

DOUGLAS COUNTY

NEVADA



COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDING JUNE 30, 2015



Douglas County, Nevada

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2015**

**Prepared By
Finance Division**

**Christine Vuletich
Assistant County Manager/Chief Financial Officer**



**Cover Photo Taken By
Kathy Kaiser, Finance Division**

Douglas County

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INTRODUCTORY SECTION



BOARD OF COMMISSIONERS

1594 Esmeralda Avenue, Minden, Nevada 89423

James R. Nichols
COUNTY MANAGER
775-782-9821

COMMISSIONERS:
Doug N. Johnson, CHAIRMAN
Nancy McDermid, VICE-CHAIRWOMAN
Greg Lynn
Barry Penzel
Steven Thaler

December 15, 2015

To the County Commission and Citizens of the Douglas County:

Nevada Revised Statutes (NRS) 354.624 require Douglas County (the County) to submit a “complete set” of financial statements presented in accordance with accounting principles generally accepted in the United States and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) for the County as of and for the year ended June 30, 2015, is hereby submitted.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed, among other things, both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the County's financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The County's basic financial statements were audited by Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County as of and for the year ended June 30, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's basic financial statements as of and for the year ended June 30, 2015, are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States. The Independent Auditors' Report on Financial Statements and Supplementary Information is presented as the first component of the financial section of this report. In addition, the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* is presented as the last component of the financial section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in a specified form called Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Independent Auditors' Report on Financial Statements and Supplementary Information.

Profile of the Government

Douglas County is a political subdivision of the State of Nevada, operating under provisions of Title 20 of Nevada Revised Statutes (NRS). On November 25, 1861, Douglas County became one of the first counties established by the first Nevada Territorial Legislature, and was retained when the territory became a state on October 31, 1864. Broad and green, nourished by the Carson River and its tributaries, Douglas County appeared as an oasis for early western settlers drawn by the California Gold Rush. Historically, many small communities were scattered along the base of the Sierra Nevada Mountain Range, remnants of some of the first towns in the State, many of which were established in the 1850's as trading posts and centers of ranching and farming. Settled in 1851, Genoa, originally known as Mormon Station, is the oldest of these. After severe fire damage and a decline in population, the Nevada Legislature changed the location of the County seat, during the 1915 session, from the Town of Genoa to the Town of Minden.

The County covers an approximate area of 750 square miles, and is located in the western portion of the State bordering the largest alpine lake in North America, Lake Tahoe with all its summer and winter activities. Douglas County is recognized as the gem of Northern Nevada - a hidden jewel, where you can still find miles of open space, expansive ranches and farms, many historical sites and displays, along with a wealth of outdoor recreation activities. Douglas County borders the State of California to the south and west, Lyon County to the east, and the State's capital, Carson City, to the north. Included within the County's boundaries are portions of the Sierra Nevada Mountain Range, Pinenut Mountains, Lake Tahoe, Topaz Lake, and the Carson and Walker Rivers. Elevations within the County vary from a low of 4,625 feet on the valley floor to a high of 9,500 feet at East Peak. The proximity of the Carson Valley to the Sierra Nevada Mountains creates one of the most comfortable daily temperature ranges in the continental United States. Generally, the climate is arid, with warm summers, moderate winters, and cool evening temperatures year around.

County residents elect officials to provide community leadership and administration. The County operates under a commission-manager form of government. The Board of Commissioners, the governing body of the County, is comprised of five members who are elected at-large by district to serve four-year, overlapping terms. The County Commissioners also serve as the governing body for the Douglas County Redevelopment Agency and several component units of the County. Other elected offices of the County include Assessor, Clerk/Treasurer, Constable, District Attorney, Justice of the Peace, Recorder, Sheriff and Public Administrator. Douglas County provides a wide range of community services, including airport, animal care, building safety, cooperative extension, code enforcement, community development services, district and justice courts, economic development, general administrative services, juvenile care, law enforcement, library, parks and recreation, senior services, social services, street construction and maintenance, water and sewer services, weed control, and zoning. Fire protection and paramedic services are provided by the East Fork Fire Protection District, a component unit of Douglas County. In addition, the unincorporated towns of Gardnerville, Genoa, and Minden provide various services to their residents, and are also component units of the County.

Factors Affecting Financial Condition

Local Economy

With its proximity to the State of California, and its favorable tax laws, Douglas County experienced significant growth in residential housing and commercial development prior to the economic downturn, which stagnated in the years after the Great Recession. Current data from the County Assessor's offices indicates that residential property sales and prices have stabilized and are continuing to trend upward. Residential building permits have also been trending higher over the last four years. The County's unemployment rate, which increased from 4.1% in September 2004 to 14.0% by September 2010 during the economic downturn, has dropped to 6.2% as of September 2015.

Major industries in the County include tourism, research and manufacturing, government and services. Douglas County offers the facilities and amenities of a metropolitan area, yet remains pleasantly rural with easy access to services, and has one of the best school districts in the State with scores well above the national standard. Major Douglas County employers include leaders in the fields of technology, manufacturing and research. Several dozen technology entrepreneurs and advanced manufacturers are located in the Carson Valley. This sector includes Bently Nevada, a world leader in its field, and a product line of General Electric. Other major employers include the Starbucks Roasting Facility, North Sails (maker of America's Cup sails), Harrah's, Harvey's and the Hard Rock Casinos/Hotels at Lake Tahoe, Heavenly Valley LTD (ski resort), Douglas County School District, Douglas County, Walmart and the Carson Valley Medical Center.

Long-term Financial Planning

Douglas County continues to build upon its strong record of long-range planning and financial stability. The County uses a five-year financial forecast process for the general fund, and other major funds, to focus on correcting structural budget imbalances over the long range. Over the years, the County has worked collaboratively with other special taxing districts to restructure property tax rates, and with other regional entities to provide for various shared services that serve our community in the most cost effective way. Douglas County was the first county in the United States to implement Priority Based Budgeting, a leading practice as recognized by the Alliance for Innovation in Local Government and the International City/County Management Association.

Priority Based Budgeting is more than a budgeting tool, it is a long-term organizational change used to achieve and sustain fiscal health and wellness by aligning an organization's financial resources with its highest priority programs and services. Priority Based Budgeting involves a comprehensive annual review of the entire organization, identifying every program offered and its cost, and evaluating the relevance of every program in terms of its contribution in meeting the priority results the County strives to achieve for the community as identified in the strategic planning process.

Community engagement is an important component of the budget process as it assists in the continued support of our residents for the County's programs, and illustrates the difficult choices facing local elected officials, especially in the economic environment of recent years. Citizens are engaged in the Priority Based Budgeting process by actively participating in the Manage the County's Checkbook on-line forum in which they have the opportunity to allocate a limited amount of budget dollars amongst the County's strategic priorities. Over the last three years, the outcome of this forum has resulted in a reallocation of existing budget resources into key areas identified by citizens, such as road maintenance.

Relevant Financial Policies

Douglas County maintains a comprehensive set of financial management policies designed to ensure financial stability through sound financial management practices and the provision of timely and accurate financial information so that the Board of County Commissioners' policy decisions are made proactively and not dictated by financial problems or emergencies. These policies also provide for operational principles that minimize the cost of government and financial risk, provide essential public facilities and maintenance of the County's infrastructure, protect and enhance the County's credit rating, and ensure the legal use of all County funding sources through a sound system of internal controls. The following paragraphs highlight the County's financial policies relevant to this report. These policies can be viewed in full on the County's website www.douglascountynv.gov, under the link provided on the Finance Division's home page.

The County maintains an accounting system and financial reporting practices that conform to Generally Accepted Accounting Principles (GAAP) and with the requirements of the Governmental Accounting Standards Board (GASB). The County provides for an annual independent audit of its financial statements by a qualified certified public accounting firm. The County publishes its audited financial statements and presents them in a public meeting together with the auditor's report no later than December 30 each year in compliance with the State of Nevada Revised Statutes.

It is the County's policy to maintain a structurally balanced budget, where only recurring revenues reasonably expected to continue from year to year are utilized to fund ongoing operating expenditures. The County uses one-time revenues to fund one-time expenditures such as the acquisition of capital assets or for capital improvements. The County maintains reserves at desired policy levels. Using reserves to balance the budget is only considered within the context of a time specific plan to return to a structurally balanced budget. The County budgets and strives to maintain a designated fund balance of at least 8.3% of estimated annual operating expenditures, and an appropriated contingency of between 1.5% and 3.0% in its general fund and special revenue funds. The County maintains a five-year Capital Improvement Plan, which is updated annually in the development of the annual Capital Improvement Program Budget.

In 2014, Standard & Poor's (S&P) upgraded the County's general obligation bond rating to AA from A+, with a stable outlook. The rating agency cited Douglas County's management conditions as very strong with strong financial practices that are well embedded and likely sustainable. In terms of the stable outlook, S&P's opinion was that the County will continue to manage general fund operations prudently, making the budget adjustments necessary to maintain stable financial operations and reserves.

Major Initiatives

The County's new Community and Senior Center opened to the public in December of 2014, and has quickly become a hub of the community. This 85,000 square-foot multi-generational facility includes a gymnasium, fitness facilities, multi-purpose rooms, senior center with dining facilities, community health service facility, classrooms and meeting rooms. Child care and senior day care facilities are planned to open at the center in 2016.

The Minden-Tahoe Airport originally built in 1942 as a military training base, serves diverse aviation uses, such as sport aviation, emergency services and corporate flying, and is home to a number of businesses. The East-side Utilities project began in 2015, and includes the construction of electric, water and sewer utilities to serve the currently undeveloped eastern section of the Airport. Constructing the basic utilities will allow for the migration of soaring activity and overall development in this area, which includes an estimated 300 acres. In the coming year, the Airport will also begin several planned runway and taxiway rehabilitation projects funded with grants from the Federal Aviation Administration.

Infrastructure continues to be a top priority and focus in Douglas County. In 2016, the County will begin a major project to upgrade and expand its North Valley Sewer Treatment Plant since the existing plant is nearing capacity. This project will provide upgraded sewage treatment systems and additional capacity to accommodate economic development and job creation in north Douglas County. The County also continues to focus on maintenance of its roadways, having reallocated significant funding from other areas to this purpose over the last several years. In addition, needed storm-water and flood control measures and funding alternatives are being evaluated.

The Douglas County Economic Vitality Plan continues to achieve remarkable results. Key strategic areas of focus of the plan include developing distinctive downtowns, capitalizing on outdoor recreation and lifestyle, and developing a thriving climate for business and learning. The Valley Vision and South Shore (Lake Tahoe) Vision Plans, include the development of partnerships between public and private sector entities to provide for vibrant and more pedestrian friendly downtown areas and transportation improvements.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2014.

This was the first year that the County received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, which satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the GFOA's Certificate of Achievement Program requirements and are submitting it to the GFOA.

Preparation of this CAFR could not have been accomplished without the efforts and dedication of the staff of the Finance Division. A special thanks to the firm of Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors, for its timely and professional service to the County as its independent auditors.

We wish to commend the members of the County Commission for their continued interest in conducting the financial operations of the County in a responsible and prudent manner.

Respectfully submitted,



Christine Vuletich
Assistant County Manager/Chief Financial Officer

DOUGLAS COUNTY

COUNTY COMMISSIONERS, OTHER ELECTED OFFICIALS AND APPOINTED OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2015

County Commissioners

**Greg Lynn, District 1
Steve Thaler, District 2
Doug N. Johnson, Chairman, District 3
Nancy McDermid, Vice Chairwoman, District 4
Barry Penzel, District 5**



Steve Thaler, Doug N. Johnson, Nancy McDermid, Greg Lynn and Barry Penzel

Other Elected Officials

**Tod Young, District Judge, District Court I
Michael P. Gibbons, District Judge, District Court II
Thomas Perkins, Justice Judge, East Fork Township
Richard Glasson, Justice Judge, Tahoe Township
Paul Gilbert, Constable, East Fork Township
Doug Sonnemann, County Assessor
Mark B. Jackson, District Attorney
Ron Pierini, Sheriff
Kathy Lewis, County Clerk-Treasurer
Karen Ellison, County Recorder**

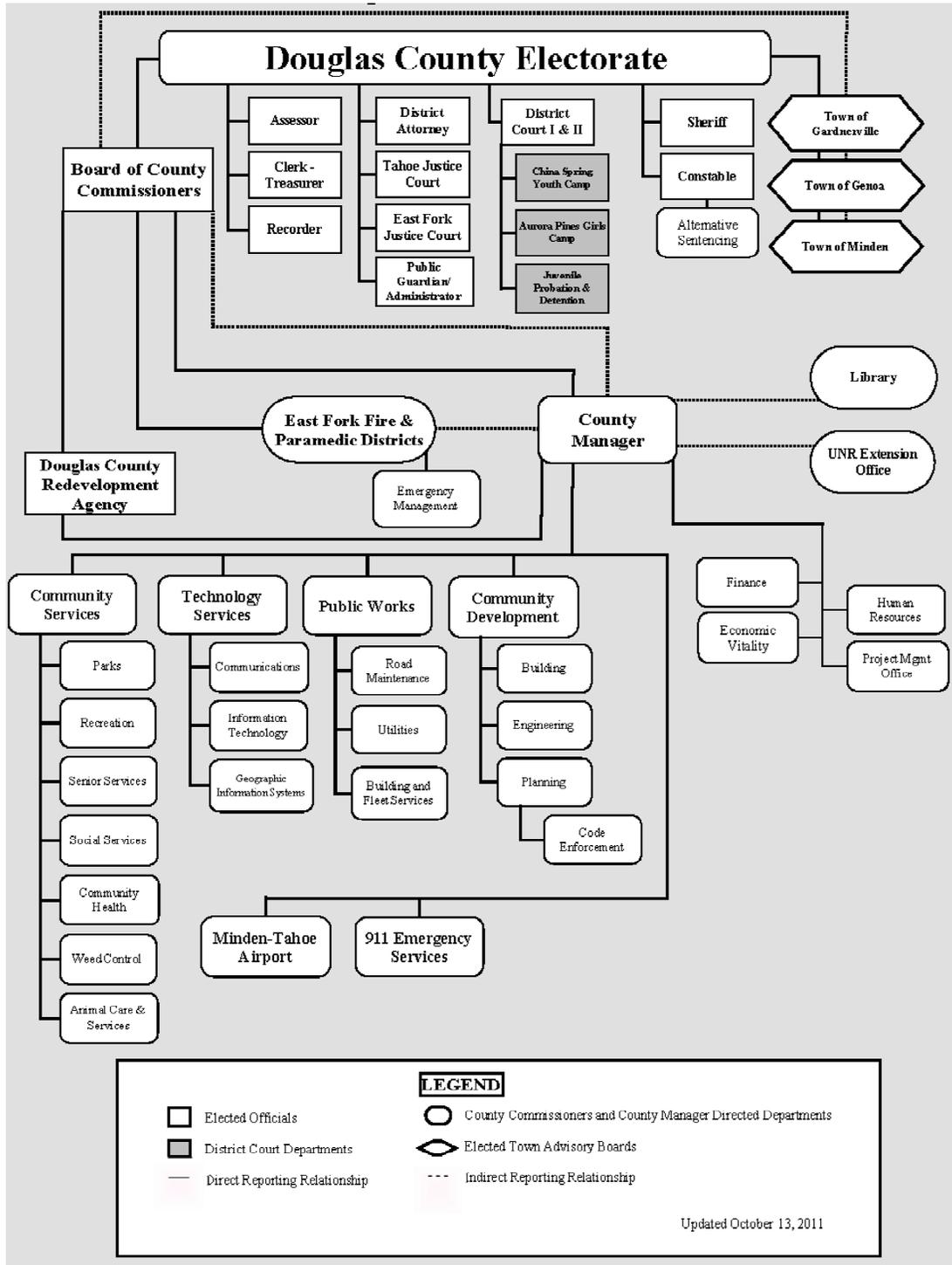
Appointed Officials

**James Nichols, County Manager
Christine Vuletich, Assistant County Manager/Chief Financial Officer
Bobbi Thompson, Minden-Tahoe Airport Manager
Amy Dodson, Library Director
Carl Ruschmeyer, Public Works Director
Mimi Moss, Community Development Director
Scott Morgan, Community Services Director
Tod Carlini, East Fork Fire and Paramedic District Chief
Ron Sagen, 911 Emergency Services Manager**

DOUGLAS COUNTY

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2015





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Douglas County
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

FINANCIAL SECTION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the County Commission
Douglas County, Nevada

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

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

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic 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 basic financial statements are free from material misstatement.

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

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

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress, proportionate share of the collective net pension liability information, proportionate share of statutorily

progress, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information and budgetary comparison information on pages 11-24 and 85-104 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 our opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section 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.

Other Reporting Required by *Government Auditing Standards*. In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015, 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.



Las Vegas, Nevada
December 15, 2015

**MANAGEMENT'S DISCUSSION
AND ANALYSIS**

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED June 30, 2015

The following section provides an overview of the financial activity and overall financial position of Douglas County (the County) for the fiscal year ended June 30, 2015. It includes condensed financial data followed by the County's independently audited basic financial statements, along with notes to the financial statements and supplemental information. We encourage the reader to consider the information presented here in conjunction with the additional information provided in our letter of transmittal.

Financial Highlights

The County's government-wide net position totaled \$183,681,745 at June 30, 2015, an increase of \$9,062,124, over the prior fiscal year.

Current, restricted and other (non-capital) assets totaled \$88,526,168, an increase of \$2,883,241.

Capital assets totaled \$226,342,040, an increase of \$2,666,848.

Current liabilities totaled \$13,813,959 an increase of \$157,566.

Long-term liabilities totaled \$111,288,166, a decrease of \$19,601,774.

The County's governmental activities funds reported combined total net position of \$81,179,584, an increase of \$2,045,500.

The County's business type activities funds reported a combined total net position of \$102,502,161, an increase of \$7,016,624.

Financial Statement Overview

Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the County's finances that is similar to a private-sector business.

Statement of Net Position - Presents information on all of the County's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

Statement of Activities - Presents information showing how the County's net position changed during the fiscal year. The County reports changes in net position when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses in this statement are for some items that will only result in cash flows for future fiscal periods.

The amounts in the government-wide financial statements distinguish the operating functions of the County as follows.

Governmental Activities - Activities principally supported by taxes and intergovernmental revenues, including federal and state grants and other shared revenues and include general government, judicial, public safety, public works, community development, culture and recreation, health and sanitation, and welfare.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Business-type Activities - Functions that recover all or a significant portion of their costs through user fees and charges. The business-type activities of the County include water, sewer, and trash service operations; and debt service.

The government-wide financial statements can be found in the "Basic Financial Statements" section of this report.

Fund Financial Statements

A fund is a legal and accounting entity with a self-balancing set of accounts used to maintain accounting control over resources segregated to record specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds fall into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on the balances of expendable resources available at the end of the fiscal year.

This report includes separately presented information in the balance sheet, and the statement of revenues, expenditures, and changes in fund balances for each of the major funds as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. Data from the remaining non-major funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual fund statements and schedules included elsewhere in this report.

Governmental funds include four types:

General Fund – Accounts for all financial resources not accounted for in other funds.

Special Revenue Funds - Accounts for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Debt Service Funds - Accounts for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Capital Project Funds - Accounts for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

The governmental fund financial statements can be found in the "Basic Financial Statements" section of this report.

Proprietary Funds

The County maintains two types of proprietary funds:

Enterprise Funds – Account for activities for which a user fee is charged for the provision of goods or services. The County uses enterprise funds to account for its water, sewer and refuse service operations.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis. The County uses internal service funds to account for risk management, employee dental programs, and fleet services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for each major proprietary fund. Data from the remaining non-major enterprise 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 and combining fund data for the non-major enterprise and internal service funds is provided in the other supplementary information section of this report.

The proprietary fund financial statements can be found in the "Basic Financial Statements" section of this report.

Fiduciary Funds

Fiduciary Funds - Account for the County's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds do not arise from County operational activities and are not available to support the County's own programs. The accounting method used for fiduciary funds is much like the method used for the proprietary funds.

The fiduciary fund financial statement can be found in the "Basic Financial Statements" section of this report.

Notes to 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 basic financial statements can be found immediately following the "Basic Financial Statements" section of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, including budget comparison data for the general and major special revenue funds. Other supplementary information for the non-major funds includes budget comparison data and combining and individual fund statements and schedules.

The required and other supplementary information can be found immediately following the notes to the basic financial statements in this report.

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Government-wide financial analysis

The following table summarizes the County's net position at June 30, 2015 and 2014.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 (Restated)	2015	2014 (Restated)	2015	2014 (Restated)
Assets						
Current, restricted and other	\$ 67,137,570	\$ 65,689,023	\$ 21,388,598	\$ 19,953,904	\$ 88,526,168	\$ 85,642,927
Capital	122,103,345	122,492,052	104,238,695	101,183,140	226,342,040	223,675,192
Total assets	189,240,915	188,181,075	125,627,293	121,137,044	314,868,208	309,318,119
Deferred outflows of resources	9,809,832	8,990,397	825,194	857,438	10,635,026	9,847,835
Liabilities						
Current	10,943,426	9,856,497	2,870,533	3,799,896	13,813,959	13,656,393
Long-term	90,987,057	108,180,891	20,301,109	22,709,049	111,288,166	130,889,940
Total liabilities	101,930,483	118,037,388	23,171,642	26,508,945	125,102,125	144,546,333
Deferred inflows of resources	15,940,680		778,684		16,719,364	
Net position						
Net investment in capital assets	103,545,887	103,681,416	87,721,290	82,994,996	191,267,177	186,676,412
Restricted	41,170,332	37,255,075	684,789	716,905	41,855,121	37,971,980
Unrestricted	(63,536,635)	(61,802,407)	14,096,082	11,773,636	(49,440,553)	(50,028,771)
Total net position	\$ 81,179,584	\$ 79,134,084	\$ 102,502,161	\$ 95,485,537	\$ 183,681,745	\$ 174,619,621

At June 30, 2015, the County's primary government total net position was \$183,681,745 representing an increase of \$9,062,124 over the prior year.

Assets totaled \$314,868,208, and exceeded liabilities by \$189,766,083. Current assets totaled \$88,526,168, an increase of \$2,883,241, primarily due to increases in cash, cash equivalents and investments.

Capital assets totaled \$226,342,040 (72%) reflecting the County's investment in land, buildings and building improvements, machinery and equipment, vehicles, and infrastructure, net of depreciation. Capital assets increased by \$2,666,848 in fiscal year 2014-15.

Liabilities totaled \$125,102,125. Current liabilities totaled \$13,813,959, an increase of \$157,566. Long-term liabilities totaled \$111,288,166, a decrease of \$19,601,774. Long-term liabilities include long-term debt outstanding, compensated absences as well as the net pension liability and other postemployment benefit obligations. The net pension liability is recorded for the first time this fiscal year due to the required implementation of GASB Statement Nos. 68 and 71. Additional pension plan information is presented in notes 1 and 4 to the basic financial statements.

The total primary government net position includes the following components, net investment in capital assets of \$191,267,177, restricted net position of \$41,855,121 and negative unrestricted net position of \$49,440,553. The negative unrestricted net position is due to the recognition of a net pension liability of \$64,829,752, as a result of the required adoption of GASB Statement Nos. 68 and 71, discussed above. Together these three components make up the total net position of \$183,681,745.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

The following table summarizes the County's statement of activities and details the changes in net position for the fiscal years ended June 30, 2015 and 2014.

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014 Restated	2015	2014 Restated	2015	2014 Restated
Revenues						
Program revenues						
Charges for services	\$ 13,941,613	\$ 12,316,608	\$ 11,214,386	\$ 10,506,035	\$ 25,155,999	\$ 22,822,643
Operating grants and contributions	6,853,920	6,819,224			6,853,920	6,819,224
Capital grants and contributions	395,150	2,135,366	6,143,818	4,920,192	6,538,968	7,055,558
General revenues						
Property taxes	37,221,860	35,969,749			37,221,860	35,969,749
Intergovernmental consolidated taxes	13,303,618	12,824,547			13,303,618	12,824,547
Room taxes	5,711,688	5,414,873			5,711,688	5,414,873
Intergovernmental sales taxes	1,614,104	1,470,298			1,614,104	1,470,298
Construction taxes	181,599	125,057			181,599	125,057
Intergovernmental franchise and public service taxes	7,366,250	6,912,030			7,366,250	6,912,030
Investment income	312,694	296,778	88,283	64,467	400,977	361,245
Gain on disposal of capital assets	45,235	262,461	238,983		284,218	262,461
Miscellaneous	740,117	269,635	110,505	107,249	850,622	376,884
Total revenues	87,687,848	84,816,626	17,795,975	15,597,943	105,483,823	100,414,569
Expenses						
General government	12,956,802	13,920,640			12,956,802	13,920,640
Judicial	13,915,522	13,425,448			13,915,522	13,425,448
Public safety	29,112,782	29,491,135			29,112,782	29,491,135
Public works	7,294,588	13,034,974			7,294,588	13,034,974
Community development	4,186,295	3,605,357			4,186,295	3,605,357
Culture and recreation	14,539,072	11,803,428			14,539,072	11,803,428
Health and sanitation	496,018	953,423			496,018	953,423
Welfare	2,425,146	2,267,169			2,425,146	2,267,169
Interest expense and fiscal charges	616,123	600,564			616,123	600,564
Water			7,613,179	6,968,703	7,613,179	6,968,703
Sewer			1,779,765	1,937,546	1,779,765	1,937,546
Health and sanitation			976,081	878,886	976,081	878,886
Trash service			510,326	583,922	510,326	583,922
Total expenses	85,542,348	89,102,138	10,879,351	10,369,057	96,421,699	99,471,195
Transfers	(100,000)	(91,336)	100,000	91,336		
Change in net position	2,045,500	(4,376,848)	7,016,624	5,320,222	9,062,124	943,374
Net position, beginning of year	79,134,084	83,510,932	95,485,537	90,165,315	174,619,621	173,676,247
Net position, end of year	\$ 81,179,584	\$ 79,134,084	\$ 102,502,161	\$ 95,485,537	\$ 183,681,745	\$ 174,619,621

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

In fiscal year 2015, the net position of the County's governmental activities totaled \$81,179,584, an increase of \$2,045,500. Revenues received from governmental activities totaled \$87,687,848, an increase of \$2,871,222 (3.4%) over the prior year primarily due to increased revenues from charges for service, taxes and intergovernmental revenues. Expenses in governmental activities totaled \$85,542,348, a decrease of \$3,559,790 (4.0%) over the prior year, due primarily to decreases in general government, and public works expenditures.

The net position of the County's business-type activities totaled \$102,502,161 an increase of \$7,016,624 over the prior year. Revenues from business-type activities totaled \$17,795,975, an increase of \$2,198,032 (14.1%) over the prior year, primarily due to increases in capital grants and contributions, and charges for services. Expenses in business-type activities totaled 10,897,351, an increase of \$510,294 (4.9%) primarily due to an increase in water systems expenditures.

Financial Analysis of Major Funds

As previously discussed, the County was required to implement the provisions of GASB Statement Nos. 68 and 71 for fiscal year 2014-15. As a result, equity balances, as previously reported, have been adjusted. Detailed information related to these and other equity related adjustments can be found in note 2 to the basic financial statements.

Governmental Funds

Governmental Funds
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2015

	Special Revenue Funds			Capital Projects Funds		Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Park Residential Construction Tax			
Total revenues	\$ 43,451,959	\$ 10,525,132	\$ 7,408,589	\$ 43,836	\$ 28,046,850	\$ 89,476,366	
Total expenditures	<u>38,348,082</u>	<u>12,743,680</u>	<u>11,907,709</u>	<u>53,923</u>	<u>26,587,654</u>	<u>89,641,048</u>	
Excess (deficiency) of revenues over (under) expenditures	5,103,877	(2,218,548)	(4,499,120)	(10,087)	1,459,196	(164,682)	
Total other financing sources (uses)	<u>(3,470,651)</u>	<u>571,463</u>	<u>5,114,478</u>		<u>(878,760)</u>	<u>1,336,530</u>	
Change in fund balance	<u>1,633,226</u>	<u>(1,647,085)</u>	<u>615,358</u>	<u>(10,087)</u>	<u>580,436</u>	<u>1,171,848</u>	
Fund balance, beginning of year, as previously reported	10,597,894	3,584,786	2,178,158	(618)	32,282,229	48,642,449	
Adjustment	<u>(104,888)</u>				<u>317,747</u>	<u>212,859</u>	
Fund balance, beginning of year, as adjusted	<u>10,493,006</u>	<u>3,584,786</u>	<u>2,178,158</u>	<u>(618)</u>	<u>32,599,976</u>	<u>48,855,308</u>	
Fund balance, end of year	<u>\$ 12,126,232</u>	<u>\$ 1,937,701</u>	<u>\$ 2,793,516</u>	<u>\$ (10,705)</u>	<u>\$ 33,180,412</u>	<u>\$ 50,027,156</u>	

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

The County's governmental fund financial statements provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year. At June 30, 2015, the County's governmental funds reported a combined ending fund balance of \$50,027,156, an increase of \$1,171,848 in comparison to the prior year. Of the total ending fund balance, \$41,382,675 is set aside to indicate non-spendable amounts, funds restricted for debt service, capital improvement projects and other programs, and amounts committed for or assigned to specific programs. The remaining fund balance of \$8,644,481 is unassigned.

	Governmental Funds					Total Governmental Funds
	Fund Balance					
	June 30, 2015					
	General Fund	Special Revenue Funds		Capital Projects Funds		
	Room Tax	East Fork Fire Protection District	Park Residential Construction Tax	Non-major Governmental Funds		
FUND BALANCES						
Nonspendable						
Prepaid items	\$ 193,615	\$ 7,855	\$ 173,410		\$ 122,978	\$ 497,858
Land held for resale					179,292	179,292
Deposits	13,795				7,656	21,451
Restricted for						
Debt service					1,928,270	1,928,270
Capital improvement projects				(10,705)	16,187,319	16,176,614
General, town and district redevelopment programs	170,539		2,620,106		3,051,713	5,842,358
Youth and other judicial programs	2,292,997				2,038,117	4,331,114
Fire, police and other public safety programs	69,377				787,116	856,493
Streets and other public works programs					2,831,523	2,831,523
Cultural, community and development programs					5,234,157	5,234,157
Committed to						
Streets and other public works programs					657,280	657,280
Assigned to						
General, town and district redevelopment programs	376,373					376,373
Youth and other judicial programs	2,954					2,954
Cultural, community and development programs		1,929,846				1,929,846
Sanitation and other health programs					154,991	154,991
Stabilization programs	362,101					362,101
Unassigned	<u>8,644,481</u>					<u>8,644,481</u>
Total fund balances	<u>\$ 12,126,232</u>	<u>\$ 1,937,701</u>	<u>\$ 2,793,516</u>	<u>\$ (10,705)</u>	<u>\$ 33,180,412</u>	<u>\$ 50,027,156</u>

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

General Fund

The general fund is the County's chief operating fund. At June 30, 2015, fund balance in the general fund was \$12,126,232, an increase of \$1,633,226 over the prior fiscal year. The increase is the net result of actual revenues, expenditures, and other financing sources and uses.

In the final budget, general fund revenues totaled \$45,096,028, while actual revenues received were \$43,451,959, which was \$1,644,069 less than budgeted. This decrease resulted primarily due to judicial fines that were included in the amended budget, but were not received during the fiscal year.

Budgeted expenditures totaled \$44,346,729. Actual expenditures totaled \$38,348,082, which was \$5,998,647 less than budgeted, and resulted primarily from judicial expenditures that were included in the amended budget, but were not made in the current fiscal year.

General Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Continued)
For the Year Ended June 30, 2015

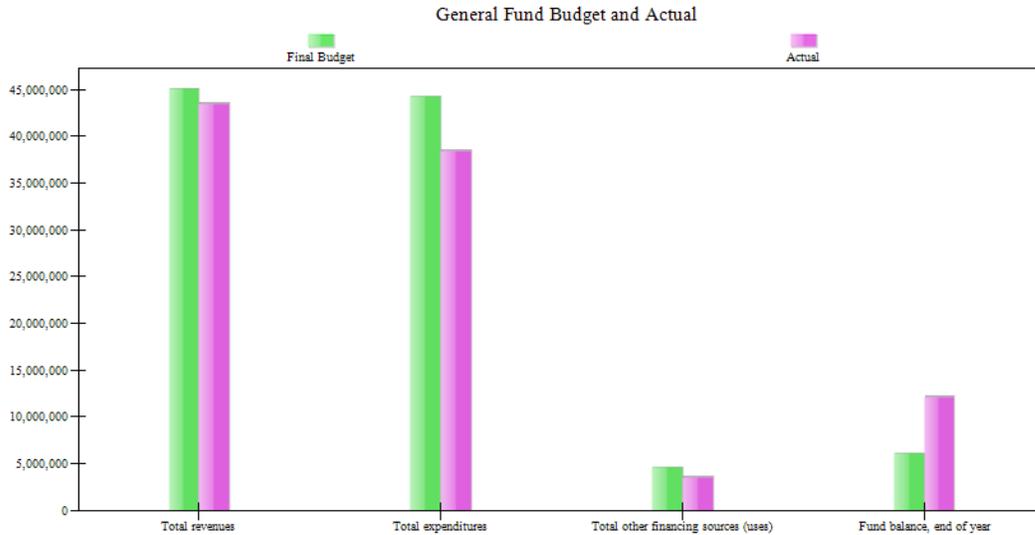
	Original Budget	Final Budget	Actual	Variance
Total revenues	40,743,535	45,096,028	43,451,959	(1,644,069)
Total expenditures	38,048,876	44,346,729	38,348,082	5,998,647
Excess of revenues over expenditures	2,694,659	749,299	5,103,877	4,354,578
Total other financing sources (uses)	(3,892,935)	(4,520,267)	(3,470,651)	1,049,616
CHANGE IN FUND BALANCE	(1,198,276)	(3,770,968)	1,633,226	5,404,194
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			10,597,894	
Adjustment			(104,888)	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	7,644,407	9,788,395	10,493,006	704,611
FUND BALANCE, END OF YEAR	6,446,131	6,017,427	12,126,232	6,108,805

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015



Room Tax Fund

At June 30, 2015, the ending fund balance in the room tax fund totaled \$1,937,701, a decrease of \$1,647,085 over the prior year. The decrease resulted primarily due to the remaining capital expenditures associated with the completion of construction of the County's new Community and Senior Center. Actual room tax fund revenues totaled \$10,525,132, which was \$397,200 higher than budgeted. Expenditures totaled \$12,743,680, which was \$911,148 less than budgeted.

East Fork Fire Protection District Fund

At June 30, 2015, the total fund balance in the east fork fire protection district fund was \$2,793,516, an increase of \$615,358 over the prior year. Actual revenues totaled \$7,408,589. Transfers in of revenues and the remaining fund balances from the east fork paramedic district, east fork equipment and the east fork construction reserve funds totaled \$5,229,183.

Park Residential Construction Tax Capital Projects Fund

At June 30, 2015, the ending fund balance in the park residential construction tax fund was a negative \$10,705. Actual revenues totaled \$43,836, which was \$336 higher than budgeted. Actual expenditures totaled \$53,923, which is \$10,087 higher than budgeted, resulting in a \$618 decrease in fund balance for the year.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Proprietary Funds

Proprietary Funds
Summary Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2015

	Business-type Activities				
	Regional Water Utility	Sewer Utility	Carson Valley Water Utility	Lake Tahoe Water Utility	Town of Minden Wholesale Water Utility
	Total operating revenues	\$ 997,005	\$ 1,915,053	\$ 2,868,339	\$ 1,112,280
Total operating expenses	<u>1,308,673</u>	<u>1,657,711</u>	<u>2,157,687</u>	<u>1,104,061</u>	<u>1,129,058</u>
Operating income (loss)	(311,668)	257,342	710,652	8,219	(44,648)
Total nonoperating revenues (expenses)	<u>126,314</u>	<u>(101,278)</u>	<u>(200,250)</u>	<u>(67,359)</u>	<u>19,758</u>
Income (loss) before capital contributions and transfers	(185,354)	156,064	510,402	(59,140)	(24,890)
Total capital contributions	199,061	3,634,475	1,606,155	94,934	
Total transfers	<u>(125,000)</u>	<u></u>	<u>125,000</u>	<u>13,538,808</u>	<u></u>
CHANGE IN NET POSITION	<u>(111,293)</u>	<u>3,790,539</u>	<u>2,241,557</u>	<u>13,574,602</u>	<u>(24,890)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	16,245,854	19,455,190	22,194,246		13,672,930
Adjustment	<u>(10,725)</u>	<u>(539,714)</u>	<u>(802,402)</u>	<u>(644,727)</u>	<u>(271,889)</u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>16,235,129</u>	<u>18,915,476</u>	<u>21,391,844</u>	<u>(644,727)</u>	<u>13,401,041</u>
NET POSITION, END OF YEAR	<u>\$ 16,123,836</u>	<u>\$ 22,706,015</u>	<u>\$ 23,633,401</u>	<u>\$ 12,929,875</u>	<u>\$ 13,376,151</u>

	Business-type Activities			Governmental Activities
	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Total operating revenues	\$ 1,027,871	\$ 2,209,428	\$ 11,214,386
Total operating expenses	<u>866,476</u>	<u>1,933,734</u>	<u>10,157,400</u>	<u>6,022,647</u>
Operating income (loss)	161,395	275,694	1,056,986	(1,054,411)
Total nonoperating revenues (expenses)	<u>202,749</u>	<u>(30,795)</u>	<u>(50,861)</u>	<u>386,074</u>
Income (loss) before capital contributions and transfers	364,144	244,899	1,006,125	(668,337)
Total capital contributions	381,414		5,916,039	
Total transfers	<u></u>	<u>(13,438,808)</u>	<u>100,000</u>	<u></u>
CHANGE IN NET POSITION	<u>745,558</u>	<u>(13,193,909)</u>	<u>7,022,164</u>	<u>(668,337)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	11,873,988	15,460,462	98,902,670	5,955,146
Adjustment	<u>(296,966)</u>	<u>(804,415)</u>	<u>(3,370,838)</u>	<u>(661,298)</u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>11,577,022</u>	<u>14,656,047</u>	<u>95,531,832</u>	<u>5,293,848</u>
NET POSITION, END OF YEAR	<u>\$ 12,322,580</u>	<u>\$ 1,462,138</u>	<u>\$ 102,553,996</u>	<u>\$ 4,625,511</u>

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Proprietary Funds
Net Position
June 30, 2015

	Business-type Activities				
	Regional Water Utility	Sewer Utility	Carson Valley Water Utility	Lake Tahoe Water Utility	Town of Minden Wholesale Water Utility
NET POSITION					
Net investment in capital assets	\$ 15,743,175	\$ 19,315,181	\$ 20,006,341	\$ 11,113,764	\$ 12,733,219
Restricted					
Debt service		424,352	260,437		
Insurance liabilities					
Unrestricted	380,661	2,966,482	3,366,623	1,816,111	642,932
Total net position	\$ 16,123,836	\$ 22,706,015	\$ 23,633,401	\$ 12,929,875	\$ 13,376,151

	Business-type Activities			Governmental Activities
	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
NET POSITION				
Net investment in capital assets	\$ 7,884,778	\$ 924,832	\$ 87,721,290	\$ 498,330
Restricted				
Debt service			684,789	
Insurance liabilities				3,969,803
Unrestricted	4,437,802	537,306	14,147,917	157,378
Total net position	\$ 12,322,580	\$ 1,462,138	\$ 102,553,996	\$ 4,625,511

Regional Water Utility Fund

At June 30, 2015, the net position in the regional water utility fund totaled \$16,123,836, a decrease of \$111,293 over the prior fiscal year. Operating revenues totaled \$997,005, and net non-operating revenues totaled \$126,314. Operating expenses totaled \$1,308,673, resulting in an operating loss before capital contributions and transfers of \$185,354. Capital contributions totaled \$199,061, while transfers out were \$125,000. The adjustment to net position at the beginning of the fiscal year as a result of the GASB Statement Nos. 68 and 71 was \$10,725. Of the net position in this fund at the end of the year, \$15,743,175 represents net investment in capital assets, and the remaining \$380,661 is unrestricted.

Sewer Utility Fund

At June 30, 2015, the net position in the sewer utility fund totaled \$22,706,015, an increase of \$3,790,539 over the prior fiscal year. This fund had operating income before capital contributions and transfers of \$156,064. Operating revenues totaled \$1,915,053. Operating expenses totaled \$1,657,711, while net non-operating expenses totaled \$101,278. Capital contributions and connection charges totaled \$3,634,475. The adjustment to net position at the beginning of the fiscal year as a result of the GASB Statement Nos. 68 and 71 was \$539,714. Of the net position in this fund at the end of the year, \$19,315,181 represents net investment in capital assets, \$424,352 is restricted for debt service, and the remaining \$2,966,482 is unrestricted.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Carson Valley Water Utility Fund

At June 30, 2015, the net position in the carson valley water utility fund totaled \$23,633,401, an increase of \$2,241,557 over the prior year. This fund had income before capital contributions and transfers of \$510,402. Operating revenues totaled \$2,868,339. Operating expenses totaled \$2,157,687, and net non-operating expenses totaled \$200,250. Capital contributions and connection charges totaled \$1,606,155 and transfers in were \$125,000. The adjustment to net position at the beginning of the fiscal year as a result of the GASB Statement Nos. 68 and 71 was \$802,402. Of the net position in this fund at the end of the year, \$20,006,341 represents net investment in capital assets, \$260,437 is restricted for debt service and the remaining \$3,366,623 is unrestricted.

Lake Tahoe Water Utility Fund

In fiscal year 2014-15 the cave rock, skyland and zephyr water utility funds were financially consolidated into the new lake tahoe water utility fund. As of June 30, 2015 the net position in the new lake tahoe water utility fund totaled \$12,929,875. This fund had a loss before capital contributions and transfers of \$59,140, however as the consolidation was completed mid-year additional operating activity is still reflected in the original funds for fiscal year 2014-15, which results in a net loss of \$17,886 when taking the activity in these funds into account. Operating revenues totaled \$1,112,280. Operating expenses totaled \$1,104,061, and net non-operating expenses totaled \$67,359. Capital contributions and connection charges totaled \$94,934, and transfers in from the three original funds totaled \$13,538,808. The adjustment to net position at the beginning of the fiscal year as a result of the GASB Statement Nos. 68 and 71 was \$644,727. Of the net position in this fund at the end of the year, \$11,113,764 represents net investment in capital assets, and the remaining \$1,816,111 is unrestricted.

Town of Minden Wholesale Water Utility Fund

At June 30, 2015, the net position in the town of minden wholesale water utility fund totaled \$13,376,151. Operating revenues totaled \$1,084,410, and net non-operating revenues totaled \$19,758. Operating expenses totaled \$1,129,058. The adjustment to net position at the beginning of the fiscal year as a result of the GASB Statement Nos. 68 and 71 was \$271,889. Of the net position in this fund at the end of the year, \$12,733,219 represents net investment in capital assets, and the remaining \$642,932 is unrestricted.

Town of Minden Water Company Fund

At June 30, 2015, the net position in the town of minden water company fund totaled \$12,322,580, an increase of \$745,558 over the prior fiscal year. This fund had income of \$364,144 before capital contributions. Operating revenues totaled \$1,027,871, and net non-operating revenues totaled \$202,749. Operating expenses totaled \$866,476. The adjustment to net position at the beginning of the fiscal year as a result of the GASB Statement Nos. 68 and 71 was \$296,966. Of the net position at the end of the year in this fund, \$7,884,778 represents net investment in capital assets, and the remaining \$4,437,802 is unrestricted.

Capital Assets

Investment in capital assets includes land, construction in progress, water rights, buildings and building improvements, machinery, equipment and software, infrastructure, and water and sewer systems. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2015 totaled \$226,342,040 (net of accumulated depreciation), a net increase of \$2,666,848.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

Capital Assets, Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
		(Restated)				(Restated)
Land	\$ 17,503,756	\$ 17,215,387	\$ 2,831,609	\$ 2,891,609	\$ 20,335,365	\$ 20,106,996
Construction in progress	3,789,143	19,919,172	2,112,911	12,294,318	5,902,054	32,213,490
Water rights			5,772,013	2,960,865	5,772,013	2,960,865
Buildings and building improvements	57,398,938	41,843,768	2,063,407	2,132,270	59,462,345	43,976,038
Machinery, equipment and software	6,835,524	6,935,822	400,191	496,453	7,235,715	7,432,275
Infrastructure	36,575,984	36,577,903			36,575,984	36,577,903
Water and sewer systems			91,058,564	80,407,625	91,058,564	80,407,625
	<u>\$ 122,103,345</u>	<u>\$ 122,492,052</u>	<u>\$ 104,238,695</u>	<u>\$ 101,183,140</u>	<u>\$ 226,342,040</u>	<u>\$ 223,675,192</u>

Major capital projects capitalized during fiscal year 2014-15 include, but are not limited to, the following:

Douglas County Community and Senior Center

Sunridge Sewer Lines and Lift Station

Clear Creek Clubhouse Road Water Lines

North County Waterline and Booster Pump Station

Additional detailed information regarding capital assets is included in notes 1 and 3 to the basic financial statements.

Long-term Liabilities

The following table summarizes the County's long-term liabilities for the fiscal years ended June 30, 2015 and 2014.

Summary of Long-term Liabilities Outstanding

	Governmental Activities		Business-type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
		(Restated)		(Restated)		(Restated)
Bonds and notes payable, net of unamortized premiums and discounts	\$ 18,563,439	\$ 20,090,072	\$ 16,872,058	\$ 18,448,247	\$ 35,435,497	\$ 38,538,319
Net pension liability	61,810,388	77,988,644	3,019,364	3,809,652	64,829,752	81,798,296
Compensated absences	3,967,624	3,705,902	166,528	223,164	4,134,152	3,929,066
Postemployment benefits other than pensions	6,599,444	6,346,751	243,159	227,986	6,842,603	6,574,737
	<u>\$ 90,940,895</u>	<u>\$ 108,131,369</u>	<u>\$ 20,301,109</u>	<u>\$ 22,709,049</u>	<u>\$ 111,242,004</u>	<u>\$ 130,840,418</u>

As of June 30, 2015, the County had long-term liabilities outstanding totaling \$111,242,004, which includes a new category, net pension liability, as a result of the required implementation of GASB Statement Nos. 68 and 71. Long-term liabilities outstanding decreased \$19,598,414 over the prior year, primarily as a result of the repayment of bonds and notes payable and a decrease in the net pension liability.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2015

The County's underlying bond rating from Standard & Poor's in 2015 is AA "very strong" with a stable outlook, which was an upgrade in 2014 from its previous A+ "strong" rating. Moody's Investors Service, Inc. last confirmed the County's Aa2 credit rating in 2013.

Additional detailed information regarding debt is included in Notes 1 and 3 to the basic financial statements.

Economic Factors

The County reviews a variety of economic factors in the development and of its operating and capital budgets. Throughout the year, the County monitors changes in economic trends and events. The five-year Capital Improvement Plan includes assumptions reviewed by the Board of County Commissioners and associated committees. Below are highlights of current economic indicators and assumptions used in developing the fiscal year 2015-16 budget.

Overall, economic conditions are improving in the County, with the County's unemployment rate continuing to trend lower. The June 2015 rate was 7.0%, as compared to 7.8% in June of 2014. As of October 2015, the unemployment rate has decreased to 6.0% and the size of the County's labor force increased over the prior year.

Residential building permits, which are a leading indicator of economic activity, have continued to trend higher as we have seen over the last several years. For the twelve-month period ended September 2015, residential property sales in the County are 3.6% lower than last year. However, the sales price of residential homes in the County is 6.6% higher than last year, with the median sales price at \$293,750. Total assessed property value within the County was valued at \$2,678,417,112 for fiscal year 2015-16, a 2.8% increase over the prior fiscal year, for the second consecutive annual increase since the low in 2014.

It is the County's policy to adopt a structurally balanced budget. Operating revenue projections are based on current economic trends, and revenue information provided by the State of Nevada. For fiscal year 2015-16, the County's general fund revenues are budgeted to increase 2.9%. The three major revenue sources which make up 73% of the general fund budget are property taxes (projected to increase 1.9%), charges for services (projected to increase 11.0%) and intergovernmental consolidated taxes (projected to increase 2.3%). General fund operating expenses are projected to increase 1.6% overall. The largest categories of operating expenses include personnel services (projected to increase 2.4%) and services and supplies (projected to increase 6.1%).

Requests for Information

This financial report provides a general overview of the County's finances for those interested. For questions regarding the information provided in this report or requests for additional financial information contact Christine Vuletich, Assistant County Manager/Chief Financial Officer, by writing to P.O. Box 218, Minden, Nevada, 89423, calling (775) 782-9097, or *via* email at cvuletich@co.douglas.nv.us.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

DOUGLAS COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 58,096,001	\$ 17,336,103	\$ 75,432,104
Cash, cash equivalents and investments, restricted	471,838	686,457	1,158,295
Accounts receivable, net	2,781,878	1,242,141	4,024,019
Notes receivable, net		1,812,500	1,812,500
Taxes and penalties receivable	1,043,714		1,043,714
Interest receivable	105,001	29,728	134,729
Due from other governments	3,717,739	49,866	3,767,605
Special assessments receivable		5,044	5,044
Inventories	222,798	57,435	280,233
Prepaid items	497,858	57,084	554,942
Property held for resale	179,292		179,292
Other assets	21,451		21,451
Internal balances *		112,240	
Capital assets, net of accumulated depreciation and amortization			
Land	17,503,756	2,831,609	20,335,365
Construction in progress	3,789,143	2,112,911	5,902,054
Water rights		5,772,013	5,772,013
Buildings and building improvements	57,398,938	2,063,407	59,462,345
Machinery, equipment and software	6,835,524	400,191	7,235,715
Infrastructure	36,575,984		36,575,984
Water and sewer systems		91,058,564	91,058,564
Total assets	189,240,915	125,627,293	314,755,968
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized deferred refunding charges	5,981	348,608	354,589
Unamortized amounts related to pensions	9,803,851	476,586	10,280,437
Total deferred outflows of resources	9,809,832	825,194	10,635,026
LIABILITIES			
Accounts payable and accrued expenses	4,976,283	567,973	5,544,256
Accrued salaries, wages and benefits	1,663,900	57,251	1,721,151
Unearned revenue	2,602,579	2,050,186	4,652,765
Contract retentions payable	8,890		8,890
Deposits	211,227	58,451	269,678
Amounts held for others	1,004,919		1,004,919
Due to other governments	203,422		203,422
Interest payable	159,966	136,672	296,638
Internal balances *	112,240		
Long-term liabilities, due within one year			
Claims and judgments, estimated	46,162		46,162
Compensated absences	2,685,516	166,528	2,852,044
Bonds and notes payable	1,689,288	1,911,927	3,601,215
Long-term liabilities, due in more than one year			
Compensated absences	1,282,108		1,282,108
Postemployment benefits other than pensions	6,599,444	243,159	6,842,603
Net pension liability	61,810,388	3,019,364	64,829,752
Bonds and notes payable, net of unamortized premiums and discounts	16,874,151	14,960,131	31,834,282
Total liabilities	101,930,483	23,171,642	124,989,885
DEFERRED INFLOWS OF RESOURCES			
Unamortized amounts related to pensions	15,940,680	778,684	16,719,364

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 103,545,887	\$ 87,721,290	\$ 191,267,177
Restricted for			
Debt service	1,928,270	684,789	2,613,059
Capital improvement projects	16,176,614		16,176,614
General, town and district redevelopment programs	5,842,358		5,842,358
Youth and other judicial programs	4,331,114		4,331,114
Fire, police and other public safety programs	856,493		856,493
Streets and other public works programs	2,831,523		2,831,523
Cultural, community and development programs	5,234,157		5,234,157
Insurance liabilities	3,969,803		3,969,803
Unrestricted	<u>(63,536,635)</u>	<u>14,096,082</u>	<u>(49,440,553)</u>
Total net position	<u>\$ 81,179,584</u>	<u>\$ 102,502,161</u>	<u>\$ 183,681,745</u>

* Internal balances are eliminated in consolidation. Accordingly, the amounts reported in the total column have been adjusted to remove internal balances.

DOUGLAS COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2015

FUNCTION/PROGRAM	Program Revenues				Net (Expenses) Revenues and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 12,956,802	\$ 4,939,355	\$ 150,979	\$ 135,000	\$ (7,731,468)		\$ (7,731,468)
Judicial	13,915,522	1,936,518	4,607,924		(7,371,080)		(7,371,080)
Public safety	29,112,782	3,575,766	699,544		(24,837,472)		(24,837,472)
Public works	7,294,588	500,399	13,592	41,495	(6,739,102)		(6,739,102)
Community development	4,186,295		1,062,974	153,689	(2,969,632)		(2,969,632)
Culture and recreation	14,539,072	2,417,420	117,593	64,966	(11,939,093)		(11,939,093)
Health and sanitation	496,018	536,261			40,243		40,243
Welfare	2,425,146	35,894	201,314		(2,187,938)		(2,187,938)
Debt service							
Interest expense and fiscal charges	616,123				(616,123)		(616,123)
Total governmental activities	<u>85,542,348</u>	<u>13,941,613</u>	<u>6,853,920</u>	<u>395,150</u>	<u>(64,351,665)</u>		<u>(64,351,665)</u>
Business-type activities							
Water	7,613,179	7,674,835		2,509,343		2,570,999	2,570,999
Sewer	1,779,765	1,915,053		3,634,475		3,769,763	3,769,763
Health and sanitation	976,081	8,644			(967,437)		(967,437)
Trash service	510,326	1,615,854			1,105,528		1,105,528
Total business-type activities	<u>10,879,351</u>	<u>11,214,386</u>		<u>6,143,818</u>		<u>6,478,853</u>	<u>6,478,853</u>
Total function/program	<u>\$ 96,421,699</u>	<u>\$ 25,155,999</u>	<u>\$ 6,853,920</u>	<u>\$ 6,538,968</u>	<u>(64,351,665)</u>	<u>6,478,853</u>	<u>(57,872,812)</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL (UNRESTRICTED) REVENUES							
Property taxes					37,221,860		37,221,860
Intergovernmental consolidated taxes					13,303,618		13,303,618
Room taxes					5,711,688		5,711,688
Intergovernmental sales taxes					1,614,104		1,614,104
Construction taxes					181,599		181,599
Intergovernmental franchise and public service taxes					7,366,250		7,366,250
Investment income					312,694	88,283	400,977
Gain on disposal of capital assets					45,235	238,983	284,218
Miscellaneous					740,117	110,505	850,622
					<u>66,497,165</u>	<u>437,771</u>	<u>66,934,936</u>
Total general (unrestricted) revenues							
Transfers					<u>(100,000)</u>	<u>100,000</u>	<u></u>
CHANGE IN NET POSITION					<u>2,045,500</u>	<u>7,016,624</u>	<u>9,062,124</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					149,198,909	98,856,375	248,055,284
Adjustment					(70,064,825)	(3,370,838)	(73,435,663)
NET POSITION BEGINNING OF YEAR, AS ADJUSTED					<u>79,134,084</u>	<u>95,485,537</u>	<u>174,619,621</u>
NET POSITION, END OF YEAR					<u>\$ 81,179,584</u>	<u>\$ 102,502,161</u>	<u>\$ 183,681,745</u>

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

DOUGLAS COUNTY

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2015

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Park Residential Construction Tax		
ASSETS						
Cash, cash equivalents and investments	\$ 11,686,459	\$ 1,717,398	\$ 2,440,340	\$ 1,625,611	\$ 34,660,946	\$ 52,130,754
Cash, cash equivalents and investments, restricted	471,838					471,838
Accounts receivable, net	826,381	982,692	671,534		224,013	2,704,620
Taxes receivable	708,045		148,627		183,071	1,039,743
Interest receivable	21,802	3,307	4,682	3,139	59,687	92,617
Due from other governments	2,198,168	279,427	368,731		870,268	3,716,594
Due from other funds	81,160	26,894		2,332	583,011	693,397
Prepaid items	193,615	7,855	173,410		122,978	497,858
Other assets	13,795				7,656	21,451
Property held for sale					179,292	179,292
Total assets	<u>\$ 16,201,263</u>	<u>\$ 3,017,573</u>	<u>\$ 3,807,324</u>	<u>\$ 1,631,082</u>	<u>\$ 36,890,922</u>	<u>\$ 61,548,164</u>
LIABILITIES						
Accounts payable and accrued expenses	\$ 709,643	\$ 910,964	\$ 83,956	\$ 23,379	\$ 1,743,994	\$ 3,471,936
Due to others	1,004,919					1,004,919
Accrued salaries, wages and benefits	1,048,927	87,235	311,280		202,622	1,650,064
Due to other funds	111,369	5,471		1,000	841,784	959,624
Unearned revenue, current	426,817	42,734	78	1,617,408	515,542	2,602,579
Contract retentions payable					8,890	8,890
Deposits	103,686	33,468			74,073	211,227
Due to other governments	51,188				152,234	203,422
Compensated absences					4,981	4,981
Total liabilities	<u>3,456,549</u>	<u>1,079,872</u>	<u>395,314</u>	<u>1,641,787</u>	<u>3,544,120</u>	<u>10,117,642</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, taxes and penalties	602,503		128,519		153,005	884,027
Unavailable revenue, special assessments					378	378
Unavailable revenue, grants	15,979		5,480		13,007	34,466
Unavailable revenue, other			484,495			484,495
Total deferred inflows of resources	<u>618,482</u>		<u>618,494</u>		<u>166,390</u>	<u>1,403,366</u>
Total liabilities and deferred inflows of resources	<u>4,075,031</u>	<u>1,079,872</u>	<u>1,013,808</u>	<u>1,641,787</u>	<u>3,710,510</u>	<u>11,521,008</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2015

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Park Residential Construction Tax		
FUND BALANCES						
Nonspendable						
Prepaid items	\$ 193,615	\$ 7,855	\$ 173,410		\$ 122,978	\$ 497,858
Land held for resale					179,292	179,292
Deposits	13,795				7,656	21,451
Restricted for						
Debt service					1,928,270	1,928,270
Capital improvement projects				(10,705)	16,187,319	16,176,614
General, town and district redevelopment programs	170,539		2,620,106		3,051,713	5,842,358
Youth and other judicial programs	2,292,997				2,038,117	4,331,114
Fire, police and other public safety programs	69,377				787,116	856,493
Streets and other public works programs					2,831,523	2,831,523
Cultural, community and development programs					5,234,157	5,234,157
Committed to						
Streets and other public works programs					657,280	657,280
Assigned to						
General, town and district redevelopment programs	376,373					376,373
Youth and other judicial programs	2,954					2,954
Cultural, community and development programs			1,929,846			1,929,846
Sanitation and other health programs					154,991	154,991
Stabilization programs	362,101					362,101
Unassigned	<u>8,644,481</u>					<u>8,644,481</u>
Total fund balances	<u>12,126,232</u>	<u>1,937,701</u>	<u>2,793,516</u>	<u>(10,705)</u>	<u>33,180,412</u>	<u>50,027,156</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,201,263</u>	<u>\$ 3,017,573</u>	<u>\$ 3,807,324</u>	<u>\$ 1,631,082</u>	<u>\$ 36,890,922</u>	<u>\$ 61,548,164</u>

See notes to basic financial statements.

