

FINANCIAL SECTION

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Board of Commissioners
Washoe County, Nevada

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

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

Change in Accounting Principle

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

Correction of Error

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

Other Matters

Required Supplementary Information

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

Other Information

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

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

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

Prior Year Partial Comparative Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2016, on our consideration of Washoe County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Washoe County's internal control over financial reporting and compliance.



Reno, Nevada
January 25, 2016

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

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

Financial Highlights

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Washoe County's Net Position
(in Thousands)

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

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

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

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

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

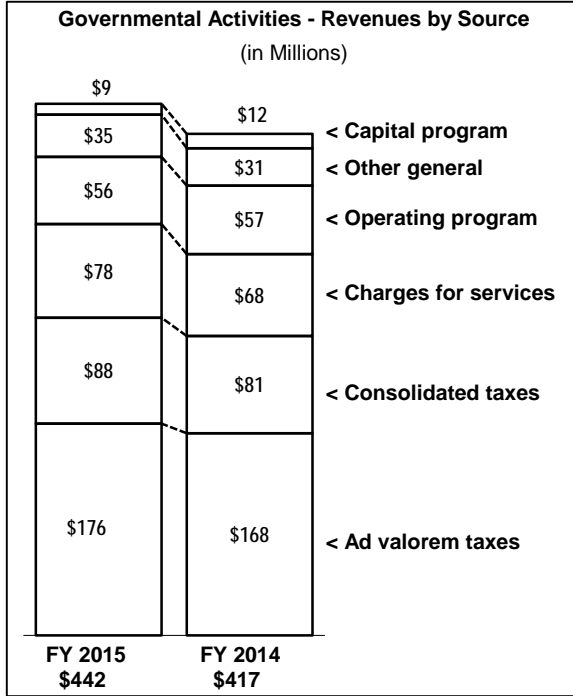
The unrestricted net position of the County's business-type activities of \$93 million may not be used to fund governmental activities.

Washoe County Changes In Net Position
(in Thousands)

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

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

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



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

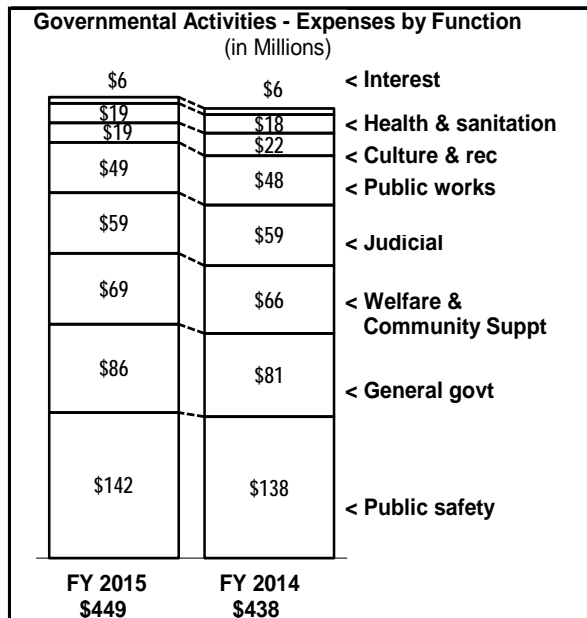
Charges for services of \$78 million increased \$10 million (15%) over the previous year, and include one-time revenues of \$6 million from the state of Nevada in settlement of Washoe County claims relating to the distribution of certain property tax revenues in the prior years. Also included were one-time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

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

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

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

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



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

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

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

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

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

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

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

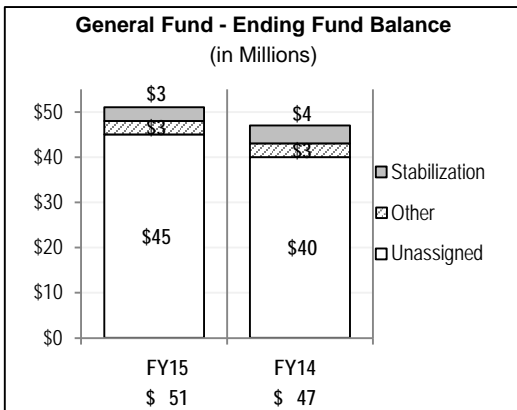
FINANCIAL ANALYSIS – GOVERNMENTAL FUNDS

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

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

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

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



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

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

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

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

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

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

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

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

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

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

General Fund Budgetary Highlights

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

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

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

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

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

CAPITAL ASSETS

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

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

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

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

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

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

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

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

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

OUTSTANDING DEBT

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

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

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

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

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

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

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

REQUESTS FOR INFORMATION

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



BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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

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

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

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

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

General Revenues:
Ad valorem taxes
Unrestricted intergovernmental revenues:
Consolidated taxes
LGTA sales taxes
Infrastructure sales tax
Other taxes and intergovernmental revenues
Other miscellaneous
Unrestricted investment earnings
Gain on sales of capital assets
Special Item:
Divestiture of Water Utility
Transfers
Total General Revenues and Transfers
Change in Net Position

Net Position, July 1, as Restated (Note 19)

Net Position, June 30

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

Net (Expense) Revenue and Changes in Net Position

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

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

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

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

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

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

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

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

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

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

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

Net Change in Fund Balances - Governmental Funds \$ 10,845,835

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	\$ 8,618,309	
Less current year depreciation/amortization	<u>(37,513,395)</u>	(28,895,086)

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

Change in Net OPEB Asset		1,080,590
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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	21,544	
Change in unavailable revenue	<u>(2,335,961)</u>	(2,314,417)

