



WASHOE COUNTY NEVADA

**Comprehensive Annual Financial Report
For the Fiscal Year Ended
June 30, 2018**



**WASHOE COUNTY, NEVADA
COMPREHENSIVE ANNUAL FINANCIAL
REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2018**

*Prepared by the Washoe County Comptroller's Department
Cathy Hill, Comptroller*

**WASHOE COUNTY, NEVADA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION

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WASHOE COUNTY

Accounting / Collections / Purchasing / Risk Management

Office of the Comptroller

Cathy Hill, Comptroller

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November 30, 2018

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, 2018 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, 2018 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 Reno, Sparks, Sun Valley, Wadsworth, and Incline Village.

Washoe 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, budget, technology services, internal audit, fleet operations, purchasing, and risk management.

This report includes the financial activities of one discretely presented component unit: Truckee Meadows Fire Protection District. This component unit is a legally separate entity, 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 District.

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

Washoe County continued to show signs of a robust recovery since the Great Recession. Some of the economic measures pointing to the strength of the economy in Washoe County include:

- June 2018 median home prices were up 16% from the previous year
- Voters passed a bill allowing for recreational marijuana creating additional funding sources for the State and Counties
- New jobs are being added at a rate of about 4 percent, or between 7,000 and 10,000 jobs annually (www.nevadabusiness.com)
- Industrial vacancy rates continue to drop with new construction continuing
- Tesla has completed roughly 30 percent of its planned 5.8 million square foot factory which manufactures electric batteries and Model 3 motors. The Gigafactory currently employs approximately 7,000 employees – at full buildout it will employ 20,000 workers. (Northern Nevada Business View)
- Principal employers in Washoe County are Washoe County School District, University of Nevada, Reno, Renown Medical Center and Washoe County.
- Population from 2017 to 2018 increase slightly by approximately 2% to 467,417

Faced with flattening revenue sources and the need to fund flood damage repairs in fiscal years 2017-18 and 2018-19, the County has had to access its \$3 million stabilization account for natural disasters and consider other funding sources before considering any increases to staffing or operating programs.

Nevada is consistently rated one of the top ten most business friendly states. This is supported with the fact that there are no corporate or personal income tax; no inventory tax and no franchise tax. Businesses continue to start up or relocate to the northern Nevada area. Deantronics a medical/surgical device developer announced it will be breaking ground on a \$40m tech campus to include a purpose-built 200,000 square foot facility for research/development and manufacturing (www.edawn.org)

LONG-TERM FINANCIAL PLANNING

The County's General Fund unrestricted fund balance increased slightly resulting in an increase of \$7 million.

As of May 2018, the Bureau of Labor and Statistics showed that Washoe County's unemployment rate was 3.3%.

With the economy continuing to rebound in northern Nevada and with construction activity increasing as well as job growth, there is a continuing shortage of construction tradespeople and laborers.

Northern Nevada continues to diversify its key sectors and employers. This has resulted in Apple, Tesla, Switch and others to locate significant plants and business operations to the area.

The Board of County Commissioners and the County's management and staff remain committed to meeting challenges presented to the County and remains well positioned to continuing to enhance the already superior quality of life in Washoe County.

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.

Northern Nevada is expected to continue to show growth throughout several industries as well as remaining its economic diversity.

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 2018 fiscal year are:

- Washoe County's new centralized service center, Washoe311, was completed and launched, resulting in a 24 percent increase in service requests. Staffed by Washoe County team members who answer citizen requests, the Washoe311 staff also fields and responds to internal requests and is a resource for our 24 departments and five Board of County Commissioners
- Washoe County partnered with the State of Nevada and local regional partners to secure leasing nearly a dozen buildings on the Northern Nevada Adult Mental Health System campus to expand the County's Crossroads program

and enhance homeless services for the community. The project will provide more than 200 beds for homeless women and families providing wrap-around services and child care to ensure successful rehabilitation and care to these populations.

- Washoe County is part of a public-private partnership agreement with the Nevada Department of Transportation, and NV Energy to develop the Nevada Shared Radio System (NSRS). The NSRS is used in times of crisis for emergency communications or when dialing 9-1-1 for the public. Within Washoe County, the public radio system is currently utilized by nineteen public safety and first responder agencies. The new communication system includes virtually unlimited user capacity and will replace the current public radio system, which is at "end-of-life" with new technology, improved communications coverage, and interoperability statewide. The NSRS is expected to be completed in fiscal year 2024, at a total cost of \$26.5 million, including infrastructure, site development and end-user radio equipment.
- In response to legislation, Washoe County Sheriff's deputies wear body cameras
- Washoe County budgeted for 15 new positions and \$3 million in expanded programs. These include the Medical Examiner's Office, the County's Sober 24 program, CIP, District Court, and a reorganization of Building & Safety and Planning divisions.
- Washoe County Utilities division initiated facility and master planning work for the expansion of the waste water collection and treatment systems and to find better solutions for expanding the future use of treated effluent to provide for greater sustainability and resiliency throughout the County.

AWARDS

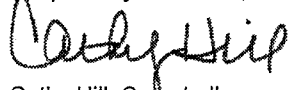
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washoe County for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 36th consecutive year the 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, Robert Andrews and Russell Morgan, CPA, Accounting Managers; Darlene Delany, CPA, Crystal Varnum, Asta Dominguez, CPA and Tammera Yau, Senior Accountants; Joyce Garrett, Martin Williams and Rebecca Mosher, Accountants, and Jeri Renshaw and Edwin Smith, Administrative Secretaries. Thanks also to 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,



Cathy Hill, Comptroller

WASHOE COUNTY BOARD OF COUNTY COMMISSIONERS



Marsha Berkgigler,
District One

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.

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 and sustain a safe, secure and healthy community.

STRATEGIC OBJECTIVES OF THE BOARD OF COUNTY COMMISSIONERS

- Stewardship of Our Community
- Proactive Economic Development and Diversification
- Safe, Secure and Healthy Communities
- Regional and Community Leadership
- Valued, Engaged Employee Workforce

Values

The purpose of the values statement is to articulate how we behave as staff and community members.

- **Integrity** – We are dedicated to uncompromising honesty in our dealings with the public and each other in conformance with our code of conduct.
- **Effective Communication** – We believe in simple, accurate, and clear communication. We encourage the open exchange of ideas and information.
- **Quality Public Service** –The County exists to serve the public. We put the needs and expectations of citizens at the center of everything we do and take pride in delivering services of the highest quality.

Strategic Direction

The purpose of the strategic direction is to establish a concrete picture of the future:

Washoe County will be the social, economic and policy leadership force in Nevada and the western United States.

We will accomplish this by:

- Being forward thinking
- Being financially stable
- Elevating the quality of life so our community is a great place for everyone to live, regardless of means
- Being accessible to everyone we serve and representing the people
- Using the power of collaboration internally and externally

Planning Assumptions

This plan assumes the following:

- Effective implementation always occurs in coordination and collaboration with our regional partners.
- Long-term financial sustainability is a foremost consideration for all new programs, initiatives and actions.
- Significant additional efforts are being undertaken within departments directly, whereby it is not possible to reflect them all in this document.



Bob Lucey
District Two



Kitty Jung
District Three



Vaughn Hartung
District Four



Jeanne Herman
District Five

**WASHOE COUNTY, NEVADA
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2018**

Elected Officials

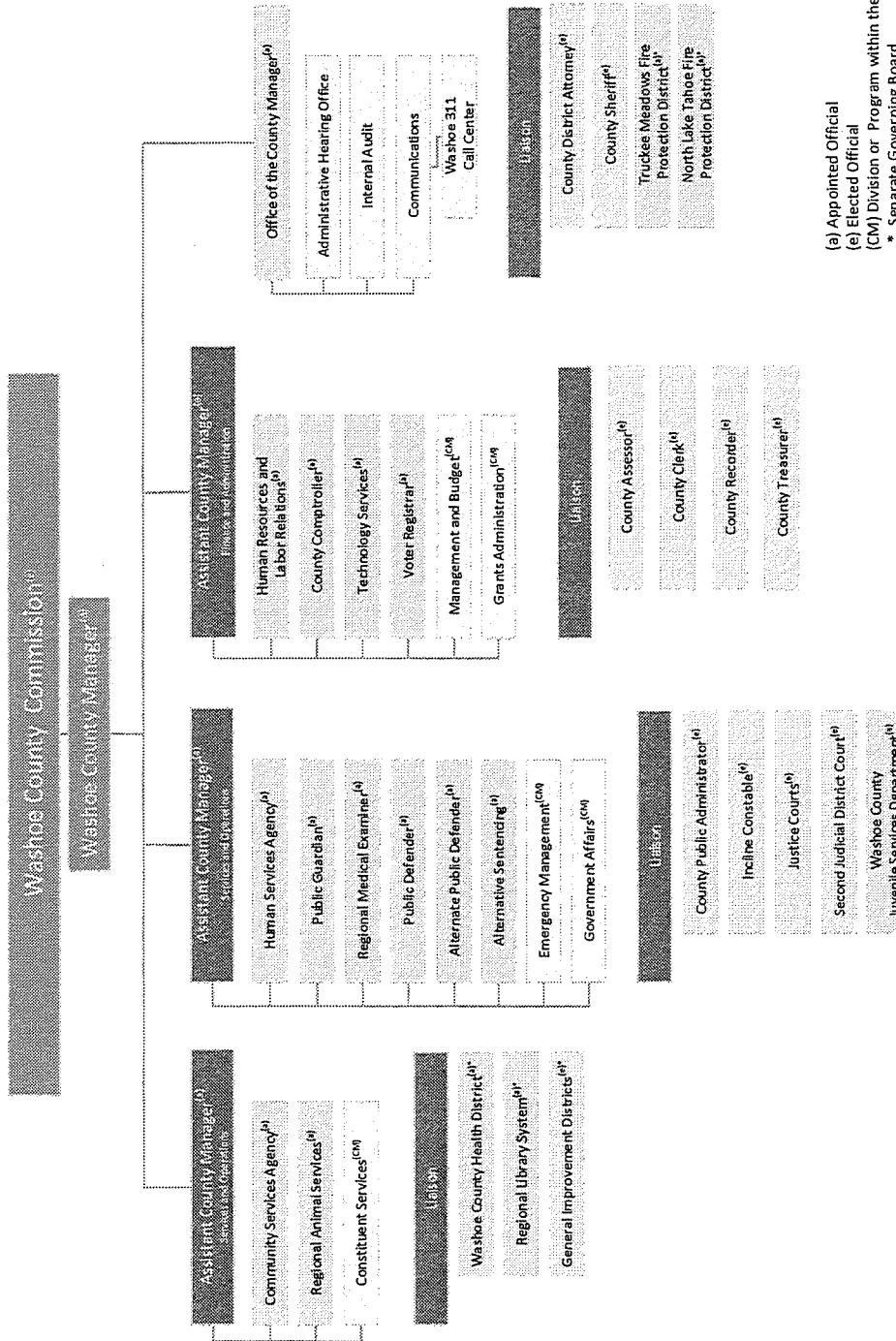
District 1: Commissioner	Marsha Berkbigler
District 2: Commissioner	Bob Lucey
District 3: Commissioner	Kitty Jung
District 4: Commissioner	Vaughn Hartung
District 5: Commissioner	Jeanne Herman
County Assessor	Michael E. Clark
County Clerk	Nancy Parent
County Recorder	Larry Burtness
County Treasurer	Tammi S. Davis
District Attorney	Christopher Hicks
Incline Village/Crystal Bay Constable	Hans Keller
Public Administrator	Donald L. Cavallo
Sheriff	Chuck Allen

Appointed Officials

County Manager	John Slaughter
Assistant County Manager	Dave Solaro
Assistant County Manager	Kate Thomas
Assistant County Manager	Christine Vuletich
Alternate Public Defender	Marc Picker
Alternative Sentencing Chief	Joseph Ingraham
Chief Medical Examiner/Coroner	Dr. Laura Knight
Comptroller	Cathy Hill
Director of:	
Communications	Nancy Leuenhagen
Human Resources/Labor Relations	John Listinsky
Human Services Agency	Amber Howell
Juvenile Services	Frank Cervantes
Library	Jeffrey Scott
Technology Services	Craig Betts
Health District	Kevin Dick
Public Defender	Jeremy Bosler
Public Guardian	Susan DeBoer
Voter Registrar	Deanna Spikula



Washoe County Organization Chart



- (a) Appointed Official
- (e) Elected Official
- (CM) Division or Program within the Office of the County Manager
- * Separate Governing Board

Approved by BCC 9-12-2017



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, 2017

Christopher P. Morrill

Executive Director/CEO



FINANCIAL SECTION

FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (the "County") as of and for the year ended June 30, 2018, 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 opinions 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.

What inspires you, inspires us. Let's talk. | eidebailly.com

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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 discretely presented component unit, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2018, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, the Child Protective Services Fund, the Other Restricted Fund and the Indigent Tax Levy Fund 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 Note 1 and 19 to the financial statements, Washoe County has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Correction of an Error

As discussed in Note 19 to the financial statements, certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*, resulting in the overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts for the year ended June 30, 2017, and were discovered by management during the current year based on communications from the Public Employee's Retirement System of Nevada (PERS), including a restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, amounts for deferred outflows of resources, net pension liability-related amounts, have resulted in a restatement of net position as of July 1, 2017. 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 5 through 14, the Schedule of County's Share of Net Pension Liability and the Schedule of County's Contributions on page 86, the Schedules of Changes in the OPEB Liability and Related Ratios on page 87, and the Schedule of County Contributions – OPEB on page 88, 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 nonmajor 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 accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative*

Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 nonmajor fund financial statements and the schedule of expenditures of federal awards 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

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2017 and have issued our report thereon dated November 21, 2017, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2017, is consistent with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's 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 the County's internal control over financial reporting and compliance.



Reno, Nevada
November 30, 2018

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018**

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, 2018. 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

- Ad Valorem taxes increased \$8 million and Consolidated taxes increased \$11 million from the previous year and overall governmental activities revenue increased \$36 million from the previous fiscal year.
- Governmental activities expense increased by \$7 million compared to prior year as the result of increases in salaries and wages.
- Washoe County budgeted for 15 new positions and \$3 million in expanded programs.
- As a result of increased program activity levels, welfare costs increased by \$5 million.
- Washoe County's outstanding debt totaled \$148 million. Outstanding debt related to governmental activities decreased by \$10 million due to regularly scheduled principal payments, discounts, premiums and deferred charges on refunding. The current debt limitation for the County is \$1.6 billion which is \$1.4 billion in excess of the County's outstanding general obligation debt.
- Ending net position in both the Governmental and Business-Type Activities decreased \$252.6 million primarily due to the implementation of GASB 75, which makes governments recognize postemployment benefits other than pensions.

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 sewer utility, golf courses, and building permit activities.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(CONTINUED)

The government-wide financial statements also include one legally separate fire protection district for which the County is financially accountable. Financial information for this component unit 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-three individual governmental funds. The governmental funds financial statements provide separate details for the General Fund, Child Protective Services Fund, Other Restricted Fund, Indigent Tax Levy 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, Child Protective Services Fund, Indigent Tax Levy Fund and the Other Restricted 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 a sewer utility, 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 Utilities Fund and the Building and Safety Fund, which are considered to be major funds. 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, 2018
(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 \$123.4 million at June 30, 2018, a decrease of 68% from the prior year. This decrease resulted primarily from the implementation of GASB 75, which now requires government entities to recognize their long term postemployment obligations in their financials. 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	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets	\$ 239,756	\$ 229,983	\$ 119,431	\$ 107,092	\$ 359,187	\$ 337,075
Net capital assets	478,619	490,719	145,506	143,238	624,125	633,957
Total assets	718,375	720,702	264,937	250,330	983,312	971,032
Deferred outflows of resources	95,535	102,117	1,622	1,691	97,157	103,808
Liabilities						
Current liabilities	39,606	37,452	2,620	3,321	42,226	40,773
Noncurrent liabilities due within one year	39,368	36,884	2,595	2,646	41,963	39,530
Noncurrent liabilities due in more than one year	815,131	569,605	19,903	17,413	835,034	587,018
Total liabilities	894,105	643,941	25,118	23,380	919,223	667,321
Deferred inflows of resources	37,374	31,205	474	356	37,848	31,561
Net position						
Net investment in capital assets	394,493	385,853	133,532	128,947	528,025	514,800
Restricted	111,377	107,899	2,157	1,151	113,534	109,050
Unrestricted	(623,439)	(346,079)	105,278	98,187	(518,161)	(247,892)
Total net position	\$ (117,569)	\$ 147,673	\$ 240,967	\$ 228,285	\$ 123,398	\$ 375,958

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.

Restricted net position of \$113.5 million is an increase of \$4.5 million 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 details concerning these restrictions are provided in the notes to the financial statements.

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

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(CONTINUED)

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 is \$623.4 million in the current year as a result of the continuing impact of GASB 68 and GASB 75. GASB 68 and its impact on the financial statements is discussed in detail in note 14. GASB 75 and its impact on the financial statements is discussed in detail in note 15.

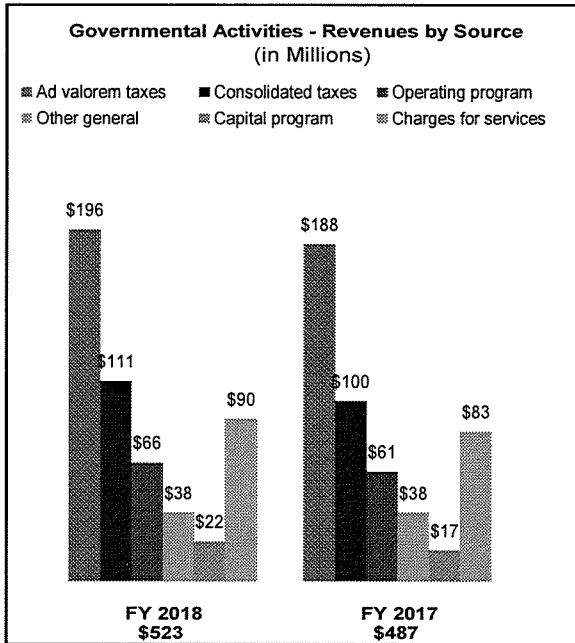
The unrestricted net position of the County's business-type activities of \$105.3 million may not be used to fund governmental activities.

Washoe County Changes In Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 89,847	\$ 83,480	\$ 19,469	\$ 17,118	\$ 109,316	\$ 100,598
Operating grants, interest and contributions	65,594	60,503	911	109	66,505	60,612
Capital grants, interest and contributions	21,990	16,573	11,809	6,447	33,799	23,020
General revenues:						
Ad valorem taxes	196,142	188,474	-	-	196,142	188,474
Consolidated taxes	111,301	100,336	-	-	111,301	100,336
Other intergovernmental	36,714	34,111	-	-	36,714	34,111
Investment earnings	917	158	-	50	917	208
Other	50	2,912	-	-	50	2,912
Total revenues	522,555	486,547	32,189	23,724	554,744	510,271
Expenses:						
General government	85,802	89,304	-	-	85,802	89,304
Judicial	77,136	72,190	-	-	77,136	72,190
Public safety	168,377	165,745	-	-	168,377	165,745
Public works	45,124	49,151	-	-	45,124	49,151
Health and sanitation	22,159	21,217	-	-	22,159	21,217
Welfare	88,059	82,507	-	-	88,059	82,507
Culture and recreation	24,470	23,857	-	-	24,470	23,857
Community support	256	330	-	-	256	330
Interest/fiscal charges	5,657	5,501	-	-	5,657	5,501
Utilities	-	-	11,981	11,215	11,981	11,215
Golf courses	-	-	268	454	268	454
Building permits	-	-	2,313	2,102	2,313	2,102
Total Expenses	517,040	509,802	14,562	13,771	531,602	523,573
Increase (decrease) in net position before transfers	5,515	(23,255)	17,627	9,953	23,142	(13,302)
Transfers	-	-	-	-	-	-
Change in net position	5,515	(23,255)	17,627	9,953	23,142	(13,302)
Net position, July 1, as restated	(123,084)	170,928	223,340	218,332	100,256	389,260
Net position, June 30	\$ (117,569)	\$ 147,673	\$ 240,967	\$ 228,285	\$ 123,398	\$ 375,958

Governmental Activities. Governmental activities decreased the County's net position by \$265.2 million for the year. This decrease was largely driven due to the implementation of GASB 75, which requires that governments recognize postemployment benefits other than pensions offset by an increased ad valorem and consolidated tax revenues.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(CONTINUED)**



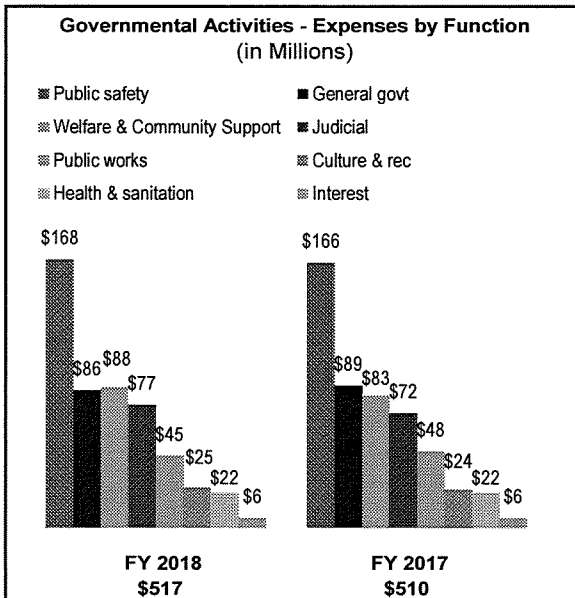
Revenues for ad valorem taxes were \$8 million (4%) higher than FY17. Ad valorem taxes and consolidated taxes make up 59% of revenues from governmental activities. Consolidated sales taxes (received from the state) increased significantly for the fifth consecutive year, growing by \$11 million (11%).

Charges for services of \$90 million increased \$7 million (8%) over the previous year.

Operating program revenues increased \$5 million (8%) when compared to the prior year.

Other general revenues were flat when compared to the prior year. Other general revenues include sales and other taxes, intergovernmental revenues, and unrestricted investment earnings.

Capital program revenues increased by \$5 million or 29% compared to fiscal year 2017. These revenues are subject to fluctuation and such variation is not unusual.



Expenses for governmental activities increased by \$7 million (1%) compared to the prior year, primarily the result of increases in salaries and wages, which impacted all functions. Services and supplies expense for welfare & community support and judicial also increased during the year. Some of these increases in spending are a reflection of economic recovery and were anticipated in the budget.

Welfare costs increased by \$5 million (6%) compared to the prior year, in part due to increased program activity levels.

Judicial costs increased by \$5 million (7%) compared to the prior year, due in part to increased program activity levels.

Services and supplies expense in public works decreased \$3 million (6%) for this fiscal year because of higher expenses in FY 2017 due to flooding in the region.

Business-type Activities. Net position of \$241.0 million for business-type activities is \$12.7 million more than the prior year. This increase is primarily the result of increased current operating revenues and capital.

Increases in charges for services revenue for business-type activities was \$2.4 million when compared to the prior year. This was mainly due to the Golf business renegotiating a new 5 year contract last year. Operating expenses for utility operations increased \$0.8 million. Expenses for golf course operations decreased by \$186 thousand (41%), while expenditures for building permit activities increased \$0.2 million (10%) as a result of planned increases in salaries and wages and the hiring of additional staff.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(CONTINUED)**

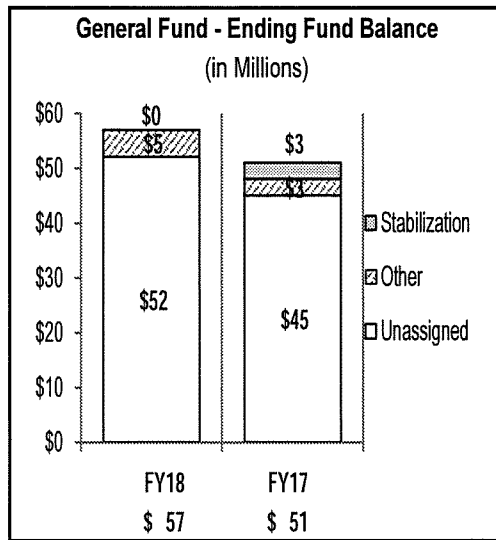
FINANCIAL ANALYSIS – GOVERNMENTAL FUNDS

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, 2018, Washoe County's governmental funds reported combined fund balances of \$166.9 million, an increase of \$8.0 million in comparison to the prior year. This increase is primarily due to the increases in the General Fund, Child Protective Services Fund and Other Restricted Fund offset by decreases in Other Governmental Funds. Within the Other Governmental Funds, there was a \$6.8 million decrease in fund balance. This decrease is primarily due to a \$5.6 million decrease because the Indigent Tax Levy Fund became a major fund this year and was no longer included in the Other Governmental Funds Fund Balance. These increases were offset by an decrease of \$1.5 million in fund balance for the Capital Improvement Fund primarily due to \$1.5 million in expenditures for air and water quality improvements and \$3.6 million for new voting equipment. Unassigned General Fund balance of \$52.0 million is 31% of the total governmental fund balance. 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 \$6 million (12%) for the year due to increases in ad valorem and Local Government Tax Act taxes resulting in revenue exceeding expenditures, including transfers out, by 1.9%.



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 policy change in stabilization funding, from a percentage of expenditures to a flat amount of \$3 million committed. The stabilization fund balance was reduced to zero in the current year due to expenditures for the January, 2017 and February, 2017 flood events. The reserve will be replenished when reimbursement is received from the Federal Emergency Management Agency.

Other fund balances include restricted, committed and assigned amounts. The total of these balances increased 16% in the current year. Restricted fund balance of \$3.5 million is restricted for debt service and the Public Employee Benefit Program for retiree health benefits. The committed and assigned fund balance of \$1.5 million is for major contracts and purchase orders extending into the following fiscal year.

Child Protective Services Fund. The Child Protective Services Fund, a major fund managed by the Human Services Agency, accounts for resources specifically appropriated to protect against the neglect, abandonment and abuse of children in Washoe County. Federal and state grants are the primary funding sources, and together made up 68% of the revenue for the year. Other revenue and ad valorem taxes are contributing respectively 14% and 10% 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.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(CONTINUED)**

Ending fund balance of \$12.7 million increased \$2.0 million (18%) from prior year primarily due to an increase in overall revenue of \$2.1 million due to increased billable mental health and medical services revenue and increased reimbursements toward the Children's Emergency Shelter operating costs. There was an increase in expenditures of \$3.8 million due to an increase in staffing levels, cost of living increases and the implementation of the Specialized Foster Care Program. Restricted fund balance consists primarily of donations and private foundation grants to support related expenditures. The remainder of the fund balance is committed for the support of child protective programs.

Other Restricted Fund. The Other Restricted Fund, a major fund, accounts 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 fees for the Reno baseball stadium debt, justice court administrative assessments for court projects, fees and donations for Wilbur May Center support and grants and restricted donations for General Fund departments. Ending fund balance of \$22.3 million increased \$1.1 million or 5% from the prior year. Overall fund activity for current fiscal year is consistent with that of the prior fiscal year.

Indigent Tax Levy Fund. The Indigent Tax Levy Fund, a major fund, accounts for ad valorem tax revenues and investment earnings specifically appropriated to provide medical assistance to the indigent. Ad Valorem taxes collected increased \$350,000 over the previous fiscal year. Ending fund balance of \$5.6 million remains flat when compare to the prior fiscal year.

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 \$1.5 million decreased \$392,000 or 21% from the prior year. The decrease in revenues in this fund is often matched by the decrease in expenditures.

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.

Utilities Fund. The Utilities Fund, a major fund, was established to account for County-owned and operated water and sewer systems in the unincorporated areas of the County. Ending net position of the fund increased \$15.8 million primarily due to an increase in net income from operating activities and the collection of \$10.0 million in hookup fees. Additionally, there was an increase in capital assets of \$2.5 million due to \$1.8 million in contributed assets and \$0.7 million in projects in process to the South Truckee Meadows Reclamation Facility.

Building & Safety Fund. The Building & Safety Fund, a major fund, established to account exclusively for revenue and expenses relating to the issuance of building permits, as established by NRS 354.59891. Ending net position of the fund decreased \$1.0 million primarily due to the implementation of GASB 75, which requires governments recognize postemployment benefits other than pensions. A restatement of net position in fiscal year 2017 as a prior period adjustment of (\$1.9 million) has created a negative net position for fiscal year 2018.

General Fund Budgetary Highlights

Original budget compared to final budget. On November 28, 2017 with the Board of Commissioners approval of the Comprehensive Annual Financial Report for the period ending June 30, 2017 an augmentation to the General Fund budget of \$1.7 million was approved for purchase orders extending into the following fiscal year for services and supplies. On June 26, 2018, the Board of County Commissioners approved a \$126,000 augmentation to the General Fund budget from previously unbudgeted revenue in the Medical Examiner's Office from increased fees for examinations, consultations, toxicology testing and laboratory services provided. The fee revenue was used for increased salaries, software maintenance and operating supplies.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2018
(CONTINUED)**

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 2% from the final budget.

There was a 32% favorable variance to final budget in the community support function mainly attributable to lower than planned spending for services and supplies.

There was a 17% favorable variance to final budget in human services activities of the welfare function mainly attributable to lower than planned spending for services and supplies.

CAPITAL ASSETS

The County's investment in capital assets(net of depreciation) for its governmental and business-type activities totaled \$624 million at year end, as summarized below.

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

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land,use rights	\$ 147,359	\$ 143,069	\$ 7,923	\$ 7,923	\$ 155,282	\$ 150,992
Plant capacity	-	-	825	825	825	825
Construction in progress	9,570	6,855	21,521	20,183	31,091	27,038
Land improvements	24,404	20,744	2,308	2,578	26,712	23,322
Building/improvements	171,923	179,528	38,728	37,997	210,651	217,525
Infrastructure	105,824	119,810	72,947	72,387	178,771	192,197
Equipment	16,397	16,816	91	103	16,488	16,919
Software	3,142	3,897	165	186	3,307	4,083
Plant capacity, depreciable	-	-	998	1,057	998	1,057
Total	\$ 478,619	\$ 490,719	\$ 145,506	\$ 143,239	\$ 624,125	\$ 633,958

Capital assets related to governmental activities decreased \$12 million in comparison to the prior year, primarily due to the net effect of current year depreciation of \$34 million and the assets acquired or completed during the year, which included:

- Park Improvements: \$5.1 million
- Road construction: \$3.3 million
- Equipment additions and disposals: \$1.5 million
- Persigehl Land Acquisition \$3.1 million

Capital assets related to business-type activities increased \$2 million in comparison to the prior year. 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, 2018
(CONTINUED)**

OUTSTANDING DEBT

At June 30, 2018, the County's outstanding bonded debt totaled \$148 million. Of this amount, \$109 million is general obligation debt backed by the full faith and credit of the County, and \$5 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	
	2018	2017	2018	2017	2018	2017
General Obligation Bonds	\$ 96,718	\$ 103,114	\$ 11,975	\$ 14,291	\$ 108,693	\$ 117,405
Revenue Bonds	34,312	35,152	-	-	34,312	35,152
Special Assessment Bonds	4,660	5,278	-	-	4,660	5,278
Total	\$ 135,690	\$ 143,544	\$ 11,975	\$ 14,291	\$ 147,665	\$ 157,835

Outstanding debt related to governmental activities decreased by \$8 million from prior year due to regularly scheduled principal payments, discounts, premiums and deferred charges on refunding.

Outstanding debt for business-type activities decreased \$2 million from prior year due to regularly scheduled principal payments, discounts, premiums and deferred charges on refunding.

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 \$1.6 billion, which is \$1.4 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 the Washoe County Comptroller, 1001 E. 9th Street, D-200, Reno, NV 89512. This report will also be available on the County's web site (www.washoecounty.us/comptroller/CAFR). Truckee Meadows Fire Protection District is included in this report as a discretely presented component unit. This entity issues its own separately audited financial statements, which is filed at the Washoe County Clerk's Office, 1001 E. 9th Street, Room A-100, Reno, Nevada 89512.



BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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WASHOE COUNTY, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Truckee Meadows Fire Protection District
Assets				
Cash and investments	\$ 193,018,874	\$ 94,092,359	\$ 287,111,233	\$ 18,270,851
Restricted cash and investments (Note 4)	3,537,496	1,275,616	4,813,112	-
Accounts receivable	7,822,057	1,312,831	9,134,888	89,269
Consolidated tax receivable	20,107,948	-	20,107,948	119,818
Property taxes receivable	1,222,081	-	1,222,081	-
Other taxes receivable	11,163,979	-	11,163,979	-
Interest receivable	843,869	359,204	1,203,073	76,255
Due from other governments	15,294,735	4,098,240	19,392,975	2,688,334
Internal balances	(18,157,978)	18,157,978	-	-
Inventory	365,030	-	365,030	-
Deposits and other assets	2,102,015	20,681	2,122,696	1,290,236
Long-term restricted cash and investments (Note 4)	2,393,788	-	2,393,788	-
Long-term assets (Notes 5)	41,608	113,802	155,410	-
Capital Assets: (Note 6)				
Nondepreciable	156,928,740	30,268,868	187,197,608	2,544,336
Other capital assets, net of depreciation	321,690,734	115,237,554	436,928,288	24,973,682
Total Assets	718,374,976	264,937,133	983,312,109	50,052,781
Deferred Outflows of Resources				
Deferred charge on refunding	266,278	110,646	376,924	-
Deferred outflows of resources - Pensions (Note 14)	69,334,669	1,030,247	70,364,916	5,315,274
Deferred outflows of resources - OPEB (Note 15)	25,933,939	480,748	26,414,687	-
Total Deferred Outflows of Resources	95,534,886	1,621,641	97,156,527	5,315,274
Liabilities				
Accounts payable	8,917,264	419,940	9,337,204	1,615,874
Accrued salaries and benefits	4,501,387	70,352	4,571,739	-
Contracts/retention payable	82,721	185,935	268,656	105,189
Interest payable	908,451	140,105	1,048,556	-
Accrued interest - capital appreciation bonds	8,846,680	-	8,846,680	-
Due to other governments	9,179,072	538,335	9,717,407	1,131,593
Other liabilities (Note 7)	3,542,748	264,137	3,806,885	-
Unearned revenue (Note 8)	3,627,832	1,001,426	4,629,258	-
Noncurrent Liabilities: (Notes 9,10,11,16)				
Due within one year	39,368,170	2,595,152	41,963,322	2,100,591
Due in more than one year, payable from restricted assets	2,393,788	-	2,393,788	-
Net pension liability (Note 14)	404,309,977	5,413,217	409,723,194	28,288,166
OPEB liability (Note 15)	252,495,737	4,680,610	257,176,347	1,529,568
Due in more than one year	155,930,952	9,809,221	165,740,173	2,414,591
Total Liabilities	894,104,779	25,118,430	919,223,209	37,185,572
Deferred Inflows of Resources				
Deferred inflows of resources - Unavailable revenues	-	-	-	10,081
Deferred inflows of resources - Pensions (Note 14)	30,218,988	340,948	30,559,936	2,715,426
Deferred inflows of resources - OPEB (Note 15)	7,155,358	132,642	7,288,000	201,731
Total Deferred Inflows of Resources	37,374,346	473,590	37,847,936	2,927,238
Net Position (Note 13)				
Net investment in capital assets	394,492,519	133,531,663	528,024,182	27,518,018
Restricted for:				
General government	8,731,111	-	8,731,111	-
Judicial	10,106,765	-	10,106,765	-
Public safety	10,829,130	1,022,075	11,851,205	1,184,963
Public works	339,630	-	339,630	-
Health and sanitation	11,037,998	-	11,037,998	-
Welfare	6,242,225	-	6,242,225	-
Culture and recreation	1,721,467	-	1,721,467	-
Debt service	13,330,754	1,135,511	14,466,265	-
Capital projects	24,274,054	-	24,274,054	5,385,308
Claims	24,764,264	-	24,764,264	838,733
Unrestricted	(623,439,180)	105,277,505	(518,161,675)	(19,671,777)
Total Net Position	\$ (117,569,263)	\$ 240,966,754	\$ 123,397,491	\$ 15,255,245

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, 2018**

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	\$ 85,802,779	\$ (5,136,011)	\$ 34,215,203	\$ 2,632,199	\$ 26,688
Judicial	77,135,656	-	9,975,709	3,554,057	-
Public safety	168,377,193	446,607	18,435,760	4,748,481	875,043
Public works	45,124,210	1,011,029	8,190,837	1,053,475	18,983,264
Health and sanitation	22,158,986	1,641,580	8,078,636	7,245,143	994,378
Welfare	88,059,378	2,023,321	9,581,744	43,024,079	-
Culture and recreation	24,469,885	13,474	1,368,417	3,337,514	1,111,224
Community support	255,534	-	-	-	-
Interest on long-term debt	5,656,774	-	-	-	-
Total Governmental Activities	517,040,395	-	89,846,306	65,594,948	21,990,597
Business-type Activities:					
Utilities	11,981,054	-	15,678,774	908,005	11,809,452
Golf courses	267,925	-	184,559	3,141	-
Building permits	2,312,880	-	3,604,575	-	-
Total Business-type Activities	14,561,859	-	19,467,908	911,146	11,809,452
Total Primary Government	\$ 531,602,254	\$ -	\$ 109,314,214	\$ 66,506,094	\$ 33,800,049
Component Unit:					
Truckee Meadows Fire Protection District	\$ 31,855,973	\$ -	\$ 558,158	\$ 4,900	\$ 1,350
Total Component Units	\$ 31,855,973	\$ -	\$ 558,158	\$ 4,900	\$ 1,350

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
Total General Revenues

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 Unit
Governmental Activities	Business-type Activities	Total	Truckee Meadows Fire Protection District
\$ (43,792,678)	\$ -	\$ (43,792,678)	
(63,605,890)	-	(63,605,890)	
(144,764,516)	-	(144,764,516)	
(17,907,663)	-	(17,907,663)	
(7,482,409)	-	(7,482,409)	
(37,476,876)	-	(37,476,876)	
(18,666,204)	-	(18,666,204)	
(255,534)	-	(255,534)	
(5,656,774)	-	(5,656,774)	
(339,608,544)	-	(339,608,544)	
	16,415,177	16,415,177	
	(80,225)	(80,225)	
	1,291,695	1,291,695	
-	17,626,647	17,626,647	
(339,608,544)	17,626,647	(321,981,897)	
			\$ (31,291,565)
			(31,291,565)
196,142,422	-	196,142,422	17,635,993
111,301,067	-	111,301,067	8,346,596
13,582,832	-	13,582,832	1,315,765
10,193,643	-	10,193,643	-
3,084,507	-	3,084,507	89,201
9,852,022	-	9,852,022	1,561,190
917,241	671	917,912	104,431
49,554	-	49,554	-
345,123,288	671	345,123,959	29,053,176
5,514,744	17,627,318	23,142,062	(2,238,389)
(123,084,007)	223,339,436	100,255,429	17,493,634
\$ (117,569,263)	\$ 240,966,754	\$ 123,397,491	\$ 15,255,245

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

**WASHOE COUNTY, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Child Protective Services Fund	Other Restricted Fund	Indigent Tax Levy Fund
Assets				
Cash and investments	\$ 39,864,828	\$ 10,922,710	\$ 21,480,261	\$ 10,415,148
Restricted cash and investments (Note 4)	3,492,090	-	45,406	-
Accounts receivable	2,297,084	-	10,877	23,876
Consolidated tax receivable	20,107,948	-	-	-
Property taxes receivable	1,011,797	34,658	8,667	52,099
Other taxes receivable	3,849,335	-	373,708	-
Interest receivable	413,079	-	19,794	42,733
Due from other governments	1,762,696	4,661,258	1,894,823	-
Deposits and prepaid items	7,621	-	8,449	-
Total Assets	\$ 72,806,478	\$ 15,618,626	\$ 23,841,985	\$ 10,533,856
Liabilities				
Accounts payable	\$ 2,783,936	\$ 2,427,445	\$ 986,979	\$ 330,602
Accrued salaries and benefits	3,394,319	383,124	106,073	73,597
Contracts/retention payable	-	-	-	-
Due to other governments	2,126,040	6,033	25,495	4,476,223
Deposits (Note 7)	2,922,099	-	64,039	-
Other liabilities (Note 7)	79,228	4,145	-	-
Unearned revenue (Note 8)	3,627,832	-	-	-
Total Liabilities	14,933,454	2,820,747	1,182,586	4,880,422
Deferred Inflows of Resources (Note 8)				
Unavailable revenue - grants and other revenue	-	81,815	330,565	-
Unavailable revenue - property taxes	816,954	29,074	7,271	43,719
Total Deferred Inflows of Resources	816,954	110,889	337,836	43,719
Fund Balances (Note 13)				
Nonspendable	-	-	8,449	-
Restricted	3,494,184	47,946	21,595,559	5,609,715
Committed	169,349	12,639,044	1,212,820	-
Assigned	1,401,787	-	-	-
Unassigned	51,990,750	-	(495,265)	-
Total Fund Balances	57,056,070	12,686,990	22,321,563	5,609,715
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 72,806,478	\$ 15,618,626	\$ 23,841,985	\$ 10,533,856

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

	Special Assessment Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$	1,463,266	\$ 64,116,132	\$ 148,262,345
	-	-	3,537,496
	-	640,646	2,972,483
	-	-	20,107,948
	-	114,862	1,222,083
	5,227,619	1,713,316	11,163,978
	4,990	207,067	687,663
	-	6,880,042	15,198,819
	-	-	16,070
	<u>6,695,875</u>	<u>\$ 73,672,065</u>	<u>\$ 203,168,885</u>
\$	717	\$ 1,476,444	\$ 8,006,123
	-	497,979	4,455,092
	-	82,721	82,721
	-	985,049	7,618,840
	-	133,210	3,119,348
	15,395	23,369	122,137
	-	-	3,627,832
	<u>16,112</u>	<u>3,198,772</u>	<u>27,032,093</u>
	5,227,619	2,591,906	8,231,905
	-	97,164	994,182
	<u>5,227,619</u>	<u>2,689,070</u>	<u>9,226,087</u>
	-	-	8,449
	1,452,144	45,157,498	77,357,046
	-	11,812,773	25,833,986
	-	10,813,952	12,215,739
	-	-	51,495,485
	<u>1,452,144</u>	<u>67,784,223</u>	<u>166,910,705</u>
\$	<u>6,695,875</u>	<u>\$ 73,672,065</u>	<u>\$ 203,168,885</u>

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, 2018**

Fund Balances - Governmental Funds		\$ 166,910,705
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	\$ 1,233,608,324	
Less accumulated depreciation	<u>(764,336,518)</u>	469,271,806
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Deferred Outflows - PERS Pension (GASB 68)	69,334,669	
Deferred Outflows - OPEB Pension (GASB 75)	25,933,939	
Prepaid bond insurance	41,608	95,310,216
Other liabilities are not due and payable in the current period and therefore are not reported in governmental funds.		
Accreted Interest	(8,846,680)	(8,846,680)
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	(135,690,387)	
Bond premiums, discounts and charge on refundings	(3,388,190)	
Accrued interest payable	(908,451)	
Remediation obligation	(5,788,458)	
Net Pension Liability - GASB 68	(404,309,977)	
Net OPEB Liability - GASB 75	(252,495,737)	
Due to other governments	(3,120,000)	
Deferred Inflows - pension	(30,218,988)	
Deferred Inflows - other postemployment benefits	(7,155,358)	
Compensated absences	<u>(27,873,916)</u>	(870,949,462)
Revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.		
		9,226,087
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	39,666,043	
Internal balances receivable from business-type activities	<u>1,563,774</u>	41,229,817
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the Statement of Activities indirect expenses are eliminated.		
		<u>(19,721,752)</u>
Total Net Position of Governmental Activities		<u>\$ (117,569,263)</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, 2018

	<u>General Fund</u>	<u>Child Protective Services Fund</u>	<u>Other Restricted Fund</u>	<u>Indigent Tax Levy Fund</u>
Revenues				
Taxes:				
Ad valorem	\$ 161,885,402	\$ 5,643,098	\$ 1,410,762	\$ 8,467,606
Car rental fee	-	-	1,701,108	-
Other taxes	464,102	-	-	-
Special assessments	-	-	-	-
Licenses and permits	9,692,713	22,180	-	-
Intergovernmental revenues	134,083,005	40,126,184	9,936,331	-
Charges for services	21,645,382	4,975,701	3,642,139	53,294
Fines and forfeits	7,746,113	-	3,269,797	-
Miscellaneous	3,703,483	8,047,197	775,483	3,884,799
Total Revenues	339,220,200	58,814,360	20,735,620	12,405,699
Expenditures				
Current:				
General government	43,488,062	-	1,450,409	-
Judicial	66,916,961	-	6,556,287	-
Public safety	140,181,312	-	4,331,941	-
Public works	13,761,162	-	727,602	-
Health and sanitation	-	-	-	-
Welfare	1,233,556	57,224,111	1,129,529	30,106,551
Culture and recreation	15,901,057	-	893,154	-
Community support	251,976	-	-	-
Intergovernmental	3,630,159	-	1,411,246	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest	-	-	-	-
Debt service fees and other fiscal charges	-	-	-	-
Assessment refunds	-	-	-	-
Total Expenditures	285,364,245	57,224,111	16,500,168	30,106,551
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,855,955	1,590,249	4,235,452	(17,700,852)
Other Financing Sources (Uses)				
Proceeds from asset disposition	24,069	-	5,995	-
Proceeds from insurance recoveries	-	-	-	-
Transfers in	91,515	847,237	-	17,711,175
Transfers out	(47,486,294)	(464,398)	(3,139,408)	-
Total Other Financing Sources (Uses)	(47,370,710)	382,839	(3,133,413)	17,711,175
Net Change in Fund Balances	6,485,245	1,973,088	1,102,039	10,323
Fund Balances, July 1	50,570,825	10,713,902	21,219,524	5,599,392
Fund Balances, June 30	\$ 57,056,070	\$ 12,686,990	\$ 22,321,563	\$ 5,609,715

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

	Special Assessment Debt Service Fund	Other Governmental Funds	Total Governmental Funds
\$	-	\$ 18,540,200	\$ 195,947,068
	-	-	1,701,108
	-	442,868	906,970
	618,119	-	618,119
	-	3,582,339	13,297,232
	-	34,830,962	218,976,482
	-	9,247,301	39,563,817
	-	450	11,016,360
	<u>299,397</u>	<u>2,170,702</u>	<u>18,881,061</u>
	<u>917,516</u>	<u>68,814,822</u>	<u>500,908,217</u>
	-	365,556	45,304,027
	-	-	73,473,248
	-	19,114,489	163,627,742
	-	14,497,010	28,985,774
	-	23,258,657	23,258,657
	-	5,107,426	94,801,173
	-	2,432,323	19,226,534
	-	-	251,976
	-	5,102,292	10,143,697
	-	21,181,895	21,181,895
	617,977	7,235,838	7,853,815
	194,322	4,160,628	4,354,950
	34,931	33,174	68,105
	<u>462,424</u>	<u>-</u>	<u>462,424</u>
	<u>1,309,654</u>	<u>102,489,288</u>	<u>492,994,017</u>
	<u>(392,138)</u>	<u>(33,674,466)</u>	<u>7,914,200</u>
	-	19,500	49,564
	-	5,985	5,985
	-	36,011,805	54,661,732
	<u>-</u>	<u>(3,571,632)</u>	<u>(54,661,732)</u>
	<u>-</u>	<u>32,465,658</u>	<u>55,549</u>
	<u>(392,138)</u>	<u>(1,208,808)</u>	<u>7,969,749</u>
	<u>1,844,282</u>	<u>68,993,031</u>	<u>158,940,956</u>
\$	<u><u>1,452,144</u></u>	<u><u>\$ 67,784,223</u></u>	<u><u>\$ 166,910,705</u></u>

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, 2018

Net Change in Fund Balances - Governmental Funds \$ 7,969,749

Amounts reported for governmental activities in the Statement of Net Position are different because:

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.

