



WASHOE COUNTY

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CM/ACM JS
Finance CA
DA _____
Risk Mgt. _____
HR _____
Other _____

STAFF REPORT BOARD MEETING DATE: February 9, 2016

DATE: January 27, 2016
TO: Board of County Commissioners
FROM: Cathy Hill, Comptroller
(775) 328-2563, chill@washoecounty.us
Felicia O'Carroll, Partner, Eide Bailly LLP
(775) 689-9100, focarroll@ediebailly.com
THROUGH: Joey Orduna Hastings, Assistant County Manager
SUBJECT: Acknowledge receipt of the Washoe County Comprehensive Annual Financial Report (CAFR), auditor's report, and report on internal control for the fiscal year ended June 30, 2015 as presented; approve the re-appropriation of \$25,329,224 for the fiscal year 2016 budget, consisting of \$8,440,569 for purchase order encumbrances committed in fiscal year 2015 and \$16,888,655 for spending of restricted contributions and fees; and, authorize the Comptroller to proceed with distribution of the CAFR for public record, as required by law. (All Commission Districts)

SUMMARY

The purpose of this agenda item is to present for acknowledgement the County's annual financial report and audit results, per Nevada Revised Statutes (NRS) 354.624.

Washoe County Strategic Objective supported by this item: Stewardship of our community.

PREVIOUS ACTION

This financial report and audit results are presented for the Board's acknowledgement annually, as is required by law, and have been accepted each year. The previous fiscal year's financial report was presented on November 12, 2014, agenda item number 8.

BACKGROUND

NRS 354.624 requires the County to issue an annual report on its financial position and operations for the fiscal year. The Comprehensive Annual Financial Report (CAFR) must be audited in accordance with generally accepted auditing standards in the United States, including findings on compliance with statutes and regulations, and an expression

AGENDA ITEM # 5.D.1.

of opinion on the financial statements. The audit must be conducted by a certified public accountant.

The reports, opinion and findings of the auditor contained in the CAFR must be presented at a meeting of the County Board of Commissioners held not more than 30 days after the report is submitted, and filed as public record with (a) the County Clerk and (b) the Department of Taxation.

The Washoe County Comprehensive Annual Financial Report has been audited by Eide Bailly LLP, who has issued an unmodified opinion thereon. They will present their financial statement and reports and comments on the results of the audit.

The CAFR is presented by the Washoe County Comptroller's Department under the direction Comptroller Cathy Hill. The dedicated efforts of the entire staff comprised of Accounting Manager Bob Andrews, Crystal Carter, Tammera Yau, Asta Dominguez, CPA, Joyce Garrett, Darlene Delany, CPA, and especially Accounting Manager (Acting Comptroller) Mary Solorzano, produced this financial report.

FISCAL IMPACT

By acknowledging receipt of the CAFR, the Board is also approving the re-appropriation of \$25,819,335 for the fiscal year 2016 budget, consisting of \$9,872,179 for purchase order encumbrances committed in fiscal year 2015 and \$15,947,156 for spending of restricted contributions and fees.

RECOMMENDATION

Acknowledge receipt of the Washoe County Comprehensive Annual Financial Report (CAFR), auditor's report, and report on internal control for the fiscal year ended June 30, 2015 as presented; approve the re-appropriation of \$25,329,224 for the fiscal year 2016 budget, consisting of \$8,440,569 for purchase order encumbrances committed in fiscal year 2015 and \$16,888,655 for spending of restricted contributions and fees; and authorize the Comptroller to proceed with distribution of the CAFR for public record, as required by law.

POSSIBLE MOTION

Should the Board agree with staff's recommendation, a possible motion would be, "Move to acknowledge receipt of the Washoe County Comprehensive Annual Financial Report (CAFR), auditor's report, and report on internal control for the fiscal year ended June 30, 2015 as presented; approve the re-appropriation of \$25,329,224 for the fiscal year 2016 budget, consisting of \$8,440,569 for purchase order encumbrances committed in fiscal year 2015 and \$16,888,655 for spending of restricted contributions and fees; and authorize the Comptroller to proceed with distribution of the CAFR for public record, as required by law."

The attached document was submitted to the **Washoe County Board of Commissioners** during the meeting

held on 2/9/16

by Managers Office

for Agenda Item No. 5D1

and included here pursuant to NRS 241.020(7) as amended by AB65 of the 2013 Legislative Session.



WASHOE COUNTY NEVADA

Comprehensive Annual Financial Report
for the Fiscal Year Ended
June 30, 2015





January 25, 2016

To the Audit Committee
Washoe County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washoe County (the "County") for the year ended June 30, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated August 24, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County are described in Note 1 to the financial statements. As described in Note 1, the County changed accounting policies related to accounting for pensions to adopt the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Accordingly, the financial statements have been updated to report the costs and obligations associated with pensions. Pension amounts for all benefits provided through the Public Employees' Retirement System of the State of Nevada (PERS) have been recognized, including the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. No other new accounting policies were adopted and the application of existing policies was not changed during 2015. We noted no transactions entered into by the County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the County's financial statements were:

Management's estimate of the other postemployment benefits is based on actuarial valuations. Actuarial valuations are based on the substantive plan and include the types of benefits in force at the valuation date and the pattern of sharing benefits between the County and the plan members. We evaluated the key factors and assumptions used to develop the postemployment benefits in determining that it is reasonable in relation to the financial statements taken as a whole.

General Fund

Due from other governments	\$114,721
Property tax revenue	\$114,721

Child Protective Services Fund

Due from other governments	\$60,092
Property tax revenue	\$60,092

Aggregate Remaining Funds

Due from other governments	\$283,458
Property tax revenue	\$283,458

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 25, 2016.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A), the schedule of funding progress – other postemployment benefits, the schedule of proportionate share of the net pension liability – Public Employees' Retirement System of Nevada (PERS), and the schedule of contributions – Public Employees' Retirement System of Nevada (PERS), which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Management's estimate of the pension liability is based on actuarial valuations. Actuarial valuations are based on the employee information submitted by the County to the Public Employees' Retirement System of the State of Nevada (PERS). We evaluated the key factors and assumptions used to develop the estimate of the pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate for pending claims – health benefits is based upon third party analysis of claims trends, historical evidence, claim lag days and current employee counts. We evaluated the key factors and assumptions used to develop the estimate of the claims IBNR.

Management's estimate for pending claims – worker's compensation is based on third party analysis of historical losses. We evaluated the key factors and assumptions used to develop the estimate of the workers compensation liability.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected the following adjustment:

Governmental Activities

Due from other governments	\$1,592,157
Property tax revenue	\$1,592,157
Net position (unrestricted)	\$4,732,133
Interest expense	\$1,036,301
Accrued interest –	
capital appreciation bonds	\$5,768,434

General Fund

Due from other governments	\$1,592,157
Property tax revenue	\$1,592,157

In addition, the following summarizes uncorrected misstatements of the financial statements, for which management has determined that their effects are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Governmental Activities

Due from other governments	\$458,271
Property tax revenue	\$458,271

We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory or statistical sections, which accompany the financial statements, but are not RSI. We did not audit or perform other procedures on this other information and we do not express an opinion or provide any insurance on it.

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

Very truly yours,

Eide Bailly LLP

Reno, Nevada

**WASHOE COUNTY, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

*Prepared by the Washoe County Comptroller's Department
Mary Solorzano, Acting Comptroller*

**WASHOE COUNTY, NEVADA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	PAGE
INTRODUCTORY SECTION	
Letter of Transmittal	ii
Board of County Commissioners.....	v
Listing of County Officials.....	vi
Organization Chart.....	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION	
Independent Auditor's Report	2
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
General Fund	21
Child Protective Services Fund	23
Statement of Net Position – Proprietary Funds	24
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	26
Statement of Cash Flows – Proprietary Funds.....	27
Statement of Fiduciary Net Position	29
Statement of Changes in Fiduciary Net Position	30
Notes to the Financial Statements:	
Note 1 - Summary of Significant Accounting Policies.....	32
Note 2 - Stewardship, Compliance, and Accountability	38
Note 3 - Cash and Investments	39
Note 4 - Restricted Cash and Investments	43
Note 5 - Long-Term Assets	43
Note 6 - Capital Assets.....	44
Note 7 - Commitments, Contingencies, and Other Liabilities	46
Note 8 - Unearned Revenue and Deferred Inflows of Resources.....	47
Note 9 - Long-Term Obligations	48
Note 10 - Long-Term Obligations Activity	52
Note 11 - Debt Service Requirements	56
Note 12 - Interfund Activity	56
Note 13 - Fund Balances / Net Position.....	57
Note 14 - Pension Program	59
Note 15 - Other Postemployment Benefits	64
Note 16 - Risk Management.....	68
Note 17 - Joint Ventures.....	71
Note 18 - Subsequent Event	72
Note 19 - Adoption of New Accounting Standard	72
Required Supplementary Information:	
Schedule of Funding Progress – Other Postemployment Benefits.....	73
Schedule of Washoe County's Share of Net Pension Liability.....	73
Schedule of County Contributions	74
Notes to Required Supplementary Information.....	74

**WASHOE COUNTY, NEVADA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	PAGE
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	76
General Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual.....	77
Special Revenue Funds:	
Major Special Revenue Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Child Protective Services Fund	85
Combining Balance Sheet – Nonmajor Special Revenue Funds	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds	89
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Health Fund	92
Indigent Tax Levy Fund	93
Senior Services Fund.....	94
Enhanced 911 Fund.....	95
Library Expansion Fund	96
Animal Services Fund	97
Regional Public Safety Training Center Fund	98
Truckee River Flood Management Infrastructure Fund.....	99
Regional Communications System Fund	100
Regional Permits System Fund.....	101
Central Truckee Meadows Remediation District Fund	102
Other Restricted Fund.....	103
Roads Fund	107
Debt Service Funds:	
Major Debt Service Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Special Assessment Debt Service Fund	109
Nonmajor Debt Service Fund:	
Balance Sheet – Nonmajor Debt Service Fund	110
Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – Debt Service Fund.....	111
Capital Projects Funds:	
Combining Balance Sheet – Nonmajor Capital Projects Funds.....	113
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Projects Funds.....	114
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:	
Parks Capital Projects Fund	115
Capital Improvements Fund	116
Capital Facilities Tax Fund	118
Regional Permits Capital Fund.....	119
Enterprise Funds:	
Major Enterprise Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual – Water Resources Fund	121
Schedule of Cash Flows – Budget and Actual – Water Resources Fund	122

**WASHOE COUNTY, NEVADA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	PAGE
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	124
Combining Statement of Revenues, Expenses and Changes in Net Position	125
Combining Statement of Cash Flows	126
Golf Course Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	127
Schedule of Cash Flows – Budget and Actual	128
Building and Safety Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	129
Schedule of Cash Flows – Budget and Actual	130
Internal Service Funds:	
Combining Statement of Net Position	132
Combining Statement of Revenues, Expenses and Changes in Net Position	133
Combining Statement of Cash Flows	134
Risk Management Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	136
Schedule of Cash Flows – Budget and Actual	137
Health Benefits Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	138
Schedule of Cash Flows – Budget and Actual	139
Equipment Services Fund:	
Schedule of Revenues, Expenses and Changes in Net Position – Budget and Actual	140
Schedule of Cash Flows – Budget and Actual	141
Fiduciary Funds:	
Combining Statement of Changes in Assets and Liabilities – Agency Funds	144
 STATISTICAL SECTION	
Financial Trends:	
Schedule 1.1, Net Position by Component, Last Ten Fiscal Years	S-2
Schedule 1.2, Changes in Net Position, Last Ten Fiscal Years	S-4
Schedule 1.3, Fund Balances, Governmental Funds, Last Ten Fiscal Years	S-6
Schedule 1.4, Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	S-7
Schedule 1.5, Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years	S-9
Revenue Capacity:	
Schedule 2.1, Assessed and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	S-10
Schedule 2.2, Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	S-11
Schedule 2.3, Principal Property Tax Payers, Current Year and Nine Years Ago	S-12
Schedule 2.4, Property Tax Levies and Collections for All Governments, Last Ten Fiscal Years	S-13
Debt Capacity:	
Schedule 3.1, Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	S-14
Schedule 3.2, Legal Debt Margin Computation, Last Ten Fiscal Years	S-15
Schedule 3.3, General Obligation Direct and Overlapping Debt	S-16
Schedule 3.4, Pledged Revenue Coverage, Last Ten Fiscal Years	S-17
Demographic and Economic Information:	
Schedule 4.1, Demographic and Economic Statistics, Last Ten Fiscal Years	S-18
Schedule 4.2, Principal Employers Current Year and Nine Years Ago	S-19
Operating Information:	
Schedule 5.1, Full-Time Equivalent Washoe County Employees by Function, Last Ten Fiscal Years	S-20
Schedule 5.2, Operating Indicators by Function/Program, Last Ten Fiscal Years	S-21
Schedule 5.3, Capital Assets Statistics by Function/Program, Last Ten Fiscal Years	S-24

**WASHOE COUNTY, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

TABLE OF CONTENTS

	PAGE
AUDITORS' COMMENTS AND 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	C-2
Schedule of Findings and Responses.....	C-4
Auditor's Comments.....	C-6

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	ii
Board of County Commissioners.....	v
Listing of County Officials.....	vi
Organization Chart.....	vii
Certificate of Achievement for Excellence in Financial Reporting	viii



WASHOE COUNTY

Office of the Comptroller

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January 25, 2016

To the Honorable Board of County Commissioners and
the Citizens of Washoe County, Nevada:

The comprehensive annual financial report of Washoe County, Nevada (County), for the fiscal year ended June 30, 2015 is hereby submitted. Nevada Revised Statutes (NRS) 354.624 requires the County to provide an annual audit by independent certified public accountants in accordance with generally accepted auditing standards in the United States. This report represents Washoe County's commitment to sound and effective fiscal management and to responsible financial reporting based on (GAAP) established by the Governmental Accounting Standards Board.

Washoe County Management assumes responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal controls established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute assurance that the financial statements are free of any material misstatements. Management asserts that, to the best of our knowledge, the information in this report is accurate in all material respects and presents fairly the financial position of the various funds and (discretely presented) component units of the County, including disclosures necessary to understand the County's activities.

Eide Bailly, LLP, Certified Public Accountants, have audited the County's financial statements for the year ended June 30, 2015 and have issued an unmodified ("clean") opinion. The Independent Auditor's Report is located on the first page of the financial section.

Management's Discussion and Analysis (MD&A) immediately follows the Independent Auditor's Report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

Washoe County was incorporated in 1861 and is a political subdivision of the State of Nevada. The County is governed by a five-member Board of County Commissioners (BCC) elected by constituents within their districts for a 4-year term. The County covers an area of 6,600 square miles in the northwest section of the state. The county seat is the City of Reno, the fourth largest city in Nevada. Other communities in the County include Sparks, Sun Valley, Wadsworth, and Incline Village.

The County provides an array of mandated services including property appraisal and assessment; tax collection; criminal prosecution; presides over civil, criminal, domestic and juvenile court cases; death investigations; temporary financial assistance, health care assistance and indigent burials; communicable disease control; and child protection and placement services. Regional services include adult and juvenile detention; parks and libraries; senior services; forensic services; water, sewer and flood control; animal services; emergency management; and regional public safety training. Other community services include patrol and criminal investigation; fire protection; snow removal and street repair; business licensing; and land use planning and permitting. Administrative and internal support services include management, human resources, community relations, finance, technology services, internal audit, fleet operations, purchasing, and risk management.

This report includes the financial activities of two discretely presented component units: Truckee Meadows Fire Protection District and Sierra Fire Protection District. Both component units are legally separate entities, each governed by a Board of Fire Commissioners. The members of the BCC serve as members of these boards. There is no financial benefit or burden relationship between the County and the Fire Districts.

The BCC is required to adopt a final budget annually on or before June 1 for the ensuing fiscal year. The annual budget serves as the foundation for the County's financial planning and control. The legal level of budgetary control is at the function level for governmental funds and by the sum of operating and non-operating expenses for proprietary funds.

LOCAL ECONOMY AND ECONOMIC OUTLOOK

The local economy in fiscal year 2014/2015 continued to show signs of stabilization after many years of decline caused by the "Great Recession." At June 30, 2015, the County's unemployment rate was 6.4 percent, the previous year's was 7.3 percent. While this is an improvement over the prior year, the decline is partially due to a smaller labor force and continues to be slightly higher than the national average of 5.3 percent. Employment in construction jobs improved with an anticipated addition of 8,800 construction jobs in 2016. The hospitality and food services industries have remained relatively flat since stabilizing in 2009.

Home sales in the County averaged 572 per month in 2015, excluding the typical January decline. The acceleration in median sales price has slowed in comparison to sharp increase in 2012 and early 2013.

The County's largest revenue source, property taxes, has been affected by the declines in property values. For fiscal year 2016, total property taxes to governmental funds are projected by the State of Department of Taxation to increase 3.8 percent. A portion of this increase is attributed to new development. The County's unincorporated tax rate of \$1.3917 per \$100 in assessed valuation has remained unchanged over the last ten fiscal years.

Consolidated taxes, consisting of sales taxes on cigarettes and liquor, real property transfer, and government services taxes (a tax on the value of vehicles), are the second greatest revenue source for the County. During fiscal year 2015 this revenue source saw a year-over-year increase of 7 percent, growing to \$86.46 million. Consolidated taxes have been gradually increasing since fiscal year 2011.

In June 2014, Tesla broke ground for its 72 million square foot gigafactory in northern Nevada. Other manufacturing firms, working in cooperation with Tesla to produce lithium ion batteries, are expected to build manufacturing facilities as well. Tesla is expected to be fully operational by 2017 and is anticipated to create up to 6,500 jobs. In December 2014, Ghost Systems announced the relocation of its corporate offices and data centers creating 150 jobs; Clear Capital, another technology company, announced in June 2015 a planned relocation of their headquarters with the expectation of creating 400 additional jobs. SWITCH continues their construction commitment to northern Nevada as well. Expanding its presence in Washoe County, eBay is creating an additional 45 jobs. Overall in 2015, northern Nevada recognized over 25 new or expanding companies resulting in over 3,000 new jobs. Vacancy rates in industrial sectors of Washoe County increased to 10.9 percent due in large part to new construction and the increased availability of space for lease.

LONG-TERM FINANCIAL PLANNING

Several economists have expressed that the national economy for 2015/16 holds more of the same, as overall GDP growth will likely remain stuck in a range of 2 to 2.5 percent as it has for the last four years. Despite optimism every December that the New Year will bring some type of escape-velocity growth (4-6 percent), actual national economic growth has continued to disappoint investors, with a sub-2.5 percent annual growth rate.

As 2015 draws to a close, Federal government spending is projected to grow at 1 percent before adjusting for inflation, as voter pressure, pension liabilities, and limited economic growth keeps government spending compressed and on a tight budget. Based on these facts and other regional elements, the County continues to experience positive growth, but is cautious to expend or outpace revenue growth.

The County's fiscal year 2015/16 General Fund budget increased by nearly \$13 million to \$315 million. The increase was largely a result of increased costs for personnel, and includes \$3 million restricted for stabilization purposes. Ending fund balance in the General Fund budget of 8.7 percent is two times what is required as a minimum by State statute, and is within the BCC adopted fund balance policy that sets a minimum fund balance for stabilization of \$3 million and a reserve for working capital of between 8 and 10 percent.

The BCC continues to collaborate with regional partners, citizens, management, and the County's employees and their respective associations to enable Washoe County to continue to be one of the most fiscally responsible local governments in the State. The County adheres, without exception, to the practice of adopting a final balanced budget with no deficit spending. For more than a decade, the County has not increased the General Fund budget by more than the combined increases in population and the Consumer Price Index, even during the economic downturn. As a result of the County's careful management of reserves and proactive fiscal management, the County has maintained favorable general obligation bond ratings from Standard & Poor's and Moody's of "AA" and "Aa2", respectively, with a stable outlook.

Washoe County continues to maintain a strong and healthy fund balance and is committed to providing quality customer service for its residents while responding to and facilitating new development in the region.

MAJOR PROGRAMS / INITIATIVES

The annual budget serves as the financial plan for County operations and is aligned with the County's strategic objectives. Some of the programs Washoe County initiated and/or completed during the 2015 fiscal year are:

- December 2015 – the long-anticipated consolidation of the County's water utility into the Truckee Meadows Water Authority was completed. This move is expected to result in greater efficiencies for all water customers in the Truckee Meadows region.
- In March 2015, the BCC approved a Cooperative Agreement between Washoe County and the Nevada Department of Transportation to provide a continuous, safe pedestrian sidewalk from Lois Allen Elementary School and Sun Valley Blvd.
- In December 2015, Washoe County broke ground on a new Medical Examiner's Office. The facility will be more modern and equipped with the capabilities required to better serve citizens and regional law enforcement agencies.
- Effective January 7, 2016, Washoe County was designated by the United States Environmental Protection Agency as being in attainment of all federal air quality standards for the first time since adoption of the 1970 Clean Air Act.
- FY16 is expected to see increased funding for economic development, County parks, public safety and senior citizens.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washoe County for its comprehensive annual financial report for the fiscal year ended June 30, 2014. This was the 33rd consecutive year the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable eligibility requirements.

We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Comptroller Department's entire staff. More particularly, Mary Solorzano, Interim Comptroller, whose efforts were instrumental in preparing this report, Robert Andrews, Accounting Manager; Darlene Delany, CPA, Crystal Carter, MS, and Russell Morgan, CPA, Senior Accountants; Asta Dominguez, CPA, Tammera Yau, and Joyce Garrett, Accountants, and Jeri Renshaw, Administrative Secretary. Thanks also to the Communications and Engagement staff for their efforts and expertise in producing this document; the cooperation and assistance of all County departments, and to the staff from Eide Bailly, LLP, Certified Public Accountants, the County's independent auditors. Special thanks to the Board of County Commissioners for their leadership and support in the planning and conducting of the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Mary Solorzano, Acting Comptroller

WASHOE COUNTY BOARD OF COMMISSIONERS

Washoe County is home to Lake Tahoe, one of the most beautiful places on earth; to the majestic Sierra Nevada mountains; to the life-giving Truckee River; to vast open ranges and blue sky; to pastoral ranches and to friendly, vibrant communities including the cities of Reno and Sparks.



Marsha Berkbigler
District One

OUR VISION is that Washoe County is the best place in the country to live, work, recreate, visit and invest.

OUR MISSION is working together to provide a safe, secure and healthy community.

STRATEGIC OBJECTIVES OF THE BOARD OF COUNTY COMMISSIONERS

- Sustainability of our financial, social and natural resources
- Economic development and diversification
- Safe, secure and healthy communities
- Public participation and open, transparent communication
- Valued, engaged employee workforce



Bob Lucey
District Two

ORGANIZATIONAL VALUES:

Many Communities, One County

We take pride in our region, our neighborhoods, and our people, and we are dedicated to building a healthy, prosperous region with a strong sense of community.

Quality Public Service

We believe quality service is the fundamental reason that Washoe County exists.

Teamwork

We believe in the value and a spirit of cooperative effort within our organization and our community.

People

We strive to treat all people with equity, dignity, respect, and fairness. We believe that our employees are our most valuable resource. Each person's public contribution is essential to our success.

Communication

We believe in simplicity, accuracy, and clarity in communications with the public and each other. We encourage the open exchange of ideas and information.

Accountability

We are dedicated to high ethical and moral standards and uncompromising honesty in our dealings with the public and each other in conformance with our code of conduct.

Transparency

We are committed to providing the highest level of transparency in government. Transparency is the basis for accountability, increases public confidence, provides for informed participation of citizens, and facilitates an understanding of the decision making process in government.

Professionalism

We believe in high professional standards and performance that results in an objective analysis of issues, free of our personal biases.

Progressive Thought

We value innovation and creativity, and support an orientation for change and intelligent decision making.



Kitty Jung
District Three



Vaughn Hartung
District Four



Jeanne Herman
District Five

**WASHOE COUNTY, NEVADA
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2015**

Elected Officials

District 1: Commissioner
District 2: Commissioner
District 3: Commissioner
District 4: Commissioner
District 5: Commissioner
County Assessor
County Clerk
County Recorder
County Treasurer
District Attorney
Incline Village/Crystal Bay Constable
Public Administrator
Sheriff

Marsha Berkbigler
Bob Lucey
Kitty Jung
Vaughn Hartung
Jeanne Herman
Michael E. Clark
Nancy Parent
Larry Burtness
Tammi S. Davis
Christopher Hicks
Hans Keller
Donald L. Cavallo
Chuck Allen

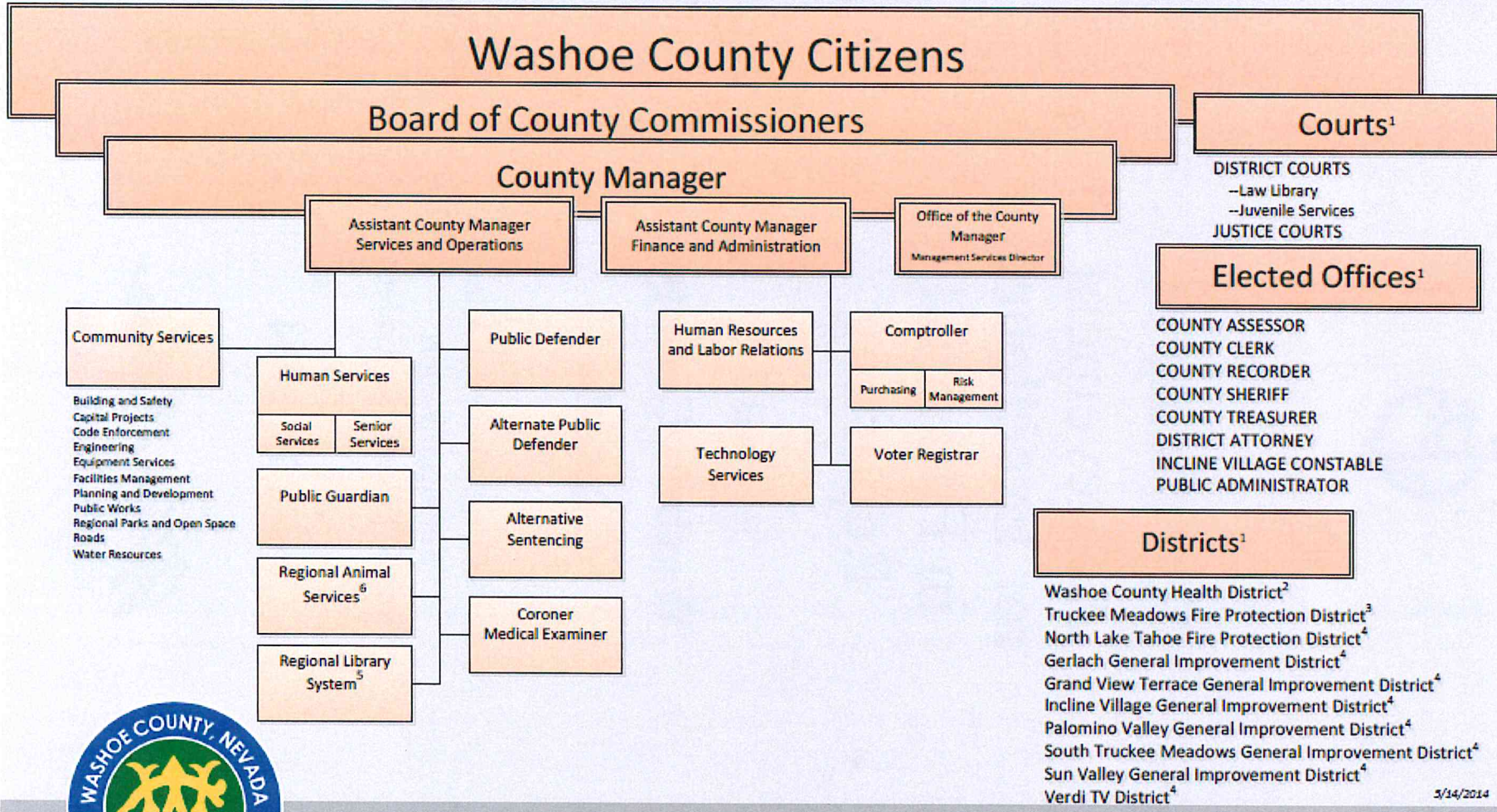
Appointed Officials

County Manager
Assistant County Manager
Assistant County Manager
Alternate Public Defender
Alternative Sentencing Chief
Chief Medical Examiner/Coroner
Comptroller
Director of:
 Community Services
 Community Relations
 Human Resources/Labor Relations
 Juvenile Services
 Library
 Senior Services
 Social Services
 Technology Services
Health District
Public Defender
Public Guardian
Registrar of Voters

John Slaughter
Kevin Schiller
Joey Orduna Hastings
Jennifer Lunt
Joseph Ingraham
Dr. Ellen Clark
Mary Solorzano, Interim

Dave Solaro
Nancy Leuenhagen
John Listinsky
Frank Cervantes
Arnie Maurins
Grady Tarbutton
Kevin Schiller, Interim
Craig Betts
Kevin Dick
Jeremy Bosler
Susan DeBoer
Luanne Cutler

Organization Chart



vii



Notes:
 1-County Manager is Liaison
 2-Separately appointed governing board
 3-Board of County Commissioners is Board of Fire Commissioners
 4-Independent district with separately elected governing board
 5-Director appointed by Library Board of Trustees
 6-Regional Animal Services to become Department July 1, 2014

3/14/2014





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Washoe County
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

Page

Independent Auditor's Report..... 2

Management's Discussion and Analysis 4

Basic Financial Statements

Government-wide Financial Statements..... 14

Fund Financial Statements..... 17

Notes to the Financial Statements 32

Required Supplementary Information 73

Combining and Individual Fund Statements and Schedules 75



CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Board of Commissioners
Washoe County, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (the "County") as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2015, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1, 14 and 19 to the financial statements, the County has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Correction of Error

As discussed in Note 19 to the financial statements, an error occurred in the accretion of interest on capital appreciation bonds during the fiscal years 2010 through 2014. Accordingly, the amount of the unrecorded accreted interest on the capital appreciation bonds loss has resulted in a restatement of net position/fund balances as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 12, the Schedule of Funding Progress on page 73, the Schedule of Proportionate Share of the Net Pension Liability on page 73, and the Schedule of Contributions on page 74, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Partial Comparative Information

Certain supplementary information and required supplementary information includes partial summarized comparative information for the year ended June 30, 2014. The summarized comparative information was derived from the County's June 30, 2014 financial statements, audited by Kafoury, Armstrong & Co., who joined Eide Bailly LLP on December 15, 2014, who expressed an opinion that the accompanying information and the budgetary comparison information, required supplementary information, as of and for the year ended June 30, 2014, was fairly stated in all material respects in relation to the 2014 financial statements taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2016, on our consideration of Washoe County'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washoe County's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
January 25, 2016

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

As management of Washoe County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2015. We encourage readers to read this information in conjunction with the transmittal letter, financial statements and notes to gain a more complete picture of the information presented.

Financial Highlights

- The County implemented GASB statements No. 68 and 71 beginning July 1, 2014, resulting in a \$312 million dollar adjustment to beginning net position. The impact of these new accounting standards is discussed in greater detail in notes 14 and 19.
- The consolidation of the County's water utility into Truckee Meadows Water Authority (TMWA) was completed on December 31, 2014, resulting in an extraordinary loss of \$235 million in business-type activities for the year. Other changes resulting from the consolidation are discussed below and in note 17.
- Capital assets (net of accumulated depreciation) are \$255 million lower than in the prior year, primarily due to the transfer of water utility assets to TMWA in connection with the consolidation.
- The County's total outstanding debt decreased by \$48 million for the year; \$38 million of this total was attributable to TMWA's assuming outstanding obligations relating to the water utility.
- Revenues from governmental activities outpaced increases in spending, increasing by \$25 million in comparison to the prior year, while expenditures increased by only \$10 million.
- The County continues to demonstrate its fiscal health to investors by attaining the highest bond ratings from Moody's and Standard and Poor's.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to Washoe County's basic financial statements. The County's financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) the notes to the basic financial statements. This report also contains supplementary information intended to provide additional detail in support of the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide a broad overview of Washoe County's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as net position. Increases or decreases in net position over time may serve as a useful indicator of whether the County's financial position is improving or deteriorating.

The Statement of Activities presents information showing how the County's net position changed during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will not result in cash flows until future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, administration of justice, public works, public safety, health and sanitation, welfare, culture and recreation, and community support. The business-type activities of the County include a water and sewer utility, golf courses, and building permit activities.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

The government-wide financial statements also include two legally separate fire protection districts for which the County is financially accountable. Financial information for these component units is reported separately from the financial information for Washoe County itself.

The government-wide financial statements can be found in the basic financial statements section of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Washoe County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Each of the County's funds can be classified as either governmental, proprietary, or fiduciary.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information can be useful for gauging the County's near-term financial requirements.

Since the focus of governmental funds is narrower than that of the government-wide financial statements, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities. These reconciliations are included with the basic financial statements in this report.

The County maintains twenty individual governmental funds. The governmental fund financial statements provide separate details for the General Fund, the Child Protective Services Fund and the Special Assessment Debt Service Fund, which are considered to be major funds. Data from the remaining governmental funds are combined into a single aggregated presentation. Individual fund data for each of these non-major funds is provided in the form of combining statements in the non-major governmental funds section of this report.

The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison is provided for each of the County's governmental funds to demonstrate compliance with the budget. The budgetary comparison statement for the General Fund and Child Protective Services Fund are presented with the basic financial statements. The budgetary comparisons for all other governmental funds are included in the fund financial statements and schedules included as supplementary information.

Proprietary Funds. The County maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Washoe County uses enterprise funds to account for water and sewer utilities, golf courses and building permit activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles and for self-insurance activities including liability insurance, workers' compensation and group health insurance. Because these activities predominantly benefit governmental rather than business-type functions, they are included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Water Resources Fund, which is considered to be a major fund. The remaining funds are combined into a single, aggregated presentation. All internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the remaining enterprise and internal service funds is provided in the form of combining statements in the applicable sections of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the County. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

Notes to the Basic Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in this report following the basic financial statements.

Other Information. Following the notes in this report, required supplementary information is presented concerning the County's progress in funding its obligations to provide retiree health benefits and pensions. Other information, including combining and individual fund statements and schedules are presented after the basic financial statements, notes and required supplementary information. In addition, unaudited statistical information is provided on a ten-year basis, as available, for trend analysis and to provide historical perspective.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$384 million at June 30, 2015, a decrease of 60% from the prior year. This decrease resulted primarily from the consolidation of the County's water utility into Truckee Meadows Water Authority, as well as the implementation of GASB 68. Each of these factors is discussed in more detail in the notes to the financial statements.

Washoe County's Net Position
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets						
Current and other assets	\$ 224,585	\$ 217,697	\$ 114,826	\$ 145,919	\$ 339,411	\$ 363,616
Net capital assets	525,394	554,622	131,332	356,793	656,726	911,415
Total assets	749,979	772,319	246,158	502,712	996,137	1,275,031
Deferred outflows of resources	49,352	452	631	-	49,983	452
Liabilities						
Current liabilities	38,855	37,154	13,707	5,049	52,562	42,203
Noncurrent liabilities due within one year	36,533	33,290	2,474	3,436	39,007	36,726
Noncurrent liabilities due in more than one year	475,043	176,815	20,720	54,551	495,763	231,366
Total liabilities	550,431	247,259	36,901	63,036	587,332	310,295
Deferred inflows of resources	79,370	-	1,023	-	80,393	-
Net position						
Net investment in capital assets	415,132	437,044	112,543	299,618	527,675	736,662
Restricted	102,385	94,055	1,234	13,461	103,619	107,516
Unrestricted	(347,987)	(6,491)	95,088	126,597	(252,899)	120,106
Total net position	\$ 169,530	\$ 524,608	\$ 208,865	\$ 439,676	\$ 378,395	\$ 964,284

The largest portion of the County's net position remains its investment in capital assets (e.g., land, buildings, equipment and construction in progress), less any outstanding debt used to acquire them. Capital assets are used to provide services to citizens and therefore are not regarded as being available to fund future spending. Similarly, though they are reported net of related debt, the capital assets themselves will not be used to liquidate these obligations. The decline in net investment in capital assets from the prior year resulted from the consolidation of Washoe County's water utility into Truckee Meadows Water Authority.

Restricted net position of \$105 million is essentially unchanged from the prior year, and represents resources that are subject to external restrictions (statutes, bond covenants, or granting agencies) on how they may be used. Additional detail concerning these restrictions is provided in the notes to the financial statements.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

Unrestricted net position represents resources that can be used to meet the County's other obligations to citizens and creditors, though these resources may not be in spendable form. It is not uncommon for governments to report negative net position, particularly in the governmental activities column. Unrestricted net position deficits commonly arise because governments have long-term liabilities that they fund on a pay-as-you-go basis, appropriating resources annually as payments come due rather than accumulating assets in advance. Washoe County's deficit in unrestricted net position for governmental activities of \$342 million grew substantially in the current year as a result of the implementation of GASB 68. GASB 68 and its impact on the financial statements is discussed in detail in notes 14 and 20.

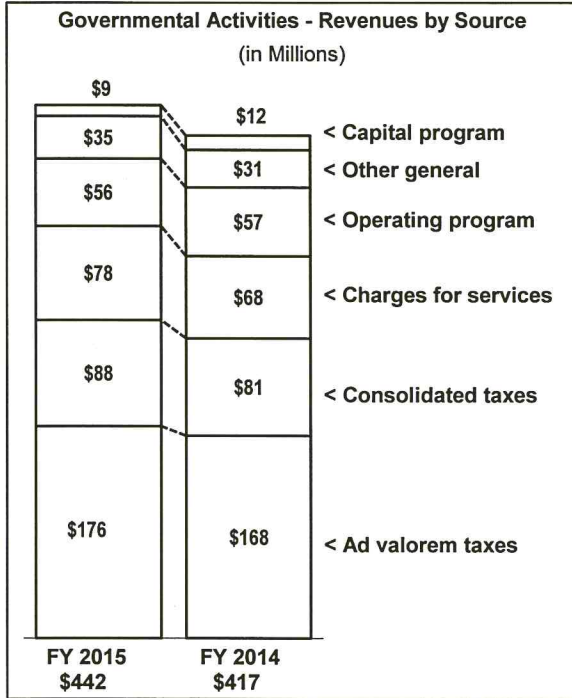
The unrestricted net position of the County's business-type activities of \$93 million may not be used to fund governmental activities.

Washoe County Changes In Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 78,047	\$ 68,476	\$ 27,811	\$ 35,632	\$ 105,858	\$ 104,108
Operating grants, interest and contributions	55,603	57,083	7	112	55,610	57,195
Capital grants, interest and contributions	9,378	12,245	5,438	8,107	14,816	20,352
General revenues:						
Ad valorem taxes	175,981	168,009	-	-	175,981	168,009
Consolidated taxes	88,435	80,809	-	-	88,435	80,809
Other intergovernmental	21,414	19,832	-	-	21,414	19,832
Investment earnings	1,927	1,594	1,011	1,591	2,938	3,185
Other	11,109	8,981	-	-	11,109	8,981
Total revenues	441,894	417,029	34,267	45,442	476,161	462,471
Expenses:						
General government	85,674	80,958	-	-	85,674	80,958
Judicial	59,054	59,317	-	-	59,054	59,317
Public safety	141,623	137,584	-	-	141,623	137,584
Public works	49,794	48,420	-	-	49,794	48,420
Health and sanitation	18,901	18,384	-	-	18,901	18,384
Welfare	68,457	65,651	-	-	68,457	65,651
Culture and recreation	18,729	21,803	-	-	18,729	21,803
Community support	187	178	-	-	187	178
Interest/fiscal charges	6,253	5,525	-	-	6,253	5,525
Utilities	-	-	22,889	28,300	22,889	28,300
Golf courses	-	-	955	952	955	952
Building permits	-	-	1,603	1,357	1,603	1,357
Total Expenses	448,672	437,820	25,447	30,609	474,119	468,429
Increase (decrease) in net position before transfers and special item	(6,778)	(20,791)	8,820	14,833	2,042	(5,958)
Transfers	-	211	-	(211)	-	-
Special Item-Divestiture of Water Utility	-	-	(235,203)	-	(235,203)	-
Change in net position	(6,778)	(20,580)	(226,383)	14,622	(233,161)	(5,958)
Net position, July 1, as restated (Note 19)	176,308	545,188	435,248	425,054	611,556	970,242
Net position, June 30	\$ 169,530	\$ 524,608	\$ 208,865	\$ 439,676	\$ 378,395	\$ 964,284

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

Governmental Activities. Governmental activities decreased the County's net position by \$6.8 million for the year, which is an improvement of \$13.8 million or 67% over the prior year. This improvement was driven largely by increased ad valorem and consolidated tax revenues, and reflects the effect of continued economic recovery in the region. Tax rates were not increased during the year.



Together, ad valorem and consolidated taxes make up 60% of revenues from governmental activities. Ad valorem taxes of \$176 million were \$8 million (5%) higher than fiscal year 2014, as property valuations increased moderately. Consolidated sales taxes (received from the state) increased significantly for the fifth consecutive year, growing by \$7 million (9%).

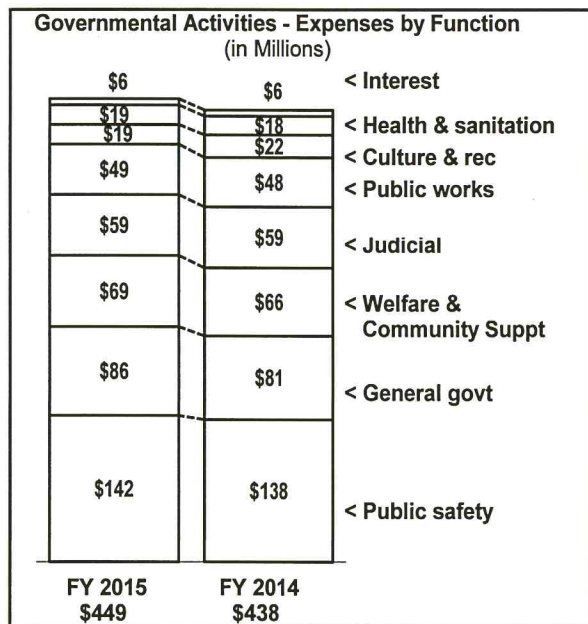
Charges for services of \$78 million increased \$10 million (15%) over the previous year, and include one-time revenues of \$6 million from the state of Nevada in settlement of Washoe County claims relating to the distribution of certain property tax revenues in the prior years. Also included were one-time revenues of \$1 million resulting from a Medicaid audit that found errors in the state's FY2014 rate.

Operating program revenues declined by \$1 million (2%) compared to the prior year, due primarily to decreased federal and state grant revenues in public safety and public works.

Other general revenues increased \$4 million (13%) versus the prior year. This increase was driven in part by a \$2 million gain on the sale of capital assets from the sale of water rights in the Winnemucca Ranch area, to be used by the purchaser in

support of three permanent wildlife conservation easements. Other general revenues also include sales and other taxes, intergovernmental revenues, and unrestricted investment earnings, all of which increased moderately during the year.

Capital program revenues decreased by \$3 million or 25% compared to fiscal year 2014 due to the absence of significant non-cash contributions in the current year. These revenues are subject to marked fluctuation and such variation is not unusual.



Expenditures for governmental activities increased by \$11 million (3%) compared to the prior year, primarily as the result of increases in salaries and wages, which impacted all functions. Services and supplies expense for general government and public works also increased during the year. These increases in spending are a reflection of economic recovery and were anticipated in the budget.

Welfare costs increased by \$3 million (5%) compared to the prior year, in part due to increased program activity levels and also as a result of senior services programs being moved from culture and recreation to welfare in the current year. Also as a result of this change, culture and recreation expenses decreased \$3 million (14%) for the year.

The increase in services and supplies expense in public works reflected increased spending for roads maintenance and construction which was deferred during the economic downturn.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)**

Business-type Activities. Net position of \$208.9 million for business-type activities is \$230.8 million less than the prior year. This decrease is the result of the consolidation of the County's water utility into Truckee Meadows Water Authority (TMWA) as of December 31, 2014.

All categories of revenue for business-type activities decreased from the prior year as a result of the consolidation. Obscured by this impact were increases in both building permit and golf course revenues. Building permit revenues increased \$0.3 million (12%) for the year, reflecting increased activity as a result of continued economic recovery. Golf course revenues increased sharply for the year (\$0.6 million or 67%) due to the accrual of past-due amounts from the outside firm contracted to manage operations at Washoe Golf Course.

Operating expenses for utility operations decreased \$5.4 million (19%) as a result of the divestiture of the water utility. Expenses for golf course operations were flat, while expenditures for building permit activities increased \$0.25 million (18%) as a result of planned increases in salaries and wages.

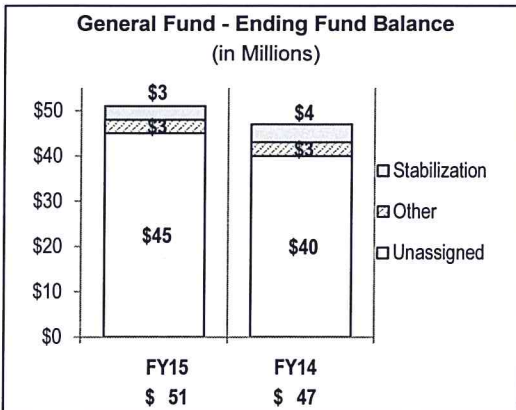
FINANCIAL ANALYSIS – GOVERNMENTAL FUNDS

As noted earlier, Washoe County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's funding requirements. In particular, unassigned fund balance can provide a useful measure of net resources available for discretionary use since they represent fund balance which has not been limited to use for a particular purpose by either an external party or the County itself.

At June 30, 2015, Washoe County's governmental funds reported combined fund balances of \$150 million, an increase of nearly \$11 million in comparison to the prior year. This increase was driven by revenue growth in the general fund, as well as by one-time settlement revenues of \$6 million received from the state. Unassigned fund balance of \$45 million is 30% of the total and is available for spending at the County's discretion. The remainder of fund balance is either nonspendable (not in spendable form or legally required to be maintained intact); or restricted, committed or assigned for particular purposes. Fund balances are discussed in greater detail in note 13.

General Fund: The General Fund is the County's primary operating fund. Total fund balance increased \$4.7 million (10%) for the year, driven by revenue growth that slightly outpaced increased expenditures. Fund balance was also bolstered by \$2 million in proceeds from the sale of water rights, as discussed above.



The stabilization portion of fund balance represents funds reserved for stabilization purposes in the event of a fiscal emergency, as authorized by Nevada Revised Statutes 354.6115. Stabilization funding levels are set by the Board of County Commissioners, and the balance is included in committed fund balance. On April 28, 2015, the Board of County Commissioners approved a change in stabilization funding, from a percentage of expenditures to a flat amount of \$3 million nonspendable.

Other fund balances include restricted and assigned amounts, as well as the portion of committed fund balance not reserved for stabilization. The total of these balances increased only slightly in the current year.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

Special Assessment Debt Service Fund: The Special Assessment Debt Service Fund, a major fund, accounts for assessments, penalties, investment income and other resources accumulated to retire debt issued for improvements benefiting those properties against which the special assessments are levied. Ending fund balance of \$1.4 million decreased \$230,000 or 14% from the prior year, primarily due to debt service payments made during the year.

Child Protective Services Fund: The Child Protective Services Fund, a major fund managed by the Department of Social Services, accounts for resources specifically appropriated to protect against the neglect, abandonment and abuse of children in the County. Federal and state grants are the primary funding sources, and together made up 73% of revenue for the year, with ad valorem taxes contributing another 11% of revenue. Expenditures include personnel costs as well as expenditures for child protection and placement, including emergency shelter, professional services, foster care, adoption subsidies, referral services, and other operating services and supplies.

Ending fund balance of \$3.8 million decreased \$541,000 (12%) for the year as program costs exceeded revenues. Restricted fund balance consists primarily of donations and private foundation grants to support restricted expenditures. This balance increased nominally for the year. The remainder of fund balance is committed for the support of child protective programs.

Proprietary Funds: Proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail and at the individual fund level. They are accounted for using the full accrual basis of accounting; therefore, no reconciliation is required to the government-wide statements.

The **Water Resources Fund** was established to account for County-owned and operated water and sewer systems in the unincorporated areas of the County. On December 31, 2014, the consolidation of the County's water utility into the Truckee Meadows Water Authority (TMWA) was completed. This marked the culmination of several years of due diligence and preparatory activities, and is intended to benefit the community through better stewardship of water resources and more efficient use of facilities and facility planning. Although water supply and planning activities have been assumed by TMWA, the water resources fund continues to provide services related to wastewater treatment, effluent reuse, flood management and related planning activities.

A loss of \$235 million was recognized in the current year in connection with the consolidation, and all categories of fund balance decreased accordingly. Balances transferred to TMWA included net capital assets of \$229 million and cash of \$34 million. The resulting losses were offset in part by gains from the transfer of liabilities to TMWA, which included \$35 million in debt and approximately \$1 million in other liabilities. A total of \$9.7 million is included in due to other governments at June 30, 2015 for cash balances not transferred to TMWA until October.

Until December 31, 2014 the County's water utility staff also operated the South Truckee Meadows General Improvement District's (STMGID) water utility under the terms of an interlocal agreement. STMGID has its own revenue source and reimbursed the County for this support. Revenue for County-provided services is classified as services to other agencies. Operation of STMGID's water utility was transferred to TMWA in connection with the consolidation of the County's water utility into TMWA; therefore, the Water Resources fund has only six months of revenue in the current year for services provided to STMGID prior to the consolidation.

General Fund Budgetary Highlights

Original budget compared to final budget. On April 14, 2015, the Board of County Commissioners approved a \$3.4 million augmentation to the General Fund budget from excess beginning fund balance (also known as carryover). The augmentation included authorization for \$2.5 million to support labor cost increases in public safety, \$843,000 to support the long-term capital needs of the Second Judicial Court, and \$69,000 for Administrative Assessment expenditures. There were no other significant adjustments to the General Fund's original budget during the year.

Final budget compared to actual results. Overall, revenues varied from the budget by only 2% for the year; this is not considered significant. Similarly, overall expenditures varied only 3% from the final budget after accounting for stabilization funds of \$4.1 million, which were budgeted but not spent in the current year.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)

There was an 11% favorable variance to final budget in other general government activities of the general government function, which was largely attributable to unspent stabilization funds. The remaining variance of 5% was attributable to lower than planned spending for services and supplies in technology services and human resources.

Judicial spending was favorable to budget by 6% for the year, led by savings in the District Courts. These savings are the result of cost containment efforts by the courts, and according to the terms of an arrangement approved by the Board of County Commissioners in 2012, a portion of the savings will be contributed to a capital project account established to accumulate funds for the eventual expansion of the courts.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business-type activities totaled \$657 million at year end, as summarized below.

Washoe County Capital Assets (Net of Depreciation)
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land, land use rights	\$ 143,529	\$ 143,135	\$ 7,674	\$ 14,033	\$ 151,203	\$ 157,168
Plant capacity	-	-	825	825	825	825
Construction in progress	7,891	10,713	9,129	3,917	17,020	14,630
Land improvements	22,066	21,077	1,281	1,810	23,347	22,887
Building/improvements	183,415	192,061	40,424	51,861	223,839	243,922
Infrastructure	148,617	165,085	70,578	276,806	219,195	441,891
Equipment	15,858	17,918	246	282	16,104	18,200
Software	4,018	4,633	-	-	4,018	4,633
Plant capacity, deprec.	-	-	1,175	7,259	1,175	7,259
Total	\$ 525,394	\$ 554,622	\$ 131,332	\$ 356,793	\$ 656,726	\$ 911,415

Capital assets related to governmental activities decreased \$29 million in comparison to the prior year, principally due to current year depreciation of \$39 million. Assets acquired or completed during the year included:

- Road improvements: \$1.9 million
- Improvements to the statewide 911 system for the enhancement of inter-agency emergency response communications: \$1.4 million
- Parks and trails: \$3.3 million
- Improvements to enhance water quality at Lake Tahoe: \$2.6 million

Major construction in progress at year end consisted of various projects for water quality improvement at Lake Tahoe.

Capital assets related to business-type activities are \$225 million lower than the prior year, due to the transfer of assets to TMWA in connection with the consolidation.

Additional information on the County's capital assets can be found in notes 6 and 7.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015
(CONTINUED)**

OUTSTANDING DEBT

At June 30, 2015, the County's outstanding bonded debt totaled \$172 million. Of this amount, \$126 million is general obligation debt backed by the full faith and credit of the County, and \$6 million is special assessment debt for which the County is liable in the event of default by property owners subject to the assessment. The remainder of the County's debt consists of revenue bonds secured solely by specified revenue sources.

**Washoe County Outstanding Debt
(in Thousands)**

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General Obligation Bonds	\$ 107,330	\$ 114,217	\$ 18,789	\$ 57,175	\$ 126,119	\$ 171,392
Revenue Bonds	39,672	41,222	-	-	39,672	41,222
Special Assessment Bonds	6,417	8,117	-	-	6,417	8,117
Total	\$ 153,419	\$ 163,556	\$ 18,789	\$ 57,175	\$ 172,208	\$ 220,731

Outstanding debt related to governmental activities decreased \$10 million during the year due to regularly scheduled principal payments. No new debt was issued during the year.

Outstanding debt for business-type activities decreased \$38 million during the year, primarily because of balances relating to the County's water utility which were assumed by TMWA in connection with the consolidation.

State Statute (NRS 244A.059) limits the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current limitation for the County is \$1.2 billion, which is \$1 billion in excess of the County's outstanding general obligation debt.

Additional information regarding the County's long-term debt can be found in notes 9, 10, and 11 to the financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Washoe County Comptroller, P.O. Box 11130, Reno, NV 89520-0027. This report will also be available on the County's web site (www.washoecounty.us/comptroller/CAFR). Truckee Meadows Fire Protection District and Sierra Fire Protection District are included in this report as discretely presented component units. These entities issue their own separately audited financial statements, which are filed at the Washoe County Clerk's Office, 1001 E. 9th Street, Room A-100, Reno, Nevada.

