



**HOUSING AUTHORITY OF THE  
COUNTY OF CLARK, NEVADA  
Las Vegas, Nevada**

**BASIC FINANCIAL STATEMENTS  
December 31, 2009**

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## Independent Auditor's Report

Board of Commissioners  
Housing Authority of the County of Clark, Nevada  
Las Vegas, Nevada

We have audited the accompanying statement of net assets of the Housing Authority of the County of Clark, Nevada (the Authority) as of December 31, 2009, and the related statements of revenues, expenses and changes in net assets, and cash flows for the eighteen-month period then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, under a HUD approved plan, the Authority was consolidated effective January 1, 2010 into the Southern Nevada Regional Housing Authority along with two additional authorities. Under this plan, the Authority's fiscal year end was extended to December 31, 2009. As such, these financial statements reflect an eighteen-month period. The accounting basis has not been modified as all programs of the Authority continued under the new entity.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2009, and the changes in its financial position and its cash flows for the eighteen month period then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 24, 2010 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 11 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

*Clifton Gunderson LLP*

Baltimore, Maryland  
September 24, 2010

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

This section of the Housing Authority of the County of Clark, Nevada's (the Authority) financial report presents management's analysis of the Authority's financial performance during the eighteen-month period ended December 31, 2009.

**FINANCIAL HIGHLIGHTS AND CONCLUSIONS**

The Authority continued to show a strong financial position as illustrated by the outcome of its fiscal operations. Net assets of the Authority increased \$3,368,358 before depreciation expense of \$3,951,410, a non-cash item. The Unrestricted Net Asset position remains strong at \$4,267,626.

**REQUIRED FINANCIAL STATEMENTS**

The Financial Statements of the Authority report information using accounting methods similar to those used by private sector companies (Enterprise Fund).

The Statement of Net Assets (Balance Sheet) includes all of the Authority's assets and liabilities and provides information about the amounts and investments in assets and the obligations to Authority creditors. It also provides a basis of assessing the liquidity and financial flexibility of the Authority. Over time, increases or decreases in net assets may serve as a useful indicator of the financial health of the Authority.

The current year's revenues, expenses, and changes in net assets are accounted for in the Statement of Revenues, Expenses and Net Assets. This statement measures the success of the Authority's operations over the past fiscal period.

The Statement of Cash Flows is to provide information about the Authority's cash receipts and disbursements during the reporting period. The statement reports net changes in cash resulting from operations, investing activities and capital related activities.

The Housing Authority of the County of Clark, Nevada and The City of Las Vegas Housing Authority (LVHA) requested to consolidate and become the Southern Nevada Regional Housing Authority (SNRHA) effective January 1, 2010. HUD approval was also granted to extend the fiscal year end for the Authority to December 31, thereby extending the financial submission period for the Authority from July 1, 2008 to December 31, 2009. In order to accommodate this change in the financial submission, some of the 2008 data below was adjusted to create an eighteen-month to eighteen-month comparative.

**FINANCIAL ANALYSIS OF THE AUTHORITY**

One question frequently asked about an Authority's finances is "Did the Authority's operations and financial position improve or deteriorate over the previous fiscal period?" The Statement of Net Assets and the Statement of Revenues, Expenses and Net Assets report information about the Authority's activities and are summarized in the following sections.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

To begin our analysis, a summary of the Authority's Statement of Net Assets is presented in Table I.

**Combined Statement of Net Assets  
TABLE I**

	2009	2008	Total Change	% Change
Current Assets	\$ 8,719,706	\$ 8,751,308	\$ (31,602)	-0.36%
Capital Assets	38,499,526	39,407,198	(907,672)	-2.30%
<b>Total Assets</b>	<b>\$ 47,219,232</b>	<b>\$ 48,158,506</b>	<b>\$ (939,274)</b>	<b>-1.95%</b>
Current Liabilities	\$ 1,336,974	\$ 1,347,802	\$ (10,828)	-0.80%
Noncurrent Liabilities	1,101,184	1,446,578	(345,394)	-23.88%
<b>Total Liabilities</b>	<b>2,438,158</b>	<b>2,794,380</b>	<b>(356,222)</b>	<b>-12.75%</b>
Invested in Capital Assets Net of Related Debt	37,983,688	38,523,435	(539,747)	-1.40%
Restricted Net Assets	2,529,760	2,318,989	210,771	165.10%
Unrestricted Net Assets	4,267,626	4,521,702	(254,076)	-5.62%
<b>Total Net Assets</b>	<b>44,781,074</b>	<b>45,364,126</b>	<b>(583,052)</b>	<b>-1.29%</b>
<b>Total Liabilities &amp; Net Assets</b>	<b>\$ 47,219,232</b>	<b>\$ 48,158,506</b>	<b>\$ (939,274)</b>	<b>-1.95%</b>

**Current Assets**

Current assets decreased by \$31,602 or .36%. There was no significant change in current assets in this fiscal period.

**Current Liabilities**

Current liabilities decreased by \$10,828 or .80%. There was no significant change in current liabilities in this fiscal period.

**Non-current Liabilities**

Non-current liabilities decreased by \$345,394 or 23.88% due to the paying down of debt principal balances.

**Net Assets**

Illustrated in the Combined Statement of Net Assets above, the overall Net Assets of the Authority decreased by \$583,052. The majority of the change in net asset position was in Restricted Net Assets. This decrease of \$1,732,705 was brought about by the Authority spending HAP funds, off-set by increases in both Unrestricted and Invested in Capital Assets.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

While the Statement of Net Assets shows the change in financial position, the Statement of Revenues, Expenses, and Net Assets is designed to show the results of operations of the financial position for the fiscal period.

Table II, which follows, provides a combined statement of these results and changes from the prior fiscal period.

**Combined Statement of Revenues, Expenses and Changes in Net Assets  
For comparative purposes the 2008 data has been adjusted  
TABLE II**

	2009	2008	2008 (18 mo. comp)	Total Change	% Change
Tenant Revenue	\$ 6,370,879	\$ 4,179,761	\$ 6,269,641	\$ 101,238	1.61%
Grant Funding	55,656,298	32,700,084	49,050,126	6,606,172	13.47%
Interest Income	112,148	190,069	285,104	(172,956)	-60.66%
Other Income	1,295,198	1,153,652	1,730,478	(435,280)	-25.15%
<b>Total Revenue</b>	<b>63,434,523</b>	<b>38,223,566</b>	<b>57,335,349</b>	<b>6,099,174</b>	<b>10.64%</b>
Administration	7,643,824	5,184,877	7,777,316	(133,492)	-1.72%
Tenant Services	486,826	317,157	475,736	11,091	2.33%
Utilities	1,347,633	795,768	1,193,652	153,981	12.90%
Maintenance	5,228,335	3,264,267	4,896,401	331,935	6.78%
General Expense	1,831,612	629,625	944,438	887,175	93.94%
Housing Assistance Pmt.	43,481,658	24,512,788	36,769,182	6,712,476	18.26%
Interest Expense	46,277	35,181	52,772	(6,495)	-12.31%
Depreciation	3,951,410	2,794,325	4,191,488	(240,078)	-5.73%
<b>Total Expenses</b>	<b>64,017,575</b>	<b>37,533,988</b>	<b>56,300,982</b>	<b>7,716,593</b>	<b>13.71%</b>
Change in Net Assets	(583,052)	689,578	1,034,367	(1,617,419)	-156.37%
Beginning Net Assets	45,364,126	44,674,548	44,674,548	689,578	1.54%
<b>Ending Net Assets</b>	<b>\$ 44,781,074</b>	<b>\$ 45,364,126</b>	<b>\$ 45,708,915</b>	<b>\$ (927,841)</b>	<b>-2.03%</b>

This table reflects a prior period comparison of 18 months due to the extended fiscal period as a result of the merger with Southern Nevada Regional Housing Authority as discussed in Note 1.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

Table III provides a Statement of Revenues, Expenses and Net Assets by program.

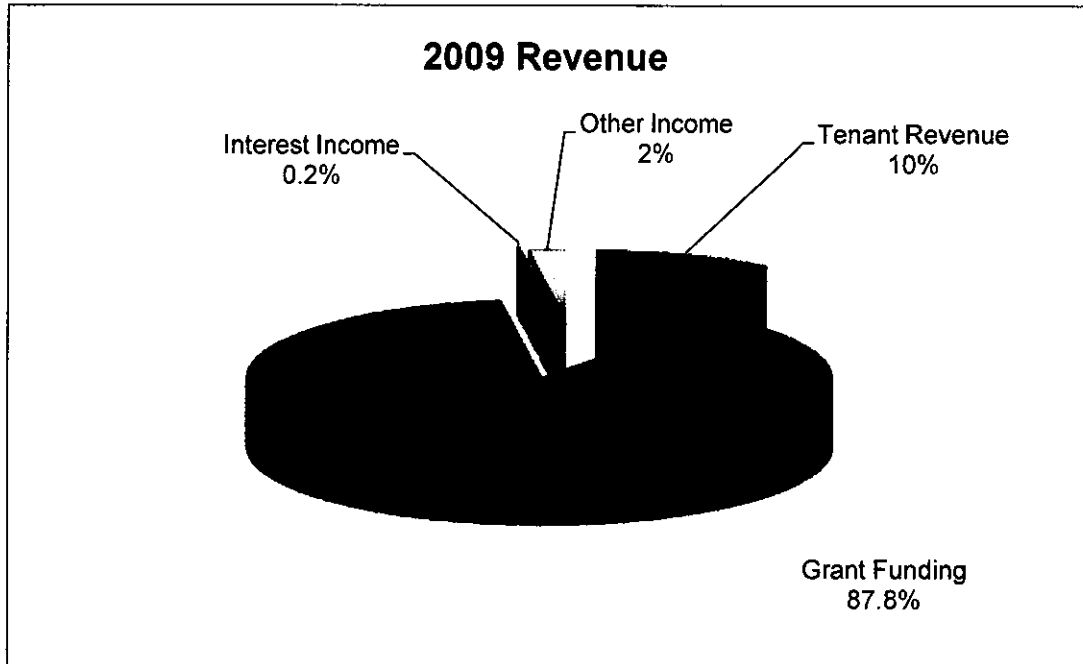
**Housing Authority of the County of Clark, Nevada  
Combined Statement of Revenues, Expenses and Change in Net Assets – By Program  
TABLE III**

	Public Housing (inc. Capital Fund)	Housing Choice Voucher	Local Funds	Business Activity	Other Programs	Elimination	Total
Tenant Revenue	\$ 3,134,720	\$ -	\$ -	\$ 3,236,159	\$ -	\$ -	\$ 6,370,879
Grant Funding	6,195,706	47,361,321	1,323,489	-	775,782	-	55,656,298
Interest Income	63,516	24,012	-	24,653	-	-	112,181
Other Income	5,562,197	442,407	-	19,634	-	(4,729,073)	1,295,165
<b>Total Revenue</b>	<b>14,956,139</b>	<b>47,827,740</b>	<b>1,323,489</b>	<b>3,280,446</b>	<b>775,782</b>	<b>(4,729,073)</b>	<b>63,434,523</b>
Administration	6,198,585	3,859,886	24,236	844,375	-	(4,729,073)	6,198,009
Tenant Service	171,581	210,468	-	3,517	101,260	-	486,826
Utilities	952,928	-	-	394,705	-	-	1,347,633
Maintenance	4,960,378	93,969	4	1,646,883	-	-	6,701,234
General Expense	1,164,896	336,292	208	349,409	-	-	1,850,805
HAP	-	43,481,658	-	-	-	-	43,481,658
Depreciation	3,438,424	11,262	-	501,724	-	-	3,951,410
<b>Total Expense</b>	<b>16,886,792</b>	<b>47,993,535</b>	<b>24,448</b>	<b>3,740,613</b>	<b>101,260</b>	<b>(4,729,073)</b>	<b>64,017,575</b>
<b>Change in Net Assets</b>	<b>(1,930,653)</b>	<b>(165,795)</b>	<b>1,299,041</b>	<b>(460,167)</b>	<b>674,522</b>	<b>-</b>	<b>(583,052)</b>
Beginning Net Assets	38,232,608	2,726,443	-	4,384,111	20,964	-	45,364,126
<b>Ending Net Assets</b>	<b>\$ 36,301,955</b>	<b>\$ 2,560,648</b>	<b>\$ 1,299,041</b>	<b>\$ 3,923,944</b>	<b>\$ 695,486</b>	<b>\$ -</b>	<b>\$ 44,781,074</b>

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

**REVENUES**

In reviewing the Statement of Revenues, Expenses, and Net Assets, you will find that 87.8% of the Authority's revenues are derived from grants from the Department of Housing and Urban Development and other governmental agencies. The Authority receives revenue from tenants for dwelling rental charges and miscellaneous charges of 10% of total revenue. Other Revenue including Interest from Investments comprises the remaining 2.2%. Compared to the Fiscal Period Ended June 30, 2008, revenues had an overall increase of \$6,099,174 or (10.64%).



