

CLARK COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
Year Ended June 30, 2001

1. 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, these financial statements present Clark County, Nevada (the primary government) and its component units. Included as component units are the Las Vegas Valley Water District, University Medical Center, and the Clark County Sanitation District.

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 and their operating units are reflected as enterprise funds.

Separately issued financial statements for the component units can be obtained by contacting the component unit's Finance Department at the following addresses:

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

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

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

Accounting Policies

The accounting policies of the County conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

Fund Accounting

The accounts of the County are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into seven generic fund types and three broad fund categories as follows:

Governmental Funds

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those required to be accounted for in another fund.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds (Continued)

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Funds

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governments on a cost-reimbursement basis.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. These include Expendable Trust, Pension Trust, and Agency Funds. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds. Pension Trust Funds are accounted for in essentially the same manner as proprietary funds, using the same measurement focus and basis of accounting. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Assets and Long-Term Liabilities

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

assets. No depreciation has been recorded on general fixed assets. The County has elected not to capitalize interest costs incurred during the construction period of general fixed assets.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

Fixed Assets and Long-Term Liabilities (Continued)

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, rather than in governmental funds.

The General Fixed Assets Account Group and General Long-Term Debt Account Group are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Depreciation of all exhaustible fixed assets used by proprietary funds (including contributed assets) is charged as an expense against their operations. Depreciation of contributed capital assets from federal grants is added to retained earnings. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been recorded over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Buildings	20-50 years
Improvements	5-75 years
Equipment	5-20 years

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity of proprietary funds (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The County considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

Basis of Accounting (Continued)

Those revenues susceptible to accrual are property taxes, special assessments, interest revenue, and charges for services. Sales and use taxes, motor vehicle privilege taxes, and fuel taxes collected and held by the State of Nevada on behalf of the County are recognized as revenue. Sales and use taxes collected and held by the merchants at year end are also recognized as revenue. Fines, licenses and permits are not susceptible to accrual because they are not generally measurable until received in cash.

The accrual basis of accounting is utilized by proprietary fund types and pension trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. As permitted by accounting principles generally accepted in the United States of America, the County has elected to apply only applicable Financial Accounting Standards Board statements and interpretations issued before November 30, 1989, in its accounting and reporting practices for its proprietary operations.

The County reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the County before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures.

In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the amount of the deferred revenue is removed from the combined balance sheet and revenue is recognized.

Budget and Budgetary Accounting

Clark 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.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

- 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 Commission action.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

Budget and Budgetary Accounting (Continued)

- 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. Clark 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 accounting principles generally accepted in the United States of America.
- k. Budgeted expenditure amounts as originally adopted for the year ended June 30, 2001, were augmented for grants and other Commission action. Comparison between the original budget and the final budget is as follows:

	<u>Original Budget</u>	<u>Final Budget</u>
General Fund	\$ 454,826,101	\$ 469,240,698
Special Revenue Funds	647,130,613	667,504,707
Debt Service Funds	154,231,621	604,246,580
Capital Projects Funds	1,042,462,457	1,115,118,868

Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration. Encumbrances outstanding at year end are reported as reservations of fund balances since they do not constitute expenditures or liabilities.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Investments

With the exception of the component units, the County pools the cash of its individual funds for investment purposes. Each fund in the pool records its own interest earnings. At year end, all of 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 component units also adjust their investments to fair value, but only to the extent that they are maturing longer than a year from year end. (Also see Note 2.)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Policies (Continued)

Inventories

The Las Vegas Valley 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.

Accumulated Compensated Absences

It is the County's policy to permit employees to accumulate earned but unused vacation and sick leave benefits, which will be paid to them upon separation from County service. In governmental and expendable trust fund types, the cost of vacation and sick leave benefits is recognized when payments are made to employees. The amounts currently due (those amounts paid within sixty days after year end) are recorded as liabilities and expenditures of the various funds. The long-term liability portion of accrued vacation and sick leave benefits at year end is recorded in the general long-term debt account group which represents the County's commitment to fund such costs from future operations. Proprietary fund types accrue vacation and sick leave benefits in the period they are earned.

Comparative Data/Reclassification

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the County's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

Memorandum Only - Total Columns

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations, or cash flows in accordance with accounting principles generally accepted in the United States of America. Interfund eliminations have not been made in the aggregation of this data.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

2. CASH AND INVESTMENTS

Cash and the fair value of investments in custody of the Treasurer shown on the balance sheet (both restricted and unrestricted) totaled \$1,791,040,401 of which \$35,075,447 was held on deposit and \$1,755,964,954 was invested in securities. Cash and the fair value of investments in custody of other officials shown on the balance sheet (both restricted and unrestricted) totaled \$955,820,662 of which \$24,011,881 was held on deposit and \$931,808,781 was invested in securities. Cash and fair value of investments with fiscal agent totaled \$108,502,113 of which \$583,916 was held on deposit and \$107,918,197 was invested in securities.

2. CASH AND INVESTMENTS (Continued)

According to state statutes, County monies must be deposited with federally insured banks, credit unions, or savings and loan associations within Clark 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 state statutes permit a longer term and include securities issued by municipalities within Nevada. The County has written custodial agreements with the various financial institutions' trust banks for demand deposits and certificates of deposits. These custodial agreements pledge securities totaling 102% of the deposits with each financial institution.

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. The County's deposits are categorized to give an indication of the level of risk assumed by the entity. At year end, the carrying amount of bank deposits held in custody of the County Treasurer was \$35,075,447 and the bank balance was \$23,027,867. Of the bank balance, \$200,000 was covered by federal depository insurance and \$22,827,867 was covered by collateral held in the pledging bank's trust department in the County's name. The carrying amount of bank deposits held in the custody of other officials was \$24,011,881, and the bank balance was \$22,679,014, which was fully covered by federal depository insurance or collateral held by the County's agent in the County's name. The carrying amount of bank deposits with fiscal agent and the bank balance was \$583,915 which was fully covered by federal depository insurance or collateral held by the County's agent in the County's name.

When investing monies, the County Treasurer 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 custody of the Treasurer comprise the investment pool.

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; bankers' acceptances eligible for rediscount with federal reserve banks, not to exceed 180

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

days maturity and 20 percent of total investments; 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 or in repurchase agreements fully collateralized by such securities. Certain bond covenants 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.

Nevada Revised Statute (NRS) 355.178 authorizes the County Treasurer to participate in securities lending transactions, where the County's U.S. Government 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 (Metropolitan West, LLC) administers the securities lending program and receives cash or other securities equal to at least 102% of the fair value of the loaned securities plus accrued interest as collateral for securities of the type on loan at year-end. The collateral for the loans is maintained at 102%, and the value of the securities borrowed must be determined on a daily basis.

2. CASH AND INVESTMENTS (Continued)

Securities on loan as of June 30, 2001, for cash collateral are presented as unclassified in the subsequent table of credit risk. At year-end, the County had no credit exposure to borrowers because the amount the County owed to borrowers 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. There were no losses resulting from borrower default during the period nor were there any recoveries of prior period losses.

There are 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 maturities of the investments made with cash collateral match the maturities of the securities loans. Such amounts are included in loaned securities in investments and liabilities.

The fair value of the securities on loan at June 30, 2001, was \$527,438,402. At June 30, 2001, the County had collateral with a fair value totaling \$540,764,570, which consisted of U.S. treasury and agency obligations, commercial paper, and repurchase agreements. The total collateral received was in excess of the fair value of the investments held by brokers/dealers under the securities lending agreement.

Securities purchased by the County are delivered against payment and held in a custodial safekeeping account with the trust department of a bank designated by the County and insured by the Federal Deposit Insurance Corporation. The County's investments are also categorized by the level of risk assumed by the County at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the County Treasurer or its agent in the County's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the County's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty's agent but not in the County's name. Due to their nature, money market mutual funds are not required to be categorized.

At June 30, 2001, the fair value of categorized investments with the County Treasurer consisted of the following securities:

<u>Category</u>	Fair
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(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

	<u>1</u>	<u>2</u>	<u>3</u>	<u>Value</u>
U.S. Treasury obligations	\$ 244,138,125	\$ -	\$ -	\$ 244,138,125
U.S. Agency obligations	1,399,812,375	-	-	1,399,812,375
Commercial paper	<u>44,991,710</u>	<u>-</u>	<u>-</u>	<u>44,991,710</u>
Total categorized investments	<u>\$1,688,942,210</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,688,942,210</u>

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 customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty. Therefore, cash and investments in custody of the County Treasurer for the proprietary funds are considered cash equivalents for the purposes of the statement of cash flows. Cash received as collateral for loaned securities is not considered a cash equivalent for the purposes of the statement of cash flows.

2. CASH AND INVESTMENTS (Continued)

At June 30, 2001, the fair value of categorized investments with the County Treasurer held in the securities lending program by the County's custodian (Bank of New York) consisted of the following securities:

	<u>Category</u>			<u>Unclassified</u>	<u>Fair</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>as to Risk</u>	<u>Value</u>
Repurchase agreements	\$336,746,593	\$ -	\$ -	\$ -	\$ 336,746,593
Commercial paper	203,928,578	-	-	-	203,928,578
U.S. Treasury and agency obligations	<u>89,399</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,399</u>
Total categorized investments	540,764,570	-	-	-	540,764,570
Investments held by broker-dealers under securities lending loans:					
U.S. Treasury and agency obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>527,438,402</u>	<u>527,438,402</u>
Total	<u>\$540,764,570</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$527,438,402</u>	<u>\$1,068,202,972</u>

At June 30, 2001, the fair value of non-categorized investments with the County Treasurer consisted of money market mutual fund balances of \$125,791,142 and checks issued but not presented of \$58,768,398. Due to the County's effective cash management system and the availability of categorized investments, the balances of the money market mutual funds are not required to equal or exceed the total of checks issued but not presented on those

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

accounts.