Expenditures for capital assets	\$ 24,789,321	
Less current year depreciation/amortization	<u>(32,277,007)</u>	(7,487,686)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds.

Donated capital assets	559,878	
Change in unavailable revenue	<u>(99,919)</u>	459,959

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:

Bond principal payments		7,853,815
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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.

Amortization of bond premium	339,926	
Amortization of deferred charge on refunding	(27,489)	
Amortization of bond prepaid insurance	(7,608)	
Change of prepaid equipment lease	(33,294)	
Change in lease deposits	(2,034,971)	
Change in lease payable	15,492	
Change in compensated absences	(1,252,747)	
Change in remediation obligation	90,487	
Change in claims and judgements	(122,274)	
Change in GASB 68/82 pension	(3,373,898)	
Change in GASB 75 OPEB (PEBP)	3,490,151	
Change in accrued interest payable	45,349	
Change in accreted interest capital appreciation bonds	(1,129,082)	
Transfer of capital assets to internal service funds	(377,870)	
Disposition of capital assets	<u>(1,375,170)</u>	(5,752,998)

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.

Change in net position of internal service funds	3,605,324	
Internal charges reported in business activities	<u>(1,133,419)</u>	2,471,905

Change in Net Position of Governmental Activities		<u>\$ 5,514,744</u>
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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, 2018

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 161,335,423	\$ 161,335,423	\$ 161,885,402	\$ 549,979
Other taxes	425,000	425,000	464,102	39,102
Licenses and permits	9,602,200	9,602,200	9,692,712	90,512
Intergovernmental revenues	130,581,648	130,581,648	134,083,005	3,501,357
Charges for services	20,064,285	20,249,959	21,645,383	1,395,424
Fines and forfeits	6,881,550	6,881,550	7,746,112	864,562
Miscellaneous	3,647,349	3,659,095	3,703,484	44,389
Total Revenues	332,537,455	332,734,875	339,220,200	6,485,325
Expenditures by Function and Activity				
General Government:				
Legislative	783,637	764,637	750,331	14,306
Executive	5,165,851	6,284,158	5,243,880	1,040,278
Elections	1,745,188	1,745,188	1,551,679	193,509
Finance	12,651,703	12,879,127	12,181,976	697,151
Other General Government	23,702,984	23,310,455	23,760,196	(449,741)
Total General Government	44,049,363	44,983,565	43,488,062	1,495,503
Judicial:				
District Court	20,715,636	20,746,239	20,732,687	13,552
District Attorney	21,804,532	21,848,100	21,721,382	126,718
Public Defense	13,531,571	13,537,464	13,598,376	(60,912)
Justice Courts	11,105,366	11,174,295	10,703,503	470,792
Incline Constable	176,693	176,751	161,013	15,738
Other-budgeted savings	(669,000)	(669,000)	-	(669,000)
Total Judicial	66,664,798	66,813,849	66,916,961	(103,112)
Public Safety:				
Sheriff and Detention	114,881,902	115,225,552	115,646,641	(421,089)
Medical Examiner	3,252,054	3,449,474	3,479,563	(30,089)
County Manager	2,384,218	2,384,218	1,226,559	1,157,659
Juvenile Services	16,067,635	15,924,823	15,330,832	593,991
Protective Services	4,740,647	4,740,666	4,497,717	242,949
Other-budgeted savings	(665,000)	485,246	-	485,246
Total Public Safety	140,661,456	142,209,979	140,181,312	2,028,667
Public Works:				
Community Services Department (CSD)	14,216,987	14,728,950	13,761,162	967,788
Other-budgeted savings	-	(305,000)	-	(305,000)
Total Public Works	14,216,987	14,423,950	13,761,162	662,788
Welfare:				
Human Services	1,485,173	1,485,359	1,233,556	251,803
Culture and Recreation:				
Library	9,753,786	9,759,078	9,486,785	272,293
CSD - Regional Parks and Open Space	6,248,095	6,586,295	6,414,272	172,023
Other Culture and Recreation	(226,000)	(226,000)	-	(226,000)
Total Culture and Recreation	15,775,881	16,119,373	15,901,057	218,316

(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, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Community Support	\$ 269,761	\$ 367,280	\$ 251,976	\$ 115,304
Intergovernmental	3,537,309	3,537,309	3,630,159	(92,850)
Total Expenditures	286,660,728	289,940,664	285,364,245	4,576,419
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>45,876,727</u>	<u>42,794,211</u>	<u>53,855,955</u>	<u>11,061,744</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	5,000	5,000	24,069	19,069
Transfers in	332,400	332,400	91,515	(240,885)
Transfers out	<u>(43,933,234)</u>	<u>(44,487,069)</u>	<u>(47,486,294)</u>	<u>(2,999,225)</u>
Total Other Financing Sources (Uses)	<u>(43,595,834)</u>	<u>(44,149,669)</u>	<u>(47,370,710)</u>	<u>(3,221,041)</u>
Net Change in Fund Balances	2,280,893	(1,355,458)	6,485,245	7,840,703
Fund Balances, July 1	<u>49,487,866</u>	<u>51,230,089</u>	<u>50,570,825</u>	<u>(659,264)</u>
Fund Balances, June 30	<u>\$ 51,768,759</u>	<u>\$ 49,874,631</u>	<u>\$ 57,056,070</u>	<u>\$ 7,181,439</u>

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

**WASHOE COUNTY, NEVADA
CHILD PROTECTIVE SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 5,619,618	\$ 5,619,618	\$ 5,643,098	\$ 23,480
Licenses and Permits:				
Day care licenses	22,500	22,500	22,180	(320)
Intergovernmental Revenues:				
Federal grants	20,541,093	24,119,780	22,935,304	(1,184,476)
State grants	18,205,066	18,708,348	17,190,880	(1,517,468)
Charges for Services:				
Service fees	3,492,000	3,492,000	4,975,701	1,483,701
Miscellaneous:				
Contributions and donations	45,000	50,085	50,085	-
Other	7,965,822	8,090,862	7,997,112	(93,750)
Total Revenues	<u>55,891,099</u>	<u>60,103,193</u>	<u>58,814,360</u>	<u>(1,288,833)</u>
Expenditures				
Welfare Function:				
Salaries and wages	17,377,956	17,713,953	16,544,884	1,169,069
Employee benefits	10,206,560	10,299,868	9,693,751	606,117
Services and supplies	28,753,819	32,747,960	30,831,827	1,916,133
Capital outlay	-	40,500	153,649	(113,149)
Total Expenditures	<u>56,338,335</u>	<u>60,802,281</u>	<u>57,224,111</u>	<u>3,578,170</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(447,236)</u>	<u>(699,088)</u>	<u>1,590,249</u>	<u>2,289,337</u>
Other Financing Sources (Uses)				
Transfers:				
General Fund	847,237	847,237	847,237	-
Debt Service Fund	(400,000)	(400,000)	(400,000)	-
Capital Improvements Fund	-	(64,398)	(64,398)	-
Total Other Financing Sources (Uses)	<u>447,237</u>	<u>382,839</u>	<u>382,839</u>	<u>-</u>
Net Change in Fund Balances	<u>1</u>	<u>(316,249)</u>	<u>1,973,088</u>	<u>2,289,337</u>
Fund Balances, July 1	<u>7,323,963</u>	<u>7,640,213</u>	<u>10,713,902</u>	<u>3,073,689</u>
Fund Balances, June 30	<u>\$ 7,323,964</u>	<u>\$ 7,323,964</u>	<u>\$ 12,686,990</u>	<u>\$ 5,363,026</u>

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

**WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 1,404,904	\$ 1,404,904	\$ 1,410,762	\$ 5,858
Car rental	1,250,000	1,250,000	1,701,108	451,108
Intergovernmental revenues:				
Federal grants	3,894,440	9,251,903	6,035,568	(3,216,335)
Federal narcotics forfeitures	110,800	110,800	266,111	155,311
State grants	5,100	5,632,381	2,951,835	(2,680,546)
Local contributions	634,674	674,674	682,817	8,143
Charges for Services:				
General Government:				
Recorder fees	350,000	350,000	432,082	82,082
Map fees	94,000	94,000	101,715	7,715
Assessor commissions	525,000	525,000	619,767	94,767
Other	6,000	6,000	8,687	2,687
Judicial	1,379,500	1,379,500	1,065,624	(313,876)
Public Safety	815,922	875,923	989,799	113,876
Public Works	98,421	98,421	157,365	58,944
Welfare	90,000	90,000	74,876	(15,124)
Culture and Recreation	277,408	277,408	192,224	(85,184)
Fines and Forfeitures:				
Court fines	2,346,039	2,738,836	3,239,360	500,524
Forfeitures/bail	80,100	80,100	30,437	(49,663)
Miscellaneous:				
Investment earnings	49,550	49,550	82,761	33,211
Net increase (decrease) in the fair value of investments	-	-	(72,668)	(72,668)
Contributions and donations	315,000	642,676	626,708	(15,968)
Other	-	439,348	138,682	(300,666)
Total Revenues	13,726,858	25,971,424	20,735,620	(5,235,804)
Expenditures				
General Government Function:				
County Manager:				
Services and supplies	-	314,297	132,696	181,601
Assessor:				
Services and supplies	375,000	2,308,131	367,242	1,940,889
Capital outlay	150,000	150,000	609,418	(459,418)
	525,000	2,458,131	976,660	1,481,471
Human Resources:				
Services and supplies	-	4,613	-	4,613
Clerk:				
Services and supplies	6,050	46,848	30	46,818
Recorder:				
Salaries and wages	49,358	49,358	34,165	15,193
Employee benefits	24,736	24,736	14,628	10,108
Services and supplies	226,506	3,158,476	181,871	2,976,605
	300,600	3,232,570	230,664	3,001,906

(CONTINUED)

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

**WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Technology Services:				
Services and supplies	\$ 94,000	\$ 226,699	\$ 110,000	\$ 116,699
Community Development:				
Services and supplies	-	1,817	359	1,458
Total General Government Function	925,650	6,284,975	1,450,409	4,834,566
Judicial Function:				
District Court:				
Salaries and wages	761,135	839,961	670,718	169,243
Employee benefits	439,606	439,606	425,923	13,683
Services and supplies	914,313	2,732,012	1,353,230	1,378,782
Capital outlay	491,400	4,783,449	-	4,783,449
	2,606,454	8,795,028	2,449,871	6,345,157
District Attorney:				
Salaries and wages	1,799,542	1,809,542	1,704,737	104,805
Employee benefits	1,118,189	1,118,189	1,038,765	79,424
Services and supplies	234,860	1,410,438	290,476	1,119,962
	3,152,591	4,338,169	3,033,978	1,304,191
Justice Courts:				
Reno Justice Court:				
Salaries and wages	21,500	59,557	35,799	23,758
Employee Benefits	-	-	1,295	(1,295)
Services and supplies	693,917	2,937,192	786,869	2,150,323
	715,417	2,996,749	823,963	2,172,786
Sparks Justice Court:				
Services and supplies	154,894	655,631	69,134	586,497
Incline Justice Court:				
Services and supplies	18,066	76,468	13,583	62,885
Wadsworth Justice Court:				
Services and supplies	52,445	221,986	74,308	147,678
Incline Constable:				
Services and supplies	-	251	-	251
Neighborhood Justice Center:				
Services and supplies	29,532	125,000	91,450	33,550
Total Judicial Function	6,729,399	17,209,282	6,556,287	10,652,995

(CONTINUED)

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

**WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Public Safety Function:				
Sheriff:				
Salaries and wages	\$ 322,373	\$ 1,787,069	\$ 470,681	\$ 1,316,388
Employee benefits	114,421	330,605	113,167	217,438
Services and supplies	417,900	5,022,844	1,866,365	3,156,479
Capital outlay	-	404,588	241,995	162,593
	<u>854,694</u>	<u>7,545,106</u>	<u>2,692,208</u>	<u>4,852,898</u>
Medical Examiner:				
Salaries and wages	-	133,091	38,293	94,798
Employee benefits	-	13,000	14,467	(1,467)
Services and supplies	26,000	232,158	64,774	167,384
	<u>26,000</u>	<u>378,249</u>	<u>117,534</u>	<u>260,715</u>
Fire Suppression:				
Salaries and wages	-	27,914	7,759	20,155
Employee benefits	-	-	71	(71)
Services and supplies	-	1,500	1,527	(27)
	<u>-</u>	<u>29,414</u>	<u>9,357</u>	<u>20,057</u>
Juvenile Services:				
Salaries and wages	236,423	259,970	241,232	18,738
Employee benefits	128,229	129,653	77,264	52,389
Services and supplies	356,271	3,303,921	694,308	2,609,613
Capital outlay	-	-	61,710	(61,710)
	<u>720,923</u>	<u>3,693,544</u>	<u>1,074,514</u>	<u>2,619,030</u>
Alternative Sentencing:				
Salaries and wages	60,000	148,456	106,109	42,347
Employee benefits	-	-	5,474	(5,474)
Services and supplies	-	39,675	(123)	39,798
	<u>60,000</u>	<u>188,131</u>	<u>111,460</u>	<u>76,671</u>
Emergency Management:				
Salaries and wages	49,268	58,198	50,002	8,196
Employee benefits	26,575	31,134	24,281	6,853
Services and supplies	-	503,309	252,585	250,724
	<u>75,843</u>	<u>592,641</u>	<u>326,868</u>	<u>265,773</u>
Total Public Safety Function	<u>1,737,460</u>	<u>12,427,085</u>	<u>4,331,941</u>	<u>8,095,144</u>
Public Works Function:				
CSD - Public Works:				
Salaries and wages	61,569	61,569	50,268	11,301
Employee benefits	32,703	32,703	35,716	(3,013)
Services and supplies	639,323	906,316	636,618	269,698
Capital outlay	-	-	5,000	(5,000)
Total Public Works Function	<u>733,595</u>	<u>1,000,588</u>	<u>727,602</u>	<u>272,986</u>

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

(CONTINUED)

**WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Welfare Function:				
Social Services:				
Salaries and wages	\$ 105,623	\$ 1,159,857	\$ 406,117	\$ 753,740
Employee benefits	53,865	344,699	187,828	156,871
Services and supplies	153,398	858,139	535,584	322,555
Total Welfare Function	312,886	2,362,695	1,129,529	1,233,166
Culture and Recreation Function:				
Library:				
Services and supplies	-	25,153	25,153	-
Capital outlay	-	96,000	-	96,000
	-	121,153	25,153	96,000
CSD - Regional Parks and Open Space:				
Salaries and wages	-	2,880	1,440	1,440
Services and supplies	-	1,227,612	214,597	1,013,015
Capital outlay	862,005	52,395	52,395	-
	862,005	1,282,887	268,432	1,014,455
May Center:				
Salaries and wages	263,083	263,083	241,520	21,563
Employee benefits	110,518	110,518	111,887	(1,369)
Services and supplies	286,181	371,395	246,162	125,233
	659,782	744,996	599,569	145,427
Total Culture and Recreation Function	1,521,787	2,149,036	893,154	1,255,882
Intergovernmental:				
Cooperative Extension apportionment	1,404,904	1,404,904	1,411,246	(6,342)
Total Expenditures	13,365,681	42,838,565	16,500,168	26,338,397
Excess (Deficiency) of Revenues Over (Under) Expenditures	361,177	(16,867,141)	4,235,452	21,102,593
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	5,995	5,995
Transfers:				
General Fund	(332,400)	(332,400)	(91,515)	240,885
Debt Service Fund	(1,250,000)	(1,250,000)	(1,293,283)	(43,283)
Capital Improvement Fund	-	(2,000,000)	(1,754,610)	245,390
Total Other Financing Sources (Uses)	(1,582,400)	(3,582,400)	(3,133,413)	448,987
Net Change in Fund Balances	(1,221,223)	(20,449,541)	1,102,039	21,551,580
Fund Balances, July 1	1,530,191	20,758,509	21,219,524	461,015
Fund Balances, June 30	\$ 308,968	\$ 308,968	\$ 22,321,563	\$ 22,012,595

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

**WASHOE COUNTY, NEVADA
INDIGENT TAX LEVY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 8,429,427	\$ 8,429,427	\$ 8,467,606	\$ 38,179
Charges for Services:				
Reimbursements	78,000	78,000	53,294	(24,706)
Miscellaneous:				
Investment earnings	60,000	60,000	169,364	109,364
Net increase (decrease) in the fair value of investments	-	-	(162,798)	(162,798)
Other	3,322,000	3,322,000	3,878,233	556,233
Total Revenues	11,889,427	11,889,427	12,405,699	516,272
Expenditures				
Welfare Function:				
Salaries and wages	3,394,938	3,394,938	3,283,422	111,516
Employee benefits	2,009,042	2,009,042	1,870,668	138,374
Services and supplies	26,771,237	26,621,237	24,952,461	1,668,776
Total Expenditures	32,175,217	32,025,217	30,106,551	1,918,666
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,285,790)	(20,135,790)	(17,700,852)	2,434,938
Other Financing Sources (Uses)				
Transfers In:				
General Fund	17,711,175	17,711,175	17,711,175	-
Transfers Out				
Public Works Construction	(367,200)	(517,200)	-	(517,200)
Net Change in Fund Balances	(2,941,815)	(2,941,815)	10,323	2,952,138
Fund Balances, July 1	6,996,644	6,996,644	5,599,392	(1,397,252)
Fund Balances, June 30	\$ 4,054,829	\$ 4,054,829	\$ 5,609,715	\$ 1,554,886

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

**WASHOE COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utilities Fund	Building and Safety Fund	Nonmajor Golf Course Fund	Total	
Assets					
Current Assets:					
Cash and investments (Note 3)	\$ 89,370,239	\$ 3,819,867	\$ 902,253	\$ 94,092,359	\$ 44,756,529
Restricted cash and investments (Note 4)	1,275,616	-	-	1,275,616	-
Accounts receivable	1,293,402	-	19,429	1,312,831	4,849,573
Interest receivable	341,536	14,247	3,421	359,204	156,207
Due from other governments	4,098,240	-	-	4,098,240	95,913
Inventory	-	-	-	-	365,030
Other assets	20,681	-	-	20,681	2,085,945
Total Current Assets	96,399,714	3,834,114	925,103	101,158,931	52,309,197
Noncurrent Assets:					
Restricted cash and investments (Note 4)	-	-	-	-	2,393,788
Long-term receivables and other assets (Note 5)	113,802	-	-	113,802	-
Capital Assets: (Note 6)					
Nondepreciable:					
Land	7,750,204	-	173,000	7,923,204	-
Plant capacity	-	-	825,150	825,150	-
Construction in progress	21,520,515	-	-	21,520,515	1,169,274
Depreciable:					
Land improvements	2,404,820	-	3,874,949	6,279,769	-
Buildings and improvements	56,964,068	-	1,258,356	58,222,424	24,990
Infrastructure	112,299,015	-	-	112,299,015	-
Equipment	754,546	71,366	164,804	990,716	27,399,938
Software	822,000	254,630	-	1,076,630	-
Plant, well capacity	2,368,822	-	-	2,368,822	-
Less accumulated depreciation	(61,196,685)	(160,514)	(4,642,624)	(65,999,823)	(19,246,534)
Total Noncurrent Assets	143,801,107	165,482	1,653,635	145,620,224	11,741,456
Total Assets	240,200,821	3,999,596	2,578,738	246,779,155	64,050,653
Deferred Outflows of Resources					
Deferred outflows of resources related to pensions	590,284	413,890	26,073	1,030,247	-
Deferred outflows of resources related to OPEB	295,845	184,903	-	480,748	-
Deferred outflows of resources related to debt	110,646	-	-	110,646	-
Total Deferred Outflows of Resources	996,775	598,793	26,073	1,621,641	-
Liabilities					
Current Liabilities:					
Accounts payable	402,257	17,683	-	419,940	911,141
Accrued salaries and benefits	40,724	29,206	422	70,352	46,293
Compensated absences (Notes 9,10)	188,457	122,387	-	310,844	286,240
Contracts/retention payable	185,935	-	-	185,935	-
Interest payable	140,105	-	-	140,105	-
Due to other governments	538,335	-	-	538,335	232
Unearned revenue (Note 8)	145,159	856,267	-	1,001,426	-
Other liabilities (Note 7)	260,137	-	-	260,137	301,263
Notes, bonds, leases payable (Notes 9,10,11)	2,284,308	-	-	2,284,308	-
Deposits	-	4,000	-	4,000	-
Pending claims (Note 16)	-	-	-	-	10,335,000
Total Current Liabilities	4,185,417	1,029,543	422	5,215,382	11,880,169

(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, 2018**

	Business-type Activities - Enterprise Funds				Governmental Activities Internal Service Funds
	Utilities Fund	Building and Safety Fund	Nonmajor Golf Course Fund	Total	
Noncurrent Liabilities: (Notes 9,10,11,16)					
Compensated absences	\$ 59,546	\$ 38,670	\$ -	\$ 98,216	\$ 90,441
Due to other governments - LT	19,566	-	-	19,566	-
Notes, bonds, leases payable	9,690,451	-	-	9,690,451	-
Other long term liabilities - Pensions	2,746,685	2,214,784	451,748	5,413,217	10,020,212
Other long term liabilities - OPEB	2,880,375	1,800,235	-	4,680,610	-
Unearned revenue (Note 8)	-	988	-	988	-
Pending claims payable from restricted cash	-	-	-	-	2,393,788
Total Noncurrent Liabilities	15,396,623	4,054,677	451,748	19,903,048	12,504,441
Total Liabilities	19,582,040	5,084,220	452,170	25,118,430	24,384,610
Deferred Inflows of Resources					
Deferred inflows of resources related to pensions	140,611	159,408	40,929	340,948	-
Deferred inflows of resources related to OPEB	81,626	51,016	-	132,642	-
Total Deferred Inflows of Resources	222,237	210,424	40,929	473,590	-
Net Position (Note 13)					
Net investment in capital assets	131,712,546	165,482	1,653,635	133,531,663	9,347,668
Restricted for debt service	1,135,511	-	-	1,135,511	-
Restricted	-	1,022,075	-	1,022,075	24,764,264
Unrestricted	88,545,262	(1,883,812)	458,077	87,119,527	5,554,111
Total Net Position	\$ 221,393,319	\$ (696,255)	\$ 2,111,712	222,808,776	\$ 39,666,043
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.				19,721,752	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(1,563,774)	
Net Position of Business-type Activities				\$ 240,966,754	

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, 2018**

	Business-type Activities - Enterprise Funds			Total	Governmental Activities Internal Service Funds
	Utilities Fund	Building and Safety Fund	Nonmajor Golf Course Fund		
Operating Revenues					
Charges for Services:					
Utility fees	\$ 15,095,866	\$ -	\$ -	\$ 15,095,866	\$ -
Golf course fees	-	-	144,559	144,559	-
Building permits and fees	-	3,540,397	-	3,540,397	-
Services to other agencies	-	56,701	-	56,701	-
Services to other funds	1,739	-	-	1,739	-
Self insurance fees	-	-	-	-	58,364,055
Equipment service billings	-	-	-	-	8,775,376
Miscellaneous	581,169	7,477	40,000	628,646	3,742,986
Total Operating Revenues	15,678,774	3,604,575	184,559	19,467,908	70,882,417
Operating Expenses					
Salaries and wages	1,777,640	1,278,875	17,913	3,074,428	2,052,106
Employee benefits	1,023,763	782,217	13,941	1,819,921	1,196,654
Services and supplies	6,252,015	653,275	131,614	7,036,904	63,207,096
Depreciation/amortization	3,493,676	20,058	189,967	3,703,701	1,868,894
Total Operating Expenses	12,547,094	2,734,425	353,435	15,634,954	68,324,750
Operating Income (Loss)	3,131,680	870,150	(168,876)	3,832,954	2,557,667
Nonoperating Revenues (Expenses)					
Investment earnings	1,329,740	59,408	14,286	1,403,434	684,944
Net increase (decrease) in the fair value of investments	(1,371,857)	(62,545)	(13,615)	(1,448,017)	(618,116)
Federal grants	566,770	-	-	566,770	294,306
State grants	328,767	-	-	328,767	-
Gain (loss) on asset disposition	-	-	-	-	220,874
Connection fee refunds/credits	(5,450)	-	-	(5,450)	-
Other nonoperating revenue	17,918	-	3,141	21,059	72,709
Total Nonoperating Revenues (Expenses)	865,888	(3,137)	3,812	866,563	654,717
Income (Loss) Before Capital Contributions, and Transfers	3,997,568	867,013	(165,064)	4,699,517	3,212,384
Capital Contributions					
Hookup fees	9,955,880	-	-	9,955,880	-
Contributions	1,853,572	-	-	1,853,572	392,940
Total Capital Contributions	11,809,452	-	-	11,809,452	392,940
Transfers in (out)					
Equipment Services Fund	(15,070)	-	-	(15,070)	-
Change in Net Position	15,791,950	867,013	(165,064)	16,493,899	3,605,324
Net Position, July 1, as restated	205,601,369	(1,563,268)	2,276,776		36,060,719
Net Position, June 30	\$ 221,393,319	\$ (696,255)	\$ 2,111,712		\$ 39,666,043
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,133,419	
Change in Net Position of Business-type Activities				\$ 17,627,318	

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, 2018**

	<u>Business-type Activities - Enterprise Funds</u>				<u>Governmental Activities Internal Service Funds</u>
	<u>Utilities Fund</u>	<u>Building and Safety Fund</u>	<u>Nonmajor Golf Course Fund</u>	<u>Total</u>	
Increase (Decrease) in Cash and Cash Equivalents					
Cash Flows From Operating Activities:					
Cash received from customers	\$ 13,216,017	\$ 3,430,073	\$ 182,322	\$ 16,828,412	\$ 23,419,484
Cash received from other funds	1,739	-	-	1,739	42,332,035
Cash received from others	595,203	-	-	595,203	3,815,695
Cash payments for personnel costs	(2,817,097)	(2,067,974)	(25,988)	(4,911,059)	(3,153,532)
Cash payments for services and supplies	(5,958,003)	(642,039)	(131,936)	(6,731,978)	(62,069,675)
Cash payments for refund of hookup fees	(5,450)	-	-	(5,450)	-
Cash payments from program loans	11,221	-	-	11,221	-
Cash payments for program loans	(13,944)	-	-	(13,944)	-
Net Cash Provided (Used) by Operating Activities	<u>5,029,686</u>	<u>720,060</u>	<u>24,398</u>	<u>5,774,144</u>	<u>4,344,007</u>
Cash Flows From Noncapital Financing Activities:					
Federal grants	63,480	-	-	63,480	294,306
State grants	401,722	-	-	401,722	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>465,202</u>	<u>-</u>	<u>-</u>	<u>465,202</u>	<u>294,306</u>
Cash Flows From Capital and Related Financing Activities					
Financing Activities:					
Hookup fees	9,971,340	-	-	9,971,340	-
Other capital contributions	6,611	-	-	6,611	-
Other nonoperating receipts	17,918	-	-	17,918	-
Proceeds from asset disposition	-	-	-	-	222,857
Principal paid on financing	(2,316,298)	-	-	(2,316,298)	-
Interest paid on financing	(320,938)	-	-	(320,938)	-
*Acquisition of capital assets	(4,467,147)	-	(1)	(4,467,148)	(2,975,527)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>2,891,486</u>	<u>-</u>	<u>(1)</u>	<u>2,891,485</u>	<u>(2,752,670)</u>
Cash Flows From Investing Activities:					
Investment earnings (loss)	(175,234)	(9,354)	4,214	(180,374)	(55,777)
Equipment supply deposit paid	-	-	-	-	1,416,200
Net Cash Provided (Used) by Investing Activities	<u>(175,234)</u>	<u>(9,354)</u>	<u>4,214</u>	<u>(180,374)</u>	<u>1,360,423</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 8,211,140	 710,706	 28,611	 8,950,457	 3,246,066
Cash and Cash Equivalents, July 1	<u>82,434,715</u>	<u>3,109,161</u>	<u>873,642</u>	<u>86,417,518</u>	<u>43,904,251</u>
Cash and Cash Equivalents, June 30	<u>\$ 90,645,855</u>	<u>\$ 3,819,867</u>	<u>\$ 902,253</u>	<u>\$ 95,367,975</u>	<u>\$ 47,150,317</u>

(CONTINUED)

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, 2018**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Total</u>	<u>Governmental Activities Internal Service Funds</u>
	<u>Utilities Fund</u>	<u>Building and Safety Fund</u>	<u>Nonmajor Golf Course Fund</u>		
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities					
Operating income (loss)	\$ 3,131,680	\$ 870,150	\$ (168,876)	\$ 3,832,954	\$ 2,557,667
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation/amortization	3,493,676	20,058	189,967	3,703,701	1,868,894
Net pension expense	(39,814)	11,453	5,797	(22,564)	-
Net other post employment benefits expense	37,217	(24,884)	-	12,333	-
Construction in progress write-offs	128,795	-	-	128,795	-
Program loan interest	3,451	-	-	3,451	-
Other nonoperating revenue	-	-	-	-	65,403
Forfeited flexible spending account contributions	-	-	-	-	7,306
Hookup fee refunds	(5,450)	-	-	(5,450)	-
**Imputed rental expense	-	-	-	-	67,446
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(98,291)	242,479	(2,237)	141,951	(1,289,019)
Due from other funds	1,981	-	-	1,981	-
Due from other governments	(1,841,131)	-	-	(1,841,131)	(95,913)
Notes receivable	(6,174)	-	-	(6,174)	-
Inventory	-	-	-	-	(50,191)
Prepaid lease	-	-	-	-	87,428
Other assets	-	-	-	-	2,399
Increase (decrease) in:					
Accounts payable	66,064	15,236	(322)	80,978	(145,795)
Accrued salaries and benefits	6,770	5,391	69	12,230	11,347
Compensated absences	(19,867)	1,158	-	(18,709)	83,881
Due to other funds	(10)	-	-	(10)	-
Due to other governments	97,182	-	-	97,182	134
Other liabilities	12,034	(4,000)	-	8,034	(2,980)
Pending claims	-	-	-	-	1,176,000
Unearned revenue	61,573	(416,981)	-	(355,408)	-
Total Adjustments	1,898,006	(150,090)	193,274	1,941,190	1,786,340
Net Cash Provided (Used) by Operating Activities	\$ 5,029,686	\$ 720,060	\$ 24,398	\$ 5,774,144	\$ 4,344,007
*Acquisition of Capital Assets Financed by Cash	\$ 4,467,147	\$ -	\$ 1	\$ 4,467,148	\$ 2,975,527
Capital asset value acquisition correction	-	-	-	-	113,548
Capital transferred from other funds	1,853,572	-	-	1,853,572	392,940
Capitalized interest	307,662	-	-	307,662	-
Increase/(decrease) in liabilities	(512,461)	-	-	(512,461)	(57,692)
Total Acquisition of Capital Assets	\$ 6,115,920	\$ -	\$ 1	\$ 6,115,921	\$ 3,424,323

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, 2018**

	Investment Trust Fund	Agency Funds
Assets		
Cash and investments (Note 3)	\$ 152,269,907	\$ 31,248,724
Financial assurances	-	45,082,228
Accounts receivable	-	367,261
Property taxes receivable	-	2,124,333
Interest receivable	685,000	-
Due from other governments	-	585,088
Total Assets	152,954,907	79,407,634
Liabilities		
Due to others/governments	-	79,407,634
Net Position		
Held in trust for pool participants and investment trust fund	\$ 152,954,907	\$ -

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, 2018

	Investment Trust Fund
Additions	
Investment earnings:	
Interest	\$ 4,348,944
Net increase (decrease) in the fair value of investments	(2,302,207)
Contributions to pooled investments	347,440,716
Total Additions	349,487,453
Deductions	
Distributions from pooled investments	369,073,194
Change in Net Position	(19,585,741)
Net Position, July 1	172,540,648
Net Position, June 30	\$ 152,954,907

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



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

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

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WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018

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 unit 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 unit. Component units are legally separate organizations for which the County is financially accountable. The County currently has one discretely presented component unit, Truckee Meadows Fire Protection District (TMFPD).

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.

Prior to July 1, 2012 for Truckee Meadows Fire Protection District (TMFPD) was considered a blended component unit of Washoe County. Although TMFPD is a legally separate organization, Washoe County is financially accountable, as defined in governmental accounting standards generally accepted in the United States of America, for Truckee Meadows Fire Protection District. Financial accountability was determined primarily by the Board of County Commissioners' participation as the governing body of TMFPD. As of July 1, 2012, Washoe County has no financial benefit or burden relationship with the TMFPD and, as such, TMFPD has been reclassified from blended component unit to discretely present component unit.

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

Separate financial statements for TMFPD are filed at the Washoe County Clerk's Office, 1001 E. 9th Street Room A-115, Reno, Nevada 89512.

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 one discretely presented component unit which is presented in a separate column 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 unit. 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 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

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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 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 aggregated 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 **Other Restricted Fund** accounts 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.

The **Indigent Tax Levy Fund** accounts for ad valorem revenues and investment earnings specifically appropriated to provide medical assistance to the indigent.

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 funds:

The **Building and Safety Fund** accounts for the issuance of building permits and other fees directly related to building and development in the County, including related capital assets and depreciation.

The **Utilities Fund** accounts for reclaimed water, recharge water, wastewater and flood control utilities.

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,

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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 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.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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.

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 commingled 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 in accordance with GASB 72 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. Donated capital assets, donated works of arts and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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.

WASHOE COUNTY, NEVADA
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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.

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 three 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, 2.) the County reports an amount related to pensions on the government-wide financial statements and 3.) the County reports an amount related to other postemployment benefits 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 three 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, 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 and 3.) amounts related to other postemployment benefits on the government wide financial statement.

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.

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Other Post Employment Benefits

The County provides other postemployment benefits (OPEB) for eligible employees through the Retiree Health Benefit Program (RHBP), a single-employer defined benefit OPEB plan. The RHBP is administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the BCC. The Trust is a multiple employer trust and was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to NRS 287.017. The County's net OPEB liability is measured as of June 30, 2017, and the total OPEB liabilities used to calculate the net OPEB liability are determined by actuarial valuations as of July 1, 2016, with the amount rolled forward to June 30, 2017.

The County also provides OPEB for certain former employees through the State of Nevada's Public Employees' Benefits Plan (PEBP), an agent multiple-employer defined benefit OPEB plan. PEBP is administered by the State of Nevada, and as such, is not considered a "plan" for Washoe County's external financial reporting purposes. The measurement focus of this arrangement is the total OPEB liability associated with participating former County employees. The total OPEB liability for the PEBP arrangement is measured as of June 30, 2017, and is determined based on an actuarial valuation as of July 1, 2016, with the amounts rolled forward to June 30, 2017.

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."

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

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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 \$3.0 million, 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 six 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. For fiscal year 2018, the BCC approved using the stabilization fund balance of \$3.0 million to help rebuild infrastructure damages cause by the FEMA declared flooding of January and February, 2017. The stabilization fund will be replenished as reimbursements from FEMA and the State of Nevada are received.

Reclassifications

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

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 2018 was due and payable on the third Monday in August, 2017. 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.

WASHOE COUNTY, NEVADA
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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.

Use of Estimates

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

Implementation of GASB Statement No. 75 and 85

As of July 1, 2017, the County adopted GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*." The implementation of this standard is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The effect of the implementation on this standard on beginning net position is disclosed in Note 19 to the financial statements and the additional disclosure required by this standard are included in Note 15.

As of July 1, 2017, the County adopted GASB Statement No. 85, "*Omnibus 2017*." The implementation of this standard is to address practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits (OPEB)).

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.

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 special revenue 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 \$26.7 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 \$6.1 million. There are no augmentations in the current year for enterprise funds.

WASHOE COUNTY, NEVADA
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Compliance

The County conformed to all significant statutory and administrative code constraints on its financial administration during the fiscal year. A negative variance of (\$103,112) appears on the General Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual under the Judicial Function and a negative variance of (\$92,850) under the Intergovernmental Expenditures. A negative variance of (\$6,342) appears on the Other Restricted Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual under the Intergovernmental Expenditures. A negative variance of (\$214,113) appears on the Truckee River Flood Management Infrastructure Fund, Schedule of Revenue, Expenditures and Changes in Fund Balance-Budget and Actual. A negative variance of (\$33,998) appears on the Capital Facilities Tax Fund, Schedule of Revenue, Expenditures and Changes in Fund Balance-Budget and Actual. These negative amounts reported above are allowed under NRS 354.626 section 2 (k) – “The receipt by a local government of increased revenue that: (1) was not anticipated in the preparation of the final budget of the local government; and (2) is required by statute to be remitted to another governmental entity.” Waiver of the statutory cap per NRS 7.125 for conflict attorney fees, as submitted by the Conflict Counsel Administrator and approved via court order, are also a factor in the Judicial Function. A negative variance of (\$786,203) appears in the debt service funds and a negative variance of (\$2,250) appears in the Debt Service of the Parks Capital Project Fund. These two negative amounts reported are allowed under the above listed NRS and NRS 354.626 section 1 “No governing body or member.....in excess of the amounts appropriated for the function, other than bond repayments, medium-term obligation repayments and any other long-term contract expressly authorized by law.” A negative variance of (\$432,305) appears on the Health Benefits Fund, Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual. This negative amount reported is allowed under NRS 354.626 1 “....and any other long-term contract expressly authorized by law.”

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 \$27,401,463 and the bank balance was \$32,153,688. 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 the Federal Depository Insurance Corporation, 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.

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As of June 30, 2018, 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	\$ 1,882,776	\$ 1,882,776	\$ -	\$ -	-
Certificates of Deposit	74,850,135	24,517,482	50,332,653	-	-
NV Local Government Investment Pool	47,351,799	47,351,799	-	-	-
NV Retirement Benefit Investment Fund	2,742,090	2,742,090	-	-	-
U.S. Treasury Securities	98,586,128	63,974	91,067,820	4,385,334	3,069,000
U.S. Agency Bonds/Notes/MBS/CMO	143,213,967	10,343,766	110,630,658	11,574,848	10,664,695
Asset Backed Securities/Collateralized Mortgage Obligations	11,940,012	-	10,639,335	1,300,677	-
Corporate Notes/Commercial Paper	88,139,244	21,330,179	66,809,065	-	-
Total Investments	468,706,151	108,232,066	329,479,531	17,260,859	13,733,695
Total Cash	27,401,463	27,401,463	-	-	-
Total Cash and Investments¹	\$ 496,107,614	\$ 135,633,529	\$ 329,479,531	\$ 17,260,859	\$ 13,733,695

¹Total cash and investments include restricted cash, purchased interest, NV Local Government Investment Pool and the NV Retirement Benefit Investment Fund.

The NV Local Government Investment Pool (LGIP) is an unrated external pool regulated by Nevada Revised Statute 355, administered by the State Treasurer with oversight by the State of Nevada Board of Finance. The County deposits monies with the State Treasurer to be pooled with monies of other local governments for investment in the local government pooled investment fund. The County's investment in the LGIP is equal to its original investment plus monthly allocation of interest income and realized/unrealized gains and losses, which is the same as the value of the pool shares. The NV Retirement Benefit Investment Fund (RBIF) was established to provide investment management services for trusts created by public agencies to fund retiree health care subsidies. The money in the RBIF must be invested in the same manner as money in the Public Employees' Retirement Fund (PERS) and is subject to the regulations under Nevada Revised Statute 355.

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, 2018 were 22% 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 weighted average maturity at June 30, 2018, was 2 years.

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

<u>Investment</u>	<u>Value</u>	<u>Investments</u>
<u>U.S. Agency Mortgage Backed Securities and Collateralized Mortgage Obligations</u>		
When interest rates fall, mortgages are refinanced and paid off early and the reduced stream of future interest payments diminish fair value.	\$ 29,326,244	6.3%
<u>Callable U.S. Agency and Corporate Note Securities</u>		
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.	21,102,605	4.5%
Total	\$ 50,428,849	

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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.

As of June 30, 2018, the County's investments are rated as follows:

S&P Rating	Money Market Mutual Funds	Certificates of Deposit	U.S. Treasury Securities	U.S. Agencies	Corporate Notes/ Commercial Paper	Asset Backed Securities/ Collateralized Mortgage Obligations	NV Local Government Investment Pool and RBIF	Fair Value
AAA _m	\$ 1,882,776	-	-	-	-	-	-	\$ 1,882,776
AAA	-	-	-	-	-	8,551,758	-	8,551,758
AA+	-	-	98,586,128	133,184,532	6,916,492	-	-	238,687,152
AA	-	-	-	-	7,348,020	-	-	7,348,020
AA-	-	20,991,720	-	-	9,411,515	-	-	30,403,235
A+	-	9,519,525	-	-	4,720,359	-	-	14,239,884
A	-	11,320,385	-	-	18,538,367	-	-	29,858,752
A-	-	-	-	-	12,486,800	-	-	12,486,800
A-1+	-	-	-	10,029,434	-	-	-	10,029,434
A-1	-	33,018,505	-	-	21,330,179	-	-	54,348,684
BBB+	-	-	-	-	7,387,512	-	-	7,387,512
Unrated	-	-	-	-	-	3,388,255	50,093,889	53,482,144
	\$ 1,882,776	\$ 74,850,135	\$ 98,586,128	\$ 143,213,966	\$ 88,139,244	\$ 11,940,013	\$ 50,093,889	\$ 468,706,151

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, 5%; certificates of deposit, 5% and obligations issued by local governments of the State of Nevada, 10%.

At June 30, 2018, the following investments exceeded 5% of the County's total:

Fannie Mae	22.6%
U.S. Treasury Securities	21.0%

External Investment Pool

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, 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 and the Southwest Pointe 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. PFM Asset 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.

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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. Gains and losses of the current period include unrealized amounts from prior periods.

Investments held in the external investment pool at June 30, 2018 were:

Investment Type	Fair Value	Principal Amount/ No. of Shares	Rate	Maturity Dates
Certificates of Deposit	\$ 74,839,051	75,315,000	1.84-2.90%	07/05/2018-11/16/2020
U. S. Treasury Securities	98,452,126	100,655,000	1.125-3.50%	01/31/2020-11/15/2025
NV Local Government Investment Pool	47,351,799	47,351,799	N/A	N/A
NV Retirement Benefit Investment Fund	2,742,090	2,742,090	N/A	N/A
Fed Agency Bonds/Notes	125,802,787	129,305,000	0.00-4.125%	07/10/2018-09/24/2026
Fed Agency Mortgage Backed Securities	2,460,101	2,436,744	3.0-4.0%	10/01/2020-06/01/2022
Fed Agency Collateralized Mortgage Obligations	14,926,131	15,034,320	1.646-3.56%	01/01/2019-08/25/2022
Asset Backed Securities/Collateralized Mortgage	11,940,012	12,085,000	1.93-2.79%	11/21/2021-07/15/2022
Corporate Notes/Commercial Paper	87,968,169	88,244,000	0.00-6.00%	07/11/2018-06/01/2022
Total Investments in Pool	\$ 466,482,266			

External Investment Pool
Statement of Net Position as of June 30, 2018

Assets:	
Cash	\$ 10,202,726
Investments:	
Certificates of Deposit	74,850,135
U.S. Treasury Securities	98,586,128
NV Local Government Investment Pool	47,351,799
NV Retirement Benefit Investment Fund	2,742,090
U.S. Agency Securities	143,213,966
Collateralized Mortgage Obligations/Asset Backed Securities	11,940,013
Corporate Notes	88,139,244
Interest Receivable	1,964,255
Total Assets	\$ 478,990,356
Net Position:	
Internal participants	\$ 307,688,343
Component Units:	
Truckee Meadows Fire Protection District	18,347,106
External participants	152,954,907
Total Net Position Held in Trust for Pool Participants (\$1.00/par)	\$ 478,990,356

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

External Investment Pool
Statement of Changes in Net Position for the Year Ended June 30, 2018

Additions:	
Investment earnings	\$ 10,017,848
Net realized gain (loss) on investments	459,530
Net increase (decrease) in fair value of investments	<u>(7,511,129)</u>
Increase in net position resulting from operations	2,966,249
Net capital share transactions	<u>(12,806,112)</u>
Change in Net Position	(9,839,863)
Net Position, July 1	<u>488,830,219</u>
Net Position, June 30	<u>\$ 478,990,356</u>

Investments are recorded at fair value and the following table shows the Fair Value Measurements used:

	Investments Measured at Fair Value June 30, 2018			
	Total	Fair Value Measurement Using:		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Debt securities				
Money Market Mutual Funds	\$ 1,882,776	\$ 1,882,776	\$ -	\$ -
Certificates of Deposit	74,839,051	74,839,051	-	-
U.S. Treasury Securities	98,586,128	98,586,128	-	-
U.S. Agency Securities	143,213,967	143,213,967	-	-
Collateralized Mortgage Obligations/Asset Backed Securities	11,940,012	-	11,940,012	-
Corporate Notes/Commercial Paper	88,150,328	-	88,150,328	-
Total debt securities	<u>\$ 418,612,262</u>	<u>\$ 318,521,922</u>	<u>\$ 100,090,340</u>	<u>\$ -</u>
Total investments by fair value level	<u>\$ 418,612,262</u>	<u>\$ 318,521,922</u>	<u>\$ 100,090,340</u>	<u>\$ -</u>

Debt and equity securities classified in level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Investments categorized as Level 2 are valued at fair value based on the observable market prices on the underlying assets held by the pool or fund less liabilities. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities. Information is obtained from the Washoe County's investment firm, PFM Asset Management, LLC.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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; and amounts restricted for payment of Other Post-Employment Benefits of certain County retirees. The restricted assets for OPEB (PEBP) are restricted solely for the payment of OPEB obtained through the State of Nevada's Public Employees' Benefits Program and are not subject to the claims of the County's creditors. Restricted cash and investments at June 30, 2018, were as follows:

	<u>Debt Service</u>	<u>Projects</u>	<u>Claims</u>	<u>OPEB(PEBP)</u>	<u>Total</u>
<u>Governmental Funds and Governmental Activities</u>					
General Fund	\$ 750,000	\$ -	\$ -	\$ 2,742,090	\$ 3,492,090
Other Restricted Fund	-	45,406	-	-	45,406
Total Governmental Funds	750,000	45,406	-	2,742,090	3,537,496
Internal Service Funds:					
Risk Management Fund	-	-	2,393,788	-	2,393,788
Total Governmental Activities	750,000	45,406	2,393,788	2,742,090	5,931,284
<u>Proprietary Funds and Business-type Activities</u>					
Utilities Fund	1,275,616	-	-	-	1,275,616
Total Restricted Cash and Investments	<u>\$ 2,025,616</u>	<u>\$ 45,406</u>	<u>\$ 2,393,788</u>	<u>\$ 2,742,090</u>	<u>\$ 7,206,900</u>

NOTE 5 – LONG-TERM ASSETS

Governmental Activities

Long-term assets in governmental activities include \$41,608 in prepaid bond insurance.

