

# BASIC FINANCIAL STATEMENTS

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**WASHOE COUNTY, NEVADA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2011**

	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>
<b>Assets</b>			
Cash and investments (Note 4)	\$ 231,087,242	\$ 105,667,061	\$ 336,754,303
Restricted cash and investments (Notes 4, 5)	6,732,265	2,611,027	9,343,292
Accounts receivable	5,145,376	3,823,986	8,969,362
Consolidated tax receivable	12,913,639	-	12,913,639
Property taxes receivable	5,140,719	-	5,140,719
Other taxes receivable	8,107,357	-	8,107,357
Interest receivable	1,250,439	538,730	1,789,169
Due from other governments	16,922,638	1,398,930	18,321,568
Internal balances	(8,476,503)	8,476,503	-
Inventory	418,646	91,186	509,832
Deposits and other assets	4,998,923	18,188	5,017,111
Long-term restricted cash and investments (Notes 4, 5)	1,799,000	10,246,723	12,045,723
Long-term assets (Notes 6, 16)	13,762,132	553,676	14,315,808
Capital Assets: (Note 7)			
Nondepreciable	196,710,125	19,471,779	216,181,904
Other capital assets, net of depreciation	483,590,271	364,333,715	847,923,986
Total Assets	<u>980,102,269</u>	<u>517,231,504</u>	<u>1,497,333,773</u>
<b>Liabilities</b>			
Accounts payable	17,498,472	754,418	18,252,890
Accrued salaries and benefits	7,033,443	247,942	7,281,385
Contracts/retention payable	2,357,356	33,297	2,390,653
Interest payable	3,775,426	1,279,053	5,054,479
Due to other governments	3,396,112	839,160	4,235,272
Other liabilities (Note 8)	2,014,118	1,170,306	3,184,424
Unearned revenue (Note 9)	3,343,423	45,034	3,388,457
Noncurrent Liabilities: (Notes 10, 11, 12, 16, 17)			
Due within one year	48,747,581	4,210,109	52,957,690
Due in more than one year, payable from restricted assets	1,799,000	-	1,799,000
Due in more than one year	198,907,155	63,972,494	262,879,649
Total Liabilities	<u>288,872,086</u>	<u>72,551,813</u>	<u>361,423,899</u>
<b>Net Assets (Note 14)</b>			
Invested in capital assets, net of related debt	533,467,747	316,547,282	850,015,029
Restricted for:			
General government	5,162,935	-	5,162,935
Judicial	3,804,587	-	3,804,587
Public safety	52,617,101	290,377	52,907,478
Public works	280,272	-	280,272
Health and sanitation	3,745,034	-	3,745,034
Welfare	897,930	-	897,930
Culture and recreation	1,235,234	-	1,235,234
Debt service	13,259,826	11,584,297	24,844,123
Capital projects	49,174,800	-	49,174,800
Claims	34,622,356	-	34,622,356
Unrestricted	(7,037,639)	116,257,735	109,220,096
Total Net Assets	<u>\$ 691,230,183</u>	<u>\$ 444,679,691</u>	<u>\$ 1,135,909,874</u>

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, 2011**

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants, Interest, Contributions	Capital Grants, Interest, Contributions
<b>Primary Government</b>				
Governmental Activities:				
General government	\$ 120,605,904	\$ 33,139,381	\$ 1,912,459	\$ 34,192
Judicial	55,394,193	10,308,630	2,824,454	127,938
Public safety	149,376,146	14,367,524	13,066,410	163,622
Public works	39,447,495	1,579,015	1,150,724	5,874,284
Health and sanitation	22,825,825	6,295,967	7,998,425	206,049
Welfare	69,505,945	4,244,465	29,504,701	-
Culture and recreation	27,849,821	1,792,287	4,203,141	750,654
Community support	303,176	-	-	-
Interest on long-term debt	8,504,769	-	-	-
Total Governmental Activities	493,813,274	71,727,269	60,660,314	7,156,739
Business-type Activities:				
Utilities	31,033,154	31,632,784	116,712	4,305,156
Golf courses	2,069,601	1,943,545	4,262	-
Building permits	1,323,943	1,137,197	2,193	-
Total Business-type Activities	34,426,698	34,713,526	123,167	4,305,156
Total Primary Government	\$ 528,239,972	\$ 106,440,795	\$ 60,783,481	\$ 11,461,895