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		9,093,823
-------------------------	--	-----------

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	134,372	
Amortization of bond discount	(2,488)	
Amortization of deferred charge on refunding	(54,250)	
Amortization of bond prepaid insurance	(29,658)	
Change in lease payable	(3,675)	
Change in termination benefits	(10,862)	
Change in compensated absences	(876,413)	
Change in remediation obligation	821,762	
Change in GASB 68 Pension	5,394,106	
Change in accrued interest payable	75,481	
Change in accreted interest capital appreciation bonds	(1,036,301)	
Transfer of capital assets to internal service funds	<u>(27,286)</u>	4,384,788

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	384,982	
Internal charges reported in business activities	<u>(1,358,296)</u>	(973,314)
Change in Net Position of Governmental Activities		<u>\$ (6,777,781)</u>

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

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 144,147,180	\$ 144,147,181	\$ 145,752,618	\$ 1,605,437
Other taxes	315,000	315,000	351,413	36,413
Licenses and permits	8,314,500	8,314,500	8,211,129	(103,371)
Intergovernmental revenues	102,238,644	102,238,644	107,814,002	5,575,358
Charges for services	25,336,808	25,336,807	24,488,630	(848,177)
Fines and forfeits	8,013,150	8,013,150	7,724,779	(288,371)
Miscellaneous	4,055,985	4,055,985	4,075,566	19,581
Total Revenues	292,421,267	292,421,267	298,418,137	5,996,870
Expenditures by Function and Activity				
Current:				
General Government:				
Legislative	553,849	606,337	568,359	37,978
Executive	4,247,641	4,357,822	3,947,117	410,705
Elections	1,427,290	1,505,277	1,370,540	134,737
Finance	10,776,814	10,877,685	10,300,746	576,939
Other General Government	43,710,513	43,983,932	38,232,143	5,751,789
Total General Government	60,716,107	61,331,053	54,418,905	6,912,148
Judicial:				
District Courts	16,605,501	16,676,655	14,980,855	1,695,800
District Attorney	18,096,129	18,136,796	17,604,280	532,516
Public Defense	11,704,378	11,711,588	11,139,651	571,937
Justice Courts	8,318,128	8,367,571	7,750,450	617,121
Incline Constable	110,606	135,367	112,170	23,197
Total Judicial	54,834,742	55,027,977	51,587,406	3,440,571
Public Safety:				
Sheriff and Detention	95,656,512	98,523,945	97,906,912	617,033
Medical Examiner	2,293,501	2,297,722	2,223,715	74,007
Fire Suppression	914,815	914,815	685,259	229,556
Juvenile Services	13,550,976	13,573,000	12,840,900	732,100
Protective Services	3,441,588	3,451,360	3,353,462	97,898
Total Public Safety	115,857,392	118,760,842	117,010,248	1,750,594
Public Works:				
Community Services Department (CSD)	15,403,067	15,557,147	15,078,005	479,142
Welfare:				
Human Services	17,117,764	17,117,765	16,738,160	379,605
Culture and Recreation:				
Library	7,922,806	7,926,688	7,683,682	243,006
CSD - Regional Parks and Open Space	4,007,870	4,032,483	3,981,373	51,110
Total Culture and Recreation	11,930,676	11,959,171	11,665,055	294,116
Community Support	369,761	316,295	213,816	102,479

(CONTINUED)

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

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

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

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

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

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

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

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

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

(CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water</u>	<u>Other</u>	<u>Total</u>	<u>Activities</u>
	<u>Resources</u>	<u>Enterprise</u>		<u>Internal Service</u>
	<u>Fund</u>	<u>Funds</u>		<u>Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 2,867,148	\$ 1,165,889	\$ 4,033,037	\$ (3,348,692)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	6,067,184	227,990	6,295,174	1,343,386
Net pension expense	(33,911)	(35,622)	(69,533)	-
Contributed inventory	62,070	-	62,070	-
Other nonoperating revenue	4,827	-	4,827	23,383
Hookup fee refunds	(606,118)	-	(606,118)	-
Disposal of water utility operations	(33,682,594)	-	(33,682,594)	-
**Imputed rental expense	-	-	-	110,596
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	3,176,641	(492,136)	2,684,505	806,036
Due from other funds	(306,688)	-	(306,688)	-
Due from other governments	242,311	-	242,311	(107,153)
Notes receivable	23,064	-	23,064	-
Inventory	189,870	(2,816)	187,054	13,416
Prepaid lease	-	-	-	146,080
Other assets	-	-	-	110,066
Increase (decrease) in:				
Accounts payable	(1,067,759)	(22,130)	(1,089,889)	(371,833)
Accrued salaries and benefits	(129,757)	15,494	(114,263)	9,563
Compensated absences	3,929	23,687	27,616	4,027
Due to other funds	(160,428)	-	(160,428)	29,965
Due to other governments	(723,002)	17,463	(705,539)	(148)
Due to others	-	-	-	-
Other liabilities	(128,565)	3,445	(125,120)	-
Pending claims	-	-	-	1,974,000
Unearned revenue	(20,795)	-	(20,795)	-
Total Adjustments	<u>(27,089,721)</u>	<u>(264,625)</u>	<u>(27,354,346)</u>	<u>4,091,384</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (24,222,573)</u>	<u>\$ 901,264</u>	<u>\$ (23,321,309)</u>	<u>\$ 742,692</u>

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

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

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

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

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

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

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

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

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

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