BASIC FINANCIAL STATEMENTS

Page

Government-wide Financial Statements

Statement of Net Position 14
Statement of Activities 15

Fund Financial Statements

Governmental Funds 17
Proprietary Funds 24
Fiduciary Funds 29

WASHOE COUNTY, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Truckee	Sierra Fire
				Meadows Fire Protection District	Protection District
Assets					
Cash and investments (Note 3)	\$ 177,303,776	\$ 94,272,010	\$ 271,575,786	\$ 21,890,643	\$ 2,213,554
Restricted cash and investments (Note 4)	795,406	1,370,934	2,166,340	-	-
Accounts receivable	4,582,597	2,153,615	6,736,212	1,325	-
Consolidated tax receivable	15,778,454	-	15,778,454	-	-
Property taxes receivable	2,216,934	-	2,216,934	113,859	56,295
Other taxes receivable	11,822,718	-	11,822,718	-	-
Interest receivable	555,199	234,712	789,911	58,237	6,307
Due from other governments	15,784,596	1,490,601	17,275,197	2,249,863	350,699
Internal balances	(15,141,992)	15,141,992	-	-	-
Inventory	284,347	11,096	295,443	-	-
Deposits and other assets	411,052	14,894	425,946	786,447	-
Long-term restricted cash and investments (Note 4)	2,416,328	-	2,416,328	-	-
Long-term assets (Notes 5)	7,775,287	134,489	7,909,776	-	-
Capital Assets: (Note 6)					
Nondepreciable	151,420,242	17,627,637	169,047,879	875,676	162,585
Other capital assets, net of depreciation	373,973,289	113,703,799	487,677,088	16,294,650	4,212,461
Total Assets	749,978,233	246,155,779	996,134,012	42,270,700	7,001,901
Deferred Outflows of Resources					
Deferred charge on refunding	397,804	-	397,804	3,663,602	-
Deferred outflows of resources-Pensions (Note 14)	48,954,505	631,086	49,585,591	-	-
Liabilities					
Accounts payable	11,987,000	118,026	12,105,026	1,100,033	288
Accrued salaries and benefits	10,126,475	189,308	10,315,783	-	-
Contracts/retention payable	1,895,885	2,346,270	4,242,155	-	-
Interest payable	1,026,659	307,848	1,334,507	-	-
Accrued interest - capital appreciation bonds	5,768,434	-	5,768,434	-	-
Due to other governments	2,868,681	10,310,187	13,178,868	939,713	-
Other liabilities (Note 7)	2,002,476	304,815	2,307,291	5,532,155	-
Unearned revenue (Note 8)	3,179,802	128,333	3,308,135	13,122	-
Noncurrent Liabilities: (Notes 9,10,11,16)					
Due within one year	36,532,592	2,474,410	39,007,002	1,429,649	-
Due in more than one year, payable from restricted assets	2,416,328	-	2,416,328	-	-
Net pension liability (Note 14)	307,758,587	3,967,397	311,725,984	-	-
Due in more than one year	164,867,659	16,752,447	181,620,106	22,575,881	2,474,199
Total Liabilities	550,430,578	36,899,041	587,329,619	31,590,553	2,474,487
Deferred Inflows of Resources					
Deferred inflows of resources-Pensions (Note 14)	79,369,846	1,023,178	80,393,024	-	-
Net Position (Note 13)					
Net investment in capital assets	415,132,198	112,542,644	527,674,842	17,170,326	4,375,046
Restricted for:					
General government	4,857,167	-	4,857,167	-	-
Judicial	7,457,342	-	7,457,342	-	-
Public safety	14,919,398	170,492	15,089,890	710,654	755,386
Public works	84,064	-	84,064	-	-
Health and sanitation	1,029,556	-	1,029,556	-	-
Welfare	9,894,802	-	9,894,802	-	-
Culture and recreation	1,043,375	-	1,043,375	-	-
Debt service	16,860,859	1,063,086	17,923,945	-	-
Capital projects	26,511,735	-	26,511,735	4,942,100	-
Claims	19,726,273	-	19,726,273	4,017,349	-
Unrestricted	(347,986,651)	95,088,424	(252,898,227)	(12,496,680)	(603,018)
Total Net Position	\$ 169,530,118	\$ 208,864,646	\$ 378,394,764	\$ 14,343,749	\$ 4,527,414

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues		
			Charges for Services	Operating Grants, Interest, Contributions	Capital Grants, Interest, Contributions
Primary Government					
Governmental Activities:					
General government	\$ 85,673,821	\$ (8,562,690)	\$ 28,617,876	\$ 1,026,236	\$ 934,870
Judicial	59,054,270	14,556	9,385,689	3,016,481	-
Public safety	141,623,160	521,846	15,762,879	4,384,761	97,038
Public works	49,793,939	1,750,032	13,799,765	1,897,624	7,479,637
Health and sanitation	18,901,238	2,817,313	4,135,188	7,766,794	133,933
Welfare	68,457,204	3,376,239	5,071,792	35,865,420	38,783
Culture and recreation	18,729,067	82,704	1,273,833	1,645,232	693,830
Community support	186,242	-	-	-	-
Interest on long-term debt	6,252,884	-	-	-	-
Total Governmental Activities	448,671,825	\$ -	78,047,022	55,602,548	9,378,091
Business-type Activities:					
Utilities	22,888,946		23,595,022	4,458	5,438,110
Golf courses	954,862		1,423,937	2,132	-
Building permits	1,603,319		2,792,189	-	-
Total Business-type Activities	25,447,127		27,811,148	6,590	5,438,110
Total Primary Government	\$ 474,118,952		\$ 105,858,170	\$ 55,609,138	\$ 14,816,201
Component Units:					
Truckee Meadows Fire Protection District	\$ 22,340,917		\$ 6,917,724	\$ -	\$ 128,966
Sierra Fire Protection District	7,256,206		-	-	-
Total Component Units	\$ 29,597,123		\$ 6,917,724	\$ -	\$ 128,966

General Revenues:
Ad valorem taxes
Unrestricted intergovernmental revenues:
Consolidated taxes
LGTA sales taxes
Infrastructure sales tax
Other taxes and intergovernmental revenues
Other miscellaneous
Unrestricted investment earnings
Gain on sales of capital assets
Special Item:
Divestiture of Water Utility
Transfers
Total General Revenues and Transfers
Change in Net Position
Net Position, July 1, as Restated (Note 19)
Net Position, June 30

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Truckee Meadows Fire Protection District	Sierra Fire Protection District
\$ (46,532,149)	\$ -	\$ (46,532,149)		
(46,666,656)	-	(46,666,656)		
(121,900,328)	-	(121,900,328)		
(28,366,945)	-	(28,366,945)		
(9,682,636)	-	(9,682,636)		
(30,857,448)	-	(30,857,448)		
(15,198,876)	-	(15,198,876)		
(186,242)	-	(186,242)		
(6,252,884)	-	(6,252,884)		
<u>(305,644,164)</u>	<u>-</u>	<u>(305,644,164)</u>		
	6,148,644	6,148,644		
	471,207	471,207		
	<u>1,188,870</u>	<u>1,188,870</u>		
-	7,808,721	7,808,721		
<u>(305,644,164)</u>	<u>7,808,721</u>	<u>(297,835,443)</u>		
			\$ (15,294,227)	\$ -
			<u>-</u>	<u>(7,256,206)</u>
			<u>(15,294,227)</u>	<u>(7,256,206)</u>
175,980,963	-	175,980,963	10,664,958	5,053,035
88,434,949	-	88,434,949	5,630,395	1,305,581
10,982,211	-	10,982,211	700,710	273,556
8,227,877	-	8,227,877	-	-
2,204,322	-	2,204,322	43,687	16,159
9,206,869	-	9,206,869	387,188	383,620
1,926,920	1,011,035	2,937,955	219,725	24,574
1,902,272	-	1,902,272	-	-
-	(235,202,591)	(235,202,591)	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>298,866,383</u>	<u>(234,191,556)</u>	<u>64,674,827</u>	<u>17,646,663</u>	<u>7,056,525</u>
(6,777,781)	(226,382,835)	(233,160,616)	2,352,436	(199,681)
<u>176,307,899</u>	<u>435,247,481</u>	<u>611,555,380</u>	<u>11,991,313</u>	<u>4,727,095</u>
<u>\$ 169,530,118</u>	<u>\$ 208,864,646</u>	<u>\$ 378,394,764</u>	<u>\$ 14,343,749</u>	<u>\$ 4,527,414</u>

**WASHOE COUNTY, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2015**

	General Fund	Child Protective Services Fund	Special Assessment Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	\$ 44,300,584	\$ 1,895,052	\$ 1,450,190	\$ 94,055,498	\$ 141,701,324
Restricted cash and investments (Notes 3,4)	750,000	-	-	45,406	795,406
Accounts receivable	1,659,730	137,061	-	259,499	2,056,290
Consolidated tax receivable	15,778,454	-	-	-	15,778,454
Property taxes receivable	1,824,539	62,617	-	342,511	2,229,667
Other taxes receivable	2,988,865	-	7,099,936	1,733,917	11,822,718
Interest receivable	297,790	-	4,340	151,995	454,125
Due from other funds	3,895,533	-	-	397,169	4,292,702
Due from other governments	3,680,851	6,088,400	-	5,908,192	15,677,443
Deposits and prepaid items	162,032	-	-	102,939	264,971
Total Assets	\$ 75,338,378	\$ 8,183,130	\$ 8,554,466	\$ 102,997,126	\$ 195,073,100
Liabilities					
Accounts payable	\$ 7,013,447	\$ 2,175,372	\$ 3,778	\$ 1,650,484	\$ 10,843,081
Accrued salaries and benefits	7,842,313	826,926	-	1,345,937	10,015,176
Contracts/retention payable	-	-	-	2,031,053	2,031,053
Due to other funds	722,891	1,257,417	-	2,638,116	4,618,424
Due to other governments	1,868,056	50,396	-	950,139	2,868,591
Deposits	1,891,188	-	-	71,201	1,962,389
Other liabilities (Note 7)	429	21,766	17,892	-	40,087
Unearned revenue (Note 8)	3,179,802	-	-	-	3,179,802
Total Liabilities	22,518,126	4,331,877	21,670	8,686,930	35,558,603
Deferred Inflows of Resources (Note 8)					
Unavailable revenue - grants and other revenue	-	-	7,099,936	195,121	7,295,057
Unavailable revenue - property taxes	1,520,500	54,533	-	289,451	1,864,484
Total Deferred Inflows of Resources	1,520,500	54,533	7,099,936	484,572	9,159,541
Fund Balances (Note 13)					
Nonspendable	163,032	-	-	58,688	221,720
Restricted	765,608	203,386	1,432,860	71,699,555	74,101,409
Committed	3,228,568	3,593,334	-	12,043,014	18,864,916
Assigned	1,764,783	-	-	10,302,503	12,067,286
Unassigned	45,377,761	-	-	(278,136)	45,099,625
Total Fund Balances	51,299,752	3,796,720	1,432,860	93,825,624	150,354,956
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 75,338,378	\$ 8,183,130	\$ 8,554,466	\$ 102,997,126	\$ 195,073,100

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2015

Fund Balances - Governmental Funds	\$	150,354,956
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and long-term assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Governmental capital assets	\$ 1,187,458,829	
Less accumulated depreciation	<u>(667,436,710)</u>	520,022,119
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Deferred Outflows - PERS Pension (GASB 68)	48,954,505	
Prepaid bond insurance	103,196	
Net OPEB asset	<u>3,954,117</u>	53,011,818
Other liabilities are not due and payable in the current period and therefore are not reported in governmental funds.		
Lease payable based on the amortization of non level payments	3,677	
Accreted interest - capital appreciation bonds	<u>(5,768,434)</u>	(5,764,757)
Long-term liabilities and deferred outflows of resources, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in governmental funds.		
Governmental bonds payable	(153,418,967)	
Bond premiums, discounts and charge on refundings	(965,858)	
Accrued interest payable	(1,026,659)	
Remediation obligation	(6,191,421)	
Net Pension Liability - GASB 68	(307,758,587)	
Deferred Inflows - PERS	(79,369,846)	
Compensated absences	<u>(25,181,494)</u>	(573,912,832)
Revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.		
		9,159,541
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of internal service funds is reported with governmental activities.		
Total net position of internal service funds	31,445,579	
Internal balances receivable from business-type activities	<u>1,665,224</u>	33,110,803
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the Statement of Activities indirect expenses are eliminated.		
		<u>(16,451,530)</u>
Total Net Position of Governmental Activities	\$	<u><u>169,530,118</u></u>

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	General Fund	Child Protective Services Fund	Special Assessment Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Ad valorem	\$ 145,752,618	\$ 4,988,606	\$ -	\$ 23,375,254	\$ 174,116,478
Car rental fee	-	-	-	1,225,141	1,225,141
Other taxes	351,413	-	-	245,922	597,335
Special assessments	-	-	1,373,763	-	1,373,763
Licenses and permits	8,211,129	23,245	-	1,706,541	9,940,915
Intergovernmental revenues	107,814,002	33,663,929	-	37,913,600	179,391,531
Charges for services	24,488,630	3,952,337	-	10,452,394	38,893,361
Fines and forfeits	7,724,779	-	17,584	2,220,959	9,963,322
Miscellaneous	4,075,566	3,677,799	423,524	3,428,986	11,605,875
Total Revenues	298,418,137	46,305,916	1,814,871	80,568,797	427,107,721
Expenditures					
Current:					
General government	54,418,905	-	-	943,677	55,362,582
Judicial	51,587,406	-	-	5,158,054	56,745,460
Public safety	117,010,248	-	-	18,810,859	135,821,107
Public works	15,078,005	-	-	15,359,857	30,437,862
Health and sanitation	-	-	-	21,490,933	21,490,933
Welfare	16,738,160	47,681,742	-	3,952,225	68,372,127
Culture and recreation	11,665,055	-	-	7,022,634	18,687,689
Community support	213,816	-	-	-	213,816
Intergovernmental	3,254,383	-	-	5,688,323	8,942,706
Capital outlay	-	-	-	10,914,000	10,914,000
Debt Service:					
Principal	-	-	1,700,177	7,393,646	9,093,823
Interest	-	-	301,580	4,997,202	5,298,782
Debt service fees and other fiscal charges	-	-	42,649	28,268	70,917
Total Expenditures	269,965,978	47,681,742	2,044,406	101,759,678	421,451,804
Excess (Deficiency) of Revenues Over (Under) Expenditures	28,452,159	(1,375,826)	(229,535)	(21,190,881)	5,655,917
Other Financing Sources (Uses)					
Proceeds from asset disposition	2,009,462	-	-	11,958	2,021,420
Transfers in	453,442	1,234,426	-	29,337,035	31,024,903
Transfers out	(26,221,878)	(400,000)	-	(7,234,525)	(33,856,403)
Total Other Financing Sources (Uses)	(23,758,974)	834,426	-	22,114,468	(810,080)
Extraordinary Gains					
Net Change in Fund Balances	4,693,185	(541,400)	(229,535)	6,923,587	10,845,837
Fund Balances, July 1	46,606,567	4,338,120	1,662,395	86,902,037	139,509,119
Fund Balances, June 30	\$ 51,299,752	\$ 3,796,720	\$ 1,432,860	\$ 93,825,624	\$ 150,354,956

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

Net Change in Fund Balances - Governmental Funds	\$	10,845,835
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.</p>		
Expenditures for capital assets	\$ 8,618,309	
Less current year depreciation/amortization	<u>(37,513,395)</u>	(28,895,086)
<p>Net OPEB assets reported in governmental activities are not a current financial resource in governmental funds.</p>		
Change in Net OPEB Asset		1,080,590
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds.</p>		
Donated capital assets	21,544	
Change in unavailable revenue	<u>(2,335,961)</u>	(2,314,417)
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities and/or deferred outflows of resources in the Statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which bonds issued exceeded repayments:</p>		
Bond principal payments		9,093,823
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Amortization of bond premium	134,372	
Amortization of bond discount	(2,488)	
Amortization of deferred charge on refunding	(54,250)	
Amortization of bond prepaid insurance	(29,658)	
Change in lease payable	(3,675)	
Change in termination benefits	(10,862)	
Change in compensated absences	(876,413)	
Change in remediation obligation	821,762	
Change in GASB 68 Pension	5,394,106	
Change in accrued interest payable	75,481	
Change in accreted interest capital appreciation bonds	(1,036,301)	
Transfer of capital assets to internal service funds	<u>(27,286)</u>	4,384,788
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.</p>		
Change in net position of internal service funds	384,982	
Internal charges reported in business activities	<u>(1,358,296)</u>	(973,314)
Change in Net Position of Governmental Activities		<u>\$ (6,777,781)</u>

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 144,147,180	\$ 144,147,181	\$ 145,752,618	\$ 1,605,437
Other taxes	315,000	315,000	351,413	36,413
Licenses and permits	8,314,500	8,314,500	8,211,129	(103,371)
Intergovernmental revenues	102,238,644	102,238,644	107,814,002	5,575,358
Charges for services	25,336,808	25,336,807	24,488,630	(848,177)
Fines and forfeits	8,013,150	8,013,150	7,724,779	(288,371)
Miscellaneous	4,055,985	4,055,985	4,075,566	19,581
Total Revenues	<u>292,421,267</u>	<u>292,421,267</u>	<u>298,418,137</u>	<u>5,996,870</u>
Expenditures by Function and Activity				
Current:				
General Government:				
Legislative	553,849	606,337	568,359	37,978
Executive	4,247,641	4,357,822	3,947,117	410,705
Elections	1,427,290	1,505,277	1,370,540	134,737
Finance	10,776,814	10,877,685	10,300,746	576,939
Other General Government	43,710,513	43,983,932	38,232,143	5,751,789
Total General Government	<u>60,716,107</u>	<u>61,331,053</u>	<u>54,418,905</u>	<u>6,912,148</u>
Judicial:				
District Courts	16,605,501	16,676,655	14,980,855	1,695,800
District Attorney	18,096,129	18,136,796	17,604,280	532,516
Public Defense	11,704,378	11,711,588	11,139,651	571,937
Justice Courts	8,318,128	8,367,571	7,750,450	617,121
Incline Constable	110,606	135,367	112,170	23,197
Total Judicial	<u>54,834,742</u>	<u>55,027,977</u>	<u>51,587,406</u>	<u>3,440,571</u>
Public Safety:				
Sheriff and Detention	95,656,512	98,523,945	97,906,912	617,033
Medical Examiner	2,293,501	2,297,722	2,223,715	74,007
Fire Suppression	914,815	914,815	685,259	229,556
Juvenile Services	13,550,976	13,573,000	12,840,900	732,100
Protective Services	3,441,588	3,451,360	3,353,462	97,898
Total Public Safety	<u>115,857,391</u>	<u>118,760,842</u>	<u>117,010,248</u>	<u>1,750,594</u>
Public Works:				
Community Services Department (CSD)	15,403,067	15,557,147	15,078,005	479,142
Welfare:				
Human Services	17,117,764	17,117,765	16,738,160	379,605
Culture and Recreation:				
Library	7,922,806	7,926,688	7,683,682	243,006
CSD - Regional Parks and Open Space	4,007,870	4,032,483	3,981,373	51,110
Total Culture and Recreation	<u>11,930,676</u>	<u>11,959,171</u>	<u>11,665,055</u>	<u>294,116</u>
Community Support	369,761	316,295	213,816	102,479
				(CONTINUED)

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental	\$ 3,276,534	\$ 3,276,533	\$ 3,254,383	\$ 22,150
Total Expenditures	279,506,042	283,346,783	269,965,978	13,380,805
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,915,225	9,074,484	28,452,159	19,377,675
Other Financing Sources (Uses)				
Proceeds from asset disposition	5,000	65,000	2,009,462	1,944,462
Transfers in	591,926	591,926	453,442	(138,484)
Transfers out	(25,688,320)	(26,789,850)	(26,221,878)	567,972
Contingency	(5,643,300)	(1,498,000)	-	1,498,000
Total Other Financing Sources (Uses)	(30,734,694)	(27,630,924)	(23,758,974)	3,871,950
Net Change in Fund Balances	(17,819,469)	(18,556,440)	4,693,185	23,249,625
Fund Balances, July 1	44,033,815	43,272,788	46,606,567	3,333,779
Fund Balances, June 30	\$ 26,214,346	\$ 24,716,348	\$ 51,299,752	\$ 26,583,404

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
CHILD PROTECTIVE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 4,990,519	\$ 4,988,606	\$ (1,913)	\$ 4,872,964
Licenses and Permits:				
Day care licenses	22,500	23,245	745	22,433
Intergovernmental Revenues:				
Federal grants	20,172,639	18,827,597	(1,345,042)	17,169,589
State grants	16,951,599	14,836,332	(2,115,267)	15,794,604
Charges for Services:				
Service fees	2,503,000	3,952,337	1,449,337	2,642,498
Miscellaneous:				
Contributions and donations	165,684	175,884	10,200	56,330
Other	2,000,000	3,501,915	1,501,915	1,519,758
Total Revenues	<u>46,805,941</u>	<u>46,305,916</u>	<u>(500,025)</u>	<u>42,078,176</u>
Expenditures				
Welfare Function:				
Salaries and wages	14,120,824	13,668,822	452,002	13,145,404
Employee benefits	5,955,636	5,710,092	245,544	5,420,013
Services and supplies	29,590,695	28,265,108	1,325,587	25,379,676
Capital outlay	35,200	37,720	(2,520)	2,201,866
Total Expenditures	<u>49,702,355</u>	<u>47,681,742</u>	<u>2,020,613</u>	<u>46,146,959</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,896,414)</u>	<u>(1,375,826)</u>	<u>1,520,588</u>	<u>(4,068,783)</u>
Other Financing Sources (Uses)				
Transfers:				
General Fund	1,234,426	1,234,426	-	-
Other Restricted Fund	-	-	-	(45,406)
Debt Service Fund	(400,000)	(400,000)	-	(400,000)
Total Other Financing Sources (Uses)	<u>834,426</u>	<u>834,426</u>	<u>-</u>	<u>(445,406)</u>
Net Change in Fund Balances	<u>(2,061,988)</u>	<u>(541,400)</u>	<u>1,520,588</u>	<u>(4,514,189)</u>
Fund Balances, July 1	<u>5,624,595</u>	<u>4,338,120</u>	<u>(1,286,475)</u>	<u>8,852,309</u>
Fund Balances, June 30	<u>\$ 3,562,607</u>	<u>\$ 3,796,720</u>	<u>\$ 234,113</u>	<u>\$ 4,338,120</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Resources</u>	<u>Enterprise</u>		
	<u>Fund</u>	<u>Funds</u>		<u>Funds</u>
Assets				
Current Assets:				
Cash and investments (Note 3)	\$ 91,105,600	\$ 3,166,410	\$ 94,272,010	\$ 35,602,452
Restricted cash and investments (Notes 3,4)	1,370,934	-	1,370,934	-
Accounts receivable	1,512,367	641,248	2,153,615	2,443,891
Interest receivable	232,301	2,411	234,712	88,341
Due from other funds	357,957	-	357,957	-
Due from other governments	1,490,601	-	1,490,601	107,153
Inventory	-	11,096	11,096	284,347
Other assets	14,895	-	14,895	146,080
Total Current Assets	<u>96,084,655</u>	<u>3,821,165</u>	<u>99,905,820</u>	<u>38,672,264</u>
Noncurrent Assets:				
Restricted cash and investments (Notes 3,4)	-	-	-	2,416,328
Long-term receivables and other assets (Note 5)	134,489	-	134,489	3,717,973
Capital Assets: (Note 6)				
Nondepreciable:				
Land	7,500,621	173,000	7,673,621	-
Plant capacity	-	825,150	825,150	-
Construction in progress	9,128,866	-	9,128,866	523,260
Depreciable:				
Land improvements	611,673	3,874,949	4,486,622	-
Buildings and improvements	55,284,927	1,258,356	56,543,283	24,990
Infrastructure	103,571,919	-	103,571,919	-
Equipment	705,169	1,128,634	1,833,803	22,966,126
Software	822,000	78,183	900,183	-
Plant, well capacity	2,368,822	-	2,368,822	-
Less accumulated depreciation	(51,072,217)	(4,928,617)	(56,000,834)	(18,142,964)
Total Noncurrent Assets	<u>129,056,269</u>	<u>2,409,655</u>	<u>131,465,924</u>	<u>11,505,713</u>
Total Assets	<u>225,140,924</u>	<u>6,230,820</u>	<u>231,371,744</u>	<u>50,177,977</u>
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	307,774	323,312	631,086	-
Liabilities				
Current Liabilities:				
Accounts payable	106,134	11,892	118,026	931,700
Accrued salaries and benefits	104,596	84,712	189,308	109,608
Compensated absences (Notes 9,10)	189,454	141,564	331,018	217,104
Contracts/retention payable	2,342,825	-	2,342,825	-
Interest payable	307,848	-	307,848	-
Due to other funds	2,271	-	2,271	29,965
Due to other governments	10,282,724	3,445	10,286,169	90
Unearned revenue (Note 8)	128,333	-	128,333	-
Other liabilities (Note 7)	291,815	40,463	332,278	-
Notes, bonds, leases payable (Notes 9,10,11)	2,143,392	-	2,143,392	-
Pending claims (Note 16)	-	-	-	7,741,000
Total Current Liabilities	<u>15,899,392</u>	<u>282,076</u>	<u>16,181,468</u>	<u>9,029,467</u>

(CONTINUED)

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2015**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Water Resources Fund	Other Enterprise Funds	Total	
Noncurrent Liabilities: (Notes 9,10,11,16)				
Compensated absences	\$ 61,268	\$ 45,779	\$ 107,047	\$ 68,931
Notes, bonds, leases payable	16,645,400	-	16,645,400	7,217,672
Other long term liabilities	1,934,861	2,032,536	3,967,397	-
Pending claims payable from restricted cash	-	-	-	2,416,328
Total Noncurrent Liabilities	18,641,529	2,078,315	20,719,844	9,702,931
Total Liabilities	34,540,921	2,360,391	36,901,312	18,732,398
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	498,993	524,185	1,023,178	-
Net Position (Note 13)				
Net investment in capital assets	110,132,989	2,409,655	112,542,644	5,371,412
Restricted for public safety	-	170,492	170,492	-
Restricted for debt service	1,063,086	-	1,063,086	-
Restricted for claims	-	-	-	19,726,273
Unrestricted	79,212,709	1,089,409	80,302,118	6,347,894
Total Net Position	\$ 190,408,784	\$ 3,669,556	194,078,340	\$ 31,445,579
Indirect expenses reported in the Statement of Revenues, Expenses and Changes in Net Position are not reported in the Statement of Activities to enhance comparability between governments that allocate indirect expenses and those that do not.			16,451,530	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,665,224)	
Net Position of Business-type Activities			\$ 208,864,646	

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities Internal Service Funds</u>
	<u>Water Resources Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Operating Revenues				
Charges for Services:				
Utility fees	\$ 22,140,813	\$ -	\$ 22,140,813	\$ -
Golf course fees	-	943,177	943,177	-
Building permits and fees	-	2,680,683	2,680,683	-
Services to other agencies	565,040	102,982	668,022	-
Services to other funds	211,499	-	211,499	-
Self insurance fees	-	-	-	49,084,139
Equipment service billings	-	-	-	7,225,519
Miscellaneous	677,670	489,284	1,166,954	1,827,104
Total Operating Revenues	<u>23,595,022</u>	<u>4,216,126</u>	<u>27,811,148</u>	<u>58,136,762</u>
Operating Expenses				
Salaries and wages	3,137,392	1,308,473	4,445,865	1,817,539
Employee benefits	1,215,010	485,416	1,700,426	778,377
Services and supplies	10,308,288	1,028,358	11,336,646	57,546,152
Depreciation/amortization	6,067,184	227,990	6,295,174	1,343,386
Total Operating Expenses	<u>20,727,874</u>	<u>3,050,237</u>	<u>23,778,111</u>	<u>61,485,454</u>
Operating Income (Loss)	<u>2,867,148</u>	<u>1,165,889</u>	<u>4,033,037</u>	<u>(3,348,692)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	1,152,496	28,532	1,181,028	482,469
Net increase (decrease) in the fair value of investments	(168,255)	(1,738)	(169,993)	(67,171)
Miscellaneous	-	2,132	2,132	131,455
Federal grants	4,458	-	4,458	263,438
Gain (loss) on asset disposition	(1,548,437)	-	(1,548,437)	64,697
Interest/bond issuance costs	(872,757)	-	(872,757)	-
Connection fee refunds/credits	(606,118)	-	(606,118)	-
Total Nonoperating Revenues (Expenses)	<u>(2,038,613)</u>	<u>28,926</u>	<u>(2,009,687)</u>	<u>874,888</u>
Income (Loss) Before Capital Contributions, and Transfers	<u>828,535</u>	<u>1,194,815</u>	<u>2,023,350</u>	<u>(2,473,804)</u>
Capital Contributions				
Hookup fees	2,432,233	-	2,432,233	-
Contributions	3,005,877	-	3,005,877	27,286
Total Capital Contributions	<u>5,438,110</u>	<u>-</u>	<u>5,438,110</u>	<u>27,286</u>
Special Item				
Disposal of water utility operations	(235,202,591)	-	(235,202,591)	-
Transfers				
Transfers in (out)	-	-	-	2,831,500
Change in Net Position	<u>(228,935,946)</u>	<u>1,194,815</u>	<u>(227,741,131)</u>	<u>384,982</u>
Net Position, July 1, as Restated (Note 19)	<u>419,344,730</u>	<u>2,474,741</u>		<u>31,060,597</u>
Net Position, June 30	<u>\$ 190,408,784</u>	<u>\$ 3,669,556</u>		<u>\$ 31,445,579</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,358,296	
Change in Net Position of Business-type Activities			<u>\$ (226,382,835)</u>	

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Resources</u>	<u>Enterprise</u>		<u>Internal Service</u>
	<u>Fund</u>	<u>Funds</u>		<u>Funds</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 25,274,311	\$ 3,723,840	\$ 28,998,151	\$ 19,407,137
Cash received from other funds	211,499	-	211,499	37,362,430
Cash received from others	1,222,120	150	1,222,270	2,089,461
Cash payments for personnel costs	(4,512,141)	(1,790,331)	(6,302,472)	(2,582,326)
Cash payments for services and supplies	(12,129,650)	(1,032,395)	(13,162,045)	(55,534,010)
Cash payments for refund of hookup fees	(606,118)	-	(606,118)	-
Cash portion of disposal of water utility operations	(33,682,594)	-	(33,682,594)	-
Net Cash Provided (Used) by Operating Activities	<u>(24,222,573)</u>	<u>901,264</u>	<u>(23,321,309)</u>	<u>742,692</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	4,459	1,144	5,603	263,438
Transfers from General Fund	-	-	-	2,831,500
Net Cash Provided (Used) by Noncapital Financing Activities	<u>4,459</u>	<u>1,144</u>	<u>5,603</u>	<u>3,094,938</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	-	109,211
Contributions from others	3,271,441	-	3,271,441	-
Principal paid on financing	(2,446,355)	-	(2,446,355)	-
Interest paid on financing	(2,106,755)	-	(2,106,755)	-
Proceeds from insurance recoveries	-	-	-	108,072
*Acquisition of capital assets	(5,572,609)	(242,055)	(5,814,664)	(888,944)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(6,854,278)</u>	<u>(242,055)</u>	<u>(7,096,333)</u>	<u>(671,661)</u>
Cash Flows From Investing Activities:				
Investment earnings (loss)	1,033,312	25,704	1,059,016	289,391
Net Cash Provided (Used) by Investing Activities	<u>1,033,312</u>	<u>25,704</u>	<u>1,059,016</u>	<u>289,391</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(30,039,080)</u>	<u>686,057</u>	<u>(29,353,023)</u>	<u>3,455,360</u>
Cash and Cash Equivalents, July 1	<u>122,515,614</u>	<u>2,480,352</u>	<u>124,995,966</u>	<u>34,563,420</u>
Cash and Cash Equivalents, June 30	<u>\$ 92,476,534</u>	<u>\$ 3,166,409</u>	<u>\$ 95,642,943</u>	<u>\$ 38,018,780</u>

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Resources</u>	<u>Enterprise</u>		<u>Internal Service</u>
	<u>Fund</u>	<u>Funds</u>		<u>Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 2,833,237	\$ 1,130,267	\$ 3,963,504	\$ (3,348,692)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	6,067,184	227,990	6,295,174	1,343,386
Contributed inventory	62,070	-	62,070	-
Other nonoperating revenue	4,827	-	4,827	23,383
Hookup fee refunds	(606,118)	-	(606,118)	-
Disposal of water utility operations	(33,682,594)	-	(33,682,594)	-
**Imputed rental expense	-	-	-	110,596
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	3,176,641	(492,136)	2,684,505	806,036
Due from other funds	(306,688)	-	(306,688)	-
Due from other governments	242,311	-	242,311	(107,153)
Notes receivable	23,064	-	23,064	-
Inventory	189,870	(2,816)	187,054	13,416
Prepaid lease	-	-	-	146,080
Other assets	-	-	-	110,066
Increase (decrease) in:				
Accounts payable	(1,067,759)	(22,130)	(1,089,889)	(371,833)
Accrued salaries and benefits	(129,757)	15,494	(114,263)	9,563
Compensated absences	3,929	23,687	27,616	4,027
Due to other funds	(160,428)	-	(160,428)	29,965
Due to other governments	(723,002)	17,463	(705,539)	(148)
Due to others	-	-	-	-
Other liabilities	(128,565)	3,445	(125,120)	-
Pending claims	-	-	-	1,974,000
Unearned revenue	(20,795)	-	(20,795)	-
Total Adjustments	(27,055,810)	(229,003)	(27,284,813)	4,091,384
Net Cash Provided (Used) by Operating Activities	\$ (24,222,573)	\$ 901,264	\$ (23,321,309)	\$ 742,692

****Noncash investing, capital, and financing activities:**

The Equipment Services Fund lease deposits remaining at June 30 for rental agreements total \$3,451,171. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$110,596 have been imputed to give recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 5,572,609	\$ 242,055	\$ 5,814,664	\$ 888,944
Capital contributions received	2,943,807	-	2,943,807	-
Capital transferred from other funds	-	-	-	27,286
Increase/(decrease) in liabilities	2,342,784	-	2,342,784	297,281
Total Acquisition of Capital Assets	\$ 10,859,200	\$ 242,055	\$ 11,101,255	\$ 1,213,511

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	Investment Trust Fund	Agency Funds
Assets		
Cash and investments (Note 4)	\$ 115,328,213	\$ 25,654,341
Financial assurances	-	3,111,968
Accounts receivable	-	363,164
Property taxes receivable	-	4,066,332
Interest receivable	327,903	-
Due from other governments	-	1,589,940
Other deposits	-	16,709
Total Assets	115,656,116	34,802,454
Liabilities		
Due to others/governments	-	34,802,454
Net Position		
Restricted for pool participants	\$ 115,656,116	\$ -

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Investment Trust Fund</u>
Additions	
Investment earnings:	
Interest	\$ 1,522,148
Net increase (decrease) in the fair value of investments	(178,118)
Contributions to pooled investments	<u>192,922,323</u>
Total Additions	194,266,353
Deductions	
Distributions from pooled investments	<u>179,641,684</u>
Change in Net Position	14,624,669
Net Position, July 1	<u>101,031,447</u>
Net Position, June 30	<u><u>\$ 115,656,116</u></u>

The notes to the financial statements are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS
and
REQUIRED SUPPLEMENTARY INFORMATION**

	<u>Page</u>
Note 1 – Summary of Significant Accounting Policies	32
Note 2 – Stewardship, Compliance, and Accountability.....	38
Note 3 – Cash and Investments.....	39
Note 4 – Restricted Cash and Investments	43
Note 5 – Long-Term Assets.....	43
Note 6 – Capital Assets	44
Note 7 – Commitments, Contingencies and Other Liabilities.....	46
Note 8 – Unearned Revenue and Deferred Inflows of Resources	47
Note 9 – Long-Term Obligations.....	48
Note 10 – Long-Term Obligations Activity	52
Note 11 – Debt Service Requirements	56
Note 12 – Interfund Activity.....	56
Note 13 – Fund Balances/Net Position	57
Note 14 – Pension Program	59
Note 15 – Other Postemployment Benefits.....	64
Note 16 – Risk Management	68
Note 17 – Joint Ventures	71
Note 18 – Subsequent Event.....	72
Note 19 – Adoption of New Accounting Standard.....	72
 Required Supplementary Information:	
Schedule of Funding Progress – Other Postemployment Benefits.....	73
Schedule of Washoe County's Share of Net Pension Liability.....	73
Schedule of County Contributions	74
Notes to Required Supplementary Information.....	74

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Washoe County (County) was incorporated in 1861 and is a municipality of the State of Nevada (State) governed by a five-member elected Board of County Commissioners (BCC). The major operations of Washoe County include various tax assessments and collections, judicial functions, law enforcement, certain public health and welfare functions, road maintenance, parks, libraries, and various administrative activities.

The accompanying financial statements of the County and its discretely presented component units have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

These financial statements present the County and its component units. Component units are legally separate organizations for which the County is financially accountable. The County currently has two discretely presented component units.

Truckee Meadows Fire Protection District (TMFPD) was formed pursuant to Chapter 474 of the Nevada Revised Statutes (NRS) and levies taxes to provide emergency medical services, structural and wildland fire suppression services, and watershed protection to the unincorporated areas of the County within TMFPD's boundaries. TMFPD also provides fire services to the Sierra Fire Protection District through an interlocal agreement.

The Sierra Fire Protection District (SFPD) was formed pursuant to Chapter 474 of the NRS. SFPD levies taxes and, through an interlocal agreement, pays TMFPD to provide fire services in the district. SFPD continues to purchase and maintain facilities and equipment supporting its district.

For each discretely presented component unit, the BCC is also the Board of Fire Commissioners and thus could impose their will on the Fire Districts. However, the County does not have a financial benefit or burden relationship with the Fire Districts and support activities between the County and the Fire Districts are reimbursed under the terms of interlocal agreements.

Separate financial statements for TMFPD and SFPD are filed at the Washoe County Clerk's Office, 1001 E. 9th Street Room A-115, Reno, Nevada.

B. Basic Financial Statements – Government-wide Statements

The basic financial statements include both government-wide and fund financial statements. The reporting focus is on either the County as a whole or major individual funds and nonmajor funds in the aggregate. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The County has two discretely presented component units which are presented in separate columns in the government-wide statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all nonfiduciary activities of the County and its component units. The County maintains an overhead cost allocation that is charged to operating funds based on an indirect cost analysis. This indirect cost allocation is eliminated through a separate column on the Statement of Activities to provide full-cost information for the various functions. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on user fees and service charges for support.

In the government-wide Statement of Net Position, both governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resources basis, which recognizes all long-term assets as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets, restricted net position and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. Functions are also supported by general revenues (property and consolidated taxes, certain intergovernmental revenues, investment earnings not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation and amortization) by related program revenues. Program revenues include

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

charges to customers or applicants for goods, services, or privileges provided; operating grants, interest and contributions; and capital grants, interest and contributions, including special assessments and investment earnings legally restricted to support specific programs. Program revenue must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in fund financial statements is on major funds in either governmental or business-type activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County's internal service funds are presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary funds financial statements by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

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

The **Child Protective Services Fund** accounts for ad valorem taxes, grants and other revenue sources specifically appropriated to protect against the neglect, abandonment and abuse of children.

The **Special Assessment Debt Service Fund** accounts for assessments and other resources used to retire debt issued for improvements benefiting those properties against which the special assessments are levied.

The County reports the following major enterprise fund:

The **Water Resources Fund** accounts for water planning, flood control and operations of the County's water and sewer systems.

The County reports the following additional fund types:

Internal Service Funds provide for property and liability claims against the County, unemployment claims, workers' compensation claims for disability, medical and rehabilitation expenses and related costs associated with on-the-job injuries, benefits and healthcare for active and retired employees, and vehicle purchases and maintenance services provided to County departments.

Investment Trust Fund accounts for commingled pool assets held in trust for schools, special districts, and agencies, which use the County treasury as their depository.

Agency Funds are custodial in nature and do not involve measurement of results of operations. The funds account for assets held by the County as an agent for various local governments, special districts and individuals. Included are funds for apportioned property and sales taxes, shared revenues and other financial resources for schools, special districts, boards, and other state and city agencies; funds held for wards of the Public Guardian; unclaimed assets of decedents; social security, insurance and support payments for children in the welfare system; bonds posted with the District Court; social security benefits held on behalf of senior citizens; funds held for inmates housed at the County jail; employees' payroll deductions such as insurance, taxes, and credit union; unapportioned taxes for other local governments; contributions from property owners for payment of no-commitment special assessment debt; financial assurances for corrective action requirements of property

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

owners; water planning fees collected from regional water customers; and assets held on behalf of special districts, boards and other miscellaneous agencies.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination for government-wide financial statement consolidation. Services provided, deemed at or near market rates, are treated as revenues and expenditures/expenses. Indirect cost allocations for support services/overhead are recorded as revenue and expense in the fund financial statements and are eliminated through a separate column in the government-wide Statement of Activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

During the course of operations, the County has activity between the funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The measurement focus indicates the type of resources being measured such as current financial resources or economic resources. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred inflow of resources is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the government funds. Issuance of long-term debt is reported as other financing sources.

Governmental revenues susceptible to accrual include: ad valorem taxes, interest, grant revenues, contractual service charges and other revenues collected and distributed by the State. State distributions include consolidated taxes, government services taxes, and motor vehicle fuel taxes. Construction taxes, licenses and permits, fines, and other charges for services are recognized as revenue when they are received.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The focus is upon determination of operating income, changes in net position, financial position, and cash flows, similar to businesses in the private sector. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Intangible assets that are considered to have an indefinite useful life because there are no legal, contractual, regulatory, technological, or other factors limiting the useful life, are not amortized.

As used in these statements, accumulated depreciation includes amortization of intangible assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two types of deferred outflows of resources: 1.) the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt and 2.) the county reports an amount related to pensions on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has two types of deferred inflows of resources: 1.) amounts which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in governmental funds balance sheets. The governmental funds report unavailable revenues from several sources including: property taxes, special assessments, and grant reimbursements and 2.) amounts related to pensions on the government wide financial statement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations, Bond Discounts and Issuance Costs

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type in the Statement of Net Position. Bond premiums and discounts and any prepaid bond insurance, if applicable, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as deferred charges and amortized over the term of the related debt. Debt issuance costs are expensed during the current period.

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

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Equity Classifications

In government-wide statements and in proprietary fund statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.
- Restricted net position – Consists of equity with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other equity that does not meet the definition of "restricted" or "net investment in capital assets."

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The Investment Trust and Agency funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting.

E. Financial Statement Amounts

Cash and Investments

The County manages a common cash and investment pool for the County, Regional Transportation Commission, Washoe County School District, the Washoe County Nevada OPEB Trust, the Truckee River Flood Management Authority and other local entities. The investment pool operates in accordance with appropriate state laws and County policy. Each fund's share in the pool is displayed in the accompanying financial statements as cash and investments. Interest is allocated to the various funds based on each fund's average cash and investment balance where it is legally required to do so. Investment earnings for all other funds are credited to the General Fund, as provided by NRS 355.170-175. In addition to the cash and investment pool, certain cash deposits and investments are held separately by several County funds and reported accordingly. Investments are reported at fair value and changes in fair value are included in investment income.

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the County's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

Restricted Assets

Restricted assets consist of cash and investments that are restricted in their use by bond covenants or other external agreements. They consist of remaining bond proceeds for specific capital projects, debt service obligations, a workers' compensation deposit required by State Statute and an operating reserve required under the terms of a federal grant.

Inventories

Inventories for proprietary funds are valued at the lower of cost or market on a first-in, first-out basis. For governmental funds, the County charges consumable supplies as expenditures against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

Capital Assets

Capital assets, which include land, land use rights, buildings, equipment, software and other intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at their estimated fair market value at the date of donation. The County's capitalization level for infrastructure and intangible assets, including internally generated software, is \$100,000 and \$10,000 for all other classifications of capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Other capital assets are generally depreciated/amortized using the straight-line method over the following estimated useful lives:

	<u>YEARS</u>
Buildings	5-40
Improvements	3-40
Equipment	5-20
Vehicles	2-15
Software and other intangibles	3-75
Stormwater and Wastewater Lines and Pump Stations	10-75
Other Infrastructure	10-75

However, in the proprietary funds, a per-unit of production method of depreciation may be used where it is deemed a more realistic reflection of the loss of economic value for the assets being used.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources in the funds as follows:

- **Nonspendable fund balances** – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.
- **Restricted fund balances** – Consist of amounts with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- **Committed fund balances** – Consist of resource balances with constraints imposed by formal action of the BCC through ordinance, resolution or public meeting item approval that specifically state the revenue source and purpose of the commitment. The choice of action type taken by the BCC is frequently directed by State Statutes and procedures so that any of the three types of actions noted above are considered equally binding for the BCC. Commitments can only be modified or rescinded through the same type of BCC action used to impose the restraint. Commitments can also include resources to meet major contractual obligations required by their nature and/or size to be approved by the BCC. These generally include major construction contracts of \$100,000 and over as well as other types of large contracts.
- **Assigned fund balances** – Consist of resource balances intended to be used for specific purposes by authorized County management that do not meet the criteria to be classified as restricted or committed. For governmental funds, excluding the General Fund, BCC approved resolutions authorizing the creation of the fund establish the specific purposes for which fund balances are assigned. In the General Fund, the assigned fund balance includes encumbrances approved by authorized County management that have been approved by the BCC for re-appropriation in the subsequent year. Authorized County management includes the County Manager, Assistant County Manager and elected or appointed department directors in accordance with County Ordinances and State Statutes. The assigned fund balance may also include amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources as approved by the BCC as part of the annual budget submitted to the State.
- **Unassigned fund balances** – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

Net Position and Fund Balance Flow Assumptions

When outlays for a particular purpose are funded from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. The County's Fund Balance Policy states that when both restricted and unrestricted resources are available for expenditure, restricted resources should be spent first unless legal requirements disallow it. When outlays are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Budgetary Stabilization

It is the County's policy to maintain a fund balance of 1.5% of expenditures and other financing uses, excluding material one-time items, for the purpose of budgetary stabilization. NRS 354.6115 authorizes the creation of a fund to stabilize operation of local governments and mitigate effects of natural disaster. The intent of this policy is to include a portion of the General Fund budgeted ending fund balance that will be committed to stabilization pursuant to NRS 354.6115. Fund balance that is committed to stabilization can be used only after approval by the BCC when unanticipated declines in the major revenue sources (consolidated and property tax revenues) are sustained for at least 6 months and decline from budget by 2.5% or greater as well as when unbudgeted expenditures are incurred due to a declared emergency or natural disaster. In the case of a natural disaster, the BCC must declare the emergency and State Statutes further constrain the use of these stabilization funds to specific types of outlays.

Reclassifications

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

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All County taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

All real property in the County is subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values. The assessed valuation of the property and its improvements is computed at 35% of "taxable value" as defined by State Statute. Taxable value is defined as full cash value for land, replacement cost less straight-line depreciation for land improvements, and statutory depreciation for personal property. The maximum depreciation allowed is 75% of replacement cost.

Tax rates are levied by the BCC immediately after the Nevada Tax Commission has certified the combined tax rate and are then submitted to the County Treasurer for collection. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for fiscal year 2015 was due and payable on the third Monday in August, 2015. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January and March. No provision for uncollectible amounts has been established since management does not anticipate any material collection loss in the year assessed, in respect to delinquent balances.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the State of Nevada Department of Taxation and the tax rates. The major classifications of personal property are commercial and mobile homes. In the County, taxes on motor vehicles are collected by a State agency and remitted to the County based on statutory formulas.

Compensated Absences

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The long-term portion is accounted for in the governmental activities column of the government-wide Statement of Net Position.

The current portion of compensated absences is defined as benefits actually paid or accrued as a result of employees terminating employment by June 30. Agreements with various employee associations provide for payment of total accrued compensatory and vacation time in all cases. Accumulated sick leave benefits are payable to terminated employees who have accumulated a set number of hours up to a specified maximum, depending on the particular employee association.

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As of July 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 19 and the additional disclosures required by these standards are included in Note 14.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and agency funds, which do not require budgets. All annual appropriations lapse at fiscal year-end.

The County adheres to the Local Government Budget Act (NRS 354.470-.626) incorporated within State Statutes and the procedures set by the Nevada Department of Taxation (NDT) to establish the budgetary data reflected in these financial statements. The BCC adopts the budget on or before June 1 and files it with the NDT.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The legal level of budgetary control is at the function level for each of the governmental funds and by the combined operating and non-operating expenses in proprietary funds. Statutes do not require that capital outlay, debt service payments and certain other non-cash transactions normally reflected in the balance sheet of proprietary funds be limited by the budget.

All budget amounts presented in these financial statements and schedules reflect the budget as amended by legally authorized revisions during the year. Original budgets are provided for major funds, including the General Fund, in compliance with reporting requirements. The Comptroller may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Comptroller with BCC notification. Adjustments that affect fund balance, increase the original budget or affect the contingency account require BCC approval.

Encumbrance accounting is employed in governmental and proprietary funds. In governmental funds, encumbrances, which include purchase orders and contracts awarded for which goods and services have not been received at year-end, are reappropriated in the subsequent year and are reported as restricted, committed or assigned fund balances, as appropriate. An augmentation of \$25.8 million for encumbrances and restricted resources that have multiple year budgets was reappropriated in the new fiscal year.

Augmentations from beginning fund balance or previously unbudgeted resources for governmental funds in the current fiscal year were \$3.4 million. Augmentations in the current year for enterprise funds totaled \$8.4 million.

Compliance

The County conformed to all significant statutory and administrative code constraints on its financial administration during the fiscal year.

NOTE 3 – CASH AND INVESTMENTS

In accordance with Nevada Revised Statutes (NRS), the County's cash is deposited with insured banks and insured credit unions and those deposits that are not within the limits of insurance must be secured by collateral. At year end, the County's carrying amount of deposits was \$67,266,115 and the bank balance was \$69,033,551. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records.

Custodial Credit Risk – Deposits

All deposits are subject to custodial credit risk, which is the risk that the County's deposits may not be returned to it in the event of a bank failure. Bank balances were covered by Federal depository insurance, the Securities Investor Protection Corporation, collateral held by the County's agent in the County's name or by collateral held by depositories in the name of the Nevada Collateral Pool, and were not exposed to custodial credit risk. The County does not have a formal policy relating to custodial credit risk, but follows NRS. According to NRS 356.020, all monies deposited by a county treasurer that are not within the limits of insurance provided by an instrumentality of the United States must be secured by collateral composed of the same types of securities allowed for investments which are identified below. The County participates in the State of Nevada Collateral Pool which requires depositories to maintain as collateral acceptable securities having a fair market value of at least 102 percent of the amount of the uninsured balances of the public money held by the depository. Under NRS 356.360, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the pool.

Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with NRS and seeks to limit exposure to investment risks.

NRS 355.172 requires the County Treasurer or her agent to take physical possession of securities purchased as an investment by the County in the name of the County. If the securities purchased are subject to repurchase by the seller, the County may, in lieu of the requirement of possession, obtain a fully perfected, first-priority security interest having a fair market value equal to or greater than the repurchase price of the securities.

Investments are recorded at fair value. Earnings and/or losses on investments are allocated to certain funds based on average daily cash balances.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

As of June 30, 2015, the County had the following investments and maturities:

	INVESTMENT MATURITIES (IN YEARS)				
	Fair Value	Less than 1	1 to 4	4 to 6	6 to 10
Investments:					
Money Market Mutual Funds	\$ 1,272,533	\$ 1,272,533	\$ -	\$ -	-
Certificates of Deposit	76,429,560	22,648,789	53,780,771	-	-
U.S. Treasury Securities	108,578,865	12,626	10,772,726	89,973,466	7,820,047
U.S. Agency Securities	100,388,220	21,989	68,519,710	27,008,654	4,859,856
Mortgage Backed Securities	8,231,856	-	402,772	-	7,807,095
Collateralized Mortgage Obligations	6,589,397	-	3,693,812	-	2,895,585
Corporate Notes	72,487,879	102,714	60,729,871	11,655,294	-
Total Investments	373,978,310	24,058,651	197,899,662	128,637,414	23,382,583
Total Cash	67,266,115	67,266,115	-	-	-
Total Cash and Investments ¹	\$ 441,244,425	\$ 91,324,766	\$ 197,899,662	\$ 128,637,414	\$ 23,382,583

¹Total cash and investments include restricted cash.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires twelve to eighteen months of projected cash flow to be in investments maturing in one year or less. Investments maturing in less than one year at June 30, 2015 were 5.5% of the County's total cash and investments. The County's strategic investment plan seeks to obtain the desired average maturity of 2 to 4 years. The average maturity at June 30, 2015, was 3 years.

The County invests in the following types of securities that are considered to be highly sensitive to interest rate changes:

U.S. Agency Mortgage Backed Securities and Collateralized Mortgage Obligations

When interest rates fall, mortgages are refinanced and paid off early and the reduced stream of future interest payments diminish fair value. \$ 14,821,253 4.0%

Callable U.S. Agency and Corporate Note Securities

On specified dates the issuer can call the security. Because they are subject to early repayment, the fair value of these securities is more sensitive in a period of declining interest rates. 20,432,866 5.5%

Total \$ 35,254,119

Credit Risk

NRS allows investments in obligations of the U.S. Treasury and U.S. agencies, municipal bonds issued by local governments of the State, corporate bonds rated "A" or better by a nationally recognized rating service, commercial paper rated "A-1," "P-1" or better by a nationally recognized rating service, repurchase agreements, certificates of deposit, money market mutual funds rated "AAA" by a nationally recognized rating service or other securities in which banking institutions may legally invest. County policy does not further restrict these investments.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

As of June 30, 2015, the County's investments are rated as follows:

<u>S&P Rating</u>	<u>Mutual Funds</u>	<u>Certificates of Deposit</u>	<u>U.S. Treasury Securities</u>	<u>U.S. Agencies</u>	<u>CMO</u>	<u>Corporate Notes</u>	<u>Fair Value</u>
AAA _m	\$ 1,272,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,272,533
AAA	-	-	-	-	-	1,372,141	1,372,141
AA+	-	-	108,578,865	108,620,076	6,589,397	18,556,014	242,344,352
AA	-	-	-	-	-	15,283,147	15,283,147
AA-	-	27,966,252	-	-	-	9,764,406	37,730,658
A+	-	9,998,420	-	-	-	23,985,213	33,983,633
A	-	-	-	-	-	3,526,958	3,526,958
A-1	-	38,464,888	-	-	-	-	38,464,888
	<u>\$ 1,272,533</u>	<u>\$ 76,429,560</u>	<u>\$ 108,578,865</u>	<u>\$ 108,620,076</u>	<u>\$ 6,589,397</u>	<u>\$ 72,487,879</u>	<u>\$ 373,978,310</u>

Concentration of Credit Risk

The County's investment policy places no limit on amounts invested in direct obligations of the U.S. Treasury and securities backed by the full faith and credit of the U.S. Government, while placing the following limits per issuer on all other securities: Federal Agency Securities, 35%; Federal Agency Mortgage Backed Securities, 15%; Money Market Funds, 45%; Corporate bonds and notes, 4% and obligations issued by local governments of the State of Nevada, 25%.

At June 30, 2015, the following investments exceeded 5% of the County's total:

Fannie Mae	15.3%
Freddie Mac	10.3%
U.S. Treasury Securities	29.0%

Pooled Investments

Pooled investments are carried at fair value determined by quoted market prices, net of accrued interest. All pooled investments are physically collateralized and held by Wells Fargo Bank.

The County administers an external investment pool combining County money with voluntary investments from Truckee Meadows Fire Protection District, Sierra Fire Protection District, the Washoe County School District, Regional Transportation Commission, Nevada Works, Reno-Tahoe Airport Authority, Truckee River Water Quality Settlement Agreement Joint Venture, Western Regional Water Commission, Washoe County, Nevada OPEB Trust, Truckee River Flood Management Authority, the Library Investment Fund, the Deferred Compensation Fund, the South Truckee Meadows General Improvement District and the Southwest Point Fund. The BCC has overall responsibility for investment of County funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Washoe County Chief Investment Official is the Washoe County Treasurer, under authority delegated by the BCC. The Investment Committee, created by Washoe County Code Section 15.220, has been delegated the investment decision making authority in the County and serves also in an advisory capacity to the Treasurer and BCC. The external investment pool is not registered with the SEC as an investment company. Public Financial Management, LLC determines the fair value of the County investments monthly. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares.

