

## 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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	<u>Page</u>
<b>Risk Management Fund</b>	
To account for revenues received for providing the County with property and liability insurance, workers' compensation and unemployment compensation insurance. ....	140
<b>Health Benefits Fund</b>	
To account for the self-insured health plan and other contractual health insurance plans.....	142
<b>Equipment Services Fund</b>	
To account for revenues received for maintaining and purchasing automobiles and other vehicles and specialized large equipment for use by other County departments. ....	144

**WASHOE COUNTY, NEVADA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2016**

	<b>Risk Management Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Services Fund</b>	<b>Total</b>
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 27,713,855	\$ 4,181,368	\$ 2,619,957	\$ 34,515,180
Accounts receivable	84,448	4,050,130	-	4,134,578
Interest receivable	65,900	13,002	-	78,902
Inventory	-	-	188,012	188,012
Other assets	17,187	-	146,080	163,267
Due from Other Governments	-	-	54,538	54,538
Total Current Assets	<u>27,881,390</u>	<u>8,244,500</u>	<u>3,008,587</u>	<u>39,134,477</u>
Noncurrent Assets:				
Restricted cash and investments	2,460,335	-	-	2,460,335
Long-term prepaids	-	-	120,722	120,722
Long-term deposits	-	-	3,451,171	3,451,171
Capital Assets:				
Construction in progress	-	-	998,359	998,359
Buildings and improvements	-	-	24,990	24,990
Equipment	-	-	24,849,943	24,849,943
Less accumulated depreciation	-	-	(19,214,789)	(19,214,789)
Total Noncurrent Assets	<u>2,460,335</u>	<u>-</u>	<u>10,230,396</u>	<u>12,690,731</u>
Total Assets	<u>30,341,725</u>	<u>8,244,500</u>	<u>13,238,983</u>	<u>51,825,208</u>
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	33,459	290,471	649,533	973,463
Accrued salaries and benefits	18,109	19,197	85,062	122,368
Compensated absences	19,647	19,260	156,853	195,760
Due to other governments	-	-	107	107
Pending claims	5,653,000	2,402,000	-	8,055,000
Total Current Liabilities	<u>5,724,215</u>	<u>2,730,928</u>	<u>891,555</u>	<u>9,346,698</u>
Noncurrent Liabilities:				
Compensated absences	6,490	6,362	51,811	64,663
Pending claims	8,605,665	-	-	8,605,665
Pending claims payable from restricted cash	2,460,335	-	-	2,460,335
Total Noncurrent Liabilities	<u>11,072,490</u>	<u>6,362</u>	<u>51,811</u>	<u>11,130,663</u>
Total Liabilities	<u>16,796,705</u>	<u>2,737,290</u>	<u>943,366</u>	<u>20,477,361</u>
<b>Net Position</b>				
Net investment in capital assets	-	-	6,658,503	6,658,503
Restricted for future claims	13,545,020	5,507,210	-	19,052,230
Unrestricted	-	-	5,637,114	5,637,114
Total Net Position	<u>\$ 13,545,020</u>	<u>\$ 5,507,210</u>	<u>\$ 12,295,617</u>	<u>\$ 31,347,847</u>

**WASHOE COUNTY, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Risk Management Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Services Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for Services:				
Self insurance fees	\$ 7,187,442	\$ 47,981,523	\$ -	\$ 55,168,965
Equipment service billings	-	-	7,598,402	7,598,402
Miscellaneous	152,652	1,872,491	56,029	2,081,172
Total Operating Revenues	7,340,094	49,854,014	7,654,431	64,848,539
<b>Operating Expenses</b>				
Salaries and wages	235,753	267,292	1,277,073	1,780,118
Employee benefits	99,135	117,532	604,113	820,780
Services and supplies	7,236,470	50,867,416	4,181,565	62,285,451
Depreciation	-	-	1,428,793	1,428,793
Total Operating Expenses	7,571,358	51,252,240	7,491,544	66,315,142
Operating Income (Loss)	(231,264)	(1,398,226)	162,887	(1,466,603)
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	311,636	70,257	106,527	488,420
Net increase (decrease) in the fair value of investments	248,580	41,643	-	290,223
Gain (loss) on asset disposition	-	-	110,260	110,260
Federal grants	-	261,042	-	261,042
Other nonoperating revenue	-	22,289	-	22,289
Total Nonoperating Revenues (Expenses)	560,216	395,231	216,787	1,172,234
Income (Loss) Before Capital Contributions and Transfers	328,952	(1,002,995)	379,674	(294,369)
<b>Capital Contributions</b>				
Contributions from other funds	-	-	196,637	196,637
Change in Net Position	328,952	(1,002,995)	576,311	(97,732)
<b>Net Position, July 1</b>	13,216,068	6,510,205	11,719,306	31,445,579
<b>Net Position, June 30</b>	\$ 13,545,020	\$ 5,507,210	\$ 12,295,617	\$ 31,347,847