General Revenues:

Ad valorem taxes

Unrestricted intergovernmental revenues:

Consolidated taxes

LGTA sales taxes

Infrastructure sales tax

Other intergovernmental revenues

Other miscellaneous

Unrestricted investment earnings

Gain on sales of capital assets

Special Item:

Loss on asset impairment (Note 7)

Transfers

Total General Revenues, Special Item, and Transfers

Change in Net Assets

**Net Assets, July 1**

**Net Assets, June 30**

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

**Net (Expense) Revenue and  
Changes in Net Assets**

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
\$ (85,519,872)	\$ -	\$ (85,519,872)
(42,133,171)	-	(42,133,171)
(121,778,590)	-	(121,778,590)
(30,843,472)	-	(30,843,472)
(8,325,384)	-	(8,325,384)
(35,756,779)	-	(35,756,779)
(21,103,739)	-	(21,103,739)
(303,176)	-	(303,176)
<u>(8,504,769)</u>	<u>-</u>	<u>(8,504,769)</u>
(354,268,952)	-	(354,268,952)
-	5,021,498	5,021,498
-	(121,794)	(121,794)
-	(184,553)	(184,553)
<u>-</u>	<u>4,715,151</u>	<u>4,715,151</u>
(354,268,952)	4,715,151	(349,553,801)
201,468,640	-	201,468,640
74,985,293	-	74,985,293
9,457,287	-	9,457,287
6,477,502	-	6,477,502
3,856,279	-	3,856,279
10,009,819	-	10,009,819
2,153,007	1,944,358	4,097,365
27,108	-	27,108
-	(8,061,107)	(8,061,107)
<u>(2,221,471)</u>	<u>2,221,471</u>	<u>-</u>
306,213,464	(3,895,278)	302,318,186
<u>(48,055,488)</u>	<u>819,873</u>	<u>(47,235,615)</u>
739,285,671	443,859,818	1,183,145,489
<u>\$ 691,230,183</u>	<u>\$ 444,679,691</u>	<u>\$ 1,135,909,874</u>

**WASHOE COUNTY, NEVADA**  
**GOVERNMENTAL FUNDS**  
**BALANCE SHEET**  
**JUNE 30, 2011**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Assets</b>			
Cash and investments (Note 4)	\$ 39,179,214	\$ 140,143,941	\$ 179,323,155
Restricted cash and investments (Notes 4, 5)	750,000	5,982,265	6,732,265
Accounts receivable	1,706,667	436,294	2,142,961
Consolidated tax receivable	11,936,942	976,697	12,913,639
Property taxes receivable	3,658,999	1,481,720	5,140,719
Other taxes receivable	3,463,353	4,644,004	8,107,357
Interest receivable	491,607	551,279	1,042,886
Due from other governments	1,512,320	15,315,630	16,827,950
Inventory	-	221,957	221,957
Deposits and prepaid items	303,745	4,344,675	4,648,420
<b>Total Assets</b>	<b>\$ 63,002,847</b>	<b>\$ 174,098,462</b>	<b>\$ 237,101,309</b>
<b>Liabilities</b>			
Accounts payable	\$ 9,944,298	\$ 6,418,057	\$ 16,362,355
Accrued salaries and benefits	5,267,917	1,694,085	6,962,002
Contracts/retention payable	-	2,357,356	2,357,356
Due to other governments	1,007,979	2,288,342	3,296,321
Other liabilities (Note 8)	1,885,505	128,613	2,014,118
Deferred/unearned revenue (Note 9)	6,125,663	9,652,739	15,778,402
<b>Total Liabilities</b>	<b>24,231,362</b>	<b>22,539,192</b>	<b>46,770,554</b>
<b>Fund Balances (Note 14)</b>			
Nonspendable	303,745	333,632	637,377
Restricted	759,638	131,266,995	132,026,633
Committed	5,277,364	19,816,006	25,093,370
Assigned	8,641,719	142,637	8,784,356
Unassigned	23,789,019	-	23,789,019
<b>Total Fund Balances</b>	<b>38,771,485</b>	<b>151,559,270</b>	<b>190,330,755</b>
<b>Total Liabilities/Fund Balances</b>	<b>\$ 63,002,847</b>	<b>\$ 174,098,462</b>	<b>\$ 237,101,309</b>