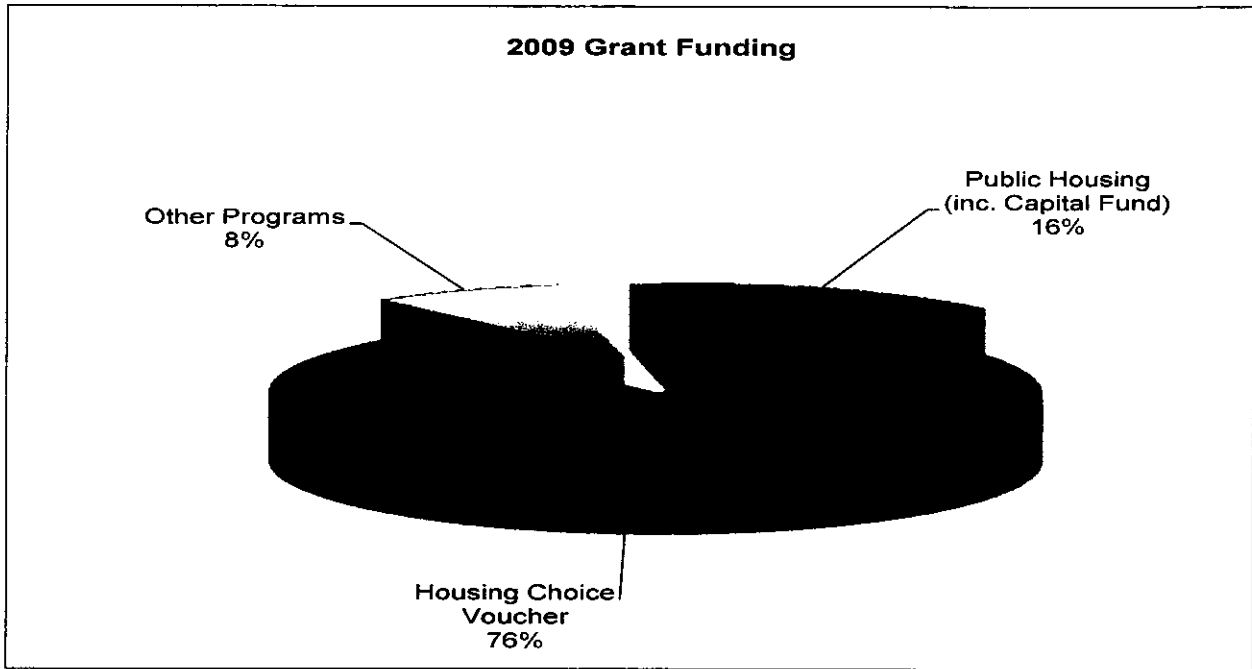
**Tenant Revenue** - Tenant Revenue had an increase from \$6,269,641 to \$6,370,879 or \$101,238 (1.61%). Unit months leased increased by 2% reflecting the Authority's efforts to improve its occupancy rates.

**Program Grants/Subsidies** - We had a 13.47% increase in Grant Revenue compared to the previous year. This \$6,606,172 increase was due to several funding increases to the various programs. Housing Choice Voucher program recognized a significant increase in funding, specifically funding as related to Administrative Fees. There was also a slight increase in the Capital Fund Program revenue.

**Interest Income** – Interest income decreased by \$172,956 due to decreases in investment balances and the overall decrease in interest rates.

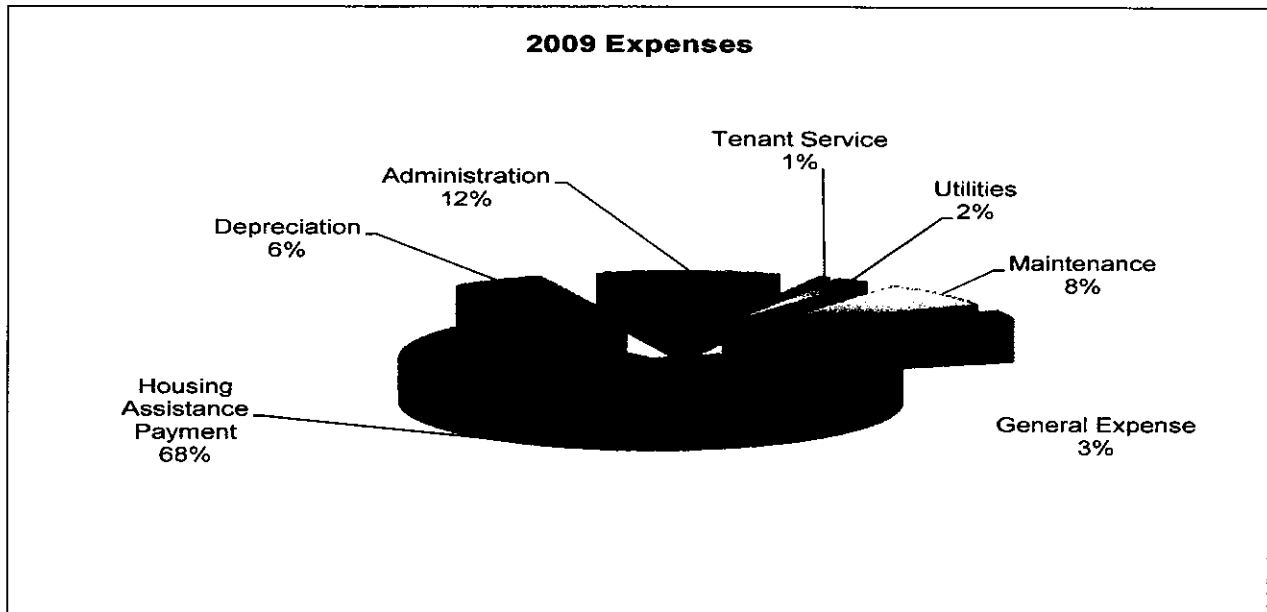
**Other Income** – Other income decreased by \$435,280 or 25.15%. This decrease is the result of fewer scatter-sites being sold between 2008 and 2009.

HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009



**EXPENSES**

The Authority experienced an increase in expenses for the current year from \$56,300,982 to \$64,017,575 or \$7,716,593 (13.71%). The highlights of the expenses for the current year are as follows:



**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Period Ended December 31, 2009**

**Administrative** – Administrative costs include all non-maintenance and non-resident service personnel costs (including benefits and accrued leave), legal costs, auditing costs, travel and training costs, and other administrative costs such as supplies, telephone expense, etc. Compared to 2008, administrative costs decreased by \$133,492 or 1.72%. The decrease can be attributed to a slight decrease in salaries and related benefit expense.

**Tenant Services** – Tenant Services costs increased by \$11,091 to \$486,826. This increase is the result of higher salaries and benefits for tenant services employees. The Authority received additional funding through a ROSS grant that helped to off-set the increased expense.

**Utilities** - The total Utilities expense for the Authority increased by \$153,981 (12.9%). This increase was the result of an increase in utility rates for water and electricity.

**Maintenance** – Maintenance costs are all costs incurred by the Authority to maintain the Public Housing units, available for occupancy, in a safe and sanitary manner. Costs include personnel costs, materials and contract costs used to maintain the units, and protective services, etc. The Maintenance expense for the Authority increased by \$331,935 or (6.78%) from 2008 to 2009.

**General Expenses** – General Expenses include insurance costs (property, auto, liability, workers' compensation, terminal leave, benefits contribution, collection losses, and interest on notes, and other general expenses. General expenses changed from \$997,209 to \$1,877,889 or an increase of \$880,680 or (88.31%). This increase can be attributed to HUD's new requirements for reporting the compensated absences expense.

**Housing Assistance Payments Program** – HAP payments consists of rental payments to owners of private property for which the Authority has a HAP agreement with the tenant and the owner for the difference between the tenant's rent and the applicable payment standard. During the year, housing assistance payments expense increased by \$6,712,476 (18.26%). To ensure HAP expense is neither over nor under spent, the Authority has started to budget and monitor HAP on a monthly basis. This process allows management to make adjustments to comply with both HUD's calendar year budget requirements and REAC's fiscal year scoring requirements.

**Depreciation** – Because the costs of all capitalized additions are spread over the estimated useful life of an asset, the estimated current year costs of capitalized items is recorded as depreciation. Depreciation expense decreased by \$240,078 or (5.73%) when compared with prior period levels. The decrease was due to Capital Assets being fully depreciated in fiscal year 2008 and the sale of scattered-site properties.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

**CAPITAL ASSETS**

At December 31, 2009 the Authority had invested \$38,499,526 in various capital assets listed in the following schedule. This represents a decrease of \$907,672, net of depreciation, from the preceding year.

**Housing Authority of the County of Clark, Nevada  
Combined Statement of Capital Assets  
TABLE V**

	<b>2009</b>	<b>2008</b>	<b>Total Change</b>	<b>% Change</b>
Land	\$ 6,486,982	\$ 6,112,933	\$ 374,049	6.12%
Building & Improvements	79,600,221	77,166,426	2,433,795	3.15%
Equipment	1,839,432	1,784,542	54,890	3.08%
	<u>87,926,635</u>	<u>85,063,901</u>	<u>2,862,734</u>	<u>3.37%</u>
Accumulated Depreciation	(49,427,109)	(45,656,703)	(3,770,406)	8.26%
<b>Total Capital Assets</b>	<b><u>\$ 38,499,526</u></b>	<b><u>\$ 39,407,198</u></b>	<b><u>\$ (907,672)</u></b>	<b><u>-2.30%</u></b>

During the period, there were capital additions of \$922,460 in the Capital Fund Program. These additions were offset by depreciation expense of \$3,951,410 and the sale of scattered-site properties with a value of \$342,332.

**LONG-TERM DEBT ACTIVITY**

The Notes to Financial Statements, Note 5, gives the details of the long-term debt activity. During the period the Authority acquired no new debt obligations. The total notes payable outstanding at December 31, 2009 was \$515,838.

A summary of the Authority's debt transactions for the period ended December 31, 2009 was as follows:

	<b>Local</b>
Beginning Balance	\$ 883,763
Debt Payments	<u>(367,925)</u>
Ending Balance	<u><u>\$ 515,838</u></u>
Current Portion	\$ 259,275
Long-term Portion	<u>256,563</u>
	<u><u>\$ 515,838</u></u>

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Period Ended December 31, 2009**

**ECONOMIC FACTORS AND EVENTS AFFECTING OPERATIONS**

Several factors may affect the financial position of the Authority in the subsequent fiscal year. These factors include:

The funding for the Public Housing Operating Fund has begun to increase slightly over the last year. The current prorated funding level is at 86% compared to the prior year of 83% which is an increase of 3%. However, this increase in funding was not recognized until the second part of the calendar year, so the net results will not be recognized by the Authority until the next fiscal year. The funding of the Housing Choice Voucher Program has remained consistent over the past fiscal period, yet it is unclear what will happen in the next fiscal year. Overall, HUD's funding is significantly lower than what the Authority is accustomed to. The Authority should continue to find strategies to enhance its revenue stream and control expenses.