At June 30, 2001, the fair value of categorized investments in the custody of other officials consisted of the following securities:

	Category			Fair Value
	1	2	3	
U.S. Agency obligations	\$490,434,760	\$ -	\$ -	\$490,434,760
Commercial paper	12,028,140	-	-	12,028,140
Total	<u>\$502,462,900</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$502,462,900</u>

At June 30, 2001, the fair value of non-categorized investments in the custody of other officials consisted of money market mutual fund balances of \$429,345,881.

2. CASH AND INVESTMENTS (Continued)

At June 30, 2001, the fair value of categorized investments with fiscal agent consisted of the following securities:

	Category			Fair Value
	1	2	3	
U.S. Treasury obligations	<u>\$5,017,778</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$5,017,778</u>

At June 30, 2001, the fair value of non-categorized investments with fiscal agent consisted of the following securities:

Guaranteed Investment Contracts	\$ 12,562,952
Money Market Funds	56,884,150
Insurance Company Contracts	4,429,302
Fixed Income Fund	13,207,069
Equity Fund	<u>15,816,946</u>
Total	<u>\$102,900,419</u>

All of the non-categorized investments with fiscal agent represent Las Vegas Valley Water District pension investments and Special Improvement District investments.

Governmental Accounting Standards Board (GASB) Statement No. 31 requires municipalities to adjust their portfolios to reflect the change in fair or market values. The market values of fixed income securities change inversely to interest rates. As interest rates increase, the value of fixed income securities decreases and vice versa. The allocation of the unrealized gain by the County for the year ended June 30, 2001, resulted in a net increase to

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

interest earnings of individual funds as follows:

General Fund:	<u>\$ 1,597,268</u>
Special Revenue Funds:	
Laughlin	\$ 16,818
Spring Valley	24,444
Paradise	96,682
Road	249,484
Medical Assistance to Indigent Persons	164,769
Regional Flood Control District	306,169
Habitat Conservation	429,944
Detention	244,551
Wetlands Park	38,827
Clark County Fire Service District	87,667
Metropolitan Police	45,742
RFCD Facilities Maintenance	50,316
County Grants	98,822
Nuclear Waste Grant	39,909
Subdivision Park Fees	127,517
Cooperative Extension	14,315

2. CASH AND INVESTMENTS (Continued)

Special Revenue Funds (Continued):	
General Purpose	\$ 37,212
Court Education Program	11,865
District Attorney Family Support	25
Justice Court Administrative Assessment	48,652
Drug Court	12,839
District Attorney Check Restitution	17,469
Special Ad Valorem Distribution	16,232
LVMPD Forfeitures	18,381
Master Transportation	<u>233,539</u>
Total Special Revenue Funds	<u>\$ 2,432,190</u>

Debt Service Funds:	
Long-Term County Bonds	\$ 784,539
County Fire District	20,659
Medium-Term Financing	30,525
Flood Control	126,414
MTP Revenue Stabilization	332,462
Special Assessment Bonds	442,434
Special Assessment Surplus and Deficiency	10,864
RTC Bonds	271,067

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

RTC Reserve	<u>308,388</u>
Total Debt Service Funds	<u>\$ 2,327,352</u>

Capital Projects Funds:	
County Capital Projects	\$ 1,949,735
Flood Control Capital Construction	38,196
Laughlin Capital Acquisition	38,248
County Transportation Improvements	159,619
Public Works Capital Improvements	83,665
Fire Service Capital	130,789
Recreation Capital Improvement	263,772
Regional Flood Control District Construction	624,512
Road Construction	181,138
LVMPD Bond Improvements	412,564
Parks and Recreation Bond Improvements	772,864
Master Transportation Room Tax Improvements	969,411
Southern Highlands Capital Construction	660,066
Special Assessment Capital Improvement	290,886
Master Transportation Bond Improvements	743,595
Family and Youth Services Capital Construction	251,895
Detention Services Capital Construction	847,509
RTC Highway Improvement	429,228
Highway Improvement Acquisition	1,639,429

2. CASH AND INVESTMENTS (Continued)

Capital Projects Funds (Continued):	
Extraordinary Capital Maintenance	\$ 33,860
Regional Justice Center Construction	1,179,325
Information Technology Capital	129,295
Special Ad Valorem Transportation	11,747
Master Transportation Plan	650,544
Regional Flood Control District Improvement	1,197,789
Regional Justice Center - City participation	<u>357,409</u>

Total Capital Projects Funds	<u>\$14,047,090</u>
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Enterprise Funds:	
Recreation Activity	\$ 20,807
Big Bend Water District	60,075
Building and Safety	239,978
Public Transit	122,813
Major Projects Review Team	<u>20,701</u>

Total Enterprise Funds	<u>\$ 464,374</u>
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(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Internal Service Funds:	
Central Services	\$ 35,882
Employee Benefits	25,477
Real Property Management	14,695
LVMPD Self-Insurance	66,991
County Liability Insurance	121,957
County Liability Insurance Pool	151,433
County Self-Funded Group Insurance	75,072
County Self-Funded Industrial Insurance	<u>497,375</u>
 Total Internal Service Funds	 <u>\$ 988,882</u>
Expendable Trust Funds:	
LVMPD Seized Funds	\$ 50,178
Justice Court Bail	64,336
Tax Receiver Trust	25,125
County Payroll Benefit	163,688
LVMPD Payroll Benefit	100,444
Business License Application	<u>81,870</u>
 Total Expendable Trust Funds	 <u>\$ 485,641</u>

3. PROPERTY TAXES

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

The Nevada Legislature enacted provisions whereby the combined overlapping tax rate was limited to \$3.64 per \$100 of assessed valuation.

Delinquent taxes receivable not collected within sixty days after year end are recorded as deferred revenue as they are not available to pay liabilities of the current period. The following delinquent taxes receivable and penalties receivable on delinquent taxes have been deferred as of June 30, 2001:

General <u>Fund</u>	Special <u>Revenue Funds</u>	Debt <u>Service Funds</u>	Enterprise <u>Funds</u>	<u>Total</u>
\$4,662,264	\$2,908,013	\$349,766	\$901	\$ 7,920,944

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

4. INTERFUND RECEIVABLES AND PAYABLES

Individual interfund receivable and payable balances at June 30, 2001, were:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$14,833,904	\$30,801,112
Special Revenue Funds:		
Bunkerville	-	30,940
Whitney	-	45,956
Laughlin	214,092	51,621
Moapa Valley	-	44,169
Mt. Charleston	-	187
Glendale	-	31
Spring Valley	2,153,112	2,152,692
Paradise	11,036,458	11,034,275
Searchlight	-	22,191
Sunrise Manor	882,970	882,970
Winchester	1,191,704	1,191,704
Enterprise	350,200	350,200
Road	93,233	22,797
Boat Safety	44,430	-
Moapa Valley Fire District	67	107,541
Regional Flood Control District	299,024	6,130,650

4. INTERFUND RECEIVABLES AND PAYABLES (Continued):

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Special Revenue Funds (Continued):		
Habitat Conservation	\$ 1,105	\$ 77,538
Detention	1,193,226	109,769
Clark County Law Library	60,161	2,781
Forensic Services	11,237	-
Citizen Review Board Administration	129	909
Metropolitan Police	344,042	1,285,885
HUD and State Housing Grants	6,163	1,628
County Grants	14,156	73,826
Nuclear Waste Grant	1,329	120,130
Subdivision Park Fees	-	18,000
General Purpose	354	900
Parks and Recreation Donations	-	7,974

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Court Education Program	3,188	3,374
District Attorney Family Support	37,546	1,520,786
Justice Court Administrative Assessment	246,957	28
Drug Court	35,447	418
District Attorney Check Restitution	991	6,967
Special Ad Valorem Distribution	-	1,029,203
LVMPD Forfeitures	1,417,314	528,303
Master Transportation	2,292,574	19,992,401
Debt Service Funds:		
Long-Term County Bonds	5,489,851	-
County Fire District	18,371	-
Medium-Term Financing	6,730,878	536,575
Special Assessment Bonds	4,393	4,393
Moapa	-	18,371
Capital Project Funds:		
County Capital Projects	24,024,356	1,297,531
Summerlin Capital Construction	99,214	-
Flood Control Capital Construction	-	6,086,681
Laughlin Capital Acquisition	500,000	-
Recreation Capital Improvement	64,102	341,252
Regional Flood Control District Construction	6,119,000	947,490
Public Works Capital Improvement	4,860	18,361
Parks and Recreation Bond Improvements	24,517	46,258
Special Assessment Capital Improvement	-	99,760
Master Transportation Bond Improvements	390	850
Family and Youth Services Capital Construction	103,569	11,400
Detention Services Capital Construction	-	63,975
RTC Highway Improvement	-	19,862