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 ASSETS  
JUNE 30, 2011**

Fund Balances - Governmental Funds		\$ 190,330,755
Amounts reported for governmental activities in the statement of net assets 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	\$ 1,217,400,733	
Less accumulated depreciation	<u>(543,892,983)</u>	673,507,750
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Deferred bond costs	2,149,086	
Net OPEB asset	<u>8,270,366</u>	10,419,452
Long-term liabilities, 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	(181,311,428)	
Bond premiums, discounts and deferred charge on refundings	(1,637,185)	
Accrued Interest payable	(3,775,426)	
Net OPEB obligation	(529,288)	
Remediation obligation	(9,051,217)	
Compensated absences	(25,744,499)	
Accrued claims and judgments	<u>(15,418,322)</u>	(237,467,365)
Deferred revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.		
		12,434,979
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of internal service funds are reported with governmental activities.		
Total net assets of internal service funds	50,481,115	
Internal balances receivable from business-type activities	<u>1,399,299</u>	51,880,414
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the statement of activities indirect expenses are eliminated.		
		<u>(9,875,802)</u>
Total Net Assets of Governmental Activities		<u>\$ 691,230,183</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, 2011**

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>			
Taxes:			
Ad valorem	\$ 147,763,249	\$ 56,465,492	\$ 204,228,741
Residential construction tax	-	48,501	48,501
Car rental fee	-	1,256,238	1,256,238
Other taxes	835,768	-	835,768
Special assessments	-	383,041	383,041
Licenses and permits	8,419,828	1,306,901	9,726,729
Intergovernmental revenues	92,700,404	69,318,427	162,018,831
Charges for services	14,697,692	13,972,133	28,669,825
Fines and forfeits	8,904,186	2,092,151	10,996,337
Miscellaneous	4,752,096	5,628,559	10,380,655
<b>Total Revenues</b>	<b>278,073,223</b>	<b>150,471,443</b>	<b>428,544,666</b>
<b>Expenditures</b>			
Current:			
General government	59,619,850	1,766,516	61,386,366
Judicial	48,318,670	5,348,565	53,667,235
Public safety	100,667,833	45,064,271	145,732,104
Public works	13,882,687	227,231	14,109,918
Health and sanitation	750,000	18,616,379	19,366,379
Welfare	15,919,695	50,488,199	66,407,894
Culture and recreation	13,507,500	6,909,688	20,417,188
Community support	305,307	-	305,307
Intergovernmental	8,838,641	8,142,095	16,980,736
Capital outlay	-	16,681,515	16,681,515
Debt Service:			
Principal	-	22,824,861	22,824,861
Interest	-	8,531,744	8,531,744
Debt service fees and other fiscal charges	-	182,236	182,236
<b>Total Expenditures</b>	<b>261,810,183</b>	<b>184,783,300</b>	<b>446,593,483</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>16,263,040</b>	<b>(34,311,857)</b>	<b>(18,048,817)</b>
<b>Other Financing Sources (Uses)</b>			
Proceeds from asset disposition	6,834	67,451	74,285
Transfers in	2,738,110	38,285,592	41,023,702
Transfers out	(14,409,796)	(26,372,575)	(40,782,371)
<b>Total Other Financing Sources (Uses)</b>	<b>(11,664,852)</b>	<b>11,980,468</b>	<b>315,616</b>
<b>Net Change in Fund Balances</b>	<b>4,598,188</b>	<b>(22,331,389)</b>	<b>(17,733,201)</b>
<b>Fund Balances, July 1, As Restated (Note 3)</b>	<b>34,173,297</b>	<b>173,890,659</b>	<b>208,063,956</b>
<b>Fund Balances, June 30</b>	<b>\$ 38,771,485</b>	<b>\$ 151,559,270</b>	<b>\$ 190,330,755</b>

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, 2011**

Net Change in Fund Balances - Governmental Funds \$ (17,733,201)

Amounts reported for governmental activities in the statement of net assets 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	\$ 11,556,786	
Less current year depreciation/amortization	<u>(39,757,189)</u>	(28,200,403)

Net OPEB assets reported in governmental activities are not a current financial resource in governmental funds.

