

FINANCIAL SECTION

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2016, 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, 2016, 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.

Correction of Error

As discussed in Note 19 to the financial statements, an error occurred in recording the unearned revenue on building permits during the fiscal year 2015. Accordingly, the amount of the unrecorded unearned revenue on the building permits has resulted in a restatement of net position/fund balances as of July 1, 2015. Our opinions are not modified with respect to this matter.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, the Schedule of Funding Progress on page 77, the Schedule of Proportionate Share of the Net Pension Liability on page 77, and the Schedule of Contributions on page 78, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and 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

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2015 and have issued our report thereon dated January 25, 2016, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2015, is consistent with the audited financial statements from which it has been derived.

The nonmajor combining and individual fund financial statements and schedules related to the 2015 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2015 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2016, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the County's internal control over financial reporting and compliance.



Reno, Nevada
November 23, 2016

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016**

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, 2016. We encourage readers to read this information in conjunction with the transmittal letter, financial statements and notes to gain a more complete picture of the information presented.

FINANCIAL HIGHLIGHTS

- Ad Valorem taxes increased \$8 million from the previous year; overall governmental activities revenue increased \$34 million from the previous fiscal year.
- Washoe County sold bonds in the amount of \$12 million to build a new Medical Examiner's Building; the first new issue of bonds since 2011.
- Washoe County Board of County Commissioners approved a change in stabilization funding, from a percentage of expenditures to a flat amount of \$3 million.
- Salaries and benefits increased in the General Fund in the amount of \$10 million due to the addition of over 27 FTE's.
- General Fund balance increased by \$2.1 million from the prior year.
- On May 17, 2016, the Washoe County Board of County Commissioners approved the working capital target from 8% - 10% to between 10% and 17% of total expenditures and other financing uses.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(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 one individual governmental funds. The governmental fund financial statements provide separate details for the General Fund, the Child Protective Services Fund, Parks Capital Projects 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 a sewer utility, golf courses and building permit activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles and for self-insurance activities including liability insurance, workers' compensation and group health insurance. Because these activities predominantly benefit governmental rather than business-type functions, they are included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, but in more detail. The proprietary fund financial statements provide separate information for the Utilities Fund, 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, 2016
(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 \$388 million at June 30, 2016, an increase of 2% from the prior year. This increase resulted primarily from the continued growth in the local economy. 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	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	\$ 241,413	\$ 224,585	\$ 100,003	\$ 114,826	\$ 341,416	\$ 339,411
Net capital assets	508,350	525,394	143,256	131,332	651,606	656,726
Total assets	749,763	749,979	243,259	246,158	993,022	996,137
Deferred outflows of resources	61,611	49,352	1,190	631	62,801	49,983
Liabilities						
Current liabilities	44,554	38,855	3,626	13,707	48,180	52,562
Noncurrent liabilities due within one year	36,865	36,533	2,591	2,474	39,456	39,007
Noncurrent liabilities due in more than one year	515,953	475,043	19,485	20,720	535,438	495,763
Total liabilities	597,372	550,431	25,702	36,901	623,074	587,332
Deferred inflows of resources	44,729	79,370	415	1,023	45,144	80,393
Net position						
Net investment in capital assets	412,863	415,132	126,705	112,543	539,568	527,675
Restricted	116,440	102,385	1,122	1,234	117,562	103,619
Unrestricted	(360,030)	(347,987)	90,505	95,088	(269,525)	(252,899)
Total net position	\$ 169,273	\$ 169,530	\$ 218,332	\$ 208,865	\$ 387,605	\$ 378,395

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

Restricted net position of \$117.6 million is an increase of \$14.0 million from the prior year, and represents resources that are subject to external restrictions (statutes, bond covenants, or granting agencies) on how they may be used. Additional detail concerning these restrictions is provided in the notes to the financial statements.

Unrestricted net position represents resources that can be used to meet the County's other obligations to citizens and creditors, though these resources may not be in spendable form. It is not uncommon for governments to report 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

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(CONTINUED)

resources annually as payments come due rather than accumulating assets in advance. Washoe County's deficit in unrestricted net position for governmental activities of \$269.5 million grew in the current year as a result of the continuing impact of GASB 68. GASB 68 and its impact on the financial statements is discussed in detail in notes 14.

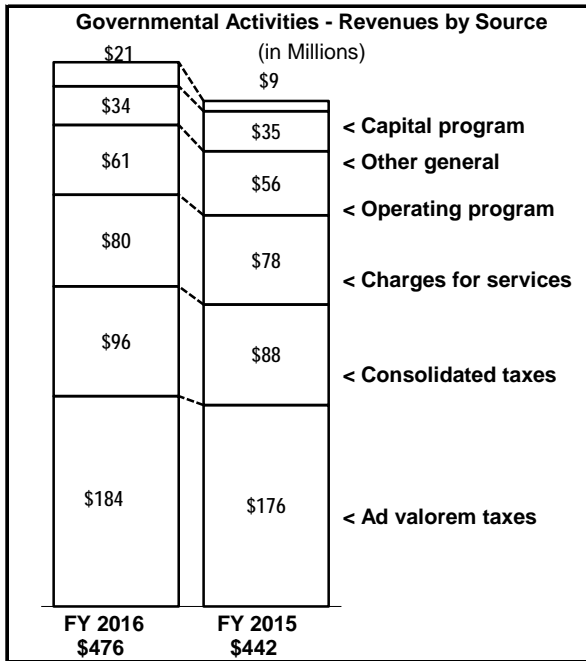
The unrestricted net position of the County's business-type activities of \$90.5 million may not be used to fund governmental activities.

Washoe County Changes In Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 80,721	\$ 78,047	\$ 18,638	\$ 27,811	\$ 99,359	\$ 105,858
Operating grants, interest and contributions	60,753	55,603	11	7	60,764	55,610
Capital grants, interest and contributions	20,716	9,378	4,508	5,438	25,224	14,816
General revenues:						
Ad valorem taxes	183,821	175,981	-	-	183,821	175,981
Consolidated taxes	95,605	88,435	-	-	95,605	88,435
Other intergovernmental	31,799	21,414	-	-	31,799	21,414
Investment earnings	2,747	1,927	1,667	1,011	4,414	2,938
Other	11	11,109	(150)	-	(139)	11,109
Total revenues	476,173	441,894	24,674	34,267	500,847	476,161
Expenses:						
General government	100,762	85,674	-	-	100,762	85,674
Judicial	62,341	59,054	-	-	62,341	59,054
Public safety	144,615	141,623	-	-	144,615	141,623
Public works	50,188	49,794	-	-	50,188	49,794
Health and sanitation	18,607	18,901	-	-	18,607	18,901
Welfare	73,678	68,457	-	-	73,678	68,457
Culture and recreation	19,320	18,729	-	-	19,320	18,729
Community support	198	187	-	-	198	187
Interest/fiscal charges	6,721	6,253	-	-	6,721	6,253
Utilities	-	-	11,511	22,889	11,511	22,889
Golf courses	-	-	945	955	945	955
Building permits	-	-	1,700	1,603	1,700	1,603
Total Expenses	476,430	448,672	14,156	25,447	490,586	474,119
Increase (decrease) in net position before transfers and special item	(257)	(6,778)	10,518	8,820	10,261	2,042
Transfers	-	-	-	-	-	-
Special Item-Divestiture of Water Utility	-	-	-	(235,203)	-	(235,203)
Change in net position	(257)	(6,778)	10,518	(226,383)	10,261	(233,161)
Net position, July 1, as restated (Note 19)	169,530	176,308	207,814	435,248	377,344	611,556
Net position, June 30	\$ 169,273	\$ 169,530	\$ 218,332	\$ 208,865	\$ 387,605	\$ 378,395

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(CONTINUED)

Governmental Activities. Governmental activities decreased the County's net position by \$0.7 million for the year, which is an improvement of \$6.1 million or 82% 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.



