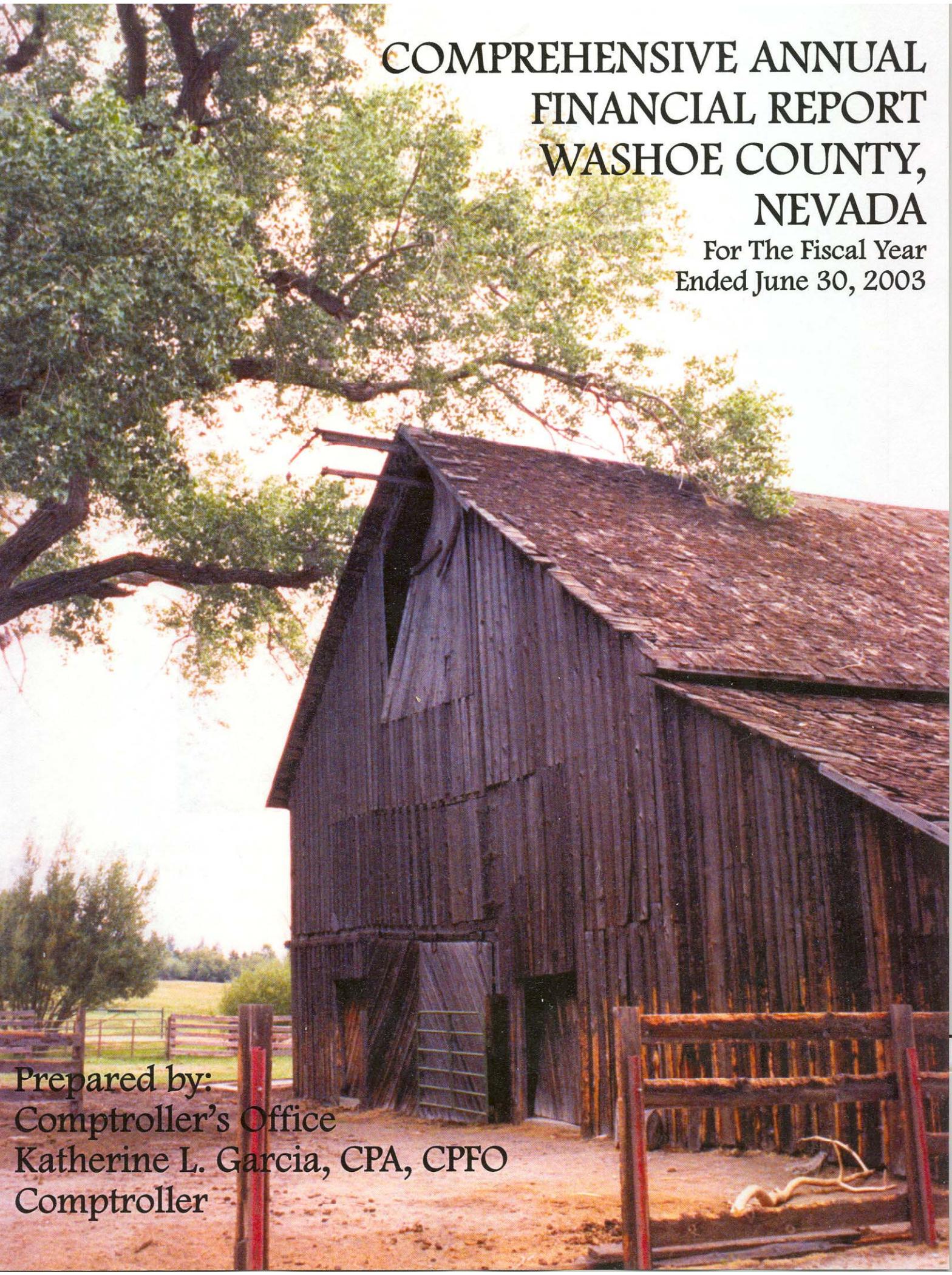


WASHOE COUNTY, NEVADA
Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2003



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT
WASHOE COUNTY,
NEVADA**

**For The Fiscal Year
Ended June 30, 2003**

**Prepared by:
Comptroller's Office
Katherine L. Garcia, CPA, CPFO
Comptroller**

The 1990's

The population of Washoe County in 1990 was 254,667 with Reno at 183,850 and Sparks at 53,367.

In 1991 the county declared stage 3 drought conditions and stage 2 water restrictions remained in place through 1995. It became so dry that by 1992 Washoe Lake completely dried up and plans were discussed for the dredging of the lake.

In 1995 the county declared an agricultural drought emergency, but ironically enough the next year saw too much water instead of too little. The end of 1996 and the beginning of 1997 floods once again ravaged downtown Reno. Damage estimates this time were \$5.5 million. In consequence to this New Year's Flood a federal cost agreement between Washoe County and the U.S Army Corps of Engineers was signed in 1998 concerning construction, operation and maintenance of the Reno-Sparks Metropolitan Flood Warning System.



As the county's population spread north and south, bigger developments made news during the decade. 12,000 acres were approved for the Double Diamond Ranch Estates project, as was an 18 hole championship golf course at Lightning W Ranch in Washoe Valley. Another development with a golf course was the Montreaux development in the Galena area. This golf course led to the return of a professional golf tournament to the county with the Reno-Tahoe Open in 1999.

Fiscal matters during the 1990's included the "Fair Share" controversy. In 1991 the Nevada Legislature required Washoe County to pay back to Clark County \$6.6 million. The Washoe County Commission approved an increase in local taxes. And in 1994 the Regional Transportation Commission Blue Ribbon Committee for Transportation Funding made a report that stated a large projected shortfall in transportation needs for the Truckee Meadows. The committee recommended a five-cent fuel tax increase among other suggestions.

**WASHOE COUNTY, NEVADA
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INTRODUCTORY SECTION

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- The background of the page features a large, faint watermark of the Seal of Washoe County, Nevada. The seal is circular and contains the text "SEAL OF WASHOE COUNTY" around the top and "STATE OF NEVADA" around the bottom. In the center of the seal is a figure holding a scale and a sword, with a star on either side.
- * *Comptroller's Letter of Transmittal*
 - * *Board of County Commissioners*
 - * *Listing of County Officials*
 - * *Organization Chart*
 - * *Certificate of Achievement for
Excellence in Financial Reporting*





WASHOE COUNTY

October 3, 2003

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Residents of Washoe County
The Honorable Board of County Commissioners
Washoe County, Nevada

The comprehensive annual financial report of Washoe County, Nevada, for the fiscal year ended June 30, 2003, is hereby submitted. Nevada Revised Statutes (NRS) 354.624 requires the County to issue an annual report on its financial position and activities and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with county management. To the best of our knowledge, the information in this report is accurate in all material respects and presents fairly the financial position of the various funds and component units of Washoe County, including all disclosures necessary to understand the County's activities.

INTERNAL CONTROLS

The County continually monitors internal controls. Internal controls are designed to provide reasonable, but not absolute assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial reports that demonstrate compliance with applicable laws and regulations. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of such costs and benefits requires estimates and judgements made by management. We believe the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording and disclosure of its financial transactions.

AUDIT

This report has been audited by Kafoury, Armstrong & Co. and their unqualified opinion is presented on the first page of the financial section. An audit is performed to provide reasonable assurance that these financial statements are free from material misstatements. This conclusion is reached after performance of various tests of financial transactions and disclosures. Tests were also performed on the internal control structure and its compliance with applicable laws and regulations, including those related to federal award programs. Testing was not sufficient to support an opinion, but the audit did not disclose material internal control weaknesses. These reports are included in the compliance section of this report and were made in accordance with Single Audit requirements of federal agencies.

REPORT PRESENTATION

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and compliance. The introductory section includes this transmittal letter, a list of county officials, our organizational chart, and Certificate of Achievement for Excellence in Financial Reporting. The

financial section includes the Independent Auditor's report, Management's Discussion and Analysis, basic financial statements, and combining and individual fund financial statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section includes information pertaining to the Single Audit Act, as well as auditor's reports and comments.

THE FINANCIAL REPORTING ENTITY AND ITS SERVICES

Washoe County was incorporated in 1861 and is a political subdivision of the State of Nevada governed by a five-member elected Board of County Commissioners. The County covers an area of 6,600 square miles in the northwest section of the State bordering California and Oregon. The county seat is the City of Reno, the third largest city in Nevada. Other communities in Washoe County are Sparks and Incline Village, at Lake Tahoe. Historical information regarding the County is provided on the tabs of this report.

The County provides an array of mandated services including property appraisal and assessment; tax collection; criminal prosecution; presiding over civil, criminal, domestic and juvenile cases; communicable disease control and child protective services. Regional services include adult and juvenile detention, libraries, senior services and emergency management. Other community services include fire protection, business licensing, land use planning and permitting. All of the services are supported by administrative and internal services including management, human resources, purchasing, finance and risk management.

This report includes the financial activities of two component units, South Truckee Meadows General Improvement District and Truckee Meadows Fire Protection District. Component units are legally separate entities for which the County is financially accountable. The Board of County Commissioners functions as the governing bodies for these entities.

The annual budget serves as the financial plan for county operations. After departmental input, State review and public hearings, the budget is adopted by June 1. The budget is integrated into the financial system for monitoring and control. The legal level of budgetary control is at the function level for governmental and proprietary funds. The Finance Director may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Finance Director with Board notification. Adjustments that affect fund balance or increase the original budget, require Board approval. Additional information regarding the budget process and adjustments made can be found in Note 1 to the financial statements.

LOCAL ECONOMIC CONDITION AND OUTLOOK

Washoe County has many factors attractive to business. The Reno-Sparks area is within second-day delivery to every major western city and minutes from California, the world's sixth largest market. An excellent transportation network exists with an international airport, two major interstate highways, as well as rail transportation. The airport is served by ten scheduled airlines as well as charter carriers and all cargo airlines. The combination of location, transportation network and warehousing space all contribute to a growing shipping business. Other factors attractive to businesses include:

- No corporate or personal income taxes, or unitary taxes. Nevada is the only State that does not impose a gift tax.
- A Freeport law exempts all inventories and manufacturing raw materials from taxation while in transit through the State.
- The area has a foreign trade zone, allowing foreign and domestic businesses to bring in foreign merchandise without customs duties or excise taxes until final product distribution.

- Various tax abatements and deferrals are available for new or expanding businesses that meet the State’s plan for economic diversification and development.
- Industrial land is plentiful and relatively inexpensive, wages are competitive and the labor force is expanding.
- University of Nevada Reno is a fully accredited college offering approximately 180 major fields of study and advanced degree programs. Truckee Meadows Community College offers associate degrees in various disciplines and customizes programs for individual businesses.

Property taxes are the primary revenue source for the County. The following tables provide the assessed valuation in the County and the incorporated Cities within the County:

PROPERTY TAX ASSESSED VALUATIONS

Fiscal Year Ended June 30,	2000	2001	2002	2003	2004
Reno	\$3,869,088,594	\$4,318,882,571	\$4,380,915,854	\$4,501,164,755	\$4,757,490,008
Sparks	1,302,885,075	1,382,425,008	1,478,157,655	1,524,637,551	1,604,846,399
Unincorporated County	2,913,572,101	2,923,079,310	3,237,624,085	3,436,162,039	4,046,501,021
Total	\$8,085,545,770	\$8,624,386,889	\$9,096,697,594	\$9,461,964,345	\$10,408,837,428
Percent Growth	7.80%	6.66%	5.48%	4.01%	10.02%

The 10% increase reflected in the 2004 fiscal year assessed valuations reflects reappraisal of Region One, which includes Incline Village and Southwest Truckee Meadows. This region of the County includes relatively newer properties and is experiencing significant market appreciation and growth.

Property tax levies and collections were as follows:

Fiscal Year Ended June 30,	Net Secured Roll Tax Levy	Current Tax Collected	Percent of Levy Collected in Current Fiscal Year	Delinquent Tax Collected	Cumulative Total Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2000	\$261,772,324	\$258,385,749	98.71%	\$3,320,408	\$261,706,157	99.98%
2001	273,864,229	270,702,031	98.85%	2,955,783	273,657,814	99.93%
2002	291,602,632	288,339,841	98.88%	2,502,711	290,842,552	99.74%
2003	320,080,572	316,660,506	98.93%	-	316,660,506	98.93%

The state constitution limits total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the County, the county school district, the State, and any other city, town or special district) to an amount not to exceed \$5 per \$100 of assessed valuation of the property taxed. The combined overlapping tax rate is further limited, by statute, to \$3.64 per \$100 of assessed valuation in all counties of the State with certain statutory exceptions.

The overlapping tax rate per \$100 of assessed valuation for certain jurisdictions in the County are presented below:

OVERLAPPING PROPERTY TAX RATES (PER \$100 ASSESSED VALUATION)

Fiscal Year Ended June 30,	2000	2001	2002	2003	2004
Average Statewide Rate	\$3.0042	\$3.0339	\$3.0563	\$3.0758	\$3.1115
Washoe County	1.2495	1.2495	1.2705	1.3453	1.3817
City of Reno	0.9076	0.9076	0.9556	0.9456	0.9456
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
Special Districts	0.0005	0.0005	0.0005	0.0005	0.0004
State of Nevada	0.1500	0.1500	0.1500	0.1500	0.1700
Total	\$3.4461	\$3.4461	\$3.5151	\$3.5799	\$3.6362

The 3.64 cent increase in the County’s 2004 tax rate includes a net 2 cent increase for the regional animal shelter and related services, a 1.5 cent increase for health and welfare services and a .14 cent increase to fund the China Springs Youth Facility.

Reno and Sparks are the center of a retail trade area that extends 300 miles eastward to Elko and Eureka, Nevada; 274 miles south to Goldfield, Nevada, Bishop and other Inyo County points in California; 100 miles west and northwest to Quincy, Westwood, Susanville, Truckee, Donner Summit and Lake Tahoe areas of California, and north 247 miles to Lakeview, Oregon. Taxable sales in Washoe County for fiscal year 2003 increased over the prior fiscal year by 3%.

TAXABLE SALES

Fiscal Year Ended June 30,	Washoe County Total	Percent Change	State Total	Percent Change
1999	\$4,679,515,860	7%	\$28,168,256,500	10%
2000	4,957,234,787	6%	29,988,388,607	6%
2001	5,194,146,044	5%	31,715,361,399	6%
2002	5,292,178,588	1%	31,986,722,618	.9%
2003	5,475,601,736	3%	33,774,897,294	6%

The increase in county taxable sales reflected growth in wholesale trade - durable goods, automotive dealers and gasoline, and eating and drinking establishments, offset by a decline in business services.

Consolidated taxes, consisting of sales, cigarette, liquor, real property transfer and government services taxes, are the second greatest revenue source for the County. County consolidated tax revenues were:

2000 (Actual)	-	\$71,825,215	-	9% increase
2001 (Actual)	-	\$74,971,676	-	4% increase
2002 (Actual)	-	\$76,632,358	-	2% increase
2003 (Actual)	-	\$80,672,964	-	5% increase
2004 (Budgeted)	-	\$81,638,528	-	1% increase

Sales and government services taxes contributed most significantly to the current fiscal year 5% increase.

The following table indicates the annual average number of persons employed, by type of employment, in non-agricultural industrial employment in Washoe County:

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT (Estimates in 000's)

	JUNE 2003	JUNE 2002	YEARLY	
			Change	% Change
Total All Industries	199.0	197.1	1.9	1.0%
Natural Resources and Mining	0.4	0.4	0.0	0.0%
Construction	16.9	16.1	0.8	5.0%
Manufacturing	13.3	13.2	0.1	0.8%
Trade, Transportation and Utilities	42.2	42.1	0.1	0.2%
Information	3.2	3.5	-0.3	-8.6%
Financial Activities	10.6	10.4	0.2	1.9%
Professional and Business Services	20.4	20.4	0.0	0.0%
Education and Health Services	18.7	18.2	0.5	2.7%
Leisure and Hospitality	40.5	40.7	-0.2	-0.5%
Other Services	6.8	6.7	0.1	1.5%
Government	26.0	25.4	0.6	2.4%

Industrial based employment in June increased 1.9% over June 2002, reflecting growth in construction and government sectors. The decline in Leisure and Hospitality, which include gaming and hotels, reflects increasing competition from Indian gaming in California and other western states.

In June, unemployment in Washoe County was 4.3%. The state and national seasonally adjusted unemployment rates were 5.3% and 6.4%, respectively. For several years, Washoe County has maintained the lowest jobless rate in the State. Jobs grew in Washoe County by 1.1%. Seasonally adjusted rates for Nevada and the United States were 1.7% and -.4%.

Gaming, tourism and feeder services remain predominant industries in Washoe County. Gaming Revenues are not a significant source of county revenues, as they are primarily allocated to the State; however, they are an indicator of economic health. Gaming activity for the last four years follows:

Fiscal Year Ended June 30,	Gross Taxable Gaming Revenue		% Change Washoe County	State Gaming Collection		% Change Washoe County
	State	Washoe County		State	Washoe County	
1999	8,134,422,326	1,032,380,849	3%	637,906,911	77,791,898	2%
2000	9,031,804,732	1,111,327,004	8%	707,610,138	84,633,702	9%
2001	9,665,090,990	1,113,289,199	-	727,104,498	82,382,645	-3%
2002	9,300,296,816	1,049,151,610	-6%	711,578,089	78,394,147	-5%
2003	9,563,760,791	1,032,987,724	-2%	721,834,741	76,522,635	-2%

The greatest impact to Nevada gaming comes from the proliferation of gaming in other states. California, a major market for Washoe County, has approved gambling contracts with approximately 60 of the State's Indian tribes. Local response has been to increase emphasis on special events and to concentrate on the area's natural attractions including Lake Tahoe and Pyramid Lake and outdoor activities such as biking and skiing. The Sierra Nevada mountains feature alpine and nordic skiing at 18 major resorts, all within an hour's drive from Reno. The Tahoe Rim Trail, a 150-mile path circling the Tahoe Basin, was recognized nationally as one of the 50 Millennium Legacy Trails, for its ability to preserve open spaces, interpret history and encourage recreation.

The area is home to Hot August Nights, recognized as the top classic-car event in the nation, the Great Reno Balloon Races, Reno Rodeo, National Championship Air Races, and the West Coast Wine Competition. The area is also host to the American Bowling Congress and Women’s International Bowling Congress on alternate years and the Reno-Tahoe Open, a Professional Golf Association (PGA) sanctioned tournament.

While room taxes are not a significant part of county revenues, they fund the Reno-Sparks Convention & Visitor Authority’s (RSCVA) marketing efforts and are an indicator of the region’s economic health. The RSCVA is aggressively pursuing conventions, business meetings and trade shows and has completed a \$105 million expansion of their convention facilities to attract more and larger groups.

A record of the general room tax collections for the County is presented in the following table:

GROSS ROOM TAX COLLECTIONS

Fiscal Year Ended June 30,	Revenue	Percent Change
1999	\$17,137,668	-2%
2000	18,527,709	8%
2001	18,737,762	1%
2002	17,550,841	-6%
2003	16,963,290	-4%

The decrease in room tax revenues is attributed to increased gaming competition from neighboring states, a lack of convention activity, and lingering effects of September 11.

MAJOR INITIATIVES

The County’s strategic priorities and activities engaged in to support those priorities follow:

Managing growth, preserving open space and land use planning:

- A proposed exchange between the United States Forest Service and the County would further open space goals and facilitate water right dispersal for the public’s benefit. As proposed, the County would exchange 110 acres of Canepa ranch property for water rights, which could then be sold to meet local water demands. The land would remain in public ownership, an easement for a Truckee River bike path would be established and money received from the water rights sales would be returned to the bond fund to be used to purchase additional land along the Truckee River and pay for access improvements to the bike path.
- Open space projects are underway to preserve open space, protect animal habitat, provide access to National Forest System lands and wilderness areas, protect stream beds, wintering ranges and a multitude of other goals. These projects are being coordinated with the Bureau of Land Management and the United States Forest Service, with funding support being sought from the Southern Nevada Public Lands Management Act. Projects underway include acquisition of the Ballardini Ranch and Casey Ranch. Additional land and rights of way are being purchased for the continued development of the Truckee River bike path. Currently eight trailheads are being established to provide or maintain access to existing trails throughout the County. Improvements include parking places, picnic sites, sanitary facilities and trails and trail extensions to pre-existing trails.
- In March, the Board redesignated 194,000 acres of public land from general land use to open space. Much of the land is federally owned and the redesignation more closely aligns the County’s master plan to the Resource Management Plans of the United States Forest Service and the Bureau of Land Management. The designation will not impact recreational use, but will more appropriately reflect the desired use of the

public lands. This act brings the total of public lands designated as open space in the County's Regional Open Space Plan to approximately 300,000 acres.

- The Truckee River Flood Project consists of a community coalition brought together by the Cities, the Pyramid Lake Paiute Tribe, the general public and County to create a regional flood management plan to protect the community against flooding. The Army Corp of Engineers has agreed to work with the coalition to develop a plan that is acceptable to the community. The flood planning effort consists of the following five phases:

Phase 1 – Develop the community coalition concept for flood protection (*complete*);

Phase 2 – Refine and evaluate flood protection alternatives, complete environmental impact study and feasibility study (*in process*);

Phase 3 – Congressional authorization for project;

Phase 4 – Congressional funding approval and local funding match; and

Phase 5 – Construction.

During the current year, the Board approved a land acquisition plan that will enable land acquisitions needed to implement the plan in advance of congressional authorization and funding slated for 2004-05. These acquisitions will allow the project to take advantage of time-saving or cost-sensitive opportunities. The primary local funding source for the project is a 1/8-cent sales tax imposed in 1999.

Cost of government, consolidation of services and fiscal equity

- In response to a sluggish local and national economy, as well as a slowing of the growth rate of key county revenues, various cost reduction measures were enacted. They included:
 - ✓ A nine-month hiring deferral implemented in the prior fiscal year was continued;
 - ✓ The County's vehicle fleet has been reduced at an annual savings of \$1.2 million;
 - ✓ A curtailment of county-wide nonessential purchases, and
 - ✓ The deferral and cancellation of certain capital projects.
- The Registrar of Voters implemented a pilot project for touch screen voting for the Sparks municipal election in response to the federal Help America Vote Act (HAVA) recently enacted. The pilot program was performed with no charge for the equipment, other than shipping and handling. Because printed ballots weren't required except for absentee voters, approximately \$13,000 in printing costs were saved. Requirements of HAVA must be fully implemented by 2006. Washoe County is aiming for a 2004 implementation date. Using touch screen voting for general and primary elections would save the County an estimated \$200,000 in ballot printing costs. The use of touch screen technology would also make providing mandated Spanish language ballots far less costly.
- Construction of a joint court-related facility to house the County District Attorney's functions and the Reno Municipal Court is underway. The facility will be an eight story, 154,000 square foot building that will be connected to One South Sierra Street, which houses the Reno Justice Court, Washoe County Family Court and other court-related functions. The City of Reno directed the design phase of the project and Washoe County serves as the construction manager. The project budget is \$34.3 million. The facility is being built in response to the citizens' Justice Facilities Working Group recommendation to meet justice-related space needs for the next 20 years as well as to reduce operational costs by a projected \$3.5 million over a ten-year period.
- Upon completion of a Regional Animal Shelter, constructed and operated in partnership with the Nevada Humane Society, the County will assume responsibility for county-wide animal services. The facility is being funded from a voter-approved bond and \$2.5 million from the Humane Society. Services will be provided from an operating tax rate approved by voters for this purpose.

- The County was the only public agency in the Country to be named Waste Wise Program Champion, 2002 by the United States Environmental Protection Agency. By following their reduce, reuse and recycle program, to continually conserve resources, Washoe County saves an estimated \$700,000 per year. Conservation measures include re-refining used oil, reusing office supplies, converting to carpet squares from broadloom carpet and adopting biodegradable wax paper bags for use in the detention facility food service department.