4. INTERFUND RECEIVABLES AND PAYABLES (Continued)

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Capital Projects Funds (Continued):		
Highway Improvement Acquisition	\$11,570,828	\$ 53,930
RTC Capital	4,640	5,641
Regional Justice Center Construction	-	152,902
Information Technology Capital	1,710	-
Special Ad Valorem Transportation	1,029,203	2,458,185
Master Transportation Plan	805	-
Regional Justice Center - City Participation	-	22,151

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Enterprise Funds:		
Recreation Activity	424,220	116,821
Building and Safety	22,191	516,208
Constable - Las Vegas Township	2,002	7,300
Public Parking Garage	706	2,014
Public Transit	9,757,532	3,811,655
Major Projects Review Team	7,970	23,649
Internal Service Funds:		
Central Services	2,056	7,189
Automotive	892,952	1,024,855
Employee Benefits	1,000,000	-
Real Property Management	1,003,966	14,445
LVMPD Self Insurance	1,843,316	-
County Liability Insurance	4,259,395	1,835,269
County Self-funded Group Insurance	-	63,751
Group Insurance Reserve	735,000	-
County Self-funded Industrial Insurance	-	145,590
LVMPD Industrial Insurance	145,590	-
Trust and Agency Funds:		
Las Vegas Convention Authority	11,932,260	859,718
State of Nevada	3,731,915	-
City of Las Vegas	6,516	-
City of North Las Vegas	90	-
City of Mesquite	4,895	-
U.S. Fish and Wildlife	76,667	-
Clark County School District - Operating	1,133,252	-
Clark County School District - Room Tax	3,725,441	-
Southern Nevada Strategic Planning Authority	9,918	-
Miscellaneous	18,361	525,130
LVMPD Seized Funds	410,244	188,603
Legal Aid Society	75,369	-

4. INTERFUND RECEIVABLES AND PAYABLES (Continued)

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Trust and Agency Funds (Continued):		
Justice Court Bail	\$ -	\$ 1,859,086
Tax Receiver Trust	-	128,910
In-Transit Trust	391,211	32,239,257
County Payroll Benefit	63,751	-
LVMPD Payroll Benefit	-	190,511
Employee Savings Bonds	-	484
Business License Application	-	787,753

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Sheriff Trust	-	34,349
Coroner Impound Trust	-	164
Juvenile Court Trust	-	871
Veterinary Service	-	13,580
Total	<u>\$134,232,586</u>	<u>\$134,232,586</u>

5. RESTRICTED ASSETS AND LIABILITIES

Assets that are restricted for specific purposes (e.g., additions to property and equipment or repayment of bonds) and liabilities payable from such assets are accounted for separately until disposition. Restricted assets less current liabilities payable from restricted assets have been recorded as a reservation of retained earnings. This calculation excludes \$618,452,338 which represents uncommitted assets to be used for construction.

6. FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 2001, follows:

	<u>Balance</u> <u>July 1, 2000</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2001</u>
Land	\$ 55,720,737	\$ 10,835,329	\$ -	\$ 66,556,066
Buildings		320,847,950	23,786,049	676,803
343,957,196				
Improvements other than buildings	73,364,264	21,809,486	-	95,173,750
Equipment	171,766,443	32,831,837	12,546,714	192,051,566
Construction in progress	<u>118,573,982</u>	<u>199,144,371</u>	<u>44,918,732</u>	<u>272,799,621</u>
Total	<u>\$740,273,376</u>	<u>\$288,407,072</u>	<u>\$58,142,249</u>	<u>\$970,538,199</u>

6. FIXED ASSETS (Continued)

A summary of proprietary fund type property and equipment at June 30, 2001, follows:

	<u>Enterprise</u>	<u>Internal Service</u>
Land and improvements	\$2,107,455,540	\$ -
Buildings and improvements	1,667,349,197	1,059,009
Equipment	618,273,310	31,877,953
Construction in progress	<u>241,152,099</u>	<u>-</u>

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Total	4,634,230,146	32,936,962
Less accumulated depreciation	<u>1,149,511,200</u>	<u>25,147,488</u>
Net fixed assets	<u>\$3,484,718,946</u>	<u>\$ 7,789,474</u>

7. LONG-TERM DEBT

General Long-Term Debt Account Group:

The following is a summary of bond transactions of the general long-term debt account group for the year ended June 30, 2001. New bond issues are designated by an asterisk (*) on the following pages:

	<u>General Obligation</u>	<u>Revenue</u>	<u>Special Assessment</u>	<u>Total</u>
Bonds payable July 1, 2000	\$1,157,623,570	\$ 99,740,000	\$148,275,000	\$1,405,638,570
Bonds issued 529,604,000		470,000,000	-	59,604,000
Bonds retired	<u>(54,523,705)</u>	<u>(16,490,000)</u>	<u>(6,340,000)</u>	<u>(77,353,705)</u>
Bonds payable June 30, 2001	<u>\$1,573,099,865</u>	<u>\$ 83,250,000</u>	<u>\$201,539,000</u>	<u>\$1,857,888,865</u>

Bonds payable at June 30, 2001, are comprised of the following individual issues:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>General Obligation Bonds:</u>			
Clark County Street Improvement:			
Series of November 1, 1991	\$ 76,485,000	5.00-6.50%	\$ 31,980,000
Series of December 1, 1995	22,285,000	5.10-5.20	21,380,000
County Flood Control:			
Series of December 1, 2000	20,000,000*	5.25	20,000,000
Family Court:			
Series of January 1, 1993	14,120,000	4.40-7.75	4,160,000

7. LONG-TERM DEBT (Continued)

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>General Obligation Bonds (Continued):</u>			

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Transportation Improvement:			
Series of June 1, 1992	\$250,000,000	4.90-8.00%	\$ 80,520,000
Series of July 1, 1994	104,200,000	5.40-6.20	30,395,000
Series of January 15, 1996	136,005,000	4.25-5.25	131,220,000
Series of March 1, 1998	118,060,000	4.00-5.25	115,830,000
Series of December 1, 1998	100,000,000	4.00-5.25	95,350,000
Series of 2000	85,000,000	5.00-6.00	82,500,000
Various Purpose:			
Series of December 1, 1993	5,670,000	2.80-4.40	725,000
Park and Justice Center:			
Series of November 1, 1999	107,015,000	5.00-6.00	104,425,000
Government Center:			
Series of July 1, 1993	40,000,000	4.80-8.00	13,960,000
Public Facilities:			
Series of March 1, 1999	71,060,000	3.25-5.125	69,260,000
Clark County Public Safety:			
Series of October 1, 1996	120,000,000	5.25-6.00	98,570,000
Series of February 1, 1999	20,000,000	4.00-5.00	16,560,000
Series of 2000	18,000,000	5.00-6.00	17,195,000
Bond Bank:			
Series of 2000	200,000,000*	5.50-8.00	200,000,000
Series of 2001	250,000,000*	5.00-5.50	250,000,000
Clark County Fire District:			
Series of November 1, 1995	10,500,000	4.20-6.13	6,585,000
Regional Flood Control District:			
Series of November 1, 1991	80,000,000	5.20-6.40	11,910,000
Series of November 1, 1997	29,930,000	4.10-5.50	29,930,000
Series of September 15, 1998	150,000,000	4.25-5.25	140,515,000
Town of Searchlight:			
Series of 1982	236,720	5.00	<u>129,865</u>
Total General Obligation Bonds			<u>\$1,573,099,865</u>

7. LONG-TERM DEBT (Continued)

<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
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(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Revenue Bonds:

Highway Improvement Motor Vehicle

Fuel Tax Revenue Bonds:

Series of September 1, 1992	\$60,000,000	4.50-9.38%	\$ 23,475,000
Series of April 15, 1997	70,000,000	4.50-6.00	52,750,000
Series of July 7, 1998	11,200,000	4.25-4.50	<u>7,025,000</u>

Total Revenue Bonds			<u>\$ 83,250,000</u>
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Special Assessment Bonds:

Laughlin:

Series of December 15, 1995	6,107,000	4.25-7.63	\$ 5,085,000
Series of December 15, 1995	689,040	4.00-5.00	349,800
Series of March 1, 1998	353,000	3.65-4.30	260,000
Series of September 1, 1998	2,155,000	4.10-7.20	1,870,000

Sunset Road:

Series of June 1, 1994	56,000	3.75-5.50	20,000
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Spring Mountain:

Series of March 1, 1998	739,000	3.65-4.30	550,000
Series of January 1, 2000	648,000	4.25-5.40	595,000

Arville and Rogers Road:

Series of July 1, 1991	1,265,000	6.25-9.25	60,000
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Decatur Boulevard:

Series of October 1, 1991	519,000	5.25-6.40	50,000
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Southern Highlands:

Series of 1999	60,630,000	5.70-7.50	60,625,000
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Gowan Road:

Series of January 1, 2000	147,000	4.25-5.40	140,000
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Desert Inn Road:

Series of April 1, 1997	216,380	3.80-5.00	147,250
Series of February 1, 1999	76,000	3.25-4.20	65,000
Series of April 1, 1999	300,000	3.40-4.50	275,000

