voluntarily excluded”, as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549: 45 CFR Part 76. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations or the definitions.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, the prospective lower tier participant shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that the clause titled “Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion – Lower Tier Covered Transactions” will be included, without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon the certification of a prospective participant in a lower tier covered transaction that the prospective participant is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless the participant in a covered transaction knows that the certification is erroneous. A participant may decide the method and frequency of determining the eligibility of the principals. Each participant may, but is not required to, check the Nonprocurement List (of excluded parties).
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under Paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is debarred, suspended, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including debarment and/or suspension.

**Certification Regarding Debarment, Suspension,  
Ineligibility and Voluntary Exclusion –  
Lower Tier Covered Transactions**

- (1) The prospective lower tier participant certifies, by submission of this proposal, that neither the prospective participant or the prospective participant's principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any transaction by any Federal department or agency.
- (2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

**Suspension.** An action taken by a suspending official in accordance with these regulations that immediately excludes a person from participating in a covered transaction for a temporary period, pending completion of an investigation and such legal, debarment, or Program Fraud Civil Remedies Act proceedings as may ensue. A person so excluded is "suspended".

Voluntary Exclusion or Voluntarily Excluded. A status of nonparticipation or limited participation in covered transactions assumed by a person pursuant to the terms of a settlement.

---

**Signature**

---

**Title**

---

**Grantee Legal/Corporate Name**

---

**Date**



# Department of Family Services

701K N Pecos Rd • Las Vegas NV 89101-2411  
(702) 455-5444 • Hotline 399-0081

Thomas D. Morton, Director

February 11, 2009

## *Sub-Recipient Sample Monitoring Request*

Attention:

Subject: CHAFEE and FAFFY Fiscal Compliance Monitor

This letter will confirm our recent conversation regarding the compliance requirements for your CHAFEE and FAFFY contracts.

Kafoury and Armstrong recently audited the FAFFY and Chafee programs. Preliminary audit findings detailed the lack of supporting documentation for program expenses for the Chafee and Faffy grants. This same finding was noted in an earlier audit conducted by State DCFS staff in February 2008. Kafoury and Armstrong noted the following corrective actions required for compliance:

Corrective Action #1: Sub-recipient is required to provide back-up supporting documentation for all expenses on a monthly basis for the Chafee and FAFFY programs.

### **Required Compliance Action Plan**

Provide Monthly Reports with the following required data:

1. Listing of all expenses for the month.
2. This listing will include:
  - Date Check Issued
  - Check number
  - Child Name
  - Payee
  - Expense category
  - Amount of Expense
  - List of voided checks
  - Total # of Checks per Month
  - Total Amount of Monthly Expenditures

### 3. Required Attachments to Reports

The Client Request for Funds must be signed by the youth and all receipts must be attached. Department of Family Services will not process request for reimbursement of expenses without complete supporting documentation.

Provide a copy of the signed check.

In order to assist you in preparing for the follow up visit, I have attached a copy of DFS Fiscal Directives. The next fiscal compliance monitor will be conducted on **March 10 at 10:00 am**.

The fiscal reporting and monitoring process is a critical component in order to ensure the Department of Family Services receives continued funding to promote self-sufficiency for foster care youth. The primary goal is to verify grant award compliance. Additionally, this is an opportunity to help address identified problem areas through quality improvement efforts.

If I can provide you with additional information or guidance prior to the next visit, please contact me at your convenience.

Sincerely,

DFS Finance Department

**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

U.S. Department of Health and Human Services:

Finding 08-6

**HIV Emergency Relief Project Grants, CFDA 93.914 FY 2007**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 93.914 on the Schedule of Expenditures of Federal Awards.

*Criteria and Condition:* The OMB Circular A-133 Compliance Supplement requires the pass-through entity to maintain a level of effort. The level of effort requirement is that each political subdivision within the metropolitan area is required to maintain its level of expenditures for HIV-related services to individuals with HIV disease at a level equal to its level of such expenditures for the preceding fiscal year.

*During our testing over the level of effort, we noted the County did not maintain the level of effort on a per person or total expenditure basis as required under OMB Circular A-133.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as the procedures in place to ensure compliance with the level of effort requirement under OMB Circular A-133 are not adequate.

*Effect:* HIV patients did not receive the services on support care they were entitled to under the grant.

*Cause:* Adequate procedures were not in place to ensure the County was in compliance with the level of effort requirement under OMB Circular A-133.

*Recommendation:* We recommend that the County strengthen their procedures to ensure that the level of effort requirement is met in accordance with OMB Circular A-133.

*Management's Response:* See management's response beginning on page 152.