Change in Net OPEB Asset		(7,224,475)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.

Donated capital assets	675,264	
Transfer of capital assets from business activities	58,339	
Change in unavailable deferred revenue	<u>(1,538,660)</u>	(805,057)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments:

Bond principal payments	20,254,419	
Principal payments capital leases	<u>2,570,442</u>	22,824,861

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	201,812	
Amortization of bond discount	(2,959)	
Amortization of deferred charge on refunding	(12,477)	
Amortization of bond issuance costs	(234,999)	
Change in compensated absences	931,714	
Change in net OPEB obligation	2,025,244	
Change in remediation obligation	(710,194)	
Change in arbitrage payable	122,974	
Change in accrued interest payable	(1,791,219)	
Change in accrued claims and judgments	(15,418,322)	
Transfer of capital assets to business activities	(21,141)	
Disposition of capital assets	<u>(2,999,364)</u>	(17,908,931)

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 assets of internal service funds	2,652,510	
Internal charges reported in business activities	<u>(1,660,792)</u>	<u>991,718</u>
Change in Net Assets of Governmental Activities		<u>\$ (48,055,488)</u>

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

**WASHOE COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND ACTIVITY  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 147,197,197	\$ 147,197,197	\$ 147,763,249	\$ 566,052
Other taxes	709,028	709,028	835,768	126,740
Licenses and permits	8,540,544	8,540,544	8,419,828	(120,716)
Intergovernmental revenues	87,579,500	87,397,396	92,700,404	5,303,008
Charges for services	13,839,582	14,303,114	14,697,692	394,578
Fines and forfeits	8,608,791	8,608,791	8,904,186	295,395
Miscellaneous	5,009,260	4,968,385	4,752,096	(216,289)
Total Revenues	<u>271,483,902</u>	<u>271,724,455</u>	<u>278,073,223</u>	<u>6,348,768</u>
<b>Expenditures by Function and Activity</b>				
Current:				
General Government:				
Legislative	500,023	505,293	466,479	38,814
Executive	2,737,964	2,802,175	2,632,380	169,795
Elections	1,842,570	1,853,861	1,348,311	505,550
Finance	10,795,583	10,930,345	10,464,733	465,612
Other General Government	50,102,026	46,586,773	44,707,947	1,878,826
Total General Government	<u>65,978,166</u>	<u>62,678,447</u>	<u>59,619,850</u>	<u>3,058,597</u>
Judicial:				
District Courts	14,351,198	14,553,405	13,720,073	833,332
District Attorney	16,585,430	16,997,143	16,314,171	682,972
Law Library	672,498	672,498	563,572	108,926
Public Defense	10,371,747	10,550,919	10,422,138	128,781
Justice Courts	7,208,163	7,486,449	7,083,177	403,272
Incline Constable	244,397	247,731	215,539	32,192
Total Judicial	<u>49,433,433</u>	<u>50,508,145</u>	<u>48,318,670</u>	<u>2,189,475</u>
Public Safety:				
Sheriff and Detention	84,156,888	85,729,225	83,667,327	2,061,898
Medical Examiner	1,816,854	1,847,775	1,733,370	114,405
Fire Suppression	262,564	370,142	337,283	32,859
Juvenile Services	12,577,093	12,742,207	11,808,948	933,259
Protective Services	3,079,130	3,144,984	3,120,905	24,079
Total Public Safety	<u>101,892,529</u>	<u>103,834,333</u>	<u>100,667,833</u>	<u>3,166,500</u>
Public Works:				
Public Works	14,838,712	15,164,350	13,882,687	1,281,663
Health and Sanitation:				
Water Planning	750,955	750,955	750,000	955
Welfare:				
Social Services	16,440,662	16,625,307	15,919,695	705,612