The Authority, due to its fiscal year, will be among the first to comply with the new HUD requirements of asset based management. This will mean that it must "develop and maintain a system of budgeting and accounting for each project in a manner that will allow for analysis of the actual revenues and expenses associated with each property." This represents the biggest change in how Public Housing Authorities (PHA) are managed since the inception of the program. All areas of the Authority will need to undergo drastic changes from property management to finance, and information systems. Personnel will need to be trained, changing costs characteristics will need to be defined and analyzed, new budgeting tools developed and new reporting requirements will need to be met. How Project Based Management is accomplished will affect the financial future of the Authority.

The proposed sale of the Authority's scattered-site properties will also affect its financial future. The disposition of these properties will enable the Authority to devote funds to modernize existing PHA properties. The sale will also provide funds to develop other low income properties. These will give the Authority an opportunity to reduce its dependence on a shrinking HUD subsidy.

**CONCLUSIONS**

Overall, the Authority demonstrates a sound financial position. It has a management team committed to the mission of providing safe and decent housing to those in need. As the environment changes, the Authority will continue to seek ways to remain a viable organization and continue to operate at the highest standards established by the Real Estate Assessment Center and the Department of Housing and Urban Development.

**REQUEST FOR INFORMATION**

Should additional information be required or questions arise regarding this financial report, contact our office in writing at the following address:

Housing Authority of the County of Clark, Nevada  
Attention: Director of Finance  
5390 E. Flamingo Road  
Las Vegas, Nevada 89122-5338

## **FINANCIAL STATEMENTS**

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**STATEMENT OF NET ASSETS**  
**December 31, 2009**

**ASSETS**

**CURRENT ASSETS**

Cash and cash equivalents	\$	4,018,152
Restricted assets		3,127,691
Investments		701,431
Accounts receivable, net		734,783
Prepaid insurance and other deferred charges		31,966
Inventories, net		<u>105,683</u>
 Total current assets		 8,719,706

**NON-CURRENT ASSETS**

Capital assets, net		<u>38,499,526</u>
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**TOTAL ASSETS**

**\$ 47,219,232**

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Accounts payable	\$	476,972
Accrued compensated absences, current portion		255,767
Deferred revenue		21,880
Accrued liabilities		323,080
Current portion of long-term debt		<u>259,275</u>
 Total current liabilities		 <u>1,336,974</u>

**NON-CURRENT LIABILITIES**

Long-term debt, less current portion		256,563
Other non-current liabilities		404,315
Accrued compensated absences, less current portion		<u>440,306</u>
 Total non-current liabilities		 <u>1,101,184</u>
 Total liabilities		 <u>2,438,158</u>

**NET ASSETS**

Invested in capital assets, net of debt		37,983,688
Restricted net assets		2,529,760
Unrestricted net assets		<u>4,267,626</u>
 Total net assets		 <u>44,781,074</u>

**TOTAL LIABILITIES AND NET ASSETS**

**\$ 47,219,232**

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

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET ASSETS**  
**Period Ended December 31, 2009**

<b>OPERATING REVENUES</b>	
Tenant revenue	\$ 6,370,879
HUD subsidies	50,682,627
Other governmental grants	3,089,932
Other income	<u>1,079,119</u>
 Total operating revenues	 <u>61,222,557</u>
<b>OPERATING EXPENSES</b>	
Administration	7,643,824
Tenant services	486,826
Utilities	1,347,633
Maintenance	5,228,335
General expenses	1,831,612
Housing assistance payments	<u>43,481,658</u>
 Total operating expenses	 <u>60,019,888</u>
 Operating income before depreciation	 1,202,669
 Depreciation	 <u>3,951,410</u>
 Total operating (loss)	 <u>(2,748,741)</u>
<b>NON-OPERATING REVENUE (EXPENSES)</b>	
Gain on sale of assets	216,079
Investment income	112,148
Interest expense	<u>(46,277)</u>
 Total non-operating revenues	 <u>281,950</u>
 Decrease in net assets before capital contributions	 (2,466,791)
 Capital contributions - HUD	 <u>1,883,739</u>
 <b>DECREASE IN NET ASSETS</b>	 <b>(583,052)</b>
 <b>NET ASSETS, BEGINNING OF PERIOD</b>	 <b><u>45,364,126</u></b>
 <b>NET ASSETS, END OF PERIOD</b>	 <b><u>\$ 44,781,074</u></b>

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

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**STATEMENT OF CASH FLOWS**  
**Period Ended December 31, 2009**

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from HUD	\$ 49,949,925
Cash received from tenants and others	11,514,486
Cash paid for administration and general	(11,501,779)
Cash paid for housing operating and tenant services	(4,881,610)
Cash paid for housing assistance payments	<u>(43,481,658)</u>
Net cash provided by operating activities	<u>1,599,364</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Principal paid on notes payable	(367,925)
Interest paid on notes payable	<u>(46,277)</u>
Net cash used in noncapital financing activities	<u>(414,202)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</b>	
Proceeds from the sale of capital assets	377,405
Acquisition of capital assets	(3,205,064)
Capital grants - HUD	<u>1,883,739</u>
Net cash used in capital and related activities	<u>(943,920)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest on investments	<u>112,148</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	353,390
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>3,664,762</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 4,018,152</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	
Operating loss	\$ (2,748,741)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	3,951,410
Provision for bad debts	134,417
Effects of changes in operating assets and liabilities:	
Restricted assets	(198,989)
Investments	915,732
Accounts receivable	(174,795)
Prepaid expenses	89,551
Tenant security deposits	19,497
Inventories and prepaids	22,582
Deferred revenue	21,880
Accounts payable and accrued liabilities	(96,074)
Other non-current liabilities	4,365
Due to other agencies	62,035
Due from other governments	<u>(403,506)</u>
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>\$ 1,599,364</u>
<b>NON-CASH CAPITAL ACTIVITIES</b>	
Disposal of capital assets	<u>\$ 161,326</u>

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

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Housing Authority of the County of Clark, Nevada (the Authority) is a public body and a body corporate and politically organized under the laws of the State of Nevada by Clark County for the purpose of providing adequate housing for qualified low-income individuals. To accomplish this purpose, the County appoints a Governing Board. The Board designates its own management. Additionally, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development (HUD) to be the administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

**Reporting Entity**

The accompanying basic financial statements include the accounts of all Authority operations. The Authority's Board of Commissioners has the responsibility to significantly influence the Authority's operations. This includes, but is not limited to, adoption of the budget, personnel management, sole title to, and residual interest in all assets (including facilities and properties), signing contracts, issuing bonds, and deciding which programs are to be provided. These statements do not include any County agencies and the Authority is not a component unit of the City under the definition of GASB 34.

On July 1, 2009, the Southern Nevada Regional Housing Authority (SNRHA) was established to be effective January 1, 2010, in accordance with Nevada State law for the purpose of consolidating three housing authorities located in Southern Nevada. Las Vegas Housing Authority, Housing Authority of the County of Clark and North Las Vegas Housing Authority were combined to form the SNRHA. On October 20, 2009, the SNRHA requested to enter into an Annual Contributions Contract (ACC) with HUD effective January 1, 2010. Each of the Public Housing Authorities (PHA) to be consolidated also requested that their fiscal year end be extended to December 31, 2009, to coincide with the effective date of the newly established ACC. As such, these financial statements reflect an eighteen-month period.

**Description of Funds**

The Authority's accounts are maintained in accordance with the principles of enterprise fund accounting to ensure the observance of limitations and restrictions on the resources available. Enterprise funds may elect to apply either Governmental Accounting Standards Board (GASB) or Financial Accounting Standards Board (FASB) pronouncements issued after November 30, 1989, if such standards are not in conflict. The Authority has elected not to apply FASB pronouncements issued after November 30, 1989.

A fund is an independent fiscal and accounting entity with a self-balancing set of accounts comprised of its assets, liabilities, net assets, revenues, and expenses. The funds maintained by the Authority allow compliance and financial accountability by separate functions and activities.

Effective for fiscal year 2008, the Authority requires all public housing agencies meeting certain criteria to account for financial activity by project. Referred to as the asset management program, the Authority is now required to report financial activity by project as well as by fund through HUD's on-line reporting system.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Basis of Accounting and Measurement Focus**

The basis of accounting for the funds used by the Authority is determined by measurement focus. The flow of economic resources measurement focus and the accrual basis of accounting are used to account for the Authority's funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets.

**Use of Estimates in Preparing Financial Statements**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses in the financial statements and in the disclosures of contingent assets and liabilities. Actual results could differ from those estimates.

**Cash and Cash Equivalents Disclosure**

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows. Restricted cash is not included for purposes of reporting cash flows.

**Investments**

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal period end, and it includes the effects of those adjustments in income for that fiscal period.

**Accounts Receivables**

Tenant accounts receivables are carried at the amount considered by management to be collectible. Other accounts receivable consists of amounts due from HUD and State and Local governments for grant income.

**Capital Assets**

Capital assets include all land and site improvements thereon; all dwelling and non-dwelling structures, including fixtures permanently attached thereto or installed in a fixed position; and all items of nonexpendable equipment acquired and held for the projects that cost \$5,000 or more and have an estimated useful life of at least one year. It also includes items of expendable equipment paid for from funds provided for the development of the projects.

Capital assets are valued at historical cost. Donated capital assets are recorded at fair market value on the date received. Interest expense incurred during the development period is capitalized.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Assets (continued)**

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	30 years
Improvements	15 years
Equipment and vehicles	2 to 10 years

Proceeds from the disposal of capital assets are recognized in the period received. Proceeds from the sale of property acquired or significantly improved with HUD or State funds are refunded to HUD or the State as required by contract.

**Income Taxes**

The Authority is exempt from Federal income and Nevada franchise taxes.

**Inventories**

Inventory is valued at the lower of cost or market on a first-in, first-out basis. Inventory consists of expendable maintenance supplies held for consumption. The purchase method is used to account for inventories. Under the purchase method, inventories are recorded as expenditures when purchased; however, material amounts of inventories on hand at the fiscal year-end are reported as assets.

**Compensated Absences**

Compensated absences are absences for which the employees will be paid, i.e., sick leave, vacation, and other approved leaves. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Accrued amounts are based on the current salary rates. Full-time, permanent employees are granted vacation and sick leave benefits in varying amounts to specified maximums depending on tenure with the Authority. Vacation and sick pay is recorded as an expense and related liability in the year earned by the employees. It is the Authority's policy to permit employees to accumulate earned but unused sick leave; however, the value of unused sick leave is not payable upon separation from the Authority.

**Grant Restrictions**

The Authority has received loans and grants from the U.S. Department of HUD to build and improve housing projects. The grants require that only individuals and families that meet various income, age and employment standards be housed or aided.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Dwelling rent income, HUD grants received for operations, other operating fund grants and operating miscellaneous income are shown as operating income. HUD grants received for capital assets and all other revenue is shown as non-operating revenue.

**Net Assets Classifications**

Net assets are displayed in three components:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of Net Assets consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Assets: This component of Net Assets consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Assets: This component consists of Net Assets that do not meet the definition of "Net Assets Invested in Capital Assets, Net of Related Debt," or "Restricted Net Assets."