DOUGLAS COUNTY

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2015

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 50,027,156
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	\$ 369,292,157	
Less accumulated depreciation	<u>(247,687,142)</u>	121,605,015
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Bonds and notes payable	(18,510,331)	
Unamortized premiums and discounts	(53,108)	
Unamortized deferred refunding charges	5,981	
Compensated absences payable	(3,946,090)	
Postemployment benefits other than pensions	(6,574,180)	
Net pension liability	(61,218,043)	
Deferred outflows related to pensions	9,710,354	
Deferred inflows related to pensions	<u>(15,787,916)</u>	(96,373,333)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(159,966)</u>	(159,966)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue, taxes and penalties	884,027	
Unavailable revenue, special assessments	378	
Unavailable revenue, grants	34,466	
Unavailable revenue, other	<u>484,495</u>	1,403,366
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position	4,625,511	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	46,295	
Internal service fund balance receivable from business-type activities from current year activity	<u>5,540</u>	<u>4,677,346</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ 81,179,584</u>

See notes to basic financial statements.

DOUGLAS COUNTY

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

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Park Residential Construction Tax		
REVENUES						
Taxes	\$ 18,456,623	\$ 5,109,746	\$ 4,597,572	\$ 41,500	\$ 13,872,268	\$ 42,077,709
Licenses, permits, franchise and other fees	4,544,640	2,182,710			781,755	7,509,105
Intergovernmental shared revenues	13,150,347	1,625,712	1,978,826		8,103,616	24,858,501
Charges for services	4,930,129	1,433,867	164,511		3,219,988	9,748,495
Fines and forfeitures	1,146,690				158,357	1,305,047
Miscellaneous	<u>1,223,530</u>	<u>173,097</u>	<u>667,680</u>	<u>2,336</u>	<u>1,910,866</u>	<u>3,977,509</u>
Total revenues	<u>43,451,959</u>	<u>10,525,132</u>	<u>7,408,589</u>	<u>43,836</u>	<u>28,046,850</u>	<u>89,476,366</u>
EXPENDITURES						
Current						
General government	9,699,360				2,037,448	11,736,808
Judicial	9,008,809				4,785,978	13,794,787
Public safety	15,452,170		11,677,323		1,928,779	29,058,272
Public works	885,129				4,155,125	5,040,254
Community development	1,895,047				2,227,460	4,122,507
Culture and recreation		10,212,311			1,081,910	11,294,221
Health and sanitation	687,675				279,809	967,484
Welfare					<u>2,567,844</u>	<u>2,567,844</u>
Total current	<u>37,628,190</u>	<u>10,212,311</u>	<u>11,677,323</u>		<u>19,064,353</u>	<u>78,582,177</u>
Capital outlay						
General government	89,503				1,988,114	2,077,617
Judicial					247,616	247,616
Public safety	630,389		230,386			860,775
Public works					716,380	716,380
Community development					131,056	131,056
Culture and recreation		2,531,369		53,923	811,174	3,396,466
Welfare					<u>73,259</u>	<u>73,259</u>
Total capital outlay	<u>719,892</u>	<u>2,531,369</u>	<u>230,386</u>	<u>53,923</u>	<u>3,967,599</u>	<u>7,503,169</u>
Debt service						
Principal payments					2,918,524	2,918,524
Interest expense					561,859	561,859
Debt issuance costs					74,019	74,019
Fiscal charges					<u>1,300</u>	<u>1,300</u>
Total debt service					<u>3,555,702</u>	<u>3,555,702</u>
Total expenditures	<u>38,348,082</u>	<u>12,743,680</u>	<u>11,907,709</u>	<u>53,923</u>	<u>26,587,654</u>	<u>89,641,048</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,103,877</u>	<u>(2,218,548)</u>	<u>(4,499,120)</u>	<u>(10,087)</u>	<u>1,459,196</u>	<u>(164,682)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal	15,114		15,675		10,741	41,530
Debt issuance proceeds					1,395,000	1,395,000
Transfers in	75,000	963,897	5,229,183		9,509,869	15,777,949
Transfers out	<u>(3,560,765)</u>	<u>(392,434)</u>	<u>(130,380)</u>		<u>(11,794,370)</u>	<u>(15,877,949)</u>
Total other financing sources (uses)	<u>(3,470,651)</u>	<u>571,463</u>	<u>5,114,478</u>		<u>(878,760)</u>	<u>1,336,530</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Park Residential Construction Tax		
CHANGE IN FUND BALANCE	\$ <u>1,633,226</u>	\$ <u>(1,647,085)</u>	\$ <u>615,358</u>	\$ <u>(10,087)</u>	\$ <u>580,436</u>	\$ <u>1,171,848</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	10,597,894	3,584,786	2,178,158	(618)	32,282,229	48,642,449
Adjustment	<u>(104,888)</u>				<u>317,747</u>	<u>212,859</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>10,493,006</u>	<u>3,584,786</u>	<u>2,178,158</u>	<u>(618)</u>	<u>32,599,976</u>	<u>48,855,308</u>
FUND BALANCE, END OF YEAR	<u>\$ <u>12,126,232</u></u>	<u>\$ <u>1,937,701</u></u>	<u>\$ <u>2,793,516</u></u>	<u>\$ <u>(10,705)</u></u>	<u>\$ <u>33,180,412</u></u>	<u>\$ <u>50,027,156</u></u>

See notes to basic financial statements.

DOUGLAS COUNTY

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

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS	\$	1,171,848
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:		
Expenditures for capital assets	\$	6,703,169
Less current year depreciation		(7,048,375)
Disposition of capital assets		<u>(145,964)</u>
		(491,170)
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds. Some revenues reported in the governmental funds result from interfund transactions; and therefore, are not reported in the statement of activities:		
Capital asset contributions		153,689
Change in unavailable revenue		(202,265)
Revenues from interfund transactions		<u>(2,147,546)</u>
		(2,196,122)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which repayments exceeded debt issued		
Debt issuance proceeds		(1,075,000)
Capital lease obligations incurred		(320,000)
Debt principal repayments		<u>2,918,524</u>
		1,523,524
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:		
Change in postemployment benefits other than pensions		(240,641)
Change in compensated absences payable		(276,362)
Change in net pension liability		1,048,619
Amortization of debt premiums and discounts		3,109
Amortization of deferred refunding charges		(1,294)
Change in interest payable		<u>19,240</u>
		552,671
Some expenditures reported in governmental funds benefit a future period or result from interfund transactions; and therefore, are not reported in the statement of activities:		
Expenditures from interfund transactions		<u>2,147,546</u>
		2,147,546
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities		(668,337)
The internal service funds change in net position related to business-type activities		<u>5,540</u>
		<u>(662,797)</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES	\$	<u><u>2,045,500</u></u>

See notes to basic financial statements.

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015**

	Business-type Activities				Business-type Activities				Governmental
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
ASSETS									
Current assets									
Cash, cash equivalents and investments \$	387,553	\$ 3,629,413	\$ 3,912,948	\$ 2,625,710	\$ 760,717	\$ 4,704,163	\$ 1,315,599	\$ 17,336,103	\$ 5,965,247
Accounts receivable, net	153,764	214,046	393,769	34,752	91,587	178,628	175,595	1,242,141	77,258
Notes receivable	125,000							125,000	
Taxes receivable									3,971
Interest receivable	739	7,805	8,082	5,044	1,463	9,087	2,552	34,772	12,384
Due from other governments	4,797			41,487	3,582			49,866	1,145
Due from other funds	1,210	5,645	80,378	6,143	98,929	191,187	338	383,830	102,152
Inventories					26,000	31,435		57,435	222,798
Prepaid items		8,561	3,827	642	11,590	11,683	20,781	57,084	
Restricted assets									
Cash, cash equivalents and investments		424,352	260,438				1,667	686,457	
Total current assets	673,063	4,289,822	4,659,442	2,713,778	993,868	5,126,183	1,516,532	19,972,688	6,384,955
Noncurrent assets									
Capital assets, net of accumulated depreciation and amortization									
Land		1,005,900	697,567	563,191	222,504	107,456	234,991	2,831,609	
Construction in progress		242,873	247,493	41,234		1,347,441	233,870	2,112,911	
Water rights			5,154,594	117,419		500,000		5,772,013	
Buildings and building improvements		197,403	72,717	640,611	893,576		259,100	2,063,407	2,440
Machinery, equipment and software		76,430	4,896	45,573	19,288	57,133	196,871	400,191	495,890
Water and sewer systems	15,743,175	21,648,130	21,482,736	14,713,924	11,597,851	5,872,748		91,058,564	
Total capital assets, net of accumulated depreciation and amortization	15,743,175	23,170,736	27,660,003	16,121,952	12,733,219	7,884,778	924,832	104,238,695	498,330

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2015**

	Business-type Activities				Business-type Activities			Governmental	
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Internal Service	
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	
Other assets									
Notes receivable	\$ 1,687,500	\$	\$	\$	\$	\$	\$ 1,687,500	\$	
Total noncurrent assets	17,430,675	23,170,736	27,660,003	16,121,952	12,733,219	7,884,778	924,832	105,926,195	498,330
Total assets	18,103,738	27,460,558	32,319,445	18,835,730	13,727,087	13,010,961	2,441,364	125,898,883	6,883,285
DEFERRED OUTFLOWS OF RESOURCES									
Unamortized deferred refunding charges		122,455	191,553	34,600				348,608	
Unamortized amounts related to pensions	1,516	76,308	113,447	91,155	38,441	41,987	113,732	476,586	93,497
Total deferred outflows of resources	1,516	198,763	305,000	125,755	38,441	41,987	113,732	825,194	93,497
LIABILITIES									
Current liabilities									
Accounts payable and accrued expenses	96,537	147,422	66,051	48,364	39,083	104,961	65,555	567,973	1,504,347
Accrued salaries, wages and benefits	360	10,970	13,782	9,161	6,310	4,542	12,126	57,251	13,836
Due to other funds	58,977	20,800	6,879	6,720		99,057	27,322	219,755	
Unearned revenue, current	125,000	118,624	21,895	83,572		1,344	12,251	362,686	
Deposits			5,000			53,451		58,451	
Interest payable		22,343	48,515	65,789			25	136,672	
Claims and judgments									46,162
Compensated absences	764	18,427	53,644	32,204	22,045	15,761	23,683	166,528	16,553
Bonds and notes payable		649,000	799,372	460,630			2,925	1,911,927	
Total current liabilities	281,638	987,586	1,015,138	706,440	67,438	279,116	143,887	3,481,243	1,580,898

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2015**

	Business-type Activities					Business-type Activities			Governmental
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
Noncurrent liabilities									
Unearned revenue, long-term	\$ 1,687,500	\$	\$	\$	\$	\$	\$	\$ 1,687,500	\$
Postemployment benefits other than pensions	196	28,594	25,966	16,574	15,592	116,649	39,588	243,159	25,264
Net pension liability	9,606	483,439	718,737	577,502	243,539	266,002	720,539	3,019,364	592,345
Bonds and notes payable, net of unamortized premiums and discounts		3,329,010	7,045,843	4,582,158			3,120	14,960,131	
Total noncurrent liabilities	<u>1,697,302</u>	<u>3,841,043</u>	<u>7,790,546</u>	<u>5,176,234</u>	<u>259,131</u>	<u>382,651</u>	<u>763,247</u>	<u>19,910,154</u>	<u>617,609</u>
Total liabilities	<u>1,978,940</u>	<u>4,828,629</u>	<u>8,805,684</u>	<u>5,882,674</u>	<u>326,569</u>	<u>661,767</u>	<u>907,134</u>	<u>23,391,397</u>	<u>2,198,507</u>
DEFERRED INFLOWS OF RESOURCES									
Unamortized amounts related to pensions	<u>2,478</u>	<u>124,677</u>	<u>185,360</u>	<u>148,936</u>	<u>62,808</u>	<u>68,601</u>	<u>185,824</u>	<u>778,684</u>	<u>152,764</u>

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2015**

	Business-type Activities					Business-type Activities			Governmental
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
NET POSITION									
Net investment in capital assets	\$ 15,743,175	\$ 19,315,181	\$ 20,006,341	\$ 11,113,764	\$ 12,733,219	\$ 7,884,778	\$ 924,832	\$ 87,721,290	\$ 498,330
Restricted									
Debt service		424,352	260,437					684,789	
Insurance liabilities									3,969,803
Unrestricted	<u>380,661</u>	<u>2,966,482</u>	<u>3,366,623</u>	<u>1,816,111</u>	<u>642,932</u>	<u>4,437,802</u>	<u>537,306</u>	<u>14,147,917</u>	<u>157,378</u>
Total net position	<u>\$ 16,123,836</u>	<u>\$ 22,706,015</u>	<u>\$ 23,633,401</u>	<u>\$ 12,929,875</u>	<u>\$ 13,376,151</u>	<u>\$ 12,322,580</u>	<u>\$ 1,462,138</u>	102,553,996	<u>\$ 4,625,511</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time								<u>(51,835)</u>	
Net position of business-type activities								<u>\$ 102,502,161</u>	

DOUGLAS COUNTY

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

	Business-type Activities				Business-type Activities			Governmental	
	Regional Water		Carson Valley Water Utility	Lake Tahoe Water Utility	Town of Minden		Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	Utility	Sewer Utility			Wholesale Water Utility	Water Company			
OPERATING REVENUES									
Charges for services	\$ 997,005	\$ 1,915,053	\$ 2,868,339	\$ 1,112,280	\$ 1,084,410	\$ 1,027,871	\$ 2,209,428	\$ 11,214,386	\$ 4,968,236
OPERATING EXPENSES									
Salaries and wages	13,620	279,671	410,058	175,410	198,200	131,437	537,307	1,745,703	375,027
Employee benefits	4,327	130,395	139,978	51,274	67,487	106,397	241,733	741,591	179,422
Services and supplies	831,621	404,893	791,927	422,142	469,665	378,724	870,134	4,169,106	5,311,084
Depreciation	459,105	842,752	815,724	455,235	393,706	249,918	284,560	3,501,000	157,114
Total operating expenses	<u>1,308,673</u>	<u>1,657,711</u>	<u>2,157,687</u>	<u>1,104,061</u>	<u>1,129,058</u>	<u>866,476</u>	<u>1,933,734</u>	<u>10,157,400</u>	<u>6,022,647</u>
Operating income (loss)	<u>(311,668)</u>	<u>257,342</u>	<u>710,652</u>	<u>8,219</u>	<u>(44,648)</u>	<u>161,395</u>	<u>275,694</u>	<u>1,056,986</u>	<u>(1,054,411)</u>
NONOPERATING REVENUES (EXPENSES)									
Investment income	1,314	18,285	21,678	13,227	3,664	23,566	6,549	88,283	26,948
Interest and fiscal charges		(123,903)	(375,637)	(102,342)			(54,529)	(656,411)	
Property taxes									246,867
Intergovernmental shared revenues			142,075					142,075	5,528
Water capacity fees	125,000							125,000	
Lease revenues				21,453		200	10,560	32,213	
Gain (loss) on capital asset disposition						178,983		178,983	3,705
Miscellaneous		4,340	11,634	303	16,094		6,625	38,996	103,026
Total nonoperating revenues (expenses)	<u>126,314</u>	<u>(101,278)</u>	<u>(200,250)</u>	<u>(67,359)</u>	<u>19,758</u>	<u>202,749</u>	<u>(30,795)</u>	<u>(50,861)</u>	<u>386,074</u>
Income (loss) before capital contributions and transfers	<u>(185,354)</u>	<u>156,064</u>	<u>510,402</u>	<u>(59,140)</u>	<u>(24,890)</u>	<u>364,144</u>	<u>244,899</u>	<u>1,006,125</u>	<u>(668,337)</u>
CAPITAL CONTRIBUTIONS									
Capital contributions	199,061	3,420,383	1,532,321	62,118				5,213,883	
Connection charges		214,092	73,834	32,816		381,414		702,156	
Total capital contributions	<u>199,061</u>	<u>3,634,475</u>	<u>1,606,155</u>	<u>94,934</u>		<u>381,414</u>		<u>5,916,039</u>	

(Continued)

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities				Business-type Activities			Governmental	
	Regional Water	Sewer Utility	Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Utility	Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
TRANSFERS									
Transfers in	\$	\$	\$ 125,000	\$ 13,538,808	\$	\$	\$	\$ 13,663,808	\$
Transfers out	<u>(125,000)</u>						<u>(13,438,808)</u>	<u>(13,563,808)</u>	
Total transfers	<u>(125,000)</u>		<u>125,000</u>	<u>13,538,808</u>			<u>(13,438,808)</u>	<u>100,000</u>	
CHANGE IN NET POSITION	<u>(111,293)</u>	<u>3,790,539</u>	<u>2,241,557</u>	<u>13,574,602</u>	<u>(24,890)</u>	<u>745,558</u>	<u>(13,193,909)</u>	<u>7,022,164</u>	<u>(668,337)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	16,245,854	19,455,190	22,194,246		13,672,930	11,873,988	15,460,462		5,955,146
Adjustment	<u>(10,725)</u>	<u>(539,714)</u>	<u>(802,402)</u>	<u>(644,727)</u>	<u>(271,889)</u>	<u>(296,966)</u>	<u>(804,415)</u>		<u>(661,298)</u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>16,235,129</u>	<u>18,915,476</u>	<u>21,391,844</u>	<u>(644,727)</u>	<u>13,401,041</u>	<u>11,577,022</u>	<u>14,656,047</u>		<u>5,293,848</u>
NET POSITION, END OF YEAR	<u>\$ 16,123,836</u>	<u>\$ 22,706,015</u>	<u>\$ 23,633,401</u>	<u>\$ 12,929,875</u>	<u>\$ 13,376,151</u>	<u>\$ 12,322,580</u>	<u>\$ 1,462,138</u>		<u>\$ 4,625,511</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds								<u>(5,540)</u>	
CHANGES IN NET POSITION, BUSINESS- TYPE ACTIVITIES							<u>\$ 7,016,624</u>		

DOUGLAS COUNTY

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

	Business-type Activities				Business-type Activities				Governmental
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
CASH FLOWS FROM OPERATING ACTIVITIES									
Cash received from customers	\$ 1,253,938	\$ 1,917,664	\$ 2,791,543	\$ 1,051,012	\$ 1,064,741	\$ 885,068	\$ 2,282,520	\$ 11,246,486	\$
Cash received from interfund services									4,964,457
Cash received from other sources	125,000							125,000	
Cash payments for goods and services	(1,069,438)	(313,073)	(847,999)	(283,486)	(495,256)	(263,787)	(952,077)	(4,225,116)	
Cash payments for interfund goods and services									(4,318,313)
Cash payments for employee services and benefits	(17,567)	(426,115)	(600,169)	(213,676)	(272,304)	(204,091)	(840,839)	(2,574,761)	
Cash payments for interfund employee services and benefits									(568,667)
Net cash provided by (used in) operating activities	<u>291,933</u>	<u>1,178,476</u>	<u>1,343,375</u>	<u>553,850</u>	<u>297,181</u>	<u>417,190</u>	<u>489,604</u>	<u>4,571,609</u>	<u>77,477</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers in			125,000	2,299,907				2,424,907	
Transfers out	(125,000)						(2,199,907)	(2,324,907)	
Repayments of advances from other funds			(100,000)				(600,000)	(700,000)	
Property taxes									247,317
Intergovernmental shared revenues			142,075					142,075	5,528
Net cash provided by (used in) noncapital financing activities	<u>(125,000)</u>	<u></u>	<u>167,075</u>	<u>2,299,907</u>	<u></u>	<u></u>	<u>(2,799,907)</u>	<u>(457,925)</u>	<u>252,845</u>

(Continued)

DOUGLAS COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities				Business-type Activities			Governmental	
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Internal Service	
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES									
Acquisition and construction of capital assets	\$ (66,484)	\$ (232,406)	\$ (194,895)	\$ (55,438)	\$ (10,284)	\$ (950,300)	\$ (91,926)	\$ (1,601,733)	\$ (102,183)
Proceeds received from disposal of capital assets						238,983		238,983	
Proceeds from debt issuance			113,930	58,549			54,402	226,881	
Principal payments on debt		(595,000)	(744,160)	(226,119)			(147,696)	(1,712,975)	
Interest payments on debt		(113,749)	(392,626)	(46,038)			(116,136)	(668,549)	
Connection charges		214,092	73,834	32,816		381,414		702,156	
Contributed capital	199,061							199,061	
Net cash provided by (used in) capital financing activities	<u>132,577</u>	<u>(727,063)</u>	<u>(1,143,917)</u>	<u>(236,230)</u>	<u>(10,284)</u>	<u>(329,903)</u>	<u>(301,356)</u>	<u>(2,616,176)</u>	<u>(102,183)</u>
CASH FLOWS FROM INVESTING ACTIVITIES									
Investment income received	691	15,341	18,742	8,183	2,837	20,714	9,316	75,824	22,342
Net cash provided by (used in) investing activities	<u>691</u>	<u>15,341</u>	<u>18,742</u>	<u>8,183</u>	<u>2,837</u>	<u>20,714</u>	<u>9,316</u>	<u>75,824</u>	<u>22,342</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	300,201	466,754	385,275	2,625,710	289,734	108,001	(2,602,343)	1,573,332	250,481
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>87,352</u>	<u>3,587,011</u>	<u>3,788,111</u>		<u>470,983</u>	<u>4,596,162</u>	<u>3,919,609</u>	<u>16,449,228</u>	<u>5,714,766</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 387,553</u>	<u>\$ 4,053,765</u>	<u>\$ 4,173,386</u>	<u>\$ 2,625,710</u>	<u>\$ 760,717</u>	<u>\$ 4,704,163</u>	<u>\$ 1,317,266</u>	<u>\$ 18,022,560</u>	<u>\$ 5,965,247</u>

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-type Activities				Business-type Activities			Governmental	
	Regional Water		Carson Valley	Lake Tahoe	Town of Minden	Town of Minden	Non-major	Internal Service	
	Utility	Sewer Utility	Water Utility	Water Utility	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES									
Operating income (loss)	\$ (311,668)	\$ 257,342	\$ 710,652	\$ 8,219	\$ (44,648)	\$ 161,395	\$ 275,694	\$ 1,056,986	\$ (1,054,411)
Adjustments to reconcile operating to net cash provided by (used in) operating activities									
Depreciation and amortization	459,105	842,752	815,724	455,235	393,706	249,918	284,560	3,501,000	157,114
(Increase) decrease in operating assets									
Accounts receivable	105,907	8,009	6,443	(12,996)	55,667	(426)	55,154	217,758	81,383
Notes receivable	125,000							125,000	
Due from other governments	151,214			(41,487)	(228)	39,528		149,027	(1,142)
Due from other funds	(188)	(2,865)	(80,246)	(6,143)	(48,866)	(181,663)	17,525	(302,446)	(81,237)
Inventories					(26,000)			(26,000)	(2,783)
Prepaid expenses		(2,533)	(2,993)	(642)	(242)	(242)	413	(6,239)	
Increase (decrease) in operating liabilities									
Accounts payable and accrued expenses	(39,217)	70,608	(49,147)	48,364	(17,763)	64,015	(28,790)	48,070	1,013,379
Accrued salaries and benefits	189	1,931	1,119	9,161	1,846	(122)	(10,752)	3,372	3,037
Due to other funds	58,977	20,668	(7,486)	6,720	(7,828)	48,994	24,414	144,459	(20,608)
Unearned revenue	(125,000)	544	(2,239)	83,572		(1,672)	(42,781)	(87,576)	
Contract retentions payable	(132,577)						(34,786)	(167,363)	
Deposits			2,800			3,600		6,400	
Compensated absences	152	(10,813)	(16,318)	32,204	1,778	(5,542)	(58,097)	(56,636)	(19,621)
Postemployment benefits other than pensions	196	739	(23,182)	(18,913)	(6,258)	43,757	18,834	15,173	12,052
Net pension liability	(157)	(7,906)	(11,752)	(9,444)	(3,983)	(4,350)	(11,784)	(49,376)	(9,686)
Total adjustments	603,601	921,134	632,723	545,631	341,829	255,795	213,910	3,514,623	1,131,888
Net cash provided by (used in) operating activities	\$ 291,933	\$ 1,178,476	\$ 1,343,375	\$ 553,850	\$ 297,181	\$ 417,190	\$ 489,604	\$ 4,571,609	\$ 77,477

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-type Activities				Business-type Activities			Governmental	
	Regional Water Utility	Sewer Utility	Carson Valley Water Utility	Lake Tahoe Water Utility	Town of Minden Wholesale Water Utility	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES									
Contribution of capital assets	\$ <u> </u>	\$ <u>3,420,383</u>	\$ <u>1,532,321</u>	\$ <u>62,118</u>	\$ <u> </u>	\$ <u> </u>	\$ <u> </u>	\$ <u>5,014,822</u>	\$ <u> </u>

See notes to basic financial statements.

DOUGLAS COUNTY
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 2,410,867
Accounts receivable, net	132,338
Taxes receivable	560,489
Interest receivable	1,881
Due from other governments	279,099
Special assessments receivable	2,481
Inventories	32,557
Prepaid items	10,530
Total assets	3,430,242
LIABILITIES	
Due to others	3,430,242
NET POSITION	\$

**NOTES TO BASIC
FINANCIAL STATEMENTS**

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Summary of Significant Accounting Policies

The financial statements of Douglas County (the County) have been prepared in conformity with accounting principles generally accepted in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The County is incorporated as a municipality of the State of Nevada (the State) and is governed by a five member elected Board of County Commissioners (the County Commission). The County's major operations include various tax assessments and collections, judicial functions, law enforcement, certain public health and welfare functions, road maintenance, parks, libraries and various administrative activities.

The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government.

The County has determined that it is financially accountable, as the County Commission (or members thereof in an ex officio capacity) serves as the governing body for; and therefore, has the ability to impose its will on, each of the following entities, which are presented as blended component units:

East Fork Fire Protection District

Douglas County Redevelopment Agency

Town of Gardnerville

Town of Genoa

Town of Minden

East Fork Paramedic District

For the year ended June 30, 2015, none of the County's component units issued stand-alone financial statements.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Basic Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities and present consolidated information for the County's nonfiduciary activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

Included in the statement of net position are capital assets and long-term liabilities including general obligation and revenue bonds, notes, compensated absences, obligations for pensions and other postemployment benefits, and claims and judgments. Net position is classified as 1) net investment in capital assets, 2) restricted net position, or 3) unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment and include indirect expenses allocated to each function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not restricted for use by a particular function or segment are reported as general revenues.

Separate fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns on the fund financial statements. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances with schedules presented to reconcile fund balances presented in the governmental fund financial statements to net position presented in the government-wide financial statements. Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the current fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property taxes, interest, intergovernmental consolidated taxes, governmental service taxes, motor vehicle fuel taxes and grants. All other revenue sources are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, obligations for postemployment benefits other than pensions, and claims and judgments, are recorded only when payment is due.

The County reports the following major governmental funds:

General Fund - Accounts for all financial resources not accounted for in other funds.

Room Tax Fund - Accounts for activities related to, and support of, chambers of commerce, visitor authorities, and other specific Douglas County programs, such as parks, recreation and libraries.

East Fork Fire Protection District Fund - Accounts for the operations and activities of the East Fork Fire Protection District.

Park Residential Construction Tax Capital Projects Fund - Accounts for the construction of new park facilities within specified park districts.

The County reports the following non-major governmental fund types:

Special Revenue Funds - Accounts for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Debt Service Funds - Accounts for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Capital Projects Funds - Accounts for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges for services and other user fees. Operating expenses include the cost of goods and services, administrative expenses, and capital asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The County reports the following major proprietary funds:

Regional Water Utility Fund - Accounts for the operations of the Regional water system, a separate water system in Douglas County.

Sewer Utility Fund - Accounts for the operations of the Douglas County sewer system.

Carson Valley Water Fund - Accounts for the operations of the Carson Valley water system, a separate water system in Douglas County.

Lake Tahoe Water Utility Fund - Accounts for the operations of the Zepher, Cave Rock and Skyland water systems, three separate water systems in Douglas County.

Town of Minden Wholesale Water Fund - Accounts for the operations of the Town of Minden wholesale water system.

Town of Minden Water Fund - Accounts for the operations of the Town of Minden water system, a separate water system in Douglas County.

The County reports the following non-major proprietary fund types:

Enterprise Funds - Accounts for activities for which a user fee is charged for goods or services.

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements, comprised of a statement of net position, report the County's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are excluded from the government-wide financial statements.

The County reports the following fiduciary fund type:

Agency Funds - Accounts for assets held as an agent for individuals, private organizations, or other governments.

Assets and Liabilities

Cash, Cash Equivalents and Investments

The County's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All County cash, cash equivalents and investments are pooled for investment purposes. The pooled cash, cash equivalents and investments belonging to proprietary funds are available on demand; accordingly, amounts invested by proprietary funds are considered to be cash equivalents.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Investments are reported at fair value, regardless of the length of time remaining to maturity. The fair values of investments are determined using quotations obtained from independent published sources. Interest earned on investments is allocated to the General Fund and various other funds in accordance with the Nevada Revised Statutes (NRS) and policies established by management.

Receivables, Payables and Unearned Revenues

The assessed valuation of the real property and its improvements and personal property is computed at 35% of taxable value as defined by NRS and is further limited to \$3.64 per hundred dollars of assessed valuation, except in cases of severe financial emergency as defined by NRS 354.705. The NRS also provide for a partial abatement of the property tax levied on qualified property that limits the increase of property taxes based on the previous year's assessed value. All real property in Douglas County is subject to physical reappraisal every five years. Taxes on personal property (primarily, commercial and mobile homes) are based on annual personal property declarations and computed using percentages and tax rates previously discussed.

Upon the certification of the combined tax rate by the State Tax Commission, the County Commission levies the real property tax rate for the fiscal period beginning with the succeeding July 1. Effective upon the tax levy on July 1 each year, a perpetual lien is recorded against the property assessed until the tax and any penalty charges and interest, which may accrue thereon, are paid. Real property taxes are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August and first Mondays in October, January and March. Penalties are assessed if a taxpayer fails to pay an installment within 10 days of the due date. In the event of nonpayment, on the first Monday in June of the subsequent year, a Treasurer's Trustee Certificate is issued conveying the property to the County Treasurer as Trustee, constituting a lien for back taxes and accumulated delinquency charges. The County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances and may sell the property to satisfy the tax lien.

Property taxes and other receivables that are not collected within 60 days of year end are classified as unavailable revenue in the fund financial statements rather than current revenue since the asset is not available to satisfy current obligations.

No allowance for uncollectable amounts related to other receivables, except for those related to ambulance billings, has been established since management does not anticipate any material collection loss in respect to delinquent accounts. In the East Fork Paramedic District Fund, accounts receivable from ambulance billings are reported net of a 23.9% allowance for uncollectable accounts.

Unearned revenues arise when the County receives resources before it has a legal claim to them, such as when grant funds are received prior to fulfillment of all eligibility requirements or property taxes for the following tax year are received before year end.

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

During the course of operations, individual funds engage in numerous reimbursable transactions with one another for goods provided or services rendered and any outstanding receivables and payables at year end are reported as due to/from other funds. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as advances to/from other funds. All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Indirect cost allocations for support services, reported as revenues and expenses in the fund financial statements, are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as internal balances.

Inventories

Inventories in the governmental funds are valued at cost, which approximates market, using the first-in/first-out method. Inventories in proprietary funds are valued at the lower of cost (first-in/first-out method) or market. In the governmental fund financial statements, inventories are recorded as expenditures when purchased rather than when consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

Restricted Assets

Bond covenants and other legal restrictions require portions of debt proceeds and other resources, be set aside for various purposes. These amounts are reported as restricted cash, cash equivalents and investments.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost, including capitalized interest incurred during the construction phase on debt-financed projects. Donated assets are recorded at their estimated fair value on the date donated. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets.

The costs of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' useful lives are not capitalized.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and building improvements	25-50
Machinery, equipment and software	5-25
Infrastructure	20-30
Water and sewer systems	40

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Long-term Liabilities

In the government-wide and proprietary fund statements, long-term obligations are reported as liabilities in the statement of net position. Premiums and discounts are deferred and amortized as a component of interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the defeased debt is deferred and amortized as a component of interest expense using the straight-line method, which also approximates the effective interest method. Debt issuance costs are expensed in the period incurred.

In the governmental fund financial statements, premiums, discounts and debt issuance costs are recognized in the period they are paid or received. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the County's policy to permit employees to accumulate earned vacation and sick leave benefits that would be paid to them upon separation from County service if not previously taken. Accumulated sick leave benefits are payable to terminated employees who have accumulated a set number of hours up to a specified maximum, depending on the particular employee association. A liability for these obligations is reported in the government-wide and proprietary fund financial statements as incurred. A liability for compensated absences is reported in the governmental fund financial statements only to the extent it is due and payable at year end.

Postemployment Benefits Other Than Pensions

In accordance with the transition rules of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the County elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net postemployment benefits other than pensions (OPEB) obligation at zero upon adoption. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contribution (ARC) of the County, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at year end is determined by adding the annual OPEB cost to the net OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The County uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Comprehensive Annual Financial Report, for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position and related additions to/deductions. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Deferred Outflows and Inflows of Resources

Deferred outflows of resources, represents a consumption of net position or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. The government-wide and proprietary funds statement of net position reports deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt), which will be amortized over the life of the related debt and amounts related to pensions (Note 4), including 1) the changes in proportion and differences between actual contributions and proportionate share of contributions related to pensions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) contributions made subsequent to the measurement date, which will be recognized in the subsequent year.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The governmental funds balance sheet reports unavailable revenues, which will be recognized as revenue in the period that the amounts become available. The government-wide and proprietary funds statement of net position reports amounts related to pensions (Note 4), including 1) the differences between expected and actual experience and changes of assumptions, which will be amortized over the average expected remaining service life of all employees that are provided with pension benefits, and 2) the net difference between projected and actual earnings on investments, which will be amortized over five years.

Net Position

In the government-wide and proprietary fund financial statements, net position is reported as net investment in capital assets, restricted, or unrestricted. Net position is reported as restricted when constraints placed on it are either imposed by external parties (such as creditors, grantors, contributors or other governments) or imposed by law through a constitutional provision or enabling legislation.

Fund Balance

Fund balances of the governmental funds are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balances include items that cannot be spent, such as amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.

Restricted fund balances have constraints placed upon the use of the resources either by external parties (such as creditors, grantors, contributors or other governments) or imposed by law through a constitutional provision or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by an ordinance of the County Commission, which is the County's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Assigned fund balances include amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent should be expressed by the County Commission or appropriately authorized officials. The Assistant County Manager/Chief Financial Officer has been authorized by the County Commission in the budget approval process to make all fund balance assignments. Constraints imposed on the use of assigned fund balances can be removed or changed without formal County Commission action. For governmental funds, other than the General Fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.

Unassigned fund balance is the classification used by the general fund for residual amounts not included in the four categories described above.

Prioritization and Use of Available Resources

When both restricted resources and other resources (committed, assigned and unassigned) can be used for the same purposes, it is the County's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the County's policy to use committed resources first, assigned second, and unassigned last.

Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect reported amounts. Accordingly, these estimates may require revision in future periods. Significant estimates include compensated absences, pension benefits, postemployment benefits other than pensions and useful lives of capital assets.

Note 2. Stewardship and Accountability

Budgetary Information

The County adopts annual budgets for all funds except for agency funds. All budget augmentations made during the year ended June 30, 2015, were as prescribed by law. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States and used by the County for financial reporting.

The County uses the following procedures to establish, modify, and control budgetary data:

Prior to April 15, the County submits the tentative budget for the next fiscal year, commencing on July 1, to the State Department of Taxation. The County Commission has the ability to reject the tentative budget prior to its submission to the State.

Public hearings are conducted on the third Monday in May.

After all changes have been noted and the public hearings closed, the County Commission adopts the budget on or before June 1.

Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the Budget Officer and/or the Board of Commissioners, depending on established criteria.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Budget augmentations in excess of original budget amounts may not be made without prior approval from the County Commission.

All annual appropriations lapse at the fiscal year end.

Excess of Expenditures over Appropriations

The NRS require that governmental fund budgetary controls to be exercised at the function level and that proprietary fund operating and nonoperating expenses not exceed the combined operating and nonoperating expenses budget. The NRS does not require budgetary limitations for capital asset purchases, debt service payments and other cash transactions typically reported in the proprietary fund statement of net position; however, it is the County's policy that these items be approved prior to payment.

For the year ended June 30, 2015, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of the NRS:

Park residential construction tax capital projects fund, culture and recreation function	\$	10,423
Town of Gardnerville special revenue fund, general government function		2,498
Town of Gardnerville special revenue fund, culture and recreation function		4,497

These over expenditures were funded by available assets in excess of liabilities as represented by fund balance in the respective funds.

Deficit Fund Balance

At June 30, 2015, the following fund had a deficit fund balance:

Park residential construction tax capital projects fund	\$	10,705
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Prior Period Adjustment

Fund balance or net position as of July 1, 2014, has been retroactively adjusted as follows:

	<u>General Fund</u>	<u>Non-major Governmental Funds</u>	<u>Regional Water Utility Enterprise Fund</u>	<u>Sewer Utility Enterprise Fund</u>	<u>Carson Valley Water Utility Enterprise Fund</u>
Net position or fund balance, as previously reported	\$ 10,597,894	\$ 32,282,229	\$ 16,245,854	\$ 19,455,190	\$ 22,194,246
Adjustments					
Cumulative effect of adopting GASB Statement Nos. 68 and 71.			(10,725)	(539,714)	(802,402)
Adjust amounts held for others for amounts recognized in prior years	(789,080)				
Adjust unearned revenues for amounts earned in prior years	684,192	317,747			
Adjust capital assets for amounts capitalized in prior years					
Total adjustments	<u>(104,888)</u>	<u>317,747</u>	<u>(10,725)</u>	<u>(539,714)</u>	<u>(802,402)</u>
Net position or fund balance, as adjusted	<u>\$ 10,493,006</u>	<u>\$ 32,599,976</u>	<u>\$ 16,235,129</u>	<u>\$ 18,915,476</u>	<u>\$ 21,391,844</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Lake Tahoe Water Utility Enterprise Fund	Town of Minden Wholesale Water Utility Enterprise Fund	Town of Minden Water Company Enterprise Fund	Non-major Enterprise Funds	Internal Service Funds
Net position or fund balance, as previously reported	\$ _____	\$ 13,672,930	\$ 11,873,988	\$ 15,460,462	\$ 5,955,146
Adjustments					
Cumulative effect of adopting GASB Statement Nos. 68 and 71.	(644,727)	(271,889)	(296,966)	(804,415)	(661,298)
Adjust amounts held for others for amounts recognized in prior years					
Adjust unearned revenues for amounts earned in prior years					
Adjust capital assets for amounts capitalized in prior years	_____	_____	_____	_____	_____
Total adjustments	<u>(644,727)</u>	<u>(271,889)</u>	<u>(296,966)</u>	<u>(804,415)</u>	<u>(661,298)</u>
Net position or fund balance, as adjusted	<u>\$ (644,727)</u>	<u>\$ 13,401,041</u>	<u>\$ 11,577,022</u>	<u>\$ 14,656,047</u>	<u>\$ 5,293,848</u>

	Governmental Activities	Business-type Activities
Net position or fund balance, as previously reported	\$ 149,198,909	\$ 98,856,375
Adjustments		
Cumulative effect of adopting GASB Statement Nos. 68 and 71.	(69,005,522)	(3,370,838)
Adjust amounts held for others for amounts recognized in prior years	(789,080)	
Adjust unearned revenues for amounts earned in prior years	1,001,939	
Adjust capital assets for amounts capitalized in prior years	<u>(1,272,162)</u>	_____
Total adjustments	<u>(70,064,825)</u>	<u>(3,370,838)</u>
Net position or fund balance, as adjusted	<u>\$ 79,134,084</u>	<u>\$ 95,485,537</u>

New Accounting Pronouncements

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*, effective for periods beginning after June 15, 2015. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. Management has not yet completed its assessment of this statement.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68*. The requirements of this statement that address accounting and financial reporting by employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement 68 are effective for fiscal years beginning after June 15, 2016, and the requirements of this statement that address financial reporting for assets accumulated for purposes of providing those pensions are effective for fiscal years beginning after June 15, 2015. The requirements of this statement for pension plans that are within the scope of GASB Statement 67 or for pensions that are within the scope of GASB Statement 68 are effective for fiscal years beginning after June 15, 2015. This Statement establishes requirements for defined benefit pensions that are not within the scope of GASB Statement No. 68, Accounting and Financial Reporting for Pensions, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of GASB Statement 68. It also amends certain provisions of GASB Statement No. 67, Financial Reporting for Pension Plans, and GASB Statement 68 for pension plans and pensions that are within their respective scopes. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for periods beginning after June 15, 2016. This statement addresses the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This statement addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) and the information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has not yet completed its assessment of this statement.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective for periods beginning after June 15, 2015. This statement identifies, in the context of the current governmental financial reporting environment, the hierarchy of generally accepted accounting principles (GAAP), which consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. Management has completed its assessment of this statement and determined that it will not have a material effect on the County's financial position or changes therein.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement addresses the need for financial statements prepared by state and local governments in conformity with generally accepted accounting principles to provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. Management has not yet completed its assessment of this statement.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

When investing monies, the County is required to comply with the NRS. County monies must be deposited with federally insured banks. The County is authorized to use demand accounts, time accounts and certificates of deposit. The NRS do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible State investments. Permissible State investments are similar to allowable County investments, described below, except that some State investments are for longer terms and include securities issued by municipalities outside of the State.

At June 30, 2015, the County's carrying amount of deposits was \$6,014,769 and the bank balance was \$6,017,236. The Federal Depository Insurance Corporation (FDIC) covered \$250,000 of the bank balance at fiscal year end and the bank balance was collateralized by the Nevada Collateral Pool.

The County manages its custodial credit risk related to deposits by participating in the Nevada Collateral Pool, which requires depositories to maintain as collateral, acceptable securities having a fair market value of at least 102% of the amount of the uninsured balances of the public money held by the depository. Under NRS, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the Nevada Collateral Pool. However, the County often carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of ongoing economic instability.

At June 30, 2015, total cash, cash equivalents and investments (including restricted amounts) were presented in the County's financial statements as follows:

Governmental activities	\$ 58,567,839
Business-type activities	18,022,560
Fiduciary funds	<u>2,410,867</u>
Total cash, cash equivalents and investments	<u>\$ 79,001,266</u>

The County has a formal investment policy that, in the opinion of management, is designed to ensure conformity with the NRS and seeks to limit exposure to investment risks.

All investments are governed by the County Commission's policy of the "prudent person" rule. The prudent person rule is a standard to guide those with responsibility for investing the money of others. Such fiduciaries, must act as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital and, in general, avoid speculation.

Allowable County investments are as follows:

United States bonds and debentures maturing within ten (10) years from the date of purchase.

Certain farm loan bonds.

Bills and notes of the United States Treasury and obligations of an agency or instrumentality of the United States or a corporation sponsored by the United States maturing within ten (10) years from the date of purchase.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Negotiable and non-negotiable certificates of deposit from commercial banks and insured credit unions or savings and loan associations.

Certain securities issued by local governments within the State.

Local Government Investment Pool (an external investment pool administered by the State Treasurer, with oversight provided by the State Board of Finance. The fair value of the County's position in the pool is the same as the value of the pool shares.)

Other securities expressly provided by other statutes, including repurchase agreements.

Certain bankers acceptances, commercial paper issued by a corporation organized and operating in the United States, and Money Market Mutual Funds.

At June 30, 2015, the County had the following cash equivalents and investments:

	Reported Amount (Fair Value)	Investment Maturities (In Years)	
		Less Than One	One to Five
U.S. Treasury obligations	\$ 11,803,862	\$	\$ 11,803,862
U.S. Agency securities			
Federal Home Loan Bank	8,141,338		8,141,338
Federal Farm Credit Bank	5,014,100		5,014,100
Federal Home Loan Mortgage Corporation	3,039,530	1,024,910	2,014,620
Federal Home Loan Mortgage Bank	2,502,725		2,502,725
Federal National Mortgage Association	9,051,558	1,001,390	8,050,168
Local government investment pool	<u>33,433,384</u>	<u>33,433,384</u>	
Total investments	72,986,497	\$ <u>35,459,684</u>	\$ <u>37,526,813</u>
Total cash and cash equivalents	<u>6,014,769</u>		
Total cash, cash equivalents and investments	<u>\$ 79,001,266</u>		

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, one of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, the County's cash equivalents and investments were rated by Moody's Investors Service as follows:

	<u>Reported Amount (Fair Value)</u>	<u>Quality Rating</u>
U.S. Treasury obligations	\$ 11,803,862	AAA
U.S. Agency securities		
Federal Home Loan Bank	8,141,338	AAA
Federal Farm Credit Bank	5,014,100	AAA
Federal Home Loan Mortgage Corporation	3,039,530	AAA
Federal Home Loan Mortgage Bank	2,502,725	AAA
Federal National Mortgage Association	9,051,558	AAA
Local government investment pool	<u>33,433,384</u>	N/A *
 Total investments	 <u>\$ 72,986,497</u>	

* The requirement to disclose credit ratings does not apply to debt securities of the United States government, or obligations of United States government agencies that are explicitly guaranteed by the United States government.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. The County's investment policy allows investments in obligations of the U.S. Treasury and U.S. agencies, agency issued mortgage backed securities, negotiable medium-term obligations issued by local governments of the State of Nevada, corporate bonds rated "AA" or better, commercial paper rated "A-1", "P-1" or better, and repurchase agreements, certificates of deposit, money market mutual funds rated "AAA" by a nationally recognized rating service or other securities in which banking institutions may legally invest.

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. Investments in any one issuer that represent 5% or more of total investments at June 30, 2015, were as follows:

	<u>Percentage of Portfolio</u>
U.S. Treasury obligations	16.03 %
Federal Home Loan Bank	11.06 %
Federal Farm Credit Bank	6.81 %
Federal National Mortgage Association	12.29 %

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Capital Assets

For the year ended June 30, 2015, capital asset activity was as follows:

	Balance July 1, 2014 (Restated)	Increases	Decreases	Completed Construction	Balance June 30, 2015
Governmental activities					
Capital assets not being depreciated or amortized					
Land	\$ 17,215,387			\$ 288,369	\$ 17,503,756
Construction in progress	<u>19,919,172</u>	<u>5,439,362</u>	<u>(103,966)</u>	<u>(21,465,425)</u>	<u>3,789,143</u>
Total capital assets not being depreciated or amortized	<u>37,134,559</u>	<u>5,439,362</u>	<u>(103,966)</u>	<u>(21,177,056)</u>	<u>21,292,899</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	71,240,408	33,632	(36,898)	17,610,484	88,847,626
Machinery, equipment and software	32,029,241	1,388,551	(816,918)	216,008	32,816,882
Infrastructure	<u>224,706,923</u>	<u>101,200</u>	<u>(11,545)</u>	<u>3,350,564</u>	<u>228,147,142</u>
Total capital assets being depreciated or amortized	<u>327,976,572</u>	<u>1,523,383</u>	<u>(865,361)</u>	<u>21,177,056</u>	<u>349,811,650</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(29,396,640)	(2,060,658)	8,610		(31,448,688)
Machinery, equipment and software	(25,093,419)	(1,693,266)	805,327		(25,981,358)
Infrastructure	<u>(188,129,020)</u>	<u>(3,451,566)</u>	<u>9,428</u>		<u>(191,571,158)</u>
Total accumulated depreciation and amortization	<u>(242,619,079)</u>	<u>(7,205,490)</u>	<u>823,365</u>		<u>(249,001,204)</u>
Total capital assets being depreciated or amortized, net	<u>85,357,493</u>	<u>(5,682,107)</u>	<u>(41,996)</u>	<u>21,177,056</u>	<u>100,810,446</u>
Total governmental activities	<u>\$ 122,492,052</u>	<u>\$ (242,745)</u>	<u>\$ (145,962)</u>	<u>\$</u>	<u>\$ 122,103,345</u>

* Includes transfers from and to proprietary funds, if any.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Completed Construction	Balance June 30, 2015
Business-type activities					
Capital assets not being depreciated or amortized					
Land	\$ 2,891,609		\$ (60,000)		\$ 2,831,609
Construction in progress	12,294,318	1,581,267	(248)	(11,762,426)	2,112,911
Water rights	<u>2,960,865</u>			<u>2,811,148</u>	<u>5,772,013</u>
Total capital assets not being depreciated or amortized	<u>18,146,792</u>	<u>1,581,267</u>	<u>(60,248)</u>	<u>(8,951,278)</u>	<u>10,716,533</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	2,784,150	3,500			2,787,650
Machinery, equipment and software	2,541,774	6,784	(17,030)	13,142	2,544,670
Water and sewer systems	<u>107,437,372</u>	<u>5,025,252</u>		<u>8,938,136</u>	<u>121,400,760</u>
Total capital assets being depreciated or amortized	<u>112,763,296</u>	<u>5,035,536</u>	<u>(17,030)</u>	<u>8,951,278</u>	<u>126,733,080</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(651,880)	(72,363)			(724,243)
Machinery, equipment and software	(2,045,321)	(116,188)	17,030		(2,144,479)
Water and sewer systems	<u>(27,029,747)</u>	<u>(3,312,449)</u>			<u>(30,342,196)</u>
Total accumulated depreciation and amortization	<u>(29,726,948)</u>	<u>(3,501,000)</u>	<u>17,030</u>		<u>(33,210,918)</u>
Total capital assets being depreciated or amortized, net	<u>83,036,348</u>	<u>1,534,536</u>		<u>8,951,278</u>	<u>93,522,162</u>
Total business-type activities	<u>\$ 101,183,140</u>	<u>\$ 3,115,803</u>	<u>\$ (60,248)</u>		<u>\$ 104,238,695</u>

* Includes transfers from and to governmental funds, if any.

For the year ended June 30, 2015, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 1,301,619
Judicial	339,805
Public safety	1,174,521
Public works	2,268,644
Community development	79,731
Culture and recreation	1,798,836
Health and sanitation	85,220
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>157,114</u>
Total depreciation expense, governmental activities	<u>\$ 7,205,490</u>
Business-type activities	
Water	\$ 2,583,499
Sewer	842,752
Trash service	<u>74,749</u>
Total depreciation expense, business-type activities	<u>\$ 3,501,000</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Expenditures and transfers in the ad valorem capital projects funds for the year ended June 30, 2015, were as follows:

	Ad Valorem Capital Projects Fund	Town of Gardnerville Ad Valorem Capital Projects Fund	Town of Minden Ad Valorem Capital Projects Fund
Motor vehicles	\$	\$ 2,612	\$ 25,311
Transfers out	1,311,112		

Interfund Balances and Activity

Due To and From Other Funds

At June 30, 2015, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$ 81,160	\$ 111,369
Room Tax Special Revenue Fund	26,894	5,471
Park Residential Construction Tax Capital Projects Fund		1,000
Non-major Governmental Funds	585,343	841,784
Regional Water Utility Enterprise Fund	1,210	58,977
Sewer Utility Enterprise Fund	5,645	20,800
Carson Valley Water Utility Enterprise Fund	80,378	6,879
Lake Tahoe Water Utility Enterprise Fund	6,143	6,720
Town of Minden Wholesale Water Utility Enterprise Fund	98,929	
Town of Minden Water Company Enterprise Fund	191,187	99,057
Non-major Enterprise Funds	338	27,322
Internal Service Funds	102,152	
	\$ 1,179,379	\$ 1,179,379

Interfund Transfers

Transfers of revenues collected in various funds are used to finance various programs and expenditures accounted for in other funds in accordance with budgetary authorization or legal requirements.

For the year ended June 30, 2015, interfund transfers were as follows:

	Transfers In	Transfers Out
General Fund	\$ 75,000	\$ 3,560,765
Room Tax Special Revenue Fund	963,897	392,434
East Fork Fire Protection District Special Revenue Fund	5,229,183	130,380
Non-major Governmental Funds	8,857,908	11,142,409
Regional Water Utility Enterprise Fund		125,000
Carson Valley Water Utility Enterprise Fund	125,000	
Lake Tahoe Water Utility Enterprise Fund	13,524,513	
Non-major Enterprise Funds		13,424,513
	\$ 28,775,501	\$ 28,775,501

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Long-term Liabilities

Outstanding long-term debt obligations at June 30, 2015, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2015</u>
Governmental activities				
General obligation medium term financing bonds and notes				
Community Center Medium Term Bonds, Series 2013	March 2013 - March 2023	2.05%	\$ 7,800,000	\$ 7,800,000
East Fork Fire Protection District Medium Term Bond, Series 2010	June 2010 - April 2020	4.04%	1,115,000	708,000
Gardnerville Medium Term Note, Series 2005	August 2005 - April 2015	4.35%	900,000	
Parking Garage Medium Term Bonds, Series 2005	February 2005 - February 2015	3.00 - 4.75%	3,220,000	
Parking Garage Medium Term Bonds, Series 2004	October 2004 - October 2014	3.50 - 5.00%	<u>2,780,000</u>	
Total general obligation medium term financing bonds and notes			<u>15,815,000</u>	<u>8,508,000</u>
Revenue bonds				
Airport Revenue Bonds, Series 2014	June 2015 - June 2029	2.95%	1,075,000	1,075,000
Highway Revenue Improvement and Refunding Bonds, Series 2003	April 2003 - December 2017	2.00 - 3.85%	<u>3,145,000</u>	<u>635,000</u>
Total revenue bonds			<u>4,220,000</u>	<u>1,710,000</u>
General obligation/pledged revenue bonds				
Community Center Bonds, Series 2012	August 2012 - August 2032	3.00 - 3.25%	6,750,000	6,650,000
Transportation Refunding Bonds, Series 2012	July 2012 - May 2020	2.08%	2,009,000	1,370,000
Solid Waste Disposal Refunding Bonds, Series 2004	September 2004 -December 2019	3.00 - 4.75%	<u>1,670,000</u>	
Total general obligation/pledged revenue bonds			<u>10,429,000</u>	<u>8,020,000</u>
Capital lease				
Vacuum truck lease	October 2014 - October 2020	2.82%	<u>320,000</u>	<u>272,331</u>
Total governmental activities			<u>30,784,000</u>	<u>18,510,331</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2015</u>
Business-type activities				
General obligation/pledged revenue bonds				
State Revolving Fund Water Bonds, Series 2014	January 2015 - January 2035	2.56%	\$ 1,000,000	\$ 113,930
Douglas County, Nevada General Obligation Sewer Refunding Bonds Series 2014	May 2014 - August 2024	.32% - 3.28%	2,010,000	2,010,000
State Revolving Fund Water Bonds, Series 2012	July 2012 - July 2032	2.49%	1,300,000	1,025,022
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A	March 2012 - November 2024	2.00 - 4.00%	2,485,000	2,295,000
State Revolving Fund Water Bonds, Series 2011	April 2011 - January 2031	3.21%	1,000,000	915,031
State Revolving Fund Water Bonds, Series 2010	February 2010 - January 2030	2.84%	1,150,000	956,270
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C	September 2010 - December 2020	2.00 - 4.00%	2,420,000	1,675,000
Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B	September 2010 - December 2022	2.00 - 4.50%	3,970,000	2,665,000
Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A	September 2010 - December 2029	6.00%	1,570,000	1,570,000
State Revolving Fund Water Bonds, Series 2009	March 2009 - January 2029	3.27%	3,500,000	1,942,402
State Revolving Fund Water Bonds, Series 2005	December 2005 - July 2025	2.99%	674,542	455,826
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley)	May 2005 - December 2016	5.00%	1,785,000	465,000
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B	May 2005 - December 2015	3.50 - 5.00%	1,540,000	210,000

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2015</u>
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake)	May 2005 - December 2015	3.50 - 5.00%	\$ 1,190,000	\$ 160,000
Douglas County, Nevada General Obligation Sewer Improvement Bonds Series 2004B	August 2004 - August 2014	3.50 - 4.125%	3,000,000	
Douglas County, Nevada General Obligation Water Improvement Bonds Series 2004A	August 2004 - August 2014	3.25 - 4.125%	<u>2,065,000</u>	<u> </u>
Total general obligation/pledged revenue bonds			<u>30,659,542</u>	<u>16,458,481</u>
Total business-type activities			<u>30,659,542</u>	<u>16,458,481</u>
Total long-term debt obligations			<u>\$ 61,443,542</u>	<u>\$ 34,968,812</u>

General Obligation Bonds and Notes

The County issues general obligation bonds and notes payable for various purposes including, but not limited to, financing the improvement, acquisition or construction of capital assets. These bonds and notes constitute general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

Revenue Bonds and General Obligation/Pledged Revenue Bonds

The County issues revenue bonds and general obligation/pledged revenue bonds for various purposes including, but not limited to, financing the improvement, acquisition or construction of capital assets and has pledged specific revenues to repay these bonds.