(CONTINUED)

**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, 2011**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Culture and Recreation:				
Library	\$ 8,573,044	\$ 8,754,209	\$ 8,600,108	\$ 154,101
Regional Parks and Open Space	4,978,338	5,064,961	4,907,392	157,569
Total Culture and Recreation	13,551,382	13,819,170	13,507,500	311,670
Community Support	539,745	445,309	305,307	140,002
Intergovernmental	8,667,051	9,026,491	8,838,641	187,850
Total Expenditures	272,092,635	272,852,507	261,810,183	11,042,324
Excess (Deficiency) of Revenues Over (Under) Expenditures	(608,733)	(1,128,052)	16,263,040	17,391,092
<b>Other Financing Sources (Uses)</b>				
Proceeds from asset disposition	-	-	6,834	6,834
Transfers in	14,372,110	14,469,715	2,738,110	(11,731,605)
Transfers out	(14,262,771)	(14,431,643)	(14,409,796)	21,847
Contingency	(1,500,000)	(3,159,415)	-	3,159,415
Total Other Financing Sources (Uses)	(1,390,661)	(3,121,343)	(11,664,852)	(8,543,509)
Net Change in Fund Balances	(1,999,394)	(4,249,395)	4,598,188	8,847,583
<b>Fund Balances, July 1, As Restated (Note 3)</b>	24,291,247	26,541,248	34,173,297	7,632,049
<b>Fund Balances, June 30</b>	\$ 22,291,853	\$ 22,291,853	\$ 38,771,485	\$ 16,479,632

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

**WASHOE COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water Resources Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Activities Internal Service Funds</u>
<b>Assets</b>				
Current Assets:				
Cash and investments (Note 4)	\$ 89,258,209	\$ 16,408,852	\$ 105,667,061	\$ 51,764,087
Restricted cash and investments (Notes 4,5)	2,611,027	-	2,611,027	-
Accounts receivable	3,574,811	249,175	3,823,986	3,002,415
Interest receivable	462,926	75,804	538,730	207,553
Due from other governments	1,398,930	-	1,398,930	94,688
Inventory	83,363	7,823	91,186	196,689
Other assets	18,188	-	18,188	350,503
Total Current Assets	<u>97,407,454</u>	<u>16,741,654</u>	<u>114,149,108</u>	<u>55,615,935</u>
Noncurrent Assets:				
Restricted cash and investments (Notes 4,5)	10,246,723	-	10,246,723	1,799,000
Long-term receivables and other assets (Note 6)	185,779	-	185,779	3,342,680
Deferred issuance cost (Note 6)	367,897	-	367,897	-
Capital Assets: (Note 7)				
Nondepreciable:				
Land	13,562,093	839,614	14,401,707	-
Plant capacity	-	825,150	825,150	-
Construction in progress	3,298,763	946,159	4,244,922	-
Depreciable:				
Land improvements	1,403,338	3,825,132	5,228,470	-
Buildings and improvements	64,117,541	1,307,705	65,425,246	34,024
Infrastructure	355,368,722	24,847,175	380,215,897	-
Equipment	1,158,468	1,262,789	2,421,257	23,663,758
Software	1,060,942	78,183	1,139,125	20,260
Plant, well capacity	10,055,807	218,077	10,273,884	-
Less accumulated depreciation	<u>(83,785,686)</u>	<u>(16,584,478)</u>	<u>(100,370,164)</u>	<u>(16,925,396)</u>
Total Noncurrent Assets	<u>377,040,387</u>	<u>17,565,506</u>	<u>394,605,893</u>	<u>11,934,326</u>
Total Assets	<u>474,447,841</u>	<u>34,307,160</u>	<u>508,755,001</u>	<u>67,550,261</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	701,727	52,691	754,418	1,136,117
Accrued salaries and benefits	198,698	49,244	247,942	71,441
Compensated absences (Notes 10,11)	573,205	133,439	706,644	209,363
Contracts/retention payable	33,297	-	33,297	-
Interest payable	1,279,053	-	1,279,053	-
Due to other governments	819,025	20,135	839,160	99,791
Unearned revenue (Note 9)	-	45,034	45,034	-
Other liabilities (Note 8)	1,134,250	36,056	1,170,306	-
Notes, bonds, leases payable (Notes 10,11,12)	3,503,465	-	3,503,465	-
Pending claims (Note 17)	-	-	-	6,104,600
Total Current Liabilities	<u>8,242,720</u>	<u>336,599</u>	<u>8,579,319</u>	<u>7,621,312</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2011**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities Internal Service Funds</u>
	<u>Water Resources Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Noncurrent Liabilities: (Notes 10,11,12,17)				
Compensated absences	\$ 176,628	\$ 41,119	\$ 217,747	\$ 64,512
Notes, bonds, leases payable	63,754,747	-	63,754,747	-
Pending claims	-	-	-	7,584,322
Pending claims payable from restricted cash	-	-	-	1,799,000
Total Noncurrent Liabilities	<u>63,931,375</u>	<u>41,119</u>	<u>63,972,494</u>	<u>9,447,834</u>
Total Liabilities	<u>72,174,095</u>	<u>377,718</u>	<u>72,551,813</u>	<u>17,069,146</u>
<b>Net Assets (Note 14)</b>				
Invested in capital assets, net of related debt	298,981,776	17,565,506	316,547,282	6,792,646
Restricted for public safety	-	290,377	290,377	-
Restricted for debt service	11,584,297	-	11,584,297	-
Restricted for claims	-	-	-	34,622,356
Unrestricted	<u>91,707,673</u>	<u>16,073,559</u>	<u>107,781,232</u>	<u>9,066,113</u>
Total Net Assets	<u>\$ 402,273,746</u>	<u>\$ 33,929,442</u>	<u>436,203,188</u>	<u>\$ 50,481,115</u>