**WASHOE COUNTY, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<b>Risk Management Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Services Fund</b>	<b>Total</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 21,797,370	\$ -	\$ 21,797,370
Cash received from other funds	7,187,442	24,577,914	7,357,351	39,122,707
Cash received from others	68,204	1,894,780	349,695	2,312,679
Cash payments for personnel costs	(329,816)	(400,547)	(1,883,387)	(2,613,750)
Cash payments for services and supplies	<u>(5,139,575)</u>	<u>(51,433,824)</u>	<u>(3,835,713)</u>	<u>(60,409,112)</u>
Net Cash Provided (Used) by Operating Activities	<u>1,786,255</u>	<u>(3,564,307)</u>	<u>1,987,946</u>	<u>209,894</u>
Cash Flows From Noncapital Financing Activities:				
Federal grants	<u>-</u>	<u>261,042</u>	<u>-</u>	<u>261,042</u>
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>261,042</u>	<u>-</u>	<u>261,042</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	<u>-</u>	<u>-</u>	<u>117,271</u>	<u>117,271</u>
*Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(2,313,027)</u>	<u>(2,313,027)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(2,195,756)</u>	<u>(2,195,756)</u>
Cash Flows From Investing Activities:				
Investment earnings (loss)	<u>560,404</u>	<u>121,151</u>	<u>-</u>	<u>681,555</u>
Net Cash Provided (Used) by Investing Activities	<u>560,404</u>	<u>121,151</u>	<u>-</u>	<u>681,555</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>2,346,659</u>	<u>(3,182,114)</u>	<u>(207,810)</u>	<u>(1,043,265)</u>
<b>Cash and Cash Equivalents, July 1</b>	<u>27,827,531</u>	<u>7,363,482</u>	<u>2,827,767</u>	<u>38,018,780</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 30,174,190</u>	<u>\$ 4,181,368</u>	<u>\$ 2,619,957</u>	<u>\$ 36,975,515</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (231,264)	\$ (1,398,226)	\$ 162,887	\$ (1,466,603)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,428,793	1,428,793
**Imputed rental expense	-	-	106,527	106,527
Forfeited Flexible Spending Account contributions	-	22,289	-	22,289
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(84,448)	(1,606,239)	-	(1,690,687)
Inventory	-	-	96,335	96,335
Prepaid lease	-	-	146,080	146,080
Due from other governments	-	-	52,615	52,615
Other assets	(17,187)	-	-	(17,187)
Increase (decrease) in:				
Accounts payable	(89,953)	(78,408)	(3,107)	(171,468)
Accrued salaries and benefits	4,132	1,753	6,875	12,760
Compensated absences	940	(17,476)	(9,076)	(25,612)
Due to other governments	-	-	17	17
Due to other funds	(29,965)	-	-	(29,965)
Pending claims	2,234,000	(488,000)	-	1,746,000
Total Adjustments	2,017,519	(2,166,081)	1,825,059	1,676,497
Net Cash Provided (Used) by Operating Activities	\$ 1,786,255	\$ (3,564,307)	\$ 1,987,946	\$ 209,894

**\*\*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	\$	\$	\$ 2,313,027	\$ 2,313,027
Capital transferred from other funds	-	-	196,637	196,637
Capital asset value acquisition correction	-	-	25,434	25,434
Increase (decrease) in accounts payable	-	-	213,231	213,231
Total Acquisition of Capital Assets	\$ -	\$ -	\$ 2,748,329	\$ 2,748,329