7. LONG-TERM DEBT (Continued)

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>Special Assessment Bonds (Continued):</u>			
Russell Road:			
Series of September 1, 1998	\$ 7,155,000	3.65-5.00%	\$ 6,110,000
Series of January 1, 2000	432,000	4.25-5.40	395,000
Charleston Boulevard:			
Series of August 1, 1992	392,000	3.10-5.50	75,000
Series of March 1, 1996	2,510,000	4.10-5.80	1,300,000
Vegas Manor:			
Series of February 1, 1999	1,754,000	3.25-4.20	1,460,000
Oquendo Road:			
Series of April 1, 1999	399,000	3.40-4.50	375,000
Palm/Pecos Interconnect:			
Series of August 1, 1992	299,000	3.10-5.50	65,000
Hacienda Avenue-Arville Street:			
Series of June 1, 1993	2,296,000	3.20-5.40	470,000
Stephanie Street-Gibson Road:			
Series of December 15, 1992	3,824,000	3.75-5.90	775,000
Las Vegas Boulevard:			
Series of October 1, 1995	13,465,000	4.40-9.00	11,245,000
Sandhill:			
Series of August 1, 1995	274,000	3.75-5.10	140,000
Vegas Valley Drive:			
Series of August 1, 1992	292,000	3.10-5.50	60,000
Cheyenne Avenue:			
Series of August 1, 1992	229,000	3.10-5.50	45,000
Series of November 1, 1992	132,000	5.25-6.20	25,000
Annie Oakley Drive:			
Series of September 1, 1993	1,475,000	3.00-5.00	450,000

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

7. LONG-TERM DEBT (Continued)

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>Special Assessment Bonds (Continued):</u>			
Green Valley Parkway-Patrick Lane: Series of June 1, 1993	\$ 1,020,000	3.20-5.40%	\$ 200,000
Valley View: Series of March 1, 1998	2,492,000	3.65-4.30	1,845,000
Series of April 1, 2000	2,123,000	5.10-5.25	1,955,000
Lamb Boulevard: Series of November 1, 1992	615,000	5.25-6.20	120,000
Series of November 1, 1992	332,000	5.25-6.20	65,000
Summerlin: Series of April 15, 1997	37,000,000	4.50-6.625	32,900,000
Series of 2000	7,200,000	5.15-7.25	7,020,000
Series of May 1, 2001	58,000,000*	4.50-6.875	58,000,000
Carey Avenue: Series of April 1, 1997	349,000	3.80-5.00	237,500
Owens Avenue: Series of October 1, 1996	654,000	4.00-5.30	480,000
Eastern Avenue: Series of June 1, 1994	384,000	3.75-5.50	135,000
Series of June 1, 1994	383,000	3.75-5.50	145,000
Series of April 1, 1997	132,620	3.80-5.00	90,250
Oakey: Series of June 1, 1996	162,000	4.00-5.30	98,323
Windmill: Series of June 1, 1996	159,000	4.00-5.30	96,502
Series of March 1, 1998	195,000	3.65-4.30	145,000
Series of January 1, 2001	1,604,000*	4.25-4.75	1,604,000
Lake Mead Boulevard: Series of July 1, 1991	154,000	6.40-9.25	25,000
Series of October 1, 1991	657,000	5.25-6.40	65,000

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

7. LONG-TERM DEBT (Continued)

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>Special Assessment Bonds (Continued):</u>			
Sahara Avenue:			
Series of December 1, 1993	\$ 278,000	4.75-7.00%	\$ 110,000
Series of October 1, 1994	3,815,000	4.10-5.80	2,145,000
Series of December 15, 1995	354,960	4.00-5.00	180,200
Warm Springs:			
Series of June 1, 1994	624,000	3.75-5.50	245,000
Series of August 1, 1995	664,000	3.75-5.10	345,000
Series of August 1, 1995	50,000	3.75-5.10	25,000
Industrial:			
Series of December 1, 1993	411,000	4.75-7.00	165,000
Series of June 1, 1996	25,000	4.00-5.30	<u>15,175</u>
Total Special Assessment Bonds			<u>\$201,539,000</u>

Special assessment debt (all of which the County is liable for if the property owners should default) is reported in the general long-term debt account group. The County's special assessment surplus and deficiency debt service fund, established to cover special assessment shortfalls, had a fund balance of \$1,156,605 at June 30, 2001.

Loans Payable

The following is a summary of loan transactions of the general long-term debt account group for the year ended June 30, 2001:

Loans payable July 1, 2000	\$ 942,950
Loans retired	<u>(148,589)</u>
Loans payable June 30, 2001	<u>\$ 794,361</u>

Loans payable at June 30, 2001, are comprised of the following:

<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, 2001</u>
U.S. Bank	\$ 800,000	Various	06/01/16	5.75%	\$578,114 (a)
Heller Financial	547,848	Various	04/01/03	5.20	<u>216,247 (b)</u>

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Total Loans Payable \$794,361

- (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 Metropolitan Police special revenue fund.

7. LONG-TERM DEBT (Continued)

Litigation Accrual and Arbitrage Liability

The County is a defendant in various cases (see Note 16). An estimated liability of \$2,500,000 for litigation losses is recorded in the general long-term debt account group.

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, 2001, the County has incurred an estimated arbitrage liability of \$10,000,000. This liability is recorded in the general long-term debt account group.

The following summarizes the litigation accrual and arbitrage transactions of the general long-term debt account group:

Accrual July 1, 2000	\$ 6,627,901
Additions	<u>5,872,099</u>
Balance June 30, 2001	<u>\$12,500,000</u>

Compensated Absences

The following is the change in long-term accrued sick leave and vacation benefits recorded in the general long-term debt account group for the year ended June 30, 2001 (see Note 1):

Long-term portion of accrued sick leave and vacation benefits at July 1, 2000	\$108,362,668
Additional amount accrued during the year	<u>7,622,984</u>
Long-term portion of accrued sick leave and vacation benefits at June 30, 2001	<u>\$115,985,652</u>

Amortization Requirements

The annual requirements to amortize general long-term debt account group bonds outstanding, with the exception of the compensated absences, self-insurance and litigation accrual, as of June 30, 2001, are as follows:

Year Ending June 30,	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Loans	Total Principal	Interest	Total Requirements
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(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

2002	\$ 56,964,141	\$16,135,000	\$ 7,284,000	\$152,995	\$ 80,536,136	\$ 98,949,768	\$ 179,485,904
2003	80,714,598	16,945,000	9,810,000	137,304	107,606,902	95,345,647	202,952,549
2004	68,590,078	17,810,000	9,150,000	35,767	95,585,845	90,113,617	185,699,462
2005	72,540,582	7,485,000	9,495,000	35,287	89,555,869	85,339,310	174,895,179
2006	67,101,111	7,870,000	9,750,000	35,074	84,756,185	80,809,271	165,565,456
2007	69,341,667	8,280,000	9,175,000	35,125	86,831,792	76,069,837	162,901,629
2008	64,727,250	8,725,000	9,690,000	35,440	83,177,690	71,395,014	154,572,704

7. LONG-TERM DEBT (Continued)

Amortization Requirements (Continued)

Year Ending June 30,	General Obligation Bonds	Revenue Bonds	Special Assessment Bonds	Loans	Total Principal	Interest	Total Requirements
2009	\$ 64,322,862	\$ -	\$ 9,680,000	\$ 36,020	\$ 74,038,882	\$ 66,974,525	\$ 141,013,407
2010	65,493,505	-	9,970,000	36,868	75,500,373	62,701,725	138,202,098
2011	68,799,181	-	10,160,000	37,987	78,997,168	58,612,174	137,609,342
2012	68,459,890	-	10,655,000	39,383	79,154,273	54,351,121	133,505,394
2013	72,155,000	-	11,355,000	41,062	83,551,062	49,943,274	133,494,336
2014	76,065,000	-	11,450,000	43,033	87,558,033	45,268,926	132,826,959
2015	76,655,000	-	12,090,000	45,304	88,790,304	40,328,476	129,118,780
2016	79,040,000	-	12,990,000	47,712	92,077,712	35,338,896	127,416,608
2017	83,825,000	-	12,215,000	-	96,040,000	30,260,611	126,300,611
2018	55,910,000	-	9,740,000	-	65,650,000	24,697,066	90,347,066
2019	58,950,000	-	10,460,000	-	69,410,000	21,033,341	90,443,341
2020	39,780,000	-	11,235,000	-	51,015,000	17,436,468	68,451,468
2021	22,715,000	-	5,185,000	-	27,900,000	15,153,788	43,053,788
2022	23,955,000	-	-	-	23,955,000	13,530,200	37,485,200
2023	25,265,000	-	-	-	25,265,000	12,219,325	37,484,325
2024	26,650,000	-	-	-	26,650,000	10,836,219	37,486,219
2025	26,045,000	-	-	-	26,045,000	9,376,938	35,421,938
2026	23,175,000	-	-	-	23,175,000	8,064,313	31,239,313
2027	24,435,000	-	-	-	24,435,000	6,803,038	31,238,038
2028	25,730,000	-	-	-	25,730,000	5,505,838	31,235,838
2029	27,100,000	-	-	-	27,100,000	4,138,963	31,238,963
2030	28,540,000	-	-	-	28,540,000	2,698,413	31,238,413
2031	30,055,000	-	-	-	30,055,000	1,180,438	31,235,438
	<u>\$1,573,099,865</u>	<u>\$83,250,000</u>	<u>\$201,539,000</u>	<u>\$794,361</u>	<u>\$1,858,683,226</u>	<u>\$1,194,476,540</u>	<u>\$3,053,159,766</u>

The amount of \$207,705,708 is available in the debt service funds to service the general obligation and revenue bonds that are not serviced by enterprise funds.

Enterprise Funds:

The following is a summary of bond transactions of the enterprise funds for the year ended June 30, 2001.