Indirect expenses reported in the Statement of Revenues,  
 Expenses and Changes in Net Assets are not reported in  
 the Statement of Activities to enhance comparability  
 between governments that allocate indirect expenses  
 and those that do not.

9,875,802

Adjustment to reflect the consolidation of internal  
 service fund activities related to enterprise funds.

(1,399,299)

Net Assets of Business-type Activities

\$ 444,679,691

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 ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental Activities Internal Service Funds</b>
	<b>Water Resources Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
<b>Operating Revenues</b>				
Charges for Services:				
Utility fees	\$ 29,273,879	\$ 2,358,905	\$ 31,632,784	\$ -
Golf course fees	-	1,943,545	1,943,545	-
Building permits and fees	-	1,137,167	1,137,167	-
Self insurance fees	-	-	-	49,813,800
Equipment service billings	-	-	-	6,551,590
Miscellaneous	-	30	30	935,730
Total Operating Revenues	<u>29,273,879</u>	<u>5,439,647</u>	<u>34,713,526</u>	<u>57,301,120</u>
<b>Operating Expenses</b>				
Salaries and wages	4,559,035	1,213,109	5,772,144	1,714,484
Employee benefits	1,890,706	473,837	2,364,543	723,747
Services and supplies	11,507,755	3,082,418	14,590,173	49,105,004
Depreciation/amortization	8,768,720	1,124,506	9,893,226	1,850,917
Total Operating Expenses	<u>26,726,216</u>	<u>5,893,870</u>	<u>32,620,086</u>	<u>53,394,152</u>
Operating Income (Loss)	<u>2,547,663</u>	<u>(454,223)</u>	<u>2,093,440</u>	<u>3,906,968</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	1,670,528	273,830	1,944,358	912,169
Miscellaneous	51,125	68,716	119,841	3,199
Federal grant	3,326	-	3,326	239,215
Gain (loss) on asset disposition	(384,788)	(233,278)	(618,066)	90,959
Interest/bond issuance costs	(2,629,679)	(86,907)	(2,716,586)	-
Loss on early extinguishment of debt	-	(22,791)	(22,791)	-
Connection fee refunds/credits	(168,300)	-	(168,300)	-
Total Nonoperating Revenues (Expenses)	<u>(1,457,788)</u>	<u>(430)</u>	<u>(1,458,218)</u>	<u>1,245,542</u>
Income (Loss) Before Capital Contributions, Special Item and Transfers	<u>1,089,875</u>	<u>(454,653)</u>	<u>635,222</u>	<u>5,152,510</u>
<b>Capital Contributions</b>				
Hookup fees	2,252,050	18,750	2,270,800	-
Contributions	1,125,571	21,141	1,146,712	-
Federal/State grants	908,785	-	908,785	-
Total Capital Contributions	<u>4,286,406</u>	<u>39,891</u>	<u>4,326,297</u>	<u>-</u>
<b>Special Item (Note 7)</b>				
Loss on asset impairment	<u>(8,061,107)</u>	<u>-</u>	<u>(8,061,107)</u>	<u>-</u>