Strengthening communities and neighborhoods:

- There are currently eleven bond-funded park projects underway with budgets totaling \$10.8 million. Projects include the North Valleys and South Valleys Regional Sports Complexes. Amenities include ballfields, soccer fields, playgrounds, picnic areas, shade shelters, restrooms and associated landscaping. The Lazy 5 Regional Park, in addition to soccer fields, will include a water playground and volleyball and horseshoe pits. Other projects include interpretive centers, community meeting space, an environmental education center, and a campground.
- Planning for the next phase of jail expansion is underway to address the expanding jail population. The increase reflects both a growth in population and longer jail terms. The expansion will be funded with a 1.5 cent operating tax increase, which took effect in the 2002-03 fiscal year. To date, \$1.4 million in the new tax rate, has been collected and set aside for public safety projects.
- Groundbreaking took place on the Jan Evans Juvenile Justice Center during the current year. The Center will replace the existing 40-year old Wittenberg Hall at a projected cost of \$25 million. The Center will provide safe detention facilities where juvenile offenders can receive mandated education and treatment programs in an effort to prevent juveniles from becoming adult offenders, at a much higher cost to taxpayers. Funding will come from a variety of sources including a state grant, sale of the existing facility, application for other federal and state grants, and re-prioritization of existing resources. No property tax increase will be used for this facility.
- The integration of the State and County welfare systems neared completion during the current fiscal year with Phase II, shifting custody of all children to the County. Previously, the County provided short-term services and the State, longer-term care. The bifurcated system was cumbersome, services were duplicated and it was more difficult for the children within the system. Now the County oversees the entire process from short-term foster care into long-term adoptive services, if necessary. The County will also oversee recruitment and licensing of foster care and adoptive families. Funding for additional services will come from federal and state sources. The final phase of integration begins July 1, with the hiring of additional staff to maintain a ratio of one social worker to every 28 children.
- The South Valleys Library opened in May. The modern facility houses 60,000 volumes as well as movies and CD's in a significant multimedia collection. The library also offers a children's area with a puppet theater and a Teen Zone for a place to "hang out". The library is a part of the South Valley's Sport Complex and was funded from a voter-approved tax override. Other library projects underway include completion of the Sparks Library remodel and completion of the Spanish Springs Library. The opening of the Spanish Springs Library was delayed to reduce operating costs.
- The Regional Emergency Operations and Dispatch Center located on the Regional Public Safety Training Center campus was complete. Testing the 800 MHz emergency radio system has begun. This system will link Washoe county emergency responders to Reno, Sparks, the School District, the Nevada Department of Transportation, University of Nevada, Sierra Pacific Power Company and others. The radio system has cost \$8.7 million to date and is funded by a voter approved bond.

Legislative Program:

November ballot questions with a financial impact that were approved, included:

- Voter approval for issuance by Washoe County of up to \$10.8 million in general obligation bonds for a regional animal shelter;
- Voter approval for issuance of Washoe County School District bonds, to the extent that they do not increase the existing property tax debt rate.

The State 2003 biennial session included the following legislation:

- SB 490 – Expands authorized use of the 1/8 cent sales tax collected in the Infrastructure Fund previously restricted to certain capital projects, to operation and maintenance of flood control projects.
- SB 200 – Revises the state grant program for publicly owned water systems to provide for grants to cover the costs associated with a sewer connection project in Spanish Springs.
- SB 495 – Sales Tax Anticipated Revenue (STAR) Bonds authorizes the use of a portion of sales tax revenues to fund the acquisition of art and tourism and entertainment projects.

FINANCIAL PLANS

The budget serves as the County's financial plan. The County is the recipient of the Distinguished Budget Presentation Award from the Government Finance Officers Association, meaning that the budget is acknowledged as meeting nationally recognized guidelines for serving as a planning document, as well as an operation guide and communications vehicle. Significant variations to the June 30, 2003 budget are discussed in Management's Discussion and Analysis. Compliance with budget and other statutory issues are addressed in Note 2 to the financial statements.

For the third consecutive year, it was necessary to reduce the budget from base budget requirements. The reduction was necessary because expenditure growth rates continue to exceed revenue growth rates. In order to meet the required \$18.5 million gap between base budget requirements and available resources, the following actions were taken:

- Cost containment measures were implemented during the current year for all departments for nonessential expenditures. Hiring deferrals were increased from six to nine months with every position vacancy reviewed for necessity. Between these two measures, the General Fund experienced a 5% savings between budget appropriations and actual expenditures.
- All departments were requested to prepare budgets reflecting 4% and 7% reductions. Based on input from departments, county employees and the community through workshops, surveys and a townhall meeting, among other methods, cuts were reduced for public health, police and juvenile services, and child protective services and were maintained or increased for other functions.
- Through attrition and reassignment, 109 positions have been eliminated county-wide, over two years. No layoffs have been required.
- Base budget reductions of \$8.2 million in the 2003-04 fiscal year included the following:
 - General Government function was reduced \$2.4 million.
 - Public Safety function was reduced \$1.9 million.
 - Judicial, Public Works and Parks and Recreation functions were reduced by \$1.2 million each.

The 2003-04 budget reflects a reduction in General Fund spending per capita of 1.5% from \$756 to \$745 in 2003-04. The 2003-04 budget reductions will have the following impacts:

- Continued deferring of positions will impact service levels.

- Infrastructure preservation projects will be reduced.
- Departments will reduce or eliminate staff professional development appropriations. This is being mitigated in part by a training manager, who will develop in-house programs.
- Hours of operation for parks, libraries and certain other nonmandated functions will be reduced.
- General Fund ending fund balance reduced 2.7% to 7.1% of all expenditures, including transfers out.

Budget appropriations for 2003-04 reflect the following:

- \$4.5 million increase in negotiated cost of living increase of 3.5%;
- \$1.6 million increase in employee health insurance;
- \$1.5 million increase in operating costs for new facilities;
- \$5.2 million increase in Risk Management Fund transfer to eliminate a net asset deficit caused by rising insurance costs.

The Board authorized an increase in ad valorem tax rates to \$1.3817 per \$100 assessed valuation. The new rate includes a 3 cent voter approved override for regional animal services and increases for public health and safety. Property taxes comprise 43% of General Fund revenues. Consolidated taxes make up approximately 33% of General Fund revenues and are projected to increase by 2.9% in the 2003-04 fiscal year.

The Board identified the following priorities for 2003-04:

- Regional Planning
- Consolidation of Functions and/or Governments
- The Truckee River
- Historic Preservation
- Transportation Improvements

The challenge of slowing revenue growth and increasing costs and demand for services from a growing population has been met by an adopted budget that is as lean as possible while minimizing the impact on taxpayers and maintaining services.

RISK MANAGEMENT

Risk Management is divided into two functional areas: Risk Management and Health Benefits. The Risk Management Fund provides the County with the financial resources to act as its own insurance company. Costs associated with accidents, claims and litigation are funded directly by the County, up to \$1,000,000 with a \$10,000,000 catastrophic loss policy with an outside insurance company. The Health Benefits Fund, created pursuant to NRS 354.6145, was designed to meet the financial needs and responsibilities of the County's employee health insurance program. This program offers two medical plans, the self-funded plan and a health maintenance organization. It also offers dental and vision plans and life insurance benefits. Health insurance benefits are also available to retired county employees under various plans. Note 18 to the financial statements describes more fully the purpose of the funds and stop loss amounts.

CASH MANAGEMENT

Allowable investments for public funds are restricted by state statute (NRS 355.170), but generally include obligations of the United States government, certain federal government agencies and certificates of deposit. The County utilizes money markets to invest temporarily idle cash. Investments are described in Note 1 (F) to the financial statements.

Entity-wide cash and investments at June 30, 2003 increased \$42 million from the prior year, largely due to new financing and unspent bond proceeds for construction projects. Total bonds issued during the year were \$65.8 million. Information regarding debt is detailed in Notes 10, 11 and 12 of this report. Other contributors to increased cash included increased utility hookup fees and the sale of water rights. These increases were partially offset by capital project expenditures and operations.

Accounting principles generally accepted in the United States of America (GAAP), require that investments be reported at fair market value rather than cost. At June 30, the total amount of investment earnings were \$7.9 million, which included \$.5 million of realized gain and \$.3 million of unrealized gain. Investment earnings increased \$1.9 million over the prior year due to increased average cash balances invested, which help to offset the decline in interest rates.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washoe County for its comprehensive annual financial report for the fiscal year ended June 30, 2002. This was the 21st consecutive year that the County has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the County must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy 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 comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of the Comptroller's entire staff. More particularly, the accounting staff supervised by Patricia Gonzales, C.P.A., Chief Deputy Comptroller, and comprised of Sheri Mendez, C.P.A., Accounting Manager, Sadie Dukatz, Cynthia Washburn, Darlene Frazer, C.P.A., Joan Fuetsch, C.P.A. and Marilyn Urbani, Accountants, and Sandra McGarva, Administrative Secretary Supervisor. Thanks also to the Reprographics Department for their efforts and expertise in producing this document, the Community Relations Department and Valerie Clark Photography for their wonderful contribution of photographs, and to the staff from Kafoury, Armstrong & Co., Certified Public Accountants, for their contribution and support. Special thanks to County Manager, Katy Singlaub; Finance Director, John Sherman, C.P.A. and the Board of County Commissioners for their interest and support in the planning and conducting of the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Katherine L. Garcia, C.P.A., C.P.F.O.
Comptroller

WASHOE COUNTY BOARD OF COMMISSIONERS



DAVID HUMKE,
*District Two
Chairman*



JIM SHAW,
*District Four
Vice -Chairman*



JIM GALLOWAY,
District One



PETE SFERRAZZA,
District Three



BONNIE WEBER,
District Five

Washoe County Vision Statement:

Our vision is to meet or exceed the expectations of our citizens that Washoe County will remain a compelling place in which to live, work, visit and invest through our mission of providing:

- ◆ Excellent regional services,
- ◆ Open, informed decision-making,
 - ◆ Valued staff that is accessible and accountable,
 - ◆ Quality, sustainable facilities and infrastructure, and
 - ◆ Responsible growth management.

Board Priorities:

- ◆ *Top issues identified by the Commissioners for the next two years include:*
 - Managing growth, preserving open space, and land use planning
 - Consolidations and shared services

- ◆ *Top issues identified by the Commissioners for the next ten years include:*
 - Develop a regional government structure
 - Preservation of open space
 - Economic diversification and prosperity

Washoe County Organizational Value Statement:

We Value.

- | | |
|------------------------|---------------------|
| Quality Public Service | Integrity |
| Teamwork | Professionalism |
| People | Progressive Thought |
| Communication | |



**WASHOE COUNTY, NEVADA
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2003**

ELECTED OFFICIALS

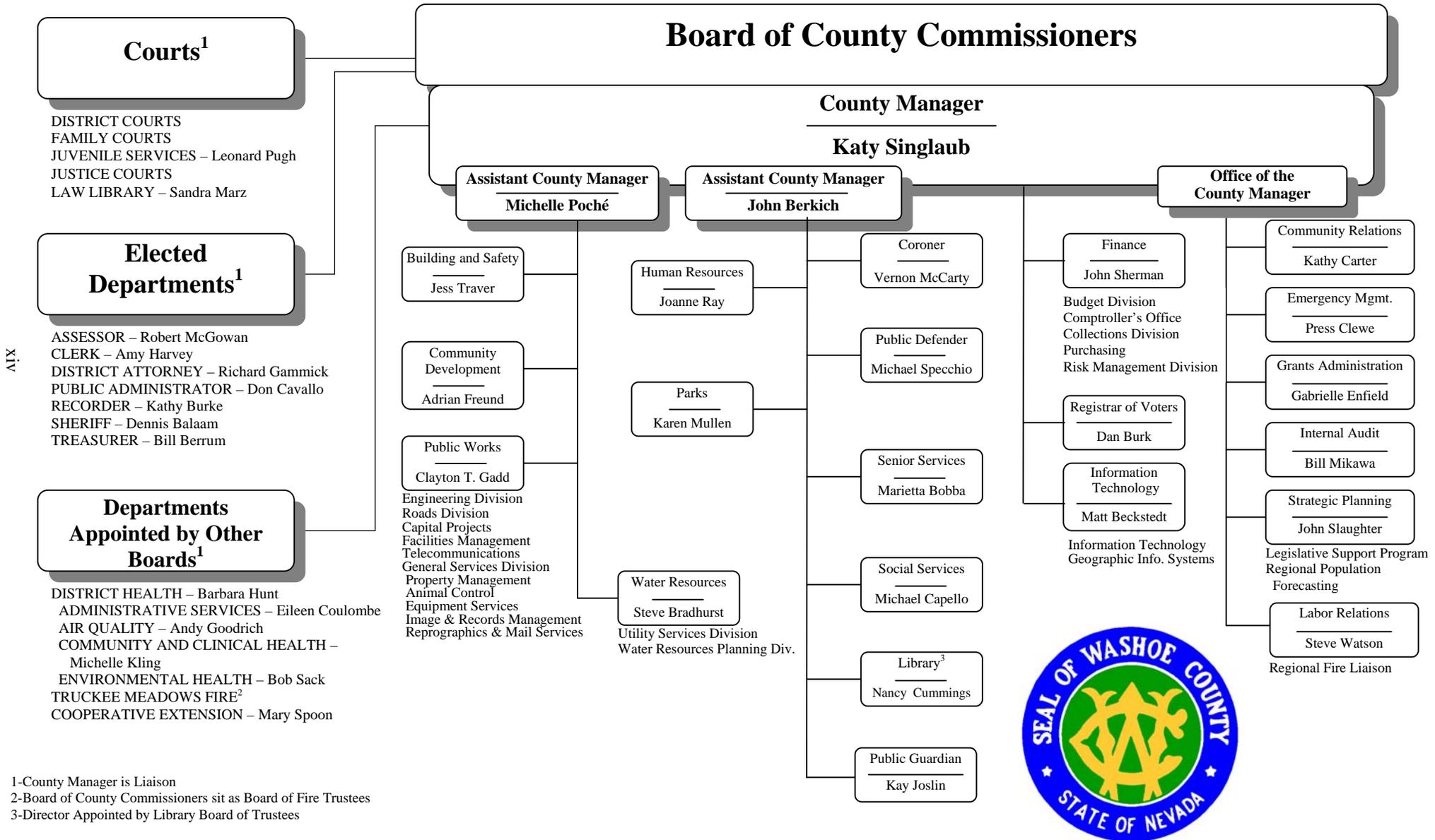
	First Elected	*Term Ends	
District 1: Commissioner	1997	2005	Jim Galloway
District 2: Chairman, Board of County Commissioners	2003	2007	David Humke
District 3: Commissioner	1999	2007	Pete Sferrazza
District 4: Vice Chairman, Board of County Commissioners	1993	2005	Jim Shaw
District 5: Commissioner	2003	2007	Bonnie Weber
County Clerk	1999	2007	Amy Harvey
County Recorder	1999	2007	Kathryn L. Burke
County Assessor	1982	2007	Robert McGowan
County Treasurer	1995	2007	Bill Berrum
District Attorney	1994	2007	Richard A. Gammick
Public Administrator	1998	2007	Donald L. Cavallo
Sheriff	2000	2007	Dennis Balaam

*Term expires first Monday in January of the year indicated

APPOINTED OFFICIALS

County Manager	Katy Singlaub
Assistant County Manager	John Berkich
Assistant County Manager	Michelle Poché
Comptroller	Katherine Garcia
County Coroner	Vernon McCarty
Director of Building and Safety	Jess Traver
Director of Cooperative Extension	Mary Spoon
Director of Community Development	Adrian Freund
Director of Finance	John Sherman
Director of Human Resources	Joanne Ray
Director of Law Library	Sandra Marz
Director of Library	Nancy Cummings
Director of Information Technology	Matthew Beckstedt
Director of Parks and Recreation	Karen Mullen
Director of Juvenile Services	Leonard Pugh
Director of Public Works	Clayton T. Gadd
Director of Purchasing	John Balentine
Director of Senior Services	Marietta Bobba
Director of Social Services	Mike Capello
Director of Water Resources	Steven Bradhurst
District Health Officer	Barbara Hunt
Registrar of Voters	Daniel Burk
Public Defender	Michael R. Specchio

Washoe County, Nevada Organization Chart



1-County Manager is Liaison
2-Board of County Commissioners sit as Board of Fire Trustees
3-Director Appointed by Library Board of Trustees

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washoe County,
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2002

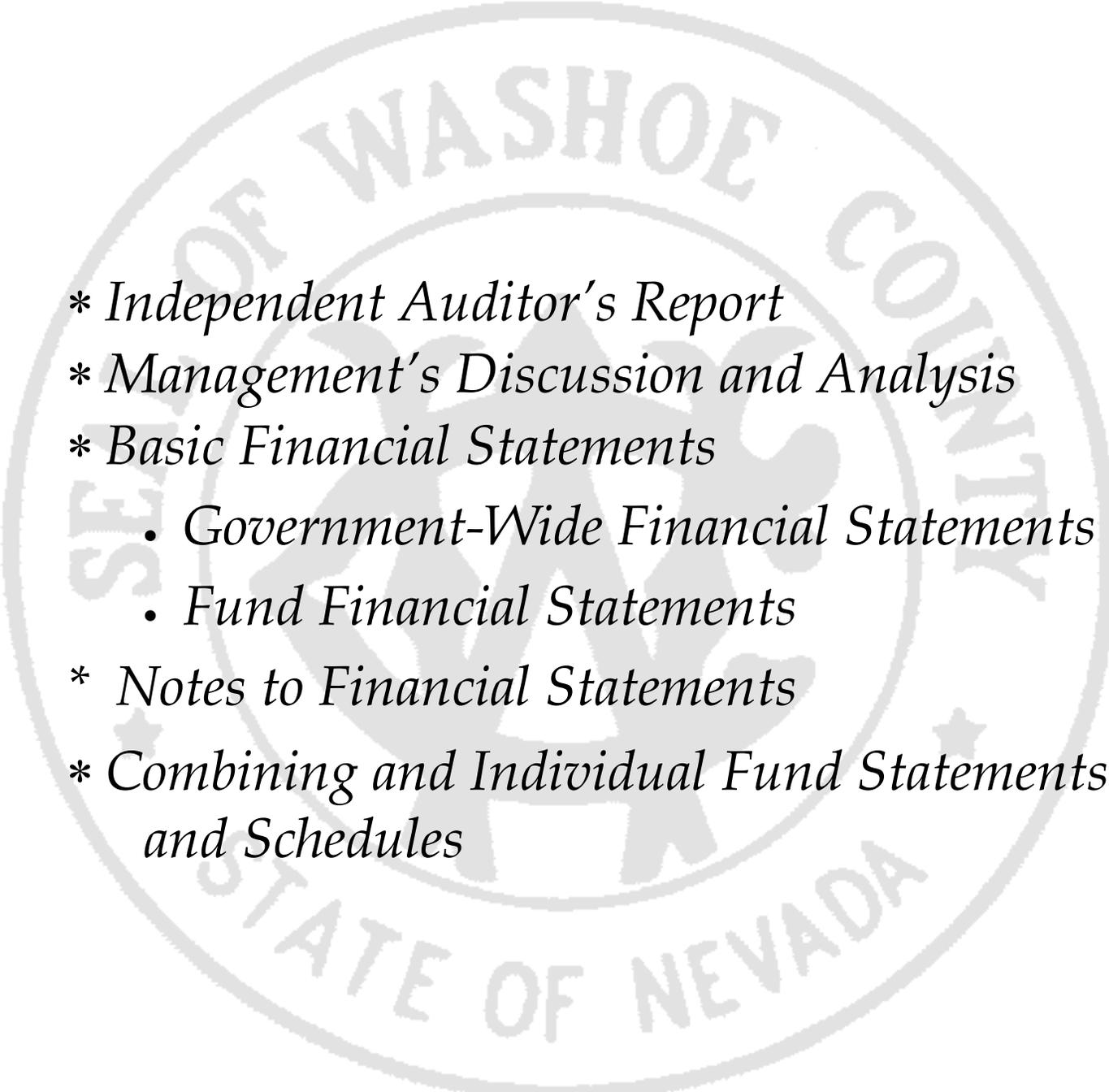
A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

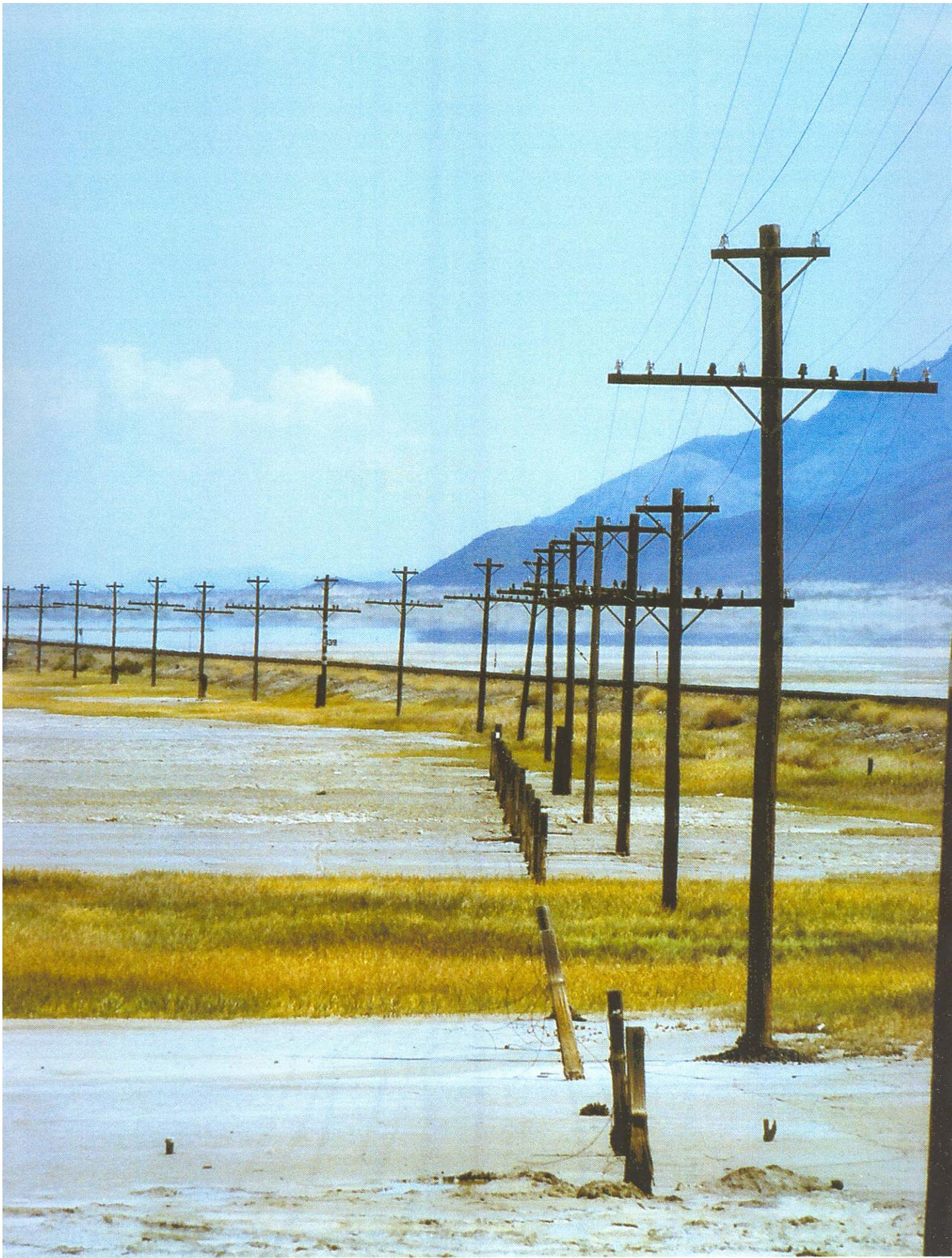


President

Executive Director

FINANCIAL SECTION

- 
- * *Independent Auditor's Report*
 - * *Management's Discussion and Analysis*
 - * *Basic Financial Statements*
 - *Government-Wide Financial Statements*
 - *Fund Financial Statements*
 - * *Notes to Financial Statements*
 - * *Combining and Individual Fund Statements and Schedules*





KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Board of Commissioners of
Washoe 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 Washoe County, Nevada, as of and for the year ended June 30, 2003, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of Washoe County. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Washoe County, Nevada, as of June 30, 2003, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Pre-Funded Retiree Health Benefits Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 3, 2003 on our consideration of Washoe County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Washoe County's basic financial statements. The accompanying nonmajor combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The nonmajor combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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. Accordingly, we express no opinion on them.