<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
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(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Bonds payable July 1, 2000	\$1,003,698,186	\$1,425,472,023	\$2,429,170,209
Bonds retired	<u>(37,888,695)</u>	<u>(31,774,885)</u>	<u>(69,663,580)</u>
Bonds payable June 30, 2001	<u>\$ 965,809,491</u>	<u>\$1,393,697,138</u>	<u>\$2,359,506,629</u>

7. LONG-TERM DEBT (Continued)

Bonds payable at June 30, 2001, are comprised of the following individual issues:

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>General Obligation Bonds:</u>			
Big Bend Water District:			
Series of December 1, 1986	\$ 5,000,000	5.10-8.00%	\$ 530,000 (a)
Series of 1993	16,305,000	4.10-5.10	11,290,000 (a)
Unamortized refunding loss			(1,314,900) (a)
Department of Aviation:			
Series of May 1, 1993	65,000,000	5.30-7.50	49,950,000 (b)
Series of September 1, 1993	46,860,000	2.70-5.25	43,995,000 (b)
Unamortized discount and refunding loss			(2,702,683) (b)
University Medical Center:			
Series of December 1, 1992	22,125,000	4.70-6.80	14,025,000 (c)
Series of February 1, 1994	15,240,000	4.40-5.25	13,115,000 (c)
Series of October 15, 1996	7,200,000	4.00-5.20	5,475,000 (c)
Series of 2000	56,825,000	5.00-5.75	56,825,000 (c)
Unamortized premium and refunding loss			(646,217) (c)
Kyle Canyon Water District:			
Series of October 30, 1980	221,000	5.00	111,010 (d)
Clark County Sanitation District:			
Series of July 1, 1977	13,730,000	4.50-6.00	2,805,000 (e)
Series of June 1, 1989	14,755,000	6.50-9.50	5,605,000 (e)
Series of February 1, 1992	79,996,421	3.50-6.50	15,807,074 (e)
Series of June 1, 1993	56,310,000	5.25-5.70	51,080,000 (e)
Series of 1996	9,975,000	3.85-5.40	9,685,000 (e)
Unamortized discount and refunding loss			(1,292,630) (e)
Las Vegas Valley Water District:			
Series of September 2, 1992	76,905,000	5.20-5.75	24,300,000 (f)

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Series of May 4, 1993	37,430,000	3.70-5.50	16,100,000 (f)
Series of October 1, 1993	15,970,000	2.50-5.00	14,440,000 (f)
Series of April 2, 1994	61,500,000	5.00-5.88	19,875,000 (f)
Series of March 2, 1995	20,000,000	5.00-8.40	6,410,000 (f)
Series of July 1, 1995	30,000,000	5.00-5.80	11,455,000 (f)
Series of November 1, 1995	126,000,000	5.00-8.00	119,915,000 (f)
Series of July 1, 1996	180,000,000	5.50-7.00	29,880,000 (f)
Series of June 1, 1997	220,000,000	5.00-6.50	213,030,000 (f)
Series of April 1, 1998	190,255,000	5.50-7.00	188,925,000 (f)
Series of April 1, 1998	52,100,000	4.50-5.50	51,690,000 (f)
Unamortized discount and refunding loss			<u>(4,552,163) (f)</u>

Total General Obligation Bonds \$ 965,809,491

7. LONG-TERM DEBT (Continued)

	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance June 30, 2001</u>
<u>Revenue Bonds:</u>			
Department of Aviation:			
Series of August 1, 1992	\$ 296,000,000	4.95-6.50%	\$ 81,670,000 (b)
Series of 1993	339,000,000	variable	293,800,000 (b)
Series of 1995	100,000,000	variable	74,470,000 (b)
Series of 1995 (PFC)	385,000,000	4.80-6.00	375,185,000 (b)
Series of April 1, 1998	198,845,000	variable	182,895,000 (b)
Series of April 1, 1998 (PFC)	214,245,000	4.10-5.50	214,245,000 (b)
Series of 1999A	105,230,000	variable	105,220,000 (b)
Series of 1999 (B-1)	64,160,000	variable	64,160,000 (b)
Series of 1999 (B-2)	38,800,000	variable	38,800,000 (b)
Unamortized discount and refunding loss			(39,032,862) (b)

Clark County Sanitation District:

Series of October 1, 1996	10,295,000	4.00- 4.50	<u>2,285,000 (e)</u>
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Total Revenue Bonds \$1,393,697,138

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

Loans Payable

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

The following is a summary of loan transactions of the enterprise funds for the year ended June 30, 2001.

Loans payable July 1, 2000	\$257,900,846
Loans retired	<u>(3,135,483)</u>
Loans payable June 30, 2001	<u>\$254,765,363</u>

7. LONG-TERM DEBT (Continued)

Loans Payable (Continued)

Loans payable at June 30, 2001, are comprised of the following:

<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, 2001</u>
Citicorp Leasing, Inc.	\$ 7,556,694	6-30-96	7-31-06	6.45 %	\$ 4,380,789 (a)
Various (Commercial Paper)	250,000,000	Various	12-1-01	3.90-4.70	250,000,000 (b)
ATC/Vancom of Nevada, Inc.	5,040,613	10-1-97	12-1-01	6.94	<u>384,574 (c)</u>
Total loans payable					<u>\$254,765,363</u>

- (a) These loans are 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.
- (c) This loan is being serviced, principal and interest, by the Public Transit enterprise fund.

The annual requirements to amortize all enterprise funds debt outstanding as of June 30, 2001, are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total Loans</u>	<u>Principal</u>	<u>Total Interest</u>	<u>Requirements</u>
2002	\$ 40,435,457	\$ 39,099,811	\$ 251,151,781	\$ 330,687,049	\$ 130,303,497	\$ 460,990,546
2003	41,781,935	37,314,811	818,182	79,914,928	125,456,773	205,371,701
2004	40,672,398	39,934,811	872,543	81,479,752	120,675,824	202,155,576
2005	47,129,405	42,574,811	930,516	90,634,732	115,633,592	206,268,324
2006	43,729,916	45,429,811	992,341	90,152,068	110,243,944	200,396,012

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

2007	38,993,561	48,469,811	-	87,463,372	104,776,320	192,239,692
2008	45,384,124	51,779,811	-	97,163,935	99,206,405	196,370,340
2009	46,957,911	55,114,811	-	102,072,722	93,380,082	195,452,804
2010	47,760,918	58,919,811	-	106,680,729	87,265,332	193,946,061
2011	49,856,748	62,694,811	-	112,551,559	80,941,539	193,493,098
2012	43,837,874	66,954,811	-	110,792,685	74,290,775	185,083,460
2013	46,345,831	71,319,811	-	117,665,642	67,626,790	185,292,432
2014	37,685,831	39,094,811	-	76,780,642	60,749,706	137,530,348
2015	34,202,292	42,408,225	-	76,610,517	56,559,235	133,169,752
2016	29,251,925	44,863,225	-	74,115,150	52,299,969	126,415,119
2017	28,301,925	47,633,225	-	75,935,150	48,206,432	124,141,582
2018	29,851,925	50,288,225	-	80,140,150	44,095,068	124,235,218
2019	31,501,925	53,068,226	-	84,570,151	39,825,231	124,395,382
2020	33,287,154	42,773,226	-	76,060,380	35,618,377	111,678,757
2021	28,157,615	45,183,226	-	73,340,841	31,497,395	104,838,236
2022	29,727,615	47,833,226	-	77,560,841	27,525,224	105,086,065
2023	31,387,615	50,538,225	-	81,925,840	23,351,690	105,277,530
2024	33,107,615	37,323,225	-	70,430,840	19,509,908	89,940,748

7. LONG-TERM DEBT (Continued)

Year Ending June 30, <u>Requirements</u>	General Obligation	Revenue Bonds	Bonds	Total Loans	Principal	Total Interest
2025	\$ 34,902,615	\$ 39,298,226	\$ -	\$ 74,200,841	\$ 15,767,260	\$ 89,968,101
2026	36,827,615	41,338,226	-	78,165,841	11,835,497	90,001,338
2027	14,729,746	44,590,198	-	59,319,944	8,921,930	68,241,874
2028	-	46,730,198	-	46,730,198	6,203,390	52,933,588
2029	-	49,175,198	-	49,175,198	4,230,397	53,405,595
2030	-	51,950,295	-	51,950,295	2,185,102	54,135,397
	<u>\$965,809,491</u>	<u>\$1,393,697,138</u>	<u>\$254,765,363</u>	<u>\$2,614,271,992</u>	<u>\$1,698,182,684</u>	<u>\$4,312,454,676</u>

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.