Governmental activities

Pledged revenue – Revenues generated from the operations of the Airport system.

Total revenue bond principal and interest remaining to be paid at June 30, 2015	\$ 1,327,815
Total revenue bond principal and interest paid during the year ended June 30, 2015	15,768
Total pledged revenue for the year ended June 30, 2015	1,008,198
Maturity of revenue bonds issued and revenue pledge Airport Revenue Bonds, Series 2014 ¹	June 2029

Pledged revenue – Revenues generated from a 1% transient occupancy tax levied in the Tahoe-Douglas Transportation District and revenues generated by projects financed with the bonds.

Total revenue bond principal and interest remaining to be paid at June 30, 2015	\$ 1,449,727
Total revenue bond principal and interest paid during the year ended June 30, 2015	290,531
Total pledged revenue for the year ended June 30, 2015	502,868
Maturity of revenue bond issued and revenue pledge Transportation Refunding Bonds, Series 2012	May 2020

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Pledged revenue – Revenues generated from intergovernmental consolidated taxes (liquor taxes, tobacco taxes, real property transfer taxes, basic governmental services tax and basic supplemental sales taxes).

Total revenue bond principal and interest remaining to be paid at June 30, 2015	\$ 9,292,266
Total revenue bond principal and interest paid during the year ended June 30, 2015	304,694
Total pledged revenue for the year ended June 30, 2015	1,650,657
Maturity of revenue bond issued and revenue pledge Community Center Bonds, Series 2012	August 2032

Pledged revenue – Revenues generated from motor vehicle fuel taxes (\$0.04 per gallon levied by the County and \$0.0535 per gallon levied by the State).

Total revenue bond principal and interest remaining to be paid at June 30, 2015	\$ 672,095
Total revenue bond principal and interest paid during the year ended June 30, 2015	222,650
Total pledged revenue for the year ended June 30, 2015	1,739,363
Maturity of revenue bond issued and revenue pledge Highway Revenue Improvement and Refunding Bonds, Series 2003	December 2017

Business-type activities

Pledged revenue – Revenues generated from water utility customer net revenues.

Total revenue bond principal and interest remaining to be paid at June 30, 2015	\$ 17,045,829
Total revenue bond principal and interest paid during the year ended June 30, 2015	1,615,245
Total pledged revenue for the year ended June 30, 2015	2,564,802
Maturity of revenue bonds issued and revenue pledge	
State Revolving Fund Water Bonds, Series 2014	January 2035
State Revolving Fund Water Bonds, Series 2012	July 2032
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A	November 2024
State Revolving Fund Water Bonds, Series 2011	January 2031
State Revolving Fund Water Bonds, Series 2010	January 2030
Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B	December 2022
Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A	December 2029
State Revolving Fund Water Bonds, Series 2009	January 2029
State Revolving Fund Water Bonds, Series 2005	July 2025
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley)	December 2016
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake)	December 2015

Pledged revenue – Revenues generated from sewer utility customer net revenues.

Total revenue bond principal and interest remaining to be paid at June 30, 2015	\$ 4,344,518
Total revenue bond principal and interest paid during the year ended June 30, 2015	708,439
Total pledged revenue for the year ended June 30, 2015	1,317,576
Maturity of revenue bonds issued and revenue pledge	
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2014	August 2024
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C	December 2020
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B	December 2015

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Changes in Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Governmental activities					
General obligation medium term financing bonds and notes					
Community Center Medium Term Bonds, Series 2013	\$ 7,800,000	\$	\$	\$ 7,800,000	\$ 905,000
East Fork Fire Protection District Medium Term Bond	808,000		(100,000)	708,000	113,000
Gardnerville Medium Term Note, Series 2005	117,855		(117,855)		
Parking Garage Medium Term Bonds, Series 2005	725,000		(725,000)		
Parking Garage Medium Term Bonds, Series 2004	<u>545,000</u>		<u>(545,000)</u>		
Total general obligation medium term financing bonds and notes	<u>9,995,855</u>		<u>(1,487,855)</u>	<u>8,508,000</u>	<u>1,018,000</u>
Revenue bonds					
Airport Revenue Bond, Series 2014		1,075,000		1,075,000	63,000
Highway Revenue Improvement and Refunding Bonds, Series 2003	<u>830,000</u>		<u>(195,000)</u>	<u>635,000</u>	<u>205,000</u>
Total revenue bonds	<u>830,000</u>	<u>1,075,000</u>	<u>(195,000)</u>	<u>1,710,000</u>	<u>268,000</u>
General obligation/pledged revenue bonds					
Community Center Bonds, Series 2012	6,750,000		(100,000)	6,650,000	100,000
Transportation Refunding Bonds, Series 2012	1,628,000		(258,000)	1,370,000	261,000
Solid Waste Disposal Refunding Bonds, Series 2004	<u>830,000</u>		<u>(830,000)</u>		
Total general obligation/pledged revenue bonds	<u>9,208,000</u>		<u>(1,188,000)</u>	<u>8,020,000</u>	<u>361,000</u>
Capital lease					
Vacuum truck lease		<u>320,000</u>	<u>(47,669)</u>	<u>272,331</u>	<u>42,288</u>
Unamortized bond premiums	56,217		(3,109)	53,108	

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Compensated absences	\$ 3,705,902	\$ 3,178,107	\$ (2,916,385)	\$ 3,967,624	\$ 2,685,516
Postemployment benefits other than pensions	6,346,751	828,123	(575,430)	6,599,444	
Net pension liability	<u>77,988,644</u>	<u>8,189,563</u>	<u>(24,367,819)</u>	<u>61,810,388</u>	
Total governmental activities	<u>108,131,369</u>	<u>13,590,793</u>	<u>(30,781,267)</u>	<u>90,940,895</u>	<u>4,374,804</u>
Business-type activities					
General obligation/pledged revenue bonds					
State Revolving Fund Water Bonds, Series 2014		113,930		113,930	
Douglas County, Nevada General Obligation Sewer Refunding Bonds Series 2014	2,010,000			2,010,000	184,000
State Revolving Fund Water Bonds, Series 2012	912,071	112,951		1,025,022	45,587
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A	2,365,000		(70,000)	2,295,000	230,000
State Revolving Fund Water Bonds, Series 2011	958,192		(43,161)	915,031	44,557
State Revolving Fund Water Bonds, Series 2010	1,006,769		(50,500)	956,269	51,945
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C	1,920,000		(245,000)	1,675,000	255,000
Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B	3,005,000		(340,000)	2,665,000	350,000
Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A	1,570,000			1,570,000	
State Revolving Fund Water Bonds, Series 2009	2,050,262		(107,859)	1,942,403	118,285
State Revolving Fund Water Bonds, Series 2005	492,281		(36,455)	455,826	37,553
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley)	680,000		(215,000)	465,000	225,000
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B	410,000		(200,000)	210,000	210,000

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Increases	Decreases	Balance June 30, 2015	Due Within One Year
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake)	\$ 310,000	\$	\$ (150,000)	\$ 160,000	\$ 160,000
Douglas County, Nevada General Obligation Sewer Improvement Bonds Series 2004B	150,000		(150,000)		
Douglas County, Nevada General Obligation Water Improvement Bonds Series 2004A	<u>105,000</u>		<u>(105,000)</u>		
Total general obligation/pledged revenue bonds	<u>17,944,575</u>	<u>226,881</u>	<u>(1,712,975)</u>	<u>16,458,481</u>	<u>1,911,927</u>
Unamortized bond premiums	503,672		(90,095)	413,577	
Compensated absences	223,164	151,077	(207,713)	166,528	166,528
Postemployment benefits other than pensions	227,986	36,376	(21,203)	243,159	
Net pension liability	<u>3,809,652</u>	<u>400,051</u>	<u>(1,190,339)</u>	<u>3,019,364</u>	
Total business-type activities	<u>22,709,049</u>	<u>814,385</u>	<u>(3,222,325)</u>	<u>20,301,109</u>	<u>2,078,455</u>
Total long-term liabilities	<u>\$ 130,840,418</u>	<u>\$ 14,405,178</u>	<u>\$ (34,003,592)</u>	<u>\$ 111,242,004</u>	<u>\$ 6,453,259</u>

Compensated absences, net pension liability and postemployment benefits other than pensions typically have been liquidated by the fund incurring the related salaries and wages.

At June 30, 2015, the annual requirements to pay principal and interest on bonds and notes outstanding were as follows:

For the Year Ended June 30,	General obligation medium term financing bonds and notes		Revenue bonds		General obligation/pledged revenue bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental activities						
2016	\$ 1,018,000	\$ 187,372	\$ 268,000	\$ 52,060	\$ 361,000	\$ 228,838
2017	1,051,000	164,133	275,000	42,367	367,000	220,378
2018	1,085,000	139,939	287,000	32,172	275,000	213,283
2019	1,121,000	114,749	69,000	25,960	281,000	207,531
2020	1,158,000	88,502	71,000	23,925	286,000	201,666
2021 - 2025	3,075,000	126,895	387,000	86,996	1,110,000	952,969
2026 - 2030			353,000	26,430	3,145,000	590,344
2031 - 2035					<u>2,195,000</u>	<u>106,983</u>
	<u>\$ 8,508,000</u>	<u>\$ 821,590</u>	<u>\$ 1,710,000</u>	<u>\$ 289,910</u>	<u>\$ 8,020,000</u>	<u>\$ 2,721,992</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For the Year Ended June 30,	General obligation/pledged revenue bonds	
	Principal	Interest
Business-type activities		
2016	\$ 1,883,873	\$ 554,524
2017	1,599,436	493,414
2018	1,405,265	443,414
2019	1,449,901	395,470
2020	1,514,832	343,641
2021 - 2025	5,442,127	1,063,300
2026 - 2030	2,878,618	316,867
2031 - 2035	284,429	6,844
	\$ 16,458,481	\$ 3,617,474

Debt Covenants and Legal Debt Margin

Certain long-term liabilities are subject to restrictive debt covenants with which management believes the County to be in compliance.

The amount of long-term general obligation debt that can be incurred by the County is limited by the NRS and the County's Charter limits total outstanding long-term liabilities (debt principal) during a year to no more than 10% of the assessed value of taxable property at the beginning of the fiscal year. Management believes the County to be in compliance with these requirements.

Arbitrage Rebate Requirement

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebatable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

Conduit Debt

The County has provided third-party borrowers conduit debt to finance the improvement, acquisition or construction of capital assets, which are deemed to be in the public interest, including, but not limited to, hospital facilities. The conduit debt obligations are secured by the pledged revenues of the third-party borrowers, and the County has no obligation with respect to the conduit debt after its issuance because the third-party services the debt. The conduit debt, issued pursuant to NRS 268, is not, and shall never become, an obligation of the County.

Outstanding conduit debt obligations at June 30, 2015, were as follows:

	Issuance Date	Original Amount	Balance June 30, 2015
Washoe Barton Medical Clinic Project, Hospital Revenue and Refunding Bonds, Series 2013	April 2013	\$ <u>8,700,000</u>	\$ <u>7,673,372</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Capital Leases - Governmental Activities

The County entered into a capital lease agreement, which expires October 2020, to finance the acquisition of capital assets used by the County and in general operations. For accounting purposes, the assets acquired under this capital lease has been recorded at the present value of the future minimum lease payments as of the lease inception date. Total capital lease payments for the year ended June 30, 2015, were \$49,979.

At June 30, 2015, the assets acquired through these capital leases were as follows:

Machinery, equipment and software	\$	322,422
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At June 30, 2015, future minimum capital lease payments were as follows:

<u>For the Year Ended June 30,</u>		
2016	\$	49,979
2017		49,979
2018		49,979
2019		49,979
2020		49,979
2021 - 2025		49,979
2026 - 2030		<u> </u>
Total future minimum capital lease payments		299,874
Less portion of payment representing interest		<u>(27,543)</u>
Present value of total future minimum capital lease payments	\$	<u><u>272,331</u></u>

Segment Information

The County has issued long-term debt (in some cases revenue supported) to finance the improvement, acquisition or construction of capital assets that has historically been paid from the revenues of the County's enterprise funds. The financial position, results of operations and cash flows of the enterprise funds are presented separately in the accompanying proprietary fund financial statements and no additional segment information disclosure is considered necessary.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Note 4. Other Information

Commitments

Operating Leases

The County has certain non-cancelable operating lease agreements primarily for office equipment. Such leases expire at various times through June 2019.

At year end, the County's future minimum lease payments under these non-cancelable operating leases were as follows:

<u>For the Year Ended June 30,</u>		
2016	\$	83,259
2017		63,170
2018		50,754
2019		28,579
2020		<u>8,243</u>
	\$	<u><u>234,005</u></u>

Construction Project Commitments

The County entered into contractual commitments for the construction and/or improvement of capital assets. At year end, such commitments were as follows:

	Contract Amount	Amount of Work Completed as of June 30, 2015	Commitment Remaining at June 30, 2015
Governmental activities			
General government projects	\$ 2,861,913	\$ 898,737	\$ 1,963,176
Airport projects	437,091	218,545	218,546
Erosion control projects	175,000	66,201	108,799
Judicial system projects	54,391	35,168	19,223
Public safety projects	10,817	252	10,565
Public works projects	<u>1,490,992</u>	<u>493,593</u>	<u>997,399</u>
Total governmental activities	<u>\$ 5,030,204</u>	<u>\$ 1,712,496</u>	<u>\$ 3,317,708</u>
Business-type activities			
Water system projects	\$ 2,173,877	\$ 1,124,810	\$ 1,049,067
Sewer system projects	<u>68,449</u>	<u>52,527</u>	<u>15,922</u>
Total business-type activities	<u>\$ 2,242,326</u>	<u>\$ 1,177,337</u>	<u>\$ 1,064,989</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Litigation

In the ordinary course of its operations, claims are filed against the County including, but not limited to those arising from alleged improper actions by employees, police actions and negligence. County management intends to vigorously defend each claim and believes that most claims will be dismissed or settled for substantially less than the claimed amount and may be partially offset by payments from the County's liability insurance policies, discussed below under "Risk Management," and will not result in any material adverse future effect on the County's financial position, results of operation, or cash flows.

The County does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

Risk Management

The United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which has had far-reaching effects on the economic activity in the country. In fiscal years 2014 and 2015, the economy has begun to stabilize and has helped to stabilize the County's current operations as well. However, the long-term impact of these factors on the Nevada economy and the County's future operations cannot be predicted at this time, but may be substantial.

The County is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these and other risks, the County participates with other governmental entities in the Nevada Public Agency Insurance Pool (the Pool) and the Public Agency Compensation Trust (PACT) and purchases commercial insurance coverage for other risks of loss, including specific risks not covered by PACT or the Pool (airport liability and bonding coverage) and employee health and accident insurance. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Nevada Public Agency Insurance Pool

The Pool, created under the Nevada Interlocal Cooperation Act, is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide liability coverage for its members. The deductible paid by the County for each incident is \$5,000 for property damages and crime and \$50,000 for all other incidents, with a maximum aggregate deductible of \$300,000 annually.

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, Pool insurance coverages were as follows:

Property, crime and equipment			
Blanket Limit per schedule of locations	\$	300,000,000	Per loss
Sublimit for earthquake coverage		125,000,000	Annual aggregate
Sublimit for flood coverage		125,000,000	Annual aggregate
Sublimit for flood coverage zone A		10,000,000	Annual aggregate
Sublimit for equipment breakdown, boiler and machinery		60,000,000	Each accident
Sublimit for money and securities including dishonesty		500,000	Each loss
Casualty			
Bodily injury, property damage, personal injury			
Employment based benefits administration	\$	10,000,000	Per event
Law enforcement activities, and wrongful acts		10,000,000	Annual aggregate

Public Agency Compensation Trust

PACT, created under the Nevada Interlocal Cooperation Act, is an intergovernmental self-insured association for insurance.

The County pays PACT premiums based on payroll costs. The PACT is considered a self-sustaining pool that will provide workers compensation coverage based on established statutory limits.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The County's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The County does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by NRS, are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the system on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the system on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

- 1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
- 2) The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Police/fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/fire members entering the system on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted toward the eligibility for retirement as Police/fire accredited service.

The normal ceiling limitation on the monthly benefit allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

PERS's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

For the fiscal years ended June 30, 2014 and 2015, the required employer/employee matching rate was 13.25% for regular and 20.75% for police/fire members. The EPC rate was 25.75% for regular and 40.50% for police/fire members.

Effective July 1, 2015, the required contribution rates for regular members will be 14.5% and 28% for employer/employee matching and EPC, respectively. The required contribution rates for police/fire members will remain the same.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PER's website, www.nvpers.org under publications.

PERS collective net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2013), applied to all periods included in the measurement:

Actuarial valuation date	June 30, 2014
Inflation rate	3.50%
Payroll growth	5.00%, including inflation
Investment rate of return	8.00%, including inflation
Discount rate	8.00%
Productivity pay increase	0.75%
Consumer price index	3.50%
Actuarial cost method	Entry age normal and level percentage of payroll
Projected salary increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases

At June 30, 2014, assumed mortality rates and projected life expectancies for selected ages were as follows:

Regular Members				
Age	Mortality Rates		Expected Years of Life Remaining	
	Males	Females	Males	Females
40	0.10 %	0.05 %	41.1	44.4
50	0.17 %	0.12 %	31.6	34.7
60	0.55 %	0.42 %	22.4	25.4
70	1.82 %	1.39 %	14.3	17.0
80	5.65 %	3.79 %	7.7	10.1
Police/Fire Members				
Age	Mortality Rates		Expected Years of Life Remaining	
	Males	Females	Males	Females
40	0.10 %	0.06 %	40.2	42.5
50	0.19 %	0.15 %	30.7	32.8
60	0.63 %	0.54 %	21.5	23.6
70	2.02 %	1.72 %	13.5	15.5
80	6.41 %	4.63 %	7.1	9.0

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

These mortality rates and projected life expectancies are based on the following:

For non-disabled male regular members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA

For non-disabled female regular members - RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year

For all non-disabled police/fire members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year

For all disabled regular members and all disabled police/fire members - RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

PERS's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2014:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return *
Domestic equity	42 %	5.50 %
International equity	18 %	5.75 %
Domestic fixed income	30 %	25.00 %
Private markets	10 %	6.80 %

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014.

The County's proportionate share of the net pension liability at June 30, 2014, calculated using the discount rate of 8.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Net pension liability	\$ 100,817,354	\$ 64,829,752	\$ 34,914,891

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from it have been determined on the same basis used in the PERS Comprehensive Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The County's proportionate share (amount) of the collective net pension liability was \$64,829,752, which represents 0.62205% of the collective net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2014, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2014.

For the period ended June 30, 2015, the County's pension expense was \$8,589,614 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2015, were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 3,102,461
Net difference between projected and actual earnings on investments		13,616,902
Changes in proportion and differences between actual contributions and proportionate share of contributions	583,142	
Contributions made subsequent to the measurement date	9,697,296	

At June 30, 2014, the average expected remaining service life is 6.70 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$9,697,296 will be recognized as a reduction of the net pension liability in the year ending June 30, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended June 30,	
2016	\$ (3,810,800)
2017	(3,810,800)
2018	(3,810,800)
2019	(3,810,800)
2020	(525,307)
Thereafter	(367,714)

Changes in the County's net pension liability were as follows:

Net pension liability, beginning of year	\$ 81,798,296
Pension expense	8,589,614
Employer contributions	(9,421,937)
Net new deferred inflows and outflows of resources	<u>(16,136,221)</u>
Net pension liability, end of year	<u>\$ 64,829,752</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

At June 30, 2015, approximately \$800,000 was payable to PERS, for the June 2015 required contribution.

Postemployment Benefits Other Than Pensions

Plan Information

In accordance with NRS, the County provides other postemployment benefits to retirees through a single-employer postemployment defined benefit healthcare plan, the Douglas County Health Benefits Plan (the County Plan) and by participating in the State's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit plan administered by a nine member governing board. Both plans provide healthcare, prescription, dental, vision and life insurance benefits.

Benefit provisions for the County Plan are established pursuant to NRS 287.023 and amended through negotiations between the County and the respective associations. Eligible retirees are able to participate in the plan at the same rates as active employees, thereby benefiting from an implicit subsidy. All retirees, except elected officials, are required to pay 100% of their premiums under the plan. Retired elected officials' subsidies are based on the number of complete four-year terms of office served by the elected officials.

PEBP eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the County is obligated to provide postemployment benefits is limited to eligible employees who retired from County service prior to September 1, 2008.

PEBP issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing or calling the following:

Public Employee Benefit Plan
901 South Stewart Street, Suite 101
Carson City, NV 89701
(775) 684-7000

The County Plan does not issue a separate financial report; however, additional information may be obtained by writing or calling the following:

Douglas County
P.O. Box 218
Minden, Nevada, 89423
(775) 782-9097

Funding Policy, Annual OPEB Cost and Net OPEB Obligation

Contribution requirements to the County Plan are established by and may be amended through negotiations between the County and various employee groups. Retirees enrolled in the County Plan receive no direct subsidy from the County; however, retiree loss experience is pooled with active employee loss experience for the purpose of setting rates and the difference between the true claims cost and the blended rate creates an implicit rate subsidy from the County. For fiscal year 2015, the County's estimated implicit benefit subsidy payment was \$84,265. At June 30, 2015, 512 active employees and 34 retirees were participating in the County Plan.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

The County is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In fiscal year 2015, this subsidy ranged from \$4 to \$636 per retiree, per month. At June 30, 2015, 146 retirees were participating in the PEBP.

Annual OPEB cost for the plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Public Employee Benefit Program	Douglas County Health Benefits Plan	Total
Annual required contribution (ARC)	\$ 450,765	\$ 455,466	\$ 906,231
Interest on net OPEB obligation	67,220	195,769	262,989
Adjustment to ARC	<u>(110,219)</u>	<u>(194,502)</u>	<u>(304,721)</u>
Annual OPEB cost	407,766	456,733	864,499
OPEB contributions made	<u>(472,952)</u>	<u>(123,680)</u>	<u>(596,632)</u>
Increase (decrease) in net OPEB obligation	(65,186)	333,053	267,867
Net OPEB obligation, beginning of year	<u>1,680,498</u>	<u>4,894,239</u>	<u>6,574,737</u>
Net OPEB obligation, end of year	<u>\$ 1,615,312</u>	<u>\$ 5,227,292</u>	<u>\$ 6,842,604</u>

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation for the most current three years were as follows:

<u>For the Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions Made</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
Public Employee Benefit Program				
2013	\$ 486,541	\$ 559,872	115.1 %	\$ 1,628,831
2014	553,015	501,348	90.7 %	1,680,498
2015	407,766	472,952	116.0 %	1,615,312
Douglas County Health Benefits Plan				
2013	1,138,234	114,570	10.1 %	3,858,148
2014	1,138,234	114,570	10.1 %	4,894,239
2015	456,733	123,680	27.1 %	5,227,292

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date was as follows:

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program July 1, 2014	N/A ¹ \$	6,872,797 \$	6,872,797	0.0 %	N/A ²	N/A ²
Douglas County Health Benefits Plan July 1, 2014	N/A ¹	3,390,021	3,390,021	0.0 %	28,360,401	12.0 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits provided at the valuation date and the pattern of sharing benefit costs between the County and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Significant actuarial methods and assumptions as of the most recent actuarial valuation date were as follows:

	<u>Public Employee Benefit Program</u>	<u>Douglas County Health Benefits Plan</u>
Actuarial valuation date	July 1, 2014	July 1, 2014
Actuarial cost method	Entry age normal, closed	Entry age normal, open
Amortization method	Level dollar	Level percent of pay
Amortization period	24	30 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions		
Average retiree age	65.9	66.9
Investment rate of return	4%	4%
Projected salary increases	N/A ¹	4%
Inflation rate	2.75%	2.75%
Health cost inflation rates		
Initial	7.5%	7.5%
Ultimate	5%	5%
Health cost inflation rates for the year ending June 30,		

1. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

**REQUIRED SUPPLEMENTARY
INFORMATION**

DOUGLAS COUNTY

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2015

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Annual Covered Payroll	UAAL as a Percent of Covered Payroll
Public Employee Benefit Program						
July 1, 2010	N/A ¹ \$	14,386,911 \$	14,386,911	0.0 %	N/A ²	N/A ²
July 1, 2012	N/A ¹	8,952,091	8,952,091	0.0 %	N/A ²	N/A ²
July 1, 2014	N/A ¹	6,872,797	6,872,797	0.0 %	N/A ²	N/A ²
Douglas County Health Benefits Plan						
July 1, 2010	N/A ¹	7,316,619	7,316,619	0.0 %	30,422,051	24.1 %
July 1, 2012	N/A ¹	9,133,012	9,113,012	0.0 %	32,886,155	27.7 %
July 1, 2014	N/A ¹	3,390,021	3,390,021	0.0 %	28,360,401	12.0 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

DOUGLAS COUNTY

**MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN
PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014 AND LAST NINE FISCAL YEARS¹**

<u>For the Year Ended June 30,</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Proportion of the Collective Net Pension Liability</u>	<u>Covered Employee Payroll</u>	<u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u>	<u>PERS Fiduciary Net Position as a Percentage of Total Pension Liability</u>
2014	0.62205 %	\$ 64,829,752	\$ 34,306,014	188.97489 %	76.31210 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

DOUGLAS COUNTY

MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN PROPORTIONATE SHARE OF STATUTORILY REQUIRED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2015 AND LAST NINE FISCAL YEARS¹

For the Year Ended June 30,	Statutorily Required Contribution	Contributions in relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Employee Payroll
2015	\$ 9,697,293	\$ 9,697,293	\$	\$ 35,414,596	27.38219 %

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

GENERAL FUND

DOUGLAS COUNTY
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

The general fund is used to account for all financial resources not accounted for in other funds.

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 18,397,813	\$ 18,397,813	\$ 17,717,406	\$ (680,407)
Real property taxes, delinquent			175,809	175,809
Real property taxes, deferred			562	562
Personal property taxes, current			552,892	552,892
Personal property taxes, delinquent			9,954	9,954
Business licenses, permits, franchise and other fees				
Liquor licenses	260,000	260,000	297,218	37,218
Local county gaming licenses	130,000	130,000	204,436	74,436
Cable television franchise fees	385,000	385,000	461,562	76,562
Southwest gas franchise fee	340,000	340,000	636,981	296,981
Vacation home rental permits	30,000	30,000	32,300	2,300
Utility operator fees	1,600,000	1,600,000	1,653,119	53,119
Building permits	650,000	734,913	1,213,327	478,414
Marriage licenses	25,000	25,000	18,858	(6,142)
Animal fees	29,000	29,000	23,699	(5,301)
School construction reserve	1,200	1,200	2,240	1,040
Other licenses, permits and fees			900	900
Intergovernmental shared revenues				
Federal, state and local grants				
SAPTA	14,860	15,700	14,595	(1,105)
Traffic safety	55,000	113,059	86,026	(27,033)
COPS	60,000	60,000		(60,000)
Support incentive			12,892	12,892
Title IV, URESA	211,067	211,067	216,402	5,335
DOJ block grant	55,000	55,000	55,867	867
Bureau of Justice Assistance			6,885	6,885
Domestic violence	208,036	208,036	223,997	15,961
Alcohol ID			1,650	1,650
PY grant revenue			20,448	20,448
OJJDP	25,000			
Social Security inmate incentive	1,600	1,600	4,600	3,000
DEA			592	592
Emergency management			30,000	30,000
Grant-in-aid		4,170	11,520	7,350
Tri-net	86,300	86,300	61,685	(24,615)
Nevada Law Foundation		8,607	12,721	4,114
Specialized foster care		28,280	37,482	9,202
Other grants	11,205	73,017	70,249	(2,768)
Payments in lieu of taxes	600,000	600,000	590,170	(9,830)
State gaming table taxes	145,000	145,000	139,297	(5,703)
State consolidated tax distribution	10,888,520	10,888,520	11,004,377	115,857
NRS county gaming licenses	550,000	550,000	548,167	(1,833)
District Attorney forfeitures		8,620	725	(7,895)
Charges for services				
General government				
Clerk's fees	185,000	185,000	227,583	42,583
Recorder's fees	340,000	340,000	328,455	(11,545)
Treasurer's fees	5,500	5,500	7,204	1,704
Recorder's technology fees		108,418	58,413	(50,005)
Assessor's fees	2,000	2,000	2,301	301
Assessor's commissions	140,000	140,000	144,564	4,564
Assessor's technology fees		81,560	48,188	(33,372)
Administration and overhead	1,626,273	1,626,273	1,626,273	
GIS services	330,000	355,000	355,000	
Radio user fees	143,805	143,805	143,805	
Applicant license fees	10,000	10,000	16,399	6,399
Sale of film	25,000	25,000	18,744	(6,256)
Reimbursement for services	5,000	5,000	8,839	3,839

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
USFS co-op agreement	\$ 4,000	\$ 4,000	\$ 5,000	\$ 1,000
DMV 5%	65,000	65,000	59,111	(5,889)
DMV \$2 license	23,000	23,000	19,944	(3,056)
Administration, flex spending fee	500	500	382	(118)
Administration, garnishment fee	900	900	840	(60)
Administration, RPTT fee	12,000	12,000	16,689	4,689
Allocation permits	8,000	8,000	20,216	12,216
Late charges	2,000	2,000	3,975	1,975
GIS maps	5,000	5,000	5,873	873
Professional fees		30,000	50,190	20,190
Code enforcement			150	150
1/2 mobile home			5	5
Administration, child support fee			1,153	1,153
Other		25,312	26,371	1,059
Judicial				
East Fork constable fees	30,000	30,000	29,984	(16)
JPO detention fees	2,000	2,000	3,305	1,305
Guardian fees	13,500	13,500	8,561	(4,939)
Tahoe constable fees	2,500	2,500	2,465	(35)
Support and care fees	5,000	5,000	5,668	668
House arrest fees	63,000	63,000	77,405	14,405
Probation supervision fees	35,000	35,000	46,120	11,120
Probation drug testing fees	32,000	32,000	27,908	(4,092)
Court fees		142,641	221,260	78,619
Other		10,298	74,500	64,202
Public safety				
Sheriff's fees	270,000	270,000	245,989	(24,011)
Jail processing fees	4,500	4,500	7,050	2,550
Animal adoption fees	3,500	3,500	2,830	(670)
Public works				
Engineering fees	140,000	140,000	355,968	215,968
Planning fees	80,000	80,000	138,768	58,768
Ditch review application fee	1,760	1,760	2,420	660
Health and sanitation				
Weed spraying, private	248,707	263,707	271,741	8,034
Weed spraying, interlocal	40,000	80,500	67,743	(12,757)
Chemical sales	80,000	138,500	144,777	6,277
Fines and forfeitures				
Judicial				
East Fork Justice Court fines	680,000	2,089,193	644,071	(1,445,122)
Tahoe Justice Court fines	400,000	1,512,634	402,516	(1,110,118)
District Court fines and fees	300	1,055,109	350	(1,054,759)
Chemical analysis fine	15,000	15,000	13,432	(1,568)
Administration assessment JPO \$2	15,000	15,000	18,426	3,426
Public Defender restitution	5,000	5,000	5,910	910
JPO fines	25,000	25,000	18,701	(6,299)
Reimburse counsel	5,000	5,000	8,808	3,808
Administration assessment JPO \$10	5,000	5,000	2,910	(2,090)
Controlled substance	5,000	5,000	4,972	(28)
Sheriff restitution	6,500	26,500	12,088	(14,412)
Other	4,000	4,000		(4,000)
Public safety				
Animal control fees	12,000	12,000	14,506	2,506
Other	1,000	1,000		(1,000)
Miscellaneous				
Other donations		8,482	13,435	4,953
Reimbursements and restitutions, China Spring	43,276	14,964	14,964	
Other reimbursements and restitutions	50,000	54,511	54,556	45
Other rent and lease income	28,500	28,500	28,924	424
Pay phone	18,000	18,000	18,158	158

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Proceeds from tax sale	\$	\$	\$ 88,405	\$ 88,405
Rebates	10,500	14,146	15,455	1,309
Cash over and short			1,309	1,309
Property tax penalties and interest	575,000	575,000	506,820	(68,180)
Investment income	90,413	90,413	102,225	11,812
Other	5,000	5,000	379,279	374,279
Total revenues	40,743,535	45,096,028	43,451,959	(1,644,069)
EXPENDITURES				
General government				
County commission				
Salaries and wages	144,561	144,561	148,672	(4,111)
Employee benefits	127,958	127,958	120,263	7,695
Services and supplies	194,775	194,774	188,335	6,439
Total county commission	467,294	467,293	457,270	10,023
County manager				
Salaries and wages	426,204	443,859	452,006	(8,147)
Employee benefits	173,485	178,376	181,545	(3,169)
Services and supplies	374,902	428,768	388,912	39,856
Total county manager	974,591	1,051,003	1,022,463	28,540
Finance and comptroller				
Salaries and wages	534,885	534,885	486,757	48,128
Employee benefits	235,175	235,175	212,501	22,674
Services and supplies	136,900	154,437	176,617	(22,180)
Total finance and comptroller	906,960	924,497	875,875	48,622
Treasurer				
Salaries and wages	312,776	311,594	299,297	12,297
Employee benefits	127,702	128,884	115,672	13,212
Services and supplies	74,793	74,793	117,540	(42,747)
Total treasurer	515,271	515,271	532,509	(17,238)
Geographic information systems				
Salaries and wages	486,295	486,295	453,903	32,392
Employee benefits	224,271	224,271	204,269	20,002
Services and supplies	154,368	207,624	136,371	71,253
Total geographic information systems	864,934	918,190	794,543	123,647
Economic Development				
Salaries and wages	84,926	84,926	85,253	(327)
Employee benefits	34,216	34,216	34,204	12
Services and supplies	186,000	190,890	174,769	16,121
Total economic development	305,142	310,032	294,226	15,806
Assessor				
Salaries and wages	491,255	491,255	483,389	7,866
Employee benefits	249,333	249,333	238,310	11,023
Services and supplies	39,625	103,510	44,889	58,621
Capital outlay			33,398	(33,398)
Total assessor	780,213	844,098	799,986	44,112

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Tahoe, general services				
Salaries and wages	\$ 166,719	\$ 166,719	\$ 181,221	\$ (14,502)
Employee benefits	76,486	76,486	76,740	(254)
Services and supplies	7,900	9,900	9,282	618
Total Tahoe, general services	<u>251,105</u>	<u>253,105</u>	<u>267,243</u>	<u>(14,138)</u>
Recorder				
Salaries and wages	276,640	276,640	260,525	16,115
Employee benefits	129,753	129,753	132,038	(2,285)
Services and supplies	18,260	156,678	119,407	37,271
Capital outlay			34,500	(34,500)
Total recorder	<u>424,653</u>	<u>563,071</u>	<u>546,470</u>	<u>16,601</u>
Clerk				
Salaries and wages	202,626	202,626	178,599	24,027
Employee benefits	81,960	81,960	65,478	16,482
Services and supplies	16,130	16,130	13,149	2,981
Total clerk	<u>300,716</u>	<u>300,716</u>	<u>257,226</u>	<u>43,490</u>
Clerk, elections				
Salaries and wages	26,000	26,000	19,503	6,497
Employee benefits	3,900	3,900	2,628	1,272
Services and supplies	77,300	77,300	54,170	23,130
Total clerk, elections	<u>107,200</u>	<u>107,200</u>	<u>76,301</u>	<u>30,899</u>
Communications				
Salaries and wages			6,750	(6,750)
Employee benefits			2,965	(2,965)
Services and supplies	56,000	63,546	58,386	5,160
Total communications	<u>56,000</u>	<u>63,546</u>	<u>68,101</u>	<u>(4,555)</u>
General services				
Salaries and wages	31,716	31,716	19,301	12,415
Employee benefits	386,364	386,364	376,030	10,334
Services and supplies	1,403,715	1,406,215	1,457,067	(50,852)
Capital outlay		25,000		25,000
Total general services	<u>1,821,795</u>	<u>1,849,295</u>	<u>1,852,398</u>	<u>(3,103)</u>
Information services				
Salaries and wages	522,454	522,454	514,257	8,197
Employee benefits	218,186	218,186	211,956	6,230
Services and supplies	502,726	556,897	520,223	36,674
Capital outlay			11,200	(11,200)
Total information services	<u>1,243,366</u>	<u>1,297,537</u>	<u>1,257,636</u>	<u>39,901</u>
Human resources				
Salaries and wages	275,425	275,425	291,149	(15,724)
Employee benefits	117,991	117,991	120,310	(2,319)
Services and supplies	140,876	143,046	115,943	27,103
Total human resources	<u>534,292</u>	<u>536,462</u>	<u>527,402</u>	<u>9,060</u>
Records management				
Salaries and wages	90,938	90,938	87,049	3,889
Employee benefits	38,993	38,993	38,077	916
Services and supplies	32,595	32,595	22,351	10,244
Capital outlay			10,405	(10,405)
Total records management	<u>162,526</u>	<u>162,526</u>	<u>157,882</u>	<u>4,644</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Other				
Services and supplies	\$ _____	\$ _____	\$ 1,332	\$ (1,332)
Total general government	9,716,058	10,163,842	9,788,863	374,979
Judicial				
Court clerk				
Salaries and wages	282,445	351,817	342,935	8,882
Employee benefits	126,696	153,579	143,828	9,751
Services and supplies	13,267	91,905	100,174	(8,269)
Total court clerk	422,408	597,301	586,937	10,364
District court I				
Salaries and wages	152,090	155,698	161,836	(6,138)
Employee benefits	61,446	61,900	59,380	2,520
Services and supplies	36,125	113,631	116,037	(2,406)
Total District court I	249,661	331,229	337,253	(6,024)
District court II				
Salaries and wages	161,245	161,245	164,843	(3,598)
Employee benefits	61,234	61,234	55,413	5,821
Services and supplies	47,080	56,443	70,738	(14,295)
Total District court II	269,559	278,922	290,994	(12,072)
CASA				
Salaries and wages	83,161	83,161	82,262	899
Employee benefits	42,024	42,024	42,674	(650)
Services and supplies	19,676	17,490	17,490	2,186
Total CASA	125,185	144,861	142,426	2,435
SAFE				
Salaries and wages	32,000	107,934	110,300	(2,366)
Public guardian and administration				
Employee benefits	19,611	19,611	25,595	(5,984)
Services and supplies	91,688	94,688	93,388	1,300
Total public guardian and administration	111,299	114,299	118,983	(4,684)
Bailiff				
Salaries and wages	188,045	188,045	186,525	1,520
Employee benefits	109,690	109,690	110,633	(943)
Total bailiff	297,735	297,735	297,158	577
District attorney				
Salaries and wages	1,419,046	1,419,046	1,421,965	(2,919)
Employee benefits	582,116	582,116	584,669	(2,553)
Services and supplies	161,685	170,305	198,047	(27,742)
Total district attorney	2,162,847	2,171,467	2,204,681	(33,214)
District attorney, child support				
Salaries and wages	200,584	200,584	196,923	3,661
Employee benefits	93,220	93,220	89,692	3,528
Services and supplies	24,581	24,581	34,510	(9,929)
Total district attorney, child support	318,385	318,385	321,125	(2,740)
Public defender				
Services and supplies	828,334	828,334	800,631	27,703

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Juvenile probation				
Salaries and wages	\$ 768,692	\$ 741,220	\$ 679,940	\$ 61,280
Employee benefits	377,947	377,947	343,459	34,488
Services and supplies	88,940	124,269	110,115	14,154
Total juvenile probation	<u>1,235,579</u>	<u>1,243,436</u>	<u>1,133,514</u>	<u>109,922</u>
JPO detention center				
Salaries and wages	348,169	348,169	290,303	57,866
Employee benefits	126,354	126,354	123,121	3,233
Services and supplies	18,950	15,505	13,919	1,586
Total JPO detention center	<u>493,473</u>	<u>490,028</u>	<u>427,343</u>	<u>62,685</u>
Court computer system				
Salaries and wages	96,221	96,221	96,591	(370)
Employee benefits	37,344	37,344	38,034	(690)
Services and supplies	107,240	132,912	132,865	47
Total court computer system	<u>240,805</u>	<u>266,477</u>	<u>267,490</u>	<u>(1,013)</u>
East Fork justice court				
Salaries and wages	326,706	326,706	349,880	(23,174)
Employee benefits	191,380	191,380	193,785	(2,405)
Services and supplies	39,725	44,725	39,163	5,562
Total East Fork justice court	<u>557,811</u>	<u>562,811</u>	<u>582,828</u>	<u>(20,017)</u>
Tahoe justice court				
Salaries and wages	312,376	312,376	300,726	11,650
Employee benefits	154,276	154,276	143,785	10,491
Services and supplies	43,573	43,573	21,292	22,281
Total Tahoe justice court	<u>510,225</u>	<u>510,225</u>	<u>465,803</u>	<u>44,422</u>
East Fork constable				
Salaries and wages	102,253	102,253	104,146	(1,893)
Employee benefits	38,881	38,881	39,508	(627)
Services and supplies	2,425	2,425	248	2,177
Total East Fork constable	<u>143,559</u>	<u>143,559</u>	<u>143,902</u>	<u>(343)</u>
Tahoe constable				
Salaries and wages	144,588	137,943	92,535	45,408
Employee benefits	19,834	19,834	12,955	6,879
Services and supplies	2,360	16,871	14,852	2,019
Total Tahoe constable	<u>166,782</u>	<u>174,648</u>	<u>120,342</u>	<u>54,306</u>
Alternative sentencing				
Salaries and wages	254,077	254,077	242,547	11,530
Employee benefits	122,480	122,480	126,548	(4,068)
Services and supplies	187,292	158,765	150,732	8,033
Capital outlay		28,527		28,527
Total alternative sentencing	<u>563,849</u>	<u>563,849</u>	<u>519,827</u>	<u>44,022</u>
Security				
Salaries and wages	101,561	101,561	89,383	12,178
Employee benefits	29,259	29,259	27,989	1,270
Services and supplies	1,175	20,492	19,900	592
Total security	<u>131,995</u>	<u>151,312</u>	<u>137,272</u>	<u>14,040</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Other				
Services and supplies	\$ _____	\$ 4,929,648	\$ _____	\$ 4,929,648
Total judicial	8,861,491	14,226,460	9,008,809	5,217,651
Public safety				
Sheriff, administration				
Salaries and wages	389,172	389,172	392,932	(3,760)
Employee benefits	232,910	232,910	232,241	669
Services and supplies	432,706	472,706	466,335	6,371
Total sheriff, administration	1,054,788	1,094,788	1,091,508	3,280
Sheriff, administrative services				
Salaries and wages	310,887	344,537	341,740	2,797
Employee benefits	166,046	186,046	179,524	6,522
Services and supplies	605,644	735,377	566,106	169,271
Capital outlay	_____	234,584	349,606	(115,022)
Total sheriff, administrative services	1,082,577	1,500,544	1,436,976	63,568
Sheriff, records				
Salaries and wages	312,106	312,106	302,547	9,559
Employee benefits	160,607	160,607	151,780	8,827
Total sheriff, records	472,713	472,713	454,327	18,386
Sheriff, jail				
Salaries and wages	2,193,612	2,293,612	2,309,202	(15,590)
Employee benefits	1,348,337	1,433,337	1,461,532	(28,195)
Services and supplies	477,000	477,000	465,847	11,153
Total sheriff, jail	4,018,949	4,203,949	4,236,581	(32,632)
Sheriff, COPS grant				
Salaries and wages	135,528	135,528	132,421	3,107
Employee benefits	75,986	75,986	77,869	(1,883)
Total sheriff, COPS grant	211,514	211,514	210,290	1,224
Sheriff, general investigation				
Salaries and wages	1,065,188	1,040,188	1,045,025	(4,837)
Employee benefits	580,410	580,410	579,459	951
Services and supplies	18,000	18,000	17,537	463
Total sheriff, general investigation	1,663,598	1,638,598	1,642,021	(3,423)
Sheriff, traffic patrol				
Salaries and wages	355,567	274,114	280,138	(6,024)
Employee benefits	240,417	170,417	165,799	4,618
Services and supplies	2,000	2,000	3,951	(1,951)
Total sheriff, traffic patrol	597,984	446,531	449,888	(3,357)
Sheriff, vehicle maintenance				
Services and supplies	676,936	676,936	587,634	89,302
Capital outlay	300,000	380,583	280,783	99,800
Total sheriff, vehicle maintenance	976,936	1,057,519	868,417	189,102
Sheriff, grants				
Salaries and wages	71,840	71,840	69,032	2,808
Employee benefits	44,909	44,909	46,174	(1,265)
Total sheriff, grants	116,749	116,749	115,206	1,543

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Sheriff, coroner				
Services and supplies	\$ 52,500	\$ 52,500	\$ 95,615	\$ (43,115)
Sheriff, patrol operations				
Salaries and wages	3,279,009	3,083,582	3,077,292	6,290
Employee benefits	1,958,836	1,918,836	1,926,430	(7,594)
Services and supplies	30,000	30,000	27,046	2,954
Total sheriff, patrol operations	<u>5,267,845</u>	<u>5,032,418</u>	<u>5,030,768</u>	<u>1,650</u>
Sheriff, tri-net				
Salaries and wages	83,346	83,346	76,906	6,440
Employee benefits	43,031	43,031	42,082	949
Services and supplies	12,000	12,000	8,747	3,253
Total sheriff, tri-net	<u>138,377</u>	<u>138,377</u>	<u>127,735</u>	<u>10,642</u>
Animal care and services				
Salaries and wages	187,759	182,759	178,446	4,313
Employee benefits	88,577	88,577	88,502	75
Services and supplies	23,600	58,600	56,279	2,321
Total animal care and services	<u>299,936</u>	<u>329,936</u>	<u>323,227</u>	<u>6,709</u>
Total public safety	<u>15,954,466</u>	<u>16,296,136</u>	<u>16,082,559</u>	<u>213,577</u>
Public works				
Building				
Salaries and wages	148,257	151,857	147,755	4,102
Employee benefits	60,185	61,335	68,425	(7,090)
Services and supplies	685,750	681,000	643,207	37,793
Total building	<u>894,192</u>	<u>894,192</u>	<u>859,387</u>	<u>34,805</u>
Engineering				
Salaries and wages	11,140	11,140	11,554	(414)
Employee benefits	4,063	4,063	4,204	(141)
Total engineering	<u>15,203</u>	<u>15,203</u>	<u>15,758</u>	<u>(555)</u>
Roads				
Salaries and wages			181	(181)
Employee benefits			242	(242)
Total roads			<u>423</u>	<u>(423)</u>
Utilities				
Salaries and wages			6,321	(6,321)
Employee benefits			3,240	(3,240)
Total utilities			<u>9,561</u>	<u>(9,561)</u>
Total public works	<u>909,395</u>	<u>909,395</u>	<u>885,129</u>	<u>24,266</u>
Community development				
Administration				
Salaries and wages	214,326	217,129	206,994	10,135
Employee benefits	87,137	87,930	80,914	7,016
Services and supplies	124,000	63,100	54,672	8,428
Total administration	<u>425,463</u>	<u>368,159</u>	<u>342,580</u>	<u>25,579</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
Building				
Salaries and wages	\$ 350,750	\$ 401,741	\$ 393,008	\$ 8,733
Employee benefits	155,463	170,951	165,933	5,018
Services and supplies	13,400	13,750	9,902	3,848
Total building	519,613	586,442	568,843	17,599
Planning				
Salaries and wages	358,531	358,531	304,116	54,415
Employee benefits	157,993	157,993	131,862	26,131
Services and supplies	21,050	33,986	28,968	5,018
Total planning	537,574	550,510	464,946	85,564
Engineering				
Salaries and wages	374,354	368,354	351,222	17,132
Employee benefits	150,815	150,815	146,442	4,373
Services and supplies	9,700	22,669	21,014	1,655
Total engineering	534,869	541,838	518,678	23,160
Total community development	2,017,519	2,046,949	1,895,047	151,902
Health and sanitation				
Weed control				
Salaries and wages	202,302	236,302	241,673	(5,371)
Employee benefits	69,845	72,845	74,052	(1,207)
Services and supplies	317,800	394,800	371,950	22,850
Total health and sanitation	589,947	703,947	687,675	16,272
Total expenditures	38,048,876	44,346,729	38,348,082	5,998,647
EXCESS OF REVENUES OVER EXPENDITURES	2,694,659	749,299	5,103,877	4,354,578
OTHER FINANCING SOURCES (USES)				
Contingencies	(753,669)	(749,225)		749,225
Proceeds from capital asset disposal			15,114	15,114
Transfers in	75,000	75,000	75,000	
Transfers out	(3,214,266)	(3,846,042)	(3,560,765)	285,277
Total other financing sources (uses)	(3,892,935)	(4,520,267)	(3,470,651)	1,049,616
CHANGE IN FUND BALANCE	(1,198,276)	(3,770,968)	1,633,226	5,404,194
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			10,597,894	
Adjustment			(104,888)	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	7,644,407	9,788,395	10,493,006	704,611
FUND BALANCE, END OF YEAR	\$ 6,446,131	\$ 6,017,427	\$ 12,126,232	\$ 6,108,805

SPECIAL REVENUE FUNDS

DOUGLAS COUNTY
MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Room Tax

Room Tax Fund - Accounts for activities related to, and support of, chambers of commerce, visitor authorities, and other specific Douglas County programs, such as parks, recreation and libraries.

East Fork Fire Protection District

Accounts for the operations and activities of the East Fork Fire Protection District.

DOUGLAS COUNTY

ROOM TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
TOT-Valley 5%	\$ 384,615	\$ 384,615	\$ 447,772	\$ 63,157
TOT-Valley 3%	230,769	230,769	268,664	37,895
TOT-Lake 7/8 of 8%	3,411,694	3,411,694	3,484,971	73,277
TOT-Valley 5/8 of 1%	48,077	48,077	55,972	7,895
TOT-Lake 5/8 of 1%	307,693	307,693	314,294	6,601
TOT-Lake 1/8 of 8%	487,385	487,385	497,844	10,459
TOT-Lake 1% Admin	39,385	39,385	40,229	844
Business licenses, permits, franchise and other fees				
Utility operator fees	400,000	400,000	405,431	5,431
TLLT-Valley 2%	153,846	153,846	179,110	25,264
TLLT-Valley 1%	76,923	76,923	89,555	12,632
TLLT-Lake 2%	984,616	984,616	1,005,744	21,128
TLLT-Lake 1%	492,308	492,308	502,870	10,562
Intergovernmental shared revenues				
Federal, state and local grants				
LSTA		3,000	3,000	
Grant-in-aid		8,608	8,608	
State optional sales taxes	1,616,302	1,616,302	1,614,104	(2,198)
Charges for services				
Culture and recreation				
Teen programs	1,000	1,000	586	(414)
Park fees	65,000	35,020	30,692	(4,328)
Tennis court lights	500	500	814	314
Recreation fees	100,000	100,000	119,775	19,775
Softball, lake	2,500	2,500	3,325	825
Softball, valley	24,000	24,000	18,410	(5,590)
Basketball, lake	9,000	9,000	10,105	1,105
Youth sports, lake	9,000	9,000	12,282	3,282
Youth basketball, valley	28,000	33,000	33,355	355
Topaz park	150,000	100,000	118,610	18,610
Shooting range fees	13,000	13,000	12,638	(362)
Kids club	240,000	290,000	290,541	541
Recreation contract classes	45,000	25,000	27,072	2,072
Kahle programs	40,000	37,360	58,470	21,110
Kahle drop-ins	46,000	46,000	50,230	4,230
Kahle rentals	13,000	13,000	17,405	4,405
Kahle concessions	20,000	17,000	14,733	(2,267)
Volleyball, valley	30,000	30,000	29,176	(824)
Fairground fees	20,000	7,000	5,623	(1,377)
Kahle passes	185,000	165,000	166,105	1,105
Football, lake	1,500	1,500	954	(546)
Football, valley	22,000	22,000	28,447	6,447
Soccer, lake		2,200	2,278	78
Kahle preschool	55,000	52,000	47,086	(4,914)
Kahle kids club	20,000	17,000	15,677	(1,323)
Kahle contract class	30,000	29,440	32,440	3,000
DCCSC Fees	161,680	246,180	285,637	39,457
Other	5,000		1,401	1,401
Miscellaneous				
Other donations		81,206	78,652	(2,554)
Other reimbursements and restitutions		15,805	31,489	15,684
Other rent and lease income	38,000	38,000	40,677	2,677
Cash over and short			649	649
Room tax penalties and interest	15,000	15,000	9,519	(5,481)
Investment income	5,000	5,000	9,994	4,994
Other			2,117	2,117
Total revenues	10,027,793	10,127,932	10,525,132	397,200

(Continued)

DOUGLAS COUNTY

ROOM TAX SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Culture and recreation				
Administration				
Services and supplies	\$ 537,436	\$ 1,074,562	\$ 537,436	\$ 537,126
Promotional room tax				
Services and supplies	4,429,987	4,429,987	4,514,628	(84,641)
Library				
Salaries and wages	741,753	741,753	713,102	28,651
Employee benefits	328,312	328,312	337,011	(8,699)
Services and supplies	426,317	457,862	465,746	(7,884)
Capital outlay		6,067	6,067	
Total library	1,496,382	1,533,994	1,521,926	12,068
Parks operations				
Salaries and wages	393,359	348,359	353,831	(5,472)
Employee benefits	191,697	176,697	172,543	4,154
Services and supplies	636,066	635,182	646,085	(10,903)
Capital outlay	340,000	317,384	230,506	86,878
Total parks operations	1,561,122	1,477,622	1,402,965	74,657
Parks development				
Services and supplies		14,000	13,913	87
Capital outlay		2,545,456	2,294,796	250,660
Total parks development		2,559,456	2,308,709	250,747
Parks, temporary and seasonal				
Salaries and wages	157,600	199,600	205,045	(5,445)
Employee benefits	23,963	43,963	43,222	741
Services and supplies	18	38	27	11
Total parks, temporary and seasonal	181,581	243,601	248,294	(4,693)
Recreation				
Salaries and wages	252,842	274,842	279,637	(4,795)
Employee benefits	116,787	126,787	123,134	3,653
Services and supplies	299,619	410,203	366,398	43,805
Total recreation	669,248	811,832	769,169	42,663
Recreation, temporary and seasonal				
Salaries and wages	309,719	279,719	283,675	(3,956)
Employee benefits	72,566	62,566	57,840	4,726
Services and supplies			47	(47)
Total recreation, temporary and seasonal	382,285	342,285	341,562	723
Kahle community center				
Salaries and wages	312,053	320,053	321,084	(1,031)
Employee benefits	81,140	81,140	76,822	4,318
Services and supplies	249,088	247,388	235,844	11,544
Total Kahle community center	642,281	648,581	633,750	14,831
Other				
Salaries and wages	295,649	235,649	232,443	3,206
Employee benefits	109,301	102,301	86,297	16,004
Services and supplies	212,671	194,958	146,501	48,457
Total other	617,621	532,908	465,241	67,667

(Continued)

DOUGLAS COUNTY

ROOM TAX SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Total expenditures	\$ 10,517,943	\$ 13,654,828	\$ 12,743,680	\$ 911,148
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(490,150)</u>	<u>(3,526,896)</u>	<u>(2,218,548)</u>	<u>1,308,348</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(167,085)	(167,085)		167,085
Transfers in	963,897	963,897	963,897	
Transfers out	<u>(392,434)</u>	<u>(392,434)</u>	<u>(392,434)</u>	
Total other financing sources (uses)	<u>404,378</u>	<u>404,378</u>	<u>571,463</u>	<u>167,085</u>
CHANGE IN FUND BALANCE	(85,772)	(3,122,518)	(1,647,085)	1,475,433
FUND BALANCE, BEGINNING OF YEAR	<u>548,040</u>	<u>3,584,786</u>	<u>3,584,786</u>	
FUND BALANCE, END OF YEAR	<u>\$ 462,268</u>	<u>\$ 462,268</u>	<u>\$ 1,937,701</u>	<u>\$ 1,475,433</u>

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 4,608,544	\$ 4,608,544	\$ 4,371,255	\$ (237,289)
Real property taxes, delinquent			41,049	41,049
Real property taxes, deferred			225	225
Personal property taxes, current			180,707	180,707
Personal property taxes, delinquent			4,336	4,336
Intergovernmental shared revenues				
Federal, state and local grants				
SERC	4,000	70,391	70,391	
PY grant revenue		7,257	53,875	46,618
FEMA		21,092	21,092	
Homeland Security		9,509	9,509	
Emergency management	52,000	63,000	21,622	(41,378)
Other grants		133,026	127,781	(5,245)
Payments in lieu of taxes			91	91
State consolidated tax distribution	1,656,763	1,656,763	1,674,465	17,702
Charges for services				
General government				
Administration and overhead	80,000	80,000	80,000	
Public safety				
Distribution from East Fork paramedic district	4,687,246	4,511,246		(4,511,246)
Fire plan check and inspection fees	60,000	60,000	82,863	22,863
Other			1,648	1,648
Miscellaneous				
Other donations		2,220	2,220	
Other reimbursements and restitutions		638,697	643,496	4,799
Other rent and lease income	5,435	5,435	4,528	(907)
Investment income	3,000	3,000	13,132	10,132
Other		4,304	4,304	
Total revenues	11,156,988	11,874,484	7,408,589	(4,465,895)
EXPENDITURES				
Public safety				
East Fork fire protection				
Salaries and wages	5,890,793	6,148,503	6,321,456	(172,953)
Employee benefits	3,409,646	3,530,013	3,365,674	164,339
Services and supplies	1,998,917	2,124,467	1,968,852	155,615
Capital outlay	189,621	303,684	230,386	73,298
Total East Fork fire protection	11,488,977	12,106,667	11,886,368	220,299
East Fork fire protection emergency				
Services and supplies	568,234	333,690	21,341	312,349
Total expenditures	12,057,211	12,440,357	11,907,709	532,648
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(900,223)	(565,873)	(4,499,120)	(3,933,247)
OTHER FINANCING SOURCES (USES)				
Contingencies	(338,981)	(238,981)		238,981
Proceeds from capital asset disposal		15,675	15,675	
Transfers in		516,627	5,229,183	4,712,556
Transfers out	(130,380)	(130,380)	(130,380)	
Total other financing sources (uses)	(469,361)	162,941	5,114,478	4,951,537

(Continued)

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
CHANGE IN FUND BALANCE	\$ (1,369,584)	\$ (402,932)	\$ 615,358	\$ 1,018,290
FUND BALANCE, BEGINNING OF YEAR	<u>2,138,490</u>	<u>2,178,158</u>	<u>2,178,158</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 768,906</u>	<u>\$ 1,775,226</u>	<u>\$ 2,793,516</u>	<u>\$ 1,018,290</u>

DOUGLAS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2015, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2008, July 1, 2010 and July 1, 2012.