The participants' share and redemption value are calculated using the same method. Each participant's share is equal to their investment plus or minus the monthly allocation of net income, realized and unrealized gains and losses. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments for the previous year(s) as well as the current year.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Investments held in the external investment pool at June 30, 2015 were:

Investment Type:	Fair Value	Principal Amount/ No. of Shares	Rate	Maturity Dates
Money Market Mutual Funds	\$ 1,272,533	1,272,533	Variable	NA
Certificates of Deposit	76,429,560	76,495,000	0.25-1.375%	07/01/2015-09/11/2017
U.S. Treasury Securities	108,578,865	106,270,000	0.875-3.625%	11/30/2017-02/15/2023
U.S. Agency Securities	108,620,076	106,946,299	0.84-5.375%	09/28/2016-01/13/2022
Collateralized Mortgage Obligations	6,589,397	6,519,569	1.55-5.0%	10/01/2015-07/01/2022
Corporate Notes	72,487,879	71,415,000	1.0-6.0%	05/15/2017-01/08/2020
Total Investments in Pool	\$ 373,978,310			

External Investment Pool
Statement of Net Position as of June 30, 2015

Assets:	
Cash	\$ 53,121,943
Investments:	
Money Market Mutual Funds	1,272,533
Certificates of Deposit	76,429,560
U.S. Treasury Securities	108,578,865
U.S. Agency Securities	108,620,076
Collateralized Mortgage Obligations	6,589,397
Corporate Notes	72,487,879
Interest Receivable	1,187,265
Total Assets	\$ 428,287,518
Net Position:	
Internal participants	\$ 288,463,445
Component Units:	
Sierra Fire Protection District	2,219,860
Truckee Meadows Fire Protection District	21,948,097
External participants	115,656,116
Total Net Position Held in Trust for Pool Participants (\$1.00/par)	\$ 428,287,518

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

External Investment Pool
Statement of Changes in Net Position for the Year Ended June 30, 2015

Additions:	
Investment earnings	\$ 5,968,932
Net realized gain (loss) on investments	(168,883)
Net increase (decrease) in fair value of investments	<u>(209,114)</u>
Increase in net assets resulting from operations	5,590,935
Net capital share transactions	<u>(16,980,265)</u>
Change in Net Position	(11,389,330)
Net Position, July 1	<u>439,676,848</u>
Net Position, June 30	<u><u>\$ 428,287,518</u></u>

NOTE 4 – RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments include amounts restricted for future debt service and reserves as required by bond covenants and ordinances; reserves restricted for projects for the HUD Neighborhood Stabilization Program; and reserves restricted for workers' compensation claims pursuant to NRS 616B.300. Restricted cash and investments at June 30, 2015, were as follows:

	<u>Debt Service and Reserves</u>	<u>Projects</u>	<u>Claims</u>	<u>Total</u>
<u>Governmental Funds and Governmental Activities</u>				
General Fund	\$ 750,000	\$ -	\$ -	\$ 750,000
Other Restricted Fund	-	45,406	-	45,406
Total Governmental Funds	<u>750,000</u>	<u>45,406</u>	<u>-</u>	<u>795,406</u>
Internal Service Funds:				
Risk Management Fund	-	-	2,416,328	2,416,328
Total Governmental Activities	<u>750,000</u>	<u>45,406</u>	<u>2,416,328</u>	<u>3,211,734</u>
<u>Proprietary Funds and Business-type Activities</u>				
Water Resources Fund	<u>1,370,934</u>	<u>-</u>	<u>-</u>	<u>1,370,934</u>
Total Restricted Cash and Investments	<u><u>\$ 2,120,934</u></u>	<u><u>\$ 45,406</u></u>	<u><u>\$ 2,416,328</u></u>	<u><u>\$ 4,582,668</u></u>

NOTE 5 – LONG-TERM ASSETS

Governmental Activities

Long-term assets in governmental activities include \$103,196 in prepaid bond insurance and \$3,954,117 in net other postemployment benefits assets (Note 15). Long-term assets in internal service funds include \$3,451,171 in refundable lease agreement deposits and \$266,803 in prepaid lease expense, all relating to leased equipment in the Equipment Services Fund.

Business-type Activities

Long-term assets in business-type activities include \$134,489 in long-term receivables in the Water Resources Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 6 – CAPITAL ASSETS

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Capital Assets - Governmental Activities</u>				
Capital assets, not being depreciated:				
Land and land use rights	\$ 143,135,447	\$ 443,765	(50,000)	\$ 143,529,212
Construction in progress	10,713,365	6,619,378	(9,441,713)	7,891,030
Total capital assets not being depreciated	153,848,812	7,063,143	(9,491,713)	151,420,242
Capital assets being depreciated:				
Land improvements	58,860,406	3,304,735	-	62,165,141
Buildings/improvements	313,568,961	267,242	-	313,836,203
Infrastructure	587,746,342	4,573,841	(1,809,812)	590,510,371
Equipment	73,069,334	3,569,440	(2,346,509)	74,292,265
Software	18,157,504	591,478	-	18,748,982
Total capital assets being depreciated	1,051,402,547	12,306,736	(4,156,321)	1,059,552,962
Less accumulated depreciation for:				
Land improvements	37,782,963	2,316,286	-	40,099,249
Buildings/improvements	121,507,591	8,896,993	-	130,421,817
Infrastructure	422,663,006	21,039,575	(1,809,208)	441,893,373
Equipment	55,151,270	5,397,535	(2,097,276)	58,434,296
Software	13,524,545	1,206,393	-	14,730,938
Total accumulated depreciation	650,629,375	38,856,782	(3,906,484)	685,579,673
Net capital assets being depreciated	400,773,172	(26,550,046)	(249,837)	373,973,289
Governmental activities capital assets, net	\$ 554,621,984	\$ (19,486,903)	\$ (9,741,550)	\$ 525,393,531

Depreciation expense was charged to functions/programs for the governmental activities as follows:

Governmental Activities:	
General government	\$ 1,972,260
Judicial	2,586,835
Public safety	6,970,878
Public works	21,805,527
Health and sanitation	180,243
Welfare	649,583
Culture and recreation	3,347,180
Community Support	890
Capital assets held by internal service funds charged to functions based on their usage of assets	1,343,386
Total Depreciation / Amortization Expense - Governmental Activities	\$ 38,856,782

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Capital Assets - Business-type Activities</u>				
Capital assets not being depreciated:				
Land and land use rights	\$ 14,033,227	\$ 54,216	\$ 6,413,822	\$ 7,673,621
Plant capacity	825,150	-	-	825,150
Construction in progress	3,916,537	7,889,231	2,676,902	9,128,866
Total capital assets not being depreciated	<u>18,774,914</u>	<u>7,943,447</u>	<u>9,090,724</u>	<u>17,627,637</u>
Capital assets being depreciated:				
Land improvements	5,190,202	110,004	813,584	4,486,622
Buildings/improvements	71,315,058	449,088	15,220,863	56,543,283
Infrastructure	361,623,046	4,025,498	262,076,625	103,571,919
Equipment	2,381,203	300,360	847,760	1,833,803
Software	1,139,125	-	238,942	900,183
Plant, well capacity	10,030,729	-	7,661,907	2,368,822
Total capital assets being depreciated	<u>451,679,363</u>	<u>4,884,950</u>	<u>286,859,681</u>	<u>169,704,632</u>
Less accumulated depreciation for:				
Land improvements	3,380,408	205,985	380,257	3,206,136
Buildings/improvements	19,453,945	1,564,479	4,899,168	16,119,256
Infrastructure	84,816,660	4,307,050	56,129,489	32,994,221
Equipment	2,099,694	62,156	574,265	1,587,585
Software	1,138,643	483	238,943	900,183
Plant, well capacity	2,771,714	155,021	1,733,283	1,193,452
Total accumulated depreciation	<u>113,661,064</u>	<u>6,295,174</u>	<u>63,955,405</u>	<u>56,000,833</u>
Net capital assets being depreciated	<u>338,018,299</u>	<u>(1,410,224)</u>	<u>222,904,276</u>	<u>113,703,799</u>
Business-type activities capital assets, net	<u>\$ 356,793,213</u>	<u>\$ 6,533,223</u>	<u>\$ 231,995,000</u>	<u>\$ 131,331,436</u>

Depreciation expense was charged to functions/programs for business activities as follows:

Business-Type Activities:	
Utilities	\$ 6,067,184
Building and safety	9,561
Golf courses	<u>218,429</u>
Total Depreciation / Amortization Expense - Business-type Activities	<u>\$ 6,295,174</u>

Net capital assets at June 30, 2015, for the discretely presented component units were:

	<u>Truckee Meadows Fire Protection District</u>	<u>Sierra Fire Protection District</u>
<u>Net Capital Assets</u>		
Capital assets not being depreciated	\$ 875,676	\$ 162,585
Capital assets being depreciated	<u>16,294,650</u>	<u>4,212,461</u>
Capital assets, net	<u>\$ 17,170,326</u>	<u>\$ 4,375,046</u>

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 7 – COMMITMENTS, CONTINGENCIES, AND OTHER LIABILITIES

Commitments

The County utilizes encumbrance accounting to identify fund commitments. Major commitments, generally contracts in excess of \$100,000, are entered into for construction projects or longer term service arrangements that can span several years.

Construction in progress and major commitments for governmental activities are:

	<u>CIP Balance</u> <u>June 30, 2015</u>	<u>Major</u> <u>Commitments</u>
<u>Governmental Funds and Governmental Activities</u>		
Major Governmental Funds:		
General Fund:		
Technology projects	\$ 85,520	\$ 155,839
Service contracts	-	228,568
Child Protective Services Fund:		
Case management and support services	-	760,405
Operations	-	2,050,755
Study	-	249,764
Total Major Governmental Funds	<u>85,520</u>	<u>3,445,331</u>
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Public safety communications, technology	-	161,297
Road infrastructure	-	2,668,696
Enhanced 911 equipment and services	-	562,575
Technology improvements	646,600	552,233
Other services	523,260	503,315
Total Special Revenue Funds	<u>1,169,860</u>	<u>4,448,116</u>
Capital Projects Funds:		
Parks and open space projects	1,806,410	874,457
Building infrastructure projects	517,262	767,931
Pedestrian path & bike lane projects	-	1,452,450
Technology improvements	244,282	828,989
Water quality improvement projects	4,067,696	360,144
Total Capital Projects Funds	<u>6,635,650</u>	<u>4,283,971</u>
Total Governmental Funds / Governmental Activities	<u>\$ 7,891,030</u>	<u>\$ 12,177,418</u>

Contingencies

The County is involved in various lawsuits. The outcome of these lawsuits is not presently determinable; however, management does not anticipate that they would materially impact the financial position of the County.

The County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. The impact on the County's financial condition cannot be reasonably estimated.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The County is contingently liable on the following Reno-Sparks Convention & Visitors Authority (RSCVA) bonds:

Series January 2000 Bonds	\$	27,923,446
Series November 29, 2011 Refunding Bonds		87,150,000
Total RSCVA Bonds	\$	115,073,446

Although the County is contingently liable for the general obligation bonds of RSCVA in the event of a default, it is anticipated that RSCVA resources would be reallocated to retire the bonds. Therefore, the likelihood of the County assuming the debt is remote.

Other Liabilities

Governmental Activities

Other liabilities in governmental activities consist of deposits and amounts due to others of \$1,552,462 in the General Fund for deposits and bail related to pending court cases or investigations, \$339,155 in the General Fund for refundable deposits for park facilities and developer performance guarantees, and \$110,859 in other governmental funds for other customer and security deposits.

Business-type Activities

Other liabilities in business-type activities include \$290,782 for developer deposits and \$1,033 for customer deposits in the Water Resources Fund, and \$13,000 in other business-type funds for developer and customer deposits.

NOTE 8 – UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

Unearned revenue in connection with resources that have been received, but not yet earned is reported as a liability for governmental activities.

Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. Governmental funds reported \$9.2 million in deferred inflows of resources related to unavailable revenue.

At the end of the current fiscal year, major components of unavailable and unearned revenue reported for governmental funds were as follows:

	<u>General Fund</u>	<u>Child Protective Services Fund</u>	<u>Special Assessment Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Liabilities					
Unearned revenue:					
Federal payments in lieu of taxes	\$ 3,179,802	\$ -	\$ -	\$ -	\$ 3,179,802
Total Unearned Revenue	\$ 3,179,802	\$ -	\$ -	\$ -	\$ 3,179,802
Deferred Inflows of Resources					
Unavailable revenue:					
Ad valorem taxes	\$ 1,520,500	\$ 54,533	\$ -	\$ 289,451	\$ 1,864,484
Special assessments	-	-	7,099,936	-	7,099,936
Grants and other revenue	-	-	-	195,121	195,121
Total Unavailable Revenue	\$ 1,520,500	\$ 54,533	\$ 7,099,936	\$ 484,572	\$ 9,159,541

Unearned revenue in business-type activities consists of \$128,333 for water rights leases and unearned utility revenue in the Water Resources Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Discretely Presented Component Units

At the end of the current fiscal year, major components of unavailable revenue reported for discretely presented component units were as follows:

Truckee Meadows Fire Protection District			
TMFPD			
	TMFPD General	Emergency	
	Fund	Fund	Total
Deferred Inflows of Resources			
Unavailable revenue:			
Ad valorem taxes	\$ 95,105	\$ -	\$ 95,105
Grants and other revenue	185,482	66,340	251,822
Total Unavailable Revenue	<u>\$ 280,587</u>	<u>\$ 66,340</u>	<u>\$ 346,927</u>

Sierra Fire Protection District			
SFPD General			
	Fund	Total	
Deferred Inflows of Resources			
Unavailable revenue:			
Ad valorem taxes	\$ 48,132	\$ 48,132	
Total Unavailable Revenue	<u>\$ 48,132</u>	<u>\$ 48,132</u>	

NOTE 9 – LONG-TERM OBLIGATIONS

Bond Redemptions

The County called \$1,320,000 in special assessment bonds for early redemption as funds were made available from the early payoff of special assessments.

Defeasance/Early Extinguishment of Debt

The County defeased certain general obligation debt by placing funds from unspent bond proceeds, existing resources and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on certain previously issued bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

As of June 30, 2015, the following are the remaining balances of the defeased portion of bond issues:

Water and Sewer Series Revenue 2005	\$ 27,270,000
Parks Revenue Series 2006	<u>8,825,000</u>
Total Defeased Debt	<u>\$ 36,095,000</u>

Revenue Bonds

The County has pledged specific revenues to repay bonds in governmental and business activities.

Governmental activities

The County has pledged 15% of the consolidated tax revenue receipts for the repayment of various General Obligation Revenue bonds consisting of the Library Building Bonds Series 2004; Building and Parking Garage Bonds Series 2004; Public Safety Bonds Series 2006; Parks Bonds Series 2006; Building Refunding Bonds Series 2011B; and Refunding Bonds Series 2012B, issued between fiscal years 2004 and 2012. The total principal and interest remaining to be paid on the bonds is \$70,166,521, payable through fiscal year 2036. For the current year, principal and interest paid from pledged revenues for the bonds totaled \$5,227,756, and pledged revenues totaled \$13,265,242.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The County has pledged future infrastructure sales tax revenues to repay \$42.9 million in Flood Control Series 2006 and Sales Tax Series 1998 flood control bonds. Proceeds from the bonds provided financing, for expansion of, and improvements to, the flood control system. The bonds are intended to be paid solely from infrastructure tax revenues and are payable through fiscal year 2036. Annual principal and interest payments on the bonds are expected to require as much as 31% of the pledged revenues. The total principal and interest remaining to be paid on the bonds is \$42,936,584. For the current year, principal and interest paid for the bonds totaled \$2,372,784, and pledged revenues totaled \$8,227,877.

The County has pledged future car rental fees to repay \$18.5 million of Senior Lien Car Rental Fee Revenue bonds and \$10.0 million Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds (Minor League Baseball Stadium Project) Series 2008. Proceeds from the monies provided financing to acquire, improve, equip, operate and maintain within the County a minor league baseball stadium project. The bonds are intended to be paid solely from car rental fee revenues and are payable through fiscal year 2058. Annual principal and interest payments on the bonds are expected to require 100% of the car rental fee revenue. The total principal and interest remaining to be paid on the Senior Lien Car Rental Fee Revenue Bonds is \$21.6 million. For the current year, principal and interest paid for the bonds totaled \$1,067,614, and pledged revenues totals \$1,225,141. Total principal and interest at June 30, 2015 on the Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds is \$15.6 million. For the current year, no principal and interest were paid for the bonds.

Business-type activities

The County has pledged future utility customer revenues and connection fees and investment earnings, net of specified operating expenses, to repay \$38.6 million in utility system revenue bonds issued between fiscal years 1998 and 2007. Proceeds from the bonds provided financing for expansion of, and improvements to, the utility system. The bonds are intended to be paid solely from utility customer net revenues and are payable through fiscal year 2027.

On December 31, 2014, in connection with the divestment of the water operations, the County amended the bond ordinances authorizing the outstanding general obligation (limited tax) sewer bonds to pledge the net revenues of the Water Resources Fund excluding water reserves.

Principal and interest on the Sewer Bonds are payable from the pledged revenues of the Water Resources Fund. There is no impact on the ad valorem tax rate so long as net pledged revenues are sufficient to pay debt service. Annual principal and interest payments on the sewer bonds are expected to require as much as 78% of the utility's net revenues. The total principal and interest remaining to be paid on the sewer bonds is \$21,728,511. For the current year, principal and interest paid for the sewer and water bonds, together with the transfer to TMWA, totaled \$39,760,247. Net pledged revenues totaled \$10,360,757.

Special Assessment Debt

Special assessment bonds are issued to finance improvements that benefit taxpayers in the defined area. Bonds are repaid from assessments levied against these taxpayers, and are secured by their real property. In case of deficiencies, the County's General Fund and taxing power further secure all bonds. Delinquent special assessments of \$2,962 were outstanding as of June 30, 2015.

The County has pledged future assessment revenues levied on special assessment districts throughout the County to repay \$12.1 million in various local improvement bonds issued between fiscal years 2004 and 2012. Proceeds from the bonds provided financing for improvements in roads, water and sewer infrastructure in the various districts. The bonds are intended to be paid solely from assessment revenues and are payable through fiscal year 2032. Annual principal and interest payments on the bonds are expected to require as much as 99% of the assessment revenues. The total principal and interest remaining to be paid on the bonds is \$8,629,889. For the current year, principal and interest paid for the bonds totaled \$2,001,757 and pledged revenues totaled \$1,796,539.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Conduit Debt Obligations

The County has issued several series of revenue bonds for public and private sector activity in the public interest. The public sector revenue bonds are for the cost of constructing and maintaining certain streets and highways in the County. The revenue bonds are paid solely from certain taxes on motor vehicle fuel collected in the County. Private sector revenue bonds have been used for water and gas facilities and hospital facilities. The revenue bonds are paid solely from the revenue derived from the projects for which they were issued. The public and private revenue bonds do not become liabilities of the County under any condition, and are therefore excluded from the County's financial statements.

Outstanding balances at June 30, 2015 follow:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Public Sector			
Regional Transportation Commission:			
Highway Revenue Bonds Series 2009	7/8/2009	\$ 89,567,000	\$ 74,120,000
Highway Revenue Bonds Series 2010ABC	3/12/2010	90,000,000	87,968,000
Highway Revenue Bonds Series 2010DEF	12/16/2010	70,000,000	64,160,000
Sales Tax Improvement Bonds Series 2010H	12/16/2010	20,000,000	20,000,000
Highway Revenue Bonds Series 2013	4/16/2013	165,000,000	165,000,000
Subtotal Public Sector		434,567,000	411,248,000
Sierra Pacific Power Company d/b/a NV Energy:			
Gas and Water Facilities Refunding Revenue Bonds Series 2006A, 2006B and 2006C	11/22/2006	218,500,000	218,500,000
Water Facilities Refunding Revenue Bonds Series 2007A & 2007B	4/27/2007	80,000,000	80,000,000
Subtotal Private Sector		298,500,000	298,500,000
Total Conduit Debt		\$ 733,067,000	\$ 709,748,000

Operating Leases

The County leases office space, land, equipment and water rights under various operating lease agreements. Total lease payments in fiscal year 2015 were \$2,335,013. Future minimum payments for these leases are:

<u>Year Ending June 30,</u>	<u>Land, Space, Water Rights</u>	<u>Equipment</u>	<u>Total</u>
2016	\$ 780,259	\$ 1,105,250	\$ 1,885,509
2017	299,199	1,025,583	1,324,782
2018	170,395	777,071	947,466
2019	165,141	438,491	603,632
2020	165,141	366,057	531,198
2021-2025	412,854	718,032	1,130,886
Totals	\$ 1,992,989	\$ 4,430,484	\$ 6,423,473

The County began a long-term lease on January 1, 2013 for the Sparks Justice Court which expires in fiscal year 2023. The terms of the lease allow uneven and artificially low payments. For fiscal year 2015, an adjustment of (\$3,675) (cumulative total of \$131,494) is required to reconcile the amount of expenditures in the General Fund to the straight line expense recognized in the government-wide statements.

Compensated Absences

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Position. The liability will be liquidated primarily by the General Fund for governmental activities and by the Water Resources Fund for business-type activities. In fiscal year 2015, 79% of compensated absences for governmental activities were paid by the General Fund, and in business-type activities, 73% were paid by the Water Resources Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Outstanding balances at June 30, 2015 follow:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Washoe County:			
Vacation	\$ 10,933,890	\$ 200,509	\$ 11,134,399
Sick Leave	8,887,211	168,333	9,055,544
Compensatory Leave	5,290,512	66,366	5,356,878
Benefits	355,916	6,311	362,227
Total Compensated Absences	<u>\$ 25,467,529</u>	<u>\$ 441,519</u>	<u>\$ 25,909,048</u>

Net Other Postemployment Benefits Obligation

Prior to May 11, 2010, when the County established the Washoe County, Nevada OPEB Trust (Note 15), the County financed their net other postemployment benefits on the pay-as-you-go basis with the funds accumulated in the Pre-Funded Retiree Health Benefits Fund. Currently, the OPEB Trust is funded from the General Fund.

Pollution Remediation Obligation

The pollution remediation activities of the Central Truckee Meadows Remediation District (CTMRD) are paid for through an annual charge billed directly to residents and businesses within its boundaries. Accordingly, the CTMRD's pollution remediation obligation is limited to the net position accumulated by the fund for payment of future remediation related expenditures. All of the assets of CTMRD are held for remediation and are offset by a long-term liability for remediation. As of June 30, 2015, the remediation liability for net position held in CTMRD was \$6,191,421.

A soil remediation project has been identified at a County park. Three gasoline underground storage systems were removed from Rancho San Rafael Park in 1997 and petroleum impacted soils were encountered during removal activities. Assessment activities have been conducted and soil samples exceeding the action level are present. The cost, based on contractor revised estimates is \$523,241. Remediation expenditures for the current fiscal year totaled \$26,644. The project was completed in calendar year 2015.

Claims and Judgments

The claims and judgments liability of \$17,375,000 consists of pending property and liability claims, workers' compensation claims, and unprocessed health benefits claims. These claims will be liquidated through the Risk Management and Health Benefits Internal Service Funds (Note 16). The Risk Management and Health Benefits Funds finance the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds or, as needed, through transfers from the General Fund.

Discretely Presented Component Units

TMFPD's liability of \$1,699,459 for compensated absences is included in their noncurrent liabilities on the government-wide Statement of Net Position. TMFPD compensated absences are generally liquidated from the TMFPD General Fund.

Prior to July 1, 2010, when TMFPD joined the Washoe County, Nevada OPEB Trust (Note 15), they financed their net other postemployment benefits on the pay-as-you-go basis with the funds accumulated in the TMFPD Pre-Funded Retiree Health Benefits Fund.

TMFPD claims and judgments liability of \$855,000 consisted of workers' compensation claims. These claims will be liquidated through TMFPD Workers Compensation Fund (Note 16). The TMFPD Workers' Compensation Fund finances the payment of claims through transfers from the TMFPD General Fund.

At June 30, 2015, the net other postemployment benefit liability for SFPD was \$2,474,199. SFPD provides other postemployment benefits through the Sierra Fire Protection District Retiree Group Medical Plan, a single-employer defined benefit plan, which is administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust (Note 15). Contributions to the Trust are made from SFPD General Fund and are established each year through the annual budget process by the District's Board of Fire Commissioners.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY

	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES				
General Obligation Bonds				
Ad Valorem:				
Animal Control Shelter Series 2003A	08/2003	06/2015	3.0 - 4.625 %	\$ 10,750,000
Various Purpose Refunding Series 2009B	03/2009	05/2017	3.0 - 4.2	10,540,000
Parks and Library Refunding Series 2011A	07/2011	05/2026	4.20	17,360,000
Various Purpose Refunding Series 2012A	08/2012	03/2030	3.0 - 4.0	18,090,000
Medium-Term:				
Edison Way Property Series 2007	03/2007	03/2017	3.83	4,645,000
Revenue: (Note 9)				
Office Building Series 2002A	10/2002	01/2015	3.0 - 5.0	19,260,000
Library Building Series 2004	03/2004	03/2019	3.5 - 5.0	3,280,000
Building and Parking Garage Series 2004	12/2004	01/2018	3.75 - 5.0	11,900,000
Public Safety Series 2006	04/2006	03/2036	4.0 - 4.5	12,500,000
Flood Control Series 2006 *	05/2006	12/2035	Variable	21,000,000
Parks Series 2006	10/2006	03/2030	4.0 - 5.0	25,305,000
Building Bonds Refunding Series 2011B	08/2011	11/2026	4.18	12,565,000
Refunding Bonds Series 2012B	08/2012	03/2027	1.0 - 3.0	27,580,000
Total General Obligation Bonds				
Revenue Bonds (Note 9)				
Sales Tax Series 1998	12/1998	12/2028	4.0 - 5.1	21,915,000
Senior Lien Car Rental Fee Series 2008 **	02/2008	12/2027	Variable	18,500,000
Subordinate Lien Car Rental Fee Series 2008*****	02/2008	12/2057	7.0	9,954,845
Total Revenue Bonds				
Special Assessment Bonds (with governmental commitment) (Note 9)				
SAD 29: Mt. Rose Sewer Phase 1	11/2004	11/2024	4.55	1,281,308
SAD 35: Rhodes Road - \$116,141, SAD 36: Evergreen Hills Dr-\$240,587	02/2005	11/2014	3.8	356,728
SAD 31: Spearhead Way/Running Bear Drive	04/2006	05/2016	4.29	109,000
SAD 37: Spanish Spring Sewer Phase 1a	05/2007	05/2027	4.35	728,813
SAD 39: Lightning W Water System	06/2009	05/2029	7.18	999,268
SAD 32: Spanish Springs Valley Ranches Roads	12/2011	11/2031	3.48	8,592,787
Total Special Assessment Debt				
Unamortized Bond Premium	N/A	N/A	N/A	N/A
Unamortized Bond Discounts	N/A	N/A	N/A	N/A
Total Unamortized Bond Premium and Discounts				
Total Bonds Payable				

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Principal Outstanding June 30, 2014	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2015	Principal Due in 2015-2016
\$ 335,000	\$ -	\$ 335,000	\$ -	-
4,350,000	-	1,385,000	2,965,000	1,445,000
14,490,000	-	965,000	13,525,000	1,000,000
17,715,000	-	-	17,715,000	905,000
1,577,000	-	506,000	1,071,000	525,000
710,000	-	710,000	-	-
970,000	-	180,000	790,000	185,000
2,415,000	-	570,000	1,845,000	590,000
10,505,000	-	295,000	10,210,000	310,000
18,084,554	-	495,546	17,589,008	518,063
3,560,000	-	-	3,560,000	-
11,300,000	-	670,000	10,630,000	705,000
27,430,000	-	-	27,430,000	1,655,000
113,441,554	-	6,111,546	107,330,008	7,838,063
15,000,000	-	690,000	14,310,000	725,000
16,146,500	-	592,100	15,554,400	672,800
9,808,025	-	-	9,808,025	-
40,954,525	-	1,282,100	39,672,425	1,397,800
680,000	-	680,000	-	-
12,336	-	12,336	-	-
15,000	-	8,000	7,000	7,000
401,130	-	41,835	359,295	23,220
591,103	-	53,266	537,837	25,697
6,417,142	-	904,740	5,512,402	251,314
8,116,711	-	1,700,177	6,416,534	307,231
1,549,651	-	134,372	1,415,279	-
(54,105)	-	(2,488)	(51,617)	-
1,495,546	-	131,884	1,363,662	-
164,008,336	-	9,225,707	154,782,629	9,543,094

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY (CONTINUED)

	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES (Continued)				
Other Liabilities - (Notes 9, 15)				
Compensated Absences	N/A	N/A	N/A	\$ N/A
Remediation Obligation	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Total Other Liabilities				
Total Governmental Activities				
BUSINESS-TYPE ACTIVITIES ***				
General Obligation Bonds				
Revenue: (Note 9)				
Water Resources Fund:				
Lemmon Valley Sewer Series 1997	08/1997	01/2018	3.33 %	1,249,137
Sewer Series 2000A	06/2000	01/2020	3.7	1,675,000
Sewer Series 2000B	06/2000	01/2020	3.7	635,000
Sewer Series 2001	02/2001	07/2021	3.125	21,000,000
Sewer Series 2004	06/2004	01/2024	3.213	3,000,000
Water Series 2005 ****	06/2005	01/2025	2.81	14,463,000
Water and Sewer Series 2005 ****	12/2005	01/2035	4.0 - 5.0	65,000,000
Spanish Springs Sewer Series 2005A	08/2006	07/2026	2.931	6,500,000
Storm Sewer Series 2006	11/2006	01/2026	4.224	4,600,000
Total General Obligation Bonds				
Unamortized Bond Premium	N/A	N/A	N/A	N/A
Total Bonds Payable				
Other Liabilities (Note 9)				
Compensated Absences	N/A	N/A	N/A	N/A
Total Business-Type Activities				
Total Washoe County Obligations				
* Interest on the variable-rate flood control bonds is equal to the sum of BMA (Bond Market Association) Swap Rate plus 0.70%. The remaining principal outstanding of \$17,589,008 has a current interest rate of 2.527%. The interest rate on the outstanding amount will be reset May 1, 2016.				
** Interest on the variable-rate senior lien car rental bonds is equal to the greater of: (1) the minimum rate of 3% per annum and (2) the sum of (a) 70% of the swap rate plus (b) 2.22% for each of the reset periods. The rate maximum is 6.5% for December 1, 2012 - November 30, 2017, 7.5% December 1, 2017 - November 30, 2022 and 8% for December 1, 2022- November 30, 2027. The current interest rate is 3.0% with a reset date of December 1, 2017.				
*** Business-type debt is expected to be retired primarily through operations.				
**** On December 31, 2014, in connection with the divestment of the water operations, the County amended the bond ordinances authorizing the outstanding general obligation (limited tax) sewer bonds to pledge the net revenues of the Water Resources Fund excluding water reserves.				
***** Interest is compounded thereon on June 1 and December 1 of each year commencing on December 1, 2012 at 7% until the final compounded amount is paid or payment has been provided therefor.				
DISCRETELY PRESENTED COMPONENT UNITS:				
Truckee Meadows Fire Protection District (Note 9,15)				
Compensated Absences	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Total Other Liabilities				
Sierra Fire Protection District (Note 9,15)				
Net other postemployment benefits obligations	N/A	N/A	N/A	N/A

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Principal Outstanding June 30, 2014	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2015	Principal Due in 2015-2016
\$ 24,587,089	\$ 19,634,011	\$ 18,753,571	\$ 25,467,529	\$ 19,244,123
7,013,183	4,375	826,137	6,191,421	4,375
<u>15,401,000</u>	<u>2,000,000</u>	<u>26,000</u>	<u>17,375,000</u>	<u>7,741,000</u>
47,001,272	21,638,386	19,605,708	49,033,950	26,989,498
<u>211,009,608</u>	<u>21,638,386</u>	<u>28,831,415</u>	<u>203,816,579</u>	<u>36,532,592</u>
325,586	-	77,408	248,178	80,009
349,557	-	53,054	296,503	55,034
69,543	-	10,556	58,987	10,948
10,404,929	-	1,251,556	9,153,373	1,290,972
1,837,964	-	158,575	1,679,389	163,710
9,480,179	-	9,480,179	-	-
26,100,000	-	26,100,000	-	-
4,666,779	-	314,095	4,352,684	323,370
3,210,048	-	210,370	2,999,678	219,349
<u>56,444,585</u>	<u>-</u>	<u>37,655,793</u>	<u>18,788,792</u>	<u>2,143,392</u>
730,230	712,420	1,442,650	-	-
<u>57,174,815</u>	<u>712,420</u>	<u>39,098,443</u>	<u>18,788,792</u>	<u>2,143,392</u>
812,636	188,757	559,874	441,519	331,018
<u>57,987,451</u>	<u>901,177</u>	<u>39,658,317</u>	<u>19,230,311</u>	<u>2,474,410</u>
<u>\$ 268,997,059</u>	<u>\$ 22,539,563</u>	<u>\$ 68,489,732</u>	<u>\$ 223,046,890</u>	<u>\$ 39,007,002</u>

\$ 1,374,222	\$ 1,127,733	\$ 802,495	\$ 1,699,460	\$ 965,152
<u>1,170,000</u>	<u>-</u>	<u>315,000</u>	<u>855,000</u>	<u>464,497</u>
<u>\$ 2,544,222</u>	<u>\$ 1,127,733</u>	<u>\$ 1,117,495</u>	<u>\$ 2,554,460</u>	<u>\$ 1,429,649</u>
<u>\$ 2,141,475</u>	<u>\$ 332,724</u>	<u>\$ -</u>	<u>\$ 2,474,199</u>	<u>\$ -</u>

WASHOE COUNTY, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Assets				
Cash and investments	\$ 61,116,503	\$ 5,680,521	\$ 27,258,474	\$ 94,055,498
Restricted cash and investments	45,406	-	-	45,406
Accounts receivable	259,499	-	-	259,499
Property taxes receivable	210,390	41,132	90,989	342,511
Other taxes receivable	1,733,917	-	-	1,733,917
Interest receivable	88,762	-	63,233	151,995
Due from other funds	397,169	-	-	397,169
Due from other governments	3,928,807	-	1,979,385	5,908,192
Deposits and prepaid items	69,309	-	33,630	102,939
Total Assets	\$ 67,849,762	\$ 5,721,653	\$ 29,425,711	\$ 102,997,126
Liabilities				
Accounts payable	\$ 1,650,484	\$ -	\$ -	\$ 1,650,484
Accrued salaries and benefits	1,345,937	-	-	1,345,937
Contracts/retention payable	634,561	-	1,396,492	2,031,053
Due to other funds	2,531,362	-	106,754	2,638,116
Due to other governments	702,538	-	247,601	950,139
Deposits	71,201	-	-	71,201
Total Liabilities	6,936,083	-	1,750,847	8,686,930
Deferred Inflows of Resources				
Unavailable revenue - grants	96,848	-	98,273	195,121
Unavailable revenue - property taxes	183,604	37,693	68,154	289,451
Total Deferred Inflows of Resources	280,452	37,693	166,427	484,572
Fund Balances				
Nonspendable	58,688	-	-	58,688
Restricted	38,507,158	5,683,960	27,508,437	71,699,555
Committed	12,043,014	-	-	12,043,014
Assigned	10,302,503	-	-	10,302,503
Unassigned	(278,136)	-	-	(278,136)
Total Fund Balances	60,633,227	5,683,960	27,508,437	93,825,624
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 67,849,762	\$ 5,721,653	\$ 29,425,711	\$ 102,997,126

WASHOE COUNTY, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues				
Taxes:				
Ad valorem	\$ 16,271,853	\$ 867,584	\$ 6,235,817	\$ 23,375,254
Residential construction tax	-	-	245,922	245,922
Car rental	1,225,141	-	-	1,225,141
Licenses and permits	1,706,541	-	-	1,706,541
Intergovernmental revenues	32,843,624	-	5,069,976	37,913,600
Charges for services	10,452,394	-	-	10,452,394
Fines and forfeits	2,220,959	-	-	2,220,959
Miscellaneous	3,099,736	-	329,250	3,428,986
Total Revenues	67,820,248	867,584	11,880,965	80,568,797
Expenditures				
Current:				
General government	943,677	-	-	943,677
Judicial	5,158,054	-	-	5,158,054
Public safety	18,810,859	-	-	18,810,859
Public works	15,359,857	-	-	15,359,857
Health and sanitation	21,490,933	-	-	21,490,933
Welfare	3,952,225	-	-	3,952,225
Culture and recreation	7,022,634	-	-	7,022,634
Intergovernmental	1,280,041	-	4,408,282	5,688,323
Capital outlay	-	-	10,914,000	10,914,000
Debt Service:				
Principal	-	7,393,646	-	7,393,646
Interest	-	4,997,202	-	4,997,202
Debt service fees and other fiscal charges	-	25,267	3,000	28,267
Total Expenditures	74,018,280	12,416,115	15,325,282	101,759,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,198,032)	(11,548,531)	(3,444,317)	(21,190,880)
Other Financing Sources (Uses)				
Proceeds from asset disposition	11,957	-	-	11,957
Transfers in	16,041,794	8,350,798	4,944,443	29,337,035
Transfers out	(4,244,525)	-	(2,990,000)	(7,234,525)
Total Other Financing Sources (Uses)	11,809,226	8,350,798	1,954,443	22,114,467
Extraordinary Gains	6,000,000	-	-	6,000,000
Net Change in Fund Balances	11,611,194	(3,197,733)	(1,489,874)	6,923,587
Fund Balances, July 1	49,022,033	8,881,693	28,998,311	86,902,037
Fund Balances, June 30	\$ 60,633,227	\$ 5,683,960	\$ 27,508,437	\$ 93,825,624

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem:				
General	\$ 126,900,163	\$ 128,308,936	\$ 1,408,773	\$ 121,031,855
Detention facility	9,656,657	9,759,043	102,386	9,429,178
Indigent insurance program	1,871,439	1,891,710	20,271	1,827,378
China Springs support	1,085,478	1,096,876	11,398	758,544
Family Court	2,395,457	2,421,394	25,937	2,339,017
AB 104	2,237,987	2,272,348	34,361	2,245,372
NRS 354.59813 makeup revenue	-	2,311	2,311	4,261
Room tax	315,000	351,413	36,413	311,167
Total Taxes	144,462,181	146,104,031	1,641,850	137,946,772
Licenses and Permits:				
Business:				
General business licenses	700,000	798,520	98,520	760,016
Electric/telecom business licenses	4,827,300	4,621,623	(205,677)	4,755,898
Liquor licenses	254,600	262,877	8,277	249,312
Local gaming licenses	677,800	666,434	(11,366)	666,934
Sanitation franchise fees	365,000	373,264	8,264	346,731
Cable television franchise fees	1,050,000	1,058,964	8,964	1,039,848
County gaming licenses	234,300	229,687	(4,613)	232,217
Gaming licenses - AB 104	30,000	20,862	(9,138)	32,872
Nonbusiness:				
Marriage affidavits	175,000	178,185	3,185	179,592
Mobile home permits	200	163	(37)	197
Other	300	550	250	625
Total Licenses and Permits	8,314,500	8,211,129	(103,371)	8,264,242
Intergovernmental Revenues:				
Federal grants	128,500	129,490	990	144,727
Federal payments in lieu of taxes	3,216,296	3,446,375	230,079	3,216,296
Federal incarceration charges	5,000,000	3,836,582	(1,163,418)	4,648,959
State Shared Revenues:				
State gaming licenses	146,986	143,393	(3,593)	141,885
Real property transfer tax - AB 104	515,500	627,768	112,268	478,695
SCCRT / GST - AB 104 Makeup	10,516,200	10,982,211	466,011	10,228,786
Consolidated taxes	82,500,000	88,434,949	5,934,949	80,808,837
State extraditions	48,000	28,702	(19,298)	25,526
Local contributions	167,162	184,532	17,370	198,054
Total Intergovernmental Revenues	102,238,644	107,814,002	5,575,358	99,891,765
Charges for Services:				
General Government:				
Clerk fees	100,000	110,259	10,259	113,612
Recorder fees	2,362,000	2,120,731	(241,269)	2,137,314
Map fees	4,400	9,980	5,580	4,593
Assessor commissions	1,600,000	1,571,280	(28,720)	1,458,526
Other	12,441,188	12,223,722	(217,466)	12,357,125
Subtotal General Government	16,507,588	16,035,972	(471,616)	16,071,170

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Judicial:				
Clerk court fees	\$ 450,000	\$ 416,356	\$ (33,644)	\$ 441,842
Other	1,365,872	1,470,693	104,821	1,253,873
Subtotal Judicial	1,815,872	1,887,049	71,177	1,695,715
Public Safety:				
Police:				
Sheriff fees	410,000	304,795	(105,205)	332,309
Other	5,268,369	4,738,484	(529,885)	4,265,515
Corrections	15,000	21,746	6,746	14,833
Protective services	380,000	353,273	(26,727)	443,186
Subtotal Public Safety	6,073,369	5,418,298	(655,071)	5,055,843
Public Works	142,350	268,178	125,828	171,740
Welfare	15,500	7,688	(7,812)	24,743
Culture and Recreation	782,128	871,445	89,317	777,986
Total Charges for Services	25,336,807	24,488,630	(848,177)	23,797,197
Fines and Forfeits:				
Fines:				
Library	90,000	76,663	(13,337)	85,180
Court	1,893,950	1,909,286	15,336	1,926,878
Penalties	4,225,000	4,116,777	(108,223)	4,225,688
Forfeits/bail	1,804,200	1,622,053	(182,147)	1,890,869
Total Fines and Forfeits	8,013,150	7,724,779	(288,371)	8,128,615
Miscellaneous:				
Investment earnings	1,722,030	1,706,709	(15,321)	1,607,404
Net increase (decrease) in the fair value of investments	300,000	220,211	(79,789)	(13,661)
Rents and royalties	108,073	121,393	13,320	124,557
Other	1,925,882	2,027,253	101,371	2,268,786
Total Miscellaneous	4,055,985	4,075,566	19,581	3,987,086
Total Revenues	292,421,267	298,418,137	5,996,870	282,015,677
Expenditures by Function and Activity				
Current:				
General Government Function:				
Legislative / County Commissioners:				
Salaries and wages	324,787	311,229	13,558	332,020
Employee benefits	129,928	120,922	9,006	129,100
Services and supplies	151,622	136,208	15,414	80,691
	606,337	568,359	37,978	541,811
Executive / County Manager:				
Salaries and wages	2,217,371	2,128,377	88,994	1,323,340
Employee benefits	866,176	819,409	46,767	519,051
Services and supplies	1,274,275	999,331	274,944	581,486
	4,357,822	3,947,117	410,705	2,423,877

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Elections / Registrar of Voters:				
Salaries and wages	\$ 505,944	\$ 480,875	\$ 25,069	\$ 422,969
Employee benefits	174,939	175,856	(917)	159,275
Services and supplies	779,394	701,479	77,915	449,770
Capital outlay	45,000	12,330	32,670	49,259
	<u>1,505,277</u>	<u>1,370,540</u>	<u>134,737</u>	<u>1,081,273</u>
Finance:				
Comptrollers Department				
Salaries and wages	1,698,512	1,561,685	136,827	1,891,091
Employee benefits	700,348	630,576	69,772	747,835
Services and supplies	200,305	169,966	30,339	253,754
	<u>2,599,165</u>	<u>2,362,227</u>	<u>236,938</u>	<u>2,892,680</u>
Treasurer:				
Salaries and wages	1,145,191	1,111,536	33,655	1,091,010
Employee benefits	513,396	474,739	38,657	486,115
Services and supplies	515,860	418,792	97,068	440,475
	<u>2,174,447</u>	<u>2,005,067</u>	<u>169,380</u>	<u>2,017,600</u>
Assessor:				
Salaries and wages	3,963,613	3,942,269	21,344	3,810,256
Employee benefits	1,641,295	1,606,349	34,946	1,560,528
Services and supplies	499,165	384,834	114,331	377,922
	<u>6,104,073</u>	<u>5,933,452</u>	<u>170,621</u>	<u>5,748,706</u>
Subtotal Finance	<u>10,877,685</u>	<u>10,300,746</u>	<u>576,939</u>	<u>10,658,986</u>
Other:				
Human Resources:				
Salaries and wages	1,234,719	1,169,485	65,234	1,150,165
Employee benefits	474,624	448,610	26,014	448,138
Services and supplies	495,491	348,786	146,705	293,239
Capital outlay	30,000	26,688	3,312	-
	<u>2,234,834</u>	<u>1,993,569</u>	<u>241,265</u>	<u>1,891,542</u>
Clerk:				
Salaries and wages	808,711	729,571	79,140	677,886
Employee benefits	346,464	326,804	19,660	299,046
Services and supplies	96,561	160,599	(64,038)	54,308
	<u>1,251,736</u>	<u>1,216,974</u>	<u>34,762</u>	<u>1,031,240</u>
Recorder:				
Salaries and wages	1,229,693	1,099,165	130,528	1,108,125
Employee benefits	548,259	491,703	56,556	487,302
Services and supplies	147,773	121,361	26,412	148,636
	<u>1,925,725</u>	<u>1,712,229</u>	<u>213,496</u>	<u>1,744,063</u>
Technology Services:				
Salaries and wages	5,617,703	5,444,560	173,143	5,301,254
Employee benefits	2,274,679	2,238,528	36,151	2,177,200
Services and supplies	3,781,868	3,161,513	620,355	3,015,647
Capital outlay	-	-	-	78,338
	<u>11,674,250</u>	<u>10,844,601</u>	<u>829,649</u>	<u>10,572,439</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Community Services Department (CSD) - General Services:				
Salaries and wages	\$ -	\$ -	\$ -	\$ 256,188
Employee benefits	-	-	-	119,798
Services and supplies	-	-	-	115,903
	-	-	-	491,889
Accrued Benefits:				
Salaries and wages	2,500,000	2,318,902	181,098	1,589,678
Employee benefits	-	44,597	(44,597)	22,434
	2,500,000	2,363,499	136,501	1,612,112
OPEB:				
Employee benefits	18,700,000	18,700,000	-	16,100,000
Undesignated/Energy Maintenance:				
Services and supplies	5,697,387	1,401,271	4,296,116	1,444,604
Subtotal Other	43,983,932	38,232,143	5,751,789	34,887,889
Total General Government Function	61,331,053	54,418,905	6,912,148	49,593,836
Judicial Function:				
District Courts:				
Salaries and wages	9,486,850	8,669,058	817,792	8,458,241
Employee benefits	3,998,821	3,584,478	414,343	3,511,329
Services and supplies	3,138,000	2,656,669	481,331	2,700,644
Capital outlay	52,984	70,650	(17,666)	54,126
	16,676,655	14,980,855	1,695,800	14,724,340
District Attorney:				
Salaries and wages	11,733,208	11,613,333	119,875	11,144,453
Employee benefits	4,847,115	4,768,977	78,138	4,570,330
Services and supplies	1,556,473	1,211,216	345,257	1,055,633
Capital outlay	-	10,754	(10,754)	-
	18,136,796	17,604,280	532,516	16,770,416
Public Defense:				
Public Defender:				
Salaries and wages	5,199,176	5,183,541	15,635	4,927,312
Employee benefits	1,997,784	1,984,291	13,493	1,873,142
Services and supplies	432,529	444,825	(12,296)	355,030
	7,629,489	7,612,657	16,832	7,155,484
Alternative Public Defender:				
Salaries and wages	1,373,818	1,316,773	57,045	1,204,337
Employee benefits	533,531	517,453	16,078	464,532
Services and supplies	159,236	168,593	(9,357)	138,145
	2,066,585	2,002,819	63,766	1,807,014

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Conflict Counsel:				
Services and supplies	\$ 2,015,514	\$ 1,524,175	\$ 491,339	\$ 2,126,765
Subtotal Public Defense	11,711,588	11,139,651	571,937	11,089,263
Justice Courts:				
Salaries and wages	5,665,498	5,322,680	342,818	5,289,484
Employee benefits	2,249,800	2,092,450	157,350	2,056,680
Services and supplies	396,708	326,396	70,312	321,763
Capital outlay	55,565	8,924	46,641	-
	8,367,571	7,750,450	617,121	7,667,927
Incline Constable:				
Salaries and wages	84,947	73,020	11,927	66,988
Employee benefits	32,920	27,454	5,466	26,947
Services and supplies	17,500	11,696	5,804	12,885
	135,367	112,170	23,197	106,820
Total Judicial Function	64,724,051	61,202,882	3,521,169	59,321,264
Public Safety Function:				
Sheriff and Detention:				
Salaries and wages	54,376,019	55,195,773	(819,754)	51,223,452
Employee benefits	28,709,072	28,133,874	575,198	26,280,213
Services and supplies	15,292,381	14,347,061	945,320	13,526,743
Capital outlay	146,473	230,204	(83,731)	-
	98,523,945	97,906,912	617,033	91,030,408
Medical Examiner:				
Salaries and wages	1,385,075	1,328,389	56,686	1,239,421
Employee benefits	517,270	475,383	41,887	452,420
Services and supplies	372,834	397,400	(24,566)	424,411
Capital outlay	22,543	22,543	-	-
	2,297,722	2,223,715	74,007	2,116,252
Fire Suppression:				
Employee benefits	6,900	6,015	885	15,151
Services and supplies	897,415	679,244	218,171	680,474
Capital outlay	10,500	-	10,500	-
	914,815	685,259	229,556	695,625
Juvenile Services:				
Salaries and wages	8,172,764	7,861,035	311,729	7,501,127
Employee benefits	3,658,379	3,572,954	85,425	3,441,893
Services and supplies	1,741,857	1,406,911	334,946	1,539,198
	13,573,000	12,840,900	732,100	12,482,218
Protective Services:				
Alternative Sentencing:				
Salaries and wages	399,134	395,107	4,027	373,315
Employee benefits	205,079	205,273	(194)	198,808
Services and supplies	124,802	86,818	37,984	90,390
	729,015	687,198	41,817	662,513

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Emergency Management:				
Salaries and wages	\$ 112,596	\$ 102,863	\$ 9,733	\$ 68,302
Employee benefits	43,453	39,412	4,041	26,495
Services and supplies	6,073	5,978	95	5,700
	<u>162,122</u>	<u>148,253</u>	<u>13,869</u>	<u>100,497</u>
Public Administrator:				
Salaries and wages	669,889	658,617	11,272	665,405
Employee benefits	288,261	282,608	5,653	282,699
Services and supplies	52,853	41,254	11,599	41,561
	<u>1,011,003</u>	<u>982,479</u>	<u>28,524</u>	<u>989,665</u>
Public Guardian:				
Salaries and wages	1,045,880	1,044,458	1,422	1,006,099
Employee benefits	433,540	444,638	(11,098)	430,671
Services and supplies	69,800	46,436	23,364	46,755
	<u>1,549,220</u>	<u>1,535,532</u>	<u>13,688</u>	<u>1,483,525</u>
Subtotal Protective Services	<u>3,451,360</u>	<u>3,353,462</u>	<u>97,898</u>	<u>3,236,200</u>
Total Public Safety Function	<u>118,760,842</u>	<u>117,010,248</u>	<u>1,750,594</u>	<u>109,560,703</u>
Public Works Function:				
CSD - Public Works:				
Salaries and wages	4,982,627	5,116,110	(133,483)	4,701,557
Employee benefits	2,089,965	2,075,462	14,503	1,950,435
Services and supplies	8,328,969	7,881,429	447,540	7,367,877
Capital outlay	155,586	5,004	150,582	2,063
Total Public Works Function	<u>15,557,147</u>	<u>15,078,005</u>	<u>479,142</u>	<u>14,021,932</u>
Welfare Function:				
Social Services Department:				
Salaries and wages	2,792,263	2,416,328	375,935	2,252,372
Employee benefits	1,211,445	1,013,854	197,591	980,829
Services and supplies	13,074,057	13,269,581	(195,524)	12,678,979
Capital outlay	40,000	38,397	1,603	-
Total Welfare Function	<u>17,117,765</u>	<u>16,738,160</u>	<u>379,605</u>	<u>15,912,180</u>
Culture and Recreation Function:				
Library Department:				
Salaries and wages	5,324,211	5,242,617	81,594	5,094,383
Employee benefits	2,176,225	2,092,257	83,968	2,072,132
Services and supplies	426,252	348,808	77,444	361,683
	<u>7,926,688</u>	<u>7,683,682</u>	<u>243,006</u>	<u>7,528,198</u>
CSD - Regional Parks and Open Space:				
Salaries and wages	2,120,864	2,111,419	9,445	2,083,967
Employee benefits	952,068	940,781	11,287	904,378
Services and supplies	959,551	929,173	30,378	831,954
Capital Outlay	-	-	-	14,449
	<u>4,032,483</u>	<u>3,981,373</u>	<u>51,110</u>	<u>3,834,748</u>
Total Culture and Recreation Function	<u>11,959,171</u>	<u>11,665,055</u>	<u>294,116</u>	<u>11,362,946</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Community Support Function:				
Services and supplies	\$ 316,295	\$ 213,816	\$ 102,479	\$ 178,296
Total Community Support Function	<u>316,295</u>	<u>213,816</u>	<u>102,479</u>	<u>178,296</u>
Intergovernmental Expenditures:				
Indigent Insurance Program	1,871,438	1,855,115	16,323	1,835,716
China Springs Youth Facility	1,154,933	1,154,853	80	1,133,642
Ethics Commission Assessment	25,000	20,331	4,669	21,258
Truckee Meadows Regional Planning	205,162	205,162	-	205,162
Groundwater Basin	20,000	18,922	1,078	17,387
Total Intergovernmental Expenditures	<u>3,276,533</u>	<u>3,254,383</u>	<u>22,150</u>	<u>3,213,165</u>
Total Expenditures	<u>293,042,857</u>	<u>279,581,454</u>	<u>13,461,403</u>	<u>263,164,322</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(621,590)</u>	<u>18,836,683</u>	<u>19,458,273</u>	<u>18,851,355</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	65,000	2,009,462	1,944,462	31,239
Transfers:				
Special Revenue Funds	591,926	453,442	(138,484)	845,270
Internal Service Funds	(2,831,500)	(2,831,500)	-	-
Special Revenue Funds	(14,006,255)	(14,186,220)	(179,965)	(12,812,078)
Debt Service Funds	(4,765,687)	(4,259,715)	505,972	(4,220,635)
Capital Projects Funds	(5,186,408)	(4,944,443)	241,965	(4,084,832)
Contingency	(1,498,000)	-	1,498,000	-
Total Other Financing Sources (Uses)	<u>(27,630,924)</u>	<u>(23,758,974)</u>	<u>3,871,950</u>	<u>(20,241,036)</u>
Net Change in Fund Balances	<u>(28,252,514)</u>	<u>(4,922,291)</u>	<u>23,330,223</u>	<u>(1,389,681)</u>
Fund Balances, July 1	<u>43,272,788</u>	<u>46,606,567</u>	<u>3,333,779</u>	<u>39,033,750</u>
Fund Balances, June 30	<u>\$ 15,020,274</u>	<u>\$ 41,684,276</u>	<u>\$ 26,664,002</u>	<u>\$ 37,644,069</u>