Business-type Activities

Long-term assets in business-type activities include \$113,802 in long-term receivables in the Utilities Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

NOTE 6 – CAPITAL ASSETS

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Capital Assets - Governmental Activities				
Capital assets, not being depreciated:				
Land and land use rights	\$ 143,068,809	\$ 4,327,378	\$ 37,722	\$ 147,358,465
Construction in progress	6,854,708	15,501,521	12,785,954	9,570,275
Total capital assets not being depreciated	149,923,517	19,828,899	12,823,676	156,928,740
Capital assets being depreciated:				
Land improvements	65,288,804	5,948,503	181,969	71,055,338
Buildings/improvements	327,782,000	1,336,425	-	329,118,425
Infrastructure	597,495,564	3,904,994	1,641,232	599,759,326
Equipment	81,553,857	4,445,540	1,404,800	84,594,597
Software	20,524,701	221,400	-	20,746,101
Total capital assets being depreciated	1,092,644,926	15,856,862	3,228,001	1,105,273,787
Less accumulated depreciation for:				
Land improvements	44,543,658	2,283,685	181,969	46,651,418
Buildings/improvements	148,253,522	8,941,650	-	157,195,172
Infrastructure	477,685,623	17,568,462	1,319,112	493,934,973
Equipment	64,737,777	4,371,245	911,398	68,197,624
Software	16,629,051	974,815	-	17,603,866
Total accumulated depreciation	751,849,631	34,139,857	2,412,479	783,583,053
Net capital assets being depreciated	340,795,295	(18,282,995)	815,522	321,690,734
Governmental activities capital assets, net	\$ 490,718,812	\$ 1,545,904	\$ 13,639,198	\$ 478,619,474

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

Governmental Activities:	
General government	\$ 1,718,723
Judicial	2,562,299
Public safety	5,713,017
Public works	18,223,983
Health and sanitation	85,280
Welfare	630,720
Culture and recreation	3,333,383
Community support	3,558
Capital assets held by internal service funds charged to functions based on their usage of assets	1,868,894
Total Depreciation / Amortization Expense - Governmental Activities	\$ 34,139,857

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(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	\$ 7,923,203	\$ -	\$ -	\$ 7,923,203
Plant capacity	825,150	-	-	825,150
Construction in progress	20,182,787	4,235,373	2,897,645	21,520,515
Total capital assets not being depreciated	28,931,140	4,235,373	2,897,645	30,268,868
Capital assets being depreciated:				
Land improvements	6,267,864	11,905	-	6,279,769
Buildings/improvements	56,355,702	1,866,724	-	58,222,426
Infrastructure	109,543,316	2,755,699	-	112,299,015
Equipment	990,716	37,549	37,549	990,716
Software	1,076,630	-	-	1,076,630
Plant, well capacity	2,368,822	-	-	2,368,822
Total capital assets being depreciated	176,603,050	4,671,877	37,549	181,237,378
Less accumulated depreciation for:				
Land improvements	3,689,489	282,317	-	3,971,806
Buildings/improvements	18,359,194	1,135,664	-	19,494,858
Infrastructure	37,156,562	2,194,745	-	39,351,307
Equipment	887,895	11,695	-	899,590
Software	891,090	20,058	-	911,148
Plant, well capacity	1,311,893	59,222	-	1,371,115
Total accumulated depreciation	62,296,123	3,703,701	-	65,999,824
Net capital assets being depreciated	114,306,927	968,176	37,549	115,237,554
Business-type activities capital assets, net	\$ 143,238,067	\$ 5,203,549	\$ 2,935,194	\$ 145,506,422

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

Business-Type Activities:	
Utilities	\$ 3,493,676
Building and safety	20,058
Golf courses	189,967
Total Depreciation / Amortization Expense - Business-type Activities	\$ 3,703,701

Net capital assets at June 30, 2018, for the discretely presented component unit were:

	<u>Truckee Meadows Fire Protection District</u>
Net Capital Assets	
Capital assets not being depreciated	\$ 2,544,336
Capital assets being depreciated	24,973,682
Capital assets, net	\$ 27,518,018

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(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, 2018</u>	<u>Major</u> <u>Commitments</u>
<u>Governmental Funds and Governmental Activities</u>		
Major Governmental Funds:		
General Fund:		
Service contracts	\$ -	\$ 169,349
Child Protective Services Fund:		
Service contracts	-	121,904
Other Restricted		
Service contracts	-	962,634
Technology improvements	-	544,818
Total Major Governmental Funds	<u>\$ -</u>	<u>\$ 1,798,705</u>
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Service contracts	-	1,720,206
Vehicles and equipment	-	218,356
Public safety communications, technology	54,610	-
Road infrastructure	-	2,416,984
Total Special Revenue Funds	<u>\$ 54,610</u>	<u>\$ 4,355,546</u>
Internal Service Funds:		
Service contracts	-	14,859,422
Vehicles and equipment	1,169,274	354,465
Total Internal Service Funds	<u>\$ 1,169,274</u>	<u>\$ 15,213,887</u>
Capital Projects Funds:		
Building infrastructure projects	621,340	985,161
Parks and open space projects	556,590	1,990,817
Community services projects	2,791,792	257,231
Technology improvements	403,587	-
Water quality improvement projects	3,973,082	-
Total Capital Projects Funds	<u>\$ 8,346,391</u>	<u>\$ 3,233,208</u>
Total Governmental Funds / Governmental Activities	<u>\$ 9,570,275</u>	<u>\$ 24,601,346</u>

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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.

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

Series January 2000 Bonds	\$ 15,294,158
Series November 29, 2011 Refunding Bonds	85,905,000
Total RSCVA Bonds	\$ 101,199,158

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 \$2,922,099 in the General Fund for deposits and bail related to pending court cases or investigations, \$79,228 in the General Fund for refundable deposits for park facilities and developer performance guarantees, \$240,158 in other governmental funds for other customer and security deposits and \$301,263 in the Health Benefits Fund.

Business-type Activities

Other liabilities in business-type activities include \$260,137 for customer deposits in the Utilities Fund and \$4,000 in the Building and Safety Fund.

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:

	General Fund	Child Protective Services Fund	Other Restricted Fund	Indigent Tax Levy Fund	Special Assessment Debt Service Fund	Nonmajor Governmental Funds	Total
Liabilities							
Unearned revenue:							
Federal payments in lieu of taxes	\$ 3,627,832	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,627,832
Total Unearned Revenue	<u>\$ 3,627,832</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,627,832</u>
Deferred Inflows of Resources							
Unavailable revenue:							
Ad valorem taxes	\$ 816,954	\$ 29,074	\$ 7,271	\$ 43,719	\$ -	\$ 97,164	\$ 994,182
Grants and other revenue	-	81,815	330,565	-	5,227,619	2,591,906	8,231,905
Total Unavailable Revenue	<u>\$ 816,954</u>	<u>\$ 110,889</u>	<u>\$ 337,836</u>	<u>\$ 43,719</u>	<u>\$ 5,227,619</u>	<u>\$ 2,689,070</u>	<u>\$ 9,226,087</u>

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

Unearned revenue in business-type activities consists of \$145,159 for water rights leases and unearned utility revenue in the Utilities Fund and of \$856,267 for unearned permit fees and plan checks fee revenue in the Building and Safety fund.

Discretely Presented Component Unit

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

Truckee Meadows Fire Protection District			
	TMFPD General Fund	TMFPD Emergency Fund	Total
Deferred Inflows of Resources			
Unavailable revenue:			
Ad valorem taxes	\$ 97,650	\$ -	\$ 97,650
Reimbursements	10,081	256,329	266,410
Total Unavailable Revenue	\$ 107,731	\$ 256,329	\$ 364,060

NOTE 9 – LONG-TERM OBLIGATIONS

Bond Redemptions

The County called \$330,000 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, 2018, the County had no remaining balances for the defeased portion of past bond issues.

Revenue Bonds

The County has pledged specific revenues to repay bonds in governmental and business-type 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; Parks Bonds Series 2006; Building Refunding Bonds Series 2011B; Refunding Bonds Series 2012B, issued between fiscal years 2004 and 2012; Medical Examiner Building Bonds 2015 and Public Safety Refunding Series 2016B. The total principal and interest remaining to be paid on the bonds is \$68,642,682, payable through fiscal year 2036. For the current year, principal and interest paid from pledged revenues for the bonds totaled \$5,672,455, and pledged revenues totaled \$16,695,160.

The County has pledged future infrastructure sales tax revenues to repay \$32.3 million in Flood Control Series 2006 and Sales Tax Revenue Refunding Series 2016A 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 15% of the pledged revenues. The total principal and interest remaining to be paid on the bonds is \$35,933,806. For the current year, principal and interest paid for the bonds totaled \$1,423,050, and pledged revenues totaled \$10,193,643.

The County has pledged future car rental fees to repay \$18.5 million of Senior Lien Car Rental Revenue bonds and \$11.0 million Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds (Minor League Baseball Stadium Project) Series 2008. Proceeds from the bonds 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.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

The total principal and interest remaining to be paid on the Senior Lien Car Rental Fee Revenue Bonds is \$16.2 million. For the current year, principal and interest paid for the bonds totaled \$1,357,840, and pledged revenues totaled \$1,701,109. Total principal and interest at June 30, 2018 on the Subordinate Lien Car Rental Fee Capital Appreciation Revenue Bonds is \$18.7 million. For the current year, a principal payment of \$114,822 was paid on the bonds on December 1 2017.

Business-type activities

The County has pledged future utility customer revenues and connection fees and investment earnings, net of specified operating expenses, to repay \$17.4 million in utility system revenue bonds issued in fiscal year 2015. 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 Utilities Fund excluding water reserves.

Principal and interest on the Sewer Bonds are payable from the pledged revenues of the Utilities 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 29% of the utility's net revenues. The total principal and interest remaining to be paid on the sewer bonds is \$12,901,704. For the current year, principal and interest paid for the sewer and water bonds totaled \$2,637,238. Net pledged revenues totaled \$12,548,517.

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 (NRS 271.495). There were no delinquent special assessments outstanding as of June 30, 2018.

The County has pledged future assessment revenues levied on special assessment districts throughout the County to repay \$10.3 million in various local improvement bonds issued between fiscal years 2007 and 2011. 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 89% of the assessment revenues. The total principal and interest remaining to be paid on the bonds is \$5,943,152. For the current year, principal and interest paid for the bonds totaled \$812,299 and pledged revenues totaled \$915,515.

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.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

Outstanding balances at June 30, 2018 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	\$ 60,787,000
Highway Revenue Bonds Series 2010ABC	3/12/2010	90,000,000	81,520,000
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	<u>165,000,000</u>	<u>164,265,000</u>
Subtotal Public Sector		<u>434,567,000</u>	<u>390,732,000</u>
Sierra Pacific Power Company d/b/a NV Energy:			
Gas and Water Facilities Refunding Revenue Bonds			
Series 2016A, 2016B, 2016F & 2016G	05/24/2016	213,930,000	213,930,000
Water Facilities Refunding Revenue Bonds Series 2016C, 2016D & 2016E	05/18/2016	<u>80,000,000</u>	<u>80,000,000</u>
Subtotal Private Sector		<u>293,930,000</u>	<u>293,930,000</u>
Total Conduit Debt		<u>\$ 728,497,000</u>	<u>\$ 692,265,000</u>

Operating Leases

The County leases office space, land and equipment under various operating lease agreements. Total lease payments in fiscal year 2018 were \$2,254,498. Future minimum payments for these leases are:

<u>Year Ending June 30,</u>	<u>Office Space,</u>		
	<u>Land</u>	<u>Equipment</u>	<u>Total</u>
2019	\$ 794,750	\$ 939,328	\$ 1,734,078
2020	683,244	778,787	1,462,031
2021	917,419	693,810	1,611,229
2022	217,187	579,747	796,934
2023	96,731	-	96,731
Totals	<u>\$ 2,709,331</u>	<u>\$ 2,991,672</u>	<u>\$ 5,701,003</u>

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 2018, an adjustment of (\$15,492) (cumulative total of \$90,927) 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 Utilities Fund for business-type activities. In fiscal year 2018, 84% of compensated absences for governmental activities were paid by the General Fund, and in business-type activities, 62% were paid by the Utilities Fund.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

Outstanding balances at June 30, 2018 follow:

	Governmental Activities	Business-type Activities	Total
Washoe County:			
Vacation	\$ 12,174,106	\$ 179,551	\$ 12,353,657
Sick Leave	9,833,139	152,645	9,985,784
Compensatory Leave	5,843,733	71,017	5,914,750
Benefits	399,619	5,847	405,466
Total Compensated Absences	\$ 28,250,597	\$ 409,060	\$ 28,659,657

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 obligation 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, 2018, the remediation liability for net position held in CTMRD was \$5,788,458.

Claims and Judgments

The claims and judgments liability of \$22,749,000 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.

Due to Other Governments

The Due to Other Governments liability of \$9,179,072 includes a long term pending refund of \$1,560,000 due to the State of Nevada-Department of Taxation for overpaid Nevada State Sales (Use) taxes.

Discretely Presented Component Unit:

TMFPD's liability of \$2,780,594 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 \$1,361,316 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.

TMFPD has a tax refund liability of \$373,272 as of June 30, 2018 due to the State of Nevada-Department of Taxation for overpaid Nevada State Sales (Use) taxes.

At June 30, 2017, the net other postemployment benefit liability for SFPD was merged into the TMFPD's OPEB Trust. SFPD provides other postemployment benefits through the Sierra Fire Protection District Retiree Group Medical Plan, a single-employer defined benefit plan, which was administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust (Note 15). Contributions to the Trust are now made from TMFPD 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, 2018
(CONTINUED)

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES				
General Obligation Bonds				
Ad Valorem:				
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
Revenue: (Note 9)				
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
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
Medical Examiner Bldg 2015	08/2015	03/2035	2.0 - 5.0	12,000,000
Public Safety Refunding Series 2016B	03/2016	03/2036	2.0 - 5.0	9,800,000
Total General Obligation Bonds				
Revenue Bonds (Note 9)				
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
Sales Tax Revenue Refunding Series 2016A	03/2016	12/2028	3.0 - 5.0	11,305,000
Total Revenue Bonds				
Special Assessment Bonds (with governmental commitment) (Note 9)				
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
Total Unamortized Bond Premium and Discounts				
Total Bonds Payable				

Principal Outstanding June 30, 2017	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2018	Principal Due in 2018-2019
11,485,000	-	1,075,000	10,410,000	1,120,000
15,880,000	-	970,000	14,910,000	1,010,000
410,000	-	200,000	210,000	210,000
640,000	-	640,000	-	-
16,529,341	-	566,216	15,963,125	591,946
3,560,000	-	-	3,560,000	-
9,195,000	-	760,000	8,435,000	790,000
24,095,000	-	1,695,000	22,400,000	2,395,000
11,520,000	-	490,000	11,030,000	500,000
9,800,000	-	-	9,800,000	-
103,114,341	-	6,396,216	96,718,125	6,616,946
14,113,800	-	724,800	13,389,000	802,200
9,808,025	-	114,822	9,693,203	47,270
11,230,000	-	-	11,230,000	20,000
35,151,825	-	839,622	34,312,203	869,470
261,410	-	51,173	210,237	17,746
398,833	-	56,106	342,727	24,111
4,617,793	-	510,698	4,107,095	243,535
5,278,036	-	617,977	4,660,059	285,392
3,994,395	-	339,926	3,654,469	-
3,994,395	-	339,926	3,654,469	-
147,538,597	-	8,193,741	139,344,856	7,771,808

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(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
Tax Refund	N/A	N/A	N/A	N/A
Total Other Liabilities				
Total Governmental Activities				
BUSINESS-TYPE ACTIVITIES ***				
General Obligation Bonds				
Revenue: (Note 9)				
Utilities Fund:				
Sewer Refunding 2015REF	08/2015	07/2026	2.34	17,386,176
Total General Obligation Bonds				
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 interest rate on the outstanding amount was reset on May 1, 2016 to 1.597% for the next 5 years. The next interest rate reset will be May 1, 2021.

** 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 3.56% with a reset date of December 1, 2022.

*** 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 UNIT:

Truckee Meadows Fire Protection District (Note 5,9)

Compensated Absences	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Tax Refund	N/A	N/A	N/A	N/A
Total Other Liabilities				

<u>Principal Outstanding June 30, 2017</u>	<u>Additions/ Issued</u>	<u>Reduction/ Principal Matured / Called</u>	<u>Principal Outstanding June 30, 2018</u>	<u>Principal Due in 2018-2019</u>
\$ 26,997,850	\$ 22,334,548	\$ 21,081,801	\$ 28,250,597	\$ 21,261,362
5,878,945	1,259,174	1,349,661	5,788,458	-
21,573,000	1,298,274	122,274	22,749,000	10,335,000
-	1,560,000	-	1,560,000	1,560,000
<u>54,449,795</u>	<u>26,451,996</u>	<u>22,553,736</u>	<u>58,348,055</u>	<u>33,156,362</u>
<u>201,988,392</u>	<u>26,451,996</u>	<u>30,747,477</u>	<u>197,692,911</u>	<u>40,928,170</u>
<u>14,291,057</u>	<u>-</u>	<u>2,316,298</u>	<u>11,974,759</u>	<u>2,284,308</u>
<u>14,291,057</u>	<u>-</u>	<u>2,316,298</u>	<u>11,974,759</u>	<u>2,284,308</u>
<u>427,769</u>	<u>322,765</u>	<u>341,474</u>	<u>409,060</u>	<u>310,844</u>
<u>14,718,826</u>	<u>322,765</u>	<u>2,657,772</u>	<u>12,383,819</u>	<u>2,595,152</u>
<u>\$ 216,707,218</u>	<u>\$ 26,774,761</u>	<u>\$ 33,405,249</u>	<u>\$ 210,076,730</u>	<u>\$ 43,523,322</u>

\$ 2,329,743	\$ 1,705,872	\$ 1,255,021	\$ 2,780,594	\$ 1,783,195
1,329,129	250,433	218,246	1,361,316	64,314
373,272	-	-	373,272	253,082
<u>\$ 4,032,144</u>	<u>\$ 1,956,305</u>	<u>\$ 1,473,267</u>	<u>\$ 4,515,182</u>	<u>\$ 2,100,591</u>

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(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
2019	\$ 6,616,946	\$ 2,955,079	\$ 869,470	\$ 1,069,270	\$ 285,392	\$ 174,127
2020	7,233,847	2,757,917	1,840,145	1,028,243	293,545	163,065
2021	7,501,970	2,563,321	1,996,964	966,270	302,472	151,762
2022	7,761,372	2,600,194	2,169,959	887,297	322,209	139,909
2023	8,037,111	2,321,421	2,317,174	832,946	322,796	127,475
2024-2028	35,922,851	7,311,656	14,682,848	2,710,231	1,830,088	435,137
2029-2033	16,260,316	2,675,168	3,738,109	8,279,301	1,303,557	91,618
2034-2038	7,383,712	435,516	1,953,825	10,458,562	-	-
2039-2043	-	-	1,625,031	12,882,611	-	-
2044-2048	-	-	1,346,103	15,581,482	-	-
2049-2053	-	-	1,113,224	18,633,040	-	-
2054-2058	-	-	659,352	18,058,054	-	-
Total	\$ 96,718,125	\$ 23,620,272	\$ 34,312,203	\$ 91,387,307	\$ 4,660,059	\$ 1,283,093

Business-type Activities – Primary Government

Year Ended June 30,	General Obligation Bonds	
	Principal*	Interest
2019	\$ 2,284,308	\$ 266,924
2020	2,338,075	213,158
2021	2,316,984	158,570
2022	1,609,825	104,035
2023	877,109	75,057
2024-2028	2,548,458	109,200
Total	\$ 11,974,759	\$ 926,944

*Principal amounts shown exclude discounts and premiums.

**Interest on the variable-rate flood control bonds is calculated at the current rate of 1.597%.

***Interest on the variable-rate senior lien car rental bonds is calculated at the current rate of 3.56%.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

NOTE 12 – INTERFUND ACTIVITY

Interfund 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 or, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due or, (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2018

<u>Transfers from:</u>	<u>Transfers to:</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 28,927,882
	Indigent Tax Levy Fund	17,711,175
	Child Protective Services	847,237
	Subtotal	<u>47,486,294</u>
Other Restricted Funds	General Fund	91,515
Child Protective Services Fund	Nonmajor Governmental Funds	464,398
Other Restricted Funds	Nonmajor Governmental Funds	3,047,893
	Subtotal	<u>3,603,806</u>
Nonmajor Governmental Funds	Nonmajor Governmental Funds	<u>3,571,632</u>
Total Transfers In/Out		<u>\$ 54,661,732</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 \$109,066,541 of restricted net resources for Governmental Activities, all of which is externally imposed.

Unrestricted net position represents available financial resources of the County.

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.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

Fund balances classification by County function and purpose consist of the following:

<u>Fund Balances</u>	<u>Major Governmental Funds</u>					<u>Nonmajor Governmental Funds</u>	<u>Total</u>
	<u>General Fund</u>	<u>Child Protective Services Fund</u>	<u>Other Restricted Fund</u>	<u>Special Assessment Debt Fund</u>	<u>Indigent Tax Levy Fund</u>		
Nonspendable:							
Prepaid items	\$ -	\$ -	\$ 8,449	\$ -	\$ -	\$ -	\$ 8,449
Restricted for:							
Assessors, Clerk and Recorder technology	-	-	4,673,650	-	-	-	4,673,650
Administrative programs	-	-	157,091	-	-	-	157,091
Court programs and expansion	-	-	10,106,765	-	-	-	10,106,765
Regional flood control project	-	-	-	-	-	1,926,679	1,926,679
Regional public safety communications and training	-	-	-	-	-	2,886,885	2,886,885
Other public safety programs	-	-	4,729,105	-	-	136,280	4,865,385
Public works programs	-	-	339,630	-	-	-	339,630
Regional health services and programs	-	-	-	-	-	6,336,402	6,336,402
Groundwater remediation	-	-	-	-	-	4,319,340	4,319,340
Parks and recreation programs	-	-	147,691	-	-	6,872,276	7,019,967
Library expansion	-	-	-	-	-	1,559,232	1,559,232
Programs for seniors	-	-	-	-	-	49,378	49,378
Adult, indigent and children support services	-	47,946	67,651	-	5,609,715	-	5,725,312
Technology upgrades	-	-	-	-	-	376,863	376,863
County facility improvement projects	-	-	-	-	-	10,704,012	10,704,012
Parks and open space projects	-	-	-	-	-	5,476,965	5,476,965
Intergovernmental	2,744,184	-	1,396	-	-	-	2,745,580
Debt service	750,000	-	1,372,581	1,452,144	-	4,513,186	8,087,911
Total Restricted	3,494,184	47,946	21,595,560	1,452,144	5,609,715	45,157,498	77,357,047
Committed to:							
Administrative programs	169,349	-	-	-	-	-	169,349
Animal control and services	-	-	-	-	-	6,387,004	6,387,004
Groundwater remediation	-	-	-	-	-	1,463,726	1,463,726
Park maintenance and improvement	-	-	1,212,819	-	-	-	1,212,819
Library expansion	-	-	-	-	-	508,535	508,535
Courts	-	-	-	-	-	2,743,964	2,743,964
Adult, indigent and children support services	-	12,639,044	-	-	-	-	12,639,044
Programs for seniors	-	-	-	-	-	709,544	709,544
Total Committed	169,349	12,639,044	1,212,819	-	-	11,812,773	25,833,985
Assigned to:							
Roadways	-	-	-	-	-	10,813,952	10,813,952
General Fund encumbrances reappropriated for various functional departments	1,401,787	-	-	-	-	-	1,401,787
Total Assigned	1,401,787	-	-	-	-	10,813,952	12,215,739
Unassigned	51,990,750	-	(495,265)	-	-	-	51,495,485
Total Fund Balances	\$ 57,056,070	\$ 12,686,990	\$ 22,321,563	\$ 1,452,144	\$ 5,609,715	\$ 67,784,223	\$ 166,910,705

Proprietary Funds

The net position of business-type funds and internal service 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.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

NOTE 14 – DEFINED BENEFIT PENSION PROGRAM

Plan Description

The County and one discretely presented component unit, Truckee Meadows Fire Protection District (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 capacities 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 and July 1, 2015. 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 to December 31, 2009, this factor is 2.67% of average compensation. For members entering PERS on or after January 1, 2010 to June 30, 2015, there is a 2.5% factor. For members entering PERS on or after July 1, 2015, there is a 2.25% factor. 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 the retiree's death.

Post-retirement increases are provided by authority of NRS 286.575 - 579.

Vesting

Regular members entering PERS prior to January 1, 2010 are eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010 through June 30, 2015, are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, or at any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, at age 62 with ten years of service, at age 55 with 30 years of service, or at any age with 33 1/3 years of service.

Police/Fire members entering PERS prior to January 1, 2010 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 through June 30, 2015, are eligible for retirement at 65 with five years of service, at age 60 with ten years of service, at 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 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.

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.

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

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 contribution requirement as a percentage of salary.

For the fiscal year ended June 30, 2018, the statutory employer/employee matching rate was 14.50% for Regular Members and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 28.00% for Regular Members and 40.50% for Police/Fire.

The County's total pension contributions for the fiscal year ended June 30, 2018 were \$56,399,641. Under Nevada Revised Statutes, one-half of the total employer-paid contributions are deemed to be from employers and one-half is deemed to be from employees (through salary schedule reductions).

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 PERS.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2017:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
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, 2017, PERS' long-term inflation assumption was 2.75%.

Net Pension Liability

At June 30, 2018, the County reported a liability for its proportionate share of PERS' net pension liability. The net pension liability was measured as of June 30, 2017, 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 combined employer and member contributions to PERS relative to the total combined employer and member contributions of all participating PERS employers and members for the period ended June 30, 2017. The County's proportion was 3.08066%, which was an increase of .07691 from its proportion measured at June 30, 2016.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the County as of June 30, 2017, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$ 619,387,076	\$ 409,723,194	\$ 235,594,058

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS' Comprehensive Annual Financial Report, available on the PERS website – www.nvpers.org.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

Actuarial Assumptions

The County's net pension liability was measured as of June 30, 2017, 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	2.75%
Payroll Growth	5.00% including inflation
Investment Rate of Return	7.50%
Productivity Pay Increase	0.5%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. 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, 2017 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, 2017.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the County recognized pension expense of \$32,463,288 excluding employer-paid deemed member contributions. At June 30, 2018, 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	\$ -	\$ 26,886,126
Changes of assumptions or other inputs	27,181,234	-
Net difference between projected and actual earnings on pension plan investments	2,660,261	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	12,323,600	3,673,810
County contributions subsequent to the measurement date	28,199,821	-
Total	\$ 70,364,916	\$ 30,559,936

\$28,199,821 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, 2019.

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, 2016 (the beginning of the measurement period ended June 30, 2017) is 6.39 years.

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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:

Year Ended June 30,		
2019	\$	(5,315,754)
2020		11,053,051
2021		4,286,520
2022		(5,150,034)
2023		4,585,990
Thereafter		2,145,388
Total	\$	11,605,161

The following is the reconciliation of the June 30, 2018 net pension liability:

Beginning Net Pension Liability	\$	404,218,415
Pension Expense		32,463,288
Employer Contributions		(27,651,779)
New Net Deferred Inflows/Outflows		(2,168,709)
Recognition of Prior Deferred (Inflows)/Outflows		2,861,979
Ending Net Pension Liability	\$	409,723,194

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 TMFPD are established by Chapter 286 of NRS and may only be amended through legislation.

TMFPD's contributions to PERS were \$2,156,034 for the year ended June 30, 2018.

At June 30, 2018, TMFPD reported a liability for its proportionate share of PERS' net pension liability. The net pension liability was measured as of June 30, 2017, 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 for the period ended June 30, 2017. TMFPD's proportion was 0.21270%, which is a decrease of .00426% from its proportion measured at June 30, 2016.

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The following presents the net pension liability of TMFPD as of June 30, 2018, calculated using the discount rate of 7.50%, 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 (6.50%) or 1-percentage point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$ 42,763,809	\$ 28,288,166	\$ 16,265,918

For the year ended June 30, 2018, TMFPD recognized pension expense of \$2,238,083. At June 30, 2018, 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
Differences between expected and actual experience	\$ -	\$ 1,856,276
Changes in assumptions or other inputs	1,876,651	-
Net difference between projected and actual earnings on pension plan investments	183,670	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	1,098,919	859,150
District contributions subsequent to the measurement date	2,156,034	-
Total	\$ 5,315,274	\$ 2,715,426

\$2,156,034 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, 2019.

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, 2016 (the beginning of the measurement period ended June 30, 2017) is 6.39 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:

Year ended June 30,		
2019	\$	(371,730)
2020		792,269
2021		305,163
2022		(466,141)
2023		110,051
Thereafter		74,202
Total	\$	443,814

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 (RHBP), a single-employer defined benefit OPEB plan. The RHBP is administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the BCC. The Trust is a multiple employer trust and 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, 1001 E. Ninth Street, Reno, Nevada, 89512. The measurement focus of this plan is its net OPEB liability.

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The County also provides OPEB for certain former employees through the State of Nevada's Public Employees' Benefits Plan (PEBP), an agent multiple-employer defined benefit OPEB plan. PEBP is administered by the State of Nevada, and as such, is not considered a "plan" for Washoe County's external financial reporting purposes. The measurement focus of this arrangement is the total OPEB liability associated with participating former County employees.

Additionally, TMFPD, a discretely presented component unit, provides OPEB for eligible employees through the Truckee Meadows Fire Protection District Retiree Group Medical Plan (RGMP), a single-employer defined benefit plan. As of July 1, 2016, the Sierra Fire Protection District (SFPD) Retiree Group Medical Plan was consolidated into the TMFPD RGMP, and SFPD's retirees are provided OPEB through the TMFPD RGMP. Since July 1, 2010 both of these plans have been administered through the Trust. The measurement focus of this plan is its net OPEB liability.

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 a self-funded PPO Plan, an HMO Plan, and beginning January 1, 2017, a self-funded High Deductible 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.

As of July 1, 2016, the date of the RHBP's last full actuarial valuation, the following persons were covered by the terms of the plan:

Active employees	2,311
Retirees and surviving spouses	1,512
Total Participants	3,823

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.

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 years of County service:

Years of Service	Tier 1 Retiree Contribution
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 stipulated in employee association contracts. For retirees of any age not enrolled in Medicare, the County's monthly subsidy during fiscal year 2018 depends on years of full-time service and ranged from a minimum of \$109 for five years to a maximum of \$615 for 20 or more years. For retirees age 65 and over and enrolled in Medicare, the County's monthly subsidy ranged from \$58 to \$250 based on years of service.

The County is required by employee association agreements to contribute, at a minimum, the amount necessary to fund current retiree health plan premium costs plus the actuarially determined "normal cost". These agreements can only be amended through a negotiation process between the County and the employee associations. The BCC approves the retiree health benefit contribution amount annually, which is based on the actuarially determined contribution amount for the year. In fiscal year 2018, the County budgeted and contributed \$22,988,364.

State of Nevada's Public Employees' Benefits Plan (PEBP Arrangement)

NRS 287.023 allowed County retirees to join the State's PEBP through September 1, 2008, at the County's expense. It is closed to existing County employees. Eligibility and subsidy requirements are governed by statutes of the State and can only be

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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 fiscal year 2018 ranged from a minimum of \$109 for five years of service to a maximum of \$615 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 \$58 and \$250 based on years of service.

As of July 1, 2016, the date of the PEBP Arrangement's last full actuarial valuation, there were 286 former County employees enrolled in the PEBP.

Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which was effective for fiscal years beginning after June 15, 2016, makes changes to the financial reporting for OPEB plans administered through trusts which meet certain criteria. Because the PEBP is administered by the State of Nevada, it is not considered a "plan" for GASB Statement No. 74 purposes, and any assets accumulated for OPEB purposes are to be reported as assets of the employer. As of June 30, 2018, \$2.7 million of assets have been accumulated, and are included in the General Fund. The assets are restricted solely for payment of the OPEB obtained through PEBP, and are not subject to the claims of the County's creditors. See Note 4, Restricted Cash and Investments.

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. In accordance with the Interlocal Agreement, 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 prior to June 30, 2012 or during the term of the Interlocal Agreement. Health benefits under the City's plan include medical, prescription, vision, dental 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, in preparation of 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 employees 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 dependents. 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.

As of July 1, 2010, TMFPD became a participating employer in the Washoe County, Nevada OPEB Trust, and the TMFPD RGMP is administered through that Trust.

As of July 1, 2016, the date of the last full actuarial valuation, participation in the TMFPD RGMP was as follows:

Active employees	100
Retirees and surviving spouses	52
Total Participants	152

The TMFPD RGMP also includes former employees of the Sierra Fire Protection District (SFPD). TMFPD and SFPD consolidated as of July 1, 2016; prior to that date, health insurance benefits for SFPD retirees were provided through the TMFPD RGMP, but the liability for the payment of SFPD's retiree health benefits was retained by SFPD. As a result of the consolidation, TMFPD assumed this liability.

Actuarial Methods and Assumptions

The County's and TMFPD's net OPEB liability were each measured as of June 30, 2017, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of July 1, 2016, with the amounts rolled forward to June 30, 2017. The total OPEB liability for the PEBP Arrangement was measured as of June 30, 2017, and was determined based on an actuarial valuation as of July 1, 2016, with the amounts rolled forward to June 30, 2017.

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Actuarial valuations include projections of the sharing of benefit-related costs that are based on labor association agreements and an established pattern of practice. The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

	<u>Washoe County RHBP</u>	<u>TMFPD RGMP</u>	<u>PEBP Arrangement</u>
Inflation	3%	3%	3%
Salary increases	8% first 4 years, 3% thereafter	8% first 4 years, 3% thereafter	n/a
Investment rate of return	7%	7%	7%
Healthcare cost trend rates	7.50% initial, 4.75% ultimate	9.84% initial, 4.75% ultimate	
Pre-65 retirees	n/a	n/a	7.25% initial, 4.75% ultimate
Post-65 retirees	n/a	n/a	8.25% initial, 5.00% ultimate
Medicare subsidy	n/a	n/a	Medicare subsidy level (once eligible) is approximately 40% of non-Medicare subsidy level

Mortality rates for the RHBP and the PEBP Arrangement were based on the RP-2014 Male and Female Healthy Annuitant mortality tables adjusted to reflect Mortality Improvement Scale MP-2016 from the 2006 base year, and projected forward using projection scale MP-2016 on a generational basis. For the TMFPD RGMP, the RP-2000 Combined Mortality, Male and Female, table projected to 2025 with Scale AA was used for healthy participants; rates were set forward two years for disabled participants.

For the RHBP, the July 1, 2016 actuarial valuation used the Nevada Public Employees Retirement System (PERS) termination rates from PERS' 2015 experience study, and used retirement rates that were in use prior to the 2015 experience study. The actuary determined that the termination rates in PERS' 2015 experience study were a better match to Washoe County's experience than the previous rates. Conversely, the actuary determined that the previous retirement rates more closely reflected the experience of Washoe County than those of PERS' 2015 experience study.

For both the PEBP Arrangement and the TMFPD RGMP, the number of participants is not large enough to provide credible data to perform an experience study to establish demographic assumptions for termination, retirement, and mortality. For the PEBP Arrangement, the demographic assumptions used in the July 1, 2016 valuation of the OPEB liability were based on actuarial judgment. For the TMFPD RGMP, the demographic assumptions used in the July 1, 2016 valuation of OPEB liabilities were developed based on expectations of TMFPD regarding its workforce, demographic pattern for similar safety groups, and actuarial judgment. For both the PEBP Arrangement and the TMFPD RGMP, the County, TMFPD, and their actuary monitor assumptions and experience with every valuation and make adjustments to assumptions as needed as experience emerges.

Investment rate of return. The investment rate of return of 7.00%, net of investment expenses, was selected by the plans and by the County for the PEBP Arrangement. This is based on the investment policy of the State of Nevada's Retiree Benefits Investment Fund (RBIF), where the plans and the County invest their assets to fund their OPEB liabilities. This rate is derived from RBIF's investment policy (shown in the table below), and includes a 2.50% long-term inflation assumption.

<u>Asset Class</u>	<u>Asset Allocation</u>
Foreign Developed Equity	21%
U. S. Fixed Income	30%
U. S. Large Cap Equity	49%

Discount rate. The discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that plan assets are projected to cover the benefit payments. The discount rate used to measure the total OPEB liability was 7.00% for both plans and for the PEBP Arrangement. The projection of cash flows used to determine the discount rate for the RHBP assumed that County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the RHBP's net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expect rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

For the TMFPD RGMP, the projection of cash flows used to determine the discount rate reflects the District's decision to implement in fiscal year 2019 a funding policy which will maintain a funded percentage for the RGMP of at least 80%. When implemented, the Net Position of the RGMP and future expected contributions and earnings are projected to be sufficient for the TMFPD RGMP to remain solvent.

Changes in OPEB Liabilities

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	Washoe County RHPB		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016	\$ 429,776,785	\$ 164,523,782	\$ 265,253,003
Changes for the year:			
Service cost	6,473,000	-	6,473,000
Interest on the total OPEB liability	30,059,000	-	30,059,000
Changes of benefit terms	-	-	-
Differences between actual and expected experience	-	-	-
Changes of assumption	-	-	-
Benefit payments	(13,601,066)	(13,601,066)	-
Contributions - employer	-	25,306,206	(25,306,206)
Contributions - other	-	1,877,007	(1,877,007)
Net investment income	-	21,244,206	(21,244,206)
Administrative expense	-	(27,416)	27,416
Other changes	-	-	-
Net Changes	<u>22,930,934</u>	<u>34,798,937</u>	<u>(11,868,003)</u>
Balances at June 30, 2017	<u>\$ 452,707,719</u>	<u>\$ 199,322,719</u>	<u>\$ 253,385,000</u>

	PEBP Arrangement
	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2016, as restated (Note 19)	\$ 3,799,240
Changes for the year:	
Service cost	-
Interest on the total OPEB liability	256,838
Changes of benefit terms	-
Differences between actual and expected experience	-
Changes of assumption	-
Benefit payments	(264,731)
Other changes	-
Net Changes	<u>(7,893)</u>
Balance at June 30, 2017	<u>\$ 3,791,347</u>

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	TMFPD RGMP		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2016, as restated	\$ 6,216,600	\$ 4,972,678	\$ 1,243,922
Changes for the year:			
Service cost	405,061	-	405,061
Interest on the total OPEB liability	455,572	-	455,572
Changes of benefit terms	-	-	-
Differences between actual and expected experience	-	-	-
Changes of assumption	-	-	-
Benefit payments	(230,891)	(230,891)	-
Contributions - employer	-	-	-
Contributions - other	-	-	-
Net investment income	-	591,731	(591,731)
Administrative expense	-	(16,744)	16,744
Other changes	-	-	-
Net Changes	629,742	344,096	285,646
Balances at June 30, 2017	\$ 6,846,342	\$ 5,316,774	\$ 1,529,568

Sensitivity of the OPEB liabilities to changes in the discount rate. The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current discount rate:

	1% Decrease in Discount Rate 6.00%	Current Discount Rate 7.00%	1% Increase in Discount Rate 8.00%
Washoe County			
RHBP - Net OPEB Liability	\$ 325,359,000	\$ 253,385,000	\$ 195,436,000
PEBP - Total OPEB Liability	\$ 4,219,000	\$ 3,791,347	\$ 3,434,000
TMFPD			
RGMP - Net OPEB Liability	\$ 2,432,859	\$ 1,529,568	\$ 767,907

Sensitivity of the OPEB liabilities to changes in the healthcare cost trend rates. The following presents the net OPEB liabilities of the plans, as well as what each plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	RHBP		
	1% Decrease in Healthcare Costs Trend Rate (6.50% decreasing to 3.75%)	Current Healthcare Costs Trend Rate (7.50% decreasing to 4.75%)	1% Increase in Healthcare Costs Trend Rate (8.50% decreasing to 5.75%)
Net OPEB Liability	\$ 193,229,000	\$ 253,385,000	\$ 328,175,000

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PEBP Arrangement			
	1% Decrease in Healthcare Costs	Current Healthcare Costs	1% Increase in Healthcare Costs
	Trend Rate	Trend Rate	Trend Rate
	(7.25% decreasing to 3.75%)	(8.25% decreasing to 4.75%)	(9.25% decreasing to 5.75%)
Total OPEB Liability	\$ 3,444,000	\$ 3,791,347	\$ 4,199,000

TMFPD RGMP			
	1% Decrease in Healthcare Costs	Current Healthcare Costs	1% Increase in Healthcare Costs
	Trend Rate	Trend Rate	Trend Rate
	(8.84% decreasing to 3.75%)	(9.84% decreasing to 4.50%)	(10.84% decreasing to 5.75%)
Net OPEB Liability	\$ 618,730	\$ 1,529,568	\$ 2,648,308

OPEB plans fiduciary net position. Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Washoe County, Nevada OPEB Trust financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$22,603,000 for the RHBP and \$256,838 for the PEBP Arrangement. TMFPD recognized OPEB expense of \$487,377. At June 30, 2018, the County and TMFPD reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Washoe County RHBP		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	7,288,000
Contributions made subsequent to the measurement date	26,133,000	-
Total	\$ 26,133,000	\$ 7,288,000

PEBP Arrangement		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	-
Contributions made subsequent to the measurement date	281,687	-
Total	\$ 281,687	\$ -

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	TMFPD RGMP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on OPEB plan investments	-	201,731
Contributions made subsequent to the measurement date	-	-
Total	\$ -	\$ 201,731

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	Washoe County RHBP	TMFPD RGMP
2019	\$ (1,822,000)	\$ (50,433)
2020	(1,822,000)	(50,433)
2021	(1,822,000)	(50,433)
2022	(1,822,000)	(50,432)
2023	-	-
Thereafter	-	-
Total	\$ (7,288,000)	\$ (201,731)

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, or destruction of assets; errors or omissions; and health insurance claims.

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, including a fully-insured medical and prescription plan.

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:

	Current	Long-Term	Total
Pending Claims:			
Property and liability claims	\$ 1,434,000	\$ 3,468,000	\$ 4,902,000
Workers' compensation claims	5,220,000	8,946,000	14,166,000
Unprocessed Health Benefits Fund claims	3,681,000	-	3,681,000
Total Pending Claims	\$ 10,335,000	\$ 12,414,000	\$ 22,749,000

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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 \$2,500 to \$50,000. Liability and workers' compensation claims are self-insured up to \$1.5 million each; insurance policies are in place for losses greater than this amount. There were no settled claims in excess of insurance coverage in the current fiscal year or the three prior fiscal years.

Many items involving the Risk Management Fund do not specifically fall within the criteria used by the actuary for evaluation. Such items include contract disputes and noninsurance items. Currently, there is a net position of \$13,905,983 in the Risk Management Fund for claims that fall into areas not recognized in the actuarial studies and possible catastrophic losses that exceed parameters of the actuarial studies, in addition to the claims that are evaluated by the actuary. The net position amount is restricted for the payment of claims per NRS 354.6215.

The County's exposure for the self-funded portion of health insurance claims is limited to \$200,000 per claim each year. Stop-loss insurance is in place for claims above this amount. Currently, there is a net position of \$10,858,281 in the Health Benefits Fund for claims in excess of amounts projected by actuary. The net position amount is restricted for the payment of claims per NRS 354.6215.