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, 2001, the following are the remaining balances of the defeased bond issues:

Clark County Government Center:
Series of July 1, 1993 \$ 17,715,000

Clark County Street Improvement:
Series of October 1, 1987 21,695,000

(Continued)

CLARK COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Series of October 1, 1991	20,240,000
Special Assessment Bonds:	
Series of December 1, 1992	6,250,000
Series of April 15, 1994	1,965,000
Clark County Transportation:	
Series of June 1, 1992 (A)	80,130,000
Series of June 1, 1992 (B)	59,935,000
Series of June 1, 1992 (C)	4,875,000
Series of July 1, 1994 (A)	69,870,000
Series of July 1, 1994 (C)	2,495,000
Series of November 1, 1994	34,530,000
Regional Flood Control District:	
Series of November 1, 1991	29,065,000
Big Bend Water District:	
Series of November 1, 1990	10,180,000

7. LONG-TERM DEBT (Continued)

Prior Year Defeasance of Debt (Continued)

Las Vegas Valley Water District:

General Obligation Bonds:

Series of December 1, 1985	\$ 910,000
Series of April 1, 1986	9,845,000
Series of May 1, 1987	6,965,000
Series of May 1, 1988	7,760,000
Series of October 1, 1989	5,940,000
Series of August 1, 1990	13,455,000
Series of September 1, 1992	22,545,000
Series of April 1, 1994	29,200,000
Series of March 1, 1995	9,715,000
Series of July 1, 1995	12,380,000
Series of July 1, 1996	149,095,000

Clark County Sanitation District:

Series of February 1, 1992	46,475,000
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Airport Improvement Bonds:

Series of August 1, 1992 (A)	147,120,000
Series of August 1, 1992 (B)	<u>45,070,000</u>

Total	<u><u>\$865,420,000</u></u>
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Conduit Debt Obligations

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

The County has issued approximately \$674,409,000 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 in the general long-term debt account group.

8. CONTRIBUTED CAPITAL

Changes in contributed capital for the year ended June 30, 2001, are as follows:

	<u>Enterprise Funds</u>	<u>Internal Service Funds</u>	<u>Total</u>
Balance July 1, 2000	\$1,234,021,299	\$28,618,271	\$1,262,639,570
Donated equipment	314,194	426,324	740,518
Depreciation charged against contributed capital	<u>(9,131,041)</u>	<u>-</u>	<u>(9,131,041)</u>
Balance June 30, 2001	<u>\$1,225,204,452</u>	<u>\$29,044,595</u>	<u>\$1,254,249,047</u>

9. DEFICIT FUND BALANCES OR ACCUMULATED DEFICITS

Funds which have accumulated deficits at June 30, 2001, are as follows:

	<u>Amount of Deficit</u>
Enterprise Funds:	
Public Parking Garage	\$ (2,958,010)
Internal Service Funds:	
Automotive	(21,884,688)
LVMPD Self-Insurance	(6,212,711)
LVMPD Industrial Insurance	(1,017,223)

The Public Parking Garage and the Automotive Funds maintained a positive total fund equity. The County has transferred sufficient monies to the Liability Self-Insurance Fund to cover the County's portion of the LVMPD Self-Insurance Fund deficits.

10. RESERVE FOR DIRECT DISTRIBUTIONS

The reserve for direct distributions represents that portion of the special County motor vehicle fuel tax required to be allocated for use by those political subdivisions not included wholly or in part in the "Las Vegas Valley Area Major Street and Highway Plan." The allocation to these subdivisions is made based on the ratio of their assessed

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

valuation to the total County assessed valuation.

The following is a schedule of changes in the reserve for direct distributions for the year ended June 30, 2001:

	Balance July 1, 2000	Reclassifi- cations	Adjusted Balance July 1, 2000	Current Year		Balance June 30, 2001
				Additions	Disbursements	
Boulder City	\$1,705,547	\$(1,238,684)	\$ 466,863	\$ 607,784	\$ (808,700)	\$ 265,947
Bunkerville	380,853	(258,206)	122,647	51,108	9,893	183,648
Glendale	2,390	1,254	3,644	1,947	378	5,969
Indian Springs	92,874	8,212	101,086	11,574	2,018	114,678
Laughlin	3,443,536	(2,375,862)	1,067,674	585,610	(892,653)	760,631
Mesquite City	1,621,053	(497,255)	1,123,798	402,756	(1,440,493)	86,061
Moapa Valley	500,058	(452,761)	47,297	155,488	(117,356)	85,429
Mt. Charleston	43,837	14,824	58,661	54,137	8,022	120,820
Searchlight	377,752	(224,732)	153,020	44,510	(152,655)	44,875
Moapa	<u>952,842</u>	<u>(641,856)</u>	<u>310,986</u>	<u>109,788</u>	<u>(198,788)</u>	<u>221,986</u>
Total	<u>\$9,120,742</u>	<u>\$(5,665,066)</u>	<u>\$3,455,676</u>	<u>\$2,024,702</u>	<u>\$(3,590,334)</u>	<u>\$1,890,044</u>

During fiscal year 2001, management determined that certain reclassifications were necessary to adjust the amount of the reserve for direct distributions. As a result, a new adjustment of \$5,665,066 was recorded to reclassify, or increase, the undesignated fund balance and to decrease the reserve for direct distributions by the same amount. As this adjustment represents reclassification of fund balance only, there is no further impact on the general purpose financial statements.

11. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Funds which had an excess of expenditures over amounts appropriated are as follows:

Fund	Revised Appropriations	Actual Expenditures	Excess Over Appropriations
Debt Service Funds:			
Long-Term County Bonds	\$538,692,225	\$541,771,839	\$ 3,079,614
County Fire District	1,482,315	1,482,330	15
Medium-Term Financing	6,157,930	6,629,554	471,624
MTP Revenue Stabilization	16,000	19,400	3,400
Moapa	73,585	91,047	17,462
Capital Projects Funds:			
RTC Highway Improvement	13,710,000	32,078,862	18,368,862
RTC Capital	350	9,392	9,042

Even though debt service and capital projects funds expenditures exceeded appropriations, these funds were authorized to exceed appropriations for the purpose for which they were created.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The County maintains twelve enterprise funds which provide airport, water, sewer, medical, public transit, parking, public safety, and recreational services. Segment information for the year ended June 30, 2001 is as follows:

	Kyle Canyon Water District	Recreation Activity	Big Bend Water District	Building and Safety
Operating revenues	\$ 219,385	\$ 5,301,910	\$ 3,166,632	\$19,763,350
Depreciation	101,265	85,290	815,919	925,577
Operating income (loss)	2,562	(1,708,171)	914,185	(1,517,798)
Sales and use tax	-	-	417,254	-
Operating transfers in	-	1,000,000	-	-
Operating transfers out	-	-	-	-
Net income (loss)	1,471,178	(507,367)	1,073,021	(388,125)
Current capital contributions, net	-	-	-	-
Property and equipment:				
Additions	276,422	178,686	105,736	12,011,057
Deletions	-	24,427	-	1,745,904
Net working capital	62,288	771,800	4,154,802	4,572,373
Bonds & other long-term liabilities	102,184	-	9,075,100	-
Total equity	2,350,219	1,083,999	27,721,763	19,512,258
Total assets	2,555,234	1,964,388	39,898,286	26,832,617

12. SEGMENT INFORMATION FOR ENTERPRISE FUNDS (Continued)

	Constable- Las Vegas Township	Public Parking Garage	Public Transit	Major Projects Review Team	Department of Aviation
Operating revenues	\$1,449,044	\$ 293,014	\$ 38,381,088	\$2,100,131	\$ 215,012,694
Depreciation	7,707	231,571	10,227,725	1,180	64,512,624
Operating income (loss)	282,884	(482,651)	(56,053,791)	1,357,243	48,987,760
Sales and use tax	-	-	55,851,901	-	-
Operating transfers in	-	-	254,739	-	-
Operating transfers out	-	-	(4,585,641)	(110,000)	-
Net income (loss)	339,376	(456,434)	5,550,098	1,493,924	78,341,426
Current capital contributions, net	-	-	5,413,676	-	3,646,668
Property and equipment:					
Additions	12,795	11,946	14,784,123	23,856	83,094,633
Deletions	-	-	515,296	19,780	2,946,832

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Net working capital	854,972	165,292	11,705,219	3,262,554	80,778,646
Bonds & other long-term liabilities	-	-	-	-	1,437,289,455
Total equity	885,616	8,801,042	125,268,305	3,280,004	741,226,816
Total assets	1,188,664	8,956,288	190,952,360	4,401,765	2,341,182,746

	University Medical Center	Las Vegas Valley Water District	Clark County Sanitation District	Total Enterprise Funds
Operating revenues	\$372,358,927	\$ 265,759,577	\$ 72,270,870	\$ 996,076,622
Depreciation	10,640,573	33,113,961	23,932,877	144,596,269
Operating income (loss)	1,862,733	35,404,096	19,931,954	48,981,006
Sales and use tax	-	-	-	56,269,155
Operating transfers in	-	-	-	1,254,739
Operating transfers out	-	-	-	(4,695,641)
Net income (loss)	11,567,597	78,839,066	86,326,968	263,650,728
Current capital contributions, net	-	70,697	-	9,131,041
Property and equipment:				
Additions	18,842,071	142,455,842	166,180,865	437,978,032
Deletions	90,000	50,578,761	67,770,865	123,691,865
Net working capital	74,595,975	159,118,785	199,103,455	539,146,161
Bonds & other long-term liabilities	89,294,750	668,057,837	76,412,370	2,280,231,696
Total equity	129,658,969	800,914,916	717,883,692	2,578,587,599
Total assets	329,461,994	1,855,727,483	826,936,581	5,630,058,406

13. RETIREMENT SYSTEM

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

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

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

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Monthly benefit allowances for regular members and police and firemen are computed at 2.5 percent (changed to 2.67 percent for service after July 1, 2001) 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 entering 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 retirement benefits at age 65 with 5 years of service, at age 60 with 10 years of service, or at any age with 30 years of service. Police and firemen are eligible for retirement benefits with 5 years of service at age 65, with 10 years of service at age 55, at age 50 with 20 years of service, or at any age with 25 years of service.