# Department of Social Service

## Nancy McLane, Director

Sandy Jeantete, Assistant Director • Tim Burch, Assistant Director  
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

In reference to Finding 08-6

**Condition:**

The OMB Circular A-133 Compliance Supplement requires the pass-through entity to maintain a level of effort. The level of effort requirement is that each political subdivision within the metropolitan area is required to maintain its level of expenditures for HIV-related services to individuals with HIV disease at a level equal to its level of such expenditures for the preceding fiscal year.

**Corrective Action:**

In summary, the maintenance of effort requirement is to ensure that significant funding from non-federal sources be maintained, and not diverted to other services within the TGA. As the difference between the two maintenance of effort calculations has a discrepancy of only \$345,492, it is clear that the intent of the requirement is upheld in that non-federal expenditures of over \$5,000,000 is still contributed to HIV related services in the TGA. Additionally, the maintenance of effort in question is considerably larger than maintenance of effort reported for the 2005-2006 fiscal year.

In response to finding 07-3, the Clark County Department of Social Service's Ryan White Part A Program developed and implemented a maintenance of effort policy based on guidance from the Health Resources and Services Administration's (HRSA) Division of Service Systems (DSS) and HIV/AIDS Bureau (HAB). This policy surveyed all eligible political subdivisions within the Transitional Grant Area (TGA) related to their expenditures of general funds for HIV related services over the preceding year. These figures were used as the calculation for the maintenance of effort as required by the federal funding source. Using this new methodology, two issues became apparent, which are a result not of the newly implemented policy, but in the concept of maintenance of effort as required by the federal funding source. First, the maintenance of effort calculation in question was required to be compared to the last year's maintenance of effort, which was identified as an audit finding. Therefore the new maintenance of effort calculation was compared to a faulty process/calculation which on its face is not a fair comparison. The data sources and amounts are neither equivalent nor comparable. The

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# Department of Social Service

## Nancy McLane, Director

Sandy Jeantete, Assistant Director • Tim Burch, Assistant Director  
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950



second issue is an inherent flaw in the maintenance of effort concept required by the federal funding source. Based on Health Resources and Services Administration (HRSA) HIV/AIDS Bureau (HAB) suggestions, the funds expended by all political subdivisions within the TGA were surveyed. These data were used to calculate the maintenance of effort in question. The inherent flaw in this approach is that the expenditures of the political subdivisions are not under the control of Clark County, Clark County Social Service or the Ryan White Grantee's office. Non-federal, general fund expenditures for HIV related services are a function of client demand, and are not able to be dictated by Clark County, or the Grantee. If a political subdivision sees fewer clients, and as a result a lower level of expenditure for HIV related services, Clark County and/or the Grantee is in no position to mandate the political subdivision increase its expenditures in order to compensate for the reduction in maintenance of effort. These issues are not unique to the TGA, and are identified in a 2005 HRSA/HAB report, "Examination of Fiscal Management and the Allocation of CARE Act Resources."

Signed: *Nancy Lynn McLane*  
Title: Director

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**CLARK COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**JUNE 30, 2008**

U.S. Department of Transportation:

Finding 08-7

**Federal Transit Cluster, CFDA 20.500 and 20.507 FY 2007**

*Grant Award Number:* Potentially affects all grant awards included under CFDA 20.500 and 20.507 on the Schedule of Expenditures of Federal Awards.

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

*Our review of the quarterly financial reports submitted to the Federal Transit Administration during the current fiscal year indicated several instances where expenditures were reported in the incorrect period and an invoice was reported and drawn down more than once.*

*Questioned Costs:* Undeterminable

*Context:* The problem is systemic as there were no procedures in place to verify the completeness or accuracy of the submitted reports.

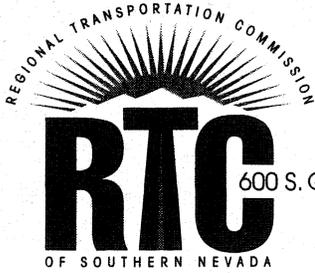
*Effect:* The quarterly financial reports submitted to the Federal Transit Administration are not supported by the County's accounting system. An invoice could be drawn down more than once and the error not be detected or corrected within a timely manner

*Cause:* The quarterly financial reports were not reconciled to the disbursements as indicated in the accounting system.

*Recommendation:* We recommend that the County reconcile grant financial reports to the disbursements recorded in the general ledger prior to their submission. The Financial Status Reports are required to be prepared on the cash basis of accounting. Accordingly, we recommend that the cash outlays, as reported on the quarterly financial status reports, be supported by the accounting system disbursements for that period, as opposed to previous periods (with the exception of expenditures incurred with pre-award authority), amounts based on draw down dates, or amounts recorded as expenditures on the accrual basis of accounting. In addition, procedures should be implemented to ensure that the same invoices are not reported or drawn down more than once.