Kafoury, Armstrong & Co.

Reno, Nevada
October 3, 2003

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2003**

Washoe County's discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activities, (c) identify changes in the County's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

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

Financial Highlights

The auditor's report offers an unqualified opinion on the financial statements, the highest opinion that can be attained.

- ◆ Cash and investments of \$245.1 million are available to meet current liabilities, including debt due within one year, of \$69.6 million. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 3.52, meaning that the County has slightly more than 3.5 times unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 3.23.
- ◆ Net capital assets increased \$68.9 million to \$517.3 million, an increase of 15%. The increase includes increases of \$104.0 million and is offset by county-wide depreciation expense of \$16.1 million.
- ◆ Outstanding bonded debt and certificates of participation increased \$36.6 million to \$222.8 million. New debt of \$65.8 million was issued, offset by \$29.3 million in principal payments. Outstanding debt is \$720 million below the legal debt margin.
- ◆ Total net assets increased by \$71.1 million over prior year to \$531.9 million. The County's investment in capital assets exceeds related debt by \$368.6 million. Restricted net assets increased to \$88.1 million or 17% of total net assets.
- ◆ Unrestricted net assets increased from \$63.2 million in the prior year to \$75.1 million in the current year. Of that amount, the Board has identified all but \$18.5 million as a resource to fund 2003-04 fiscal year operations in governmental activities. While not a legal restriction, it represents management's plans and does not generally change materially during the course of the year. Business-type unrestricted net assets of \$36.9 million are generally not used to fund other operations.
- ◆ Total revenue increased 6% to \$395.8 million. Program revenues were \$142.9 million or 36% of the total.
- ◆ The County's primary revenue sources are ad valorem and consolidated taxes. These two revenue sources comprise 35% and 20%, of total revenues. These revenues increased 13% and 5% over the prior year, reflecting corresponding increases in assessed valuation, a tax rate increase of 7.48 cents and increases in county-wide taxable sales.
- ◆ Total expenses were \$324.7 million. The largest functions are public safety, general government, and judicial. Together these functions comprise 59% of expenses. Business-type activities were \$24.6 million or 8% of total expenses.
- ◆ Current year revenues, net of capital grants, interest and contributions, exceeded expenses by \$17.2 million. This indicates that current year operations did not rely on debt or reserves to provide necessary services.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

- ◆ County-wide expenses, net of depreciation and inclusive of principal payments approximates noncapital cash disbursements of \$337.8 million. Total current year debt service of \$38.9 million comprised approximately 12 cents of every dollar of noncapital expenditures made by the County.

Government-wide Financial Statements

Government-wide financial statements are designed to provide an overview of the County's financial position by governmental and business-type activities, as well as the government as a whole. The Statement of Net Assets combines and consolidates all of the County's current financial resources (short-term spendable resources) with capital assets and long-term obligations, distinguishing between governmental and business-type activities. The end result is net assets which are segregated into three components: invested in capital assets, net of related debt; restricted and unrestricted net assets.

The Statement of Activities is focused on both the gross and net cost of governmental and business-type activities. Program revenues which directly offset costs of specific functions are allocated to those functions, resulting in net (expenses)/revenues for governmental and business-type activities. The County's general revenues offset remaining costs resulting in the annual increase or decrease in net assets. This statement is intended to facilitate the user's analysis of the net cost of various governmental services that are supported by general revenues.

Governmental activities reflect the County's basic services on a functional basis. Departments included within those functions are identified in the fund financial statements. Ad valorem, consolidated taxes and other identified general revenues support the majority of these services. Business-type activities reflect enterprise operations where a fee for service typically funds all or most of the cost of operations, including depreciation.

Fund Financial Statements

The focus of fund financial statements is on Major Funds, rather than fund types.

Governmental major funds, defined by specific criteria, are presented individually and combined with all other governmental funds. These funds are presented on a sources and uses of available spendable resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow of spendable resources provides information regarding the short-term resources available to fund county operations.

The governmental fund financial statements correspond to the governmental activities column in the government-wide statements. The focus of government-wide statements, however, is on a longer term basis. A reconciliation is provided that identifies additional assets, liabilities and financial activities that are included at the government-wide level, to provide a more comprehensive picture of the County's financial position.

Proprietary fund financial statements provide information on the same basis as the government-wide statements. Greater detail is provided identifying major proprietary funds and reflecting internal service fund activity at the fund level. Because internal service fund operations primarily benefit governmental funds, they are included in the governmental fund activities column of the government-wide statements.

Fiduciary funds account for resources held for other governments or individuals outside of the County. As their resources do not support County activities, they are not included in the government-wide statements.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

Notes to the 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.

Other

Supplementary information, including individual fund statements and schedules providing budget to actual comparisons, are presented after government-wide financial statements and notes. These schedules test compliance with budgetary constraints and management directives to enhance accountability at the fund and function level.

Statistical information is provided on a ten-year basis, as available, for trend and historical analysis.

Government-wide Financial Analysis

Net assets are a useful indicator of a government's financial position. In order to enhance analysis, comparative information follows:

WASHOE COUNTY NET ASSETS*

Assets	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2003	2002	2003	2002	2003	2002
Current and other assets	\$ 253,677,023	\$ 218,304,802	\$ 51,437,293	\$ 40,413,606	\$ 305,114,316	\$ 258,718,408
Net capital assets	335,457,901	290,219,354	181,810,655	158,199,164	517,268,556	448,418,518
Total Assets	\$ 589,134,924	\$ 508,524,156	\$ 233,247,948	\$ 198,612,770	\$ 822,382,872	\$ 707,136,926
Liabilities						
Current liabilities	\$ 28,145,081	\$ 41,439,710	\$ 7,496,738	\$ 8,310,364	\$ 35,641,819	\$ 49,750,074
Long-term liabilities	214,909,757	163,160,815	39,955,209	33,491,225	254,864,966	196,652,040
Total Liabilities	243,054,838	204,600,525	47,451,947	41,801,589	290,506,785	246,402,114
Net Assets						
Invested in capital assets, net of related debt	222,670,697	194,221,452	145,919,046	132,098,790	368,589,743	326,320,242
Restricted	85,199,744	67,623,454	2,939,068	3,613,518	88,138,812	71,236,972
Unrestricted	38,209,645	42,078,725	36,937,887	21,098,875	75,147,532	63,177,600
Total Net Assets	\$ 346,080,086	\$ 303,923,631	\$ 185,796,001	\$ 156,811,183	\$ 531,876,087	\$ 460,734,814

*For more detailed information see the government-wide Statement of Net Assets and Notes to the Financial Statements.

Net Assets: The County's assets exceeded liabilities by \$531.9 million at June 30, 2003. The largest portion of net assets (69%) reflects investment in capital assets (e.g., land, buildings, equipment and construction in progress) less any related debt used to acquire those assets that is outstanding. Washoe County uses these capital assets to provide services to citizens, therefore, they are not available for future spending. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

An additional portion of Washoe County's net assets (17%) represents resources that are subject to external restrictions (statutory, bond covenants, or granting agency) on how they may be used. The remaining balance of unrestricted net assets of \$75.1 million may be used to meet the government's ongoing obligations to citizens and creditors. At June 30, 2003, Washoe County had positive balances in all three categories of net assets, both for the government as a whole, as well as for separate governmental and business-type activities.

Governmental activities increased the County's net assets by \$42.2 million, thereby accounting for 59% of the total growth in the net assets of Washoe County. Business-type activities increased the County's net assets by \$29 million, accounting for 41% of the total growth. These increases were the result of the excess of revenues over expenses. Key elements of the increases are noted on the following table.

WASHOE COUNTY CHANGE IN NET ASSETS

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2003	2002	2003	2002	2003	2002
Revenues:						
Program revenues:						
Charges for services	\$ 30,849,099	\$ 28,886,580	\$ 23,691,791	\$ 21,286,572	\$ 54,540,890	\$ 50,173,152
Operating grants, interest and contributions	34,093,847	25,315,359	334,771	266,090	34,428,618	25,581,449
Capital grants, interest and contributions	25,353,014	42,738,762	28,569,930	21,927,424	53,922,944	64,666,186
General revenues:						
Ad valorem taxes	138,210,010	122,071,352	326,698	330,335	138,536,708	122,401,687
Consolidated taxes	80,672,965	76,632,358	-	-	80,672,965	76,632,358
Other taxes	27,976,881	28,083,228	-	-	27,976,881	28,083,228
Unrestricted investment earnings	3,019,802	4,094,245	1,019,447	882,070	4,039,249	4,976,315
Other	1,724,589	1,852,195	-	2,819	1,724,589	1,855,014
Total Revenues	341,900,207	329,674,079	53,942,637	44,695,310	395,842,844	374,369,389
Expenses:						
General government	49,482,363	54,356,481	-	-	49,482,363	54,356,481
Judicial	42,100,213	39,704,102	-	-	42,100,213	39,704,102
Public safety	100,742,250	92,592,840	-	-	100,742,250	92,592,840
Public works	19,385,932	15,136,896	-	-	19,385,932	15,136,896
Health and sanitation	18,328,422	16,882,297	-	-	18,328,422	16,882,297
Welfare	37,153,019	32,358,556	-	-	37,153,019	32,358,556
Culture and recreation	23,480,485	23,189,154	-	-	23,480,485	23,189,154
Community support	701,637	641,102	-	-	701,637	641,102
Interest/and fiscal charges	8,734,553	8,038,073	-	-	8,734,553	8,038,073
Utilities	-	-	20,016,344	17,471,891	20,016,344	17,471,891
Golf courses	-	-	2,178,402	2,226,818	2,178,402	2,226,818
Building permits	-	-	2,397,951	2,432,459	2,397,951	2,432,459
Total Expenses	300,108,874	282,899,501	24,592,697	22,131,168	324,701,571	305,030,669
Increase in net assets before transfers	41,791,333	46,774,578	29,349,940	22,564,142	71,141,273	69,338,720
Transfers	365,122	677,749	(365,122)	(677,749)	-	-
Increase in Net Assets	\$ 42,156,455	\$ 47,452,327	\$ 28,984,818	\$ 21,886,393	\$ 71,141,273	\$ 69,338,720

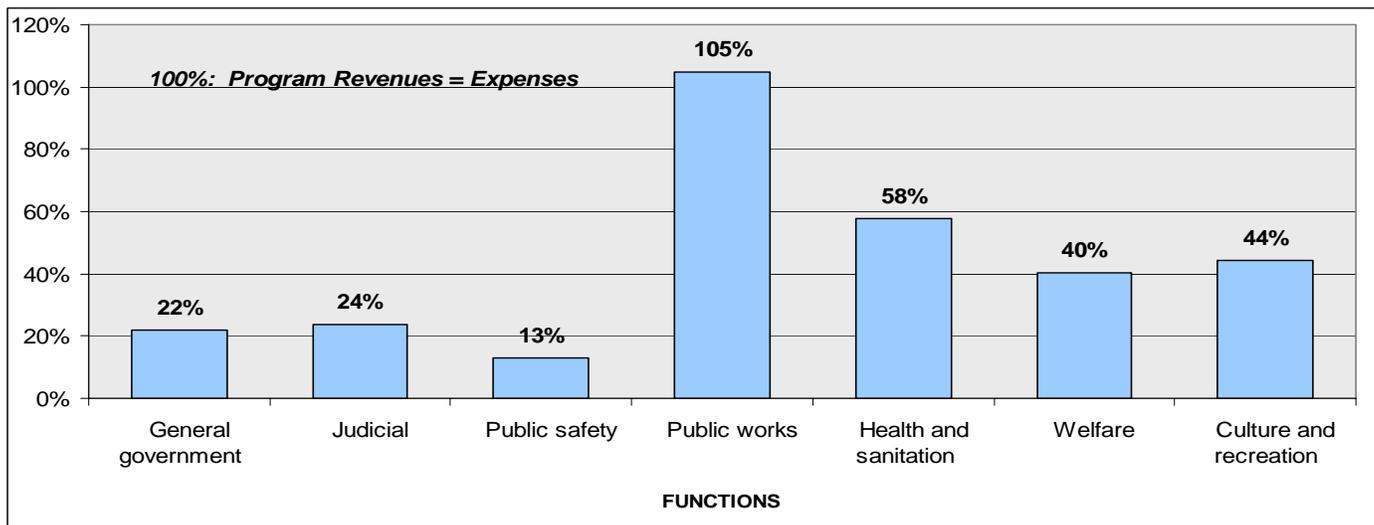
Revenues: Total revenues exceeded prior year revenue by 6%. Total governmental activity revenue increased 4% while total business-type activity revenues rose 21%. General revenues, mainly comprised of various taxes and investment earnings, represent 64% of total revenue. Program revenues are directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings when restricted for use in programs.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

General Revenues: Total general revenues increased 8% from the prior fiscal year to \$252.9 million.

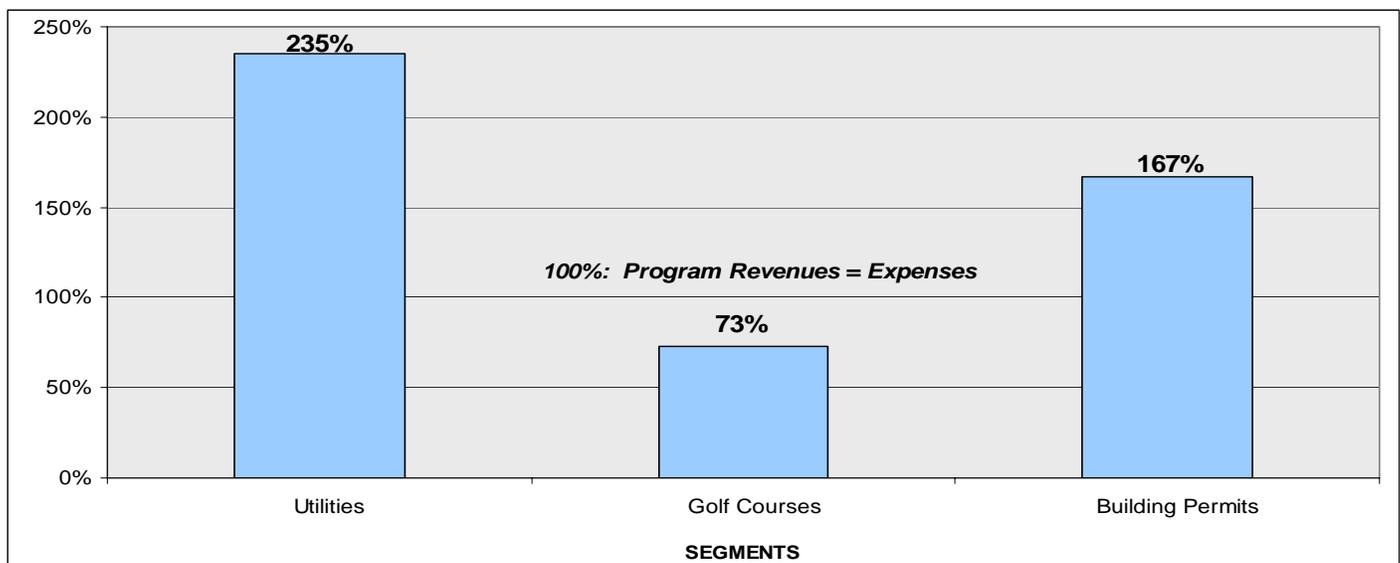
Program Revenues: Total program revenues related to or derived from activities of specific functions provided an average of 44% of the resources necessary to pay costs of providing program services. The remaining program costs were financed from general revenues. The graphs on this page demonstrate governmental and business-type program revenue/expense coverage on a functional and segment basis. Public Works was the only governmental activity function to be fully funded from program revenues, primarily from capital contributions.

GOVERNMENTAL ACTIVITIES – PROGRAM REVENUES AS % OF EXPENSES



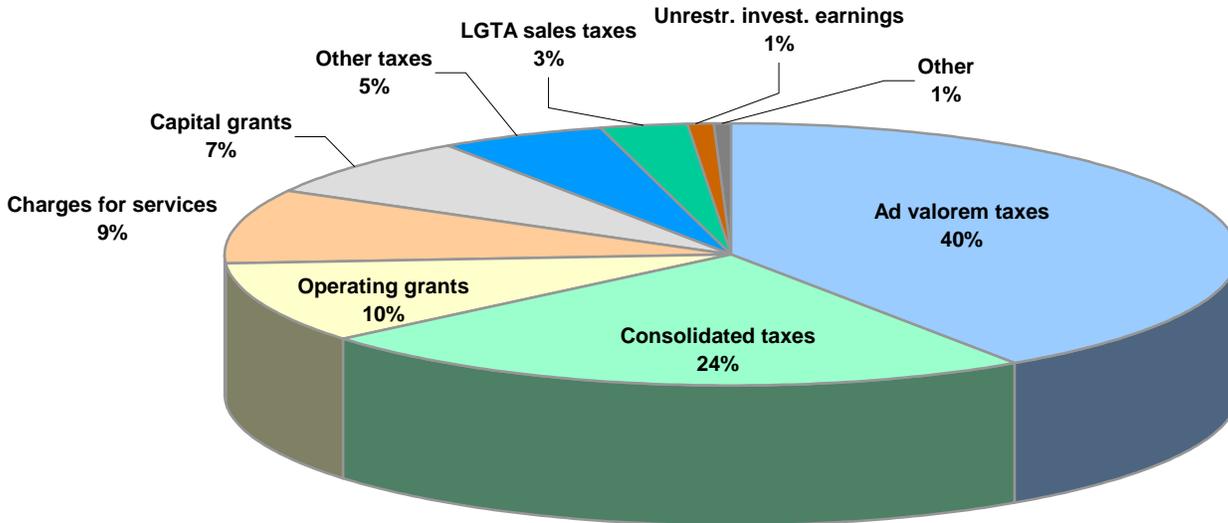
Total business-type activity program revenues provided 214% of the resources to finance the operations. Operating and capital contributions for water and sewer infrastructure assets is included in program revenues for the utilities segment. The value of these contributions is 31% of program revenues, or \$2.8 million.

BUSINESS-TYPE ACTIVITIES– PROGRAM REVENUES AS % OF EXPENSES



**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

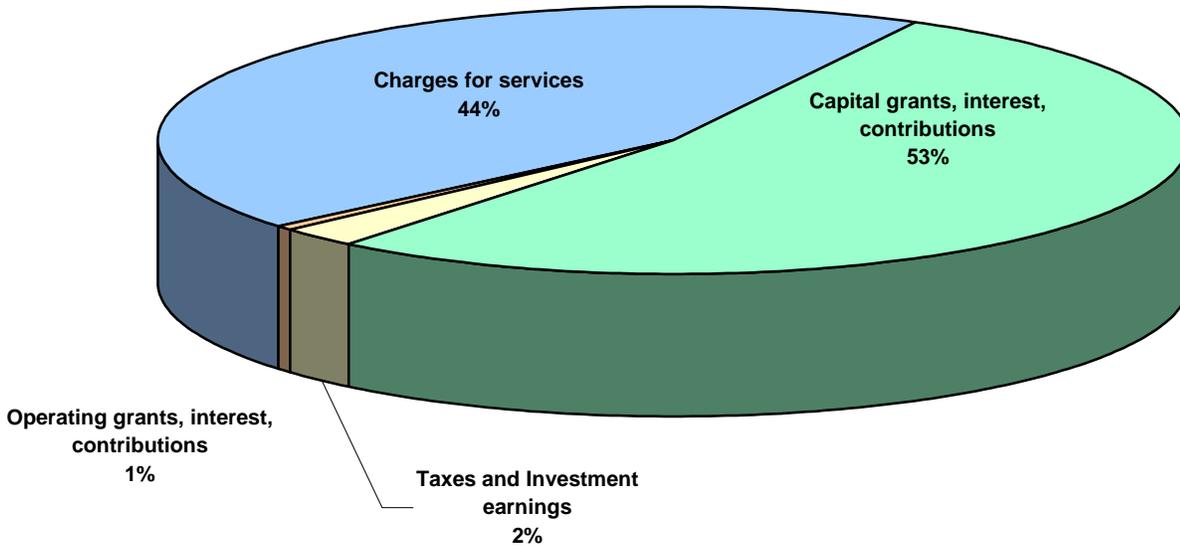
REVENUES BY SOURCES – GOVERNMENTAL ACTIVITIES



- The two largest revenue sources for the County are ad valorem and consolidated taxes, which together comprise 64% of governmental activity, up from 60% in the prior year.
- Ad valorem taxes increased 13% from the prior year due to a 4% increase in real property assessed valuations and a 7.48 cent rate increase.
- Consolidated taxes rose 5% reflecting increases in key segments of the tax including sales, real property transfer and government services taxes.
- Charges for services increased 7% from the prior year, remaining at 9% of total revenues.
- Operating grants increased \$8.8 million or 35%. The increase included \$4.2 million for child protective services and \$5.2 million for child welfare integration, which are both in the Welfare function.
- Capital grants, interest and contributions decreased \$17.4 million. The Regional Transportation Commission donation of completed infrastructure projects was \$12.8 million, a decrease of \$15 million from prior year.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

REVENUES BY SOURCES – BUSINESS TYPE ACTIVITIES



- Charges for services increased 11% or \$2.4 million. They comprise 44% of total business-type revenues.
- Capital contributions increased 30% or \$6.6 million. They consist primarily of contributions from developers in the form of water and sewer lines, other infrastructure dedications and hookup fees.

WASHOE COUNTY EXPENSES BY TYPE

EXPENSES	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2003	2002	2003	2002	2003	2002
Salaries and wages	\$ 135,782,250	\$ 128,248,746	\$ 6,031,137	\$ 5,616,441	\$ 141,813,387	\$ 133,865,187
Employee benefits	47,418,281	43,398,157	1,938,075	1,555,498	49,356,356	44,953,655
Services and supplies	97,152,815	93,134,688	10,508,121	9,415,333	107,660,936	102,550,021
Depreciation	11,020,975	10,079,837	5,302,832	4,651,806	16,323,807	14,731,643
Interest/debt fees	8,734,553	8,038,073	812,532	892,090	9,547,085	8,930,163
Total	\$ 300,108,874	\$ 282,899,501	\$ 24,592,697	\$ 22,131,168	\$ 324,701,571	\$ 305,030,669

Expenses by Type: Total expenses increased \$19.7 million or 6% over the prior year.

- Salaries and wages comprise 44% of expenses and exceeded the previous year by 6%. This is the result of cost of living allowances(COLA), merit increases, compensated absence increases and staffing changes. Current year salaries reflect 4% COLAs effective July 1, 2002 for affected associations. The impact of salary increases was mitigated by a hiring deferral.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

- Employee benefits comprise 15% of expenses and average 35% of salaries and wages. They increased 10% overall, reflecting a 20% increase in group and dependent insurance, as well as related salary increases.
- Services and supplies comprise 33% of expenses and increased 5% overall. Details are discussed below under expenses by function.
- Depreciation expense represents the cost of using capital assets over their estimated useful lives. This information is included in various functions in order to more closely approximate the cost of providing services. More details are provided in Note 7-Capital Assets.
- Interest/debt fees reflect the cost of using money over time and includes interest and other fiscal charges paid on outstanding debt.

