

AUDITOR'S COMMENTS AND REPORTS

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

**Independent Accountant's Report on
Nevada Revised Statute 354.6241**

To the Honorable Board of Commissioners of
Washoe County, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5)(a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2009 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2009 (except as previously noted under statute compliance),
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of Washoe County, Nevada.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Reno, Nevada
October 23, 2009

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

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

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following action was taken during 2007-2008 relating to statute violations reported in the June 30, 2008 audit report:

- The Enhanced 911 Fund's uncommitted ending fund balance was in excess of the statutory limit at June 30, 2008 and also at June 30, 2009. The Board of County Commissioners will reduce the 911 surcharge further during 2009-2010 to bring the fund into compliance.
- Actual expenditures at June 30, 2008 exceeded budgeted appropriations in three instances. All of these instances were covered under the exceptions to the over-expenditure criteria of NRS 354.626. Efforts were made during the 2008-2009 year to ensure that actual expenditures did not exceed budgeted appropriations, however, as set forth in Note 2; instances of over-expenditure were again noted.

PRIOR YEAR RECOMMENDATIONS

There was a recommendation made in the audit report for the year ended June 30, 2008, related to communication between the County and two of its blended components units. Communication on the part of the County improved during the 2008-2009 year.

CURRENT YEAR RECOMMENDATIONS

Our current year recommendations are included in the Schedule of Findings and Questioned Costs.

NRS 354.6115

- The financial statements of the Stabilization Fund are located in this report.
- As noted above, compliance with Nevada Revised Statutes is contained in Note 2 to the financial statements.



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