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</u>	<u>Health Benefits</u>
	<u>Fund</u>	<u>Fund</u>
Claims Liability/Activity:		
Claims Liability, June 30, 2016	\$ 16,719,000	\$ 2,402,000
Claims and changes in estimates	5,946,091	23,408,311
Claim payments	<u>(3,597,091)</u>	<u>(23,305,311)</u>
Claims Liability, June 30, 2017	19,068,000	2,505,000
Claims and changes in estimates	4,111,598	29,719,181
Claim payments	<u>(4,111,598)</u>	<u>(28,543,181)</u>
Claims Liability, June 30, 2018	<u>\$ 19,068,000</u>	<u>\$ 3,681,000</u>

The non-discounted carrying amount of unpaid claims in the Risk Management Fund at June 30 is \$19,068,000. The interest rate used for discounting was 2.5%.

Discretely Presented Component Units

The Truckee Meadows Fire Protection District (TMFPD), discretely presented component unit, does not participate in the Washoe County Risk Management or Health Benefits Funds.

TMFPD is 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 has 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 pays annual premiums 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.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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 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.

Claims incurred prior to fiscal year 2012 remain the liability of the City of Reno under the buyout agreement. TMFPD will remain responsible for future heart and lung related workers' compensation claims on a "pay as you go" system.

Claims liability and activity for the fiscal years ending June 30 were as follows:

	TMFPD Workers' Compensation Fund
Claims Liability/Activity:	
Claims Liability, July 1, 2016	533,000
Claims and changes in estimates	2,543,610
Claims payments	<u>(1,747,481)</u>
Claims Liability, June 30, 2017	1,329,129
Claims and changes in estimates	250,433
Claims payments	<u>(218,246)</u>
Claims Liability, June 30, 2018	<u>\$ 1,361,316</u>

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. 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 Local Government Oversight Committee formally acknowledged the joint venture's satisfaction of its \$12 million TRWQSA obligation on October 9, 2014. Acquired water rights are jointly managed by the County, the Cities of Reno and Sparks, and DOI. Each entity (Washoe County and the Cities of Reno and Sparks) owns an undivided and equal interest in the water rights acquired. The County's proportionate share of the purchased water rights totals \$4,019,072 and is recorded in capital assets.

Separately audited financial statements and information for the joint venture are available by writing to: Local Government Oversight Committee (Truckee River Water Quality Settlement Agreement), c/o Washoe County Comptroller's Office, 1001 E. 9th Street, D-200, Reno, Nevada 89512.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

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 has issued bonds that do not constitute an obligation of the Cities of Reno or 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. Since TMWA's formation no such assessments have been made. The arrangement is considered a joint venture with no equity interest 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.

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.

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.

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 and 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 in the County's financial statements because no explicit and measurable equity interest is deemed to exist.

NOTE 18 – TAX ABATEMENTS

State of Nevada Tax Abatements

For the fiscal year ended June 30, 2018, Washoe County tax revenues were reduced by a total amount of \$6,844,325 under agreements entered into by the State of Nevada.

- Aviation Tax Abatement (NRS 360.753) – Partial abatements from Personal Property and Sales & Use Taxes are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20 year period, a near 75% reduction. For fiscal year ending June 30, 2018, the total amount abated for Washoe County was \$196,124.
- Data Centers Abatement (NRS 360.754) – Partial abatements from personal property and sales & use taxes are available to companies that establish or expand data centers. The personal property tax abatement can be up to 20 years. For fiscal year ending June 30, 2018, the total amount abated for Washoe County was \$2,724,112.
- Renewable Energy (NRS 701A.370) – Partial abatements from property and local sales and use taxes imposed on renewable energy facilities. For fiscal year ending June 30, 2018, the total amount abated for Washoe County was \$3,588.
- Standard Abatement (NRS 360.750)
 - Local Sales and Use Tax Abatement – A partial abatement of sales and use taxes is available to qualified companies that locate or expand their business in Nevada. The tax abatement is on the gross receipts from the sale, and the storage, use of other consumption, of eligible capital equipment. The abatement reduces the sales and use tax rate to 2%. The approved business is eligible for tax abatements for a two-year period beginning the date the abatement becomes effective.

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

- o Modified Business Tax Abatement – A partial abatement of the Modified Business Tax is available to qualified companies that locate or expand their business in Nevada. The current tax imposed on each employer is at the rate of 1.475% on taxable wages over \$50,000 in a quarter. A business may qualify for a partial abatement of up to 50% of the amount of the business tax due during the first four years of operations.
- o Personal Property Tax Abatement – A partial abatement from personal property tax is available to qualified companies that locate or expand their business in Nevada. This tax abatement can be up to 50% of the tax due for 10 years beginning from when the abatement becomes effective. The applicant must apply for abatement not more than one year before the business begins to develop for expansion of operations in Nevada.
- o Real Property Tax Abatement for Recycling – A partial abatement of real property (land and buildings) tax is available for businesses and facilities using recycled material that have as a primary purpose the conservation of energy or the substitution of fossil sources for other sources of energy. To qualify, the business must be in the primary trade of recycling at least 50% of raw material or an intermediate product onsite; or converting the energy derived from recycled material into electricity. Qualifying businesses can receive a partial abatement of up to 50% of the tax due on real property for not more 10 years beginning from when the abatement becomes effective.

For fiscal year ending June 30, 2018, the total standard abatement amount abated for Washoe County was \$3,920,501.

NOTE 19 – ACCOUNTING CHANGES

Correction of an Error

In January 2018, the Nevada Public Employees Retirement System (NV PERS) corrected an error in implementing Governmental Accounting Standards Board Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for its plan year ended June 30, 2016. The County records in its financial statements the County's proportionate share of various NV PERS financial measurements, including the Net Pension Liability, Deferred Outflows of Resources, and Deferred Inflows of Resources, in the fiscal year subsequent to the NV PERS plan year. Since the correction of the error in implementing GASB Statement No. 82 occurred after the County issued its financial statements for the fiscal year ended June 30, 2017, the effect of NV PERS' implementation of GASB Statement No. 82 is reflected as a Prior Period Adjustment for the fiscal year ended June 30, 2018. The effect on the County's Net Position is shown below. The correction of the error also resulted in corresponding decreases in Deferred Outflows of Resources-Pensions.

Implementation of a New Standard

As of July 1, 2017, the County adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. The implementation of this standard requires governments to calculate and report the cost and obligations associated with other postemployment benefits (OPEB) in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net OPEB liability, as follows:

	Governmental Activities	Business-type Activities	Total
Net position as previously reported, June 30, 2017	\$ 147,672,700	\$ 228,285,475	\$ 375,958,175
Restatement of deferred outflows of resources, net pension-liability amounts	(33,549,400)	(548,837)	(34,098,237)
Net position at June 30, 2017, restated for correction of an error	114,123,300	227,736,638	341,859,938
Total OPEB liability	(264,238,175)	(4,814,068)	(269,052,243)
Deferred outflows of resources related to contributions made during the year ended June 30, 2018	27,030,868	416,866	27,447,734
Net position at June 30, 2017, as restated	\$ (123,084,007)	\$ 223,339,436	\$ 100,255,429

WASHOE COUNTY, NEVADA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018
(CONTINUED)

	Business-type Activities			
	Utilities	Building and Safety	Golf	Total
Net position as previously reported, June 30, 2017	\$ 208,635,528	\$ 320,544	\$ 2,304,844	\$ 211,260,916
Restatement of deferred outflows of resources, net pension-liability amounts	(328,189)	(192,580)	(28,068)	(548,837)
Net position at June 30, 2017, restated for correction of error	208,307,339	127,964	2,276,776	210,712,079
Total OPEB liability at June 30, 2017	(2,962,503)	(1,851,565)	-	(4,814,068)
Deferred outflows of resources related to made during the year ended June 30, 2018	256,533	160,333	-	416,866
Net position at June 30, 2017, as restated	\$ 205,601,369	\$ (1,563,268)	\$ 2,276,776	\$ 206,314,877

	<u>TMFPD</u> Governmental Activities
Net position at June 30, 2017, as previously reported	\$ 18,355,713
Restatement of deferred outflows of resources, net pension-liability amounts	(2,417,666)
Implementation of GASB 75 amounts	1,555,587
Prior period adjustment	(862,079)
Net position at June 30, 2017, as restated	\$ 17,493,634

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

SCHEDULE OF COUNTY'S SHARE OF NET PENSION LIABILITY – PUBLIC EMPLOYEE'S RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN FISCAL YEARS*

	2017	2016	2015	2014
County's portion of the net pension liability	3.08066%	3.00375%	3.04481%	2.99104%
County's proportionate share of the net pension liability	\$ 409,723,194	\$ 404,218,415	\$ 348,917,793	\$ 311,725,984
County's covered payroll	\$ 171,171,726	\$ 170,699,917	\$ 159,308,921	\$ 154,067,907
County's proportionate share of the net pension liability as a percentage of its covered payroll	239.36%	236.80%	219.02%	202.33%
Plan fiduciary net position as a percentage of the total net pension liability	74.42%	72.20%	75.10%	76.30%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.

SCHEDULE OF COUNTY'S CONTRIBUTIONS – PUBLIC EMPLOYEE'S RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN FISCAL YEARS*

	2018	2017	2016	2015
Statutorily required contribution	\$ 28,199,821	\$ 26,816,677	\$ 25,638,494	\$ 46,781,626
Contributions in relation to the statutorily required contribution	\$ 28,199,821	\$ 26,816,677	\$ 25,638,494	\$ 46,781,626
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 180,876,924	\$ 171,171,726	\$ 170,699,917	\$ 159,308,921
Contributions as a percentage of covered payroll	15.59%	15.67%	15.02%	29.37%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

SCHEDULES OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS*

Washoe County Retirees Health Benefits Plan:

		2017
Total OPEB liability		
Service cost	\$	6,473,000
Interest		30,059,000
Benefit payments		(13,601,066)
Net Change in total OPEB liability		22,930,934
Total OPEB liability - beginning		429,776,785
Total OPEB liability - ending (a)	\$	452,707,719
Plan fiduciary net position		
Employer contributions	\$	25,306,206
Other contributions		1,877,007
Net investment income		21,244,206
Benefit payments		(13,601,066)
Administrative expenses		(27,416)
Net change in plan fiduciary net position		34,798,937
Plan fiduciary net position - beginning, as restated		164,523,782
Plan fiduciary net position - ending (b)	\$	199,322,719
RHBP net OPEB liability - ending (a) - (b)		253,385,000
Plan fiduciary net position as a percentage of the total OPEB liability		44.03%
Covered-employee payroll	\$	181,731,903
RHBP's net OPEB liability as a percentage of covered-employee payroll		139.43%

PEBP Arrangement:

		2017
Total OPEB liability		
Service cost	\$	-
Interest		256,838
Benefit payments		(264,731)
Net Change in total OPEB liability		(7,893)
Total OPEB liability - beginning		3,799,240
Total OPEB liability - ending	\$	3,791,347

*GASB Statement No. 75 requires ten years of information to be presented in these tables. However, until ten years of data is compiled, the County will present information only for those years for which information is available.

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

SCHEDULE OF COUNTY CONTRIBUTIONS – OPEB*

	2018
Actuarially determined contribution	\$ 23,298,000
Contributions in relation to the actuarially determined contribution	23,088,000
Contribution deficiency (excess)	\$ 210,000
Covered-employee payroll	\$ 189,686,766
Contributions as a percentage of covered-employee payroll	12.17%

Notes to Schedule

Valuation date	July 1, 2016, rolled forward to June 30, 2017
Methods and assumptions used to determine contribution amount:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24 years
Asset valuation method	Market value
Inflation	3.0 percent
Healthcare costs trend rate	7.5% initial, 4.75% ultimate
Salary increases	8.0 % each of first 4 years, and 3.0% thereafter
Investment rate of return	7.0 percent, net of OPEB plan investment expense
Mortality	RP-2014 Mortality, Males & Females, projected generationally from the 2006 base year using the MP-2016 projection scale

*GASB Statement No. 75 requires ten years of information to be presented in this schedule. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – COUNTY CONTRIBUTIONS TO PERS

As discussed in Note 19, Accounting Changes,, the Nevada Public Employees Retirement System (PERS) implemented Governmental Accounting Standards Board Statement No. 82, *Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*. As a result of this implementation, and under Nevada Revised Statutes, one-half of the total employer-paid contributions are deemed to be from employers and one-half is deemed to be from employees (through salary schedule reductions). Accordingly, beginning with fiscal year 2016, the amount of the statutorily required contribution presented reflects only the employer portion of the employer-paid contributions, and excludes employer-paid member contributions.

NOTE 2 – TMFPD COVERED PAYROLL AND NET OPEB LIABILITY

The covered payroll for active plan members for the TMFPD RGMP OPEB plan reported above reflects changes in the current labor agreement to make all District employees hired between April 1, 2012 and July 1, 2014 eligible for retiree health benefits, and to require all retirees to enroll in Medicare at age 65. The total OPEB liability shown for TMFPD also includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the remaining 43 employees who transferred employment to the City and retired during the term of the Interlocal Agreement. All amounts include amounts previously presented separately for the Sierra Fire Protection District, which was consolidated into TMFPD as of July 1, 2016.

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

Discretely Presented Component Unit

SCHEDULE OF TRUCKEE MEADOWS FIRE PROTECTION DISTRICT'S NET PENSION LIABILITY – PUBLIC EMPLOYEE'S RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN FISCAL YEARS*

	2017	2016	2015	2014
TMFPD's portion of the net pension liability	0.21270%	0.21696%	0.22129%	0.20583%
TMFPD's proportionate share of the net pension liability	\$ 28,288,166	\$ 29,197,203	\$ 25,358,762	\$ 21,451,071
TMFPD's covered payroll	\$ 9,712,107	\$ 9,271,513	\$ 8,435,593	\$ 7,783,987
TMFPD's proportionate share of the net pension liability as a percentage of its covered payroll	291.27%	314.91%	300.62%	275.58%
Plan fiduciary net position as a percentage of total net pension liability	74.42%	72.23%	75.13%	76.31%

SCHEDULE OF TRUCKEE MEADOWS FIRE PROTECTION DISTRICT'S CONTRIBUTIONS – PUBLIC EMPLOYEE'S RETIREMENT SYSTEM OF NEVADA (PERS) – LAST TEN FISCAL YEARS*

	2018	2017	2016	2015
Statutorily required contribution	\$ 2,156,034	\$ 1,896,920	\$ 1,835,776	\$ 1,707,868
Contributions in relation to the statutorily required contribution	\$ 2,156,034	\$ 1,896,920	\$ 1,835,776	\$ 1,707,868
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
TMFPD's covered payroll	\$ 11,003,348	\$ 9,712,107	\$ 9,271,513	\$ 8,435,593
Contributions as a percentage of covered payroll	19.59%	19.53%	19.80%	20.25%

*GASB Statement No. 68 requires ten years of information to be presented in this table. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.

SCHEDULES OF CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS*

Truckee Meadows Fire Protection District Retirees Group Medical Plan:

	2017
Total OPEB liability	
Service cost	\$ 405,061
Interest	455,572
Benefit payments	(230,891)
Net Change in total OPEB liability	629,742
Total OPEB liability - beginning	6,216,600
Total OPEB liability - ending (a)	\$ 6,846,342
Plan fiduciary net position	
Net investment income	591,731
Benefit payments	(230,891)
Administrative expenses	(16,744)
Net change in plan fiduciary net position	344,096
Plan fiduciary net position - beginning	4,972,678
Plan fiduciary net position - ending (b)	\$ 5,316,774
TMFPD RGMP net OPEB liability - ending (a) - (b)	1,529,568
Plan fiduciary net position as a percentage of the total OPEB liability	77.66%
Covered-employee payroll	\$ 13,199,783
TMFPD RGMP's net OPEB liability as a percentage of covered-employee payroll	11.59%

**WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

SCHEDULE OF TRUCKEE MEADOWS FIRE PROTECTION DISTRICT'S CONTRIBUTIONS – OPEB*

	2018
Actuarially determined contribution	\$ 650,895
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	650,895
Covered-employee payroll	\$ 15,660,842
Contributions as a percentage of covered-employee payroll	0.00%

Notes to Schedule

Valuation date	July 1, 2016, rolled forward to June 30, 2017
Methods and assumptions used to determine contribution amount:	
Actuarial cost method	Entry Age Normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	14 years
Asset valuation method	Market value
Inflation	3.0 percent
Healthcare costs trend rate	9.84% initial, 4.75% ultimate
Salary increases	8.0 % each of first 4 years, and 3.0% thereafter
Investment rate of return	7.0 percent, net of OPEB plan investment expense
Mortality	RP-2000 Combined Mortality, Male & Female, projected to 2025 with Scale AA

*GASB Statement No. 75 requires ten years of information to be presented in these schedules. However, until 10 years of data is compiled, the County will present information only for those years for which information is available.



NONMAJOR GOVERNMENTAL FUNDS

**WASHOE COUNTY, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	Special Revenue Funds	Debt Service Fund	Capital Projects Funds	Total
Assets				
Cash and investments	\$ 33,785,039	\$ 4,510,908	\$ 25,820,185	\$ 64,116,132
Accounts receivable	640,646	-	-	640,646
Property taxes receivable	52,549	17,502	44,811	114,862
Other taxes receivable	1,713,316	-	-	1,713,316
Interest receivable	106,319	-	100,748	207,067
Due from other governments	6,172,833	-	707,209	6,880,042
Total Assets	\$ 42,470,702	\$ 4,528,410	\$ 26,672,953	\$ 73,672,065
Liabilities				
Accounts payable	\$ 951,982	\$ -	\$ 524,462	\$ 1,476,444
Accrued salaries and benefits	496,543	-	1,436	497,979
Contracts/retention payable	18,541	-	64,180	82,721
Due to other governments	737,222	-	247,827	985,049
Deposits	133,210	-	-	133,210
Other Liabilities	23,369	-	-	23,369
Total Liabilities	2,360,867	-	837,905	3,198,772
Deferred Inflows of Resources				
Unavailable revenue - grants	2,591,906	-	-	2,591,906
Unavailable revenue - property taxes	44,109	15,224	37,831	97,164
Total Deferred Inflows of Resources	2,636,015	15,224	37,831	2,689,070
Fund Balances				
Restricted	17,591,059	4,513,186	23,053,253	45,157,498
Committed	9,068,809	-	2,743,964	11,812,773
Assigned	10,813,952	-	-	10,813,952
Total Fund Balances	37,473,820	4,513,186	25,797,217	67,784,223
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 42,470,702	\$ 4,528,410	\$ 26,672,953	\$ 73,672,065

WASHOE COUNTY, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Total</u>
Revenues				
Taxes:				
Ad valorem	\$ 9,319,596	\$ 2,166,902	\$ 7,053,702	\$ 18,540,200
Residential construction tax	-	-	442,868	442,868
Licenses and permits	3,582,339	-	-	3,582,339
Intergovernmental revenues	29,955,363	-	4,875,599	34,830,962
Charges for services	9,247,301	-	-	9,247,301
Fines and forfeits	450	-	-	450
Miscellaneous	2,052,373	-	118,329	2,170,702
Total Revenues	54,157,422	2,166,902	12,490,498	68,814,822
Expenditures				
Current:				
General government	365,556	-	-	365,556
Public safety	19,114,489	-	-	19,114,489
Public works	14,497,010	-	-	14,497,010
Health and sanitation	23,258,657	-	-	23,258,657
Welfare	5,107,426	-	-	5,107,426
Culture and recreation	2,432,323	-	-	2,432,323
Intergovernmental	-	-	5,102,292	5,102,292
Capital outlay	-	-	21,181,895	21,181,895
Debt Service:				
Principal	-	7,235,838	-	7,235,838
Interest	-	4,160,628	-	4,160,628
Debt service fees and other fiscal charges	-	27,924	5,250	33,174
Total Expenditures	64,775,461	11,424,390	26,289,437	102,489,288
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,618,039)	(9,257,488)	(13,798,939)	(33,674,466)
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	-	19,500	19,500
Proceeds from insurance recoveries	5,985	-	-	5,985
Transfers in	18,127,206	8,365,591	9,519,008	36,011,805
Transfers out	(1,621,632)	-	(1,950,000)	(3,571,632)
Total Other Financing Sources (Uses)	16,511,559	8,365,591	7,588,508	32,465,658
Net Change in Fund Balances	5,893,520	(891,897)	(6,210,431)	(1,208,808)
Fund Balances, July 1	31,580,300	5,405,083	32,007,648	68,993,031
Fund Balances, June 30	\$ 37,473,820	\$ 4,513,186	\$ 25,797,217	\$ 67,784,223



GENERAL FUND

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Taxes:				
Ad valorem:				
General	\$ 142,060,681	142,507,912	\$ 447,231	\$ 134,150,637
Detention facility	10,873,961	10,919,055	45,094	10,482,991
Indigent insurance program	2,107,357	2,116,086	8,729	2,031,588
China Spring support	1,053,678	1,058,047	4,369	1,016,549
Family Court	2,697,418	2,708,599	11,181	2,600,429
AB 104	2,542,328	2,575,410	33,082	2,468,204
NRS 354.59813 makeup revenue	-	293	293	959
Room tax	425,000	464,102	39,102	455,864
Total Taxes	161,760,423	162,349,504	589,081	153,207,221
Licenses and Permits:				
Business:				
General business licenses	840,000	920,614	80,614	842,864
Electric/telecom business licenses	4,715,000	4,842,509	127,509	4,448,043
Liquor licenses	254,600	266,054	11,454	258,113
Local gaming licenses	677,800	-	(677,800)	202,791
Sanitation franchise fees	635,000	547,834	(87,166)	413,817
Gas franchise fees	245,000	198,301	(46,699)	198,448
Cable television franchise fees	1,100,000	1,113,431	13,431	1,020,067
County gaming licenses	234,300	836,285	601,985	676,007
Gaming licenses - AB 104	725,000	810,361	85,361	1,261,820
Nonbusiness:				
Marriage affidavits	175,000	155,946	(19,054)	167,958
Mobile home permits	200	227	27	187
Other	300	1,150	850	1,424
Total Licenses and Permits	9,602,200	9,692,712	90,512	9,491,539
Intergovernmental Revenues:				
Federal grants	128,500	148,007	19,507	143,790
Federal payments in lieu of taxes	3,446,375	3,547,165	100,790	3,470,893
Federal incarceration charges	3,500,000	4,066,937	566,937	4,057,525
State Shared Revenues:				
State gaming licenses	146,986	134,748	(12,238)	137,070
Real property transfer tax - AB 104	692,640	919,297	226,657	757,388
SCCRT / GST - AB 104 Makeup	13,452,750	13,582,832	130,082	12,465,361
Consolidated taxes	108,942,685	111,301,067	2,358,382	100,335,941
State extraditions	48,000	50,689	2,689	31,190
Local contributions	223,712	332,263	108,551	260,048
Total Intergovernmental Revenues	130,581,648	134,083,005	3,501,357	121,659,206
Charges for Services:				
General Government:				
Clerk fees	100,000	114,123	14,123	105,005
Recorder fees	2,253,500	2,564,601	311,101	2,029,966
Map fees	2,000	16,840	14,840	4,436
Assessor commissions	1,700,000	1,857,219	157,219	1,806,396
Overhead recovery	7,698,112	7,673,175	(24,937)	6,964,571
Other	210,846	290,423	79,577	399,218
Subtotal General Government	11,964,458	12,516,381	551,923	11,309,592

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Judicial:				
Clerk court fees	\$ 450,000	\$ 371,224	\$ (78,776)	\$ 371,259
Other	893,300	860,204	(33,096)	900,988
Subtotal Judicial	1,343,300	1,231,428	(111,872)	1,272,247
Public Safety:				
Police:				
Sheriff fees	410,000	258,838	(151,162)	307,453
Other	5,085,814	5,822,315	736,501	5,033,920
Corrections	15,000	18,801	3,801	26,030
Protective services	380,000	430,489	50,489	350,091
Subtotal Public Safety	5,890,814	6,530,443	639,629	5,717,494
Public Works	255,315	367,682	112,367	334,649
Welfare	2,500	-	(2,500)	-
Culture and Recreation	793,572	999,449	205,877	955,920
Total Charges for Services	20,249,959	21,645,383	1,395,424	19,589,902
Fines and Forfeits:				
Fines:				
Library	90,000	81,176	(8,824)	81,136
Court	1,854,150	1,674,841	(179,309)	1,754,533
Penalties	3,045,400	3,438,488	393,088	3,007,737
Forfeits/bail	1,892,000	2,551,607	659,607	2,112,050
Total Fines and Forfeits	6,881,550	7,746,112	864,562	6,955,456
Miscellaneous:				
Investment earnings	1,822,029	2,118,089	296,060	1,954,640
Net increase (decrease) in the fair value of investments	-	(1,200,847)	(1,200,847)	(1,485,746)
Rents and royalties	55,789	54,205	(1,584)	51,693
Other	1,781,277	2,732,037	950,760	1,610,628
Total Miscellaneous	3,659,095	3,703,484	44,389	2,131,215
Total Revenues	332,734,875	339,220,200	6,485,325	313,034,539
Expenditures by Function and Activity				
Current:				
General Government Function:				
Legislative / County Commissioners:				
Salaries and wages	349,358	348,265	1,093	314,263
Employee benefits	198,406	197,089	1,317	181,313
Services and supplies	216,873	204,977	11,896	203,528
	764,637	750,331	14,306	699,104
Executive / County Manager:				
Salaries and wages	2,695,960	2,500,451	195,509	2,468,290
Employee benefits	1,480,884	1,391,191	89,693	1,353,682
Services and supplies	2,107,314	1,352,238	755,076	2,888,440
	6,284,158	5,243,880	1,040,278	6,710,412

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Elections / Registrar of Voters:				
Salaries and wages	\$ 567,168	\$ 527,232	\$ 39,936	\$ 442,640
Employee benefits	270,665	248,810	21,855	252,872
Services and supplies	862,355	750,635	111,720	1,170,516
Capital outlay	45,000	25,002	19,998	-
	<u>1,745,188</u>	<u>1,551,679</u>	<u>193,509</u>	<u>1,866,028</u>
Finance:				
Comptrollers Department				
Salaries and wages	1,739,746	1,683,303	56,443	1,675,264
Employee benefits	994,548	962,703	31,845	964,853
Services and supplies	305,249	239,666	65,583	272,977
Capital outlay	-	-	-	21,063
	<u>3,039,543</u>	<u>2,885,672</u>	<u>153,871</u>	<u>2,934,157</u>
Treasurer:				
Salaries and wages	1,238,203	1,211,314	26,889	1,139,776
Employee benefits	746,968	729,813	17,155	696,009
Services and supplies	666,646	306,858	359,788	374,380
	<u>2,651,817</u>	<u>2,247,985</u>	<u>403,832</u>	<u>2,210,165</u>
Assessor:				
Salaries and wages	4,217,653	4,127,591	90,062	3,910,600
Employee benefits	2,480,620	2,439,134	41,486	2,331,086
Services and supplies	489,493	481,594	7,899	430,703
	<u>7,187,766</u>	<u>7,048,319</u>	<u>139,447</u>	<u>6,672,389</u>
Subtotal Finance	<u>12,879,126</u>	<u>12,181,976</u>	<u>697,150</u>	<u>11,816,711</u>
Other:				
Human Resources:				
Salaries and wages	1,259,345	1,176,456	82,889	1,178,153
Employee benefits	663,116	642,781	20,335	636,041
Services and supplies	476,935	404,247	72,688	461,911
	<u>2,399,396</u>	<u>2,223,484</u>	<u>175,912</u>	<u>2,276,105</u>
Clerk:				
Salaries and wages	872,157	849,902	22,255	830,758
Employee benefits	522,674	510,908	11,766	502,711
Services and supplies	96,475	68,798	27,677	65,986
	<u>1,491,306</u>	<u>1,429,608</u>	<u>61,698</u>	<u>1,399,455</u>
Recorder:				
Salaries and wages	1,312,114	1,251,600	60,514	1,199,695
Employee benefits	800,635	763,366	37,269	750,854
Services and supplies	149,771	101,028	48,743	105,446
	<u>2,262,520</u>	<u>2,115,994</u>	<u>146,526</u>	<u>2,055,995</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Technology Services:				
Salaries and wages	\$ 6,357,576	\$ 6,081,929	\$ 275,647	\$ 5,898,370
Employee benefits	3,628,528	3,513,076	115,452	3,395,030
Services and supplies	3,836,259	3,796,847	39,412	3,448,835
Capital outlay	-	16,873	(16,873)	384,785
	<u>13,822,363</u>	<u>13,408,725</u>	<u>413,638</u>	<u>13,127,020</u>
Accrued Benefits:				
Salaries and wages	2,500,000	2,669,926	(169,926)	2,184,467
Employee benefits	-	45,614	(45,614)	54,803
	<u>2,500,000</u>	<u>2,715,540</u>	<u>(215,540)</u>	<u>2,239,270</u>
OPEB:				
Employee benefits	-	296,639	(296,639)	280,172
Undesignated:				
Salaries and wages	(447,000)	-	(447,000)	-
Services and supplies	1,281,871	1,570,206	(288,335)	1,592,532
	<u>834,871</u>	<u>1,570,206</u>	<u>(735,335)</u>	<u>1,592,532</u>
Subtotal Other	<u>23,310,456</u>	<u>23,760,196</u>	<u>(449,740)</u>	<u>22,970,549</u>
Total General Government Function	<u>44,983,565</u>	<u>43,488,062</u>	<u>1,495,503</u>	<u>44,062,804</u>
Judicial Function:				
District Court:				
Salaries and wages	11,046,743	11,008,068	38,675	10,304,311
Employee benefits	6,411,741	6,303,064	108,677	5,909,532
Services and supplies	3,287,755	3,421,555	(133,800)	3,381,741
	<u>20,746,239</u>	<u>20,732,687</u>	<u>13,552</u>	<u>19,595,584</u>
District Attorney:				
Salaries and wages	12,905,643	12,845,431	60,212	12,259,424
Employee benefits	7,334,380	7,295,486	38,894	7,033,968
Services and supplies	1,608,077	1,580,465	27,612	1,560,364
Capital outlay	-	-	-	10,733
	<u>21,848,100</u>	<u>21,721,382</u>	<u>126,718</u>	<u>20,864,489</u>
Public Defense:				
Public Defender:				
Salaries and wages	5,740,647	5,704,184	36,463	5,507,948
Employee benefits	3,152,266	3,133,969	18,297	3,055,720
Services and supplies	547,261	626,166	(78,905)	679,230
	<u>9,440,174</u>	<u>9,464,319</u>	<u>(24,145)</u>	<u>9,242,898</u>
Alternate Public Defender:				
Salaries and wages	1,679,625	1,667,951	11,674	1,589,357
Employee benefits	919,428	909,688	9,740	861,008
Services and supplies	188,223	151,692	36,531	170,129
	<u>2,787,276</u>	<u>2,729,331</u>	<u>57,945</u>	<u>2,620,494</u>
Conflict Counsel:				
Services and supplies	1,310,014	1,404,726	(94,712)	1,164,359
Subtotal Public Defense	<u>13,537,464</u>	<u>13,598,376</u>	<u>(60,912)</u>	<u>13,027,751</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Budget	Actual	Variance	Actual
Justice Courts:				
Salaries and wages	\$ 6,661,447	\$ 6,389,737	\$ 271,710	\$ 6,018,793
Employee benefits	3,636,010	3,500,463	135,547	3,308,765
Services and supplies	876,838	813,303	63,535	742,347
Capital outlay	-	-	-	26,872
	<u>11,174,295</u>	<u>10,703,503</u>	<u>470,792</u>	<u>10,096,777</u>
Incline Constable:				
Salaries and wages	105,785	99,800	5,985	104,062
Employee benefits	45,585	46,525	(940)	48,053
Services and supplies	25,381	14,688	10,693	7,898
Subtotal Incline Constable	<u>176,751</u>	<u>161,013</u>	<u>15,738</u>	<u>160,013</u>
Other Judicial:				
Salaries and wages-Budgeted savings	(574,000)	-	(574,000)	-
Services and supplies-Budgeted savings	(95,000)	-	(95,000)	-
Subtotal Other	<u>(669,000)</u>	<u>-</u>	<u>(669,000)</u>	<u>-</u>
Total Judicial Function	<u>66,813,849</u>	<u>66,916,961</u>	<u>(103,112)</u>	<u>63,744,614</u>
Public Safety Function:				
Sheriff and Detention:				
Salaries and wages	59,410,993	60,995,165	(1,584,172)	59,113,528
Employee benefits	37,767,694	37,677,150	90,544	36,076,456
Services and supplies	18,046,865	16,784,496	1,262,369	16,721,532
Capital outlay	-	189,830	(189,830)	163,266
	<u>115,225,552</u>	<u>115,646,641</u>	<u>(421,089)</u>	<u>112,074,782</u>
Medical Examiner:				
Salaries and wages	1,939,014	2,035,685	(96,671)	1,584,041
Employee benefits	941,774	913,960	27,814	789,384
Services and supplies	568,686	529,918	38,768	607,285
	<u>3,449,474</u>	<u>3,479,563</u>	<u>(30,089)</u>	<u>2,980,710</u>
County Manager:				
Salaries and wages	629,793	2,051	627,742	-
Employee benefits	436,645	91,628	345,017	-
Services and supplies	135,000	5,442	129,558	-
	<u>1,201,438</u>	<u>99,121</u>	<u>1,102,317</u>	<u>-</u>
Juvenile Services:				
Salaries and wages	8,759,191	8,470,177	289,014	8,072,124
Employee benefits	5,483,341	5,342,192	141,149	5,162,924
Services and supplies	1,682,291	1,518,463	163,828	1,474,220
	<u>15,924,823</u>	<u>15,330,832</u>	<u>593,991</u>	<u>14,709,268</u>
Fire Suppression:				
Salaries and wages	135,296	181,499	(46,203)	212,177
Employee benefits	99,380	70,203	29,177	86,502
Services and supplies	721,076	700,278	20,798	749,835
Capital outlay	10,500	-	10,500	43,834
	<u>966,252</u>	<u>951,980</u>	<u>14,272</u>	<u>1,092,348</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Emergency Management:				
Salaries and wages	\$ 109,532	\$ 91,344	\$ 18,188	\$ 109,827
Employee benefits	59,080	51,641	7,439	51,318
Services and supplies	47,916	32,473	15,443	37,752
	<u>216,528</u>	<u>175,458</u>	<u>41,070</u>	<u>198,897</u>
Protective Services:				
Alternative Sentencing:				
Salaries and wages	780,736	839,877	(59,141)	663,166
Employee benefits	400,222	426,671	(26,449)	388,494
Services and supplies	315,150	214,710	100,440	137,647
	<u>1,496,108</u>	<u>1,481,258</u>	<u>14,850</u>	<u>1,189,307</u>
Public Administrator:				
Salaries and wages	769,456	703,529	65,927	733,175
Employee benefits	466,724	435,047	31,677	442,445
Services and supplies	60,504	50,001	10,503	80,940
	<u>1,296,684</u>	<u>1,188,577</u>	<u>108,107</u>	<u>1,256,560</u>
Public Guardian:				
Salaries and wages	1,167,682	1,103,445	64,237	1,106,581
Employee benefits	690,192	657,936	32,256	665,768
Services and supplies	90,000	66,501	23,499	71,569
	<u>1,947,874</u>	<u>1,827,882</u>	<u>119,992</u>	<u>1,843,918</u>
Subtotal Protective Services	<u>4,740,666</u>	<u>4,497,717</u>	<u>242,949</u>	<u>5,581,030</u>
Other Public Safety				
Salaries and wages-budgeted savings	485,246	-	485,246	-
Total Public Safety Function	<u>142,209,979</u>	<u>140,181,312</u>	<u>2,028,667</u>	<u>135,345,790</u>
Public Works Function:				
CSD - Public Works:				
Salaries and wages	5,534,170	5,324,647	209,523	5,423,968
Employee benefits	3,337,771	3,127,017	210,754	3,097,478
Services and supplies	5,510,461	5,281,050	229,411	4,597,802
Capital outlay	346,548	28,448	318,100	74,532
Other Public Works				
Salaries and wages-budgeted savings	(305,000)	-	(305,000)	-
Total Public Works Function	<u>14,423,950</u>	<u>13,761,162</u>	<u>662,788</u>	<u>13,193,780</u>
Welfare Function:				
Human Services Department:				
Salaries and wages	689,810	610,904	78,906	603,619
Employee benefits	412,075	375,334	36,741	371,727
Services and supplies	737,474	247,318	490,156	371,437
Other Welfare				
Salaries and wages-budgeted savings	(354,000)	-	(354,000)	-
Total Welfare Function	<u>1,485,359</u>	<u>1,233,556</u>	<u>251,803</u>	<u>1,346,783</u>
Culture and Recreation Function:				
Library Department:				
Salaries and wages	5,714,656	5,548,684	165,972	5,430,806
Employee benefits	3,163,491	3,090,491	73,000	3,013,775
Services and supplies	880,931	847,610	33,321	786,715
	<u>9,759,078</u>	<u>9,486,785</u>	<u>272,293</u>	<u>9,231,296</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
CSD - Regional Parks and Open Space:				
Salaries and wages	\$ 2,579,944	\$ 2,545,459	\$ 34,485	\$ 2,350,497
Employee benefits	1,407,650	1,392,519	15,131	1,308,857
Services and supplies	2,507,573	2,253,581	253,992	1,893,180
Capital outlay	91,128	222,713	(131,585)	152,349
	<u>6,586,295</u>	<u>6,414,272</u>	<u>172,023</u>	<u>5,704,883</u>
Other Culture and Recreation:				
Salaries and wages-budgeted savings	(166,000)	-	(166,000)	-
Services and supplies-budgeted savings	(60,000)	-	(60,000)	-
	<u>(226,000)</u>	<u>-</u>	<u>(226,000)</u>	<u>-</u>
Subtotal Other	<u>(226,000)</u>	<u>-</u>	<u>(226,000)</u>	<u>-</u>
Total Culture and Recreation Function	<u>16,119,373</u>	<u>15,901,057</u>	<u>218,316</u>	<u>14,936,179</u>
Community Support Function:				
Services and supplies	367,280	251,976	115,304	326,690
Total Community Support Function	<u>367,280</u>	<u>251,976</u>	<u>115,304</u>	<u>326,690</u>
Intergovernmental Expenditures:				
Indigent Insurance Program	2,107,357	2,113,993	(6,636)	2,028,767
China Springs Youth Facility	1,154,792	1,249,349	(94,557)	1,166,377
Ethics Commission Assessment	25,000	25,342	(342)	18,838
Truckee Meadows Regional Planning	250,160	241,475	8,685	215,420
Total Intergovernmental Expenditures	<u>3,537,309</u>	<u>3,630,159</u>	<u>(92,850)</u>	<u>3,429,402</u>
Total Expenditures	<u>289,940,664</u>	<u>285,364,245</u>	<u>4,576,419</u>	<u>276,386,042</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>42,794,211</u>	<u>53,855,955</u>	<u>11,061,744</u>	<u>36,648,497</u>
Other Financing Sources (Uses)				
Proceeds from asset disposition	5,000	24,069	19,069	3,616
Transfers:				
Special Revenue Funds (Transfers In)	332,400	91,515	(240,885)	283,611
Special Revenue Funds (Transfers Out)	(31,735,618)	(34,735,618)	(3,000,000)	(31,559,563)
Debt Service Funds	(5,051,451)	(5,050,676)	775	(5,596,120)
Capital Projects Funds	(7,700,000)	(7,700,000)	-	(5,285,947)
Total Other Financing Sources (Uses)	<u>(44,149,669)</u>	<u>(47,370,710)</u>	<u>(3,221,041)</u>	<u>(42,154,403)</u>
Net Change in Fund Balances	<u>(1,355,458)</u>	<u>6,485,245</u>	<u>7,840,703</u>	<u>(5,505,906)</u>
Fund Balances, July 1	<u>51,230,089</u>	<u>50,570,825</u>	<u>(659,264)</u>	<u>56,076,731</u>
Fund Balances, June 30	<u>\$ 49,874,631</u>	<u>\$ 57,056,070</u>	<u>\$ 7,181,439</u>	<u>\$ 50,570,825</u>



SPECIAL REVENUE FUNDS

SPECIAL REVENUE FUNDS

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

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<u>Major Special Revenue Fund:</u>	
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	101
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	102
Indigent Tax Levy Fund: To account for ad valorem tax revenues and investment earnings specifically appropriated to provide medical assistance to the indigent	106
<u>Nonmajor Special Revenue Funds:</u>	
Health Fund: To account for grants, user fees and other revenue sources specifically dedicated to on-going health programs and services	113
Senior Services Fund: To account for grants, charges for services and ad valorem taxes specifically appropriated to provide services for senior citizens.	114
Enhanced 911 Fund: To account for Enhanced 911 fees specifically appropriated for the enhancement of the communication system for reporting emergencies	115
Library Expansion Fund: To account for ad valorem taxes and investment earnings specifically appropriated to fund expansion of the library system	116
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	117
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	118
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	119
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	120
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	121
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	122
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	123
Marijuana Establishment Fund: To account for specific revenue sources that are restricted to regulatory zoning, business licensing and public safety associated with the legalization of marijuana.	124

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 5,619,618	\$ 5,643,098	\$ 23,480	\$ 5,417,569
Licenses and Permits:				
Day care licenses	22,500	22,180	(320)	20,780
Intergovernmental Revenues:				
Federal grants	24,119,780	22,935,304	(1,184,476)	19,839,312
State grants	18,708,348	17,190,880	(1,517,468)	17,355,922
Charges for Services:				
Service fees	3,492,000	4,975,701	1,483,701	5,698,127
Miscellaneous:				
Contributions and donations	50,085	50,085	-	35,359
Other	8,090,862	7,997,112	(93,750)	8,378,556
Total Revenues	60,103,193	58,814,360	(1,288,833)	56,745,625
Expenditures				
Welfare Function:				
Salaries and wages	17,713,953	16,544,884	1,169,069	14,965,839
Employee benefits	10,299,868	9,693,751	606,117	8,892,667
Services and supplies	32,747,960	30,831,827	1,916,133	29,457,115
Capital outlay	40,500	153,649	(113,149)	68,515
Total Expenditures	60,802,281	57,224,111	3,578,170	53,384,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	(699,088)	1,590,249	2,289,337	3,361,489
Other Financing Sources (Uses)				
Transfers:				
General Fund	847,237	847,237	-	1,347,537
Debt Service Fund	(400,000)	(400,000)	-	(400,000)
Capital Improvements Fund	(64,398)	(64,398)	-	(696,000)
Total Other Financing Sources (Uses)	382,839	382,839	-	251,537
Net Change in Fund Balances	(316,249)	1,973,088	2,289,337	3,613,026
Fund Balances, July 1	7,640,213	10,713,902	3,073,689	7,100,876
Fund Balances, June 30	\$ 7,323,964	\$ 12,686,990	\$ 5,363,026	\$ 10,713,902

**WASHOE COUNTY, NEVADA
OTHER RESTRICTED FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 1,404,904	\$ 1,410,762	\$ 5,858	\$ 1,354,409
Car rental	1,250,000	1,701,108	451,108	1,355,440
Intergovernmental revenues:				
Federal grants	9,251,903	6,035,568	(3,216,335)	5,194,076
Federal narcotics forfeitures	110,800	266,111	155,311	114,058
State grants	5,632,381	2,951,835	(2,680,546)	495,950
Local contributions	674,674	682,817	8,143	581,796
Charges for Services:				
General Government:				
Recorder fees	350,000	432,082	82,082	315,318
Map fees	94,000	101,715	7,715	112,610
Assessor commissions	525,000	619,767	94,767	602,603
Other	6,000	8,687	2,687	9,380
Judicial	1,379,500	1,065,624	(313,876)	1,276,771
Public Safety	875,923	989,799	113,876	1,219,321
Public Works	98,421	157,365	58,944	137,418
Welfare	90,000	74,876	(15,124)	82,493
Culture and Recreation	277,408	192,224	(85,184)	218,730
Fines and Forfeitures:				
Court fines	2,738,836	3,239,360	500,524	3,345,737
Forfeitures/bail	80,100	30,437	(49,663)	117,915
Miscellaneous:				
Investment earnings	49,550	82,761	33,211	68,045
Net increase (decrease) in the fair value of investments	-	(72,668)	(72,668)	(60,329)
Contributions and donations	642,676	626,708	(15,968)	453,738
Other	439,348	138,682	(300,666)	61,999
Total Revenues	25,971,424	20,735,620	(5,235,804)	17,057,478
Expenditures				
General Government Function:				
County Manager:				
Services and supplies	314,297	132,696	181,601	7,260
Assessor:				
Services and supplies	2,308,131	367,242	1,940,889	310,556
Capital outlay	150,000	609,418	(459,418)	5,000
	2,458,131	976,660	1,481,471	315,556
Human Resources:				
Services and supplies	4,613	-	4,613	-
Clerk:				
Services and supplies	46,848	30	46,818	30
Recorder:				
Salaries and wages	49,358	34,165	15,193	-
Employee benefits	24,736	14,628	10,108	168,742
Services and supplies	3,158,476	181,871	2,976,605	-
	3,232,570	230,664	3,001,906	168,742

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Budget	Actual	Variance	Actual
Technology Services:				
Services and supplies	\$ 226,699	\$ 110,000	\$ 116,699	\$ 162,450
Community Development:				
Services and supplies	1,817	359	1,458	172
Total General Government Function	6,284,975	1,450,409	4,834,566	654,210
Judicial Function:				
District Courts:				
Salaries and wages	839,961	670,718	169,243	656,672
Employee benefits	439,606	425,923	13,683	415,876
Services and supplies	2,732,012	1,353,230	1,378,782	1,173,436
Capital outlay	4,783,449	-	4,783,449	-
	8,795,028	2,449,871	6,345,157	2,245,984
District Attorney:				
Salaries and wages	1,809,542	1,704,737	104,805	1,665,930
Employee benefits	1,118,189	1,038,765	79,424	1,037,690
Services and supplies	1,410,438	290,476	1,119,962	214,655
	4,338,169	3,033,978	1,304,191	2,918,275
Justice Courts:				
Reno Justice Court:				
Salaries and wages	59,557	35,799	23,758	93,853
Employee Benefits	-	1,295	(1,295)	6,345
Services and supplies	2,937,192	786,869	2,150,323	759,798
	2,996,749	823,963	2,172,786	859,996
Sparks Justice Court:				
Services and supplies	655,631	69,134	586,497	95,125
Capital Outlay	-	-	-	30,554
	655,631	69,134	586,497	125,679
Incline Justice Court:				
Services and supplies	76,468	13,583	62,885	23,682
Capital outlay	-	-	-	34,337
	76,468	13,583	62,885	58,019
Wadsworth Justice Court:				
Services and supplies	221,986	74,308	147,678	5,160
Incline Constable:				
Services and supplies	251	-	251	-
Neighborhood Justice Center:				
Services and supplies	125,000	91,450	33,550	103,669
Total Judicial Function	17,209,282	6,556,287	10,652,995	6,316,782