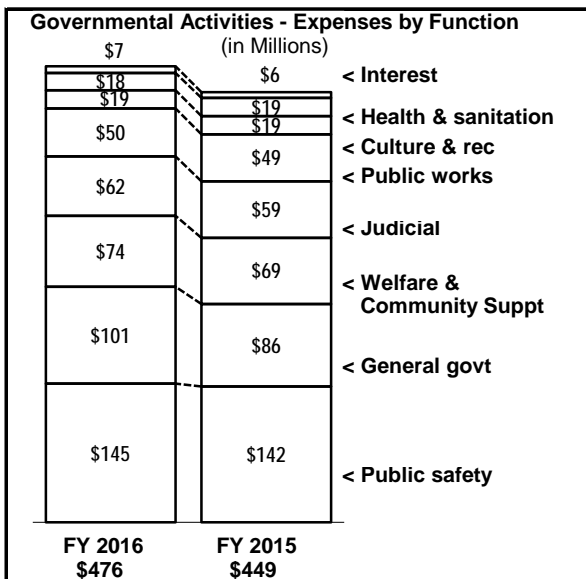
Together, ad valorem and consolidated taxes make up 59% of revenues from governmental activities. Ad valorem taxes of \$184 million were \$8 million (4%) higher than fiscal year 2015, as property valuations increased moderately. Consolidated sales taxes (received from the state) increased significantly for the fifth consecutive year, growing by \$8 million (9%).

Charges for services of \$80 million increased \$2 million (2%) over the previous year.

Operating program revenues increased by \$5 million (9%) compared to the prior year, due primarily to increase in federal and state grant revenues in Welfare and Public Works.

Other general revenues were flat compared to the prior year. Other general revenues include sales and other taxes, intergovernmental revenues, and unrestricted investment earnings, all of which have remained unchanged when compared to the prior year.

Capital program revenues increased by \$12 million or 133% compared to fiscal year 2015 due to the significant non-cash contributions in the current year of the sale of a \$12 million bond for the construction of a new Medical Examiner's building. These revenues are subject to fluctuation and such variation is not unusual.



Expenses for governmental activities increased by \$27 million (6%) 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 \$5 million (7%) compared to the prior year, in part due to increased program activity levels.

Judicial costs increased by \$3 million (5%) compared to the prior year, due in part to increased program activity levels.

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.

Business-type Activities. Net position of \$218.3 million for business-type activities is \$9.5 million more than the prior year. This increase is primarily the result of decreased current operating expenses because of the divestiture of the County's water utility to the Truckee Meadows Water Authority (TMWA) as of December 31, 2014.

Most categories of revenue for business-type activities increased from the prior year, except for the Utilities Fund, which decreased as a result of the divestiture.

**WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(CONTINUED)**

Operating expenses for utility operations decreased \$10.5 million (46%) as a result of the divestiture of the water utility. Expenses for golf course operations increased by \$127 thousand (13%), while expenditures for building permit activities increased \$0.9 million (61%) as a result of planned increases in salaries and wages and the hiring of additional staff.

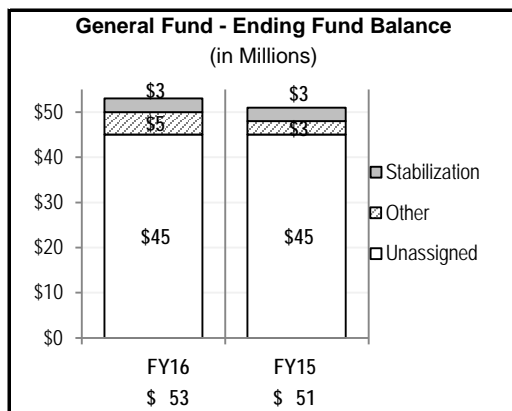
FINANCIAL ANALYSIS – GOVERNMENTAL FUNDS

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, 2016, Washoe County's governmental funds reported combined fund balances of \$166.7 million, an increase of \$16.3 million in comparison to the prior year. This increase is primarily due to the money received for the construction of the Medical Examiner's building, with a net increase of \$8.4 million to the overall governmental fund balance. Additional increases to the fund balance includes \$3.2 million in the Capital Improvements Fund for improvements to the Washoe County Sheriff Detention Center, air quality improvements and infrastructure; \$2.6 million in the Child Protective Services fund for the Specialized Foster Care Program and reimbursement to the Children's Emergency Shelter; \$2.1 million driven by revenue growth in the General Fund. Unassigned fund balance of \$45 million is 27% 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 \$2.1 million (4%) for the year, driven by revenue growth that slightly outpaced increased expenses.



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 committed.

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, 2016
(CONTINUED)

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 Washoe County. Federal and state grants are the primary funding sources, and together made up 70% of revenue for the year. Other revenue and ad valorem taxes are contributing respectively 12% and 10% of revenue. Expenditures include personnel costs, as well as, expenditures for child protection and placement, including emergency shelter, professional services, foster care, adoption subsidies, referral services, and other operating services and supplies.

Ending fund balance of \$7.1 million increased \$3.3 million (87%) from prior year primarily due to an increase in state grant revenue of \$1.8 million for implementation of the Specialized Foster Care Program. Additionally, there was an increase in miscellaneous revenue of \$2.6 million reimbursing the Children's Emergency Shelter operating costs. There was an increase in expenditures of \$2.0 million due to an increase in staffing for the Specialized Foster Care Program. Restricted fund balance consists primarily of donations and private foundation grants to support restricted expenditures. The remainder of the fund balance is committed for the support of child protective programs.

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 \$1.7 million increased \$236,000 or 16% from prior year. The decrease in revenues is matched by the decrease in expenditures.

Parks Capital Projects Fund: The Parks Capital Projects Fund, a major fund, accounts for resources that are legally restricted to a specified area or project for the acquisition, expansion and improvement of parks and open space. Residential construction taxes, grants, investment earnings and bond proceeds are the primary funding sources. Ending fund balance of \$20.8 million increased \$577,000 or 3% from the prior year, primarily due to the sale of Sky Ranch Park property.