The actuarial accrued liability and unfunded actuarial accrued liability involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revision.

Additional information related to postemployment benefits other than pensions can be found in notes 1 and 4 to the basic financial statements.

Note 2. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For the year ended June 30, 2015, there were no changes in the pension benefit plan terms to the actuarial methods and assumptions used in the actuarial valuation report dated June 30, 2014.

The actuarial valuation report dated June 30, 2014, is the only valuations to date of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in notes 1 and 4 to the basic financial statements.

Note 3. Budget Information

The accompanying required supplementary schedules of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual general and major special revenue fund data. The original budgets were adopted on a basis consistent with financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budgets were as prescribed by law and similarly consistent.

Additional budgetary information can be found in note 2 to the basic financial statements.

**OTHER SUPPLEMENTARY
INFORMATION**

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

DOUGLAS COUNTY
MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Park Residential Construction Tax

Accounts for the construction of new park facilities within specified park districts.

DOUGLAS COUNTY

PARK RESIDENTIAL CONSTRUCTION TAX CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Construction taxes	\$	\$ 41,500	\$ 41,500	\$
Miscellaneous				
Investment income		<u>2,000</u>	<u>2,336</u>	<u>336</u>
Total revenues		<u>43,500</u>	<u>43,836</u>	<u>336</u>
EXPENDITURES				
Culture and recreation				
Park residential construction				
Capital outlay		<u>43,500</u>	<u>53,923</u>	<u>(10,423)</u>
Total expenditures		<u>43,500</u>	<u>53,923</u>	<u>(10,423)</u>
CHANGE IN FUND BALANCE			(10,087)	(10,087)
FUND BALANCE, BEGINNING OF YEAR		<u>(618)</u>	<u>(618)</u>	
FUND BALANCE, END OF YEAR	\$	<u><u>(618)</u></u>	<u><u>(10,705)</u></u>	<u><u>(10,087)</u></u>

**NON-MAJOR
GOVERNMENTAL FUNDS**

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2015

	<u>Non-major Special Revenue Funds</u>	<u>Non-major Debt Service Funds</u>	<u>Non-major Capital Projects Funds</u>	<u>Non-major Governmental Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 16,100,616	\$ 1,947,703	\$ 16,612,627	\$ 34,660,946
Accounts receivable, net	223,328		685	224,013
Taxes receivable	153,155		29,916	183,071
Interest receivable	29,840	152	29,695	59,687
Due from other governments	678,791		191,477	870,268
Due from other funds	514,054		68,957	583,011
Prepaid items	122,978			122,978
Other assets	500		7,156	7,656
Property held for sale	<u>179,292</u>			<u>179,292</u>
Total assets	<u>\$ 18,002,554</u>	<u>\$ 1,947,855</u>	<u>\$ 16,940,513</u>	<u>\$ 36,890,922</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 1,267,039		\$ 476,955	\$ 1,743,994
Accrued salaries, wages and benefits	199,002		3,620	202,622
Due to other funds	797,484	19,192	25,108	841,784
Unearned revenue, current	342,699	15	172,828	515,542
Contract retentions payable			8,890	8,890
Deposits	74,073			74,073
Due to other governments	118,436		33,798	152,234
Compensated absences	<u>4,981</u>			<u>4,981</u>
Total liabilities	<u>2,803,714</u>	<u>19,207</u>	<u>721,199</u>	<u>3,544,120</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, taxes and penalties	128,166		24,839	153,005
Unavailable revenue, special assessments		378		378
Unavailable revenue, grants	<u>13,007</u>			<u>13,007</u>
Total deferred inflows of resources	<u>141,173</u>	<u>378</u>	<u>24,839</u>	<u>166,390</u>
Total liabilities and deferred inflows of resources	<u>2,944,887</u>	<u>19,585</u>	<u>746,038</u>	<u>3,710,510</u>
FUND BALANCES				
Nonspendable				
Prepaid items	122,978			122,978
Land held for resale	179,292			179,292
Deposits	500		7,156	7,656
Restricted for				
Debt service		1,928,270		1,928,270
Capital improvement projects			16,187,319	16,187,319
General, town and district redevelopment programs	3,051,713			3,051,713
Youth and other judicial programs	2,038,117			2,038,117
Fire, police and other public safety programs	787,116			787,116
Streets and other public works programs	2,831,523			2,831,523
Cultural, community and development programs	5,234,157			5,234,157
Committed to				
Streets and other public works programs	657,280			657,280
Assigned to				
Sanitation and other health programs	<u>154,991</u>			<u>154,991</u>
Total fund balances	<u>15,057,667</u>	<u>1,928,270</u>	<u>16,194,475</u>	<u>33,180,412</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,002,554</u>	<u>\$ 1,947,855</u>	<u>\$ 16,940,513</u>	<u>\$ 36,890,922</u>

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	<u>Non-major Special Revenue Funds</u>	<u>Non-major Debt Service Funds</u>	<u>Non-major Capital Projects Funds</u>	<u>Non-major Governmental Funds</u>
REVENUES				
Taxes	\$ 11,600,709	\$	\$ 2,271,559	\$ 13,872,268
Licenses, permits, franchise and other fees	481,755		300,000	781,755
Intergovernmental shared revenues	7,101,019		1,002,597	8,103,616
Charges for services	3,219,988			3,219,988
Fines and forfeitures	158,357			158,357
Miscellaneous	<u>1,839,664</u>	<u>1,387</u>	<u>69,815</u>	<u>1,910,866</u>
Total revenues	<u>24,401,492</u>	<u>1,387</u>	<u>3,643,971</u>	<u>28,046,850</u>
EXPENDITURES				
Current				
General government	1,307,551	4,817	725,080	2,037,448
Judicial	4,785,978			4,785,978
Public safety	1,928,779			1,928,779
Public works	3,318,965		836,160	4,155,125
Community development	2,227,460			2,227,460
Culture and recreation	1,081,910			1,081,910
Health and sanitation	279,809			279,809
Welfare	<u>2,567,844</u>			<u>2,567,844</u>
Total current	<u>17,498,296</u>	<u>4,817</u>	<u>1,561,240</u>	<u>19,064,353</u>
Capital outlay				
General government	3,500		1,984,614	1,988,114
Judicial	247,616			247,616
Public works	579,075		137,305	716,380
Community development	131,056			131,056
Culture and recreation	811,174			811,174
Welfare	<u>73,259</u>			<u>73,259</u>
Total capital outlay	<u>1,845,680</u>		<u>2,121,919</u>	<u>3,967,599</u>
Debt service				
Principal payments		2,918,524		2,918,524
Interest expense		561,859		561,859
Debt issuance costs	5,136		68,883	74,019
Fiscal charges		<u>1,300</u>		<u>1,300</u>
Total debt service	<u>5,136</u>	<u>3,481,683</u>	<u>68,883</u>	<u>3,555,702</u>
Total expenditures	<u>19,349,112</u>	<u>3,486,500</u>	<u>3,752,042</u>	<u>26,587,654</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>5,052,380</u>	<u>(3,485,113)</u>	<u>(108,071)</u>	<u>1,459,196</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	10,741			10,741
Debt issuance proceeds	320,000		1,075,000	1,395,000
Transfers in	2,335,756	2,942,398	4,231,715	9,509,869
Transfers out	<u>(9,515,180)</u>		<u>(2,279,190)</u>	<u>(11,794,370)</u>
Total other financing sources (uses)	<u>(6,848,683)</u>	<u>2,942,398</u>	<u>3,027,525</u>	<u>(878,760)</u>
CHANGE IN FUND BALANCE	<u>(1,796,303)</u>	<u>(542,715)</u>	<u>2,919,454</u>	<u>580,436</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	16,853,970	2,470,985	12,957,274	32,282,229
Adjustment			<u>317,747</u>	<u>317,747</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>16,853,970</u>	<u>2,470,985</u>	<u>13,275,021</u>	<u>32,599,976</u>
FUND BALANCE, END OF YEAR	<u>\$ 15,057,667</u>	<u>\$ 1,928,270</u>	<u>\$ 16,194,475</u>	<u>\$ 33,180,412</u>

SPECIAL REVENUE FUNDS

DOUGLAS COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Nevada Cooperative Extension

Accounts for community outreach education and research activities of the University of Nevada, Reno Agriculture Extension Office undertaken in, and partially funded by, Douglas County.

Airport

Accounts for the operations of the Minden-Tahoe Airport.

Douglas County Water District

Accounts for activities to to enhance water quality and to ensure adequate water resources in Douglas County.

Solid Waste Management

Accounts for activities associated with the closure of the landfill, ongoing monitoring and other waste management activities.

Landscape Maintenance Districts

Accounts for the landscape maintenance of specified areas within Douglas County.

State Motor Vehicle Accident Indigent

Accounts for the provision of emergency hospital care to indigent persons resulting from motor vehicle accidents in Douglas County.

Medical Assistance to Indigents

Accounts for the payment of unpaid charges for medical care furnished to an indigent person who falls sick in Douglas County.

Social Services

Accounts for the provision of general assistance and medical care for indigents who reside in Douglas County.

Law Library

Accounts for the enhancement and maintenance of Douglas County's legal library.

Road Operating

Accounts for the maintenance of Douglas County roads.

Library Gifts

Accounts for donations from library patrons.

Tahoe-Douglas Transportation District

Accounts for transportation needs in the Lake Tahoe area.

Justice Court Administrative Assessment

Accounts for the enhancement of court operations.

China Spring Youth Camp

Accounts for the juvenile correction center operations.

Western Nevada Regional Youth Center

Accounts for the provision of regional detention and drug rehabilitation services for the counties of Douglas, Carson, Churchill, Lyon, and Storey.

Erosion Control (TRPA) Mitigation

Accounts for specific erosion control projects in the Lake Tahoe Basin.

Technology Services (911)

Accounts for the provision of emergency 911 and non-emergency communications services.

Senior Services Program

Accounts for the provision of nutritious meals, support services and transportation to residents 60 years of age or older.

Redevelopment Agency

Accounts for the operations and activities of the separate Redevelopment Agency.

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Town of Gardnerville

Accounts for the general operations and activities of the Town of Gardnerville.

Town of Genoa

Accounts for the general operations and activities of the Town of Genoa.

Town of Minden

Accounts for the general operations and activities of the Town of Minden.

East Fork Paramedic District

Accounts for the operations and activities of the East Fork Paramedic District. Effective July 1 2015, the financial accounting for the operations and activities of the East Fork Paramedic District moved to the East Fork Fire Protection District fund.

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2015

	Nevada Cooperative Extension	Airport	Douglas County Water District	Solid Waste Management	Landscape Maintenance Districts
ASSETS					
Cash, cash equivalents and investments	\$ 245,296	\$ 2,404,406	\$ 155,084	\$ 1,646,463	\$ 5,190
Accounts receivable, net	74	61,326		59,598	
Taxes receivable	3,972				
Interest receivable	473	4,661	300	3,220	12
Due from other governments	1,145	2,332			
Due from other funds				19,192	
Prepaid items		66,138	120		
Other assets					
Property held for sale					
Total assets	\$ 250,960	\$ 2,538,863	\$ 155,504	\$ 1,728,473	\$ 5,202
LIABILITIES					
Accounts payable and accrued expenses	\$ 22,068	\$ 805,162	\$ 504	\$ 14,636	\$
Accrued salaries, wages and benefits	2,834		1,029	1,537	
Due to other funds					
Unearned revenue, current		121,675	35,346		
Deposits		51,617			
Due to other governments					
Compensated absences					
Total liabilities	24,902	978,454	36,879	16,173	
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties	3,304				
Unavailable revenue, grants					
Total deferred inflows of resources	3,304				
Total liabilities and deferred inflows of resources	28,206	978,454	36,879	16,173	
FUND BALANCES					
Nonspendable					
Prepaid items		66,138	120		
Land held for resale					
Deposits					
Restricted for					
General, town and district redevelopment programs		1,494,271			
Youth and other judicial programs					
Fire, police and other public safety programs					
Streets and other public works programs			118,505	1,712,300	5,202
Cultural, community and development programs	222,754				
Committed to					
Streets and other public works programs					
Assigned to					
Sanitation and other health programs					
Total fund balances	222,754	1,560,409	118,625	1,712,300	5,202
Total liabilities, deferred inflows of resources and fund balances	\$ 250,960	\$ 2,538,863	\$ 155,504	\$ 1,728,473	\$ 5,202

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2015

	State Motor Vehicle Accident Indigent	Medical Assistance to Indigents	Social Services	Law Library	Road Operating
ASSETS					
Cash, cash equivalents and investments	\$ 10,244	\$ 4,854,656	\$ 268,340	\$ 55,842	\$ 842,645
Accounts receivable, net	111	472	249		15,337
Taxes receivable	5,926	25,463	12,198		
Interest receivable		9,367	518	104	1,577
Due from other governments	1,718	6,012	81,734		200,192
Due from other funds			461,961		17,326
Prepaid items			10,418		
Other assets					
Property held for sale					
Total assets	\$ 17,999	\$ 4,895,970	\$ 835,418	\$ 55,946	\$ 1,077,077
LIABILITIES					
Accounts payable and accrued expenses	\$ 9,323	\$ 103,714	\$ 16,767	\$ 3,350	\$ 63,953
Accrued salaries, wages and benefits			12,552		18,359
Due to other funds		487,079	23,942		68,957
Unearned revenue, current					
Deposits					
Due to other governments		118,436			
Compensated absences					
Total liabilities	9,323	709,229	53,261	3,350	151,269
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties	4,924	21,527	10,220		
Unavailable revenue, grants			5,206		
Total deferred inflows of resources	4,924	21,527	15,426		
Total liabilities and deferred inflows of resources	14,247	730,756	68,687	3,350	151,269
FUND BALANCES					
Nonspendable					
Prepaid items			10,418		
Land held for resale					
Deposits					
Restricted for					
General, town and district redevelopment programs					
Youth and other judicial programs					
Fire, police and other public safety programs					
Streets and other public works programs	3,752				268,528
Cultural, community and development programs		4,165,214	756,313	52,596	
Committed to					
Streets and other public works programs					657,280
Assigned to					
Sanitation and other health programs					
Total fund balances	3,752	4,165,214	766,731	52,596	925,808
Total liabilities, deferred inflows of resources and fund balances	\$ 17,999	\$ 4,895,970	\$ 835,418	\$ 55,946	\$ 1,077,077

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2015

	Library Gifts	Tahoe-Douglas Transportation District	Justice Court Administrative Assessment	China Spring Youth Camp	Western Nevada Regional Youth Center
ASSETS					
Cash, cash equivalents and investments	\$ 37,504	\$ 384,812	\$ 713,298	\$ 802,564	\$ 662,392
Accounts receivable, net		60,095		90	166
Taxes receivable				1,500	8,878
Interest receivable	72	744	1,348	1,565	
Due from other governments				74,907	2,290
Due from other funds			9,217		8
Prepaid items					
Other assets					
Property held for sale					
Total assets	\$ 37,576	\$ 445,651	\$ 723,863	\$ 880,626	\$ 673,734
LIABILITIES					
Accounts payable and accrued expenses	\$ 296		\$ 3,287	\$ 68,171	
Accrued salaries, wages and benefits		337		77,148	
Due to other funds					50,008
Unearned revenue, current				32,577	
Deposits					
Due to other governments					
Compensated absences					
Total liabilities	296	337	3,287	177,896	50,008
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties				1,255	7,660
Unavailable revenue, grants					
Total deferred inflows of resources				1,255	7,660
Total liabilities and deferred inflows of resources	296	337	3,287	179,151	57,668
FUND BALANCES					
Nonspendable					
Prepaid items					
Land held for resale					
Deposits					
Restricted for					
General, town and district redevelopment programs					
Youth and other judicial programs			720,576	701,475	616,066
Fire, police and other public safety programs					
Streets and other public works programs		445,314			
Cultural, community and development programs	37,280				
Committed to					
Streets and other public works programs					
Assigned to					
Sanitation and other health programs					
Total fund balances	37,280	445,314	720,576	701,475	616,066
Total liabilities, deferred inflows of resources and fund balances	\$ 37,576	\$ 445,651	\$ 723,863	\$ 880,626	\$ 673,734

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2015

	Erosion Control (TRPA) Mitigation	Technology Services (911)	Senior Services Program	Redevelopment Agency	Town of Gardnerville
ASSETS					
Cash, cash equivalents and investments	\$ 286,055	\$ 807,161	\$ 48,362	\$ 237,368	\$ 604,870
Accounts receivable, net		13,964			1,331
Taxes receivable		18,864		23,462	33,322
Interest receivable	552	1,519	96	587	1,163
Due from other governments		5,439	175,671	4,719	50,978
Due from other funds			4,830		1,520
Prepaid items	200	4,119	2,884		15,723
Other assets					
Property held for sale	179,292				
Total assets	\$ 466,099	\$ 851,066	\$ 231,843	\$ 266,136	\$ 708,907
LIABILITIES					
Accounts payable and accrued expenses	\$ 8,685	\$ 13,486	\$ 42,780	\$ 195	\$ 41,838
Accrued salaries, wages and benefits		30,655	23,387	1,179	14,668
Due to other funds					210
Unearned revenue, current					6,506
Deposits					
Due to other governments					
Compensated absences					4,981
Total liabilities	8,685	44,141	66,167	1,374	68,203
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties		15,690		23,462	28,808
Unavailable revenue, grants			7,801		
Total deferred inflows of resources		15,690	7,801	23,462	28,808
Total liabilities and deferred inflows of resources	8,685	59,831	73,968	24,836	97,011
FUND BALANCES					
Nonspendable					
Prepaid items	200	4,119	2,884		15,723
Land held for resale	179,292				
Deposits					
Restricted for					
General, town and district redevelopment programs				241,300	596,173
Youth and other judicial programs					
Fire, police and other public safety programs		787,116			
Streets and other public works programs	277,922				
Cultural, community and development programs					
Committed to					
Streets and other public works programs					
Assigned to					
Sanitation and other health programs			154,991		
Total fund balances	457,414	791,235	157,875	241,300	611,896
Total liabilities, deferred inflows of resources and fund balances	\$ 466,099	\$ 851,066	\$ 231,843	\$ 266,136	\$ 708,907

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2015

	<u>Town of Genoa</u>	<u>Town of Minden</u>	<u>Total Non-major Special Revenue Funds</u>
ASSETS			
Cash, cash equivalents and investments	\$ 206,979	\$ 821,085	\$ 16,100,616
Accounts receivable, net	2,272	8,243	223,328
Taxes receivable	1,019	18,551	153,155
Interest receivable	391	1,571	29,840
Due from other governments	7,061	64,593	678,791
Due from other funds			514,054
Prepaid items	9,964	13,412	122,978
Other assets	500		500
Property held for sale			179,292
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 228,186</u>	<u>\$ 927,455</u>	<u>\$ 18,002,554</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 6,069	\$ 42,755	\$ 1,267,039
Accrued salaries, wages and benefits	2,890	12,427	199,002
Due to other funds		167,288	797,484
Unearned revenue, current	125,175	21,420	342,699
Deposits	5,156	17,300	74,073
Due to other governments			118,436
Compensated absences			4,981
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>139,290</u>	<u>261,190</u>	<u>2,803,714</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, taxes and penalties	1,019	10,297	128,166
Unavailable revenue, grants			13,007
	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>1,019</u>	<u>10,297</u>	<u>141,173</u>
Total liabilities and deferred inflows of resources	<u>140,309</u>	<u>271,487</u>	<u>2,944,887</u>
FUND BALANCES			
Nonspendable			
Prepaid items	9,964	13,412	122,978
Land held for resale			179,292
Deposits	500		500
Restricted for			
General, town and district redevelopment programs	77,413	642,556	3,051,713
Youth and other judicial programs			2,038,117
Fire, police and other public safety programs			787,116
Streets and other public works programs			2,831,523
Cultural, community and development programs			5,234,157
Committed to			
Streets and other public works programs			657,280
Assigned to			
Sanitation and other health programs			154,991
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>87,877</u>	<u>655,968</u>	<u>15,057,667</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 228,186</u>	<u>\$ 927,455</u>	<u>\$ 18,002,554</u>

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Nevada Cooperative Extension	Airport	Douglas County Water District	Solid Waste Management	Landscape Maintenance Districts	State Motor Vehicle Accident Indigent
REVENUES						
Taxes	\$ 247,535					\$ 371,306
Licenses, permits, franchise and other fees				481,755		
Intergovernmental shared revenues	28	60,384				41
Charges for services		44,768				
Fines and forfeitures						
Miscellaneous	<u>1,365</u>	<u>898,224</u>	<u>330</u>	<u>60,238</u>	<u>20,428</u>	<u>670</u>
Total revenues	<u>248,928</u>	<u>1,003,376</u>	<u>330</u>	<u>541,993</u>	<u>20,428</u>	<u>372,017</u>
EXPENDITURES						
Current						
General government						
Judicial						
Public safety						
Public works			80,069			
Community development	250,506					
Culture and recreation		629,056			15,226	
Health and sanitation				279,809		
Welfare						368,943
Total current	<u>250,506</u>	<u>629,056</u>	<u>80,069</u>	<u>279,809</u>	<u>15,226</u>	<u>368,943</u>
Capital outlay						
General government						
Judicial						
Public works						
Community development						
Culture and recreation		811,174				
Welfare						
Total capital outlay		<u>811,174</u>				
Debt service						
Debt issuance costs						
Total expenditures	<u>250,506</u>	<u>1,440,230</u>	<u>80,069</u>	<u>279,809</u>	<u>15,226</u>	<u>368,943</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,578)</u>	<u>(436,854)</u>	<u>(79,739)</u>	<u>262,184</u>	<u>5,202</u>	<u>3,074</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal		4,821				
Debt issuance proceeds						
Transfers in						
Transfers out		(316,130)		(690,909)		
Total other financing sources (uses)		<u>(311,309)</u>		<u>(690,909)</u>		
CHANGE IN FUND BALANCE	(1,578)	(748,163)	(79,739)	(428,725)	5,202	3,074
FUND BALANCE, BEGINNING OF YEAR	<u>224,332</u>	<u>2,308,572</u>	<u>198,364</u>	<u>2,141,025</u>		<u>678</u>
FUND BALANCE, END OF YEAR	<u>\$ 222,754</u>	<u>\$ 1,560,409</u>	<u>\$ 118,625</u>	<u>\$ 1,712,300</u>	<u>\$ 5,202</u>	<u>\$ 3,752</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Medical Assistance to Indigents	Social Services	Law Library	Road Operating	Library Gifts	Tahoe-Douglas Transportation District
REVENUES						
Taxes	\$ 1,303,107	\$ 759,642	\$	\$ 291,897	\$	\$ 502,868
Licenses, permits, franchise and other fees						
Intergovernmental shared revenues	145	248,856		947,651		
Charges for services		718	21,657	3,747		
Fines and forfeitures						
Miscellaneous	<u>24,167</u>	<u>2,292</u>	<u>267</u>	<u>6,322</u>	<u>20,360</u>	<u>1,985</u>
Total revenues	<u>1,327,419</u>	<u>1,011,508</u>	<u>21,924</u>	<u>1,249,617</u>	<u>20,360</u>	<u>504,853</u>
EXPENDITURES						
Current						
General government						
Judicial			20,333			
Public safety						
Public works				1,976,214		113,828
Community development						
Culture and recreation					28,022	
Health and sanitation						
Welfare	<u>779,436</u>	<u>1,419,465</u>	<u>20,333</u>	<u>1,976,214</u>	<u>28,022</u>	<u>113,828</u>
Total current	<u>779,436</u>	<u>1,419,465</u>	<u>20,333</u>	<u>1,976,214</u>	<u>28,022</u>	<u>113,828</u>
Capital outlay						
General government						
Judicial						
Public works				322,422		
Community development						
Culture and recreation						
Welfare	<u>73,259</u>	<u>73,259</u>	<u>73,259</u>	<u>73,259</u>	<u>73,259</u>	<u>73,259</u>
Total capital outlay	<u>73,259</u>	<u>73,259</u>	<u>73,259</u>	<u>322,422</u>	<u>73,259</u>	<u>73,259</u>
Debt service						
Debt issuance costs				5,136		
Total expenditures	<u>852,695</u>	<u>1,419,465</u>	<u>20,333</u>	<u>2,303,772</u>	<u>28,022</u>	<u>113,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>474,724</u>	<u>(407,957)</u>	<u>1,591</u>	<u>(1,054,155)</u>	<u>(7,662)</u>	<u>391,025</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal				380		
Debt issuance proceeds				320,000		
Transfers in		461,961		844,690		
Transfers out	<u>(651,961)</u>	<u>(3,500)</u>	<u>(3,500)</u>	<u>(49,979)</u>	<u>(49,979)</u>	<u>(301,080)</u>
Total other financing sources (uses)	<u>(651,961)</u>	<u>458,461</u>	<u>(3,500)</u>	<u>1,115,091</u>	<u>(49,979)</u>	<u>(301,080)</u>
CHANGE IN FUND BALANCE	(177,237)	50,504	1,591	60,936	(7,662)	89,945
FUND BALANCE, BEGINNING OF YEAR	<u>4,342,451</u>	<u>716,227</u>	<u>51,005</u>	<u>864,872</u>	<u>44,942</u>	<u>355,369</u>
FUND BALANCE, END OF YEAR	<u>\$ 4,165,214</u>	<u>\$ 766,731</u>	<u>\$ 52,596</u>	<u>\$ 925,808</u>	<u>\$ 37,280</u>	<u>\$ 445,314</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Justice Court Administrative Assessment	China Spring Youth Camp	Western Nevada Regional Youth Center	Erosion Control (TRPA) Mitigation	Technology Services (911)	Senior Services Program
REVENUES						
Taxes	\$	\$ 92,467	\$ 433,876	\$	\$ 1,175,803	\$
Licenses, permits, franchise and other fees						
Intergovernmental shared revenues		4,239,846	55		131	832,778
Charges for services	7,926	1,887			913,660	179,262
Fines and forfeitures	158,357					
Miscellaneous	<u>3,595</u>	<u>21,535</u>		<u>42,948</u>	<u>2,579</u>	<u>78,747</u>
Total revenues	<u>169,878</u>	<u>4,355,735</u>	<u>433,931</u>	<u>42,948</u>	<u>2,092,173</u>	<u>1,090,787</u>
EXPENDITURES						
Current						
General government						
Judicial	55,735	4,293,612	416,298			
Public safety					1,913,330	
Public works				33,291		
Community development						1,976,954
Culture and recreation						
Health and sanitation						
Welfare						
Total current	<u>55,735</u>	<u>4,293,612</u>	<u>416,298</u>	<u>33,291</u>	<u>1,913,330</u>	<u>1,976,954</u>
Capital outlay						
General government						
Judicial	102,273	145,343				
Public works				43,057		
Community development						131,056
Culture and recreation						
Welfare						
Total capital outlay	<u>102,273</u>	<u>145,343</u>		<u>43,057</u>		<u>131,056</u>
Debt service						
Debt issuance costs						
Total expenditures	<u>158,008</u>	<u>4,438,955</u>	<u>416,298</u>	<u>76,348</u>	<u>1,913,330</u>	<u>2,108,010</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,870</u>	<u>(83,220)</u>	<u>17,633</u>	<u>(33,400)</u>	<u>178,843</u>	<u>(1,017,223)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal		3,040				
Debt issuance proceeds						
Transfers in	5,000	14,895		5,000		954,210
Transfers out		<u>(190,000)</u>				
Total other financing sources (uses)	<u>5,000</u>	<u>(172,065)</u>		<u>5,000</u>		<u>954,210</u>
CHANGE IN FUND BALANCE	16,870	(255,285)	17,633	(28,400)	178,843	(63,013)
FUND BALANCE, BEGINNING OF YEAR	<u>703,706</u>	<u>956,760</u>	<u>598,433</u>	<u>485,814</u>	<u>612,392</u>	<u>220,888</u>
FUND BALANCE, END OF YEAR	<u>\$ 720,576</u>	<u>\$ 701,475</u>	<u>\$ 616,066</u>	<u>\$ 457,414</u>	<u>\$ 791,235</u>	<u>\$ 157,875</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Redevelopment Agency	Town of Gardnerville	Town of Genoa	Town of Minden	East Fork Paramedic District	Total Non-major Special Revenue Funds
REVENUES						
Taxes	\$ 2,062,827	\$ 1,035,942	\$ 39,640	\$ 899,862	\$ 2,383,937	\$ 11,600,709
Licenses, permits, franchise and other fees						481,755
Intergovernmental shared revenues		319,455	17,409	434,196	44	7,101,019
Charges for services		4,784	13,808	11,670	2,016,101	3,219,988
Fines and forfeitures						158,357
Miscellaneous	<u>6,906</u>	<u>114,644</u>	<u>385,422</u>	<u>80,156</u>	<u>66,484</u>	<u>1,839,664</u>
Total revenues	<u>2,069,733</u>	<u>1,474,825</u>	<u>456,279</u>	<u>1,425,884</u>	<u>4,466,566</u>	<u>24,401,492</u>
EXPENDITURES						
Current						
General government	81,954	463,194	406,316	356,087		1,307,551
Judicial						4,785,978
Public safety					15,449	1,928,779
Public works		753,396		362,167		3,318,965
Community development						2,227,460
Culture and recreation		83,116		326,490		1,081,910
Health and sanitation						279,809
Welfare						<u>2,567,844</u>
Total current	<u>81,954</u>	<u>1,299,706</u>	<u>406,316</u>	<u>1,044,744</u>	<u>15,449</u>	<u>17,498,296</u>
Capital outlay						
General government		3,500				3,500
Judicial						247,616
Public works		169,359		44,237		579,075
Community development						131,056
Culture and recreation						811,174
Welfare						<u>73,259</u>
Total capital outlay		<u>172,859</u>		<u>44,237</u>		<u>1,845,680</u>
Debt service						
Debt issuance costs						<u>5,136</u>
Total expenditures	<u>81,954</u>	<u>1,472,565</u>	<u>406,316</u>	<u>1,088,981</u>	<u>15,449</u>	<u>19,349,112</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,987,779</u>	<u>2,260</u>	<u>49,963</u>	<u>336,903</u>	<u>4,451,117</u>	<u>5,052,380</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal		2,500				10,741
Debt issuance proceeds						320,000
Transfers in				50,000		2,335,756
Transfers out	<u>(2,007,010)</u>	<u>(122,364)</u>		<u>(300,000)</u>	<u>(4,882,247)</u>	<u>(9,515,180)</u>
Total other financing sources (uses)	<u>(2,007,010)</u>	<u>(119,864)</u>		<u>(250,000)</u>	<u>(4,882,247)</u>	<u>(6,848,683)</u>
CHANGE IN FUND BALANCE	(19,231)	(117,604)	49,963	86,903	(431,130)	(1,796,303)
FUND BALANCE, BEGINNING OF YEAR	<u>260,531</u>	<u>729,500</u>	<u>37,914</u>	<u>569,065</u>	<u>431,130</u>	<u>16,853,970</u>
FUND BALANCE, END OF YEAR	<u>\$ 241,300</u>	<u>\$ 611,896</u>	<u>\$ 87,877</u>	<u>\$ 655,968</u>	<u>\$</u>	<u>\$ 15,057,667</u>

DOUGLAS COUNTY

NEVADA COOPERATIVE EXTENSION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 240,753	\$ 240,753	\$ 238,702	\$ (2,051)
Real property taxes, delinquent			2,276	2,276
Real property taxes, deferred			7	7
Personal property taxes, current	5,698	5,698	6,432	734
Personal property taxes, delinquent			118	118
Intergovernmental shared revenues				
Payments in lieu of taxes			28	28
Miscellaneous				
Investment income	<u>300</u>	<u>300</u>	<u>1,365</u>	<u>1,065</u>
Total revenues	<u>246,751</u>	<u>246,751</u>	<u>248,928</u>	<u>2,177</u>
EXPENDITURES				
Community development				
Cooperative extension				
Salaries and wages	68,478	80,478	71,872	8,606
Employee benefits	29,681	29,681	30,952	(1,271)
Services and supplies	147,421	195,421	147,682	47,739
Capital outlay	<u>127,608</u>	<u>137,753</u>	<u>137,753</u>	<u>137,753</u>
Total expenditures	<u>373,188</u>	<u>443,333</u>	<u>250,506</u>	<u>192,827</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(126,437)</u>	<u>(196,582)</u>	<u>(1,578)</u>	<u>195,004</u>
OTHER FINANCING USES				
Contingencies	<u>(7,367)</u>	<u>(7,367)</u>	<u> </u>	<u>7,367</u>
CHANGE IN FUND BALANCE	(133,804)	(203,949)	(1,578)	202,371
FUND BALANCE, BEGINNING OF YEAR	<u>154,187</u>	<u>224,332</u>	<u>224,332</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 20,383</u>	<u>\$ 20,383</u>	<u>\$ 222,754</u>	<u>\$ 202,371</u>

DOUGLAS COUNTY

AIRPORT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental shared revenues				
Federal, state and local grants				
Grant-in-aid	\$	\$ 49,966	\$ 49,966	\$
Aviation fuel taxes	7,000	7,000	7,247	247
Jet fuel taxes	3,200	3,200	3,171	(29)
Charges for services				
General government				
Late charges	1,500	1,500	2,700	1,200
Hutt aviation 1%			1,215	1,215
Airport Tie Downs	25,000	25,000	19,487	(5,513)
Commercial operator	1,500	1,500	1,750	250
Fuel flowage fees	15,000	15,000	13,464	(1,536)
Airport administration fee			4,500	4,500
Telephone fees	750	750	800	50
Camping fees	100	100	460	360
Other	100	100	392	292
Miscellaneous				
Building rental income	70,000	70,000	79,519	9,519
Land lease income	470,000	470,000	476,765	6,765
Other rent and lease income	280,000	280,000	273,730	(6,270)
Investment income	4,500	4,500	12,707	8,207
Other	15,500	15,500	55,503	40,003
Total revenues	894,150	944,116	1,003,376	59,260
EXPENDITURES				
Culture and recreation				
Airport				
Services and supplies	673,756	764,643	629,056	135,587
Capital outlay	1,151,051	1,011,621	811,174	200,447
Total expenditures	1,824,807	1,776,264	1,440,230	336,034
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(930,657)	(832,148)	(436,854)	395,294
OTHER FINANCING SOURCES (USES)				
Contingencies	(20,213)	(20,213)		20,213
Proceeds from capital asset disposal			4,821	4,821
Transfers out		(316,130)	(316,130)	
Total other financing sources (uses)	(20,213)	(336,343)	(311,309)	25,034
CHANGE IN FUND BALANCE	(950,870)	(1,168,491)	(748,163)	420,328
FUND BALANCE, BEGINNING OF YEAR	1,826,747	2,308,572	2,308,572	
FUND BALANCE, END OF YEAR	\$ 875,877	\$ 1,140,081	\$ 1,560,409	\$ 420,328

DOUGLAS COUNTY

DOUGLAS COUNTY WATER DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Water rights	\$ 76,410	\$	\$ (504)	\$ (504)
Investment income			834	834
Total revenues	76,410		330	330
EXPENDITURES				
Public works				
Water				
Salaries and wages	31,358	31,358	31,862	(504)
Employee benefits	13,231	13,231	12,837	394
Services and supplies	31,428	38,553	35,370	3,183
Capital outlay		106,632		106,632
Total expenditures	76,017	189,774	80,069	109,705
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	393	(189,774)	(79,739)	110,035
OTHER FINANCING USES				
Contingencies	(2,281)	(2,281)		2,281
CHANGE IN FUND BALANCE	(1,888)	(192,055)	(79,739)	112,316
FUND BALANCE, BEGINNING OF YEAR	8,197	198,364	198,364	
FUND BALANCE, END OF YEAR	\$ 6,309	\$ 6,309	\$ 118,625	\$ 112,316

DOUGLAS COUNTY

SOLID WASTE MANAGEMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Business licenses, permits, franchise and other fees				
DDI franchise fees	\$ 376,000	\$ 376,000	\$ 407,721	\$ 31,721
STR franchise fees	75,000	75,000	72,034	(2,966)
Alpine Co. annual fee	2,000	2,000	2,000	
Miscellaneous				
Other rent and lease income	50,000	50,000	50,000	
Investment income	<u>1,000</u>	<u>1,000</u>	<u>10,238</u>	<u>9,238</u>
Total revenues	<u>504,000</u>	<u>504,000</u>	<u>541,993</u>	<u>37,993</u>
EXPENDITURES				
Health and sanitation				
Joint powers authority				
Services and supplies	40,000	40,000		40,000
Capital outlay	<u>41,556</u>	<u>80,806</u>		<u>80,806</u>
Total joint powers authority	<u>81,556</u>	<u>120,806</u>		<u>120,806</u>
General				
Salaries and wages	45,322	45,322	44,998	324
Employee benefits	17,718	17,718	17,394	324
Services and supplies	<u>1,705,451</u>	<u>1,735,623</u>	<u>217,417</u>	<u>1,518,206</u>
Total general	<u>1,768,491</u>	<u>1,798,663</u>	<u>279,809</u>	<u>1,518,854</u>
Total expenditures	<u>1,850,047</u>	<u>1,919,469</u>	<u>279,809</u>	<u>1,639,660</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,346,047)</u>	<u>(1,415,469)</u>	<u>262,184</u>	<u>1,677,653</u>
OTHER FINANCING USES				
Contingencies	(8,317)	(8,317)		8,317
Transfers out	<u>(671,717)</u>	<u>(690,909)</u>	<u>(690,909)</u>	
Total other financing uses	<u>(680,034)</u>	<u>(699,226)</u>	<u>(690,909)</u>	<u>8,317</u>
CHANGE IN FUND BALANCE	(2,026,081)	(2,114,695)	(428,725)	1,685,970
FUND BALANCE, BEGINNING OF YEAR	<u>2,052,411</u>	<u>2,141,025</u>	<u>2,141,025</u>	
FUND BALANCE, END OF YEAR	<u>\$ 26,330</u>	<u>\$ 26,330</u>	<u>\$ 1,712,300</u>	<u>\$ 1,685,970</u>

DOUGLAS COUNTY

LANDSCAPE MAINTENANCE DISTRICTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Special assessments	\$	\$ 20,324	\$ 20,323	\$ (1)
Investment income			105	105
Total revenues		20,324	20,428	104
EXPENDITURES				
Culture and recreation				
Parks operations				
Salaries and wages		20,324	7,626	12,698
Services and supplies			7,600	(7,600)
Total expenditures		20,324	15,226	5,098
EXCESS OF REVENUES OVER EXPENDITURES			5,202	5,202
CHANGE IN FUND BALANCE			5,202	5,202
FUND BALANCE, BEGINNING OF YEAR				
FUND BALANCE, END OF YEAR	\$	\$	\$ 5,202	\$ 5,202

DOUGLAS COUNTY

STATE MOTOR VEHICLE ACCIDENT INDIGENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 369,682	\$ 369,682	\$ 358,058	\$ (11,624)
Real property taxes, delinquent			3,413	3,413
Real property taxes, deferred			10	10
Personal property taxes, current			9,648	9,648
Personal property taxes, delinquent			177	177
Intergovernmental shared revenues				
Payments in lieu of taxes			41	41
Miscellaneous				
Investment income			670	670
Total revenues	<u>369,682</u>	<u>369,682</u>	<u>372,017</u>	<u>2,335</u>
EXPENDITURES				
Welfare				
Vehicle accident, indigent				
Services and supplies	<u>369,682</u>	<u>370,360</u>	<u>368,943</u>	<u>1,417</u>
Total expenditures	<u>369,682</u>	<u>370,360</u>	<u>368,943</u>	<u>1,417</u>
CHANGE IN FUND BALANCE		(678)	3,074	3,752
FUND BALANCE, BEGINNING OF YEAR		<u>678</u>	<u>678</u>	
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 3,752</u>	<u>\$ 3,752</u>

DOUGLAS COUNTY

MEDICAL ASSISTANCE TO INDIGENTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 1,293,884	\$ 1,293,884	\$ 1,253,202	\$ (40,682)
Real property taxes, delinquent			15,255	15,255
Real property taxes, deferred			61	61
Personal property taxes, current			33,751	33,751
Personal property taxes, delinquent			838	838
Intergovernmental shared revenues				
Payments in lieu of taxes			145	145
Miscellaneous				
Investment income	<u>4,000</u>	<u>4,000</u>	<u>24,167</u>	<u>20,167</u>
Total revenues	<u>1,297,884</u>	<u>1,297,884</u>	<u>1,327,419</u>	<u>29,535</u>
EXPENDITURES				
Welfare				
Medical assistance to indigents				
Services and supplies	1,297,884	1,297,884	779,436	518,448
Capital outlay		<u>1,110,818</u>	<u>73,259</u>	<u>1,037,559</u>
Total expenditures	<u>1,297,884</u>	<u>2,408,702</u>	<u>852,695</u>	<u>1,556,007</u>
OTHER FINANCING SOURCES (USES)				
Transfers out			<u>(651,961)</u>	<u>(651,961)</u>
Total other financing sources (uses)			<u>(651,961)</u>	<u>(651,961)</u>
CHANGE IN FUND BALANCE		(1,110,818)	(177,237)	933,581
FUND BALANCE, BEGINNING OF YEAR	<u>3,231,633</u>	<u>4,342,451</u>	<u>4,342,451</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,231,633</u>	<u>\$ 3,231,633</u>	<u>\$ 4,165,214</u>	<u>\$ 933,581</u>

DOUGLAS COUNTY

SOCIAL SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 756,849	\$ 756,849	\$ 730,573	\$ (26,276)
Real property taxes, delinquent			7,125	7,125
Real property taxes, deferred			21	21
Personal property taxes, current			21,543	21,543
Personal property taxes, delinquent			380	380
Intergovernmental shared revenues				
Federal, state and local grants				
PY grant revenue		52,655	52,655	
CSBG	144,898	144,898	27,577	(117,321)
USDA			1,020	1,020
HUD	149,184	149,184	122,154	(27,030)
United Way	7,968	7,968		(7,968)
Other grants	53,500	53,500	45,357	(8,143)
Payments in lieu of taxes			93	93
Charges for services				
Community support				
Indigent repay	783,824	783,824	718	(783,106)
Miscellaneous				
Investment income	<u>600</u>	<u>600</u>	<u>2,292</u>	<u>1,692</u>
Total revenues	<u>1,896,823</u>	<u>1,949,478</u>	<u>1,011,508</u>	<u>(937,970)</u>
EXPENDITURES				
Welfare				
Medical				
Services and supplies	<u>186,090</u>	<u>186,090</u>	<u>186,090</u>	
General				
Salaries and wages	421,697	421,697	383,973	37,724
Employee benefits	193,002	193,002	170,501	22,501
Services and supplies	<u>635,322</u>	<u>636,501</u>	<u>371,693</u>	<u>264,808</u>
Total general	<u>1,250,021</u>	<u>1,251,200</u>	<u>926,167</u>	<u>325,033</u>
Community health nurse				
Services and supplies	<u>442,854</u>	<u>442,854</u>	<u>307,208</u>	<u>135,646</u>
Total expenditures	<u>1,878,965</u>	<u>1,880,144</u>	<u>1,419,465</u>	<u>460,679</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>17,858</u>	<u>69,334</u>	<u>(407,957)</u>	<u>(477,291)</u>
OTHER FINANCING USES				
Contingencies	(37,501)	(37,501)		37,501
Transfers in			461,961	461,961
Transfers out	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	
Total other financing uses	<u>(41,001)</u>	<u>(41,001)</u>	<u>458,461</u>	<u>499,462</u>
CHANGE IN FUND BALANCE	(23,143)	28,333	50,504	22,171
FUND BALANCE, BEGINNING OF YEAR	<u>767,703</u>	<u>716,227</u>	<u>716,227</u>	
FUND BALANCE, END OF YEAR	<u>\$ 744,560</u>	<u>\$ 744,560</u>	<u>\$ 766,731</u>	<u>\$ 22,171</u>

DOUGLAS COUNTY

LAW LIBRARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services				
General government				
Clerk's fees	\$ 22,000	\$ 22,000	\$ 21,657	\$ (343)
Miscellaneous				
Investment income	<u>50</u>	<u>50</u>	<u>267</u>	<u>217</u>
Total revenues	<u>22,050</u>	<u>22,050</u>	<u>21,924</u>	<u>(126)</u>
EXPENDITURES				
Judicial				
Law library				
Services and supplies	<u>22,325</u>	<u>70,532</u>	<u>20,333</u>	<u>50,199</u>
Total expenditures	<u>22,325</u>	<u>70,532</u>	<u>20,333</u>	<u>50,199</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(275)</u>	<u>(48,482)</u>	<u>1,591</u>	<u>50,073</u>
OTHER FINANCING USES				
Contingencies	<u>(670)</u>	<u>(670)</u>		<u>670</u>
CHANGE IN FUND BALANCE	(945)	(49,152)	1,591	50,743
FUND BALANCE, BEGINNING OF YEAR	<u>2,798</u>	<u>51,005</u>	<u>51,005</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,853</u>	<u>\$ 1,853</u>	<u>\$ 52,596</u>	<u>\$ 50,743</u>

DOUGLAS COUNTY

ROAD OPERATING SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
County gas tax	\$ 201,551	\$ 201,551	\$ 202,342	\$ 791
1% Valley Rm Tx (Rd)	76,923	76,923	89,555	12,632
Intergovernmental shared revenues				
Federal, state and local grants				
Other grants		3,800	13,592	9,792
Motor vehicle fuel taxes	923,536	923,536	934,059	10,523
Charges for services				
Public works				
Repay for road work		3,780	3,747	(33)
Miscellaneous				
Investment income	800	800	2,007	1,207
Other		2,666	4,315	1,649
Total revenues	1,202,810	1,213,056	1,249,617	36,561
EXPENDITURES				
Public works				
Roads				
Salaries and wages	525,719	531,905	514,348	17,557
Employee benefits	255,948	255,948	241,347	14,601
Services and supplies	718,531	1,275,782	1,220,519	55,263
Capital outlay	657,264	956,630	322,422	634,208
Total public works	2,157,462	3,020,265	2,298,636	721,629
Debt service				
Debt issuance costs		5,200	5,136	64
Total expenditures	2,157,462	3,025,465	2,303,772	721,693
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(954,652)	(1,812,409)	(1,054,155)	758,254
OTHER FINANCING SOURCES (USES)				
Contingencies	(45,006)	(45,006)		45,006
Proceeds from capital asset disposal			380	380
Debt issuance proceeds		322,350	320,000	(2,350)
Transfers in	314,343	844,690	844,690	
Transfers out		(49,980)	(49,979)	1
Total other financing sources (uses)	269,337	1,072,054	1,115,091	43,037
CHANGE IN FUND BALANCE	(685,315)	(740,355)	60,936	801,291
FUND BALANCE, BEGINNING OF YEAR	809,832	864,872	864,872	
FUND BALANCE, END OF YEAR	\$ 124,517	\$ 124,517	\$ 925,808	\$ 801,291

DOUGLAS COUNTY

LIBRARY GIFTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Other donations	\$	\$ 18,346	\$ 20,151	\$ 1,805
Investment income			209	209
Total revenues		18,346	20,360	2,014
EXPENDITURES				
Culture and recreation				
Library				
Services and supplies		63,288	28,022	35,266
Total expenditures		63,288	28,022	35,266
CHANGE IN FUND BALANCE		(44,942)	(7,662)	37,280
FUND BALANCE, BEGINNING OF YEAR		44,942	44,942	
FUND BALANCE, END OF YEAR	\$	\$	\$ 37,280	\$ 37,280

DOUGLAS COUNTY

TAHOE-DOUGLAS TRANSPORTATION DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
1% Lake Rm Tx (Rd)	\$ 492,308	\$ 492,308	\$ 502,868	\$ 10,560
Miscellaneous				
Investment income	<u>700</u>	<u>700</u>	<u>1,985</u>	<u>1,285</u>
Total revenues	<u>493,008</u>	<u>493,008</u>	<u>504,853</u>	<u>11,845</u>
EXPENDITURES				
Public works				
Tahoe-Douglas transportation				
Salaries and wages	9,733	9,733	9,751	(18)
Employee benefits	3,979	3,979	3,944	35
Services and supplies	141,229	141,229	100,133	41,096
Capital outlay	<u>82,663</u>	<u>374,848</u>	<u> </u>	<u>374,848</u>
Total expenditures	<u>237,604</u>	<u>529,789</u>	<u>113,828</u>	<u>415,961</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>255,404</u>	<u>(36,781)</u>	<u>391,025</u>	<u>427,806</u>
OTHER FINANCING USES				
Contingencies	(4,648)	(4,648)		4,648
Transfers out	<u>(301,080)</u>	<u>(301,080)</u>	<u>(301,080)</u>	<u> </u>
Total other financing uses	<u>(305,728)</u>	<u>(305,728)</u>	<u>(301,080)</u>	<u>4,648</u>
CHANGE IN FUND BALANCE	(50,324)	(342,509)	89,945	432,454
FUND BALANCE, BEGINNING OF YEAR	<u>63,184</u>	<u>355,369</u>	<u>355,369</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 12,860</u>	<u>\$ 12,860</u>	<u>\$ 445,314</u>	<u>\$ 432,454</u>

DOUGLAS COUNTY

JUSTICE COURT ADMINISTRATIVE ASSESSMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services				
Judicial				
Other	\$	\$	\$ 7,926	\$ 7,926
Fines and forfeitures				
Judicial				
East Fork Justice Court fines	34,000	73,687	95,908	22,221
Tahoe Justice Court fines	19,000	47,303	62,449	15,146
Miscellaneous				
Investment income	<u>600</u>	<u>600</u>	<u>3,595</u>	<u>2,995</u>
Total revenues	<u>53,600</u>	<u>121,590</u>	<u>169,878</u>	<u>48,288</u>
EXPENDITURES				
Judicial				
Administrative assessment				
Services and supplies	53,000	592,744	55,735	537,009
Capital outlay		<u>226,237</u>	<u>102,273</u>	<u>123,964</u>
Total expenditures	<u>53,000</u>	<u>818,981</u>	<u>158,008</u>	<u>660,973</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>600</u>	<u>(697,391)</u>	<u>11,870</u>	<u>709,261</u>
OTHER FINANCING USES				
Contingencies	(1,590)	(1,590)		1,590
Transfers in		<u>5,000</u>	<u>5,000</u>	
Total other financing uses	<u>(1,590)</u>	<u>3,410</u>	<u>5,000</u>	<u>1,590</u>
CHANGE IN FUND BALANCE	(990)	(693,981)	16,870	710,851
FUND BALANCE, BEGINNING OF YEAR	<u>10,716</u>	<u>703,707</u>	<u>703,706</u>	<u>(1)</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,726</u>	<u>\$ 9,726</u>	<u>\$ 720,576</u>	<u>\$ 710,850</u>

DOUGLAS COUNTY

CHINA SPRING YOUTH CAMP SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 92,078	\$ 92,078	\$ 88,965	\$ (3,113)
Real property taxes, delinquent			891	891
Real property taxes, deferred			3	3
Personal property taxes, current			2,562	2,562
Personal property taxes, delinquent			46	46
Intergovernmental shared revenues				
Federal, state and local grants				
SAPTA	238,065	415,417	403,207	(12,210)
USDA			7,217	7,217
Child nutrition	84,000	84,000	102,182	18,182
Other grants		14,014	23,014	9,000
Payments in lieu of taxes			11	11
Interim funding	3,704,215	3,704,215	3,704,215	
Charges for services				
Judicial				
Support and care fees	2,500	2,500	1,887	(613)
Miscellaneous				
Other donations		15,353	16,518	1,165
Investment income	5,000	5,000	3,841	(1,159)
Other		1,176	1,176	
Total revenues	4,125,858	4,333,753	4,355,735	21,982
EXPENDITURES				
Judicial				
China Spring youth camp				
Salaries and wages	2,201,324	2,251,146	2,143,190	107,956
Employee benefits	1,008,452	1,037,750	969,212	68,538
Services and supplies	930,977	1,319,467	1,181,027	138,440
Capital outlay		257,045	145,343	111,702
Total China Spring youth camp	4,140,753	4,865,408	4,438,772	426,636
Aurora Pines girls camp				
Services and supplies			183	(183)
Total expenditures	4,140,753	4,865,408	4,438,955	426,453
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(14,895)	(531,655)	(83,220)	448,435
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal				
Transfers in	14,895	14,895	14,895	3,040
Transfers out		(190,000)	(190,000)	
Total other financing sources (uses)	14,895	(175,105)	(172,065)	3,040
CHANGE IN FUND BALANCE		(706,760)	(255,285)	451,475
FUND BALANCE, BEGINNING OF YEAR	250,000	956,760	956,760	
FUND BALANCE, END OF YEAR	\$ 250,000	\$ 250,000	\$ 701,475	\$ 451,475

DOUGLAS COUNTY

WESTERN NEVADA REGIONAL YOUTH CENTER SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 431,038	\$ 431,038	\$ 415,298	\$ (15,740)
Real property taxes, delinquent			5,695	5,695
Real property taxes, deferred			26	26
Personal property taxes, current			12,574	12,574
Personal property taxes, delinquent			283	283
Intergovernmental shared revenues				
Payments in lieu of taxes			55	55
Total revenues	<u>431,038</u>	<u>431,038</u>	<u>433,931</u>	<u>2,893</u>
EXPENDITURES				
Judicial				
Western Nevada regional youth center				
Services and supplies	<u>416,297</u>	<u>466,297</u>	<u>416,298</u>	<u>49,999</u>
Total expenditures	<u>416,297</u>	<u>466,297</u>	<u>416,298</u>	<u>49,999</u>
CHANGE IN FUND BALANCE	14,741	(35,259)	17,633	52,892
FUND BALANCE, BEGINNING OF YEAR	<u>497,248</u>	<u>598,433</u>	<u>598,433</u>	
FUND BALANCE, END OF YEAR	<u>\$ 511,989</u>	<u>\$ 563,174</u>	<u>\$ 616,066</u>	<u>\$ 52,892</u>