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Budget	Actual	Variance	Actual
Public Safety Function:				
Sheriff:				
Salaries and wages	\$ 1,787,069	\$ 470,681	\$ 1,316,388	\$ 344,282
Employee benefits	330,605	113,167	217,438	58,554
Services and supplies	5,022,844	1,866,365	3,156,479	1,117,979
Capital outlay	404,588	241,995	162,593	104,077
	<u>7,545,106</u>	<u>2,692,208</u>	<u>4,852,898</u>	<u>1,624,892</u>
Medical Examiner:				
Salaries and wages	133,091	38,293	94,798	11,466
Employee benefits	13,000	14,467	(1,467)	1,973
Services and supplies	232,158	64,774	167,384	16,903
	<u>378,249</u>	<u>117,534</u>	<u>260,715</u>	<u>30,342</u>
Fire Suppression:				
Salaries and wages	27,914	7,759	20,155	-
Employee benefits	-	71	(71)	-
Services and supplies	1,500	1,527	(27)	37,161
	<u>29,414</u>	<u>9,357</u>	<u>20,057</u>	<u>37,161</u>
Juvenile Services:				
Salaries and wages	259,970	241,232	18,738	95,097
Employee benefits	129,653	77,264	52,389	25,452
Services and supplies	3,303,921	694,308	2,609,613	774,463
Capital outlay	-	61,710	(61,710)	113,207
	<u>3,693,544</u>	<u>1,074,514</u>	<u>2,619,030</u>	<u>1,008,219</u>
Alternative Sentencing:				
Salaries and wages	148,456	106,109	42,347	200,132
Employee benefits	-	5,474	(5,474)	5,726
Services and supplies	39,675	(123)	39,798	75,099
	<u>188,131</u>	<u>111,460</u>	<u>76,671</u>	<u>280,957</u>
Emergency Management:				
Salaries and wages	58,198	50,002	8,196	58,438
Employee benefits	31,134	24,281	6,853	25,559
Services and supplies	503,309	252,585	250,724	469,161
	<u>592,641</u>	<u>326,868</u>	<u>265,773</u>	<u>553,158</u>
Public Guardian:				
Services and supplies	-	-	-	2,544
Total Public Safety Function	<u>12,427,085</u>	<u>4,331,941</u>	<u>8,095,144</u>	<u>3,537,273</u>
Public Works Function:				
CSD - Public Works:				
Salaries and wages	61,569	50,268	11,301	9,189
Employee benefits	32,703	35,716	(3,013)	27,308
Services and supplies	906,316	636,618	269,698	6,188
Capital outlay	-	5,000	(5,000)	573,657
Total Public Works Function	<u>1,000,588</u>	<u>727,602</u>	<u>272,986</u>	<u>616,342</u>

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Welfare Function:				
Social Services:				
Salaries and wages	\$ 1,159,857	\$ 406,117	\$ 753,740	\$ 93,799
Employee benefits	344,699	187,828	156,871	48,188
Services and supplies	858,139	535,584	322,555	476,215
Total Welfare Function	2,362,695	1,129,529	1,233,166	618,202
Culture and Recreation Function:				
Library:				
Services and supplies	25,153	25,153	-	11,913
Capital outlay	96,000	-	96,000	-
	121,153	25,153	96,000	11,913
CSD - Regional Parks and Open Space:				
Salaries and wages	2,880	1,440	1,440	-
Services and supplies	1,227,612	214,597	1,013,015	30,152
Capital outlay	52,395	52,395	-	-
	1,282,887	268,432	1,014,455	30,152
May Center:				
Salaries and wages	263,083	241,520	21,563	254,298
Employee benefits	110,518	111,887	(1,369)	109,013
Services and supplies	371,395	246,162	125,233	198,433
Capital outlay	-	-	-	40,225
	744,996	599,569	145,427	601,969
Total Culture and Recreation Function	2,149,036	893,154	1,255,882	644,034
Intergovernmental:				
Cooperative Extension apportionment	1,404,904	1,411,246	(6,342)	1,354,313
Total Expenditures	42,838,565	16,500,168	26,338,397	13,741,156
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(16,867,141)	4,235,452	21,102,593	3,316,322
Other Financing Sources (Uses)				
Proceeds from asset disposition	-	5,995	5,995	-
Transfers:				
General Fund	(332,400)	(91,515)	240,885	(279,611)
Debt Service Fund	(1,250,000)	(1,293,283)	(43,283)	(1,206,031)
Capital Improvement Fund	(2,000,000)	(1,754,610)	245,390	-
Total Other Financing Sources (Uses)	(3,582,400)	(3,133,413)	448,987	(1,485,642)
Net Change in Fund Balances	(20,449,541)	1,102,039	21,551,580	1,830,680
Fund Balances, July 1	20,758,509	21,219,524	461,015	19,388,844
Fund Balances, June 30	\$ 308,968	\$ 22,321,563	\$ 22,012,595	\$ 21,219,524

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Taxes:				
Ad valorem	\$ 8,429,427	\$ 8,467,606	\$ 38,179	\$ 8,128,185
Charges for Services:				
Reimbursements	78,000	53,294	(24,706)	140,784
Miscellaneous:				
Investment earnings	60,000	169,364	109,364	127,766
Net increase (decrease) in the fair value of investments	-	(162,798)	(162,798)	(88,677)
Other	3,322,000	3,878,233	556,233	3,078,135
Total Revenues	11,889,427	12,405,699	516,272	11,386,193
Expenditures				
Welfare Function:				
Salaries and wages	3,394,938	3,283,422	111,516	3,087,339
Employee benefits	2,009,042	1,870,668	138,374	1,767,565
Services and supplies	26,621,237	24,952,461	1,668,776	24,775,377
Capital outlay	-	-	-	17,774
Total Expenditures	32,025,217	30,106,551	1,918,666	29,648,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	(20,135,790)	(17,700,852)	2,434,938	(18,261,862)
Other Financing Sources (Uses)				
Transfers In:				
General Fund	17,711,175	17,711,175	-	16,948,493
Transfers Out				
Public Works Construction	(517,200)	-	(517,200)	(1,304,443)
Net Change in Fund Balances	(2,941,815)	10,323	2,952,138	(2,617,812)
Fund Balances, July 1	6,996,644	5,599,392	(1,397,252)	8,217,204
Fund Balances, June 30	\$ 4,054,829	\$ 5,609,715	\$ 1,554,886	\$ 5,599,392

**WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	Health Fund	Senior Services Fund	Enhanced 911 Fund	Library Expansion Fund	Animal Services Fund
Assets					
Cash and investments	\$ 5,537,376	\$ 468,702	\$ 530,186	\$ 2,071,816	\$ 6,387,930
Accounts receivable	124	517	407,348	1,239	185,303
Property taxes receivable	-	8,667	-	17,336	26,546
Other taxes receivable	-	-	-	-	-
Interest receivable	-	-	1,997	8,717	25,959
Due from other governments	1,267,673	733,420	396	-	2,573
Total Assets	\$ 6,805,173	\$ 1,211,306	\$ 939,927	\$ 2,099,108	\$ 6,628,311
Liabilities					
Accounts payable	\$ 147,557	\$ 118,515	\$ 96,563	\$ 581	\$ 16,674
Accrued salaries and benefits	257,314	37,675	811	16,216	54,650
Contracts/retention payable	-	-	-	-	-
Due to other governments	63,900	9,756	43,682	-	2,942
Deposits	-	-	-	-	-
Other liabilities	-	3,511	-	-	9,281
Total Liabilities	468,771	169,457	141,056	16,797	83,547
Deferred Inflows of Resources					
Unavailable revenue - grants and other revenue	-	275,656	-	-	-
Unavailable revenue - property taxes	-	7,271	-	14,544	22,294
Total Deferred Inflows of Resources	-	282,927	-	14,544	22,294
Fund Balances					
Restricted	6,336,402	49,378	798,871	1,559,232	135,466
Committed	-	709,544	-	508,535	6,387,004
Assigned	-	-	-	-	-
Total Fund Balances	6,336,402	758,922	798,871	2,067,767	6,522,470
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 6,805,173	\$ 1,211,306	\$ 939,927	\$ 2,099,108	\$ 6,628,311

(CONTINUED)

**WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	Regional Public Safety Training Center Fund	Truckee River Flood Management Infrastructure Fund	Regional Communications System Fund	Regional Permits System Fund
Assets				
Cash and investments	\$ 824,602	\$ 706,173	\$ 1,251,493	\$ 379,013
Accounts receivable	9,887	-	-	-
Property taxes receivable	-	-	-	-
Other taxes receivable	-	-	-	-
Interest receivable	3,564	202	4,880	1,377
Due from other governments	2,700	1,820,042	35,172	-
Total Assets	\$ 840,753	\$ 2,526,417	\$ 1,291,545	\$ 380,390
Liabilities				
Accounts payable	\$ 20,918	\$ 136	\$ 2,888	\$ 2
Accrued salaries and benefits	8,215	17,881	8,807	-
Contracts/retention payable	-	-	-	-
Due to other governments	3,456	581,721	-	3,525
Deposits	-	-	-	-
Other liabilities	-	-	-	-
Total Liabilities	32,589	599,738	11,695	3,527
Deferred Inflows of Resources				
Unavailable revenue - grants and other revenue	-	-	-	-
Unavailable revenue - property taxes	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
Fund Balances				
Restricted	808,164	1,926,679	1,279,850	376,863
Committed	-	-	-	-
Assigned	-	-	-	-
Total Fund Balances	808,164	1,926,679	1,279,850	376,863
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 840,753	\$ 2,526,417	\$ 1,291,545	\$ 380,390

(CONTINUED)

Central Truckee Meadows Remediation District Fund		Roads Fund	Marijuana Establishment Fund	Total
\$ 5,846,245	\$ 9,780,691	\$ 812	\$ 33,785,039	
7,199	29,029	-	640,646	
-	-	-	52,549	
-	1,713,316	-	1,713,316	
23,058	36,563	2	106,319	
-	2,310,857	-	6,172,833	
\$ 5,876,502	\$ 13,870,456	\$ 814	\$ 42,470,702	
\$ 47,103	\$ 501,045	\$ -	\$ 951,982	
12,700	82,274	-	496,543	
-	18,541	-	18,541	
28,240	-	-	737,222	
-	133,210	-	133,210	
-	10,577	-	23,369	
88,043	745,647	-	2,360,867	
5,393	2,310,857	-	2,591,906	
-	-	-	44,109	
5,393	2,310,857	-	2,636,015	
4,319,340	-	814	17,591,059	
1,463,726	-	-	9,068,809	
-	10,813,952	-	10,813,952	
5,783,066	10,813,952	814	37,473,820	
\$ 5,876,502	\$ 13,870,456	\$ 814	\$ 42,470,702	

WASHOE COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Health Fund</u>	<u>Senior Services Fund</u>	<u>Enhanced 911 Fund</u>	<u>Library Expansion Fund</u>
Revenues				
Taxes:				
Ad valorem	\$ -	\$ 1,410,761	\$ -	\$ 2,821,473
Licenses and permits	3,252,242	-	-	-
Intergovernmental revenues	7,196,388	1,476,391	-	-
Charges for services	3,482,269	540,009	2,010,856	-
Fines and forfeits	-	-	-	-
Miscellaneous	78,712	71,132	100	5,047
Total Revenues	14,009,611	3,498,293	2,010,956	2,826,520
Expenditures				
Current:				
General government	-	-	-	-
Public safety	-	-	1,747,060	-
Public works	-	-	-	-
Health and sanitation	21,905,797	-	-	-
Welfare	-	5,107,426	-	-
Culture and recreation	-	-	-	2,432,323
Total Expenditures	21,905,797	5,107,426	1,747,060	2,432,323
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(7,896,186)	(1,609,133)	263,896	394,197
Other Financing Sources (Uses)				
Proceeds from surplus equipment sales	-	5,985	-	-
Transfers in	10,051,691	1,420,782	-	-
Transfers out	-	-	-	(216,723)
Total Other Financing Sources (Uses)	10,051,691	1,426,767	-	(216,723)
Net Change in Fund Balances	2,155,505	(182,366)	263,896	177,474
Fund Balances, July 1	4,180,897	941,288	534,975	1,890,293
Fund Balances, June 30	\$ 6,336,402	\$ 758,922	\$ 798,871	\$ 2,067,767

(CONTINUED)

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
\$ 4,290,018	\$ -	\$ -	\$ -	\$ -	\$ -
329,272	-	-	-	-	-
-	-	10,193,643	1,687,143	211,652	-
206,510	987,438	-	-	167,207	1,251,950
450	-	-	-	-	-
87,343	44,448	1,301,542	2,243	(1,387)	12,383
<u>4,913,593</u>	<u>1,031,886</u>	<u>11,495,185</u>	<u>1,689,386</u>	<u>377,472</u>	<u>1,264,333</u>
-	-	-	-	365,556	-
5,054,796	859,068	9,966,120	1,487,445	-	-
-	-	-	-	-	1,352,860
-	-	-	-	-	-
-	-	-	-	-	-
<u>5,054,796</u>	<u>859,068</u>	<u>9,966,120</u>	<u>1,487,445</u>	<u>365,556</u>	<u>1,352,860</u>
<u>(141,203)</u>	<u>172,818</u>	<u>1,529,065</u>	<u>201,941</u>	<u>11,916</u>	<u>(88,527)</u>
-	-	-	-	-	-
-	-	(1,404,909)	-	-	-
-	-	(1,404,909)	-	-	-
<u>(141,203)</u>	<u>172,818</u>	<u>124,156</u>	<u>201,941</u>	<u>11,916</u>	<u>(88,527)</u>
<u>6,663,673</u>	<u>635,346</u>	<u>1,802,523</u>	<u>1,077,909</u>	<u>364,947</u>	<u>5,871,593</u>
<u>\$ 6,522,470</u>	<u>\$ 808,164</u>	<u>\$ 1,926,679</u>	<u>\$ 1,279,850</u>	<u>\$ 376,863</u>	<u>\$ 5,783,066</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Licenses and permits	\$ 3,105,142	\$ 3,252,242	\$ 147,100	\$ 2,422,926
Intergovernmental Revenues:				
Federal grants	5,813,186	5,703,839	(109,347)	5,797,151
State grants	391,347	241,835	(149,512)	267,781
Other	1,037,828	1,250,714	212,886	1,136,656
Charges for Services:				
Health	2,553,979	3,482,269	928,290	2,626,860
Miscellaneous:				
Contributions and donations	21,050	16,641	(4,409)	19,775
Other	60,512	62,071	1,559	96,890
Total Revenues	12,983,044	14,009,611	1,026,567	12,368,039
Expenditures				
Health and Sanitation Function:				
Salaries and wages	11,439,729	10,774,122	665,607	10,644,058
Employee benefits	6,354,665	6,031,655	323,010	5,909,991
Services and supplies	5,797,533	5,004,614	792,919	4,484,523
Capital outlay	125,000	95,406	29,594	60,714
Total Expenditures	23,716,927	21,905,797	1,811,130	21,099,286
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,733,883)	(7,896,186)	2,837,697	(8,731,247)
Other Financing Sources (Uses)				
Transfers in	10,051,691	10,051,691	-	10,002,381
Transfers out	(100,271)	-	100,271	(58,081)
Total Other Financing Sources (Uses)	9,951,420	10,051,691	100,271	9,944,300
Net Change in Fund Balances	(782,463)	2,155,505	2,937,968	1,213,053
Fund Balances, July 1	3,288,876	4,180,897	892,021	2,967,844
Fund Balances, June 30	\$ 2,506,413	\$ 6,336,402	\$ 3,829,989	\$ 4,180,897

WASHOE COUNTY, NEVADA
SENIOR SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 1,404,904	\$ 1,410,761	\$ 5,857	\$ 1,354,409
Intergovernmental Revenues:				
Federal grants	1,784,820	1,277,908	(506,912)	1,518,462
State and local grants	428,139	198,483	(229,656)	178,244
Charges for Services:				
Senior law project fees	75,000	46,256	(28,744)	48,188
Program income	40,200	149,757	109,557	150,856
Other	245,950	343,996	98,046	339,742
Miscellaneous:				
Contributions and donations	6,774	6,774	-	18,432
Reimbursements	25,450	23,749	(1,701)	22,894
Other	28,000	40,609	12,609	27,059
Total Revenues	4,039,237	3,498,293	(540,944)	3,658,286
Expenditures				
Welfare Function:				
Salaries and wages	1,465,136	1,630,156	(165,020)	1,428,670
Employee benefits	870,233	939,697	(69,464)	821,392
Services and supplies	3,290,451	2,537,573	752,878	2,625,545
Capital outlay	74,596	-	74,596	8,000
Total Expenditures	5,700,416	5,107,426	592,990	4,883,607
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(1,661,179)	(1,609,133)	52,046	(1,225,321)
Other Financing Sources (Uses)				
Transfers:				
General Fund	1,420,782	1,420,782	-	1,481,782
Surplus equipment sales	-	5,985	(5,985)	-
Proceeds from asset disposition	-	-	-	14,059
Net Change in Fund Balances	(240,397)	(182,366)	58,031	270,520
Fund Balances, July 1	901,882	941,288	39,406	670,768
Fund Balances, June 30	\$ 661,485	\$ 758,922	\$ 97,437	\$ 941,288

WASHOE COUNTY, NEVADA
ENHANCED 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Charges for Services:				
Enhanced 911 fees	\$ 1,913,000	\$ 2,010,856	\$ 97,856	\$ 1,597,695
Miscellaneous:				
Investment earnings	7,600	100	(7,500)	6,890
Net increase (decrease) in the fair value of investments	-	-	-	(6,125)
Total Revenues	1,920,600	2,010,956	90,356	1,598,460
Expenditures				
Public Safety Function:				
Salaries and wages	31,314	31,175	139	29,047
Employee benefits	20,813	20,857	(44)	19,359
Services and supplies	1,868,473	1,695,028	173,445	1,494,244
Capital outlay	-	-	-	127,063
Total Expenditures	1,920,600	1,747,060	173,540	1,669,713
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	263,896	263,896	(71,253)
Fund Balances, July 1	499,050	534,975	35,925	606,228
Fund Balances, June 30	\$ 499,050	\$ 798,871	\$ 299,821	\$ 534,975

**WASHOE COUNTY, NEVADA
LIBRARY EXPANSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 2,809,809	\$ 2,821,473	\$ 11,664	\$ 2,708,800
Miscellaneous:				
Investment earnings	15,000	37,153	22,153	27,311
Net increase (decrease) in the fair value of investments	-	(32,106)	(32,106)	(23,947)
Total Revenues	2,824,809	2,826,520	1,711	2,712,164
Expenditures				
Culture and Recreation Function:				
Salaries and wages	918,300	867,754	50,546	864,019
Employee benefits	488,937	440,036	48,901	456,122
Services and supplies	1,204,650	1,124,533	80,117	993,837
Total Expenditures	2,611,887	2,432,323	179,564	2,313,978
Excess (Deficiency) of Revenues Over (Under) Expenditures	212,922	394,197	181,275	398,186
Other Financing Sources (Uses)				
Transfers:				
Debt Service Fund	(216,675)	(216,723)	(48)	(219,085)
Net Change in Fund Balances	(3,753)	177,474	181,227	179,101
Fund Balances, July 1	1,752,189	1,890,293	138,104	1,711,192
Fund Balances, June 30	\$ 1,748,436	\$ 2,067,767	\$ 319,331	\$ 1,890,293

WASHOE COUNTY, NEVADA
ANIMAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 4,214,714	\$ 4,290,018	\$ 75,304	\$ 4,116,540
Licenses and Permits:				
Animal licenses	307,000	329,272	22,272	307,182
Charges for Services:				
Animal services	203,000	206,510	3,510	201,789
Fines and Forfeits:				
Administrative enforcement penalties	-	450	450	400
Miscellaneous:				
Investment earnings	100,000	111,314	11,314	93,672
Net increase (decrease) in the fair value of investments	-	(96,877)	(96,877)	(82,548)
Contributions and donations	37,385	37,385	-	29,519
Other	55,000	35,521	(19,479)	30,808
Total Revenues	4,917,099	4,913,593	(3,506)	4,697,362
Expenditures				
Public Safety Function:				
Salaries and wages	2,444,842	2,341,312	103,530	2,281,402
Employee benefits	1,440,529	1,380,624	59,905	1,342,414
Services and supplies	1,591,688	1,226,365	365,323	958,047
Capital outlay	350,000	106,495	243,505	78,261
Total Expenditures	5,827,059	5,054,796	772,263	4,660,124
Excess (Deficiency) of Revenues Over (Under) Expenditures	(909,960)	(141,203)	768,757	37,238
Net Change in Fund Balances	(909,960)	(141,203)	768,757	37,238
Fund Balances, July 1	6,541,852	6,663,673	121,821	6,626,435
Fund Balances, June 30	\$ 5,631,892	\$ 6,522,470	\$ 890,578	\$ 6,663,673

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Charges for Services:				
Training fees - partner agencies	\$ 974,738	\$ 984,738	\$ 10,000	\$ 855,331
Training fees - workshops	15,000	2,700	(12,300)	4,500
Miscellaneous:				
Investment earnings	5,000	3,021	(1,979)	1,464
Rental income	10,000	38,734	28,734	73,603
Other	12,000	2,693	(9,307)	3,504
Total Revenues	<u>1,016,738</u>	<u>1,031,886</u>	<u>15,148</u>	<u>938,402</u>
Expenditures				
Public Safety Function:				
Salaries and wages	320,198	277,569	42,629	225,720
Employee benefits	178,688	161,796	16,892	138,595
Services and supplies	369,796	284,473	85,323	342,744
Capital outlay	145,000	135,230	9,770	69,748
Total Expenditures	<u>1,013,682</u>	<u>859,068</u>	<u>154,614</u>	<u>776,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,056	172,818	169,762	161,595
Fund Balances, July 1	<u>440,074</u>	<u>635,346</u>	<u>195,272</u>	<u>473,751</u>
Fund Balances, June 30	<u>\$ 443,130</u>	<u>\$ 808,164</u>	<u>\$ 365,034</u>	<u>\$ 635,346</u>

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Intergovernmental Revenues:				
Infrastructure sales tax - NRS 377B.100	\$ 9,850,000	\$ 10,193,643	\$ 343,643	\$ 9,396,412
Miscellaneous:				
Investment earnings	1,000	1,297	297	1,730
Net increase (decrease) in the fair value of investments	-	(215)	(215)	(1,030)
Reimbursements	<u>1,289,450</u>	<u>1,300,460</u>	<u>11,010</u>	<u>1,279,292</u>
Total Revenues	<u>11,140,450</u>	<u>11,495,185</u>	<u>354,735</u>	<u>10,676,404</u>
Expenditures				
Public Safety Function:				
Salaries and wages	784,082	788,522	(4,440)	762,648
Employee benefits	418,323	419,349	(1,026)	426,882
Services and supplies	<u>8,549,602</u>	<u>8,758,249</u>	<u>(208,647)</u>	<u>8,468,319</u>
Total Expenditures	<u>9,752,007</u>	<u>9,966,120</u>	<u>(214,113)</u>	<u>9,657,849</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,388,443</u>	<u>1,529,065</u>	<u>140,622</u>	<u>1,018,555</u>
Other Financing Sources (Uses)				
Transfers:				
Debt Service Fund	<u>(1,388,443)</u>	<u>(1,404,909)</u>	<u>(16,466)</u>	<u>(1,371,616)</u>
Net Change in Fund Balances	<u>-</u>	<u>124,156</u>	<u>124,156</u>	<u>(353,061)</u>
Fund Balances, July 1	<u>2,553,956</u>	<u>1,802,523</u>	<u>(751,433)</u>	<u>2,155,584</u>
Fund Balances, June 30	<u>\$ 2,553,956</u>	<u>\$ 1,926,679</u>	<u>\$ (627,277)</u>	<u>\$ 1,802,523</u>

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Intergovernmental Revenues:				
Local contributions	\$ 1,687,145	1,687,143	\$ (2)	\$ 1,555,932
Miscellaneous:				
Investment earnings	13,620	21,065	7,445	17,202
Net increase (decrease) in the fair value of investments	-	(18,822)	(18,822)	-
	-	-	-	(16,589)
Total Revenues	1,700,765	1,689,386	(11,379)	1,556,545
Expenditures				
Public Safety Function:				
Salaries and wages	409,572	378,910	30,662	401,197
Employee benefits	213,968	205,623	8,345	215,212
Services and supplies	1,592,615	841,842	750,773	774,015
Capital outlay	60,000	61,070	(1,070)	293,662
Total Expenditures	2,276,155	1,487,445	788,710	1,684,086
Net Change in Fund Balances	(575,390)	201,941	777,331	(127,541)
Fund Balances, July 1	1,067,552	1,077,909	10,357	1,205,450
Fund Balances, June 30	\$ 492,162	\$ 1,279,850	\$ 787,688	\$ 1,077,909

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Intergovernmental Revenues:				
Local contributions	\$ 211,653	\$ 211,652	\$ (1)	\$ -
Charges for services	164,818	167,207	2,389	77,457
Miscellaneous:				
Investment earnings	2,700	4,480	1,780	3,171
Net increase (decrease) in the fair value of investments	-	(5,867)	(5,867)	(1,242)
Total Revenues	<u>379,171</u>	<u>377,472</u>	<u>(1,699)</u>	<u>79,386</u>
Expenditures				
Capital outlay:				
General Government Function	368,066	365,556	2,510	152
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>11,105</u>	<u>11,916</u>	<u>811</u>	<u>79,234</u>
Other Financing Sources (Uses)				
Transfers:				
General Fund	-	-	-	71,412
Health Fund	100,271	-	100,271	58,081
Total Other Financing Sources (uses)	<u>100,271</u>	<u>-</u>	<u>100,271</u>	<u>129,493</u>
Net Change in Fund Balances	<u>111,376</u>	<u>11,916</u>	<u>(99,460)</u>	<u>208,727</u>
Fund Balances, July 1	<u>339,121</u>	<u>364,947</u>	<u>25,826</u>	<u>156,220</u>
Fund Balances, June 30	<u>\$ 450,497</u>	<u>\$ 376,863</u>	<u>\$ 26,637</u>	<u>\$ 364,947</u>

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Charges for Services:				
Remediation fees	\$ 1,250,000	\$ 1,251,950	\$ 1,950	\$ 1,154,440
Miscellaneous:				
Investment earnings	95,138	101,292	6,154	85,850
Net increase (decrease) in the fair value of investments	-	(88,909)	(88,909)	(79,222)
Total Revenues	1,345,138	1,264,333	(80,805)	1,161,068
Expenditures				
Health and Sanitation Function:				
Salaries and wages	652,401	520,857	131,544	510,651
Employee benefits	373,555	314,332	59,223	297,153
Services and supplies	2,807,459	517,671	2,289,788	661,468
Total Expenditures	3,833,415	1,352,860	2,480,555	1,469,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,488,277)	(88,527)	2,399,750	(308,204)
Fund Balances, July 1	5,349,444	5,871,593	522,149	6,179,797
Fund Balances, June 30	\$ 2,861,167	\$ 5,783,066	\$ 2,921,899	\$ 5,871,593

WASHOE COUNTY, NEVADA
ROADS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
County Option MVFT 1.0 Cent	\$ 787,801	\$ 797,344	\$ 9,543	\$ 764,698
Intergovernmental Revenues:				
Federal grants	27,048	27,048	-	4,524
State shared revenues:				
Motor vehicle fuel tax (1.25 cents)	3,459,238	3,644,249	185,011	3,455,694
Motor vehicle fuel tax (1.75 cents)	1,917,776	1,963,299	45,523	1,873,894
Motor vehicle fuel tax (3.6/2.35 cents)	3,548,087	3,555,550	7,463	3,398,154
Charges for Services:				
Street, curb and gutter cut fees	500,000	598,207	98,207	835,510
Other	-	2,855	2,855	54,373
Miscellaneous:				
Investment earnings	(55,472)	138,292	193,764	75,707
Net increase (decrease) in the fair value of investments	-	(148,785)	(148,785)	(67,216)
Other	40,000	461,314	421,314	495
Total Revenues	10,224,478	11,039,373	814,895	10,395,833
Expenditures				
Public Works Function:				
Salaries and wages	3,935,702	3,747,242	188,460	3,873,191
Employee benefits	2,206,041	2,100,071	105,970	2,084,355
Services and supplies	6,126,905	5,758,681	368,224	5,921,552
Capital outlay	8,537,674	2,891,016	5,646,658	3,524,788
Total Expenditures	20,806,322	14,497,010	6,309,312	15,403,886
Excess (Deficiency) of Revenues Over (Under) Expenditures	(10,581,844)	(3,457,637)	7,124,207	(5,008,053)
Other Financing Sources (Uses)				
Transfers:				
General Fund	4,704,733	4,704,733	-	1,703,958
Capital Facilities Fund	1,950,000	1,950,000	-	1,890,000
Total Other Financing Sources (Uses)	6,654,733	6,654,733	-	3,593,958
Net Change in Fund Balances	(3,927,111)	3,197,096	7,124,207	(1,414,095)
Fund Balances, July 1	7,616,856	7,616,856	-	9,030,951
Fund Balances, June 30	\$ 3,689,745	\$ 10,813,952	\$ 7,124,207	\$ 7,616,856

**WASHOE COUNTY, NEVADA
MARIJUANA ESTABLISHMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Licenses and Permits:				
General Business Licenses	\$ -	\$ 825	\$ 825	\$ -
Miscellaneous:				
Investment earnings	-	(11)	(11)	-
Total Revenues	-	814	814	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	814	814	-
Fund Balances, July 1	-	-	-	-
Fund Balances, June 30	\$ -	\$ 814	\$ 814	\$ -



DEBT SERVICE FUNDS

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.

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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 levied126

- 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.....127

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Taxes:				
Special assessments	\$ 542,000	\$ 618,119	\$ 76,119	\$ 625,636
Miscellaneous:				
Investment earnings	19,350	25,218	5,868	23,503
Net increase (decrease) in the fair value of investments	-	(23,217)	(23,217)	(19,041)
Assessment interest	298,000	273,542	(24,458)	332,264
Penalties	14,000	23,854	9,854	7,639
Total Revenues	873,350	917,516	44,166	970,001
Expenditures				
Services and Supplies:				
Investment pool allocations	1,675	1,094	581	1,417
Debt Service:				
Special Assessment Bonds:				
Principal	292,977	617,977	(325,000)	546,266
Interest	202,799	194,322	8,477	217,034
Debt service fees and other fiscal charges	26,000	33,837	(7,837)	29,428
Assessment refunds	-	462,424	(462,424)	-
Total Expenditures	523,451	1,309,654	(786,203)	794,145
Excess (Deficiency) of Revenues Over (Under) Expenditures	349,899	(392,138)	(742,037)	175,856
Fund Balances, July 1	1,989,367	1,844,282	(145,085)	1,668,426
Fund Balances, June 30	\$ 2,339,266	\$ 1,452,144	\$ (887,122)	\$ 1,844,282

**WASHOE COUNTY, NEVADA
NONMAJOR DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2018**

	Debt Service Fund
Assets	
Cash and investments	\$ 4,510,908
Property taxes receivable	17,502
Total Assets	\$ 4,528,410
 Deferred Inflows of Resources	
Unavailable revenue-property taxes	\$ 15,224
 Fund Balances	
Restricted	4,513,186
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 4,528,410

WASHOE COUNTY, NEVADA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 2,107,357	\$ 2,166,902	\$ 59,545	\$ 4,786,995
Miscellaneous	-	-	-	38,592
Total Revenues	2,107,357	2,166,902	59,545	4,825,587
Expenditures				
Debt Service:				
General Obligation Bonds:				
Ad Valorem Supported Debt:				
Principal	2,045,000	2,045,000	-	3,490,000
Interest	1,011,370	1,011,370	-	1,156,090
Debt service fees and other fiscal charges	27,812	20,020	7,792	32,938
Medium-Term Financing:				
Principal	-	-	-	546,000
Interest	-	-	-	20,912
Revenue-Backed:				
Principal	4,351,216	4,351,216	-	4,241,604
Interest	2,137,927	2,137,927	-	2,212,990
Debt service fees and other fiscal charges	5,126	3,924	1,202	3,602
Total General Obligation Bonds	9,578,451	9,569,457	8,994	11,704,136
Revenue Bonds:				
Principal	835,258	839,622	(4,364)	767,800
Interest	973,842	1,011,331	(37,489)	996,231
Debt service fees and other fiscal charges	46,469	3,980	42,489	3,650
Total Revenue Bonds	1,855,569	1,854,933	636	1,767,681
Total Expenditures	11,434,020	11,424,390	9,630	13,471,817
Excess (Deficiency) of Revenues Over (Under) Expenditures	(9,326,663)	(9,257,488)	69,175	(8,646,230)
Other Financing Sources (Uses)				
Transfers:				
General Fund	5,051,451	5,050,675	(776)	5,596,120
Library Expansion Fund	216,675	216,724	49	219,085
Truckee River Flood Management Infrastructure Fund	1,388,443	1,404,909	16,466	1,371,616
Child Protective Services Fund	400,000	400,000	-	400,000
Other Restricted Fund	1,250,000	1,293,283	43,283	1,206,031
Total Other Financing Sources (Uses)	8,306,569	8,365,591	59,022	8,792,852
Net Change in Fund Balances	(1,020,094)	(891,897)	128,197	146,622
Fund Balances, July 1	5,275,297	5,405,083	129,786	5,258,461
Fund Balances, June 30	\$ 4,255,203	\$ 4,513,186	\$ 257,983	\$ 5,405,083



CAPITAL PROJECTS FUNDS

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.

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Nonmajor Capital Projects Funds:

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 132

Capital Improvements Fund

Resources are derived from financing proceeds, grants, special assessments, transfers and investment earnings, which are appropriated for various major capital projects 133

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 135

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 136

**WASHOE COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	Parks Capital Projects Fund	Capital Improvements Fund	Capital Facilities Tax Fund	Regional Permits Capital Fund	Total
Assets					
Cash and investments	\$ 12,226,181	\$ 11,634,955	\$ 1,009,826	\$ 949,223	\$ 25,820,185
Property taxes receivable	-	1,484	43,327	-	44,811
Interest receivable	47,448	44,294	5,137	3,869	100,748
Due from other governments	338,684	193,730	-	174,795	707,209
Total Assets	\$ 12,612,313	\$ 11,874,463	\$ 1,058,290	\$ 1,127,887	\$ 26,672,953
Liabilities					
Accounts payable	\$ 263,072	\$ 261,390	-	-	\$ 524,462
Contracts/retention payable	-	64,180	-	-	64,180
Salaries payable	-	1,436	-	-	1,436
Due to other governments	-	-	247,827	-	247,827
Total Liabilities	263,072	327,006	247,827	-	837,905
Deferred Inflows of Resources					
Unavailable revenue - property taxes	-	1,484	36,347	-	37,831
Fund Balances					
Restricted	12,349,241	8,802,009	774,116	1,127,887	23,053,253
Committed	-	2,743,964	-	-	2,743,964
Total Fund Balances	12,349,241	11,545,973	774,116	1,127,887	25,797,217
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 12,612,313	\$ 11,874,463	\$ 1,058,290	\$ 1,127,887	\$ 26,672,953

WASHOE COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	Parks Capital Projects Fund	Capital Improvements Fund	Capital Facilities Tax Fund	Regional Permits Capital Fund	Total
Revenues					
Taxes:					
Ad valorem	\$ -	\$ -	\$ 7,053,702	\$ -	\$ 7,053,702
Residential construction tax	442,868	-	-	-	442,868
Intergovernmental	3,138,098	1,729,465	-	8,036	4,875,599
Miscellaneous	54,192	30,572	31,029	2,536	118,329
Total Revenues	3,635,158	1,760,037	7,084,731	10,572	12,490,498
Expenditures					
Intergovernmental	-	-	5,102,292	-	5,102,292
Capital Outlay:					
General government	-	1,775,243	1,190	145,338	1,921,771
Judicial	-	10,319	-	-	10,319
Public safety	-	2,360,116	161	-	2,360,277
Public works	-	5,994,212	-	-	5,994,212
Health and welfare	-	1,091,733	-	-	1,091,733
Culture and recreation	8,292,900	1,510,677	6	-	9,803,583
Total Capital Outlay	8,292,900	12,742,300	1,357	145,338	21,181,895
Debt Service:					
Service fees	5,250	-	-	-	5,250
Total Expenditures	8,298,150	12,742,300	5,103,649	145,338	26,289,437
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(4,662,992)	(10,982,263)	1,981,082	(134,766)	(13,798,939)
Other Financing Sources (Uses)					
County property sales	19,500	-	-	-	19,500
Transfers in	-	9,519,008	-	-	9,519,008
Transfers out	-	-	(1,950,000)	-	(1,950,000)
Total Other Financing Sources (Uses)	19,500	9,519,008	(1,950,000)	-	7,588,508
Net Change in Fund Balances	(4,643,492)	(1,463,255)	31,082	(134,766)	(6,210,431)
Fund Balances, July 1	16,992,733	13,009,228	743,034	1,262,653	32,007,648
Fund Balances, June 30	\$ 12,349,241	\$ 11,545,973	\$ 774,116	\$ 1,127,887	\$ 25,797,217

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Taxes:				
Residential construction tax	\$ 323,175	\$ 442,868	\$ 119,693	\$ 318,667
Intergovernmental Revenues:				
Federal grants	895,225	182,648	(712,577)	110,100
State grants	2,150,528	2,455,450	304,922	-
Local grants	1,000,000	500,000	(500,000)	-
Miscellaneous:				
Investment earnings	384,034	234,233	(149,801)	265,453
Net increase (decrease) in the fair value of investments	-	(180,041)	(180,041)	(245,611)
Contributions and donations	-	-	-	568,111
Other	72,915	-	(72,915)	-
Total Revenues	4,825,877	3,635,158	(1,190,719)	1,016,720
Expenditures				
Capital Outlay:				
Culture and Recreation Function:				
District One	1,243,266	725,756	517,510	26,585
District Two	890,375	617,583	272,792	403,975
District Three	11,365	3,316	8,049	2,716
District Four	3,590,323	2,047,166	1,543,157	410,534
Special projects	2,520,676	1,659,801	860,875	2,035,777
Bond projects	7,605,762	3,239,278	4,366,484	1,954,509
Total Capital Outlay	15,861,767	8,292,900	7,568,867	4,834,096
Debt Service:				
Service fees	3,000	5,250	(2,250)	3,000
Total Expenditures	15,864,767	8,298,150	7,566,617	4,837,096
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,038,890)	(4,662,992)	6,375,898	(3,820,376)
Other Financing Sources (Uses)				
County Property Sales	-	19,500	19,500	-
Total Other Financing Sources (Uses)	-	19,500	19,500	-
Net Change in Fund Balances	(11,038,890)	(4,643,492)	6,395,398	(3,820,376)
Fund Balances, July 1	19,281,279	16,992,733	(2,288,546)	20,813,109
Fund Balances, June 30	\$ 8,242,389	\$ 12,349,241	\$ 4,106,852	\$ 16,992,733

WASHOE COUNTY, NEVADA
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Intergovernmental Revenues:				
Federal grants	\$ 828,127	\$ 863,503	\$ 35,376	\$ 701,151
State grants	2,081,303	865,962	(1,215,341)	736,209
Local contributions	750,000	-	(750,000)	-
Miscellaneous:				
Investment earnings	48,500	185,897	137,397	128,253
Net increase (decrease) in the fair value of investments	-	(172,828)	(172,828)	(96,337)
Contributions and donations	320,000	-	(320,000)	-
Other	606,500	17,503	(588,997)	60
Total Revenues	4,634,430	1,760,037	(2,874,393)	1,469,336
Expenditures				
Capital Outlay:				
General Government Function:				
Infrastructure	3,289,524	1,673,328	1,616,196	1,538,242
Other	685,754	101,915	583,839	128,937
Total General Government Function	3,975,278	1,775,243	2,200,035	1,667,179
Judicial Function:				
Mills Lane Justice Center Chiller Replacement	398,100	10,319	387,781	11,900
1 South Sierra Roof Replacement	-	-	-	14,269
Other	1,098,765	-	1,098,765	-
Total Judicial Function	1,496,865	10,319	1,486,546	26,169
Public Safety Function:				
Detention Center improvements	2,534,895	2,082,574	452,321	960,157
800 MHZ Radio Upgrade	-	-	-	399,700
Other	947,550	277,542	670,008	-
Total Public Safety Function	3,482,445	2,360,116	1,122,329	1,359,857
Public Works Function:				
Longley Lane stormwater sand dome	-	3,828	(3,828)	522,071
Air and water quality improvements	4,423,436	1,818,512	2,604,924	1,508,112
Washoe County facilities parking lots	900,370	375,172	525,198	226,083
Voting Equipment	3,596,125	3,596,125	-	-
Other	1,401,927	200,575	1,201,352	15,389
Total Public Works Function	10,321,858	5,994,212	4,327,646	2,271,655
Welfare Function:				
CPS Visitation Center	896,706	897,036	(330)	1,168,136
Other	807,700	194,697	613,003	-
Total Welfare Function	1,704,406	1,091,733	612,673	1,168,136
Culture and Recreation Function:				
Library Renovations	801,840	629,104	172,736	-
Parks infrastructure	703,211	654,638	48,573	88,462
Other	857,348	226,935	630,413	-
Total Culture and Recreation Function	2,362,399	1,510,677	851,722	88,462
Total Expenditures	23,343,251	12,742,300	10,600,951	6,581,458
Excess (Deficiency) of Revenues Over (Under) Expenditures	(18,708,821)	(10,982,263)	7,726,558	(5,112,122)

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Other Financing Sources (Uses)				
Sale of Water Rights	\$ -	\$ -	\$ -	\$ 2,895,600
Transfers:				
General Fund	7,700,000	7,700,000	-	5,285,949
Other Restricted Fund	2,000,000	1,754,610	(245,390)	-
Child Protective Services Fund	64,398	64,398	-	696,000
Indigent Tax Levy Fund	517,200	-	(517,200)	1,304,443
Capital Facilities Fund	-	-	-	(131,450)
Total Other Financing Sources (Uses)	<u>10,281,598</u>	<u>9,519,008</u>	<u>(762,590)</u>	<u>10,050,542</u>
Net Change in Fund Balances	(8,427,223)	(1,463,255)	6,963,968	4,938,420
Fund Balances, July 1	<u>13,990,888</u>	<u>13,009,228</u>	<u>(981,660)</u>	<u>8,070,808</u>
Fund Balances, June 30	<u>\$ 5,563,665</u>	<u>\$ 11,545,973</u>	<u>\$ 5,982,308</u>	<u>\$ 13,009,228</u>

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Revenues				
Taxes:				
Ad valorem	\$ 7,024,522	\$ 7,053,702	\$ 29,180	\$ 6,772,003
Miscellaneous:				
Investment earnings	72,272	26,741	(45,531)	65,085
Net increase (decrease) in the fair value of investments	-	(17,658)	(17,658)	(89,788)
Reimbursements	-	21,946	21,946	-
Total Revenues	7,096,794	7,084,731	(12,063)	6,747,300
Expenditures				
Intergovernmental:				
State of Nevada apportionment	4,223,587	4,253,696	(30,109)	4,019,849
Reno/Sparks apportionment	773,479	778,994	(5,515)	736,169
Other	71,228	69,602	1,626	71,774
Total Intergovernmental	5,068,294	5,102,292	(33,998)	4,827,792
Capital Outlay:				
General Government Function:				
Facilities improvements	5,600	1,190	4,410	1,935
Public Safety Function:				
Medical Examiner building and equipment	-	161	(161)	9,080,644
Other	32,394	-	32,394	-
Culture and Recreation Function:				
Library HVAC upgrade	-	6	(6)	26,236
Total Capital Outlay	37,994	1,357	36,637	9,108,815
Debt Service:				
Service fees	-	-	-	1,500
Total Expenditures	5,106,288	5,103,649	2,639	13,938,107
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,990,506	1,981,082	(9,424)	(7,190,807)
Other Financing Sources (Uses)				
Transfers:				
Public Works Construction	-	-	-	131,450
Roads Fund	-	(1,950,000)	(1,950,000)	(1,890,000)
Total Other Financing Sources (Uses)	-	(1,950,000)	(1,950,000)	(1,758,550)
Net Change in Fund Balances	1,990,506	31,082	(1,959,424)	(8,949,357)
Fund Balances, July 1	542,317	743,034	200,717	9,692,391
Fund Balances, June 30	\$ 2,532,823	\$ 774,116	\$ (1,758,707)	\$ 743,034

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Revenues				
Intergovernmental Revenues:				
Local contributions	\$ -	\$ 8,036	\$ 8,036	\$ 63,287
Miscellaneous:				
Investment earnings	13,500	2,536	(10,964)	148
Total Revenues	<u>13,500</u>	<u>10,572</u>	<u>(2,928)</u>	<u>63,435</u>
Expenditures				
Capital Outlay:				
General Government Function	171,611	145,338	26,273	35,061
Excess (Deficiency) of Revenues Over (Under) Expenditures	(158,111)	(134,766)	23,345	28,374
Fund Balances, July 1	<u>1,049,902</u>	<u>1,262,653</u>	<u>212,751</u>	<u>1,234,279</u>
Fund Balances, June 30	<u>\$ 891,791</u>	<u>\$ 1,127,887</u>	<u>\$ 236,096</u>	<u>\$ 1,262,653</u>