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SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Page

Major Special Revenue Fund:

Child Protective Services Fund: To account for ad valorem taxes, grants and other revenue sources specifically appropriated to protect against the neglect, abandonment and abuse of children 85

Nonmajor Special Revenue Funds:

Health Fund: To account for grants, user fees and other revenue sources specifically dedicated to on-going health programs and services. 92

Indigent Tax Levy Fund: To account for ad valorem tax revenues and investment earnings specifically appropriated to provide medical assistance to the indigent. 93

Senior Services Fund: To account for grants, charges for services and ad valorem taxes specifically appropriated to provide services for senior citizens. 94

Enhanced 911 Fund: To account for Enhanced 911 fees specifically appropriated for the enhancement of the communication system for reporting emergencies 95

Library Expansion Fund: To account for ad valorem taxes and investment earnings specifically appropriated to fund expansion of the library system. 96

Animal Services Fund: To account for ad valorem taxes and related investment earnings specifically appropriated to operate a regional animal services shelter and to provide regional field enforcement operations. 97

Regional Public Safety Training Center Fund: To account for the operations and management of a public safety training center for the benefit of local public safety agencies 98

Truckee River Flood Management Infrastructure Fund: To account for resources derived from the 0.125% infrastructure sales tax and related investment earnings specifically appropriated to fund the Truckee River Flood Management Project and related debt service 99

Regional Communication System Fund: To account for the development, operations and management of the regional communications system for the benefit of participating public safety and non-public safety agencies 100

Regional Permits System Fund: To account for the development, operations and management of the regional permit system for the benefit of participating cities and counties agencies 101

Central Truckee Meadows Remediation District Fund: To account for resources derived from remediation fees and related investment earnings specifically appropriated for the remediation of the quality of water in the Central Truckee Meadows Remediation District. 102

Other Restricted Fund: To account for various specific resources restricted for specified purposes consistent with legal and operating requirements. Resources include: ad valorem tax apportionments for Cooperative Extension support, car rental tax for the Reno baseball stadium, court administrative assessments for court projects, and grants and restricted resources for various General Fund departments 103

Roads Fund: To account for specific revenue sources that are restricted to the construction, purchase of equipment for that construction, maintenance and repair of county roads. 107

WASHOE COUNTY, NEVADA
CHILD PROTECTIVE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance	2014
	Budget	Actual		Actual
Revenues				
Taxes:				
Ad valorem	\$ 4,990,519	\$ 4,988,606	\$ (1,913)	\$ 4,872,964
Licenses and Permits:				
Day care licenses	22,500	23,245	745	22,433
Intergovernmental Revenues:				
Federal grants	20,172,639	18,827,597	(1,345,042)	17,169,589
State grants	16,951,599	14,836,332	(2,115,267)	15,794,604
Charges for Services:				
Service fees	2,503,000	3,952,337	1,449,337	2,642,498
Miscellaneous:				
Contributions and donations	165,684	175,884	10,200	56,330
Other	2,000,000	3,501,915	1,501,915	1,519,758
Total Revenues	46,805,941	46,305,916	(500,025)	42,078,176
Expenditures				
Welfare Function:				
Salaries and wages	14,120,824	13,668,822	452,002	13,145,404
Employee benefits	5,955,636	5,710,092	245,544	5,420,013
Services and supplies	29,590,695	28,265,108	1,325,587	25,379,676
Capital outlay	35,200	37,720	(2,520)	2,201,866
Total Expenditures	49,702,355	47,681,742	2,020,613	46,146,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,896,414)	(1,375,826)	1,520,588	(4,068,783)
Other Financing Sources (Uses)				
Transfers:				
General Fund	1,234,426	1,234,426	-	-
Other Restricted Fund	-	-	-	(45,406)
Debt Service Fund	(400,000)	(400,000)	-	(400,000)
Total Other Financing Sources (Uses)	834,426	834,426	-	(445,406)
Net Change in Fund Balances	(2,061,988)	(541,400)	1,520,588	(4,514,189)
Fund Balances, July 1	5,624,595	4,338,120	(1,286,475)	8,852,309
Fund Balances, June 30	\$ 3,562,607	\$ 3,796,720	\$ 234,113	\$ 4,338,120

**WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Health Fund	Indigent Tax Levy Fund	Senior Services Fund	Enhanced 911 Fund	Library Expansion Fund
Assets					
Cash and investments	\$ 2,135,257	\$ 11,402,742	\$ 384,772	\$ 826,677	\$ 1,416,153
Restricted cash and investments	-	-	-	-	-
Accounts receivable	10,498	-	2,670	130,716	-
Property taxes receivable	-	98,377	15,661	-	31,287
Other taxes receivable	-	-	-	-	-
Interest receivable	-	28,915	-	2,069	3,917
Due from other funds	-	-	-	-	-
Due from other governments	1,001,913	-	332,260	516	-
Deposits and prepaid items	-	-	-	-	-
Total Assets	\$ 3,147,668	\$ 11,530,034	\$ 735,363	\$ 959,978	\$ 1,451,357
Liabilities					
Accounts payable	\$ 214,275	\$ -	\$ 247,046	\$ 119,443	\$ 20,037
Accrued salaries and benefits	600,337	-	79,946	1,665	37,928
Contracts/retention payable	-	-	-	-	-
Due to other funds	-	2,174,706	-	-	-
Due to other governments	64,551	53,666	7,746	38,785	14,233
Deposits	-	-	3,987	-	-
Total Liabilities	879,163	2,228,372	338,725	159,893	72,198
Deferred Inflows of Resources					
Unavailable revenue - grants and other revenue	-	-	-	-	-
Unavailable revenue - property taxes	-	85,965	13,640	-	27,247
Total Deferred Inflows of Resources	-	85,965	13,640	-	27,247
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	2,268,505	9,215,697	88,553	800,085	893,047
Committed	-	-	294,445	-	458,865
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total Fund Balances	2,268,505	9,215,697	382,998	800,085	1,351,912
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,147,668	\$ 11,530,034	\$ 735,363	\$ 959,978	\$ 1,451,357

(CONTINUED)

**WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015**

	Animal Services Fund	Regional Public Safety Training Center Fund	Truckee River Flood Management Infrastructure Fund	Regional Communications System Fund
Assets				
Cash and investments	\$ 6,270,063	\$ 479,122	\$ 516,445	\$ 1,694,602
Restricted cash and investments	-	-	-	-
Accounts receivable	91,183	675	-	-
Property taxes receivable	49,404	-	-	-
Other taxes receivable	-	-	-	-
Interest receivable	17,092	1,458	345	4,308
Due from other funds	-	-	-	-
Due from other governments	2,186	19,320	1,424,613	6,206
Deposits and prepaid items	-	-	-	2,475
Total Assets	\$ 6,429,928	\$ 500,575	\$ 1,941,403	\$ 1,707,591
Liabilities				
Accounts payable	\$ 65,036	\$ 7,148	\$ 662	\$ 77,559
Accrued salaries and benefits	122,302	13,367	43,297	21,260
Contracts/retention payable	5,418	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	689	352,317	-
Deposits	7,385	-	-	-
Total Liabilities	200,141	21,204	396,276	98,819
Deferred Inflows of Resources				
Unavailable revenue - grants and other revenue	-	-	-	-
Unavailable revenue - property taxes	43,113	-	-	-
Total Deferred Inflows of Resources	43,113	-	-	-
Fund Balances				
Nonspendable	-	-	-	2,475
Restricted	131,940	479,371	1,545,127	1,606,297
Committed	6,054,734	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances	6,186,674	479,371	1,545,127	1,608,772
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,429,928	\$ 500,575	\$ 1,941,403	\$ 1,707,591

(CONTINUED)

Regional Permits System Fund	Central Truckee Meadows Remediation District Fund	Other Restricted Fund	Roads Fund	Total
\$ 281,902	\$ 6,345,178	\$ 16,990,526	\$ 12,373,064	\$ 61,116,503
-	-	45,406	-	45,406
-	13,462	10,295	-	259,499
-	-	15,661	-	210,390
-	-	271,253	1,462,664	1,733,917
495	17,348	12,815	-	88,762
-	2,271	394,898	-	397,169
152,472	-	989,141	180	3,928,807
-	-	66,834	-	69,309
<u>\$ 434,869</u>	<u>\$ 6,378,259</u>	<u>\$ 18,796,829</u>	<u>\$ 13,835,908</u>	<u>\$ 67,849,762</u>
\$ -	\$ 27,106	\$ 599,840	\$ 272,332	\$ 1,650,484
-	31,701	178,516	215,618	1,345,937
281,964	-	-	347,179	634,561
-	-	356,656	-	2,531,362
-	132,406	38,052	93	702,538
-	-	59,829	-	71,201
<u>281,964</u>	<u>191,213</u>	<u>1,232,893</u>	<u>835,222</u>	<u>6,936,083</u>
-	11,249	85,599	-	96,848
-	-	13,639	-	183,604
-	11,249	99,238	-	280,452
-	-	56,213	-	58,688
152,905	4,949,951	16,375,680	-	38,507,158
-	1,225,846	1,310,941	2,698,183	12,043,014
-	-	-	10,302,503	10,302,503
-	-	(278,136)	-	(278,136)
<u>152,905</u>	<u>6,175,797</u>	<u>17,464,698</u>	<u>13,000,686</u>	<u>60,633,227</u>
<u>\$ 434,869</u>	<u>\$ 6,378,259</u>	<u>\$ 18,796,829</u>	<u>\$ 13,835,908</u>	<u>\$ 67,849,762</u>

WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Health Fund	Indigent Tax Levy Fund	Senior Services Fund	Enhanced 911 Fund
Revenues				
Taxes:				
Ad valorem	\$ -	\$ 7,487,290	\$ 1,249,306	\$ -
Car rental	-	-	-	-
Licenses and permits	1,410,276	-	-	-
Intergovernmental revenues	6,646,748	-	1,230,713	-
Charges for services	1,397,065	232,416	489,869	1,591,647
Fines and forfeits	-	-	-	-
Miscellaneous	58,285	301,885	103,927	9,566
Total Revenues	9,512,374	8,021,591	3,073,815	1,601,213
Expenditures				
Current:				
General government	-	-	-	-
Judicial	-	-	-	-
Public safety	-	-	-	1,699,167
Public works	-	-	-	-
Health and sanitation	19,399,859	-	-	-
Welfare	-	3,675,824	-	-
Culture and recreation	-	-	4,374,175	-
Intergovernmental	-	-	-	-
Total Expenditures	19,399,859	3,675,824	4,374,175	1,699,167
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,887,485)	4,345,767	(1,300,360)	(97,954)
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	11,957	-
Transfers in	10,000,192	-	1,419,904	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	10,000,192	-	1,431,861	-
Extraordinary Gains	-	-	-	-
Net Change in Fund Balances	112,707	4,345,767	131,501	(97,954)
Fund Balances, July 1	2,155,799	4,869,931	251,496	898,039
Fund Balances, June 30	\$ 2,268,506	\$ 9,215,698	\$ 382,997	\$ 800,085

(CONTINUED)

Library Expansion Fund	Animal Services Fund	Regional Public Safety Training Center Fund	Truckee River Flood Management Infrastructure Fund	Regional Communications System Fund	Regional Permits System Fund	Central Truckee Meadows Remediation District Fund
\$ 2,494,009	\$ 3,794,077	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	249,853	-	-	-	-	-
-	-	-	8,227,877	1,400,337	152,472	-
-	158,382	684,720	-	-	-	1,253,676
-	-	-	-	-	-	-
15,372	169,836	27,316	1,240,984	17,302	509	75,042
<u>2,509,381</u>	<u>4,372,148</u>	<u>712,036</u>	<u>9,468,861</u>	<u>1,417,639</u>	<u>152,981</u>	<u>1,328,718</u>
-	-	-	-	-	282,041	-
-	-	-	-	-	-	-
-	4,083,095	686,259	6,992,429	1,744,404	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	2,091,074
-	-	-	-	-	-	-
1,809,202	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,809,202</u>	<u>4,083,095</u>	<u>686,259</u>	<u>6,992,429</u>	<u>1,744,404</u>	<u>282,041</u>	<u>2,091,074</u>
<u>700,179</u>	<u>289,053</u>	<u>25,777</u>	<u>2,476,432</u>	<u>(326,765)</u>	<u>(129,060)</u>	<u>(762,356)</u>
-	-	-	-	-	-	-
-	-	-	-	-	281,965	-
<u>(217,138)</u>	<u>-</u>	<u>-</u>	<u>(2,403,031)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(217,138)</u>	<u>-</u>	<u>-</u>	<u>(2,403,031)</u>	<u>-</u>	<u>281,965</u>	<u>-</u>
-	-	-	-	-	-	-
<u>483,041</u>	<u>289,053</u>	<u>25,777</u>	<u>73,401</u>	<u>(326,765)</u>	<u>152,905</u>	<u>(762,356)</u>
<u>868,870</u>	<u>5,897,621</u>	<u>453,594</u>	<u>1,471,726</u>	<u>1,935,537</u>	<u>-</u>	<u>6,938,153</u>
<u>\$ 1,351,911</u>	<u>\$ 6,186,674</u>	<u>\$ 479,371</u>	<u>\$ 1,545,127</u>	<u>\$ 1,608,772</u>	<u>\$ 152,905</u>	<u>\$ 6,175,797</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Other Restricted Fund	Roads Fund	Total
Revenues			
Taxes:			
Ad valorem	\$ 1,247,171	\$ -	\$ 16,271,853
Car rental	1,225,141	-	1,225,141
Licenses and permits	46,412	-	1,706,541
Intergovernmental revenues	6,620,110	8,565,367	32,843,624
Charges for services	3,486,646	1,157,973	10,452,394
Fines and forfeits	2,220,959	-	2,220,959
Miscellaneous	1,073,386	6,326	3,099,736
Total Revenues	<u>15,919,825</u>	<u>9,729,666</u>	<u>67,820,248</u>
Expenditures			
Current:			
General government	661,636	-	943,677
Judicial	5,158,054	-	5,158,054
Public safety	3,605,505	-	18,810,859
Public works	690,306	14,669,551	15,359,857
Health and sanitation	-	-	21,490,933
Welfare	276,401	-	3,952,225
Culture and recreation	839,257	-	7,022,634
Intergovernmental	1,280,041	-	1,280,041
Total Expenditures	<u>12,511,200</u>	<u>14,669,551</u>	<u>74,018,280</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,408,625</u>	<u>(4,939,885)</u>	<u>(6,198,032)</u>
Other Financing Sources (Uses)			
Proceeds from asset disposition	-	-	11,957
Transfers in	-	4,339,733	16,041,794
Transfers out	(1,624,356)	-	(4,244,525)
Total Other Financing Sources (Uses)	<u>(1,624,356)</u>	<u>4,339,733</u>	<u>11,809,226</u>
Extraordinary Gains	-	6,000,000	6,000,000
Net Change in Fund Balances	<u>1,784,269</u>	<u>5,399,848</u>	<u>11,611,194</u>
Fund Balances, July 1	<u>15,680,429</u>	<u>7,600,838</u>	<u>49,022,033</u>
Fund Balances, June 30	<u>\$ 17,464,698</u>	<u>\$ 13,000,686</u>	<u>\$ 60,633,227</u>

WASHOE COUNTY, NEVADA
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Licenses and permits	\$ 1,294,420	\$ 1,410,276	\$ 115,856	\$ 1,406,086
Intergovernmental Revenues:				
Federal grants	5,507,203	5,333,267	(173,936)	5,493,707
State grants	327,094	325,392	(1,702)	302,207
Other	787,215	988,089	200,874	948,867
Charges for Services:				
Health	1,329,615	1,397,065	67,450	1,339,558
Miscellaneous:				
Contributions and donations	98,663	27,040	(71,623)	123,121
Other	-	31,245	31,245	49,045
Total Revenues	9,344,210	9,512,374	168,164	9,662,591
Expenditures				
Health and Sanitation Function:				
Salaries and wages	10,478,015	10,186,634	291,381	9,591,107
Employee benefits	4,200,674	4,088,796	111,878	3,829,395
Services and supplies	5,868,891	5,098,902	769,989	5,355,510
Capital outlay	406,454	25,527	380,927	146,788
Total Expenditures	20,954,034	19,399,859	1,554,175	18,922,800
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,609,824)	(9,887,485)	1,722,339	(9,260,209)
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	-	653
Transfers:				
General Fund	10,000,192	10,000,192	-	8,603,891
Total Other Financing Sources (Uses)	10,000,192	10,000,192	-	8,604,544
Net Change in Fund Balances	(1,609,632)	112,707	1,722,339	(655,665)
Fund Balances, July 1	1,735,031	2,155,799	420,768	2,811,464
Fund Balances, June 30	\$ 125,399	\$ 2,268,506	\$ 2,143,107	\$ 2,155,799

WASHOE COUNTY, NEVADA
INDIGENT TAX LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 7,500,752	\$ 7,487,290	\$ (13,462)	\$ 7,316,774
Charges for Services:				
Reimbursements	88,000	232,416	144,416	107,889
Miscellaneous:				
Investment earnings	30,000	112,670	82,670	113,652
Net increase (decrease) in the fair value of investments	-	(18,419)	(18,419)	11,914
Other	-	207,634	207,634	196,215
Total Revenues	7,618,752	8,021,591	402,839	7,746,444
Expenditures				
Welfare Function:				
Services and supplies	14,781,979	3,675,824	11,106,155	7,199,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,163,227)	4,345,767	11,508,994	546,572
Fund Balances, July 1	7,415,488	4,869,931	(2,545,557)	4,323,359
Fund Balances, June 30	\$ 252,261	\$ 9,215,698	\$ 8,963,437	\$ 4,869,931

WASHOE COUNTY, NEVADA
SENIOR SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 1,247,630	\$ 1,249,306	\$ 1,676	\$ 1,218,254
Intergovernmental Revenues:				
Federal grants	1,078,556	1,034,019	(44,537)	910,459
State and local grants	196,249	196,694	445	179,329
Charges for Services:				
Senior law project fees	75,000	50,538	(24,462)	57,232
Program income	120,500	125,320	4,820	123,799
Other	221,900	314,011	92,111	347,693
Miscellaneous:				
Contributions and donations	25,015	25,015	-	103,072
Reimbursements	24,500	22,252	(2,248)	25,653
Other	13,000	56,660	43,660	52,273
Total Revenues	3,002,350	3,073,815	71,465	3,017,764
Expenditures				
Welfare Function:				
Salaries and wages	1,348,259	1,360,174	(11,915)	1,320,472
Employee benefits	583,121	580,607	2,514	580,527
Services and supplies	2,503,670	2,375,072	128,598	2,156,562
Capital outlay	38,783	58,322	(19,539)	-
Total Expenditures	4,473,833	4,374,175	99,658	4,057,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,471,483)	(1,300,360)	171,123	(1,039,797)
Other Financing Sources (Uses)				
Transfers:				
General Fund	1,419,904	1,419,904	-	936,132
Proceeds from asset disposition	-	11,957	11,957	936,132
Net Change in Fund Balances	(51,579)	131,501	183,080	(103,665)
Fund Balances, July 1	103,158	251,496	148,338	355,161
Fund Balances, June 30	\$ 51,579	\$ 382,997	\$ 331,418	\$ 251,496

WASHOE COUNTY, NEVADA
ENHANCED 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Charges for Services:				
Enhanced 911 fees	\$ 1,584,791	\$ 1,591,647	\$ 6,856	\$ 1,604,253
Miscellaneous:				
Investment earnings	16,118	9,566	(6,552)	11,163
Net increase (decrease) in the fair value of investments	-	-	-	701
Total Revenues	1,600,909	1,601,213	304	1,616,117
Expenditures				
Public Safety Function:				
Salaries and wages	24,668	24,763	95	21,958
Employee benefits	12,272	12,307	35	9,291
Services and supplies	1,835,675	1,662,097	(173,578)	1,876,623
Capital outlay	250,000	-	(250,000)	-
Total Expenditures	2,122,615	1,699,167	(423,448)	1,907,872
Excess (Deficiency) of Revenues Over (Under) Expenditures	(521,706)	(97,954)	423,752	(291,755)
Fund Balances, July 1	898,039	898,039	-	1,189,794
Fund Balances, June 30	\$ 376,333	\$ 800,085	\$ 423,752	\$ 898,039

WASHOE COUNTY, NEVADA
LIBRARY EXPANSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance	2014
	Budget	Actual		Actual
Revenues				
Taxes:				
Ad valorem	\$ 2,495,296	\$ 2,494,009	\$ (1,287)	\$ 2,436,506
Miscellaneous:				
Investment earnings	15,000	15,372	372	12,869
Net increase (decrease) in the fair value of investments	-	-	-	2,046
Total Revenues	2,510,296	2,509,381	(915)	2,451,421
Expenditures				
Culture and Recreation Function:				
Salaries and wages	679,995	631,706	48,289	693,369
Employee benefits	301,577	281,078	20,499	301,595
Services and supplies	915,661	896,418	19,243	915,165
Total Expenditures	1,897,233	1,809,202	88,031	1,910,129
Excess (Deficiency) of Revenues Over (Under) Expenditures	613,063	700,179	87,116	541,292
Other Financing Sources (Uses)				
Transfers:				
Debt Service Fund	(217,095)	(217,138)	(43)	(219,575)
Net Change in Fund Balances	395,968	483,041	87,073	321,717
Fund Balances, July 1	868,870	868,870	-	547,153
Fund Balances, June 30	\$ 1,264,838	\$ 1,351,911	\$ 87,073	\$ 868,870

WASHOE COUNTY, NEVADA
ANIMAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 3,743,640	\$ 3,794,077	\$ 50,437	\$ 3,700,542
Licenses and Permits:				
Animal licenses	204,000	249,853	45,853	243,232
Charges for Services:				
Animal services	100,000	158,382	58,382	130,482
Miscellaneous:				
Investment earnings	100,000	80,154	(19,846)	84,717
Net increase (decrease) in the fair value of investments	-	(12,741)	(12,741)	5,018
Contributions and donations	31,514	31,514	-	19,851
Other	55,000	70,909	15,909	62,875
Total Revenues	4,234,154	4,372,148	137,994	4,246,717
Expenditures				
Public Safety Function:				
Salaries and wages	2,072,597	1,989,786	82,811	1,678,339
Employee benefits	891,909	852,281	39,628	701,609
Services and supplies	1,786,633	1,103,570	683,063	1,503,217
Capital outlay	150,000	137,458	12,542	-
Total Expenditures	4,901,139	4,083,095	818,044	3,883,165
Excess (Deficiency) of Revenues Over (Under) Expenditures	(666,985)	289,053	956,038	363,552
Fund Balances, July 1	5,625,796	5,897,621	271,825	5,534,069
Fund Balances, June 30	\$ 4,958,811	\$ 6,186,674	\$ 1,227,863	\$ 5,897,621

WASHOE COUNTY, NEVADA
REGIONAL PUBLIC SAFETY TRAINING CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Charges for Services:				
Training fees - partner agencies	\$ 640,900	\$ 666,953	\$ 26,053	\$ 528,184
Training fees - workshops	15,000	17,767	2,767	3,575
Miscellaneous:				
Investment earnings	10,000	7,381	(2,619)	7,711
Net increase (decrease) in the fair value of investments	-	-	-	679
Rental income	10,000	20,535	10,535	40,811
Other	12,000	(600)	(12,600)	9,723
Total Revenues	687,900	712,036	24,136	590,683
Expenditures				
Public Safety Function:				
Salaries and wages	210,817	217,269	(6,452)	206,344
Employee benefits	98,083	99,171	(1,088)	95,635
Services and supplies	393,468	311,186	82,282	254,077
Capital outlay	205,786	58,633	147,153	21,661
Total Expenditures	908,154	686,259	221,895	577,717
Excess (Deficiency) of Revenues Over (Under) Expenditures	(220,254)	25,777	246,031	12,966
Fund Balances, July 1	241,914	453,594	211,680	440,628
Fund Balances, June 30	\$ 21,660	\$ 479,371	\$ 457,711	\$ 453,594

WASHOE COUNTY, NEVADA
TRUCKEE RIVER FLOOD MANAGEMENT INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental Revenues:				
Infrastructure sales tax - NRS 377B.100	\$ 7,835,600	\$ 8,227,877	\$ 392,277	\$ 7,672,378
Miscellaneous:				
Investment earnings	15,000	1,231	(13,769)	1,700
Net increase (decrease) in the fair value of investments	-	-	-	28
Reimbursements	1,387,457	1,239,753	(147,704)	1,437,384
Total Revenues	9,238,057	9,468,861	230,804	9,111,490
Expenditures				
Public Safety Function:				
Salaries and wages	898,430	802,140	96,290	896,009
Employee benefits	345,527	294,364	51,163	375,325
Services and supplies	6,311,599	5,895,925	415,674	5,354,757
Total Expenditures	7,555,556	6,992,429	563,127	6,626,091
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,682,501	2,476,432	793,931	2,485,399
Other Financing Sources (Uses)				
Transfers:				
Debt Service Fund	(2,403,031)	(2,403,031)	-	(2,390,368)
Net Change in Fund Balances	(720,530)	73,401	793,931	95,031
Fund Balances, July 1	767,760	1,471,726	703,966	1,376,695
Fund Balances, June 30	\$ 47,230	\$ 1,545,127	\$ 1,497,897	\$ 1,471,726

WASHOE COUNTY, NEVADA
REGIONAL COMMUNICATIONS SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance	2014
	Budget	Actual		Actual
Revenues				
Intergovernmental Revenues:				
Local contributions	\$ 1,400,337	\$ 1,400,337	\$ -	\$ 1,217,511
Miscellaneous:				
Investment earnings	39,000	22,155	(21,698)	26,963
Net increase (decrease) in the fair value of investments	-	(4,853)	-	1,051
Reimbursements	-	-	-	77,892
Total Revenues	1,439,337	1,417,639	(21,698)	1,323,417
Expenditures				
Public Safety Function:				
Salaries and wages	364,058	348,630	15,428	345,562
Employee benefits	133,756	143,232	(9,476)	141,542
Services and supplies	869,665	577,305	292,360	613,856
Capital outlay	1,582,000	675,237	906,763	84,141
Total Expenditures	2,949,479	1,744,404	1,205,075	1,185,101
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,510,142)	(326,765)	1,183,377	138,316
Other Financing Sources (Uses)				
Proceeds from Insurance Recoveries	-	-	-	39,725
Net Change in Fund Balances	(1,510,142)	(326,765)	1,183,377	178,041
Fund Balances, July 1	1,792,670	1,935,537	142,867	1,757,496
Fund Balances, June 30	\$ 282,528	\$ 1,608,772	\$ 1,326,244	\$ 1,935,537

**WASHOE COUNTY, NEVADA
REGIONAL PERMITS SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	2015		
	Budget	Actual	Variance
Revenues			
Intergovernmental Revenues:			
Local contributions	\$ -	\$ 152,472	\$ 152,472
Miscellaneous:			
Investment earnings	-	1,111	1,111
Net increase (decrease) in the fair value of investments	-	(602)	(602)
Total Revenues	-	152,981	152,981
Expenditures			
Capital outlay:			
General Government Function	283,965	282,041	1,924
Excess (Deficiency) of Revenues Over (Under) Expenditures	(283,965)	(129,060)	154,905
Other Financing Sources (Uses)			
Transfers:			
Capital Improvements Fund	183,965	181,965	2,000
Capital Facilities Tax Fund	100,000	100,000	-
Total Other Financing Sources (uses)	283,965	281,965	2,000
Net Change in Fund Balances	-	152,905	152,905
Fund Balances, July 1	-	-	-
Fund Balances, June 30	\$ -	\$ 152,905	\$ 154,905

WASHOE COUNTY, NEVADA
CENTRAL TRUCKEE MEADOWS REMEDIATION DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Charges for Services:				
Remediation fees	\$ 1,250,000	\$ 1,253,676	\$ 3,676	\$ 1,254,476
Miscellaneous:				
Investment earnings	112,248	89,155	(23,093)	115,738
Net increase (decrease) in the fair value of investments	-	(14,113)	(14,113)	6,831
Total Revenues	<u>1,362,248</u>	<u>1,328,718</u>	<u>(33,530)</u>	<u>1,377,045</u>
Expenditures				
Health and Sanitation Function:				
Salaries and wages	645,991	570,633	75,358	497,318
Employee benefits	261,718	213,845	47,873	170,189
Services and supplies	<u>6,274,711</u>	<u>1,306,596</u>	<u>4,968,115</u>	<u>1,967,418</u>
Total Expenditures	<u>7,182,420</u>	<u>2,091,074</u>	<u>5,091,346</u>	<u>2,634,925</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,820,172)	(762,356)	5,057,816	(1,257,880)
Fund Balances, July 1	6,938,153	6,938,153	-	8,196,033
Fund Balances, June 30	<u>\$ 1,117,981</u>	<u>\$ 6,175,797</u>	<u>\$ 5,057,816</u>	<u>\$ 6,938,153</u>

WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 1,247,631	\$ 1,247,171	\$ (460)	\$ 1,218,254
Car rental	1,070,614	1,225,141	154,527	1,141,625
Licenses and permits	-	46,412	46,412	-
Intergovernmental revenues:				
Federal grants	8,509,229	5,294,901	(3,214,328)	5,950,683
Federal narcotics forfeitures	110,000	482,121	372,121	505,045
State grants	463,923	421,739	(42,184)	463,277
Local contributions	640,074	421,349	(218,725)	421,808
Charges for Services:				
General Government:				
Recorder fees	325,000	321,021	(3,979)	311,825
Map fees	40,000	87,948	47,948	47,306
Assessor commissions	400,000	525,957	125,957	486,953
Other	6,000	5,825	(175)	20,747
Judicial	1,520,932	1,344,080	(176,852)	1,383,265
Public Safety	480,000	859,887	379,887	669,526
Public Works	85,000	90,955	5,955	93,625
Welfare	90,000	58,735	(31,265)	4,186
Culture and Recreation	177,408	192,238	14,830	79,666
Fines and Forfeitures:				
Court fines	2,208,124	2,134,634	(73,490)	2,192,085
Forfeitures/bail	35,000	86,325	51,325	127,391
Miscellaneous:				
Investment earnings	62,000	59,556	(2,444)	61,823
Net increase (decrease) in the fair value of investments	-	(10,318)	(10,318)	1,965
Contributions and donations	868,179	792,704	(75,475)	1,037,310
Other	7,000	231,444	224,444	243,357
Total Revenues	18,346,114	15,919,825	(2,426,289)	16,461,722
Expenditures				
General Government Function:				
County Manager:				
Services and supplies	501,624	272,757	228,867	4,331
Assessor:				
Services and supplies	740,000	228,681	511,319	44,133
Capital outlay	1,367,726	121,563	1,246,163	322,185
	2,107,726	350,244	1,757,482	366,318
Human Resources:				
Services and supplies	2,379	-	2,379	-
Clerk:				
Services and supplies	29,339	23	29,316	4,980
Recorder:				
Services and supplies	2,759,909	38,418	2,721,491	12,616

(CONTINUED)

WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Technology Services:				
Salaries and wages	\$ -	\$ -	\$ -	\$ 82,877
Employee benefits	-	-	-	33,613
Services and supplies	111,111	45	111,066	111,208
	<u>111,111</u>	<u>45</u>	<u>111,066</u>	<u>227,698</u>
Community Development:				
Services and supplies	2,276	149	2,127	123
Total General Government Function	<u>5,514,364</u>	<u>661,636</u>	<u>4,852,728</u>	<u>616,066</u>
Judicial Function:				
District Courts:				
Salaries and wages	721,586	483,166	238,420	549,325
Employee benefits	276,586	191,486	85,100	239,910
Services and supplies	2,778,584	1,324,770	1,453,814	1,304,550
Capital outlay	3,617,786	25,711	3,592,075	19,990
	<u>7,394,542</u>	<u>2,025,133</u>	<u>5,369,409</u>	<u>2,113,775</u>
District Attorney:				
Salaries and wages	1,938,516	1,503,674	434,842	1,422,720
Employee benefits	668,689	666,689	2,000	635,021
Services and supplies	499,501	222,265	277,236	409,764
Capital outlay	-	-	-	57,791
	<u>3,106,706</u>	<u>2,392,628</u>	<u>714,078</u>	<u>2,525,296</u>
Justice Courts:				
Reno Justice Court:				
Salaries and wages	126,800	107,474	19,326	65,554
Employee Benefits	-	1,558	(1,558)	944
Services and supplies	2,081,493	388,499	1,692,994	345,603
	<u>2,208,293</u>	<u>497,531</u>	<u>1,710,762</u>	<u>412,101</u>
Sparks Justice Court:				
Services and supplies	552,356	115,142	437,214	97,808
Capital outlay	-	-	-	10,542
	<u>552,356</u>	<u>115,142</u>	<u>437,214</u>	<u>108,350</u>
Incline Justice Court:				
Services and supplies	159,463	19,245	140,218	18,187
Wadsworth Justice Court:				
Services and supplies	227,095	900	226,195	-
Incline Constable:				
Services and supplies	251	-	251	-

(CONTINUED)

WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Neighborhood Justice Center:				
Services and supplies	\$ 131,097	\$ 107,475	\$ 23,622	\$ 100,044
Total Judicial Function	13,779,803	5,158,054	8,621,749	5,277,753
Public Safety Function:				
Sheriff:				
Salaries and wages	732,101	356,738	375,363	776,311
Employee benefits	49,745	23,454	26,291	199,633
Services and supplies	2,905,082	1,373,432	1,531,650	1,586,927
Capital outlay	856,545	308,282	548,263	278,597
	4,543,473	2,061,906	2,481,567	2,841,468
Medical Examiner:				
Services and supplies	147,676	11,613	136,063	9,777
Fire Suppression:				
Salaries and wages	8,500	6,938	1,562	6,978
Employee benefits	-	385	(385)	1,139
Services and supplies	2,499	-	2,499	-
	10,999	7,323	3,676	8,117
Juvenile Services:				
Salaries and wages	169,596	130,538	39,058	114,015
Employee benefits	51,761	33,317	18,444	28,788
Services and supplies	1,472,814	833,047	639,767	832,486
	1,694,171	996,902	697,269	975,289
Alternative Sentencing:				
Salaries and wages	126,039	35,076	90,963	27,847
Employee benefits	-	499	(499)	315
Services and supplies	-	-	-	15,000
	126,039	35,575	90,464	43,162
Emergency Management:				
Salaries and wages	104,220	63,290	40,930	88,004
Employee benefits	16,278	20,700	(4,422)	31,487
Services and supplies	838,434	408,196	430,238	625,643
	958,932	492,186	466,746	745,134
Public Guardian:				
Services and supplies	2,543	-	2,543	-
Total Public Safety Function	7,483,833	3,605,505	3,878,328	4,622,947
Public Works Function:				
CSD - Public Works:				
Salaries and wages	71,705	36,565	35,140	36,713
Employee benefits	32,449	32,611	(162)	31,492
Services and supplies	788,597	621,130	167,467	600,261
Total Public Works Function	892,751	690,306	202,445	668,466

(CONTINUED)

WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Welfare Function:				
Social Services:				
Salaries and wages	\$ 96,000	\$ 43,284	\$ 52,716	\$ 2,293
Employee benefits	36,112	15,403	20,709	1,092
Services and supplies	395,485	217,714	177,771	101,951
Total Welfare Function	527,597	276,401	251,196	105,336
Culture and Recreation Function:				
Library:				
Services and supplies	322,916	279,316	43,600	347,098
CSD - Regional Parks and Open Space:				
Services and supplies	1,529,970	60,030	1,469,940	37,044
May Center:				
Salaries and wages	261,771	216,121	45,650	195,012
Employee benefits	64,803	68,244	(3,441)	64,369
Services and supplies	267,764	215,546	52,218	214,790
Capital outlay	-	-	-	12,621
	594,338	499,911	94,427	486,792
Total Culture and Recreation Function	2,447,224	839,257	1,607,967	870,934
Intergovernmental:				
Cooperative Extension apportionment	1,247,631	1,280,041	(32,410)	1,187,827
Total Expenditures	31,893,203	12,511,200	19,382,003	13,349,329
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(13,547,089)	3,408,625	16,955,714	3,112,393
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	-	1,283
Transfers:				
General Fund	-	-	-	893,673
General Fund	(591,926)	(453,442)	138,484	(845,270)
Child Protective Services Fund	-	-	-	45,406
To Regional Permits Fund	-	(100,000)	(100,000)	-
To Regional Permits Capital Fund	(100,000)	-	100,000	-
Debt Service Fund	(1,070,614)	(1,070,914)	(300)	(1,017,728)
Capital Improvement Fund	-	-	-	(600,000)
Total Other Financing Sources (Uses)	(1,762,540)	(1,624,356)	138,184	(1,522,636)
Net Change in Fund Balances	(15,309,629)	1,784,269	17,093,898	1,589,757
Fund Balances, July 1	15,617,161	15,680,429	63,268	14,090,672
Fund Balances, June 30	\$ 307,532	\$ 17,464,698	\$ 17,157,166	\$ 15,680,429

WASHOE COUNTY, NEVADA
ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance	2014
	Budget	Actual		Actual
Revenues				
Taxes:				
County Option MVFT 1.0 Cent	\$ 611,550	\$ 678,352	\$ 66,802	\$ 629,410
Intergovernmental Revenues:				
Federal grants	204,856	201,877	(2,979)	231,033
State shared revenues:				
Motor vehicle fuel tax (1.25 cents)	2,603,952	2,978,647	374,695	2,715,466
Motor vehicle fuel tax (1.75 cents)	1,488,352	1,651,339	162,987	1,541,796
Motor vehicle fuel tax (3.6/2.35 cents)	2,698,379	3,055,152	356,773	2,805,970
Other	10,000	-	(10,000)	-
Charges for Services:				
Street, curb and gutter cut fees	400,000	1,157,389	757,389	660,397
Other	-	584	584	-
Miscellaneous:				
Contributions and donations	650	6,326	5,676	-
Other	-	-	-	31,760
Total Revenues	8,017,739	9,729,666	1,711,927	8,615,832
Expenditures				
Public Works Function:				
Salaries and wages	3,413,977	3,334,068	79,909	3,110,527
Employee benefits	1,615,068	1,581,861	33,207	1,449,868
Services and supplies	6,078,091	6,039,494	38,597	5,178,737
Capital outlay	11,971,745	3,714,128	8,257,617	1,695,149
Total Expenditures	23,078,881	14,669,551	8,409,330	11,434,281
Excess (Deficiency) of Revenues Over (Under) Expenditures	(15,061,142)	(4,939,885)	10,121,257	(2,818,449)
Other Financing Sources (Uses)				
Transfers:				
General Fund	1,349,733	1,349,733	-	2,378,382
Capital Facilities Fund	2,990,000	2,990,000	-	1,890,000
Total Other Financing Sources (Uses)	4,339,733	4,339,733	-	4,268,382
Extraordinary Gains	6,000,000	6,000,000	-	-
Net Change in Fund Balances	(4,721,409)	5,399,848	10,121,257	1,449,933
Fund Balances, July 1	8,836,359	7,600,838	(1,235,521)	6,150,905
Fund Balances, June 30	\$ 4,114,950	\$ 13,000,686	\$ 8,885,736	\$ 7,600,838

DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Page

Major Debt Service Fund:

Special Assessment Debt Service Fund

To account for assessments, penalties, investment income and other resources to retire debt issued for improvements benefiting those properties against which the special assessments are levied109

- District 21 – Cold Springs: sewer treatment plant
- District 29 – Mt. Rose: sewer project
- District 31 – Spearhead Way/Running Bear Drive: road project
- District 32 – Spanish Springs Valley Ranches Roads
- District 35 – Rhodes Road: road project
- District 36 – Evergreen Drive: road project
- District 37 – Spanish Springs Sewer Phase 1a
- District 39 – Lightning W Water System

Nonmajor Debt Service Fund:

Debt Service Fund

To account for ad valorem taxes specifically apportioned and appropriated for the retirement of ad valorem supported debt principal and interest, as well as payment of debt supported by other legal resources transferred from various governmental funds.....110

WASHOE COUNTY, NEVADA
SPECIAL ASSESSMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance	2014
	Budget	Actual		Actual
Revenues				
Taxes:				
Special assessments	\$ 1,120,500	\$ 1,373,763	\$ 253,263	\$ 676,240
Miscellaneous:				
Investment earnings	27,000	22,441	(4,559)	22,756
Net increase (decrease) in the fair value of investments	-	(4,109)	(4,109)	1,094
Assessment interest	336,150	405,192	69,042	442,792
Penalties	89,640	17,584	(72,056)	41,589
Total Revenues	<u>1,573,290</u>	<u>1,814,871</u>	<u>241,581</u>	<u>1,184,471</u>
Expenditures				
Services and Supplies:				
Investment Pool Allocations	1,700	1,620	80	-
Debt Service:				
Special Assessment Bonds:				
Principal	405,177	1,700,177	(1,295,000)	894,495
Interest	318,821	301,580	17,241	343,692
Debt service fees and other fiscal charges	34,700	42,649	(7,949)	45,942
Assessment refunds	-	-	-	6,262
Total Expenditures	<u>760,398</u>	<u>2,046,026</u>	<u>(1,285,628)</u>	<u>1,290,391</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	814,592	(229,535)	(1,044,127)	(105,920)
Other Financing Sources (Uses)				
Transfers:				
SAD Projects Fund	-	-	-	482,653
Net Change in Fund Balances	814,592	(229,535)	(1,044,127)	376,733
Fund Balances, July 1	<u>2,104,445</u>	<u>1,662,395</u>	<u>(442,050)</u>	<u>1,285,662</u>
Fund Balances, June 30	<u>\$ 2,919,037</u>	<u>\$ 1,432,860</u>	<u>\$ (1,486,177)</u>	<u>\$ 1,662,395</u>

**WASHOE COUNTY, NEVADA
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2015**

	<u>Debt Service Fund</u>
Assets	
Cash and investments	\$ 5,680,521
Property taxes receivable	<u>41,132</u>
Total Assets	<u>\$ 5,721,653</u>
Deferred Inflows of Resources	
Unavailable revenue-property taxes	<u>37,693</u>
Fund Balances	
Restricted	<u>5,683,960</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 5,721,653</u>

WASHOE COUNTY, NEVADA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		Variance	2014
	Budget	Actual		Actual
Revenues				
Taxes:				
Ad valorem	\$ 864,576	\$ 867,584	\$ 3,008	\$ 4,081,118
Total Revenues	864,576	867,584	3,008	4,081,118
Expenditures				
Debt Service:				
General Obligation Bonds:				
Ad Valorem Supported Debt:				
Principal	2,685,000	2,685,000	-	2,575,000
Interest	1,393,208	1,393,208	-	1,498,865
Debt service fees and other fiscal charges	39,282	16,856	22,426	34,840
Medium-Term Financing:				
Principal	506,000	506,000	-	487,000
Interest	60,399	60,399	-	79,051
Revenue-Backed:				
Principal	3,105,546	2,920,546	185,000	2,809,008
Interest	2,653,150	2,331,579	321,571	2,444,915
Debt service fees and other fiscal charges	3,968	4,611	(643)	4,158
Total General Obligation Bonds	10,446,553	9,918,199	528,354	9,932,837
Revenue Bonds:				
Principal	1,282,100	1,282,100	-	1,177,200
Interest	1,212,017	1,212,016	1	1,260,683
Debt service fees and other fiscal charges	3,500	3,800	(300)	3,800
Total Revenue Bonds	2,497,617	2,497,916	(299)	2,441,683
Total Expenditures	12,944,170	12,416,115	528,055	12,374,520
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,079,594)	(11,548,531)	531,063	(8,293,402)
Other Financing Sources (Uses)				
Transfers:				
General Fund	4,765,687	4,259,715	(505,972)	4,220,635
Library Expansion Fund	217,095	217,138	43	219,575
Truckee River Flood Management Infrastructure Fund	2,403,031	2,403,031	-	2,390,368
Child Protective Services Fund	400,000	400,000	-	400,000
Other Restricted Fund	1,070,614	1,070,914	300	1,017,728
Total Other Financing Sources (Uses)	8,856,427	8,350,798	(505,629)	8,248,306
Net Change in Fund Balances	(3,223,167)	(3,197,733)	25,434	(45,096)
Fund Balances, July 1	8,840,551	8,881,693	41,142	8,926,789
Fund Balances, June 30	\$ 5,617,384	\$ 5,683,960	\$ 66,576	\$ 8,881,693

CAPITAL PROJECTS FUNDS

Capital projects funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets other than those financed by proprietary funds, or for assets that will be held in trust for individuals, private organizations, or other governments.

	<u>Page</u>
<u>Nonmajor Capital Projects Funds:</u>	
Parks Capital Projects Fund Resources are derived from residential construction taxes, grants, financing proceeds and related investment earnings, which are legally restricted to the improvement, expansion and acquisition of new and existing parks and open space	115
Capital Improvements Fund Resources are derived from financing proceeds, grants, special assessments, transfers and investment earnings, which are appropriated for various major capital projects	116
Capital Facilities Tax Fund Resources are derived from capital facilities ad valorem taxes and investment earnings. Proceeds are restricted for the purchase, renovation and repayment of financing of capital assets	118
Regional Permits Capital Fund Resources are derived from County pay-as-you-go capital funds and reimbursements from the Cities of Reno and Sparks and the Washoe County Health District, under the terms of the inter-local agreement, and any regional technology fees to recover portions of the project's implementation costs.	119

WASHOE COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Parks Capital Projects Fund	Capital Improvements Fund	Capital Facilities Tax Fund	Regional Permits Capital Fund	Total
Assets					
Cash and investments	\$ 20,303,392	\$ 4,354,627	\$ 1,462,098	\$ 1,138,357	\$ 27,258,474
Property taxes receivable	-	12,731	78,258	-	90,989
Interest receivable	53,241	-	6,892	3,100	63,233
Due from other governments	-	1,750,017	-	229,368	1,979,385
Deposits and other assets	-	-	33,630	-	33,630
Total Assets	\$ 20,356,633	\$ 6,117,375	\$ 1,580,878	\$ 1,370,825	\$ 29,425,711
Liabilities					
Contracts/retention payable	\$ 33,764	\$ 1,120,450	\$ 34,581	\$ 207,697	\$ 1,396,492
Due to other funds	-	106,754	-	-	106,754
Due to other governments	86,684	-	160,917	-	247,601
Total Liabilities	120,448	1,227,204	195,498	207,697	1,750,847
Deferred Inflows of Resources					
Unavailable revenue - grants	-	98,273	-	-	98,273
Unavailable revenue - property taxes	-	-	68,154	-	68,154
Total Deferred Inflows of Resources	-	98,273	68,154	-	166,427
Fund Balances					
Restricted	20,236,185	4,791,898	1,317,226	1,163,128	27,508,437
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 20,356,633	\$ 6,117,375	\$ 1,580,878	\$ 1,370,825	\$ 29,425,711

WASHOE COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2015

	Parks Capital Projects Fund	Capital Improvements Fund	Capital Facilities Tax Fund	Regional Permits Capital Fund	Total
Revenues					
Taxes:					
Ad valorem	\$ -	\$ -	\$ 6,235,817	\$ -	\$ 6,235,817
Residential construction tax	245,922	-	-	-	245,922
Intergovernmental	905,016	3,439,620	-	725,340	5,069,976
Miscellaneous	228,347	43,843	42,863	14,197	329,250
Total Revenues	1,379,285	3,483,463	6,278,680	739,537	11,880,965
Expenditures					
Intergovernmental	-	-	4,408,282	-	4,408,282
Capital Outlay:					
General government	-	2,903,106	121,861	832,035	3,857,002
Judicial	-	47,424	-	-	47,424
Public safety	-	81,475	323,412	-	404,887
Public works	-	4,401,796	-	-	4,401,796
Culture and recreation	1,620,237	177,345	405,309	-	2,202,891
Total Capital Outlay	1,620,237	7,611,146	850,582	832,035	10,914,000
Debt Service:					
Service fees	3,000	-	-	-	3,000
Total Expenditures	1,623,237	7,611,146	5,258,864	832,035	15,325,282
Excess (Deficiency) of Revenues Over (Under) Expenditures	(243,952)	(4,127,683)	1,019,816	(92,498)	(3,444,317)
Other Financing Sources (Uses)					
Transfers in	-	4,944,443	-	-	4,944,443
Transfers out	-	-	(2,990,000)	-	(2,990,000)
Total Other Financing Sources (Uses)	-	4,944,443	(2,990,000)	-	1,954,443
Net Change in Fund Balances	(243,952)	816,760	(1,970,184)	(92,498)	(1,489,874)
Fund Balances, July 1	20,480,136	3,975,138	3,287,411	1,255,626	28,998,311
Fund Balances, June 30	\$ 20,236,184	\$ 4,791,898	\$ 1,317,227	\$ 1,163,128	\$ 27,508,437

WASHOE COUNTY, NEVADA
PARKS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Residential construction tax	\$ 200,000	\$ 245,922	\$ 45,922	\$ 214,659
Intergovernmental Revenues:				
Federal grants	551,404	418,863	(132,541)	1,406,992
State grants	1,100,000	486,153	(613,847)	56,929
Miscellaneous:				
Investment earnings	356,600	255,859	(100,741)	305,456
Net increase (decrease) in the fair value of investments	86,180	(45,857)	(132,037)	11,486
Contributions and donations	-	-	-	21,950
Other	-	18,345	18,345	16,204
Total Revenues	<u>2,294,184</u>	<u>1,379,285</u>	<u>(914,899)</u>	<u>2,033,676</u>
Expenditures				
Capital Outlay:				
Culture and Recreation Function:				
District One	2,460,608	2,198	2,458,410	10,749
District Two	3,201,856	106,639	3,095,217	207,254
District Three	300,083	65,753	234,330	11,477
District Four	2,283,979	263,815	2,020,164	58,178
Special projects	10,329,004	1,125,586	9,203,418	2,378,057
Bond projects	3,027,933	56,246	2,971,687	2,148,151
Total Capital Outlay	<u>21,603,463</u>	<u>1,620,237</u>	<u>19,983,226</u>	<u>4,813,866</u>
Debt Service:				
Service fees	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>21,606,463</u>	<u>1,623,237</u>	<u>19,983,226</u>	<u>4,816,866</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,312,279)</u>	<u>(243,952)</u>	<u>19,068,327</u>	<u>(2,783,190)</u>
Other Financing Sources (Uses)				
Transfers:				
General Fund	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>	<u>150,000</u>
Total Other Financing Sources (Uses)	<u>60,000</u>	<u>-</u>	<u>(60,000)</u>	<u>150,000</u>
Net Change in Fund Balances	<u>(19,252,279)</u>	<u>(243,952)</u>	<u>19,008,327</u>	<u>(2,633,190)</u>
Fund Balances, July 1	<u>19,252,279</u>	<u>20,480,136</u>	<u>1,227,857</u>	<u>23,113,326</u>
Fund Balances, June 30	<u>\$ -</u>	<u>\$ 20,236,184</u>	<u>\$ 20,236,184</u>	<u>\$ 20,480,136</u>

WASHOE COUNTY, NEVADA
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental Revenues:				
Federal grants	\$ 4,780,452	\$ 1,714,796	\$ (3,065,656)	\$ 987,473
State grants	4,436,082	1,724,824	(2,711,258)	903,246
Local contributions	750,000	-	(750,000)	5,000
Miscellaneous:				
Investment earnings	61,500	52,428	(9,072)	63,133
Net increase (decrease) in the fair value of investments	-	(9,533)	(9,533)	5,478
Contributions and donations	-	-	-	148,927
Other	-	948	948	314,712
Total Revenues	10,028,034	3,483,463	(6,544,571)	2,427,969
Expenditures				
Capital Outlay:				
General Government Function:				
Infrastructure	3,317,315	2,677,213	640,102	1,842,795
Other	640,296	225,893	414,403	20,904
Total General Government Function	3,957,611	2,903,106	1,054,505	1,863,699
Judicial Function:				
District Attorney Case Management System	42,916	42,927	(11)	90,245
Justice Court Case Management System	2,358	2,358	-	13,095
Child Advocacy Center	2,139	2,139	-	447,861
Other	1,602,801	-	1,602,801	-
Total Judicial Function	1,650,214	47,424	1,602,790	551,201
Public Safety Function:				
Detention Center improvements	15,836	14,407	1,429	308,345
Gerlach Fire Station improvements	67,069	67,068	1	18,445
Total Public Safety Function	82,905	81,475	1,430	326,790
Public Works Function:				
Air and water quality improvements	9,551,316	3,356,228	6,195,088	1,876,390
SAD 32 Spanish Springs Valley Ranches Roads	-	-	-	581
Other	2,380,325	1,045,568	1,334,757	563,519
Total Public Works Function	11,931,641	4,401,796	7,529,845	2,440,490
Culture and Recreation Function:				
Parks infrastructure	719,218	177,345	541,873	198,656
Other	583,766	-	583,766	-
Total Culture and Recreation Function	1,302,984	177,345	1,125,639	198,656
Total Expenditures	18,925,355	7,611,146	11,314,209	5,380,836
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,897,321)	(4,127,683)	4,769,638	(2,952,867)

(CONTINUED)

WASHOE COUNTY, NEVADA
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Other Financing Sources (Uses)				
Transfers:				
General Fund	\$ 4,944,443	\$ 4,944,443	\$ -	\$ 3,934,832
Other Restricted Fund	-	-	-	600,000
Special Assessment Debt Service Fund	-	-	-	(482,653)
Regional Permits Capital Fund	-	-	-	(1,033,379)
Total Other Financing Sources (Uses)	4,944,443	4,944,443	-	3,018,800
Net Change in Fund Balances	(3,952,878)	816,760	4,769,638	65,933
Fund Balances, July 1	3,952,878	3,975,138	22,260	3,909,205
Fund Balances, June 30	\$ -	\$ 4,791,898	\$ 4,791,898	\$ 3,975,138