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

Utilities Fund: The Utilities Fund, a major fund, was established to account for County-owned and operated water and sewer systems in the unincorporated areas of the County. On December 31, 2014, the divestiture of the County's water utility to 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 utilities fund continues to provide services related to wastewater treatment, effluent reuse, flood management and related planning activities.

During the current year, the final \$9.7 million payment to TMWA was made, concluding the divestiture.

Ending net position of the fund increased \$8.6 million is a result of primarily acquiring new capital assets and paying off debt associated with prior capital asset acquisitions.

General Fund Budgetary Highlights

Original budget compared to final budget. On April 12, 2016, the Board of County Commissioners approved a \$1.8 million augmentation to the General Fund budget from excess beginning fund balance (also known as carryover). The augmentation included authorization for \$772,000 to support the long-term capital needs of the Second District Judicial Court, \$432,000 for salaries and benefits for the Sheriff's Office, \$390,000 for the capital budget for technology upgrades to the Commission Chambers and the Caucus Room, \$105,000 for non-capital items for the upgrades to the Commission Chambers and the Caucus Room, and \$54,000 for Administrative Assessment expenditures. There were no other significant adjustments to the General Fund's original budget during the year.

WASHOE COUNTY, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(CONTINUED)

Final budget compared to actual results. Overall, revenues varied from the budget by only 2% for the year; this is not considered significant. Similarly, overall expenditures varied only 3% from the final budget after accounting for stabilization funds of \$3.0 million, which were budgeted but not spent in the current year.

There was a 9% favorable variance to final budget in community services department activities of the public works function mainly attributable to lower than planned spending for services and supplies.

There was a 19% favorable variance to final budget in human services activities of the welfare function mainly attributable to lower than planned spending for services and supplies.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business-type activities totaled \$651.6 million at year end, as summarized below.

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land, use rights	\$ 143,466	\$ 143,529	\$ 7,945	\$ 7,674	\$ 151,411	\$ 151,203
Plant capacity	-	-	825	825	825	825
Construction in progress	10,709	7,891	22,033	9,129	32,742	17,020
Land improvements	19,960	22,066	2,862	1,281	22,822	23,347
Building/improvements	174,988	183,415	39,900	40,424	214,888	223,839
Infrastructure	140,033	148,617	68,460	70,578	208,493	219,195
Equipment	15,217	15,858	116	246	15,333	16,104
Software	3,976	4,018	-	-	3,976	4,018
Plant capacity, depreciable	-	-	1,116	1,175	1,116	1,175
Total	\$ 508,349	\$ 525,394	\$ 143,257	\$ 131,332	\$ 651,606	\$ 656,726

Capital assets related to governmental activities decreased \$17 million in comparison to the prior year, principally due to current year depreciation of \$36 million. Assets acquired or completed during the year included:

- Road improvements: \$6.7 million
- Vehicle purchases to replace aging fleet: \$2.3 million
- Improvements to enhance water quality at Lake Tahoe: \$4.4 million

Major construction in progress at year end consisted of the Medical Examiner's building, existing building upgrades and a water quality improvement at Lake Tahoe.

Capital assets related to business-type activities increased \$11.9 million in comparison to the prior year, due to continuing construction of the South Truckee Meadows Water Reclamation Facility.

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

OUTSTANDING DEBT

At June 30, 2016, the County's outstanding bonded debt totaled \$170 million. Of this amount, \$128 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, NEVADA
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016
(CONTINUED)**

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

	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 111,392	\$ 107,330	\$ 16,551	\$ 18,789	\$ 127,943	\$ 126,119
Revenue Bonds	35,920	39,672	-	-	35,920	39,672
Special Assessment Bonds	5,824	6,417	-	-	5,824	6,417
Total	\$ 153,136	\$ 153,419	\$ 16,551	\$ 18,789	\$ 169,687	\$ 172,208

Outstanding debt related to governmental activities stayed about the same as last year due to regularly scheduled principal payments and the issue of a new \$12 million bond for the Medical Examiner's Building.

Outstanding debt for business-type activities decreased \$2 million during the year, primarily because of the consolidation of multiple outstanding bonds being refunded into a single issue for cost savings purposes.

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 \$1.4 billion, which is \$1.2 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 89512.



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BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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WASHOE COUNTY, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2016

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Truckee Meadows Fire Protection District	Sierra Fire Protection District
Assets					
Cash and investments (Note 3)	\$ 200,492,544	\$ 78,400,075	\$ 278,892,619	\$ 23,449,768	\$ 2,383,608
Restricted cash and investments (Note 4)	795,406	1,318,619	2,114,025	-	-
Accounts receivable	5,816,707	2,563,423	8,380,130	141,966	-
Consolidated tax receivable	16,851,604	-	16,851,604	-	-
Property taxes receivable	1,692,703	-	1,692,703	102,242	49,099
Other taxes receivable	11,777,184	-	11,777,184	-	-
Interest receivable	541,346	189,891	731,237	59,048	6,397
Due from other governments	11,497,004	1,700,178	13,197,182	1,451,072	346,933
Internal balances	(15,688,382)	15,688,382	-	-	-
Inventory	188,012	7,246	195,258	-	-
Deposits and other assets	375,637	16,350	391,987	535,201	-
Long-term restricted cash and investments (Note 4)	2,460,335	-	2,460,335	-	-
Long-term assets (Notes 5)	4,613,129	118,710	4,731,839	-	-
Capital Assets: (Note 6)					
Nondepreciable	154,174,460	30,803,091	184,977,551	2,279,729	172,114
Other capital assets, net of depreciation	354,175,696	112,452,601	466,628,297	15,391,865	3,979,701
Total Assets	749,763,385	243,258,566	993,021,951	43,410,891	6,937,852
Deferred Outflows of Resources					
Deferred charge on refunding	343,554	138,294	481,848	-	-
Deferred outflows of resources-Pensions (Note 14)	61,267,273	1,051,736	62,319,009	5,749,113	-
Liabilities					
Accounts payable	14,908,459	201,503	15,109,962	1,314,967	9,427
Accrued salaries and benefits	12,466,685	220,786	12,687,471	-	-
Contracts/retention payable	2,065,305	864,049	2,929,354	-	-
Interest payable	999,417	195,799	1,195,216	-	-
Accrued interest - capital appreciation bonds	6,552,489	-	6,552,489	-	-
Due to other governments	1,643,047	541,205	2,184,252	133,368	-
Other liabilities (Note 7)	2,450,004	227,635	2,677,639	-	-
Unearned revenue (Note 8)	3,468,982	1,374,684	4,843,666	13,122	-
Noncurrent Liabilities: (Notes 9,10,11,16)					
Due within one year	36,865,026	2,590,775	39,455,801	1,678,260	-
Due in more than one year, payable from restricted assets	2,460,335	-	2,460,335	-	-
Net pension liability (Note 14)	343,833,050	5,084,743	348,917,793	-	-
Due in more than one year	169,658,977	14,400,369	184,059,346	26,200,766	2,839,782
Total Liabilities	597,371,776	25,701,548	623,073,324	29,340,483	2,849,209
Deferred Inflows of Resources					
Deferred inflows of resources (Note 8,14)	44,729,744	414,616	45,144,360	3,281,017	-
Net Position (Note 13)					
Net investment in capital assets	412,863,379	126,704,792	539,568,171	17,671,594	4,151,815
Restricted for:					
General government	4,964,703	-	4,964,703	-	-
Judicial	7,948,608	-	7,948,608	-	-
Public safety	16,610,526	-	16,610,526	659,745	640,386
Public works	164,021	-	164,021	-	-
Health and sanitation	1,680,967	-	1,680,967	-	-
Welfare	12,005,241	-	12,005,241	-	-
Culture and recreation	1,417,830	-	1,417,830	-	-
Debt service	13,968,452	1,122,820	15,091,272	-	-
Capital projects	38,626,741	-	38,626,741	7,022,011	-
Claims	19,052,230	-	19,052,230	3,908,425	-
Unrestricted	(360,030,006)	90,504,820	(269,525,186)	(12,723,271)	(703,558)
Total Net Position	\$ 169,272,692	\$ 218,332,432	\$ 387,605,124	\$ 16,538,504	\$ 4,088,643