Expenses by Function:

The largest functions are Public Safety, General Government and Judicial. Together these functions comprise 59% of expenses.

- The \$8.1 million increase in the Public Safety function includes a \$3.7 million increase in personnel costs, discussed previously. Also reflected are rate increases for workers' compensation. The balance primarily relates to furniture, equipment and miscellaneous repairs that did not meet criteria for capitalization.
- The Welfare function increased 15%. The integration of the child welfare system began in April of the prior year. Under the old system, abused and neglected children received services first from Washoe County and later from the State of Nevada, if long-term care was needed. Under integration, the County has full responsibility for implementing a permanent plan for the child and the shift to state custody is eliminated. Also included is an expanded foster care program.
- The \$4.9 million decrease in General Government includes a \$2.4 million increase in personnel costs offset by a prior year \$4.5 million transfer of land to the City of Reno on behalf of the Reno-Sparks Convention & Visitor's Authority. There was also an overall decline in various service and supply categories due to cost saving measures.
- The \$4.2 million increase in the Public Works function primarily resulted from costs of road overlay and infrastructure preservation projects. Costs for these projects are considered maintenance and are expensed in the current period rather than capitalized.

Financial Analysis of Washoe County Major Funds

Washoe County uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of Washoe County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's current funding requirements. Unreserved fund balance serves as a useful measure of net resources available for appropriation at the end of the fiscal year.

Current year governmental fund combined ending fund balances of \$205.9 million reflect an increase of \$29.6 million over the prior year. Unreserved fund balance of \$166.3 million is available for appropriation at the Board's discretion. Of this amount, \$134.5 million has been designated by the Board as a resource to fund next year's appropriations. The remainder of fund balance is reserved to indicate that it is not available for appropriation because it has already been committed: (1) \$21.6 million to liquidate contracts and purchase orders of the prior period, (2) \$11.1 million for debt

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

service, (3) \$4.9 million for unspent grants, donations and bond proceeds and (4) \$1.9 million for self-insurance claims.

The **General Fund** is the County's primary operating fund. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$30.2 million and total fund balance was \$35.3 million. As a measure of the General Fund's liquidity, it is useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 15% of total fund expenditures while total fund balance represents 17% of expenditures.

The fund balance of the General Fund increased \$3.3 million. Key factors in this change are as follows:

- Revenues of \$236.6 million increased \$15.8 million or 7% over the prior year, primarily due to increases in ad valorem and consolidated taxes. Together these make up 75% of General Fund revenues.
- Ad valorem tax revenue exceeded prior year revenue by \$12.8 million. The 14% increase in tax revenues over prior year reflects a 4% increase in real property assessed valuation as well as a 7.48 cent rate increase.
- Total intergovernmental revenues approximated fiscal year 2002. Consolidated tax increased \$3.8 million or 5%. This increase was offset by a decrease in federal and state grant revenues of \$1.8 million due to discontinued SCAAP/Alien assistance federal grants and reduced state reimburseable project costs for Incline Village water quality improvement. Discontinued detention reimbursements from Reno and Sparks contributed \$1.9 million to the decrease from prior year.
- Expenditures of \$206.7 million increased \$7.8 million or 4% over the prior year and were 5% under budget. Salaries and wages exceeded prior year by 4% as a result of cost of living allowances, merit increases and staffing changes. The total impact of salary increases was mitigated by a hiring deferral in place the entire year, in response to projected budget shortfalls. Employee benefits exceeded the previous year by 9% due to increases in group and dependent insurance, as well as related salary increases. Personnel costs comprise 73% of expenditures.
- Revenues exceeded expenditures by \$29.8 million. Net transfers out were \$26.5 million. Transfers to other funds support operations, public works projects and debt service.

The **Pre-Funded Retiree Health Benefits Fund** accounts for resources accumulated to pay future retiree health benefits premiums for eligible employees. The Fund has an unreserved fund balance of \$24.2 million. Transfers of \$4.7 million from the General Fund and investment income of \$769,000 provide resources for the fund. Transfers in will continue to accumulate until they are adequate to meet actuarially determined funding requirements. A transfer of \$469,000 was made to the Health Benefits Fund for retiree premiums in the current fiscal year.

The **Special Assessment Debt Service Fund** has a reserved fund balance of \$1.6 million, which is 3.7 times greater than the 2003-04 debt service requirement. A \$81,000 increase to fund balance during the current year is primarily due to the decreased debt service requirements.

The **Park Construction Tax Fund** accounts for residential construction taxes and related investment earnings that are legally restricted for the improvement, expansion and acquisition of new and existing parks. It also accounts for park capital projects and resources derived from bond issues. The Fund has a total fund balance of \$25.8 million, \$1.9 million of which is reserved. Fund balance increased \$6.9 million from the prior year primarily due to bond proceeds of \$10.1 million. Major

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

current year projects funded with residential construction tax included Arrowcreek Park, Forest Park in Cold Springs, and Highland Ranch Park in Sun Valley. Major bond funded projects included phase 2 of South Valleys Sports Complex, North Valleys Sports Complex improvements, Anderson Bartley park improvements and purchase of land for the Truckee River Bike Path.

The **Public Works Construction Fund** has a total fund balance of \$52.2 million of unspent bond proceeds, transfers and investment income which will be applied to various capital projects. Major projects during the current fiscal year included the regional radio dispatch system, Jan Evans Regional Juvenile Justice Facility, and the Enterprise Resource Planning System. Bond proceeds of \$32.4 million were received during the year to finance the Enterprise Resource Planning System, District Attorney/Municipal Court Building and Spanish Springs Library. With the addition of the Regional Animal Control Shelter, these projects represent the major capital projects budgeted for fiscal year 2003-04.

The **Infrastructure Fund** accounts for the .125% infrastructure sales tax restricted to construct, acquire, expand or retire debt issued for Board approved flood control/management and public safety projects, including operations and maintenance for the Truckee River flood control project. Fund balance is \$30.3 million. Major expenditures in the current year included \$5.9 million for the regional emergency dispatch and operations center and \$3.7 million Debt Service Fund transfers for Sales Tax Revenue Bonds and Certificates of Participation. Outstanding debt of \$36.2 million is payable from the sales tax through 2029.

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

The **Water Resources Fund** was established to account for county-owned and operated water and sewer systems in the unincorporated areas of Washoe County. Unrestricted net assets at the end of the year amounted to \$30.7 million. Total operating revenues increased 16% while operating expenses increased 18% resulting in a net operating loss of \$1.4 million. The growth in service demand resulted in over 3,300 new customers during the fiscal year.

The Water Division's operating loss of \$333,000 was a 256% decrease from the prior year's operating income. Operating revenues increased 15% due to revised water rates and area growth. Expenses increased 26% due to increases in salaries and benefits and utility costs. The sewer division's income of \$33,000 was an improvement of 224% over the prior year's loss. Residential and commercial customer growth resulted in a 19% increase in sewer revenues.

Net assets of the Water Resources Fund increased \$24.6 million during the fiscal year. Developer contributions and hookup fees of \$26.8 million were the primary source of the increase.

The **Golf Course Fund** accounts for operations of the County's two golf courses and their respective restaurants. Net assets declined \$491,000 due to an operating loss and interest expenses. Operating losses were incurred for all divisions except Sierra Sage Restaurant primarily due to a 13% decline in operating revenues caused by poor golfing weather in April and May and lingering effects of a fungus attack. Cash declined to \$629,000 from \$1,070,000 primarily due to debt service payments. The Fund has \$3.4 million in outstanding debt.

The **South Truckee Meadows General Improvement District Fund** (the District), a component unit, furnishes water services to its customers. The District and Washoe County entered into a three-year interlocal agreement, which expired June 30, 2002, for operation and maintenance of the water system. The District continues to operate under the terms of the expired agreement with the County. Actual costs of the District, other than interest, depreciation and bond issuance costs, are allocated to the

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

District by the Washoe County Water Resources Department. The District had an increase in net assets of \$3.1 million for the fiscal year. Developer contributions and hookup fees accounted for 80% of the increase.

The **Building and Safety Fund** accounts for operations related to the issuance of building permits. Fund cash increased by \$1.4 million, primarily from operations. Net assets increased by \$1.4 million, also from operations.

General Fund Budgetary Highlights

Functions represent the legal level of budgetary control. Final appropriations decreased by \$199,000 from original budget. Personnel budgets (salaries and wages plus employee benefits) decreased by \$1.5 million and capital outlay decreased by \$2.5 million, partially offset by an increase of \$0.6 million allocated to services and supplies.

Functional budget decreases were made, in part, in response to a budget reduction plan implemented to meet a 2003-04 fiscal year projected deficit. A portion of those reductions were offset by an increase to contingency to provide for unexpected events. Transfers to other funds were increased, primarily to fund a deficit in the Risk Management Fund caused by rising insurance and workers' compensation costs. Reductions were also a result of unspent grants and donations. Budget changes follow:

GENERAL FUND BUDGET ADJUSTMENTS			
EXPENDITURE BUDGET BY FUNCTION/USES	ORIGINAL	BUDGET FINAL	CHANGE
General Government	\$ 48,664,075	\$ 48,178,613	\$ (485,462)
Judicial	42,083,364	41,683,612	(399,752)
Public Safety	79,721,872	80,115,798	393,926
Public Works	21,591,211	19,017,253	(2,573,958)
Welfare	11,416,484	11,346,882	(69,602)
Culture and Recreation	14,979,565	14,681,863	(297,702)
Community Support	785,682	764,906	(20,776)
Intergovernmental	2,167,345	2,167,345	-
Transfers Out	25,701,754	29,056,339	3,354,585
Contingency	1,000,000	1,297,577	297,577
Total Appropriations	\$248,111,352	\$ 248,310,188	\$ 198,836

Actual expenditures were 95% of appropriations and \$11.2 million less than the final budget. All functions are within appropriation authority and approximate the same percentage of total appropriations as the prior year.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets for its governmental and business-type activities as of June 30, 2003 is \$517.3 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, construction in progress and infrastructure. The total increase in investment in capital assets for the current fiscal year was 15% for both governmental activities and business-type activities.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

This year's major additions included:

<u>Governmental Activities:</u>	<u>(In \$ Millions)</u>	<u>Business Activities:</u>	<u>(In \$ Millions)</u>
Various roads projects	\$ 16.4	Developer utility contributions	\$ 16.1
Jan Evans Juvenile Facility	8.3	Expansion of South Truckee Meadows	
Regional Dispatch Center	5.8	Water Reclamation Facility	7.0
Land for Truckee River Bike Path (Canepa Ranch)	2.2		

**WASHOE COUNTY CAPITAL ASSETS
(Net of Depreciation)**

	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	2003	2002	2003	2002	2003	2002
Land	\$92,771,464	\$87,275,291	4,978,922	\$4,701,064	\$97,750,386	\$91,976,355
Construction in progress	44,059,640	19,126,909	29,223,099	23,345,884	73,282,739	42,472,793
Land improvements	22,920,208	20,943,516	132,917,670	116,324,066	155,837,878	137,267,582
Buildings/improvements	114,602,282	117,983,501	12,429,068	11,384,399	127,031,350	129,367,900
Equipment	17,535,089	16,006,180	2,261,896	2,443,751	19,796,985	18,449,931
Infrastructure	43,569,218	28,883,957	-	-	43,569,218	28,883,957
Total	\$335,457,901	\$290,219,354	\$181,810,655	\$158,199,164	\$517,268,556	\$448,418,518

Additional information on the County's capital assets can be found in Note 7.

Long-term Debt - At June 30, 2003, Washoe County had total outstanding bonded debt and certificates of participation of \$222.8 million. Of this amount, \$112.8 million comprises general obligation (G.O.) debt backed by the full faith and credit of the government, \$71.6 million of general obligation bonds are additionally secured by specified revenue sources and \$2.2 million is special assessment debt for which the County is liable in the event of default by property owners subject to the assessment. The Sales Tax Revenue Bonds and Certificates of Participation will be paid from the proceeds of the .125% (1/8 cent) infrastructure sales tax, per NRS 377B.

WASHOE COUNTY OUTSTANDING DEBT

<u>DESCRIPTION</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>		<u>TOTAL</u>	
	2003	2002	2003	2002	2003	2002
G.O. Bonds	\$106,050,863	\$91,767,290	\$6,754,137	\$7,727,710	\$112,805,000	\$99,495,000
G.O. Revenue Backed	40,980,431	22,316,952	30,649,717	23,983,259	71,630,148	46,300,211
Special Assessment Bonds	2,178,000	2,313,000	-	-	2,178,000	2,313,000
Sales Tax Revenue Bonds	20,790,000	21,185,000	-	-	20,790,000	21,185,000
Certificates of Participation	15,390,000	16,950,000	-	-	15,390,000	16,950,000
Total	\$185,389,394	\$154,532,242	\$37,403,854	\$31,710,969	\$222,793,148	\$186,243,211

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

Washoe County's total general obligation debt increased by \$36.6 million during the current fiscal year consisted of \$65.8 million in new debt and \$29.3 million in principal payments. The key factors in the increase were the issuance of \$41.7 million General Obligation Bonds Series 2002A, B and C. The new debt consists of \$19.3 million in revenue bonds for District Attorney/Municipal Building Series 2002A, \$15.5 million of ad valorem bonds for Library, Parks and Open Space Series 2002B and \$6.9 million Series 2002C medium term bonds for enterprise resource planning system. General Obligation Jail Refunding Series 2003 Bonds of \$16.7 million were issued for a current refunding of \$16.9 million in Jail Refunding 1993B Bonds. Also issued were drawdowns of \$7.3 million for authorized General Obligation Sewer Bonds, Series 2001 from the State of Nevada.

State statute (NRS 244A.059) limits the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current limitation for Washoe County is \$1.041 billion, which is \$720 million in excess of Washoe County's outstanding general obligation debt.

During the current year, general obligation debt issued by the County received insured ratings of Aaa by Moody's, and AAA from Standard and Poor's. Other outstanding general obligation debt is rated Aa3 by Moody's and A+ by Standard and Poor's.

Additional information on the County's long-term debt can be found in Notes 10, 11, and 12 to the financial statements.

ECONOMIC FACTORS

- An imbalance has existed for several years between the rate of revenue growth and the rate of expenditure growth. To address this imbalance, the County has implemented base budget cost reduction plans and reviewed revenue sources.
- Nevada continues to be the fastest growing state in the nation. Washoe County is not growing as fast as the State as a whole, but increases in population have averaged 2.2% over the last three years. The combination of increasing population and slowing revenue growth rates is adding pressure to meet increasing service demands within resource constraints.
- Property tax assessed valuation increases have averaged 7% over the last five years. Assessed valuation for the 2004 fiscal year increased 10% to \$10,408,837,428.
- The County's 2003-04 operating tax rate increased 3.64 cents, a net 2 cent increase to fund regional animal shelter projects and related operations, 1.5 cents for health and welfare services and .14 cents to fund the China Springs Youth Facility.
- Consolidated tax growth has slowed from a high of 10% in 2000 to 5% last year. Budgeted collections for the 2004 fiscal year total \$81.6 million reflecting a 1% increase over 2003 year collections.
- Personnel costs comprised 44% of 2002-03 expenses. The 2003-04 budget was adjusted to reflect cost of living adjustments of 3.5% and a .75% net increase in retirement for nonpublic safety employees. These increases will be mitigated by a hiring deferral for most vacant positions. Health insurance costs increased from \$4,150 to \$4,570 per employee annually, and workers' compensation costs increased by 4%.
- In June, unemployment in Washoe County was 4.3%, compared to state and national unemployment rates of 5.3% and 6.4%, respectively. While unemployment is relatively low, the rate of job growth was less than 1%.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2003
(CONTINUED)**

Other factors taken into consideration in the preparation of the 2004 fiscal year budget include:

- Board policy confines budget growth to below combined Consumer Price Index and population growth, which was 5.6%. General Fund appropriations decreased .02% from 2002-03.
- Fund balance in the General Fund is 7.1% and contingency budget is maintained at \$1 million.

Requests for Information

This report is designed to provide a general overview of Washoe County's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Katherine Garcia, Comptroller, P.O. Box 11130, Reno, NV 89520-0027. Effective January 1, this report will also be available on the web site at www.co.washoe.nv.us/comptroller.

Truckee Meadows Fire Protection District (TMFPD) and South Truckee Meadows General Improvement District (STMGID) are included in this report as component units. Both entities issue separate audited financial statements that are filed at the Washoe County Clerk's Office, Washoe County Courthouse, Court Street and South Virginia, Reno, Nevada.

BASIC FINANCIAL STATEMENTS

- * *Government-Wide Financial Statements*
 - *Statement of Net Assets*
 - *Statement of Activities*
- * *Fund Financial Statements*
 - *Governmental Funds*
 - *Proprietary Funds*
 - *Fiduciary Funds*

The 1980's

Washoe County's population has increased to 193,623. Reno approached 100,000; Sparks counted 40,780 and the unincorporated area totaled 53,142.

In response to crime in Washoe County the secret witness program was established during the decade and in 1980 a new Tahoe Regional Planning Agency compact with California was agreed to at a special session of the Legislature.

Two district court judges were added in 1982, bringing the total to nine judges. The 1981 legislature imposed spending limitations upon the commissioners. One forecast predicted that the county's population would reach 323,000 by 1990.

In business news during the 1980's interstate banking came to Nevada as the First National Bank of Nevada became the First Interstate Bank of Nevada. Porsche North America moved its headquarters to Reno, and R.R. Donnelly broke ground at Stead for a new printing plant.

Several community projects had their start during the decade. Lawlor Events Center opened in 1983 on the University of Nevada campus. The Centennial Coliseum expanded and became the Reno-Sparks Convention Center. The Alf Sorenson Community Center opened in Sparks along with the Sparks Family Hospital, and the 408-acre regional park at Rancho San Rafael made its debut during this decade.

Environmentally the county had a busy decade. In 1981 a brush fire consumed 5,000 acres near Zolezzi Lane. In 1983 a flood in Washoe Valley killed one as water cascaded out of the western part of the Valley and closed the road from Reno to Carson City. In 1986 floods ravaged Washoe County and President Ronald Reagan declared northern Nevada a disaster area. Damage estimates reached \$17 million. During the middle of the decade smog concerns in the Truckee Meadows led to a network to forecast smog-prone weather so polluting activities could be curtailed.

At the end of the decade architects presented a plan for future court expansion for the County and recommended the purchase of the Ardan's building and the Cavalier Motel. Also general obligation bonds were approved for a new administrative building.

WASHOE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2003

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments (Note 3)	\$ 207,280,440	\$ 37,826,887	\$ 245,107,327
Accounts receivable	2,217,383	2,015,006	4,232,389
Consolidated tax receivable	14,571,253	-	14,571,253
Property taxes receivable	1,766,677	2,320	1,768,997
Other taxes receivable	8,070,086	-	8,070,086
Interest receivable	733,677	135,258	868,935
Due from other governments	10,854,032	196,850	11,050,882
Internal balances	(528,502)	528,502	-
Inventory	477,394	165,259	642,653
Deposits	1,468,274	4,080	1,472,354
Other assets (Note 4)	668,500	5,822	674,322
Restricted assets (Note 5)	3,940,000	5,371,490	9,311,490
Long-term assets (Note 6)	2,157,809	5,185,819	7,343,628
Capital assets: (Note 7)			
Land and construction in progress	136,831,104	34,202,021	171,033,125
Other capital assets net of depreciation	198,626,797	147,608,634	346,235,431
Total Assets	589,134,924	233,247,948	822,382,872
LIABILITIES			
Accounts payable	4,914,696	907,344	5,822,040
Accrued salaries and benefits	6,913,836	349,256	7,263,092
Contracts/retention payable	7,101,179	1,843,563	8,944,742
Interest payable	2,445,332	535,802	2,981,134
Due to other governments	775,602	975,994	1,751,596
Other liabilities (Note 8)	4,176,470	2,884,779	7,061,249
Deferred revenue (Note 9)	1,817,966	-	1,817,966
Noncurrent liabilities: (Notes 10, 11, 12, 19)			
Due within one year, net of discount of \$0 and \$6,740	32,636,074	3,121,847	35,757,921
Due in more than one year, payable from restricted assets	3,940,000	-	3,940,000
Due in more than one year, net of bond premium, dis- count and issuance costs of \$152,955 and \$241,258.	178,333,683	36,833,362	215,167,045
Total Liabilities	243,054,838	47,451,947	290,506,785
NET ASSETS (Note 13)			
Invested in capital assets, net of related debt	222,670,697	145,919,046	368,589,743
Restricted for:			
General government	8,534,301	2,939,068	11,473,369
Judicial	4,679,222	-	4,679,222
Public safety	12,142,633	-	12,142,633
Public works	6,746,048	-	6,746,048
Health and sanitation	371,968	-	371,968
Welfare	5,151,612	-	5,151,612
Culture and recreation	807,283	-	807,283
Debt service	10,761,541	-	10,761,541
Capital projects	29,971,742	-	29,971,742
Claims	6,033,394	-	6,033,394
Unrestricted	38,209,645	36,937,887	75,147,532
Total Net Assets	\$ 346,080,086	\$ 185,796,001	\$ 531,876,087

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

**WASHOE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS, INTEREST, CONTRIBUTIONS	CAPITAL GRANTS, INTEREST, CONTRIBUTIONS
Primary government:				
Governmental Activities:				
General government	\$ 49,482,363	\$ 8,933,040	\$ 1,225,269	\$ 732,021
Judicial	42,100,213	6,185,513	3,344,340	390,381
Public safety	100,742,250	7,320,193	4,097,500	1,730,559
Public works	19,385,932	1,704,949	1,595,126	16,971,778
Health and sanitation	18,328,422	3,546,953	6,663,371	420,640
Welfare	37,153,019	872,802	14,169,556	136
Culture and recreation	23,480,485	2,272,333	2,998,685	5,107,499
Community support	701,637	13,316	-	-
Interest on long-term debt	8,734,553	-	-	-
Total Governmental Activities	<u>300,108,874</u>	<u>30,849,099</u>	<u>34,093,847</u>	<u>25,353,014</u>
Business-type Activities:				
Utilities	20,016,344	18,142,406	241,797	28,569,930
Golf courses	2,178,402	1,595,053	-	-
Building permits	2,397,951	3,954,332	92,974	-
Total Business-type Activities	<u>24,592,697</u>	<u>23,691,791</u>	<u>334,771</u>	<u>28,569,930</u>
Total Primary Government	<u>\$ 324,701,571</u>	<u>\$ 54,540,890</u>	<u>\$ 34,428,618</u>	<u>\$ 53,922,944</u>

General Revenues:

- Ad valorem taxes
- Consolidated taxes
- LGTA sales taxes
- Government services tax
- Infrastructure sales tax
- Other taxes
- Gaming licenses
- Franchise fees
- Other miscellaneous
- Unrestricted investment earnings
- Gain on sale of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Assets