ENTERPRISE FUNDS

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

Utilities 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. 138

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. 141

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. 146

WASHOE COUNTY, NEVADA
UTILITIES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Utility fees	\$ 14,482,327	\$ 15,095,866	\$ 613,539	\$ 14,520,543
Services to other funds	5,542	1,739	(3,803)	26,133
Other	523,414	581,169	57,755	461,169
Total Operating Revenues	15,011,283	15,678,774	667,491	15,007,845
Operating Expenses				
Salaries and wages	2,211,323	1,777,640	433,683	1,654,249
Employee benefits	1,258,567	1,023,763	234,804	623,276
Services and supplies	9,042,619	6,252,015	2,790,604	5,997,683
Depreciation/amortization	3,766,878	3,493,676	273,202	3,468,822
Total Operating Expenses	16,279,387	12,547,094	3,732,293	11,744,030
Operating Income (Loss)	(1,268,104)	3,131,680	4,399,784	3,263,815
Nonoperating Revenues (Expenses)				
Investment earnings	1,047,558	1,329,740	282,182	989,551
Net increase (decrease) in the fair value of investments	-	(1,371,857)	(1,371,857)	(921,864)
Federal grants	212,312	566,770	354,458	-
State grants	4,079	328,767	324,688	107,740
Gain (loss) on asset disposition	-	-	-	(207,557)
Interest/bond insurance costs	(308,665)	-	308,665	-
Connection fee refunds/credits	(100,000)	(5,450)	94,550	-
Other nonoperating revenue	-	17,918	17,918	-
Total Nonoperating Revenues (Expenses)	855,284	865,888	10,604	(32,130)
Income (Loss) Before Capital Contributions and Transfers	(412,820)	3,997,568	4,410,388	3,231,685
Capital Contributions				
Hook-up fees	3,750,000	9,955,880	6,205,880	5,280,617
Contributions from contractors	800,000	1,853,572	1,053,572	1,166,035
Total Capital Contributions	4,550,000	11,809,452	7,259,452	6,446,652
Transfers In (Out)				
Equipment Service Fund	-	(15,070)	(15,070)	(19,622)
Change in Net Position	\$ 4,137,180	15,791,950	\$ 11,654,770	9,658,715
Net Position, July 1 as restated		205,601,369		198,976,813
Net Position, June 30		\$ 221,393,319		\$ 208,635,528

**WASHOE COUNTY, NEVADA
UTILITIES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 14,482,327	\$ 13,216,017	\$ (1,266,310)	\$ 14,450,192
Cash received from services to other funds	5,542	1,739	(3,803)	26,133
Cash received from program loans	4,509	11,221	6,712	15,038
Other operating receipts	522,179	595,203	73,024	491,637
Cash payments for personnel costs	(3,469,890)	(2,817,097)	652,793	(2,711,636)
Cash payments for services and supplies	(9,042,619)	(5,958,003)	3,084,616	(5,848,821)
Cash payments for program loans	(20,000)	(13,944)	6,056	(24,751)
Cash payments for refund of hookup fees	(100,000)	(5,450)	94,550	-
Net Cash Provided (Used) by Operating Activities	<u>2,382,048</u>	<u>5,029,686</u>	<u>2,647,638</u>	<u>6,397,792</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	212,312	63,480	(148,832)	-
State grants	4,079	401,722	397,643	34,785
Net Cash Provided (Used) by Noncapital Financing Activities	<u>216,391</u>	<u>465,202</u>	<u>248,811</u>	<u>34,785</u>
Cash Flows From Capital and Related Financing Activities:				
Hookup fees	3,750,000	9,971,340	6,221,340	5,285,121
Other capital contributions	-	6,611	6,611	-
Other nonoperating receipts	-	17,918	17,918	-
Principal paid on financing	(2,316,299)	(2,316,298)	1	(2,259,843)
Interest paid on financing	(320,939)	(320,938)	1	(14,770)
* Acquisition of capital assets	(12,452,000)	(4,467,147)	7,984,853	(2,855,549)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(11,339,238)</u>	<u>2,891,486</u>	<u>14,230,724</u>	<u>154,959</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>1,044,284</u>	<u>(175,234)</u>	<u>(1,219,518)</u>	<u>33,303</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,696,515)	8,211,140	15,907,655	6,620,839
Cash and Cash Equivalents, July 1	<u>78,706,967</u>	<u>82,434,715</u>	<u>3,727,748</u>	<u>75,813,876</u>
Cash and Cash Equivalents, June 30	<u>\$ 71,010,452</u>	<u>\$ 90,645,855</u>	<u>\$ 19,635,403</u>	<u>\$ 82,434,715</u>

WASHOE COUNTY, NEVADA
UTILITIES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,268,104)	\$ 3,131,680	\$ 4,399,784	\$ 3,263,815
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	3,766,878	3,493,676	(273,202)	3,468,822
Net pension expense	-	(39,814)	(39,814)	(353,063)
Net OPEB expense	-	37,217	37,217	-
Construction in progress write-offs	-	128,795	128,795	-
Program loan interest	3,274	3,451	177	3,501
Hookup fee refunds	(100,000)	(5,450)	94,550	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(98,291)	(98,291)	10,875
Due from other governments	-	(1,841,131)	(1,841,131)	(53,641)
Due from other funds	-	1,981	1,981	257
Notes receivable	(20,000)	(6,174)	13,826	(13,214)
Increase (decrease) in:				
Accounts payable	-	66,064	66,064	195,692
Accrued salaries and benefits	-	6,770	6,770	(91,828)
Compensated absences	-	(19,867)	(19,867)	10,780
Due to other governments	-	97,182	97,182	(47,097)
Due to other funds	-	(10)	(10)	10
Unearned revenue	-	61,573	61,573	(30,585)
Other liabilities	-	12,034	12,034	33,468
Total Adjustments	3,650,152	1,898,006	(1,752,146)	3,133,977
Net Cash Provided (Used) by Operating Activities	\$ 2,382,048	\$ 5,029,686	\$ 2,647,638	\$ 6,397,792
*Acquisition of Capital Assets Financed by Cash	\$ 12,452,000	\$ 4,467,147	\$ 7,984,853	\$ 2,855,549
Capital contributions received	-	1,853,572	(1,853,572)	1,166,035
Increase (decrease) in contracts/retention payable	-	(512,461)	512,461	(166,653)
Capitalized interest	-	307,662	(307,662)	-
Total Acquisition of Capital Assets	\$ 12,452,000	\$ 6,115,920	\$ 6,336,080	\$ 3,854,931

WASHOE COUNTY, NEVADA
BUILDING AND SAFETY FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Building permits	\$ 3,200,000	\$ 3,540,397	\$ 340,397	\$ 2,890,082
Washoe County/TRPA	90,000	56,701	(33,299)	122,040
Other	10,000	7,477	(2,523)	11,747
Total Operating Revenues	<u>3,300,000</u>	<u>3,604,575</u>	<u>304,575</u>	<u>3,023,869</u>
Operating Expenses				
Salaries and wages	1,559,389	1,278,875	280,514	1,212,401
Employee benefits	976,095	782,217	193,878	684,126
Services and supplies	875,449	653,275	222,174	676,887
Depreciation/amortization	21,800	20,058	1,742	15,044
Total Operating Expenses	<u>3,432,733</u>	<u>2,734,425</u>	<u>698,308</u>	<u>2,588,458</u>
Operating Income (Loss)	<u>(132,733)</u>	<u>870,150</u>	<u>1,002,883</u>	<u>435,411</u>
Nonoperating Revenues (Expenses)				
Investment earnings	30,000	59,408	29,408	45,578
Net increase (decrease) in the fair value of investments	-	<u>(62,545)</u>	<u>(62,545)</u>	<u>(44,785)</u>
Total Nonoperating Revenues (Expenses)	<u>30,000</u>	<u>(3,137)</u>	<u>(33,137)</u>	<u>793</u>
Income (Loss) Before Transfers	<u>(102,733)</u>	<u>867,013</u>	<u>969,746</u>	<u>436,204</u>
Change in Net Position	<u>\$ (102,733)</u>	<u>867,013</u>	<u>\$ 969,746</u>	<u>436,204</u>
Net Position, July 1, as restated		<u>(1,563,268)</u>		<u>(115,660)</u>
Net Position, June 30		<u>\$ (696,255)</u>		<u>\$ 320,544</u>

WASHOE COUNTY, NEVADA
BUILDING AND SAFETY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 3,300,000	\$ 3,430,073	\$ 130,073	\$ 2,795,113
Cash payments for personnel costs	(2,531,984)	(2,067,974)	464,010	(1,954,826)
Cash payments for services and supplies	(875,449)	(642,039)	233,410	(735,165)
Net Cash Provided (Used) by Operating Activities	(107,433)	720,060	827,493	105,122
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(160,000)	-	160,000	(90,347)
Net Cash Provided (Used) by Capital and Related Financing Activities	(160,000)	-	160,000	(90,347)
Cash Flows From Investing Activities:				
Investment earnings	30,000	(9,354)	(39,354)	(217)
Net Increase (Decrease) in Cash and Cash Equivalents	(237,433)	710,706	948,139	14,558
Cash and Cash Equivalents, July 1	3,316,640	3,109,161	(207,479)	3,094,603
Cash and Cash Equivalents, June 30	\$ 3,079,207	\$ 3,819,867	\$ 740,660	\$ 3,109,161
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (132,733)	870,150	\$ 1,002,883	\$ 435,411
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	21,800	20,058	(1,742)	15,044
Net pension expense	-	11,453	11,453	(5,016)
Net other post employment benefits expense	-	(24,884)	(24,884)	-
Change in assets:				
Increase (decrease) in:				
Accounts receivable		242,479	242,479	(242,479)
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	15,236	15,236	(53,278)
Accrued salaries and benefits	-	5,391	5,391	(55,880)
Compensated absences	3,500	1,158	(2,342)	2,597
Unearned revenue	-	(416,981)	(416,981)	13,723
Deposits	-	(4,000)	(4,000)	(5,000)
Total Adjustments	25,300	(150,090)	(175,390)	(330,289)
Net Cash Provided (Used) by Operating Activities	\$ (107,433)	\$ 720,060	\$ 827,493	\$ 105,122

**WASHOE COUNTY, NEVADA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>Golf Course Fund</u>
Assets	
Current Assets:	
Cash and investments	\$ 902,253
Accounts receivable	19,429
Interest receivable	3,421
Total Current Assets	<u>925,103</u>
Noncurrent Assets:	
Capital Assets:	
Nondepreciable:	
Land	173,000
Plant capacity	825,150
Depreciable:	
Land improvements	3,874,949
Buildings and improvements	1,258,356
Equipment	164,804
Less accumulated depreciation	<u>(4,642,624)</u>
Total Noncurrent Assets	<u>1,653,635</u>
Total Assets	<u>2,578,738</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to pensions	26,073
Liabilities	
Current Liabilities:	
Accrued salaries and benefits	422
Noncurrent Liabilities:	
Other long term liabilities - pensions	<u>451,748</u>
Total Liabilities	<u>452,170</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	40,929
Net Position	
Net investment in capital assets	1,653,635
Unrestricted	<u>458,077</u>
Total Net Position	<u><u>\$ 2,111,712</u></u>

**WASHOE COUNTY, NEVADA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	Golf Course Fund
Operating Revenues	
Charges for Services:	
Golf course fees	\$ 144,559
Miscellaneous	40,000
Total Operating Revenues	184,559
Operating Expenses	
Salaries and wages	17,913
Employee benefits	13,941
Services and supplies	131,614
Depreciation/amortization	189,967
Total Operating Expenses	353,435
Operating Income (Loss)	(168,876)
Nonoperating Revenues (Expenses)	
Investment earnings	14,286
Net increase (decrease) in the fair value of investments	(13,615)
Other nonoperating revenue	3,141
Total Nonoperating Revenues (Expenses)	3,812
Income (Loss) Before Transfers	(165,064)
Net Position, July 1, as restated	2,276,776
Net Position, June 30	\$ 2,111,712

**WASHOE COUNTY, NEVADA
NONMAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Golf Course Fund</u>
Increase (Decrease) In Cash and Cash Equivalents	
Cash Flows From Operating Activities:	
Cash received from customers	\$ 182,322
Cash payments for personnel costs	(25,988)
Cash payments for services and supplies	<u>(131,936)</u>
Net Cash Provided (Used) by Operating Activities	<u>24,398</u>
Cash Flows From Capital and Related Financing Activities:	
Acquisition of capital assets	<u>(1)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1)</u>
Cash Flows From Investing Activities:	
Investment earnings	<u>4,214</u>
Net Increase in Cash and Cash Equivalents	28,611
Cash and Cash Equivalents, July 1	<u>873,642</u>
Cash and Cash Equivalents, June 30	<u><u>\$ 902,253</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities	
Operating income (loss)	<u>\$ (168,876)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation/amortization	189,967
Net Pension Expense	5,797
Change in assets and liabilities:	
(Increase) decrease in:	
Accounts receivable	(2,237)
Increase (decrease) in:	
Accounts payable	(322)
Accrued salaries and benefits	<u>69</u>
Total Adjustments	<u>193,274</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ 24,398</u></u>

WASHOE COUNTY, NEVADA
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Golf courses	\$ 209,000	\$ 144,559	\$ (64,441)	\$ (1,149,923)
Other	40,000	40,000	-	236,200
Total Operating Revenues	<u>249,000</u>	<u>184,559</u>	<u>(64,441)</u>	<u>(913,723)</u>
Operating Expenses				
Salaries and wages	19,278	17,913	1,365	70,861
Employee benefits	8,622	13,941	(5,319)	58,510
Services and supplies	165,095	131,614	33,481	229,950
Depreciation/amortization	208,400	189,967	18,433	209,186
Total Operating Expenses	<u>401,395</u>	<u>353,435</u>	<u>47,960</u>	<u>568,507</u>
Operating Income (Loss)	<u>(152,395)</u>	<u>(168,876)</u>	<u>(16,481)</u>	<u>(1,482,230)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	11,600	14,286	2,686	11,577
Net increase (decrease) in the fair value of investments	(1,300)	(13,615)	(12,315)	(10,069)
Gain (loss) on asset disposition	-	-	-	(752)
Other nonoperating revenue	-	3,141	3,141	1,183
Total Nonoperating Revenues (Expenses)	<u>10,300</u>	<u>3,812</u>	<u>(6,488)</u>	<u>1,939</u>
Change in Net Position	<u>\$ (142,095)</u>	<u>(165,064)</u>	<u>\$ (22,969)</u>	<u>(1,480,291)</u>
Net Position, July 1, as restated		<u>2,276,776</u>		<u>3,785,135</u>
Net Position, June 30		<u>\$ 2,111,712</u>		<u>\$ 2,304,844</u>

WASHOE COUNTY, NEVADA
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 249,000	\$ 182,322	\$ (66,678)	\$ 426,522
Cash payments for personnel costs	(27,900)	(25,988)	1,912	(139,109)
Cash payments for services and supplies	(165,095)	(131,936)	33,159	(267,659)
Net Cash Provided (Used) by Operating Activities	56,005	24,398	(31,607)	19,754
Cash Flows From Noncapital Financing Activities:				
Cash received from contributions	(1,300)	-	1,300	-
Cash Flows From Capital and Related Financing Activities:				
Acquisition of capital assets	(100,000)	(1)	99,999	43,673
Net Cash Provided (Used) by Capital and Related Financing Activities	(100,000)	(1)	99,999	43,673
Cash Flows From Investing Activities:				
Investment earnings	11,600	4,214	(7,386)	-
Net Increase (Decrease) in Cash and Cash Equivalents	(33,695)	28,611	62,306	63,427
Cash and Cash Equivalents, July 1	482,695	873,642	390,947	810,215
Cash and Cash Equivalents, June 30	\$ 449,000	\$ 902,253	\$ 453,253	\$ 873,642
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (152,395)	\$ (168,876)	\$ (16,481)	\$ (1,482,230)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	208,400	189,967	(18,433)	209,186
Net pension expense	-	5,797	5,797	31,070
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(2,237)	(2,237)	1,340,245
Inventory	-	-	-	7,246
Increase (decrease) in:				
Accounts payable	-	(322)	(322)	(4,955)
Accrued salaries and benefits	-	69	69	(14,956)
Compensated absences	-	-	-	(25,852)
Other liabilities	-	-	-	(40,000)
Total Adjustments	208,400	193,274	(15,126)	1,501,984
Net Cash Provided (Used) by Operating Activities	\$ 56,005	\$ 24,398	\$ (31,607)	\$ 19,754



INTERNAL SERVICE FUNDS

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. 153

Health Benefits Fund

To account for the self-insured health plan and other contractual health insurance plans..... 155

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. 157

WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Assets				
Current Assets:				
Cash and investments	\$ 30,526,966	\$ 10,461,819	\$ 3,767,744	\$ 44,756,529
Accounts receivable	-	4,849,573	-	4,849,573
Interest receivable	116,986	39,221	-	156,207
Inventory	-	-	365,030	365,030
Other assets	8,712	-	2,077,233	2,085,945
Due from other governments	-	95,913	-	95,913
Total Current Assets	<u>30,652,664</u>	<u>15,446,526</u>	<u>6,210,007</u>	<u>52,309,197</u>
Noncurrent Assets:				
Restricted cash and investments	2,393,788	-	-	2,393,788
Capital Assets:				
Construction in progress	-	-	1,169,274	1,169,274
Buildings and improvements	-	-	24,990	24,990
Equipment	-	-	27,399,938	27,399,938
Less accumulated depreciation	-	-	(19,246,534)	(19,246,534)
Total Noncurrent Assets	<u>2,393,788</u>	<u>-</u>	<u>9,347,668</u>	<u>11,741,456</u>
Total Assets	<u>33,046,452</u>	<u>15,446,526</u>	<u>15,557,675</u>	<u>64,050,653</u>
Liabilities				
Current Liabilities:				
Accounts payable	20,970	538,185	351,986	911,141
Accrued salaries and benefits	5,971	7,409	32,913	46,293
Compensated absences	34,597	45,889	205,754	286,240
Other liabilities	-	301,263	-	301,263
Due to other governments	-	-	232	232
Pending claims	6,654,000	3,681,000	-	10,335,000
Total Current Liabilities	<u>6,715,538</u>	<u>4,573,746</u>	<u>590,885</u>	<u>11,880,169</u>
Noncurrent Liabilities:				
Compensated absences	10,931	14,499	65,011	90,441
Pending claims	10,020,212	-	-	10,020,212
Pending claims payable from restricted cash	2,393,788	-	-	2,393,788
Total Noncurrent Liabilities	<u>12,424,931</u>	<u>14,499</u>	<u>65,011</u>	<u>12,504,441</u>
Total Liabilities	<u>19,140,469</u>	<u>4,588,245</u>	<u>655,896</u>	<u>24,384,610</u>
Net Position				
Net investment in capital assets	-	-	9,347,668	9,347,668
Restricted for future claims	13,905,983	10,858,281	-	24,764,264
Unrestricted	-	-	5,554,111	5,554,111
Total Net Position	<u>\$ 13,905,983</u>	<u>\$ 10,858,281</u>	<u>\$ 14,901,779</u>	<u>\$ 39,666,043</u>

WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Operating Revenues				
Charges for Services:				
Self insurance fees	\$ 6,989,666	\$ 51,374,389	\$ -	\$ 58,364,055
Equipment service billings	-	-	8,775,376	8,775,376
Miscellaneous	178,094	3,509,790	55,102	3,742,986
Total Operating Revenues	7,167,760	54,884,179	8,830,478	70,882,417
Operating Expenses				
Salaries and wages	312,921	341,262	1,397,923	2,052,106
Employee benefits	167,694	173,471	855,489	1,196,654
Services and supplies	5,538,912	53,419,676	4,248,508	63,207,096
Depreciation	-	-	1,868,894	1,868,894
Total Operating Expenses	6,019,527	53,934,409	8,370,814	68,324,750
Operating Income (Loss)	1,148,233	949,770	459,664	2,557,667
Nonoperating Revenues (Expenses)				
Investment earnings	467,182	150,316	67,446	684,944
Net increase (decrease) in the fair value of investments	(461,508)	(156,608)	-	(618,116)
Gain (loss) on asset disposition	-	-	220,874	220,874
Federal grants	-	294,306	-	294,306
Other nonoperating revenue	-	72,709	-	72,709
Total Nonoperating Revenues (Expenses)	5,674	360,723	288,320	654,717
Income (Loss) Before Capital Contributions and Transfers	1,153,907	1,310,493	747,984	3,212,384
Capital Contributions				
Contributions from other funds	-	-	392,940	392,940
Change in Net Position	1,153,907	1,310,493	1,140,924	3,605,324
Net Position, July 1	12,752,076	9,547,788	13,760,855	36,060,719
Net Position, June 30	\$ 13,905,983	\$ 10,858,281	\$ 14,901,779	\$ 39,666,043

**WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 23,419,484	\$ -	\$ 23,419,484
Cash received from other funds	6,989,666	26,566,993	8,775,376	42,332,035
Cash received from others	178,094	3,582,499	55,102	3,815,695
Cash payments for personnel costs	(464,386)	(482,406)	(2,206,740)	(3,153,532)
Cash payments for services and supplies	(5,553,284)	(52,440,213)	(4,076,178)	(62,069,675)
Net Cash Provided (Used) by Operating Activities	1,150,090	646,357	2,547,560	4,344,007
Cash Flows From Noncapital Financing Activities:				
Federal grants	-	294,306	-	294,306
Net Cash Provided (Used) by Noncapital Financing Activities	-	294,306	-	294,306
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	222,857	222,857
*Acquisition of capital assets	-	-	(2,975,527)	(2,975,527)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(2,752,670)	(2,752,670)
Cash Flows From Investing Activities:				
Investment earnings (loss)	(34,226)	(21,551)	-	(55,777)
**Equipment supply deposit paid	-	-	1,416,200	1,416,200
Net Cash Provided (Used) by Investing Activities	(34,226)	(21,551)	1,416,200	1,360,423
Net Increase (Decrease) in Cash and Cash Equivalents	1,115,864	919,112	1,211,090	3,246,066
Cash and Cash Equivalents, July 1	31,804,890	9,542,707	2,556,654	43,904,251
Cash and Cash Equivalents, June 30	\$ 32,920,754	\$ 10,461,819	\$ 3,767,744	\$ 47,150,317

(CONTINUED)

**WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	<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)	\$ 1,148,233	\$ 949,770	\$ 459,664	\$ 2,557,667
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,868,894	1,868,894
Imputed rental expense	-	-	67,446	67,446
Claim settlements and other reimbursements	-	65,403	-	65,403
Forfeited Flexible Spending Account contributions	-	7,306	-	7,306
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(1,289,019)	-	(1,289,019)
Inventory	-	-	(50,191)	(50,191)
Prepaid lease	-	-	87,428	87,428
Due from other governments	-	(95,913)	-	(95,913)
Other assets	2,399	-	-	2,399
Increase (decrease) in:				
Accounts payable	(16,771)	(196,537)	67,513	(145,795)
Accrued salaries and benefits	697	3,638	7,012	11,347
Compensated absences	15,532	28,689	39,660	83,881
Due to other governments	-	-	134	134
Other liabilities	-	(2,980)	-	(2,980)
Pending claims	-	1,176,000	-	1,176,000
Total Adjustments	<u>1,857</u>	<u>(303,413)</u>	<u>2,087,896</u>	<u>1,786,340</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,150,090</u>	<u>\$ 646,357</u>	<u>\$ 2,547,560</u>	<u>\$ 4,344,007</u>
*Acquisition of Capital Assets Financed by Cash	\$ -	\$ -	\$ 2,975,527	\$ 2,975,527
Capital transferred from other funds	-	-	392,940	392,940
Capital asset value acquisition correction	-	-	113,548	113,548
Increase (decrease) in accounts payable	<u>-</u>	<u>-</u>	<u>(57,692)</u>	<u>(57,692)</u>
Total Acquisition of Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,424,323</u>	<u>\$ 3,424,323</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Insurance premiums	\$ 6,789,875	\$ 6,989,666	\$ 199,791	\$ 6,913,621
Miscellaneous:				
Other	50,000	178,094	128,094	45,105
Total Operating Revenues	<u>6,839,875</u>	<u>7,167,760</u>	<u>327,885</u>	<u>6,958,726</u>
Operating Expenses				
Salaries and wages	338,352	312,921	25,431	295,994
Employee benefits	184,548	167,694	16,854	159,275
Services and supplies	7,837,227	5,538,912	2,298,315	7,325,745
Total Operating Expenses	<u>8,360,127</u>	<u>6,019,527</u>	<u>2,340,600</u>	<u>7,781,014</u>
Operating Income (Loss)	<u>(1,520,252)</u>	<u>1,148,233</u>	<u>2,668,485</u>	<u>(822,288)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	327,200	467,182	139,982	356,289
Net increase (decrease) in the fair value of investments	-	(461,508)	(461,508)	(326,945)
Total Nonoperating Revenues (Expenses)	<u>327,200</u>	<u>5,674</u>	<u>(321,526)</u>	<u>29,344</u>
Change in Net Position	<u>\$ (1,193,052)</u>	<u>1,153,907</u>	<u>\$ 2,346,959</u>	<u>(792,944)</u>
Net Position, July 1		<u>12,752,076</u>		<u>13,545,020</u>
Net Position, June 30		<u>\$ 13,905,983</u>		<u>\$ 12,752,076</u>

WASHOE COUNTY, NEVADA
RISK MANAGEMENT FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018			2017
	Budget	Actual	Variance	Actual
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 6,789,875	\$ 6,989,666	\$ 199,791	\$ 6,913,621
Cash received from others	50,000	178,094	128,094	129,553
Cash payments for personnel costs	(520,900)	(464,386)	56,514	(464,245)
Cash payments for services and supplies	(6,037,227)	(5,553,284)	483,943	(4,966,387)
Net Cash Provided (Used) by Operating Activities	<u>281,748</u>	<u>1,150,090</u>	<u>868,342</u>	<u>1,612,542</u>
Cash Flows From Investing Activities:				
Investment earnings	327,200	(34,226)	(361,426)	18,158
Net Increase (Decrease) in Cash and Cash Equivalents	<u>608,948</u>	<u>1,115,864</u>	<u>506,916</u>	<u>1,630,700</u>
Cash and Cash Equivalents, July 1	<u>30,432,602</u>	<u>31,804,890</u>	<u>1,372,288</u>	<u>30,174,190</u>
Cash and Cash Equivalents, June 30	<u>\$ 31,041,550</u>	<u>\$ 32,920,754</u>	<u>\$ 1,879,204</u>	<u>\$ 31,804,890</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,520,252)	\$ 1,148,233	\$ 2,668,485	\$ (822,288)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	-	-	84,448
Other assets	-	2,399	2,399	6,076
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	(16,771)	(16,771)	4,282
Accrued salaries and benefits	-	697	697	(12,834)
Compensated absences	2,000	15,532	13,532	3,858
Pending claims	1,800,000	-	(1,800,000)	2,349,000
Total Adjustments	<u>1,802,000</u>	<u>1,857</u>	<u>(1,800,143)</u>	<u>2,434,830</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 281,748</u>	<u>\$ 1,150,090</u>	<u>\$ 868,342</u>	<u>\$ 1,612,542</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Insurance premiums	\$ 52,004,050	\$ 51,374,389	\$ (629,661)	\$ 51,421,751
Miscellaneous:				
Other	2,000,000	3,509,790	1,509,790	1,926,184
Total Operating Revenues	<u>54,004,050</u>	<u>54,884,179</u>	<u>880,129</u>	<u>53,347,935</u>
Operating Expenses				
Salaries and wages	309,525	341,262	(31,737)	248,015
Employee benefits	167,030	173,471	(6,441)	141,154
Services and supplies	53,025,549	53,419,676	(394,127)	49,354,749
Total Operating Expenses	<u>53,502,104</u>	<u>53,934,409</u>	<u>(432,305)</u>	<u>49,743,918</u>
Operating Income (Loss)	<u>501,946</u>	<u>949,770</u>	<u>447,824</u>	<u>3,604,017</u>
Nonoperating Revenues (Expenses)				
Investment earnings	90,000	150,316	60,316	91,866
Net increase (decrease) in the fair value of investments	-	(156,608)	(156,608)	(82,339)
Federal grants	265,000	294,306	29,306	427,034
Other nonoperating revenue	-	72,709	72,709	-
Total Nonoperating Revenues (Expenses)	<u>355,000</u>	<u>360,723</u>	<u>5,723</u>	<u>436,561</u>
Change in Net Position	<u>\$ 856,946</u>	<u>1,310,493</u>	<u>\$ 453,547</u>	<u>4,040,578</u>
Net Position, July 1		<u>9,547,788</u>		<u>5,507,210</u>
Net Position, June 30		<u>\$ 10,858,281</u>		<u>\$ 9,547,788</u>

WASHOE COUNTY, NEVADA
HEALTH BENEFITS FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 24,085,750	\$ 23,419,484	\$ (666,266)	\$ 25,293,446
Cash received from other funds	29,918,300	26,566,993	(3,351,307)	26,922,124
Cash received from others	-	3,582,499	3,582,499	1,926,184
Cash payments for personnel costs	(473,555)	(482,406)	(8,851)	(398,518)
Cash payments for services and supplies	(52,922,549)	(52,440,213)	482,336	(48,807,498)
Net Cash Provided (Used) by Operating Activities	<u>607,946</u>	<u>646,357</u>	<u>38,411</u>	<u>4,935,738</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	265,000	294,306	29,306	427,034
Cash Flows From Investing Activities:				
Investment earnings (loss)	90,000	(21,551)	(111,551)	(1,433)
Net Increase (Decrease) in Cash and Cash Equivalents	<u>962,946</u>	<u>919,112</u>	<u>(43,834)</u>	<u>5,361,339</u>
Cash and Cash Equivalents, July 1	<u>5,887,928</u>	<u>9,542,707</u>	<u>3,654,779</u>	<u>4,181,368</u>
Cash and Cash Equivalents, June 30	<u>\$ 6,850,874</u>	<u>\$ 10,461,819</u>	<u>\$ 3,610,945</u>	<u>\$ 9,542,707</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ 501,946</u>	<u>\$ 949,770</u>	<u>\$ 447,824</u>	<u>\$ 3,604,017</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Forfeited Flexible Spending Account contributions	-	7,306	7,306	-
Claim settlements and other reimbursements	-	65,403	65,403	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(1,384,932)	(1,384,932)	489,576
Increase (decrease) in:				
Accounts payable	-	(196,537)	(196,537)	444,251
Accrued salaries and benefits	-	3,638	3,638	(15,426)
Compensated absences	3,000	28,689	25,689	6,077
Other liabilities	-	(2,980)	(2,980)	304,243
Pending claims	103,000	1,176,000	1,073,000	103,000
Total Adjustments	<u>106,000</u>	<u>(303,413)</u>	<u>(409,413)</u>	<u>1,331,721</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 607,946</u>	<u>\$ 646,357</u>	<u>\$ 38,411</u>	<u>\$ 4,935,738</u>

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Equipment service billings	\$ 8,434,016	\$ 8,775,376	\$ 341,360	\$ 8,206,501
Miscellaneous:				
Other	60,000	55,102	(4,898)	41,506
Total Operating Revenues	<u>8,494,016</u>	<u>8,830,478</u>	<u>336,462</u>	<u>8,248,007</u>
Operating Expenses				
Salaries and wages	1,335,108	1,397,923	(62,815)	1,314,179
Employee benefits	836,391	855,489	(19,098)	800,722
Services and supplies	3,746,942	4,248,508	(501,566)	3,532,286
Depreciation	2,533,615	1,868,894	664,721	1,653,855
Total Operating Expenses	<u>8,452,056</u>	<u>8,370,814</u>	<u>81,242</u>	<u>7,301,042</u>
Operating Income (Loss)	<u>41,960</u>	<u>459,664</u>	<u>417,704</u>	<u>946,965</u>
Nonoperating Revenues (Expenses)				
Investment earnings	106,600	67,446	(39,154)	102,457
Gain (loss) on asset disposition	507,995	220,874	(287,121)	216,321
Contributions	-	-	-	19,530
Total Nonoperating Revenues (Expenses)	<u>614,595</u>	<u>288,320</u>	<u>(326,275)</u>	<u>338,308</u>
Income (Loss) Before Capital Contributions and Transfers	<u>656,555</u>	<u>747,984</u>	<u>91,429</u>	<u>1,285,273</u>
Capital Contributions				
Contributions from other funds	-	392,940	392,940	179,965
Change in Net Position	<u>\$ 656,555</u>	<u>1,140,924</u>	<u>\$ 484,369</u>	<u>1,465,238</u>
Net Position, July 1		<u>13,760,855</u>		<u>12,295,617</u>
Net Position, June 30		<u>\$ 14,901,779</u>		<u>\$ 13,760,855</u>

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 8,434,016	\$ 8,775,376	\$ 341,360	\$ 8,206,501
Cash received from others	60,000	55,102	(4,898)	96,044
Cash payments for personnel costs	(2,171,499)	(2,206,740)	(35,241)	(2,151,621)
Cash payments for services and supplies	(3,640,342)	(4,076,178)	(435,836)	(3,341,347)
Net Cash Provided (Used) by Operating Activities	<u>2,682,175</u>	<u>2,547,560</u>	<u>(134,615)</u>	<u>2,809,577</u>
Cash Flows From Capital and Related Financing Activities:				
Donations	-	-	-	19,530
Proceeds from asset disposition	507,995	222,857	(285,138)	277,265
Proceeds from insurance recoveries	-	-	-	-
*Acquisition of capital assets	(4,500,000)	(2,975,527)	1,524,473	(3,169,675)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,992,005)</u>	<u>(2,752,670)</u>	<u>1,239,335</u>	<u>(2,872,880)</u>
Cash Flows From Investing Activities:				
**Equipment supply deposit received	-	1,416,200	1,416,200	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>1,416,200</u>	<u>1,416,200</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,309,830)</u>	<u>1,211,090</u>	<u>2,520,920</u>	<u>(63,303)</u>
Cash and Cash Equivalents, July 1	<u>2,888,597</u>	<u>2,556,654</u>	<u>(331,943)</u>	<u>2,619,957</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,578,767</u>	<u>\$ 3,767,744</u>	<u>\$ 2,188,977</u>	<u>\$ 2,556,654</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	<u>2018</u>			<u>2017</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 41,960	\$ 459,664	\$ 417,704	\$ 946,965
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,533,615	1,868,894	(664,721)	1,653,855
Other nonoperating revenue	-	-	-	-
Imputed rental expense	106,600	67,446	(39,154)	102,457
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	(50,191)	(50,191)	(126,827)
Prepaid lease expense	-	87,428	87,428	137,112
Due from other governments	-	-	-	54,538
Increase (decrease) in:				
Accounts payable	-	67,513	67,513	78,206
Accrued salaries and benefits	-	7,012	7,012	(59,161)
Compensated absences	-	39,660	39,660	22,441
Due to other governments	-	134	134	(9)
Total Adjustments	<u>2,640,215</u>	<u>2,087,896</u>	<u>(552,319)</u>	<u>1,862,612</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,682,175</u>	<u>\$ 2,547,560</u>	<u>\$ (134,615)</u>	<u>\$ 2,809,577</u>
*Acquisition of Capital Assets Financed by Cash	<u>\$ 2,400,000</u>	<u>\$ 2,975,527</u>	<u>\$ (575,527)</u>	<u>\$ 3,169,675</u>
Capital transferred from other funds	-	392,940	(392,940)	179,965
Capital Assets value acquisition correction	-	113,548	(113,548)	(13,407)
Increase (decrease) in accounts payable	-	(57,692)	57,692	(385,574)
Total Acquisition of Capital Assets	<u>\$ 2,400,000</u>	<u>\$ 3,424,323</u>	<u>\$ (1,024,323)</u>	<u>\$ 2,950,659</u>



FIDUCIARY FUNDS

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held in a trustee or agency capacity for others and 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.

Treasurer Unapportioned

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

Washoe County School District Fund

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

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, and other miscellaneous agencies.

**WASHOE COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Balance July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2018</u>
Intergovernmental				
Assets:				
Cash and investments	\$ 10,964,510	\$ 301,437,902	\$ 301,875,850	\$ 10,526,562
Accounts Receivable	4,932	2,244	7,176	-
Due from other governments	-	3,624	257	3,367
Property taxes receivable	<u>2,377,950</u>	<u>247,003,850</u>	<u>247,600,973</u>	<u>1,780,827</u>
Total Assets	<u>\$ 13,347,392</u>	<u>\$ 548,447,620</u>	<u>\$ 549,484,256</u>	<u>\$ 12,310,756</u>
Liabilities:				
Due to other governments	<u>\$ 13,347,392</u>	<u>\$ 548,447,620</u>	<u>\$ 549,484,256</u>	<u>\$ 12,310,756</u>
Public Guardian/Administrator Trust Funds				
Assets:				
Cash and investments	<u>\$ 6,519,613</u>	<u>\$ 5,616,884</u>	<u>\$ 6,516,265</u>	<u>\$ 5,620,232</u>
Liabilities:				
Due to others	<u>\$ 6,519,613</u>	<u>\$ 5,616,884</u>	<u>\$ 6,516,265</u>	<u>\$ 5,620,232</u>
Court Trust				
Assets:				
Cash and investments	<u>\$ 1,449,128</u>	<u>\$ 4,183,545</u>	<u>\$ 2,043,770</u>	<u>\$ 3,588,903</u>
Liabilities:				
Due to others	<u>\$ 1,449,128</u>	<u>\$ 4,183,545</u>	<u>\$ 2,043,770</u>	<u>\$ 3,588,903</u>
Payroll Revolving				
Assets:				
Cash and investments	\$ 7,142,937	\$ 313,651,475	\$ 313,280,818	\$ 7,513,594
Due from other funds	11,468	11,468	22,936	-
Accounts receivable	<u>2,766</u>	<u>-</u>	<u>2,766</u>	<u>-</u>
Total Assets	<u>\$ 7,157,171</u>	<u>\$ 313,662,943</u>	<u>\$ 313,306,520</u>	<u>\$ 7,513,594</u>
Liabilities:				
Due to others	<u>\$ 7,157,171</u>	<u>\$ 313,662,943</u>	<u>\$ 313,306,520</u>	<u>\$ 7,513,594</u>
Treasurer Unapportioned				
Assets:				
Cash and investments	\$ 1,303,235	\$ 561,054,038	\$ 561,194,815	\$ 1,162,458
Accounts receivable	<u>7,756</u>	<u>843,842</u>	<u>842,244</u>	<u>9,354</u>
Total Assets	<u>\$ 1,310,991</u>	<u>\$ 561,897,880</u>	<u>\$ 562,037,059</u>	<u>\$ 1,171,812</u>
Liabilities:				
Due to other governments	<u>\$ 1,310,991</u>	<u>\$ 561,897,880</u>	<u>\$ 562,037,059</u>	<u>\$ 1,171,812</u>
Washoe County School District Debt and Sales Tax				
Assets:				
Property taxes receivable	<u>\$ 487,708</u>	<u>\$ 57,848,785</u>	<u>\$ 57,992,987</u>	<u>\$ 343,506</u>
Liabilities:				
Due to other governments	<u>\$ 487,708</u>	<u>\$ 57,848,785</u>	<u>\$ 57,992,987</u>	<u>\$ 343,506</u>

(CONTINUED)

WASHOE COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Sheriff's Trust				
Assets:				
Cash and investments	\$ 1,867,749	\$ 8,126,775	\$ 8,245,723	\$ 1,748,801
Liabilities:				
Due to others	\$ 1,867,749	\$ 8,126,775	\$ 8,245,723	\$ 1,748,801
Children's Trust Fund				
Assets:				
Cash and investments	\$ 343,263	\$ 960,004	\$ 1,111,275	\$ 191,992
Liabilities:				
Due to others	\$ 343,263	\$ 960,004	\$ 1,111,275	\$ 191,992
May Foundation Building Trust				
Assets:				
Cash and investments	\$ 340,027	\$ 363,959	\$ 364,453	\$ 339,533
Liabilities:				
Due to others	\$ 340,027	\$ 363,959	\$ 364,453	\$ 339,533
Senior Services Trust				
Assets:				
Cash and investments	\$ 72,184	\$ 259,189	\$ 322,563	\$ 8,810
Liabilities:				
Due to others	\$ 72,184	\$ 259,189	\$ 322,563	\$ 8,810
Financial Assurances				
Assets:				
Cash and investments	\$ 612,817	\$ 261,371	\$ 330,134	\$ 544,054
Financial assurances	23,411,193	29,828,848	8,157,813	45,082,228
Total Assets	\$ 24,024,010	\$ 30,090,219	\$ 8,487,947	\$ 45,626,282
Liabilities:				
Due to others	\$ 24,024,010	\$ 30,090,219	\$ 8,487,947	\$ 45,626,282
Western Regional Water Commission				
Assets:				
Accounts receivable	\$ 348,521	\$ 355,494	346,108	\$ 357,907
Total Assets	\$ 348,521	\$ 355,494	\$ 346,108	\$ 357,907
Liabilities:				
Due to others	\$ 348,521	\$ 355,494	\$ 346,108	\$ 357,907
Other Agencies				
Assets:				
Cash and investments	\$ 4,194	\$ 2,946	\$ 3,355	\$ 3,785
Due from other governments	498,318	581,721	498,318	581,721
Total Assets	\$ 502,512	\$ 584,667	\$ 501,673	\$ 585,506
Liabilities:				
Due to others	\$ 502,512	\$ 584,667	\$ 501,673	\$ 585,506

(CONTINUED)

WASHOE COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Totals, Agency Funds				
Assets:				
Cash and investments	\$ 30,619,657	\$ 1,195,918,088	\$ 1,195,289,021	\$ 31,248,724
Financial assurances	23,411,193	29,828,848	8,157,813	45,082,228
Accounts receivable	375,443	1,201,580	1,209,762	367,261
Property taxes receivable	2,865,658	304,852,635	305,593,960	2,124,333
Due from other governments	498,318	585,345	498,575	585,088
Due from other funds	-	11,468	11,468	-
	<u>57,770,269</u>	<u>1,532,397,964</u>	<u>1,510,760,599</u>	<u>79,407,634</u>
Liabilities:				
Due to others	<u>\$ 57,770,269</u>	<u>\$ 1,532,397,964</u>	<u>\$ 1,510,760,599</u>	<u>\$ 79,407,634</u>



STATISTICAL SECTION
(unaudited)

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

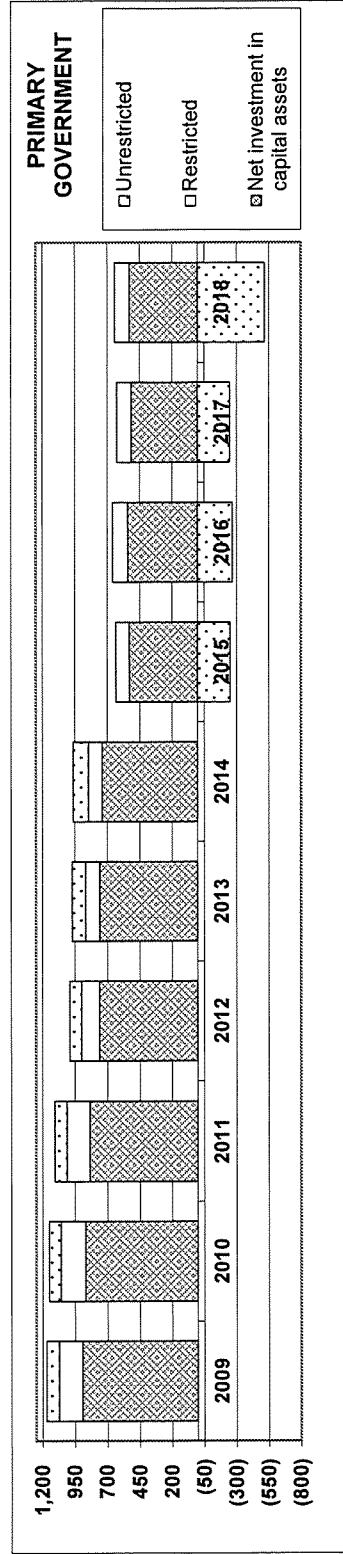
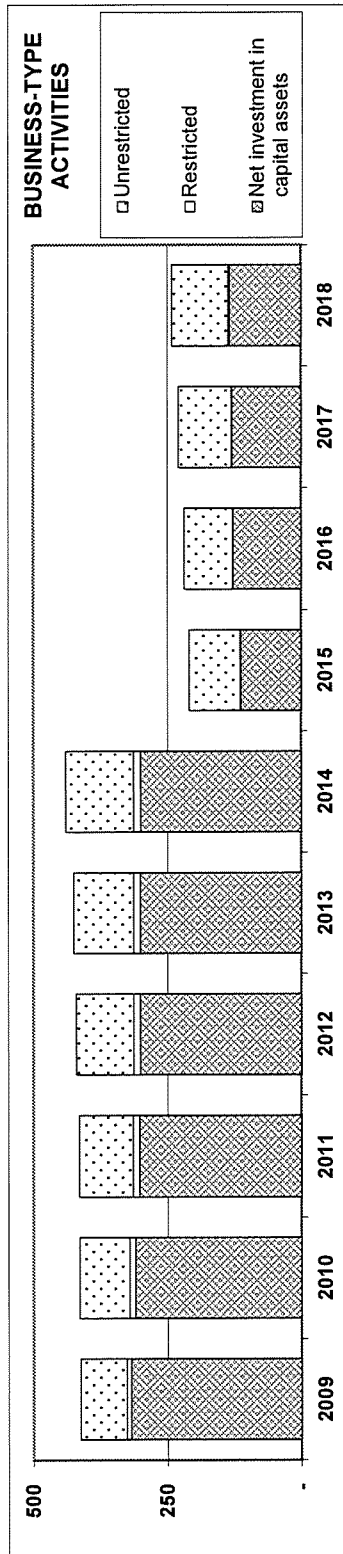
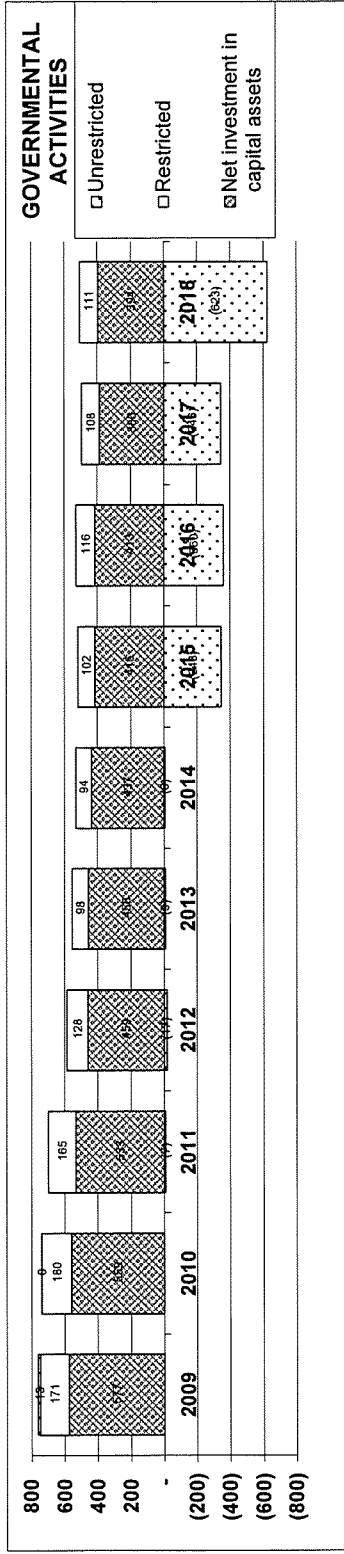
Operating Information

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)



SCHEDULE 1.1

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012 ⁵	2013	2014	2015 ⁶	2016	2017	2018
Governmental Activities⁶										
Net investment in capital assets ¹	\$ 576,532	\$ 559,117	\$ 533,468	\$ 459,302	\$ 455,643	\$ 437,044	\$ 415,132	\$ 412,863	\$ 385,853	\$ 394,493
Restricted	170,975	179,707	164,800	128,284	98,124	94,056	102,385	116,440	107,899	111,377
Unrestricted ²	12,622	462	(7,038)	(17,395)	(8,579)	(6,492)	(347,987)	(360,030)	(346,079)	(623,439)
Total Governmental Activities Net Position	\$ 760,129	\$ 739,286	\$ 691,230	\$ 570,191	\$ 545,188	\$ 524,608	\$ 169,530	\$ 169,273	\$ 147,673	\$ (117,569)
Business-type Activities⁷										
Net investment in capital assets ¹	\$ 317,680	\$ 310,154	\$ 301,997	\$ 300,261	\$ 300,163	\$ 299,618	\$ 112,543	\$ 126,705	\$ 128,947	\$ 133,532
Restricted ³	8,515	10,004	11,875	12,804	12,801	13,461	1,234	1,122	1,151	2,157
Unrestricted	85,743	93,616	100,843	107,298	111,894	126,597	95,088	90,505	98,187	105,278
Total Business-type Activities Net Position	\$ 411,938	\$ 413,774	\$ 414,715	\$ 420,363	\$ 424,858	\$ 439,676	\$ 208,865	\$ 218,332	\$ 228,285	\$ 240,967
Primary Government										
Net investment in capital assets ¹	\$ 894,212	\$ 869,271	\$ 835,465	\$ 759,563	\$ 755,806	\$ 736,662	\$ 527,675	\$ 539,568	\$ 514,800	\$ 528,025
Restricted	179,490	189,711	176,675	141,088	110,925	107,517	103,619	117,562	109,050	113,534
Unrestricted	98,365	94,078	93,805	89,903	103,315	120,105	(252,899)	(269,525)	(247,892)	(518,161)
Total Primary Government Net Position ⁴	\$ 1,172,067	\$ 1,153,060	\$ 1,105,945	\$ 990,554	\$ 970,046	\$ 964,284	\$ 378,395	\$ 387,605	\$ 375,958	\$ 123,398

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. In 2018, GASB 75 went into effect. This change made governmental entities recognize "other post employment benefits" on the financials.