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, 2016**

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	\$ 100,762,459	\$ (8,594,226)	\$ 32,878,435	\$ 1,550,293	\$ 310,449
Judicial	62,340,961	9,852	9,464,508	3,239,275	-
Public safety	144,614,595	397,561	16,859,674	4,323,643	406,948
Public works	50,188,086	1,785,033	6,826,334	3,688,002	17,995,888
Health and sanitation	18,607,333	2,873,659	4,669,737	7,837,677	1,125,673
Welfare	73,678,398	3,443,764	8,703,014	38,433,382	-
Culture and recreation	19,320,041	84,357	1,318,963	1,680,280	876,876
Community support	198,112	-	-	-	-
Interest on long-term debt	6,721,287	-	-	-	-
Total Governmental Activities	476,431,272	\$ -	80,720,665	60,752,552	20,715,834
Business-type Activities:					
Utilities	11,511,064	-	14,374,239	11,269	4,508,001
Golf courses	945,504	-	1,374,004	-	-
Building permits	1,699,824	-	2,889,750	-	-
Total Business-type Activities	14,156,392	-	18,637,993	11,269	4,508,001
Total Primary Government	\$ 490,587,664	-	\$ 99,358,658	\$ 60,763,821	\$ 25,223,835
Component Units:					
Truckee Meadows Fire Protection District	\$ 24,435,890	-	\$ 7,230,944	\$ 82,699	\$ -
Sierra Fire Protection District	7,553,367	-	-	-	-
Total Component Units	\$ 31,989,257	-	\$ 7,230,944	\$ 82,699	\$ -

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

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

Net Position, June 30

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
\$ (57,429,056)	\$ -	\$ (57,429,056)		
(49,647,030)	-	(49,647,030)		
(123,421,891)	-	(123,421,891)		
(23,462,895)	-	(23,462,895)		
(7,847,905)	-	(7,847,905)		
(29,985,766)	-	(29,985,766)		
(15,528,279)	-	(15,528,279)		
(198,112)	-	(198,112)		
(6,721,287)	-	(6,721,287)		
<u>(314,242,221)</u>	<u>-</u>	<u>(314,242,221)</u>		
	7,382,445	7,382,445		
	428,500	428,500		
	<u>1,189,926</u>	<u>1,189,926</u>		
-	9,000,871	9,000,871		
<u>(314,242,221)</u>	<u>9,000,871</u>	<u>(305,241,350)</u>		
			\$ (17,122,247)	\$ -
			<u>-</u>	<u>(7,553,367)</u>
			<u>(17,122,247)</u>	<u>(7,553,367)</u>
183,820,634	-	183,820,634	11,099,590	5,287,487
95,605,303	-	95,605,303	5,874,270	1,439,971
11,831,587	-	11,831,587	781,089	300,136
8,864,540	-	8,864,540	-	-
2,238,400	-	2,238,400	59,529	14,246
8,865,814	(150,315)	8,715,499	993,322	8,080
2,747,496	1,667,590	4,415,086	509,202	64,676
11,021	-	11,021	-	-
<u>313,984,795</u>	<u>1,517,275</u>	<u>315,502,070</u>	<u>19,317,002</u>	<u>7,114,596</u>
(257,426)	10,518,146	10,260,720	2,194,755	(438,771)
<u>169,530,118</u>	<u>207,814,286</u>	<u>377,344,404</u>	<u>14,343,749</u>	<u>4,527,414</u>
<u>\$ 169,272,692</u>	<u>\$ 218,332,432</u>	<u>\$ 387,605,124</u>	<u>\$ 16,538,504</u>	<u>\$ 4,088,643</u>

**WASHOE COUNTY, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016**

	General Fund	Child Protective Services Fund	Special Assessment Debt Service Fund	Parks Capital Projects Fund
Assets				
Cash and investments (Note 3)	\$ 53,543,290	\$ 5,405,733	\$ 1,693,391	\$ 20,869,164
Restricted cash and investments (Note 4)	750,000	-	-	-
Accounts receivable	1,300,876	7,908	-	-
Consolidated tax receivable	16,851,604	-	-	-
Property taxes receivable	1,388,551	47,491	-	-
Other taxes receivable	3,465,258	-	6,447,308	-
Interest receivable	267,598	-	4,122	50,461
Due from other funds	183,771	-	-	-
Due from other governments	813,601	5,366,808	-	114,498
Deposits and prepaid items	156,929	-	-	-
Total Assets	\$ 78,721,478	\$ 10,827,940	\$ 8,144,821	\$ 21,034,123
Liabilities				
Accounts payable	\$ 7,462,154	\$ 2,251,501	\$ 1,885	\$ 164,114
Accrued salaries and benefits	9,634,974	1,003,327	-	-
Contracts/retention payable	4,731	-	-	35,642
Due to other funds	332,238	-	-	-
Due to other governments	916,726	5,575	-	21,258
Deposits (Note 7)	2,342,627	-	-	-
Other liabilities (Note 7)	388	1,730	27,202	-
Unearned revenue (Note 8)	3,468,982	-	-	-
Total Liabilities	24,162,820	3,262,133	29,087	221,014
Deferred Inflows of Resources (Note 8)				
Unavailable revenue - grants and other revenue	-	424,578	6,447,308	-
Unavailable revenue - property taxes	1,120,059	40,353	-	-
Total Deferred Inflows of Resources	1,120,059	464,931	6,447,308	-
Fund Balances (Note 13)				
Nonspendable	156,929	-	-	-
Restricted	878,472	316,201	1,668,426	20,813,109
Committed	4,722,117	6,784,675	-	-
Assigned	2,735,052	-	-	-
Unassigned	44,946,029	-	-	-
Total Fund Balances	53,438,599	7,100,876	1,668,426	20,813,109
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 78,721,478	\$ 10,827,940	\$ 8,144,821	\$ 21,034,123