WASHOE COUNTY, NEVADA
CAPITAL FACILITIES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 6,238,165	\$ 6,235,817	\$ (2,348)	\$ 6,091,240
Miscellaneous:				
Investment earnings	125,000	45,036	(79,964)	84,389
Net increase (decrease) in the fair value of investments	-	(2,173)	(2,173)	2,443
Total Revenues	6,363,165	6,278,680	(84,485)	6,178,072
Expenditures				
Intergovernmental:				
State of Nevada apportionment	3,742,899	3,656,332	86,567	3,652,622
Reno/Sparks apportionment	685,450	688,069	(2,619)	668,917
Other	70,000	63,881	6,119	67,771
Total Intergovernmental	4,498,349	4,408,282	90,067	4,389,310
Capital Outlay:				
General Government Function:				
Facilities improvements	222,236	121,861	100,375	672,991
Judicial Function:				
District Court roof repair	-	-	-	497,000
District Court remodel	-	-	-	218,034
Mills B. Lane Justice Center elevator retrofit	-	-	-	297,000
Public Safety Function:				
Medical Examiner building and equipment	10,957,887	323,412	10,634,475	64,561
Health and Welfare Function:				
Other	125,000	-	125,000	-
Culture and Recreation Function:				
Rancho San Rafael irrigation	410,258	369,949	40,309	89,742
Library HVAC upgrade	500,000	35,360	464,640	-
Library boiler upgrade	-	-	-	124,995
Total Capital Outlay	12,215,381	850,582	11,364,799	1,964,323
Total Expenditures	16,713,730	5,258,864	11,454,866	6,353,633
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,350,565)	1,019,816	11,370,381	(175,561)
Other Financing Sources (Uses)				
Debt				
Debt issuance	10,000,000	-	(10,000,000)	-
Transfers:				
Regional Permits Capital Fund	-	-	-	(634,065)
Roads Fund	(2,990,000)	(2,990,000)	-	(1,890,000)
Total Other Financing Sources (Uses)	7,010,000	(2,990,000)	(10,000,000)	(2,524,065)
Net Change in Fund Balances	(3,340,565)	(1,970,184)	1,370,381	(2,699,626)
Fund Balances, July 1	3,340,565	3,287,411	(53,154)	5,987,037
Fund Balances, June 30	\$ -	\$ 1,317,227	\$ 1,317,227	\$ 3,287,411

WASHOE COUNTY, NEVADA
REGIONAL PERMITS CAPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental Revenues:				
Local contributions	\$ -	\$ 725,340	\$ 725,340	\$ -
Miscellaneous:				
Investment earnings	-	17,029	17,029	68
Net increase (decrease) in the fair value of investments	-	(2,832)	(2,832)	(107)
Total Revenues	-	739,537	739,537	(39)
Expenditures				
Capital outlay:				
General Government Function	1,168,299	832,035	336,264	411,779
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,168,299)	(92,498)	1,075,801	(411,818)
Other Financing Sources (Uses)				
Transfers:				
Capital Improvements Fund	-	-	-	1,033,379
Capital Facilities Tax Fund	-	-	-	634,065
Total Other Financing Sources (uses)	-	-	-	1,667,444
Net Change in Fund Balances	(1,168,299)	(92,498)	1,075,801	1,255,626
Fund Balances, July 1	-	1,255,626	1,255,626	-
Fund Balances, June 30	\$ (1,168,299)	\$ 1,163,128	\$ 2,331,427	\$ 1,255,626

ENTERPRISE FUNDS

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

Major Enterprise Fund:

Page

Water Resources Fund

Established on April 1, 1983, the fund accounts for water planning and operations of County-owned or operated water and sewer systems, including the related capital assets and depreciation.121

Nonmajor Enterprise Funds:

Golf Course Fund

Established on July 1, 1982, the fund accounts for operations of two County golf courses – Washoe and Sierra Sage, including related capital assets and depreciation.127

Building and Safety Fund

Established on July 1, 2001, the fund accounts for issuance of building permits and other fees directly related to building and development in the County, including related capital assets and depreciation.....129

WASHOE COUNTY, NEVADA
WATER RESOURCES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Utility fees	\$ 30,453,220	\$ 22,140,813	\$ (8,312,407)	\$ 30,039,182
Services to other agencies	1,496,418	565,040	(931,378)	1,166,793
Services to other funds	176,739	211,499	34,760	209,572
Other	584,199	677,670	93,471	870,892
Total Operating Revenues	<u>32,710,576</u>	<u>23,595,022</u>	<u>(9,115,554)</u>	<u>32,286,439</u>
Operating Expenses				
Salaries and wages	4,285,586	3,137,392	1,148,194	3,996,687
Employee benefits	1,774,159	1,215,010	559,149	1,664,925
Services and supplies	18,480,247	10,308,288	8,171,959	12,799,624
Depreciation/amortization	8,677,664	6,067,184	2,610,480	8,677,289
Total Operating Expenses	<u>33,217,656</u>	<u>20,727,874</u>	<u>12,489,782</u>	<u>27,138,525</u>
Operating Income (Loss)	<u>(507,080)</u>	<u>2,867,148</u>	<u>3,374,228</u>	<u>5,147,914</u>
Nonoperating Revenues (Expenses)				
Investment earnings	1,571,558	1,152,496	(419,062)	1,533,930
Net increase (decrease) in the fair value of investments	-	(168,255)	(168,255)	31,501
Federal grants	70,000	4,458	(65,542)	90,412
Facilities rental	-	-	-	20,321
Gain (loss) on asset disposition	-	(1,548,437)	(1,548,437)	(10,000)
Interest/bond insurance costs	(2,164,625)	(872,757)	1,291,868	(2,252,074)
Connection fee refunds/credits	(500,000)	(606,118)	(106,118)	(215,629)
Total Nonoperating Revenues (Expenses)	<u>(1,023,067)</u>	<u>(2,038,613)</u>	<u>(1,015,546)</u>	<u>(801,539)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(1,530,147)</u>	<u>828,535</u>	<u>2,358,682</u>	<u>4,346,375</u>
Capital Contributions				
Federal grants	1,650,000	-	(1,650,000)	7,393
Hook-up fees	8,305,000	2,432,233	(5,872,767)	6,220,293
Contributions from contractors	1,250,000	3,005,877	1,755,877	1,879,633
Total Capital Contributions	<u>11,205,000</u>	<u>5,438,110</u>	<u>(5,766,890)</u>	<u>8,107,319</u>
Special Item				
Disposal of water utility operations	-	(235,202,591)	(235,202,591)	-
Transfers In (Out)				
Equipment Services Fund	1,697,873	-	(1,697,873)	(210,780)
Total Transfers In (Out)	<u>1,697,873</u>	<u>-</u>	<u>(1,697,873)</u>	<u>(210,780)</u>
Change in Net Position	<u>\$ 11,372,726</u>	<u>(228,935,946)</u>	<u>\$ (240,308,672)</u>	<u>12,242,914</u>
Net Position, July 1, As Restated		<u>419,344,730</u>		<u>409,261,807</u>
Net Position, June 30		<u>\$ 190,408,784</u>		<u>\$ 421,504,721</u>

WASHOE COUNTY, NEVADA
WATER RESOURCES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 30,453,220	\$ 25,274,311	\$ (5,178,909)	\$ 29,481,644
Cash received from services to other agencies	1,496,418	565,040	(931,378)	1,353,020
Cash received from services to other funds	176,739	211,499	34,760	209,572
Cash received from program loans	8,330	27,891	19,561	11,432
Other operating receipts	582,469	629,189	46,720	848,606
Cash payments for personnel costs	(6,059,745)	(4,512,141)	1,547,604	(5,677,746)
Cash payments for services and supplies	(18,480,247)	(12,129,650)	6,350,597	(11,577,269)
Cash payments for program loans	(30,000)	-	30,000	-
Cash payments for refund of hookup fees	(500,000)	(606,118)	(106,118)	(215,629)
Cash portion of disposal of water utility operations	-	(33,682,594)	(33,682,594)	-
Net Cash Provided (Used) by Operating Activities	7,647,184	(24,222,573)	(31,869,757)	14,433,630
Cash Flows From Noncapital Financing Activities:				
Federal grants	70,000	4,459	(65,541)	110,125
Transfer to General Fund	1,548,495	-	(1,548,495)	-
Net Cash Provided (Used) by Noncapital Financing Activities	1,618,495	4,459	(1,614,036)	110,125
Cash Flows From Capital and Related Financing Activities:				
Cash received from federal grants	1,650,000	-	(1,650,000)	7,794
Hookup fees/contractor contributions	8,305,000	3,271,441	(5,033,559)	5,401,815
Principal paid on financing	(2,822,305)	(2,446,355)	375,950	(2,736,142)
Interest paid on financing	(2,232,441)	(2,106,755)	125,686	(2,321,325)
* Acquisition of capital assets	(17,168,024)	(5,572,609)	11,595,415	(3,891,805)
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,267,770)	(6,854,278)	5,413,492	(3,539,663)
Cash Flows From Investing Activities:				
Investment earnings	1,564,958	1,033,312	(531,646)	1,587,986
Net Increase (Decrease) in Cash and Cash Equivalents	(1,437,133)	(30,039,080)	(28,601,947)	12,592,078
Cash and Cash Equivalents, July 1	112,175,447	122,515,614	10,340,167	109,923,536
Cash and Cash Equivalents, June 30	\$ 110,738,314	\$ 92,476,534	\$ (18,261,780)	\$ 122,515,614

WASHOE COUNTY, NEVADA
WATER RESOURCES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (507,080)	\$ 2,867,148	\$ 3,374,228	\$ 5,147,914
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	8,677,664	6,067,184	(2,610,480)	8,677,289
Net pension expense	-	(33,911)	(33,911)	-
Construction in progress write-offs	-	-	-	23,694
Program loan interest	6,600	4,827	(1,773)	5,491
Contributed inventory	-	62,070	62,070	92,700
Facilities rental revenue	-	-	-	20,321
Hookup fee refunds	(500,000)	(606,118)	(106,118)	(215,629)
Disposal of water utility operations	-	(33,682,594)	(33,682,594)	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	3,176,641	3,176,641	15,951
Due from other governments	-	242,311	242,311	(202,485)
Due from other funds	-	(306,688)	(306,688)	(51,268)
Notes receivable	(30,000)	23,064	53,064	5,941
Inventory	-	189,870	189,870	7,129
Increase (decrease) in:				
Accounts payable	-	(1,067,759)	(1,067,759)	498,238
Accrued salaries and benefits	-	(129,757)	(129,757)	3,879
Compensated absences	-	3,929	3,929	(20,013)
Due to other governments	-	(723,002)	(723,002)	347,906
Due to other funds	-	(160,428)	(160,428)	162,699
Unearned revenue	-	(20,795)	(20,795)	(85,479)
Other liabilities	-	(128,565)	(128,565)	(648)
Total Adjustments	8,154,264	(27,089,721)	(35,243,985)	9,285,716
Net Cash Provided (Used) by Operating Activities	\$ 7,647,184	\$ (24,222,573)	\$ (31,869,757)	\$ 14,433,630
*Acquisition of Capital Assets Financed by Cash	\$ 17,168,024	\$ 5,572,609	\$ 11,595,415	\$ 3,891,805
Capital contributions received	-	2,943,807	(2,943,807)	1,786,933
Increase (decrease) in contracts/retention payable	-	2,342,784	(2,342,784)	(63,882)
Total Acquisition of Capital Assets	\$ 17,168,024	\$ 10,859,200	\$ 6,308,824	\$ 5,614,856

WASHOE COUNTY, NEVADA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Golf Course Fund</u>	<u>Building and Safety Fund</u>	<u>Total</u>
Assets			
Current Assets:			
Cash and investments	\$ 926,664	\$ 2,239,746	\$ 3,166,410
Accounts receivable	636,338	4,910	641,248
Interest receivable	2,411	-	2,411
Inventory	11,096	-	11,096
Total Current Assets	<u>1,576,509</u>	<u>2,244,656</u>	<u>3,821,165</u>
Noncurrent Assets:			
Capital Assets:			
Nondepreciable:			
Land	173,000	-	173,000
Plant capacity	825,150	-	825,150
Depreciable:			
Land improvements	3,874,949	-	3,874,949
Buildings and improvements	1,258,356	-	1,258,356
Equipment	955,284	173,350	1,128,634
Software	24,137	54,046	78,183
Less accumulated depreciation	<u>(4,793,644)</u>	<u>(134,973)</u>	<u>(4,928,617)</u>
Total Noncurrent Assets	<u>2,317,232</u>	<u>92,423</u>	<u>2,409,655</u>
Total Assets	<u>3,893,741</u>	<u>2,337,079</u>	<u>6,230,820</u>
Deferred Outflows of Resources			
Deferred outflows of resources related to pensions	57,525	265,787	323,312
Liabilities			
Current Liabilities:			
Accounts payable	10,843	1,049	11,892
Accrued salaries and benefits	15,847	68,865	84,712
Compensated absences	24,276	117,288	141,564
Contracts/retention payable	3,445	-	3,445
Due to other governments	27,463	-	27,463
Deposits	-	13,000	13,000
Total Current Liabilities	<u>81,874</u>	<u>200,202</u>	<u>282,076</u>
Noncurrent Liabilities:			
Other long term liabilities	361,635	1,670,901	2,032,536
Compensated absences	7,850	37,929	45,779
Total Liabilities	<u>451,359</u>	<u>1,909,032</u>	<u>2,360,391</u>
Deferred Inflows of Resources			
Deferred inflows of resources related to pensions	93,266	430,919	524,185
Net Position			
Net investment in capital assets	2,317,232	92,423	2,409,655
Restricted for public safety	-	170,492	170,492
Unrestricted	<u>1,089,409</u>	<u>-</u>	<u>1,089,409</u>
Total Net Position	<u>\$ 3,406,641</u>	<u>\$ 262,915</u>	<u>\$ 3,669,556</u>

WASHOE COUNTY, NEVADA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	Golf Course Fund	Building and Safety Fund	Total
Operating Revenues			
Charges for Services:			
Golf course fees	\$ 943,177	\$ -	\$ 943,177
Building permits and fees	-	2,680,683	2,680,683
Washoe County / TRPA	-	102,982	102,982
Other	480,760	8,374	489,134
Miscellaneous	-	150	150
Total Operating Revenues	<u>1,423,937</u>	<u>2,792,189</u>	<u>4,216,126</u>
Operating Expenses			
Salaries and wages	259,027	1,049,446	1,308,473
Employee benefits	106,470	378,946	485,416
Services and supplies	469,748	558,610	1,028,358
Depreciation/amortization	218,429	9,561	227,990
Total Operating Expenses	<u>1,053,674</u>	<u>1,996,563</u>	<u>3,050,237</u>
Operating Income (Loss)	<u>370,263</u>	<u>795,626</u>	<u>1,165,889</u>
Nonoperating Revenues (Expenses)			
Investment earnings	11,918	16,614	28,532
Net increase (decrease) in the fair value of investments	(1,738)	-	(1,738)
Contributions	1,144	-	1,144
Other nonoperating revenue	988	-	988
Total Nonoperating Revenues (Expenses)	<u>12,312</u>	<u>16,614</u>	<u>28,926</u>
Change in Net Position	<u>382,575</u>	<u>812,240</u>	<u>1,194,815</u>
Net Position, July 1, as Restated	<u>3,024,066</u>	<u>(549,325)</u>	<u>2,474,741</u>
Net Position, June 30	<u>\$ 3,406,641</u>	<u>\$ 262,915</u>	<u>\$ 3,669,556</u>

**WASHOE COUNTY, NEVADA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	Golf Course Fund	Building and Safety Fund	Total
Increase (Decrease) In Cash and Cash Equivalents			
Cash Flows From Operating Activities:			
Cash received from customers	\$ 931,801	\$ 2,792,039	\$ 3,723,840
Cash received from other sources	-	150	150
Cash payments for personnel costs	(365,497)	(1,428,392)	(1,793,889)
Cash payments for services and supplies	(469,748)	(558,610)	(1,028,358)
Net Cash Provided (Used) by Operating Activities	<u>96,556</u>	<u>805,187</u>	<u>901,743</u>
Cash Flows From Noncapital Financing Activities			
Cash received from contributions	1,144	-	1,144
Cash Flows From Capital and Related Financing Activities:			
Acquisition of capital assets	(140,071)	(101,984)	(242,055)
Cash Flows From Investing Activities:			
Investment earnings	10,807	14,897	25,704
Net Increase in Cash and Cash Equivalents	<u>(31,564)</u>	<u>718,100</u>	<u>686,536</u>
Cash and Cash Equivalents, July 1	<u>968,915</u>	<u>1,511,437</u>	<u>2,480,352</u>
Cash and Cash Equivalents, June 30	<u>\$ 937,351</u>	<u>\$ 2,229,537</u>	<u>\$ 3,166,888</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	<u>\$ 370,263</u>	<u>\$ 795,626</u>	<u>\$ 1,165,889</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/amortization	218,429	9,561	227,990
Net pension expense	4,351	(39,494)	(35,143)
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(492,136)	-	(492,136)
Inventory	(2,816)	-	(2,816)
Increase (decrease) in:			
Accounts payable	(14,630)	(7,500)	(22,130)
Accrued salaries and benefits	(3,870)	19,364	15,494
Compensated absences	(3,943)	27,630	23,687
Due to other governments	17,463	-	17,463
Other liabilities	3,445	-	3,445
Total Adjustments	<u>(273,707)</u>	<u>9,561</u>	<u>(264,146)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 96,556</u>	<u>\$ 805,187</u>	<u>\$ 901,743</u>

WASHOE COUNTY, NEVADA
GOLF COURSE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Golf courses	\$ 1,016,009	\$ 943,177	\$ (72,832)	\$ 793,853
Other	286,200	480,760	194,560	60,339
Total Operating Revenues	1,302,209	1,423,937	121,728	854,192
Operating Expenses				
Salaries and wages	325,523	259,027	66,496	305,186
Employee benefits	127,249	106,470	20,779	121,508
Services and supplies	434,948	469,748	(34,800)	435,227
Depreciation/amortization	223,968	218,429	5,539	222,041
Total Operating Expenses	1,111,688	1,053,674	58,014	1,083,962
Operating Income (Loss)	190,521	370,263	179,742	(229,770)
Nonoperating Revenues (Expenses)				
Investment earnings	10,000	11,918	1,918	11,442
Net increase (decrease) in the fair value of investments	1,500	(1,738)	(3,238)	154
Contributions	1,144	1,144	-	1,005
Other nonoperating revenue	-	988	988	-
Total Nonoperating Revenues (Expenses)	12,644	12,312	(332)	12,601
Change in Net Position	\$ 276,829	382,575	\$ 105,746	(217,169)
Net Position, July 1, as Restated		3,024,066		3,644,949
Net Position, June 30		\$ 3,406,641		\$ 3,427,780

WASHOE COUNTY, NEVADA
GOLF COURSE FUND
STATEMENT OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 1,302,209	\$ 931,801	\$ (370,408)	\$ 970,021
Cash payments for personnel costs	(452,771)	(365,497)	87,274	(423,148)
Cash payments for services and supplies	(433,804)	(469,748)	(35,944)	(419,618)
Net Cash Provided (Used) by Operating Activities	415,634	96,556	(319,078)	127,255
Cash Flows From Noncapital Financing Activities:				
Cash received from contributions	59,604	1,144	(58,460)	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(145,000)	(140,071)	4,929	(16,493)
Net Cash Provided (Used) by Capital and Related Financing Activities	(145,000)	(140,071)	4,929	(16,493)
Cash Flows From Investing Activities:				
Investment earnings	11,500	10,807	(693)	11,826
Net Increase (Decrease) in Cash and Cash Equivalents	341,738	(31,564)	(373,302)	122,588
Cash and Cash Equivalents, July 1	928,605	968,915	40,310	846,327
Cash and Cash Equivalents, June 30	\$ 1,270,343	\$ 937,351	\$ (332,992)	\$ 968,915
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 272,520	\$ 370,263	\$ 97,743	\$ (229,770)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	223,968	218,429	(5,539)	222,041
Net pension expense	-	4,351	4,351	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(492,136)	(492,136)	115,829
Inventory	-	(2,816)	(2,816)	(882)
Increase (decrease) in:				
Accounts payable	-	(14,630)	(14,630)	14,726
Accrued salaries and benefits	-	(3,870)	(3,870)	1,320
Compensated absences	-	(3,943)	(3,943)	2,226
Due to other governments	-	17,463	17,463	1,765
Other Liabilities	-	3,445	3,445	-
Total Adjustments	223,968	(273,707)	(497,675)	357,025
Net Cash Provided (Used) by Operating Activities	\$ 496,488	\$ 96,556	\$ (399,932)	\$ 127,255

WASHOE COUNTY, NEVADA
BUILDING AND SAFETY FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Building permits	\$ 2,030,000	\$ 2,680,683	\$ 650,683	\$ 2,387,116
Washoe County/TRPA	60,000	102,982	42,982	94,593
Other	10,000	8,374	(1,626)	9,006
Miscellaneous:				
Reimbursements	-	150	150	431
Total Operating Revenues	<u>2,100,000</u>	<u>2,792,189</u>	<u>692,189</u>	<u>2,491,146</u>
Operating Expenses				
Salaries and wages	1,234,626	1,049,446	185,180	848,699
Employee benefits	433,250	378,946	54,304	333,797
Services and supplies	721,335	558,610	162,725	500,845
Depreciation/amortization	21,800	9,561	12,239	-
Total Operating Expenses	<u>2,411,011</u>	<u>1,996,563</u>	<u>414,448</u>	<u>1,683,341</u>
Operating Income (Loss)	<u>(311,011)</u>	<u>795,626</u>	<u>1,106,637</u>	<u>807,805</u>
Nonoperating Revenues (Expenses)				
Investment earnings	7,000	16,614	9,614	13,329
Net increase (decrease) in the fair value of investments	-	-	-	993
Contributions	125,722	-	(125,722)	-
Total Nonoperating Revenues (Expenses)	<u>132,722</u>	<u>16,614</u>	<u>(116,108)</u>	<u>14,322</u>
Change in Net Position	<u>\$ (178,289)</u>	<u>812,240</u>	<u>\$ 990,529</u>	<u>822,127</u>
Net Position, July 1, as Restated		(549,325)		493,866
Net Position, June 30		<u>\$ 262,915</u>		<u>\$ 1,315,993</u>

WASHOE COUNTY, NEVADA
BUILDING AND SAFETY FUND
STATEMENT OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 2,100,000	\$ 2,792,039	\$ 692,039	\$ 2,490,715
Cash received from other sources	-	150	150	431
Cash payments for personnel costs	(1,667,876)	(1,428,392)	239,484	(1,180,844)
Cash payments for services and supplies	(743,135)	(558,610)	184,525	(497,032)
Net Cash Provided (Used) by Operating Activities	<u>(311,011)</u>	<u>805,187</u>	<u>1,116,198</u>	<u>813,270</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from Equipment Services Fund	102,394	-	(102,394)	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(160,000)	(101,984)	58,016	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(160,000)</u>	<u>(101,984)</u>	<u>58,016</u>	<u>-</u>
Cash Flows From Investing Activities:				
Investment earnings	7,000	14,897	7,897	12,727
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(361,617)</u>	<u>718,100</u>	<u>1,079,717</u>	<u>825,997</u>
Cash and Cash Equivalents, July 1	1,004,346	1,511,437	507,091	685,440
Cash and Cash Equivalents, June 30	<u>\$ 642,729</u>	<u>\$ 2,229,537</u>	<u>\$ 1,586,808</u>	<u>\$ 1,511,437</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (311,011)	795,626	\$ 1,106,637	\$ 807,805
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	9,561	9,561	-
Net Pension Expense	-	(39,494)	(39,494)	-
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	(7,500)	(7,500)	3,814
Accrued salaries and benefits	-	19,364	19,364	1,083
Compensated absences	-	27,630	27,630	568
Total Adjustments	<u>-</u>	<u>9,561</u>	<u>9,561</u>	<u>5,465</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (311,011)</u>	<u>\$ 805,187</u>	<u>\$ 1,116,198</u>	<u>\$ 813,270</u>

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INTERNAL SERVICE FUNDS

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

Page

Risk Management Fund

To account for revenues received for providing the County with property and liability insurance, workers' compensation and unemployment compensation insurance.136

Health Benefits Fund

To account for the self-insured health plan and other contractual health insurance plans.....138

Equipment Services Fund

To account for revenues received for maintaining and purchasing automobiles and other vehicles and specialized large equipment for use by other County departments.140

WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Assets				
Current Assets:				
Cash and investments	\$ 25,411,203	\$ 7,363,482	\$ 2,827,767	\$ 35,602,452
Accounts receivable	-	2,443,891	-	2,443,891
Interest receivable	66,088	22,253	-	88,341
Inventory	-	-	284,347	284,347
Other assets	-	-	146,080	146,080
Due from Other Governments	-	-	107,153	107,153
Total Current Assets	25,477,291	9,829,626	3,365,347	38,672,264
Noncurrent Assets:				
Restricted cash and investments	2,416,328	-	-	2,416,328
Long-term prepaids	-	-	266,802	266,802
Long-term deposits	-	-	3,451,171	3,451,171
Capital Assets:				
Construction in progress	-	-	523,260	523,260
Buildings and improvements	-	-	24,990	24,990
Equipment	-	-	22,966,126	22,966,126
Less accumulated depreciation	-	-	(18,142,964)	(18,142,964)
Total Noncurrent Assets	2,416,328	-	9,089,385	11,505,713
Total Assets	27,893,619	9,829,626	12,454,732	50,177,977
Liabilities				
Current Liabilities:				
Accounts payable	123,412	368,879	439,409	931,700
Accrued salaries and benefits	13,977	17,444	78,187	109,608
Compensated absences	18,471	36,015	162,618	217,104
Due to other governments	-	-	90	90
Due to other funds	29,965	-	-	29,965
Pending claims	4,851,000	2,890,000	-	7,741,000
Total Current Liabilities	5,036,825	3,312,338	680,304	9,029,467
Noncurrent Liabilities:				
Compensated absences	6,726	7,083	55,122	68,931
Pending claims	7,217,672	-	-	7,217,672
Pending claims payable from restricted cash	2,416,328	-	-	2,416,328
Total Noncurrent Liabilities	9,640,726	7,083	55,122	9,702,931
Total Liabilities	14,677,551	3,319,421	735,426	18,732,398
Net Position				
Net investment in capital assets	-	-	5,371,412	5,371,412
Restricted for future claims	13,216,068	6,510,205	6,347,894	26,074,167
Total Net Position	\$ 13,216,068	\$ 6,510,205	\$ 11,719,306	\$ 31,445,579

WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
Operating Revenues				
Charges for Services:				
Self insurance fees	\$ 6,957,390	\$ 42,126,749	\$ -	\$ 49,084,139
Equipment service billings	-	-	7,225,519	7,225,519
Miscellaneous	99,340	1,661,425	66,339	1,827,104
Total Operating Revenues	<u>7,056,730</u>	<u>43,788,174</u>	<u>7,291,858</u>	<u>58,136,762</u>
Operating Expenses				
Salaries and wages	240,468	258,152	1,318,919	1,817,539
Employee benefits	96,081	98,728	583,568	778,377
Services and supplies	6,231,045	47,059,059	4,256,048	57,546,152
Depreciation	-	-	1,343,386	1,343,386
Total Operating Expenses	<u>6,567,594</u>	<u>47,415,939</u>	<u>7,501,921</u>	<u>61,485,454</u>
Operating Income (Loss)	<u>489,136</u>	<u>(3,627,765)</u>	<u>(210,063)</u>	<u>(3,348,692)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	282,595	89,278	110,596	482,469
Net increase (decrease) in the fair value of investments	(56,896)	(10,275)	-	(67,171)
Gain (loss) on asset disposition	2,090	-	62,607	64,697
Federal grants	-	263,438	-	263,438
Other nonoperating revenue	108,072	23,383	-	131,455
Total Nonoperating Revenues (Expenses)	<u>335,861</u>	<u>365,824</u>	<u>173,203</u>	<u>874,888</u>
Income (Loss) Before Capital Contributions and Transfers	<u>824,997</u>	<u>(3,261,941)</u>	<u>(36,860)</u>	<u>(2,473,804)</u>
Capital Contributions				
Contributions from other funds	-	-	27,286	27,286
Transfers				
General Fund	-	2,831,500	-	2,831,500
Change in Net Position	<u>824,997</u>	<u>(430,441)</u>	<u>(9,574)</u>	<u>384,982</u>
Net Position, July 1	<u>12,391,071</u>	<u>6,940,646</u>	<u>11,728,880</u>	<u>31,060,597</u>
Net Position, June 30	<u>\$ 13,216,068</u>	<u>\$ 6,510,205</u>	<u>\$ 11,719,306</u>	<u>\$ 31,445,579</u>

WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 19,407,137	\$ -	\$ 19,407,137
Cash received from other funds	6,957,390	23,487,362	6,917,678	37,362,430
Cash received from others	135,525	1,686,909	267,027	2,089,461
Cash payments for personnel costs	(336,772)	(339,060)	(1,906,494)	(2,582,326)
Cash payments for services and supplies	(4,240,705)	(47,280,026)	(4,013,279)	(55,534,010)
Net Cash Provided (Used) by Operating Activities	<u>2,515,438</u>	<u>(3,037,678)</u>	<u>1,264,932</u>	<u>742,692</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	-	263,438	-	263,438
Transfers from General Fund	-	2,831,500	-	2,831,500
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	2,090	-	107,121	109,211
Proceeds from insurance recoveries	108,072	-	-	108,072
*Acquisition of capital assets	-	-	(888,944)	(888,944)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>110,162</u>	<u>-</u>	<u>(781,823)</u>	<u>(671,661)</u>
Cash Flows From Investing Activities:				
Investment earnings (loss)	<u>213,107</u>	<u>76,284</u>	<u>-</u>	<u>289,391</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,838,707	133,544	483,109	3,455,360
Cash and Cash Equivalents, July 1	<u>24,988,824</u>	<u>7,229,938</u>	<u>2,344,658</u>	<u>34,563,420</u>
Cash and Cash Equivalents, June 30	<u>\$ 27,827,531</u>	<u>\$ 7,363,482</u>	<u>\$ 2,827,767</u>	<u>\$ 38,018,780</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 489,136	\$ (3,627,765)	\$ (210,063)	\$ (3,348,692)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,343,386	1,343,386
**Imputed rental expense	-	-	110,596	110,596
Forfeited Flexible Spending Account contributions	-	23,383	-	23,383
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	36,185	769,851	-	806,036
Inventory	-	-	13,416	13,416
Prepaid lease	-	-	146,080	146,080
Due from other governments	-	-	(107,153)	(107,153)
Other assets	110,066	-	-	110,066
Increase (decrease) in:				
Accounts payable	82,309	(426,967)	(27,175)	(371,833)
Accrued salaries and benefits	2,096	3,698	3,769	9,563
Compensated absences	(2,319)	14,122	(7,776)	4,027
Due to other governments	-	-	(148)	(148)
Due to other funds	29,965	-	-	29,965
Pending claims	1,768,000	206,000	-	1,974,000
Total Adjustments	<u>2,026,302</u>	<u>590,087</u>	<u>1,474,995</u>	<u>4,091,384</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,515,438</u>	<u>\$ (3,037,678)</u>	<u>\$ 1,264,932</u>	<u>\$ 742,692</u>

****Noncash investing, capital, and financing activities:**

The Equipment Services Fund lease deposits remaining at June 30 for rental agreements total \$3,451,171. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$110,596 have been imputed to give recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ -	\$ -	\$ 888,944	\$ 888,944
Capital transferred from other funds	-	-	27,286	27,286
Increase (decrease) in accounts payable	-	-	297,281	297,281
Total Acquisition of Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,213,511</u>	<u>\$ 1,213,511</u>

WASHOE COUNTY, NEVADA
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Insurance premiums	\$ 7,047,305	\$ 6,957,390	\$ (89,915)	\$ 6,498,056
Miscellaneous:				
Other	170,000	99,340	(70,660)	570,608
Total Operating Revenues	<u>7,217,305</u>	<u>7,056,730</u>	<u>(160,575)</u>	<u>7,068,664</u>
Operating Expenses				
Salaries and wages	250,440	240,468	9,972	220,416
Employee benefits	98,387	96,081	2,306	82,663
Services and supplies	7,570,545	6,231,045	1,339,500	6,640,433
Total Operating Expenses	<u>7,919,372</u>	<u>6,567,594</u>	<u>1,351,778</u>	<u>6,943,512</u>
Operating Income (Loss)	<u>(702,067)</u>	<u>489,136</u>	<u>1,191,203</u>	<u>125,152</u>
Nonoperating Revenues (Expenses)				
Investment earnings	330,650	282,595	(48,055)	292,278
Net increase (decrease) in the fair value of investments	-	(56,896)	(56,896)	-
Miscellaneous	-	110,162	110,162	8,480
Total Nonoperating Revenues (Expenses)	<u>330,650</u>	<u>335,861</u>	<u>5,211</u>	<u>300,758</u>
Change in Net Position	<u>\$ (371,417)</u>	<u>824,997</u>	<u>\$ 1,196,414</u>	<u>425,910</u>
Net Position, July 1		<u>12,391,071</u>		<u>11,965,161</u>
Net Position, June 30		<u>\$ 13,216,068</u>		<u>\$ 12,391,071</u>

WASHOE COUNTY, NEVADA
RISK MANAGEMENT FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 7,047,305	\$ 6,957,390	\$ (89,915)	\$ 6,498,056
Cash received from others	170,000	135,525	(34,475)	534,423
Cash payments for personnel costs	(346,827)	(336,772)	10,055	(298,291)
Cash payments for services and supplies	(5,770,545)	(4,240,705)	1,529,840	(5,357,124)
Net Cash Provided (Used) by Operating Activities	<u>1,099,933</u>	<u>2,515,438</u>	<u>1,415,505</u>	<u>1,377,064</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	2,090	2,090	-
Proceeds from insurance recoveries	-	108,072	108,072	-
Cash Flows From Investing Activities:				
Investment earnings	330,650	213,107	(117,543)	307,649
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,430,583</u>	<u>2,838,707</u>	<u>1,408,124</u>	<u>1,684,713</u>
Cash and Cash Equivalents, July 1	<u>24,580,751</u>	<u>24,988,824</u>	<u>408,073</u>	<u>23,304,111</u>
Cash and Cash Equivalents, June 30	<u>\$ 26,011,334</u>	<u>\$ 27,827,531</u>	<u>\$ 1,816,197</u>	<u>\$ 24,988,824</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ (702,067)</u>	<u>\$ 489,136</u>	<u>\$ 1,191,203</u>	<u>\$ 125,152</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	36,185	36,185	(36,185)
Other assets	-	110,066	110,066	3,317
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	82,309	82,309	(30,008)
Accrued salaries and benefits	-	2,096	2,096	2,556
Compensated absences	-	(2,319)	(2,319)	2,232
Due to other funds	-	29,965	29,965	-
Pending claims	-	1,768,000	1,768,000	1,310,000
Total Adjustments	<u>-</u>	<u>2,026,302</u>	<u>2,026,302</u>	<u>1,251,912</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (702,067)</u>	<u>\$ 2,515,438</u>	<u>\$ 3,217,505</u>	<u>\$ 1,377,064</u>

WASHOE COUNTY, NEVADA
HEALTH BENEFITS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Insurance premiums	\$ 42,738,360	\$ 42,126,749	\$ (611,611)	\$ 40,086,526
Miscellaneous:				
Other	449,550	1,661,425	1,211,875	2,244,133
Total Operating Revenues	<u>43,187,910</u>	<u>43,788,174</u>	<u>600,264</u>	<u>42,330,659</u>
Operating Expenses				
Salaries and wages	248,797	258,152	(9,355)	219,020
Employee benefits	97,442	98,728	(1,286)	89,608
Services and supplies	48,219,535	47,059,059	1,160,476	43,574,402
Total Operating Expenses	<u>48,565,774</u>	<u>47,415,939</u>	<u>1,149,835</u>	<u>43,883,030</u>
Operating Income (Loss)	<u>(5,377,864)</u>	<u>(3,627,765)</u>	<u>1,750,099</u>	<u>(1,552,371)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	105,500	89,278	(16,222)	115,137
Net increase (decrease) in the fair value of investments	-	(10,275)	(10,275)	(9,016)
Federal grants	300,000	263,438	(36,562)	265,233
Other nonoperating revenue	-	23,383	23,383	-
Total Nonoperating Revenues (Expenses)	<u>405,500</u>	<u>365,824</u>	<u>(39,676)</u>	<u>371,354</u>
Income (Loss) Before Transfers	<u>(4,972,364)</u>	<u>(3,261,941)</u>	<u>1,710,423</u>	<u>(1,181,017)</u>
Transfers				
From General Fund	<u>2,831,500</u>	<u>2,831,500</u>	<u>-</u>	<u>-</u>
Change in Net Position	<u>\$ (2,140,864)</u>	<u>(430,441)</u>	<u>\$ 1,710,423</u>	<u>(1,181,017)</u>
Net Position, July 1		<u>6,940,646</u>		<u>8,121,663</u>
Net Position, June 30		<u>\$ 6,510,205</u>		<u>\$ 6,940,646</u>

WASHOE COUNTY, NEVADA
HEALTH BENEFITS FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 18,107,687	\$ 19,407,137	\$ 1,299,450	\$ 16,877,164
Cash received from other funds	24,630,673	23,487,362	(1,143,311)	22,486,246
Cash received from others	449,550	1,686,909	1,237,359	2,245,245
Cash payments for personnel costs	(343,239)	(339,060)	4,179	(314,928)
Cash payments for services and supplies	(48,101,535)	(47,280,026)	821,509	(43,640,065)
Net Cash Provided (Used) by Operating Activities	(5,256,864)	(3,037,678)	2,219,186	(2,346,338)
Cash Flows From Noncapital Financing Activities:				
Federal grants	300,000	263,438	(36,562)	265,233
Transfers from General Fund	2,831,500	2,831,500	-	-
Cash Flows From Investing Activities:				
Investment earnings (loss)	105,500	76,284	(29,216)	116,729
Net Increase (Decrease) in Cash and Cash Equivalents	(2,019,864)	133,544	2,153,408	(1,964,376)
Cash and Cash Equivalents, July 1	5,710,791	7,229,938	1,519,147	9,194,314
Cash and Cash Equivalents, June 30	\$ 3,690,927	\$ 7,363,482	\$ 3,672,555	\$ 7,229,938
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (5,377,864)	(3,627,765)	\$ 1,750,099	\$ (1,552,371)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Forfeited Flexible Spending Account contributions	-	23,383	23,383	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	769,851	769,851	(794,048)
Due from other governments	-	-	-	72,044
Increase (decrease) in:				
Accounts payable	-	(426,967)	(426,967)	(75,663)
Accrued salaries and benefits	-	3,698	3,698	2,354
Compensated absences	3,000	14,122	11,122	(8,654)
Pending claims	118,000	206,000	88,000	10,000
Total Adjustments	121,000	590,087	469,087	(793,967)
Net Cash Provided (Used) by Operating Activities	\$ (5,256,864)	\$ (3,037,678)	\$ 2,219,186	\$ (2,346,338)

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Equipment service billings	\$ 7,823,660	\$ 7,225,519	\$ (598,141)	\$ 6,434,653
Miscellaneous:				
Other	15,807	66,339	50,532	22,739
Total Operating Revenues	<u>7,839,467</u>	<u>7,291,858</u>	<u>(547,609)</u>	<u>6,457,392</u>
Operating Expenses				
Salaries and wages	1,312,784	1,318,919	(6,135)	1,256,182
Employee benefits	597,391	583,568	13,823	573,310
Services and supplies	4,489,697	4,256,048	233,649	4,489,475
Depreciation	1,575,444	1,343,386	232,058	1,373,800
Total Operating Expenses	<u>7,975,316</u>	<u>7,501,921</u>	<u>473,395</u>	<u>7,692,767</u>
Operating Income (Loss)	<u>(135,849)</u>	<u>(210,063)</u>	<u>(74,214)</u>	<u>(1,235,375)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	131,900	110,596	(21,304)	95,486
Gain (loss) on asset disposition	100,000	62,607	(37,393)	166,793
Total Nonoperating Revenues (Expenses)	<u>231,900</u>	<u>173,203</u>	<u>(58,697)</u>	<u>262,279</u>
Income (Loss) Before Capital Contributions and Transfers	<u>96,051</u>	<u>(36,860)</u>	<u>(132,911)</u>	<u>(973,096)</u>
Capital Contributions				
Contributions from other funds	-	27,286	27,286	-
Transfers				
Golf Course Fund	(73,664)	-	73,664	-
Building and Safety Fund	(125,721)	-	125,721	-
Water Resources Fund	(1,697,873)	-	1,697,873	210,780
Total Transfers	<u>(1,897,258)</u>	<u>-</u>	<u>1,897,258</u>	<u>210,780</u>
Change in Net Position	<u>\$ (1,801,207)</u>	<u>(9,574)</u>	<u>\$ 1,791,633</u>	<u>(762,316)</u>
Net Position, July 1		11,728,880		12,491,196
Net Position, June 30		<u>\$ 11,719,306</u>		<u>\$ 11,728,880</u>

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015			2014
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 7,444,916	\$ 6,917,678	\$ (527,238)	\$ 6,120,229
Cash received from others	394,551	267,027	(127,524)	337,163
Cash payments for personnel costs	(1,905,175)	(1,906,494)	(1,319)	(1,816,870)
Cash payments for services and supplies	(4,201,897)	(4,013,279)	188,618	(4,855,921)
Net Cash Provided (Used) by Operating Activities	<u>1,732,395</u>	<u>1,264,932</u>	<u>(467,463)</u>	<u>(215,399)</u>
Cash Flows from Noncapital Financing Activities:				
Transfer to Golf Course Fund	(58,460)	-	58,460	-
Transfer to Water Resources Fund	(1,548,495)	-	1,548,495	-
Transfer to Building and Safety Fund	(102,394)	-	102,394	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(1,709,349)</u>	<u>-</u>	<u>1,709,349</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	100,000	107,121	7,121	114,873
Proceeds from insurance recoveries	-	-	-	10,368
*Acquisition of capital assets	(1,600,000)	(888,944)	711,056	(1,381,406)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,500,000)</u>	<u>(781,823)</u>	<u>718,177</u>	<u>(1,256,165)</u>
Cash Flows From Investing Activities:				
**Proceeds from assets held for sale	-	-	-	1,647,328
**Equipment supply deposit paid	-	-	-	(2,034,971)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(387,643)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,476,954)</u>	<u>483,109</u>	<u>1,960,063</u>	<u>(1,859,207)</u>
Cash and Cash Equivalents, July 1	<u>2,277,394</u>	<u>2,344,658</u>	<u>67,264</u>	<u>4,203,865</u>
Cash and Cash Equivalents, June 30	<u>\$ 800,440</u>	<u>\$ 2,827,767</u>	<u>\$ 2,027,327</u>	<u>\$ 2,344,658</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2014)

	2015		2014	
	Budget	Actual	Variance	Actual
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (135,849)	\$ (210,063)	\$ (74,214)	\$ (1,235,375)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,575,444	1,343,386	(232,058)	1,373,800
**Imputed rental expense	-	110,596	110,596	95,486
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	13,416	13,416	(59,640)
Prepaid lease expense	292,800	146,080	(146,720)	(266,385)
Due from other governments	-	(107,153)	(107,153)	-
Increase (decrease) in:				
Accounts payable	-	(27,175)	(27,175)	(136,146)
Accrued salaries and benefits	-	3,769	3,769	7,753
Compensated absences	-	(7,776)	(7,776)	4,870
Due to other governments	-	(148)	(148)	238
Total Adjustments	1,868,244	1,474,995	(393,249)	1,019,976
Net Cash Provided (Used) by Operating Activities	\$ 1,732,395	\$ 1,264,932	\$ (467,463)	\$ (215,399)

****Noncash investing, capital, and financing activities:**

The Equipment Services Fund lease deposits remaining at June 30 for rental agreements total \$3,451,171. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$110,596 have been imputed to give recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 1,600,000	\$ 888,944	\$ 711,056	\$ 1,381,406
Capital transferred from other funds	-	27,286	(27,286)	210,780
Increase (decrease) in accounts payable	-	297,281	(297,281)	(156,862)
Total Acquisition of Capital Assets	\$ 1,600,000	\$ 1,213,511	\$ 386,489	\$ 1,435,324

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and which cannot be used to support the County's own programs.

Agency Funds:

Intergovernmental

Accounts for taxes and fees, such as property tax, sales tax, consolidated tax, fuel tax, and fines collected by the County on behalf of local governments.

Public Guardian/Administrator Trust Funds

Accounts for assets belonging to wards of the Public Guardian and unclaimed assets of decedents.

Court Trust

Accounts for District Court cash bonds.

Payroll Revolving

Accounts for payment of payroll and payroll deductions such as income tax withholding, insurance deductions, credit union deductions, etc.

Southwest Pointe Arrowcreek SAD 23

Accounts for collections of special assessments from property owners in District No. 23. Washoe County is not obligated in any manner for debt incurred on capital improvements to the properties.

Treasurer Unapportioned

Accounts for other local governments' share of unapportioned property taxes.

Washoe County School District Debt Service Fund

Accounts for assets held on behalf of the Washoe County School District for debt service.

Sheriff's Trust

Accounts for the commissary fund, inmate fund, and other miscellaneous funds administered by the County Sheriff's Department.

Children's Trust Fund

Accounts for monies received from social security, insurance, child support or other sources on behalf of children receiving welfare services.

May Foundation Building Trust

Accounts for assets held on behalf of the Wilbur May Foundation.

Senior Services Trust

Accounts for social security benefits of senior citizen clients for which Washoe County serves as representative payee.

Financial Assurances

Accounts for assets held by the County as performance guarantees.

Western Regional Water Commission

Accounts for the assets of the Western Regional Water Commission arising from the collection of water planning fees from regional water customers.

Other Agencies

Accounts for assets held for special districts and boards, Regional Transportation Commission, deferred compensation, Public Safety Training Center, TRWQSA joint venture, and other miscellaneous agencies.

**WASHOE COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Intergovernmental				
Assets:				
Cash and investments	\$ 11,523,660	\$ 280,510,620	\$ 282,367,313	\$ 9,666,967
Due from other governments	2,617,876	1,589,940	2,617,876	1,589,940
Property taxes receivable	4,435,131	3,735,391	4,741,822	3,428,700
Total Assets	<u>\$ 18,576,667</u>	<u>\$ 285,835,951</u>	<u>\$ 289,727,011</u>	<u>\$ 14,685,607</u>
Liabilities:				
Due to other governments	<u>\$ 18,576,667</u>	<u>\$ 285,835,951</u>	<u>\$ 289,727,011</u>	<u>\$ 14,685,607</u>
Public Guardian/Administrator Trust Funds				
Assets:				
Cash and investments	\$ 4,211,298	\$ 5,054,324	\$ 5,013,386	\$ 4,252,236
Liabilities:				
Due to others	<u>\$ 4,211,298</u>	<u>\$ 5,054,324</u>	<u>\$ 5,013,386</u>	<u>\$ 4,252,236</u>
Court Trust				
Assets:				
Cash and investments	\$ 4,971,473	\$ 5,727,013	\$ 7,988,048	\$ 2,710,438
Liabilities:				
Due to others	<u>\$ 4,971,473</u>	<u>\$ 5,727,013</u>	<u>\$ 7,988,048</u>	<u>\$ 2,710,438</u>
Payroll Revolving				
Assets:				
Cash and investments	\$ 4,299,413	\$ 265,392,378	\$ 265,663,807	\$ 4,027,984
Accounts receivable	1,947	2,210	3,616	541
Total Assets	<u>\$ 4,301,360</u>	<u>\$ 265,394,588</u>	<u>\$ 265,667,423</u>	<u>\$ 4,028,525</u>
Liabilities:				
Due to others	<u>\$ 4,301,360</u>	<u>\$ 265,394,588</u>	<u>\$ 265,667,423</u>	<u>\$ 4,028,525</u>
Treasurer Unapportioned				
Assets:				
Cash and investments	\$ 1,947,621	\$ 481,942,262	\$ 482,059,358	\$ 1,830,525
Accounts receivable	2,611	201,531	200,811	3,331
Total Assets	<u>\$ 1,950,232</u>	<u>\$ 482,143,793</u>	<u>\$ 482,260,169</u>	<u>\$ 1,833,856</u>
Liabilities:				
Due to other governments	<u>\$ 1,950,232</u>	<u>\$ 482,143,793</u>	<u>\$ 482,260,169</u>	<u>\$ 1,833,856</u>
Washoe County School District Debt Service Fund				
Assets:				
Property taxes receivable	\$ 812,885	\$ 756,221	\$ 931,474	\$ 637,632
Liabilities:				
Due to other governments	<u>\$ 812,885</u>	<u>\$ 756,221</u>	<u>\$ 931,474</u>	<u>\$ 637,632</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Sheriff's Trust				
Assets:				
Cash and investments	\$ 1,471,712	\$ 9,541,320	\$ 9,151,670	\$ 1,861,362
Liabilities:				
Due to others	\$ 1,471,712	\$ 9,541,320	\$ 9,151,670	\$ 1,861,362
Children's Trust Fund				
Assets:				
Cash and investments	\$ 409,852	\$ 868,549	\$ 873,318	\$ 405,083
Liabilities:				
Due to others	\$ 409,852	\$ 868,549	\$ 873,318	\$ 405,083
May Foundation Building Trust				
Assets:				
Cash and investments	\$ 319,123	\$ 542,941	\$ 420,357	\$ 441,707
Liabilities:				
Due to others	\$ 319,123	\$ 542,941	\$ 420,357	\$ 441,707
Senior Services Trust				
Assets:				
Cash and investments	\$ 30,285	\$ 392,795	\$ 378,185	\$ 44,895
Liabilities:				
Due to others	\$ 30,285	\$ 392,795	\$ 378,185	\$ 44,895
Financial Assurances				
Assets:				
Cash and investments	\$ 409,928	\$ 214,494	\$ 214,217	\$ 410,205
Financial assurances	1,421,209	2,780,440	1,089,681	3,111,968
Total Assets	\$ 1,831,137	\$ 2,994,934	\$ 1,303,898	\$ 3,522,173
Liabilities:				
Due to others	\$ 1,831,137	\$ 2,994,934	\$ 1,303,898	\$ 3,522,173
Western Regional Water Commission				
Assets:				
Accounts Receivable	\$ 310,860	\$ 1,466,805	\$ 1,418,373	\$ 359,292
Due from other governments	76,402	-	76,402	-
Total Assets	\$ 387,262	\$ 1,466,805	\$ 1,494,775	\$ 359,292
Liabilities:				
Due to others	\$ 387,262	\$ 1,466,805	\$ 1,494,775	\$ 359,292

(CONTINUED)

**WASHOE COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
Other Agencies:				
Assets:				
Cash and investments	\$ 2,322	\$ 4,706	\$ 4,089	\$ 2,939
Other deposits	16,709	-	-	16,709
Total Assets	<u>\$ 19,031</u>	<u>\$ 4,706</u>	<u>\$ 4,089</u>	<u>\$ 19,648</u>
Liabilities:				
Due to others/governments	<u>\$ 19,031</u>	<u>\$ 4,706</u>	<u>\$ 4,089</u>	<u>\$ 19,648</u>
 Totals, Agency Funds:				
Assets:				
Cash and investments	\$ 29,596,687	\$ 1,050,191,402	\$ 1,054,133,748	\$ 25,654,341
Financial assurances	1,421,209	2,780,440	1,089,681	3,111,968
Accounts receivable	315,418	1,670,546	1,622,800	363,164
Property taxes receivable	5,248,016	4,491,612	5,673,296	4,066,332
Due from other governments	2,694,278	1,589,940	2,694,278	1,589,940
Other deposits	16,709	-	-	16,709
Total Assets	<u>\$ 39,292,317</u>	<u>\$ 1,060,723,940</u>	<u>\$ 1,065,213,803</u>	<u>\$ 34,802,454</u>
Liabilities:				
Due to others/governments	<u>\$ 39,292,317</u>	<u>\$ 1,060,723,940</u>	<u>\$ 1,065,213,803</u>	<u>\$ 34,802,454</u>

STATISTICAL SECTION

This part of the County's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the Management's Discussion and Analysis, financial statements and note disclosures, says about the government's overall financial health.

Schedules

Financial Trends

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time 1.1 – 1.5

Revenue Capacity

These schedules contain information to help the reader assess the County's most significant local revenue source, ad valorem taxes. 2.1 – 2.4

Debt Capacity

These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future. 3.1 – 3.4

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. 4.1 – 4.2

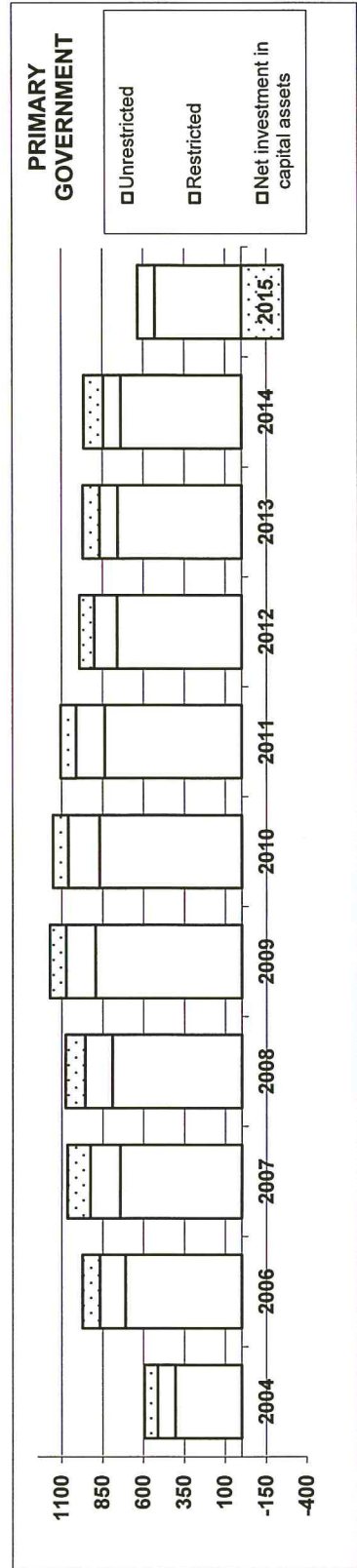
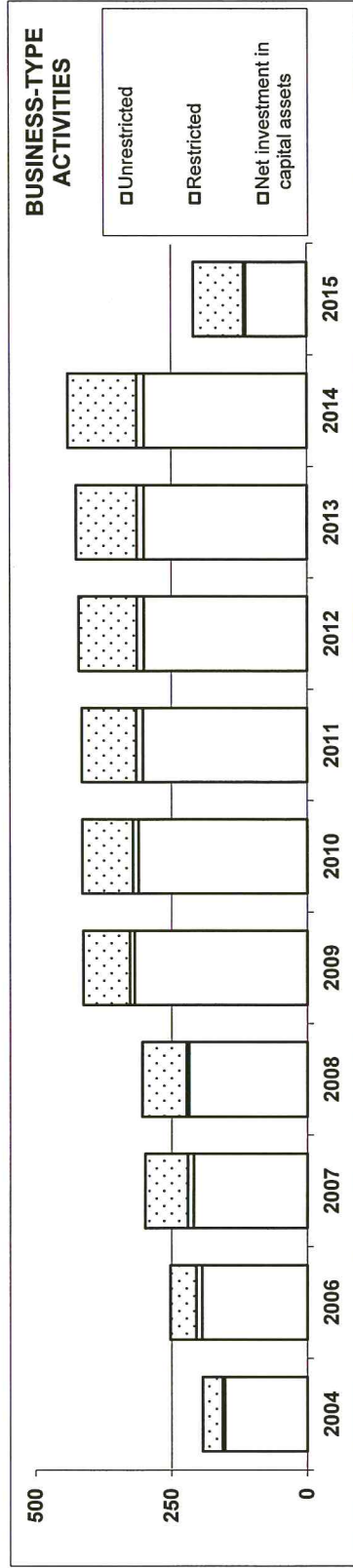
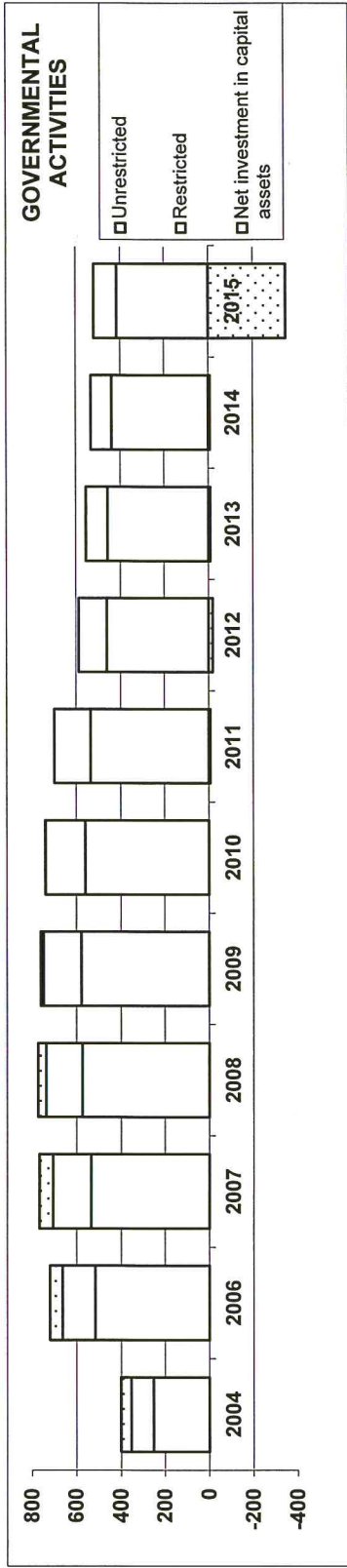
Operating Information

These schedules contain service and capital asset data to help the reader understand how the information in the County's financial report relates to the services provided and the activities performed..... 5.1 – 5.3

Sources:

Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.