**WASHOE COUNTY, NEVADA  
RISK MANAGEMENT FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Operating Revenues</b>				
Charges for Services:				
Insurance premiums	\$ 7,196,813	\$ 7,187,442	\$ (9,371)	\$ 6,957,390
Miscellaneous:				
Other	<u>170,000</u>	<u>152,652</u>	<u>(17,348)</u>	<u>99,340</u>
Total Operating Revenues	<u>7,366,813</u>	<u>7,340,094</u>	<u>(26,719)</u>	<u>7,056,730</u>
<b>Operating Expenses</b>				
Salaries and wages	265,499	235,753	29,746	240,468
Employee benefits	107,890	99,135	8,755	96,081
Services and supplies	<u>7,577,454</u>	<u>7,236,470</u>	<u>340,984</u>	<u>6,231,045</u>
Total Operating Expenses	<u>7,950,843</u>	<u>7,571,358</u>	<u>379,485</u>	<u>6,567,594</u>
Operating Income (Loss)	<u>(584,030)</u>	<u>(231,264)</u>	<u>352,766</u>	<u>489,136</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	330,650	311,636	(19,014)	282,595
Net increase (decrease) in the fair value of investments	-	248,580	248,580	(56,896)
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>110,162</u>
Total Nonoperating Revenues (Expenses)	<u>330,650</u>	<u>560,216</u>	<u>229,566</u>	<u>335,861</u>
Change in Net Position	<u>\$ (253,380)</u>	<u>328,952</u>	<u>\$ 582,332</u>	<u>824,997</u>
<b>Net Position, July 1</b>		<u>13,216,068</u>		<u>12,391,071</u>
<b>Net Position, June 30</b>		<u>\$ 13,545,020</u>		<u>\$ 13,216,068</u>

**WASHOE COUNTY, NEVADA  
RISK MANAGEMENT FUND  
STATEMENT OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	2016			2015
	Budget	Actual	Variance	Actual
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 7,196,813	\$ 7,187,442	\$ (9,371)	\$ 6,957,390
Cash received from others	170,000	68,204	(101,796)	135,525
Cash payments for personnel costs	(371,389)	(329,816)	41,573	(336,772)
Cash payments for services and supplies	(5,777,454)	(5,139,575)	637,879	(4,240,705)
Net Cash Provided (Used) by Operating Activities	1,217,970	1,786,255	568,285	2,515,438
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	-	2,090
Proceeds from insurance recoveries	-	-	-	108,072
Cash Flows From Investing Activities:				
Investment earnings	330,650	560,404	229,754	213,107
Net Increase (Decrease) in Cash and Cash Equivalents	1,548,620	2,346,659	798,039	2,838,707
<b>Cash and Cash Equivalents, July 1</b>	26,422,668	27,827,531	1,404,863	24,988,824
<b>Cash and Cash Equivalents, June 30</b>	\$ 27,971,288	\$ 30,174,190	\$ 2,202,902	\$ 27,827,531
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (584,030)	\$ (231,264)	\$ 352,766	\$ 489,136
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(84,448)	(84,448)	36,185
Other assets	-	(17,187)	(17,187)	110,066
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	(89,953)	(89,953)	82,309
Accrued salaries and benefits	-	4,132	4,132	2,096
Compensated absences	2,000	940	(1,060)	(2,319)
Due to other funds	-	(29,965)	(29,965)	29,965
Pending claims	1,800,000	2,234,000	434,000	1,768,000
Total Adjustments	1,802,000	2,017,519	215,519	2,026,302
Net Cash Provided (Used) by Operating Activities	\$ 1,217,970	\$ 1,786,255	\$ 568,285	\$ 2,515,438