Contribution rates are established by NRS 286.410. The statute provides for yearly increases of up to 1 percent until such time as the actuarially determined unfunded liability of the System is reduced to zero. The County is obligated to contribute all amounts due under the System. The contribution rate for regular members, based on covered payroll, for the years ended June 30, 2001, 2000, and 1999 was 18.75 percent for all three years. The contribution rate for police and firemen was 28.50 percent for all three years.

The County's contributions to the plan for the years ended June 30, 2001, 2000, and 1999 were \$139,707,687, \$129,929,143, and \$113,261,989, 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 Las Vegas Valley Water District (the "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.

13. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

A. Plan Description

The District contributes to the Las Vegas Valley Water District Pension Plan (the "Plan"), a single-employer defined benefit pension trust fund established by the District to provide pension benefits solely for the employees of the District. The Board of Trustees of the Plan has the authority to establish and amend the benefit provisions of the Plan. The Plan was amended effective January 1, 2001, to provide for certain changes, including a provision for cost of living adjustments (COLA) after retirement. Other than COLA, the Plan does not provide ad hoc post retirement benefit increases nor does it administer post employment healthcare plans. The Plan does not issue a stand-alone financial report.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

All District employees are eligible to participate in the Plan after attaining age 20 and completing six months of employment. 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 to a maximum of 30 years.

Average monthly compensation means 1/36 of the amount of compensation while participating in the Plan for the thirty-six consecutive months producing the highest average. 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.

District employees are not required to contribute to the Plan. However, employees may under certain conditions purchase additional years of service for eligibility and increased benefits. For the fiscal year ended June 30, 2001, contributions for this purpose totaled \$94,266.00.

The District contributes amounts actuarially determined necessary to fund the Plan in order to pay benefits when due. Such contributions cannot revert to or be revocable by the District or be used for any purpose other than the exclusive benefit of the participants.

At June 30, 2001, participants in the Plan consisted of the following:

Retirees in pay status with unpurchased benefits		0
Terminated employees not yet receiving benefits		185
Active employees		
Fully vested	609	
Partially vested	146	
Nonvested	<u>205</u>	
Total active employees		<u>960</u>
Total participants		<u>1,145</u>

13. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

B. Basis of Accounting

The financial statements of the Plan are prepared using the accrual basis of accounting.

C. Annual Pension Cost and Net Pension Obligation

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

It is the policy of the District to pay Annual Required Contributions (ARC) when due; therefore, annual pension cost and the ARC are the same and aggregated \$4,125,838 for the year ended June 30, 2001. The ARC was 8.64 percent of annual covered payroll. The significant actuarial assumptions used to determine the ARC are: (a) a rate of return on the investment of present and future assets of 7.5 percent per year compounded annually, (b) projected salary increases of 3 percent per year compounded annually, attributable to inflation, (c) additional projected salary increases of 3 percent attributable to seniority/merit, and (d) no benefit increases after retirement.

An actuarial valuation has been performed each plan year since February 28, 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 fair value of certain investments held and any accrued but unpaid employer contributions.

Three-Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/99	\$3,004,678	100%	\$ -
6/30/00	3,304,517	100	-
6/30/01	4,125,838	100	-

D. Identification of Investments

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
Investments at contract value		
Union Central Life Insurance Company	\$ 1,442,259	\$ 1,441,565
New York Life Insurance Company	<u>15,549,995</u>	<u>12,083,502</u>
Total investments at contract value	<u>16,992,254</u>	<u>13,525,067</u>

13. RETIREMENT SYSTEM (Continued)

Las Vegas Valley Water District Retirement Plan (Continued)

D. Identification of Investments (Continued)

	<u>June 30, 2001</u>	<u>June 30, 2000</u>
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(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Investments at fair value

Northern Trust Co., Domestic Equity	\$15,816,946	\$19,676,102
Mellon Bank, Domestic Bond	13,207,069	13,671,974
Nevada State Bank, Money Market Fund	<u>44,333</u>	<u>45,693</u>
Total investments at fair value	<u>29,068,348</u>	<u>33,393,769</u>
Total investments	<u>\$46,060,602</u>	<u>\$46,918,836</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. Supplemental Information

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

14. NEW PRONOUNCEMENTS

In June 1999, GASB issued Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, which becomes effective for fiscal year ending June 30, 2002. The statement modifies the reporting requirements for basic financial statements and the required supplementary information for general purpose governments. In June 2001, GASB also issued Statement No. 37, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus* and Statement No. 38, *Certain Financial Statement Note Disclosures*. These also become effective for the fiscal year ending June 30, 2002. The impact of adoption of these statements on the financial statements of the County has not yet been determined.

15. PROPRIETARY FUND TYPES - OTHER NONOPERATING REVENUES

Other nonoperating revenues of the proprietary funds totaled \$203,017,701 for the year ended June 30, 2001. Of this amount, capital contributions were \$101,555,424. The majority of the remaining revenue was recorded in the Department of Aviation enterprise fund and primarily consisted of passenger facility charges and jet aviation fuel tax (\$58,177,974).

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

16. COMMITMENTS AND CONTINGENCIES

Las Vegas Convention Authority Bonds

In addition to the County general obligation bonds, Clark County is contingently liable on the Las Vegas Convention Authority (the "Authority") general obligation bonds, Series August 1, 1993, September 1, 1996, and April 1, 1998, in the amount of \$60,590,000, \$51,080,000, and \$39,225,000 respectively. Although the County is contingently liable for the general obligation bonds of the Authority, in the event of a default by the Authority, it is anticipated that additional ad valorem taxes would be levied to retire the bonds. Therefore, Clark 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 2001 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 which 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 Medi-Cal Reimbursements

University Medical Center's Medicare and Medi-Cal 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 which may arise from the intermediaries' audits.

Operating Lease Commitments

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

<u>Lessor</u>	<u>Department Utilizing Lease</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Department of Aviation	Building	\$ 9,100	07/01/98	12/31/01*
Department of Aviation	Public Works	4,000	07/01/98	11/11/11
Stoltz Management	Election	51,302	02/01/98	11/30/09
Frontier Radio	CEIT	300	05/01/82	06/30/01*
City of Boulder City	Boulder Township Justice Court	1,075	10/15/96	10/14/01

16. COMMITMENTS AND CONTINGENCIES (Continued)

Operating Lease Commitments (Continued)

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

<u>Lessor</u>	<u>Department Utilizing Lease</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Water Street Trust	Family and Youth Services	\$ 4,536	04/01/93	03/31/03
Henderson Shopping Village	Assessor	1,428	09/30/96	09/30/01
Jean Development	Jean Justice Court	125	10/31/94	10/30/01*
Lake Mead/Decatur Shopping Center Assoc.	Assessor	1,926	07/01/99	09/30/04
Land Title of Nevada	Parks & Recreation/Justice Ct	185	03/01/81	03/03/05
N&NI Partnership	Family & Youth Services	8,604	11/15/95	11/14/02
Southern California Edison	Laughlin Park Site	165	11/01/91	10/31/01
Nucleus Plaza, Inc.	Family and Youth Services	5,246	10/01/97	09/30/01
Nucleus Plaza, Inc.	Social Services	1,529	01/01/92	12/31/01
Olympic Square	Family and Youth Services	2,265	06/01/98	05/31/03
Pine Development, Inc.	Building	4,799	12/01/98	12/31/02
American Nevada Corporation	General Services - Regional Justice Center	10,655	03/01/99	02/28/02
Goldie, Inc. Regional Justice Center		3,540	12/01/98	11/30/01
FMP Renaissance	Family and Youth Services	9,513	02/21/94	02/20/05
City of Henderson	Henderson Justice Court and Constable	10,284	07/11/00	06/30/02
Salomon Barron	Administrative Services	702	12/16/97	12/15/01*
Southwest Gas Corporation	CEIT	10	06/15/82	11/11/11
Aleco Stewart Enterprises	Family and Youth Services	6,835	10/31/96	06/30/02
Storage One @ Downtown	General Services	1,151	06/26/97	11/11/11
Storage One @ Downtown	Justice Court	146	08/15/98	11/11/11
Thorndal, Armstrong, Delk, Balkenbush, & Eisinger	District Attorney	8,880	11/01/98	10/31/01
Tolosa Redrock Ltd.	Cooperative Extension	31,988	06/01/95	05/01/05
DRD Partners	RTC	400	06/01/96	06/30/03*
Ferguson Family Trust	RTC	29,503	10/01/97	09/30/02
Cheyenne Air Center	LVMPD Swat/K-9/Rescue/ Mounted	17,024	04/16/99	04/15/06
Clark County	LVMPD Government Center Special Events	1,400	12/16/97	12/15/01*
Las Vegas Convention and Visitors Authority	LVMPD Bike Office	2,200	03/01/99	02/29/04
Westbay L.L.C.	LVMPD Crimes Against Person/Family	46,164	07/01/98	08/31/03
101 Convention Center Corporation	LVMPD Training/Inspection	19,500	05/24/99	05/30/06
714 Building Partnership	LVMPD - Risk Management	11,120	04/01/97	03/31/02
Executive Development	LVMPD - Homicide	9,971	03/01/00	02/28/05