**New Accounting Pronouncements**

The Authority has adopted GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations* (GASB 49). The Statement addresses accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. Once any one of five specified obligating events occurs, a government is required to estimate the components of expected pollution remediation outlays and determine whether outlays for those components should be accrued as a liability or, if appropriate, capitalized when goods and services are acquired.

Obligating events include: 1) the government is compelled to take pollution remediation action because of imminent endangerment; 2) the government violates a pollution prevention-related permit or license; 3) the government is named or will be named as a responsible party for remediation or for sharing costs; 4) the government is named or will be named in a lawsuit to compel participating in pollution remediation; and 5) the government commences or legally obligates itself to commence pollution remediation.

The GASB Statement No. 45 requires government-wide and proprietary financial statements to report Post-employment Benefit Plans Other than Pension Plans (OPEB). The effective date for the new OPEB accounting for the Authority is the fiscal period beginning July 2008. The Annual Required Contribution is an actuarially calculated contribution that accrues a portion of the cost for future benefits.

The Authority does not have any post-employment benefit plans other than their pension.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 2 – CASH AND INVESTMENTS**

Nevada law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under Nevada law this collateral is held in a separate investment pool by another institution in the Authority's name and places the Authority ahead of general creditors of the institution.

Cash, restricted cash, and investments are classified in the financial statements based on whether or not their use is restricted under the terms of Authority's debt instruments or agency agreements. The Authority's carrying amount of cash and cash equivalents as of December 31, 2009 was \$4,018,152 and the bank balance was \$4,712,315.

The entire balance of \$4,018,152 of cash and cash equivalents and \$3,127,691 of restricted assets is maintained on deposit in checking accounts with Wells Fargo. Of the amounts deposited into the bank, \$250,000 is covered by the Federal Deposit Insurance Corporation. The remaining \$6,895,843, as previously stated, is required by Nevada law to be collateralized by governmental securities with a market value of 110% of the deposit or with first trust deed mortgages with a value of 150% of the uninsured amount.

**Investments**

At December 31, 2009, investments were in certificate of deposits and money market mutual funds. The fair values of those investments were \$701,431 and have a maturity of less than one year.

**Investment Policy**

The Nevada Government Code allows the Authority to invest in the following, provided ratings of the issuers are acceptable to the Authority and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the Nevada Government Code. The Authority has no documented investment policy of its own.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment One Issuer</u>
Repurchase agreements	N/A	N/A	N/A	N/A
U.S. Treasury bond, notes & bills	N/A	N/A	N/A	N/A
U.S. Agency & U.S. Government	N/A	N/A	N/A	N/A
Bankers acceptances	270 days	N/A	40%	30%
Negotiable Certificates of Deposit	N/A	AA	30%	N/A
Time Certificates of Deposit	N/A	N/A	30%	N/A
Medium term corporate notes	5 years	N/A	30%	N/A
Money market mutual funds	N/A	AAA	20%	N/A
Reverse repurchase agreements	N/A	N/A	N/A	N/A

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risks Investments**

No specific disclosure is necessary for custodial credit risks since the Authority requires that all investments be clearly marked as to ownership and to be registered in the name of the Authority.

**Interest Rate Risk**

As of December 31, 2009, the Authority had the following investments: money market mutual funds with maturities of one year or less. All of these funds are valued at \$1 per share and there is no associated interest rate risk.

**Concentration of Credit Risk**

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer, held by individual Authority funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. The County's policy does not set a limit on the amount that may be invested in any single issuer. At December 31, 2009 there were no investments of this type.

**NOTE 3 – RESTRICTED ASSETS**

Restricted for HAP (net restricted assets)	\$ 471,925
Restricted for VASH HAP	1,084,061
Restriction for tenant security deposits	292,998
Restriction for Homeownership Program	821,699
Restricted for FSS Escrows	404,315
Other restricted	<u>52,693</u>
<b>Total restricted assets</b>	<b><u>\$3,127,691</u></b>

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of the Authority's changes in capital assets for the fiscal year ended December 31, 2009:

	Balance, June 30, 2008	Additions	Transfers	Deletions	Balance, December 31, 2009
Land	\$ 6,112,933	\$ 183,960	\$ 238,897	\$ (48,808)	\$ 6,486,982
Construction in process	<u>1,089,516</u>	<u>2,954,125</u>	<u>(744,968)</u>	<u>-</u>	<u>3,298,673</u>
Total assets not being depreciated	<u>7,202,449</u>	<u>3,138,085</u>	<u>(506,071)</u>	<u>(48,808)</u>	<u>9,785,655</u>
Buildings and improvements	76,076,910	12,089	506,071	(293,522)	76,301,548
Furniture and equipment	<u>1,784,542</u>	<u>54,890</u>	<u>-</u>	<u>-</u>	<u>1,839,432</u>
Total property and equipment	<u>77,861,452</u>	<u>66,979</u>	<u>506,071</u>	<u>(293,522)</u>	<u>78,140,980</u>
Less accumulated depreciation	<u>(45,656,703)</u>	<u>(3,951,410)</u>	<u>-</u>	<u>181,004</u>	<u>(49,427,109)</u>
<b>Net book value</b>	<b><u>\$ 39,407,198</u></b>	<b><u>\$ (746,346)</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (161,326)</u></b>	<b><u>\$ 38,499,526</u></b>

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 5 – LONG-TERM LIABILITIES**

Following is a summary of changes in long-term liabilities for the period ended December 31, 2009:

	Balance 6/30/08	Additions	Payments	Balance 12/31/09	Due in One Year
Note payable – Wells Fargo Bank	\$ 883,763	\$ -	\$ 367,925	\$ 515,838	\$ 259,275
FSS escrow payables	399,950	4,365	-	404,315	-
Compensated absences (note 5)	<u>540,620</u>	<u>155,453</u>	<u>-</u>	<u>696,073</u>	<u>255,767</u>
<b>Total</b>	<b><u>\$ 1,824,333</u></b>	<b><u>\$ 159,818</u></b>	<b><u>\$ 367,925</u></b>	<b><u>\$ 1,616,226</u></b>	<b><u>\$ 515,042</u></b>

The mortgage note payable to Wells Fargo Bank requires monthly payments of \$23,076 which includes both principal and interest. The loan bears interest at 4.375% per annum and matures on December 1, 2011. The loan is secured by a first deed of trust on property referred to as Eva Garcia-Mendoza Plaza. The following is a schedule of debt payment requirements to maturity:

Year Ending December 30	Principal	Interest	Total Required Payments
2010	\$ 259,275	\$ 17,641	\$ 276,916
2011	<u>256,563</u>	<u>5,903</u>	<u>262,466</u>
<b>Total</b>	<b><u>\$ 515,838</u></b>	<b><u>\$ 23,544</u></b>	<b><u>\$ 539,382</u></b>

**NOTE 6 – OPERATING LEASE**

The Authority entered into a lease agreement on March 14, 2003 with the Resources for Community Development (RCD) to lease land to RCD until March 14, 2078. Total rental income under the lease agreement is \$1 per year for the entire term of the loan.

**NOTE 7 – EMPLOYEES RETIREMENT PLAN**

All full-time employees of the Authority (20 or more hours per week) are covered by the State of Nevada Public Employees Retirement System (the System), a multi-employer, cost sharing defined benefit plan. The System was established in 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 requirements participate in the System.

The Authority's payroll covered by the System and contributions to the System are summarized as follows:

Fiscal Year Covered	Total Payroll	Payroll Subject to PERS	Contributions	Percent of Payroll
2009	\$ 7,607,312	\$ 7,190,319	\$ 1,494,448	94.52%
2008	4,772,909	4,579,820	936,261	95.00%
2007	4,613,124	4,382,524	865,524	95.00%
2006	4,609,810	4,458,684	876,979	96.72%
2005	4,626,106	4,491,919	828,735	97.10%
2004	5,402,992	4,992,193	1,004,878	92.40%

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 7 – EMPLOYEES RETIREMENT PLAN (CONTINUED)**

Contribution rates are established by Nevada Revised Statute 286.410. This Statute, which is tied to the increase in taxable sales within the State each year, provides for yearly increases of up to one percent until such time as the actuarially determined unfunded liability of the System is reduced to zero. The Authority is obligated to contribute all amounts due under the System. The contribution rate changed on July 1, 2006 to 19.75% of all covered payroll and increased to 20.50% on August 1, 2007. The rate increased again on August 1, 2009 to 21.50% and this rate was still in effect as of December 31, 2009.

The Authority contributed less than one percent of total contributions required of all participating entities of the System. The Authority's full-time employees are mandated by State law to participate in the System. Members who retire at age 65 with five years of service, age 60 with ten years of service, or at any age with 30 years of service are entitled to a retirement benefit, payable monthly for life, equal to 2.5 percent of a member's average compensation for each year of service up to 30 years with a maximum of 90 percent for employees entering the System prior to July 1, 1985, and 75 percent for those entering after that date. Member's average compensation is the average of the member's highest compensation for 36 consecutive months. Benefits fully vest upon reaching five years of service.

The System also provides death and disability benefits. Benefits are established by State Statute.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employee retirement systems and employers. The System does not make separate rate measurements of assets and pension benefit obligations of individual employers.

Significant actuarial assumptions include an investment return rate of 8% per year compounded annually, projected salary increases based on the assumed five percent inflation rate plus an age-related salary scale.

The historical trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's Comprehensive Annual Financial Report, which may be obtained by writing to PERS, 693 W. Nye Lane, Carson City, Nevada 89703, or by calling (775)687-4200.

**NOTE 8 – CONCENTRATION OF RISK**

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on the availability of funding.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2009**

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

**NOTE 10 – RELATED PARTY TRANSACTIONS**

The Authority is the management agent to the Henderson Association for Senior Citizens Housing, Inc. for Palo Verde Gardens Project (the Project) and provides a variety of management services to the Project including, but not limited to, financing arrangements, consulting, and administrative services. As of December 31, 2009, the Authority received \$22,547 as management fees, and \$4,790 is due the Authority.

**NOTE 11 – FUTURE ACCOUNTING PRONOUNCEMENTS**

The Authority is in the process of assessing the impact on its financial position or results of operations of implementing GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* and GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Both statements will be effective for the Authority in fiscal year 2010. GASB No. 53 addresses the recognition, measurement and disclosure of information regarding derivative instruments entered into by state and local governments. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

**SUPPLEMENTAL INFORMATION**

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**ENTITY-WIDE BALANCE SHEET SUMMARY**  
**Period Ended December 31, 2009**