³ The decrease in restricted net position in fiscal year 2015 was due to the sale of the water resource division.

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.

⁶ Fiscal years 2009-2011 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.

⁷ Business-type activity amounts have been restated to remove South Truckee Meadows General Improvement District (STMGID). Effective FY13, STMGID is no longer a component unit of the County.

⁸ 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 Meadows Water Authority (TMWA) during FY2015.

SCHEDULE 1.2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Expenses										
Governmental Activities										
General government	\$ 99,921	\$ 103,576	\$ 120,606	\$ 107,954	\$ 85,898	\$ 80,958	\$ 85,674	\$ 100,763	\$ 89,304	\$ 85,803
Judicial	58,766	57,896	55,394	55,469	57,573	59,317	59,055	62,341	72,190	77,136
Public safety	161,395	155,600	149,376	125,573	138,149	137,584	141,623	144,615	165,745	168,377
Health and sanitation	41,722	39,309	39,447	39,675	37,188	48,420	49,794	50,188	49,151	45,124
Welfare	27,858	22,749	22,826	18,429	18,785	18,384	18,901	18,607	21,217	22,159
Culture and recreation	64,048	66,764	69,506	68,137	66,370	65,651	68,457	73,678	82,507	88,059
Community support	38,364	27,993	27,850	24,989	23,614	21,803	18,729	19,320	23,857	24,470
Interest on long-term debt	1,662	1,736	303	309	343	178	186	198	330	255
	11,028	8,984	8,505	7,174	7,349	5,525	6,252	6,721	5,500	5,657
Total Governmental Activities Expenses	504,764	484,607	493,813	447,709	435,269	437,820	448,671	476,431	509,801	517,040
Business-type Activities^{2,3}										
Utilities ¹	32,508	29,541	28,451	30,029	30,844	28,300	22,889	11,511	11,215	11,981
Golf courses	1,757	1,893	2,070	874	979	952	955	945	454	268
Building permits	1,871	1,207	1,324	1,372	1,329	1,357	1,603	1,700	2,102	2,313
Total Business-type Activities Expenses	36,136	32,641	31,845	32,275	33,152	30,609	25,447	14,156	13,771	14,562
Total Primary Government Expenses	\$ 540,900	\$ 517,248	\$ 525,658	\$ 479,984	\$ 468,421	\$ 468,429	\$ 474,118	\$ 490,587	\$ 523,572	\$ 531,602
Program Revenues										
Governmental Activities										
Charges for Services										
General government	\$ 21,509	\$ 22,920	\$ 33,139	\$ 32,902	\$ 31,306	\$ 27,106	\$ 28,618	\$ 32,878	\$ 32,600	\$ 34,215
Judicial	8,117	9,376	10,309	10,056	10,412	9,904	9,386	9,465	10,145	9,976
Public safety	12,579	15,141	14,367	13,075	15,311	16,205	15,763	16,860	17,027	18,436
Other	15,763	14,658	13,912	10,061	10,521	15,261	24,280	21,517	23,707	27,220
Operating grants, interest and contributions	54,398	55,842	60,660	64,561	63,432	57,083	55,602	60,753	60,503	65,595
Capital grants, interest and contributions	34,590	17,467	7,157	25,205	7,413	12,245	9,378	20,716	16,573	21,990
Total Governmental Activities	146,956	135,404	139,544	155,860	138,995	137,804	143,027	162,189	160,555	177,432
Program Revenues										
Business-type Activities^{2,3}										
Charges for Services										
Utilities	27,903	27,382	29,274	30,466	31,539	32,287	23,595	14,374	15,008	15,678
Golf courses	1,617	1,720	1,944	1,090	1,037	854	1,424	1,374	(914)	185
Building permits	1,419	1,018	1,137	1,401	1,724	2,491	2,792	2,890	3,024	3,605
Operating grants, interest and contributions	34	49	123	94	449	112	7	11	109	911

(CONTINUED)

SCHEDULE 1.2

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Business-type Activities (continued)										
Capital grants, interest and contributions	\$ 110,304	\$ 5,040	\$ 4,286	\$ 1,921	\$ 4,448	\$ 8,107	\$ 5,438	\$ 4,508	\$ 6,447	\$ 11,809
Total Business-type Activities	141,277	35,209	36,764	34,972	39,197	43,851	33,256	23,157	23,674	32,188
Total Primary Government	288,233	170,613	176,308	190,832	177,592	181,655	176,283	185,346	184,229	209,620
Program Revenues										
Program Revenues										
Net (Expense)/Revenue	\$ (357,808)	\$ (349,203)	\$ (354,269)	\$ (291,849)	\$ (296,874)	\$ (300,016)	\$ (305,644)	\$ (314,242)	\$ (349,246)	\$ (339,608)
Governmental activities	105,141	2,568	4,919	2,697	6,045	13,242	7,809	9,001	9,903	17,626
Business-type activities	(252,667)	(346,635)	(349,350)	(289,152)	(290,829)	(286,774)	(297,835)	(305,241)	(339,343)	(321,982)
Total Primary Government										
Net (Expense) Revenue										
General Revenues and Other Changes										
in Net Position Governmental Activities										
Taxes and Intergovernmental										
Ad valorem										
Consolidated	\$ 223,457	\$ 220,530	\$ 201,469	\$ 172,540	\$ 167,294	\$ 168,009	\$ 175,981	\$ 183,821	\$ 188,474	\$ 196,142
Other intergovernmental	83,070	74,119	74,985	70,985	75,489	80,809	88,435	95,605	100,336	111,301
Unrestricted investment earnings	21,231	19,114	19,791	18,840	18,530	19,832	21,414	22,935	24,374	26,861
Other	7,906	4,944	2,153	3,403	174	1,594	1,927	2,747	158	917
Extraordinary/special items	9,334	9,658	10,037	9,045	8,934	8,981	11,109	8,877	12,649	9,902
Transfers	(91)	(5)	(2,222)	(45)	1,450	211	-	-	-	-
Total Governmental Activities	344,907	328,360	306,213	206,936	271,871	279,436	298,866	313,985	325,991	345,123
Business-type Activities ^{2,3}										
Unrestricted investment earnings	4,114	3,121	1,924	3,040	(100)	1,591	1,011	1,667	-	1
Other	2,019	-	(62)	-	-	-	-	(150)	50	-
Extraordinary/special items ⁴	-	(3,858)	(8,061)	-	-	-	(235,202)	-	-	-
Transfers	91	5	2,222	45	(1,450)	(211)	-	-	-	-
Total Business-type Activities	6,224	(732)	(3,977)	3,085	(1,550)	1,380	(234,191)	1,517	50	1
Total Primary Government										
General Revenues and Other Changes	\$ 351,131	\$ 327,628	\$ 302,236	\$ 210,021	\$ 270,321	\$ 280,816	\$ 64,675	\$ 315,502	\$ 326,041	\$ 345,124
Change in Net Position	\$ (12,901)	\$ (20,843)	\$ (48,056)	\$ (84,913)	\$ (25,003)	\$ (20,580)	\$ (6,778)	\$ (257)	\$ (23,255)	\$ 5,515
Governmental activities	111,365	1,836	942	5,782	4,495	14,622	(226,382)	10,518	9,953	17,627
Business-type activities	98,464	(19,007)	(47,114)	(79,131)	(20,508)	(5,958)	(233,160)	10,261	(13,302)	23,142
Total Primary Government										
Change in Net Position										

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

- Fiscal years 2009-2011 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.
- Business-type activity amounts are restated to remove South Truckee Meadows General Improvement District (STMIGID). Effective FY13, STMIGID is no longer a component unit of the County.
- 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 General Government and Public Works functions.
- 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,									
	2009 ²	2010	2011 ¹	2012	2013	2014	2015	2016	2017	2018
General Fund										
Reserved	\$ 1,422	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	30,263	31,173	-	-	-	-	-	-	-	-
Nonspendable	-	-	304	1	-	19	163	157	38	-
Restricted	-	-	760	750	801	792	766	879	750	3,494
Committed	-	-	5,277	4,718	4,598	4,519	3,229	4,722	3,191	169
Assigned ⁶	-	-	8,641	6,009	6,727	1,107	1,765	2,735	1,551	1,402
Unassigned ⁷	-	-	23,789	24,845	26,908	40,170	45,377	44,946	45,041	51,991
Total General Fund	31,685	31,923	38,771	36,323	39,034	46,607	51,300	53,439	50,571	57,056
All Other Governmental Funds⁵										
Reserved	59,909	57,274	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special Revenue Funds ³	114,692	56,236	-	-	-	-	-	-	-	-
Capital Projects Funds	41,668	42,385	-	-	-	-	-	-	-	-
Nonspendable	-	-	112	67	75	39	59	55	66	8
Restricted	-	-	114,048	96,853	75,788	72,526	73,335	87,189	74,466	73,863
Committed	-	-	19,816	17,808	18,167	13,273	15,636	17,231	28,827	25,665
Assigned	-	-	143	3,559	5,076	7,482	10,303	9,002	5,011	10,814
Unassigned	-	-	-	(123)	(258)	(418)	(278)	(249)	-	(495)
Total All Other Governmental Funds⁴	216,269	155,895	134,119	118,164	98,848	92,902	99,055	113,228	108,370	109,855
Total All Governmental Funds	\$ 247,954	\$ 187,818	\$ 172,890	\$ 154,487	\$ 137,882	\$ 139,509	\$ 150,355	\$ 166,667	\$ 158,941	\$ 166,911

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 2009 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 unassigned 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.

SCHEDULE 1.4

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Revenues										
Taxes	\$ 207,848	\$ 204,577	\$ 190,232	\$ 178,395	\$ 170,260	\$ 170,915	\$ 177,313	\$ 185,688	\$ 190,912	\$ 199,173
Licenses and permits	11,150	10,655	9,713	9,183	9,501	9,936	9,941	10,337	12,242	13,297
Intergovernmental revenues	156,555	149,258	155,018	162,361	170,082	168,204	179,392	187,816	195,433	218,977
Charges for services	24,211	27,940	28,247	26,254	33,530	35,694	38,893	39,543	37,350	39,561
Fines and forfeits	10,792	10,563	10,996	9,999	10,528	10,490	9,963	9,326	10,427	11,016
Miscellaneous	21,591	14,354	9,902	13,399	6,915	10,981	11,606	19,495	16,794	18,884
Total Revenues	432,147	417,347	404,108	399,591	400,816	406,220	427,108	452,205	463,158	500,908
Expenditures										
Current										
General government ¹	65,098	124,146	61,386	84,484	62,493	50,210	55,362	57,142	44,717	45,304
Judicial	55,628	53,874	53,667	53,818	54,214	55,637	56,745	61,263	70,061	73,473
Public safety	122,072	120,544	118,455	121,656	131,732	128,364	135,821	141,496	157,332	163,628
Public works	17,960	14,654	14,110	14,759	15,568	26,124	30,438	34,491	29,214	28,986
Health and sanitation	22,534	20,459	19,366	17,659	20,558	21,558	21,491	21,201	22,569	23,259
Welfare	61,292	63,705	66,408	69,045	65,639	69,364	68,372	81,454	89,881	94,801
Culture and recreation	24,199	21,203	20,417	19,474	18,859	18,201	18,688	17,512	17,894	19,226
Community support	1,662	1,733	305	309	343	178	214	195	327	252
Intergovernmental	17,791	19,059	16,981	8,243	8,447	8,790	8,943	9,442	9,612	10,144
Capital outlay	31,635	9,180	16,682	23,390	21,355	12,571	10,914	9,313	20,559	21,182
Debt Service										
Principal	24,713	15,380	22,825	37,114	21,689	7,943	9,094	33,388	9,592	7,854
Interest	11,587	9,400	8,532	7,588	7,090	5,627	5,299	5,174	4,603	4,355
Other	360	585	182	645	796	98	71	875	75	530
Total Expenditures	456,531	473,922	419,316	458,184	428,783	404,665	421,452	472,946	476,436	492,994
Excess (Deficiency) of Revenues Over (Under) Expenditures	(24,384)	(56,575)	(15,208)	(58,593)	(27,967)	1,555	5,656	(20,741)	(13,278)	7,914

(CONTINUED)

SCHEDULE 1.4

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Other Financing Sources (Uses)										
Debt issued	\$ 21,489	\$ -	\$ -	\$ 38,518	\$ 46,919	\$ -	\$ -	\$ 33,438	\$ -	\$ -
Debt premium (discount)	73	-	-	-	-	-	-	2,784	-	-
Proceeds from asset disposition	25	1,561	38	178	49	33	2,021	831	19	50
Proceeds from insurance recoveries	-	-	-	-	-	40	-	-	-	6
Proceeds from sale of water rights	-	-	-	-	-	-	-	-	2,895	-
Refunding payment to escrow agent	(10,436)	-	-	-	(37,391)	-	-	-	-	-
Transfers in	44,291	42,793	38,374	54,590	34,103	30,676	31,025	34,606	49,998	54,662
Transfers out	(47,202)	(47,863)	(38,132)	(35,309)	(32,318)	(30,676)	(33,856)	(34,606)	(49,998)	(54,662)
Total Other Financing Sources (Uses)	8,240	(3,529)	280	57,977	11,362	73	(810)	37,053	2,914	56
Special Item ²										
Net Change in Fund Balances	\$ (16,144)	\$ (60,104)	\$ (14,928)	\$ (18,403)	\$ (16,605)	\$ 1,628	\$ 10,846	\$ 16,312	\$ (10,364)	\$ 7,970
Debt Service as a Percentage of Noncapital Expenditures	5%	6%	11%	6%	3%	3%	10%	3%	3%	3%

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

¹ General government expenditures in fiscal year 2010 included \$73 million paid to the County's OPEB trust.

² 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.

SCHEDULE 1.5

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

	Fiscal Year Ended June 30,										Change,
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2009-2018
Ad valorem ¹	\$ 204,836	\$ 202,122	\$ 187,709	\$ 173,849	\$ 167,698	\$ 168,571	\$ 174,116	\$ 183,051	\$ 188,474	\$ 195,947	-4.3%
Residential construction ²	97	29	48	68	132	215	246	310	319	443	356.7%
Special assessment ³	843	508	383	3,053	933	676	1,374	650	625	618	-26.7%
Car rental fee	1,257	1,142	1,256	1,152	1,196	1,142	1,225	1,264	1,355	1,701	35.3%
Room tax	293	265	275	272	300	311	351	413	456	464	58.4%
Motor vehicle fuel tax ⁴	523	511	561	-	-	-	-	-	-	-	n/a
	\$ 207,849	\$ 204,577	\$ 190,232	\$ 178,394	\$ 170,259	\$ 170,915	\$ 177,312	\$ 185,688	\$ 191,229	\$ 199,173	-4.2%

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 were due to the continued unfavorable economic conditions in the housing market. However, the recovery started in 2012 and the improving trend continued in 2018.
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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Real Property Assessed Value										
Residential	\$ 12,389,860	\$ 10,680,846	\$ 9,426,219	\$ 8,665,389	\$ 8,336,767	\$ 8,419,073	\$ 9,389,234	\$ 10,337,704	\$ 11,076,405	\$ 11,570,501
Commercial	3,598,911	3,779,799	3,489,578	3,306,237	3,402,688	3,330,546	3,383,703	3,375,615	3,304,064	3,306,481
Industrial	1,096,143	1,092,343	1,022,668	996,407	986,821	985,955	1,030,067	1,076,473	1,160,133	1,251,392
Other	2,430,308	1,475,332	1,584,556	1,329,717	1,374,092	1,286,207	1,172,158	265,551	661,272	308,633
Personal Property Assessed Value	738,274	748,403	636,184	636,409	612,022	713,824	688,878	712,632	769,547	1,004,680
Less: Tax Exempt Property	3,046,485	2,677,247	2,500,354	2,258,785	2,422,281	2,417,652	2,471,984	2,471,049	2,437,350	2,464,215
Total Assessed Value	\$ 17,207,011	\$ 15,099,476	\$ 13,658,851	\$ 12,675,374	\$ 12,290,109	\$ 12,317,953	\$ 13,192,055	\$ 13,296,926	\$ 14,534,071	\$ 14,977,472
Estimated Actual Taxable Value	\$ 49,162,869	\$ 43,141,360	\$ 39,025,289	\$ 36,215,354	\$ 35,114,597	\$ 35,194,151	\$ 37,691,586	\$ 37,991,217	\$ 41,525,917	\$ 42,792,777
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.

SCHEDULE 2.2

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Washoe County										
Operating Rate	.9629	.9612	.9611	.9806	.9891	1.0037	1.0277	.9993	1.0005	1.0204
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	.0800	.0800	.0750	.0700	.0600	.0600	.0600	.0600	.0600	.0600
Capital Acquisition	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500
Youth Services	.0077	.0077	.0088	.0088	.0095	.0062	.0087	.0087	.0075	.0075
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	.0523	.0540	.0580	.0385	.0393	.0330	.0065	.0349	.0349	.0150
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	.9598	.9598	.9598	.9598	.9598	.9598
City of Sparks	.9161	.9161	.9161	.9161	.9161	.9161	.9598	.9598	.9598	.9598
Fire Districts										
North Lake Tahoe Fire Protection District	.5226	.5275	.5389	.5225	.6414	.6291	.6291	.6291	.6291	.6291
Sierra Fire Protection District	.5200	.5200	.5200	.5200	.5400	.5400	.5400	.5400	-	-
Truckee Meadows Fire Protection District	.4713	.4713	.4713	.4713	.5400	.5400	.5400	.5400	.5400	.5400
General Improvement Districts										
Gerlach	-	.2500	.2500	.2998	.2998	.2998	.2998	.2998	.2998	.2998
Incline Village	.0741	.0755	.0806	.1129	.1153	.1105	.1157	.1269	.1183	.1182
Palomino Valley	.4885	.4885	.4885	.4885	.4198	.4198	.4198	.4198	.4198	.4198
Other Special Districts										
Sun Valley Water & Sanitation District	.1329	.1457	.1736	.1736	.1836	.1836	.1836	.1836	.1836	.1928
Truckee Meadows Underground Water	.0005	.0004	.0005	-	-	-	-	-	-	-

SCHEDULE 2.3

WASHOE COUNTY, NEVADA
 PRINCIPAL PROPERTY TAX PAYERS FISCAL YEARS 2018 AND 2009
 (AMOUNTS EXPRESSED IN THOUSANDS)

Tax Payer	2018			2009		
	Valuation	Rank	Percent of Total Assessed Valuation	Valuation	Rank	Percent of Total Assessed Valuation
Peppermill Casinos, Inc.	\$ 101,824	1	0.61%	\$ 110,390	1	0.64%
Apple Inc	72,172	2	0.43%	-	-	-
Icon Reno Property Owner Pool 3 NE	65,939	3	0.40%	-	-	-
Golden Road Motor Inn, Inc.	47,140	5	0.28%	41,405	4	0.24%
Circus Circus & Eldorado Joint Venture	44,560	4	0.27%	61,502	3	0.36%
MPT of Reno LLC	38,666	6	0.23%	-	-	-
Northwest Mutual Life Ins	24,888	7	0.15%	-	-	-
AGNL Slots LLC	24,622	8	0.15%	-	-	-
Lennar Reno LLC	24,581	9	0.15%	-	-	-
Hyatt Equities LLC	24,407	10	0.15%	-	-	-
International Game Technology	-	-	-	40,708	5	0.24%
Grand Sierra Operating Corporation	-	-	-	79,942	2	0.47%
Prologis NA3 LLC	-	-	-	31,478	6	0.18%
Harrah's Club	-	-	-	29,541	7	0.17%
Eldorado Resorts LLC	-	-	-	28,271	8	0.16%
PNK (Reno) LLC	-	-	-	28,111	9	0.16%
Reno Retail Company LLC	-	-	-	26,720	10	0.16%
	468,799		2.82%	478,068		2.78%
	16,136,671		97.18%	16,728,943		97.22%
	\$ 16,605,470		100.00%	\$ 17,207,011		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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Net Secured Roll Taxes Levied	\$ 514,531	\$ 504,823	\$ 458,717	\$ 422,799	\$ 411,058	\$ 411,260	\$ 424,115	\$ 440,185	\$ 452,327	\$ 473,365
Current Year Tax Collections	504,268	495,281	451,994	416,849	405,977	407,469	421,125	438,074	449,930	471,229
Percent of Taxes Levied	98.01%	98.11%	98.53%	98.59%	98.76%	99.08%	99.30%	99.52%	99.47%	99.55%
Delinquent Tax Collections	10,259	9,535	6,717	5,933	5,055	3,773	2,960	1,982	1,893	-
Totals to Date Tax Collections	514,527	504,816	458,711	422,782	411,032	411,242	424,085	440,056	451,823	471,229
Percent of Taxes Levied	100.00%	100.00%	100.00%	100.00%	99.99%	100.00%	99.99%	99.97%	99.89%	99.55%

Source: Washoe County Treasurer's Office

Note: Property tax levies increased 4% in fiscal year 2018. In 2012, property levies declined 8% and in 2011 by 9%, which was the largest recorded decline in property tax since 1982.

SCHEDULE 3.1

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Governmental Activities										
General Bonded Debt	\$ 166,471	\$ 154,621	\$ 135,562	\$ 129,700	\$ 120,146	\$ 114,217	\$ 108,446	\$ 113,402	\$ 104,756	\$ 98,228
Revenue Bonds	46,856	45,703	44,658	43,527	42,419	41,222	39,920	38,252	37,505	36,457
Capital Leases/Notes	341	320	-	-	-	-	-	-	-	-
Certificates of Participation	4,398	2,250	-	-	-	-	-	-	-	-
Special Assessment Bonds	3,453	3,065	2,729	10,738	9,061	8,117	6,417	5,824	5,278	4,660
Total Governmental Activities	221,519	205,959	182,949	183,965	171,626	163,556	154,783	157,478	147,539	139,345
Business-type Activities										
General Bonded Debt	112,532	72,244	67,258	63,713	59,947	57,175	18,789	16,551	14,291	11,975
Capital leases/notes	727	675	-	-	-	-	-	-	-	-
Total Business-type Activities	113,259	72,919	67,258	63,713	59,947	57,175	18,789	16,551	14,291	11,975
Total primary government	\$ 334,778	\$ 278,878	\$ 250,207	\$ 247,678	\$ 231,573	\$ 220,731	\$ 173,572	\$ 174,029	\$ 161,830	\$ 151,320
Percentage of personal income	1.94%	1.60%	1.38%	1.33%	1.27%	1.17%	0.91%	0.86%	0.80%	0.75%
Per capita ¹	\$ 801	\$ 660	\$ 588	\$ 576	\$ 536	\$ 506	\$ 393	\$ 386	\$ 359	\$ 335
General Bonded Debt										
Less restricted resources	\$ 279,003	\$ 226,865	\$ 202,820	\$ 193,413	\$ 180,093	\$ 171,392	\$ 127,235	\$ 129,953	\$ 119,047	\$ 110,203
Total Net General Bonded Debt	13,866	11,656	11,952	11,127	11,007	10,944	6,572	6,531	6,049	4,399
Percentage of Actual Property Value ²	0.54%	0.50%	0.49%	0.50%	0.48%	0.46%	0.35%	0.32%	0.27%	0.25%
Per capita ¹	\$ 635	\$ 510	\$ 449	\$ 424	\$ 391	\$ 367	\$ 274	\$ 274	\$ 250	\$ 226

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.

SCHEDULE 3.2

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 1,720,701	\$ 1,509,948	\$ 1,365,885	\$ 1,267,537	\$ 1,229,011	\$ 1,231,795	\$ 1,328,628	\$ 1,434,271	\$ 1,543,233	\$ 1,613,667
Total net debt subject to limitation	382,579	332,977	308,142	295,697	277,578	268,292	225,354	223,754	216,641	196,869
Legal Debt Margin	\$ 1,338,122	\$ 1,176,971	\$ 1,057,743	\$ 971,840	\$ 951,433	\$ 963,503	\$ 1,103,274	\$ 1,210,517	\$ 1,326,592	\$ 1,416,798
Total net debt subject to limitation as a percentage of debt limit	22%	22%	23%	23%	23%	22%	17%	16%	14%	12%

Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2018

Assessed value of taxable property for fiscal year ended June 30, 2017	\$ 16,136,671
Debt limit (10% of Assessed Valuation)	\$ 1,613,667
Debt applicable to limit	
Governmental activities	\$ 139,345
Business-type activities	11,975
Reno-Sparks Convention and Visitor's Authority	103,587
Total Bonded Debt	<u>254,907</u>
Less: Special assessment bonds	4,660
Special revenue bonds	36,269
Amount available for repayment of general obligation bonds	<u>17,109</u>
Total net debt subject to debt limitation	196,869
Legal Debt Margin	<u>\$ 1,416,798</u>

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 Visitor's 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 \$103,587 is below the 3% limit of \$484,100.

SCHEDULE 3.3

WASHOE COUNTY, NEVADA
 DIRECT AND OVERLAPPING DEBT JUNE 30, 2018
 (AMOUNTS EXPRESSED IN THOUSANDS)

Name of Government Unit	Debt Outstanding	Presently Self-Supporting Debt	Percent Applicable ¹	Applicable Net Debt
Direct²				
Washoe County	\$ 96,720	\$ -	100%	\$ 96,720
Governmental Activity Bonds	36,456	36,456	100%	-
Revenue Bond ³	4,660	4,660	100%	-
Special Assessment Bonds ⁴	137,836	41,116		96,720
Total Direct Debt				
Overlapping				
Washoe County School District	709,722	-	100%	709,722
Reno-Sparks Convention and Visitors Authority	103,587	103,587	100%	-
City of Reno	41,780	-	100%	41,780
City of Reno supported by specific revenue	357,096	357,096	100%	-
Reno - Special Assessment Bonds ³	10,916	10,916	100%	-
City of Sparks	-	-	100%	-
Sparks - Sewer and Utility Bonds	37,567	37,567	100%	-
Incline Village General Improvement District	6,967	6,967	100%	-
State of Nevada	1,358,070	296,840		149,527
Total Overlapping Debt	2,625,705	812,973	14.09%	901,029
Total General Obligation Direct and Overlapping Debt	\$ 2,763,541	\$ 854,089		\$ 997,749

¹ Based on fiscal year 2017-18 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 obligation 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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017 ⁴	2018
Special Assessment Bonds¹										
Pledged Revenue	\$ 455	\$ 639	\$ 501	\$ 1,686	\$ 1,508	\$ 1,161	\$ 1,797	\$ 1,071	\$ 966	\$ 916
Debt Service Requirements										
Principal	265	374	322	570	1,664	894	1,700	592	546	618
Interest	107	157	148	251	389	344	302	241	217	194
Total Debt Service Requirements	\$ 372	\$ 531	\$ 470	\$ 821	\$ 2,053	\$ 1,238	\$ 2,002	\$ 833	\$ 763	\$ 812
Coverage Ratios	1.22	1.20	1.07	2.05	0.73	0.94	0.90	1.29	1.27	1.13
Sales Tax Revenue Bonds²										
Pledged Revenue	\$ 8,475	\$ 7,040	\$ 6,802	\$ 7,263	\$ 7,148	\$ 7,672	\$ 8,228	\$ 8,865	\$ 9,396	\$ 10,194
Debt Service Requirements										
Principal	520	545	570	595	625	655	690	800	-	-
Interest	899	876	852	826	798	768	737	703	561	561
Total Debt Service Requirements	\$ 1,419	\$ 1,421	\$ 1,422	\$ 1,421	\$ 1,423	\$ 1,423	\$ 1,427	\$ 1,503	\$ 561	\$ 561
Coverage Ratios	5.97	4.95	4.78	5.11	5.02	5.39	5.77	5.90	16.75	18.17
Car Rental Fee Revenue Bonds³										
Pledged Revenue	\$ 1,257	\$ 1,142	\$ 1,256	\$ 1,152	\$ 1,196	\$ 1,142	\$ 1,225	\$ 1,264	\$ 1,355	\$ 1,701
Debt Service Requirements										
Principal	-	588	456	516	463	522	592	673	768	840
Interest	1,174	934	897	873	680	492	476	457	435	450
Total Debt Service Requirements	\$ 1,174	\$ 1,522	\$ 1,353	\$ 1,389	\$ 1,143	\$ 1,014	\$ 1,068	\$ 1,130	\$ 1,203	\$ 1,290
Coverage Ratios	1.07	0.75	0.93	0.83	1.05	1.13	1.15	1.12	1.13	1.32

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, 2018 in the Special Assessment Debt Service Fund is \$1,463.

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 \$706 at June 30, 2018.

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 \$999 at June 30, 2018.

⁴ Debt was refinanced on the Truckee River Flood Management Fund. No Principal payments were due in FY2018 and a lower interest rate on the new debt resulted in lower interest costs.

SCHEDULE 4.1

WASHOE COUNTY, NEVADA
 DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Population ¹	417,722	422,029	424,912	429,079	433,731	436,647	444,008	451,248	459,142	467,417
Total Personal Income ²	\$ 17,286,483	\$ 17,409,987	\$ 18,121,519	\$ 18,656,484	\$ 19,627,834	\$ 18,832,669	\$ 19,077,494	\$ 20,164,911	\$ 21,265,239	\$ 22,549,907
Per Capita Income ²	\$ 41,383	\$ 41,253	\$ 42,648	\$ 43,480	\$ 45,253	\$ 43,130	\$ 42,967	\$ 44,687	\$ 46,315	\$ 48,244
Median Age ³	36.4	37.0	37.2	37.0	37.6	37.6	37.4	37.5	37.5	37.9
School Enrollment ⁴	63,310	62,452	62,324	62,220	62,424	62,986	63,108	63,670	63,919	66,989
Unemployment Rate (Percent) ⁵	11.6	13.6	13.2	12.3	9.8	7.2	6.4	6.4	4.0	4.2
Total Labor Force ⁵	224,089	221,954	225,481	222,532	219,550	206,624	213,773	213,923	223,409	239,119
Construction Activity-Total Value ⁶	\$ 85,657	\$ 55,952	\$ 67,721	\$ 95,876	\$ 126,468	\$ 203,086	\$ 246,628	\$ 231,742	\$ 301,127	\$ 345,710
Number of New Family Units ⁶	103	36	55	83	74	120	255	320	378	481
Taxable Sales ⁷	\$ 5,707,791	\$ 5,176,982	\$ 5,282,936	\$ 5,522,605	\$ 5,824,726	\$ 6,370,685	\$ 6,817,589	\$ 7,550,467	\$ 7,989,009	\$ 8,531,253
Gross Income Gaming Revenue ⁸	\$ 867,198	\$ 788,509	\$ 751,467	\$ 738,152	\$ 741,038	\$ 744,962	\$ 765,248	\$ 789,359	\$ 738,373	\$ 779,347
Total Passenger Air Traffic ⁹	3,979,015	3,777,701	3,795,421	3,561,557	3,514,421	3,312,839	3,297,642	3,563,818	3,819,896	4,128,476

Sources:

- ¹ Annual population, Data Analysis 2010 US Census-Nevada; for years 2009 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, 2016, 2017 and 2018 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 Demographic Information FY 2013 - FY 2014; BEA 2012 Estimate with Compound Annual Growth Rate applied - FY - 2014, FY2015, FY2016, FY2017 and FY2018
- ³ 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, FY2015, FY2016, FY2017 and FY2018.
- 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 - Construction Activity-Total Value (000)
- ⁷ Nevada State Department of Taxation (000)
- ⁸ Nevada State Gaming Control Board (000)
- ⁹ Reno/Tahoe International Airport (RTIA)

SCHEDULE 4.2

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

Employer	December, 2017			December, 2008		
	Employees ¹	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
Washoe County School District	7,750	1	3.31%	8,750	1	4.17%
University of Nevada - Reno	4,750	2	2.03%	4,750	2	2.26%
Renown Medical Center	3,250	3	1.39%	2,250	5	1.07%
Washoe County	2,750	4	1.17%	3,250	3	1.55%
Peppermill Hotel Casino - Reno	2,250	5	0.96%	2,250	6	1.07%
Grand Sierra Resort	2,250	6	0.96%	-	-	-
Silver Legacy Resort Casino	2,250	7	0.96%	1,750	7	0.83%
Atlantis Casino Resort	1,750	8	0.75%	1,750	9	0.83%
International Game Technology PLC ²	1,750	9	0.75%	2,750	4	1.31%
St. Mary's	1,750	10	0.75%	1,750	10	0.83%
City of Reno	-	-	-	1,750	8	0.83%
Total Washoe County Covered Employment	234,378			219,501		

¹ Nevada Revised Statutes Chapter 612 stipulate 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 International Game Technology was acquired by Glech in 2015 becoming International Game Technology PLC

SCHEDULE 5.1

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

Function/Program	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government	413.2	378.0	363.4	323.8	315.9	320.8	283.7	293.3	297.4	330.9
Judicial	499.9	483.1	470.4	458.6	452.4	463.8	471.8	495.8	514.8	512.3
Public safety	1,007.2	974.2	939.8	898.9	892.8	911.6	902.5	908.1	934.5	954.0
Public works	104.0	90.0	87.8	72.4	74.0	122.0	137.0	135.6	132.4	129.4
Health and sanitation	168.9	169.6	170.8	161.0	153.3	154.3	154.6	150.2	150.3	150.1
Welfare	249.8	244.3	239.9	228.6	229.7	233.9	241.5	274.1	301.0	302.0
Culture and recreation	283.8	227.9	219.0	203.9	214.4	210.3	222.7	209.6	206.6	207.5
Utilities	84.4	77.1	72.2	64.7	63.4	59.0	23.0	20.5	23.0	20.0
Golf courses ²	18.9	14.9	10.9	9.9	9.9	10.9	8.9	7.0	-	-
Building permits	14.0	13.0	13.0	12.0	12.8	13.0	14.4	15.4	18.0	16.0
Total ¹	2,844.1	2,672.1	2,587.2	2,433.8	2,418.6	2,499.6	2,460.1	2,509.6	2,578.0	2,622.2

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Function/Program % of Total

General government	15%	14%	14%	13%	13%	13%	11%	12%	12%	13%
Judicial	18%	18%	18%	19%	19%	19%	19%	20%	20%	19%
Public safety	35%	36%	36%	37%	37%	36%	37%	36%	36%	36%
Public works	3%	3%	3%	3%	3%	5%	6%	5%	5%	5%
Health and sanitation	6%	6%	7%	7%	5%	6%	6%	6%	6%	6%
Welfare	9%	9%	9%	9%	9%	9%	10%	11%	11%	11%
Culture and recreation	10%	9%	8%	8%	9%	8%	9%	8%	8%	8%
Utilities	3%	3%	3%	3%	3%	2%	1%	1%	1%	1%
Golf courses	1%	1%	1%	1%	1%	1%	0%	0%	0%	0%
Building permits	0%	1%	1%	0%	1%	1%	1%	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 2009 to 2013 due to budget reduction programs including delays in filling open positions and reductions in force.
² In 2017, the golf course employees were reassigned to other Washoe County departments due to the hiring of an outside management firm taking over the operations of the golf courses.

SCHEDULE 5.2

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

Fiscal Year Ending June 30,										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Function/Program										
Judicial¹										
District Court Cases Filed										
Criminal	2,679	2,508	2,163	2,122	3,016	n/r	n/r	n/r	n/r	n/r
Civil	4,749	4,835	4,543	4,142	3,934	n/r	n/r	n/r	n/r	n/r
Family	11,248	11,606	11,349	10,630	10,657	n/r	n/r	n/r	n/r	n/r
Juvenile	2,084	1,888	1,859	1,866	2,013	n/r	n/r	n/r	n/r	n/r
District Court Cases Disposed										
Criminal	2,504	2,293	2,027	1,927	2,617	n/r	n/r	n/r	n/r	n/r
Civil	2,481	2,839	2,782	2,389	3,317	n/r	n/r	n/r	n/r	n/r
Family	6,967	6,533	6,975	6,955	10,059	n/r	n/r	n/r	n/r	n/r
Juvenile	5,120	4,653	4,518	4,327	1,182	n/r	n/r	n/r	n/r	n/r
Justice Courts Cases Filed										
Criminal	11,835	11,262	10,249	8,770	7,853	8,089	9,106	8,505	8,549	8,280
Civil	22,389	20,005	18,670	16,517	17,560	13,049	11,769	11,787	12,221	13,664
Traffic and parking violations	64,121	65,637	71,585	72,544	56,354	37,755	43,686	27,317	33,764	34,927
Justice Courts Cases Disposed										
Criminal	11,710	10,957	9,141	8,995	8,480	10,084	8,285	9,107	8,943	7,002
Civil	18,766	20,207	17,303	10,233	18,575	14,823	14,110	11,286	12,698	11,198
Traffic and parking violations	53,068	49,004	50,437	48,485	55,811	36,882	42,850	27,014	32,820	31,175
Public Safety²										
Police										
Arrests (Valley and Incline)	4,510	4,547	4,816	3,654	2,993	2,389	2,587	2,865	2,590	2,436
Citations issued	12,835	10,277	13,526	11,950	13,839	11,771	12,821	13,082	12,370	12,011
Alarms	2,533	2,002	1,754	499	1,424	1,410	1,497	1,764	1,797	1,706
Crime lab analysis requests	9,600	8,905	7,907	7,379	6,378	5,809	6,406	6,238	6,966	7,525
Warrants processed	2,771	2,479	2,605	2,189	1,980	2,025	2,187	1,909	1,879	2,020
Detention										
Bookings	26,778	24,558	23,233	21,553	20,755	20,852	20,750	20,361	20,452	21,361
Civil protective custody	2,827	2,705	2,460	1,667	363	259	284	216	284	109
Average daily population	1,072	1,071	1,019	1,018	1,050	1,052	1,082	1,047	1,048	1,087
Animal Services										
Calls for service responded to	31,712	31,045	34,769	37,269	33,617	33,393	38,753	35,144	33,651	35,717
Number of animals impounded	11,463	10,707	12,071	12,548	14,300	13,620	13,556	13,564	13,598	13,639

(CONTINUED)

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Health and Sanitation ²										
Permitted food establishments	3,329	3,317	3,352	3,308	3,425	3,571	3,661	3,663	3,783	3,816
Air quality permits issued	1,370	1,277	1,356	1,315	1,334	1,377	1,440	1,429	1,232	1,607
Birth certificates issued	13,395	11,424	9,071	7,761	7,229	6,834	7,125	7,264	7,060	10,663
Death certificates issued	23,913	25,011	22,183	18,878	21,166	19,551	19,267	21,463	22,533	21,616
Welfare ²										
Adult Services ³										
Nursing home bed days	94,055	87,903	82,336	7,091	6,798	6,912	5,240	3,900	3,556	3,832
Supportive housing program bed days	n/r	n/r	n/r	20,946	22,842	25,640	35,674	47,450	44,815	58,258
Adult group care bed days	n/r	n/r	n/r	13,690	8,629	7,336	7,612	5,532	4,312	2,101
Clinic accepts ⁴	1,828	2,078	2,617	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Emergency room accepts ⁴	2,952	2,974	2,257	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Total general assistance applications ⁴	4,184	3,474	3,317	n/r	n/r	n/r	n/r	n/r	n/r	n/r
Clients receiving general assistance	1,274	956	747	18	3	1	n/r	n/r	n/r	n/r
Served in burial	n/r	n/r	n/r	374	412	458	463	593	575	464
Children's Services										
Number of children in legal custody	831	771	718	612	811	928	1,002	1,582	1,480	901
Average length of stay in paid foster care (days)	544	452	458	422	388	356	383	390	420	510
Number of adoptions finalized	120	138	141	184	110	117	156	116	136	159
Number of adoption subsidies	811	911	1,055	1,172	1,126	1,269	1,349	2,728	2,811	2,960
Number of child welfare reports received	6,777	6,466	6,869	7,364	7,525	7,396	7,358	5,936	5,556	5,594
Number of child welfare investigations	2,496	2,371	2,523	2,469	2,178	2,196	2,038	2,045	1,951	1,944
Senior Services ⁶										
Number of unduplicated clients served	4,444	4,950	5,126	5,237	5,037	4,563	4,692	4,909	5,077	4,714
Culture and Recreation ²										
Parks and Recreation										
Golf courses - total rounds of golf	67,792	59,694	64,315	76,664	75,834	74,511	76,374	75,128	61,412	66,307
Aquatics - pool attendance ⁵	14,677	8,643	14,621	n/r	26,903	46,729	52,502	51,126	13,500	15,991
Library										
Visitors to libraries ('000s)	1,750	1,404	1,214	1,265	1,228	1,172	1,093	1,071	1,094	466
Volumes in collection ('000s)	916	874	858	760	723	668	617	513	464	484
Total volumes borrowed ('000s)	2,226	2,258	2,123	2,341	2,283	2,203	2,045	1,674	1,966	1,958

(CONTINUED)

SCHEDULE 5.2

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

	Fiscal Year Ending June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Utilities/Water² (continued)										
Water										
Customer count	22,036	22,263	22,523	22,789	23,092	23,722	n/r	n/r	n/r	n/r
Average daily consumption (thousands of gallons)	12,877	11,584	11,472	12,194	13,143	12,929	n/r	n/r	n/r	n/r
Peak daily consumption (thousands of gallons)	25,491	24,390	22,945	24,113	24,030	23,823	n/r	n/r	n/r	n/r
Wastewater										
Customer count	19,552	19,850	20,120	20,354	20,572	21,068	23,545	24,523	25,339	26,122
Building Permits²										
Commercial construction	260	192	81	287	258	211	251	227	118	78
Residential construction ⁷	137	64	43	96	168	246	260	320	378	502
Miscellaneous	1,189	1,023	495	1,195	1,090	1,212	1,597	1,572	1,422	3,661

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 Effective 7/1/12 tracking information is no longer supported as the programs ended.

⁵ Bowers Pool closed in 2009 and reopened in 2013. In 2017, the pool was closed for major maintenance.