WASHOE COUNTY, NEVADA
NET POSITION TREND BY COMPONENT LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)



WASHOE COUNTY, NEVADA
NET POSITION BY COMPONENT LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012 ⁵	2013	2014	2015 ⁸
Governmental Activities⁶										
Net investment in capital assets ¹	\$ 515,565	\$ 533,139	\$ 572,750	\$ 576,532	\$ 559,117	\$ 533,468	\$ 459,302	\$ 455,643	\$ 437,044	\$ 415,132
Restricted	146,510	172,141	163,355	170,975	179,707	164,800	128,284	98,124	94,056	102,385
Unrestricted ²	58,471	62,505	37,009	12,622	462	(7,038)	(17,395)	(8,579)	(6,492)	(347,987)
Total Governmental Activities Net Position	\$ 720,546	\$ 767,785	\$ 773,114	\$ 760,129	\$ 739,286	\$ 691,230	\$ 570,191	\$ 545,188	\$ 524,608	\$ 169,530
Business-type Activities⁷										
Net investment in capital assets ¹	\$ 193,534	\$ 209,030	\$ 218,033	\$ 317,680	\$ 310,154	\$ 301,997	\$ 300,261	\$ 300,163	\$ 299,618	\$ 112,543
Restricted ³	11,309	11,264	4,376	8,515	10,004	11,875	12,804	12,801	13,461	1,234
Unrestricted	47,523	78,219	81,278	85,743	93,616	100,843	107,298	111,894	126,597	95,088
Total Business-type Activities Net Position	\$ 252,366	\$ 298,513	\$ 303,687	\$ 411,938	\$ 413,774	\$ 414,715	\$ 420,363	\$ 424,858	\$ 439,676	\$ 208,865
Primary Government										
Net investment in capital assets ¹	\$ 709,099	\$ 742,169	\$ 790,783	\$ 894,212	\$ 869,271	\$ 835,465	\$ 759,563	\$ 755,806	\$ 736,662	\$ 527,675
Restricted	157,819	183,405	167,731	179,490	189,711	176,675	141,088	110,925	107,517	103,619
Unrestricted	105,994	140,724	118,287	98,365	94,078	93,805	89,903	103,315	120,105	(252,899)
Total Primary Government Net Position ⁴	\$ 972,912	\$ 1,066,298	\$ 1,076,801	\$ 1,172,067	\$ 1,153,060	\$ 1,105,945	\$ 990,554	\$ 970,046	\$ 964,284	\$ 378,395

Information is presented on the accrual basis of accounting.

¹ Capital Assets include land, intangibles, infrastructure, construction in progress, buildings and improvements, equipment and software. In fiscal year 2010, the County implemented GASB 51 for intangible assets which resulted in accounting changes for assets previously capitalized. Net position for fiscal year 2009 has been restated for this change.

² Negative unrestricted net position in fiscal year 2011 resulted from OPEB and property tax refund liabilities in excess of unrestricted resources. In 2012 and 2013, the negative balance includes bonded debt liability of \$19 million for capital assets transferred to a local joint powers authority for flood management.

³ The decrease in restricted net position in fiscal year 2008 was due to \$6,595 from business-type funds being reclassified to governmental activities.

⁴ Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets; restricted; and unrestricted. Net position is considered restricted only when an external party, such as grantors, contributors, state or federal government, places a restriction on how resources may be used, or through enabling legislation enacted by the County.

⁵ The decrease in governmental net position in 2012 includes \$50 million in capital assets and \$17.8 million in restricted funds transferred to a local joint powers authority for flood management. Fiscal years 2005-2011 include amounts for Sierra and/or Truckee Meadows Fire Protection Districts. Fiscal year 2012 has been restated to exclude these component units that are now discretely presented.

⁶ Business-type activity amounts have been restated to remove South Truckee Meadows General Improvement District (STMIGID). Effective FY'13, STMIGID is no longer a component unit of the County.

⁷ Total Governmental Activities Net Position was reduced due to the recognition of GASB 68 in FY2015. Total Business-type Activities Net Position was impacted by the transfer of the Washoe County water resource division to Truckee Meadow Water Authority (TMWA) during FY2015.

WASHOE COUNTY, NEVADA
 CHANGES IN NET POSITION LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General government	\$ 66,386	\$ 71,933	\$ 93,781	\$ 99,921	\$ 103,576	\$ 120,606	\$ 107,954	\$ 85,898	\$ 80,958	\$ 85,674
Judicial	56,811	55,170	58,415	58,766	57,896	55,394	55,469	57,573	59,317	59,055
Public safety	123,110	139,435	152,410	161,395	155,600	149,376	125,573	138,149	137,584	141,623
Public works	34,488	35,365	39,397	41,722	39,309	39,447	39,675	37,188	48,420	49,794
Health and sanitation	24,218	26,052	27,861	27,858	22,749	22,826	18,429	18,785	18,384	18,901
Welfare	52,603	59,761	66,193	64,048	66,764	69,506	68,137	66,370	65,651	68,457
Culture and recreation	43,296	32,019	53,447	38,364	27,993	27,850	24,989	23,614	21,803	18,729
Community support	854	1,468	1,555	1,662	1,736	303	309	343	178	186
Interest on long-term debt	9,146	10,601	11,267	11,028	8,984	8,505	7,174	7,349	5,525	6,252
Total Governmental Activities Expenses	410,912	431,804	504,326	504,764	484,607	493,813	447,709	435,269	437,820	448,671
Business-type Activities										
Utilities ¹	24,381	29,465	38,022	32,508	29,541	28,451	30,029	30,844	28,300	22,889
Golf courses	1,844	1,824	1,741	1,757	1,893	2,070	874	979	952	955
Building permits	3,160	3,229	2,441	1,871	1,207	1,324	1,372	1,329	1,357	1,603
Total Business-type Activities Expenses	29,385	34,518	42,204	36,136	32,641	31,845	32,275	33,152	30,609	25,447
Total Primary Government Expenses	\$ 440,297	\$ 466,322	\$ 546,530	\$ 540,900	\$ 517,248	\$ 525,658	\$ 479,984	\$ 468,421	\$ 468,429	\$ 474,118
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 14,339	\$ 15,373	\$ 20,940	\$ 21,509	\$ 22,920	\$ 33,139	\$ 32,902	\$ 31,306	\$ 27,106	\$ 28,618
Judicial	7,043	7,251	7,999	8,117	9,376	10,309	10,056	10,412	9,904	9,386
Public safety	10,795	10,859	11,275	12,579	15,141	14,367	13,075	15,311	16,205	15,763
Other	12,486	15,240	15,092	15,763	14,658	13,912	10,061	10,521	15,261	24,280
Operating grants, interest and contributions	51,465	50,382	55,506	54,398	55,842	60,660	64,561	63,432	57,083	55,602
Capital grants, interest and contributions	19,449	33,858	43,987	34,590	17,467	7,157	25,205	7,413	12,245	9,378
Total Governmental Activities	115,577	132,963	154,799	146,956	135,404	139,544	155,860	138,395	137,804	143,027
Business-type Activities										
Charges for Services										
Utilities	25,415	29,547	28,461	27,903	27,382	29,274	30,466	31,539	32,287	23,595
Golf courses	1,650	1,713	1,583	1,617	1,720	1,944	1,090	1,037	854	1,424
Building permits	2,461	1,958	2,063	1,419	1,018	1,137	1,401	1,724	2,491	2,792
Operating grants, interest and contributions	174	550	612	34	49	123	94	449	112	7

(CONTINUED)

SCHEDULE 1.2

WASHOE COUNTY, NEVADA
 CHANGES IN NET POSITION LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-type Activities (continued)										
Capital grants, interest and contributions	\$ 44,159	\$ 42,412	\$ 19,214	\$ 110,304	\$ 5,040	\$ 4,286	\$ 1,921	\$ 4,448	\$ 8,107	\$ 5,438
Total Business-type Activities	73,859	76,180	51,933	141,277	35,209	36,764	34,972	39,197	43,851	33,256
Program Revenues										
Total Primary Government	\$ 189,436	\$ 209,143	\$ 206,732	\$ 288,233	\$ 170,613	\$ 176,308	\$ 190,832	\$ 177,592	\$ 181,655	\$ 176,283
Net (Expense)/Revenue	\$ (295,335)	\$ (298,841)	\$ (349,527)	\$ (357,808)	\$ (349,203)	\$ (354,269)	\$ (291,849)	\$ (296,874)	\$ (300,016)	\$ (305,644)
Governmental activities	44,474	41,662	9,729	105,141	2,568	4,919	2,697	6,045	13,242	7,809
Business-type activities										
Total Primary Government	\$ (250,861)	\$ (257,179)	\$ (339,798)	\$ (252,667)	\$ (346,635)	\$ (349,350)	\$ (289,152)	\$ (290,829)	\$ (286,774)	\$ (297,835)
Net (Expense) Revenue										
General Revenues and Other Changes in Net Position Governmental Activities										
Taxes and Intergovernmental										
Ad valorem	\$ 174,728	\$ 197,335	\$ 210,184	\$ 223,457	\$ 220,530	\$ 201,469	\$ 172,540	\$ 167,294	\$ 168,009	\$ 175,981
Consolidated	109,656	107,152	98,567	83,070	74,119	74,985	70,985	75,489	80,809	88,435
Other intergovernmental	26,250	26,578	27,787	21,231	19,114	19,791	18,840	18,530	19,832	21,414
Unrestricted investment earnings	2,684	7,567	9,586	7,906	4,944	2,153	3,403	174	1,594	1,927
Other	7,686	7,673	8,972	9,334	9,658	10,037	9,045	8,934	8,981	11,109
Extraordinary/special items	-	-	-	-	-	-	(67,832)	-	-	-
Transfers	(231)	(225)	(240)	(91)	(5)	(2,222)	(45)	1,450	211	-
Total Governmental Activities	320,773	346,080	354,856	344,907	328,360	306,213	206,936	271,871	279,436	298,866
Business-type Activities										
Unrestricted investment earnings	836	4,166	4,201	4,114	3,121	1,924	3,040	(100)	1,591	1,011
Other	88	95	20	2,019	-	(62)	-	-	-	-
Extraordinary/special items ⁴	-	-	-	-	(3,858)	(8,061)	-	-	-	(235,202)
Transfers	232	225	231	91	5	2,222	45	(1,450)	(211)	-
Total Business-type Activities	1,156	4,486	4,452	6,224	(732)	(3,977)	3,085	(1,550)	1,380	(234,191)
Total Primary Government										
General Revenues and Other Changes	\$ 321,929	\$ 350,566	\$ 359,308	\$ 351,131	\$ 327,628	\$ 302,236	\$ 210,021	\$ 270,321	\$ 280,816	\$ 64,675
Change in Net Position										
Governmental activities	\$ 25,438	\$ 47,239	\$ 5,329	\$ (12,901)	\$ (20,843)	\$ (48,056)	\$ (84,913)	\$ (25,003)	\$ (20,580)	\$ (6,778)
Business-type activities	45,630	46,148	14,181	111,365	1,836	942	5,782	4,495	14,622	(226,382)
Total Primary Government	\$ 71,068	\$ 93,387	\$ 19,510	\$ 98,464	\$ (19,007)	\$ (47,114)	\$ (79,131)	\$ (20,508)	\$ (5,958)	\$ (233,160)
Change in Net Position										

Note: Information is presented on the accrual basis of accounting.

¹ Fiscal years 2005-2011 include amounts for Sierra and/or Truckee Meadows FPDs. Fiscal year 2012 has been restated to exclude these component units that are now discretely presented.
² Business-type activity amounts are restated to remove South Truckee Meadows General Improvement District (STMGID). Effective FY13, STMGID is no longer a component unit of the County.
³ Fiscal year 2013 has been restated as a result of a reorganization which formed the Community Services Department. Certain expenditures were reclassified to different functions to better reflect activities within the Genral Government and Public Works functions.
⁴ In 2015, Washoe County Water Resources was transferred to Truckee Meadows Water Authority.

WASHOE COUNTY, NEVADA
FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009 ²	2010	2011 ¹	2012	2013	2014	2015
General Fund										
Reserved	\$ 5,693	\$ 6,716	\$ 8,818	\$ 1,422	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	47,064	34,973	34,504	30,263	31,173	-	-	-	-	-
Nonspendable	-	-	-	-	-	304	1	-	19	163
Restricted	-	-	-	-	-	760	750	801	792	766
Committed	-	-	-	-	-	5,277	4,718	4,598	4,519	3,229
Assigned ⁶	-	-	-	-	-	8,641	6,009	6,727	1,107	1,765
Unassigned ⁷	-	-	-	-	-	23,789	24,845	26,908	40,170	45,377
Total General Fund	52,757	41,689	43,322	31,685	31,923	38,771	36,323	39,034	46,607	51,300
All Other Governmental Funds⁵										
Reserved	58,589	56,053	63,587	59,909	57,274	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds ³	74,086	91,445	109,818	114,692	56,236	-	-	-	-	-
Capital Projects Funds	68,987	69,827	48,288	41,668	42,385	-	-	-	-	-
Nonspendable	-	-	-	-	-	112	67	75	39	59
Restricted	-	-	-	-	-	114,048	96,853	75,788	72,526	73,309
Committed	-	-	-	-	-	19,816	17,808	18,167	13,273	15,636
Assigned	-	-	-	-	-	143	3,559	5,076	7,482	10,303
Unassigned	-	-	-	-	-	-	(123)	(258)	(418)	(278)
Total All Other Governmental Funds ⁴	201,662	217,325	221,693	216,269	155,895	134,119	118,164	98,848	92,902	99,029
Total All Governmental Funds	\$ 254,419	\$ 259,014	\$ 265,015	\$ 247,954	\$ 187,818	\$ 172,890	\$ 154,487	\$ 137,882	\$ 139,509	\$ 150,329

Note: Information is presented on the modified accrual basis of accounting.

¹ Fund Balances for fiscal year 2011 through 2015 have been classified in accordance with new GASB 54 fund balance reporting standards.

² Fund balances for fiscal year 2009 have been restated to reflect the transfer of restricted funds of \$6,829 from the General Fund to special revenue funds.

³ The increase in special revenue fund balances in fiscal year 2008 was due to \$1,279 from capital projects and \$6,595 from business-type funds being reclassified to special revenue funds.

⁴ The decrease in other governmental fund balances in 2011 included \$10.6 million for early extinguishment of debt and \$3.9 million paid to the County's OPEB Trust. The decrease in fiscal year 2012 was primarily due to the payment of \$17.8 million to the Truckee River Flood Management Authority, a joint powers authority. Fluctuations in all other governmental fund balances primarily reflect financing, construction in progress and completion of large capital projects.

⁵ Fiscal years 2006 to 2012 have been restated to remove TMFPD and SFPD, component units that were reclassified from blended to discretely presented in 2013.

⁶ The increase in General Fund assigned fund balance from fiscal year 2014 to fiscal year 2015 was due to an increase in encumbrance carry forwards totalling \$758 thousand in fiscal year 2014.

⁷ The increase in assigned fund balance for the General Fund from fiscal year 2014 to fiscal year 2015 is due to an increase in revenue from Ad Valorem Taxes, Consolidated Taxes and Charges for Services and the County receiving 2.0 million of proceeds from the disposition of assets.

WASHOE COUNTY, NEVADA
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008 ²	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 168,427	\$ 185,688	\$ 196,290	\$ 207,848	\$ 204,577	\$ 190,232	\$ 178,395	\$ 170,260	\$ 170,915	\$ 177,313
Licenses and permits	10,033	10,783	11,130	11,150	10,655	9,713	9,183	9,501	9,936	9,941
Intergovernmental revenues	185,802	175,878	177,622	156,555	149,258	155,018	162,361	170,082	168,204	179,392
Charges for services	19,851	23,177	22,086	24,211	27,940	28,247	26,254	33,530	35,694	38,893
Fines and forfeits	8,623	8,740	9,625	10,792	10,563	10,996	9,999	10,528	10,490	9,963
Miscellaneous	11,992	21,581	24,419	21,591	14,354	9,902	13,399	6,915	10,981	11,606
Total Revenues	404,728	425,847	441,182	432,147	417,347	404,108	399,591	400,816	406,220	427,108
Expenditures										
Current										
General government ³	59,397	64,567	62,187	65,098	124,146	61,386	84,484	62,493	50,210	55,362
Judicial	48,885	52,673	55,721	55,628	53,874	53,667	53,818	54,214	55,637	56,745
Public safety	102,838	110,126	119,421	122,072	120,544	118,455	121,656	131,732	128,364	135,821
Public works	17,962	19,145	20,414	17,960	14,654	14,110	14,759	15,568	26,124	30,438
Health and sanitation ¹	22,435	23,496	22,008	22,534	20,459	19,366	17,659	20,558	21,558	21,491
Welfare	50,308	56,964	63,684	61,292	63,705	66,408	69,045	65,639	69,364	68,372
Culture and recreation	25,578	41,048	26,519	24,199	21,203	20,417	19,474	18,859	18,201	18,688
Community support	836	1,469	1,555	1,662	1,733	305	309	343	178	214
Intergovernmental	4,453	4,865	5,179	17,791	19,059	16,981	8,243	8,447	8,790	8,943
Capital outlay	51,880	51,850	52,070	31,635	9,180	16,682	23,390	21,355	12,571	10,914
Debt Service										
Principal	15,215	16,363	20,890	24,713	15,380	22,825	37,114	21,689	7,943	9,094
Interest	9,204	10,152	10,438	11,587	9,400	8,532	7,588	7,090	5,627	5,299
Other	437	445	416	360	585	182	645	796	98	71
Total Expenditures	409,428	453,163	460,502	456,531	473,922	419,316	458,184	428,783	404,665	421,452
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,700)	(27,316)	(19,320)	(24,384)	(56,575)	(15,208)	(58,593)	(27,967)	1,555	5,656

WASHOE COUNTY, NEVADA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008 ²	2009	2010	2011	2012	2013	2014	2015
Other Financing Sources (Uses)										
Debt issued	\$ 29,169	\$ 35,119	\$ 18,943	\$ 21,489	\$ -	\$ -	\$ 38,518	\$ 46,919	\$ -	\$ -
Debt premium (discount)	(75)	468	-	73	-	-	-	-	-	-
Proceeds from asset disposition	52	53	162	25	1,561	38	178	49	33	2,021
Proceeds from insurance recoveries	-	-	-	-	-	-	-	-	40	-
Refunding payment to escrow agent	-	-	-	(10,436)	-	-	-	(37,391)	-	-
Transfers in	59,304	67,910	39,641	44,291	42,793	38,374	54,590	34,103	30,676	31,025
Transfers out	(62,244)	(71,770)	(39,855)	(47,202)	(47,883)	(38,132)	(35,309)	(32,318)	(30,676)	(33,856)
Total Other Financing Sources (Uses)	26,206	31,780	18,891	8,240	(3,529)	280	57,977	11,362	73	(810)
Special Item⁴										
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (17,787)	\$ -	\$ -	\$ 6,000
Debt Service as a Percentage of Noncapital Expenditures	6%	6%	7%	5%	7%	11%	6%	3%	4%	4%
	\$ 21,506	\$ 4,464	\$ (429)	\$ (16,144)	\$ (60,104)	\$ (14,928)	\$ (18,403)	\$ (16,605)	\$ 1,628	\$ 10,846

Note: Information is presented on the modified accrual basis of accounting.

- ¹ The Truckee River Flood Management Infrastructure Fund was reclassified from health and sanitation to public safety in fiscal year 2008.
- ² The net change in fund balances for fiscal year 2008 is before the restatement of \$6,595 added to fund balance for the Central Truckee Meadows Remediation District special revenue fund previously reported in a business fund.
- ³ General government expenditures in fiscal year 2010 included \$73 million paid to the County's OPEB trust.
- ⁴ The special item in fiscal year 2012 was payment to the Truckee Meadows Flood Management Authority, a joint powers authority, and in 2015 a State Settlement of AB595 and AB543 of \$6.0 million was received.

WASHOE COUNTY, NEVADA
 TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,										Change,
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2006-2015
Ad valorem ¹	\$ 164,892	\$ 182,157	\$ 193,369	\$ 204,836	\$ 202,122	\$ 187,709	\$ 173,849	\$ 167,698	\$ 168,571	\$ 174,116	5.6%
Residential construction ²	825	547	229	97	29	48	68	132	215	246	-70.2%
Special assessment ³	478	713	425	843	508	383	3,053	933	676	1,374	187.4%
Car rental fee	1,371	1,367	1,397	1,257	1,142	1,256	1,152	1,196	1,142	1,225	-10.6%
Room tax	334	378	342	293	265	275	272	300	311	351	5.1%
Motor vehicle fuel tax ⁴	527	526	528	523	511	561	-	-	-	-	n/a
	\$ 168,427	\$ 185,688	\$ 196,290	\$ 207,849	\$ 204,577	\$ 190,232	\$ 178,394	\$ 170,259	\$ 170,915	\$ 177,312	5.3%

Note: Information is provided on the modified accrual basis of accounting.

¹ The decrease in ad valorem taxes represents decreased property values. The County's property tax rates have remained fairly stable (see Schedule 2.2). TMFPD and SFPD, discretely presented component units, are not included in the figures above.

² Decreases in construction tax revenues from 2009 to 2011 was due to the continued unfavorable economic conditions in the housing market. However, the recovery started in 2012 and the improving trend continued in 2015.

³ The change in special assessment taxes corresponds to the change in special assessment debt outstanding.

⁴ Motor vehicle fuel tax was reclassified to intergovernmental revenue in 2012.

WASHOE COUNTY, NEVADA
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Real Property Assessed Value										
Residential	\$ 8,112,575	\$ 9,503,764	\$ 10,767,225	\$ 12,389,860	\$ 10,680,846	\$ 9,426,219	\$ 8,665,389	\$ 8,336,767	\$ 8,419,073	\$ 9,389,234
Commercial	2,629,471	2,898,745	3,317,724	3,598,911	3,779,799	3,489,578	3,306,237	3,402,688	3,330,546	2,383,703
Industrial	805,595	900,363	973,242	1,096,143	1,092,343	1,022,668	996,407	986,821	985,955	1,030,067
Other	1,490,866	1,600,955	1,885,497	2,430,308	1,475,332	1,584,556	1,329,717	1,374,092	1,286,207	1,172,158
Personal Property Assessed Value	596,491	703,276	691,628	738,274	748,403	636,184	636,409	612,022	713,824	688,878
Less Tax Exempt Property	1,655,650	1,861,784	2,529,824	3,046,485	2,677,247	2,500,354	2,258,785	2,422,281	2,417,652	2,471,984
Total Assessed Value	\$ 11,979,348	\$ 13,745,319	\$ 15,105,492	\$ 17,207,011	\$ 15,099,476	\$ 13,658,851	\$ 12,675,374	\$ 12,290,109	\$ 12,317,953	\$ 12,192,055
Estimated Actual Taxable Value	\$ 34,226,709	\$ 39,272,340	\$ 43,158,549	\$ 49,162,889	\$ 43,141,360	\$ 39,025,289	\$ 36,215,354	\$ 35,114,597	\$ 35,194,151	\$ 34,834,444
Assessed Value to Taxable Value	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Total Direct Tax Rate	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917

Source: Washoe County Assessor

Note: Pursuant to NRS 361.227, real property is valued at taxable value, determined by calculating the full cash value (market value) of land and estimated replacement cost of improvements, less appropriate depreciation. Taxable assessed value is 35% of estimated actual value. Real property is reappraised at least every five years. Property not reappraised is revalued annually using various approved methods.

**WASHOE COUNTY, NEVADA
DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS
(TAX RATES PER \$100 ASSESSED VALUATION)**

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Washoe County										
Operating Rate	.9231	.9401	.9592	.9629	.9612	.9611	.9806	.9891	1.0037	1.0277
Voter Approved										
Child Protective Services	.0400	.0400	.0400	.0400	.0400	.0400	.0400	.0400	.0400	.0400
Regional Animal Services	.0300	.0300	.0300	.0300	.0300	.0300	.0300	.0300	.0300	.0300
Senior Services	.0100	.0100	.0100	.0100	.0100	.0100	.0100	.0100	.0100	.0100
Library Expansion	.0200	.0200	.0200	.0200	.0200	.0200	.0200	.0200	.0200	.0200
Legislative Overrides										
Indigent Insurance	.0150	.0150	.0150	.0150	.0150	.0150	.0150	.0150	.0150	.0150
Indigent Health	.1000	.0950	.0800	.0800	.0800	.0750	.0700	.0600	.0600	.0600
Capital Acquisition	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500
Youth Services	.0083	.0077	.0077	.0077	.0077	.0088	.0088	.0095	.0062	.0087
Detention Center	.0774	.0774	.0774	.0774	.0774	.0774	.0774	.0774	.0774	.0774
SCCRT Loss	-	-	-	-	-	-	.0050	.0050	-	-
Family Court	.0192	.0192	.0192	.0192	.0192	.0192	.0192	.0192	.0192	.0192
AB 104 Fair Share Tax	.0272	.0272	.0272	.0272	.0272	.0272	.0272	.0272	.0272	.0272
Debt Service	.0715	.0601	.0560	.0523	.0540	.0580	.0385	.0393	.0330	.0065
Total, Washoe County Direct Rate	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
State of Nevada	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700	.1700
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
Total, Washoe County Unincorporated Area	2.7002	2.7002	2.7002	2.7002	2.7002	2.7002	2.7002	2.7002	2.7002	2.7002
Cities										
City of Reno	.9456	.9456	.9456	.9456	.9456	.9456	.9456	.9598	.9598	.9598
City of Sparks	.9161	.9161	.9161	.9161	.9161	.9161	.9161	.9161	.9161	.9598
Fire Districts										
North Lake Tahoe Fire Protection District	.5118	.5070	.5142	.5226	.5275	.5389	.5525	.6414	.6291	.6291
Sierra Fire Protection District	.4200	.4200	.4200	.5200	.5200	.5200	.5200	.5400	.5400	.5400
Truckee Meadows Fire Protection District	.4713	.4713	.4713	.4713	.4713	.4713	.4713	.5400	.5400	.5400
General Improvement Districts										
Gerlach	-	-	-	-	.2500	.2500	.2998	.2998	.2998	.2998
Incline Village	.0702	.0687	.0711	.0741	.0755	.0806	.1129	.1153	.1105	.1157
Palomino Valley	.4168	.4270	.4270	.4885	.4885	.4885	.4885	.4198	.4198	.4198
Other Special Districts										
Lemmon Valley Underground Water Basin	.0019	.0017	.0012	-	-	-	-	-	-	-
Sun Valley Water & Sanitation District	.1329	.1329	.1329	.1329	.1457	.1736	.1736	.1836	.1836	.1836
Truckee Meadows Underground Water	.0005	.0004	.0004	.0005	.0004	.0005	-	-	-	-

WASHOE COUNTY, NEVADA
 PRINCIPAL PROPERTY TAX PAYERS FISCAL YEARS 2015 AND 2006
 (AMOUNTS EXPRESSED IN THOUSANDS)

Tax Payer	2015			2006		
	Valuation	Rank	Percent of Total Assessed Valuation	Valuation	Rank	Percent of Total Assessed Valuation
BRE/Reno Property Owner LLC	\$ 102,978	1	0.78%	-	-	-
Peppermill Casinos, Inc.	84,472	2	0.64%	45,885	3	0.38%
Golden Road Motor Inn, Inc.	42,589	3	0.32%	-	-	0.00%
MPT of Reno LLC	38,612	4	0.29%	33,912	7	0.28%
Sparks Legends Development, Inc.	36,646	5	0.28%	-	-	0.00%
Circus Circus & Eldorado Joint Venture	28,202	6	0.21%	65,115	2	0.54%
Northwestern Mutual Life Insurance	27,490	7	0.21%	-	-	0.00%
International Game Technology	24,850	8	0.19%	34,430	6	0.29%
Hyatt Equities LLC	24,227	9	0.18%	-	-	0.00%
BRE/PAC Nevada LLC	23,550	10	0.18%	-	-	0.00%
DP Industrial LLC	-	-	-	98,562	1	0.82%
Washoe Medical Center	-	-	-	39,692	4	0.33%
Eldorado Resorts LLC	-	-	-	38,707	5	0.32%
Harrah's Club	-	-	-	31,390	8	0.26%
FHR Corporation	-	-	-	25,921	9	0.22%
Lennar Reno LLC	-	-	-	24,132	10	0.20%
	433,616		3.26%	437,746		3.65%
	12,852,668		96.74%	11,541,602		96.35%
	\$ 13,286,284		100.00%	\$ 11,979,348		100.00%

Source: Washoe County Assessor's Office

Note: The chart represents the ten largest parcel assessments based on property-owning taxpayers in the County and the respective taxable assessed values of such parcels for the fiscal years indicated. According to the Washoe County Assessor's Office, a determination of the largest parcel assessments can be made only by manually reviewing individual assessment records. Therefore, it is possible that an owner of several parcels may have an aggregate assessed value that is larger than those listed above. No independent investigation has been made of, and consequently there can be no representation as to the financial condition of the taxpayers listed above, or that such taxpayers will continue to maintain their status as major taxpayers based on the assessed valuation of their property in the County.

SCHEDULE 2.4

WASHOE COUNTY, NEVADA
 PROPERTY TAX LEVIES AND COLLECTIONS FOR ALL GOVERNMENTS LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net Secured Roll Taxes Levied	\$ 404,224	\$ 446,362	\$ 480,945	\$ 514,531	\$ 504,823	\$ 458,717	\$ 422,799	\$ 411,058	\$ 411,260	\$ 424,115
Current Year Tax Collections	401,305	442,446	472,860	504,268	495,281	451,994	416,849	405,977	407,469	421,125
Percent of Taxes Levied	99.28%	99.12%	98.32%	98.01%	98.11%	98.53%	98.59%	98.76%	99.08%	99.30%
Delinquent Tax Collections	2,916	3,907	8,074	10,240	9,330	6,351	5,064	4,328	2,338	-
Totals to Date Tax Collections	404,221	446,353	480,934	514,508	504,611	458,345	421,913	410,305	409,807	421,125
Percent of Taxes Levied	100.00%	100.00%	100.00%	100.00%	99.96%	99.92%	99.79%	99.82%	99.65%	99.30%

Source: Washoe County Treasurer's Office

Note: Property tax levies changed less than .05% in fiscal year 2014. In 2012, property levies declined 8% and in 2011 by 9%, which was the largest recorded decline in property tax since 1982. Between 2004 and 2009 property tax levies increased 48% or approximately 12% per year. The increase in fiscal year 2007 included the addition of Sierra Fire Protection District. Current year tax collections dropped in fiscal year 2009 to 98.01%, the lowest level since 1995. In fiscal year 2015, the collection rate improved to its highest level since fiscal year 2007, the beginning of the housing crisis and economic recession.

WASHOE COUNTY, NEVADA
RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS
(AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
General Bonded Debt	\$ 185,562	\$ 206,573	\$ 188,307	\$ 166,471	\$ 154,621	\$ 135,562	\$ 129,700	\$ 120,146	\$ 114,217	\$ 108,446
Revenue Bonds	19,486	19,010	37,446	46,856	45,703	44,658	43,527	42,419	41,222	39,920
Capital Leases/Notes	394	377	359	341	320	-	-	-	-	-
Certificates of Participation	10,264	8,405	6,447	4,398	2,250	-	-	-	-	-
Special Assessment Bonds	2,674	3,058	2,733	3,453	3,065	2,729	10,738	9,061	8,117	6,417
Total Governmental Activities	218,380	237,423	235,292	221,519	205,959	182,949	183,965	171,626	163,556	154,783
Business-type Activities										
General Bonded Debt	114,340	120,921	117,111	112,532	72,244	67,258	63,713	59,947	57,175	18,789
Capital leases/notes	829	794	757	727	675	-	-	-	-	-
Total Business-type Activities	115,169	121,715	117,868	113,259	72,919	67,258	63,713	59,947	57,175	18,789
Total primary government	\$ 333,549	\$ 359,138	\$ 353,160	\$ 334,778	\$ 278,878	\$ 250,207	\$ 247,678	\$ 231,573	\$ 220,731	\$ 173,572
Percentage of personal income	1.80%	1.79%	1.84%	1.94%	1.60%	1.38%	1.33%	1.27%	1.17%	0.91%
Per capita ¹	\$ 833	\$ 879	\$ 851	\$ 801	\$ 660	\$ 588	\$ 576	\$ 536	\$ 506	\$ 393
General Bonded Debt	\$ 299,902	\$ 327,494	\$ 305,418	\$ 279,003	\$ 226,865	\$ 202,820	\$ 193,413	\$ 180,093	\$ 171,392	\$ 127,235
Less restricted resources	11,112	12,242	12,823	13,866	11,656	11,952	11,127	11,007	10,944	6,572
Total Net General Bonded Debt	\$ 288,790	\$ 315,252	\$ 292,595	\$ 265,137	\$ 215,209	\$ 190,868	\$ 182,286	\$ 169,086	\$ 160,448	\$ 120,663
Percentage of Actual Property Value ²	0.84%	0.80%	0.68%	0.54%	0.50%	0.49%	0.50%	0.48%	0.46%	0.35%
Per capita ¹	\$ 721	\$ 771	\$ 705	\$ 635	\$ 510	\$ 449	\$ 424	\$ 391	\$ 367	\$ 274

Note: Details regarding Washoe County's outstanding debt can be found in the notes to the financial statements. Where applicable, all debt is presented net of original issuance discounts, premiums, and deferred refunding charges.

¹ Population and personal income data can be found in Schedule 4.1, Washoe County Demographic and Economic Statistics. Per capita amounts are not expressed in thousands.

² See Washoe County Assessed and Estimated Actual Value of Taxable Property on Schedule 2.1 for taxable property value data.

WASHOE COUNTY, NEVADA
 LEGAL DEBT MARGIN COMPUTATION LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	\$ 1,197,935	\$ 1,374,532	\$ 1,510,549	\$ 1,720,701	\$ 1,509,948	\$ 1,365,885	\$ 1,267,537	\$ 1,229,011	\$ 1,231,795	\$ 1,328,628
Total net debt subject to limitation	409,186	437,011	412,262	382,579	332,977	308,142	295,697	277,578	288,292	225,354
Legal Debt Margin	\$ 788,749	\$ 937,521	\$ 1,098,287	\$ 1,338,122	\$ 1,176,971	\$ 1,057,743	\$ 971,840	\$ 951,433	\$ 963,503	\$ 1,103,274
Total net debt subject to limitation as a percentage of debt limit	34%	32%	27%	22%	22%	23%	23%	23%	22%	17%

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2015

Assessed value of taxable property for fiscal year ended June 30, 2015	\$ 13,286,284
Debt limit (10% of Assessed Valuation)	\$ 1,328,628
Debt applicable to limit	
Governmental activities	\$ 154,783
Business-type activities	19,230
Reno-Sparks Convention and Visitors' Authority	115,073
Total Bonded Debt	289,086
Less Special assessment bonds	6,417
Special revenue bonds	39,920
Amount available for repayment of general obligation bonds	20,295
Total net debt subject to debt limitation	222,454
Legal Debt Margin	\$ 1,106,174

Note: The statutory county debt limit is 10% of the assessed value of all taxable property in the County, as set forth in Chapter 244A.059 of the Nevada Revised Statutes. The statutory debt limit for recreational bonds issued by the Reno-Sparks Convention and Visitors Authority (RSCVA) is further limited to 3% of the total assessed valuation by Nevada Revised Statutes 244A.453 and 244A.655. RSCVA's total outstanding recreational debt of \$117,973 is below the 3% limit of \$398,589.

**WASHOE COUNTY, NEVADA
DIRECT AND OVERLAPPING DEBT JUNE 30, 2015
(AMOUNTS EXPRESSED IN THOUSANDS)**

Name of Government Unit	Debt Outstanding	Presently Self-Supporting Debt	Percent Applicable ¹	Applicable Net Debt
Direct²				
Washoe County	\$ 108,446	\$ -	100%	\$ 108,446
Governmental Activity Bonds	39,920	39,920	100%	-
Revenue Bond ³	6,417	6,417	100%	-
Special Assessment Bonds ⁴				
Total Direct Debt	154,783	46,337		108,446
Overlapping				
Washoe County School District	474,267	-	100%	474,267
Reno-Sparks Convention and Visitors Authority	117,973	117,973	100%	-
City of Reno	59,575	-	100%	59,575
City of Reno supported by specific revenue	318,990	318,990	100%	-
Reno - Special Assessment Bonds ³	15,694	15,694	100%	-
City of Sparks	2,025	-	100%	2,025
Sparks - Sewer and Utility Bonds	39,387	39,387	100%	-
Incline Village General Improvement District	11,808	11,808	100%	-
State of Nevada	1,729,010	499,005	14.59%	179,458
Total Overlapping Debt	2,768,729	1,002,857		715,325
Total General Obligation Direct and Overlapping Debt	\$ 2,923,512	\$ 1,049,194		\$ 823,771

¹ Based on fiscal year 2013-14 assessed valuation in the respective jurisdiction.

² Includes all governmental debt activities and amounts are net of related discounts, premiums and deferred refunding charges.

³ Revenue bonds are not general obligation, but are special limited obligations of the County payable solely from the pledged revenue.

⁴ Special assessment bonds are not general obligations of Washoe County, or of the City of Reno. If, however, the special assessments collected with all other available resources were insufficient to meet debt service requirements on these bonds, the respective bond ordinances require that the deficiency be made up with the government's general fund.

WASHOE COUNTY, NEVADA
PLEDGED REVENUE COVERAGE LAST TEN FISCAL YEARS
 (AMOUNTS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Special Assessment Bonds ¹										
Pledged Revenue	\$ 546	\$ 440	\$ 524	\$ 455	\$ 639	\$ 501	\$ 1,686	\$ 1,508	\$ 1,161	\$ 1,797
Debt Service Requirements										
Principal	381	330	311	265	374	322	570	1,664	894	1,700
Interest	159	100	118	107	157	148	251	389	344	302
Total Debt Service Requirements	\$ 540	\$ 430	\$ 429	\$ 372	\$ 531	\$ 470	\$ 821	\$ 2,053	\$ 1,238	\$ 2,002
Coverage Ratios	1.01	1.02	1.22	1.22	1.20	1.07	2.05	0.73	0.94	0.90
Sales Tax Revenue Bonds ²										
Pledged Revenue	\$ 8,507	\$ 9,313	\$ 8,386	\$ 8,475	\$ 7,040	\$ 6,802	\$ 7,263	\$ 7,148	\$ 7,672	\$ 8,228
Debt Service Requirements										
Principal	455	475	500	520	545	570	595	625	655	690
Interest	960	941	921	899	876	852	826	798	768	737
Total Debt Service Requirements	\$ 1,415	\$ 1,416	\$ 1,421	\$ 1,419	\$ 1,421	\$ 1,422	\$ 1,421	\$ 1,423	\$ 1,423	\$ 1,427
Coverage Ratios	6.01	6.58	5.90	5.97	4.95	4.78	5.11	5.02	5.39	5.77
Car Rental Fee Revenue Bonds ³										
Pledged Revenue	\$ 1,371	\$ 1,367	\$ 1,397	\$ 1,257	\$ 1,142	\$ 1,256	\$ 1,152	\$ 1,196	\$ 1,142	\$ 1,225
Debt Service Requirements										
Principal	999	-	-	-	588	456	516	463	522	592
Interest	27	-	-	1,174	934	897	873	680	492	476
Total Debt Service Requirements	\$ 1,026	\$ -	\$ -	\$ 1,174	\$ 1,522	\$ 1,353	\$ 1,389	\$ 1,143	\$ 1,014	\$ 1,068
Coverage Ratios	1.34	-	-	1.07	0.75	0.93	0.83	1.05	1.13	1.15

Note: Coverage ratios are calculated on numbers rounded to two decimal places.

¹ Pledged revenue for Special Assessment Bonds includes assessments, assessment forfeitures, interest and penalties. Additional details regarding bonds for various assessment districts can be found in Notes 9, 10 and 11. Coverage ratios are impacted by timing differences. Cash balances are adequate for debt service. Remaining cash at June 30, 2015 in the Special Assessment Debt Service Fund is \$1,450.

² Pledged revenue for the Sales Tax Revenue Bonds represents pledged sales tax collections at the rate of 0.125% of taxable sales. Sales tax revenues are accounted for in the Truckee River Flood Management Infrastructure Fund. The bonds are payable solely from pledged sales tax revenue. Unspent sales tax revenues total \$516 at June 30, 2015.

³ Pledged revenue for the Baseball Stadium Revenue Bonds (2004 - 2007, paid in full June 2007) consists of a 2% short-term car rental fee. Car rental fees collected per NRS 244A.810 are accounted for in the Other Restricted Fund. Subsequently, Senior and Subordinate Car Rental Lien Revenue Bonds were issued February 2008 and are payable solely from pledged car rental fee revenues. Unspent car rental fee revenues total \$408 at June 30, 2015.

WASHOE COUNTY, NEVADA
DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS
(DOLLARS EXPRESSED IN THOUSANDS)

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population ¹	400,453	408,724	414,793	417,722	422,227	425,400	429,908	432,324	436,647	444,008
Total Personal Income ²	\$ 18,514,793	\$ 20,040,275	\$ 19,222,621	\$ 17,286,483	\$ 17,409,987	\$ 18,121,519	\$ 18,656,484	\$ 18,284,145	\$ 18,832,669	\$ 19,077,494
Per Capita Income ²	\$ 46	\$ 49	\$ 46	\$ 41	\$ 41	\$ 43	\$ 43	\$ 47	\$ 48	\$ 48
Median Age ³	36.5	34.5	36.5	36.4	37.0	37.2	37.0	37.6	37.6	37.4
School Enrollment ⁴	62,390	63,044	63,635	63,310	62,452	62,324	62,220	62,424	62,986	63,108
Unemployment Rate (Percent) ⁵	4.0	4.5	6.8	11.6	13.6	13.2	12.3	9.8	7.2	6.4
Total Labor Force ⁵	218,144	220,337	221,785	224,089	221,954	225,481	222,532	219,550	206,624	213,773
Construction Activity-Total Value ⁶	\$ 307,686	\$ 225,085	\$ 202,519	\$ 85,657	\$ 55,952	\$ 67,721	\$ 95,876	\$ 126,468	\$ 203,086	\$ 246,628
Number of New Family Units ⁶	851	557	240	103	36	55	83	74	120	255
Taxable Sales ⁷	\$ 7,268,593	\$ 7,202,641	\$ 6,823,701	\$ 5,707,791	\$ 5,176,982	\$ 5,282,936	\$ 5,522,605	\$ 5,824,726	\$ 6,370,685	\$ 6,817,589
Gross Income Gaming Revenue ⁸	\$ 1,072,937	\$ 1,069,608	\$ 996,615	\$ 867,198	\$ 788,509	\$ 751,467	\$ 738,152	\$ 741,038	\$ 744,962	\$ 765,248
Total Passenger Air Traffic ⁹	5,149,700	5,014,382	4,841,257	3,979,015	3,777,701	3,795,421	3,561,557	3,514,421	3,312,839	3,297,642

¹ Annual population for years 2007 and prior, per Nevada Workforce Informer, Data Analysis 2010 US Census-Nevada; for years 2008 through 2013, per Governor Certified Population of Nevada's Counties, Cities and Towns 2000 to 2013. 2014 data source: Washoe County Community Development, with projected growth rate applied to the 2010 US Census. 2015 data source: Nevada State Demographer's Office-NV Small Business Development Center.

² U.S. Department of Commerce, Bureau of Economic Analysis (BEA) FY 2012 and prior; Washoe County Community Development Information FY 2013 - FY 2014; BEA 2012 Estimate with Compound Annual Growth Rate applied - FY - 2014 and FY2015.

³ Nevada State Demographer FY 2001 - FY 2007; Demographics USA FY 2008; Center for Regional Studies, University of Nevada, Reno, FY 2009 - FY 2013; trend applied to US Census Bureau 2008-2012 American Community Survey 5-Year Estimates - FY 2014 and FY2015.

⁴ Washoe County School District

⁵ Total represents the average labor force during the fiscal year. Nevada State Department of Employment, Training and Rehabilitation (DETR)

⁶ Washoe County Building and Safety Department

⁷ Nevada State Department of Taxation

⁸ Nevada State Gaming Control Board

⁹ Reno/Tahoe International Airport (RTIA)

SCHEDULE 4.2

WASHOE COUNTY, NEVADA
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO

Employer	December, 2014			December, 2005		
	Employees ¹	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
Washoe County School District	8,750	1	4.51%	8,250	1	3.79%
University of Nevada - Reno	4,250	2	2.19%	4,750	2	2.18%
Renown Medical Center / Washoe Medical Center ²	2,750	3	1.42%	2,250	5	1.03%
Washoe County	2,750	4	1.42%	2,750	3	1.26%
Peppermill Hotel Casino - Reno	2,250	5	1.16%	1,750	8	0.80%
International Game Technology	1,750	6	0.90%	2,750	4	1.26%
Silver Legacy Resort Casino	1,750	7	0.90%	2,250	6	1.03%
Atlantis Casino Resort	1,750	8	0.90%	1,750	9	0.80%
Grand Sierra Resort	1,750	9	0.90%	-	-	-
Eldorado Hotel & Casino	1,250	10	0.64%	-	-	-
City of Reno	-	-	-	1,750	7	0.80%
Reno Hilton	-	-	-	1,750	10	0.80%
Total Washoe County Covered Employment	194,179			217,493		

¹ Nevada Revised Statutes Chapter 612 stipulates that actual employment for individual employers may not be published. The Nevada Department of Employment Training and Rehabilitation publishes employee counts in ranges of 500. The number of employees shown are estimated using the midpoint.

² In 2007, Washoe Medical Center became Renown Medical Center.

WASHOE COUNTY, NEVADA
 FULL-TIME EQUIVALENT WASHOE COUNTY EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General government	465.6	483.8	461.4	413.2	378.0	363.4	323.8	315.9	320.8	283.7
Judicial	497.6	520.8	522.1	499.9	483.1	470.4	458.6	452.4	463.8	471.8
Public safety	964.5	1,007.9	1,009.4	1,007.2	974.2	939.8	898.9	892.8	911.6	902.5
Public works	115.0	119.0	111.0	104.0	90.0	87.8	72.4	74.0	122.0	137.0
Health and sanitation	205.5	207.9	185.8	168.9	169.6	170.8	161.0	153.3	154.3	154.6
Welfare	231.1	251.5	259.5	249.8	244.3	239.9	228.6	229.7	233.9	241.5
Culture and recreation	438.5	437.8	362.7	283.8	227.9	219.0	203.9	214.4	210.3	222.7
Utilities	93.2	94.1	95.4	84.4	77.1	72.2	64.7	63.4	59.0	23.0
Golf courses	21.9	24.9	19.9	18.9	14.9	10.9	9.9	9.9	10.9	8.9
Building permits	31.0	29.0	20.0	14.0	13.0	13.0	12.0	12.8	13.0	14.4
Total ¹	3,063.9	3,176.7	3,047.2	2,844.1	2,672.1	2,587.2	2,433.8	2,418.6	2,499.6	2,460.1

Function/Program % of Total

General government	15%	15%	15%	15%	14%	14%	13%	13%	13%	11%
Judicial	16%	16%	16%	18%	18%	18%	19%	19%	19%	19%
Public safety	31%	31%	33%	35%	36%	36%	37%	37%	36%	37%
Public works	4%	4%	4%	3%	3%	3%	3%	3%	5%	6%
Health and sanitation	7%	7%	6%	6%	6%	7%	7%	5%	6%	6%
Welfare	8%	8%	9%	9%	9%	9%	9%	9%	9%	10%
Culture and recreation	14%	14%	12%	10%	9%	8%	8%	9%	8%	9%
Utilities	3%	3%	3%	3%	3%	3%	3%	3%	2%	1%
Golf courses	1%	1%	1%	1%	1%	1%	1%	1%	1%	0%
Building permits	1%	1%	1%	0%	1%	1%	0%	1%	1%	1%

Source: Washoe County human resource system

Note: Full-time equivalents are reported based on staffing as of June 30 of each fiscal year. Actual salaries may represent higher numbers of staff due to the use of seasonal workers, particularly for culture and recreation activities.

¹ Washoe County full-time equivalent employee totals declined over fiscal years 2008 to 2013 due to budget reduction programs including delays in filling open positions and reductions in force.

WASHOE COUNTY, NEVADA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Judicial¹										
District Court Cases Filed										
Criminal	3,150	3,232	3,008	2,679	2,508	2,163	2,122	3,016	n/r	n/r
Civil	3,956	4,104	4,219	4,749	4,835	4,543	4,142	3,934	n/r	n/r
Family	11,139	12,307	12,060	11,248	11,606	11,349	10,630	10,657	n/r	n/r
Juvenile	2,720	2,558	2,287	2,084	1,888	1,859	1,866	2,013	n/r	n/r
District Court Cases Disposed										
Criminal	2,974	3,050	3,058	2,504	2,293	2,027	1,927	2,617	n/r	n/r
Civil	2,644	2,690	2,369	2,481	2,839	2,782	2,389	3,317	n/r	n/r
Family	9,226	7,884	7,939	6,967	6,533	6,975	6,955	10,059	n/r	n/r
Juvenile	4,306	5,552	5,650	5,120	4,653	4,518	4,327	1,182	n/r	n/r
Justice Courts Cases Filed										
Criminal	10,306	11,293	11,423	11,835	11,262	10,249	8,770	7,853	8,089	9,106
Civil	22,204	23,211	23,403	22,389	20,005	18,670	16,517	17,560	13,049	11,769
Traffic and parking violations	57,337	61,949	62,850	64,121	65,637	71,585	72,544	56,354	37,755	43,686
Justice Courts Cases Disposed										
Criminal	8,736	9,062	9,715	11,710	10,957	9,141	8,995	8,480	10,084	8,285
Civil	13,398	12,803	16,799	18,766	20,207	17,303	10,233	18,575	14,823	14,110
Traffic and parking violations	40,968	44,709	47,528	53,068	49,004	50,437	48,485	55,811	36,882	42,850
Public Safety²										
Police										
Arrests (Valley and Incline)	3,239	3,694	4,716	4,510	4,547	4,816	3,654	2,993	2,389	2,587
Citations issued	6,291	12,802	12,800	12,835	10,277	13,526	11,950	13,839	11,771	12,821
Alarms	1,472	2,151	2,600	2,533	2,002	1,754	499	1,424	1,410	1,497
Crime lab analysis requests	9,138	12,965	10,384	9,600	8,905	7,907	7,379	6,378	5,809	6,406
Warrants processed	2,122	2,175	2,832	2,771	2,479	2,605	2,189	1,980	2,025	2,187
Detention										
Bookings	25,000	27,468	27,351	26,778	24,558	23,233	21,553	20,755	20,852	20,750
Civil protective custody	2,800	2,771	2,957	2,827	2,705	2,460	1,667	353	259	284
Average daily population	1,087	1,169	1,090	1,072	1,071	1,019	1,018	1,050	1,052	1,082
Animal Services										
Calls for service responded to	26,180	33,430	34,534	31,712	31,045	34,769	37,269	33,617	33,393	38,753
Number of animals impounded	12,929	12,756	13,116	11,463	10,707	12,071	12,548	14,300	13,620	13,556

(CONTINUED)

WASHOE COUNTY, NEVADA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Health and Sanitation ²										
Permitted Food Establishments	3,169	3,277	3,321	3,329	3,317	3,352	3,308	3,425	3,571	3,661
Air quality permits issued	1,296	1,282	1,301	1,370	1,277	1,356	1,315	1,334	1,377	1,440
Birth certificates issued	13,404	16,229	15,394	13,395	11,424	9,071	7,761	7,229	6,834	7,125
Death certificates issued	24,904	24,143	24,259	23,913	25,011	22,183	18,878	21,166	19,551	19,267
Welfare ²										
Adult Services ³										
Nursing home bed days ⁴	97,579	97,361	84,305	94,055	87,903	82,336	7,091	6,798	6,912	5,240
Supportive housing program bed days	n/r	n/r	n/r	n/r	n/r	n/r	20,946	22,842	25,640	35,674
Adult group care bed days	n/r	n/r	n/r	n/r	n/r	n/r	13,690	8,629	7,336	7,612
Clinic accepts	3,243	2,089	1,608	1,828	2,078	2,617	n/r	n/r	2,599	n/r
Emergency room accepts	2,916	3,943	4,554	2,952	2,974	2,257	n/r	n/r	n/r	n/r
Total general assistance applications	3,923	3,971	4,768	4,184	3,474	3,317	n/r	n/r	n/r	n/r
Clients receiving general assistance	1,120	1,264	1,309	1,274	956	747	18	3	1	-
Served in burial	n/r	n/r	n/r	n/r	n/r	n/r	374	412	458	463
Children's Services										
Number of children in legal custody	987	991	973	831	771	718	612	811	928	1,002
Average length of stay in paid foster care (days)	278	483	468	544	452	458	422	388	356	383
Number of adoptions finalized	100	136	119	120	138	141	184	110	117	156
Number of adoption subsidies	563	727	737	811	911	1,055	1,172	1,126	1,269	1,349
Number of child welfare reports received	6,967	6,716	7,373	6,777	6,466	6,869	7,364	7,525	7,396	7,358
Number of child welfare investigations	2,252	2,935	2,995	2,496	2,371	2,523	2,469	2,178	2,196	2,038
Culture and Recreation ²										
Parks and Recreation										
Golf courses - total rounds of golf	61,496	71,579	64,531	67,792	59,694	64,315	76,664	75,834	74,511	76,374
Aquatics - pool attendance ⁵	26,824	51,292	47,000	14,677	8,643	14,621	n/r	26,903	46,729	52,502
Library										
Visitors to libraries ('000s)	1,323	1,659	1,668	1,750	1,404	1,214	1,265	1,228	1,172	1,093
Volumes in collection('000s)	941	978	959	916	874	858	760	723	668	617
Total volumes borrowed('000s)	2,148	2,310	2,254	2,226	2,258	2,123	2,341	2,283	2,203	2,045
Senior Services⁶										
Number of unduplicated clients served	6,081	6,115	6,149	4,444	4,950	5,126	5,237	5,037	4,563	4,692

(CONTINUED)

WASHOE COUNTY, NEVADA
 OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Utilities/Water² (continued)										
Water										
Customer count	19,635	20,855	21,643	22,036	22,263	22,523	22,789	23,092	23,722	-
Average daily consumption (thousands of gallons)	11,058	12,709	12,153	12,877	11,584	11,472	12,194	13,143	12,929	-
Peak daily consumption (thousands of gallons)	22,571	22,307	26,191	25,491	24,390	22,945	24,113	24,030	23,823	-
Wastewater										
Customer count	16,464	17,989	19,086	19,552	19,850	20,120	20,354	20,572	21,068	23,545
Building Permits²										
Commercial construction	233	208	235	260	192	81	287	258	211	251
Residential construction ⁷	949	677	350	137	64	43	96	168	246	260
Miscellaneous	2,310	1,944	1,637	1,189	1,023	495	1,195	1,090	1,212	1,597

n/r = not reported

¹ Uniform System for Judicial Records, Nevada AOC, Planning & Analysis Division

² Various Washoe County Departments. In 2015, the Washoe County Water Resources was transferred to Truckee Meadows Water Authority (TMWA).