(CONTINUED)

**WASHOE COUNTY  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Business-type Activities - Enterprise Funds</b>			<b>Governmental</b>
	<b>Water Resources Fund</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	<b>Activities Internal Service Funds</b>
<b>Transfers</b>				
Transfers in	\$ -	\$ 2,258,669	\$ 2,258,669	\$ -
Transfers out	-	-	-	(2,500,000)
Total Transfers	-	2,258,669	2,258,669	(2,500,000)
Change in Net Assets	(2,684,826)	1,843,907	(840,919)	2,652,510
<b>Net Assets, July 1</b>	404,958,572	32,085,535		47,828,605
<b>Net Assets, June 30</b>	\$ 402,273,746	\$ 33,929,442		\$ 50,481,115
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,660,792	
Change in Net Assets of Business-type Activities			\$ 819,873	

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, 2011**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water Resources Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Activities Internal Service Funds</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 24,979,986	\$ 5,478,108	\$ 30,458,094	\$ 17,171,011
Cash received from other funds	3,081,766	2,193	3,083,959	36,156,297
Cash received from others	665,370	30	665,400	975,202
Cash payments for personnel costs	(6,438,464)	(1,692,892)	(8,131,356)	(2,427,823)
Cash payments for services and supplies:				
Paid to other funds	-	(1,646,124)	(1,646,124)	-
Paid to others	(11,446,440)	(1,473,257)	(12,919,697)	(53,004,408)
Cash payments for refund of hookup fees	(168,300)	-	(168,300)	-
Net Cash Provided (Used) by Operating Activities	<u>10,673,918</u>	<u>668,058</u>	<u>11,341,976</u>	<u>(1,129,721)</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	2,719	-	2,719	239,215
Contributions	-	1,762	1,762	-
Transfers from other funds	-	2,258,669	2,258,669	-
Transfers to other funds	-	-	-	(2,500,000)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>2,719</u>	<u>2,260,431</u>	<u>2,263,150</u>	<u>(2,260,785)</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	-	135,768
Cash received from federal/state grants	876,816	-	876,816	-
Cash received from other agencies	2,676,946	-	2,676,946	-
Contributions from others	1,816,316	18,750	1,835,066	-
Principal paid on financing	(3,386,167)	(193,304)	(3,579,471)	-
Interest paid on financing	(2,689,765)	(115,372)	(2,805,137)	-
Proceeds from insurance recoveries	28,728	-	28,728	-
Early extinguishment of debt	-	(2,046,356)	(2,046,356)	-
**Acquisition of capital assets	(2,724,117)	(845,947)	(3,570,064)	(835,601)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,401,243)</u>	<u>(3,182,229)</u>	<u>(6,583,472)</u>	<u>(699,833)</u>
Cash Flows From Investing Activities:				
Investment earnings	1,525,913	253,992	1,779,905	717,089
*Equipment deposits received	-	-	-	108,253
Net Cash Provided (Used) by Investing Activities	<u>1,525,913</u>	<u>253,992</u>	<u>1,779,905</u>	<u>825,342</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,801,307	252	8,801,559	(3,264,997)
<b>Cash and Cash Equivalents, July 1</b>	<u>93,314,652</u>	<u>16,408,600</u>	<u>109,723,252</u>	<u>56,828,084</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 102,115,959</u>	<u>\$ 16,408,852</u>	<u>\$ 118,524,811</u>	<u>\$ 53,563,087</u>