**WASHOE COUNTY, NEVADA  
HEALTH BENEFITS FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Operating Revenues</b>				
Charges for Services:				
Insurance premiums	\$ 47,244,435	\$ 47,981,523	\$ 737,088	\$ 42,126,749
Miscellaneous:				
Other	<u>1,319,550</u>	<u>1,872,491</u>	<u>552,941</u>	<u>1,661,425</u>
Total Operating Revenues	<u>48,563,985</u>	<u>49,854,014</u>	<u>1,290,029</u>	<u>43,788,174</u>
<b>Operating Expenses</b>				
Salaries and wages	290,197	267,292	22,905	258,152
Employee benefits	117,997	117,532	465	98,728
Services and supplies	<u>51,317,129</u>	<u>50,867,416</u>	<u>449,713</u>	<u>47,059,059</u>
Total Operating Expenses	<u>51,725,323</u>	<u>51,252,240</u>	<u>473,083</u>	<u>47,415,939</u>
Operating Income (Loss)	<u>(3,161,338)</u>	<u>(1,398,226)</u>	<u>1,763,112</u>	<u>(3,627,765)</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	105,500	70,257	(35,243)	89,278
Net increase (decrease) in the fair value of investments	-	41,643	41,643	(10,275)
Federal grants	260,000	261,042	1,042	263,438
Other nonoperating revenue	<u>-</u>	<u>22,289</u>	<u>22,289</u>	<u>23,383</u>
Total Nonoperating Revenues (Expenses)	<u>365,500</u>	<u>395,231</u>	<u>29,731</u>	<u>365,824</u>
Income (Loss) Before Transfers	<u>(2,795,838)</u>	<u>(1,002,995)</u>	<u>1,792,843</u>	<u>(3,261,941)</u>
<b>Transfers</b>				
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,831,500</u>
Change in Net Position	<u>\$ (2,795,838)</u>	<u>(1,002,995)</u>	<u>\$ 1,792,843</u>	<u>(430,441)</u>
<b>Net Position, July 1</b>		<u>6,510,205</u>		<u>6,940,646</u>
<b>Net Position, June 30</b>		<u>\$ 5,507,210</u>		<u>\$ 6,510,205</u>



**WASHOE COUNTY, NEVADA  
HEALTH BENEFITS FUND  
STATEMENT OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	2016			2015
	Budget	Actual	Variance	Actual
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 21,968,329	\$ 21,797,370	\$ (170,959)	\$ 19,407,137
Cash received from other funds	25,276,106	24,577,914	(698,192)	23,487,362
Cash received from others	1,319,550	1,894,780	575,230	1,686,909
Cash payments for personnel costs	(405,194)	(400,547)	4,647	(339,060)
Cash payments for services and supplies	(51,199,129)	(51,433,824)	(234,695)	(47,280,026)
Net Cash Provided (Used) by Operating Activities	(3,040,338)	(3,564,307)	(523,969)	(3,037,678)
Cash Flows From Noncapital Financing Activities:				
Federal grants	260,000	261,042	1,042	263,438
Transfers from General Fund	-	-	-	2,831,500
Cash Flows From Investing Activities:				
Investment earnings (loss)	105,500	121,151	15,651	76,284
Net Increase (Decrease) in Cash and Cash Equivalents	(2,674,838)	(3,182,114)	(507,276)	133,544
<b>Cash and Cash Equivalents, July 1</b>	5,515,202	7,363,482	1,848,280	7,229,938
<b>Cash and Cash Equivalents, June 30</b>	\$ 2,840,364	\$ 4,181,368	\$ 1,341,004	\$ 7,363,482
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (3,161,338)	\$ (1,398,226)	\$ 1,763,112	\$ (3,627,765)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Forfeited Flexible Spending Account contributions	-	22,289	22,289	23,383
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(1,606,239)	(1,606,239)	769,851
Increase (decrease) in:				
Accounts payable	-	(78,408)	(78,408)	(426,967)
Accrued salaries and benefits	-	1,753	1,753	3,698
Compensated absences	3,000	(17,476)	(20,476)	14,122
Pending claims	118,000	(488,000)	(606,000)	206,000
Total Adjustments	121,000	(2,166,081)	(2,287,081)	590,087
Net Cash Provided (Used) by Operating Activities	\$ (3,040,338)	\$ (3,564,307)	\$ (523,969)	\$ (3,037,678)