³ Effective 3/1/12 Adult Services implemented the Health Care Assistance Program facilitated by a third party administrator. New tracking metrics were established to monitor program effectiveness.

⁴ Washoe County and the State of Nevada share responsibility for nursing home beds. Effective 7/1/12 tracking information is no longer supported on State reports.

⁵ Bowers Pool closed in 2009 and reopened in 2013.

⁶ The decrease in the number of unduplicated clients served can be directly attributed to the outsourcing of the Senior Law Program, July 1, 2013.

⁷ New single family dwellings.

WASHOE COUNTY, NEVADA
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

Function/Program	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Information Technology										
Business applications	182	176	119	123	127	133	136	147	147	123
Networked buildings and small facilities	137	141	137	137	217	216	214	216	226	139
Network wireless coverage (square miles) ⁴	400	425	400	400	400	400	400	600	1,440	1,440
Network personal computers	3,350	3,450	3,350	3,627	3,500	3,500	3,388	3,480	3,660	3,792
Equipment Services										
Vehicles	1,005	1,017	1,017	1,001	987	972	978	954	939	918
Judicial										
District courts/justice courts	10	10	10	10	10	10	10	12	12	12
District courts/justice courts locations	6	6	6	6	6	6	6	6	6	6
Public Safety										
Juvenile services facilities	2	2	2	2	2	2	2	2	2	2
Sheriffs detention center/substations	3	3	3	3	3	3	3	3	3	3
Sheriffs patrol aircraft (helicopters)	3	3	3	3	3	3	3	3	3	3
Sheriffs patrol/search and rescue boats (in excess of 20 feet)	3	3	3	2	2	2	2	2	3	3
Crime lab	1	1	1	1	1	1	1	1	1	1
Regional emergency operations / training center	2	2	2	2	2	2	2	2	2	2
Public Works										
Paved streets (miles)	690	696	707	708	709	709	710	723	723	723
Unpaved streets (miles)	405	405	405	358	376	368	368	368	368	362
Traffic signals	14	17	17	17	17	16	16	17	17	17
Bridges	79	73	73	73	73	73	73	73	73	73
Culture and Recreation										
Libraries	13	13	13	13	13	13	13	13	13	13
Major/regional parks	13	13	13	13	13	13	13	13	13	13
Community/neighborhood parks ¹	33	35	36	37	36	33	33	33	33	33
Developed park acreage ¹	1,756	1,756	1,810	2,451	2,438	1,872	1,872	1,872	1,872	1,877
Undeveloped park acreage ²	5,943	6,377	7,854	7,380	7,367	10,017	10,017	10,017	10,017	10,034

(CONTINUED)

WASHOE COUNTY, NEVADA
 CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Culture and Recreation (continued)										
Special use facilities	5	5	5	5	5	5	5	5	5	6
Playgrounds ¹	44	48	50	51	50	47	46	46	46	46
Golf courses	2	2	2	2	2	2	2	2	2	2
Swimming pools/waterpark	3	3	3	3	2	2	2	2	3	3
Camping sites	64	64	64	64	64	64	64	64	64	64
Sheltered group picnic facilities	39	43	44	57	55	52	52	52	52	57
Regional shooting facilities	1	2	2	2	2	2	2	2	2	2
Baseball fields	30	33	33	33	32	29	28	28	28	28
Soccer fields	18	22	26	26	25	25	25	25	25	25
Tennis courts	22	22	22	22	22	22	22	22	22	22
Volleyball courts	8	8	8	8	7	7	7	7	20	20
Historical buildings/museums	4	5	5	6	6	6	6	6	6	6
Amphitheaters	3	4	4	4	4	4	4	4	4	4
Arboretum and botanical garden	1	1	1	1	1	1	1	1	1	1
Specialized childrens' facility	3	3	3	3	3	3	3	3	3	3
Established bicycle paths (miles)	20	20	20	20	20	20	20	20	20	20
Hiking trails (miles) ²	37	41	45	45	45	158	158	158	158	161
Bike moto cross facility	1	1	1	1	-	-	-	-	-	-
Horse arenas	5	5	5	5	5	5	5	5	5	5
Skateboard parks	4	4	4	4	3	3	3	3	3	3
Utilities										
Water										
Water mains (miles) ³	297	387	475	483	473	487	476	480	565	Note 3
Wastewater										
Storm sewers (miles)	250	262	276	285	288	288	288	289	290	290
Reclaimed Water										
Reclaimed mains (miles)	n/r	n/r	n/r	n/r	n/r	n/r	n/r	40	40	40

n/r = not reported

Sources: Washoe County capital asset records and departments

¹ The decrease in FY 2011 is due to the transfer of ownership of three parks to local governments.

² The increase in FY 2011 is due to GIS data collection that was not previously available.

³ Note 3 - As of December 31, 2014, Washoe County and the Truckee Meadows Water Authority (TMWA) consolidated their water utilities with TMWA surviving as the water purveyor. Therefore, Washoe County is no longer in the water utility business.

⁴ The increase in FY 2014 is due to completed wireless project.

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**AUDITOR'S COMMENTS
COMPLIANCE SECTION**

Page

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*..... C – 2

Schedule of Findings and Responses C – 4

Auditor's Comments C – 6



CPAs & BUSINESS ADVISORS

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

To the Honorable Board of Commissioners
Washoe County, Nevada
Reno, Nevada

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (Washoe County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Washoe County's basic financial statements, and have issued our report thereon dated January 25, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Washoe County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Washoe County's internal control. Accordingly, we do not express an opinion on the effectiveness of Washoe County's internal control.

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. 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Responses as Findings 2015-A and 2015-B that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Washoe County’s financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and 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*.

Washoe County’s Response to Findings

Washoe County’s response to the finding identified in our audit is described in the accompanying Schedule of Findings and Responses. Washoe County’s response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Washoe County’s internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washoe County’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
January 25, 2016

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015**

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

Finding 2015-A

Significant deficiency

Criteria and Condition: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting revenue received shortly after year end is a key component of effective internal control over financial reporting.

A journal entry was required to properly report centrally assessed taxes received in July. The taxes were assessed and collected in the year ended June 30, 2015 and remitted to Washoe County in July 2015. The amount should have been recorded as amounts due from other governments and revenue at June 30, 2015.

Effect: Amounts due from other governments and revenues were understated before the adjustment.

Cause: Due to significant turnover and personnel changes in the Comptroller's staff near year end, and given the daily responsibilities of the Comptroller's staff, the resources of time and training necessary to analyze payments received after year end were diminished. As a result, this payment of centrally assessed taxes was recorded in the year received rather than the year earned.

Recommendation: We recommend the Comptroller's staff analyze all payments received shortly after (within 60 days of) year end to ensure the payments are recorded in the proper year.

Views of Responsible Officials and planned corrective action: Washoe County acknowledges the importance of properly reporting revenue. Comptroller's staff will continue to analyze all payments to ensure proper recording, including those received within 60 days of year end.

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2015
(CONTINUED)**

Finding 2015-B

Significant deficiency

Criteria and Condition:

Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting accreted interest on capital appreciation bonds is part of effective internal control over financial reporting.

A prior period adjustment in the amount of \$4,732,133 was required to properly report accreted interest on capital appreciation bonds issued in 2008 and 2009. In addition, an adjustment was required to record current year accreted interest in the amount of \$1,036,301.

Effect:

Accreted interest on capital appreciation bonds was understated by \$5,768,434 and net position was overstated by a like amount prior to these adjustments.

Cause:

This is the first capital appreciation bond issued by the County. A procedure was not in place to record the accreted interest on capital appreciation bonds and as a result, it was inadvertently overlooked in prior years.

Recommendation:

We recommend the Comptroller's staff add a step to the year-end procedures to record the accreted interest on the capital appreciation bonds.

*Views of Responsible
Officials and planned
corrective action:*

Washoe County will continue to follow the lead of its auditors, for current and overlooked items, and add a step to include the recognition of accreted interest on its capital appreciation bonds.



CPAs & BUSINESS ADVISORS

Auditor's Comments

To the Honorable Board of Commissioners
Washoe County, Nevada
Reno, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (the County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the County failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

Progress on Prior Year Statute Compliance

There were no potential statute violations noted in the audit report for the year ended June 30, 2014.

Prior Year Recommendations

There was one financial statement finding reported in the prior year report.

Current Year Recommendations

The current year findings is reported in the Schedule of Findings and Responses.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
January 25, 2016

www.eidebailly.com

**WASHOE COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Resources</u>	<u>Enterprise</u>		<u>Internal Service</u>
	<u>Fund</u>	<u>Funds</u>		<u>Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 2,833,237	\$ 1,130,267	\$ 3,963,504	\$ (3,348,692)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	6,067,184	227,990	6,295,174	1,343,386
Contributed inventory	62,070	-	62,070	-
Other nonoperating revenue	4,827	-	4,827	23,383
Hookup fee refunds	(606,118)	-	(606,118)	-
Disposal of water utility operations	(33,682,594)	-	(33,682,594)	-
**Imputed rental expense	-	-	-	110,596
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	3,176,641	(492,136)	2,684,505	806,036
Due from other funds	(306,688)	-	(306,688)	-
Due from other governments	242,311	-	242,311	(107,153)
Notes receivable	23,064	-	23,064	-
Inventory	189,870	(2,816)	187,054	13,416
Prepaid lease	-	-	-	146,080
Other assets	-	-	-	110,066
Increase (decrease) in:				
Accounts payable	(1,067,759)	(22,130)	(1,089,889)	(371,833)
Accrued salaries and benefits	(129,757)	15,494	(114,263)	9,563
Compensated absences	3,929	23,687	27,616	4,027
Due to other funds	(160,428)	-	(160,428)	29,965
Due to other governments	(723,002)	17,463	(705,539)	(148)
Due to others	-	-	-	-
Other liabilities	(128,565)	3,445	(125,120)	-
Pending claims	-	-	-	1,974,000
Unearned revenue	(20,795)	-	(20,795)	-
Total Adjustments	(27,055,810)	(229,003)	(27,284,813)	4,091,384
Net Cash Provided (Used) by Operating Activities	\$ (24,222,573)	\$ 901,264	\$ (23,321,309)	\$ 742,692

****Noncash investing, capital, and financing activities:**

The Equipment Services Fund lease deposits remaining at June 30 for rental agreements total \$3,451,171. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$110,596 have been imputed to give recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 5,572,609	\$ 242,055	\$ 5,814,664	\$ 888,944
Capital contributions received	2,943,807	-	2,943,807	-
Capital transferred from other funds	-	-	-	27,286
Increase/(decrease) in liabilities	2,342,784	-	2,342,784	297,281
Total Acquisition of Capital Assets	\$ 10,859,200	\$ 242,055	\$ 11,101,255	\$ 1,213,511

The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015**

	Investment Trust Fund	Agency Funds
Assets		
Cash and investments (Note 4)	\$ 115,328,213	\$ 25,654,341
Financial assurances	-	3,111,968
Accounts receivable	-	363,164
Property taxes receivable	-	4,066,332
Interest receivable	327,903	-
Due from other governments	-	1,589,940
Other deposits	-	16,709
Total Assets	115,656,116	34,802,454
Liabilities		
Due to others/governments	-	34,802,454
Net Position		
Restricted for pool participants	\$ 115,656,116	\$ -

The notes to the financial statements are an integral part of this statement.

WASHOE COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Investment Trust Fund</u>
Additions	
Investment earnings:	
Interest	\$ 1,522,148
Net increase (decrease) in the fair value of investments	(178,118)
Contributions to pooled investments	<u>192,922,323</u>
Total Additions	194,266,353
Deductions	
Distributions from pooled investments	<u>179,641,684</u>
Change in Net Position	14,624,669
Net Position, July 1	<u>101,031,447</u>
Net Position, June 30	<u><u>\$ 115,656,116</u></u>

The notes to the financial statements are an integral part of this statement.

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**NOTES TO THE FINANCIAL STATEMENTS
and
REQUIRED SUPPLEMENTARY INFORMATION**

	<u>Page</u>
Note 1 – Summary of Significant Accounting Policies	32
Note 2 – Stewardship, Compliance, and Accountability.....	38
Note 3 – Cash and Investments.....	39
Note 4 – Restricted Cash and Investments	43
Note 5 – Long-Term Assets.....	43
Note 6 – Capital Assets	44
Note 7 – Commitments, Contingencies and Other Liabilities.....	46
Note 8 – Unearned Revenue and Deferred Inflows of Resources	47
Note 9 – Long-Term Obligations.....	48
Note 10 – Long-Term Obligations Activity	52
Note 11 – Debt Service Requirements	56
Note 12 – Interfund Activity.....	56
Note 13 – Fund Balances/Net Position	57
Note 14 – Pension Program	59
Note 15 – Other Postemployment Benefits.....	64
Note 16 – Risk Management	68
Note 17 – Joint Ventures	71
Note 18 – Subsequent Event.....	72
Note 19 – Adoption of New Accounting Standard.....	72
 Required Supplementary Information:	
Schedule of Funding Progress – Other Postemployment Benefits.....	73
Schedule of Washoe County's Share of Net Pension Liability.....	73
Schedule of County Contributions	74
Notes to Required Supplementary Information.....	74

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Washoe County (County) was incorporated in 1861 and is a municipality of the State of Nevada (State) governed by a five-member elected Board of County Commissioners (BCC). The major operations of Washoe County include various tax assessments and collections, judicial functions, law enforcement, certain public health and welfare functions, road maintenance, parks, libraries, and various administrative activities.

The accompanying financial statements of the County and its discretely presented component units have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

These financial statements present the County and its component units. Component units are legally separate organizations for which the County is financially accountable. The County currently has two discretely presented component units.

Truckee Meadows Fire Protection District (TMFPD) was formed pursuant to Chapter 474 of the Nevada Revised Statutes (NRS) and levies taxes to provide emergency medical services, structural and wildland fire suppression services, and watershed protection to the unincorporated areas of the County within TMFPD's boundaries. TMFPD also provides fire services to the Sierra Fire Protection District through an interlocal agreement.

The Sierra Fire Protection District (SFPD) was formed pursuant to Chapter 474 of the NRS. SFPD levies taxes and, through an interlocal agreement, pays TMFPD to provide fire services in the district. SFPD continues to purchase and maintain facilities and equipment supporting its district.

For each discretely presented component unit, the BCC is also the Board of Fire Commissioners and thus could impose their will on the Fire Districts. However, the County does not have a financial benefit or burden relationship with the Fire Districts and support activities between the County and the Fire Districts are reimbursed under the terms of interlocal agreements.

Separate financial statements for TMFPD and SFPD are filed at the Washoe County Clerk's Office, 1001 E. 9th Street Room A-115, Reno, Nevada.

B. Basic Financial Statements – Government-wide Statements

The basic financial statements include both government-wide and fund financial statements. The reporting focus is on either the County as a whole or major individual funds and nonmajor funds in the aggregate. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The County has two discretely presented component units which are presented in separate columns in the government-wide statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all nonfiduciary activities of the County and its component units. The County maintains an overhead cost allocation that is charged to operating funds based on an indirect cost analysis. This indirect cost allocation is eliminated through a separate column on the Statement of Activities to provide full-cost information for the various functions. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on user fees and service charges for support.

In the government-wide Statement of Net Position, both governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resources basis, which recognizes all long-term assets as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets, restricted net position and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. Functions are also supported by general revenues (property and consolidated taxes, certain intergovernmental revenues, investment earnings not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation and amortization) by related program revenues. Program revenues include

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

charges to customers or applicants for goods, services, or privileges provided; operating grants, interest and contributions; and capital grants, interest and contributions, including special assessments and investment earnings legally restricted to support specific programs. Program revenue must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in fund financial statements is on major funds in either governmental or business-type activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County's internal service funds are presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary funds financial statements by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

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

The **Child Protective Services Fund** accounts for ad valorem taxes, grants and other revenue sources specifically appropriated to protect against the neglect, abandonment and abuse of children.

The **Special Assessment Debt Service Fund** accounts for assessments and other resources used to retire debt issued for improvements benefiting those properties against which the special assessments are levied.

The County reports the following major enterprise fund:

The **Water Resources Fund** accounts for water planning, flood control and operations of the County's water and sewer systems.

The County reports the following additional fund types:

Internal Service Funds provide for property and liability claims against the County, unemployment claims, workers' compensation claims for disability, medical and rehabilitation expenses and related costs associated with on-the-job injuries, benefits and healthcare for active and retired employees, and vehicle purchases and maintenance services provided to County departments.

Investment Trust Fund accounts for commingled pool assets held in trust for schools, special districts, and agencies, which use the County treasury as their depository.

Agency Funds are custodial in nature and do not involve measurement of results of operations. The funds account for assets held by the County as an agent for various local governments, special districts and individuals. Included are funds for apportioned property and sales taxes, shared revenues and other financial resources for schools, special districts, boards, and other state and city agencies; funds held for wards of the Public Guardian; unclaimed assets of decedents; social security, insurance and support payments for children in the welfare system; bonds posted with the District Court; social security benefits held on behalf of senior citizens; funds held for inmates housed at the County jail; employees' payroll deductions such as insurance, taxes, and credit union; unapportioned taxes for other local governments; contributions from property owners for payment of no-commitment special assessment debt; financial assurances for corrective action requirements of property

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

owners; water planning fees collected from regional water customers; and assets held on behalf of special districts, boards and other miscellaneous agencies.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination for government-wide financial statement consolidation. Services provided, deemed at or near market rates, are treated as revenues and expenditures/expenses. Indirect cost allocations for support services/overhead are recorded as revenue and expense in the fund financial statements and are eliminated through a separate column in the government-wide Statement of Activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

During the course of operations, the County has activity between the funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The measurement focus indicates the type of resources being measured such as current financial resources or economic resources. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred inflow of resources is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the government funds. Issuance of long-term debt is reported as other financing sources.

Governmental revenues susceptible to accrual include: ad valorem taxes, interest, grant revenues, contractual service charges and other revenues collected and distributed by the State. State distributions include consolidated taxes, government services taxes, and motor vehicle fuel taxes. Construction taxes, licenses and permits, fines, and other charges for services are recognized as revenue when they are received.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The focus is upon determination of operating income, changes in net position, financial position, and cash flows, similar to businesses in the private sector. Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Intangible assets that are considered to have an indefinite useful life because there are no legal, contractual, regulatory, technological, or other factors limiting the useful life, are not amortized.

As used in these statements, accumulated depreciation includes amortization of intangible assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The County has two types of deferred outflows of resources: 1.) the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt and 2.) the county reports an amount related to pensions on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has two types of deferred inflows of resources: 1.) amounts which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in governmental funds balance sheets. The governmental funds report unavailable revenues from several sources including: property taxes, special assessments, and grant reimbursements and 2.) amounts related to pensions on the government wide financial statement. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations, Bond Discounts and Issuance Costs

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type in the Statement of Net Position. Bond premiums and discounts and any prepaid bond insurance, if applicable, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as deferred charges and amortized over the term of the related debt. Debt issuance costs are expensed during the current period.

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

Pensions

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Equity Classifications

In government-wide statements and in proprietary fund statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.
- Restricted net position – Consists of equity with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- Unrestricted net position – All other equity that does not meet the definition of "restricted" or "net investment in capital assets."

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The Investment Trust and Agency funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting.

E. Financial Statement Amounts

Cash and Investments

The County manages a common cash and investment pool for the County, Regional Transportation Commission, Washoe County School District, the Washoe County Nevada OPEB Trust, the Truckee River Flood Management Authority and other local entities. The investment pool operates in accordance with appropriate state laws and County policy. Each fund's share in the pool is displayed in the accompanying financial statements as cash and investments. Interest is allocated to the various funds based on each fund's average cash and investment balance where it is legally required to do so. Investment earnings for all other funds are credited to the General Fund, as provided by NRS 355.170-175. In addition to the cash and investment pool, certain cash deposits and investments are held separately by several County funds and reported accordingly. Investments are reported at fair value and changes in fair value are included in investment income.

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the County's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

Restricted Assets

Restricted assets consist of cash and investments that are restricted in their use by bond covenants or other external agreements. They consist of remaining bond proceeds for specific capital projects, debt service obligations, a workers' compensation deposit required by State Statute and an operating reserve required under the terms of a federal grant.

Inventories

Inventories for proprietary funds are valued at the lower of cost or market on a first-in, first-out basis. For governmental funds, the County charges consumable supplies as expenditures against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

Capital Assets

Capital assets, which include land, land use rights, buildings, equipment, software and other intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at their estimated fair market value at the date of donation. The County's capitalization level for infrastructure and intangible assets, including internally generated software, is \$100,000 and \$10,000 for all other classifications of capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Other capital assets are generally depreciated/amortized using the straight-line method over the following estimated useful lives:

	YEARS
Buildings	5-40
Improvements	3-40
Equipment	5-20
Vehicles	2-15
Software and other intangibles	3-75
Stormwater and Wastewater Lines and Pump Stations	10-75
Other Infrastructure	10-75

However, in the proprietary funds, a per-unit of production method of depreciation may be used where it is deemed a more realistic reflection of the loss of economic value for the assets being used.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources in the funds as follows:

- Nonspendable fund balances – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.
- Restricted fund balances – Consist of amounts with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.
- Committed fund balances – Consist of resource balances with constraints imposed by formal action of the BCC through ordinance, resolution or public meeting item approval that specifically state the revenue source and purpose of the commitment. The choice of action type taken by the BCC is frequently directed by State Statutes and procedures so that any of the three types of actions noted above are considered equally binding for the BCC. Commitments can only be modified or rescinded through the same type of BCC action used to impose the restraint. Commitments can also include resources to meet major contractual obligations required by their nature and/or size to be approved by the BCC. These generally include major construction contracts of \$100,000 and over as well as other types of large contracts.
- Assigned fund balances – Consist of resource balances intended to be used for specific purposes by authorized County management that do not meet the criteria to be classified as restricted or committed. For governmental funds, excluding the General Fund, BCC approved resolutions authorizing the creation of the fund establish the specific purposes for which fund balances are assigned. In the General Fund, the assigned fund balance includes encumbrances approved by authorized County management that have been approved by the BCC for re-appropriation in the subsequent year. Authorized County management includes the County Manager, Assistant County Manager and elected or appointed department directors in accordance with County Ordinances and State Statutes. The assigned fund balance may also include amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources as approved by the BCC as part of the annual budget submitted to the State.
- Unassigned fund balances – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

Net Position and Fund Balance Flow Assumptions

When outlays for a particular purpose are funded from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. The County's Fund Balance Policy states that when both restricted and unrestricted resources are available for expenditure, restricted resources should be spent first unless legal requirements disallow it. When outlays are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Budgetary Stabilization

It is the County's policy to maintain a fund balance of 1.5% of expenditures and other financing uses, excluding material one-time items, for the purpose of budgetary stabilization. NRS 354.6115 authorizes the creation of a fund to stabilize operation of local governments and mitigate effects of natural disaster. The intent of this policy is to include a portion of the General Fund budgeted ending fund balance that will be committed to stabilization pursuant to NRS 354.6115. Fund balance that is committed to stabilization can be used only after approval by the BCC when unanticipated declines in the major revenue sources (consolidated and property tax revenues) are sustained for at least 6 months and decline from budget by 2.5% or greater as well as when unbudgeted expenditures are incurred due to a declared emergency or natural disaster. In the case of a natural disaster, the BCC must declare the emergency and State Statutes further constrain the use of these stabilization funds to specific types of outlays.

Reclassifications

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

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All County taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

All real property in the County is subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values. The assessed valuation of the property and its improvements is computed at 35% of "taxable value" as defined by State Statute. Taxable value is defined as full cash value for land, replacement cost less straight-line depreciation for land improvements, and statutory depreciation for personal property. The maximum depreciation allowed is 75% of replacement cost.

Tax rates are levied by the BCC immediately after the Nevada Tax Commission has certified the combined tax rate and are then submitted to the County Treasurer for collection. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for fiscal year 2015 was due and payable on the third Monday in August, 2015. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January and March. No provision for uncollectible amounts has been established since management does not anticipate any material collection loss in the year assessed, in respect to delinquent balances.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the State of Nevada Department of Taxation and the tax rates. The major classifications of personal property are commercial and mobile homes. In the County, taxes on motor vehicles are collected by a State agency and remitted to the County based on statutory formulas.

Compensated Absences

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The long-term portion is accounted for in the governmental activities column of the government-wide Statement of Net Position.

The current portion of compensated absences is defined as benefits actually paid or accrued as a result of employees terminating employment by June 30. Agreements with various employee associations provide for payment of total accrued compensatory and vacation time in all cases. Accumulated sick leave benefits are payable to terminated employees who have accumulated a set number of hours up to a specified maximum, depending on the particular employee association.

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As of July 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 19 and the additional disclosures required by these standards are included in Note 14.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and agency funds, which do not require budgets. All annual appropriations lapse at fiscal year-end.

The County adheres to the Local Government Budget Act (NRS 354.470-.626) incorporated within State Statutes and the procedures set by the Nevada Department of Taxation (NDT) to establish the budgetary data reflected in these financial statements. The BCC adopts the budget on or before June 1 and files it with the NDT.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The legal level of budgetary control is at the function level for each of the governmental funds and by the combined operating and non-operating expenses in proprietary funds. Statutes do not require that capital outlay, debt service payments and certain other non-cash transactions normally reflected in the balance sheet of proprietary funds be limited by the budget.

All budget amounts presented in these financial statements and schedules reflect the budget as amended by legally authorized revisions during the year. Original budgets are provided for major funds, including the General Fund, in compliance with reporting requirements. The Comptroller may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Comptroller with BCC notification. Adjustments that affect fund balance, increase the original budget or affect the contingency account require BCC approval.

Encumbrance accounting is employed in governmental and proprietary funds. In governmental funds, encumbrances, which include purchase orders and contracts awarded for which goods and services have not been received at year-end, are reappropriated in the subsequent year and are reported as restricted, committed or assigned fund balances, as appropriate. An augmentation of \$25.8 million for encumbrances and restricted resources that have multiple year budgets was reappropriated in the new fiscal year.

Augmentations from beginning fund balance or previously unbudgeted resources for governmental funds in the current fiscal year were \$3.4 million. Augmentations in the current year for enterprise funds totaled \$8.4 million.

Compliance

The County conformed to all significant statutory and administrative code constraints on its financial administration during the fiscal year.

NOTE 3 – CASH AND INVESTMENTS

In accordance with Nevada Revised Statutes (NRS), the County's cash is deposited with insured banks and insured credit unions and those deposits that are not within the limits of insurance must be secured by collateral. At year end, the County's carrying amount of deposits was \$67,266,115 and the bank balance was \$69,033,551. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records.

Custodial Credit Risk – Deposits

All deposits are subject to custodial credit risk, which is the risk that the County's deposits may not be returned to it in the event of a bank failure. Bank balances were covered by Federal depository insurance, the Securities Investor Protection Corporation, collateral held by the County's agent in the County's name or by collateral held by depositories in the name of the Nevada Collateral Pool, and were not exposed to custodial credit risk. The County does not have a formal policy relating to custodial credit risk, but follows NRS. According to NRS 356.020, all monies deposited by a county treasurer that are not within the limits of insurance provided by an instrumentality of the United States must be secured by collateral composed of the same types of securities allowed for investments which are identified below. The County participates in the State of Nevada Collateral Pool which requires depositories to maintain as collateral acceptable securities having a fair market value of at least 102 percent of the amount of the uninsured balances of the public money held by the depository. Under NRS 356.360, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the pool.

Investments

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with NRS and seeks to limit exposure to investment risks.

NRS 355.172 requires the County Treasurer or her agent to take physical possession of securities purchased as an investment by the County in the name of the County. If the securities purchased are subject to repurchase by the seller, the County may, in lieu of the requirement of possession, obtain a fully perfected, first-priority security interest having a fair market value equal to or greater than the repurchase price of the securities.

Investments are recorded at fair value. Earnings and/or losses on investments are allocated to certain funds based on average daily cash balances.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

As of June 30, 2015, the County had the following investments and maturities:

	INVESTMENT MATURITIES (IN YEARS)				
	Fair Value	Less than 1	1 to 4	4 to 6	6 to 10
Investments:					
Money Market Mutual Funds	\$ 1,272,533	\$ 1,272,533	\$ -	\$ -	-
Certificates of Deposit	76,429,560	22,648,789	53,780,771	-	-
U.S. Treasury Securities	108,578,865	12,626	10,772,726	89,973,466	7,820,047
U.S. Agency Securities	100,388,220	21,989	68,519,710	27,008,654	4,859,856
Mortgage Backed Securities	8,231,856	-	402,772	-	7,807,095
Collateralized Mortgage Obligations	6,589,397	-	3,693,812	-	2,895,585
Corporate Notes	72,487,879	102,714	60,729,871	11,655,294	-
Total Investments	373,978,310	24,058,651	197,899,662	128,637,414	23,382,583
Total Cash	67,266,115	67,266,115	-	-	-
Total Cash and Investments ¹	\$ 441,244,425	\$ 91,324,766	\$ 197,899,662	\$ 128,637,414	\$ 23,382,583

¹Total cash and investments include restricted cash.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires twelve to eighteen months of projected cash flow to be in investments maturing in one year or less. Investments maturing in less than one year at June 30, 2015 were 5.5% of the County's total cash and investments. The County's strategic investment plan seeks to obtain the desired average maturity of 2 to 4 years. The average maturity at June 30, 2015, was 3 years.

The County invests in the following types of securities that are considered to be highly sensitive to interest rate changes:

U.S. Agency Mortgage Backed Securities and Collateralized Mortgage Obligations

When interest rates fall, mortgages are refinanced and paid off early and the reduced stream of future interest payments diminish fair value. \$ 14,821,253 4.0%

Callable U.S. Agency and Corporate Note Securities

On specified dates the issuer can call the security. Because they are subject to early repayment, the fair value of these securities is more sensitive in a period of declining interest rates. 20,432,866 5.5%

Total \$ 35,254,119

Credit Risk

NRS allows investments in obligations of the U.S. Treasury and U.S. agencies, municipal bonds issued by local governments of the State, corporate bonds rated "A" or better by a nationally recognized rating service, commercial paper rated "A-1," "P-1" or better by a nationally recognized rating service, repurchase agreements, certificates of deposit, money market mutual funds rated "AAA" by a nationally recognized rating service or other securities in which banking institutions may legally invest. County policy does not further restrict these investments.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

As of June 30, 2015, the County's investments are rated as follows:

S&P Rating	Mutual Funds	Certificates of Deposit	U.S. Treasury Securities	U.S. Agencies	CMO	Corporate Notes	Fair Value
AAA _m	\$ 1,272,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,272,533
AAA	-	-	-	-	-	1,372,141	1,372,141
AA+	-	-	108,578,865	108,620,076	6,589,397	18,556,014	242,344,352
AA	-	-	-	-	-	15,283,147	15,283,147
AA-	-	27,966,252	-	-	-	9,764,406	37,730,658
A+	-	9,998,420	-	-	-	23,985,213	33,983,633
A	-	-	-	-	-	3,526,958	3,526,958
A-1	-	38,464,888	-	-	-	-	38,464,888
	<u>\$ 1,272,533</u>	<u>\$ 76,429,560</u>	<u>\$ 108,578,865</u>	<u>\$ 108,620,076</u>	<u>\$ 6,589,397</u>	<u>\$ 72,487,879</u>	<u>\$ 373,978,310</u>

Concentration of Credit Risk

The County's investment policy places no limit on amounts invested in direct obligations of the U.S. Treasury and securities backed by the full faith and credit of the U.S. Government, while placing the following limits per issuer on all other securities: Federal Agency Securities, 35%; Federal Agency Mortgage Backed Securities, 15%; Money Market Funds, 45%; Corporate bonds and notes, 4% and obligations issued by local governments of the State of Nevada, 25%.

At June 30, 2015, the following investments exceeded 5% of the County's total:

Fannie Mae	15.3%
Freddie Mac	10.3%
U.S. Treasury Securities	29.0%

Pooled Investments

Pooled investments are carried at fair value determined by quoted market prices, net of accrued interest. All pooled investments are physically collateralized and held by Wells Fargo Bank.

The County administers an external investment pool combining County money with voluntary investments from Truckee Meadows Fire Protection District, Sierra Fire Protection District, the Washoe County School District, Regional Transportation Commission, Nevada Works, Reno-Tahoe Airport Authority, Truckee River Water Quality Settlement Agreement Joint Venture, Western Regional Water Commission, Washoe County, Nevada OPEB Trust, Truckee River Flood Management Authority, the Library Investment Fund, the Deferred Compensation Fund, the South Truckee Meadows General Improvement District and the Southwest Point Fund. The BCC has overall responsibility for investment of County funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Washoe County Chief Investment Official is the Washoe County Treasurer, under authority delegated by the BCC. The Investment Committee, created by Washoe County Code Section 15.220, has been delegated the investment decision making authority in the County and serves also in an advisory capacity to the Treasurer and BCC. The external investment pool is not registered with the SEC as an investment company. Public Financial Management, LLC determines the fair value of the County investments monthly. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares.

The participants' share and redemption value are calculated using the same method. Each participant's share is equal to their investment plus or minus the monthly allocation of net income, realized and unrealized gains and losses. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments for the previous year(s) as well as the current year.

**WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)**

Investments held in the external investment pool at June 30, 2015 were:

Investment Type:	Fair Value	Principal Amount/ No. of Shares	Rate	Maturity Dates
Money Market Mutual Funds	\$ 1,272,533	1,272,533	Variable	NA
Certificates of Deposit	76,429,560	76,495,000	0.25-1.375%	07/01/2015-09/11/2017
U.S. Treasury Securities	108,578,865	106,270,000	0.875-3.625%	11/30/2017-02/15/2023
U.S. Agency Securities	108,620,076	106,946,299	0.84-5.375%	09/28/2016-01/13/2022
Collateralized Mortgage Obligations	6,589,397	6,519,569	1.55-5.0%	10/01/2015-07/01/2022
Corporate Notes	72,487,879	71,415,000	1.0-6.0%	05/15/2017-01/08/2020
Total Investments in Pool	\$ 373,978,310			

**External Investment Pool
Statement of Net Position as of June 30, 2015**

Assets:	
Cash	\$ 53,121,943
Investments:	
Money Market Mutual Funds	1,272,533
Certificates of Deposit	76,429,560
U.S. Treasury Securities	108,578,865
U.S. Agency Securities	108,620,076
Collateralized Mortgage Obligations	6,589,397
Corporate Notes	72,487,879
Interest Receivable	1,187,265
Total Assets	\$ 428,287,518
Net Position:	
Internal participants	\$ 288,463,445
Component Units:	
Sierra Fire Protection District	2,219,860
Truckee Meadows Fire Protection District	21,948,097
External participants	115,656,116
Total Net Position Held in Trust for Pool Participants (\$1.00/par)	\$ 428,287,518

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

External Investment Pool
Statement of Changes in Net Position for the Year Ended June 30, 2015

Additions:	
Investment earnings	\$ 5,968,932
Net realized gain (loss) on investments	(168,883)
Net increase (decrease) in fair value of investments	<u>(209,114)</u>
Increase in net assets resulting from operations	5,590,935
Net capital share transactions	<u>(16,980,265)</u>
Change in Net Position	(11,389,330)
Net Position, July 1	<u>439,676,848</u>
Net Position, June 30	<u><u>\$ 428,287,518</u></u>

NOTE 4 – RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments include amounts restricted for future debt service and reserves as required by bond covenants and ordinances; reserves restricted for projects for the HUD Neighborhood Stabilization Program; and reserves restricted for workers' compensation claims pursuant to NRS 616B.300. Restricted cash and investments at June 30, 2015, were as follows:

	<u>Debt Service and Reserves</u>	<u>Projects</u>	<u>Claims</u>	<u>Total</u>
<u>Governmental Funds and Governmental Activities</u>				
General Fund	\$ 750,000	\$ -	\$ -	\$ 750,000
Other Restricted Fund	-	45,406	-	45,406
Total Governmental Funds	<u>750,000</u>	<u>45,406</u>	<u>-</u>	<u>795,406</u>
Internal Service Funds:				
Risk Management Fund	-	-	2,416,328	2,416,328
Total Governmental Activities	<u>750,000</u>	<u>45,406</u>	<u>2,416,328</u>	<u>3,211,734</u>
<u>Proprietary Funds and Business-type Activities</u>				
Water Resources Fund	<u>1,370,934</u>	<u>-</u>	<u>-</u>	<u>1,370,934</u>
Total Restricted Cash and Investments	<u><u>\$ 2,120,934</u></u>	<u><u>\$ 45,406</u></u>	<u><u>\$ 2,416,328</u></u>	<u><u>\$ 4,582,668</u></u>

NOTE 5 – LONG-TERM ASSETS

Governmental Activities

Long-term assets in governmental activities include \$103,196 in prepaid bond insurance and \$3,954,117 in net other postemployment benefits assets (Note 15). Long-term assets in internal service funds include \$3,451,171 in refundable lease agreement deposits and \$266,803 in prepaid lease expense, all relating to leased equipment in the Equipment Services Fund.

Business-type Activities

Long-term assets in business-type activities include \$134,489 in long-term receivables in the Water Resources Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 6 – CAPITAL ASSETS

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<u>Capital Assets - Governmental Activities</u>				
Capital assets, not being depreciated:				
Land and land use rights	\$ 143,135,447	\$ 443,765	(50,000)	\$ 143,529,212
Construction in progress	10,713,365	6,619,378	(9,441,713)	7,891,030
Total capital assets not being depreciated	153,848,812	7,063,143	(9,491,713)	151,420,242
Capital assets being depreciated:				
Land improvements	58,860,406	3,304,735	-	62,165,141
Buildings/improvements	313,568,961	267,242	-	313,836,203
Infrastructure	587,746,342	4,573,841	(1,809,812)	590,510,371
Equipment	73,069,334	3,569,440	(2,346,509)	74,292,265
Software	18,157,504	591,478	-	18,748,982
Total capital assets being depreciated	1,051,402,547	12,306,736	(4,156,321)	1,059,552,962
Less accumulated depreciation for:				
Land improvements	37,782,963	2,316,286	-	40,099,249
Buildings/improvements	121,507,591	8,896,993	-	130,421,817
Infrastructure	422,663,006	21,039,575	(1,809,208)	441,893,373
Equipment	55,151,270	5,397,535	(2,097,276)	58,434,296
Software	13,524,545	1,206,393	-	14,730,938
Total accumulated depreciation	650,629,375	38,856,782	(3,906,484)	685,579,673
Net capital assets being depreciated	400,773,172	(26,550,046)	(249,837)	373,973,289
Governmental activities capital assets, net	\$ 554,621,984	\$ (19,486,903)	\$ (9,741,550)	\$ 525,393,531

Depreciation expense was charged to functions/programs for the governmental activities as follows:

Governmental Activities:	
General government	\$ 1,972,260
Judicial	2,586,835
Public safety	6,970,878
Public works	21,805,527
Health and sanitation	180,243
Welfare	649,583
Culture and recreation	3,347,180
Community Support	890
Capital assets held by internal service funds charged to functions based on their usage of assets	1,343,386
Total Depreciation / Amortization Expense - Governmental Activities	\$ 38,856,782

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital Assets - Business-type Activities				
Capital assets not being depreciated:				
Land and land use rights	\$ 14,033,227	\$ 54,216	\$ 6,413,822	\$ 7,673,621
Plant capacity	825,150	-	-	825,150
Construction in progress	3,916,537	7,889,231	2,676,902	9,128,866
Total capital assets not being depreciated	<u>18,774,914</u>	<u>7,943,447</u>	<u>9,090,724</u>	<u>17,627,637</u>
Capital assets being depreciated:				
Land improvements	5,190,202	110,004	813,584	4,486,622
Buildings/improvements	71,315,058	449,088	15,220,863	56,543,283
Infrastructure	361,623,046	4,025,498	262,076,625	103,571,919
Equipment	2,381,203	300,360	847,760	1,833,803
Software	1,139,125	-	238,942	900,183
Plant, well capacity	10,030,729	-	7,661,907	2,368,822
Total capital assets being depreciated	<u>451,679,363</u>	<u>4,884,950</u>	<u>286,859,681</u>	<u>169,704,632</u>
Less accumulated depreciation for:				
Land improvements	3,380,408	205,985	380,257	3,206,136
Buildings/improvements	19,453,945	1,564,479	4,899,168	16,119,256
Infrastructure	84,816,660	4,307,050	56,129,489	32,994,221
Equipment	2,099,694	62,156	574,265	1,587,585
Software	1,138,643	483	238,943	900,183
Plant, well capacity	2,771,714	155,021	1,733,283	1,193,452
Total accumulated depreciation	<u>113,661,064</u>	<u>6,295,174</u>	<u>63,955,405</u>	<u>56,000,833</u>
Net capital assets being depreciated	<u>338,018,299</u>	<u>(1,410,224)</u>	<u>222,904,276</u>	<u>113,703,799</u>
Business-type activities capital assets, net	<u>\$ 356,793,213</u>	<u>\$ 6,533,223</u>	<u>\$ 231,995,000</u>	<u>\$ 131,331,436</u>

Depreciation expense was charged to functions/programs for business activities as follows:

Business-Type Activities:	
Utilities	\$ 6,067,184
Building and safety	9,561
Golf courses	<u>218,429</u>
Total Depreciation / Amortization Expense - Business-type Activities	<u>\$ 6,295,174</u>

Net capital assets at June 30, 2015, for the discretely presented component units were:

	<u>Truckee Meadows Fire Protection District</u>	<u>Sierra Fire Protection District</u>
Net Capital Assets		
Capital assets not being depreciated	\$ 875,676	\$ 162,585
Capital assets being depreciated	<u>16,294,650</u>	<u>4,212,461</u>
Capital assets, net	<u>\$ 17,170,326</u>	<u>\$ 4,375,046</u>

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 7 – COMMITMENTS, CONTINGENCIES, AND OTHER LIABILITIES

Commitments

The County utilizes encumbrance accounting to identify fund commitments. Major commitments, generally contracts in excess of \$100,000, are entered into for construction projects or longer term service arrangements that can span several years.

Construction in progress and major commitments for governmental activities are:

	<u>CIP Balance</u> <u>June 30, 2015</u>	<u>Major</u> <u>Commitments</u>
<u>Governmental Funds and Governmental Activities</u>		
Major Governmental Funds:		
General Fund:		
Technology projects	\$ 85,520	\$ 155,839
Service contracts	-	228,568
Child Protective Services Fund:		
Case management and support services	-	760,405
Operations	-	2,050,755
Study	-	249,764
Total Major Governmental Funds	<u>85,520</u>	<u>3,445,331</u>
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Public safety communications, technology	-	161,297
Road infrastructure	-	2,668,696
Enhanced 911 equipment and services	-	562,575
Technology improvements	646,600	552,233
Other services	523,260	503,315
Total Special Revenue Funds	<u>1,169,860</u>	<u>4,448,116</u>
Capital Projects Funds:		
Parks and open space projects	1,806,410	874,457
Building infrastructure projects	517,262	767,931
Pedestrian path & bike lane projects	-	1,452,450
Technology improvements	244,282	828,989
Water quality improvement projects	4,067,696	360,144
Total Capital Projects Funds	<u>6,635,650</u>	<u>4,283,971</u>
Total Governmental Funds / Governmental Activities	<u>\$ 7,891,030</u>	<u>\$ 12,177,418</u>

Contingencies

The County is involved in various lawsuits. The outcome of these lawsuits is not presently determinable; however, management does not anticipate that they would materially impact the financial position of the County.

The County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. The impact on the County's financial condition cannot be reasonably estimated.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The County is contingently liable on the following Reno-Sparks Convention & Visitors Authority (RSCVA) bonds:

Series January 2000 Bonds	\$	27,923,446
Series November 29, 2011 Refunding Bonds		87,150,000
Total RSCVA Bonds	\$	115,073,446

Although the County is contingently liable for the general obligation bonds of RSCVA in the event of a default, it is anticipated that RSCVA resources would be reallocated to retire the bonds. Therefore, the likelihood of the County assuming the debt is remote.

Other Liabilities

Governmental Activities

Other liabilities in governmental activities consist of deposits and amounts due to others of \$1,552,462 in the General Fund for deposits and bail related to pending court cases or investigations, \$339,155 in the General Fund for refundable deposits for park facilities and developer performance guarantees, and \$110,859 in other governmental funds for other customer and security deposits.

Business-type Activities

Other liabilities in business-type activities include \$290,782 for developer deposits and \$1,033 for customer deposits in the Water Resources Fund, and \$13,000 in other business-type funds for developer and customer deposits.

NOTE 8 – UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

Unearned revenue in connection with resources that have been received, but not yet earned is reported as a liability for governmental activities.

Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. Governmental funds reported \$9.2 million in deferred inflows of resources related to unavailable revenue.

At the end of the current fiscal year, major components of unavailable and unearned revenue reported for governmental funds were as follows:

	<u>General Fund</u>	<u>Child Protective Services Fund</u>	<u>Special Assessment Debt Service Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Liabilities					
Unearned revenue:					
Federal payments in lieu of taxes	\$ 3,179,802	\$ -	\$ -	\$ -	\$ 3,179,802
Total Unearned Revenue	\$ 3,179,802	\$ -	\$ -	\$ -	\$ 3,179,802
Deferred Inflows of Resources					
Unavailable revenue:					
Ad valorem taxes	\$ 1,520,500	\$ 54,533	\$ -	\$ 289,451	\$ 1,864,484
Special assessments	-	-	7,099,936	-	7,099,936
Grants and other revenue	-	-	-	195,121	195,121
Total Unavailable Revenue	\$ 1,520,500	\$ 54,533	\$ 7,099,936	\$ 484,572	\$ 9,159,541

Unearned revenue in business-type activities consists of \$128,333 for water rights leases and unearned utility revenue in the Water Resources Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Discretely Presented Component Units

At the end of the current fiscal year, major components of unavailable revenue reported for discretely presented component units were as follows:

Truckee Meadows Fire Protection District			
TMFPD			
	TMFPD General	Emergency	
	Fund	Fund	Total
Deferred Inflows of Resources			
Unavailable revenue:			
Ad valorem taxes	\$ 95,105	\$ -	\$ 95,105
Grants and other revenue	185,482	66,340	251,822
Total Unavailable Revenue	<u>\$ 280,587</u>	<u>\$ 66,340</u>	<u>\$ 346,927</u>

Sierra Fire Protection District			
SFPD General			
	Fund	Total	
Deferred Inflows of Resources			
Unavailable revenue:			
Ad valorem taxes	\$ 48,132	\$ 48,132	
Total Unavailable Revenue	<u>\$ 48,132</u>	<u>\$ 48,132</u>	

NOTE 9 – LONG-TERM OBLIGATIONS

Bond Redemptions

The County called \$1,320,000 in special assessment bonds for early redemption as funds were made available from the early payoff of special assessments.

Defeasance/Early Extinguishment of Debt

The County defeased certain general obligation debt by placing funds from unspent bond proceeds, existing resources and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on certain previously issued bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

As of June 30, 2015, the following are the remaining balances of the defeased portion of bond issues:

Water and Sewer Series Revenue 2005	\$ 27,270,000
Parks Revenue Series 2006	<u>8,825,000</u>
Total Defeased Debt	<u>\$ 36,095,000</u>

Revenue Bonds

The County has pledged specific revenues to repay bonds in governmental and business activities.

Governmental activities

The County has pledged 15% of the consolidated tax revenue receipts for the repayment of various General Obligation Revenue bonds consisting of the Library Building Bonds Series 2004; Building and Parking Garage Bonds Series 2004; Public Safety Bonds Series 2006; Parks Bonds Series 2006; Building Refunding Bonds Series 2011B; and Refunding Bonds Series 2012B, issued between fiscal years 2004 and 2012. The total principal and interest remaining to be paid on the bonds is \$70,166,521, payable through fiscal year 2036. For the current year, principal and interest paid from pledged revenues for the bonds totaled \$5,227,756, and pledged revenues totaled \$13,265,242.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The County has pledged future infrastructure sales tax revenues to repay \$42.9 million in Flood Control Series 2006 and Sales Tax Series 1998 flood control bonds. Proceeds from the bonds provided financing, for expansion of, and improvements to, the flood control system. The bonds are intended to be paid solely from infrastructure tax revenues and are payable through fiscal year 2036. Annual principal and interest payments on the bonds are expected to require as much as 31% of the pledged revenues. The total principal and interest remaining to be paid on the bonds is \$42,936,584. For the current year, principal and interest paid for the bonds totaled \$2,372,784, and pledged revenues totaled \$8,227,877.

The County has pledged future car rental fees to repay \$18.5 million of Senior Lien Car Rental Fee Revenue bonds and \$10.0 million Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds (Minor League Baseball Stadium Project) Series 2008. Proceeds from the monies provided financing to acquire, improve, equip, operate and maintain within the County a minor league baseball stadium project. The bonds are intended to be paid solely from car rental fee revenues and are payable through fiscal year 2058. Annual principal and interest payments on the bonds are expected to require 100% of the car rental fee revenue. The total principal and interest remaining to be paid on the Senior Lien Car Rental Fee Revenue Bonds is \$21.6 million. For the current year, principal and interest paid for the bonds totaled \$1,067,614, and pledged revenues totals \$1,225,141. Total principal and interest at June 30, 2015 on the Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds is \$15.6 million. For the current year, no principal and interest were paid for the bonds.

Business-type activities

The County has pledged future utility customer revenues and connection fees and investment earnings, net of specified operating expenses, to repay \$38.6 million in utility system revenue bonds issued between fiscal years 1998 and 2007. Proceeds from the bonds provided financing for expansion of, and improvements to, the utility system. The bonds are intended to be paid solely from utility customer net revenues and are payable through fiscal year 2027.

On December 31, 2014, in connection with the divestment of the water operations, the County amended the bond ordinances authorizing the outstanding general obligation (limited tax) sewer bonds to pledge the net revenues of the Water Resources Fund excluding water reserves.

Principal and interest on the Sewer Bonds are payable from the pledged revenues of the Water Resources Fund. There is no impact on the ad valorem tax rate so long as net pledged revenues are sufficient to pay debt service. Annual principal and interest payments on the sewer bonds are expected to require as much as 78% of the utility's net revenues. The total principal and interest remaining to be paid on the sewer bonds is \$21,728,511. For the current year, principal and interest paid for the sewer and water bonds, together with the transfer to TMWA, totaled \$39,760,247. Net pledged revenues totaled \$10,360,757.

Special Assessment Debt

Special assessment bonds are issued to finance improvements that benefit taxpayers in the defined area. Bonds are repaid from assessments levied against these taxpayers, and are secured by their real property. In case of deficiencies, the County's General Fund and taxing power further secure all bonds. Delinquent special assessments of \$2,962 were outstanding as of June 30, 2015.

The County has pledged future assessment revenues levied on special assessment districts throughout the County to repay \$12.1 million in various local improvement bonds issued between fiscal years 2004 and 2012. Proceeds from the bonds provided financing for improvements in roads, water and sewer infrastructure in the various districts. The bonds are intended to be paid solely from assessment revenues and are payable through fiscal year 2032. Annual principal and interest payments on the bonds are expected to require as much as 99% of the assessment revenues. The total principal and interest remaining to be paid on the bonds is \$8,629,889. For the current year, principal and interest paid for the bonds totaled \$2,001,757 and pledged revenues totaled \$1,796,539.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Conduit Debt Obligations

The County has issued several series of revenue bonds for public and private sector activity in the public interest. The public sector revenue bonds are for the cost of constructing and maintaining certain streets and highways in the County. The revenue bonds are paid solely from certain taxes on motor vehicle fuel collected in the County. Private sector revenue bonds have been used for water and gas facilities and hospital facilities. The revenue bonds are paid solely from the revenue derived from the projects for which they were issued. The public and private revenue bonds do not become liabilities of the County under any condition, and are therefore excluded from the County's financial statements.

Outstanding balances at June 30, 2015 follow:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Principal Outstanding</u>
Public Sector			
Regional Transportation Commission:			
Highway Revenue Bonds Series 2009	7/8/2009	\$ 89,567,000	\$ 74,120,000
Highway Revenue Bonds Series 2010ABC	3/12/2010	90,000,000	87,968,000
Highway Revenue Bonds Series 2010DEF	12/16/2010	70,000,000	64,160,000
Sales Tax Improvement Bonds Series 2010H	12/16/2010	20,000,000	20,000,000
Highway Revenue Bonds Series 2013	4/16/2013	165,000,000	165,000,000
Subtotal Public Sector		434,567,000	411,248,000
Sierra Pacific Power Company d/b/a NV Energy:			
Gas and Water Facilities Refunding Revenue Bonds Series 2006A, 2006B and 2006C	11/22/2006	218,500,000	218,500,000
Water Facilities Refunding Revenue Bonds Series 2007A & 2007B	4/27/2007	80,000,000	80,000,000
Subtotal Private Sector		298,500,000	298,500,000
Total Conduit Debt		\$ 733,067,000	\$ 709,748,000

Operating Leases

The County leases office space, land, equipment and water rights under various operating lease agreements. Total lease payments in fiscal year 2015 were \$2,335,013. Future minimum payments for these leases are:

<u>Year Ending June 30,</u>	<u>Land, Space, Water Rights</u>	<u>Equipment</u>	<u>Total</u>
2016	\$ 780,259	\$ 1,105,250	\$ 1,885,509
2017	299,199	1,025,583	1,324,782
2018	170,395	777,071	947,466
2019	165,141	438,491	603,632
2020	165,141	366,057	531,198
2021-2025	412,854	718,032	1,130,886
Totals	\$ 1,992,989	\$ 4,430,484	\$ 6,423,473

The County began a long-term lease on January 1, 2013 for the Sparks Justice Court which expires in fiscal year 2023. The terms of the lease allow uneven and artificially low payments. For fiscal year 2015, an adjustment of (\$3,675) (cumulative total of \$131,494) is required to reconcile the amount of expenditures in the General Fund to the straight line expense recognized in the government-wide statements.