*Management's Response:*

See management's response beginning on page 155.



600 S. Grand Central Parkway, Suite 350 • Las Vegas, Nevada 89106-4512 • 702-676-1500 • Fax: 702-676-1518

Jacob L. Snow,  
General Manager

March 13, 2009

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

Attention: Tami Miramontes, CPA

Dear Ms. Miramontes:

Our office has reviewed the findings from the year ending June 30, 2008, Federal Transit Cluster Program audit. Below is the response to the finding.

In reference to Finding 08-7

**Condition:** Our review of the quarterly financial reports submitted to the Federal Transit Administration during the current fiscal year indicated several instances where expenditures were reported in the incorrect period and one invoice was reported and drawn down more than once.

**Corrective Action:** Ms. Avila ascertains that quarterly financial status reports will be reconciled to the quarterly disbursements. Ms. Avila is also reviewing the invoices received from vendors in the SAP system to make sure the expenditures are reflected on a cash basis. The quarterly financial status reports are being reviewed by the Manager of Budget, Debt and Capital Funding before submission with Federal Transit Administration.

A schedule listing all invoice numbers and amounts of prior draw downs are provided to the Manager of Budget, Debt and Capital Funding for review with current draw downs before requesting reimbursement to ensure no duplications are performed.

Should you have any questions, please feel free to contact our office at (702) 676-1631.

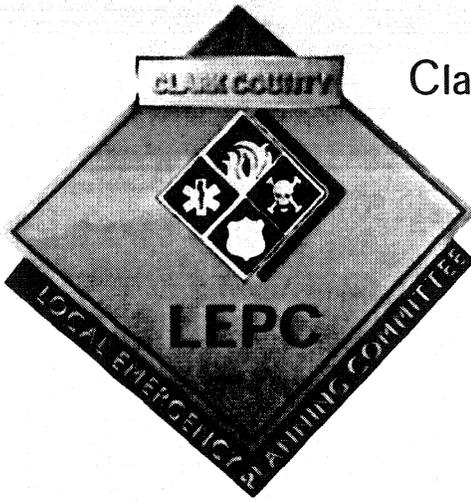
Sincerely,

A handwritten signature in black ink, appearing to read "Marc Traasdahl", is written over a horizontal line.

Marc Traasdahl  
Manager – Budget, Debt and Capital Funding

**CLARK COUNTY, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
JUNE 30, 2008**

See pages 157 through 162.



## Clark County Local Emergency Planning Committee

March 9, 2009

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

Dear Sir or Madam:

Our office has reviewed the findings from your audit years ending June 30, 2006 and June 30, 2007. Since these audits, our office has 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.

In reference to Findings 06-2  
06-3  
06-4

**Condition:** 06-2 *A significant portion of payments to sub recipients is for the purchase of equipment. During our testing over sub recipient monitoring, we noted the County's sub recipient monitoring procedures are not adequate to ensure their compliance with Equipment and Real Property Management requirements under OMB Circular A-133.*

**Condition:** 06-3 *The County did not perform procedures to ensure funds were used in accordance with the applicable provisions of the Buy American Act.*

**Condition:** 06-4 *During our testing over sub recipient monitoring, we selected three sub recipient grant agreements entered into during the current fiscal year. We noted that the agreements did not contain the requirement that funds be used in accordance with the applicable provisions of the Buy American Act.*

Clark County itself is a sub recipient of subject funds. These funds are primarily administered at the State level. The County's sub recipients are reminded to

submit equipment inventory sheets through quarterly report reminders. Although this information is requested quarterly as well as required in the signed interlocal agreement, information is often submitted intermittently. Any purchase requests made through our office requires verification of the receipt of goods prior to paying the invoice. Purchased equipment, \$5000.00 and over, is tagged and inventoried by the sub recipient. Reimbursements are issued to sub recipients only on grant-authorized equipment, from the Department of Homeland Security Authorized Equipment List (AEL).

The State Homeland Security Grant Application does not state we need compliance with the Buy American Act. Taken from 06 EMPG guidance:

**Buy American Act Compliance**

In general, grantees are **not required** to comport with the restrictions of the Buy American Act(41 U.S.C. 10a). However, grants authorized under the Stafford Act, including the EMPG program, must follow these standards. The Buy American Act requires that all materials purchased be produced in the United States, unless such materials are not available, or such a purchase would not be in the public interest.