**WASHOE COUNTY, NEVADA**  
**EQUIPMENT SERVICES FUND**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2016**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	2016			2015
	Budget	Actual	Variance	Actual
<b>Operating Revenues</b>				
Charges for Services:				
Equipment service billings	\$ 8,447,670	\$ 7,598,402	\$ (849,268)	\$ 7,225,519
Miscellaneous:				
Other	45,050	56,029	10,979	66,339
Total Operating Revenues	8,492,720	7,654,431	(838,289)	7,291,858
<b>Operating Expenses</b>				
Salaries and wages	1,363,763	1,277,073	86,690	1,318,919
Employee benefits	638,578	604,113	34,465	583,568
Services and supplies	4,448,086	4,181,565	266,521	4,256,048
Depreciation	1,637,698	1,428,793	208,905	1,343,386
Total Operating Expenses	8,088,125	7,491,544	596,581	7,501,921
Operating Income (Loss)	404,595	162,887	(241,708)	(210,063)
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	106,600	106,527	(73)	110,596
Gain (loss) on asset disposition	100,000	110,260	10,260	62,607
Total Nonoperating Revenues (Expenses)	206,600	216,787	10,187	173,203
Income (Loss) Before Capital Contributions and Transfers	611,195	379,674	(231,521)	(36,860)
<b>Capital Contributions</b>				
Contributions from other funds	-	196,637	196,637	27,286
Change in Net Position	\$ 611,195	\$ 576,311	\$ (34,884)	\$ (9,574)
<b>Net Position, July 1</b>		11,719,306		11,728,880
<b>Net Position, June 30</b>		\$ 12,295,617		\$ 11,719,306

**WASHOE COUNTY, NEVADA  
EQUIPMENT SERVICES FUND  
STATEMENT OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 8,132,372	\$ 7,357,351	\$ (775,021)	\$ 6,917,678
Cash received from others	360,348	349,695	(10,653)	267,027
Cash payments for personnel costs	(2,002,341)	(1,883,387)	118,954	(1,906,494)
Cash payments for services and supplies	<u>(4,341,486)</u>	<u>(3,835,713)</u>	<u>505,773</u>	<u>(4,013,279)</u>
Net Cash Provided (Used) by Operating Activities	<u>2,148,893</u>	<u>1,987,946</u>	<u>(160,947)</u>	<u>1,264,932</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	100,000	117,271	17,271	107,121
*Acquisition of capital assets	<u>(2,400,000)</u>	<u>(2,313,027)</u>	<u>86,973</u>	<u>(888,944)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,300,000)</u>	<u>(2,195,756)</u>	<u>104,244</u>	<u>(781,823)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(151,107)	(207,810)	(56,703)	483,109
<b>Cash and Cash Equivalents, July 1</b>	<u>2,587,257</u>	<u>2,827,767</u>	<u>240,510</u>	<u>2,344,658</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 2,436,150</u>	<u>\$ 2,619,957</u>	<u>\$ 183,807</u>	<u>\$ 2,827,767</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA  
EQUIPMENT SERVICES FUND  
STATEMENT OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2016  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2015)**

	<u>2016</u>			<u>2015</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 404,595	\$ 162,887	\$ (241,708)	\$ (210,063)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,637,698	1,428,793	(208,905)	1,343,386
**Imputed rental expense	106,600	106,527	(73)	110,596
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	96,335	96,335	13,416
Prepaid lease expense	-	146,080	146,080	146,080
Due from other governments	-	52,615	52,615	(107,153)
Increase (decrease) in:				
Accounts payable	-	(3,107)	(3,107)	(27,175)
Accrued salaries and benefits	-	6,875	6,875	3,769
Compensated absences	-	(9,076)	(9,076)	(7,776)
Due to other governments	-	17	17	(148)
Total Adjustments	<u>1,744,298</u>	<u>1,825,059</u>	<u>80,761</u>	<u>1,474,995</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,148,893</u>	<u>\$ 1,987,946</u>	<u>\$ (160,947)</u>	<u>\$ 1,264,932</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.

<b>*Acquisition of Capital Assets Financed by Cash</b>	\$ 2,400,000	\$ 2,313,027	\$ 86,973	\$ 888,944
Capital transferred from other funds	-	196,637	(196,637)	27,286
Capital Assets Value Acquisition Correction	-	25,434	(25,434)	
Increase (decrease) in accounts payable	<u>-</u>	<u>213,231</u>	<u>(213,231)</u>	<u>297,281</u>
Total Acquisition of Capital Assets	<u>\$ 2,400,000</u>	<u>\$ 2,748,329</u>	<u>\$ (348,329)</u>	<u>\$ 1,213,511</u>