Compensated Absences

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Position. The liability will be liquidated primarily by the General Fund for governmental activities and by the Water Resources Fund for business-type activities. In fiscal year 2015, 79% of compensated absences for governmental activities were paid by the General Fund, and in business-type activities, 73% were paid by the Water Resources Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Outstanding balances at June 30, 2015 follow:

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
Washoe County:			
Vacation	\$ 10,933,890	\$ 200,509	\$ 11,134,399
Sick Leave	8,887,211	168,333	9,055,544
Compensatory Leave	5,290,512	66,366	5,356,878
Benefits	355,916	6,311	362,227
Total Compensated Absences	<u>\$ 25,467,529</u>	<u>\$ 441,519</u>	<u>\$ 25,909,048</u>

Net Other Postemployment Benefits Obligation

Prior to May 11, 2010, when the County established the Washoe County, Nevada OPEB Trust (Note 15), the County financed their net other postemployment benefits on the pay-as-you-go basis with the funds accumulated in the Pre-Funded Retiree Health Benefits Fund. Currently, the OPEB Trust is funded from the General Fund.

Pollution Remediation Obligation

The pollution remediation activities of the Central Truckee Meadows Remediation District (CTMRD) are paid for through an annual charge billed directly to residents and businesses within its boundaries. Accordingly, the CTMRD's pollution remediation obligation is limited to the net position accumulated by the fund for payment of future remediation related expenditures. All of the assets of CTMRD are held for remediation and are offset by a long-term liability for remediation. As of June 30, 2015, the remediation liability for net position held in CTMRD was \$6,191,421.

A soil remediation project has been identified at a County park. Three gasoline underground storage systems were removed from Rancho San Rafael Park in 1997 and petroleum impacted soils were encountered during removal activities. Assessment activities have been conducted and soil samples exceeding the action level are present. The cost, based on contractor revised estimates is \$523,241. Remediation expenditures for the current fiscal year totaled \$26,644. The project was completed in calendar year 2015.

Claims and Judgments

The claims and judgments liability of \$17,375,000 consists of pending property and liability claims, workers' compensation claims, and unprocessed health benefits claims. These claims will be liquidated through the Risk Management and Health Benefits Internal Service Funds (Note 16). The Risk Management and Health Benefits Funds finance the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds or, as needed, through transfers from the General Fund.

Discretely Presented Component Units

TMFPD's liability of \$1,699,459 for compensated absences is included in their noncurrent liabilities on the government-wide Statement of Net Position. TMFPD compensated absences are generally liquidated from the TMFPD General Fund.

Prior to July 1, 2010, when TMFPD joined the Washoe County, Nevada OPEB Trust (Note 15), they financed their net other postemployment benefits on the pay-as-you-go basis with the funds accumulated in the TMFPD Pre-Funded Retiree Health Benefits Fund.

TMFPD claims and judgments liability of \$855,000 consisted of workers' compensation claims. These claims will be liquidated through TMFPD Workers Compensation Fund (Note 16). The TMFPD Workers' Compensation Fund finances the payment of claims through transfers from the TMFPD General Fund.

At June 30, 2015, the net other postemployment benefit liability for SFPD was \$2,474,199. SFPD provides other postemployment benefits through the Sierra Fire Protection District Retiree Group Medical Plan, a single-employer defined benefit plan, which is administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust (Note 15). Contributions to the Trust are made from SFPD General Fund and are established each year through the annual budget process by the District's Board of Fire Commissioners.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY

	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES				
General Obligation Bonds				
Ad Valorem:				
Animal Control Shelter Series 2003A	08/2003	06/2015	3.0 - 4.625 %	\$ 10,750,000
Various Purpose Refunding Series 2009B	03/2009	05/2017	3.0 - 4.2	10,540,000
Parks and Library Refunding Series 2011A	07/2011	05/2026	4.20	17,360,000
Various Purpose Refunding Series 2012A	08/2012	03/2030	3.0 - 4.0	18,090,000
Medium-Term:				
Edison Way Property Series 2007	03/2007	03/2017	3.83	4,645,000
Revenue: (Note 9)				
Office Building Series 2002A	10/2002	01/2015	3.0 - 5.0	19,260,000
Library Building Series 2004	03/2004	03/2019	3.5 - 5.0	3,280,000
Building and Parking Garage Series 2004	12/2004	01/2018	3.75 - 5.0	11,900,000
Public Safety Series 2006	04/2006	03/2036	4.0 - 4.5	12,500,000
Flood Control Series 2006 *	05/2006	12/2035	Variable	21,000,000
Parks Series 2006	10/2006	03/2030	4.0 - 5.0	25,305,000
Building Bonds Refunding Series 2011B	08/2011	11/2026	4.18	12,565,000
Refunding Bonds Series 2012B	08/2012	03/2027	1.0 - 3.0	27,580,000
Total General Obligation Bonds				
Revenue Bonds (Note 9)				
Sales Tax Series 1998	12/1998	12/2028	4.0 - 5.1	21,915,000
Senior Lien Car Rental Fee Series 2008 **	02/2008	12/2027	Variable	18,500,000
Subordinate Lien Car Rental Fee Series 2008*****	02/2008	12/2057	7.0	9,954,845
Total Revenue Bonds				
Special Assessment Bonds (with governmental commitment) (Note 9)				
SAD 29: Mt. Rose Sewer Phase 1	11/2004	11/2024	4.55	1,281,308
SAD 35: Rhodes Road - \$116,141, SAD 36: Evergreen Hills Dr-\$240,587	02/2005	11/2014	3.8	356,728
SAD 31: Spearhead Way/Running Bear Drive	04/2006	05/2016	4.29	109,000
SAD 37: Spanish Spring Sewer Phase 1a	05/2007	05/2027	4.35	728,813
SAD 39: Lightning W Water System	06/2009	05/2029	7.18	999,268
SAD 32: Spanish Springs Valley Ranches Roads	12/2011	11/2031	3.48	8,592,787
Total Special Assessment Debt				
Unamortized Bond Premium	N/A	N/A	N/A	N/A
Unamortized Bond Discounts	N/A	N/A	N/A	N/A
Total Unamortized Bond Premium and Discounts				
Total Bonds Payable				

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Principal Outstanding June 30, 2014	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2015	Principal Due in 2015-2016
\$ 335,000	\$ -	\$ 335,000	\$ -	-
4,350,000	-	1,385,000	2,965,000	1,445,000
14,490,000	-	965,000	13,525,000	1,000,000
17,715,000	-	-	17,715,000	905,000
1,577,000	-	506,000	1,071,000	525,000
710,000	-	710,000	-	-
970,000	-	180,000	790,000	185,000
2,415,000	-	570,000	1,845,000	590,000
10,505,000	-	295,000	10,210,000	310,000
18,084,554	-	495,546	17,589,008	518,063
3,560,000	-	-	3,560,000	-
11,300,000	-	670,000	10,630,000	705,000
27,430,000	-	-	27,430,000	1,655,000
113,441,554	-	6,111,546	107,330,008	7,838,063
15,000,000	-	690,000	14,310,000	725,000
16,146,500	-	592,100	15,554,400	672,800
9,808,025	-	-	9,808,025	-
40,954,525	-	1,282,100	39,672,425	1,397,800
680,000	-	680,000	-	-
12,336	-	12,336	-	-
15,000	-	8,000	7,000	7,000
401,130	-	41,835	359,295	23,220
591,103	-	53,266	537,837	25,697
6,417,142	-	904,740	5,512,402	251,314
8,116,711	-	1,700,177	6,416,534	307,231
1,549,651	-	134,372	1,415,279	-
(54,105)	-	(2,488)	(51,617)	-
1,495,546	-	131,884	1,363,662	-
164,008,336	-	9,225,707	154,782,629	9,543,094

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY (CONTINUED)

	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES (Continued)				
Other Liabilities - (Notes 9, 15)				
Compensated Absences	N/A	N/A	N/A	\$ N/A
Remediation Obligation	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Total Other Liabilities				
Total Governmental Activities				
BUSINESS-TYPE ACTIVITIES ***				
General Obligation Bonds				
Revenue: (Note 9)				
Water Resources Fund:				
Lemmon Valley Sewer Series 1997	08/1997	01/2018	3.33 %	1,249,137
Sewer Series 2000A	06/2000	01/2020	3.7	1,675,000
Sewer Series 2000B	06/2000	01/2020	3.7	635,000
Sewer Series 2001	02/2001	07/2021	3.125	21,000,000
Sewer Series 2004	06/2004	01/2024	3.213	3,000,000
Water Series 2005 ****	06/2005	01/2025	2.81	14,463,000
Water and Sewer Series 2005 ****	12/2005	01/2035	4.0 - 5.0	65,000,000
Spanish Springs Sewer Series 2005A	08/2006	07/2026	2.931	6,500,000
Storm Sewer Series 2006	11/2006	01/2026	4.224	4,600,000
Total General Obligation Bonds				
Unamortized Bond Premium	N/A	N/A	N/A	N/A
Total Bonds Payable				
Other Liabilities (Note 9)				
Compensated Absences	N/A	N/A	N/A	N/A
Total Business-Type Activities				
Total Washoe County Obligations				
* Interest on the variable-rate flood control bonds is equal to the sum of BMA (Bond Market Association) Swap Rate plus 0.70%. The remaining principal outstanding of \$17,589,008 has a current interest rate of 2.527%. The interest rate on the outstanding amount will be reset May 1, 2016.				
** Interest on the variable-rate senior lien car rental bonds is equal to the greater of: (1) the minimum rate of 3% per annum and (2) the sum of (a) 70% of the swap rate plus (b) 2.22% for each of the reset periods. The rate maximum is 6.5% for December 1, 2012 - November 30, 2017, 7.5% December 1, 2017 - November 30, 2022 and 8% for December 1, 2022- November 30, 2027. The current interest rate is 3.0% with a reset date of December 1, 2017.				
*** Business-type debt is expected to be retired primarily through operations.				
**** On December 31, 2014, in connection with the divestment of the water operations, the County amended the bond ordinances authorizing the outstanding general obligation (limited tax) sewer bonds to pledge the net revenues of the Water Resources Fund excluding water reserves.				
***** Interest is compounded thereon on June 1 and December 1 of each year commencing on December 1, 2012 at 7% until the final compounded amount is paid or payment has been provided therefor.				
DISCRETELY PRESENTED COMPONENT UNITS:				
Truckee Meadows Fire Protection District (Note 9,15)				
Compensated Absences	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Total Other Liabilities				
Sierra Fire Protection District (Note 9,15)				
Net other postemployment benefits obligations	N/A	N/A	N/A	N/A

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Principal Outstanding June 30, 2014	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2015	Principal Due in 2015-2016
\$ 24,587,089	\$ 19,634,011	\$ 18,753,571	\$ 25,467,529	\$ 19,244,123
7,013,183	4,375	826,137	6,191,421	4,375
<u>15,401,000</u>	<u>2,000,000</u>	<u>26,000</u>	<u>17,375,000</u>	<u>7,741,000</u>
47,001,272	21,638,386	19,605,708	49,033,950	26,989,498
<u>211,009,608</u>	<u>21,638,386</u>	<u>28,831,415</u>	<u>203,816,579</u>	<u>36,532,592</u>
325,586	-	77,408	248,178	80,009
349,557	-	53,054	296,503	55,034
69,543	-	10,556	58,987	10,948
10,404,929	-	1,251,556	9,153,373	1,290,972
1,837,964	-	158,575	1,679,389	163,710
9,480,179	-	9,480,179	-	-
26,100,000	-	26,100,000	-	-
4,666,779	-	314,095	4,352,684	323,370
3,210,048	-	210,370	2,999,678	219,349
<u>56,444,585</u>	<u>-</u>	<u>37,655,793</u>	<u>18,788,792</u>	<u>2,143,392</u>
730,230	712,420	1,442,650	-	-
<u>57,174,815</u>	<u>712,420</u>	<u>39,098,443</u>	<u>18,788,792</u>	<u>2,143,392</u>
812,636	188,757	559,874	441,519	331,018
<u>57,987,451</u>	<u>901,177</u>	<u>39,658,317</u>	<u>19,230,311</u>	<u>2,474,410</u>
<u>\$ 268,997,059</u>	<u>\$ 22,539,563</u>	<u>\$ 68,489,732</u>	<u>\$ 223,046,890</u>	<u>\$ 39,007,002</u>

\$ 1,374,222	\$ 1,127,733	\$ 802,495	\$ 1,699,460	\$ 965,152
<u>1,170,000</u>	<u>-</u>	<u>315,000</u>	<u>855,000</u>	<u>464,497</u>
<u>\$ 2,544,222</u>	<u>\$ 1,127,733</u>	<u>\$ 1,117,495</u>	<u>\$ 2,554,460</u>	<u>\$ 1,429,649</u>
<u>\$ 2,141,475</u>	<u>\$ 332,724</u>	<u>\$ -</u>	<u>\$ 2,474,199</u>	<u>\$ -</u>

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 11 – DEBT SERVICE REQUIREMENTS

The annual requirements to amortize outstanding debt are as follows:

Governmental Activities – Primary Government

Year Ended June 30,	General Obligation Bonds		Revenue Bonds		Special Assessment Debt	
	Principal*	Interest**	Principal*	Interest***	Principal*	Interest
2016	\$ 7,838,063	\$ 3,544,744	\$ 1,397,800	\$ 1,158,901	\$ 307,231	\$ 243,767
2017	8,117,604	3,295,741	1,527,800	1,101,091	311,267	231,717
2018	6,241,216	3,019,929	1,524,800	1,040,082	317,977	219,739
2019	6,466,946	2,816,307	1,689,470	1,022,177	335,392	207,315
2020	6,678,847	2,608,816	1,840,145	965,326	353,545	194,154
2021-2025	37,152,547	9,606,194	11,667,128	3,831,310	1,953,428	754,213
2026-2030	24,139,178	3,791,408	11,853,871	4,388,900	2,196,189	339,952
2031-2035	8,710,365	1,126,625	2,184,980	9,107,767	641,505	22,498
2036-2040	1,985,242	48,548	1,813,582	11,398,925	-	-
2041-2045	-	-	1,508,491	13,922,671	-	-
2046-2050	-	-	1,247,939	16,760,273	-	-
2051-2055	-	-	1,031,246	19,959,249	-	-
2056-2060	-	-	385,173	9,664,237	-	-
Total	\$ 107,330,008	\$ 29,858,312	\$ 39,672,425	\$ 94,320,909	\$ 6,416,534	\$ 2,213,355

Business-type Activities – Primary Government

Year Ended June 30,	General Obligation Bonds	
	Principal*	Interest
2016	\$ 2,143,392	\$ 598,476
2017	2,213,413	528,455
2018	2,285,752	456,118
2019	2,272,139	382,116
2020	2,346,375	307,878
2021-2025	6,540,901	636,833
2026-2030	986,820	29,843
Total	\$ 18,788,792	\$ 2,939,719

*Principal amounts shown exclude discounts and premiums.

**Interest on the variable-rate flood control bonds is calculated at the current rate of 2.527%.

***Interest on the variable-rate senior lien car rental bonds is calculated at the current rate of 3.0%.

NOTE 12 – INTERFUND ACTIVITY

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

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Interfund transfers for the year ended June 30, 2015

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds \$	22,155,952
	Child Protective Services	1,234,426
	Internal Service Funds	2,831,500 (a)
	Subtotal	<u>26,221,878</u>
Child Protective Services	Nonmajor Governmental Funds	400,000
Nonmajor Governmental Funds	General Fund	453,442
	Special Assessments Debt Funds	
	Nonmajor Governmental Funds	6,781,083 (b)
	Subtotal	<u>7,234,525</u>
Total Transfers In / Out		<u>\$ 33,856,403</u>

Significant transfers during the year of a non-routine nature include: (a) \$2,831,500 reimbursement from the General Fund to the Health Benefits Fund, (b) \$2,990,000 from the Capital Facilities Fund to the Roads Fund to support road capital improvements.

Due From/Due To Other Funds

A summary of due from and due to other funds at June 30, 2015, is shown below:

<u>Due From:</u>	<u>Due To:</u>	<u>Amount</u>
General Fund	Indigent Tax Levy Fund \$	2,174,706
	Child Protective Services Fund	1,257,417
	Other Restricted	356,656
	Capital Improvement Fund	106,754
	Subtotal	<u>3,895,533</u>
Central Truckee Meadows	Water Resources	2,271
Other Restricted Fund	General Fund	394,898
Water Resources Fund	General Fund	327,992
	Risk Management	29,965
	Subtotal	<u>357,957</u>
Total Due From/Due To Other Funds		<u>\$ 4,650,659</u>

NOTE 13 – FUND BALANCES / NET POSITION

Government-wide Financial Statements

The government-wide Statement of Net Position utilizes a proprietary presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Restricted resources have externally imposed (statutory, bond covenant, contract or grantor) limitations on their use. Restricted resources are classified either by function, debt service, capital projects, or claims. Resources restricted by function relate to net resources of governmental and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents resources legally restricted by State Statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net position restricted for claims represents the amount legally required to be held for payment of future claims in the self-insurance funds. The government-wide Statement of Net Position reports \$105,483,467 of restricted net resources, all of which is externally imposed.

Unrestricted net position represents available financial resources of the County.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Fund Financial Statements

Governmental Funds

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the funds.

Fund balances classification by County function and purpose consist of the following:

<u>Fund Balances</u>	<u>Major Governmental Funds</u>				<u>Total</u>
	<u>General Fund</u>	<u>Child Protective Services Fund</u>	<u>Special Assessment Debt Fund</u>	<u>Nonmajor Governmental Funds</u>	
Nonspendable:					
Prepaid items	\$ 163,032	\$ -	\$ -	\$ 85,796	\$ 248,828
Restricted for:					
Assessors, Clerk and Recorder technology	-	-	-	4,611,242	4,611,242
Administrative programs	-	-	-	383,168	383,168
Court programs and expansion	-	-	-	7,194,987	7,194,987
Other judicial programs	-	-	-	220,730	220,730
Regional flood control project	-	-	-	1,545,127	1,545,127
Sheriff's programs	-	-	-	1,898,620	1,898,620
Regional public safety communications and training	-	-	-	2,858,645	2,858,645
Other public safety programs	-	-	-	1,327,813	1,327,813
Public works programs	-	-	-	158,828	158,828
Regional health services and programs	-	-	-	2,268,505	2,268,505
Groundwater remediation	-	-	-	4,949,951	4,949,951
Parks and recreation programs	-	-	-	123,081	123,081
Library expansion	-	-	-	893,047	893,047
Programs for seniors	-	-	-	88,553	88,553
Adult, indigent and children support services	-	203,386	-	9,276,943	9,480,329
County facility improvement projects	-	-	-	7,272,252	7,272,252
Parks and open space projects	-	-	-	20,236,185	20,236,185
Intergovernmental	15,608	-	-	2,021	17,629
Debt service	750,000	-	1,432,860	6,362,749	8,545,609
Total Restricted	765,608	203,386	1,432,860	71,672,447	74,074,301
Committed to:					
Fiscal emergency / stabilization	3,000,000	-	-	-	3,000,000
Administrative programs	228,568	-	-	-	228,568
Animal control and services	-	-	-	6,054,734	6,054,734
Roadways	-	-	-	2,698,183	2,698,183
Groundwater remediation	-	-	-	1,225,846	1,225,846
Park maintenance and improvement	-	-	-	1,310,941	1,310,941
Library expansion	-	-	-	458,865	458,865
Adult, indigent and children support services	-	3,593,334	-	-	3,593,334
Programs for seniors	-	-	-	294,445	294,445
Total Committed	3,228,568	3,593,334	-	12,043,014	18,864,916
Assigned to:					
Court programs	-	-	-	21,575	21,575
Roadways	-	-	-	10,302,503	10,302,503
General Fund encumbrances re-appropriated for various functional departments	1,764,783	-	-	-	1,764,783
Total Assigned	1,764,783	-	-	10,324,078	12,088,861
Unassigned	45,377,761	-	-	(299,711)	45,078,050
Total Fund Balances	\$ 51,299,752	\$ 3,796,720	\$ 1,432,860	\$ 93,825,624	\$ 150,354,956

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Proprietary Funds

The net position for business funds and internal services funds are categorized as net investment in capital assets, restricted and unrestricted as described for the government-wide financial statements.

Fiduciary Funds

Net position held in trust for pool participants in the Statement of Fiduciary Net Position represent cash and investments held in trust for other agencies participating in the County's investment pool.

NOTE 14 – DEFINED BENEFIT PENSION PROGRAM

Plan Description

The County and two discretely presented component units, SFPD and TMFPD, contribute to the Public Employees Retirement System of the State of Nevada (PERS), a cost-sharing multiple employer defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capabilities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2014 and June 30, 2015, the Statutory Employee/employer matching rate was 13.25% for Regular Members and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular Members and 40.50% for Police/Fire.

The County's contributions were \$45,320,254 for the year ended June 30, 2014.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Geometric Expected Real Rate of Return</u>
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability

At June 30, 2014, the County reported a liability for its proportionate share of PERS' net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on the County's share of contributions to PERS' pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the County's proportion was 2.99104%.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the County as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current discount rate:

	<u>1% Decrease in Discount Rate (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase in Discount Rate (9.00%)</u>
Net Pension Liability	\$ 484,767,993	\$ 311,725,984	\$ 167,884,001

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Report, available on the PERS website.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Actuarial Assumptions

The County's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the County recognized pension expense of \$41,318,133. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 14,917,805
Net difference between projected and actual earnings on pension plan investments	-	65,475,219
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	2,803,965	-
County contributions subsequent to the measurement date	46,781,626	-
	<u>\$ 49,585,591</u>	<u>\$ 80,393,024</u>

\$46,781,626 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>		
2016	\$	(18,494,040)
2017		(18,494,040)
2018		(18,494,040)
2019		(18,494,040)
2020		(2,125,235)
Thereafter		<u>(1,487,664)</u>
 Total	 \$	 <u><u>(77,589,059)</u></u>

The following is the reconciliation of the June 30, 2015 net pension liability:

Beginning Net Pension Liability	\$	393,317,164
Pension Expense		41,318,133
Employer Contributions		(45,320,254)
New Net Deferred Inflows/Outflows		<u>(77,589,059)</u>
 Ending Net Pension Liability	 \$	 <u><u>311,725,984</u></u>

Additional Information

The PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at www.nvpers.org under Quick Links – Publications.

Discretely Presented Component Units

On March 27, 2012 the Board of Fire Commissioners approved an interlocal agreement transferring operations of SFPD to TMFPD. As of June 30, 2012, all SFPD employees were transferred to TMFPD and, therefore, SFPD no longer contributes to PERS. The employees remained participants of PERS and their accounts were transferred to TMFPD.

On July 1, 2012 all TMFPD employees were covered under the employer pay contribution plan method. Prior to July 1, 2012, the benefits for TMFPD plan members are funded under one of two methods. Under the employer pay contribution plan, TMFPD is required to contribute all amounts due under the plan. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while TMFPD is required to match that contribution. The contribution requirements of plan members and the District are established by Chapter 286 of NRS and may only be amended through legislation.

TMFPD's contributions to PERS were \$3,118,661 for the year ended June 30, 2015.

At June 30, 2015, TMFPD reported a liability for its proportionate share of PERS' net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. TMFPD's proportion of the net pension liability was based on TMFPD's share of contributions to PERS' pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, TMFPD's proportion was 0.20583%.

The following presents the net pension liability of TMFPD as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what TMFPD's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage point higher (9.00%) than the current discount rate:

	<u>1% Decrease in Discount Rate (7.00%)</u>	<u>Discount Rate (8.00%)</u>	<u>1% Increase in Discount Rate (9.00%)</u>
Net Pension Liability	\$ 33,358,761	\$ 21,451,071	\$ 11,552,748

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

For the year ended June 30, 2015, TMFPD recognized pension expense of \$2,843,259. At June 30, 2015, TMFPD reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,026,552
Net difference between projected and actual earnings on pension plan investments	-	4,505,603
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	192,952	-
County contributions subsequent to the measurement date	3,470,650	-
	\$ 3,663,602	\$ 5,532,155

\$3,470,650 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of TMFPD's net pension liability in the year ended June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense by TMFPD as follows:

<u>Year Ended June 30,</u>	
2016	\$ (1,272,647)
2017	(1,272,647)
2018	(1,272,647)
2019	(1,272,646)
2020	(146,246)
Thereafter	(102,370)
Total	\$ (5,339,203)

The following is the reconciliation of TMFPD's June 30, 2015 net pension liability:

Beginning Net Pension Liability	\$ 27,065,676
Pension Expense	2,843,259
Employer Contributions	(3,118,661)
New Net Deferred Inflows/Outflows	(5,339,203)
Ending Net Pension Liability	\$ 21,451,071

On July 1, 2012 all TMFPD employees were covered under the employer pay contribution plan method. Prior to July 1, 2012, the benefits for TMFPD plan members are funded under one of two methods. Under the employer pay contribution plan, TMFPD is required to contribute all amounts due under the plan. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while TMFPD is required to match that contribution. The contribution requirements of plan members and the District are established by Chapter 286 of NRS and may only be amended through legislation.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

SFPD and TMFPD's combined pension contributions for the last three years are as follows:

Contribution Rates

Fiscal Year	Employer Pay Contribution Rate		Employer/Employee Pay Contribution Rate	
	Regular Members	Police/ Fire	Regular Members	Police/ Fire
2013-14	25.75%	40.50%	13.25%	20.75%
2012-13	23.75%	39.75%	12.25%	20.25%
2011-12	23.75%	39.75%	12.25%	20.25%

Contribution Cost

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013-14	\$ 3,109,471	100%	\$ -
2012-13	2,711,873	100%	-
2011-12	1,247,737	100%	-

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions and Eligibility

The County provides other postemployment benefits (OPEB) for eligible employees through the Retiree Health Benefit Program, a single-employer defined benefit OPEB plan, and participates in the State of Nevada's Public Employee Benefit Plan, an agent multiple-employer defined benefit OPEB plan. Both plans are administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the BCC. The Trust, a multiple employer trust, was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to NRS 287.017. Complete financial statements of the Trust may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, P.O. Box 11130, Reno, Nevada, 89520.

Additionally, TMFPD and SFPD, discretely presented component units, provide OPEB for eligible employees through the Truckee Meadows Fire Protection District Retiree Group Medical Plan and Sierra Fire Protection District Retiree Group Medical Plan, both single-employer defined benefit plans. As of July 1, 2010 both plans are also administered through the Trust.

Washoe County Retiree Health Benefit Program (RHBP)

In accordance with NRS 287.010, the BCC adopted the RHBP to provide postemployment benefits to eligible employees upon retirement. Retirees are offered medical, prescription, vision, life, and dental insurance for themselves and their dependents. Retirees can choose between the Self Funded Group Health Plan (SFGHP) and an HMO Plan.

All employees hired before July 1, 2010 who retire from County employment and receive monthly payments under PERS are eligible to participate in the RHBP. In addition, employees hired before this date who have terminated employment prior to retirement may enroll in the RHBP upon commencing retirement if the County is that individual's last public employer.

For eligible retirees, the County pays a portion of the retiree's premium based on years of County service. Benefits are provided under two contribution "tiers": Tier 1 includes employees hired prior to various exclusion dates between 1997 and 1999, as stipulated in employee association contracts, and Tier 2 includes all employees hired after the Tier 1 exclusion dates. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the cost of health insurance premiums depending on their respective tier. Retirees pay 100% of the premium for dependent coverage.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

For Tier 1 retirees, the retiree's contribution is determined as follows, except for the cost of dental benefits which is 100% paid for by the retiree, regardless of service:

<u>Years of Service</u>	<u>Tier 1 Retiree Contribution</u>
Less than 10	100%
10 but less than 15	50%
15 but less than 20	25%
20 or more	0%

For Tier 2 retirees, the retiree's contribution is the monthly premium amount less a County-paid premium subsidy equal to the Non-State Retiree Subsidy Adjustment set annually by the State of Nevada's Public Employee Benefit Plan. The County's monthly subsidy for fiscal year 2015 depends on years of full-time service and ranges from a minimum of \$116 for five years to a maximum of \$636 for 20 or more years.

State of Nevada's Public Employee Benefit Plan (PEBP)

NRS 287.023 allowed County retirees to join the State's PEBP through September 1, 2008, at the County's expense. Eligibility and subsidy requirements are governed by statutes of the State and can only be amended through legislation. PEBP is administered by a nine member governing board and provides medical, dental, prescription, vision, life and accident insurance for retirees.

Through collective bargaining agreements, the County is required to provide a subsidy for their eligible retirees that have elected to join PEBP. Contribution requirements are assessed by the PEBP Board annually. The subsidy for this plan is based on years of service and in 2015 ranged from a minimum of \$116 for five years of service to a maximum of \$636 for 20 or more years of service. Retirees age 65 and over are required to enroll in a Medicare Advantage Plan at their own expense and receive monthly Health Reimbursement Account contributions of between \$55 and \$220 based on years of service.

TMFPD Retiree Group Medical Plan (TMFPD RGMP)

Prior to July 1, 2000, TMFPD provided health insurance benefits to retired employees through a single-employer defined benefit plan. At June 30, 2000, ten retirees were participating in the TMFPD RGMP. On July 1, 2000, pursuant to an Interlocal Agreement for Fire Services and Consolidation, TMFPD operations were transferred to the City of Reno (City) and the City accepted liability for the ten retirees under this plan. TMFPD pays a proportionate share of employees' retiree health benefit costs based on service earned prior to July 1, 2000, for those employees who transferred employment to the City and retired during the term of the Interlocal Agreement. Benefits under the City's plan include medical, dental, prescription, vision and life insurance.

The Interlocal Agreement was terminated on June 30, 2012, and TMFPD assumed responsibility for its own fire district operations as of July 1, 2012. As of June 30, 2012, to prepare for standing up the new fire operations, 11 former Reno firefighters transferred to TMFPD with the provision that TMFPD would provide retiree health benefits for those 11 employees. Any former TMFPD employee remaining employed by the City as of July 1, 2012, retained retiree health benefits with the City and the City retained the liability for those employees. Employees hired by TMFPD prior to July 1, 2014 are eligible for retiree health benefits through the TMFPD RGMP. Benefits under the new TMFPD RGMP, a single-employer defined benefit plan, include health, dental, vision and prescription insurance coverage. Eligible retirees who retire from the District will be required to pay for 50% of the retirees' health insurance premium and 100% of the cost of coverage for their spouses. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the TMFPD and the TMFPD Fire Fighters Association.

SFPD Retiree Group Medical Plans (SFPD RGMP)

SFPD provides health insurance benefits to eligible retired employees who transferred from State service on July 1, 2006 or transferred from SFPD service to the TMFPD in fiscal year 2012. As of April 1, 2012, all SFPD employees transferred to TMFPD under the terms of an Interlocal Agreement for Fire Services and Consolidation between the two districts. Health insurance benefits are through the TMFPD RGMP; however, the liability for the payment for these retiree health benefits is retained by each district. The plan is a single-employer defined benefit OPEB plan. At June 30, 2015, there were seven employees participating in the plan who had retired from SFPD.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

In accordance with NRS, the Board of Fire Commissioners for SFPD entered into an agreement with the Sierra Firefighters Association for retiree health insurance. This employee agreement was assumed by TMFPD as of April 1, 2012; however, the payment of the monthly benefits continues to be paid from SFPD's portion of the Trust. Eligible employees who retire from TMFPD employment and receive monthly payments from PERS of Nevada are allowed coverage in the TMFPD RGMP. Benefits include medical, vision, dental and prescription insurance coverage. SFPD pays 50% of the cost of health premiums of retirees who transferred to SFPD as of July 1, 2006 or from SFPD to TMFPD in fiscal year 2012 and retire directly from TMFPD with 10 or more years of combined service with the Nevada Division of Forestry or the Districts. Retirees are responsible for the remaining 50% of the retirees' health premiums and 100% of the cost of coverage for their eligible dependents. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the SFPD and the TMFPD Fire Fighters Association I.A.F.F Local 3895.

Funding Policy and Annual OPEB Cost

The amount of contributions each year for RHPB, TMFPD RGHP and SFPD RGHP are established through the annual budget process by the Board of County Commissioners and the TMFPD and SFPD Boards of Fire Commissioners, respectively, and may be amended through negotiations with their respective employee associations. The required contributions are based on projected pay-as-you-go financing requirements, with an additional amount, generally equal to the normal cost, to prefund benefits.

Additionally, the County is required to provide a subsidy for their retirees that have elected to join PEBP which is established and may be amended by the State of Nevada Legislature. The subsidy is paid on the pay-as-you-go basis, with an additional amount contributed to prefund future benefits. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually.

The County, TMFPD and SFPD fund the OPEB costs from their respective General Funds. During the current fiscal year the County transferred \$18.7 million to the Trust to fund future retiree health benefits for both the RHBP and PEBP. These contributions were allocated between the RHBP and the PEBP based on the proportionate share of each plan's Unfunded Actuarial Accrued Liability to the total. Neither TMFPD nor SFPD made any transfers to the Trust during the current fiscal year.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The annual OPEB cost and related information for each plan for the fiscal year ended June 30, 2015 are as follows:

	<u>RHBP</u>	<u>PEBP</u>	<u>TMFPD RGMP</u>	<u>SFPD RGMP</u>
Determination of Annual Required Contribution:				
Normal cost	\$ 8,535,000	\$ -	\$ 259,595	\$ 139,139
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	<u>11,408,000</u>	<u>67,182</u>	<u>(70,463)</u>	<u>248,674</u>
Annual Required Contribution (ARC)	<u>\$ 19,943,000</u>	<u>\$ 67,182</u>	<u>\$ 189,132</u>	<u>\$ 387,813</u>
Determination of Net OPEB Obligation:				
Annual Required Contribution	\$ 19,943,000	\$ 67,182	\$ 189,132	\$ 387,813
Interest on Net OPEB Obligation	(156,000)	(44,979)	(70,094)	149,903
Adjustment to ARC	<u>123,000</u>	<u>50,099</u>	<u>95,853</u>	<u>(204,992)</u>
Annual OPEB Cost	19,910,000	72,302	214,891	332,724
Retiree Benefit Payments Paid by Employer	(2,362,892)	-	-	-
Contributions Made to Trust	<u>(18,303,872)</u>	<u>(396,128)</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net OPEB Obligation	(756,764)	(323,826)	214,891	332,724
Net OPEB Obligation (Asset), Beginning of Year	<u>(2,230,963)</u>	<u>(642,564)</u>	<u>(1,001,338)</u>	<u>2,141,475</u>
Net OPEB Obligation (Asset), End of Year	<u>\$ (2,987,727)</u>	<u>\$ (966,390)</u>	<u>\$ (786,447)</u>	<u>\$ 2,474,199</u>

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at June 30, 2015 and the two preceding years for each of the plans were as follows:

<u>Plan</u>	<u>Fiscal Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Employer Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation / (Asset)</u>
RHBP	2013	\$ 18,403,000	\$ 19,026,711	103.39%	\$ (3,147,569)
	2014	18,689,000	17,772,494	95.10%	(2,230,963)
	2015	19,910,000	20,666,764	103.80%	(2,987,727)
PEBP	2013	367,639	388,000	105.54%	(564,174)
	2014	339,000	417,390	123.12%	(642,564)
	2015	72,302	396,128	547.88%	(966,390)
TMFPD RGMP	2013	70,278	-	0.00%	(1,224,753)
	2014	223,415	-	0.00%	(1,001,338)
	2015	214,891	-	0.00%	(786,447)
SFPD RGMP	2013	337,359	-	0.00%	1,169,540
	2014	1,516,804	544,869	35.92%	2,141,475
	2015	332,724	-	0.00%	2,474,199

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Listed below is the funded status of each plan, as of their most recent actuarial valuations:

Valuation date	RHBP	PEBP	TMFPD RGMP	SFPD RGMP
	7/1/2014	6/30/2014	7/1/2014	7/1/2014
Actuarial Accrued Liability (AAL)	\$ 339,643,000	\$ 3,412,494	\$ 3,293,617	\$ 3,662,758
Actuarial Value of Plan Assets	146,484,000	2,607,203	3,981,559	1,234,898
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 193,159,000</u>	<u>\$ 805,291</u>	<u>\$ (687,942)</u>	<u>\$ 2,427,860</u>
Funded Ratio (Actual Value of Plan Assets/AAL)	43.13%	76.40%	120.89%	33.71%
Covered Payroll (Active Plan Members) *	\$ 135,405,710	n/a	\$ 5,034,484	\$ 3,303,999
UAAL as a Percentage of Covered Payroll *	142.65%	n/a	-13.66%	73.48%

* The covered payroll for active plan members for the TMFPD RGMP reported above represents salaries and wages for the 10 former Reno firefighters who transferred from the City of Reno to TMFPD in June 2012 and who were still employed by TMFPD at June 30, 2015 as well as current employees hired prior to July 1, 2014. The UAAL shown for TMFPD also includes TMFPD's proportionate share of the liability, based on service earned prior to July 1, 2000 for the 45 employees who transferred employment to the City of Reno and retired during the term of the Interlocal agreement, as well as current eligible employees.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in the future. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

Significant methods and assumptions were as follows:

	RHBP	PEBP	TMFPD RGMP	SFPD RGMP
	7/1/2014	6/30/2014	7/1/2014	7/1/2014
Valuation date	7/1/2014	6/30/2014	7/1/2014	7/1/2014
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit benefit	Projected unit benefit
Amortization method	Level percentage of pay, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed
Remaining amortization period	27 years	27 years	17 years	17 years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:				
Investment rate of return	7%	7%	7%	7%
Healthcare cost trend rate - pre 65	6.25% initial	5.75% initial	7.75% initial	7.75% initial
	4.5% ultimate	4.5% ultimate	4.5% ultimate	4.5% ultimate
Healthcare cost trend rate - post 65	6.5% initial	6% initial	7.5% initial	7.5% initial
	4.5% ultimate	4.75% ultimate	4.5% ultimate	4.5% ultimate

NOTE 16 - RISK MANAGEMENT

In 1981, the County started self-funding its workers' compensation obligations. Since then, the County has increased the number of programs where the self-funding is practiced and the proportion of the loss exposure which it self-funds. Currently, the County self-funds portions of its fiscal responsibility related to exposures of loss from torts; theft of, damage to, destruction of assets, errors or omissions, and health insurance claims.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

Two internal service funds have been established to account for these programs. The Risk Management Fund accounts for costs related to general liability, auto liability, workers' compensation, property coverage and unemployment compensation. Except for unemployment compensation, these costs are covered through a combination of self-funding and insurance purchased from outside carriers. The Health Benefits Fund accounts for life, medical, prescription, dental and vision insurance programs. The plans contained within the Health Benefits Fund are handled through contracts with an external claims administrator, a preferred provider organization for medical services and through the purchase of various insurance plans.

At any time, there are a number of lawsuits and unresolved disputes involving the County, which are administered by the Risk Management Division. These items are reviewed by the Risk Management Division with input from the District Attorney's Office and the appropriate third party administrator. They set the values to the extent a value is determinable. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. Allocated claim adjustment expenses are included. Annually, an aggregate value is placed on all claims through the performance of an actuarial study.

The values set by the actuary for both short and long-term liabilities are as follows:

	<u>Current</u>	<u>Long-Term</u>	<u>Total</u>
Pending Claims:			
Property and liability claims	\$ 1,176,000	\$ 2,633,000	\$ 3,809,000
Workers' compensation claims	3,675,000	7,001,000	10,676,000
Unprocessed Health Benefits Fund claims	<u>2,890,000</u>	<u>-</u>	<u>2,890,000</u>
Total Pending Claims	<u>\$ 7,741,000</u>	<u>\$ 9,634,000</u>	<u>\$ 17,375,000</u>

Many items involving the Risk Management Fund do not specifically fall within the criteria used by the actuaries for evaluation. Such items include contract disputes and noninsurance items. In the 1980's, management declared their intention to have a net position of \$1,000,000 in the Risk Management Fund available for claims that fall into areas not recognized in the actuarial studies, or for possible catastrophic losses that exceed parameters of the actuarial studies. Currently, there is a net position of \$13,216,068 in the Risk Management Fund for both of these types of claims in addition to the claims that are evaluated by the actuaries. The net position amounts is restricted for the payment of claims per NRS 354.6215.

The level of insurance coverage purchased by the County for property related claims ranges from \$500,000 to a policy limit of \$500 million depending on the incident. Deductibles generally range from \$10,000 to \$100,000. There were no settled claims in excess of insurance coverage in the three prior fiscal years.

Claims liability and activity for the Risk Management and the Health Benefits Funds for the fiscal years ending June 30 were as follows:

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>
Claims Liability/Activity:		
Claims Liability, June 30, 2013	\$ 11,407,000	\$ 2,674,000
Claims and changes in estimates	5,170,971	21,063,900
Claim payments	<u>(3,860,971)</u>	<u>(21,053,900)</u>
Claims Liability, June 30, 2014	12,717,000	2,684,000
Claims and changes in estimates	4,766,163	22,555,973
Claim payments	<u>(2,998,163)</u>	<u>(22,349,973)</u>
Claims Liability, June 30, 2015	<u>\$ 14,485,000</u>	<u>\$ 2,890,000</u>

The non-discounted carrying amount of unpaid claims in the Risk Management Fund at June 30 is \$16,225,000. The interest rate used for discounting was 2.5%.

Discretely Presented Component Units

South Truckee Meadows General Improvement District, a former component unit, is a participant in the County's property insurance program and self-insurance program for general liability under the terms of an interlocal operating agreement for operations and support. The TMFPD and SFPD, discretely presented component units, do not participate in the Washoe County Risk Management or Health Benefits Funds.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

TMFPD and SFPD are exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. TMFPD and SFPD have joined together with similar public agencies throughout the State to create a pool, Nevada Public Agency Insurance Pool (NPAIP), under the Nevada Interlocal Cooperation Act. Property and liability is fully insured with NPAIP. TMFPD and SFPD pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The NPAIP is considered a self-sustaining risk pool that provides coverage for its members up to \$10 million per event and a \$10 million general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to \$300 million per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

As of April 1, 2012, TMFPD and SFPD entered an Interlocal Agreement to consolidate fire department administration and operations. Under that Interlocal Agreement, all SFPD employees became TMFPD employees. Health insurance and workers' compensation benefits are paid by the TMFPD through their consolidated budget.

In fiscal year 2012-13, TMFPD self-funded its health benefits until June 1, 2013. The TMFPD Health Benefits Fund was established to account for life insurance, medical, prescription, dental and vision programs. The self-funded plans contained within the TMFPD Health Benefits Fund were handled through contracts with an external claims administrator and through the purchase of various insurance plans. As of June 1, 2013, the TMFPD purchased a guaranteed health benefit plan and is no longer self-funded. The SFPD health plan ceased with the transition of SFPD employees to TMFPD during the fiscal year ended June 30, 2012.

During the term of the City of Reno/Truckee Meadows Fire Protection District Interlocal Agreement, workers' compensation was fully insured with the City of Reno's self-funded workers' compensation plan. Due to the termination of the Interlocal Agreement as of July 1, 2012, TMFPD is no longer self-funded with the City of Reno but has purchased a guaranteed workers' compensation insurance plan. However, TMFPD is still required to pay workers' compensation claims costs to the City of Reno for those years that TMFPD was self funded through the City of Reno's workers' compensation plan.

During the fiscal year ended June 30, 2004, the City instituted a "pay as you go" system for workers' compensation claims. TMFPD shared the combined losses with the Reno Fire Department (RFD). Each year, TMFPD was assigned the portion of paid losses corresponding to the ratio of employees originally transferred from TMFPD to the total number of current RFD employees. The ratio applied to TMFPD for the fiscal year ended June 30, 2012, which was the last fiscal year of the Interlocal Agreement, was 25%. TMFPD established the Workers' Compensation Fund to account for this program. During the fiscal year ended June 30, 2015, the District paid the City of Reno \$275,316 for the purpose of buying out its workers' compensation liability for fiscal year 2009.

The liability for workers' compensation was determined through an actuarial valuation performed for TMFPD as of December 31, 2011. Using a 70% probability level set by its actuary, claims of \$2,424,922 were determined to be long-term in nature. The non-discounted carrying amount of unpaid claims was \$2,903,000. The interest rate used for discount was 3%. Allocated loss adjustment expense is included in the actuarial calculation. Under the City's workers' compensation plan, TMFPD and the City self-insure up to a maximum of \$2.5 million for each workers' compensation claim. Claims incurred prior to fiscal year 2004 remain the liability of the City of Reno under the guaranteed payment plan in effect prior to July 1, 2003.

Claims liability and activity for the fiscal years ending June 30 were as follows:

	TMFPD Workers' Compensation Fund
Claims Liability/Activity:	
Claims Liability, June 30, 2011	\$ 2,424,922
Claims and changes in estimates	118,938
Claims payments	(549,860)
Claims Liability, June 30, 2012	1,994,000
Claims and changes in estimates	16,731
Claims payments	(524,731)
Claims Liability, June 30, 2013	1,486,000
Claims and changes in estimates	97,734
Claims payments	(413,734)
Claims Liability, June 30, 2014	1,170,000
Claims and changes in estimates	104,862
Claims payments	(419,862)
Claims Liability, June 30, 2015	\$ 855,000

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

NOTE 17 – JOINT VENTURES

Local Government Oversight Committee Joint Venture (Truckee River Water Quality Settlement Agreement)

The County and the Cities of Reno and Sparks have entered into a joint venture for the purchase of water rights pursuant to the Truckee River Water Quality Settlement Agreement (TRWQSA) dated October 10, 1996. Parties to the TRWQSA are Washoe County, City of Reno, City of Sparks, United States Department of the Interior (DOI), U.S. Department of Justice, U.S. Environmental Protection Agency, Nevada Division of Environmental Protection and the Pyramid Lake Paiute Tribe of Indians (Tribe).

The agreement settled and dismissed pending litigation by the Tribe relating to the expansion of the Truckee Meadows Water Reclamation Facility, which is operated by the Cities of Reno and Sparks. It allows the cities of Reno and Sparks to use the sewage plant's full capacity in exchange for the expenditure of \$24,000,000 (\$12,000,000 by DOI and \$12,000,000 by the joint venture) for the acquisition of Truckee River water rights. Proceeds received from the resale of land acquired incidentally, or from the retirement of challenged water rights have been netted against expenditures when received. As of June 30, 2015, the joint venture has fulfilled its spending requirements, with net program expenditures of \$12,032,180.

The County is responsible for administration of the joint venture. Water rights will be jointly managed by the County, Cities of Reno and Sparks and DOI. The arrangement is considered a joint venture with no equity interest because no explicit and measurable equity interest is deemed to exist. All equity is reserved for purchase of water rights and is therefore unavailable to the entities. Each entity (Washoe County, Cities of Reno and Sparks) will own an undivided and equal interest in the property and water rights purchased. The County's proportionate share of the water rights and related property purchases are included in capital assets when purchased. Assets of \$4,011,001 have been recorded as of June 30, 2015.

Separate audited financial statements and information for the joint venture are available by contacting the Washoe County Department of Water Resources, 4930 Energy Way, Reno, NV 89502.

Truckee Meadows Water Authority

The Truckee Meadows Water Authority (TMWA) is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (Members). TMWA was formed in order to purchase water assets and undertake water utility operations of Sierra Pacific Power Company, a Nevada corporation, and to develop, manage and maintain supplies of water for the ongoing benefit of the Truckee Meadows community. TMWA issued bonds that do not constitute an obligation of the Cities of Reno and Sparks, the County or the State.

Under the terms of the Cooperative Agreement, TMWA's Board of Directors has the power to periodically assess the Members directly for budgets and for the satisfaction of any liabilities imposed against TMWA. No such assessments have been made since the TMWA's formation. The arrangement is considered a joint venture with no equity interest recorded in the County's financial statements, because no explicit and measurable equity interest is deemed to exist. The County appoints two directors of a seven-member governing body.

On December 9, 2009, Washoe County's Board of County Commissioners approved an interlocal agreement governing the planned merger of the Washoe County Department of Water Resources' Water Utility into TMWA. On October 28, 2014, following a lengthy period of due diligence and other preparatory activities, Washoe County's Board of County Commissioners approved the merger of Washoe County's Community Services' Water Utility and TMWA per the recommendation of the Western Regional Water Commission, with TMWA as the surviving entity. The merger was finalized on December 31, 2014, resulting in the County's recognition of a loss of \$235 million in the current year, as cash and capital assets transferred exceeded the value of debt and other liabilities assumed by TMWA.

Separate audited financial statements and information for the joint venture are available by contacting the Authority's Chief Financial Officer at P.O. Box 30013, Reno, NV 89520-3013.

Truckee River Flood Management Authority

The Truckee River Flood Management Authority (TRFMA) is a joint powers authority formed in March, 2011, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (Members). The governing body of each Member appoints two directors who must be elected officials of the Member's governing body. The TRFMA was formed in order to regulate and control waters of the Truckee River that flow through their territories to reduce or mitigate flooding for the ongoing benefit of the Truckee Meadows community.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2015
(CONTINUED)

The primary source of revenue for the TRFMA consists of the net revenues of the Infrastructure Tax pledged by the County to support the TRFMA. The Infrastructure Tax is collected by the State of Nevada Department of Taxation and remitted to the County pursuant to procedures established in NRS Chapter 377B that restricts spending of these proceeds to projects for the management of floodplains, the prevention of floods or facilities relating to public safety. Net revenues consist of the balance remaining after paying or reserving for County obligations for existing flood project related debt obligations.

Under the terms of the Cooperative Agreement, the TRFMA Board of Directors has the power to periodically impose, assess, levy, collect and enforce fees, rates and charges in an amount sufficient for services or facilities, or both services or facilities and also to discharge any debt instruments or financing agreements. No such assessments have been made since the TRFMA's formation. The arrangement is considered a joint venture with no equity interest recorded on the County's financial statements because no explicit and measurable equity interest is deemed to exist.

NOTE 18 – SUBSEQUENT EVENT

On July 28, 2015, Washoe County's Board of County Commissioners (BCC) approved the authorizing and issuing of General Obligation (Limited Tax) Medical Examiner Building Bonds, Series 2015 in the aggregate principal amount of \$12,000,000. Bonds were issued on August 27, 2015.

NOTE 19 – ACCOUNTING CHANGES AND RESTATEMENTS

As of July 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

Net position at June 30, 2014, as previously reported	\$	964,284,421
Net pension liability at June 30, 2013		(393,317,164)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014		<u>45,320,256</u>
Net position at July 1, 2014, as restated	\$	<u><u>616,287,513</u></u>

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Water Resources Fund</u>	<u>Other Enterprise Fund</u>
Net position at June 30, 2014, as previously reported	\$ 524,607,917	\$ 439,676,504	\$ 421,504,721	\$ 4,743,773
Net pension liability at June 30, 2013	(388,311,339)	(5,005,823)	(2,441,290)	(2,564,533)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	<u>44,743,454</u>	<u>576,800</u>	<u>281,299</u>	<u>295,501</u>
Net position at July 1, 2014, as restated for pensions	181,040,032	435,247,481	419,344,730	2,474,741
Accreted interest on capital appreciation bonds	<u>(4,732,133)</u>	-	-	-
Net position at July 1, 2014, as restated for pensions and accreted interest on capital appreciation bonds	<u><u>176,307,899</u></u>	<u><u>435,247,481</u></u>	<u><u>419,344,730</u></u>	<u><u>2,474,741</u></u>

In addition, the beginning net position has been restated to reflect the accretion of interest on capital appreciation bonds not previously recorded.

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015**

SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a / b) Funded Ratio	(b - a) Unfunded Actuarial Accrued Liability (UAAL)	(c) Covered Payroll	[(b - a) / c] UAAL as a Percent of Covered Payroll
RHBP						
July 1, 2008	\$ -	\$ 276,684,000	0.00%	\$ 276,684,000	\$ 181,854,743	152.15%
July 1, 2010	70,887,000	273,801,000	25.89%	202,914,000	150,313,509	134.99%
July 1, 2012	91,263,000	287,185,000	31.78%	195,922,000	146,848,513	133.42%
PEBP						
June 30, 2010	1,925,471	7,437,111	25.89%	5,511,640	n/a	n/a
June 30, 2012	1,635,802	6,108,685	26.78%	4,472,883	n/a	n/a
June 30, 2014	2,607,203	3,412,494	76.40%	805,291	n/a	n/a
TMFPD RGMP						
July 1, 2009	-	4,472,236	0.00%	4,472,236	n/a	n/a
July 1, 2011	3,533,063	3,361,331	105.11%	(171,732)	793,352	-21.65%
July 1, 2013	3,573,083	4,079,936	87.58%	506,853	797,886	63.52%
SFPD RGMP						
July 1, 2009	-	1,769,515	0.00%	1,769,515	2,306,835	76.71%
July 1, 2011	530,895	2,472,793	21.47%	1,941,898	3,087,570	62.89%
July 1, 2013	585,289	11,148,737	5.25%	10,563,448	3,221,020	327.95%

SCHEDULE OF WASHOE COUNTY'S SHARE OF NET PENSION LIABILITY

	2014
Washoe County's portion of net the pension liability	2.99%
Washoe County's proportionate share of the net pension liability	\$ 311,725,984
Washoe County's covered-employee payroll	\$ 154,067,907
Washoe County's proportional share of the net pension liability as a percentage of its covered-employee payroll	202.33%
Plan fiduciary net position as a percentage of the total pension liability	76.30%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the County will present information for only those years for which information is available.

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION (CONTINUED)
JUNE 30, 2015**

SCHEDULE OF COUNTY CONTRIBUTIONS

	2015
Statutorily required contribution	\$ 46,781,626
Contributions in relation to the statutorily required contribution	\$ 46,781,626
Contribution (deficiency) excess	\$ -
Employer's covered-employee payroll	\$ 160,320,693
Contributions as a percentage of covered-employee payroll	29.18%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the County will present information for only those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – SCHEDULE OF FUNDING PROGRESS

The County and its component units implemented GASB Statement No. 45 prospectively for the fiscal year ended June 30, 2008. Information in the Schedule of Funding Progress for prior years is not available.

NOTE 2 – EMPLOYER CONTRIBUTIONS

The County funds the RHBP and the PEBP via contributions to the Washoe County, Nevada OPEB Trust (Trust). TMFPD and SFPD also fund their retiree group medical plans through the Trust. Information on employer contributions can be found in the Trust's separately issued financial statements, a copy of which can be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, PO Box 11130, Reno, NV 89520.

NOTE 3 – TMFPD COVERED PAYROLL

The covered payroll for active plan members for the TMFPD RGMP reported above represents salaries and wages for the former City firefighters who transferred from the City to TMFPD in June 2012 and who were still employed by the District at June 30, 2014. The UAAL shown for TMFPD also includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the 45 employees who transferred employment to the City and retired during the term of the Interlocal Agreement.