

INTERNAL SERVICE FUNDS

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

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Risk Management Fund	
To account for revenues received for providing the County with property and liability insurance, workers' compensation and unemployment compensation insurance.	136
Health Benefits Fund	
To account for the self-insured health plan and other contractual health insurance plans.....	138
Equipment Services Fund	
To account for revenues received for maintaining and purchasing automobiles and other vehicles and specialized large equipment for use by other County departments.	140

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

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

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

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

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

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Increase (Decrease) In Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 19,407,137	\$ -	\$ 19,407,137
Cash received from other funds	6,957,390	23,487,362	6,917,678	37,362,430
Cash received from others	135,525	1,686,909	267,027	2,089,461
Cash payments for personnel costs	(336,772)	(339,060)	(1,906,494)	(2,582,326)
Cash payments for services and supplies	(4,240,705)	(47,280,026)	(4,013,279)	(55,534,010)
Net Cash Provided (Used) by Operating Activities	2,515,438	(3,037,678)	1,264,932	742,692
Cash Flows From Noncapital Financing Activities:				
Federal grants	-	263,438	-	263,438
Transfers from General Fund	-	2,831,500	-	2,831,500
Net Cash Provided (Used) by Noncapital Financing Activities	-	3,094,938	-	3,094,938
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	2,090	-	107,121	109,211
Proceeds from insurance recoveries	108,072	-	-	108,072
*Acquisition of capital assets	-	-	(888,944)	(888,944)
Net Cash Provided (Used) by Capital and Related Financing Activities	110,162	-	(781,823)	(671,661)
Cash Flows From Investing Activities:				
Investment earnings (loss)	213,107	76,284	-	289,391
Net Increase (Decrease) in Cash and Cash Equivalents	2,838,707	133,544	483,109	3,455,360
Cash and Cash Equivalents, July 1	24,988,824	7,229,938	2,344,658	34,563,420
Cash and Cash Equivalents, June 30	\$ 27,827,531	\$ 7,363,482	\$ 2,827,767	\$ 38,018,780

(CONTINUED)

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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