NET ASSETS, JULY 1

NET ASSETS, JUNE 30

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

**NET (EXPENSE) REVENUE AND
CHANGES IN NET ASSETS**

<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
\$ (38,592,033)	\$ -	\$ (38,592,033)
(32,179,979)	-	(32,179,979)
(87,593,998)	-	(87,593,998)
885,921	-	885,921
(7,697,458)	-	(7,697,458)
(22,110,525)	-	(22,110,525)
(13,101,968)	-	(13,101,968)
(688,321)	-	(688,321)
(8,734,553)	-	(8,734,553)
<u>(209,812,914)</u>	<u>-</u>	<u>(209,812,914)</u>
-	26,937,789	26,937,789
-	(583,349)	(583,349)
-	1,649,355	1,649,355
<u>-</u>	<u>28,003,795</u>	<u>28,003,795</u>
\$ (209,812,914)	\$ 28,003,795	\$ (181,809,119)
<u><u>138,210,010</u></u>	<u><u>326,698</u></u>	<u><u>138,536,708</u></u>
80,672,965	-	80,672,965
9,573,383	-	9,573,383
3,224,419	-	3,224,419
6,685,520	-	6,685,520
2,789,388	-	2,789,388
2,283,173	-	2,283,173
944,497	-	944,497
2,476,501	-	2,476,501
3,019,802	1,019,447	4,039,249
1,724,589	-	1,724,589
365,122	(365,122)	-
<u>251,969,369</u>	<u>981,023</u>	<u>252,950,392</u>
42,156,455	28,984,818	71,141,273
<u>303,923,631</u>	<u>156,811,183</u>	<u>460,734,814</u>
\$ <u><u>346,080,086</u></u>	\$ <u><u>185,796,001</u></u>	\$ <u><u>531,876,087</u></u>

**WASHOE COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2003**

	<u>GENERAL FUND</u>	<u>PRE-FUNDED RETIREE HEALTH BENEFITS FUND</u>	<u>SPECIAL ASSESSMENT DEBT SERVICE FUND</u>	<u>PARK CONSTRUCTION TAX FUND</u>
ASSETS				
Cash and investments (Note 3)	\$ 24,748,244	\$ 24,117,759	\$ 3,601,093	\$ 25,846,938
Accounts receivable	1,239,293	-	-	-
Consolidated tax receivable	13,673,984	-	-	-
Property taxes receivable	1,289,377	-	-	-
Other taxes receivable	3,989,663	-	2,644,233	19,763
Interest receivable	160,435	78,830	11,868	85,977
Due from other governments - grants	2,736,189	-	-	315,945
Due from other governments - other	329,474	-	-	-
Inventory	-	-	-	-
Deposits	19,968	-	-	119,970
Total Assets	\$ 48,186,627	\$ 24,196,589	\$ 6,257,194	\$ 26,388,593
LIABILITIES				
Accounts payable	\$ 1,890,870	\$ -	\$ -	\$ -
Accrued salaries and benefits	5,678,050	-	-	-
Contracts/retention payable	1,406,655	-	-	547,157
Interest payable	-	-	-	-
Due to other governments	154,607	-	-	-
Other liabilities (Note 8)	855,354	-	1,995,517	-
Deferred revenue (Note 9)	2,903,438	-	2,644,233	-
Total Liabilities	12,888,974	-	4,639,750	547,157
FUND BALANCES (Note 13)				
Reserved for:				
Encumbrances	1,086,670	-	-	1,852,553
Debt service	-	-	1,617,444	-
Inventory	-	-	-	-
Projects	3,979,508	-	-	36,974
Claims	-	-	-	-
Unreserved, reported in:				
General Fund	30,231,475	-	-	-
Special Revenue Funds	-	24,196,589	-	-
Capital Projects Funds	-	-	-	23,951,909
Total Fund Balances	35,297,653	24,196,589	1,617,444	25,841,436
Total Liabilities/Fund Balances	\$ 48,186,627	\$ 24,196,589	\$ 6,257,194	\$ 26,388,593

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

PUBLIC WORKS CONSTRUCTION FUND	INFRA- STRUCTURE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 56,348,908	\$ 29,350,974	\$ 31,876,230	\$ 195,890,146
50	2,954	230,222	1,472,519
-	-	897,269	14,571,253
-	-	477,300	1,766,677
-	1,208,974	207,453	8,070,086
192,627	97,274	75,537	702,548
191,119	-	7,249,613	10,492,866
-	14,963	11,682	356,119
-	-	221,957	221,957
21,228	-	-	161,166
<u>\$ 56,753,932</u>	<u>\$ 30,675,139</u>	<u>\$ 41,247,263</u>	<u>\$ 233,705,337</u>
\$ -	\$ -	\$ 2,328,286	\$ 4,219,156
69,993	5,322	1,082,570	6,835,935
4,525,901	403,418	218,048	7,101,179
-	-	51,259	51,259
-	-	620,995	775,602
-	-	25,599	2,876,470
-	-	427,988	5,975,659
<u>4,595,894</u>	<u>408,740</u>	<u>4,754,745</u>	<u>27,835,260</u>
16,740,273	257,756	1,622,950	21,560,202
-	-	9,449,883	11,067,327
-	-	221,957	221,957
252,448	-	621,718	4,890,648
-	-	1,875,035	1,875,035
-	-	-	30,231,475
-	-	18,813,782	43,010,371
<u>35,165,317</u>	<u>30,008,643</u>	<u>3,887,193</u>	<u>93,013,062</u>
<u>52,158,038</u>	<u>30,266,399</u>	<u>36,492,518</u>	<u>205,870,077</u>
<u>\$ 56,753,932</u>	<u>\$ 30,675,139</u>	<u>\$ 41,247,263</u>	<u>\$ 233,705,337</u>

**WASHOE COUNTY
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003**

Fund Balances - Governmental Funds	\$	205,870,077
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets and long-term assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.</p>		
Long-term assets/Plant capacity	\$ 151,188	
Less accumulated amortization	<u>(7,559)</u>	143,629
Governmental capital assets	406,544,679	
Less accumulated depreciation	<u>(81,834,790)</u>	324,709,889
<p>Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.</p>		
Bond costs	1,817,220	
Less current year amortization	<u>(101,851)</u>	1,715,369
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in governmental funds.</p>		
Governmental bonds payable	(169,999,294)	
Bond premium/carrying value on refunded bonds	(1,622,652)	
Less current year amortization	60,238	
Capital leases payable	(15,921,670)	
Compensated absences	(18,036,996)	
Arbitrage liability	<u>(142,259)</u>	(205,662,633)
Interest payable		(2,394,073)
<p>Deferred revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.</p>		
		4,157,693
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of internal service funds are reported with governmental activities.</p>		
		18,068,637
<p>Internal balances payable to business-type activities.</p>		
		<u>(528,502)</u>
Total Net Assets of Governmental Activities	\$	<u><u>346,080,086</u></u>

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



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**WASHOE COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>GENERAL FUND</u>	<u>PRE-FUNDED RETIREE HEALTH BENEFITS FUND</u>	<u>SPECIAL ASSESSMENT DEBT SERVICE FUND</u>	<u>PARK CONSTRUCTION TAX FUND</u>
REVENUES				
Taxes:				
Ad valorem	\$ 100,818,787	\$ -	\$ -	\$ -
Residential construction tax	-	-	-	1,228,844
Other taxes	496,086	-	-	-
Room taxes	319,671	-	-	-
Special assessments	-	-	395,621	-
Licenses and permits	5,175,372	-	-	-
Intergovernmental revenues	105,221,662	-	-	301,602
Charges for services	12,910,087	-	-	-
Fines and forfeits	6,615,568	-	-	-
Miscellaneous	4,970,621	769,487	340,525	659,685
Total Revenues	<u>236,527,854</u>	<u>769,487</u>	<u>736,146</u>	<u>2,190,131</u>
EXPENDITURES				
Current:				
General government	43,582,220	-	44,679	-
Judicial	39,782,886	-	-	-
Public safety	77,619,153	-	-	-
Public works	17,782,440	-	-	-
Health and sanitation	-	-	-	-
Welfare	11,208,909	-	-	-
Culture and recreation	13,891,471	-	-	-
Community support	701,637	-	-	-
Intergovernmental	2,171,027	-	-	-
Capital outlay	-	-	-	6,299,299
Debt service:				
Principal	-	-	236,427	-
Interest	-	-	182,335	-
Debt service fees	-	-	684	-
Bond issuance costs	-	-	-	133,689
Assessment refunds	-	-	202,636	-
Total Expenditures	<u>206,739,743</u>	<u>-</u>	<u>666,761</u>	<u>6,432,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>29,788,111</u>	<u>769,487</u>	<u>69,385</u>	<u>(4,242,857)</u>

PUBLIC WORKS CONSTRUCTION FUND	INFRA- STRUCTURE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 35,888,065	\$ 136,706,852
-	-	-	1,228,844
-	-	-	496,086
-	-	-	319,671
-	-	-	395,621
533,732	-	1,827,409	7,536,513
2,152,977	6,717,269	27,974,365	142,367,875
15,507	-	4,087,513	17,013,107
-	-	649,432	7,265,000
1,544,037	900,121	1,506,376	10,690,852
4,246,253	7,617,390	71,933,160	324,020,421
-	-	2,101,771	45,728,670
-	-	136,200	39,919,086
-	-	12,946,423	90,565,576
-	-	-	17,782,440
-	-	15,372,914	15,372,914
-	-	23,806,500	35,015,409
-	-	6,130,237	20,021,708
-	-	-	701,637
-	-	1,321,614	3,492,641
28,313,623	6,336,188	2,269,245	43,218,355
-	-	10,482,845	10,719,272
-	-	7,920,073	8,102,408
-	-	11,223	11,907
361,910	-	331,150	826,749
-	-	-	202,636
28,675,533	6,336,188	82,830,195	331,681,408
(24,429,280)	1,281,202	(10,897,035)	(7,660,987)

(CONTINUED)

WASHOE COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003

	<u>GENERAL FUND</u>	<u>PRE-FUNDED RETIREE HEALTH BENEFITS FUND</u>	<u>SPECIAL ASSESSMENT DEBT SERVICE FUND</u>	<u>PARK CONSTRUCTION TAX FUND</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	\$ -	\$ -	\$ -	\$ 9,820,995
Debt premium/(discount)	-	-	-	271,051
Proceeds from asset disposition	-	-	-	1,043,817
Refunding payment to escrow agent	-	-	-	-
Transfers in	2,972,107	4,684,000	11,245	-
Transfers (out)	(29,509,098)	(468,713)	-	-
Total Other Financing Sources (Uses)	(26,536,991)	4,215,287	11,245	11,135,863
Net Change in Fund Balances	3,251,120	4,984,774	80,630	6,893,006
FUND BALANCE, JULY 1	32,046,533	19,211,815	1,536,814	18,948,430
FUND BALANCE, JUNE 30	\$ 35,297,653	\$ 24,196,589	\$ 1,617,444	\$ 25,841,436

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

PUBLIC WORKS CONSTRUCTION FUND	INFRA- STRUCTURE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 31,914,005	\$ -	\$ 16,725,000	\$ 58,460,000
443,407	-	1,120,591	1,835,049
-	-	32,749	1,076,566
-	-	(17,606,754)	(17,606,754)
3,556,137	-	21,793,269	33,016,758
(21,452)	(3,675,194)	(5,820,050)	(39,494,507)
<u>35,892,097</u>	<u>(3,675,194)</u>	<u>16,244,805</u>	<u>37,287,112</u>
11,462,817	(2,393,992)	5,347,770	29,626,125
40,695,221	32,660,391	31,144,748	176,243,952
<u>\$ 52,158,038</u>	<u>\$ 30,266,399</u>	<u>\$ 36,492,518</u>	<u>\$ 205,870,077</u>

WASHOE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2003

Net Change in Fund Balances - Governmental Funds	\$	29,626,125
Amounts reported for governmental activities in the statement of net assets are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	\$ 38,307,348	
Less current year depreciation	<u>(9,093,295)</u>	29,214,053
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Donated capital assets	16,448,255	
Change in deferred revenue	<u>(483,982)</u>	15,964,273
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bonds issued exceeded repayments:		
Bonds and loans issued	(58,460,000)	
Bond premium	(1,835,049)	
Issuance costs	826,749	
Carrying value difference on refunding debt	631,754	
Change in accrued interest payable	(680,476)	
Principal payments general obligation debt	26,042,948	
Principal payments capital leases	<u>1,651,324</u>	(31,822,750)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Amortization of current year bond premium and discount	60,238	
Amortization of current year bond issuance costs	(101,851)	
Amortization of current year plant capacity	(3,780)	
Change in long-term compensated absences	(1,220,957)	
Change in arbitrage payable	(25,000)	
Disposition of capital assets	(1,852,058)	
Donated capital assets	<u>(162,400)</u>	(3,305,808)
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net (expense) of internal service funds is reported with governmental activities.		
		3,260,282
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the statement of activities indirect expenses are eliminated.		
		<u>(779,720)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>42,156,455</u></u>

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

**WASHOE COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2003**

	2003 BUDGETED AMOUNTS		2003	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes:				
Ad valorem	\$ 99,786,970	\$ 99,786,970	\$ 100,818,787	\$ 1,031,817
Other taxes	471,586	471,586	496,086	24,500
Room tax	400,000	400,000	319,671	(80,329)
Licenses and permits	5,051,935	5,051,935	5,175,372	123,437
Intergovernmental revenues	107,831,707	105,548,436	105,221,662	(326,774)
Charges for services	10,286,131	10,286,131	12,910,087	2,623,956
Fines and forfeits	6,153,280	6,166,213	6,615,568	449,355
Miscellaneous	3,811,813	4,751,694	4,970,621	218,927
Total Revenues	233,793,422	232,462,965	236,527,854	4,064,889
EXPENDITURES BY FUNCTION AND DEPARTMENT				
Current:				
General Government:				
County Commissioners	360,718	407,259	348,852	58,407
Public/Legislative Affairs	347,299	350,296	309,723	40,573
Executive	2,118,682	2,099,545	1,970,918	128,627
Registrar of Voters	1,472,892	1,633,829	1,559,744	74,085
Finance	2,979,647	2,910,225	2,791,624	118,601
Treasurer	1,537,344	1,513,918	1,454,678	59,240
Assessor	5,549,537	5,523,916	5,372,057	151,859
Purchasing	822,592	788,942	780,804	8,138
Human Resources	1,520,252	1,428,876	1,251,110	177,766
Clerk	1,414,396	1,384,236	1,246,444	137,792
Recorder	2,118,172	2,112,244	1,652,036	460,208
Information Technology	9,252,880	9,041,846	8,221,715	820,131
General Services	16,386,823	16,220,252	13,996,866	2,223,386
Community Development	2,782,841	2,763,229	2,625,649	137,580
Total General Government	48,664,075	48,178,613	43,582,220	4,596,393
Judicial:				
District Courts	12,277,988	12,256,175	11,974,761	281,414
District Attorney	17,544,261	17,234,689	16,015,379	1,219,310
Law Library	905,588	873,282	841,863	31,419
Public Defender	5,642,856	5,583,656	5,400,307	183,349
Justice Courts	5,576,087	5,599,426	5,418,194	181,232
Constables	136,584	136,384	132,382	4,002
Total Judicial	42,083,364	41,683,612	39,782,886	1,900,726

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND DEPARTMENT
FOR THE YEAR ENDED JUNE 30, 2003**

	2003 BUDGETED AMOUNTS		2003	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
Public Safety:				
Sheriff and Detention	\$ 63,356,964	\$ 63,993,678	\$ 62,195,922	\$ 1,797,756
Coroner	1,179,957	1,179,957	1,170,753	9,204
Fire Suppression	342,917	422,764	277,550	145,214
Juvenile Services	11,676,832	11,375,941	10,986,093	389,848
Protective Services	3,165,202	3,143,458	2,988,835	154,623
Total Public Safety	79,721,872	80,115,798	77,619,153	2,496,645
Public Works:				
Public Works Administration	518,971	556,195	487,640	68,555
Infrastructure Preservation	3,218,605	3,187,283	3,129,975	57,308
Public Works Projects	4,814,953	2,949,363	2,321,663	627,700
Roads	10,541,560	9,917,448	9,622,410	295,038
Engineer	2,497,122	2,406,964	2,220,752	186,212
Total Public Works	21,591,211	19,017,253	17,782,440	1,234,813
Welfare:				
Social Services	11,416,484	11,346,882	11,208,909	137,973
Culture and Recreation:				
Library	8,193,786	7,989,561	7,947,240	42,321
Parks	6,785,779	6,692,302	5,944,231	748,071
Total Culture and Recreation	14,979,565	14,681,863	13,891,471	790,392
Community Support	785,682	764,906	701,637	63,269
Intergovernmental	2,167,345	2,167,345	2,171,027	(3,682)
Total Expenditures	221,409,598	217,956,272	206,739,743	11,216,529
Excess (Deficiency) of Revenues Over (Under)Expenditures	12,383,824	14,506,693	29,788,111	15,281,418
OTHER FINANCING SOURCES (USES):				
Transfers in	797,716	829,005	2,972,107	2,143,102
Transfers (out)	(25,701,754)	(29,056,339)	(29,509,098)	(452,759)
Contingency	(1,000,000)	(1,297,577)	-	1,297,577
Total Other Financing Sources (Uses)	(25,904,038)	(29,524,911)	(26,536,991)	2,987,920
Net Change in Fund Balances	(13,520,214)	(15,018,218)	3,251,120	18,269,338
FUND BALANCE, JULY 1,	30,548,529	32,046,533	32,046,533	-
FUND BALANCE, JUNE 30	\$ 17,028,315	\$ 17,028,315	\$ 35,297,653	\$ 18,269,338

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

**WASHOE COUNTY
PRE-FUNDED RETIREE HEALTH BENEFITS FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003**

	2003 BUDGETED AMOUNTS		2003	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Miscellaneous:				
Investment earnings	\$ 500,000	\$ 500,000	\$ 650,330	\$ 150,330
Net increase (decrease) in the fair value of investments	-	-	119,157	119,157
Total Revenues	500,000	500,000	769,487	269,487
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	4,684,000	4,684,000	4,684,000	-
Health Benefits Fund	(468,713)	(468,713)	(468,713)	-
Total Other Financing Source (Uses)	4,215,287	4,215,287	4,215,287	-
Net Change in Fund Balances	4,715,287	4,715,287	4,984,774	269,487
FUND BALANCE, JULY 1	18,777,493	18,777,493	19,211,815	434,322
FUND BALANCE, JUNE 30	\$ 23,492,780	\$ 23,492,780	\$ 24,196,589	\$ 703,809

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

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2003**

BUSINESS-TYPE ACTIVITIES -

	<u>WATER RESOURCES FUND</u>	<u>GOLF COURSE FUND</u>	<u>BUILDING AND SAFETY FUND</u>
ASSETS			
Current Assets:			
Cash and investments (Note 3)	\$ 29,023,110	\$ 490,395	\$ 3,164,680
Accounts receivable	1,688,116	12,313	56,654
Remediation fee receivable	21,246	-	-
Property taxes receivable	-	-	-
Interest receivable	106,893	1,155	10,200
Due from other governments - grants	67,279	-	-
Due from other governments - other	129,571	-	-
Inventory	90,298	74,961	-
Deposits	4,080	-	-
Other assets (Note 4)	5,822	-	-
Total Current Assets	31,136,415	578,824	3,231,534
Noncurrent Assets:			
Restricted cash and investments (Note 5)	5,232,911	138,579	-
Long-term receivables	134,588	-	-
Long-term assets (Note 6)	4,267,338	783,893	-
Capital Assets: (Note 7)			
Land and nondepreciable assets	4,232,184	153,374	-
Land improvements	140,896,732	3,581,163	-
Building and improvements	14,710,681	1,280,582	-
Equipment	2,033,850	1,332,220	-
Construction in progress	29,214,732	-	-
Less accumulated depreciation	(29,178,019)	(2,917,047)	-
Total Noncurrent Assets	171,544,997	4,352,764	-
Total Assets	202,681,412	4,931,588	3,231,534
LIABILITIES			
Current Liabilities:			
Accounts payable	783,364	110,504	13,476
Accrued salaries and benefits	227,592	44,743	76,921
Compensated absences (Notes 10, 11)	487,270	87,194	177,823
Contracts/retention payable	1,843,563	-	-
Interest payable	449,154	84,608	-
Due to other governments	975,994	-	-
Other liabilities (Note 8)	2,866,329	-	-
Notes, bonds, leases payable (Notes 10, 11, 12)	1,911,812	144,488	-
Pending claims (Note 19)	-	-	-
Total Current Liabilities	9,545,078	471,537	268,220

ENTERPRISE FUNDS		GOVERNMENTAL
SOUTH TRUCKEE	TOTAL	ACTIVITIES
MEADOWS GID FUND	CURRENT YEAR	INTERNAL SERVICE FUNDS
\$ 5,148,702	\$ 37,826,887	\$ 11,390,294
236,677	1,993,760	942,672
-	21,246	-
2,320	2,320	-
17,010	135,258	31,757
-	67,279	-
-	129,571	5,047
-	165,259	255,437
-	4,080	1,307,108
-	5,822	470,064
5,404,709	40,351,482	14,402,379
-	5,371,490	3,940,000
-	134,588	-
-	5,051,231	2,014,180
593,364	4,978,922	-
19,585,402	164,063,297	-
-	15,991,263	34,024
2,062,280	5,428,350	23,082,521
8,367	29,223,099	-
(5,779,210)	(37,874,276)	(12,368,533)
16,470,203	192,367,964	16,702,192
21,874,912	232,719,446	31,104,571
-	907,344	695,540
-	349,256	77,901
-	752,287	223,956
-	1,843,563	-
2,040	535,802	-
-	975,994	-
18,450	2,884,779	-
313,260	2,369,560	-
-	-	4,727,000
333,750	10,618,585	5,724,397

(CONTINUED)

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2003**

BUSINESS-TYPE ACTIVITIES -

	WATER RESOURCES FUND	GOLF COURSE FUND	BUILDING AND SAFETY FUND
Noncurrent Liabilities: (Notes 10, 11, 12, 19)			
Compensated absences	\$ 66,440	\$ 11,889	\$ 24,246
Notes, bonds, leases payable	33,507,034	3,223,753	-
Pending claims	-	-	-
Pending claims payable from restricted cash	-	-	-
Total Noncurrent Liabilities	<u>33,573,474</u>	<u>3,235,642</u>	<u>24,246</u>
Total Liabilities	<u>43,118,552</u>	<u>3,707,179</u>	<u>292,466</u>
NET ASSETS (Note 13)			
Invested in capital assets, net of related debt	128,827,549	934,554	-
Restricted for public safety	-	-	2,939,068
Restricted for claims	-	-	-
Unrestricted	<u>30,735,311</u>	<u>289,855</u>	<u>-</u>
Total Net Assets	<u>\$ 159,562,860</u>	<u>\$ 1,224,409</u>	<u>\$ 2,939,068</u>

Indirect expenses reported in the Statement of Revenues, Expenses and Changes in Net Assets are not reported in the Statement of Activities to enhance comparability between governments that allocate indirect expenses and those that do not.