DOUGLAS COUNTY

EROSION CONTROL (TRPA) MITIGATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Investment income	\$	\$	\$ 1,453	\$ 1,453
Other			41,495	41,495
			<u>42,948</u>	<u>42,948</u>
Total revenues			<u>42,948</u>	<u>42,948</u>
EXPENDITURES				
Public works				
Erosion control (TRPA) mitigation				
Services and supplies	5,000	249,888	33,291	216,597
Capital outlay		61,635	43,057	18,578
			<u>76,348</u>	<u>235,175</u>
Total expenditures	<u>5,000</u>	<u>311,523</u>	<u>76,348</u>	<u>235,175</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(5,000)</u>	<u>(311,523)</u>	<u>(33,400)</u>	<u>278,123</u>
OTHER FINANCING SOURCES				
Transfers in	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	
CHANGE IN FUND BALANCE		(306,523)	(28,400)	278,123
FUND BALANCE, BEGINNING OF YEAR		<u>306,523</u>	<u>485,814</u>	<u>179,291</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 457,414</u>	<u>\$ 457,414</u>

DOUGLAS COUNTY

TECHNOLOGY SERVICES (911) SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 1,170,656	\$ 1,170,656	\$ 1,133,849	\$ (36,807)
Real property taxes, delinquent			10,808	10,808
Real property taxes, deferred			33	33
Personal property taxes, current			30,553	30,553
Personal property taxes, delinquent			560	560
Intergovernmental shared revenues				
Payments in lieu of taxes			131	131
Charges for services				
Public safety				
Other	919,960	919,960	913,660	(6,300)
Miscellaneous				
Investment income	<u>500</u>	<u>500</u>	<u>2,579</u>	<u>2,079</u>
Total revenues	<u>2,091,116</u>	<u>2,091,116</u>	<u>2,092,173</u>	<u>1,057</u>
EXPENDITURES				
Public safety				
Technology services (911)				
Salaries and wages	1,038,299	1,038,299	963,670	74,629
Employee benefits	474,805	474,805	419,793	55,012
Services and supplies	518,572	628,501	529,867	98,634
Capital outlay	<u>100,000</u>	<u>6,551</u>	<u> </u>	<u>6,551</u>
Total expenditures	<u>2,131,676</u>	<u>2,148,156</u>	<u>1,913,330</u>	<u>234,826</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(40,560)</u>	<u>(57,040)</u>	<u>178,843</u>	<u>235,883</u>
OTHER FINANCING USES				
Contingencies	<u>(54,008)</u>	<u>(54,008)</u>	<u> </u>	<u>54,008</u>
CHANGE IN FUND BALANCE	(94,568)	(111,048)	178,843	289,891
FUND BALANCE, BEGINNING OF YEAR	<u>595,912</u>	<u>612,392</u>	<u>612,392</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 501,344</u>	<u>\$ 501,344</u>	<u>\$ 791,235</u>	<u>\$ 289,891</u>

DOUGLAS COUNTY

SENIOR SERVICES PROGRAM SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Intergovernmental shared revenues				
Federal, state and local grants				
USDOT	\$ 391,231	\$ 391,231	\$ 372,224	\$ (19,007)
PY grant revenue		9,040	9,040	
CSBG		24,462	36,154	11,692
USDA	16,230	38,383	43,674	5,291
IIIc1	73,172	123,859	120,344	(3,515)
IIIc2	88,430	131,930	129,442	(2,488)
IIIb	53,044			
IIIb, homemaker	34,875	34,875	30,874	(4,001)
Grant-in-aid	7,690	60,734	55,433	(5,301)
Other grants			35,593	35,593
Charges for services				
Community support				
Client fees	8,500	9,180	10,270	1,090
Transit fees	6,000	10,200	11,354	1,154
Program income	71,200	124,200	122,492	(1,708)
Indigent repay	190,000	190,000		(190,000)
Culture and recreation				
Recreation fees	22,000	33,000	35,146	2,146
Miscellaneous				
Yah donations	10,000	19,000	21,648	2,648
Other donations	5,300	46,397	48,248	1,851
Other reimbursements and restitutions			30	30
Rebates			8,541	8,541
Investment income	1,500	1,500	280	(1,220)
Total revenues	979,172	1,247,991	1,090,787	(157,204)
EXPENDITURES				
Community development				
Senior services				
Salaries and wages	618,300	684,300	704,552	(20,252)
Employee benefits	286,742	293,742	298,246	(4,504)
Services and supplies	817,364	998,190	974,156	24,034
Capital outlay		137,321	131,056	6,265
Total expenditures	1,722,406	2,113,553	2,108,010	5,543
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(743,234)	(865,562)	(1,017,223)	(151,661)
OTHER FINANCING SOURCES (USES)				
Contingencies	(31,736)	(31,736)		31,736
Transfers in	764,210	764,210	954,210	190,000
Total other financing sources (uses)	732,474	732,474	954,210	221,736
CHANGE IN FUND BALANCE	(10,760)	(133,088)	(63,013)	70,075
FUND BALANCE, BEGINNING OF YEAR	98,560	220,888	220,888	
FUND BALANCE, END OF YEAR	\$ 87,800	\$ 87,800	\$ 157,875	\$ 70,075

DOUGLAS COUNTY

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 1,981,886	\$ 1,981,886	\$ 1,978,975	\$ (2,911)
Real property taxes, delinquent			3,912	3,912
Personal property taxes, current			79,940	79,940
Miscellaneous				
Investment income	<u>2,000</u>	<u>2,000</u>	<u>6,906</u>	<u>4,906</u>
Total revenues	<u>1,983,886</u>	<u>1,983,886</u>	<u>2,069,733</u>	<u>85,847</u>
EXPENDITURES				
General government				
Redevelopment agency administrative				
Salaries and wages	29,116	29,116	29,792	(676)
Employee benefits	11,412	11,412	11,125	287
Services and supplies	<u>172,777</u>	<u>172,777</u>	<u>41,037</u>	<u>131,740</u>
Total expenditures	<u>213,305</u>	<u>213,305</u>	<u>81,954</u>	<u>131,351</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,770,581</u>	<u>1,770,581</u>	<u>1,987,779</u>	<u>217,198</u>
OTHER FINANCING USES				
Contingencies	(6,398)	(6,398)		6,398
Transfers out	<u>(1,767,280)</u>	<u>(2,007,010)</u>	<u>(2,007,010)</u>	
Total other financing uses	<u>(1,773,678)</u>	<u>(2,013,408)</u>	<u>(2,007,010)</u>	<u>6,398</u>
CHANGE IN FUND BALANCE	(3,097)	(242,827)	(19,231)	223,596
FUND BALANCE, BEGINNING OF YEAR	<u>20,801</u>	<u>260,531</u>	<u>260,531</u>	
FUND BALANCE, END OF YEAR	<u>\$ 17,704</u>	<u>\$ 17,704</u>	<u>\$ 241,300</u>	<u>\$ 223,596</u>

DOUGLAS COUNTY

TOWN OF GARDNERVILLE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 1,043,867	\$ 1,043,867	\$ 963,939	\$ (79,928)
Real property taxes, delinquent			11,396	11,396
Personal property taxes, current			58,344	58,344
Personal property taxes, delinquent			2,263	2,263
Intergovernmental shared revenues				
Federal, state and local grants				
USDA	6,000	6,000	1,000	(5,000)
Grant-in-aid	123,500	123,500		(123,500)
Other grants	307,250	339,150	37,706	(301,444)
State consolidated tax distribution	261,373	261,373	264,256	2,883
NRS county gaming licenses	22,000	22,000	16,493	(5,507)
Charges for services				
General government				
Applicant license fees	6,000	6,000	4,784	(1,216)
Miscellaneous				
Other donations	64,000	65,669	66,673	1,004
Other festivals and events	25,000	25,000	20,245	(4,755)
Other reimbursements and restitutions			2,130	2,130
Other rent and lease income			1,292	1,292
Investment income			3,996	3,996
Other	<u>8,000</u>	<u>8,000</u>	<u>20,308</u>	<u>12,308</u>
Total revenues	<u>1,866,990</u>	<u>1,900,559</u>	<u>1,474,825</u>	<u>(425,734)</u>
EXPENDITURES				
General government				
Town of Gardnerville				
Salaries and wages	175,189	175,189	193,465	(18,276)
Employee benefits	71,058	71,058	74,297	(3,239)
Services and supplies	206,385	218,485	195,432	23,053
Capital outlay			3,500	(3,500)
Total general government	<u>452,632</u>	<u>464,732</u>	<u>466,694</u>	<u>(1,962)</u>
Public works				
Town of Gardnerville				
Salaries and wages	222,425	222,425	207,077	15,348
Employee benefits	103,279	103,279	95,975	7,304
Services and supplies	196,300	429,812	450,344	(20,532)
Capital outlay	<u>735,788</u>	<u>1,012,528</u>	<u>169,359</u>	<u>843,169</u>
Total public works	<u>1,257,792</u>	<u>1,768,044</u>	<u>922,755</u>	<u>845,289</u>
Culture and recreation				
Town of Gardnerville				
Services and supplies	<u>62,450</u>	<u>78,619</u>	<u>83,116</u>	<u>(4,497)</u>
Total expenditures	<u>1,772,874</u>	<u>2,311,395</u>	<u>1,472,565</u>	<u>838,830</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>94,116</u>	<u>(410,836)</u>	<u>2,260</u>	<u>413,096</u>

(Continued)

DOUGLAS COUNTY

TOWN OF GARDNERVILLE SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	\$ (27,210)	\$ (27,210)	\$	\$ 27,210
Proceeds from capital asset disposal		2,500	2,500	
Transfers out	<u>(122,576)</u>	<u>(122,364)</u>	<u>(122,364)</u>	
Total other financing sources (uses)	<u>(149,786)</u>	<u>(147,074)</u>	<u>(119,864)</u>	<u>27,210</u>
CHANGE IN FUND BALANCE	(55,670)	(557,910)	(117,604)	440,306
FUND BALANCE, BEGINNING OF YEAR	<u>150,596</u>	<u>652,836</u>	<u>729,500</u>	<u>76,664</u>
FUND BALANCE, END OF YEAR	<u>\$ 94,926</u>	<u>\$ 94,926</u>	<u>\$ 611,896</u>	<u>\$ 516,970</u>

DOUGLAS COUNTY

TOWN OF GENOA SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 39,659	\$ 39,659	\$ 38,940	\$ (719)
Real property taxes, delinquent			26	26
Personal property taxes, current	400	400	674	274
Intergovernmental shared revenues				
Federal, state and local grants				
Grant-in-aid			5,000	5,000
State consolidated tax distribution	10,731	10,731	10,834	103
NRS county gaming licenses	540	540	1,575	1,035
Charges for services				
Culture and recreation				
Recreation fees	20,000	20,000	13,808	(6,192)
Miscellaneous				
Other donations	1,500	1,500		(1,500)
Candy dance	259,000	260,846	264,656	3,810
Cowboy poetry and music festival	136,000	136,000	93,506	(42,494)
Kitchen rent	700			
Church rent	9,000			
Town hall rent	5,000			
Other rent and lease income		20,500	26,266	5,766
Investment income	200	200	958	758
Other	200	200	36	(164)
Total revenues	<u>482,930</u>	<u>490,576</u>	<u>456,279</u>	<u>(34,297)</u>
EXPENDITURES				
General government				
Town of Genoa				
Salaries and wages	85,066	85,066	87,806	(2,740)
Employee benefits	37,527	37,527	35,819	1,708
Services and supplies	360,337	352,337	282,691	69,646
Total expenditures	<u>482,930</u>	<u>474,930</u>	<u>406,316</u>	<u>68,614</u>
EXCESS OF REVENUES OVER EXPENDITURES		<u>15,646</u>	<u>49,963</u>	<u>34,317</u>
OTHER FINANCING USES				
Contingencies	<u>(13,477)</u>	<u>(13,477)</u>		<u>13,477</u>
CHANGE IN FUND BALANCE	(13,477)	2,169	49,963	47,794
FUND BALANCE, BEGINNING OF YEAR	<u>53,560</u>	<u>37,914</u>	<u>37,914</u>	
FUND BALANCE, END OF YEAR	<u>\$ 40,083</u>	<u>\$ 40,083</u>	<u>\$ 87,877</u>	<u>\$ 47,794</u>

DOUGLAS COUNTY

TOWN OF MINDEN SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 889,000	\$ 889,000	\$ 868,810	\$ (20,190)
Real property taxes, delinquent			6,622	6,622
Personal property taxes, current			24,140	24,140
Personal property taxes, delinquent			290	290
Intergovernmental shared revenues				
State consolidated tax distribution	277,750	277,750	349,686	71,936
NRS county gaming licenses	45,000	45,000	84,510	39,510
Charges for services				
General government				
Professional fees	6,000	6,000	11,670	5,670
Miscellaneous				
Other donations			2,025	2,025
Other reimbursements and restitutions			22,600	22,600
Other rent and lease income	40,000	40,000	51,380	11,380
Investment income	500	500	4,151	3,651
Total revenues	1,258,250	1,258,250	1,425,884	167,634
EXPENDITURES				
General government				
Town of Minden				
Salaries and wages	77,535	142,535	122,705	19,830
Employee benefits	25,212	25,212	41,451	(16,239)
Services and supplies	154,025	194,330	191,931	2,399
Total general government	256,772	362,077	356,087	5,990
Public works				
Town of Minden				
Salaries and wages	22,302	22,302	21,215	1,087
Employee benefits	9,285	9,285	8,928	357
Services and supplies	516,500	521,500	235,490	286,010
Capital outlay			44,237	(44,237)
Total Town of Minden	548,087	553,087	309,870	243,217
Other				
Salaries and wages	56,039	51,039	51,687	(648)
Employee benefits	23,778	23,778	21,956	1,822
Services and supplies	31,263	31,263	22,891	8,372
Total other	111,080	106,080	96,534	9,546
Total public works	659,167	659,167	406,404	252,763
Culture and recreation				
Town of Minden				
Salaries and wages	177,124	188,124	131,244	56,880
Employee benefits	73,433	73,433	42,223	31,210
Services and supplies	105,750	150,750	153,023	(2,273)
Total culture and recreation	356,307	412,307	326,490	85,817
Total expenditures	1,272,246	1,433,551	1,088,981	344,570
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,996)	(175,301)	336,903	512,204

(Continued)

DOUGLAS COUNTY

TOWN OF MINDEN SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	\$ (38,167)	\$ (38,167)	\$	\$ 38,167
Transfers in	50,000	50,000	50,000	
Transfers out		(300,000)	(300,000)	
Total other financing sources (uses)	<u>11,833</u>	<u>(288,167)</u>	<u>(250,000)</u>	<u>38,167</u>
CHANGE IN FUND BALANCE	(2,163)	(463,468)	86,903	550,371
FUND BALANCE, BEGINNING OF YEAR	<u>107,759</u>	<u>569,064</u>	<u>569,065</u>	<u>1</u>
FUND BALANCE, END OF YEAR	<u>\$ 105,596</u>	<u>\$ 105,596</u>	<u>\$ 655,968</u>	<u>\$ 550,372</u>

DOUGLAS COUNTY

EAST FORK PARAMEDIC DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 2,359,070	\$ 2,359,070	\$ 2,272,716	\$ (86,354)
Real property taxes, delinquent			22,750	22,750
Real property taxes, deferred			110	110
Personal property taxes, current			87,928	87,928
Personal property taxes, delinquent			433	433
Intergovernmental shared revenues				
Payments in lieu of taxes			44	44
Charges for services				
Public safety				
Other	2,227,840	2,051,840	2,011,636	(40,204)
Community support				
Program income	2,000	2,000	4,465	2,465
Miscellaneous				
Investment income	600	600	2,621	2,021
Other	63,585	63,585	63,863	278
Total revenues	4,653,095	4,477,095	4,466,566	(10,529)
EXPENDITURES				
Public safety				
East Fork paramedics				
Services and supplies	4,702,246	4,526,246	15,449	4,510,797
Capital outlay		211,343		211,343
Total expenditures	4,702,246	4,737,589	15,449	4,722,140
EXCESS OF REVENUES OVER EXPENDITURES	(49,151)	(260,494)	4,451,117	4,711,611
OTHER FINANCING USES				
Contingencies	(450)	(450)		450
Transfers out		(170,186)	(4,882,247)	(4,712,061)
Total other financing uses	(450)	(170,636)	(4,882,247)	(4,711,611)
CHANGE IN FUND BALANCE	(49,601)	(431,130)	(431,130)	
FUND BALANCE, BEGINNING OF YEAR	219,787	431,130	431,130	
FUND BALANCE, END OF YEAR	\$ 170,186	\$ _____	\$ _____	\$ _____

DEBT SERVICE FUNDS

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

Debt service funds are used to account for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Douglas County Operating Resources

Accounts for the accumulation of monies for and the payment of Douglas County debt obligations.

Town of Gardnerville

Accounts for the accumulation of monies for and the payment of the debt obligations of the Town of Gardnerville.

East Fork Fire Protection District

Accounts for the accumulation of monies for and the payment of the debt obligations of the East Fork Fire Protection District.

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2015

	Douglas County Operating Resources	East Fork Fire Protection District	Total Non-major Debt Service Funds
ASSETS			
Cash, cash equivalents and investments	\$ 1,946,433	\$ 1,270	\$ 1,947,703
Interest receivable	152		152
Total assets	\$ 1,946,585	\$ 1,270	\$ 1,947,855
LIABILITIES			
Due to other funds	\$ 19,192	\$	\$ 19,192
Unearned revenue, current	15		15
Total liabilities	19,207		19,207
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, special assessments	378		378
Total liabilities and deferred inflows of resources	19,585		19,585
FUND BALANCES			
Restricted for Debt service	1,927,000	1,270	1,928,270
Total fund balances	1,927,000	1,270	1,928,270
Total liabilities, deferred inflows of resources and fund balances	\$ 1,946,585	\$ 1,270	\$ 1,947,855

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Douglas County Operating Resources	Town of Gardnerville	East Fork Fire Protection District	Total Non-major Debt Service Funds
REVENUES				
Miscellaneous	\$ 1,382	\$	\$ 5	\$ 1,387
EXPENDITURES				
Current				
General government	4,817			4,817
Debt service				
Principal payments	2,700,669	117,855	100,000	2,918,524
Interest expense	525,079	5,127	31,653	561,859
Fiscal charges	1,300			1,300
Total debt service	<u>3,227,048</u>	<u>122,982</u>	<u>131,653</u>	<u>3,481,683</u>
Total expenditures	<u>3,231,865</u>	<u>122,982</u>	<u>131,653</u>	<u>3,486,500</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,230,483)</u>	<u>(122,982)</u>	<u>(131,648)</u>	<u>(3,485,113)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,689,654</u>	<u>122,364</u>	<u>130,380</u>	<u>2,942,398</u>
CHANGE IN FUND BALANCE	(540,829)	(618)	(1,268)	(542,715)
FUND BALANCE, BEGINNING OF YEAR	<u>2,467,829</u>	<u>618</u>	<u>2,538</u>	<u>2,470,985</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,927,000</u>	<u>\$</u>	<u>\$ 1,270</u>	<u>\$ 1,928,270</u>

DOUGLAS COUNTY

DOUGLAS COUNTY OPERATING RESOURCES DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Special assessments	\$	\$	\$ 369	\$ 369
Investment income			1,013	1,013
Total revenues			<u>1,382</u>	<u>1,382</u>
EXPENDITURES				
General government				
Other				
Services and supplies		<u>227,729</u>	<u>4,817</u>	<u>222,912</u>
Debt service				
Principal payments	2,653,000	2,700,670	2,700,669	1
Interest expense	487,902	525,803	525,079	724
Fiscal charges	<u>1,800</u>	<u>1,831</u>	<u>1,300</u>	<u>531</u>
Total debt service	<u>3,142,702</u>	<u>3,228,304</u>	<u>3,227,048</u>	<u>1,256</u>
Total expenditures	<u>3,142,702</u>	<u>3,456,033</u>	<u>3,231,865</u>	<u>224,168</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(3,142,702)</u>	<u>(3,456,033)</u>	<u>(3,230,483)</u>	<u>225,550</u>
OTHER FINANCING SOURCES				
Transfers in	<u>2,579,836</u>	<u>2,689,655</u>	<u>2,689,654</u>	<u>(1)</u>
CHANGE IN FUND BALANCE	(562,866)	(766,378)	(540,829)	225,549
FUND BALANCE, BEGINNING OF YEAR	<u>2,229,860</u>	<u>2,467,829</u>	<u>2,467,829</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,666,994</u>	<u>\$ 1,701,451</u>	<u>\$ 1,927,000</u>	<u>\$ 225,549</u>

DOUGLAS COUNTY

TOWN OF GARDNERVILLE DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
EXPENDITURES				
Debt service				
Principal payments	\$ 117,855	\$ 117,855	\$ 117,855	\$
Interest expense	5,127	5,127	5,127	
Total expenditures	122,982	122,982	122,982	
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(122,982)	(122,982)	(122,982)	
OTHER FINANCING SOURCES				
Transfers in	122,576	122,364	122,364	
CHANGE IN FUND BALANCE	(406)	(618)	(618)	
FUND BALANCE, BEGINNING OF YEAR	406	618	618	
FUND BALANCE, END OF YEAR	\$	\$	\$	\$

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Investment income	\$ _____	\$ _____	\$ _____ 5	\$ _____ 5
EXPENDITURES				
Debt service				
Principal payments	100,000	100,000	100,000	
Interest expense	31,654	31,654	31,653	1
Fiscal charges	<u>1,000</u>	<u>1,264</u>	<u> </u>	<u>1,264</u>
Total expenditures	<u>132,654</u>	<u>132,918</u>	<u>131,653</u>	<u>1,265</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(132,654)</u>	<u>(132,918)</u>	<u>(131,648)</u>	<u>1,270</u>
OTHER FINANCING SOURCES				
Transfers in	<u>130,380</u>	<u>130,380</u>	<u>130,380</u>	<u> </u>
CHANGE IN FUND BALANCE	(2,274)	(2,538)	(1,268)	1,270
FUND BALANCE, BEGINNING OF YEAR	<u>2,274</u>	<u>2,538</u>	<u>2,538</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ _____</u>	<u>\$ _____</u>	<u>\$ 1,270</u>	<u>\$ 1,270</u>

CAPITAL PROJECTS FUNDS

DOUGLAS COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Extraordinary Maintenance

Accounts for for the extraordinary maintenance, repair or improvement of County facilities.

Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Douglas County Construction

Accounts for the construction of necessary capital assets.

Regional Transportation

Accounts for major transportation projects..

Debt Financed

Accounts for the acquisition and construction of capital facilities that are financed in whole or in part by the issuance of debt.

Redevelopment Agency

Accounts for capital related activities of the separate Redevelopment Agency

Town of Gardnerville Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Town of Genoa Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Town of Genoa Construction Reserve

Accounts for reserves held specifically for capital projects.

Town of Minden Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Town of Minden Capital Equipment Construction

Accounts for reserves held specifically for capital equipment..

East Fork Fire Protection District Equipment Reserve

Accounts for reserves held specifically for capital equipment.

East Fork Fire Protection District Construction Reserve

Accounts for reserves held specifically for capital projects.

DOUGLAS COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2015

	Extraordinary Maintenance	Ad Valorem	Douglas County Construction	Regional Transportation
ASSETS				
Cash, cash equivalents and investments	\$ 401,900	\$ 3,358,962	\$ 1,937,076	\$ 5,024,773
Accounts receivable, net		370		315
Taxes receivable		19,857		10,059
Interest receivable	794	6,478	3,717	9,703
Due from other governments		5,726		151,953
Due from other funds				68,957
Other assets				
Total assets	\$ 402,694	\$ 3,391,393	\$ 1,940,793	\$ 5,265,760
LIABILITIES				
Accounts payable and accrued expenses	\$	\$	\$ 95,162	\$ 47,325
Accrued salaries, wages and benefits				3,620
Due to other funds			6,522	17,826
Unearned revenue, current			31,168	141,660
Contract retentions payable				8,890
Due to other governments		33,798		
Total liabilities		33,798	132,852	219,321
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, taxes and penalties		16,516		8,323
Total liabilities and deferred inflows of resources		50,314	132,852	227,644
FUND BALANCES				
Nonspendable				
Deposits				
Restricted for				
Capital improvement projects	402,694	3,341,079	1,807,941	5,038,116
Total fund balances	402,694	3,341,079	1,807,941	5,038,116
Total liabilities, deferred inflows of resources and fund balances	\$ 402,694	\$ 3,391,393	\$ 1,940,793	\$ 5,265,760

(Continued)

DOUGLAS COUNTY

**NON-MAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2015**

	<u>Debt Financed</u>	<u>Redevelopment Agency</u>	<u>Town of Gardnerville Ad Valorem</u>	<u>Town of Genoa Ad Valorem</u>
ASSETS				
Cash, cash equivalents and investments	\$ 1,197,807	\$ 2,907,196	\$ 136,299	\$ 10,812
Accounts receivable, net				
Taxes receivable				
Interest receivable	73	5,484	263	21
Due from other governments			16,922	601
Due from other funds				
Other assets				
Total assets	\$ 1,197,880	\$ 2,912,680	\$ 153,484	\$ 11,434
LIABILITIES				
Accounts payable and accrued expenses	\$ 16,250	\$ 278,828	\$	\$
Accrued salaries, wages and benefits				
Due to other funds			760	
Unearned revenue, current				
Contract retentions payable				
Due to other governments				
Total liabilities	16,250	278,828	760	
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, taxes and penalties				
Total liabilities and deferred inflows of resources	16,250	278,828	760	
FUND BALANCES				
Nonspendable				
Deposits				
Restricted for				
Capital improvement projects	1,181,630	2,633,852	152,724	11,434
Total fund balances	1,181,630	2,633,852	152,724	11,434
Total liabilities, deferred inflows of resources and fund balances	\$ 1,197,880	\$ 2,912,680	\$ 153,484	\$ 11,434

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2015

	Town of Genoa Construction Reserve	Town of Minden Ad Valorem	Town of Minden Capital Equipment Construction	Total Non-major Capital Projects Funds
ASSETS				
Cash, cash equivalents and investments	\$ 37,512	\$ 81,393	\$ 1,518,897	\$ 16,612,627
Accounts receivable, net				685
Taxes receivable				29,916
Interest receivable	72	157	2,933	29,695
Due from other governments		16,275		191,477
Due from other funds				68,957
Other assets	<u>7,156</u>			<u>7,156</u>
Total assets	<u>\$ 44,740</u>	<u>\$ 97,825</u>	<u>\$ 1,521,830</u>	<u>\$ 16,940,513</u>
LIABILITIES				
Accounts payable and accrued expenses		\$ 25,311	\$ 14,079	\$ 476,955
Accrued salaries, wages and benefits				3,620
Due to other funds				25,108
Unearned revenue, current				172,828
Contract retentions payable				8,890
Due to other governments				<u>33,798</u>
Total liabilities		<u>25,311</u>	<u>14,079</u>	<u>721,199</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, taxes and penalties				<u>24,839</u>
Total liabilities and deferred inflows of resources		<u>25,311</u>	<u>14,079</u>	<u>746,038</u>
FUND BALANCES				
Nonspendable				
Deposits	7,156			7,156
Restricted for				
Capital improvement projects	<u>37,584</u>	<u>72,514</u>	<u>1,507,751</u>	<u>16,187,319</u>
Total fund balances	<u>44,740</u>	<u>72,514</u>	<u>1,507,751</u>	<u>16,194,475</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,740</u>	<u>\$ 97,825</u>	<u>\$ 1,521,830</u>	<u>\$ 16,940,513</u>

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2015

	Extraordinary Maintenance	Ad Valorem	Douglas County Construction	Regional Transportation	Debt Financed
REVENUES					
Taxes	\$	\$ 1,148,125	\$	\$ 1,033,873	\$
Licenses, permits, franchise and other fees			300,000		
Intergovernmental shared revenues		138	65,000	805,459	
Miscellaneous	2,937	17,117	10,100	23,188	314
Total revenues	2,937	1,165,380	375,100	1,862,520	314
EXPENDITURES					
Current					
General government			695,155		
Public works				836,160	
Total current			695,155	836,160	
Capital outlay					
General government			634,422		176,030
Public works				137,305	
Total capital outlay			634,422	137,305	176,030
Debt service					
Debt issuance costs					68,883
Total expenditures			1,329,577	973,465	244,913
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,937	1,165,380	(954,477)	889,055	(244,599)
OTHER FINANCING SOURCES (USES)					
Debt issuance proceeds					1,075,000
Transfers in			631,644	1,017,578	275,483
Transfers out	(245,215)	(1,311,112)		(325,927)	
Total other financing sources (uses)	(245,215)	(1,311,112)	631,644	691,651	1,350,483
CHANGE IN FUND BALANCE	(242,278)	(145,732)	(322,833)	1,580,706	1,105,884
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	644,972	3,486,811	2,130,774	3,139,663	75,746
Adjustment				317,747	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	644,972	3,486,811	2,130,774	3,457,410	75,746
FUND BALANCE, END OF YEAR	\$ 402,694	\$ 3,341,079	\$ 1,807,941	\$ 5,038,116	\$ 1,181,630

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Redevelopment Agency	Town of Gardnerville Ad Valorem	Town of Genoa Ad Valorem	Town of Genoa Construction Reserve	Town of Minden Ad Valorem
REVENUES					
Taxes	\$	\$ 44,842	\$ 1,593	\$	\$ 43,126
Licenses, permits, franchise and other fees					
Intergovernmental shared revenues					
Miscellaneous	<u>7,197</u>	<u>620</u>	<u>51</u>	<u>185</u>	<u>351</u>
Total revenues	<u>7,197</u>	<u>45,462</u>	<u>1,644</u>	<u>185</u>	<u>43,477</u>
EXPENDITURES					
Current					
General government					
Public works					
Total current					
Capital outlay					
General government	406,707	2,612			25,311
Public works					
Total capital outlay	<u>406,707</u>	<u>2,612</u>			<u>25,311</u>
Debt service					
Debt issuance costs					
Total expenditures	<u>406,707</u>	<u>2,612</u>			<u>25,311</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(399,510)</u>	<u>42,850</u>	<u>1,644</u>	<u>185</u>	<u>18,166</u>
OTHER FINANCING SOURCES (USES)					
Debt issuance proceeds					
Transfers in	2,007,010				
Transfers out					
Total other financing sources (uses)	<u>2,007,010</u>				
CHANGE IN FUND BALANCE	<u>1,607,500</u>	<u>42,850</u>	<u>1,644</u>	<u>185</u>	<u>18,166</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	1,026,352	109,874	9,790	44,555	54,348
Adjustment					
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>1,026,352</u>	<u>109,874</u>	<u>9,790</u>	<u>44,555</u>	<u>54,348</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,633,852</u>	<u>\$ 152,724</u>	<u>\$ 11,434</u>	<u>\$ 44,740</u>	<u>\$ 72,514</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Town of Minden Capital Equipment Construction	East Fork Fire Protection District Equipment Reserve	East Fork Fire Protection District Construction Reserve	Total Non-major Capital Projects Funds
REVENUES				
Taxes	\$	\$	\$	\$ 2,271,559
Licenses, permits, franchise and other fees				300,000
Intergovernmental shared revenues	132,000			1,002,597
Miscellaneous	<u>7,260</u>	<u>443</u>	<u>52</u>	<u>69,815</u>
Total revenues	<u>139,260</u>	<u>443</u>	<u>52</u>	<u>3,643,971</u>
EXPENDITURES				
Current				
General government	29,925			725,080
Public works				836,160
Total current	<u>29,925</u>			<u>1,561,240</u>
Capital outlay				
General government	739,532			1,984,614
Public works				137,305
Total capital outlay	<u>739,532</u>			<u>2,121,919</u>
Debt service				
Debt issuance costs				68,883
Total expenditures	<u>769,457</u>			<u>3,752,042</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(630,197)</u>	<u>443</u>	<u>52</u>	<u>(108,071)</u>
OTHER FINANCING SOURCES (USES)				
Debt issuance proceeds				1,075,000
Transfers in	300,000			4,231,715
Transfers out	<u>(50,000)</u>	<u>(253,206)</u>	<u>(93,730)</u>	<u>(2,279,190)</u>
Total other financing sources (uses)	<u>250,000</u>	<u>(253,206)</u>	<u>(93,730)</u>	<u>3,027,525</u>
CHANGE IN FUND BALANCE	<u>(380,197)</u>	<u>(252,763)</u>	<u>(93,678)</u>	<u>2,919,454</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	1,887,948	252,763	93,678	12,957,274
Adjustment				317,747
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>1,887,948</u>	<u>252,763</u>	<u>93,678</u>	<u>13,275,021</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,507,751</u>	<u>\$</u>	<u>\$</u>	<u>\$ 16,194,475</u>

DOUGLAS COUNTY

EXTRAORDINARY MAINTENANCE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Investment income	\$ <u>600</u>	\$ <u>600</u>	\$ <u>2,937</u>	\$ <u>2,337</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>600</u>	<u>600</u>	<u>2,937</u>	<u>2,337</u>
OTHER FINANCING USES				
Transfers out	<u></u>	<u>(245,215)</u>	<u>(245,215)</u>	<u></u>
CHANGE IN FUND BALANCE	600	(244,615)	(242,278)	2,337
FUND BALANCE, BEGINNING OF YEAR	<u>647,203</u>	<u>644,972</u>	<u>644,972</u>	<u></u>
FUND BALANCE, END OF YEAR	<u>\$ 647,803</u>	<u>\$ 400,357</u>	<u>\$ 402,694</u>	<u>\$ 2,337</u>

DOUGLAS COUNTY

AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 1,142,618	\$ 1,142,618	\$ 1,103,964	\$ (38,654)
Real property taxes, delinquent			11,377	11,377
Real property taxes, deferred			34	34
Personal property taxes, current			32,161	32,161
Personal property taxes, delinquent			589	589
Intergovernmental shared revenues				
Payments in lieu of taxes			138	138
Miscellaneous				
Investment income	<u>5,000</u>	<u>5,000</u>	<u>17,117</u>	<u>12,117</u>
Total revenues	<u>1,147,618</u>	<u>1,147,618</u>	<u>1,165,380</u>	<u>17,762</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,147,618</u>	<u>1,147,618</u>	<u>1,165,380</u>	<u>17,762</u>
OTHER FINANCING USES				
Transfers out	<u>(1,311,112)</u>	<u>(1,311,112)</u>	<u>(1,311,112)</u>	
CHANGE IN FUND BALANCE	(163,494)	(163,494)	(145,732)	17,762
FUND BALANCE, BEGINNING OF YEAR	<u>3,481,403</u>	<u>3,486,811</u>	<u>3,486,811</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,317,909</u>	<u>\$ 3,323,317</u>	<u>\$ 3,341,079</u>	<u>\$ 17,762</u>

DOUGLAS COUNTY

DOUGLAS COUNTY CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Business licenses, permits, franchise and other fees				
Local county gaming licenses	\$ 300,000	\$ 300,000	\$ 300,000	\$
Intergovernmental shared revenues				
Federal, state and local grants			65,000	65,000
Other grants				
Miscellaneous				
Investment income	<u>1,800</u>	<u>1,800</u>	<u>10,100</u>	<u>8,300</u>
Total revenues	<u>301,800</u>	<u>301,800</u>	<u>375,100</u>	<u>73,300</u>
EXPENDITURES				
General government				
Other				
Services and supplies	251,800	994,508	695,155	299,353
Capital outlay	<u>50,000</u>	<u>981,021</u>	<u>634,422</u>	<u>346,599</u>
Total expenditures	<u>301,800</u>	<u>1,975,529</u>	<u>1,329,577</u>	<u>645,952</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES		<u>(1,673,729)</u>	<u>(954,477)</u>	<u>719,252</u>
OTHER FINANCING SOURCES				
Transfers in	<u>122,240</u>	<u>581,644</u>	<u>631,644</u>	<u>50,000</u>
CHANGE IN FUND BALANCE	122,240	(1,092,085)	(322,833)	769,252
FUND BALANCE, BEGINNING OF YEAR	<u>1,206,523</u>	<u>2,130,774</u>	<u>2,130,774</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,328,763</u>	<u>\$ 1,038,689</u>	<u>\$ 1,807,941</u>	<u>\$ 769,252</u>

DOUGLAS COUNTY

REGIONAL TRANSPORTATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 897,111	\$ 897,111	\$ 852,919	\$ (44,192)
Real property taxes, delinquent			5,310	5,310
Real property taxes, deferred			9	9
Personal property taxes, current			35,159	35,159
Personal property taxes, delinquent			377	377
Construction taxes	100,000	100,000	140,099	40,099
Intergovernmental shared revenues				
Payments in lieu of taxes			155	155
Motor vehicle fuel taxes	802,090	802,090	805,304	3,214
Miscellaneous				
Investment income	3,000	3,000	23,188	20,188
Total revenues	1,802,201	1,802,201	1,862,520	60,319
EXPENDITURES				
Public works				
Regional transportation				
Salaries and wages	104,942	104,942	105,802	(860)
Employee benefits	42,166	42,166	42,153	13
Services and supplies	2,266,744	1,584,957	688,205	896,752
Capital outlay	80,000	269,332	137,305	132,027
Total expenditures	2,493,852	2,001,397	973,465	1,027,932
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(691,651)	(199,196)	889,055	1,088,251
OTHER FINANCING SOURCES (USES)				
Transfers in	1,017,578	1,017,578	1,017,578	
Transfers out	(325,927)	(325,927)	(325,927)	
Total other financing sources (uses)	691,651	691,651	691,651	
CHANGE IN FUND BALANCE		492,455	1,580,706	1,088,251
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			3,139,663	
Adjustment			317,747	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	728,303	3,139,664	3,457,410	317,746
FUND BALANCE, END OF YEAR	\$ 728,303	\$ 3,632,119	\$ 5,038,116	\$ 1,405,997

DOUGLAS COUNTY

DEBT FINANCED CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$ _____	\$ _____	\$ 314	\$ 314
EXPENDITURES				
General government				
Other				
Capital outlay	_____	1,337,633	176,030	1,161,603
Debt service				
Debt issuance costs	_____	68,883	68,883	_____
Total expenditures	_____	1,406,516	244,913	1,161,603
DEFICIENCY OF REVENUES UNDER EXPENDITURES	_____	(1,406,516)	(244,599)	1,161,917
OTHER FINANCING SOURCES				
Debt issuance proceeds		1,075,000	1,075,000	
Transfers in	_____	275,483	275,483	_____
Total other financing sources	_____	1,350,483	1,350,483	_____
CHANGE IN FUND BALANCE		(56,033)	1,105,884	1,161,917
FUND BALANCE, BEGINNING OF YEAR	_____	75,746	75,746	_____
FUND BALANCE, END OF YEAR	\$ _____	\$ 19,713	\$ 1,181,630	\$ 1,161,917

DOUGLAS COUNTY

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$ 2,000	\$ 2,000	\$ 7,197	\$ 5,197
EXPENDITURES				
General government				
Other				
Services and supplies	2,000	2,000		2,000
Capital outlay	1,345,000	1,345,000	406,707	938,293
Total expenditures	1,347,000	1,347,000	406,707	940,293
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,345,000)	(1,345,000)	(399,510)	945,490
OTHER FINANCING SOURCES				
Transfers in	1,767,280	2,007,010	2,007,010	
CHANGE IN FUND BALANCE	422,280	662,010	1,607,500	945,490
FUND BALANCE, BEGINNING OF YEAR	924,966	1,026,352	1,026,352	
FUND BALANCE, END OF YEAR	\$ 1,347,246	\$ 1,688,362	\$ 2,633,852	\$ 945,490

DOUGLAS COUNTY

TOWN OF GARDNERVILLE AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 44,887	\$ 44,887	\$ 44,842	\$ (45)
Miscellaneous				
Investment income			620	620
Total revenues	<u>44,887</u>	<u>44,887</u>	<u>45,462</u>	<u>575</u>
EXPENDITURES				
General government				
Other				
Capital outlay	<u>43,500</u>	<u>43,500</u>	<u>2,612</u>	<u>40,888</u>
Total expenditures	<u>43,500</u>	<u>43,500</u>	<u>2,612</u>	<u>40,888</u>
CHANGE IN FUND BALANCE	1,387	1,387	42,850	41,463
FUND BALANCE, BEGINNING OF YEAR	<u>117,317</u>	<u>109,874</u>	<u>109,874</u>	
FUND BALANCE, END OF YEAR	<u>\$ 118,704</u>	<u>\$ 111,261</u>	<u>\$ 152,724</u>	<u>\$ 41,463</u>

DOUGLAS COUNTY

TOWN OF GENOA AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Taxes				
Real property taxes, current	\$ 1,595	\$ 1,595	\$ 1,593	\$ (2)
Miscellaneous				
Investment income	<u>20</u>	<u>20</u>	<u>51</u>	<u>31</u>
Total revenues	<u>1,615</u>	<u>1,615</u>	<u>1,644</u>	<u>29</u>
CHANGE IN FUND BALANCE	1,615	1,615	1,644	29
FUND BALANCE, BEGINNING OF YEAR	<u>9,861</u>	<u>9,790</u>	<u>9,790</u>	
FUND BALANCE, END OF YEAR	<u>\$ 11,476</u>	<u>\$ 11,405</u>	<u>\$ 11,434</u>	<u>\$ 29</u>

DOUGLAS COUNTY

**TOWN OF GENOA CONSTRUCTION RESERVE CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Investment income	\$ <u>100</u>	\$ <u>100</u>	\$ <u>185</u>	\$ <u>85</u>
CHANGE IN FUND BALANCE	100	100	185	85
FUND BALANCE, BEGINNING OF YEAR	<u>44,479</u>	<u>44,555</u>	<u>44,555</u>	<u> </u>
FUND BALANCE, END OF YEAR	<u>\$ 44,579</u>	<u>\$ 44,655</u>	<u>\$ 44,740</u>	<u>\$ 85</u>

DOUGLAS COUNTY

TOWN OF MINDEN AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Taxes				
Real property taxes, current	\$ 43,170	\$ 43,170	\$ 43,126	\$ (44)
Miscellaneous				
Investment income			351	351
Total revenues	43,170	43,170	43,477	307
EXPENDITURES				
General government				
Other				
Capital outlay	30,000	29,673	25,311	4,362
Total expenditures	30,000	29,673	25,311	4,362
CHANGE IN FUND BALANCE	13,170	13,497	18,166	4,669
FUND BALANCE, BEGINNING OF YEAR	54,675	54,348	54,348	
FUND BALANCE, END OF YEAR	\$ 67,845	\$ 67,845	\$ 72,514	\$ 4,669

DOUGLAS COUNTY

TOWN OF MINDEN CAPITAL EQUIPMENT CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental shared revenues				
Federal, state and local grants				
Other grants	\$ 132,000	\$ 132,000	\$ 132,000	\$
Miscellaneous				
Investment income	<u>3,000</u>	<u>3,000</u>	<u>7,260</u>	<u>4,260</u>
Total revenues	<u>135,000</u>	<u>135,000</u>	<u>139,260</u>	<u>4,260</u>
EXPENDITURES				
General government				
Other				
Services and supplies	95,000	95,000	29,925	65,075
Capital outlay	<u>660,921</u>	<u>1,381,070</u>	<u>739,532</u>	<u>641,538</u>
Total expenditures	<u>755,921</u>	<u>1,476,070</u>	<u>769,457</u>	<u>706,613</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(620,921)</u>	<u>(1,341,070)</u>	<u>(630,197)</u>	<u>710,873</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		300,000	300,000	
Transfers out			<u>(50,000)</u>	<u>(50,000)</u>
Total other financing sources (uses)		<u>300,000</u>	<u>250,000</u>	<u>(50,000)</u>
CHANGE IN FUND BALANCE	(620,921)	(1,041,070)	(380,197)	660,873
FUND BALANCE, BEGINNING OF YEAR	<u>1,328,526</u>	<u>1,887,948</u>	<u>1,887,948</u>	
FUND BALANCE, END OF YEAR	<u>\$ 707,605</u>	<u>\$ 846,878</u>	<u>\$ 1,507,751</u>	<u>\$ 660,873</u>

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT EQUIPMENT RESERVE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Miscellaneous				
Investment income	\$ _____	\$ _____	\$ _____ 443	\$ _____ 443
EXPENDITURES				
Public safety				
East Fork fire protection				
Capital outlay	_____ 75,000	_____	_____	_____
Total expenditures	_____ 75,000	_____	_____	_____
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	_____ (75,000)	_____	_____ 443	_____ 443
OTHER FINANCING USES				
Transfers out	_____	_____ (252,763)	_____ (253,206)	_____ (443)
CHANGE IN FUND BALANCE	(75,000)	(252,763)	(252,763)	
FUND BALANCE, BEGINNING OF YEAR	_____ 252,034	_____ 252,763	_____ 252,763	_____
FUND BALANCE, END OF YEAR	\$ _____ 177,034	\$ _____	\$ _____	\$ _____

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT CONSTRUCTION RESERVE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Miscellaneous				
Investment income	\$ _____	\$ _____	\$ _____ 52	\$ _____ 52
EXCESS OF REVENUES OVER EXPENDITURES	_____	_____	_____ 52	_____ 52
OTHER FINANCING USES				
Transfers out	_____	_____ (93,678)	_____ (93,730)	_____ (52)
CHANGE IN FUND BALANCE		(93,678)	(93,678)	
FUND BALANCE, BEGINNING OF YEAR	_____ 93,265	_____ 93,678	_____ 93,678	_____
FUND BALANCE, END OF YEAR	\$ _____ 93,265	\$ _____	\$ _____	\$ _____

MAJOR ENTERPRISE FUNDS

DOUGLAS COUNTY
MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Regional Water Utility

Accounts for the operations of the Regional water system, a separate water system in Douglas County.

Sewer Utility

Accounts for the operations of the Douglas County sewer system.

Carson Valley Water Utility

Accounts for the operations of the Carson Valley water system, a separate water system in Douglas County.

Lake Tahoe Water Utility

Accounts for the operations of the Zepher, Cave Rock and Skyland water systems, three separate water systems in Douglas County.

Town of Minden Wholesale Water Utility

Accounts for the operations of the Town of Minden wholesale water system.

Town of Minden Water Company

Accounts for the operations of the Town of Minden water system, a separate water system in Douglas County

DOUGLAS COUNTY

REGIONAL WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	\$ 1,133,399	\$ 1,133,399	\$ 997,005	\$ (136,394)
OPERATING EXPENSES				
Salaries and wages	26,314	26,314	13,620	12,694
Employee benefits	10,578	10,578	4,327	6,251
Services and supplies	946,140	946,140	831,621	114,519
Depreciation	<u>335,000</u>	<u>335,000</u>	<u>459,105</u>	<u>(124,105)</u>
Total operating expenses	<u>1,318,032</u>	<u>1,318,032</u>	<u>1,308,673</u>	<u>9,359</u>
Operating income (loss)	<u>(184,633)</u>	<u>(184,633)</u>	<u>(311,668)</u>	<u>(127,035)</u>
NONOPERATING REVENUES				
Investment income	1,500	1,500	1,314	(186)
Water capacity fees	<u>1,500</u>	<u>125,000</u>	<u>125,000</u>	<u>1,500</u>
Total nonoperating revenues	<u>1,500</u>	<u>126,500</u>	<u>126,314</u>	<u>(186)</u>
Income (loss) before capital contributions and transfers	<u>(183,133)</u>	<u>(58,133)</u>	<u>(185,354)</u>	<u>(127,221)</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u>125,000</u>	<u>475,324</u>	<u>199,061</u>	<u>(276,263)</u>
TRANSFERS				
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	<u>0</u>
CHANGE IN NET POSITION	<u>\$ (183,133)</u>	<u>\$ 292,191</u>	<u>(111,293)</u>	<u>\$ (403,484)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			16,245,854	
Adjustment			<u>(10,725)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>16,235,129</u>	
NET POSITION, END OF YEAR			<u>\$ 16,123,836</u>	

DOUGLAS COUNTY

SEWER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 1,891,221	\$ 1,891,221	\$ 1,915,053	\$ 23,832
OPERATING EXPENSES				
Salaries and wages	298,689	298,689	279,671	19,018
Employee benefits	130,632	130,632	130,395	237
Services and supplies	609,480	619,186	404,893	214,293
Depreciation	779,707	791,707	842,752	(51,045)
Total operating expenses	<u>1,818,508</u>	<u>1,840,214</u>	<u>1,657,711</u>	<u>182,503</u>
Operating income	<u>72,713</u>	<u>51,007</u>	<u>257,342</u>	<u>206,335</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	3,000	3,000	18,285	15,285
Interest and fiscal charges	(121,328)	(121,328)	(123,903)	(2,575)
Miscellaneous	<u> </u>	<u> </u>	4,340	4,340
Total nonoperating revenues (expenses)	<u>(118,328)</u>	<u>(118,328)</u>	<u>(101,278)</u>	<u>17,050</u>
Income (loss) before capital contributions	<u>(45,615)</u>	<u>(67,321)</u>	<u>156,064</u>	<u>223,385</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u> </u>	<u> </u>	3,420,383	3,420,383
Connection charges	<u> </u>	<u> </u>	214,092	214,092
Total capital contributions	<u> </u>	<u> </u>	<u>3,634,475</u>	<u>3,634,475</u>
CHANGE IN NET POSITION	<u>\$ (45,615)</u>	<u>\$ (67,321)</u>	<u>3,790,539</u>	<u>\$ 3,857,860</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			19,455,190	
Adjustment			<u>(539,714)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>18,915,476</u>	
NET POSITION, END OF YEAR			<u>\$ 22,706,015</u>	

DOUGLAS COUNTY

CARSON VALLEY WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 2,920,082	\$ 2,959,082	\$ 2,868,339	\$ (90,743)
OPERATING EXPENSES				
Salaries and wages	447,470	447,470	410,058	37,412
Employee benefits	183,673	183,673	139,978	43,695
Services and supplies	828,436	1,010,616	791,927	218,689
Depreciation	731,000	821,000	815,724	5,276
Total operating expenses	<u>2,190,579</u>	<u>2,462,759</u>	<u>2,157,687</u>	<u>305,072</u>
Operating income	<u>729,503</u>	<u>496,323</u>	<u>710,652</u>	<u>214,329</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	3,493	3,493	21,678	18,185
Interest and fiscal charges	(326,104)	(388,104)	(375,637)	12,467
Intergovernmental shared revenues	42,390	42,390	142,075	99,685
Miscellaneous	8,000	8,000	11,634	3,634
Total nonoperating revenues (expenses)	<u>(280,221)</u>	<u>(334,221)</u>	<u>(200,250)</u>	<u>133,971</u>
Income (loss) before capital contributions and transfers	<u>449,282</u>	<u>162,102</u>	<u>510,402</u>	<u>348,300</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			1,532,321	1,532,321
Connection charges			73,834	73,834
Total capital contributions			<u>1,606,155</u>	<u>1,606,155</u>
TRANSFERS				
Transfers in	<u>125,000</u>	<u>125,000</u>	<u>125,000</u>	
CHANGE IN NET POSITION	<u>\$ 574,282</u>	<u>\$ 287,102</u>	<u>2,241,557</u>	<u>\$ 1,954,455</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			22,194,246	
Adjustment			<u>(802,402)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>21,391,844</u>	
NET POSITION, END OF YEAR			<u>\$ 23,633,401</u>	

DOUGLAS COUNTY

LAKE TAHOE WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	\$ _____	\$ 1,677,164	\$ 1,112,280	\$ (564,884)
OPERATING EXPENSES				
Salaries and wages		317,657	175,410	142,247
Employee benefits		126,516	51,274	75,242
Services and supplies		716,294	422,142	294,152
Depreciation		10,000	455,235	(445,235)
Total operating expenses	_____	1,170,467	1,104,061	66,406
Operating income (loss)	_____	506,697	8,219	(498,478)
NONOPERATING REVENUES (EXPENSES)				
Investment income		1,700	13,227	11,527
Interest and fiscal charges		(162,097)	(102,342)	59,755
Lease revenues		31,680	21,453	(10,227)
Miscellaneous		_____	303	303
Total nonoperating revenues (expenses)	_____	(128,717)	(67,359)	61,358
Income (loss) before capital contributions and transfers	_____	377,980	(59,140)	(437,120)
CAPITAL CONTRIBUTIONS				
Capital contributions			62,118	62,118
Connection charges			32,816	32,816
Total capital contributions	_____	_____	94,934	94,934
TRANSFERS				
Transfers in		2,224,855	13,538,808	11,313,953
CHANGE IN NET POSITION	\$ _____	\$ 2,602,835	13,574,602	\$ 10,971,767
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			(644,727)	
Adjustment			(644,727)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			(644,727)	
NET POSITION, END OF YEAR			\$ 12,929,875	

DOUGLAS COUNTY

TOWN OF MINDEN WHOLESALE WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 1,085,985	\$ 1,085,985	\$ 1,084,410	\$ (1,575)
OPERATING EXPENSES				
Salaries and wages	219,963	219,963	198,200	21,763
Employee benefits	85,503	85,503	67,487	18,016
Services and supplies	432,963	467,963	469,665	(1,702)
Depreciation	<u>200,000</u>	<u>500,000</u>	<u>393,706</u>	<u>106,294</u>
Total operating expenses	<u>938,429</u>	<u>1,273,429</u>	<u>1,129,058</u>	<u>144,371</u>
Operating income (loss)	<u>147,556</u>	<u>(187,444)</u>	<u>(44,648)</u>	<u>142,796</u>
NONOPERATING REVENUES				
Investment income	1,000	1,000	3,664	2,664
Miscellaneous	<u>1,000</u>	<u>1,000</u>	<u>16,094</u>	<u>16,094</u>
Total nonoperating revenues	<u>1,000</u>	<u>1,000</u>	<u>19,758</u>	<u>18,758</u>
CHANGE IN NET POSITION	<u>\$ 148,556</u>	<u>\$ (186,444)</u>	<u>(24,890)</u>	<u>\$ 161,554</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			13,672,930	
Adjustment			<u>(271,889)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>13,401,041</u>	
NET POSITION, END OF YEAR			<u>\$ 13,376,151</u>	

DOUGLAS COUNTY

TOWN OF MINDEN WATER COMPANY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 887,000	\$ 887,000	\$ 1,027,871	\$ 140,871
OPERATING EXPENSES				
Salaries and wages	149,274	149,274	131,437	17,837
Employee benefits	73,580	73,580	106,397	(32,817)
Services and supplies	583,102	583,102	378,724	204,378
Depreciation	<u>250,000</u>	<u>350,000</u>	<u>249,918</u>	<u>100,082</u>
Total operating expenses	<u>1,055,956</u>	<u>1,155,956</u>	<u>866,476</u>	<u>289,480</u>
Operating income (loss)	<u>(168,956)</u>	<u>(268,956)</u>	<u>161,395</u>	<u>430,351</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	12,000	12,000	23,566	11,566
Lease revenues			200	200
Gain (loss) on capital asset disposition			<u>178,983</u>	<u>178,983</u>
Total nonoperating revenues (expenses)	<u>12,000</u>	<u>12,000</u>	<u>202,749</u>	<u>190,749</u>
Income (loss) before capital contributions	<u>(156,956)</u>	<u>(256,956)</u>	<u>364,144</u>	<u>621,100</u>
CAPITAL CONTRIBUTIONS				
Connection charges			<u>381,414</u>	<u>381,414</u>
CHANGE IN NET POSITION	<u>\$ (156,956)</u>	<u>\$ (256,956)</u>	<u>745,558</u>	<u>\$ 1,002,514</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			11,873,988	
Adjustment			<u>(296,966)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>11,577,022</u>	
NET POSITION, END OF YEAR			<u>\$ 12,322,580</u>	

NON-MAJOR ENTERPRISE FUNDS

DOUGLAS COUNTY
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Ridgeview Water Utility

Accounts for the operations of the Ridgeview water system, a separate, smaller water system in Douglas County.

Zephyr Water Utility

Accounts for the operations of the Zephyr water system, a separate water system in Douglas County. Effective November 1, 2014, the financial accounting for the operations of this water system was moved to the Lake Tahoe water utility fund.

Cave Rock Water Utility

Accounts for the operations of the Cave Rock water system, a separate water system in Douglas County. Effective November 1, 2014, the financial accounting for the operations of this water system was moved to the Lake Tahoe water utility fund.

Skyland Water Utility

Accounts for the operations of the Skyland water system, a separate, smaller water system in Douglas County. Effective November 1, 2014, the financial accounting for the operations of this water system was moved to the Lake Tahoe water utility fund.

Town of Gardnerville Health and Sanitation

Accounts for the operations of the trash service in the Town of Gardnerville.

Town of Minden Trash

Accounts for the operations of the trash service in the Town of Minden.