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

Other Governmental Funds	Total Governmental Funds
\$ 84,465,786	\$ 165,977,364
45,406	795,406
276,745	1,585,529
-	16,851,604
256,661	1,692,703
1,864,618	11,777,184
140,263	462,444
330,000	513,771
5,241,921	11,536,828
55,441	212,370
<u>\$ 92,676,841</u>	<u>\$ 211,405,203</u>
<u><u>\$ 4,022,014</u></u>	<u><u>\$ 13,901,668</u></u>
1,627,016	12,265,317
2,024,932	2,065,305
181,533	513,771
699,381	1,642,940
73,343	2,415,970
4,714	34,034
-	3,468,982
<u>8,632,933</u>	<u>36,307,987</u>
179,600	7,051,486
<u>218,101</u>	<u>1,378,513</u>
<u>397,701</u>	<u>8,429,999</u>
55,441	212,370
64,391,886	88,068,094
10,445,847	21,952,639
9,001,733	11,736,785
(248,700)	44,697,329
<u>83,646,207</u>	<u>166,667,217</u>
<u><u>\$ 92,676,841</u></u>	<u><u>\$ 211,405,203</u></u>

WASHOE COUNTY, NEVADA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2016

Fund Balances - Governmental Funds	\$	166,667,217
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	\$ 1,203,890,658	
Less accumulated depreciation	<u>(702,199,006)</u>	501,691,652
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Deferred Outflows - PERS Pension (GASB 68)	61,267,273	
Prepaid bond insurance	67,241	
Net OPEB asset	<u>677,117</u>	62,011,631
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	(120,722)	
Accreted Interest	<u>(6,552,489)</u>	(6,673,211)
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	(153,135,873)	
Bond premiums, discounts and charge on refundings	(3,998,333)	
Accrued interest payable	(999,417)	
Remediation obligation	(6,187,853)	
Net Pension Liability - GASB 68	(343,833,050)	
Deferred Inflows	(44,729,744)	
Compensated absences	<u>(25,632,029)</u>	(578,516,299)
Revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.		
		8,429,999
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	31,347,847	
Internal balances receivable from business-type activities	<u>1,708,981</u>	33,056,828
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the Statement of Activities indirect expenses are eliminated.		
		<u>(17,395,125)</u>
Total Net Position of Governmental Activities	\$	<u><u>169,272,692</u></u>

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



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**WASHOE COUNTY, NEVADA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	Child Protective Services Fund	Parks Capital Projects Fund	Special Assessment Debt Service Fund
Revenues				
Taxes:				
Ad valorem	\$ 148,383,116	\$ 5,317,065	\$ -	\$ -
Car rental fee	-	-	-	-
Other taxes	412,902	-	309,578	-
Special assessments	-	-	-	649,844
Licenses and permits	8,489,411	19,460	-	-
Intergovernmental revenues	115,894,540	36,272,147	139,499	-
Charges for services	24,125,103	4,192,000	-	-
Fines and forfeits	6,796,176	-	-	115,151
Miscellaneous	4,570,844	6,301,208	1,192,105	344,000
Total Revenues	308,672,092	52,101,880	1,641,182	1,108,995
Expenditures				
Current:				
General government	55,863,189	-	-	-
Judicial	55,356,065	-	-	-
Public safety	121,798,560	-	-	-
Public works	15,899,178	-	-	-
Health and sanitation	-	-	-	-
Welfare	14,474,688	49,694,515	-	-
Culture and recreation	12,438,904	-	1,878,472	-
Community support	194,553	-	-	-
Intergovernmental	3,373,081	-	-	-
Capital outlay	-	-	-	-
Debt Service:				
Principal	-	-	-	592,231
Interest	-	-	-	240,755
Debt service fees and other fiscal charges	-	-	3,000	40,437
Assessment refunds	-	-	-	6
Total Expenditures	279,398,218	49,694,515	1,881,472	873,429
Excess (Deficiency) of Revenues Over (Under) Expenditures	29,273,874	2,407,365	(240,290)	235,566
Other Financing Sources (Uses)				
Proceeds from asset disposition	829,645	-	-	-
Proceeds from bonds issued	-	-	-	-
Proceeds from bond premium	-	-	-	-
Transfers in	213,686	1,296,791	817,215	-
Transfers out	(28,178,358)	(400,000)	-	-
Total Other Financing Sources (Uses)	(27,135,027)	896,791	817,215	-
Net Change in Fund Balances	2,138,847	3,304,156	576,925	235,566
Fund Balances, July 1	51,299,752	3,796,720	20,236,184	1,432,860
Fund Balances, June 30	\$ 53,438,599	\$ 7,100,876	\$ 20,813,109	\$ 1,668,426

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

<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ 29,351,161	\$ 183,051,342
1,263,887	1,263,887
-	722,480
-	649,844
1,828,548	10,337,419
35,509,739	187,815,925
11,225,746	39,542,849
2,414,988	9,326,315
7,086,717	19,494,874
<u>88,680,786</u>	<u>452,204,935</u>
1,279,179	57,142,368
5,907,017	61,263,082
19,697,417	141,495,977
18,591,446	34,490,624
21,200,754	21,200,754
17,284,740	81,453,943
3,194,977	17,512,353
-	194,553
6,068,620	9,441,701
9,313,245	9,313,245
32,795,863	33,388,094
4,933,170	5,173,925
831,437	874,874
-	6
<u>141,097,865</u>	<u>472,945,499</u>
<u>(52,417,079)</u>	<u>(20,740,564)</u>
1,375	831,020
33,438,202	33,438,202
2,783,603	2,783,603
32,278,711	34,606,403
<u>(6,028,045)</u>	<u>(34,606,403)</u>
<u>62,473,846</u>	<u>37,052,825</u>
10,056,767	16,312,261
73,589,440	150,354,956
<u>\$ 83,646,207</u>	<u>\$ 166,667,217</u>

**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, 2016**

Net Change in Fund Balances - Governmental Funds \$ 16,312,261

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	\$ 12,773,038	
Less current year depreciation/amortization	<u>(34,919,147)</u>	(22,146,109)

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

Change in Net OPEB Asset		(3,277,000)
--------------------------	--	-------------

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

Donated capital assets	4,258,012	
Change in unavailable revenue	<u>(729,542)</u>	3,528,470

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:

Bonds Issued		(33,438,202)
Bond premium		(2,783,603)
Bond principal Payments		33,388,094