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net Assets of Business-Type Activities

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

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
SOUTH TRUCKEE MEADOWS GID FUND	TOTAL CURRENT YEAR	INTERNAL SERVICE FUNDS
\$ -	\$ 102,575	\$ 30,537
-	36,730,787	-
-	-	3,341,000
-	-	3,940,000
-	36,833,362	7,311,537
333,750	47,451,947	13,035,934
16,156,943	145,919,046	10,748,012
-	2,939,068	-
-	-	3,614,896
5,384,219	36,409,385	3,705,729
\$ 21,541,162	185,267,499	\$ 18,068,637

1,198,782

(670,280)

\$ 185,796,001

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2003**

	BUSINESS-TYPE ACTIVITIES -		
	WATER RESOURCES FUND	GOLF COURSE FUND	BUILDING AND SAFETY FUND
OPERATING REVENUES			
Charges for Services:			
Utility fees	\$ 13,811,031	\$ -	\$ -
Remediation fees	2,363,645	-	-
Golf course fees	-	1,595,053	-
Building permits	-	-	3,954,332
Self insurance fees	-	-	-
Equipment service billings	-	-	-
Miscellaneous	-	-	-
Total Operating Revenues	16,174,676	1,595,053	3,954,332
OPERATING EXPENSES			
Salaries and wages	3,690,625	767,395	1,573,117
Employee benefits	1,057,592	188,156	483,401
Services and supplies	8,616,673	653,666	634,833
Depreciation/Amortization	4,237,385	303,191	-
Total Operating Expenses	17,602,275	1,912,408	2,691,351
Operating Income (Loss)	(1,427,599)	(317,355)	1,262,981
NONOPERATING REVENUES (EXPENSES)			
Ad valorem taxes	-	-	-
Investment earnings	1,003,982	15,465	92,974
Gain (loss) on asset disposition	(339,633)	-	-
Facilities rental	37,021	-	-
Interest/bond issuance costs	(583,848)	(188,765)	-
Total Nonoperating Revenues (Expenses)	117,522	(173,300)	92,974
Income (Loss) Before Capital Contributions and Transfers	(1,310,077)	(490,655)	1,355,955
CAPITAL CONTRIBUTIONS IN (OUT)			
Hookup fees	9,708,321	-	-
Contributions from others	17,005,189	-	-
Federal grant	126,083	-	-
Total Capital Contributions In (Out)	26,839,593	-	-

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
SOUTH TRUCKEE MEADOWS GID FUND	TOTAL CURRENT YEAR	INTERNAL SERVICE FUNDS
\$ 1,930,709	\$ 15,741,740	\$ -
-	2,363,645	-
-	1,595,053	-
-	3,954,332	-
-	-	21,522,670
-	-	6,656,300
-	-	21,547
<u>1,930,709</u>	<u>23,654,770</u>	<u>28,200,517</u>
-	6,031,137	1,625,476
-	1,729,149	498,737
944,892	10,850,064	30,485,464
762,256	5,302,832	1,927,680
<u>1,707,148</u>	<u>23,913,182</u>	<u>34,537,357</u>
<u>223,561</u>	<u>(258,412)</u>	<u>(6,336,840)</u>
326,698	326,698	-
115,714	1,228,135	525,842
-	(339,633)	370,673
-	37,021	-
(39,919)	(812,532)	-
<u>402,493</u>	<u>439,689</u>	<u>896,515</u>
<u>626,054</u>	<u>181,277</u>	<u>(5,440,325)</u>
2,305,281	12,013,602	-
137,298	17,142,487	964,507
-	126,083	-
<u>2,442,579</u>	<u>29,282,172</u>	<u>964,507</u>

(CONTINUED)

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2003**

	BUSINESS-TYPE ACTIVITIES -		
	WATER RESOURCES FUND	GOLF COURSE FUND	BUILDING AND SAFETY FUND
TRANSFERS IN (OUT)			
Transfers in	\$ 1,924,918	\$ -	\$ -
Transfers (out)	(2,876,199)	-	-
Total Transfers In (Out)	(951,281)	-	-
Change in Net Assets	24,578,235	(490,655)	1,355,955
NET ASSETS, JULY 1	134,984,625	1,715,064	1,583,113
NET ASSETS, JUNE 30	\$ 159,562,860	\$ 1,224,409	\$ 2,939,068

Indirect expenses reported in the Statement of Revenues, Expenses and Changes in Net Assets are not reported in the Statement of Activities to enhance comparability between governments that allocate indirect expenses and those that do not.

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Net Assets of Business-Type Activities

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

ENTERPRISE FUNDS		GOVERNMENTAL ACTIVITIES
SOUTH TRUCKEE MEADOWS GID FUND	TOTAL CURRENT YEAR	INTERNAL SERVICE FUNDS
\$ -	\$ 1,924,918	\$ 7,429,030
-	(2,876,199)	-
-	(951,281)	7,429,030
3,068,633	28,512,168	2,953,212
18,472,529	156,755,331	15,115,425
\$ 21,541,162	185,267,499	\$ 18,068,637

1,198,782

(670,280)

\$ 185,796,001

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2003**

	BUSINESS TYPE ACTIVITIES -		
	WATER RESOURCES FUND	GOLF COURSE FUND	BUILDING AND SAFETY FUND
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows From Operating Activities:			
Cash received from customers	\$ 10,807,766	\$ 1,614,235	\$ 3,905,592
Cash received from remediation fees	2,363,159	-	-
Cash received from water surcharge fees	975,268	-	-
Cash received from other funds	944,097	-	-
Cash received from other services	841,950	-	-
Cash payments for personnel costs	(4,649,696)	(956,085)	(2,021,117)
Cash payments for services and supplies	(8,082,540)	(705,351)	(624,073)
Net Cash Provided (Used) by Operating Activities	<u>3,200,004</u>	<u>(47,201)</u>	<u>1,260,402</u>
Cash Flows From Noncapital Financing Activities:			
Cash received from ad valorem taxes	-	-	-
Transfers from other funds	1,817,088	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,817,088</u>	<u>-</u>	<u>-</u>
Cash Flows From Capital and Related Financing Activities:			
Proceeds from debt issued	7,349,498	-	-
Proceeds from asset disposition	-	-	-
Cash received from federal/state grants	217,490	-	-
Contributions from others	9,763,072	-	-
Transfers from other funds	107,830	-	-
Transfers to other funds	(2,876,199)	-	-
Developer deposits received	814,760	-	-
Principal paid on financing	(1,312,839)	(163,960)	-
Interest paid on financing	(445,328)	(217,451)	-
*Acquisition of capital assets/plant capacity	(13,618,192)	(29,390)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>92</u>	<u>(410,801)</u>	<u>-</u>
Cash Flows From Investing Activities:			
Investment earnings	1,071,277	17,088	93,889
Equipment supply deposit received	-	-	-
Equipment supply deposit paid	-	-	-
Net Cash Provided (Used) by Investing Activities	<u>1,071,277</u>	<u>17,088</u>	<u>93,889</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,088,461	(440,914)	1,354,291
CASH AND CASH EQUIVALENTS, JULY 1	<u>28,167,560</u>	<u>1,069,888</u>	<u>1,810,389</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 34,256,021</u>	<u>\$ 628,974</u>	<u>\$ 3,164,680</u>

ENTERPRISE FUNDS		GOVERNMENTAL
SOUTH TRUCKEE	TOTAL	ACTIVITIES
MEADOWS GID FUND	CURRENT YEAR	INTERNAL SERVICE FUNDS
\$ 1,897,595	\$ 18,225,188	\$ 448,229
-	2,363,159	-
-	975,268	-
-	944,097	27,510,784
-	841,950	-
-	(7,626,898)	(2,069,678)
(952,582)	(10,364,546)	(29,275,594)
<u>945,013</u>	<u>5,358,218</u>	<u>(3,386,259)</u>
328,064	328,064	-
-	1,817,088	7,429,030
<u>328,064</u>	<u>2,145,152</u>	<u>7,429,030</u>
-	7,349,498	-
-	-	402,087
2,305,281	2,522,771	-
-	9,763,072	-
-	107,830	-
-	(2,876,199)	-
-	814,760	-
(300,000)	(1,776,799)	-
(23,820)	(686,599)	-
(115,648)	(13,763,230)	(2,560,887)
<u>1,865,813</u>	<u>1,455,104</u>	<u>(2,158,800)</u>
110,591	1,292,845	340,380
-	-	1,439,878
-	-	(723,000)
<u>110,591</u>	<u>1,292,845</u>	<u>1,057,258</u>
3,249,481	10,251,319	2,941,229
<u>1,899,221</u>	<u>32,947,058</u>	<u>12,389,065</u>
\$ 5,148,702	\$ 43,198,377	\$ 15,330,294

(CONTINUED)

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2003**

	BUSINESS TYPE ACTIVITIES -		
	WATER RESOURCES FUND	GOLF COURSE FUND	BUILDING AND SAFETY FUND
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ (1,427,599)	\$ (317,355)	\$ 1,262,981
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation/Amortization	4,237,385	303,191	-
**Imputed rental expense	-	-	-
Change in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(431,102)	19,182	(48,740)
Other receivables	(486)	-	-
Due from other governments	68,763	-	-
Inventory	38,902	(15,716)	-
Other assets	88,510	-	-
Increase (decrease) in:			
Accounts payable	(27,816)	(35,969)	10,760
Accrued salaries and benefits	98,521	2,100	4,945
Compensated absences	-	(2,634)	30,456
Contracts payable	-	-	-
Due to other governments	486,609	-	-
Other liabilities	68,317	-	-
Pending claims	-	-	-
Total Adjustments	4,627,603	270,154	(2,579)
Net Cash Provided (Used) by Operating Activities	\$ 3,200,004	\$ (47,201)	\$ 1,260,402

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

During the current fiscal year the Equipment Services Fund entered into equipment rental agreements requiring cash deposits totaling \$723,000. Deposits remaining from prior year rental agreements total \$2,348,228. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$195,465 have been imputed to give accounting recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 13,618,192	\$ 29,390	\$ -
Capital contributions received	16,769,423	-	-
Increase/(decrease) in accounts payable	-	-	-
Increase in deposits	297,634	-	-
Increase/(decrease) in contracts/retention/notes payable	(1,663,872)	-	-
Total Acquisition of Capital Assets	\$ 29,021,377	\$ 29,390	\$ -

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

ENTERPRISE FUNDS		GOVERNMENTAL
SOUTH TRUCKEE	TOTAL	ACTIVITIES
MEADOWS GID FUND	CURRENT YEAR	INTERNAL SERVICE FUNDS
\$ 223,561	\$ (258,412)	\$ (6,336,840)
762,256	5,302,832	1,927,680
-	-	195,465
(29,014)	(489,674)	(113,643)
-	(486)	(157,108)
-	68,763	29,247
-	23,186	(39,044)
-	88,510	142,247
(7,690)	(60,715)	(633,056)
-	105,566	6,856
-	27,822	47,679
-	-	(1,056,742)
-	486,609	-
(4,100)	64,217	-
-	-	2,601,000
721,452	5,616,630	2,950,581
\$ 945,013	\$ 5,358,218	\$ (3,386,259)

\$ 115,648	\$ 13,763,230	\$ 2,560,887
137,298	16,906,721	964,507
-	-	24,397
-	297,634	-
(59,094)	(1,722,966)	-
\$ 193,852	\$ 29,244,619	\$ 3,549,791

WASHOE COUNTY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2003

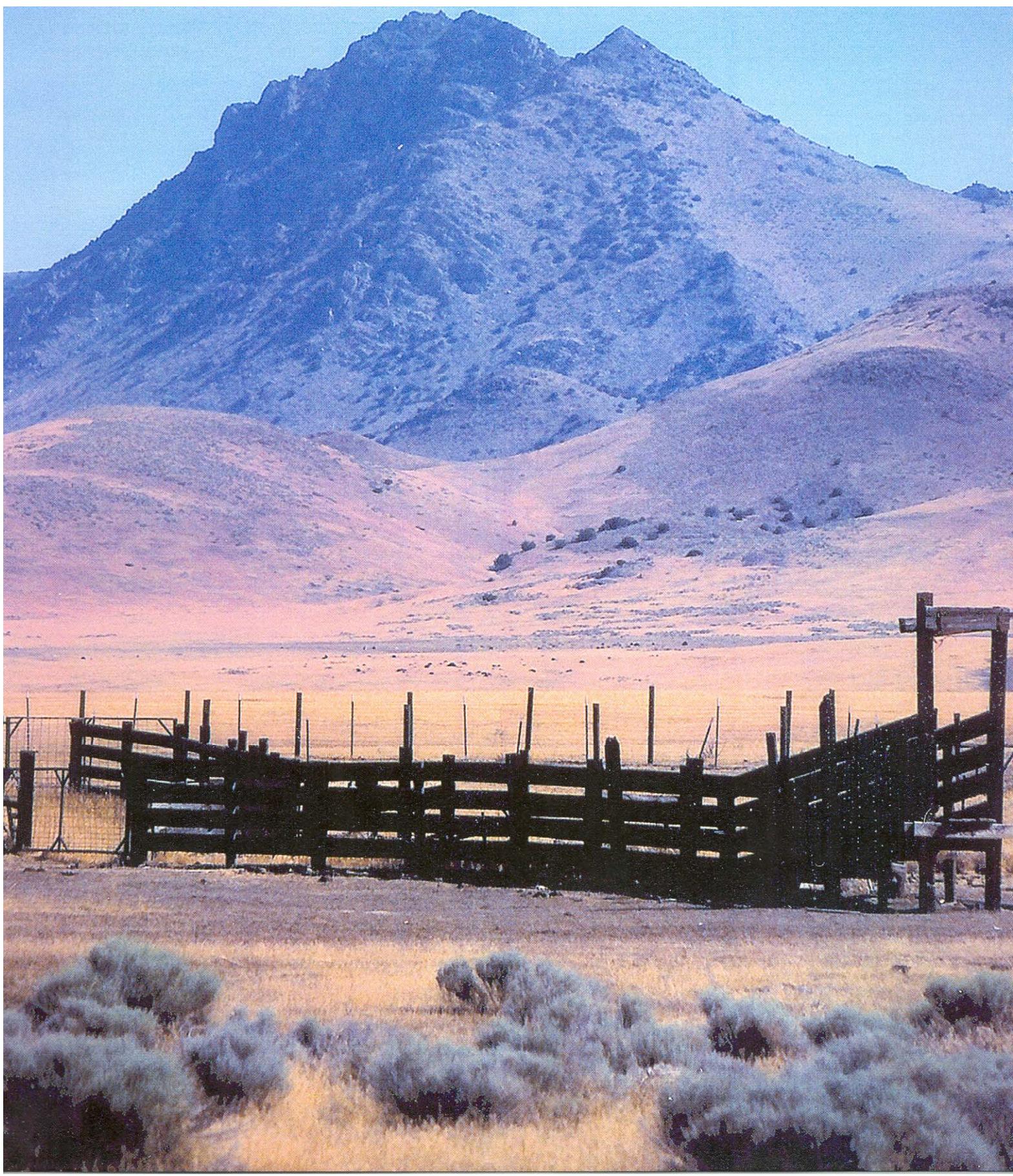
	<u>INVESTMENT TRUST FUND</u>	<u>PUBLIC GUARDIAN PRIVATE-PURPOSE TRUST FUND</u>	<u>AGENCY FUNDS</u>
ASSETS			
Cash and investments (Note 3)	\$ 69,611,802	\$ 1,452,213	\$ 19,426,001
Financial assurances	-	-	8,176,195
Accounts receivable	-	-	878,114
Consolidated tax receivable	-	-	2,635,717
Property taxes receivable	-	-	2,846,725
Other taxes receivable	-	-	1,382,390
Interest receivable	238,486	-	9,896
Due from other governments	-	-	3,021,070
	<u>69,850,288</u>	<u>1,452,213</u>	<u>38,376,108</u>
LIABILITIES			
Due to others/governments	-	-	38,376,108
NET ASSETS			
Held in trust for pool participants and trust beneficiaries	<u>\$ 69,850,288</u>	<u>\$ 1,452,213</u>	<u>\$ -</u>

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

**WASHOE COUNTY
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003**

	INVESTMENT TRUST FUND	PUBLIC GUARDIAN PRIVATE-PURPOSE TRUST FUND
ADDITIONS		
Estate proceeds	\$ -	\$ 3,241,939
Investment income:		
Interest	1,911,704	-
Net increase (decrease) in the fair value of investments	332,297	-
Capital share transactions	12,345,942	-
Total Additions	14,589,943	3,241,939
DEDUCTIONS		
Distributions to beneficiaries	-	2,741,613
Change in Net Assets	14,589,943	500,326
NET ASSETS, JULY 1	55,260,345	951,887
NET ASSETS, JUNE 30	\$ 69,850,288	\$ 1,452,213

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



NOTES TO FINANCIAL STATEMENTS

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WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Washoe County was incorporated in 1861 and is a municipality of the State of Nevada governed by a five-member elected Board of County Commissioners. The major operations of Washoe County 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 accompanying financial statements of the County and its component units have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

These financial statements present the County and its component units. As defined in GASB Statement No. 14, component units include legally separate organizations for which the County is financially accountable. In the case of South Truckee Meadows General Improvement District and Truckee Meadows Fire Protection District, financial accountability is determined primarily by the Board of County Commissioners' participation as the governing body of these entities. As the governing body, the Board can impose its will on significant aspects of the operations of these entities. The following component units are "blended" or included within the financial statements of Washoe County.

South Truckee Meadows General Improvement District was formed in 1981 pursuant to Chapter 318 of the Nevada Revised Statutes (NRS) to furnish water, storm drainage, and sanitary sewer facilities to individuals within its geographic boundaries.

Truckee Meadows Fire Protection District levies taxes and, through equal monthly installments, pays its share of fire services in accordance with an interlocal agreement with the City of Reno. Effective July 1, 2000, all District employees were transferred to the City of Reno in an attempt to enhance fire protection services to taxpayers through consolidation. The initial agreement is through June 30, 2003.

Separate financial statements for the two districts are filed at the Washoe County Clerk's Office, 75 Court Street, Room 131, Reno, Nevada.

B. Basic Financial Statements – Government-Wide Statements

The basic financial statements include both government-wide (based on the County as a whole) and fund financial statements. The reporting focus is on either the County as a whole or major individual funds and nonmajor funds in the aggregate (within the fund financial statements). Both the government-wide and fund financial statements (within the basic financial statements) categorize primary activities as either governmental or business type.

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all nonfiduciary activities of the County and its component units. For the most part, the effect of interfund activity, including indirect cost allocations, has been removed from these statements. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on user fees and charges for support.

In the government-wide Statement of Net Assets, both governmental and business-type activities columns are presented on a consolidated basis by column and are reflected on a full accrual, economic resource basis which recognizes all long-term assets as well as long-term debt and obligations. The County's net assets are reported in three parts – invested in capital assets, net of related debt, restricted net assets and unrestricted net assets. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. Functions are also supported by general government revenues (property and consolidated taxes, certain intergovernmental revenues, interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. Program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants and contributions; and capital grants and contributions, including special assessments and investment earnings legally restricted to support specific programs. Program revenue must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in fund financial statements is on major funds in either governmental or business-type activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The focus of the governmental funds' measurement in the fund statements is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income.

The focus for proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. 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 a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The generally accepted accounting principles applicable are those similar to businesses in the private sector.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

The County's internal service funds are presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary fund financial statements by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County uses the following funds:

1. Major Funds:

A. Governmental Funds:

1. The **General Fund** accounts for many of the County's primary services (Sheriff, District Attorney, General Services and Social Services, etc.) and is the primary operating unit of the County.
2. The **Pre-Funded Retiree Health Benefits Fund** accounts for resources to pay for retiree medical costs.
3. The **Special Assessment Debt Service Fund** accounts for assessments, penalties and interest, and other resources to retire debt issued for completed improvements benefiting the properties against which special assessments are levied.
4. The **Park Construction Tax Fund** accounts for residential construction taxes that are legally restricted to the improvement, expansion and acquisition of new and existing parks. It also accounts for park capital projects and the resources derived from bond issues.
5. The **Public Works Construction Fund** accounts for the County's major capital projects. Resources are derived primarily from the issuance of bonds.
6. The **Infrastructure Fund** accounts for the .125% infrastructure sales tax to retire debt issued for various flood control and public safety projects.

B. Business-type Funds:

1. The **Water Resources Fund** accounts for water planning, remediation, flood control and operations of the County's water and sewer systems.
2. The **Golf Course Fund** accounts for the operations of the County's two golf courses and restaurant operations.
3. The **Building and Safety Fund** accounts for the issuance of building permits and other fees directly related to building and development in the County.
4. The **South Truckee Meadows General Improvement District Fund**, a component unit, accounts for the operations of the District's water services.

2. Internal Service Funds:

- A. The **Risk Management Fund** accounts for self-insurance fees to provide property and liability insurance, workers' compensation and unemployment compensation insurance.
- B. The **Health Benefits Fund** accounts for the self-funded health plan and other contractual health insurance plans.
- C. The **Equipment Services Fund** accounts for billings to maintain and purchase vehicles and large equipment used by county departments.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

3. Fiduciary Fund Types:

- A. The **Investment Trust Fund** accounts for the external portion of the county investment pool.
- B. The **Private-Purpose Trust Fund** account for funds held in a trustee capacity for the benefit of persons or estates.
- C. **Agency Funds** account for assets held by Washoe County in a trustee capacity or as an agent for other governmental units.

4. Noncurrent Governmental Assets and Liabilities:

GASB Statement No. 34 eliminates the presentation of Account Groups, but provides for these balances to be maintained and incorporated into the governmental column of the government-wide Statement of Net Assets.

D. Measurement Focus, Basis of Accounting

The measurement focus describes the types of transactions and events that are reported in a fund's operating statement. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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.

Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied when reporting business-type activities or enterprise funds in accordance with GASB Statement No. 20.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are 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 end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred revenue account is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Governmental revenues susceptible to accrual are ad valorem taxes, interest, grant revenues and revenues collected and distributed by the State. These include consolidated taxes, government services taxes, and motor vehicle fuel taxes. Construction taxes, licenses and permits, fines, and charges for services are recognized as revenue when they are received.

E. Budgets and Budgetary Accounting

Washoe County adheres to the Local Government Budget and Finance Act (NRS 354.420-.626) incorporated within state statutes, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

1. On or before April 15, the Board of County Commissioners submits a tentative budget to the Nevada State Department of Taxation for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means to finance them.
2. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
3. Public hearings on the tentative budget are held on the third Monday in May.
4. After all changes have been noted and hearings closed, the Board adopts the budget on or before June 1 and files it with the Nevada State Department of Taxation.
5. Budgets are adopted on a basis consistent with Accounting Principles Generally Accepted in the United States of America (GAAP) for all funds except trust and agency funds, which do not require budgets. Formal budgetary integration in the financial records is employed to enhance management control during the year.
6. All budget amounts presented in these financial statements and schedules reflect the amended budget (which has been adjusted for legally authorized revisions of the annual budgets during the year). Original budgets are provided for the General Fund and major special revenue funds in compliance with reporting requirements. Appropriations except encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.
7. The legal level of budgetary control is at the function level for the General Fund, special revenue, debt service and capital projects funds, and by the sum of operating and nonoperating expenses in proprietary funds. Statutes do not require that capital outlay, debt service payments and other cash transactions normally reflected in the balance sheet of proprietary funds be limited by the budget. However, they are budgeted in the Statement of Cash Flows and in the corresponding Budget Form F-2.
8. The Finance Director may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Finance Director with Board notification. Adjustments that affect fund balance or increase the original budget, require Board approval. The budget was adjusted during the fiscal year. Budgetary transfers and grant entries had no effect on budgeted ending fund balances. Transfers from contingency in the General Fund were \$185,508. Transfers to contingency of \$480,085 resulted from a budget reduction plan approved by the Board of County Commissioners to remove excess budgetary authority from departments in the General Fund and the Equipment Services Fund. Augmentations from beginning fund balance (including reserved for encumbrances and projects) and previously unbudgeted resources increased the following fund appropriations:

General Fund	\$ 6,352,899
Special Revenue Funds	359,137
Debt Service Funds	17,845,591
Capital Projects Funds	10,080,959
Enterprise Funds	69,233
Blended Component Units	477,488
Total Augmentations	\$ 35,185,307

F. Financial Statement Amounts:

1. Cash and Investments

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the County's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

Investments are recorded at fair value. Interest earned on investments is allocated to certain funds based on average daily cash balances.

Pursuant to NRS 355.170, Washoe County may invest in the following types of securities:

- Obligations of the United States, or an agency or instrumentality of the United States, or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.
- Time certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada, and certain farm loan bonds.
- Certain securities issued by local governments of the State of Nevada and other securities expressly provided by other statutes, including repurchase agreements.
- Money market mutual funds that are registered with the Securities and Exchange Commission, are AAA rated and invest only in securities of the Federal Government or fully collateralized repurchase agreements.

NRS 355.172 requires the Treasurer or his agent to take physical possession of collateral in the name of Washoe County for all securities except those subject to repurchase by the seller if the County has a fully perfected, first-priority security interest having a fair market value equal to or greater than the repurchase price of the securities. The trust department of Bank of New York takes physical possession of all securities for repurchase agreements, in compliance with appropriate statutes.