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	VASH	State/Local	Supportive Housing	Home Investment Partnership Program	Capital Fund ARRA	ROSS	Business Activities	Housing Choice Vouchers	Juvenile Justice and Delinquency	Department of Aging Services	COCC	Elimination	Total
<b>CURRENT ASSETS</b>																
Cash:																
111	Unrestricted	\$ 1,384,542	\$ 4,360	\$ -	\$ -	\$ 137,722	\$ 2,285	\$ -	\$ -	\$ 288,813	\$ 2,177,074	\$ -	\$ 23,356	\$ -	\$ -	\$ 4,018,152
113	Other restricted	897,011	-	1,084,061	-	-	-	-	-	52,693	800,928	-	-	-	-	2,834,693
114	Tenant security deposits	214,979	-	-	-	-	-	-	-	78,019	-	-	-	-	-	292,998
115	Restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
100	Total cash	2,496,552	4,360	1,084,061	-	137,722	2,285	-	-	419,525	2,978,002	-	23,356	-	-	7,145,843
Accounts and notes receivable:																
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	112,881	-	-	-	-	112,881
122	HUD other projects	53,990	-	-	-	-	-	438,374	-	-	-	-	-	-	-	492,364
124	Other government	-	-	-	25,303	-	11,668	-	-	-	-	-	-	-	-	36,971
125	Miscellaneous	-	-	-	-	-	-	-	-	18,823	40,095	-	-	54,408	-	122,448
126	Tenants	7,120	-	1,002	1,000	-	-	-	-	63,324	-	-	-	-	-	194,193
126.1	Allowance for doubtful accounts - tenants	130,869	-	-	-	-	-	-	-	(48,690)	-	-	-	-	-	(134,417)
126.2	Allowance for doubtful accounts - other	(85,727)	-	-	-	-	-	-	-	-	(92,811)	-	-	-	-	(92,811)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-	-	1,849	-	-	-	-	-	1,849
120	Total receivables, net of allowances for uncollectibles	1,305	-	-	-	-	-	-	-	1,849	-	-	-	-	-	3,154
107,557	Total current investments	107,557	-	1,002	26,303	-	11,668	438,374	-	35,306	60,165	-	-	54,408	-	734,783
131	Investments - unrestricted	701,431	-	-	-	-	-	-	-	-	-	-	-	-	-	701,431
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
701,431	Total current investments	701,431	-	-	-	-	-	-	-	-	-	-	-	-	-	701,431
142	Prepaid expenses and other assets	14,215	-	-	-	-	7,392	-	-	-	-	-	-	10,359	-	31,966
143	Inventories	-	-	-	-	-	-	-	-	-	-	-	-	130,287	-	130,287
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-	-	(24,604)	-	(24,604)
144	Interprogram - due from	2,345,817	6,273	140,440	-	-	-	-	-	2,089	-	-	-	276,032	(2,770,651)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,665,552	Total current assets	5,665,552	10,633	1,225,503	26,303	137,722	21,345	438,374	-	456,920	3,038,167	-	23,356	446,482	(2,770,651)	8,719,706
<b>NONCURRENT ASSETS</b>																
Fixed assets:																
161	Land	4,919,750	-	-	183,960	-	-	-	-	1,167,453	-	-	-	215,819	-	6,486,982
162	Buildings	60,161,615	-	-	-	-	-	-	-	9,786,643	-	-	-	4,306,766	-	74,255,024
163	Furniture, equipment & mach - dwellings	125,530	-	-	-	-	-	-	-	84,555	-	-	-	206,550	-	416,635
164	Furniture, equipment & mach - admin.	88,115	-	-	-	-	-	-	-	-	81,828	-	-	1,252,854	-	1,422,787
165	Leasehold improvements	-	-	-	-	-	-	-	-	2,046,524	-	-	-	-	-	2,046,524
166	Accumulated depreciation	(37,533,079)	-	-	-	-	-	-	-	(7,819,497)	(66,977)	-	-	(4,007,566)	-	(49,427,109)
167	Construction in progress	2,183,592	-	-	1,115,081	-	-	-	-	-	-	-	-	-	-	3,298,673
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated deprecator	29,945,523	-	1,299,041	-	-	-	-	-	5,265,678	14,851	-	-	1,974,433	-	38,499,526
171	Notes, loans and mortgages receivable - noncurrent	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
180	Total noncurrent assets	29,945,523	-	-	1,299,041	-	-	-	-	5,265,678	14,851	-	-	1,974,433	-	38,499,526
190	TOTAL ASSETS	\$35,611,075	\$ 10,633	\$ 1,225,503	\$ 1,325,344	\$ 137,722	\$ 21,345	\$ 438,374	\$ -	\$ 5,722,598	\$ 3,053,018	\$ -	\$ 23,356	\$ 2,420,915	\$ (2,770,651)	\$47,219,232

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**ENTITY-WIDE BALANCE SHEET SUMMARY**  
**Period Ended December 31, 2009**

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance		VASH	State/Local	Supportive Housing	Home Investment Partnership			Capital Fund	ROSS	BA	Housing Choice Vouchers	Department of Aging Services	COCC	Elimination	Total
			ARRA	ARRA				ARRA	ARRA	ARRA								
<b>CURRENT LIABILITIES</b>																		
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	70,898	-	-	-	-	1,594	-	-	-	-	-	121,421	-	-	-	-	394,486
321	Accrued wage/payroll taxes payable	-	-	-	2,180	-	-	-	-	-	-	-	-	-	188,348	-	-	3,930
322	Accrued compensated absences - current portion	66,246	-	-	-	-	-	-	-	-	-	-	-	-	188,521	-	-	255,767
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	1,943	-	-	-	-	1,943
331	Accounts payable - HUD PHA programs	-	-	-	-	-	32,402	-	-	-	-	-	-	-	-	-	-	32,402
332	Accounts payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-	50,084	-	-	-	50,084
333	Accounts payable - other gov.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	222,152	-	-	-	-	-	-	-	-	-	-	94,964	-	-	-	-	317,116
342	Deferred revenues	10,213	-	-	-	-	-	-	-	-	-	-	11,667	-	-	-	-	21,880
343	Current portion of LT debt - capital projects / morg	-	-	-	-	-	-	-	-	-	-	-	259,275	-	-	-	-	259,275
344	Current portion of LT debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	91	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	91
346	Accrued liabilities - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
347	Interprogram (due to)	21,401	-	-	24,123	-	-	-	31,022	438,374	-	-	952,363	1,298,492	-	(2,770,651)	-	-
348	Loan liability - current	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
310	Total current liabilities	391,001	-	-	26,303	33,996	33,996	31,022	438,374	-	-	-	1,441,653	1,358,623	381,797	(2,770,651)	-	1,336,974
<b>NONCURRENT LIABILITIES</b>																		
351	Capital projects / mortgage revenue bonds	-	-	-	-	-	-	-	-	-	-	-	256,563	-	-	-	-	256,563
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	75,312	-	-	-	-	-	-	-	-	-	-	-	329,003	-	-	-	404,315
354	Accrued compensated absences - noncurrent	123,109	-	-	-	-	-	-	-	-	-	-	58,808	134,929	123,460	-	-	440,306
357	Accrued pension and OPEB liability	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
350	Total noncurrent liabilities	198,421	-	-	-	-	-	-	-	-	-	-	315,371	463,932	123,460	-	-	1,101,184
300	Total liabilities	589,422	-	-	26,303	33,996	33,996	31,022	438,374	-	-	-	1,757,024	1,822,555	505,257	(2,770,651)	-	2,438,158
<b>EQUITY</b>																		
508.1	Invested in capital assets	29,945,523	-	-	1,299,041	-	-	-	-	-	-	-	4,749,840	14,851	1,974,433	-	-	37,983,698
511.1	Restricted net assets	821,699	10,633	1,225,503	-	-	-	-	-	-	-	-	471,925	-	-	-	-	2,529,760
512.1	Unrestricted net assets	4,254,431	-	-	-	103,726	(9,677)	-	(784,266)	743,687	-	-	(68,775)	18,500	(68,775)	-	-	4,267,626
513	Total equity/net assets	35,021,653	10,633	1,225,503	1,299,041	103,726	(9,677)	-	3,965,574	1,230,463	-	-	1,915,658	18,500	(68,775)	-	-	44,781,074
600	TOTAL LIABILITIES AND EQUITY/NET ASSETS	\$ 35,611,075	\$ 10,633	\$ 1,225,503	\$ 1,325,344	\$ 137,722	\$ 21,345	\$ 438,374	\$ -	\$ 5,722,598	\$ 3,053,018	\$ -	\$ 2,420,915	\$ 23,356	\$ (2,770,651)	\$ -	\$ -	\$ 47,219,232

# HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA ENTITY-WIDE REVENUE AND EXPENSE SUMMARY Period Ended December 31, 2009

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	VASH	State/Local	Supportive Housing	Home Investment Partnership Program	Capital Fund ARRA	ROSS	Housing Choice Vouchers	Business Activities	Department of Aging Services	COCC	Elimination	Total
<b>REVENUE</b>															
70300	Net tenant rental revenue	\$ 2,915,077	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,123,893	\$ -	\$ -	\$ -	\$ 6,038,970
70400	Tenant revenue - other	219,643	-	-	-	-	-	-	-	-	112,326	-	-	-	331,969
70500	Total tenant revenue	3,134,720	-	-	-	-	-	-	-	-	3,236,159	-	-	-	6,370,879
70600	HUD PHA operating grants	4,650,403	-	1,660,435	-	869,526	-	674,522	72,123	43,078,794	-	-	136,085	-	50,882,627
70610	Capital grants	1,205,217	-	-	-	-	-	-	-	-	-	-	-	-	1,205,217
70700	Total fee revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70730	Front loading fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70740	Front line services fee	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70800	Other one time grants	-	-	-	-	-	-	-	-	-	-	-	-	-	-
70810	Investment income - unrestricted	-	-	1,323,489	-	-	1,737,306	-	-	-	-	-	-	-	3,060,795
71100	Mortgage interest income	48,628	-	-	-	-	-	-	-	7,950	24,618	-	16,888	-	47,084
71200	Proceeds from disposition of assets held for sale	377,405	-	-	-	-	-	-	-	-	-	-	-	-	377,405
71310	Cost of sales of assets	(184,505)	-	-	-	-	-	-	-	-	-	-	-	-	(184,505)
71400	Fraud recovery	31,235	-	-	-	-	-	-	-	36,801	23,179	-	-	-	57,185
71500	Other revenue	-	-	-	-	-	-	-	-	405,506	19,634	-	-	-	425,140
71600	Gain or loss on the sale of fixed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
72000	Investment income - unrestricted	-	-	-	-	-	-	-	-	15,052	-	-	-	-	15,052
70000	Total revenue	9,465,103	1,660,435	1,323,489	869,526	869,526	1,737,306	674,522	72,123	43,545,213	3,303,592	29,137	5,467,890	(4,729,073)	69,434,523
<b>EXPENSES</b>															
91100	Administrative	350,049	-	9,545	-	-	43,619	-	-	1,480,218	151,322	-	1,931,249	-	3,966,092
91200	Auditing & fee salaries	24,732	-	-	-	-	-	-	-	18,846	12,553	-	13,386	-	69,517
91300	Management fee	746,956	-	-	-	-	-	-	-	617,528	381,819	-	-	(1,736,003)	69,517
91400	Bookkeeping fee	15,824	-	-	-	-	-	-	-	436,695	59,994	-	-	-	612,513
91500	Advertising and marketing	1,238	-	1,238	-	-	-	-	-	-	5,082	-	-	(6,320)	61,000
91600	Employee benefit contributions - administrative	254,733	-	2,007	-	10,617	-	-	-	426,927	32,727	-	-	-	61,930
91700	Legal expense	19,175	-	920	-	-	-	-	-	481,947	59,724	-	-	-	1,066,466
91800	Travel	13,527	-	3,041	-	-	-	-	-	36,465	21,260	-	-	-	71,253
91900	Allocated overhead	728,845	-	7,400	-	-	-	-	-	12,046	6,317	-	-	-	75,303
92000	Total administrative	2,376,722	-	24,236	-	54,236	-	-	-	294,478	50,037	-	72,622	(722,908)	430,974
92100	Asset management fee	148,390	-	-	-	-	-	-	-	3,805,650	780,855	-	3,679,463	(3,071,328)	7,643,824
<b>Tenant services:</b>															
92100	Salaries	105,031	-	-	-	-	-	-	54,813	155,441	-	29,137	3,737	-	348,159
92200	Relocation costs	1,156	-	-	-	-	-	-	-	-	-	-	-	-	1,156
92300	Employee benefit contributions	40,183	-	-	-	-	-	-	17,310	46,349	-	-	4,459	-	108,300
92400	Other	16,970	-	8	-	8,670	-	-	-	-	3,517	-	146	-	29,211
	Total tenant services	163,240	-	8	-	8,670	-	-	72,123	210,660	3,517	29,137	3,341	-	486,026
<b>Utilities:</b>															
93100	Water	463,385	-	-	-	-	-	-	-	-	193,927	-	3,313	-	660,625
93200	Electricity	132,091	-	-	-	-	-	-	-	-	68,910	-	78,910	-	279,911
93300	Gas	15,721	-	-	-	-	-	-	-	-	11,282	-	20,084	-	47,087
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-	-	-	-
93500	Sewer	234,868	-	-	-	-	-	-	-	-	120,606	-	4,556	-	360,030
93600	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total utilities	846,065	-	-	-	-	-	-	-	-	384,705	-	106,863	-	1,347,633
<b>Ordinary maintenance &amp; operations:</b>															
94100	Labor	1,049,792	-	-	-	-	-	-	-	-	352,934	-	865,252	-	2,308,018
94200	Materials and other	591,697	-	4	-	-	-	-	-	3,699	191,594	-	71,468	-	858,462
94300	Contracts	1,452,971	-	-	-	-	-	-	-	90,270	935,715	-	312,440	(1,445,815)	1,345,381
94500	Employee benefits contribution	320,480	-	-	-	-	-	-	-	-	126,640	-	269,354	-	716,474
	Total ordinary maintenance & operations	3,414,940	-	4	-	-	-	-	-	93,969	1,646,863	-	1,518,354	(1,445,815)	5,228,335
<b>Protective services:</b>															
95100	Labor	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95200	Other contract costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95300	Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total protective services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96110	Property insurance	128,748	-	-	-	-	-	-	-	84	47,790	-	22,311	-	198,923
96120	Liability insurance	12,991	-	-	-	-	-	-	-	-	4,963	-	364	-	18,313
96130	Workmen's compensation	27,824	-	124	-	-	-	-	-	23,235	8,192	-	22,943	-	82,308
96140	All other insurance	14,609	-	-	-	-	-	-	-	12,322	6,857	-	2,644	-	36,432
96100	Total insurance premiums	184,172	-	208	-	-	-	-	-	35,547	67,787	-	48,262	-	336,976