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF NET POSITION JUNE 30, 2015

	Ridgeview Water Utility	Town of Gardnerville Health and Sanitation	Town of Minden Trash	Total Non-major Enterprise Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 15,269	\$ 707,674	\$ 592,656	\$ 1,315,599
Accounts receivable, net		72,732	102,863	175,595
Interest receivable	33	1,366	1,153	2,552
Due from other funds		210	128	338
Prepaid items		9,098	11,683	20,781
Restricted assets				
Cash, cash equivalents and investments	<u>1,667</u>			<u>1,667</u>
Total current assets	<u>16,969</u>	<u>791,080</u>	<u>708,483</u>	<u>1,516,532</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Land		202,376	32,615	234,991
Construction in progress		233,870		233,870
Buildings and building improvements		259,100		259,100
Machinery, equipment and software		<u>183,758</u>	<u>13,113</u>	<u>196,871</u>
Total noncurrent assets		<u>879,104</u>	<u>45,728</u>	<u>924,832</u>
Total assets	<u>16,969</u>	<u>1,670,184</u>	<u>754,211</u>	<u>2,441,364</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized amounts related to pensions		<u>66,181</u>	<u>47,551</u>	<u>113,732</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses		44,302	21,253	65,555
Accrued salaries, wages and benefits		8,623	3,503	12,126
Due to other funds		3,424	23,898	27,322
Unearned revenue, current		11,606	645	12,251
Interest payable	25			25
Compensated absences		13,960	9,723	23,683
Bonds and notes payable	<u>2,925</u>			<u>2,925</u>
Total current liabilities	<u>2,950</u>	<u>81,915</u>	<u>59,022</u>	<u>143,887</u>
Noncurrent liabilities				
Postemployment benefits other than pensions		25,295	14,293	39,588
Net pension liability		419,287	301,252	720,539
Bonds and notes payable, net of unamortized premiums and discounts	<u>3,120</u>			<u>3,120</u>
Total noncurrent liabilities	<u>3,120</u>	<u>444,582</u>	<u>315,545</u>	<u>763,247</u>
Total liabilities	<u>6,070</u>	<u>526,497</u>	<u>374,567</u>	<u>907,134</u>
DEFERRED INFLOWS OF RESOURCES				
Unamortized amounts related to pensions		<u>108,132</u>	<u>77,692</u>	<u>185,824</u>
Total deferred inflows of resources		<u>108,132</u>	<u>77,692</u>	<u>185,824</u>
NET POSITION				
Net investment in capital assets				
Unrestricted	<u>10,899</u>	<u>222,632</u>	<u>303,775</u>	<u>537,306</u>
Total net position	<u>\$ 10,899</u>	<u>\$ 1,101,736</u>	<u>\$ 349,503</u>	<u>\$ 1,462,138</u>

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2015

	Ridgeview Water Utility	Zephyr Water Utility	Cave Rock Water Utility	Skyland Water Utility	Town of Gardnerville Health and Sanitation	Town of Minden Trash	Total Non-major Enterprise Funds
OPERATING REVENUES							
Charges for services	\$	175,942	260,632	148,356	998,053	626,445	2,209,428
OPERATING EXPENSES							
Salaries and wages		34,586	35,289	23,066	282,477	161,889	537,307
Employee benefits		13,279	13,628	9,179	127,561	78,086	241,733
Services and supplies		53,154	73,956	34,446	462,042	246,536	870,134
Depreciation		81,366	89,201	39,244	52,271	22,478	284,560
Total operating expenses		<u>182,385</u>	<u>212,074</u>	<u>105,935</u>	<u>924,351</u>	<u>508,989</u>	<u>1,933,734</u>
Operating income (loss)		<u>(6,443)</u>	<u>48,558</u>	<u>42,421</u>	<u>73,702</u>	<u>117,456</u>	<u>275,694</u>
NONOPERATING REVENUES (EXPENSES)							
Investment income	98				3,319	3,132	6,549
Interest and fiscal charges	(360)	(21,187)	(28,691)	(4,291)			(54,529)
Lease revenues			10,560				10,560
Miscellaneous		228	260	139	5,998		6,625
Total nonoperating revenues (expenses)	<u>(262)</u>	<u>(20,959)</u>	<u>(17,871)</u>	<u>(4,152)</u>	<u>9,317</u>	<u>3,132</u>	<u>(30,795)</u>
Income (loss) before transfers	<u>(262)</u>	<u>(27,402)</u>	<u>30,687</u>	<u>38,269</u>	<u>83,019</u>	<u>120,588</u>	<u>244,899</u>
TRANSFERS							
Transfers out		<u>(6,099,238)</u>	<u>(4,628,017)</u>	<u>(2,661,553)</u>		<u>(50,000)</u>	<u>(13,438,808)</u>
CHANGE IN NET POSITION	<u>(262)</u>	<u>(6,126,640)</u>	<u>(4,597,330)</u>	<u>(2,623,284)</u>	<u>83,019</u>	<u>70,588</u>	<u>(13,193,909)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	11,161	6,126,640	4,597,330	2,623,284	1,486,812	615,235	15,460,462
Adjustment					(468,095)	(336,320)	(804,415)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>11,161</u>	<u>6,126,640</u>	<u>4,597,330</u>	<u>2,623,284</u>	<u>1,018,717</u>	<u>278,915</u>	<u>14,656,047</u>
NET POSITION, END OF YEAR	<u>\$ 10,899</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,101,736</u>	<u>\$ 349,503</u>	<u>\$ 1,462,138</u>

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2015

	<u>Ridgeview Water Utility</u>	<u>Zephyr Water Utility</u>	<u>Cave Rock Water Utility</u>	<u>Skyland Water Utility</u>	<u>Town of Gardnerville Health and Sanitation</u>	<u>Town of Minden Trash</u>	<u>Total Non-major Enterprise Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$	\$ 196,358	\$ 289,739	\$ 163,498	\$ 1,005,015	\$ 627,910	\$ 2,282,520
Cash payments for goods and services		(125,093)	(102,577)	(61,791)	(445,883)	(216,733)	(952,077)
Cash payments for employee services and benefits		(67,649)	(71,241)	(48,581)	(407,753)	(245,615)	(840,839)
Net cash provided by operating activities		<u>3,616</u>	<u>115,921</u>	<u>53,126</u>	<u>151,379</u>	<u>165,562</u>	<u>489,604</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfers out		(608,016)	(949,451)	(592,440)		(50,000)	(2,199,907)
Repayments of advances from other funds		(600,000)					(600,000)
Net cash used in noncapital financing activities		<u>(1,208,016)</u>	<u>(949,451)</u>	<u>(592,440)</u>		<u>(50,000)</u>	<u>(2,799,907)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES							
Acquisition and construction of capital assets		(12,149)	(71,533)	(2,132)	(6,112)		(91,926)
Proceeds from debt issuance		54,402					54,402
Principal payments on debt	(2,795)	(21,409)	(114,547)	(8,945)			(147,696)
Interest payments on debt	(372)	(42,671)	(63,006)	(10,087)			(116,136)
Net cash used in capital financing activities		<u>(3,167)</u>	<u>(249,086)</u>	<u>(21,164)</u>	<u>(6,112)</u>		<u>(301,356)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Investment income received	92	1,659	1,463	758	2,719	2,625	9,316
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,075)	(1,224,568)	(1,081,153)	(559,720)	147,986	118,187	(2,602,343)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>20,011</u>	<u>1,224,568</u>	<u>1,081,153</u>	<u>559,720</u>	<u>559,688</u>	<u>474,469</u>	<u>3,919,609</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 16,936</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 707,674</u>	<u>\$ 592,656</u>	<u>\$ 1,317,266</u>

(Continued)

DOUGLAS COUNTY

**NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Ridgeview Water Utility</u>	<u>Zephyr Water Utility</u>	<u>Cave Rock Water Utility</u>	<u>Skyland Water Utility</u>	<u>Town of Gardnerville Health and Sanitation</u>	<u>Town of Minden Trash</u>	<u>Total Non-major Enterprise Funds</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES							
Operating income (loss)	\$ _____	\$ (6,443)	\$ 48,558	\$ 42,421	\$ 73,702	\$ 117,456	\$ 275,694
Adjustments to reconcile operating income (loss) to net cash provided by operating activities							
Depreciation and amortization		81,366	89,201	39,244	52,271	22,478	284,560
(Increase) decrease in operating assets							
Accounts receivable		19,338	27,344	13,577	(4,390)	(715)	55,154
Due from other funds		927	1,668	1,483	11,025	2,422	17,525
Prepaid expenses		151	95	82	327	(242)	413
Increase (decrease) in operating liabilities							
Accounts payable and accrued expenses		(18,639)	(12,810)	(16,452)	12,301	6,810	(28,790)
Accrued salaries and benefits		(3,608)	(4,082)	(2,633)	1,104	(1,533)	(10,752)
Due to other funds					516	23,898	24,414
Unearned revenue		(18,514)	(15,811)	(10,893)	3,342	(905)	(42,781)
Contract retentions payable		(34,786)					(34,786)
Compensated absences		(16,176)	(18,242)	(13,703)	(5,335)	(4,641)	(58,097)
Postemployment benefits other than pensions					13,373	5,461	18,834
Net pension liability					(6,857)	(4,927)	(11,784)
Total adjustments	<u>_____</u>	<u>10,059</u>	<u>67,363</u>	<u>10,705</u>	<u>77,677</u>	<u>48,106</u>	<u>213,910</u>
Net cash provided by operating activities	<u>\$ _____</u>	<u>\$ 3,616</u>	<u>\$ 115,921</u>	<u>\$ 53,126</u>	<u>\$ 151,379</u>	<u>\$ 165,562</u>	<u>\$ 489,604</u>

DOUGLAS COUNTY

RIDGEVIEW WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Services and supplies	\$ <u>20</u>	\$ <u>20</u>	\$ _____	\$ <u>20</u>
Operating loss	<u>(20)</u>	<u>(20)</u>	_____	<u>20</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	20	20	98	78
Interest and fiscal charges	<u>(360)</u>	<u>(360)</u>	<u>(360)</u>	<u>_____</u>
Total nonoperating revenues (expenses)	<u>(340)</u>	<u>(340)</u>	<u>(262)</u>	<u>78</u>
CHANGE IN NET POSITION	\$ <u>(360)</u>	\$ <u>(360)</u>	(262)	\$ <u>98</u>
NET POSITION, BEGINNING OF YEAR			<u>11,161</u>	
NET POSITION, END OF YEAR			\$ <u>10,899</u>	

DOUGLAS COUNTY

ZEPHYR WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 509,264	\$ _____	\$ 175,942	\$ 175,942
OPERATING EXPENSES				
Salaries and wages	118,938	_____	34,586	(34,586)
Employee benefits	47,630	_____	13,279	(13,279)
Services and supplies	162,108	_____	53,154	(53,154)
Depreciation	<u>260,000</u>	<u>_____</u>	<u>81,366</u>	<u>(81,366)</u>
Operating income (loss)	<u>(79,412)</u>	<u>_____</u>	<u>(6,443)</u>	<u>(6,443)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	500	_____	_____	_____
Interest and fiscal charges	(63,134)	_____	(21,187)	(21,187)
Miscellaneous	_____	_____	228	228
Total nonoperating revenues (expenses)	<u>(62,634)</u>	<u>_____</u>	<u>(20,959)</u>	<u>(20,959)</u>
Loss before transfers	<u>(142,046)</u>	<u>_____</u>	<u>(27,402)</u>	<u>(27,402)</u>
TRANSFERS				
Transfers in	77,760	_____	_____	_____
Transfers out	_____	(533,208)	(6,099,238)	(5,566,030)
Total transfers	<u>77,760</u>	<u>(533,208)</u>	<u>(6,099,238)</u>	<u>(5,566,030)</u>
CHANGE IN NET POSITION	<u>\$ (64,286)</u>	<u>\$ (533,208)</u>	(6,126,640)	<u>\$ (5,593,432)</u>
NET POSITION, BEGINNING OF YEAR			<u>6,126,640</u>	
NET POSITION, END OF YEAR			<u>\$ _____</u>	

DOUGLAS COUNTY

CAVE ROCK WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 756,180	\$ _____	\$ 260,632	\$ 260,632
OPERATING EXPENSES				
Salaries and wages	121,534	_____	35,289	(35,289)
Employee benefits	48,478	_____	13,628	(13,628)
Services and supplies	257,220	_____	73,956	(73,956)
Depreciation	264,000	_____	89,201	(89,201)
Total operating expenses	<u>691,232</u>	<u>_____</u>	<u>212,074</u>	<u>(212,074)</u>
Operating income	<u>64,948</u>	<u>_____</u>	<u>48,558</u>	<u>48,558</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	800	_____	_____	_____
Interest and fiscal charges	(95,317)	_____	(28,691)	(28,691)
Lease revenues	31,680	_____	10,560	10,560
Miscellaneous	_____	_____	260	260
Total nonoperating revenues (expenses)	<u>(62,837)</u>	<u>_____</u>	<u>(17,871)</u>	<u>(17,871)</u>
Income (loss) before transfers	<u>2,111</u>	<u>_____</u>	<u>30,687</u>	<u>30,687</u>
TRANSFERS				
Transfers out	_____	(1,015,643)	(4,628,017)	(3,612,374)
CHANGE IN NET POSITION	<u>\$ 2,111</u>	<u>\$ (1,015,643)</u>	(4,597,330)	<u>\$ (3,581,687)</u>
NET POSITION, BEGINNING OF YEAR			<u>4,597,330</u>	
NET POSITION, END OF YEAR			<u>\$ _____</u>	

DOUGLAS COUNTY

SKYLAND WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 411,157	\$ _____	\$ 148,356	\$ 148,356
OPERATING EXPENSES				
Salaries and wages	77,185	_____	23,066	(23,066)
Employee benefits	30,408	_____	9,179	(9,179)
Services and supplies	130,495	_____	34,446	(34,446)
Depreciation	113,000	_____	39,244	(39,244)
Total operating expenses	<u>351,088</u>	<u>_____</u>	<u>105,935</u>	<u>(105,935)</u>
Operating income	<u>60,069</u>	<u>_____</u>	<u>42,421</u>	<u>42,421</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	400	_____	_____	_____
Interest and fiscal charges	(13,646)	_____	(4,291)	(4,291)
Miscellaneous	_____	_____	139	139
Total nonoperating revenues (expenses)	<u>(13,246)</u>	<u>_____</u>	<u>(4,152)</u>	<u>(4,152)</u>
Income before transfers	<u>46,823</u>	<u>_____</u>	<u>38,269</u>	<u>38,269</u>
TRANSFERS				
Transfers out	_____	(526,004)	(2,661,553)	(2,135,549)
CHANGE IN NET POSITION	<u>\$ 46,823</u>	<u>\$ (526,004)</u>	(2,623,284)	<u>\$ (2,097,280)</u>
NET POSITION, BEGINNING OF YEAR			<u>2,623,284</u>	
NET POSITION, END OF YEAR			<u>\$ _____</u>	

DOUGLAS COUNTY

TOWN OF GARDNERVILLE HEALTH AND SANITATION ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 883,000	\$ 883,000	\$ 998,053	\$ 115,053
OPERATING EXPENSES				
Salaries and wages	280,824	280,824	282,477	(1,653)
Employee benefits	128,056	128,056	127,561	495
Services and supplies	455,507	458,621	462,042	(3,421)
Depreciation	<u>80,600</u>	<u>80,600</u>	<u>52,271</u>	<u>28,329</u>
Total operating expenses	<u>944,987</u>	<u>948,101</u>	<u>924,351</u>	<u>23,750</u>
Operating income (loss)	<u>(61,987)</u>	<u>(65,101)</u>	<u>73,702</u>	<u>138,803</u>
NONOPERATING REVENUES				
Investment income			3,319	3,319
Miscellaneous		<u>2,030</u>	<u>5,998</u>	<u>3,968</u>
Total nonoperating revenues		<u>2,030</u>	<u>9,317</u>	<u>7,287</u>
CHANGE IN NET POSITION	<u>\$ (61,987)</u>	<u>\$ (63,071)</u>	<u>83,019</u>	<u>\$ 146,090</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			1,486,812	
Adjustment			<u>(468,095)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>1,018,717</u>	
NET POSITION, END OF YEAR			<u>\$ 1,101,736</u>	

DOUGLAS COUNTY

TOWN OF MINDEN TRASH ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ <u>628,197</u>	\$ <u>628,197</u>	\$ <u>626,445</u>	\$ <u>(1,752)</u>
OPERATING EXPENSES				
Salaries and wages	206,561	206,561	161,889	44,672
Employee benefits	91,904	91,904	78,086	13,818
Services and supplies	254,732	254,732	246,536	8,196
Depreciation	<u>60,000</u>	<u>60,000</u>	<u>22,478</u>	<u>37,522</u>
Total operating expenses	<u>613,197</u>	<u>613,197</u>	<u>508,989</u>	<u>104,208</u>
Operating income	<u>15,000</u>	<u>15,000</u>	<u>117,456</u>	<u>102,456</u>
NONOPERATING REVENUES				
Investment income	<u> </u>	<u> </u>	<u>3,132</u>	<u>3,132</u>
Income before transfers	<u>15,000</u>	<u>15,000</u>	<u>120,588</u>	<u>105,588</u>
TRANSFERS				
Transfers out	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	<u> </u>
CHANGE IN NET POSITION	<u>\$ (35,000)</u>	<u>\$ (35,000)</u>	<u>70,588</u>	<u>\$ 105,588</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			615,235	
Adjustment			<u>(336,320)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>278,915</u>	
NET POSITION, END OF YEAR			<u>\$ 349,503</u>	

INTERNAL SERVICE FUNDS

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

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

Risk Management

Accounts for the management and funding of various insurance needs.

Self-insurance Dental

Accounts for the management and funding of the self-insurance dental program.

Motor Pool

Accounts for the provision and maintenance of County vehicles.

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

	Risk Management	Self-insurance Dental	Motor Pool	Total Internal Service Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 4,614,627	\$ 832,566	\$ 518,054	\$ 5,965,247
Accounts receivable, net	19,024	867	57,367	77,258
Taxes receivable	3,971			3,971
Interest receivable	9,799	1,593	992	12,384
Due from other governments	1,145			1,145
Due from other funds	75,849	26,303		102,152
Inventories			222,798	222,798
Total current assets	<u>4,724,415</u>	<u>861,329</u>	<u>799,211</u>	<u>6,384,955</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Buildings and building improvements			2,440	2,440
Machinery, equipment and software			495,890	495,890
Total noncurrent assets			<u>498,330</u>	<u>498,330</u>
Total assets	<u>4,724,415</u>	<u>861,329</u>	<u>1,297,541</u>	<u>6,883,285</u>
DEFERRED OUTFLOWS OF RESOURCES				
Unamortized amounts related to pensions	<u>14,056</u>		<u>79,441</u>	<u>93,497</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	1,457,170	2,275	44,902	1,504,347
Accrued salaries, wages and benefits	2,331		11,505	13,836
Claims and judgments		46,162		46,162
Compensated absences	<u>7,465</u>		<u>9,088</u>	<u>16,553</u>
Total current liabilities	<u>1,466,966</u>	<u>48,437</u>	<u>65,495</u>	<u>1,580,898</u>
Noncurrent liabilities				
Postemployment benefits other than pensions	2,575		22,689	25,264
Net pension liability	<u>89,052</u>		<u>503,293</u>	<u>592,345</u>
Total noncurrent liabilities	<u>91,627</u>		<u>525,982</u>	<u>617,609</u>
Total liabilities	<u>1,558,593</u>	<u>48,437</u>	<u>591,477</u>	<u>2,198,507</u>
DEFERRED INFLOWS OF RESOURCES				
Unamortized amounts related to pensions	<u>22,967</u>		<u>129,797</u>	<u>152,764</u>
NET POSITION				
Net investment in capital assets			498,330	498,330
Restricted				
Insurance liabilities	3,156,911	812,892		3,969,803
Unrestricted			<u>157,378</u>	<u>157,378</u>
Total net position	<u>\$ 3,156,911</u>	<u>\$ 812,892</u>	<u>\$ 655,708</u>	<u>\$ 4,625,511</u>

DOUGLAS COUNTY

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

	Risk Management	Self-insurance Dental	Motor Pool	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 3,233,261	\$ 360,522	\$ 1,374,453	\$ 4,968,236
OPERATING EXPENSES				
Salaries and wages	69,243		305,784	375,027
Employee benefits	23,597		155,825	179,422
Services and supplies	4,019,592	402,430	889,062	5,311,084
Depreciation			157,114	157,114
Total operating expenses	<u>4,112,432</u>	<u>402,430</u>	<u>1,507,785</u>	<u>6,022,647</u>
Operating loss	<u>(879,171)</u>	<u>(41,908)</u>	<u>(133,332)</u>	<u>(1,054,411)</u>
NONOPERATING REVENUES				
Investment income	20,842	3,590	2,516	26,948
Property taxes	246,867			246,867
Intergovernmental shared revenues	5,528			5,528
Gain (loss) on capital asset disposition			3,705	3,705
Miscellaneous	103,026			103,026
Total nonoperating revenues	<u>376,263</u>	<u>3,590</u>	<u>6,221</u>	<u>386,074</u>
CHANGE IN NET POSITION	<u>(502,908)</u>	<u>(38,318)</u>	<u>(127,111)</u>	<u>(668,337)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	3,759,237	851,210	1,344,699	5,955,146
Adjustment	(99,418)		(561,880)	(661,298)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>3,659,819</u>	<u>851,210</u>	<u>782,819</u>	<u>5,293,848</u>
NET POSITION, END OF YEAR	<u>\$ 3,156,911</u>	<u>\$ 812,892</u>	<u>\$ 655,708</u>	<u>\$ 4,625,511</u>

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

	Risk Management	Self-insurance Dental	Motor Pool	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services	\$ 3,284,700	\$ 333,352	\$ 1,346,405	\$ 4,964,457
Cash payments for interfund goods and services	(3,031,926)	(400,155)	(886,232)	(4,318,313)
Cash payments for interfund employee services and benefits	(93,386)	(475,281)	(475,281)	(568,667)
Net cash provided by (used in) operating activities	<u>159,388</u>	<u>(66,803)</u>	<u>(15,108)</u>	<u>77,477</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Property taxes	247,317			247,317
Intergovernmental shared revenues	5,528			5,528
Net cash provided by noncapital financing activities	<u>252,845</u>			<u>252,845</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets			(102,183)	(102,183)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	16,732	3,228	2,382	22,342
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	428,965	(63,575)	(114,909)	250,481
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>4,185,662</u>	<u>896,141</u>	<u>632,963</u>	<u>5,714,766</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,614,627</u>	<u>\$ 832,566</u>	<u>\$ 518,054</u>	<u>\$ 5,965,247</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating loss	\$ (879,171)	\$ (41,908)	\$ (133,332)	\$ (1,054,411)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities				
Depreciation and amortization			157,114	157,114
(Increase) decrease in operating assets				
Accounts receivable	107,521	(867)	(25,271)	81,383
Due from other governments	(1,142)			(1,142)
Due from other funds	(54,940)	(26,303)	6	(81,237)
Inventories			(2,783)	(2,783)
Increase (decrease) in operating liabilities				
Accounts payable and accrued expenses	1,008,274	2,275	2,830	1,013,379
Accrued salaries and benefits	1,005		2,032	3,037
Due to other funds	(20,608)			(20,608)
Compensated absences	1,639		(21,260)	(19,621)
Postemployment benefits other than pensions	(1,735)		13,787	12,052
Net pension liability	(1,455)		(8,231)	(9,686)
Total adjustments	<u>1,038,559</u>	<u>(24,895)</u>	<u>118,224</u>	<u>1,131,888</u>
Net cash provided by (used in) operating activities	<u>\$ 159,388</u>	<u>\$ (66,803)</u>	<u>\$ (15,108)</u>	<u>\$ 77,477</u>

DOUGLAS COUNTY

RISK MANAGEMENT INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 2,801,209	\$ 2,801,209	\$ 3,233,261	\$ 432,052
OPERATING EXPENSES				
Salaries and wages	67,780	67,780	69,243	(1,463)
Employee benefits	27,197	27,197	23,597	3,600
Services and supplies	2,852,322	2,893,218	4,019,592	(1,126,374)
Total operating expenses	<u>2,947,299</u>	<u>2,988,195</u>	<u>4,112,432</u>	<u>(1,124,237)</u>
Operating loss	<u>(146,090)</u>	<u>(186,986)</u>	<u>(879,171)</u>	<u>(692,185)</u>
NONOPERATING REVENUES				
Investment income	30,000	30,000	20,842	(9,158)
Property taxes	246,453	246,453	246,867	414
Intergovernmental shared revenues		6,896	5,528	(1,368)
Miscellaneous			103,026	103,026
Total nonoperating revenues	<u>276,453</u>	<u>283,349</u>	<u>376,263</u>	<u>92,914</u>
Loss before transfers	<u>130,363</u>	<u>96,363</u>	<u>(502,908)</u>	<u>(599,271)</u>
TRANSFERS				
Transfers in	<u>285,277</u>	<u>285,277</u>		<u>(285,277)</u>
CHANGE IN NET POSITION	<u>\$ 415,640</u>	<u>\$ 381,640</u>	<u>(502,908)</u>	<u>\$ (884,548)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			3,759,237	
Adjustment			<u>(99,418)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>3,659,819</u>	
NET POSITION, END OF YEAR			<u>\$ 3,156,911</u>	

DOUGLAS COUNTY

SELF-INSURANCE DENTAL INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ <u>424,000</u>	\$ <u>424,000</u>	\$ <u>360,522</u>	\$ <u>(63,478)</u>
OPERATING EXPENSES				
Services and supplies	<u>439,000</u>	<u>439,000</u>	<u>402,430</u>	<u>36,570</u>
Operating loss	<u>(15,000)</u>	<u>(15,000)</u>	<u>(41,908)</u>	<u>(26,908)</u>
NONOPERATING REVENUES				
Investment income	<u>15,000</u>	<u>15,000</u>	<u>3,590</u>	<u>(11,410)</u>
CHANGE IN NET POSITION	\$ <u> </u>	\$ <u> </u>	(38,318)	\$ <u>(38,318)</u>
NET POSITION, BEGINNING OF YEAR			<u>851,210</u>	
NET POSITION, END OF YEAR			\$ <u>812,892</u>	

DOUGLAS COUNTY

MOTOR POOL INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	\$ 1,328,232	\$ 1,335,732	\$ 1,374,453	\$ 38,721
OPERATING EXPENSES				
Salaries and wages	329,862	329,862	305,784	24,078
Employee benefits	147,247	147,247	155,825	(8,578)
Services and supplies	710,408	867,908	889,062	(21,154)
Depreciation	<u>164,000</u>	<u>164,000</u>	<u>157,114</u>	<u>6,886</u>
Total operating expenses	<u>1,351,517</u>	<u>1,509,017</u>	<u>1,507,785</u>	<u>1,232</u>
Operating loss	<u>(23,285)</u>	<u>(173,285)</u>	<u>(133,332)</u>	<u>39,953</u>
NONOPERATING REVENUES				
Investment income			2,516	2,516
Gain (loss) on capital asset disposition	<u>6,800</u>	<u>6,800</u>	<u>3,705</u>	<u>(3,095)</u>
Total nonoperating revenues	<u>6,800</u>	<u>6,800</u>	<u>6,221</u>	<u>(579)</u>
CHANGE IN NET POSITION	<u>\$ (16,485)</u>	<u>\$ (166,485)</u>	<u>(127,111)</u>	<u>\$ 39,374</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			1,344,699	
Adjustment			<u>(561,880)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>782,819</u>	
NET POSITION, END OF YEAR			<u>\$ 655,708</u>	

FIDUCIARY FUNDS

DOUGLAS COUNTY

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2015

Agency funds are used to account for assets held as an agent for individuals, private organizations, or other governments.

Douglas County School District

Accounts for the collection and distribution of apportioned property taxes.

Douglas County School District Debt

Accounts for the collection and distribution of apportioned property taxes dedicated to the retirement of long-term debt principal and interest.

Carson Water Sub-conservancy District

Accounts for the collection and distribution of apportioned property taxes.

Cave Rock General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Douglas County Sewer Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Elk Point Sanitation District

Accounts for the collection and distribution of charges for services.

Gardnerville Ranchos General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Genoa Lakes Assessment District

Accounts for the collection and distribution of special assessment levies dedicated to the retirement of long-term debt principal and interest.

Indian Hills General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Kingsbury General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Lakeridge General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Logan Creek General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Minden-Gardnerville Sanitation District

Accounts for the collection and distribution of apportioned property taxes.

Oliver Park General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Round Hill General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Sierra Estates General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Skyland General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Tahoe-Douglas Sanitation District

Accounts for the collection and distribution of charges for services.

Tahoe-Douglas Fire Protection District

Accounts for the collection and distribution of apportioned property taxes.

Topaz Ranch Estates General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

DOUGLAS COUNTY
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

Zephyr Cove General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Zephyr Heights General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Zephyr Knolls General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

East Fork Swimming Pool District

Accounts for the collection and distribution of apportioned property taxes.

East Fork Swimming Pool Debt

Accounts for the collection and distribution of special assessment levies dedicated to the retirement of long-term debt principal and interest.

Inmate Commissary

Accounts for inmate commissary funds administered by the Sheriff Department.

Inmates Trust

Accounts for the inmate funds held by the Sheriff Department.

Douglas County Mosquito Abatement District

Accounts for the collection and distribution of apportioned property taxes.

State of Nevada

Accounts for the collection and distribution of apportioned property taxes, District and Justice Court fees, marriage fees, and other fees mandated by State of Nevada statutes.

Department of Wildlife

Accounts for the collection and payment of monies from the State of Nevada, general fund, wildlife account.

Range Improvements

Accounts for the collection and payment of grazing fees from the U. S. Government.

Sierra Forest Fire Protection District

Accounts for the collection and distribution of apportioned property taxes.

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2015**

	Douglas County School District	Douglas County School District Debt	Carson Water Sub- conservancy District	Cave Rock General Improvement District	Douglas County Sewer Improvement District	Elk Point Sanitation District	Gardnerville Ranchos General Improvement District	Genoa Lakes Assessment District	Indian Hills General Improvement District
ASSETS									
Cash, cash equivalents and investments	\$ 180,422	\$ 16,271	\$ 3,403	\$ 116	\$ 1,130	\$	\$ 5,001	\$ 242,672	\$ 3,000
Accounts receivable, net	98,262	740	207				588		716
Taxes receivable	297,859	38,506	8,479				12,001		10,028
Interest receivable	3							18	
Due from other governments	153,176	20,423	4,423	242		540	4,682		4,371
Special assessments receivable								2,481	
Inventories									
Prepaid items									
Total assets	<u>\$ 729,722</u>	<u>\$ 75,940</u>	<u>\$ 16,512</u>	<u>\$ 358</u>	<u>\$ 1,130</u>	<u>\$ 540</u>	<u>\$ 22,272</u>	<u>\$ 245,171</u>	<u>\$ 18,115</u>
LIABILITIES									
Due to others	<u>\$ 729,722</u>	<u>\$ 75,940</u>	<u>\$ 16,512</u>	<u>\$ 358</u>	<u>\$ 1,130</u>	<u>\$ 540</u>	<u>\$ 22,272</u>	<u>\$ 245,171</u>	<u>\$ 18,115</u>

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2015**

	Kingsbury General Improvement District	Lakeridge General Improvement District	Logan Creek General Improvement District	Minden- Gardnerville Sanitation District	Oliver Park General Improvement District	Round Hill General Improvement District	Sierra Estates General Improvement District	Skyland General Improvement District	Tahoe-Douglas Sanitation District
ASSETS									
Cash, cash equivalents and investments	\$ 6,004	\$ 321	\$ 84	\$ 1,145	\$ 105	\$ 1	\$	\$ 47	\$ 389
Accounts receivable, net	146			277	10				
Taxes receivable	8,652			9,622	1,804			120	787
Interest receivable									
Due from other governments	1,859	606	351	1,505	204			1,733	908
Special assessments receivable									
Inventories									
Prepaid items									
Total assets	<u>\$ 16,661</u>	<u>\$ 927</u>	<u>\$ 435</u>	<u>\$ 12,549</u>	<u>\$ 2,123</u>	<u>\$ 1</u>	<u>\$</u>	<u>\$ 1,900</u>	<u>\$ 2,084</u>
LIABILITIES									
Due to others	<u>\$ 16,661</u>	<u>\$ 927</u>	<u>\$ 435</u>	<u>\$ 12,549</u>	<u>\$ 2,123</u>	<u>\$ 1</u>	<u>\$</u>	<u>\$ 1,900</u>	<u>\$ 2,084</u>

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2015**

	Tahoe-Douglas Fire Protection District	Topaz Ranch Estates General Improvement District	Zephyr Cove General Improvement District	Zephyr Heights General Improvement District	Zephyr Knolls General Improvement District	East Fork Swimming Pool District	East Fork Swimming Pool Debt	Inmate Commissary	Inmates Trust
ASSETS									
Cash, cash equivalents and investments	\$ 22,637	\$ 4,768	\$ 20	\$ 138	\$ 76	\$ 11,321		\$ 66,500	\$ 3,816
Accounts receivable, net	284	202				904			229
Taxes receivable	42,143	8,772	45	910	234	45,107			
Interest receivable									
Due from other governments	17,496	3,630	69	267	138	13,479			
Special assessments receivable									
Inventories									
Prepaid items									
Total assets	<u>\$ 82,560</u>	<u>\$ 17,372</u>	<u>\$ 134</u>	<u>\$ 1,315</u>	<u>\$ 448</u>	<u>\$ 70,811</u>		<u>\$ 66,500</u>	<u>\$ 4,045</u>
LIABILITIES									
Due to others	<u>\$ 82,560</u>	<u>\$ 17,372</u>	<u>\$ 134</u>	<u>\$ 1,315</u>	<u>\$ 448</u>	<u>\$ 70,811</u>		<u>\$ 66,500</u>	<u>\$ 4,045</u>

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2015**

	Douglas County Mosquito Abatement District	State of Nevada	Department of Wildlife	Sierra Forest Fire Protection District	Total Agency Funds
ASSETS					
Cash, cash equivalents and investments	\$ 963,266	\$ 874,013	\$ 2,553	\$ 1,648	\$ 2,410,867
Accounts receivable, net	228	29,545			132,338
Taxes receivable	7,915	67,505			560,489
Interest receivable	1,860				1,881
Due from other governments	23,530	25,467			279,099
Special assessments receivable					2,481
Inventories	32,557				32,557
Prepaid items	10,530				10,530
	<u>\$ 1,039,886</u>	<u>\$ 996,530</u>	<u>\$ 2,553</u>	<u>\$ 1,648</u>	<u>\$ 3,430,242</u>
Total assets					
LIABILITIES					
Due to others	<u>\$ 1,039,886</u>	<u>\$ 996,530</u>	<u>\$ 2,553</u>	<u>\$ 1,648</u>	<u>\$ 3,430,242</u>

DOUGLAS COUNTY

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
DOUGLAS COUNTY SCHOOL DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 299,380	\$ 18,860,255	\$ 18,979,213	\$ 180,422
Accounts receivable, net	36,335	103,838	41,911	98,262
Taxes receivable	331,522	6,217	39,880	297,859
Interest receivable	400	3	400	3
Due from other governments	223	234,015	81,062	153,176
	<u>667,860</u>	<u>19,204,328</u>	<u>19,142,466</u>	<u>729,722</u>
Total assets	<u>\$ 667,860</u>	<u>\$ 19,204,328</u>	<u>\$ 19,142,466</u>	<u>\$ 729,722</u>
LIABILITIES				
Due to others	<u>\$ 667,860</u>	<u>\$ 19,204,328</u>	<u>\$ 19,142,466</u>	<u>\$ 729,722</u>
DOUGLAS COUNTY SCHOOL DISTRICT DEBT				
ASSETS				
Cash, cash equivalents and investments	\$ 31,166	\$ 2,544,043	\$ 2,558,938	\$ 16,271
Accounts receivable, net	98	2,284	1,642	740
Taxes receivable	42,643	862	4,999	38,506
Interest receivable	42		42	
Due from other governments	30	31,201	10,808	20,423
	<u>73,979</u>	<u>2,578,390</u>	<u>2,576,429</u>	<u>75,940</u>
Total assets	<u>\$ 73,979</u>	<u>\$ 2,578,390</u>	<u>\$ 2,576,429</u>	<u>\$ 75,940</u>
LIABILITIES				
Due to others	<u>\$ 73,979</u>	<u>\$ 2,578,390</u>	<u>\$ 2,576,429</u>	<u>\$ 75,940</u>
CARSON WATER SUB-CONSERVANCY DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 6,569	\$ 458,570	\$ 461,736	\$ 3,403
Accounts receivable, net	29	207	29	207
Taxes receivable	8,177	302		8,479
Due from other governments	9	6,708	2,294	4,423
	<u>14,784</u>	<u>465,787</u>	<u>464,059</u>	<u>16,512</u>
Total assets	<u>\$ 14,784</u>	<u>\$ 465,787</u>	<u>\$ 464,059</u>	<u>\$ 16,512</u>
LIABILITIES				
Due to others	<u>\$ 14,784</u>	<u>\$ 465,787</u>	<u>\$ 464,059</u>	<u>\$ 16,512</u>
CAVE ROCK GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 275	\$ 77,764	\$ 77,923	\$ 116
Taxes receivable	232		232	
Due from other governments		242		242
	<u>507</u>	<u>78,006</u>	<u>78,155</u>	<u>358</u>
Total assets	<u>\$ 507</u>	<u>\$ 78,006</u>	<u>\$ 78,155</u>	<u>\$ 358</u>
LIABILITIES				
Due to others	<u>\$ 507</u>	<u>\$ 78,006</u>	<u>\$ 78,155</u>	<u>\$ 358</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
DOUGLAS COUNTY SEWER IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,850	\$ 2,449,148	\$ 2,449,868	\$ 1,130
LIABILITIES				
Due to others	\$ 1,850	\$ 2,449,148	\$ 2,449,868	\$ 1,130
ELK POINT SANITATION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$	\$ 2,698	\$ 2,698	\$
Due from other governments	540	540	540	540
Total assets	\$ 540	\$ 3,238	\$ 2,698	\$ 540
LIABILITIES				
Due to others	\$ 540	\$ 3,238	\$ 2,698	\$ 540
GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 7,134	\$ 709,756	\$ 711,889	\$ 5,001
Accounts receivable, net	588	588	588	588
Taxes receivable	12,677	17	693	12,001
Due from other governments	4,682	6,932	2,250	4,682
Total assets	\$ 19,811	\$ 717,293	\$ 714,832	\$ 22,272
LIABILITIES				
Due to others	\$ 19,811	\$ 715,043	\$ 712,582	\$ 22,272
GENOA LAKES ASSESSMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 406,954	\$ 21,403	\$ 185,685	\$ 242,672
Interest receivable	552	18	552	18
Special assessments receivable	2,481	2,481	2,481	2,481
Total assets	\$ 409,987	\$ 21,421	\$ 186,237	\$ 245,171
LIABILITIES				
Due to others	\$ 409,987	\$ 21,421	\$ 186,237	\$ 245,171
INDIAN HILLS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 8,333	\$ 751,888	\$ 757,221	\$ 3,000
Accounts receivable, net	716	716	716	716
Taxes receivable	11,278	11,278	1,250	10,028
Due from other governments	4,371	6,925	2,554	4,371
Total assets	\$ 19,611	\$ 759,529	\$ 761,025	\$ 18,115
LIABILITIES				
Due to others	\$ 19,611	\$ 759,529	\$ 761,025	\$ 18,115

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
KINGSBURY GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 6,013	\$ 742,757	\$ 742,766	\$ 6,004
Accounts receivable, net		146		146
Taxes receivable	9,663	52	1,063	8,652
Due from other governments		2,922	1,063	1,859
	<u>15,676</u>	<u>745,877</u>	<u>744,892</u>	<u>16,661</u>
Total assets	<u>\$ 15,676</u>	<u>\$ 745,877</u>	<u>\$ 744,892</u>	<u>\$ 16,661</u>
LIABILITIES				
Due to others	<u>\$ 15,676</u>	<u>\$ 745,877</u>	<u>\$ 744,892</u>	<u>\$ 16,661</u>
LAKERIDGE GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,265	\$ 26,192	\$ 27,136	\$ 321
Taxes receivable	408		408	
Due from other governments		927	321	606
	<u>1,673</u>	<u>27,119</u>	<u>27,865</u>	<u>927</u>
Total assets	<u>\$ 1,673</u>	<u>\$ 27,119</u>	<u>\$ 27,865</u>	<u>\$ 927</u>
LIABILITIES				
Due to others	<u>\$ 1,673</u>	<u>\$ 27,119</u>	<u>\$ 27,865</u>	<u>\$ 927</u>
LOGAN CREEK GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 200	\$ 86,154	\$ 86,270	\$ 84
Taxes receivable	302		302	
Due from other governments		436	85	351
	<u>502</u>	<u>86,590</u>	<u>86,657</u>	<u>435</u>
Total assets	<u>\$ 502</u>	<u>\$ 86,590</u>	<u>\$ 86,657</u>	<u>\$ 435</u>
LIABILITIES				
Due to others	<u>\$ 502</u>	<u>\$ 86,590</u>	<u>\$ 86,657</u>	<u>\$ 435</u>
MINDEN-GARDNERVILLE SANITATION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 3,805	\$ 354,472	\$ 357,132	\$ 1,145
Accounts receivable, net		277		277
Taxes receivable	7,185	2,437		9,622
Due from other governments		2,319	814	1,505
	<u>10,990</u>	<u>359,505</u>	<u>357,946</u>	<u>12,549</u>
Total assets	<u>\$ 10,990</u>	<u>\$ 359,505</u>	<u>\$ 357,946</u>	<u>\$ 12,549</u>
LIABILITIES				
Due to others	<u>\$ 10,990</u>	<u>\$ 359,505</u>	<u>\$ 357,946</u>	<u>\$ 12,549</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
OLIVER PARK GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 446	\$ 48,516	\$ 48,857	\$ 105
Accounts receivable, net		10		10
Taxes receivable	8,146	248	6,590	1,804
Due from other governments		309	105	204
	<u>8,592</u>	<u>49,083</u>	<u>55,552</u>	<u>2,123</u>
Total assets	<u>\$ 8,592</u>	<u>\$ 49,083</u>	<u>\$ 55,552</u>	<u>\$ 2,123</u>
LIABILITIES				
Due to others	<u>\$ 8,592</u>	<u>\$ 49,083</u>	<u>\$ 55,552</u>	<u>\$ 2,123</u>
ROUND HILL GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$	\$ 597,287	\$ 597,286	\$ 1
Due from other governments		1	1	
		<u>1</u>	<u>1</u>	
Total assets	<u>\$</u>	<u>\$ 597,288</u>	<u>\$ 597,287</u>	<u>\$ 1</u>
LIABILITIES				
Due to others	<u>\$</u>	<u>\$ 597,288</u>	<u>\$ 597,287</u>	<u>\$ 1</u>
SIERRA ESTATES GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	<u>\$</u>	<u>\$ 27,738</u>	<u>\$ 27,738</u>	<u>\$</u>
LIABILITIES				
Due to others	<u>\$</u>	<u>\$ 27,738</u>	<u>\$ 27,738</u>	<u>\$</u>
SKYLAND GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 193	\$ 48,464	\$ 48,610	\$ 47
Taxes receivable	113	7		120
Due from other governments		1,780	47	1,733
		<u>1,780</u>	<u>47</u>	<u>1,733</u>
Total assets	<u>\$ 306</u>	<u>\$ 50,251</u>	<u>\$ 48,657</u>	<u>\$ 1,900</u>
LIABILITIES				
Due to others	<u>\$ 306</u>	<u>\$ 50,251</u>	<u>\$ 48,657</u>	<u>\$ 1,900</u>
TAHOE-DOUGLAS SANITATION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,219	\$ 170,340	\$ 171,170	\$ 389
Taxes receivable	1,442	20	675	787
Due from other governments		1,149	241	908
		<u>1,149</u>	<u>241</u>	<u>908</u>
Total assets	<u>\$ 2,661</u>	<u>\$ 171,509</u>	<u>\$ 172,086</u>	<u>\$ 2,084</u>
LIABILITIES				
Due to others	<u>\$ 2,661</u>	<u>\$ 171,509</u>	<u>\$ 172,086</u>	<u>\$ 2,084</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
TAHOE-DOUGLAS FIRE PROTECTION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 43,916	\$ 5,661,025	\$ 5,682,304	\$ 22,637
Accounts receivable, net		284		284
Taxes receivable	77,097	1,306	36,260	42,143
Interest receivable	59		59	
Due from other governments		29,239	11,743	17,496
Total assets	<u>\$ 121,072</u>	<u>\$ 5,691,854</u>	<u>\$ 5,730,366</u>	<u>\$ 82,560</u>
LIABILITIES				
Due to others	<u>\$ 121,072</u>	<u>\$ 5,691,854</u>	<u>\$ 5,730,366</u>	<u>\$ 82,560</u>
TOPAZ RANCH ESTATES GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 7,180	\$ 148,820	\$ 151,232	\$ 4,768
Accounts receivable, net		202		202
Taxes receivable	9,331	22	581	8,772
Due from other governments		5,601	1,971	3,630
Total assets	<u>\$ 16,511</u>	<u>\$ 154,645</u>	<u>\$ 153,784</u>	<u>\$ 17,372</u>
LIABILITIES				
Due to others	<u>\$ 16,511</u>	<u>\$ 154,645</u>	<u>\$ 153,784</u>	<u>\$ 17,372</u>
ZEPHYR COVE GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 48	\$ 15,794	\$ 15,822	\$ 20
Taxes receivable	10	45	10	45
Due from other governments		89	20	69
Total assets	<u>\$ 58</u>	<u>\$ 15,928</u>	<u>\$ 15,852</u>	<u>\$ 134</u>
LIABILITIES				
Due to others	<u>\$ 58</u>	<u>\$ 15,928</u>	<u>\$ 15,852</u>	<u>\$ 134</u>
ZEPHYR HEIGHTS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 331	\$ 84,144	\$ 84,337	\$ 138
Taxes receivable	792	118		910
Due from other governments		405	138	267
Total assets	<u>\$ 1,123</u>	<u>\$ 84,667</u>	<u>\$ 84,475</u>	<u>\$ 1,315</u>
LIABILITIES				
Due to others	<u>\$ 1,123</u>	<u>\$ 84,667</u>	<u>\$ 84,475</u>	<u>\$ 1,315</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
ZEPHYR KNOLLS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 795	\$ 38,606	\$ 39,325	\$ 76
Taxes receivable	685		451	234
Due from other governments		214	76	138
Total assets	<u>\$ 1,480</u>	<u>\$ 38,820</u>	<u>\$ 39,852</u>	<u>\$ 448</u>
LIABILITIES				
Due to others	<u>\$ 1,480</u>	<u>\$ 38,820</u>	<u>\$ 39,852</u>	<u>\$ 448</u>
EAST FORK SWIMMING POOL DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 30,439	\$ 1,809,328	\$ 1,828,446	\$ 11,321
Accounts receivable, net	160	904	160	904
Taxes receivable	43,502	1,605		45,107
Due from other governments	73	20,409	7,003	13,479
Total assets	<u>\$ 74,174</u>	<u>\$ 1,832,246</u>	<u>\$ 1,835,609</u>	<u>\$ 70,811</u>
LIABILITIES				
Due to others	<u>\$ 74,174</u>	<u>\$ 1,832,246</u>	<u>\$ 1,835,609</u>	<u>\$ 70,811</u>
EAST FORK SWIMMING POOL DEBT				
ASSETS				
Cash, cash equivalents and investments	<u>\$ 34</u>	<u>\$</u>	<u>\$ 34</u>	<u>\$</u>
LIABILITIES				
Due to others	<u>\$ 34</u>	<u>\$</u>	<u>\$ 34</u>	<u>\$</u>
INMATE COMMISSARY				
ASSETS				
Cash, cash equivalents and investments	\$ 60,938	\$ 48,005	\$ 42,443	\$ 66,500
Accounts receivable, net	934		934	
Total assets	<u>\$ 61,872</u>	<u>\$ 48,005</u>	<u>\$ 43,377</u>	<u>\$ 66,500</u>
LIABILITIES				
Due to others	<u>\$ 61,872</u>	<u>\$ 48,005</u>	<u>\$ 43,377</u>	<u>\$ 66,500</u>
INMATES TRUST				
ASSETS				
Cash, cash equivalents and investments	\$ 7,803			\$ 3,816
Cash, cash equivalents and investments, restricted			3,987	
Accounts receivable, net		229		229
Total assets	<u>\$ 7,803</u>	<u>\$ 229</u>	<u>\$ 3,987</u>	<u>\$ 4,045</u>
LIABILITIES				
Due to others	<u>\$ 7,803</u>	<u>\$ 229</u>	<u>\$ 3,987</u>	<u>\$ 4,045</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 858,499	\$ 604,255	\$ 499,488	\$ 963,266
Accounts receivable, net	30			228
Taxes receivable	7,421	228	30	7,915
Interest receivable	1,165	494		1,860
Due from other governments	21,940	1,191	496	23,530
Inventories	32,557	34,451	32,861	32,557
Prepaid items	10,785	10,530	10,785	10,530
Total assets	\$ 932,397	\$ 651,149	\$ 543,660	\$ 1,039,886
LIABILITIES				
Due to others	\$ 932,397	\$ 651,149	\$ 543,660	\$ 1,039,886
STATE OF NEVADA				
ASSETS				
Cash, cash equivalents and investments	\$ 898,250	\$ 7,488,109	\$ 7,558,543	\$ 874,013
Cash, cash equivalents and investments, restricted		46,197		
Accounts receivable, net	23,687	37,491	31,633	29,545
Taxes receivable	75,077	1,415	8,987	67,505
Due from other governments	24,993	25,467	24,993	25,467
Total assets	\$ 1,022,007	\$ 7,598,679	\$ 7,624,156	\$ 996,530
LIABILITIES				
Due to others	\$ 1,022,007	\$ 7,598,679	\$ 7,624,156	\$ 996,530
DEPARTMENT OF WILDLIFE				
ASSETS				
Cash, cash equivalents and investments	\$ 5,517		\$ 2,964	\$ 2,553
LIABILITIES				
Due to others	\$ 5,517		\$ 2,964	\$ 2,553
RANGE IMPROVEMENTS				
ASSETS				
Cash, cash equivalents and investments		\$ 205	\$ 205	
LIABILITIES				
Due to others		\$ 205	\$ 205	
SIERRA FOREST FIRE PROTECTION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,645	\$ 3		\$ 1,648
LIABILITIES				
Due to others	\$ 1,645	\$ 3		\$ 1,648

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014 (Restated)	Additions	Deductions	Balance June 30, 2015
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	\$ 2,690,197	\$ 43,875,739	\$ 44,197,279	\$ 2,410,867
Cash, cash equivalents and investments, restricted		46,197	3,987	
Accounts receivable, net	61,273	147,176	76,309	132,338
Taxes receivable	647,703	14,901	102,411	560,489
Interest receivable	2,218	515	1,053	1,881
Due from other governments	47,268	379,021	148,085	279,099
Special assessments receivable	2,481			2,481
Inventories	32,557	34,451	32,861	32,557
Prepaid items	10,785	10,530	10,785	10,530
Total assets	\$ 3,494,482	\$ 44,508,530	\$ 44,572,770	\$ 3,430,242
LIABILITIES				
Due to others	\$ 3,494,482	\$ 44,506,280	\$ 44,570,520	\$ 3,430,242

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Members of the County Commission
Douglas County, Nevada

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County (the County) as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 15, 2015.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the County's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015 - 001 through 2015 - 004, to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2015 - 005 through 2015 - 014 to be significant deficiencies.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the County's basic financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic financial statement amounts, including whether the funds established by the County, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied

established by the County, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The County's Responses to Findings. The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

We noted certain matters that we reported to the County in a separate letter dated December 15, 2015.

Purpose of this Report. The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Penny Bowler Taylor & Kern". The signature is written in a cursive style with a small flourish at the end.

Las Vegas, Nevada
December 15, 2015

STATISTICAL SECTION

DOUGLAS COUNTY
STATISTICAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015

Financial Trends

The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balance, Governmental Funds
- Changes in Fund Balance, Governmental Funds

Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess the most significant local revenue source.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections

Debt Capacity

The following tables contain debt capacity information to enable the reader to assess the affordability the current level of outstanding debt and the ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged Revenue Bond Coverage

Demographic and Economic Information

The following tables contain demographic and economic information to enable the reader to understand the environment within which financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the comprehensive annual financial report relates to services provided and activities performed.