2. Investment Pool Investment Earnings

Interest income is recorded on the accrual basis in the investment pool. Net realized gains (losses) on investments are the sum of differences between the cost (if purchased during the fiscal year) or the fair value of the investment at the beginning of the year, and the net selling price received for investments that are sold or matured. The net increase (decrease) in fair value of investments in the investment pool is the difference between the cost (if purchased during the fiscal year) or the fair value of the investments at the beginning of the year, and the fair value of the investments at the end of the year.

3. Property Taxes Receivable

All real property in Washoe County is subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values. The assessed valuation of the property and its improvements is computed at 35% of "taxable value" as defined by statute. Taxable value is defined as full cash value for land, replacement cost less straight-line depreciation for land improvements, and statutory depreciation for personal property. The maximum depreciation allowed is 75% of replacement cost.

The maximum tax rate for all overlapping governmental units within any county, as established by the state constitution, is \$5 per \$100 assessed valuation. The combined overlapping rate for any county is further limited by state statute to \$3.64 per \$100 assessed valuation except in cases of severe financial emergency as defined in NRS 354.705. The County's individual tax rate for 2002-03 was \$1.3453 per \$100 of assessed valuation. The total combined rate was \$2.6338 per \$100 of assessed valuation in the unincorporated area of the County, exclusive of special district tax rates.

Tax rates are levied by the County Commissioners immediately after the Nevada Tax Commission has certified the combined tax rate. The individual tax rate was certified by June 25, 2002 and submitted to the Treasurer for collection. The tax rate levied is for the current fiscal year, July 1 to June

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

30, and the taxes are considered a lien against real property attaching on July 1. The tax for the 2002-03 fiscal year was due and payable on the third Monday in August 2002. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January and March.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and the tax rates. The major classifications of personal property are commercial and mobile homes. In Washoe County, taxes on motor vehicles are collected by a state agency and remitted to the County based on statutory formulas.

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to 2001-02 have been written off. No provision for uncollectible amounts has been established since management does not anticipate any material collection loss in respect to remaining balances.

Personal property taxes receivable reflect only those taxes management believes are collectible from the two prior years (75% of the 2002-03 roll balances and 25% of the 2001-02 roll balances). Delinquent personal property taxes from all other prior years have been written off.

4. Inventories

Inventories for proprietary funds are valued at the lower of cost or market on a first-in, first-out basis. Truckee Meadows Fire Protection District General Fund inventories are valued at cost on a first-in, first-out basis, which approximates market, from which items are recorded as expenditures when consumed rather than when purchased. For all other funds, Washoe County charges consumable supplies as expenditures against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

5. Capital Assets

Capital assets, which include land, buildings, equipment and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at their estimated fair market value at the date of donation. The County's capitalization level for infrastructure assets is \$100,000 and \$10,000 for all other classifications of capital assets. The capitalization level for Truckee Meadows Fire Protection District is \$3,000. South Truckee Meadows General Improvement District's capitalization level is \$3,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>YEARS</u>
Buildings	25-40
Improvements	10-25
Equipment	5-10
Vehicles	2-15
Stormwater and Wastewater Lines and Pump Stations	10-75
Other Infrastructure	10-75

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2005. The County will implement the retroactive infrastructure provisions for assets acquired between July 1, 1980 and July 1, 2000, by or before fiscal year ending June 30, 2005.

6. Long-term Obligations, Bond Discounts and Issuance Costs

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Compensated Absences

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The long-term portion is accounted for in the governmental column of the government-wide Statement of Net Assets.

The current portion of compensated absences is defined as those benefits actually paid or accrued as a result of employees who have terminated employment by June 30. Agreements with various employees' associations provide for payment of total accrued compensatory and vacation time in all cases. 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.

8. Interfund Activity

Interfund activity is reported as either a loan, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed at or near market rates, are treated as revenues and expenditures/expenses. Indirect cost allocations for support services are revenue and expense in the fund financial statements and are eliminated in the government-wide Statement of Activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost. Transfers between governmental or proprietary funds are netted as part of the reconciliation to government-wide financial statements.

9. Equity Classifications

In government-wide statements, equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

- b. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

In fund financial statements, governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reservations of fund balance consist of amounts that are not available for appropriation or are legally restricted by outside parties for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Proprietary fund equity is classified the same as in the government-wide statements.

NOTE 2 - COMPLIANCE WITH NEVADA REVISED STATUTES AND ADMINISTRATIVE CODE

The County conformed to all significant statutory and County code constraints on its financial administration during the year with the following possible exceptions:

Major Governmental Funds

The General Government Function in the Special Assessment Debt Service Fund exceeded appropriations by \$10,124. This is a potential violation of NRS 354.626.

Major Business-type Funds

The Building and Safety Fund's actual unreserved working capital is limited to nine months operating expenses (75% of annual appropriations) by NRS 354.59891 section 4(c), or \$2,018,513 based on current year results. Ending unreserved working capital is \$2,939,068 or \$920,555 greater than 75% of 2003 fiscal year expenses. Excess balances for two consecutive years will require a reduction in fees.

Nonmajor Governmental Funds

The actual unreserved ending fund balance in the Enhanced 911 Fund is \$29,098 over the statutory limit per NRS 244A.7645 subsection 3. The NRS states: "If the balance in the fund created pursuant to subsection 2 which has not been committed for expenditure exceeds \$500,000 at the end of any fiscal year, reduce the amount of the surcharge imposed during the next fiscal year by the amount necessary to ensure that the unencumbered balance in the fund at the end of the next fiscal year does not exceed \$500,000."

NOTE 3 - CASH AND INVESTMENTS

Investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the counterparty's trust department or agent in the government's name, or (3) uninsured and unregistered for which the securities are held by the counterparty, or by its trust department or agent but not in the government's name. Washoe County's investments are all Category 1 except money market mutual funds, which are not subject to categorization.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

INVESTMENTS	CATEGORY	CARRYING AMOUNT/FAIR VALUE		
	1	POOLED	NONPOOLED	TOTAL
U.S. Treasury Notes and Bonds	\$ 6,929,440	\$ 6,050,625	\$ 878,815	\$ 6,929,440
U.S. Government Securities	197,922,626	197,922,626	-	197,922,626
Municipal Bond	841,931	-	841,931	841,931
Total Categorized Investments	\$ 205,693,997			
Money Market Mutual Funds		112,857,542	2,995,018	115,852,560
Total Investments		316,830,793	4,715,764	321,546,557
Total Cash		-	23,362,276	23,362,276
Total Cash and Investments¹		\$316,830,793	\$ 28,078,040	\$344,908,833

¹Total cash and investments include restricted cash held in the Water Resources, Risk Management and Golf Course Funds.

Pooled investments are carried at fair value determined by quoted market prices, net of accrued interest. All pooled investments are physically collateralized and held by Bank of New York, except for the Money Market Mutual Funds.

Investment income has been allocated to funds pursuant to the provisions of the NRS 355.170 – 175, which allow income from investments associated with one fund to be assigned to another fund.

At year end, Washoe County's carrying amount of deposits was \$23,362,276 and the bank balance was \$27,930,018. The \$4,567,742 difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records. The bank balance was covered by federal depository insurance, American Share Insurance, or by collateral held by Washoe County's agent in the County's name.

Washoe County administers an external investment pool combining Washoe County money with voluntary investments from Washoe County School District, Regional Transportation Commission, Nevadaworks, TRWQSA Joint Venture and the Washoe County Library Gift Fund. The Board of County Commissioners has overall responsibility for investment of county funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Washoe County Chief Investment Official is the Washoe County Treasurer, under authority delegated by the Board of County Commissioners. The Investment Committee, created by Washoe County Code Section 15.220, has been delegated the investment decision making authority in Washoe County and serves also in an advisory capacity to the Treasurer and Board of County Commissioners. Bank of New York determines the fair value of Washoe County investments monthly. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares. The external investment pool is not registered with the SEC as an investment company.

The participants' share and redemption value are calculated using the same method. Each participant's share is equal to their original investment plus or minus monthly allocation of interest income, realized and unrealized gains and losses. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments. Realized gains and losses on investments that were held by the County during previous accounting period(s), but sold during the current period, were used to compute the change in the fair value of investments for the previous year(s) as well as the current year.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)**

Investments held in the external investment pool at June 30, 2003:

INVESTMENT TYPE	FAIR VALUE	PRINCIPAL AMOUNT/ NUMBER OF SHARES	INTEREST RATE	MATURITY DATES
U.S. Treasury Notes and Bonds	\$ 6,050,625	\$ 6,000,000	2.6-3.6%	May 15, 2008 - May 15, 2013
U.S. Government Securities	197,922,626	195,535,637	1.5-5.5%	August 15, 2003 - June 1, 2010
Money Market Mutual Funds	112,857,542	112,857,542 shares	Variable	July 1, 2003
Total Pooled Investments	<u>\$ 316,830,793</u>			

EXTERNAL INVESTMENT POOL:

STATEMENT OF NET ASSETS, JUNE 30, 2003

ASSETS

Investments in Securities:	
U.S. Treasury Notes and Bonds	\$ 6,050,625
U.S. Government and Agency Securities	197,922,626
Money Market Mutual Funds	112,857,542
Interest Receivable	1,090,513
Total Assets	<u>\$ 317,921,306</u>
NET ASSETS	
Internal participants	\$ 248,071,018
External participants	69,850,288
Total Net Assets Held in Trust for Pool Participants (\$1.00/par)	<u>\$ 317,921,306</u>

STATEMENT OF CHANGES IN NET ASSETS, FOR THE YEAR ENDED JUNE 30, 2003

ADDITIONS	
Investment earnings	\$ 8,417,067
Net realized gain (loss) on investments	662,314
Net increase (decrease) in fair value of investments	473,799
Increase in net assets resulting from operations	9,553,180
Capital share transactions	105,824,155
Change in Net Assets	115,377,335
NET ASSETS, JULY 1	202,543,971
NET ASSETS, JUNE 30	<u>\$ 317,921,306</u>

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

NOTE 4 - OTHER ASSETS

Internal Service Funds

Other assets in the Risk Management Fund of \$95,489 represents prepaid insurance premiums and in the Equipment Services Fund, \$374,575 represents prepaid lease expense.

NOTE 5 - RESTRICTED ASSETS

Major Business-type Funds

Various cash balances totaling \$5,232,911 in the Water Resources Fund are classified as restricted because their use is limited by applicable bond covenants and agreements. Bond proceeds of \$1,877,601 from the Series 2001B, General Obligation Bonds is restricted by covenants for water projects; \$2,896,676 of remediation fees is restricted for water remediation efforts; \$404,538 is restricted for retirement of principal and interest on the November 1, 2000, General Obligation Bonds per covenants; and \$54,096 is for Horizon Hills water and sewer system improvements as stipulated in the Horizon Hills General Improvement District dissolution agreement.

The Golf Course Fund has restricted cash of \$138,579 for the payment of principal and interest on the Golf Course Series 1997 bond issue. Bond covenants state that 1/6th of the semiannual interest and 1/12th of the annual principal payments shall be set aside from revenues each month to retire the debt.

Internal Service Funds

Cash of \$3,940,000 was restricted in the Risk Management Fund, pursuant to NRS 616B.300 for a workers' compensation deposit, to insure the payment of claims. This deposit is held in an investment account managed by the County.

NOTE 6 - LONG-TERM ASSETS

Major Business-type Funds

Long-term assets in the Water Resources Fund consist primarily of \$4,267,338 of unamortized cost of plant capacity of a sewer treatment plant purchased from the Sun Valley Water and Sanitation District, capacity rights of the interceptors in the Spanish Springs area, and sewer treatment capacity at the Truckee Meadows Water Reclamation Facility. Capacity rights are being amortized over forty years.

Long-term assets in the Golf Course Fund consist of \$783,893 of unamortized cost of plant capacity representing the County's right to use 350 acre feet of treated water from City of Reno's effluent water facility. These capacity rights are also being amortized over forty years.

Internal Service Funds

Long-term assets in internal service funds includes \$1,764,120 in refundable lease agreement deposits and \$250,060 prepaid lease expense, all relating to leased equipment in the Equipment Services Fund.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2003 was as follows:

	<u>BEGINNING BALANCES</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCES</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 87,275,291	\$ 5,676,034	\$ 179,861	\$ 92,771,464
Construction in progress	19,126,909	37,832,398	12,899,667	44,059,640
Total capital assets not being depreciated	<u>106,402,200</u>	<u>43,508,432</u>	<u>13,079,528</u>	<u>136,831,104</u>
Capital assets being depreciated:				
Land improvements	34,849,891	3,654,016	-	38,503,907
Buildings/improvements	161,425,292	927,261	-	162,352,553
Equipment	42,951,142	4,917,112	2,415,956	45,452,298
Infrastructure	30,151,358	16,370,004	-	46,521,362
Total capital assets being depreciated	<u>269,377,683</u>	<u>25,868,393</u>	<u>2,415,956</u>	<u>292,830,120</u>
Less accumulated depreciation for:				
Land improvements	13,906,375	1,677,324	-	15,583,699
Buildings/improvements	43,441,791	4,308,480	-	47,750,271
Equipment	26,944,962	3,350,428	2,378,181	27,917,209
Infrastructure	1,267,401	1,684,743	-	2,952,144
Total accumulated depreciation	<u>85,560,529</u>	<u>11,020,975</u>	<u>2,378,181</u>	<u>94,203,323</u>
Governmental activities capital assets, net	<u>\$ 290,219,354</u>	<u>\$ 58,355,850</u>	<u>\$ 13,117,303</u>	<u>\$ 335,457,901</u>
Business-type Activities:				
Capital assets not being depreciated:				
Land	\$ 4,701,064	\$ 292,858	\$ 15,000	\$ 4,978,922
Construction in progress	23,345,884	11,719,876	5,842,661	29,223,099
Total capital assets not being depreciated	<u>28,046,948</u>	<u>12,012,734</u>	<u>5,857,661</u>	<u>34,202,021</u>
Capital assets being depreciated:				
Land improvements	143,116,918	21,030,764	84,385	164,063,297
Buildings/improvements	14,559,034	1,458,944	26,715	15,991,263
Equipment	5,263,364	164,986	-	5,428,350
Total capital assets being depreciated	<u>162,939,316</u>	<u>22,654,694</u>	<u>111,100</u>	<u>185,482,910</u>
Less accumulated depreciation for:				
Land improvements	26,792,852	4,388,607	35,832	31,145,627
Buildings/improvements	3,174,635	413,589	26,029	3,562,195
Equipment	2,819,613	346,841	-	3,166,454
Total accumulated depreciation	<u>32,787,100</u>	<u>5,149,037</u>	<u>61,861</u>	<u>37,874,276</u>
Business-type activities capital assets, net	<u>\$ 158,199,164</u>	<u>\$ 29,518,391</u>	<u>\$ 5,906,900</u>	<u>\$ 181,810,655</u>

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

CONSTRUCTION IN PROGRESS	BALANCE JUNE 30, 2003	REMAINING COMMITMENT	FUTURE FINANCING
Miscellaneous park projects	\$ 4,328,859	\$ 2,339,213	\$ -
Miscellaneous public works projects			
including General Fund projects	7,806,145	2,096,017	-
Library projects	3,713,626	452,969	-
Regional dispatch/operations center	6,290,591	222,598	-
Regional radio dispatch system	8,601,114	2,240,281	-
Integrated financial system	2,880,771	3,644,820	-
Sierra Court Building	1,009,198	261,002	-
Jan Evans Juvenile Justice Center	9,429,336	9,538,276	-
Regional Animal Shelter	-	-	13,325,000
Governmental Construction In Progress	\$ 44,059,640	\$ 20,795,176	\$ 13,325,000

In addition, the Water Resources Fund and South Truckee Meadows General Improvement District have entered into contracts for the construction of water related projects with outstanding balances of \$1,587,008 and \$1,775 respectively.

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 1,100,240
Judicial	990,650
Public safety	2,849,697
Public works	1,720,701
Health and sanitation	168,197
Welfare	88,759
Culture and recreation	2,175,051
Capital assets held by internal service funds are charged to functions based on their usage of the assets	1,927,680
Total Depreciation Expense - Governmental Activities	\$ 11,020,975

BUSINESS-TYPE ACTIVITIES:

Utilities	\$ 4,866,474
Golf courses	282,563
Total Depreciation Expense - Business-type Activities*	\$ 5,149,037

*Does not include amortization of plant capacity of \$153,795

WASHOE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003
 (CONTINUED)

NOTE 8 – OTHER LIABILITIES AND CONTINGENCIES

Other Liabilities

Governmental Activities:

Other liabilities in governmental activities mainly consists of special assessments refundable of \$1,995,517. These are amounts due to property owners in excess of outstanding debt plus \$10,000 (Surplus and Deficiency portion) per district, and in excess of the minimum reserve requirement for SAD No. 21. Also included is \$1,300,000 in estimated unprocessed health claims for the Health Benefits Fund. The liability estimate was based on a review of prior years' runoff claims.

Business-type Activities:

Other liabilities in business-type activities include developer deposits of \$1,840,391 for sewer connection capacity and \$247,713 for water system upgrades. The majority of the sewer capacity deposit covers the preliminary work for expansion of the Cold Spring Water Reclamation Facility. Additional cash deposits or performance bonds may be required prior to construction.

Contingencies:

The County is involved in various lawsuits. The outcome of these lawsuits is not presently determinable, however management does not anticipate that they would materially impact the financial position of the County.

In addition to county general obligation bonds, Washoe County is contingently liable on the following Reno-Sparks Convention & Visitors Authority (RSCVA) bonds:

Series August 1, 1995 General Obligation Bonds	\$ 7,050,000
Series June 1, 1994A, General Obligation Various Purpose Recreational Facility Bonds	895,000
Series 1993B General Obligation Bonds	150,000
Series October 1, 1989 General Obligation Bonds - Partially Refunded	16,187,734
Series 1999B General Obligation Bonds – Various Purpose Recreational Facility Bonds	4,650,000
Series January 2000 Bonds	22,847,037
Series June 1, 2001 Refunding Bonds	92,995,000
Total RSCVA Bonds	\$ 144,774,771

Although the County is contingently liable for the general obligation bonds of RSCVA, in the event of a default, it is anticipated that resources would be reallocated to retire the bonds. Therefore, the likelihood of Washoe County assuming the debt is remote.

NOTE 9 – DEFERRED REVENUE

Governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds also report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)**

At the end of the current fiscal year, major components of deferred revenue reported were as follows:

	UNEARNED		UNAVAILABLE		TOTAL
	FPILT*		AD VALOREM TAXES	SPECIAL ASSESSMENTS	
Governmental Funds:					
General Fund	\$ 1,817,966	\$	1,085,472	\$ -	\$ 2,903,438
Special Assessment Debt Service	-		-	2,644,233	2,644,233
Nonmajor Governmental	-		427,988	-	427,988
Major Deferred Revenue	\$ 1,817,966	\$	1,513,460	\$ 2,644,233	\$ 5,975,659

*Federal Payments in Lieu of Taxes

NOTE 10 – NEW FINANCING AND DEBT RELATED MATTERS

On October 1, 2002, Washoe County issued \$19,260,000 of General Obligation (Limited Tax) Office Building Bonds (Additionally Secured by Pledged Revenues) Series 2002A. The proceeds of the Series 2002A Bonds will be used to finance all or a portion of the cost of acquiring, constructing, improving, and equipping building projects within the County, including public buildings to accommodate administrative and attorney's offices, County personnel, records and equipment, and to pay the costs of issuing the 2002A Bonds. Bond principal will be retired annually through 2027, commencing January 1, 2004. Interest is payable on January 1 and July 1, commencing July 1, 2003. The 2002A Bonds constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest, and any prior redemption premium thereon, subject to Nevada constitutional and statutory limitations regarding the aggregate amount of ad valorem taxes. The 2002A Bonds are also secured by a pledge of 15% of the revenues received by the County from the State's Consolidated Tax Act Distribution Fund. Interest rates on the Bonds range from 3% to 5%. MBIA Insurance Company insures principal and interest payments. Purchase of the MBIA policy resulted in assigned ratings of AAA by Standard & Poor's, and Aaa by Moody's.

On October 1, 2002, Washoe County issued \$15,515,000 of General Obligation (Limited Tax) Park, Open Space, and Library Bonds Series 2002B. The proceeds of the Series 2002B Bonds will be used to finance all or a portion of the cost of acquiring, constructing, improving, and equipping park, open space and library projects, and to pay the costs of issuing the 2002B Bonds. Bond principal will be retired annually through 2030, commencing May 1, 2003. Interest is payable on May 1 and November 1, commencing May 1, 2003. The 2002B Bonds constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations regarding the aggregate amount of ad valorem taxes. Interest rates on the Bonds range from 3% to 5%. Ambac Assurance Corporation insures principal and interest payments. Purchase of the Ambac policy resulted in ratings of triple-A claims-paying ability assignments by Standard & Poor's and Moody's.

On October 1, 2002, Washoe County issued \$6,960,000 of General Obligation (Limited Tax) Medium-Term Bonds (Integrated Financial System) Series 2002C. The proceeds of the Series 2002C Bonds will be used to finance all or a portion of the cost of acquiring an integrated financial system, and to pay the costs of issuing the 2002C Bonds. Bond principal will be retired annually through 2007, commencing October 1, 2003. Interest is payable on April 1 and October 1, commencing April 1, 2003. The 2002C Bonds constitute direct and general obligations of the County, and the full faith and credit of the

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

County is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitations regarding the aggregate amount of ad valorem taxes. Interest rates on the Bonds range from 2.5% to 3%. Standard & Poor's and Moody's rated the 2002C Bonds A+ and Aa3, respectively.

On June 3, 2003, Washoe County issued \$16,725,000 of General Obligation (Limited Tax) Refunding Bonds Series 2003. The proceeds were used for a current refunding of \$16,975,000 of outstanding Jail Refunding 1993B Bonds. Bond principal will be retired annually through 2011, commencing September 1, 2004. Interest is payable on September 1 and March 1, commencing September 1, 2003. The Bonds constitute direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest, subject to Nevada constitutional and statutory limitation regarding the aggregate amount of ad valorem taxes. Interest rates on the Bonds range from 4% to 5%. The bonds are rated Aaa by Moody's and AAA by Standard and Poor's.

The refunding bonds were issued at a premium of \$1,120,591. The bond proceeds and premium were deposited in an escrow account controlled by US Bank. The amount deposited, \$17,606,754, is deemed to be sufficient to meet the debt service provisions of the refunded bonds. The current refunding resulted in future cash savings of \$1,130,415 and an economic gain (difference between the present values of the old and new debt service payments) of \$1,030,838. The refunded bonds have an outstanding balance of \$1,930,000. The liability relating to the refunded portion of the bonds has been removed from the financial statements of the County.

Bonds Authorized and Unissued:

On December 19, 2000 the Board approved the issuance of General Obligation (Limited Tax) sewer bonds in the maximum principal amount of \$21,000,000 to finance sewer projects. At June 30, bonds totaling \$20,747,531 have been issued.

The Board of County Commissioners authorized issuance of \$10,750,000 in General Obligation (Limited Tax) Animal Control Bonds Series 2003A. Proceeds will be used to finance a portion of cost of acquiring, constructing, improving and equipping a Regional Animal Shelter and were issued July 1, 2003.

The Board of County Commissioner authorized issuance of \$2,575,000 in General Obligation (Limited Tax) Medium-Term Bonds Series 2003B. Proceeds will be used to finance a portion of the cost of a Regional Animal Shelter facility and were issued July 1, 2003.