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY**  
**Period Ended December 31, 2009**

Line Item #	Accounts Description	Project Totals	Disaster Housing Assistance	VASH	State/Local	Supportive Housing	Home Investment Partnership Program	Capital Fund ARRA	ROSS	Housing Choice Vouchers	Business Activities	Department of Aging Services	COCC	Elimination	Total
<b>EXPENSES (Continued)</b>															
General expenses:															
96200	Other general expenses	\$ 21,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 41,581	\$ 803	\$ -	\$ -	\$ -	\$ 63,540
96210	Compensated absences	289,553	-	-	-	-	-	-	-	258,990	111,400	-	489,320	-	1,148,263
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	131,081	-	-	-	-	-	-	-	-	115,877	-	2,372	-	249,310
96500	Bad debt - mortgages	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	174	7,285	-	-	-	7,459
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
96900	Total general expenses	441,770	-	-	-	-	-	-	-	300,745	235,345	-	490,692	-	1,468,552
96720	Interest on notes payable	-	-	-	-	-	-	-	-	-	46,277	-	-	-	46,277
96700	Total interest expense and amortization cost	-	-	-	-	-	-	-	-	-	46,277	-	-	-	46,277
96900	Total operating expenses	7,599,309	8	24,448	24,448	54,226	54,226	-	72,123	4,448,371	3,238,889	29,137	5,851,973	(4,729,073)	16,557,473
97000	Excess of operating revenue over operating expenses	1,895,794	15,150	1,560,427	1,299,041	869,526	1,683,070	674,522	-	39,088,842	64,703	-	(384,085)	-	46,877,100
97100	Extraordinary maintenance	27,064	-	-	-	-	-	-	-	-	-	-	-	-	27,064
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	3,203,783	9,606	575,372	-	785,900	1,683,190	-	-	40,447,990	501,724	-	234,941	-	43,481,658
97400	Depreciation expense	-	-	-	-	-	-	-	-	11,262	-	-	-	-	3,951,410
90000	Total expenses	10,800,176	9,606	575,380	24,448	765,900	1,737,426	-	72,123	44,905,223	3,740,613	29,137	6,086,616	(4,729,073)	64,017,575
10010	Other financing sources (uses):														
10020	Operating transfer in	289,252	-	-	-	-	-	-	-	-	-	-	-	-	289,252
10030	Operating transfer out	(289,252)	-	-	-	-	-	-	-	-	-	-	-	-	(289,252)
10070	Operating transfers from / to primary government	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10093	Extraordinary items, net gain / loss	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10094	Operating transfer between programs and projects - in	123,835	-	-	-	-	-	-	-	-	-	-	-	-	123,835
10100	Operating transfer between programs and projects - out	(123,835)	-	-	-	-	-	-	-	-	-	-	-	-	(123,835)
10100	Total other financing sources (uses)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	\$ (1,335,073)	\$ 5,554	\$ 1,085,055	\$ 1,299,041	\$ 103,726	\$ (120)	\$ 674,522	\$ -	\$ (1,360,010)	\$ (437,021)	\$ -	\$ (616,726)	\$ -	\$ (589,052)
<b>Memo Account Information</b>															
11030	Beginning equity	\$ 34,144,365	\$ 5,079	\$ 140,448	\$ -	\$ -	\$ (9,557)	\$ -	\$ -	\$ 2,590,473	\$ 4,384,111	\$ 20,964	\$ 4,086,243	\$ -	\$ 45,364,126
11040	Prior period adjustments, equity transfers & correction	2,212,361	-	-	-	-	-	(674,522)	-	18,484	-	(2,464)	(1,553,859)	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	125,157	-	-	-	-	125,157
11180	Housing assistance payments equity	15,884	24	1,260	900	5,796	5,796	-	-	403,373	-	-	-	-	403,373
11190	Unit months available	15,310	24	433	830	5,796	5,796	-	-	38,460	-	-	-	-	62,334
11210	Unit months leased	3,821,241	24	433	830	5,796	5,796	-	-	37,008	-	-	-	-	59,399
11270	Excess cash	44,685	-	-	-	-	-	-	-	-	-	-	-	-	44,685
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	-	-	-	-

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**PROJECT BALANCE SHEET SUMMARY**  
**Period Ended December 31, 2009**

Line Item #	Accounts Description	AMP 002	AMP 003	AMP 005	AMP 006	AMP 007	AMP 008	AMP 009	AMP 010	AMP 016	AMP 020	Project Totals
<b>CURRENT ASSETS</b>												
Cash:												
111	Unrestricted	\$ 149,941	\$ 160,448	\$ 171,378	\$ 47,966	\$ -	\$ 206,383	\$ 34,485	\$ 91,476	\$ 440,991	\$ 81,472	\$ 1,384,542
113	Other restricted	-	3,451	7,826	-	4,702	3,691	11,673	-	863,588	2,080	897,011
114	Tenant security deposits	18,238	24,492	21,008	-	12,867	26,744	12,902	20,114	64,358	14,256	214,979
100	Total cash	168,179	188,391	200,212	47,968	17,569	236,818	59,060	111,590	1,368,937	97,808	2,496,532
Accounts and notes receivable:												
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
122	HUD other projects	-	27,093	-	-	26,897	-	-	-	-	-	53,990
124	Other government	-	-	-	-	-	-	-	-	-	-	-
125	Miscellaneous	349	2,668	1,113	-	331	567	-	928	690	474	7,120
126	Tenants	284	17,584	18,995	-	17,127	15,219	692	21,547	30,589	8,932	130,869
126.1	Allowance for doubtful accounts - tenants	(211)	(13,580)	(13,847)	-	(12,263)	(11,267)	(148)	(19,019)	(8,872)	(6,520)	(85,727)
127	Notes, loans, & mortgages receivable - current	-	-	-	-	-	-	-	-	-	-	-
129	Accrued interest receivable	117	169	145	-	89	177	84	136	294	94	1,305
120	Total receivables, net of allowances for uncollectibles	539	33,934	6,406	-	32,181	4,696	628	3,592	22,701	2,880	107,557
131	Investments - unrestricted	72,520	104,696	90,147	-	-	109,628	-	84,244	181,985	58,211	701,431
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
	Total current investments	72,520	104,696	90,147	-	-	109,628	-	84,244	181,985	58,211	701,431
142	Prepaid expenses and other assets	-	-	-	-	-	-	-	-	14,215	-	14,215
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	310,514	278,667	323,090	-	36,238	276,185	232,123	152,586	479,491	256,923	2,345,817
150	Total current assets	551,752	605,688	619,855	47,968	85,968	627,327	291,811	352,012	2,067,329	415,822	5,665,552
<b>NONCURRENT ASSETS</b>												
Fixed assets:												
161	Land	34,825	38,900	167,994	936,309	130,717	555,384	421,886	408,525	2,169,212	55,998	4,919,750
162	Buildings	3,577,569	6,105,800	8,015,255	272,312	4,898,989	7,415,119	3,889,445	5,494,552	13,734,292	6,758,282	60,161,615
163	Furniture, equipment & mach - dwellings	20,239	8,759	26,900	-	1,924	32,360	2,445	22,390	8,524	1,989	125,530
164	Furniture, equipment & mach - admin.	7,604	22,159	7,604	-	9,491	7,604	9,891	9,491	4,780	9,491	88,115
165	Leasehold improvements	-	-	-	-	-	-	-	-	-	-	-
166	Accumulated depreciation	(2,903,041)	(5,106,630)	(4,375,889)	(112,792)	(3,646,051)	(5,291,361)	(3,077,962)	(4,080,182)	(7,311,428)	(1,617,743)	(37,533,079)
167	Construction in progress	30,208	52,229	118,161	-	1,285,085	9,900	534,551	-	153,458	-	2,183,592
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
168	Total fixed assets, net of accumulated depreciation	767,404	1,121,217	3,960,025	1,095,829	2,680,155	2,729,006	1,780,256	1,844,776	8,758,838	5,208,017	29,945,523
180	Total noncurrent assets	767,404	1,121,217	3,960,025	1,095,829	2,680,155	2,729,006	1,780,256	1,844,776	8,758,838	5,208,017	29,945,523
190	<b>TOTAL ASSETS</b>	\$ 1,319,156	\$ 1,726,905	\$ 4,579,880	\$ 1,143,797	\$ 2,766,143	\$ 3,356,333	\$ 2,072,067	\$ 2,196,788	\$ 10,826,167	\$ 5,623,639	\$ 35,611,075

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**PROJECT BALANCE SHEET SUMMARY**  
**Period Ended December 31, 2009**