- Full-time Equivalent County Government Employees by Function/Program
- Operating indicators by Function/Program
- Capital Asset Statistics by Function/Program

DOUGLAS COUNTY

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Governmental activities										
Net investment in capital assets	\$ 78,310,357	\$ 143,029,306	\$ 138,411,778	\$ 130,339,290	\$ 124,719,545	\$ 118,950,227	\$ 114,307,598	\$ 97,260,853	\$ 103,681,416	\$ 103,545,887
Restricted	32,415,562	34,914,006	34,763,858	35,871,856	34,737,365	28,137,701	31,497,861	41,549,199	38,473,264	41,170,332
Unrestricted	11,992,093	8,006,378	7,236,624	7,921,772	5,126,619	9,410,929	6,020,274	10,379,283	7,044,229	(63,536,635)
Total governmental activities	<u>122,718,012</u>	<u>185,949,690</u>	<u>180,412,260</u>	<u>174,132,918</u>	<u>164,583,529</u>	<u>156,498,857</u>	<u>151,825,733</u>	<u>149,189,335</u>	<u>149,198,909</u>	<u>81,179,584</u>
Business-type activities										
Net investment in capital assets	36,259,053	41,075,923	46,737,483	51,023,769	53,113,523	60,009,289	68,716,591	77,024,668	82,994,996	87,721,290
Restricted	19,534,247	20,225,206	16,731,785	6,621	83,689	9,175,026	5,815,718	6,720,290	716,905	684,789
Unrestricted	(70,304)	(60,802)		12,328,987	11,113,077	10,715,465	10,628,958	10,215,473	15,144,474	14,096,082
Total business-type activities	<u>55,722,996</u>	<u>61,240,327</u>	<u>63,469,268</u>	<u>63,359,377</u>	<u>64,310,289</u>	<u>79,899,780</u>	<u>85,161,267</u>	<u>93,960,431</u>	<u>98,856,375</u>	<u>102,502,161</u>
Primary government										
Net investment in capital assets	114,569,410	184,105,229	185,149,261	181,363,059	177,833,068	178,959,516	183,024,189	174,285,521	186,676,412	191,267,177
Restricted	51,949,809	55,139,212	51,495,643	35,878,477	34,821,054	37,312,727	37,313,579	48,269,489	39,190,169	41,855,121
Unrestricted	11,921,789	7,945,576	7,236,624	20,250,759	16,239,696	20,126,394	16,649,232	20,594,756	22,188,703	(49,440,553)
Total primary government	<u>\$ 178,441,008</u>	<u>\$ 247,190,017</u>	<u>\$ 243,881,528</u>	<u>\$ 237,492,295</u>	<u>\$ 228,893,818</u>	<u>\$ 236,398,637</u>	<u>\$ 236,987,000</u>	<u>\$ 243,149,766</u>	<u>\$ 248,055,284</u>	<u>\$ 183,681,745</u>

DOUGLAS COUNTY

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Expenses										
Governmental activities										
General government	\$ 13,252,515	\$ 15,630,639	\$ 13,750,103	\$ 14,933,431	\$ 20,332,452	\$ 13,462,632	\$ 14,143,289	\$ 12,759,577	\$ 13,920,640	\$ 12,956,802
Judicial	10,125,337	10,946,586	12,261,155	12,913,402	12,591,688	12,514,301	12,226,899	12,226,063	13,425,448	13,915,522
Public safety	23,919,240	26,707,218	27,478,421	28,665,303	34,885,866	28,972,348	29,076,749	28,378,343	29,498,459	29,112,782
Public works	5,992,313	8,052,443	14,864,805	15,006,057	6,087,636	15,049,600	14,917,989	16,452,157	13,034,974	7,294,588
Community development	1,413,430	1,623,120	1,725,197	1,543,640	1,656,154	1,649,980	1,596,554	1,557,705	3,605,357	4,186,295
Culture and recreation	12,220,580	12,760,436	12,027,767	10,658,583	9,736,713	11,255,130	12,078,470	11,742,073	11,803,428	14,539,072
Health and sanitation	441,989	480,220	578,163	744,968	687,494	759,172	851,264	906,878	953,423	496,018
Welfare	2,523,213	2,782,986	2,650,909	2,483,429	2,785,155	2,716,557	2,743,465	2,369,403	2,267,169	2,425,146
Interest on long-term debt	3,104,735	3,104,351	1,062,971	988,093	550,951	535,861	441,282	567,522	600,564	616,123
Total governmental activities	<u>72,993,352</u>	<u>82,087,999</u>	<u>86,399,491</u>	<u>87,936,906</u>	<u>89,314,109</u>	<u>86,915,581</u>	<u>88,075,961</u>	<u>86,959,721</u>	<u>89,109,462</u>	<u>85,542,348</u>
Business-type activities										
Water	3,292,958	3,921,224	4,297,600	4,914,857	5,410,559	5,620,789	5,856,011	6,616,855	6,959,476	7,613,179
Sewer	1,480,325	1,928,635	2,038,757	1,725,307	2,123,329	1,947,813	1,853,004	1,972,400	1,937,546	1,779,765
Trash service	1,357,534	1,461,558	1,557,103	1,522,602	1,438,802	1,242,470	1,255,222	1,375,266	1,462,808	1,486,407
Total business-type activities	<u>6,130,817</u>	<u>7,311,417</u>	<u>7,893,460</u>	<u>8,162,766</u>	<u>8,972,690</u>	<u>8,811,072</u>	<u>8,964,237</u>	<u>9,964,521</u>	<u>10,359,830</u>	<u>10,879,351</u>
Total primary government expenses	<u>\$ 79,124,169</u>	<u>\$ 89,399,416</u>	<u>\$ 94,292,951</u>	<u>\$ 96,099,672</u>	<u>\$ 98,286,799</u>	<u>\$ 95,726,653</u>	<u>\$ 97,040,198</u>	<u>\$ 96,924,242</u>	<u>\$ 99,469,292</u>	<u>\$ 96,421,699</u>
Program revenues										
Governmental activities										
Charges for services	\$ 14,806,225	\$ 15,119,952	\$ 14,704,543	\$ 14,467,242	\$ 12,838,861	\$ 11,211,501	\$ 12,164,170	\$ 11,675,481	\$ 12,035,744	\$ 13,941,613
Operating grants and contributions	5,724,192	5,768,343	5,606,286	6,011,301	6,819,142	5,885,782	5,846,475	6,386,270	6,819,224	6,853,920
Capital grants and contributions	3,162,949	3,332,282	2,695,821	1,467,357	1,070,919	2,139,500	4,861,835	4,277,630	2,135,366	395,150
Total governmental activities	<u>23,693,366</u>	<u>24,220,577</u>	<u>23,006,650</u>	<u>21,945,900</u>	<u>20,728,922</u>	<u>19,236,783</u>	<u>22,872,480</u>	<u>22,339,381</u>	<u>20,990,334</u>	<u>21,190,683</u>
Business-type activities										
Charges for services	8,698,802	10,555,805	6,264,516	6,298,078	7,324,692	7,971,480	9,018,394	9,712,890	10,506,035	11,214,386
Operating grants and contributions	150,511	48,927	63,470	175,906	175,906	175,906	175,906	175,906	175,906	175,906
Capital grants and contributions	1,131,150	775,041	3,082,213	1,379,084	1,286,485	5,701,941	5,474,311	8,903,653	4,920,192	6,143,818
Total business-type activities	<u>9,980,463</u>	<u>11,379,773</u>	<u>9,410,199</u>	<u>7,677,162</u>	<u>8,787,083</u>	<u>13,673,421</u>	<u>14,492,705</u>	<u>18,616,543</u>	<u>15,426,227</u>	<u>17,358,204</u>
Total primary government program revenues	<u>\$ 33,673,829</u>	<u>\$ 35,600,350</u>	<u>\$ 32,416,849</u>	<u>\$ 29,623,062</u>	<u>\$ 29,516,005</u>	<u>\$ 32,910,204</u>	<u>\$ 37,365,185</u>	<u>\$ 40,955,924</u>	<u>\$ 36,416,561</u>	<u>\$ 38,548,887</u>
Net (expenses) program revenues										
Governmental activities	\$ (49,299,986)	\$ (57,867,422)	\$ (63,392,841)	\$ (65,991,006)	\$ (68,585,187)	\$ (67,678,798)	\$ (65,203,481)	\$ (64,620,340)	\$ (68,119,128)	\$ (64,351,665)
Business-type activities	3,849,646	4,068,356	1,516,739	(485,604)	(185,607)	4,862,349	5,528,468	8,652,022	5,066,397	6,478,853
Primary government	<u>\$ (45,450,340)</u>	<u>\$ (53,799,066)</u>	<u>\$ (61,876,102)</u>	<u>\$ (66,476,610)</u>	<u>\$ (68,770,794)</u>	<u>\$ (62,816,449)</u>	<u>\$ (59,675,013)</u>	<u>\$ (55,968,318)</u>	<u>\$ (63,052,731)</u>	<u>\$ (57,872,812)</u>

(Continued)

DOUGLAS COUNTY

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 20,064,029	\$ 25,168,814	\$ 27,612,573	\$ 31,231,745	\$ 32,173,807	\$ 35,072,843	\$ 34,769,957	\$ 35,708,589	\$ 35,969,749	\$ 37,221,860
Intergovernmental consolidated taxes	12,508,270	15,200,055	15,332,393	15,012,808	14,091,197	12,587,763	13,101,548	13,807,613	12,824,547	13,303,618
Intergovernmental franchise and public service taxes	15,060,478	12,462,305	12,367,268	11,547,741	11,272,514	11,303,740	11,402,128	12,196,317	13,922,258	14,873,641
Investment income	2,207,922	3,131,629	2,219,410	1,275,728	933,558	469,488	381,394	(79,959)	296,778	312,694
Gain on disposal of capital assets						44,400	25,231	31,100	262,461	45,235
Miscellaneous	5,249,297	2,418,566	241,998	581,317	201,690	517,316	283,224	362,782	269,635	740,117
Transfers	333,626	(415,000)	81,769	62,325	363,032	(401,424)	566,875	(42,500)	91,336	(100,000)
Total governmental activities	<u>55,423,622</u>	<u>57,966,369</u>	<u>57,855,411</u>	<u>59,711,664</u>	<u>59,035,798</u>	<u>59,594,126</u>	<u>60,530,357</u>	<u>61,983,942</u>	<u>63,636,764</u>	<u>66,397,165</u>
Business-type activities										
Investment income	762,320	1,023,562	665,859	346,413	935,834	189,116	128,513	(15,250)	64,467	88,283
Gain on disposal of capital assets							2,720	475	(9,227)	238,983
Gain on disposal of water rights						10,066,948	35,475	6,450		
Miscellaneous	381,398	10,413	128,112	91,625	563,717	69,654	133,186	112,967	107,249	110,505
Transfers	(333,626)	415,000	(81,769)	(62,325)	(363,032)	401,424	(566,875)	42,500	91,336	100,000
Total business-type activities	<u>810,092</u>	<u>1,448,975</u>	<u>712,202</u>	<u>375,713</u>	<u>1,136,519</u>	<u>10,727,142</u>	<u>(266,981)</u>	<u>147,142</u>	<u>253,825</u>	<u>537,771</u>
Total primary government general revenues and other changes in net position	<u>\$ 56,233,714</u>	<u>\$ 59,415,344</u>	<u>\$ 58,567,613</u>	<u>\$ 60,087,377</u>	<u>\$ 60,172,317</u>	<u>\$ 70,321,268</u>	<u>\$ 60,263,376</u>	<u>\$ 62,131,084</u>	<u>\$ 63,890,589</u>	<u>\$ 66,934,936</u>
Change in net position										
Governmental activities	\$ 6,123,636	\$ 98,947	\$ (5,537,430)	\$ (6,279,342)	\$ (9,549,389)	\$ (8,084,672)	\$ (4,673,124)	\$ (2,636,398)	\$ (4,482,364)	\$ 2,045,500
Business-type activities	4,659,738	5,517,331	2,228,941	(109,891)	950,912	15,589,491	5,261,487	8,799,164	5,320,222	7,016,624
Primary government	<u>\$ 10,783,374</u>	<u>\$ 5,616,278</u>	<u>\$ (3,308,489)</u>	<u>\$ (6,389,233)</u>	<u>\$ (8,598,477)</u>	<u>\$ 7,504,819</u>	<u>\$ 588,363</u>	<u>\$ 6,162,766</u>	<u>\$ 837,858</u>	<u>\$ 9,062,124</u>

DOUGLAS COUNTY

FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General fund										
Reserved	\$ 2,991,604	\$ 3,029,683	\$ 2,905,766	\$ 2,850,000	\$ 550,000	\$	\$	\$	\$	\$
Unreserved	6,604,293	6,185,819	7,236,624	5,071,772	6,813,720					
Nonspendable						200,695	218,660	343,265	274,825	207,410
Restricted								1,218,189	2,532,913	
Committed						1,400,000	600,000	1,294,633	700,000	
Assigned						356,353	359,129	358,767	372,803	741,428
Unassigned						5,048,153	6,222,138	6,472,622	8,032,077	8,644,481
Total general fund	<u>\$ 9,595,897</u>	<u>\$ 9,215,502</u>	<u>\$ 10,142,390</u>	<u>\$ 7,921,772</u>	<u>\$ 7,363,720</u>	<u>\$ 7,005,201</u>	<u>\$ 7,399,927</u>	<u>\$ 8,469,287</u>	<u>\$ 10,597,894</u>	<u>\$ 12,126,232</u>
Other governmental funds										
Reserved	\$ 4,437,343	\$ 6,505,085	\$ 3,947,151	\$ 3,254,800	\$ 1,750,000	\$	\$	\$	\$	\$
Unreserved	35,166,180	32,961,695	31,951,398	27,594,979	29,503,642					
Nonspendable						1,785,489	1,925,518	142,515	471,571	491,191
Restricted						27,467,556	29,947,380	39,036,750	32,644,628	34,667,616
Committed						998,280			596,344	657,280
Assigned						3,178,409	3,564,728	7,499,570	4,332,627	2,084,837
Unassigned						(2,702,143)	(2,717,138)	(974,750)	618	
Total other governmental funds	<u>\$ 39,603,523</u>	<u>\$ 39,466,780</u>	<u>\$ 35,898,549</u>	<u>\$ 30,849,779</u>	<u>\$ 31,253,642</u>	<u>\$ 30,727,591</u>	<u>\$ 32,720,488</u>	<u>\$ 45,704,085</u>	<u>\$ 38,045,788</u>	<u>\$ 37,900,924</u>

DOUGLAS COUNTY

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
REVENUES										
Taxes	\$ 28,227,395	\$ 32,634,563	\$ 34,481,033	\$ 37,076,514	\$ 38,062,804	\$ 37,447,577	\$ 38,789,371	\$ 40,245,485	\$ 40,828,495	\$ 42,077,709
Licenses, permits and other fees	3,943,069	3,651,443	3,928,904	3,989,598	4,195,489	5,635,224	5,840,692	6,398,025	6,772,576	7,509,105
Charges for services	9,470,521	10,535,626	10,591,598	9,863,571	7,627,342	7,562,033	12,689,359	12,855,547	8,767,368	9,748,495
Intergovernmental shared revenues	27,861,177	28,680,030	26,883,113	26,037,653	25,267,945	24,543,016	25,866,294	25,985,608	25,096,589	24,858,501
Fines and forfeitures	1,381,555	1,163,752	1,135,975	1,375,971	1,380,188	1,154,998	1,263,195	1,280,851	954,553	1,305,047
Investment Income			2,017,482	1,275,728	935,836	507,834	422,376		279,022	
Miscellaneous	4,419,256	5,909,243	2,754,836	2,511,423	2,540,855	3,174,247	2,732,545	3,103,066	2,547,358	3,977,509
Total revenues	75,302,973	82,574,657	81,792,941	82,130,458	80,010,459	80,024,929	87,603,832	89,868,582	85,245,961	89,476,366
EXPENDITURES										
Current										
General government	11,859,178	13,291,165	15,728,435	12,287,666	16,496,432	11,133,656	10,927,419	11,632,355	11,388,627	11,736,808
Judicial	10,125,337	10,946,583	12,183,104	12,746,268	12,775,254	12,375,369	12,203,225	12,395,999	13,130,475	13,794,787
Public safety	22,461,430	25,612,612	29,209,561	27,417,784	27,170,907	28,542,200	32,491,517	32,969,504	28,846,546	29,058,272
Public works	5,992,313	8,052,444	7,223,201	5,756,364	5,136,797	6,930,431	6,901,817	7,545,142	4,777,687	5,040,254
Community development	1,413,430	1,623,121	1,697,970	1,562,077	1,656,154	1,521,888	1,456,138	1,568,298	3,543,405	4,122,507
Culture and recreation	12,220,580	12,760,434	12,213,033	9,467,045	9,100,537	10,010,385	10,883,499	12,951,128	10,808,355	11,294,221
Health and sanitation	441,989	480,221	498,213	670,930	687,493	789,334	676,597	830,716	878,651	967,484
Welfare	2,523,213	2,782,984	2,654,917	2,534,479	2,766,844	3,049,754	3,189,580	2,843,146	2,375,557	2,567,844
Total current	67,037,470	75,549,564	81,408,434	72,442,613	75,790,418	74,240,280	78,842,529	82,736,288	75,749,303	78,582,177
Capital outlay	2,831,933	3,832,452		7,365,089	3,113,518	5,092,843	4,091,928	5,125,081	16,805,506	7,503,169
Debt service										
Principal payments	1,949,313	2,000,445	2,173,400	2,005,661	2,074,867	2,124,187	2,028,222	4,022,234	2,080,942	2,918,524
Interest expense	1,139,361	1,091,074	1,053,160	975,383	847,271	646,184	546,522	540,593	640,402	561,859
Debt issuance costs	22,939							347,863		74,019
Fiscal charges	12,336	12,833	9,811	12,710	8,899	30,682	9,132	5,788	2,800	1,300
Total debt service	3,123,949	3,104,352	3,236,371	2,993,754	2,931,037	2,801,053	2,583,876	4,916,478	2,724,144	3,555,702
Total expenditures	72,993,352	82,486,368	84,644,805	82,801,456	81,834,973	82,134,176	85,518,333	92,777,847	95,278,953	89,641,048
DEFICIENCY OF REVENUES UNDER EXPENDITURES	2,309,621	88,289	(2,851,864)	(670,998)	(1,824,514)	(2,109,247)	2,085,499	(2,909,265)	(10,032,992)	(164,682)
OTHER FINANCING SOURCES (USES)										
Proceeds from capital asset disposal	55,629	59,563	78,227	1,238,029	17,051	50,521	44,388	22,916	262,461	41,530
Debt issuance proceeds	900,000				1,115,000			16,559,000		1,395,000
Proceeds from tax sales			45,761	112,192				62,175		
Transfers in	7,275,687	7,929,276	6,625,351	9,162,882	16,001,907	16,156,183	9,838,917	10,443,313	12,700,382	15,777,949
Transfers out	(6,933,893)	(8,594,266)	(6,538,818)	(10,461,493)	(15,463,633)	(14,982,027)	(9,581,181)	(10,125,182)	12,795,384	(15,877,949)
Total other financing sources (uses)	1,297,423	(605,427)	210,521	51,610	1,670,325	1,224,677	302,124	16,962,222	25,758,227	1,336,530
CHANGE IN FUND BALANCE	\$ 3,607,044	\$ (517,138)	\$ (2,641,343)	\$ (619,388)	\$ (154,189)	\$ (884,570)	\$ 2,387,623	\$ 14,052,957	\$ 15,725,235	\$ 1,171,848
Debt sevice as a percentage of noncapital expenditures	4.66 %	4.11 %	3.98 %	4.13 %	3.87 %	3.77 %	3.28 %	5.94 %	3.60 %	4.52 %

DOUGLAS COUNTY

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY¹ LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Other	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio of Total Taxable Assessed to Total Estimated Actual Value ²
2006	\$ 150,681,433	\$ 1,851,301,355	\$ 178,708,403	\$ 157,617,142	\$ 23,945,181	\$ 108,342,039	\$ 2,470,595,553	1.0276	\$ 7,058,844,437	35.00 %
2007	208,128,409	2,435,319,267	161,326,704	196,751,164	27,843,532	106,340,220	3,135,709,296	1.0276	8,959,169,417	35.00 %
2008	260,673,674	2,685,456,473	164,848,791	218,374,619	31,846,468	109,338,205	3,470,538,230	1.0867	9,915,823,514	35.00 %
2009	281,699,610	2,745,947,562	169,925,034	237,304,292	34,895,344	123,824,535	3,593,596,377	1.0730	10,267,418,220	35.00 %
2010	242,265,608	2,659,317,453	170,147,126	235,332,287	34,851,324	122,034,526	3,463,948,324	1.0827	9,896,995,211	35.00 %
2011	185,955,529	2,378,591,324	136,171,618	204,823,542	35,448,331	121,504,502	3,062,494,846	1.1335	8,749,985,274	35.00 %
2012	157,536,347	2,202,222,206	131,726,676	192,432,930	34,078,346	119,671,379	2,837,667,884	1.1680	8,107,622,526	35.00 %
2013	140,511,652	2,073,189,096	125,413,683	190,292,488	33,250,086	119,244,496	2,681,901,501	1.1680	7,662,575,717	35.00 %
2014	128,323,217	1,998,798,888	123,443,892	183,979,101	33,064,929	123,828,366	2,591,438,393	1.1680	7,404,109,694	35.00 %
2015	121,972,775	2,126,479,166	131,840,709	189,315,812	34,487,384	129,350,505	2,733,446,351	1.1680	7,809,846,717	35.00 %

1. Source - Douglas County Assessor's Office
2. Pursuant to State statute, all property is assessed at 35% of its estimated value.

DOUGLAS COUNTY

PROPERTY TAX RATES¹ - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESSED VALUE²) LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Douglas County, Direct Rates			Overlapping Rates				
	General Fund	Other Funds	Total Direct Tax Rate	State of Nevada	Douglas County School District	Town of Minden	Town of Gardnerville	Town of Genoa
2006	0.7586	0.2690	1.0276	0.1700	0.8500	0.6141	0.6141	0.2165
2007	0.7569	0.2707	1.0276	0.1700	0.8500	0.6608	0.6141	0.2165
2008	0.7776	0.3091	1.0867	0.1700	0.8500	0.6951	0.6248	0.3530
2009	0.7619	0.3111	1.0730	0.1700	0.8500	0.7002	0.5935	0.3704
2010	0.7666	0.3161	1.0827	0.1700	0.8500	0.7114	0.5847	0.4053
2011	0.8332	0.3003	1.1335	0.1700	0.8500	0.7126	0.6699	0.3929
2012	0.8690	0.2990	1.1680	0.1700	0.8500	0.6677	0.6677	0.3929
2013	0.8687	0.2993	1.1680	0.1700	0.8500	0.6677	0.6677	0.5133
2014	0.8687	0.2993	1.1680	0.1700	0.8500	0.6677	0.6677	0.5133
2015	0.8690	0.2990	1.1680	0.1700	0.8500	0.6677	0.6677	0.0555

For the Year Ended June 30,	Overlapping Rates						Total Direct and Overlapping Rates
	East Fork Fire Protection District	East Fork Fire Paramedic District	Improvement Districts within Douglas County	Other Districts within Douglas County	Total Overlapping Rates		
2006	0.1833	0.1580	4.6730	0.9056	8.3846	9.4122	
2007	0.3038	0.1580	4.8142	1.3928	9.1802	10.2078	
2008	0.3038	0.1580	4.8745	1.3938	9.4230	10.5097	
2009	0.3113	0.1580	4.9411	0.9837	9.0782	10.1512	
2010	0.3316	0.1580	5.0409	1.0328	9.2847	10.3674	
2011	0.3329	0.1592	5.2997	1.0340	9.6212	10.7547	
2012	0.3282	0.1592	4.9725	1.0340	9.2422	10.4102	
2013	0.3282	0.1592	5.0966	0.9995	9.4522	10.6202	
2014	0.3282	0.1592	5.1072	0.9495	9.4128	10.5808	
2015	0.3282	0.1592	5.5726	0.9495	9.4204	10.5884	

1. Source - Douglas County Assessor's Office

DOUGLAS COUNTY
PRINCIPAL PROPERTY TAXPAYERS^{1,2}
CURRENT AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2015			2006		
	Taxable Assessed	Rank	Percentage of	Taxable Assessed	Rank	Percentage of
	Value ³		Taxable Assess	Value ³		Taxable Assess
Caesar's Entertainment	\$ 75,523,064	1	2.76 %	\$		%
Park Cattle Company	33,327,046	2	1.22 %	60,889,766	1	2.46 %
Harich Tahoe Development	17,442,479	3	0.64 %	20,432,292	4	0.83 %
Starbucks	15,616,404	4	0.57 %	8,145,164	8	0.33 %
Bently Nevada LLC (GE)	13,040,663	5	0.48 %			%
AIG	10,891,168	6	0.40 %	7,514,203	9	0.30 %
Sierra Sunset	10,419,435	7	0.38 %			%
Lee Trust	8,751,137	8	0.32 %			%
Khashoggi, Essam	8,574,582	9	0.31 %			%
Horowitz, Joel & Ann	8,524,449	10	0.31 %			%
Harrah's and Harvey's ⁵				90,589,715	2/3	3.67 %
Sierra Pacific Power				18,202,056	5	0.74 %
Bently Family Ltd Partnership				12,056,782	6	0.49 %
Frontier Communications				10,962,347	7	0.44 %
Mulreany Associates				7,196,614	10	0.29 %
	<u>\$ 202,110,427</u>		<u>7.39 %</u>	<u>\$ 235,988,939</u>		<u>9.55 %</u>

1. Located in Douglas County, Nevada
2. Source - Douglas County Assessor's Office
3. Taxable assessed value is 35% of appraised value.
4. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.
5. In fiscal year 2006, Harrah's and Harvey's merged into a single tax paying entity

DOUGLAS COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>For the Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Levy Collected</u>	<u>Percent of Total Tax Levy Collected to Tax Levy</u>
2006	\$ 51,954,311	\$ 51,749,526	99.6058 %	\$ 109,896	\$ 51,859,422	99.8174 %
2007	58,312,147	57,948,527	99.3764 %	257,957	58,206,484	99.8188 %
2008	63,239,905	62,474,935	98.7904 %	298,855	62,773,790	99.2629 %
2009	67,271,364	65,978,528	98.0782 %	547,950	66,526,478	98.8927 %
2010	67,801,594	66,423,941	97.9681 %	1,056,345	67,480,286	99.5261 %
2011	67,842,609	66,492,160	98.0094 %	1,267,647	67,759,807	99.8779 %
2012	67,849,984	66,994,035	98.7385 %	843,384	67,837,419	99.9815 %
2013	68,107,802	67,414,716	98.9824 %	382,004	67,796,720	99.5433 %
2014	70,290,700	67,038,862	95.3737 %	1,162,483	68,201,345	97.0276 %
2015	71,095,242	70,912,269	99.7426 %		70,912,269	99.7426 %

1. Source - Douglas County Finance Division

DOUGLAS COUNTY

RATIOS OF OUTSTANDING DEBT¹ BY TYPE LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Governmental Activities						Business-type Activities		Percentage of Douglas County Personal Income ²	Douglas County Per Capita ²
	General Obligation Bonds	Special Assessment Bonds	Capital Leases	Revenue Bonds	General		Obligation/Pledged Revenue Bonds	Total Primary Government		
					Obligation/Pledged Revenue Bonds	Other				
2006	\$ 9,850,000	\$ 367,277	\$	\$ 2,530,000	\$ 6,343,000	\$ 30,139	\$ 19,215,835	\$ 38,336,251	1.54 %	\$ 741
2007	8,915,000	271,954		2,295,000	5,938,000		18,605,771	36,025,725	1.38 %	688
2008	7,945,000	165,834		2,055,000	5,504,000		17,803,542	33,473,376	1.27 %	642
2009	6,935,000	118,399		1,805,000	4,986,000		16,933,304	30,777,703	1.31 %	599
2010	5,890,000	71,079		1,550,000	4,446,000		16,699,218	28,656,297	1.21 %	610
2011	4,805,000			1,380,000	3,914,000		20,354,011	30,453,011	1.24 %	639
2012	3,670,000			1,205,000	3,389,000		19,429,026	27,693,026	1.09 %	577
2013	11,417,797			1,020,000	9,677,000		18,794,989	40,909,786	1.45 %	868
2014	9,995,855			830,000	9,264,217		18,448,247	38,538,319	1.42 %	794
2015	8,508,000		272,331	1,710,000	8,073,108		16,872,058	35,435,497	% ³	³

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.
2. See the "Demographic and Economic Statistics" table for the County's population and personal income data.
3. Information was not available at the time of printing.

DOUGLAS COUNTY

RATIOS OF GENERAL BONDED DEBT¹ OUTSTANDING LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	General Obligation Bonds	General Obligation/Pledged Revenue Bonds	Total General Bonded Debt ²	Percentage of Estimated Actual Property Value ³	Douglas County Per Capita ⁴	Amounts Available to Repay General Bonded Debt	Net General Bonded Debt
2006	\$ 9,850,000	\$ 25,558,835	\$ 35,408,835	0.50 %	\$ 684	\$ 893,008	\$ 34,515,827
2007	8,915,000	24,543,771	33,458,771	0.37 %	639	910,108	32,548,663
2008	7,945,000	23,307,542	31,252,542	0.32 %	600	1,001,530	30,251,012
2009	6,935,000	21,919,304	28,854,304	0.28 %	561	1,201,597	27,652,707
2010	5,890,000	21,145,218	27,035,218	0.27 %	575	1,071,067	25,964,151
2011	4,805,000	24,268,011	29,073,011	0.33 %	610	1,234,672	27,838,339
2012	3,670,000	22,818,026	26,488,026	0.33 %	552	1,249,572	25,238,454
2013	11,417,797	28,471,989	39,889,786	0.52 %	847	1,124,544	38,765,242
2014	9,995,855	27,712,464	37,708,319	0.51 %	777	1,166,791	36,541,528
2015	8,508,000	24,945,166	33,453,166	0.43 %	5	1,548,057	31,905,109

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.
2. No resources have been restricted for the payment of debt principal; therefore, net and total general bonded debt are the same.
3. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
4. See the "Demographic and Economic Statistics" table for the County's population data.
5. Information was not available at the time of printing.

DOUGLAS COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2}

JUNE 30, 2015

IN THOUSANDS

(UNAUDITED)

	General Obligation Debt	Percent Applicable	Applicable General Obligation Debt
Douglas County	\$ 20,033,855	100.00 %	\$ <u>20,033,855</u>
Overlapping governments			
Gardnerville	117,855	5.85 %	6,895
Indian Hills GID	3,095,740	3.76 %	116,400
Kingsbury GID	8,785,972	8.44 %	741,536
Round Hill GID	1,214,050	4.07 %	49,412
Sierra Estates GID	201,550	0.15 %	302
Topaz Ranch Estates GID	103,084	0.73 %	753
Douglas County School District	37,110,000	100.00 %	37,110,000
East Fork Fire Protection District	<u>808,000</u>	57.77 %	<u>466,782</u>
Total overlapping governments	<u>51,436,251</u>		<u>38,492,080</u>
Total direct and overlapping debt	<u><u>71,470,106</u></u>		<u><u>\$ 58,525,935</u></u>

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

2. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident; and therefore, responsible for repaying the debt, of each overlapping government. Debt amounts for overlapping entities in the various governments were provided by State of Nevada, Department of Taxation, "Annual Local Government Indebtedness Report " as of June 30, 2014.

DOUGLAS COUNTY

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Total taxable assessed property value	1 <u>\$ 2,470,595,553</u>	<u>\$ 3,135,709,296</u>	<u>\$ 3,470,538,230</u>	<u>\$ 3,593,596,377</u>	<u>\$ 3,463,948,324</u>	<u>\$ 3,062,494,846</u>	<u>\$ 2,837,667,884</u>	<u>\$ 2,681,901,501</u>	<u>\$ 2,591,438,393</u>	<u>\$ 2,733,446,351</u>
Legal debt Margin										
Legal debt limit (10% of taxable assessed property value)	\$ 247,059,555	\$ 313,570,930	\$ 347,053,823	\$ 359,359,638	\$ 346,394,832	\$ 306,249,485	\$ 283,766,788	\$ 268,190,150	\$ 259,143,839	\$ 273,344,635
Debt applicable to debt limit Net general bonded debt	2 <u>34,515,827</u>	<u>32,548,663</u>	<u>30,251,012</u>	<u>27,652,707</u>	<u>25,964,151</u>	<u>27,838,339</u>	<u>25,238,454</u>	<u>38,765,242</u>	<u>36,541,528</u>	<u>31,905,109</u>
Legal debt margin	<u>\$ 212,543,728</u>	<u>\$ 281,022,267</u>	<u>\$ 316,802,811</u>	<u>\$ 331,706,931</u>	<u>\$ 320,430,681</u>	<u>\$ 278,411,146</u>	<u>\$ 258,528,334</u>	<u>\$ 229,424,908</u>	<u>\$ 222,602,311</u>	<u>\$ 241,439,526</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>13.97 %</u>	<u>10.38 %</u>	<u>8.72 %</u>	<u>7.69 %</u>	<u>7.50 %</u>	<u>9.09 %</u>	<u>8.89 %</u>	<u>14.45 %</u>	<u>14.10 %</u>	<u>11.67 %</u>

1. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
2. See the "Ratios of General Bonded Debt Outstanding" table for the calculation of net general bonded debt.

DOUGLAS COUNTY
PLEDGED REVENUE BOND¹ COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Debt Service			
	Gross Pledged Revenue ²	Principal	Interest	Coverage
2006	\$ 1,921,592	\$ 230,000	\$ 84,568	6.11 %
2007	1,838,189	235,000	79,624	5.84 %
2008	1,818,365	240,000	73,980	5.79 %
2009	1,936,614	250,000	67,543	6.10 %
2010	1,792,104	255,000	60,280	5.68 %
2011	1,701,268	170,000	53,480	7.61 %
2012	1,608,845	175,000	47,443	7.23 %
2013	1,632,609	185,000	41,143	7.22 %
2014	1,696,380	190,000	34,533	7.56 %
2015	1,739,363	195,000	27,650	7.81 %

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

2. Pledged revenues include a tax currently levied at the rate of four cents per gallon by the County and the County's interest in taxes equal in the aggregate to 5.35 cents per gallon, levied by the State of Nevada on certain motor

DOUGLAS COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Population ¹	Personal Income ²	Per Capita Personal Income	Labor Force ³	Unemployment Rate ³
2006	51,770	\$ 2,492,665,000	\$ 48,149	\$ 22,122	5.4 %
2007	52,386	2,618,551,000	49,986	22,190	5.0 %
2008	52,131	2,640,296,000	50,647	22,406	7.8 %
2009	51,390	2,345,455,000	45,640	22,666	12.0 %
2010	46,997	2,366,788,000	50,360	22,672	14.6 %
2011	47,661	2,450,553,000	51,416	22,533	14.0 %
2012	48,015	2,547,137,000	53,049	21,634	12.0 %
2013	47,118	2,818,888,000	59,826	21,247	10.6 %
2014	48,553	2,714,921,000	55,917	21,200	8.5 %
2015	4	4	4	22,228	7.0 %

1. Nevada Department of Taxation Publications, Population Statistics and Reports
2. U.S. Department of Commerce, Bureau of Economic Analysis, fiscal year 2013 and prior
3. State of Nevada - Nevada Department of Employment, Training and Rehabilitation- <http://www.nevadaworkforce.com>
4. Information was not available at the time of printing.

DOUGLAS COUNTY
PRINCIPAL EMPLOYERS¹
CURRENT AND NINE YEARS AGO
(UNAUDITED)

Clark County Employer	2015			2006		
	Employees	Rank	Percentage of Total Clark County Employment	Employees	Rank	Percentage of Total Clark County Employment
Harrah's	1,000 - 1,499	1	5.90 %	1,800 - 1,899	1	8.38 %
Douglas County School District	1,000 - 1,499	2	5.90 %	900 - 999	4	4.30 %
Montblue Resort/Caesar's Tahoe	700 - 799	3	3.54 %	1,400 - 1,499	3	6.57 %
Bentley, NV	600 - 699	4	3.07 %	600 - 699	6	2.94 %
Douglas County	600 - 699	5	3.07 %	500 - 599	8	2.49 %
Harvey's	600 - 699	6	3.07 %	1,500 - 1,599	2	7.02 %
Walmart	300 - 399	7	1.65 %			%
Carson Valley Inn	300 - 399	8	1.65 %	500 - 599	7	2.49 %
Lakeside Inn & Casino	300 - 399	9	1.65 %	300 - 399	9	1.58 %
Heavenly Valley LTD	200 - 299	10	1.18 %	200 - 299	10	1.13 %
Horizon Casino Resort				700 - 799	5	3.40 %

1. Source - State of Nevada, Department of Employment, Training & Rehabilitation, Employment Security Department.

DOUGLAS COUNTY

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Governmental activities										
General government	71	73	74	69	66	65	66	69	68	79
Judicial	112	116	115	116	113	109	104	109	113	123
Public safety	143	147	146	149	139	143	145	141	138	143
Public works	58	61	61	55	45	42	39	38	39	36
Community development	2	2	2	2	2	2	2	2	2	21
Culture and recreation	97	98	100	94	80	75	68	68	70	62
Health and sanitation	3	4	4	4	5	4	4	5	5	6
Welfare	6	9	7	7	7	7	7	8	8	9
Total governmental activities	<u>492</u>	<u>510</u>	<u>509</u>	<u>496</u>	<u>457</u>	<u>447</u>	<u>435</u>	<u>440</u>	<u>443</u>	<u>479</u>
Business-type activities										
Water	8	9	8	10	12	13	13	13	13	15
Sewer	3	4	5	6	4	4	4	5	5	5
Total business-type activities	<u>11</u>	<u>13</u>	<u>13</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>18</u>	<u>18</u>	<u>20</u>
Total full-time equivalent employees	<u>503</u>	<u>523</u>	<u>522</u>	<u>512</u>	<u>473</u>	<u>464</u>	<u>452</u>	<u>458</u>	<u>461</u>	<u>499</u>

1. Source - Douglas County Finance Department

DOUGLAS COUNTY

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Assessor ²										
Real Estate Trends - Tahoe Township										
Number of Sales	102	85	77	86	92	94	121	142	136	3
Median Sales Price	\$ 870,000	\$ 1,000,000	\$ 600,000	\$ 500,000	\$ 555,000	\$ 553,000	\$ 474,900	\$ 632,500	\$ 635,750	\$ 3
Average Sales Price	\$ 1,233,199	\$ 1,763,815	\$ 1,033,974	\$ 838,105	\$ 913,510	\$ 1,120,720	\$ 744,327	\$ 1,058,530	\$ 1,123,556	\$ 3
Average Residential Square Foot	2,550	2,987	2,388	2,399	2,789	2,724	2,532	2,627	2,476	3
Real Estate Trends - East Fork Township										
Number of Sales	776	606	492	578	595	697	806	805	778	3
Median Sales Price	\$ 398,000	\$ 369,900	\$ 290,000	\$ 240,000	\$ 216,770	\$ 189,900	\$ 195,000	\$ 254,125	\$ 270,000	\$ 3
Average Sales Price	\$ 467,252	\$ 437,519	\$ 355,507	\$ 302,185	\$ 261,821	\$ 233,695	\$ 239,647	\$ 291,407	\$ 305,718	\$ 3
Average Residential Square Foot	1,966	1,988	1,946	2,006	1,940	1,928	1,970	1,901	1,943	3
Real Estate Trends - Combined Douglas County										
Number of Sales	878	690	569	664	687	791	927	947	914	3
Median Sales Price	\$ 416,173	\$ 398,000	\$ 325,000	\$ 260,000	\$ 240,000	\$ 200,000	\$ 217,000	\$ 272,900	\$ 293,750	\$ 3
Average Sales Price	\$ 556,234	\$ 600,904	\$ 447,321	\$ 371,576	\$ 349,092	\$ 339,106	\$ 305,522	\$ 401,480	\$ 427,825	\$ 3
Average Residential Square Foot	2,035	2,112	2,006	2,056	2,054	2,022	2,044	2,034	2,023	3
Sales of Houses in Same Year as Built										
Number of Sales	195	61	20	17	5	3	28	60	63	3
Median Sales Price	\$ 453,006	\$ 460,083	\$ 767,000	\$ 389,500	\$ 425,000	\$ 512,757	\$ 306,950	\$ 299,500	\$ 364,000	\$ 3
Average Sales Price	\$ 515,969	\$ 493,567	\$ 1,001,356	\$ 371,576	\$ 462,725	\$ 527,586	\$ 396,664	\$ 389,546	\$ 387,889	\$ 3
Average Residential Square Foot	2,363	2,194	3,088	2,337	2,943	2,926	2,558	2,329	2,308	3
Number of Deeds Filed Listed as										
Trustee's	14	66	233	250	276	224	92	31	64	3
Single Family Dwelling Permits Issued	528	169	163	38	39	36	38	72	70	3
Machinery, Equipment, and Fixtures										
Unsecured	\$ 60,924,849	\$ 58,896,436	\$ 48,156,194	\$ 60,567,351	\$ 56,488,516	\$ 53,531,340	\$ 50,635,867	\$ 48,688,411	\$ 51,925,113	\$ 52,391,821
Secured	\$ 14,834,375	\$ 15,501,975	\$ 14,615,794	\$ 14,088,063	\$ 12,895,854	\$ 11,535,319	\$ 9,252,531	\$ 8,922,291	\$ 8,411,099	\$ 8,194,263
Recorder										
Marriages	3,077	2,523	2,126	1,839	1,385	1,270	1,171	1,125	906	1,002
Recorded Documents	30,230	25,630	21,865	20,277	19,954	19,496	19,156	21,444	19,047	20,103
Recording Fees	\$ 569,576	\$ 479,523	\$ 403,397	\$ 367,166	\$ 451,602	\$ 565,376	\$ 424,804	\$ 467,433	\$ 383,306	\$ 341,435
Transfers	8,673	7,244	6,765	5,734	6,100	5,512	6,497	6,268	6,524	6,268
Exempt Transfers	3,070	2,766	2,490	2,272	2,096	2,120	2,106	2,325	1,921	2,068
Real Property Transfer Tax	\$ 4,549,811	\$ 3,064,227	\$ 2,401,438	\$ 1,695,929	\$ 1,714,878	\$ 1,780,600	\$ 1,574,651	\$ 2,237,118	\$ 2,508,009	\$ 2,507,452
Water Rights Deeds	42	37	62	108	33	28	40	40	43	36
Notices of Default	542	638	662	1,030	932	938	797	312	183	194
Records Management										
Number of files delivered	862	1,342	1,631	1,476	1,178	863	733	834	754	872
Number of boxes received	325	359	333	234	254	283	178	474	189	159
Number of boxes destroyed	74	222	217	583	349	930	642	1,019	1,165	1,326
Number of boxes scanned	26	18	27	33	141	157	114	180	230	
Number of film rolls processed	60	259	266	187	207	186	437	467	175	
Number of sealing's processed				177	572	678	243	203	129	183

(Continued)

DOUGLAS COUNTY

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
China Spring Youth Camp										
Number of Residents	162	159	187	175	153	146	149	138	131	193
Successful Releases	128	121	156	128	123	123	121	1,007	109	106
Medical Releases	2	5	3	5	7	7	4	4	4	3
Failure of Program	32	33	28	42	23	16	24	27	18	28
Committing Offense Type										
Drugs and Alcohol	76	68	87	66	65	76	80	77	79	54
Crime Against Property	54	57	62	56	48	33	34	38	25	38
Crime Against Person	22	23	24	33	27	34	30	21	21	32
Other	10	11	14	20	13	10	5	2	6	18
Sheriff	2									
Calls for service			35,561	37,574	40,374	42,557	42,155	36,164		3
Number of Arrests			2,428	2,462	2,426	2,462	2,663	2,495		3
Number of Permits			3,282	3,251	2,752	2,808	3,128	3,443		3
Coroner			249	268	240	264	239	299		3
Number of Citations			4,469	5,588	5,036	5,944	5,966	5,717		3
Number of Releases from Jail			2,778	2,888	2,602	2,482	2,711	2,557		3
Average Daily Jail Population			77	84	81	60	63	63		3
Number of Investigator Assigned Cases			745	753	635	722	577	550		3
Judicial, Court Appointed Special Advocates										
Number of Cases as of January 1st	28	29	27	35	33	46	44	34	39	32
Number of Children as of January 1st	50	57	44	46	49	72	75	65	66	54
New Cases	21	22	36	40	50	57	55	51	33	25
New Children	36	32	45	61	78	98	97	61	56	44
Closed Cases	20	51	26	39	34	67	64	46	44	29
Closed Children	29	27	40	58	50	92	105	88	75	49
Library										
Circulation of Materials	154,771	174,265	190,264	195,064	190,519	188,363	176,204	177,514	181,406	171,022
Library Patrons	20,597	22,122	24,665	26,623	31,913	33,915	35,556	37,112	38,286	35,216
Library Visits	148,016	153,816	154,794	142,962	143,555	147,207	147,571	148,834	153,699	120,193
Program Attendance	13,217	14,226	12,834	10,759	9,427	11,068	8,542	8,171	8,634	7,495
Summer Reading Participants	591	803	976	1,180	772	1,096	933	1,039	947	829
Public Safety, 911	2									
Calls For Service	77,913	61,595	63,556	63,171	66,266	70,435	73,602	75,768		3
Total Case Numbers Issued										
Douglas County Sheriff Office	8,487		36,627	38,657	41,008	43,134	42,899	36,673		3
Washoe Tribe Police Department	701		2,889	2,766	1,895	1,940	1,761	2,100		3
East Fork Fire Protection District	4,593		4,897	4,903	4,767	5,209	5,510	5,452		3
Tahoe-Douglas Fire District	1,975		1,907	1,748	1,677	1,813	1,769	1,982		3

(Continued)

DOUGLAS COUNTY

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Community Development and Support										
Single Family Dwelling Permits	418	145	48	43	35	35	49	107		3
Single Family Dwelling Valuation	\$ 104,896,384	\$ 50,814,964	\$ 22,377,950	\$ 17,204,657	\$ 16,207,102	\$ 11,106,794	\$ 16,042,805	\$ 38,094,761	\$	\$ 3
New Commercial Building Permits	39	16	19	8	8	8	10	7		3
New Commercial Building Valuation	\$ 23,308,488	\$ 7,732,733	\$ 17,453,391	\$ 2,904,777	\$ 3,434,208	\$ 2,142,620	\$ 6,564,732	\$ 1,858,308	\$	\$ 3
Multi-Family Residential Permits		5	3		2			2		3
Multi-Family Residential Valuation	\$	\$ 19,445,650	\$ 967,363	\$	\$ 3,401,936	\$	\$	\$ 3,765,620	\$	\$ 3
Manufactured Homes Permits	4	2	1	3	1	1		1		3
Health and Sanitation, Landfill Tonnages										
Douglas Disposal	3,548	2,971	3,222	2,619	1,539	306	156	186	405	536
Bently Agrowdynamics	240	223	241	317	338	311	350	373	365	408
Carson City	1,457	1,851	1,681	1,721	2,626	3,825	3,677	3,608	3,405	3,456
Social Services										
Number of households seeking assistance with rent, utilities and/or food		1,579	1,938	2,040	2,128	2,049	2,219	4	4	4
Number of households seeking assistance (includes rent, utilities, food, medical, transitional housing and/or other services)		2,132	2,518	2,496	2,496	2,846	3,172	4	4	4
Number of households seeking assistance from Social Services for the first time.		391	473	426	462	455	434	4	4	4
Animal Care										
Calls for Service		1,429	1,682	1,409	1,780	1,771	1,763	1,422	1,430	1,462
Cases Submitted to the District Attorney for Prosecution		74	34	60	65	58	56	40	57	67
Bite Reports	112	137	101	120	155	111	110	106	110	115

1. Source - Various Douglas County departments.
2. Information is based on a calendar year.
3. Information was not available at the time of printing.
4. Information is no longer tracked.

DOUGLAS COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
General Government										
Information Technology										
Business applications	68	68	68	69	69	69	71	71	76	76
Networked buildings	21	21	21	21	21	21	21	21	21	20
Networked computers	375	375	375	375	375	375	375	375	375	375
Microwave linear mileage	63	63	63	63	63	63	63	63	63	400
GIS mapped (square miles)	786	786	1,860	1,860	1,860	4,308	4,308	4,308	4,308	61
Equipment Services										
Ambulance/emergency vehicles	4	6	6	7	8	8	8	8	9	10
County vehicles	71	92	111	129	146	157	165	177	185	196
Town vehicles	6	7	8	8	8	8	8	8	10	13
East Fork Fire & Paramedic District vehicles	14	14	15	17	17	17	17	17	18	18
Judicial										
District courts/justice courts	4	4	4	4	4	4	4	4	4	4
District courts/justice courts locations	2	2	2	2	2	2	2	2	2	2
Public Safety										
Sheriffs detention center	2	2	2	2	2	2	2	2	2	2
Sheriffs substations	4	4	4	4	4	4	4	4	4	4
Sheriffs patrol/search and rescue boats	1	1	1	1	1	1	1	1	1	1
Regional emergency operations/training center					1	1	1	1	1	1
Public Works										
Paved roads (miles)	166	167	168	169	171	171	171	171	171	177
Grinding roads (miles)	40	43	43	43	43	43	43	43	43	44
Unpaved roads (miles)	13	17	17	17	17	17	17	17	17	14
Traffic Signals	16	17	17	17	17	17	17	18	18	18
Bridges	12	12	13	13	13	13	13	13	14	14
Utilities										
Water mains (miles)	104	107	107	109	109	114	114	117	117	117
Sewer forcemains (miles)	15	15	15	15	15	15	15	15	15	15
Sewer mains (miles)	50	51	51	51	51	51	51	51	51	51
Developed park acreage	177	177	177	177	177	177	177	177	177	196
Storm drains (miles)	4	4	4	4	4	4	4	4	4	4

(Continued)

DOUGLAS COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS² (UNAUDITED)

	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014	June 30, 2015
Culture and Recreation										
Libraries	1	1	1	1	1	1	1	1	1	1
Recreation building	4	4	4	4	4	4	4	4	4	4
Gross park acreage	760	760	760	760	760	760	760	760	760	760
Undeveloped park acreage	578	578	578	578	578	578	578	578	578	559
Concession stands	8	8	8	8	8	8	8	8	8	8
Playgrounds	15	15	15	15	15	15	15	15	15	15
Swimming pools/waterpark	1	1	1	1	1	1	1	1	1	1
Picnic tables	187	187	187	187	187	187	187	187	187	187
Gazebo/group area	10	10	10	10	10	10	10	10	10	10
Baseball fields	19	19	19	19	19	19	19	19	19	19
Soccer fields	15	15	15	15	15	15	15	15	15	15
Tennis courts	14	14	14	14	14	14	14	14	14	14
Basketball courts	7	7	7	7	7	7	7	7	7	7
Volleyball courts	7	7	7	7	7	7	7	7	7	7
Shooting range	1	1	1	1	1	1	1	1	1	1
Horseshoe pits	16	16	16	16	16	16	16	16	16	16
Skateboard parks	1	1	1	1	1	1	1	1	1	1

1. Source - Various Douglas County departments.

SINGLE AUDIT INFORMATION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Members of the County Commission
Douglas County, Nevada

We have audited the compliance of Douglas County (the County) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility. The County's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Basis for Qualified Opinion on Each of the Major Federal Programs Identified in the Table Below. As described in the accompanying schedule of findings and questioned costs, the County did not comply with requirements regarding the following:

<u>Finding Number</u>	<u>Compliance Requirement</u>	<u>CFDA Number(s)</u>	<u>Program Name</u>
2015 - 015	Activities Allowed or Unallowed	16.589	U.S. Department of Justice, Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program

Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

Qualified Opinion on Each of the Major Federal Programs Identified in the Table Above. In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the major federal programs identified in the table above for the year ended June 30, 2015.

Unmodified Opinion on Each of the Other Major Federal Programs. In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the the County's other major federal programs identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs for the year ended June 30, 2015.

Other Matters. The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2015 - 016 and 2015 - 017. Our opinion on each major federal program is not modified with respect to these matters.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Report on Internal Control Over Compliance. The County's management is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2015 - 015, to be a material weakness.

A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items 2015 - 016 and 2015 - 017 to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 15, 2015, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Las Vegas, Nevada
December 15, 2015

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
U.S. Department of Agriculture			
Passed through State of Nevada, Department of Administration Senior Farmers Market Nutrition Program	10.576	N/A	\$ 1,650
Passed through State of Nevada, Controller Schools and Roads - Grants to States	10.665	N/A	27,184
Passed through State of Nevada, Department of Education Child Nutrition Cluster School Breakfast Program and National School Lunch Program	10.553, 10.555	R-305-11, E066	109,398
State of Nevada, Department of Agriculture Specialty Crop Block Grant Program - Farm Bill	10.170	12-25-B-1241	1,000
State of Nevada, Division of Forestry Forest Health Protection	10.680	WBB 14-01	14,014
South Tahoe Public Utility District Cooperative Forestry Assistance	10.664	14-DG-11052012-116, 13-DG- 11052012-110	<u>41,487</u>
Total U.S. Department of Agriculture			<u>194,733</u>
U.S. Department of Health and Human Services			
Passed through State of Nevada, Department of Health and Human Services Block Grants for Prevention and Treatment of Substance Abuse	93.959 *	15093TX	347,095
Child Support Enforcement Aging Cluster	93.563	Acc No 3238, Acc No 3239	238,764
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers, Special Programs for the Aging Title III, Part C Nutrition Services and Nutrition Services Incentive Program	93.044, 93.045, 93.053 *	04-000-02-BC-15, 04-000-07-13- 14, 04-000-07-13-15, 04-000-04- 24-14, 04-000-4-24-15, 04-000- 66-1X-15, 04-000-78-2X-15, 04- 000-57-NX-14	401,703
Passed through State of Nevada Department of Administration Aging Cluster Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers, Special Programs for the Aging Title III, Part C Nutrition Services and Nutrition Services Incentive Program	93.044, 93.045, 93.053 *	A037	4,991
Passed through State of Nevada, Office of Community Services Community Services Block Grant	93.569		<u>63,731</u>
Total U.S. Department of Health and Human Services			<u>1,056,284</u>
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024		5,206
Passed through State of Nevada, Department of Public Safety, Division of Emergency Management Emergency Management Performance Grants Pre-disaster Mitigation	97.042 97.047	9704213, 9704214, 9704215 9704712-3000, 970479-3100, 970479-3000	64,551 74,354

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
Homeland Security Grant Program	97.067	97067HL4	<u>9,509</u>
Total U.S. Department of Homeland Security			<u>153,620</u>
U.S. Department of Housing and Urban Development			
Supportive Housing Program	14.235		122,154
Passed through State of Nevada, Business and Industry, Housing Division Emergency Solutions Grant Program	14.231	E13-DC-32-0001	8,000
State of Nevada, Governor's Office of Economic Development Community Development Block Grants/State's program and Non- Entitlement Grants in Hawaii	14.228	14/PF/04	<u>80,000</u>
Total U.S. Department of Housing and Urban Development			<u>210,154</u>
U.S. Department of Interior			
Distribution of Receipts to State and Local Governments	15.227		205
State of Nevada, Division of State Parks Outdoor Recreation Acquisition, Development and Planning	15.916	32-00332	<u>66,000</u>
Total U.S. Department of Interior			<u>66,205</u>
U.S. Department of Justice			
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589 *		201,090
State Criminal Alien Assistance Program	16.606		6,885
Passed through State of Nevada, Office of Attorney General Violence Against Women Formula Grants	16.588	2013-VAWA-07, 2014-VAWA-07	24,901
Passed through State of Nevada, Department of Health and Human Services Enforcing Underage Drinking Laws Program	16.727	EDUL14	1,650
Passed through State of Nevada, Department of Motor Vehicles and Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	14-JAG-05, 14-JAG-02	<u>115,867</u>
Total U.S. Department of Justice			<u>350,393</u>
U.S. Department of Transportation			
Department of Transportation Federal Aviation Administration (FAA)	20.106		49,966
Passed through State of Nevada, Department of Transportation Formula Grants for Rural Areas	20.509 *	PR414-13-802, PR414-14-802, PR030-15-802	426,944
Highway Planning and Construction Cluster Highway Planning and Construction	20.205	PR-439-07-063	

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
Passed through State of Nevada, Department of Motor Vehicles and Public Safety Highway Safety Cluster State and Community Highway Safety, State Traffic Safety Information System Improvements Grants, National Priority Safety Programs	20.600, 20.610, 20.616	JF-2015-DCSO-00001, JF-2014-DCSO-00013, TS-2015-DCSO-00107, LFD-2015-DCSO-00016, TS 2014, TS 2015	100,011
Passed through State of Nevada, Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	14-HMEP-04-01, 14-HMEP-04-02, 15-HMEP-04-01	36,784
State of Nevada, Division of State Parks Highway Planning and Construction Cluster Recreational Trails Program	20.219 *	2013-26	<u>66,000</u>
Total U.S. Department of Transportation			<u>679,705</u>
U.S. Environmental Protection Agency Passed through State of Nevada, Department of Environmental Protection Drinking Water State Revolving Fund Cluster Capitalization Grants for Drinking Water State Revolving Funds	 66.468	 DW12085, DW1502	 <u>161,238</u>
U.S. Institute of Museum and Library Services Passed through State of Nevada, Library and Archives Grants to States	 45.310	 LSTA 2014-20	 <u>3,000</u>
U.S. Social Security Administration Disability Insurance/SSI Cluster Social Security Disability Insurance	 96.001		 <u>4,600</u>
Total federal expenditures			<u>\$ 2,879,932</u>

* A major program

DOUGLAS COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2015

Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Douglas County (the County). The reporting entity is defined in Note 1 to the basic financial statements.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes all of the County's federal grant activity (federal financial assistance received directly from federal agencies and passed through other entities or government agencies) and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Type of auditors' report issued on compliance for major programs	Qualified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes
Identification of major programs	
CFDA number	16.589
Name of federal program or cluster	U.S. Department of Justice, Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program
CFDA number	20.219
Name of federal program or cluster	U.S. Department of Transportation, Recreational Trails Program
CFDA number	20.509
Name of federal program or cluster	U.S. Department of Transportation, Formula Grants for Rural Areas
CFDA number	93.044, 93.045, 93.053
Name of federal program or cluster	U.S. Department of Health and Human Services, Ageing Cluster
CFDA number	93.959
Name of federal program or cluster	U.S. Department of Health and Human Services, Block Grants for Prevention and Treatment of Substance Abuse
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee	No

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*

2015 - 001

Criteria

Internal controls over cash shall be sufficient to provide reasonable assurance that cash is safeguarded against misappropriation and that transactions are executed in accordance with management's authorization.

Bank and investment account reconciliations and supporting documentation should be complete, accurate and timely. Transactions, relating to cash and investments, should be recorded promptly in the County's official general ledger. There should be an independent review of bank and investment account reconciliations to provide reasonable assurance of the prompt and accurate recording of cash and investment related transactions.

Condition

We noted the following information related to the County's 3 investment and 14 bank accounts:

- ◆ The main reconciliation combines 2 bank and all 3 investment accounts and included an unknown variance of approximately \$110,000 and \$272,000 (including \$70,000 from a prior year) of bank deposits that had not been identified and recorded in the County's official general ledger.
- ◆ All bank and investment account reconciliations for the month of June 2015, were completed by the Treasury and provided to the Finance Division in November 2015.
- ◆ Due to the County's decentralized operational structure, there are numerous independent revenue collection sites within the County. Although many of the independent cash collection sites are making daily deposits, some are weekly and others are "as needed," which significantly complicates the reconciliation process as credit card transactions and wire transfers (such as grant funds and other reimbursements) are reflected immediately by the bank, but may not be deposited with or identified by the Treasury until a significantly later date.

Effect

Failure to reconcile all bank and investment accounts timely and to promptly record the related cash and investment related transactions in the County's official general ledger could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

Failure to reconcile all bank and investment accounts timely and to identify and record the related cash and investment related transactions promptly in the County's official general ledger.

Recommendation

All bank and investment account reconciliations should be prepared by the Treasury and shared with the Finance Division monthly (within 30 days of month end), with all reconciling items identified and, if applicable, promptly recorded in the County's official general ledger. Such reconciliations should be reviewed and approved by someone independent of the reconciliation preparation, with such review and approval documented.

A policy and procedures should be developed and implemented to facilitate the preparation and sharing of all bank and investment account reconciliations within the 30 days of month end.

Management's response

Management informed us that the County's existing Central Cashiering Ordinance (last revised in 2007) will be jointly reviewed by the Treasurer's Office and the Finance Division for updating including the addition of language requiring that the monthly reconciliations of bank and investment accounts be shared with the Finance Division for prompt recordation in the official general ledger and financial reporting.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 002

Criteria

Collection and recording of revenue transactions should be identifiable, tracked and verified by individual transactions to ensure appropriate accounting recognition and financial statement reporting.

Condition

There are numerous independent revenue collection sites within the County that are using various independent accounting systems (*i.e.*, a ledger pad, Excel, QuickBooks, Core and New World Systems). These independent revenue collection sites summarize their collection activity by type (*i.e.*, cash, checks and credit cards) and make a "batch" deposit with the Treasury; and although, some of the independent cash collection sites do make daily deposits, many are made weekly or "as needed." In addition, these independent revenue collection sites and other departments/divisions within the County periodically request grant funds and other reimbursements without notifying the Treasury of such requests. All of which further complicates the identification and tracking (verification) of individual transactions and, as discussed in finding 2015-001, makes the bank reconciliation process unduly complex.