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	190,197	
Amortization of bond discount	(51,617)	
Amortization of deferred charge on refunding	(54,250)	
Amortization of bond prepaid insurance	(44,350)	
Change in lease payable	(45,936)	
Change in termination benefits	(51,150)	
Change in compensated absences	(424,923)	
Change in remediation obligation	3,568	
Change in GASB 68 Pension	10,878,406	
Change in accrued interest payable	27,242	
Change in accreted interest capital appreciation bonds	(784,054)	
Transfer of capital assets to internal service funds	(46,322)	
Prior year insurance recovery	100,822	
Disposition of capital assets	<u>(541,400)</u>	9,156,233

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	(97,732)	
Internal charges reported in business activities	<u>(899,838)</u>	<u>(997,570)</u>
Change in Net Position of Governmental Activities	\$	<u><u>(257,426)</u></u>

**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, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 146,951,413	\$ 146,951,413	\$ 148,383,116	\$ 1,431,703
Other taxes	315,000	315,000	412,902	97,902
Licenses and permits	8,544,000	8,544,000	8,489,411	(54,589)
Intergovernmental revenues	109,765,689	109,765,689	115,894,540	6,128,851
Charges for services	23,930,232	23,930,231	24,125,103	194,872
Fines and forfeits	8,023,650	8,023,650	6,796,176	(1,227,474)
Miscellaneous	3,927,860	3,927,860	4,570,844	642,984
Total Revenues	<u>301,457,844</u>	<u>301,457,843</u>	<u>308,672,092</u>	<u>7,214,249</u>
Expenditures by Function and Activity				
General Government:				
Legislative	624,910	618,410	612,701	5,709
Executive	4,403,247	4,564,906	4,191,278	373,628
Elections	1,478,282	1,530,909	1,395,432	135,477
Finance	11,411,811	11,532,989	10,508,497	1,024,492
Other General Government	38,381,290	38,969,551	39,155,281	(185,730)
Total General Government	<u>56,299,540</u>	<u>57,216,765</u>	<u>55,863,189</u>	<u>1,353,576</u>
Judicial:				
District Court	17,463,120	17,615,859	16,880,555	735,304
District Attorney	18,911,376	18,970,291	18,534,762	435,529
Public Defense	11,926,418	11,929,272	11,464,028	465,244
Justice Courts	8,816,944	8,911,856	8,356,963	554,893
Incline Constable	153,760	153,759	119,757	34,002
Total Judicial	<u>57,271,618</u>	<u>57,581,037</u>	<u>55,356,065</u>	<u>2,224,972</u>
Public Safety:				
Sheriff and Detention	101,830,141	102,598,323	101,386,606	1,211,717
Medical Examiner	2,614,582	2,716,790	2,728,686	(11,896)
Fire Suppression	906,747	1,081,747	1,019,182	62,565
Juvenile Services	14,026,172	14,060,412	12,988,101	1,072,311
Protective Services	3,815,674	3,830,762	3,675,985	154,777
Total Public Safety	<u>123,193,316</u>	<u>124,288,034</u>	<u>121,798,560</u>	<u>2,489,474</u>
Public Works:				
Community Services Department (CSD)	17,002,238	17,446,677	15,899,178	1,547,499
Welfare:				
Human Services	17,282,111	17,828,111	14,474,688	3,353,423
Culture and Recreation:				
Library	8,191,932	8,207,267	7,879,577	327,690
CSD - Regional Parks and Open Space	4,891,629	4,916,010	4,559,327	356,683
Total Culture and Recreation	<u>13,083,561</u>	<u>13,123,277</u>	<u>12,438,904</u>	<u>684,373</u>
Community Support	269,761	362,587	194,553	168,034

(CONTINUED)

**WASHOE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental	\$ 3,360,200	3,360,200	3,373,081	\$ (12,881)
Total Expenditures	287,762,345	291,206,688	279,398,218	11,808,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	13,695,499	10,251,155	29,273,874	19,022,719
Other Financing Sources (Uses)				
Proceeds from asset disposition	5,000	825,000	829,646	4,646
Transfers in	286,515	286,515	213,686	(72,829)
Transfers out	(25,481,985)	(27,852,966)	(28,178,359)	(325,393)
Contingency	(1,500,000)	(796,477)	-	796,477
Total Other Financing Sources (Uses)	(26,690,470)	(27,537,928)	(27,135,027)	402,901
Net Change in Fund Balances	(12,994,971)	(17,286,773)	2,138,847	19,425,620
Fund Balances, July 1	42,830,850	45,370,200	51,299,752	5,929,552
Fund Balances, June 30	\$ 29,835,879	\$ 28,083,427	\$ 53,438,599	\$ 25,355,172