Line Item #	Accounts Description	AMP 002	AMP 003	AMP 005	AMP 006	AMP 007	AMP 008	AMP 009	AMP 010	AMP 016	AMP 020	Project Totals
<b>CURRENT LIABILITIES</b>												
312	Accounts payable < 90 days	\$ 9,754	\$ 8,840	\$ 8,342	\$ -	\$ 6,121	\$ 25,447	\$ 4,319	\$ 1,540	\$ 2,208	\$ 4,327	\$ 70,898
322	Accrued compensated absences - current portion	6,970	5,061	8,160	-	4,979	4,669	7,001	10,073	15,578	3,755	66,246
341	Tenant security deposits	18,588	27,160	22,168	-	13,200	27,312	12,902	21,042	65,050	14,730	222,152
342	Deferred revenues	1,320	157	279	-	684	3,088	510	2,283	1,276	616	10,213
345	Other current liabilities	91	-	-	-	-	-	-	-	-	-	91
347	Interprogram (due to)	-	-	-	21,401	-	-	-	-	-	-	21,401
310	Total current liabilities	<u>36,723</u>	<u>41,218</u>	<u>38,949</u>	<u>21,401</u>	<u>24,984</u>	<u>60,516</u>	<u>24,732</u>	<u>34,938</u>	<u>84,112</u>	<u>23,428</u>	<u>391,001</u>
<b>NONCURRENT LIABILITIES</b>												
353	Non-current liabilities - other	-	3,451	7,826	-	4,702	3,691	11,673	-	41,889	2,080	75,312
354	Accrued compensated absences - noncurrent	471	3,610	7,732	-	8,887	4,850	5,763	15,429	73,852	2,715	123,109
350	Total noncurrent liabilities	<u>471</u>	<u>7,061</u>	<u>15,558</u>	<u>-</u>	<u>13,589</u>	<u>8,541</u>	<u>17,436</u>	<u>15,429</u>	<u>115,541</u>	<u>4,795</u>	<u>198,421</u>
300	Total liabilities	<u>37,194</u>	<u>48,279</u>	<u>54,507</u>	<u>21,401</u>	<u>38,573</u>	<u>69,057</u>	<u>42,168</u>	<u>50,367</u>	<u>199,653</u>	<u>28,223</u>	<u>589,422</u>
<b>EQUITY</b>												
508.1	Invested in capital assets	767,404	1,121,217	3,960,025	1,095,829	2,680,155	2,729,006	1,780,256	1,844,776	8,758,838	5,208,017	29,945,523
511.1	Restricted net assets	-	-	-	-	-	-	-	-	821,699	-	821,699
512.1	Unrestricted net assets	514,558	557,409	565,348	26,567	47,415	558,270	249,643	301,645	1,045,977	387,599	4,254,431
513	Total equity/net assets	<u>1,281,962</u>	<u>1,678,626</u>	<u>4,525,373</u>	<u>1,122,396</u>	<u>2,727,570</u>	<u>3,287,276</u>	<u>2,029,899</u>	<u>2,146,421</u>	<u>10,626,514</u>	<u>5,595,616</u>	<u>35,021,653</u>
600	<b>TOTAL LIABILITIES AND EQUITY/NET ASSETS</b>	<u>\$ 1,319,156</u>	<u>\$ 1,726,905</u>	<u>\$ 4,579,880</u>	<u>\$ 1,143,797</u>	<u>\$ 2,766,143</u>	<u>\$ 3,356,333</u>	<u>\$ 2,072,067</u>	<u>\$ 2,196,788</u>	<u>\$ 10,826,167</u>	<u>\$ 5,623,839</u>	<u>\$ 35,611,075</u>

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
PROJECT REVENUE AND EXPENSE SUMMARY  
Period Ended December 31, 2009**

Line Item #	Accounts Description	AMP 002	AMP 003	AMP 005	AMP 006	AMP 007	AMP 008	AMP 009	AMP 010	AMP 016	AMP 020	Project Totals
<b>REVENUE</b>												
70300	Net tenant rental revenue	\$ 344,196	\$ 343,055	\$ 269,647	\$ -	\$ 95,345	\$ 275,572	\$ 232,305	\$ 205,544	\$ 926,684	\$ 222,729	\$ 2,915,077
70400	Tenant revenue - other	4,840	30,262	41,058	-	10,678	33,663	4,919	25,905	49,544	22,774	219,643
70500	Total tenant revenue	349,036	373,317	310,705	-	106,023	309,235	237,224	231,449	972,228	245,503	3,134,720
70600	HUD PHA operating grants	436,457	677,410	647,523	47,723	371,756	724,975	276,648	563,406	762,839	341,666	4,850,403
70610	Capital grants	13,432	69,608	111,625	-	954,609	2,824	47,697	4,711	-	4,711	1,209,217
71100	Investment income - unrestricted	4,182	6,037	5,201	-	3,167	6,321	3,009	4,859	10,494	3,358	46,628
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	377,405	-	377,405
71310	Cost of sales of assets	-	-	-	-	-	-	-	-	(184,505)	-	(184,505)
71500	Other revenue	-	32	-	-	-	720	-	-	30,483	-	31,235
70000	Total revenue	803,107	1,126,404	1,075,054	47,723	1,435,555	1,044,075	564,578	804,425	1,988,944	595,238	9,465,103
<b>EXPENSES</b>												
Administrative:												
91100	Administrative salaries	32,548	31,916	33,002	-	34,227	59,887	30,487	31,474	64,348	32,160	350,049
91200	Auditing fees	2,919	2,919	2,919	-	721	3,437	2,236	2,646	5,080	1,855	24,732
91300	Management fees	83,497	83,964	82,033	-	47,871	99,398	63,168	75,074	150,950	50,701	736,656
91310	Bookkeeping fees	13,118	13,193	12,885	-	7,508	15,615	9,923	11,798	23,723	7,965	115,728
91400	Advertising and marketing	2,633	4,713	3,897	-	289	2,409	1,989	314	1,630	1,787	19,661
91500	Employee benefit contributions - administrative	9,020	7,648	9,045	-	9,978	16,915	8,947	8,288	25,135	12,650	107,626
91600	Office expenses	26,081	28,554	27,869	-	22,595	31,866	28,009	26,575	35,786	27,398	254,733
91700	Legal expenses	296	901	365	-	1,026	6,795	870	2,223	1,781	4,888	19,175
91800	Travel	2,059	2,324	2,221	-	461	1,184	1,472	472	2,231	1,118	13,527
91900	Other	75,294	76,047	76,663	-	47,753	88,558	62,565	84,164	168,263	49,417	728,845
	Total administrative	247,465	252,179	250,929	-	172,429	326,064	209,752	243,028	478,947	189,939	2,370,732
92000	Asset management fee	18,000	18,000	18,000	-	-	21,420	13,500	16,200	32,290	10,980	148,390
Tenant services:												
92100	Salaries	22,028	9,351	9,351	-	5,150	11,123	16,524	8,416	17,366	5,702	105,031
92200	Relocation costs	-	-	65	-	-	-	-	-	1,091	-	1,156
92300	Employee benefit contributions	10,595	3,028	3,032	-	1,781	3,601	7,946	2,725	5,629	1,846	40,183
92400	Other	4,144	690	1,104	-	480	697	6,297	475	1,096	1,897	16,870
	Total tenant services	36,767	13,069	13,562	-	7,411	15,421	30,767	11,616	25,192	9,445	163,240
Utilities:												
93100	Water	76,032	103,070	28,793	-	37,910	89,510	29,183	65,830	4,066	28,991	463,385
93200	Electricity	24,917	15,439	15,119	-	10,724	15,186	16,780	11,036	5,844	17,346	132,091
93300	Gas	1,571	2,470	1,650	-	1,461	2,011	1,680	2,040	1,558	1,280	15,721
93400	Fuel	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	32,438	33,764	28,380	-	14,726	28,238	17,807	22,074	41,952	15,489	234,868
93800	Other utilities expense	-	-	-	-	-	-	-	-	-	-	-
	Total utilities	134,958	154,743	73,942	-	64,821	134,945	65,450	100,960	53,420	63,106	846,065
Ordinary maintenance & operations:												
94100	Labor	78,033	145,404	103,790	-	95,480	105,195	63,963	141,417	243,095	73,405	1,049,792
94200	Materials and other	46,579	82,905	53,641	-	34,369	91,360	38,041	50,402	146,882	47,508	591,697
94300	Contracts	95,899	203,360	168,041	-	112,221	192,513	92,902	316,543	109,669	1,452,971	1,452,971
94500	Employee benefits contribution	21,016	37,826	26,495	-	28,797	37,616	18,043	43,946	79,228	25,513	320,480
	Total ordinary maintenance & operations	241,527	469,495	353,967	-	270,877	426,684	212,949	397,588	785,758	256,095	3,414,940
96100	Total insurance premiums	16,207	23,868	17,878	-	14,639	21,161	11,000	19,333	42,084	18,003	184,172

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
PROJECT REVENUE AND EXPENSE SUMMARY  
Period Ended December 31, 2009**

Line Item #	Accounts Description	AMP 002	AMP 003	AMP 005	AMP 006	AMP 007	AMP 008	AMP 009	AMP 010	AMP 016	AMP 020	Project Totals
<b>EXPENSES (Continued)</b>												
General expenses:												
96200	Other general expenses				\$ 21,156	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,156
96210	Compensated absences	20,402	13,581	26,943	-	22,953	18,892	22,518	43,705	109,332	11,187	289,563
96400	Bad debt - tenant rents	2,086	18,801	20,384	-	11,200	17,112	739	20,261	21,590	18,878	131,061
96000	Total general expenses	22,498	32,382	47,327	21,156	34,193	36,004	23,257	63,966	130,922	30,065	441,770
96900	Total operating expenses	717,122	963,736	775,595	21,156	564,369	981,699	566,675	852,711	1,548,613	577,653	7,569,309
97000	Excess of operating revenue over operating expenses	85,985	162,668	299,459	26,567	871,186	62,376	(2,097)	(48,286)	420,331	17,605	1,895,794
97100	Extraordinary maintenance	-	-	3,133	-	4,639	-	10,109	-	9,203	-	27,084
97400	Depreciation expense	155,253	260,350	491,838	13,616	252,468	432,672	222,514	323,946	711,208	339,918	3,203,783
90000	Total expenses	872,375	1,224,086	1,270,566	34,772	821,476	1,414,371	799,298	1,176,657	2,269,024	917,551	10,800,176
Other financing sources (uses):												
10020	Operating transfers out	(24,148)	(34,860)	(30,033)	-	(18,291)	(36,499)	(17,377)	(28,060)	(60,594)	(19,390)	(269,252)
10010	Operating transfers in	24,148	34,860	30,033	-	18,291	36,499	17,377	28,060	60,594	19,390	269,252
10091	Inter project excess cash transfer in	-	-	-	-	123,835	-	-	-	-	-	123,835
10092	Inter project excess cash transfer out:	-	(30,701)	-	-	(30,739)	-	-	-	(62,395)	-	(123,835)
10100	Total other financing sources (uses)	-	(30,701)	-	-	123,835	(30,739)	-	-	(62,395)	-	-
10000	<b>EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES</b>	<b>\$ (69,268)</b>	<b>\$ (128,383)</b>	<b>\$ (195,512)</b>	<b>\$ 12,951</b>	<b>\$ 737,914</b>	<b>\$ (401,095)</b>	<b>\$ (234,720)</b>	<b>\$ (372,292)</b>	<b>\$ (362,475)</b>	<b>\$ (322,313)</b>	<b>\$ (1,335,073)</b>
Memo Account Information												
11030	Beginning equity	1,188,883	1,602,478	4,535,172	1,109,445	1,841,910	3,476,998	1,657,957	2,345,429	10,613,517	5,772,576	34,144,365
11040	Prior period adjustments, equity transfers & correction	162,347	204,531	185,713	-	147,746	211,313	606,662	173,224	375,472	145,353	2,212,361
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	1,800	1,800	1,800	-	1,062	2,142	1,350	1,620	3,222	1,098	15,894
11210	Unit months leased	1,749	1,759	1,718	-	1,001	2,062	1,323	1,573	3,043	1,062	15,310
11270	Excess cash	456,554	481,993	523,736	26,567	10,620	498,640	217,211	247,532	1,005,785	352,603	3,821,241
11640	Furniture & equipment - administrative purchases	2,824	17,379	2,824	-	4,711	2,824	4,711	4,711	-	4,711	44,695

**SINGLE AUDIT REPORT**

**Independent Auditor's Report on Internal Control Over Financial  
Reporting and on Compliance and Other Matters Based  
on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

Board of Commissioners  
Housing Authority of the County of Clark, Nevada  
Las Vegas, Nevada

We have audited the financial statements of the Housing Authority of the County of Clark, Nevada (the Authority) as of and for the period ended December 31, 2009, and have issued our report thereon dated September 24, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as Items 2009-01 and 2009-02 to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## Compliance and Other Matters

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

We noted certain matters that we reported to management of the Authority in a separate letter dated September 24.