Effect

The inability to identify and verify the accounting recognition of transactions could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

For many years, many of the independent revenue collection sites have been allowed to create and use different accounting systems and procedures for revenue collection with little or no segregation of duties or independent oversight and to make deposits with the Treasury when convenient, rather than daily. Furthermore, these independent revenue collection sites and other departments/divisions within the County have been allowed to request grant funds and other reimbursements without notifying the Treasury of such requests.

Recommendation

A cohesive, effective accounting and financial reporting system should be implemented and used by all revenue collection sites within the County and timely deposits should be made by all revenue collection sites within the County. In addition, the independent revenue collection sites and other departments/divisions within the County should notify the Treasury when requesting grant funds and other reimbursements.

Periodic, independent reviews should be performed to ensure that all independent revenue collection sites and other departments/divisions within the County are making daily Treasury deposits and promptly notifying the Treasury when requesting grant funds and other reimbursements.

Failure to make daily Treasury deposits and timely Treasury notification of requested grant funds and other reimbursements should be reported to an appropriate supervisory level of senior management.

Management's response

Management informed us that the Treasurer's Office will work with the Finance Division to review and assess systems used by the numerous independent revenue collection sites within the County with the goal of standardizing these systems where possible. Timely deposit of revenues is addressed in an existing Central Cashiering Ordinance (last revised in 2007) that will be provided to all revenue collection sites and enforced. A new process is being implemented by the Treasury requiring departments use a standardized procedure for recording collections in the County financial system and to notify Treasury at the time outside billings or requests for funds (*i.e.*, grant draws or reimbursements) are requested. Also, periodic training sessions will be held with staff of the independent revenue collection sites to provide guidance on the procedural requirements of the County's revenue receipting process. Reviews of the procedures of the independent sites will be conducted periodically.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 003

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Configuration management and hardening ensures that existing and new instances of the servers and connected infrastructure, such as routers, switches, server operating systems, and databases are consistently configured and protected.

Changes to the hardware, software applications and the server operating systems must be understood and verified to minimize risk to data integrity and downtime to the application. In addition, program vendors regularly discover vulnerabilities in both the applications and the server operating systems, which should be evaluated timely.

Condition

Core, New World and Infinium Systems:

There is no documentation for the configuration of the existing systems and potentially unnecessary services that can be eliminated have not been identified.

Core System:

Hardware changes, program updates and patches to the application and the server operating system have not been made to the Core system since its installation over a decade ago and a patch management process does not exist. In addition, the version of Core that is currently in use requires the use of Windows XP, which is no longer supported (and patched) by Microsoft.

New World and Infinium Systems:

A formal, written change and patch management process does not exist. Changes are made to the New World and Infinium systems as necessary and occur directly on the production systems without a documented back-out (recovery) plan or an understanding of the potential impact. We were unable to determine if, or when, any patches had been applied to the New World and Infinium software applications or server operating systems.

Effect

The lack of configuration management and hardening leads to increased vulnerability of the systems. Any unnecessary services that are running increases the potential risk that the systems may be compromised.

Obsolete hardware and vulnerabilities in both the applications and the server operating systems could have unexpected consequences that may include downtime, questionable data integrity, decreased performance, full or partial loss of functionality, and provide an opportunity for unauthorized access.

Cause

There is no cohesive policy for the configuration management, hardening, updating and patching of the servers and connected infrastructure, other hardware, software applications and server operating systems that ensures timely updating, replacement and patching occurs.

Recommendation

Either significantly upgrade or replace the Core system, which is severely outdated and represents a significant risk to the County.

Review and document the required services and configuration setting for each of the systems including the servers and connected infrastructure, other hardware, software applications and server operating systems. Identify and remove all unnecessary or unused services.

Develop and implement a change and patch management process that includes the documentation of all changes to the servers and connected infrastructure, other hardware, software applications and server operating systems.

Management's response

Management informed us that the Technology Services Department is working closely with the Treasurer's Office to facilitate the upgrade or replacement of the Core cashing system, ensure optimized configurations and necessary services and to implement change management and appropriate patching procedures. In the meantime, every step possible has been taken to mitigate the potential vulnerability created by the use of XP on Core machines.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 004
Criteria

Core, New World and Infinium Systems, General Computing Controls:

Passwords for financial applications should meet minimum standards to decrease the likelihood that critical systems are compromised. Generic, multi-user accounts should be eliminated. All users should login in using their own identifying credentials. Best practice for password configuration is:

- ◆ Minimum 8 characters
- ◆ Complexity - 3 out of 4 of the following required – Upper or Lower case, Numeric, Symbols
- ◆ Forced password change at least quarterly
- ◆ Can not reuse last 10 passwords
- ◆ Lockout after 3 attempts

Condition

Core System:

The Core system does not have the capability to modify the password configuration of the users. In addition, review of the Core system authorized user list revealed 5 generic, multi-user accounts, which provides all users access to the Core inquiry program and has Core system administrator rights.

New World System:

The New World system has its own set of password configuration rules, but does not enforce typical length and complexity rules. The security works in conjunction with the County's active directory password configuration, which is also not set to enforce length or complexity. There is no requirement to periodically change user passwords and we were unable to determine if any user passwords had been changed subsequent to initial set up.

Infinium System:

The Infinium system relies on the password settings of the underlying AS/400 system, which is currently set at a minimum of 5 characters, but does not enforce typical length and complexity rules. These passwords must be changed every 90 days.

Effect

Ineffectual passwords and generic, multi-user accounts increase the risk of the system being compromised by a unauthorized user, allows anonymous changes to be made and provides an opportunity for malicious users to easily and anonymously gain unauthorized access possibly resulting in inappropriate modifications or loss of financial data, materially misstated financial statements and disruption of County operations.

Cause

A County-wide policy for the configuration and use of minimum password standards (including password changes) was not developed and implemented.

Recommendation

Complete and document a review of the Core, New World and Infinium systems authorized user lists and remove all generic multi-user accounts.

Obtain County Commissioner approval of the draft password policy and implement it County-wide. Upon implementation, develop procedures to monitor and enforce uniform compliance with the policy.

Management's response

Management informed us that with the exception of current Core station users, that multi-user accounts have been eliminated from active directory and will not be used moving forward. The continued use of multi-use accounts for Core machines is a necessary temporary condition that will be appropriately managed until Core is either upgraded or replaced. Management also informed us that a new Password policy will go before the Board of County Commissioners for adoption in January 2016.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 005

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Data backup is a critical component of system management. All data should be backed up using a medium that provides for restoration at a future date and such restoration ability should be periodically tested to verify data integrity. A copy of the backed-up data should be stored offsite.

Condition

Core System:

A backup process for the Core system was implemented, in November 2014, using local agents to backup data using Comm Vault software. No verification or restoration testing has been performed on the backed-up data to determine if data can be recovered.

New World System:

The New World system resides on three servers that are backed-up using Comm Vault software with a disk-to-disk process. The system writes the backups to a Direct Attached Storage (DAS), which then copies to another DAS at the East Fork Fire Protection District. No verification or restoration testing has been performed on the backed-up data, but weekly requests for data helps verify that the backed-up data can be read.

Infinium System:

The Infinium system currently runs on an AS/400 system, which was upgraded with new hardware and backs up all data to a tape that is rotated offsite weekly. No verification or restoration testing has been performed on the backed-up data to determine if data can be recovered.

Effect

If system data is being backed-up and is recoverable it could take considerable time and effort to find and restore the data. However, if system data is not being completely and accurately backed-up or is unrecoverable, all system data would be lost. Either scenario could result in a considerable disruption to County operations.

Cause

There is no data back up verification process and restoration from backed-up data has not been tested.

Recommendation

Create and document a data backup process and test it to ensure that it meets County's needs and expectations.

Develop and implement a procedure to check the daily success of the back up process. Implement a quarterly restoration test that validates that data backups can be successfully restored. Where possible, rotate the test through the critical systems.

Management's response

Management informed us that a verification and restoration process to meet general computing controls will be implemented, and that a proposal for acquisition of the hardware required for an expanded backup system has been submitted into the County's capital improvement plan (CIP) process for identification of a funding source.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 006	
Criteria	Core, New World and Infinium Systems, General Computing Controls: Physical access to the servers, databases, and backup media containing financial information are to be kept secure, with access limited to those required to perform their duties.
Condition	Core, New World and Infinium Systems: The server room is not secured from the IT working area. The IT working area itself is has restricted access by electronic card key and physical key. A review of the electronic card key application showed numerous people with electronic card reader access to the IT working area; and therefore, a significantly large number of employees, program vendors, outside consultants, and potentially others continue to have access to the servers and databases. The physical keys to the server closets have been appropriately controlled and distributed. However, distribution of the physical key that provides access to the IT working area has not been controlled; and therefore, an unknown number of people have this physical key and unrestricted access to the IT working area.
Effect	Access to the actual servers and databases is not adequately controlled and an unknown number of individuals have access to the servers and databases, representing a risk to the accountability and integrity of the financial data.
Cause	The lack of policies and procedures, along with no access review and control process, exposed the servers and databases to a significantly large number of employees, program vendors, outside consultants, and potentially others.
Recommendation	The IT working area, server room and data closets should be secured and access should be restricted and the physical key locks changed. Document all data closets where access can not be fully restricted and implement controls over access to these areas to improve the security of the data closets. The distribution and use of both physical keys and key cards should be controlled, documented and monitored on a quarterly basis.
Management's response	Management informed us that the Core server has already been virtualized and now resides on a server that is behind redundantly secured and restricted doors. Other wiring closet doors in the County are now being evaluated for properly restricted access with key-cards, or re-keyed with physical keys, and are being otherwise secured.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 007	
Criteria	Core, New World and Infinium Systems, General Computing Controls: Granting of system access rights to new employees, updating such rights for an employee status change, and removing (deactivating) such rights upon employee separation from County employment (commonly referred to as "employee on/off boarding") is a critical control in ensuring only authorized users have systems access.
Condition	The current process for employee on/off boarding for the Core, New World and Infinium systems is informal, with no standardized time frame for removing access rights upon employee separation from County employment.
Effect	Failure to timely remove the access of terminated employees could result in unauthorized network access, inappropriate modifications or loss of financial data and materially misstated financial statements.
Cause	A policy governing the employee on/off boarding has not been established and enforced.
Recommendation	The County divisions and departments must continue to work together to develop, document and implement a comprehensive employee on/off boarding policy and process, which addresses how employees are managed during the on/off boarding process. In addition, the off boarding process should not take more than 72 hours to complete, including removing user access to IT systems.
Management's response	Management informed us that a multi-departmental committee has been working on this issue and the language of the on-boarding portion of the policy is currently being drafted by the District Attorney's Office while the committee continues to work through the off-boarding portion. This process will result in both an official County policy and a procedure guide that is shared by all stakeholder departments.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 008

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Policies and procedures (*i.e.*, how to operate and manage the system) are necessary for the proper systems management, oversight, and operations.

In addition, identification of defined roles and decision makers are required to manage daily operations adequately and efficiently manage the daily operations

Condition

Core, New World and Infinium Systems:

There is no documentation of roles and user group definitions using, for example, a RACI (Responsible, Accountable, Consult, Inform) chart or segregation of duties matrix.

Core System:

We were unable to identify a specific person with administration responsibility (ownership) of the Core system.

New World and Infinium Systems:

While we were able to identify a specific person with administration responsibility (ownership) of the New World and Infinium systems systems, there is no documentation of such administration responsibility.

Effect

The lack of documented policies and procedures leaves current operations vulnerable to errors or omissions and does not allow for any formal review and improvement over the management of the systems.

Furthermore, insufficient accountability of users and administrators of the systems could result in impairment of the functionality and stability of the County's financial accounting process.

Cause

Historically a culture existed where the necessity of cohesive, effective general computing controls were not understood, implemented, or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties or independent oversight.

Recommendation

Perform and document an assessment of policies and procedures to identify critical policies and procedures to be created over general computing controls. The resulting overall plan should include a priority of events, timeline, and documentation standards by which all other policies and procedures will be created.

Review and document the roles and responsibilities for both the front end business users and back end technology administration and support. This documentation should identify a specific person or persons with administration responsibility (ownership) of the Core, New World and Infinium systems and a subject matter expert and include at a minimum, information related to application support and a segregation of duties matrix.

Management's response

Management informed us that they will perform an assessment of policies and procedures to identify critical policies and procedures that should be addressed to ensure proper computing controls. The Technology Services Department has been, and will continue to work closely with departments to identify and document the roles and responsibilities of business users, subject matter experts and technology administration and application support, in addressing policies and procedures to implement and maintain proper computing controls.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 009	
Criteria	Core, New World and Infinium Systems, General Computing Controls: IT service and support vendor oversight and management is critical to provide assurances that such vendors only have the minimum required access that is restricted to times when their assistance is required.
Condition	IT service and support vendors are not fully documented and access to the systems is not fully controlled. Specifically, some IT service and support vendors have administrator rights to the systems that should be reviewed and modified.
Effect	The use of untethered, unrestricted IT service and support vendors and automated service accounts allows anonymous, and possibly unauthorized or malicious, access to significantly elevated user rights to critical systems and processes and could result in impairment of the functionality and stability of the County's financial accounting process and disruption of County operations.
Cause	The previous IT administration fostered a culture where cohesive, effective general computing controls were not implemented or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties and independent oversight. As a result, some user groups have forged a relationships with IT service and support vendors (whose operations are basic and do not comply with current industry standards) and have granted such vendors untethered, unrestricted access into the entire network through an open fiber connection.
Recommendation	Develop, document and implement an IT service and support vendor oversight and management policies and procedures to ensure appropriate internal controls over vendor access and to minimize the County's risk.
Management's response	Management informed us that a new password policy will go before the Board of County Commissioners for adoption in January 2016. This policy will set rules for the administration of vendor accounts to ensure proper restrictions on vendor access into County systems. It will also address the requirement of users changing their passwords when they have finished working with vendors.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 010

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Automated service accounts are required for daily operations and autonomous communications between applications and the server operating systems. Due the significantly elevated user rights of automated service accounts, the distribution of these passwords should be tightly controlled, and where feasible, the password should be periodically changed.

Condition

Automated service accounts are not fully documented or understood. We noted some obsolete service accounts that should have been removed and others for which the password has been distributed to individuals that do not require access.

Effect

The use of automated service accounts allows anonymous, and possibly unauthorized or malicious, access to significantly elevated user rights to critical systems and processes and could result in impairment of the functionality and stability of the County's financial accounting process and disruption of County operations.

Cause

The previous IT administration fostered a culture where cohesive, effective general computing controls were not implemented, or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties and independent oversight. As a result, the lack of policies and procedures, along with no review process for access, allowed a situation to grow where access to automated service accounts were provided to a number of individuals that do not require access to appropriately perform assigned duties.

Recommendation

Develop and document a service account process to limit access of automated service accounts to authorized users. Document the use of each account on all servers or applications. Determine when and if the password can be regularly changed. Evaluate each automated service account for actual required permissions and remove users, services and access such as "log on locally". Only allow automated service accounts in the administrator user group when absolutely necessary.

Management's response

Management informed us that they have crafted the aforementioned password policy to address this issue as well. Additionally, the way in which outside entities access the County's network has been altered and is now more secure in general as both standard virtual private networking (VPN) and remote desktop connection (RDC) protocols have been abandoned as insufficiently secure.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 011	
Criteria	Core, New World and Infinium Systems, General Computing Controls: The IT Division provides Disaster Recovery (DR) of technology to support the County's Business Continuity Plan (BCP). This includes the ability to recover data, by system or server, in a specified amount of time allowing County operations to continue.
Condition	Formal, written DR and BCP plans to recover IT systems and servers do not exist. Although, the East Fork Fire Protection District has prepared an emergency preparedness manual, the County's ability to recover data and restore critical operations following a disaster is nearly non-existent.
Effect	In the event of a disaster, the IT Division will be required to acquire new equipment and attempt the recovery of systems and data from backups. This recovery process would disrupt County operations for an extended period.
Cause	Formal, written DR and BCP plans have not been designed, documented or tested.
Recommendation	Develop an IT centric DR plan, which includes options to recover in the event of a disaster, whether limited (water dripping on a single server rack) or catastrophic (fire in the IT working area). Once complete, develop a process to review the DR plan once a year to ensure continued completeness, accuracy, and ability to execute. Upon completion of the IT centric DR plan, work with other County divisions and departments to develop a BCP to ensure that critical County operations could continue in the event of various local or catastrophic disasters.
Management's response	Management informed us that they are evaluating BCP and DR requirements and that formal DR and BCP plans will be developed. The need for additional back-up hardware has also been identified in this process and included in the County's capital improvement plan.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 012

Criteria

Core, New World and Infinium Systems, General Computing Controls:

System logs on hardware, software applications and server operating systems creates an investigative path to determine the nature and extent of a system breach or failure. In addition, systems should be reviewed, every 30-90 days, to ensure that:

- ◆ Terminated users have been removed
- ◆ User role changes have been implemented
- ◆ Group access rights are appropriate
- ◆ Group membership is appropriate

Condition

A log server was installed in July 2015 and is currently in the testing/configuration stage covering a few domain controllers, print servers, and switches. Although the log server is capable of exception reporting, it is currently configured to only gather data for investigative purposes and there is no documentation supporting the periodic review of the system log data.

Effect

The lack of exception reporting and failure to periodically review system logs may result in unnoticed system breaches, unauthorized access, anonymous changes and malicious user access resulting in inappropriate modifications or loss of financial data and materially misstated financial statements.

Cause

The lack of exception reporting and system log reviews allowed unauthorized access to servers and databases by a large number of employees, program vendors, outside consultants, and potentially others.

Recommendation

Establish system logs for all hardware, software applications and server operating systems. Implement a procedure to ensure logs are periodically reviewed and any unusual or unexecuted activities (exception reporting) are promptly investigated and documented.

Design, document and implement a process to periodically review (at least quarterly) and update user access rights in the Core, New World and Infinium systems.

Management's response

Management informed us that they are creating system logs for all hardware, software applications and operating systems. These logs will be periodically reviewed to identify any anomalous activities for investigation and mitigation. Additionally the new, more formal, on/off-boarding process currently under development will mitigate any irregularities in user access.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 013	
Criteria	General Computing Controls: Best practices dictate that each PC or terminal screen should be locked after 5-10 minutes of non-use.
Condition	Group policy settings that control screen timeouts have not been configured.
Effect	The public nature of the County's buildings presents significant risk that an unauthorized individual may gain access to the financial systems through an unlocked account possibly resulting in inappropriate modifications, misuse or loss of financial data.
Cause	Configurations and implementation of group policy settings that control screen timeouts has not been completed.
Recommendation	Configure and implement group policy settings to enforce, County-wide, screen timeout after 10 minutes of non-use.
Management's response	Management informed us that three County departments have been testing the 10-minute timeout. The implementation of the new County password policy will be followed with implementation of the 10-minute timeout County-wide.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2015 - 014
Criteria

Payment Card Industry (PCI), Network Security:

All systems must be protected from unauthorized access from untrusted networks, whether entering the system *via* the internet as e-commerce, employee internet access through desktop browsers, employee e-mail access, dedicated connections such as business-to-business connections, wireless networks, or other sources. A strong security policy sets the security tone for the whole entity and informs personnel what is expected of them. All personnel should be aware of the sensitivity of data and their responsibilities for protecting it.

Firewalls are devices that control computer traffic allowed between the County's internal, trusted networks and external, untrusted networks, as well as traffic into and out of more sensitive areas within the County's internal trusted networks. The card holder data environment is an example of a more sensitive area within the County's trusted network.

Sensitive information must be encrypted during transmission over networks that are easily accessed by malicious individuals. Misconfigured wireless networks and vulnerabilities in legacy encryption and authentication protocols continue to be targets of malicious individuals who exploit these vulnerabilities to gain privileged access to cardholder data environments.

Malicious software, commonly referred to as "malware" (including viruses, worms, and Trojans) enters the network during many business-approved activities including employee e-mail and use of the internet, mobile computers, and storage devices, resulting in the exploitation of system vulnerabilities. Anti-virus software must be used on all systems commonly affected by malware to protect systems from current and evolving malicious software threats. Additional anti-malware solutions may be considered as a supplement to the anti-virus software; however, such additional solutions do not replace the need for anti-virus software to be in place.

Assigning a unique identification code or password to each person with access ensures that each individual is uniquely accountable for their actions. When such accountability is in place, actions taken on critical data and systems are performed by, and can be traced to, known and authorized users and processes. The effectiveness of a password is largely determined by the design and implementation of the authentication system, particularly how frequently password attempts can be made and the security methods to protect user passwords at the point of entry, during transmission, and while in storage.

Any physical access to data or systems that houses cardholder data provides the opportunity for individuals to access devices or data and to remove systems or hardcopy, and should be appropriately restricted.

Logging mechanisms and the ability to track user activities are critical in preventing, detecting, or minimizing the impact of a card holder data compromise.

Vulnerabilities are being discovered continually by malicious individuals and researchers, and may be introduced by new software. System components, processes, and custom software should be tested frequently to ensure security controls continue to reflect a changing environment.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Condition	<p>Some County locations, system and networks are more secure than others; however, certain vendors have uncontrolled and unmonitored network access. Given the current level of general computing controls, the overall security of the network can not be ascertained.</p> <p>Most connections to credit card devices run across open networks. It is not currently understood or documented how PCI data flows through the County's network, where the endpoints are located, and how best to manage the transmission of card holder data.</p> <p>The malware protection program currently used by the County does not fully cover all necessary devices and may not be updating all installed devices with current definitions. In addition, there are some systems, such as the Core system (previously discussed), that can run only on Windows XP, which is no longer supported and can no longer receive vulnerability updates.</p> <p>As discussed in prior findings:</p> <ul style="list-style-type: none">◆ Password complexity, user accounts (including the use of generic, multi-user accounts), vendor access and system monitoring processes do not meet current industry best practices◆ Physical access to the actual servers and databases is not adequately controlled and an unknown number of individuals have access to the servers and databases. In addition, not all endpoints for data entry are adequately controlled after hours◆ System logs and exception reporting have not been fully established and implemented◆ A formal, written change and patch management process does not exist
Effect	<p>Unauthorized access to, and uncontrolled, servers and connected infrastructure, other hardware, software applications, server operating systems, and networks can lead to a compromise of card holder data for both the County and any individuals with information saved in County's network.</p>
Cause	<p>Procedures to ensure PCI compliance have not been developed.</p>
Recommendation	<p>Develop, document and implement a plan to address identified security issues to ensure compliance with the most recent PCI standards. This plan should include all 40 findings noted in the June 2015 PCI assessment and not be limited to the following significant findings:</p> <ul style="list-style-type: none">◆ Security around credentials varies from lax to nonexistent. The use of shared or generic accounts creates a significant risk.◆ Credit card information is being written down and/or manually stored. Card holder data, including the credit card number must be stored securely. All written credit card data must be managed appropriately and should have policies and procedures that guide the storage and destruction of that data.◆ Network and infrastructure documentation is in the very beginning stage of development. Additional documentation of policies and procedures is required including creation of a Security Program, Risk Assessment, and an Incident Response Plan.◆ Critical systems are either not in place or outdated putting PCI data at risk. These include the continued use of computers using Windows XP, a severely outdated treasury system (CORE) and lack of formal patch management.◆ Insecure systems contain and/or transmit data in a non-PCI compliant format. Data is currently transmitted insecurely either on systems with weak encryption such as SSL (Secure Socket Layer) or processed on insecure website servers.
Management's response	<p>Management informed us that they are in the process of implementing the identified recommendations to strengthen security and to ensure compliance with PCI standards.</p>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2015 - 015 Program	U.S. Department of Justice, Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program (CFDA # 16.589)
Specific requirements	To be allowable under federal awards, costs must be adequately documented and costs must be incurred prior to requesting reimbursement.
Condition and context	Of the 4 reimbursement requests examined, 3 included personnel costs in excess of the actual costs incurred and 1 requested reimbursement for costs that had not been incurred.
Questioned costs	\$25,238
Effect	Grant reimbursements were requested and received in excess of the actual costs incurred.
Cause	Failure to appropriately calculate personnel costs and improper inclusion of costs that had not been incurred.
Recommendation	A procedure should be developed, documented and monitored to ensure that costs are appropriately calculated and reimbursement requests include only costs that have been incurred.
Management's response	Management informed us that they will work with grant administrators to ensure that costs are appropriately calculated and reimbursement requests include only costs that have been incurred.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2015 - 016

Program

U.S. Department of Health and Human Services, Ageing Cluster (CFDA # 93.044, 93.045, 93.053)

Specific requirements

Allowable costs:

To be allowable under federal awards, costs must be adequately and accurately documented.

Eligibility:

Determination of program participant eligibility must be documented and retained.

Reporting:

Grant reports must be based on and agree to appropriate supporting documentation.

Condition and context

Allowable costs:

Congregate dining program:

Participants are required to sign in on a pre-printed list of eligible participants, which becomes the source documentation for requesting reimbursements.

Of the 15 participants receiving 131 meals (reimbursement units) tested, one was missing a required daily signature.

Home delivered program:

Route sheets are prepared for each day indicating the participant and number of meals to be delivered. Upon completing the delivery, the driver is required to certify the total number of actual meals delivered. These certified route sheets become the source documentation for requesting reimbursements.

Of the 22 participants receiving 629 meals (reimbursement units) tested, 10 meals to one participant were not delivered and was not certified by the driver, but were included in the number of units for which reimbursement was requested. In addition, of the 22 route sheets examined, 5 were not certified by the driver.

Homemaker program:

A "homemaker/visit record" is to be completed indicating the type and number of hours of service provided, which becomes the source documentation for requesting reimbursements.

Of the 7 participants receiving 51.5 hours of service (reimbursement units) tested, reimbursement was requested for 1 hour more than the "homemaker/visit record" indicated.

Eligibility:

Home delivered program:

Each participant is required to be evaluated and re-certified as eligible for home delivered meals every six months.

Of the 22 participants tested, documentation for 4 of the participants could not be located and 15 participants were not evaluated and re-certified as eligible for home delivered meals within the most recent six-month period.

Reporting:

The number of units for which reimbursement was requested for the congregate dining, home delivered and homemaker programs did not agree with, and in some instances, exceeded the number of units listed on the supporting documents. However, for the period of July 1, 2014 through June 30, 2015, the total number of units provided exceeded the total for which reimbursement was requested.

In addition, we noted that the total number of units for which reimbursement was requested did not agree to the quarterly financial report for the quarter ended September 30, 2014.

Questioned costs

Undetermined

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Effect	Costs charged to the grant program may be overstated and reports do not agree to the underlying supporting documentation.
Cause	Failure to ensure that supporting documentation is complete, accurate, periodically updated, retained and agrees to data included in grant reimbursement requests and financial status reports.
Recommendation	Procedures should be developed, documented and monitored to ensure that supporting documentation is complete, accurate, periodically updated, retained and agrees to data included in grant reimbursement requests and financial status reports.
Management's response	Management informed us that they will work with the Senior Services Division to ensure that supporting documentation is complete, accurate, periodically updated, retained and agrees to data included in grant reimbursement requests and financial status reports.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) (continued)

2015 - 017

Program

U.S. Department of Transportation, Formula Grants for Rural Areas (CFDA # 20.509)

Specific requirements

Allocable costs:

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received and all activities which benefit from the indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.

Program income:

To the extent available, program income, rebates, refunds, and other income and receipts were disbursed before requesting additional cash payments as required by the A-102 Common Rule (§_21) and OMB Circular A-110.

Reimbursement requests:

Invoices must be submitted within 45 calendar days from the end of each 30 day billing cycle. Invoices received after 45 calendar days will be evaluated on a case-by-case basis for payment.

Special reports:

Quarterly written Agency Information Reports will be submitted describing the trips made by the Douglas County Rural Transit (DART) Public Transportation System, which include and identify the number of trips, miles and hours driven.

Quarterly written Project Progress Reports will be submitted detailing any changes or additions to the project.

Condition and context

Allocable costs:

Overhead costs, (such as insurance and utilities) are allocated to the program at varying percentages ranging from 25%, to 70% of the senior services center costs based on undocumented calculations made several years ago.

Program income:

Of the 13 reimbursements examined, 2 included overstated monthly program income amounts (1 included the year-to-date program income amount \$2,182 rather than the monthly amount of \$1,254 and 1 included program income of \$882 rather than the correct amount \$822).

Reimbursement requests:

Of the 13 reimbursements examined, 5 were not submitted within 45 days; however, the grantor did not disallow any costs.

Special reports:

None of the required Agency Information and Project Progress reports were submitted quarterly, rather all were prepared and submitted in November 2015 as a result of our audit inquires.

Questioned costs

Undetermined

Effect

Allocable costs:

Costs charged to the grant program may be misstated.

Program income:

Program income was overstated resulting in decreased grant reimbursements.

Reimbursement requests:

Program costs may be disallowed due to failure to submit reimbursement requests timely.

Special reports:

Agency Information and Project Progress reports were not prepared and submitted timely.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Cause	<p>Allocable costs: Failure to periodically evaluate and document overhead cost allocation percentages.</p> <p>Program income: Failure to appropriately calculate and report program income.</p> <p>Reimbursement requests and special reports: Failure to comply with grants report submission requirements.</p>
Recommendation	<p>Allocable costs: Overhead cost allocation percentages should be evaluated and documented at least annually.</p> <p>Program income: A procedure should be developed, documented and monitored to ensure that program amounts are appropriately calculated and reported.</p> <p>Reimbursement requests and special reports: A procedure should be developed, documented and monitored to ensure that all required grant reports are prepared and submitted timely.</p>
Management's response	<p>Management informed us that they will work with the Senior Services Division to improve the timeliness and accuracy of all required grant reports and the Finance Division will assist the Senior Services Division in performing and documenting periodic evaluations of overhead cost allocation percentages.</p>

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*

2014 - 001

Criteria

Duties should be segregated to prevent an inappropriate concentration and minimize opportunities for misappropriation of assets and/or fraudulent financial reporting. In a highly decentralized entity, effective communication, cooperation and independent oversight (review and approval of critical duties) is necessary.

Condition

The Clerk/Treasurer Office has historically been a small office consisting of 3 key people (an elected Clerk/Treasurer, a Deputy Clerk with primary responsibility for elections and related county clerk duties, and a Deputy Treasurer with primary responsibility for the Treasury) and a few staff employees. Subsequent to year end, the elected Clerk/Treasurer resigned and the Deputy Clerk retired leaving the Deputy Treasurer with sole responsibility for all Treasury duties.

The Treasury, among other duties:

- ◆ Maintains a "Treasurer's general ledger" separate from the County's official general ledger, which is not reconciled to the official general ledger
- ◆ Collects and processes all revenue collections for the County
- ◆ Processes all wire transfers for debt and other individually large payables and investment purposes
- ◆ Reconciles the bank and investment accounts to the "Treasurer's general ledger" (these reconciliations were not independently reviewed and approved by anyone outside of the Treasury)
- ◆ Processes property tax bills (one of the County's major revenue sources)
- ◆ Initiates, authorizes and distributes property tax refunds
- ◆ During fiscal year 2014 processed water and sewer bills (one of the County's major revenue sources)

For many years and during fiscal year 2014, the Treasury did not reconcile the "Treasurer's general ledger" to the County's official general ledger (from which external financial statements are prepared) and did not prepare a complete and accurate reconciliation of bank and investment accounts to the County's official general ledger. Beginning in early 2014, the Finance Division was granted access by the Treasury to bank and investment account data and began independently attempting to reconcile the bank and investment accounts to the County's official general ledger.

Effect

An inappropriate concentration of duties could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

The Treasurer's office insisted on keeping a separate set of books (the "Treasurer's general ledger") and was not willing to cooperate with the Finance Division to ensure an accurate reconciliation of "Treasurer's general ledger" and cash, cash equivalents and investments to the County's official general ledger was completed.

Current status

Effective with the appointment of a new Clerk/Treasurer in February 2015, improvements were made to segregate duties to the extent possible with a small office and limited personnel to mitigate the inappropriate concentration and minimize opportunities for misappropriation of assets and/or fraudulent financial reporting. Therefore, this finding appears to have been corrected.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 002

Criteria

Internal control over cash shall be sufficient to provide reasonable assurance that cash is safeguarded against misappropriation and that transactions are executed in accordance with management's authorization.

Bank and investment account reconciliations and supporting documentation should be complete. Transactions, relating to cash and investments, should be recorded promptly in the County's official general ledger. There should be an independent review of bank and investment account reconciliations to provide reasonable assurance of the prompt and accurate recording of cash and investment related transactions.

Condition

Due to the County's decentralized operational structure, there are numerous independent revenue collection sites within the County that summarize their collection activity by type (*i.e.*, cash, checks and credit cards) and make a "batch" deposit with the Treasury. Although many of the independent cash collection sites are making daily deposits, some are weekly and others are "as needed," which significantly complicates the reconciliation process as credit card transactions are reflected immediately by the bank, but may not be deposited with the Treasury until a later date.

In addition, we noted the following information related to the County's 3 investment and 12 bank accounts:

- ◆ The main reconciliation combines 2 bank and all 3 investment accounts and included an unknown variance of approximately \$90,000, of which approximately \$65,000 related to pre-1999 transactions, which were written off
- ◆ 10 of the 12 bank accounts are not reflected in the County's official general ledger from which external financial statements are prepared
- ◆ 2 bank accounts were discovered that were previously unknown to the Finance Division
- ◆ 3 reconciliations prepared by, independent revenue collection sites, included improper reconciling items, that should have been recorded in the general ledger, not added back to the bank balance (*i.e.*, interest income, bank, check order and credit card fees, and lease payments)
- ◆ 2 deposits in transit listed on a June reconciliation did not clear the bank until 2 weeks after month end
- ◆ 2 deposits in transit listed on a June reconciliation were from a prior month
- ◆ None of the reconciliations were reviewed and approved someone independent of the reconciliation preparation
- ◆ As a result of the decentralized operational structure (discussed above), approximately \$171,000. related to bank accounts that are not reflected in the County's official general ledger, was double counted

Effect

Failure to reconcile all bank and investment accounts appropriately and to record all cash and investment related transactions in the County's official general ledger could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

Historically, a culture existed within the County where the necessity of a cohesive, effective system of internal controls over financial reporting was not implemented or discussed resulting in the creation of many decentralized control systems designed to meet the needs of specific user groups, with little or no segregation of duties or independent oversight.

Current status

Effective with the appointment of a new Clerk/Treasurer in February 2015, progress was made to improve internal controls over cash to ensure that all bank accounts are included in the County's official general ledger and complete and accurate reconciliations are prepared and reviewed timely.

However, bank and investment account reconciliations for the month of June 2015, were completed by the Treasury and provided to the Finance Division in November 2015, and continued to include an unknown variance and bank deposits that had not been identified and recorded in the County's official general ledger. See finding 2015-001.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 003

Criteria

Collection and recording of revenue transactions should be such that identification and tracking (verification) of individual transactions can be performed to ensure appropriate accounting recognition and financial statement reporting.

Condition

There are numerous independent revenue collection sites within the County that are using various independent accounting systems (*i.e.*, a ledger pad, Excel, QuickBooks, Core and New World Systems). These independent revenue collection sites summarize their collection activity by type (*i.e.*, cash, checks and credit cards) and make a "batch" deposit with the Treasury. Some of the independent cash collection sites do not make daily deposits (weekly or "as needed"), which further complicates the identification and tracking (verification) of individual transactions and as discussed in finding 2014-002, makes the bank reconciliation process unduly complex.

Furthermore, we were unable to trace certain individual cash receipts from the billing documents through the collection and deposit records (maintained by the Treasury) to the County's official general ledger.

Effect

The inability to identify and verify the accounting recognition of truncations could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

For many years, many of the independent revenue collection sites have been allowed to create and use different accounting systems and procedures for revenue collection with little or no segregation of duties or independent oversight.

Current status

Effective with the appointment of a new Clerk/Treasurer in February 2015, progress was made to improve the timeliness of the deposits being made by the independent cash collection sites; however, these independent revenue collection sites within the County continue to use various independent accounting systems (*i.e.*, a ledger pad, Excel, QuickBooks, Core and New World Systems). See finding 2015-002.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 004	
Criteria	Appropriate supporting documentation should be attached to refund disbursement requests and be reviewed and approved by someone independent of the disbursement request initiation process. Refunds should be made payable to appropriate payees and distributed by someone independent of the request initiation process.
Condition	We examined 28 property tax refund disbursements requests made during fiscal year 2014 and noted the following: <ul style="list-style-type: none">◆ All disbursement requests were initiated by the same individual◆ None had appropriate supporting documentation attached◆ None were reviewed and approved by someone independent of the disbursement request initiation process◆ All were returned for distribution to the same person who initiated the disbursement request◆ 5 disbursements were not made payable to the property owners as listed in the ownership records
Effect	A lack of appropriate documentation, review and approval, and appropriate payees could result in misappropriation of assets and/or fraudulent financial reporting.
Cause	For many years the tax refund process has been controlled by the Treasurer's office with no segregation of duties or independent oversight.
Current status	Effective with the appointment of a new Clerk/Treasurer in February 2015, a new process was implemented to ensure duties are segregated to prevent an inappropriate concentration and minimize opportunities for misappropriation of assets and/or fraudulent financial reporting and that refund disbursement requests include appropriate supporting documentation. Therefore, this finding appears to have been corrected.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 005

Criteria

Funds should be classified and reported in accordance with the requirements and definitions issued by the Governmental Accounting Standards Board.

Condition

An evaluation of the County's previously reported 46 agency funds resulted in the identification of 15 improperly classified funds, which when reclassified as part of the County's funds, resulted in a \$1,323,851 prior period fund balance adjustment.

Effect

Improper classification of fund types could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

Procedures to review fund classification were not in place to ensure appropriate classification.

Current status

No exceptions were noted in the current year; and therefore, this finding appears to have been corrected.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 006

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Configuration management and hardening ensures that existing and new instances of the servers and connected infrastructure, such as routers, switches, server operating systems, and databases are consistently configured and protected.

Changes to the hardware, software applications and the server operating systems must be understood and verified to minimize risk to data integrity and downtime to the application. In addition, program vendors regularly discover vulnerabilities in both the applications and the server operating systems, which should be evaluated timely.

Condition

Core, New World and Infinium Systems:

There is no documentation for the configuration of the existing systems and potentially unnecessary services that can be eliminated have not been identified.

Core System:

Hardware changes, program updates and patches to the application and the server operating system have not been made to the Core system since its installation over a decade ago and a patch management process does not exist. In addition, the version of Core that is currently in use requires the use of Windows XP, which is no longer supported (and patched) by Microsoft.

New World and Infinium Systems:

A formal, written change and patch management process does not exist. Changes are made to the New World and Infinium systems as necessary and occur directly on the production systems without a documented back-out (recovery) plan or an understanding of the potential impact. We were unable to determine if, or when, any patches had been applied to the New World and Infinium software applications or server operating systems.

Effect

The lack of configuration management and hardening leads to increased vulnerability of the systems. Any unnecessary services that are running increases the potential risk that the systems may be compromised.

Obsolete hardware and vulnerabilities in both the applications and the server operating systems could have unexpected consequences that may include downtime, questionable data integrity, decreased performance, full or partial loss of functionality, and provide an opportunity for unauthorized access.

Cause

There is no cohesive policy for the configuration management, hardening, updating and patching of the servers and connected infrastructure, other hardware, software applications and server operating systems that ensures timely updating, replacement and patching occurs.

Current status

Although the the CORE system has not yet upgraded, it has been moved from an obsolete physical server to a virtual server running in a more stable VMWare system, but continues to represent a significant vulnerability. The other conditions, discussed above, have not been corrected. See finding 2015-003.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 007

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Passwords for financial applications should meet minimum standards to decrease the likelihood that critical systems are compromised. Generic, multi-user accounts should be eliminated. All users should login in using their own identifying credentials. Best practice for password configuration is:

- ◆ Minimum 8 characters
- ◆ Complexity - 3 out of 4 of the following required – Upper or Lower case, Numeric, Symbols
- ◆ Forced password change at least quarterly
- ◆ Can not reuse last 10 passwords
- ◆ Lockout after 3 attempts

Condition

Core System:

The Core system does not have the capability to modify the password configuration of the users. In addition, review of the Core system authorized user list revealed 5 generic, multi-user accounts, which provides all users access to the Core inquiry program and has Core system administrator rights.

New World System:

The New World system has its own set of password configuration rules, but does not enforce typical length and complexity rules. The security works in conjunction with the County's active directory password configuration, which is also not set to enforce length or complexity. There is no requirement to periodically change user passwords and we were unable to determine if any user passwords had been changed subsequent to initial set up.

Infinium System:

The Infinium system relies on the password settings of the underlying AS/400 system, which is currently set at a minimum of 5 characters, but does not enforce typical length and complexity rules. These passwords must be changed every 90 days.

Effect

Ineffectual passwords and generic, multi-user accounts increase the risk of the system being compromised by a unauthorized user, allows anonymous changes to be made and provides an opportunity for malicious users to easily and anonymously gain unauthorized access possibly resulting in inappropriate modifications or loss of financial data, materially misstated financial statements and disruption of County operations.

Cause

A County-wide policy for the configuration and use of minimum password standards (including password changes) was not developed and implemented.

Current status

A draft password policy was created in May 2015 and sent to the following for review and comment:

- ◆ May 2015 - IT Steering Committee
- ◆ June 2015 - District Attorney
- ◆ July 2015 - County Manager
- ◆ August 2015 - IT Steering Committee for review, comments and recommended changes
- ◆ October 2015 - Employee/labor associations for review, comments and recommended changes

The revised policy is currently waiting review and approval by the County Commissioners with an expected implementation date of January 2016.

In addition, some progress was been made on identifying and removing generic, multi-user accounts, has not been finished. See finding 2015-004.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 008

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Data backup is a critical component of system management. All data should be backed up using a medium that provides for restoration at a future date and such restoration ability should be periodically tested to verify data integrity. A copy of the backed-up data should be stored offsite.

Condition

Core System:

It was represented that Core system data backups were occurring; however, we were unable to determine if, in fact, they were being done, how often they were done, if they were successfully completed, what medium was used, and where they were stored. No restoration testing has been performed on the backed-up data to determine if data can be recovered.

New World System:

The New World system resides on three servers that are backed-up using Comm Vault software with a disk-to-disk process. The system writes the backups to a Direct Attached Storage (DAS), which then copies to another DAS at the East Fork Fire Protection District. No restoration testing has been performed on the backed-up data, but weekly requests for data helps verify that the backed-up data can be read.

Infinium System:

The Infinium system currently runs on an AS/400 system, which is backed up each night (a full backup on Friday night and an incremental backup on all other nights). Four weeks of backup tapes are retained in the tape rotation. Tapes are stored onsite for up to one week, then relocated to the Emergency Management building every Wednesday. No restoration testing has been performed on the backed-up data to determine if data can be recovered. In the event of a system failure, the AS/400 system will send an error message to an IT service and support vendor, who in turn calls the IT Division.

Effect

If system data is being backed-up and is recoverable (in the case of the Core system, using an unknown process and location), it could take considerable time and effort to find and restore the data. However, if system data is not being backed-up or is unrecoverable, all system data would be lost. Either scenario could result in a considerable disruption to County operations.

Cause

There is no fully documented and verified data back up process and restoration from backed-up data has not been tested.

Current status

A backup process for the Core system was implemented, in November 2014, using local agents to backup data using Comm Vault software. A backup of the system files and database has been ongoing since this date.

The AS/400 systems was upgraded with new hardware and backs up all data to a tape that is rotated offsite weekly. Responsibility for oversight and management of this system falls to a contracted third party service provider.

However, no backup verification or restoration testing is performed. See finding 2015-005.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 009

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Physical access to the servers, databases, and backup media containing financial information are to be kept secure, with access only provided to those who require it to perform their duties.

Condition

Core System:

The server room, in which the servers for the Core system are located, is separated from the IT server room and is not under the control of IT staff. The room is in a public part of the building and the door can be opened with a physical key or a single 4 digit access code. We were unable to determine who has access to the 4 digit code, or who has a key to the door.

New World and Infinium Systems:

The server room, in which the servers for New World and Infinium systems are located, is not secured from the IT working area. The IT working area itself has restricted access by electronic card key and physical key.

A review of the electronic card key application showed 85 people with electronic card reader access to the IT working area. It was determined that only 11 of the 85 people were authorized to have access to the IT working area.

In the initial interviews, it was understood that physical keys had been recently changed. Upon inspection, the keys to the server closets had been rekeyed and the keys had been appropriately controlled and distributed. However, the key that provides access to the IT working area remained the same, and an unknown number of people have this physical key.

Effect

Access to the actual servers and databases is not adequately controlled and an unknown number of individuals have access to the servers and databases, representing a risk to the accountability and integrity of the financial data.

Cause

The lack of policies and procedures, along with no access review and control process, allowed access to the servers and databases to a significantly large number of employees, program vendors, outside consultants, and potentially others.

Current status

Security of the CORE system servers was addressed by moving the CORE system from an obsolete physical server to a virtual server running in a more stable VMWare system, which is maintained by IT in the main data center.

Although an initial review of key card and physical key access was performed, documentation was not retained; and therefore, a significantly large number of employees, program vendors, outside consultants, and potentially others continue to have access to the servers and databases. See finding 2015-006..

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 010

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Granting of system access rights to new employees, updating such rights for an employee status change, and removing (deactivating) such rights upon employee separation from County employment (commonly referred to as "employee on/off boarding") is a critical control in ensuring only authorized users have systems access.

Condition

The current process for employee on/off boarding for the Core, New World and Infinium systems is informal, with no standardized time frame for removing (deactivating) access rights upon employee separation from County employment.

Effect

Failure to timely remove the access of terminated employees could result in unauthorized network access, inappropriate modifications or loss of financial data and materially misstated financial statements.

Cause

A policy governing the employee on/off boarding has not been established.

Current status

A County-wide policy to manage employee on/off boarding was started with an initial meeting in November 2014, resulting in the implementation of a termination distribution group. However, the termination distribution group was not reliably utilized and has fallen into disuse. In addition, a flow chart showing the steps necessary during the on boarding process was created, but has not been implemented. Subsequent to the November 2014 meeting, the policy team lost 4 of its 6 members and has not made significant progress over the past several months. See finding 2015-007.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 011	
Criteria	<p>Core, New World and Infinium Systems, General Computing Controls: Policies and procedures (<i>i.e.</i>, how to operate and manage the system) are necessary for the proper systems management, oversight, and operations.</p> <p>In addition, identification of defined roles and decision makers are required to manage daily operations adequately and efficiently manage the daily operations</p>
Condition	<p>Core, New World and Infinium Systems: A review of policies and procedures determined that there is no defined documentation. In addition documentation of roles and user group definitions (using a RACI (Responsible, Accountable, Consult, Inform) chart, segregation of duties matrix, <i>etc.</i>) could not be produced.</p> <p>Core System: We were unable to identify a specific person or persons with administration responsibility (ownership) of the Core system. Specifically, the Clerk/Treasurer Office informed us that the IT Division managed the system and the IT Division informed us that the Clerk/Treasurer Office managed the system.</p> <p>New World and Infinium Systems: While we were able to identify a specific person or persons with administration responsibility (ownership) of the New World and Infinium systems systems, there is no documentation of such administration responsibility (ownership).</p>
Effect	<p>The lack of documented policies and procedures leaves current operations vulnerable to errors or omissions and does not allow for any formal review and improvement over the management of the systems.</p> <p>Furthermore, insufficient accountability of users and administrators of the systems could result in impairment of the functionality and stability of the County's financial accounting process.</p>
Cause	<p>Historically a culture existed where the necessity of cohesive, effective general computing controls were not understood, implemented, or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties or independent oversight.</p>
Current status	<p>The conditions, discussed above, have not been corrected. See finding 2015-008.</p>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 012

Criteria

Core, New World and Infinium Systems, General Computing Controls:

IT service and support vendor oversight and management is critical to provide assurances that such vendors only have the minimal required access that is restricted to times when their assistance is required.

Automated service accounts are required for daily operations and autonomous communications between applications and the server operating systems. Due the significantly elevated user rights of automated service accounts, the distribution of these passwords should be tightly controlled, and where feasible, the password should be periodically changed.

Condition

IT service and support vendors are not fully documented and access to the systems is not fully controlled. Specifically, some IT service and support vendors have administrator rights to the systems that should be reviewed and possibly modified and at least one has untethered, unrestricted access into the entire County network through an open fiber connection.

Automated service accounts are not fully documented or well understood. We noted some obsolete service accounts that should have been removed and others for which the password has been distributed to individuals that do not require access.

Effect

The use of untethered, unrestricted IT service and support vendors and automated service accounts allows anonymous, and possibly unauthorized or malicious, access to significantly elevated user rights to critical systems and processes and could result in impairment of the functionality and stability of the County's financial accounting process and disruption of County operations.

Cause

The previous IT administration fostered a culture where cohesive, effective general computing controls were not implemented, or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties and independent oversight. As a result, some user groups have forged a relationships with IT service and support vendors (whose operations are basic and do not comply with current industry standards) and have granted such vendors untethered, unrestricted access into the entire network through an open fiber connection.

Furthermore the lack of policies and procedures, along with no review process for access, allowed a situation to grow where access to automated service accounts was provided to a number of individuals that do not require access to appropriately perform assigned duties.

Current status

Minor changes were made to help control access for specific vendors, including specifically, the removal of one untethered, unrestricted access into the entire County network through an open fiber connection and the Internet Service Provider (ISP) was changed potentially disrupting other unauthorized vendor access. See findings 2015-009 and 2015-010.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 013

Criteria

Core, New World and Infinium Systems, General Computing Controls:

The IT Division provides Disaster Recovery (DR) of technology to support the County's Business Continuity Plan (BCP). This includes the ability to recover data, by system or server, in a specified amount of time allowing County operations to continue.

Condition

Formal, written DR and BCP plans to recover IT systems and servers do not exist. Although, the East Fork Fire Protection District has prepared an emergency preparedness manual for the County ("COOP") the County's ability to recover data from a disaster is nearly non-existent.

Effect

In the event of a disaster, the IT Division will be required to acquire new equipment and attempt the recovery of systems and data from backups. This recovery process would disrupt County operations for an extended period.

Cause

Formal, written DR and BCP plans have not been designed, documented or tested.

Current status

The conditions, discussed above, have not been corrected. See finding 2015-011.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 014

Criteria

Core, New World and Infinium Systems, General Computing Controls:

System logs on hardware, software applications and server operating systems creates an investigative path to determine the nature and extent of a system breach or failure. In addition, systems should be reviewed, every 30-90 days, to ensure that:

- ◆ Terminated users have been removed
- ◆ User role changes have been implemented
- ◆ Group access rights are appropriate
- ◆ Group membership is appropriate

Condition

System logs have not been established and no system reviews are being performed.

Effect

The lack of system logs during an investigation makes determining the source of a system breach or failure nearly impossible. Failure to periodically review system logs may result in unnoticed system breaches and access by unauthorized users. In addition, failure to control and restrict system access appropriately increases the risk of compromised to the system by a unauthorized user, allows anonymous changes to be made and provides an opportunity for malicious users to gain unauthorized access easily and anonymously possibly resulting in inappropriate modifications or loss of financial data and materially misstated financial statements.

Cause

The lack system logs, along with no review process for access, allowed access to servers and databases a significantly large number of employees, program vendors, outside consultants, and potentially the others.

Current status

A log server was installed in July 2015 and is currently in the testing/configuration stage covering a few domain controllers, print servers, and switches. Although the log server is capable of exception reporting, it is currently configured to only gather data for investigative purposes. See finding 2015-012..

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 015	
Criteria	General Computing Controls: Best practices dictate that each PC or terminal screen should be locked after 5-10 minutes of non-use.
Condition	Group policy settings that control screen timeouts have not been configured.
Effect	The public nature of the County's buildings presents significant risk that an unauthorized individual may gain access to the financial systems through an unlocked account possibly resulting in inappropriate modifications, misuse or loss of financial data.
Cause	Configurations and implementation of group policy settings that control screen timeouts has not been completed.
Current status	The screen lock out feature is currently being testing <i>via</i> a Group Policy Object (GPO) in the Technology Services Department. The goal is to gain approval for January 2016 general implementation in the November 2015 IT Steering Committee. See finding 2015-013.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 016
Criteria

Payment Card Industry (PCI), Network Security:

All systems must be protected from unauthorized access from untrusted networks, whether entering the system via the internet as e-commerce, employee internet access through desktop browsers, employee e-mail access, dedicated connections such as business-to-business connections, wireless networks, or other sources. A strong security policy sets the security tone for the whole entity and informs personnel what is expected of them. All personnel should be aware of the sensitivity of data and their responsibilities for protecting it.

Firewalls are devices that control computer traffic allowed between the County's internal, trusted networks and external, untrusted networks, as well as traffic into and out of more sensitive areas within the County's internal trusted networks. The card holder data environment is an example of a more sensitive area within the County's trusted network.

Sensitive information must be encrypted during transmission over networks that are easily accessed by malicious individuals. Misconfigured wireless networks and vulnerabilities in legacy encryption and authentication protocols continue to be targets of malicious individuals who exploit these vulnerabilities to gain privileged access to cardholder data environments.

Malicious software, commonly referred to as "malware" (including viruses, worms, and Trojans) enters the network during many business-approved activities including employee e-mail and use of the internet, mobile computers, and storage devices, resulting in the exploitation of system vulnerabilities. Anti-virus software must be used on all systems commonly affected by malware to protect systems from current and evolving malicious software threats. Additional anti-malware solutions may be considered as a supplement to the anti-virus software; however, such additional solutions do not replace the need for anti-virus software to be in place.

Assigning a unique identification code or password to each person with access ensures that each individual is uniquely accountable for their actions. When such accountability is in place, actions taken on critical data and systems are performed by, and can be traced to, known and authorized users and processes. The effectiveness of a password is largely determined by the design and implementation of the authentication system, particularly how frequently password attempts can be made and the security methods to protect user passwords at the point of entry, during transmission, and while in storage.

Any physical access to data or systems that houses cardholder data provides the opportunity for individuals to access devices or data and to remove systems or hardcopy, and should be appropriately restricted.

Logging mechanisms and the ability to track user activities are critical in preventing, detecting, or minimizing the impact of a card holder data compromise.

Vulnerabilities are being discovered continually by malicious individuals and researchers, and may be introduced by new software. System components, processes, and custom software should be tested frequently to ensure security controls continue to reflect a changing environment.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Condition	<p>Some County locations, system and networks are more secure than others; however, certain vendors have uncontrolled and unmonitored network access. Given the current level of general computing controls, the overall security of the network can not be ascertained.</p> <p>Most connections to credit card devices run across open networks. It is not currently understood or documented how PCI data flows through the County's network, where the endpoints are located, and how best to manage the transmission of card holder data.</p> <p>The malware protection program currently used by the County does not fully cover all necessary devices and may not be updating all installed devices with current definitions. In addition, there are some systems, such as the Core system (previously discussed), that can run only on Windows XP, which is no longer supported and can no longer receive vulnerability updates.</p> <p>As discussed in other findings:</p> <ul style="list-style-type: none">◆ Password complexity, user accounts (including the use of generic, multi-user accounts), vendor access and system monitoring processes do not meet current industry best practices◆ Physical access to the actual servers and databases is not adequately controlled and an unknown number of individuals have access to the servers and databases. In addition, not all endpoints for data entry are adequately controlled after hours◆ System logs have not been established◆ A formal, written change and patch management process does not exist
Effect	<p>Unauthorized access to, and uncontrolled, servers and connected infrastructure, other hardware, software applications, server operating systems, and networks can lead to a compromise of card holder data for both the County and any individuals with information saved in County's network.</p>
Cause	<p>PCI compliance has not been addressed in Douglas County.</p>
Current status	<p>A review of all revenue collection sites that includes all vendor access points, data closet protection, wireless process, and business to business data transfers to determine areas where the County's network may not be secure and a PCI analysis to determine where credit card data is read, how it is transmitted, and where it is stored to determine the relative security around the collection, transmission and storage of the card holder data has been completed. However, a plan to address identified security issues and bring the County in to compliance with the most recent PCI standard has not been developed. See finding 2015-014.</p>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2014 - 017	
Program	CFDA # 20.509, Department of Transportation, Formula Grants for Rural Areas
Specific requirements	Reimbursement requests: Invoices must be submitted within 45 calendar days from the end of each 30 day billing cycle. Invoices received after 45 calendar days will be evaluated on a case-by-case basis for payment. To be allowable under Federal awards, costs must meet be adequately documented.
Condition and context	Of the 13 reimbursements examined, 6 were not submitted within 45 days; however, the grantor did not disallow any costs. Of the 38 grant disbursements tested, one was requested twice resulting in an over reimbursement of \$20, and one was "miskeyed" resulting in an over reimbursement of \$81.
Questioned costs	\$101
Effect	Program costs may be disallowed due to failure to submit reimbursement requests timely. Unallowable costs may be reimbursed and later may be required to be returned to the grantor.
Cause	Failure to ensure that reimbursement requests only include allowable costs and are submitted timely.
Current status	Exceptions were noted in the current year. See finding 2015-017.