16. COMMITMENTS AND CONTINGENCIES (Continued)Operating Lease Commitments (Continued)

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

<u>Lessor</u>	<u>Department Utilizing Lease</u>	<u>Monthly Rental</u>	<u>Date Lease Commenced</u>	<u>Date Lease Terminates</u>
Thomas and Mack Spring Mountain Properties	LVMPD - Special Operations LVMPD Southwest Area	\$100,197	02/01/00	01/31/10
Harsch Properties	Command	14,785	12/01/95	07/01/01*
Clark County Jean Airport	LVMPD-General Services	21,381	03/01/96	02/28/06
101 Convention Center Corp.	LVMPD Substation	125	08/18/97	Interlocal
NLV Air Terminal	LVMPD Personnel/Payroll	39,001	06/01/98	05/30/06
Lewis Properties	LVMPD (Search and Rescue)	3,191	07/01/96	07/01/04
Pat Clark	LVMPD-Evidence	22,952	07/01/00	06/30/03
Harsch Properties	LVMPD/PEAP	2,158	11/01/96	10/31/01
Executive Development	LVMPD - Warehouse	1,520	10/01/99	09/30/01
Las Vegas Speedway	LVMPD (Criminalistics Lab)	52,656	03/01/00	02/28/05
101 Convention Ctr. Corp.	LVMPD	12,500	07/01/00	06/30/01*
Executive Development	LVMPD/Quality Assurance	8,742	08/01/00	05/31/06
Department of Aviation	LVMPD/ROP/Fugitive	6,647	03/01/01	02/28/05
Buffalo Nickel	General Services	4,700	03/01/94	01/11/11
Woodcrest Investments	District Court	6,900	01/01/01	12/31/02
JCL Properties	Recorder's Office	2,814	04/17/01	03/31/04
	Public Response	<u>3,333</u>	10/03/00	09/30/03
		<u>\$621,173</u>		

The County does not have any material capital leases. The total rent expense/expenditure for fiscal year 2001 was \$14,855,307.

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

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, 2001:

Years ending June 30:

2002	\$ 6,223,802
2003	5,679,920
2004	5,208,175
2005	4,517,084
2006	3,447,073
Thereafter	<u>7,275,932</u>
Total minimum lease payments	<u>\$32,351,986</u>

16. COMMITMENTS AND CONTINGENCIES (Continued)

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Operating Lease Commitments (Continued)

The University Medical Center (UMC) enterprise fund also had future minimum rental commitments as of June 30, 2001, for noncancelable operating leases for property and equipment as follows:

2002	\$ 4,323,593
2003	3,397,229
2004	3,139,648
2005	2,667,473
2006	2,465,202
Thereafter	<u>18,434,965</u>
Total	<u>\$34,428,110</u>

The rental expense of UMC for property and equipment was approximately \$5,113,000 for the year ended June 30, 2001.

Rental Income

The Department of Aviation enterprise fund 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 and airfield landing fees under agreements that expire on June 30, 2002. The department leases land, building, and terminal space to concessionaires under operating leases that expire at various times through 2032. Under the terms of the agreements, concession fees are based on a percentage of the operators' revenues or a stated minimum, whichever is greater; land and building rentals are based on square footage. The department received \$56,999,321 in 2001 for contingent rental payments in excess of stated minimums.

The following is a schedule of minimum future rentals receivable on noncancelable operating leases (with initial or remaining terms in excess of one year) as of June 30, 2001:

Years ending June 30:

2002	\$107,948,144
2003	38,071,192
2004	35,490,001
2005	18,756,129
2006	11,946,666
Later years	<u>62,977,139</u>
Total minimum rents to be received	<u>\$275,189,271</u>

16. COMMITMENTS AND CONTINGENCIES (Continued)

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

Construction in Progress

Construction in progress in the amount of \$272,799,621 at June 30, 2001, is reflected in the general fixed asset account group (Note 6). Management estimates that it will require an additional outlay of approximately \$279,000,000 to complete these projects. Construction in progress in the amount of \$241,152,099 is reflected in the proprietary fund types. This consists of Department of Aviation projects of \$83,050,441 with an estimated completion cost of \$98,000,000, University Medical Center projects of \$7,457,435 with an estimated completion cost of \$52,000,000, Las Vegas Valley Water District projects of \$30,864,214 with an estimated completion cost of \$70,000,000, and Clark County Sanitation District projects of \$119,780,009 with an estimated completion cost of \$127,000,000.

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 general long-term debt account group (Note 7).

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.

17. RISK MANAGEMENT

Clark 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. The County maintains the following internal service funds and is self insured for the following types of risk exposures:

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. All claims-handling procedures are performed by an independent claims administrator. 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 \$1,000,000 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. All claims handling procedures are performed by an independent claims administrator. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

17. RISK MANAGEMENT (Continued)

Las Vegas Metropolitan Police Department (LVMPD) Self-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 \$1,000,000 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. All claims handling procedures are performed by an independent claims administrator. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County 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. All claims handling procedures are performed by an independent claims administrator. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

County Self-Funded Industrial Insurance

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 \$350,000 per claim. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to an unlimited State of Nevada statutory amount. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

LVMPD 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. Coverage from private insurers is maintained for losses in excess of the claim stop loss amount up to an unlimited State of Nevada statutory amount. Incurred but not reported claims have been accrued as a liability based upon a variety of actuarial and statistical techniques.

Changes in Liability Amounts

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

	<u>Liability</u> <u>July 1, 2000</u>	<u>Current-Year</u> <u>Claims and</u> <u>Changes in</u> <u>Estimates</u>	<u>Claim</u> <u>Payments</u>	<u>Liability</u> <u>June 30, 2001</u>
LVMPD Self-Insurance	\$13,404,632	\$ 5,564,843	\$ 5,251,140	\$13,718,335
County Liability Insurance	1,531,674	945,024	872,055	1,604,643
County Liability Insurance Pool	5,068,699	2,703,547	2,598,304	5,173,942
County Self-Funded Group Insurance	6,753,198	32,552,958	31,939,409	7,366,747

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

County Self-Funded Industrial Insurance	20,639,816	9,318,767	8,316,364	21,642,219
LVMPD Industrial Insurance	<u>5,400,000</u>	<u>5,698,154</u>	<u>5,568,071</u>	<u>5,530,083</u>
Total Self-Insurance Funds	<u>\$52,798,019</u>	<u>\$56,783,293</u>	<u>\$54,545,343</u>	<u>\$55,035,969</u>
17. <u>RISK MANAGEMENT (Continued)</u>				

Changes in Liability Amounts (Continued)

	<u>Liability July 1, 1999</u>	<u>Current-Year Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Liability June 30, 2000</u>
LVMPD Self-Insurance	\$10,660,031	\$ 8,723,742	\$ 5,979,141	\$13,404,632
County Liability Insurance	1,725,268	2,105,612	2,299,206	1,531,674
County Liability Insurance Pool	6,511,279	(1,389,476)	53,104	5,068,699
County Self-Funded Group Insurance	5,369,613	29,204,338	27,820,753	6,753,198
County Self-Funded Industrial Insurance	16,282,109	15,409,689	11,051,982	20,639,816
LVMPD Industrial Insurance	<u>5,400,000</u>	<u>3,587,109</u>	<u>3,587,109</u>	<u>5,400,000</u>
Total Self-Insurance Funds	<u>\$45,948,300</u>	<u>\$57,641,014</u>	<u>\$50,791,295</u>	<u>\$52,798,019</u>

18. JOINT VENTURE

The Las Vegas Valley Water District (the "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 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 Clark County Sanitation District (the "Members"). SNWA was created to secure additional supplies of water and effectively manage existing supplies of water through the cooperative action of the Members.

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

SNWA has the power to periodically assess the Members directly for operating and capital costs and for the satisfaction of any liabilities imposed against SNWA. The District and other members do not have an expressed claim to the resources of 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. The District records all capital funding for SNWA as an expense.

(Continued)

CLARK COUNTY, NEVADA

NOTES TO FINANCIAL STATEMENTS

Year Ended June 30, 2001

(Continued)

The SNWA is approximately midway in a nearly \$2.1 billion (year of construction dollars) Capital Improvement Plan (CIP) to expand and improve the Southern Nevada water system that will span approximately 20 years from 1997 to 2017. It is the express intent of the SNWA CIP to build improvements on a phased or "as needed" basis. The 1997 through 2000 phase projects have all been completed on time and under budget. Contracts for 2001 phase projects have been awarded and are progressing on time and under budget. Planning and design for future phases are underway and construction on those phases will be started as the demand for water increases.

18. JOINT VENTURE (Continued)

During 2001, the County issued general obligation bonds of \$250,000,000 and \$200,000,000, which proceeds were remitted to SNWA (net of bond issuance costs) constituting an other expenditure of \$445,081,514 in the debt service funds. The bonds will be repaid through revenues collected by SNWA and remitted to the County.

Audited financial reports for fiscal year 2000/01 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

19. SUBSEQUENT EVENTS

On September 11, 2001, the United States was subjected to extensive terrorist attacks likely to have far-reaching effects on economic activity in the country for an indeterminate period. The near- and long-term impact on the southern Nevada economy and the County's finances cannot be predicted at this time.

In November 2001, Clark County issued \$200,000,000 in Highway Revenue (motor vehicle fuel tax) commercial paper notes (additionally secured by pledged motor fuel tax revenues). The notes were issued for \$100,000,000 each in series A and B. The notes bear interest based upon the "Index of Twenty Bonds" as published in *The Bond Buyer* plus 3 percentage points, not to exceed 12% per annum, payable upon maturity. The notes are revolving in nature and require payment within 270 days of issuance but not later than November 1, 2031. The proceeds of the notes will be used to fund highway-related projects.

(Continued)