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

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

*Clifton Henderson LLP*

Baltimore, Maryland  
September 24, 2010

**Independent Auditor's Report on Compliance with Requirements That Could  
Have a Direct and Material Effect on Each Major Program and on Internal  
Control Over Compliance in Accordance with OMB Circular A-133**

Board of Commissioners  
Housing Authority of the County of Clark, Nevada  
Las Vegas, Nevada

### **Compliance**

We have audited the compliance of the Housing Authority of the County of Clark, Nevada's (the Authority) with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the period ended December 31, 2009. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Authority's management. Our responsibility is to express an opinion on the Authority's compliance based on our audit.

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

In our opinion, the Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the period ended December 31, 2009. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2009-03.

### **Internal Control Over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Authority's internal control over compliance with the requirements that could have a direct and

material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as item 2009-03. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

*Clifton Gunderson LLP*

Baltimore, Maryland  
September 24, 2010

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Period Ended December 31, 2009**

	<b>CFDA Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Housing and Urban Development (HUD)</b>		
Housing Choice Vouchers	14.871	\$ 43,078,794
Low Rent Public Housing	14.850	4,535,500
Resident Opportunity and Supportive Services	14.870	72,123
HUD-Veterans Affairs Supportive Housing Program	14.VSH	1,660,435
Supportive Housing for Persons with Disabilities	14.181	869,626
Disaster Housing Assistance Grant	97.109	15,160
		50,231,638
Capital Fund Program Cluster:		
Public Housing Capital Fund Program	14.872	1,660,206
Public Housing Capital Fund Stimulus (Formula) Recovery Act Funds	14.885	674,522
Total Capital Fund Program Cluster		2,334,728
<b>TOTAL FEDERAL EXPENDITURES</b>		<b>\$ 52,566,366</b>

This schedule is an integral part of the accompanying  
notes to schedule of expenditures of federal awards.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**December 31, 2009**

**NOTE 1 – BASIS OF PRESENTATION**

The Schedule of Expenditures of Federal Awards is presented on the accrual basis of accounting and includes all expenditures of federal awards administered by the Authority. Several programs are funded jointly by the State in accordance with requirements of the various federal grants. Costs incurred for such programs are applied to Federal grant funds in accordance with the terms of the related Federal grants with the remainder applied to funds provided by the State.

All costs charged to Federal Awards are determined based on the applicable Federal grants and OMB Circular A-87, *Costs Principles Applicable to Grants and Contracts with State and Local Governments*.

**NOTE 2 – FEDERAL COGNIZANT AGENCY**

The Federal cognizant agency for the Authority is the U.S. Department of Housing and Urban Development (HUD).

**NOTE 3 – FINDINGS AND QUESTIONED COSTS**

Any findings and questioned costs identified in connection with the 2009 Single Audit would be disclosed in Schedule I and the status of prior year findings and questioned costs would be disclosed in Schedule II.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 Period Ended December 31, 2009**

**I. Summary of Independent Auditor's Results**

**Financial Statements**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not  
 considered to be material weaknesses?   X   Yes \_\_\_\_\_ None  
 reported
- Noncompliance material to financial statements  
 noted? \_\_\_\_\_ Yes   X   No

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiencies identified that are not  
 considered to be material weaknesses?   X   Yes \_\_\_\_\_ None  
 reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?   X   Yes \_\_\_\_\_ No

Identification of Major Programs

<u>Name of Federal Program</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Housing Choice Voucher Program	14.871	\$ 43,078,794
Capital Fund Program Cluster	14.872/14.885	2,334,728

Dollar threshold used to distinguish between type A and type B programs:   \$ 1,572,991  

Auditee qualified as low-risk auditee? \_\_\_\_\_ Yes   X   No

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Period Ended December 31, 2009**

**II. Financial Statement Findings**

**Finding 2009-01: Journal Entries**

***Condition/Context***

The Authority does not have effective controls over the processing and posting of journal entries as a result of a lack of segregation of duties. This condition increases the possibility that errors or irregularities may occur and not be detected on a timely basis. There were several instances noted during testing where journal entries were not properly approved by a supervisor or someone other than the preparer.

***Criteria***

The Internal Control-Integrated Framework (COSO report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements in accordance with GAAP and demonstrate compliance with laws, regulations and other compliance requirements.

***Cause***

Authority personnel and management do not provide adequate oversight of staff to enforce policies and procedures in place with regards to the processing of journal entries.

***Effect***

Insufficient controls over journal entries could result in misstated financial statements and non-compliance with related laws and regulations.

***Recommendation***

We recommend all journal entries be reviewed together with the supporting documentation by someone other than the preparer and evidence this review and approval by initialing and dating the relevant documents.

***Response***

In FY 2009, the Authority had a number of vacant positions in the finance department due from the demise of the finance director, and the retiring of the Sr. accountant. These positions were not filled due to the upcoming regionalization of the two housing authorities.

***Corrective Action***

Since the regionalization in January 2010, the Southern Nevada Regional Housing has combined its Finance Department and has established oversight to ensure proper internal controls are in place, which includes segregation of duties, as well as procedures in processing and reviewing journal vouchers and reconciliation. The Finance Department is also in the process of updating the Department's Standard Operation Procedures which will be completed by October 31, 2010.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Period Ended December 31, 2009**

**Finding 2009-02: Timesheets**

***Condition/Context***

Exceptions were noted during payroll testing regarding the approval of timesheets. There was one instance where there was no evidence of approval by the supervisor or department head and three instances where the timesheet was not approved by the appropriate department head. Additionally, there were 13 timesheets which were not available for review due to accidental destruction.

***Criteria***

The Internal Control-Integrated Framework (COSO report) requires adequate internal controls over financial reporting to ensure that transactions are properly recorded and accounted for to permit the preparation of reliable financial statements in accordance with GAAP and demonstrate compliance with laws, regulations and other compliance requirements.

***Cause***

Authority personnel and management do not provide adequate oversight of staff to enforce policies and procedures in place with regards to the timesheet approval process.

***Effect***

Insufficient controls over the approval of timesheets could result in inaccurate payroll data and the related expense leading to misstated financial statements and non-compliance with related laws and regulations.

***Recommendation***

We recommend all timesheets be reviewed and approved by the appropriate department supervisor and evidence this review and approval by initialing and dating the relevant documents. Furthermore, we recommend the Authority implement controls to ensure source documents are maintained for the period of time required by law.

***Response***

Proper approval by the appropriate supervisor or department head should be recorded on all timesheets. After the regionalization, the two agencies relocated departments from the former Housing Authority of the County of Clark and the former Las Vegas Housing Authority so the agency can better manage its staff. During the move, some boxes were accidentally shredded to make room for the move.

***Corrective Action***

All timesheets must be approved prior to being processed by the Human Resources Department. Also, to prevent this mishap in the future regarding timesheets, boxes of timesheets will be labeled, color coded, and stored in a specific area in the vault.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Period Ended December 31, 2009

**III. Federal Award Findings and Questioned Costs**

**Finding 2009-03: U.S. Department of Housing and Urban Development, Housing Choice Voucher Program, CFDA #14.871**

***Condition/Context***

Tenant file testing for the Housing Choice Voucher Program indicated findings in 4 files.

- 2 of the 38 tenant files tested for eligibility did not include evidence that a third party verification of income was obtained during the recertification process.
- In 1 of 38 files tested for rent reasonableness, the rent reasonableness was not performed until approximately 2 months after the effective date of the rent adjustment. It was noted that the case worker was timely with the file; however, the inspector failed to complete the report in the time allotted.
- In 1 of 38 tenant files reviewed for failed inspection testing, there were three attempts to inspect the property, however the tenant was never present. There was no documentation in the file that a final notice was sent, no evidence that the inspector attempted to get in touch with the tenant, and no rent abatement.

***Criteria***

24 CFR 982.516 requires the PHA to "...conduct a reexamination of family income and composition at least annually..." and "...obtain and document in the tenant file third party verification of the following factors....(i) reported family income; and (ii) the value of assets; (iii) expenses related to deductions from family income." 25 CFR 982.507(a) states that the Authority may not approve a lease until the Authority has determined that the initial rent or any increase in rent to the owner is reasonable. 24 CFR 982.507(b) states that the PHA must compare the rent for the assisted unit to other comparable unassisted units based on a variety of factors including the location, size and type of unit. 24 CFR 982.158(f)(7) states that "The PHA must keep the following records for at least three years: Records to document the basis for PHA determination that rent to owner is a reasonable rent (initially and during the term of the HAP contract)." 24 CFR 982.405 (a) states that the PHA must inspect the unit leased to a family prior to the initial term lease and at least annually during assisted occupancy. Finally, OMB Circular A-133 Subpart C, Section .300(b) states that an auditee is responsible for maintaining "...internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

***Cause***

The Authority failed to document or obtain the required third-party income verification. Additionally, the Authority did not properly monitor the status of inspections and rent reasonableness evaluations to ensure timely completion.

***Effect***

The Authority is not in compliance with Federal regulations governing the Housing Choice Voucher program. This could result in questioned costs, although our testing did not specifically identify any. The Authority is also not in compliance with the applicable federal regulations regarding rent increases to landlords. Completing the reasonableness determinations late provides an opportunity for questioned costs if the actual rent paid to the owner was not

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Period Ended December 31, 2009**

reasonable. Questioned costs related to this exception cannot be determined. In this instance, the rent to owner was deemed reasonable even though the determination was done late. Failure to perform an annual inspection could also result in over or underpayment of rent by the tenant. Furthermore, the Authority has not addressed the requirement to maintain internal controls over the program to provide reasonable assurance that they are managing the program in compliance with the laws, regulations and provisions of the program.

**Questioned Costs**

Unknown.

***Recommendation***

We recommend that management assign quality control personnel a specified number of quality control reviews before recertifications are completed and sent electronically to HUD. This will reduce the number of errors and allow management to determine whether individual housing specialists need additional training in certain areas or whether an internal process should be re-evaluated. We recommend that the Authority develop a plan to track the incoming rent increase requests from owners and ensure the reasonableness determination is properly documented before the effective date of the annual/interim recertification. Finally, we recommend the client ensure all tenant units have an HQS inspection performed at least once every 12 months, and that all supporting documentation be included in the tenant file.

***Response/Corrective Action***

**Item # 1**

We have updated the Administrative Plan to clearly require all HUD required third party verification be in each file for each action completed or documentation of why this third party verification was not available and actions taken thereafter, such as receiving an oral form of verification or using self-certifications as a last result. We have also updated all procedures and forms and all staff have been trained and signed off on said training. Additionally, formal training by Nan McKay and Associates will be done on 9/9 and 9/10 on rent calculation and third party verification, including HUD's new guidance regarding using EIV as the first step in the verification process.

Additionally, all files are quality controlled after each action to ensure all policies and procedures are followed. The file check list has been updated to include HUD's new guidance.

**Item # 2**

Rent Reasonableness errors and failure to document. This finding has been addressed during the past 8 months by rewriting policies and procedures, providing all staff with training and developing and implementing additional quality control systems. Formal training will also be provided by staff from Go-Section 8 on 9/10 as part of our overall department formal training for staff. Staff who fail to follow policies and procedures have been held accountable and this is reflected in their evaluations.

**Items # 3**

HQS Inspections/Enforcement. All HQS Inspectors and their clerks have been retrained in HUD's regulations regarding inspections and HQS enforcement. This includes ensuring timely notices are sent for inspections and default/abatement notices. Again, staff that elects not to follow policies will be held accountable as all have signed off on training and their understanding of the agency's policies and procedures.

**HOUSING AUTHORITY OF THE COUNTY OF CLARK, NEVADA  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
Period Ended December 31, 2009**

None noted.