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

**WASHOE COUNTY, NEVADA
CHILD PROTECTIVE SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance to Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Taxes:				
Ad valorem	\$ 5,213,623	\$ 5,213,623	\$ 5,317,065	\$ 103,442
Licenses and Permits:				
Day care licenses	22,500	22,500	19,460	(3,040)
Intergovernmental Revenues:				
Federal grants	18,617,919	20,522,760	19,617,525	(905,235)
State grants	16,419,264	17,696,938	16,654,622	(1,042,316)
Charges for Services:				
Service fees	2,640,000	2,640,000	4,192,000	1,552,000
Miscellaneous:				
Contributions and donations	-	26,339	26,339	-
Other	6,045,000	6,365,000	6,274,869	(90,131)
Total Revenues	<u>48,958,306</u>	<u>52,487,160</u>	<u>52,101,880</u>	<u>(385,280)</u>
Expenditures				
Welfare Function:				
Salaries and wages	15,879,207	16,601,485	14,178,896	2,422,589
Employee benefits	6,564,773	6,682,458	6,420,033	262,425
Services and supplies	27,601,171	30,292,062	29,090,586	1,201,476
Capital outlay	-	-	5,000	(5,000)
Total Expenditures	<u>50,045,151</u>	<u>53,576,005</u>	<u>49,694,515</u>	<u>3,881,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,086,845)</u>	<u>(1,088,845)</u>	<u>2,407,365</u>	<u>3,496,210</u>
Other Financing Sources (Uses)				
Transfers:				
General Fund	1,294,791	1,296,791	1,296,791	-
Debt Service Fund	(400,000)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	<u>894,791</u>	<u>896,791</u>	<u>896,791</u>	<u>-</u>
Net Change in Fund Balances	<u>(192,054)</u>	<u>(192,054)</u>	<u>3,304,156</u>	<u>3,496,210</u>
Fund Balances, July 1	<u>4,133,242</u>	<u>4,133,242</u>	<u>3,796,720</u>	<u>(336,522)</u>
Fund Balances, June 30	<u>\$ 3,941,188</u>	<u>\$ 3,941,188</u>	<u>\$ 7,100,876</u>	<u>\$ 3,159,688</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, 2016**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Utilities</u>	<u>Other</u>		<u>Activities</u>
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>	<u>Internal Service</u>
		<u>Funds</u>		<u>Funds</u>
Assets				
Current Assets:				
Cash and investments (Note 3)	\$ 74,495,257	\$ 3,904,818	\$ 78,400,075	\$ 34,515,180
Restricted cash and investments (Note 4)	1,318,619	-	1,318,619	-
Accounts receivable	1,205,986	1,357,437	2,563,423	4,134,578
Interest receivable	180,987	8,904	189,891	78,902
Due from other funds	2,238	-	2,238	-
Due from other governments	1,700,178	-	1,700,178	54,538
Inventory	-	7,246	7,246	188,012
Other assets	16,350	-	16,350	163,267
	<u>78,919,615</u>	<u>5,278,405</u>	<u>84,198,020</u>	<u>39,134,477</u>
Noncurrent Assets:				
Restricted cash and investments (Note 4)	-	-	-	2,460,335
Long-term receivables and other assets (Note 5)	118,710	-	118,710	3,571,893
Capital Assets: (Note 6)				
Nondepreciable:				
Land	7,772,407	173,000	7,945,407	-
Plant capacity	-	935,387	935,387	-
Construction in progress	21,922,297	-	21,922,297	998,359
Depreciable:				
Land improvements	2,392,915	3,874,949	6,267,864	-
Buildings and improvements	55,284,927	1,258,356	56,543,283	24,990
Infrastructure	104,316,592	-	104,316,592	-
Equipment	705,169	1,026,650	1,731,819	24,849,943
Software	822,000	78,183	900,183	-
Plant, well capacity	2,368,822	-	2,368,822	-
Less accumulated depreciation	<u>(54,536,134)</u>	<u>(5,139,828)</u>	<u>(59,675,962)</u>	<u>(19,214,789)</u>
Total Noncurrent Assets	<u>141,167,705</u>	<u>2,206,697</u>	<u>143,374,402</u>	<u>12,690,731</u>
Total Assets	<u>220,087,320</u>	<u>7,485,102</u>	<u>227,572,422</u>	<u>51,825,208</u>
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions	648,496	403,240	1,051,736	-
Deferred outflows of resources related to debt	138,294	-	138,294	-
Total Deferred Outflows of Resources	<u>786,790</u>	<u>403,240</u>	<u>1,190,030</u>	<u>-</u>
Liabilities				
Current Liabilities:				
Accounts payable	140,501	61,002	201,503	973,463
Accrued salaries and benefits	125,782	95,004	220,786	122,368
Compensated absences (Notes 9,10)	193,255	137,677	330,932	195,760
Contracts/retention payable	864,049	-	864,049	-
Interest payable	195,799	-	195,799	-
Due to other governments	501,205	40,000	541,205	107
Unearned revenue (Note 8)	114,171	1,259,069	1,373,240	-
Other liabilities (Note 7)	214,635	-	214,635	-
Notes, bonds, leases payable (Notes 9,10,11)	2,259,843	-	2,259,843	-
Deposits	-	13,000	13,000	-
Pending claims (Note 16)	-	-	-	8,055,000
Total Current Liabilities	<u>4,609,240</u>	<u>1,605,752</u>	<u>6,214,992</u>	<u>9,346,698</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET POSITION
 JUNE 30, 2016**

	<u>Business-type Activities - Enterprise Funds</u>			Governmental Activities Internal Service Funds
	<u>Utilities Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Noncurrent Liabilities: (Notes 9,10,11,16)				
Compensated absences	\$ 63,835	\$ 45,477	\$ 109,312	\$ 64,663
Notes, bonds, leases payable	14,291,057	-	14,291,057	8,605,665
Other long term liabilities	2,813,959	2,270,784	5,084,743	-
Unearned revenue (Note 8)	-	1,444	1,444	-
Pending claims payable from restricted cash	-	-	-	2,460,335
Total Noncurrent Liabilities	<u>17,168,851</u>	<u>2,317,705</u>	<u>19,486,556</u>	<u>11,130,663</u>
Total Liabilities	<u>21,778,091</u>	<u>3,923,457</u>	<u>25,701,548</u>	<u>20,477,361</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to pensions	119,206	295,410	414,616	-
Net Position (Note 13)				
Net investment in capital assets	124,498,095	2,206,697	126,704,792	6,579,502
Restricted for debt service	1,122,820	-	1,122,820	-
Restricted for claims	-	-	-	19,052,230
Unrestricted	<u>73,355,898</u>	<u>1,462,778</u>	<u>74,818,676</u>	<u>5,716,115</u>
Total Net Position	<u>\$ 198,976,813</u>	<u>\$ 3,669,475</u>	<u>202,646,288</u>	<u>\$ 31,347,847</u>
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.			17,395,125	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,708,981)	
Net Position of Business-type Activities			<u>\$ 218,332,432</u>	