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,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General Government										
Information Technology										
Business applications	123	127	133	136	147	147	123	123	123	123
Networked buildings and small facilities	137	217	216	214	216	226	139	139	140	140
Network wireless coverage (square miles) ⁴	400	400	400	400	600	1,440	1,440	1,440	1,440	1,440
Network personal computers	3,627	3,500	3,500	3,388	3,480	3,660	3,792	3,724	3,597	3,597
Equipment Services										
Vehicles	1,001	987	972	978	954	939	918	892	905	1,010
Judicial										
District court/justice courts	10	10	10	10	12	12	12	12	12	12
District court/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	1	1
Sheriff's detention center/substations	3	3	3	3	3	3	3	3	3	3
Sheriff's patrol aircraft (helicopters)	3	3	3	3	3	3	3	3	4	4
Sheriff's patrol/search and rescue boats (in excess of 20 feet)	2	2	2	2	2	3	3	3	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)	708	709	709	710	723	723	723	726	721	723
Unpaved streets (miles)	358	376	368	368	368	368	362	362	362	362
Traffic signals	17	17	16	16	17	17	17	17	17	17
Bridges	73	73	73	73	73	73	73	73	67	66
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	37	36	33	33	33	33	33	32	32	32
Developed park acreage ¹	2,451	2,438	1,872	1,872	1,872	1,872	1,877	1,870	1,870	1,885
Undeveloped park acreage ²	7,380	7,367	10,017	10,017	10,017	10,017	10,034	10,034	10,039	10,253

(CONTINUED)

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

	Fiscal Year Ended June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Culture and Recreation (continued)										
Special use facilities	5	5	5	5	5	5	6	6	6	6
Playgrounds ¹	51	50	47	46	46	46	46	45	45	45
Golf courses	2	2	2	2	2	2	2	2	2	2
Swimming pools/waterpark	3	2	2	2	2	3	3	3	3	3
Camping sites	64	64	64	64	64	64	64	64	64	64
Sheltered group picnic facilities	57	55	52	52	52	52	57	57	57	57
Regional shooting facilities	2	2	2	2	2	2	2	2	2	2
Baseball fields	33	32	29	28	28	28	28	27	27	29
Soccer fields	26	25	25	25	25	25	25	25	25	27
Tennis courts	22	22	22	22	22	22	22	22	22	22
Volleyball courts	8	7	7	7	7	20	20	20	20	20
Historical buildings/museums	6	6	6	6	6	6	6	6	6	6
Amphitheaters	4	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	45	45	158	158	158	158	161	161	161	166
Bike moto cross facility	1	-	-	-	-	-	-	-	-	-
Horse arenas	5	5	5	5	5	5	5	5	5	7
Skateboard parks	4	3	3	3	3	3	3	3	3	3
Utilities										
Water										
Water mains (miles) ³	483	473	487	476	480	565	Note 3	n/r	n/r	n/r
Wastewater										
Storm sewers (miles)	285	288	288	288	289	290	290	291	297	300
Reclaimed Water										
Reclaimed mains (miles)	n/r	n/r	n/r	n/r	40	40	40	40	40	40

n/r = not reported

Sources: Washoe County capital asset records and departments

¹The decrease in FY 2016 is due to the sale of one park. Due to development, the location was no longer desirable.

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

³Note 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.

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



COMPLIANCE SECTION

COMPLIANCE SECTION

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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 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 unit, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (Washoe County) as of June 30, 2018, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated November 30, 2018.

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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs, Finding 2018-A that we consider to be a significant deficiency.

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Compliance and Other Matters

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

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 questioned costs. The 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 the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
November 30, 2018



CPAs & BUSINESS ADVISORS

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited Washoe County, Nevada's (Washoe County) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Washoe County's major federal programs for the year ended June 30, 2018. Washoe County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Washoe County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Washoe County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Washoe County's compliance.

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Basis for Qualified Opinion on Disaster Grants – Public Assistance

As described in the accompanying schedule of findings and questioned costs, Washoe County did not comply with requirements regarding CFDA 97.036 Disaster Grants – Public Assistance as described in finding number 2018-002 for Procurement, Suspension and Debarment and finding numbers 2018-003 and 2018-004 for Allowable Costs/Cost Principles. Compliance with such requirements is necessary, in our opinion, for Washoe County to comply with the requirements applicable to that program.

Qualified Opinion on Disaster Grants – Public Assistance

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Washoe County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on Disaster Grants – Public Assistance for the year ended June 30, 2018.

Opinion on Each of the Other Major Federal Programs

In our opinion, Washoe County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2018.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as Findings 2018-001, 2018-002 and 2018-004. Our opinion on each federal program is not modified with respect to these matters.

Washoe County's response to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Washoe County's response was not subject to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of Washoe County is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered Washoe County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Washoe County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses and significant deficiencies may exist that have not been identified. We identified certain deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as Findings 2018-001 through 2018-006 that we consider to be material weaknesses.

Washoe County's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Washoe County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Handwritten signature in black ink that reads "Erik Bailly LLP".

Reno, Nevada
November 30, 2018

**WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Agriculture (USDA):				
Direct Programs:				
Cooperative Law Enforcement	10.UNKNOW	16-LE-11041701-008	\$ 6,059	\$ -
Lake Tahoe Erosion Control Grant Program	10.690	14-DG-11051900-004	828,127	-
Law Enforcement Agreements	10.704	16LE11041701-008 #3	8,239	-
Community Facilities Loans and Grants Cluster	10.766	00-02	2,050	-
Community Facilities Loans and Grants			2,050	-
Total Community Facilities Loans and Grants Cluster				
Passed through State of Nevada, Department of Agriculture:				
Child Nutrition Cluster:				
School Breakfast Program	10.553	UNKNOWN	37,804	-
National School Lunch Program (School Lunch)	10.555	UNKNOWN	59,457	-
National School Lunch Program (School Lunch)	10.555	UNKNOWN	4,677	-
			64,134	-
Total Child Nutrition Cluster				
			101,938	-
Food Distribution Cluster:				
Emergency Food Assistance Program (Food Commodities) (TEFAP, USDA Foods, Commodities)	10.569	UNKNOWN	3,846	-
Total Food Distribution Cluster				
			3,846	-
Senior Farmers Market Nutrition Program (Senior Farmers Market, or SFMNP)				
	10.576	UNKNOWN	8,250	-
Passed through Nevada Department of Health and Human Services, Health Division:				
Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program)	10.557	HD 16163	748,217	-
Special Supplemental Nutrition Program for Women, Infants and Children (WIC Program)	10.557	HD 15722	297,843	-
			1,046,060	-
Passed through Nevada Division of Welfare and Supportive Services:				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (Supplemental Nutrition Assistance Program State Administrative Match)	10.561	ED1824	43,659	-

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Agriculture (USDA) (continued): Passed through Nevada Division of Forestry: Cooperative Forestry Assistance	10.664	CPG13-STEWE-001	\$ 182,951	\$ -
Total U.S. Department of Agriculture			2,231,179	-
U.S. Department of Housing and Urban Development (HUD): Direct Programs: Continuum of Care Program	14.267	NV0095L9T011601	48,204	-
Continuum of Care Program	14.267	NV0044L9T011607	71,862	71,862
Continuum of Care Program	14.267	NV0095L9T011500	8,635	-
Continuum of Care Program	14.267	NV0044L9T011506	7,090	7,090
			<u>135,791</u>	<u>78,952</u>
CDBG-Entitlement Grants Cluster: Community Development Block Grants/Entitlement Grants (Community Development Block Grant program for Entitlement Communities Program Income	14.218	UNKNOWN	25,321	-
	14.218	UNKNOWN	22,199	-
Community Development Block Grants/Entitlement Grants (Community Development Block Grant program for Entitlement Communities Program Income	14.218	UNKNOWN	27,499	-
	14.218	UNKNOWN	52,677	-
			<u>127,696</u>	<u>-</u>
Total CDBG-Entitlement Grants Cluster				
CDBG-State-Administered CDBG: Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (State CDBG) Program Income	14.228	UNKNOWN	3,242	-
	14.228	CDBG 06/HS/001	2,551	-
	14.228	17/PCBI/12	95,513	-
			<u>101,306</u>	<u>-</u>
Total U.S. Department of Housing and Urban Development			364,793	78,952
U.S. Department of Interior (DOI): Direct Programs: Title XVI Water Reclamation and Reuse	15.504	R17AP000068	285	-
Total U.S. Department of Interior			285	-

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Justice (DOJ):				
Direct Programs:				
Organized Crime Drug Enforcement Task Forces (OCDETF) State and Local Overtime	16.UNKOWN	UNKNOWN	\$ 35,482	\$ -
Child Exploitation	16.UNKOWN	31E-LV-C39500	33,861	-
Safe Streets Task Force	16.UNKOWN	259C-LV-C4847341	10,734	-
Missing Alzheimer's Disease Patient Assistance Program	16.015	2015-SJ-BX-0002	23,766	-
Violence Against Women Formula Grants	16.588	2017-VAWA-36	35,000	-
Violence Against Women Formula Grants	16.588	UNKNOWN	20,000	-
			<u>55,000</u>	<u>-</u>
State Criminal Alien Assistance Program	16.606	2012-H4758-NV-AP	30,997	-
State Criminal Alien Assistance Program	16.606	2015-AP-BX-0775	223	-
State Criminal Alien Assistance Program	16.606	2016-AP-BX-0447	9,092	-
			<u>40,312</u>	<u>-</u>
DNA Backlog Reduction Program	16.741	2015-DN-BX-0097	185,280	-
DNA Backlog Reduction Program	16.741	2016-DN-BX-0086	65,583	-
DNA Backlog Reduction Program	16.741	2017-DN-BX-0101	153,931	-
			<u>404,794</u>	<u>-</u>
Equitable Sharing Program	16.922	UNKNOWN	265,848	-
Program Income	16.922	UNKNOWN	676	-
			<u>266,524</u>	<u>-</u>
Passed through Reno Police Department:				
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	UNKNOWN	7,439	-

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Justice (DOJ) (continued):				
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	14-JAG-45I	\$ 420	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	14-JAG-44	2,030	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	15-JAG-47	1,046	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	16-JAG-25	8,475	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	16-JAG-27	2,934	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	17-JAG-29	4,960	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	17-JAG-35	4,665	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	17-JAG-34	11,700	-
Edward Byrne Memorial Justice Assistance Grant Program (Byrne JAG Program)	16.738	BJA-2015-4167	10,820	-
			<u>47,050</u>	<u>-</u>
			54,489	-
Passed through Nevada Department of Health and Human Services, Child and Family Services Division:				
Crime Victim Assistance	16.575	16575-16-042	4,985	-
Crime Victim Assistance	16.575	16575-16-063	100,000	-
Crime Victim Assistance	16.575	16-VOCA-17-035	22,528	-
Crime Victim Assistance	16.575	16-VOCA-17-048	149,417	-
Crime Victim Assistance	16.575	16-VOCA-17-049	74,949	-
Crime Victim Assistance	16.575	16575-18-040	1,881,811	-
			<u>2,233,690</u>	<u>-</u>
Passed through Las Vegas Metropolitan Police Department:				
Missing Children's Assistance	16.543	2017-MC-FX-K019	31,222	-
Missing Children's Assistance	16.543	2014-MC-FX-K045	38,920	-
			<u>70,142</u>	<u>-</u>
Passed through Nevada Department of Public Safety, Office of Criminal Justice Assistance:				
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	16-FSI-03	3,514	-
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	17-FSI-03	39,000	-
			<u>42,514</u>	<u>-</u>
Passed through Nevada Office of the Attorney General:				
National Sexual Assault Kit Initiative	16.833	2016-SAKI-03	64,629	-
			<u>3,335,937</u>	<u>-</u>
Total U.S. Department of Justice				

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Transportation (DOT):				
Highway Planning and Construction Cluster:				
Passed through Nevada Department of Transportation:				
Highway Planning and Construction	20.205	P644-17-816	\$ 258,307	\$ -
Passed through Nevada Division of State Parks:				
Recreational Trails Program	20.219	2015-03	29,800	-
Recreational Trails Program	20.219	2012-15.6	152,847	-
			<u>182,647</u>	<u>-</u>
Total Highway Planning and Construction Cluster			<u>440,954</u>	<u>-</u>
Highway Safety Cluster:				
Passed through Nevada Department of Public Safety, Office of Traffic Safety:				
State and Community Highway Safety	20.600	21-AL-2	98,781	-
Program Income	20.600	21-AL-2	7,759	-
State and Community Highway Safety	20.600	21-AL-3	36,986	-
Program Income	20.600	21-AL-3	13,111	-
State and Community Highway Safety	20.600	JF-2017-WCSO-00002	9,086	-
State and Community Highway Safety	20.600	JF-2018-WCSO-00023	42,751	-
			<u>208,474</u>	<u>-</u>
National Priority Safety Programs	20.616	TS-2018-WC	30,000	-
National Priority Safety Programs	20.616	JF-2017-WCSO-00002	10,040	-
National Priority Safety Programs	20.616	TS-2017-RJC-00070	13,728	-
Program Income	20.616	TS-2017-RJC-00070	47,634	-
National Priority Safety Programs	20.616	JF-2018-WCSO-00023	15,602	-
			<u>117,004</u>	<u>-</u>
Total Highway Safety Cluster			<u>325,478</u>	<u>-</u>

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Transportation (DOT) (continued):				
Passed through Nevada State Emergency Response Commission: Interagency Hazardous Materials Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness Training and Planning Grants, HMEP, Hazardous Materials Instructor Training Grants HMIT Supplemental Public Sector Training Grants SPST)	20.703	18-HMEP-16-01	\$ 32,225	\$ 29,750
Total U.S. Department of Transportation			798,657	29,750
General Services Administration:				
Direct Programs: Donation of Federal Surplus Personal Property (Donation Program)	39.003	UNKNOWN	483,129	-
Total General Services Administration			483,129	-
Institute of Museum and Library Services:				
Passed through Nevada State Library and Archives: Grants to States	45.310	2017-20	3,000	-
Total Institute of Museum and Library Services			3,000	-
U.S. Environmental Protection Agency (EPA):				
Direct Programs: Air Pollution Control Program Support Air Pollution Control Program Support	66.001 66.001	A-00905419-0 A-00905418-0	530,506 145,975	- -
			<u>676,481</u>	<u>-</u>
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-00T56401-5	12,094	-
Surveys, Studies, Research, Investigations, Demonstrations, and Special Purpose Activities Relating to the Clean Air Act In-kind Costs	66.034 66.034	PM-00T56401-4 UNKNOWN	40,186 52,834	- -
			<u>105,114</u>	<u>-</u>

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
U.S. Environmental Protection Agency (EPA) (continued):				
Passed through Nevada Department of Conservation and Natural Resources, Division of Environmental Protection:				
State Public Water System Supervision	66.432	DEP 18-006	\$ 123,045	\$ -
Leaking Underground Storage Tank Trust Fund Corrective Action Program (Leaking UST Corrective Action Program)	66.805	DEP 17-028	202,345	-
Drinking Water State Revolving Fund Cluster				
Capitalization Grants for Drinking Water State Revolving Funds (Drinking State Revolving Fund)	66.468	CS-32000117	63,480	-
Total Drinking Water State Revolving Fund Cluster			63,480	-
Total U.S. Environmental Protection Agency			1,170,465	-
U.S. Department of Health and Human Services (HHS):				
Direct Programs:				
Food and Drug Administration-Research (General Grant Funding Program 93103)	93.103	1U18FD006275-01	65,644	-
Family Planning-Services (FP Services)				
Program Income	93.217	6FHPA096051-04-02	202,397	-
Family Planning-Services (FP Services)	93.217	4 FHPA096238-02-03	1,102,647	-
			1,305,044	-
Aging Cluster:				
Passed through Nevada Aging and Disability Services Division:				
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	16-000-05-LX-18	62,924	-
Program Income	93.044	16-000-05-LX-18	17,912	-
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	16-000-06-BX-18	156,249	-
Program Income	93.044	16-000-06-BX-18	120	-
Special Programs for the Aging-Title III, Part B-Grants for Supportive Services and Senior Centers	93.044	16-000-21-BX-18	31,218	-
			268,423	-

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services (HHS) (continued):				
Direct Programs (continued):				
Aging Cluster (continued):				
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-07-1X-17	\$ 71,205	\$ -
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-07-1X-17	28,932	-
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-04-2X-17	149,985	-
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-04-2X-17	8,766	-
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-07-1X-18	206,926	-
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-07-1X-18	70,874	-
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-04-2X-18	435,926	-
Special Programs for the Aging-Title III, Part C-Nutrition Services Program Income	93.045	16-000-04-2X-18	22,617	-
			995,231	-
Nutrition Services Incentive Program (NSIP)	93.053	16-000-57-NX-18	253,587	-
Nutrition Services Incentive Program (NSIP)	93.053	16-000-57-NX-17	131,511	-
			385,098	-
			1,648,752	-
Total Aging Cluster			16,448	-
Passed through Nevada Governor's Council on Developmental Disabilities: Developmental Disabilities Basic Support and Advocacy Grants	93.630	2018030301		
Passed through Nevada Department of Health and Human Services Health Division: Public Health Emergency Preparedness (PERLC: PREPAREDNESS AND EMERGENCY RESPONSE LEARNING CENTER PERLC Supporting PHEP; awards other than PHEP Cooperative agreement not recorded under 93074)	93.069	HD 16067	660,032	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (Tuberculosis Prevention and Control and Laboratory Program) Program Income	93.116	HD 16362	53,049	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (Tuberculosis Prevention and Control and Laboratory Program)	93.116	HD 16362	11,170	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs (Tuberculosis Prevention and Control and Laboratory Program)	93.116	HD 15800	47,876	-
			112,095	-

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services (HHS) (continued):				
Passed through Nevada Department of Health and Human Services Health Division (continued):				
Injury Prevention and Control Research and State and Community Based Programs (National Center for Injury Prevention and Control)	93.136	HD 15855	\$ 9,739	\$ -
Injury Prevention and Control Research and State and Community Based Programs (National Center for Injury Prevention and Control)	93.136	HD 16207	30,052	-
Injury Prevention and Control Research and State and Community Based Programs (National Center for Injury Prevention and Control)	93.136	HD 16267	55,594	-
			<u>95,385</u>	<u>-</u>
Substance Abuse and Mental Health Services-Projects of Regional and National Significance (PRNS)	93.243	HD 15300	168	-
Immunization Cooperative Agreements	93.268	HD 15959	153,130	-
National State Based Tobacco Control Programs (National Tobacco Control Program)	93.305	HD 16428	20,193	-
National State Based Tobacco Control Programs (National Tobacco Control Program)	93.305	HD 15903	97,776	-
			<u>117,969</u>	<u>-</u>
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HD 16086	191,134	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323	HD 15753	12,017	-
			<u>203,151</u>	<u>-</u>
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF (ELC/EIP - 2012 Prevention and Public Health Fund and Other Capacity-Building Activities)	93.521	HD 16086	89,945	-
The Affordable Care Act: Building Epidemiology, Laboratory, and Health Information Systems Capacity in the Epidemiology and Laboratory Capacity for Infectious Disease (ELC) and Emerging Infections Program (EIP) Cooperative Agreements; PPHF (ELC/EIP - 2012 Prevention and Public Health Fund and Other Capacity-Building Activities)	93.521	HD 15753	15,294	-
			<u>105,239</u>	<u>-</u>

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services (HHS) (continued):				
Passed through Nevada Department of Health and Human Services Health Division (continued):				
PPHF Capacity Building Assistance to Strengthen Public Health Immunization Infrastructure and Performance financed in part by Prevention and Public Health Funds	93.539	HD 15389	\$ 132,327	\$ -
Preventative Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	HD 15729	3,215	-
Preventative Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	HD 16288	9,820	-
			<u>13,035</u>	<u>-</u>
Hospital Preparedness Program (HPP) Ebola Preparedness and Response Activities	93.817	HD 15629	505	-
National Bioterrorism Hospital Preparedness Program (HPP)	93.889	HD 16073	278,431	-
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Programs (National Breast and Cervical Cancer Early Detection Program NBCCEDP)	93.919	UNKNOWN	8,775	-
HIV Prevention Activities-Health Department Based (HIV Prevention Program)	93.940	HD 16348	101,792	-
HIV Prevention Activities-Health Department Based (HIV Prevention Program)	93.940	HD 15923	170,772	-
			<u>272,564</u>	<u>-</u>
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (HIV/AIDS Surveillance)	93.944	HD 16357	25,217	-
Human Immunodeficiency Virus (HIV)/Acquired Immunodeficiency Virus Syndrome (AIDS) Surveillance (HIV/AIDS Surveillance)	93.944	HD 15813	30,165	-
			<u>55,382</u>	<u>-</u>

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services (HHS) (continued):				
Passed through Nevada Department of Health and Human Services Health Division (continued):				
Block Grants for Community Mental Health Services	93.958	HD 15643	\$ 41,910	\$ -
Block Grants for Community Mental Health Services	93.958	HD 16334	148,392	-
Block Grants for Community Mental Health Services	93.958	HD 16333	50,000	-
			<u>240,302</u>	<u>-</u>
Block Grants for Prevention and Treatment of Substance Abuse (Substance Abuse Block Grant SABG)	93.959	HD 16244	3,477	-
Block Grants for Prevention and Treatment of Substance Abuse (Substance Abuse Block Grant SABG)	93.959	HD 16027	51,427	-
Block Grants for Prevention and Treatment of Substance Abuse (Substance Abuse Block Grant SABG)	93.959	HD 16381	34,721	-
			<u>89,625</u>	<u>-</u>
Preventive Health Services-Sexually Transmitted Diseases Control Grants Program Income	93.977	HD 16355	67,670	-
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	HD 16355	73,637	-
	93.977	HD 15818	63,574	-
			<u>204,881</u>	<u>-</u>
Maternal and Child Health Services Block Grant to the States (MCH Block Grants)	93.994	HD 16003	36,810	-
Passed through Nevada Department of Health and Human Services Child and Family Services Division: Guardianship Assistance	93.090	UNKNOWN	22,375	-
Adoption Incentive Payments	93.603	15-AI-17-012	70,047	-
Adoption Incentive Payments	93.603	AI-13-013	94,341	-
			<u>164,388</u>	<u>-</u>
Foster Care-Title IV-E	93.658	UNKNOWN	11,610,853	-
Adoption Assistance	93.659	UNKNOWN	6,857,936	-
Child Abuse and Neglect State Grants	93.669	93669-16-002	2,000	-
Chafee Foster Care Independence Program (CFCIP; Independent Living Program)	93.674	93674-17-007	225,000	-

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass- Through Number	Expenditures	Payments to Subrecipients
U.S. Department of Health and Human Services (HHS) (continued):				
Passed through Nevada Department of Health and Human Services Child and Family Services Division (continued):				
Promoting Safe and Stable Families	93.556	93556-17-022	\$ 58,000	\$ -
Promoting Safe and Stable Families	93.556	93556-17-102	10,604	-
Promoting Safe and Stable Families	93.556	IVB-2-13-062	980	-
			<u>69,584</u>	<u>-</u>
Passed through Nevada Aging & Disability Services Division:				
Stephanie Tubbs Jones Child Welfare Services Program	93.645	UNKNOWN	62,004	-
Passed through Association of Food and Drug Officials:				
Food and Drug Administration-Research (General Grant Funding Program 93103)	93.103	G-T-1611-03971	2,818	-
Food and Drug Administration-Research (General Grant Funding Program 93103)	93.103	G-FPTF-1709-05312	2,335	-
Food and Drug Administration-Research (General Grant Funding Program 93103)	93.103	G-SP-1709-05316	3,000	-
Food and Drug Administration-Research (General Grant Funding Program 93103)	93.103	2017-120807	7,933	-
			<u>16,086</u>	<u>-</u>
Passed through Nevada Division of Welfare and Supportive Services:				
Child Support Enforcement	93.563	UNKNOWN	3,187,817	-
Program Income	93.563	UNKNOWN	16,438	-
			<u>3,204,255</u>	<u>-</u>
Grant to States for Access and Visitation Programs	93.597	1701NVSAPV	28,950	-
Passed through Nevada Second Judicial District Court:				
Developmental Disabilities Basic Support and Advocacy Grants	93.631	90DM0001-01-00	4,000	-
Passed through Nevada Office of Community Partnerships and Grants				
Social Services Block Grant (SSBG Program)	93.667	7108	665,775	-
Passed through Centers for Medicare & Medicaid Services:				
Medicare-Prescription Drug Coverage (Medicare Part D)	93.770	CMS-10156	294,306	-
			<u>29,043,206</u>	<u>-</u>

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	CFDA Number	Award or Pass-Through Number	Expenditures	Payments to Subrecipients
Executive Office of the President, Office of National Drug Control Policy:				
Passed through Las Vegas Metropolitan Police Department:				
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G17NV0001A	\$ 53,834	\$ -
High Intensity Drug Trafficking Areas Program (HIDTA)	95.001	G18NV0001A	66,899	-
			120,733	-
Total Executive Office of the President, Office of National Drug Control Policy				
U.S. Department of Homeland Security (DHS):				
Passed through Nevada Department of Public Safety Division of Emergency Management:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHB01	123,455	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHB60	486,529	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHB62	159,482	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHB69	1,151,867	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHC18	112,877	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHC20	67,809	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHC26	118,803	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHC27	151,778	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHC28	229,085	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHC61	158,377	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHD01	14,194	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHD56	11,961	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	WASHG10	23,130	-
			2,809,347	-
Homeland Security Grant Program (HSGP and THSGP)				
Homeland Security Grant Program (HSGP and THSGP)	97.067	97067.16-3000	49,792	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	97067HL5	88,457	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	97067.17-3000	285,825	-
Homeland Security Grant Program (HSGP and THSGP)	97.067	97067.17-8901	56,841	-
			480,915	-
Emergency Management Performance Grant (EMPG)				
Emergency Management Performance Grant (EMPG)	97.042	9704217	94,302	-
Emergency Management Performance Grant (EMPG)	97.042	UNKNOWN	61,898	-
			156,200	-
			3,446,462	-
Total U.S. Department of Homeland Security				
Total Federal Financial Assistance			\$ 40,997,846	\$ 108,702

The notes to the Schedule of Federal Awards are an integral part of this schedule.

**WASHOE COUNTY, NEVADA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – REPORTING ENTITY

The Washoe County reporting entity is defined in Note 1 to its basic financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included in the schedule. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Washoe County, it is not intended to and does not present the financial position, changes in fund balance, or cash flows of Washoe County.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The County has not elected to use the 10% de minimis indirect cost rate.

NOTE 3 – NONCASH EXPENDITURES

The expenditures reported include noncash items as follows:

National School Lunch Program (School Lunch Program [10.555])

Expenditures of \$4,677 for this program represent the dollar value of food commodities served at the County's juvenile detention facilities. The value of commodities is determined by the U.S. Department of Agriculture.

Emergency Food Assistance Program (Food Commodities [10.569])

Expenditures of \$3,846 for this program represent the dollar value of food commodities distributed to eligible recipients during the year. The value of commodities is determined by the U.S. Department of Agriculture.

Senior Farmers Market Nutrition Program [10.576]

Expenditures of \$8,250 for this program represent the dollar value of nutrition program coupons received from the Department of Agriculture (DA). The value of items received was determined by the DA.

Donation of Federal Surplus Personal Property [39.003]

Expenditures of \$483,129 for this program represent the dollar value of items received from the Defense Reutilization and Marketing Office (DRMO). The value of the items received was determined by the DRMO.

Surveys, Studies, Investigations, Demonstrations and Special Purpose Activities Relating to the Clean Air Act (66.034)

The expenditures include \$52,834 representing the value of sample analyses obtained at no charge to Washoe County.

NOTE 4 – PROGRAM INCOME

Expenditures reported include income received by the grantee, directly generated by grant-supported activity and includes the following programs:

<u>PROGRAM</u>	<u>CFDA NUMBER</u>	<u>AMOUNT</u>
Community Development Block Grants/Entitlement Grants	14.218	\$ 74,876
Community Development Block Grants/State's Program	14.228	5,793
Equitable Sharing Program	16.922	676
State and Community Highway Safety	20.600	20,870
National Priority Safety Programs	20.616	47,634
Special Programs for the Aging Title III, Part B	93.044	18,032
Special Programs for the Aging Title III, Part C	93.045	131,189
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	11,170
Family Planning Services	93.217	202,397
Child Support Enforcement	93.563	16,438
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	73,637
Total Program Income		<u>\$ 602,712</u>

**WASHOE COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified?	Yes
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	Yes
Significant deficiencies identified?	None reported

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

Unmodified for all major federal programs except for Disaster Grants – Public Assistance, which was a qualified opinion.

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516?	Yes
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Identification of major programs:

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Special Supplemental Nutrition Program for Women, Infants and Children	10.557
Immunization Cooperative Agreements	93.268
Child Support Enforcement	93.563
Foster Care Title IV-E	93.658
Disaster Grants – Public Assistance	97.036

Dollar threshold used to distinguish between Type A and Type B programs:	\$1,229,935
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Auditee qualified as a low-risk auditee?	No
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**WASHOE COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Section II – Financial Statement Findings

**2018-A: FEMA Receipts – Receivables, Unavailable Revenues, Program Revenues
Significant Deficiency**

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting revenue earned, receivables/due from other governments, and unavailable revenues (deferred inflows of resources) is a key component of effective internal control over financial reporting.

Condition: During our testing over FEMA grant expenditures and matching to revenues/unavailable revenues recorded, we noted that the necessary amounts to report the pending reimbursement from the State of Nevada (due from other governments), the offsetting unavailable grant revenue in the fund financial statements and the program revenues in the government-wide financial statements were not recorded. A journal entry was required to record amounts due from other governments, unavailable grant revenues, and program revenues.

Cause: Washoe County did not have adequate controls in place to ensure the correct amounts were appropriately reflected in the financial statements.

Effect: Prior to adjustment, due from other governments in the Road Fund and Governmental Activities, unavailable grant revenues in the Road Fund, and program revenues in the Governmental Activities were understated by approximately \$2,300,000.

Recommendation: We recommend Washoe County enhance controls over revenue recognition to ensure all revenues, receivables, and unavailable revenues are recorded.

Views of Responsible Officials: Management agrees with the finding.

**WASHOE COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Section III – Federal Award Findings and Questioned Costs

**2018-001: U.S. Department of Homeland Security
Passed through State of Nevada Department of Public Safety
Disaster Grants – Public Assistance, CFDA 97.036**

**Period of Performance
Material Weakness in Internal Control over Compliance**

Grant Award Number: Affects grant award WASHB60 included under CFDA 97.036 on the Schedule of Expenditures of Federal Awards.

Criteria: 2 CFR Part 200 (Uniform Guidance) states that an entity may charge to a federal award only allowable costs that occurred during the period of performance.

Condition: Amounts were charged to the federal award that occurred after the period of performance specified in the grant award.

Cause: Washoe County did not have adequate controls in place to ensure amounts charged to the federal award occurred in the appropriate time period.

Effect: Amounts were charged to the grant award that will not be reimbursed.

Questioned Costs: \$65,688. Washoe County has submitted these costs for reimbursement but has not yet been reimbursed for them.

Context/Sampling: A nonstatistical sample of 64 payroll and 69 non-payroll transactions was originally selected for testing across all grant awards. Of our sample, we noted that 9 of these transactions occurred after the period of performance for one grant award. Additional follow-up revealed that approximately 250 total transactions, that occurred after the period of performance, were charged to the grant award.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend Washoe County enhance controls in place to ensure only amounts that occurred in the appropriate time period are charged to the grant award.

Views of Responsible Officials: Management partially agrees with the finding.

**WASHOE COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-002: U.S. Department of Homeland Security
Passed through State of Nevada Department of Public Safety
Disaster Grants – Public Assistance, CFDA 97.036**

**Procurement, Suspension and Debarment
Material Noncompliance and Material Weakness in Internal Control over Compliance**

Grant Award Number: Affects grant awards WASHC26, WASHC61, WASHD56, and WASHG10 included under CFDA 97.036 on the Schedule of Expenditures of Federal Awards.

Criteria: 2 CFR Part 200 (Uniform Guidance) requires entities to follow their own documented procurement procedures and these procedures should be in agreement with applicable federal, state, and local regulations.

Condition: Washoe County's standard procurement procedures were not followed. The County followed its emergency procedures.

Cause: Washoe County did not fully understand which procurement procedures needed to be followed for certain grant awards.

Effect: Amounts were charged to grant awards that will not be reimbursed.

Questioned Costs: \$95,574. Washoe County has submitted these costs for reimbursement but has not yet been reimbursed for them.

Context/Sampling: The entire population of procurement transactions was considered for grant awards where emergency procurement procedures should not have been in effect. There were nine purchase orders that required a minimum number of quotes.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend Washoe County obtain clarification from the grantor as to which procurement procedures need to be followed for specific grant awards.

Views of Responsible Officials: Management partially agrees with the finding.

**WASHOE COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-003: U.S. Department of Homeland Security
Passed through State of Nevada Department of Public Safety
Disaster Grants – Public Assistance, CFDA 97.036**

**Allowable Costs/Cost Principles
Material Noncompliance and Material Weakness in Internal Control over Compliance**

Grant Award Number: Affects grant awards WASHB62, WASHB69, WASHC26, and WASHD01 included under CFDA 97.036 on the Schedule of Expenditures of Federal Awards.

Criteria: 2 CFR Part 200 (Uniform Guidance) requires costs to be adequately documented and not included as a cost of any other federally financed program.

In addition, the *Compliance Supplement* provides that eligible direct costs for internally owned equipment used to perform eligible work is restricted to reasonable rates that were established under State guidelines, or when the hourly rate exceeds \$75, rates may be determined on a case-by-case basis by FEMA.

Condition: Costs for some rented equipment were charged twice. The actual rental cost of the equipment was charged to the grant award and the equipment usage was charged to the grant award again at the rate approved for Washoe County's internally owned equipment.

Cause: Washoe County did not have adequate controls in place to ensure equipment usage was charged at the correct rate.

Effect: Amounts were charged to grant awards that will not be reimbursed.

Questioned Costs: None as the amount was less than \$25,000.

Context/Sampling: A nonstatistical sample of 69 transactions was originally selected for testing across all grant awards. In our sample, we noted one transaction that was charged as both rented equipment and internally owned equipment. Additional follow-up revealed 32 total transactions charged as both. In addition, of our original sample, 25 were for internally owned equipment and we noted one was charged at the incorrect rate.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend Washoe County enhance controls in place to ensure equipment usage is charged at the correct rate.

Views of Responsible Officials: Management agrees with the finding.

WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018

2018-004: U.S. Department of Homeland Security
Passed through State of Nevada Department of Public Safety
Disaster Grants – Public Assistance, CFDA 97.036

Allowable Costs/Cost Principles
Material Noncompliance and Material Weakness in Internal Control over Compliance

Grant Award Number: Affects grant awards WASHB62, WASHC27, and WASHC61 included under CFDA 97.036 on the Schedule of Expenditures of Federal Awards.

Criteria: The *Compliance Supplement* provides that straight or regular-time salaries and benefits of permanently employed personnel are not eligible in calculating the cost of eligible work for emergency protective services or debris removal. For performance of eligible permanent restoration, straight-time salaries and benefits of permanently employed personnel are eligible.

2 CFR Part 200 (Uniform Guidance) requires costs to be adequately documented.

Condition: Regular-time salaries and benefits of permanently employed personnel were charged to an emergency protective services grant award that only allowed overtime. In addition, some salaries (hourly rates) charged to the grant award did not agree to the underlying supporting documentation.

Cause: Washoe County did not have adequate controls in place to ensure regular-time salaries were not charged to emergency protective services grant awards or that hourly rates were always supported by the underlying documentation.

Effect: Salaries and benefits were charged to grant awards that will not be reimbursed.

Questioned Costs: \$66,991. Washoe County has submitted these costs for reimbursement but has not yet been reimbursed for them.

Context/Sampling: A nonstatistical sample of 64 payroll transactions was originally selected for testing. Of our original sample, four were for regular-time salaries that were charged to an emergency protective services grant award that only allowed overtime salaries to be charged and five were not supported by appropriate documentation. Additional follow-up revealed approximately 150 total regular-time salary charges, totaling \$66,661, were charged to an emergency protective services grant award that only allowed overtime salaries to be charged.

Repeat Finding from Prior Year(s): No

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

Recommendation: We recommend Washoe County enhance controls to ensure regular-time salaries are not charged to emergency protective services grant awards and hourly rates are supported by the underlying documentation.

Views of Responsible Officials: Management agrees with the finding.

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-005: U.S. Department of Homeland Security
Passed through State of Nevada Department of Public Safety
Disaster Grants – Public Assistance, CFDA 97.036**

**Other
Material Weakness in Internal Control over Compliance**

Grant Award Number: Affects all grant awards included under CFDA 97.036 on the Schedule of Expenditures of Federal Awards.

Criteria: 2 CFR Part 200 (*Uniform Guidance*) requires Washoe County to prepare a Schedule of Expenditures of Federal Awards (SEFA) showing total Federal expenditures for the year.

The *Compliance Supplement* provides that expenditures be recorded on the SEFA for the Disaster Grants when costs have been incurred and the applicable project worksheet has been signed.

Condition: Amounts were originally reported incorrectly on the SEFA.

Cause: Washoe County did not have adequate controls to ensure expenditures were appropriately recorded on the SEFA.

Effect: Prior to correction, federal expenditures on the SEFA were overstated by \$901,112.

Questioned Costs: None

Context/Sampling: No sampling was used; all program expenditures on the SEFA were reconciled to the project worksheets and other supporting records.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend Washoe County enhance controls to ensure expenditures are appropriately recorded on the SEFA.

Views of Responsible Officials: Management agrees with the finding.

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

**2018-006: U.S. Department of Health and Human Services
Passed through State of Nevada Department of Health and Human Services
Immunization Cooperative Agreements, CFDA 93.268**

**Other
Material Weakness in Internal Control over Compliance**

Grant Award Number: Affects all grant awards included under CFDA 93.268 on the Schedule of Expenditures of Federal Awards.

Criteria: 2 CFR Part 200 (*Uniform Guidance*) requires Washoe County to prepare a Schedule of Expenditures of Federal Awards (SEFA) showing total Federal expenditures for the year.

Condition: Amounts were originally reported incorrectly on the SEFA.

Cause: Washoe County did not have adequate controls to ensure expenditures were appropriately recorded on the SEFA.

Effect: Prior to correction, federal expenditures on the SEFA were overstated by \$311,646.

Questioned Costs: None

Context/Sampling: No sampling was used; all program expenditures on the SEFA were reconciled to supporting records.

Repeat Finding from Prior Year(s): No

Recommendation: We recommend Washoe County enhance controls to ensure expenditures are appropriately recorded on the SEFA.

Views of Responsible Officials: Management agrees with the finding.



Washoe County Office of the Comptroller
CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
 Finding Number: 2018-A
 Finding: Amounts to report for reimbursement from the State for FEMA expenses were not recorded.
 Corrective Action Taken or To Be Taken: The County will review its procedures for recognizing receivables for FEMA related disasters.
 11/21/2018
 If already taken, date of completion: N/A
 If to be taken, estimated date of completion:

Agency Response

Does the Agency Agree with finding?: Yes No Partially

If No or Partial, Please explain reason(s) why:

Additional Comments: N/A

Division Responsible for Corrective Action Plan

Name, Title: Cathy Hill, Comptroller
 Address or Mailstop: P.O. Box 11130
 City, State, Zip Code: Reno, NV 89520
 Phone Number: 775-328-2552
 Email: chill@washoecounty.us

Reviewed and Approved

Cathy Hill
 Signature of Comptroller

November 21, 2018
 Date:



Washoe County Office of the Comptroller
CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
Finding Number: 2018-001
Finding: Amounts were charged to the federal award that occurred after the period of performance specified in the grant award.
Corrective Action Taken or To Be Taken: The County will review its procedures for preparing billing for FEMA related disasters.
11/21/2018
If already taken, date of completion: N/A
If to be taken, estimated date of completion:


Agency Response

Does the Agency Agree with finding?: Yes No Partially
If No or Partial, Please explain reason(s) why: The activities surrounding this finding were performed under the instruction of State and FEMA personnel.
Additional Comments: N/A

Division Responsible for Corrective Action Plan

Name, Title: Cathy Hill, Comptroller
Address or Mailstop: P.O. Box 11130
City, State, Zip Code: Reno, NV 89520
Phone Number: 775-328-2552
Email: chill@washoecounty.us

Reviewed and Approved



Signature of Comptroller

November 21, 2018
Date:



Washoe County Office of the Comptroller
CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
 Finding Number: 2018-002
 Finding: Procurement procedures were not followed. The County followed its emergency procedures.
 Corrective Action Taken or To Be Taken: The County will review procurement procedures for FEMA related disasters.
 11/21/2018
 If already taken, date of completion: N/A
 If to be taken, estimated date of completion:

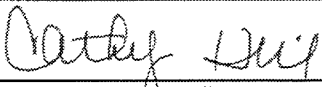
Agency Response

Does the Agency Agree with finding?: Yes No Partially
 If No or Partial, Please explain reason(s) why: The activities surrounding this finding were performed under the instruction of State and FEMA personnel.
 Additional Comments: N/A

Division Responsible for Corrective Action Plan

Name, Title: Cathy Hill, Comptroller
 Address or Mailstop: P.O. Box 11130
 City, State, Zip Code: Reno, NV 89520
 Phone Number: 775-328-2552
 Email: chill@washoecounty.us

Reviewed and Approved



 Signature of Comptroller

November 21, 2018
 Date:



Washoe County Office of the Comptroller
CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
Finding Number: 2018-003
Finding: Costs for rented equipment were charged twice to different FEMA projects.
Corrective Action Taken or To Be Taken: The County will review its procedures for preparing billing for FEMA related disasters.
11/21/2018

If already taken, date of completion: N/A

If to be taken, estimated date of completion:

Agency Response

Does the Agency Agree with finding?: Yes No Partially

If No or Partial, Please explain reason(s) why:

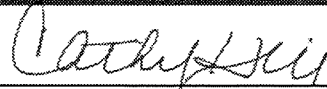
N/A

Additional Comments:

Division Responsible for Corrective Action Plan

Name, Title: Cathy Hill, Comptroller
Address or Mailstop: P.O. Box 11130
City, State, Zip Code: Reno, NV 89520
Phone Number: 775-328-2552
Email: chill@washoecounty.us

Reviewed and Approved



Signature of Comptroller

November 21, 2018
Date:



Washoe County Office of the Comptroller
CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
 Finding Number: 2018-004
 Finding: Regular-time salaries and benefits of permanently employed personnel were changed to grant award that only allowed overtime.
 Corrective Action Taken or To Be Taken: The County will review its procedures for preparing billing for FEMA related disasters.
 11/21/2018
 If already taken, date of completion: N/A
 If to be taken, estimated date of completion:

Agency Response

Does the Agency Agree with finding?: Yes No Partial

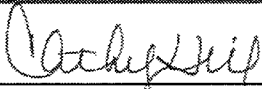
If No or Partial, Please explain reason(s) why:
 N/A

Additional Comments:

Division Responsible for Corrective Action Plan

Name, Title: Cathy Hill, Comptroller
 Address or Mailstop: P.O. Box 11130
 City, State, Zip Code: Reno, NV 89520
 Phone Number: 775-328-2552
 Email: chill@washoecounty.us

Reviewed and Approved



 Signature of Comptroller

November 21, 2018

 Date:



Washoe County Office of the Comptroller
CORRECTIVE ACTION PLAN FOR AUDIT FINDING

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
Finding Number: 2018-005
Finding: Amounts were originally reported incorrectly on the SEFA.
Corrective Action Taken or To Be Taken: The County will review its procedures for reporting FEMA related disasters.

11/21/2018

If already taken, date of completion: N/A

If to be taken, estimated date of completion:

Agency Response

Does the Agency Agree with finding?: Yes No Partial

If No or Partial, Please explain reason(s) why:

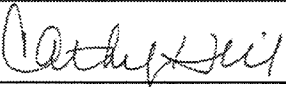
N/A

Additional Comments:

Division Responsible for Corrective Action Plan

Name, Title: Cathy Hill, Comptroller
Address or Mailstop: P.O. Box 11130
City, State, Zip Code: Reno, NV 89520
Phone Number: 775-328-2552
Email: chill@washoecounty.us

Reviewed and Approved



Signature of Comptroller

November 21, 2018
Date:

WASHOE COUNTY HEALTH DISTRICT

ENHANCING QUALITY OF LIFE

Date: November 26, 2018

Corrective Action Plan

Audit Report Number: N/A
Finding Number: 2018-006
Finding: Immunization Cooperative Agreements, CFDA 93.268 – amounts were originally reported incorrectly on the SEFA. No sampling was used; all program expenditures on the SEFA were reconciled to supporting records.

Corrective Action Taken or To Be Taken: What was previously reported as program income in an internal order will now be reported as income in a cost center so that the information is not pulled by the Washoe County Comptroller's Office when reporting the SEFA.

If already taken,
date of completion: July, 2018

If to be taken, estimated
date of completion:

Agency Response

Does the Agency Agree with
finding?: Yes No Partially

If No or Partial, Please
explain reason(s) why:

Additional Comments: The Health District accepts the following information from the State – "State's position that the requirements under program income are not applicable to Washoe's scope of work because Washoe is not reimbursed for any of the clinical services. Therefore, there should be no program income for Immunization for Washoe in this scenario because the income derived from the vaccinations is all clinical and not a result of the sub-grant." We further agree with the ruling from the CDC – "The CDC states the A-133 compliance supplement guidance referenced refers to primary recipients and not sub-recipients, in this case Washoe County. Furthermore, income Washoe receives is a result of clinical reimbursement, and is not a result of the sub-grant."

Division Responsible for Corrective Action Plan

Name, Title: Anna Heenan, Administrative Health Services Officer
Address or Mailstop: 1001 East 9th Street, Bldg B
City, State, Zip Code: Reno, NV 89512
Phone Number: 775-328-2417
Email: aheenan@washoecounty.us


Signature of Administrative Health Services Officer

11/27/2018
Date:

ADMINISTRATIVE HEALTH SERVICES
1001 East Ninth Street | Reno, Nevada 89520
AHS Office: 775-328-2410 | Fax: 775-328-3752 | washoecounty.us/health
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AUDITOR'S COMMENTS

AUDITOR'S COMMENTS

Page

Auditor's Comments C-38



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 unit, each major fund, and the aggregate remaining fund information of Washoe County, Nevada (the County) as of and for the year ended June 30, 2018, 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

The County conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2017.

Prior Year Recommendations

See the Summary Schedule of Prior Year Audit Findings under separate cover.

Current Year Recommendations

The current year finding is reported in the Schedule of Findings and Questioned Costs.

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

Reno, Nevada
November 30, 2018

What inspires you, inspires us. Let's talk. eidebailly.com

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