(CONTINUED)



**WASHOE COUNTY, NEVADA  
PROPRIETARY FUNDS  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water Resources Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Activities Internal Service Funds</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 2,547,663	\$ (454,223)	\$ 2,093,440	\$ 3,906,968
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	8,768,720	1,124,506	9,893,226	1,850,917
Construction in progress write off	5,123	-	5,123	-
Contributed inventory	10,162	-	10,162	-
Other nonoperating revenue	22,721	64,454	87,175	3,199
Hookup fee refunds	(168,300)	-	(168,300)	-
*Imputed rental expense	-	-	-	141,749
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(478,711)	(3,222)	(481,933)	(3,000,730)
Due from other governments	(50,873)	-	(50,873)	(28,613)
Inventory	16,328	2,991	19,319	73,759
Other assets	(39,612)	-	(39,612)	126,518
Increase (decrease) in:				
Accounts payable	74,390	(60,089)	14,301	(238,610)
Accrued salaries and benefits	5,725	3,581	9,306	8,159
Compensated absences	5,552	(9,527)	(3,975)	2,249
Due to other governments	(44,688)	20,135	(24,553)	(1,329,785)
Other liabilities	(282)	(13,809)	(14,091)	-
Deposits	-	(6,739)	(6,739)	-
Pending claims	-	-	-	(2,645,501)
Total Adjustments	8,126,255	1,122,281	9,248,536	(5,036,689)
Net Cash Provided (Used) by Operating Activities	<u>\$ 10,673,918</u>	<u>\$ 668,058</u>	<u>\$ 11,341,976</u>	<u>\$ (1,129,721)</u>

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

The Equipment Services Fund lease deposits remaining from prior year rental agreements total \$3,173,365. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$141,749 have been imputed to give recognition to these transactions. Lease deposits totaling \$108,253 were forfeited to extend the term of five leased assets for two years.

The Water Resources Fund includes a noncash write-off of \$8,061,107 for construction stoppage.

<b>**Acquisition of Capital Assets Financed by Cash</b>	\$ 2,724,117	\$ 845,947	\$ 3,570,064	\$ 835,601
Capital contributions received	1,104,274	21,141	1,125,415	-
Increase/(decrease) in liabilities	(258,085)	-	(258,085)	(72,317)
Total Acquisition of Capital Assets	<u>\$ 3,570,306</u>	<u>\$ 867,088</u>	<u>\$ 4,437,394</u>	<u>\$ 763,284</u>

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

**WASHOE COUNTY, NEVADA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2011**

	<u>Investment Trust Fund</u>	<u>Agency Funds</u>
<b>Assets</b>		
Cash and investments (Note 4)	\$ 80,948,510	\$ 34,952,387
Financial assurances	-	755,632
Accounts receivable	-	252,505
Property taxes receivable	-	8,510,451
Interest receivable	569,044	-
Due from other governments	-	7,085
	<u>81,517,554</u>	<u>44,478,060</u>
Total Assets		
<b>Liabilities</b>		
Due to others/governments	-	44,478,060
	<u>-</u>	<u>44,478,060</u>
<b>Net Assets</b>		
Held in trust for pool participants	<u>\$ 81,517,554</u>	<u>\$ -</u>

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

**WASHOE COUNTY, NEVADA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<b>Investment Trust Fund</b>
<b>Additions</b>	
Investment earnings:	
Interest	\$ 2,894,669
Net increase (decrease) in the fair value of investments	(314,960)
Contributions to pooled investments	169,458,517
Total Additions	172,038,226
<b>Deductions</b>	
Distributions from pooled investments	248,595,336
Change in Net Assets	(76,557,110)
<b>Net Assets, July 1</b>	158,074,664
<b>Net Assets, June 30</b>	\$ 81,517,554

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

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