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, 2016**

	Business-type Activities - Enterprise Funds			Governmental Activities Internal Service Funds
	Utilities Fund	Other Enterprise Funds	Total	
Operating Revenues				
Charges for Services:				
Utility fees	\$ 13,613,463	\$ -	\$ 13,613,463	\$ -
Golf course fees	-	1,070,507	1,070,507	-
Building permits and fees	-	2,757,346	2,757,346	-
Services to other agencies	-	123,941	123,941	-
Services to other funds	149,310	-	149,310	-
Self insurance fees	-	-	-	55,168,965
Equipment service billings	-	-	-	7,598,402
Miscellaneous	611,466	311,960	923,426	2,081,172
Total Operating Revenues	<u>14,374,239</u>	<u>4,263,754</u>	<u>18,637,993</u>	<u>64,848,539</u>
Operating Expenses				
Salaries and wages	1,779,981	1,294,729	3,074,710	1,780,118
Employee benefits	814,784	485,261	1,300,045	820,780
Services and supplies	5,394,040	1,125,496	6,519,536	62,285,451
Depreciation/amortization	3,463,917	232,459	3,696,376	1,428,793
Total Operating Expenses	<u>11,452,722</u>	<u>3,137,945</u>	<u>14,590,667</u>	<u>66,315,142</u>
Operating Income (Loss)	<u>2,921,517</u>	<u>1,125,809</u>	<u>4,047,326</u>	<u>(1,466,603)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	909,887	68,028	977,915	488,420
Net increase (decrease) in the fair value of investments	682,238	7,437	689,675	290,223
Miscellaneous	-	(680)	(680)	22,289
Federal grants	-	-	-	261,042
Gain (loss) on asset disposition	-	-	-	110,260
Interest/bond issuance costs	(464,883)	-	(464,883)	-
Other nonoperating revenue	11,269	-	11,269	-
Total Nonoperating Revenues (Expenses)	<u>1,138,511</u>	<u>74,785</u>	<u>1,213,296</u>	<u>1,172,234</u>
Income (Loss) Before Capital Contributions, and Transfers	<u>4,060,028</u>	<u>1,200,594</u>	<u>5,260,622</u>	<u>(294,369)</u>
Capital Contributions				
Hookup fees	3,763,328	-	3,763,328	-
Contributions	744,673	-	744,673	196,637
Total Capital Contributions	<u>4,508,001</u>	<u>-</u>	<u>4,508,001</u>	<u>196,637</u>
Transfers				
Transfers in (out)	<u>-</u>	<u>(150,315)</u>	<u>(150,315)</u>	<u>-</u>
Change in Net Position	<u>8,568,029</u>	<u>1,050,279</u>	<u>9,618,308</u>	<u>(97,732)</u>
Net Position, July 1, as Restated (Note 19)	<u>190,408,784</u>	<u>2,619,196</u>		<u>31,445,579</u>
Net Position, June 30	<u>\$ 198,976,813</u>	<u>\$ 3,669,475</u>		<u>\$ 31,347,847</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			<u>899,838</u>	
Change in Net Position of Business-type Activities			<u>\$ 10,518,146</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, 2016**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Utilities</u>	<u>Other</u>		<u>Activities</u>
	<u>Fund</u>	<u>Enterprise</u>	<u>Total</u>	<u>Internal Service</u>
		<u>Funds</u>		<u>Funds</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 13,691,413	\$ 3,750,698	\$ 17,442,111	\$ 21,797,370
Cash received from other funds	149,310	-	149,310	39,122,707
Cash received from others	535,657	-	535,657	2,312,679
Cash payments for personnel costs	(2,408,623)	(1,844,342)	(4,252,965)	(2,613,750)
Cash payments for services and supplies	(5,101,009)	(1,063,444)	(6,164,453)	(60,409,112)
Cash portion of disposal of water utility operations	(9,678,076)	-	(9,678,076)	-
Net Cash Provided (Used) by				
Operating Activities	<u>(2,811,328)</u>	<u>842,912</u>	<u>(1,968,416)</u>	<u>209,894</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	-	-	-	261,042
Net Cash Provided (Used) by				
Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,042</u>
Cash Flows From Capital and Related				
Financing Activities:				
Proceeds from asset disposition	-	-	-	117,271
Contributions from others	3,775,921	-	3,775,921	-
Class action lawsuit settlement proceeds	11,269	-	11,269	-
Principal paid on financing	(2,237,892)	-	(2,237,892)	-
Interest paid on financing	(674,273)	-	(674,273)	-
Cash paid for bond issuance costs	(40,953)	-	(40,953)	-
*Acquisition of capital assets	<u>(16,325,234)</u>	<u>(179,815)</u>	<u>(16,505,049)</u>	<u>(2,313,027)</u>
Net Cash Provided (Used) by Capital				
and Related Financing Activities	<u>(15,491,162)</u>	<u>(179,815)</u>	<u>(15,670,977)</u>	<u>(2,195,756)</u>
Cash Flows From Investing Activities:				
Investment earnings (loss)	<u>1,639,832</u>	<u>75,312</u>	<u>1,715,144</u>	<u>681,555</u>
Net Cash Provided (Used) by				
Investing Activities	<u>1,639,832</u>	<u>75,312</u>	<u>1,715,144</u>	<u>681,555</u>
Net Increase (Decrease) in				
Cash and Cash Equivalents	(16,662,658)	738,409	(15,924,249)	(1,043,265)
Cash and Cash Equivalents, July 1	<u>92,476,534</u>	<u>3,166,409</u>	<u>95,642,943</u>	<u>38,018,780</u>
Cash and Cash Equivalents, June 30	<u>\$ 75,813,876</u>	<u>\$ 3,904,818</u>	<u>\$ 79,718,694</u>	<u>\$ 36,975,515</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, 2016**

	<u>Business-type Activities - Enterprise Funds</u>			<u>Governmental Activities</u>
	<u>Utilities Fund</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	<u>Internal Service Funds</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 2,921,517	\$ 1,125,809	\$ 4,047,326	\$ (1,466,603)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	3,463,917	232,459	3,696,376	1,428,793
Net pension expense	158,588	(70,455)	88,133	-
Other nonoperating revenue	3,607	-	3,607	-
Forfeited flexible spending account contributions	-	-	-	22,289
Disposal of water utility operations	(9,678,076)	-	(9,678,076)	-
**Imputed rental expense	-	-	-	106,527
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	306,381	(723,209)	(416,828)	(1,690,687)
Due from other funds	355,719	-	355,719	-
Due from other governments	(209,577)	-	(209,577)	52,615
Notes receivable	1,731	-	1,731	-
Inventory	-	3,850	3,850	96,335
Prepaid lease	-	-	-	146,080
Other assets	-	-	-	(17,187)
Increase (decrease) in:				
Accounts payable	34,367	49,110	83,477	(171,468)
Accrued salaries and benefits	21,186	10,292	31,478	12,760
Compensated absences	6,368	(4,189)	2,179	(25,612)
Due to other funds	(2,271)	-	(2,271)	(29,965)
Due to other governments	(103,443)	12,537	(90,906)	17
Other liabilities	(77,180)	206,708	129,528	-
Pending claims	-	-	-	1,746,000
Unearned revenue	(14,162)	-	(14,162)	-
Total Adjustments	(5,732,845)	(282,897)	(6,015,742)	1,676,497
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,811,328)</u>	<u>\$ 842,912</u>	<u>\$ (1,968,416)</u>	<u>\$ 209,894</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 \$106,527 have been imputed to give recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 16,325,234	\$ 179,815	\$ 16,505,049	\$ 2,313,027
Capital contributions received	744,673	-	744,673	196,637
Capital transferred from other funds	-	-	-	25,434
Increase/(decrease) in liabilities	(1,478,776)	-	(1,478,776)	213,231
Total Acquisition of Capital Assets	<u>\$ 15,591,131</u>	<u>\$ 179,815</u>	<u>\$ 15,770,946</u>	<u>\$ 2,748,329</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, 2016**

	Investment Trust Fund	Agency Funds
Assets		
Cash and investments (Note 3)	\$ 151,179,014	\$ 24,717,772
Financial assurances	-	3,479,448
Accounts receivable	-	335,231
Property taxes receivable	-	3,008,836
Interest receivable	390,489	2
Due from other governments	-	343,135
	151,569,503	31,884,424
Liabilities		
Due to others/governments	-	31,884,424
	-	31,884,424
Net Position		
Restricted for pool participants	\$ 151,569,503	\$ -

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, 2016**

	<u>Investment Trust Fund</u>
Additions	
Investment earnings:	
Interest	\$ 1,935,556
Net increase (decrease) in the fair value of investments	1,439,790
Contributions to pooled investments	<u>212,477,738</u>
Total Additions	215,853,084
Deductions	
Distributions from pooled investments	<u>179,939,697</u>
Change in Net Position	35,913,387
Net Position, July 1	<u>115,656,116</u>
Net Position, June 30	<u><u>\$ 151,569,503</u></u>

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