In reference to Findings 07-1  
07-2

**Condition:** *07-1 A significant portion of payments to sub recipients is for the purchase of equipment. During our testing over sub recipient monitoring, we noted the County's sub recipient monitoring procedures are not adequate to ensure their compliance with Equipment and Real Property Management requirements under OMB Circular A-133.*

Clark County itself is a sub recipient of subject funds. These funds are primarily administered at the State level. The County's sub recipients are reminded to submit equipment inventory sheets through quarterly report reminders. Although this information is requested quarterly as well as required in the signed interlocal agreement, information is often submitted intermittently. Any purchase requests made through our office requires verification of the receipt of goods prior to paying the invoice. Purchased equipment, \$5000.00 and over, is tagged and inventoried by the sub recipient. Reimbursements are issued to sub recipients only on grant-authorized equipment, from the Department of Homeland Security Authorized Equipment List (AEL).

**Condition:** *07-2 The County did not perform procedures to ensure funds were used in accordance with the applicable provisions of the Buy American Act.*

The State Homeland Security Grant Application does not state we need compliance with the Buy American Act. Taken from 06 EMPG guidance:

**Buy American Act Compliance**

In general, grantees are **not required** to comport with the restrictions of the Buy American Act(41 U.S.C. 10a). However, grants authorized under the Stafford Act, including the EMPG program, must follow these standards. The Buy

American Act requires that all materials purchased be produced in the United States, unless such materials are not available, or such a purchase would not be in the public interest.

Signature James P. O'Brien  
Date 03-12-2009



# Department of Social Service

## Nancy McLane, Director

Sandy Jeantete, Assistant Director • Tim Burch, Assistant Director  
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

March 11, 2009

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

Dear Sir or Madam:

Update for Finding 07-3

In response to your request for an update on last year's findings, please note the following:

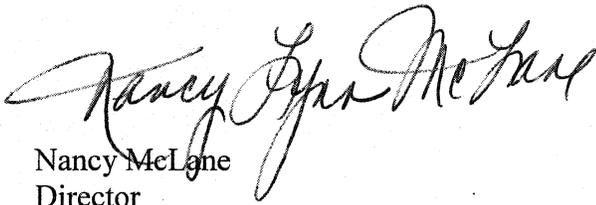
To address the finding identified in last year's Ryan White Program (FY07-08) audit, Clark County grant staff developed and implemented a policy based on the recommended maintenance of effort policy provided by the Health Resources and Services Administration's HIV/AIDS Bureau.

In summary, this policy requires grantee staff to survey all political subdivisions in the Transitional Grant Area (TGA) regarding the total non-federal general fund expenditures made by each agency toward HIV related services. This process entailed a written request for the total annual expenditures and back up documentation detailing the expenditures. This information is compiled to create the total maintenance of effort for all political subdivisions in the TGA. This figure is a requirement in the federal application for Ryan White funding, and is submitted with the application submission.

This corrective action plan had been complete.

Please do not hesitate to contact me if you have any questions related to this correspondence.

Sincerely,



Nancy McLane  
Director

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600 S. Grand Central Parkway, Suite 350 • Las Vegas, Nevada 89106-4512 • 702-676-1500 • Fax: 702-676-1518

Jacob L. Snow,  
General Manager

March 17, 2009

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

Attention: Tami Miramontes, CPA

Dear Ms. Miramontes:

Our office has reviewed the findings from the year ending June 30, 2007, Federal Transit Cluster Program audit. Below is the response to the finding.

In reference to Finding 07-4

**Condition:** Our review of the quarterly financial reports submitted to the Federal Transit Administration during the current fiscal year indicated several instances where expenditures were reported in the incorrect period.

**Corrective Action:** This finding will be corrected with the action taken for finding 08-7. Apparently, there was a misunderstanding between the auditors and RTC personnel in the preparation of the quarterly financial status reports. This misunderstanding resulted in finding 08-7.

Should you have any questions, please feel free to contact our office at (702) 676-1635.

Sincerely,

A handwritten signature in black ink, appearing to read "Erin DeFrates", written in a cursive style.

Erin DeFrates  
Manager - Financial Operations



# Department of Social Service

## Nancy McLane, Director

Sandy Jeantete, Assistant Director • Tim Burch, Assistant Director  
1600 Pinto Lane • Las Vegas NV 89106 • (702) 455-4270 • Fax (702) 455-5950

March 11, 2009

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

Dear Sir:

Update for Finding 07-5

In response to your request for an update on last year's findings, please note the following:

Clark County Social Service staff implemented procedures designed to properly calculate and prepare the quarterly Federal Cash Transaction Reports (PSC-272).

A written procedure in preparing the report was developed and cash basis accounting is now being used as required by the Department of Health and Human Services (DHHS). Guidelines were also established so that the PSC 272 reports are prepared and submitted to DHHS on a timely manner.

This corrective action plan had been complete.

Please do not hesitate to contact me if you have any questions related to this correspondence.

Sincerely,

Nancy Lynn McLane  
Director

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