Special Assessment Debt:

Special assessment bonds are issued to finance improvements that benefit taxpayers in a defined area. Bonds are repaid from assessments levied against these taxpayers, and are secured by their real property. In case of deficiencies, the County's General Fund and taxing power further secure all bonds with the exception of Special Assessment District No. 23 (SAD 23) Southwest Pointe/Arrow Creek. SAD 23 has outstanding debt of \$10,075,000. Washoe County is only acting as an agent for these bonds and is not liable for the debt.

Defeased Debt Outstanding:

In prior years, the County defeased certain general obligation debt by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

As of June 30, the following are the remaining balances of the defeased bond issues:

• Consolidated Jail Facility Bonds – Partial Refunding, Series July 15, 1986	\$18,140,000
• South Truckee Meadows GID (a Component Unit), July 1, 1996	325,000
• Water Resources Fund Bonds Series 1986	465,000
• Jail Refunding Bonds 1993 – Partial Refunding, June 3, 2003	16,975,000
Total Defeased Debt Outstanding	\$35,655,000

Conduit Debt Obligations:

The County has issued several series of revenue bonds for private activity in the public interest. They have been for water and gas facilities, colleges, and hospital facilities. The Revenue Bonds, which are paid solely from the revenue derived from the projects for which they were issued, do not become liabilities of the County under any conditions, and are therefore excluded from the County's financial statements. The aggregate principal amount payable for the twelve series issued prior to July 1, 1995, could not be determined, however, their original issue amounts totaled \$404,120,000.

Capital Leases and Financial Obligations Payable:

Building leases include lease purchase agreements for a regional shooting facility and a regional training complex. Equipment leases in governmental activities consist of financing agreements for the purchase of equipment in the Sheriff's Toxicology Division. Plant capacity in business-type activities represents sewer capacity rights held in perpetuity and financed with a capital lease.

The following is an analysis of assets acquired under capital leases as of June 30, 2003:

ASSET DESCRIPTION	GOVERNMENTAL FUND ASSETS	BUSINESS-TYPE FUND ASSETS
Buildings	\$ 15,117,339	\$ -
Equipment/plant capacity	149,557	1,447,481
Less: Accumulated Amortization/Depreciation	(642,688)	(259,638)
Total Lease/Purchases	\$ 14,624,238	\$ 1,187,843

Operating Leases:

Washoe County leases office space, land, equipment and water rights under various operating lease agreements. Total lease payments in 2002/03 were \$3,539,246. Future minimum payments for these leases are:

YEAR ENDING JUNE 30	LAND, SPACE, WATER RIGHTS	EQUIPMENT	TOTAL
2004	\$ 3,011,350	\$ 374,575	\$ 3,385,925
2005	2,107,957	220,343	2,328,300
2006	1,397,309	29,717	1,427,026
2007	982,956	-	982,956
2008	167,024	-	167,024
2009-13	98,561	-	98,561
Totals	\$ 7,765,157	\$ 624,635	\$ 8,389,792

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

Compensated Absences:

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Assets. The liability will be liquidated primarily by the General Fund for activities attributable to governmental funds and by the Water Resources Fund for business-type activities. In fiscal year 2002/2003, 83% of governmental funds' compensated absences were paid by the General Fund, and in business-type funds, 68% were paid by the Water Resources Fund. Truckee Meadows FPD's compensated absences are generally liquidated from the Vacation and Sick Leave Accrual Fund. Outstanding balances at June 30, 2003 follow:

	<u>GOVERNMENTAL FUNDS</u>	<u>BUSINESS- TYPE FUNDS</u>	<u>TOTAL</u>
Washoe County:			
Vacation	\$ 8,588,878	\$ 448,638	\$ 9,037,516
Sick Leave	5,506,974	250,262	5,757,236
Compensatory	3,315,193	147,279	3,462,472
Benefits	184,166	8,683	192,849
Total County Funds	17,595,211	854,862	18,450,073
Component Unit:			
Truckee Meadows FPD	696,278	-	696,278
Total Compensated Absences	\$ 18,291,489	\$ 854,862	\$ 19,146,351

Claims and Judgements:

The claims and judgments liability of \$10,708,000 will generally be liquidated through the Risk Management and Health Benefits internal service funds (see Note 19.) The funds finance the payment of claims by charging other funds based on Management's assessment of the relative insurance risk that should be assumed by individual funds or, as needed, through a transfer from the General Fund.

Arbitrage Rebate:

The arbitrage rebate payable is for the \$21,915,000 Sales Tax Revenue Bonds Series 1998. The arbitrage liability will be liquidated through the Infrastructure Fund and will be due after December 1, 2003.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

NOTE 11 - WASHOE COUNTY DEBT

GOVERNMENTAL ACTIVITIES	Date of Issue	Original Note/Issue	Interest Rate
Capital Lease/Notes Obligations			
GE Capital lease/Sheriff's Modular Training Building	November 30, 1999	\$129,998	5.445%
Certificates of Participation Series 2000	September 1, 2000	16,950,000	4.4% - 5.25%
Capital lease/equipment/Toxicology	November 22, 1999	91,666	6.24%
GE Capital lease equipment/Toxicology	May 3, 2001	89,543	5.18%
Note payable/North Valley Sports Complex Effluent	April 1, 2001	464,126	6.0%
Total Capital Lease/Notes Obligations			
General Obligation Bonds			
Ad Valorem:			
Jail Refunding Bonds (partially refunded 06/03/2003)	April 1, 1993	29,820,000	4.5% - 8.0%
Public Safety Bonds	December 1, 1996	19,000,000	4.8% - 8.25%
Library, Parks & Open Space Series 2001	May 15, 2001	22,785,000	4.2% - 6.5%
Library, Parks & Open Space Series 2002B	October 1, 2002	15,515,000	3.0% - 5.0%
Jail Forward Refunding Bonds Series 2003	June 3, 2003	16,725,000	4.0% - 5.0%
Total Ad Valorem Supported Bonds			
Medium-Term:			
Various Purpose Series June 1, 1999	June 1, 1999	7,030,000	3.8% - 4.6%
Court Complex and Refunding Bonds Series May 1, 1994	May 1, 1994	7,965,000	3.75% - 5.6%
Various Purpose Series April 1, 1997	April 1, 1997	10,000,000	4.0% - 5.0%
Property Acquisition Bonds Series 2000A	August 1, 2000	14,000,000	4.5% - 4.8%
Antelope Valley Road Special Assess Dist Series 2001B	December 1, 2001	1,327,290	3.0% - 4.5%
Integrated Financial System Series 2002C	October 1, 2002	6,960,000	2.5% - 3.0%
Truckee Meadows Fire Protection District (a component unit)			
Various Purpose Series June 1, 1999	June 1, 1999	1,300,000	3.8% - 4.6%
Total Medium-Term Bonds			
Revenue:			
Truckee River Water Quality Settlement			
Series 1998A & 1998B	April 1, 1998	12,000,000	3.25%
Facility Bonds Series 2001A	December 1, 2001	16,620,000	4.0% - 5.5%
Office Building Bonds Series 2002A	October 1, 2002	19,260,000	3.0% - 5.0%
Total General Obligation Revenue Bonds			
Total General Obligation Bonds			
Sales Tax Revenue Bonds			
Sales Tax Revenue Bonds Series 1998	December 1, 1998	21,915,000	4.0% - 5.1%
Other Liabilities - Note 10			
Compensated absences	N/A	N/A	N/A
Arbitrage	N/A	N/A	N/A
Claims and Judgements	N/A	N/A	N/A
Total Other Liabilities			

** Interest Matured	Principal Outstanding July 1, 2002	Additions/ Issued	Reductions/ Principal Matured\Called	** Principal Outstanding June 30, 2003	Payment Due in 2003-2004		Fiscal Year Of Final Payment
					Principal	Interest	
\$ 2,866	\$ 64,773	\$ -	\$ 26,758	\$ 38,015	\$ 28,252	\$ 1,372	2005
763,898	16,950,000	-	1,560,000	15,390,000	1,635,000	692,828	2011
2,529	47,731	-	18,855	28,876	20,108	1,276	2005
2,466	58,798	-	32,516	26,282	26,282	627	2004
26,808	464,126	-	25,629	438,497	14,006	25,998	2021
798,567	17,585,428	-	1,663,758	15,921,670	1,723,648	722,101	
1,071,261	20,735,000	-	18,805,000	1,930,000	1,930,000	50,180	2011
882,800	16,255,000	-	740,000	15,515,000	780,000	821,750	2017
1,199,248	22,305,000	-	460,000	21,845,000	485,000	1,169,348	2026
371,133	-	15,515,000	180,000	15,335,000	350,000	701,682	2030
-	-	16,725,000	-	16,725,000	-	574,041	2011
3,524,442	59,295,000	32,240,000	20,185,000	71,350,000	3,545,000	3,317,001	
218,318	5,030,000	-	715,000	4,315,000	750,000	189,718	2009
310,536	5,595,000	-	2,785,000	2,810,000	2,810,000	157,360	2004
274,676	5,555,000	-	1,010,000	4,545,000	1,055,000	226,195	2007
652,355	14,000,000	-	-	14,000,000	-	652,355	2011
50,261	1,327,290	-	101,427	1,225,863	117,165	46,689	2012
80,390	-	6,960,000	-	6,960,000	1,270,000	167,294	2008
42,010	965,000	-	120,000	845,000	125,000	37,210	2009
1,628,546	32,472,290	6,960,000	4,731,427	34,700,863	6,127,165	1,476,821	
182,922	5,696,952	-	276,521	5,420,431	285,581	173,862	2018
821,738	16,620,000	-	320,000	16,300,000	375,000	807,838	2027
-	-	19,260,000	-	19,260,000	490,000	997,224	2027
1,004,660	22,316,952	19,260,000	596,521	40,980,431	1,150,581	1,978,924	
6,157,648	114,084,242	58,460,000	25,512,948	147,031,294	10,822,746	6,772,746	
1,011,018	21,185,000	-	395,000	20,790,000	415,000	994,818	2029
-	17,022,853	15,962,872	14,694,236	18,291,489	16,096,680	-	N/A
-	117,259	25,000	-	142,259	-	-	N/A
-	8,447,000	2,261,000	-	10,708,000	3,427,000	-	N/A
-	25,587,112	18,248,872	14,694,236	29,141,748	19,523,680	-	

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)**

NOTE 11 - WASHOE COUNTY DEBT (CONTINUED)

	<u>Date of Issue</u>	<u>Original Note/Issue</u>	<u>Interest Rate</u>
Special Assessment Debt (with governmental commitment) - Note 10			
Cold Springs Sewer	July 1, 1996	\$5,500,000	4.0% - 6.1%
Calle de la Plata-\$274,171, Matterhorn Blvd-\$537,251, Osage/Placerville-\$146,659	October 21, 1999	958,081	5.75%
Total Special Assessment Debt			

Total Governmental Activities

BUSINESS-TYPE ACTIVITIES *

General Obligation Debt

Medium-Term:

Water Resources Fund:

Various Purpose Series June 1, 1996	June 1, 1996	1,850,000	4.0% - 5.3%
Water Bonds Series 2001B	December 1, 2001	6,262,710	3.0% - 4.5%
South Truckee Meadows GID (a component unit):			
Refunding Series 1996	July 1, 1996	1,740,000	3.5% - 5.1%

Revenue:

Water Resources Fund:

Water Sewer Series 1997	June 4, 1997	3,720,000	5.0% - 6.5%
Lemmon Valley Sewer Series 1997	August 13, 1997	1,249,137	3.33%
Sewer Bonds Series 2000A & 2000B	June 30, 2000	2,310,000	3.7%
Ground Water Remediation Bonds Series November 1, 2000	November 1, 2000	3,165,000	4.6% - 5.0%
Sewer Bonds Series 2001	February 2, 2001	21,000,000	3.125%
Golf Course Fund:			
Golf Course Series 1997	September 1, 1997	3,000,000	4.75% - 5.4%

Leases/Notes

Water Resources Fund:

Capital lease/sewer capacity - Phases A & C	February 26, 1996	1,447,482	3.825%
Note payable/Mt. Rose water facility	May 25, 1990	120,000	10.0%
Golf Course Fund:			
Note payable/Sierra Sage Golf Course Effluent	April 1, 2001	997,170	6.0%

Other Liabilities - Note 10

Compensated Absences	N/A	N/A	N/A
Total Business-Type Activities			
Total Washoe County Obligations			

*Business-type debt is expected to be retired primarily through operations.

** Interest Matured	Principal Outstanding July 1, 2002	Additions/ Issued	Reductions/ Principal Matured\Called	** Principal Outstanding June 30, 2003	Payment Due in 2003-2004		Fiscal Year Of Final Payment
					Principal	Interest	
\$ 89,122	\$ 1,545,000	\$ -	\$ 50,000	\$ 1,495,000	\$ 60,000	\$ 86,250	2017
42,952	768,000	-	85,000	683,000	91,000	37,978	2010
132,074	2,313,000	\$ -	135,000	2,178,000	151,000	124,228	
<u>\$8,099,307</u>	<u>\$180,754,782</u>	<u>\$ 76,708,872</u>	<u>\$ 42,400,942</u>	<u>\$215,062,712</u>	<u>\$32,636,074</u>	<u>\$ 8,613,893</u>	
\$ 43,576	\$ 845,000	\$ -	\$ 195,000	\$ 650,000	\$ 205,000	\$ 33,826	2006
237,152	6,262,710	-	478,573	5,784,137	552,835	220,298	2012
23,820	620,000	-	300,000	320,000	320,000	8,160	2004
163,038	2,965,000	-	215,000	2,750,000	225,000	150,138	2017
35,542	1,079,853	-	52,072	1,027,781	53,822	33,793	2018
37,564	1,025,373	-	40,968	984,405	42,498	36,034	2020
131,163	2,910,000	-	265,000	2,645,000	280,000	117,713	2011
385,963	13,398,033	7,349,498	-	20,747,531	484,060	615,310	2020
130,850	2,605,000	-	110,000	2,495,000	115,000	125,507	2018
38,999	1,019,603	-	62,002	957,601	64,373	36,628	2015
7,776	67,904	-	4,224	63,680	4,224	7,776	2018
56,443	977,170	-	53,960	923,210	29,488	54,737	2021
-	756,221	842,576	743,935	854,862	752,287	-	N/A
1,291,886	34,531,867	8,192,074	2,520,734	40,203,207	3,128,587	1,439,920	
<u>\$9,391,193</u>	<u>\$215,286,649</u>	<u>\$ 84,900,946</u>	<u>\$ 44,921,676</u>	<u>\$255,265,919</u>	<u>\$35,764,661</u>	<u>\$10,053,813</u>	

**The principal outstanding and interest matured totals exclude premiums, discounts, bond issuance costs, and interest accruals.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

NOTE 12 - ANNUAL PRINCIPAL/INTEREST REQUIREMENTS

The annual requirements to amortize the following outstanding debt:

Year Ended June 30,	General Obligation Ad Valorem Debt		General Obligation Non-Ad Valorem Debt		Special Assessment Debt	
	Principal*	Interest	Principal*	Interest	Principal*	Interest
Governmental Activities - Primary Government						
2004	\$ 3,545,000	\$ 3,317,001	\$ 7,152,746	\$ 3,418,535	\$ 151,000	\$ 124,228
2005	3,770,000	3,308,805	6,316,476	2,894,332	161,000	115,657
2006	3,945,000	3,123,581	6,544,636	2,634,049	167,000	106,573
2007	4,110,000	2,939,700	6,809,862	2,361,121	178,000	96,977
2008	4,305,000	2,748,416	5,814,541	2,068,622	201,000	86,422
2009-2013	19,170,000	10,630,753	15,538,456	7,588,981	700,000	282,683
2014-2018	12,915,000	6,905,855	9,099,577	5,350,614	620,000	78,995
2019-2023	9,255,000	4,068,401	8,805,000	3,359,291	-	-
2024-2028	8,470,000	1,548,977	8,755,000	995,947	-	-
2029-2033	1,865,000	141,000	-	-	-	-
	<u>71,350,000</u>	<u>38,732,489</u>	<u>74,836,294</u>	<u>30,671,492</u>	<u>2,178,000</u>	<u>891,535</u>
Governmental Activities - Component Units						
2004	-	-	125,000	37,210	-	-
2005	-	-	130,000	31,960	-	-
2006	-	-	135,000	26,436	-	-
2007	-	-	145,000	20,562	-	-
2008	-	-	150,000	14,110	-	-
2009-2013	-	-	160,000	7,360	-	-
	<u>-</u>	<u>-</u>	<u>845,000</u>	<u>137,638</u>	<u>-</u>	<u>-</u>
Business-type Activities - Primary Government						
2004	-	-	1,958,215	1,332,619	-	-
2005	-	-	2,532,059	1,276,482	-	-
2006	-	-	2,628,379	1,175,266	-	-
2007	-	-	2,369,059	1,069,131	-	-
2008	-	-	2,461,758	977,829	-	-
2009-2013	-	-	12,218,661	3,419,346	-	-
2014-2018	-	-	9,656,956	1,469,080	-	-
2019-2023	-	-	3,258,767	137,117	-	-
	<u>-</u>	<u>-</u>	<u>37,083,854</u>	<u>10,856,870</u>	<u>-</u>	<u>-</u>
Business-type Activities - Component Units						
2004	-	-	320,000	8,160	-	-
	<u>-</u>	<u>-</u>	<u>320,000</u>	<u>8,160</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 71,350,000</u>	<u>\$ 38,732,489</u>	<u>\$ 113,085,148</u>	<u>\$ 41,674,160</u>	<u>\$ 2,178,000</u>	<u>\$ 891,535</u>

*Principal amounts shown before discounts.

<u>Sales Tax Revenue Bonds</u>		<u>Leases/Notes</u>		<u>Total Debt</u>	
<u>Principal*</u>	<u>Interest</u>	<u>Principal*</u>	<u>Interest</u>	<u>Principal*</u>	<u>Interest</u>
\$ 415,000	\$ 994,818	\$ 1,723,648	\$ 722,101	\$ 12,987,394	\$ 8,576,683
435,000	977,817	1,738,397	643,887	12,420,873	7,940,498
455,000	959,790	1,795,778	564,309	12,907,414	7,388,302
475,000	940,725	1,876,745	474,466	13,449,607	6,812,989
500,000	920,488	1,977,774	378,553	12,798,315	6,202,501
2,855,000	4,251,228	6,556,628	571,101	44,820,084	23,324,746
3,630,000	3,501,018	143,613	56,411	26,408,190	15,892,893
4,655,000	2,478,825	109,087	10,926	22,824,087	9,917,443
5,985,000	1,146,321	-	-	23,210,000	3,691,245
1,385,000	35,317	-	-	3,250,000	176,317
<u>20,790,000</u>	<u>16,206,347</u>	<u>15,921,670</u>	<u>3,421,754</u>	<u>185,075,964</u>	<u>89,923,617</u>
-	-	-	-	125,000	37,210
-	-	-	-	130,000	31,960
-	-	-	-	135,000	26,436
-	-	-	-	145,000	20,562
-	-	-	-	150,000	14,110
-	-	-	-	160,000	7,360
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>845,000</u>	<u>137,638</u>
-	-	98,085	99,141	2,056,300	1,431,760
-	-	102,357	94,870	2,634,416	1,371,352
-	-	106,834	90,392	2,735,213	1,265,658
-	-	111,526	85,701	2,480,585	1,154,832
-	-	116,445	80,781	2,578,203	1,058,610
-	-	664,794	321,339	12,883,455	3,740,685
-	-	514,778	168,352	10,171,734	1,637,432
-	-	229,672	23,004	3,488,439	160,121
<u>-</u>	<u>-</u>	<u>1,944,491</u>	<u>963,580</u>	<u>39,028,345</u>	<u>11,820,450</u>
-	-	-	-	320,000	8,160
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,000</u>	<u>8,160</u>
<u>\$ 20,790,000</u>	<u>\$ 16,206,347</u>	<u>\$ 17,866,161</u>	<u>\$ 4,385,334</u>	<u>\$ 225,269,309</u>	<u>\$ 101,889,865</u>

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003**

NOTE 13 – FUND BALANCE/NET ASSETS – RESTRICTIONS, RESERVATIONS, DESIGNATIONS, DEFICIT

Government-wide Financial Statements:

The government-wide Statement of Net Assets utilizes a net asset presentation. Net assets are categorized as investment in capital assets, net of related debt, restricted and unrestricted. Related debt is the debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Restricted assets are assets which have third-party (statutory, bond covenant or granting agency) limitations on their use. Restricted assets are classified either by function, debt service, projects, or claims. Assets restricted by function relate to net assets of governmental and business-type funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net assets restricted for claims represent the amount legally required to be held for payment of future claims in the self-insurance funds.

Unrestricted net assets represent available financial resources of the County.

Fund Financial Statements:

Governmental Funds:

Governmental funds report fund balance reservations to isolate the portion of fund balance that is not an available current financial resource due to legal or third party restrictions on spending or amounts not available for subsequent year's appropriations. Unless there are legal or third party restrictions, reservations of fund balance for resources not available for spending do not meet the definition of "invested in capital assets, net of related debt" or "restricted."

Reserved for encumbrances is limited to actual ending fund balance less the budgeted beginning fund balance for the subsequent fiscal year. In funds with insufficient ending fund balance, reservations of fund balance for encumbrances is limited to available fund balance in excess of the amount designated for future year's expenditures. Amounts reserved for encumbrances are available for reappropriation in the subsequent year.

Fund balances in debt service funds are reserved for future debt service requirements of both principal and interest. Fund balance reserved for inventory reflects the balance of inventory on hand at the end of the year and is not available for future spending. Reserves for projects relate to amounts legally restricted by outside parties for a specific project or program and may be reappropriated in the subsequent year. The reserve for future claims is the amount required to pay for future claims in the self-insurance funds pursuant to NRS 354.6215.

In the individual fund statements included in supplemental information, unreserved fund balance is broken down between designated and undesignated. Designations of unreserved fund balance reflect county management's intended use of otherwise available current financial resources.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)**

Unreserved fund balances in governmental funds consist of the following:

FUND	DESIGNATED FUTURE YEARS EXPENDITURES	DESIGNATED DEPARTMENTAL CARRYOVER	UNDESIGNATED	TOTAL
General Fund	\$ 24,749,991	\$ 5,481,484	\$ -	\$ 30,231,475
Pre-Funded Retiree Health Benefits Fund	24,196,589	-	-	24,196,589
Nonmajor Special Revenue Funds	17,854,977	507,298	451,507	18,813,782
Parks Construction Tax Fund	23,951,909	-	-	23,951,909
Public Works Construction Fund	35,165,317	-	-	35,165,317
Infrastructure Fund	30,008,643	-	-	30,008,643
Nonmajor Capital Projects Funds	3,186,923	-	700,270	3,887,193
Totals	\$159,114,349	\$ 5,988,782	\$ 1,151,777	\$166,254,908

Proprietary Funds:

The Risk Management Fund, an internal service fund, has a deficit net asset balance of \$2,210,514. Legislation enacted for increased benefits for public safety employees has resulted in large increases to the pending claims liability for three consecutive years. Negative net assets in the Fund reflect the fact that noncurrent pending claims are not fully funded. Management is researching solutions to this situation.

Fiduciary Funds:

Net assets held in trust for pool participants and trust beneficiaries in the Statement of Fiduciary Net Assets represents cash and investments held in trust for other agencies participating in Washoe County's investment pool and principal and income held by the Public Guardian acting in a trust arrangement for the benefit of individuals.

NOTE 14 – CAPITAL CONTRIBUTIONS

Capital contributions in the Water Resources Fund and South Truckee Meadows GID Funds consist of water rights and water and sewer lines contributed by developers and property owners. These contributions are a condition of receiving water and sewer services. Capital contributions also include grants and contributions restricted for the purchase, construction, or renovation of capital assets. Hook-up fees are one-time connection fees charged to developers, builders and individuals for the privilege of connecting to water and sewer lines.

WASHOE COUNTY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2003
 (CONTINUED)

NOTE 15 - INTERFUND BALANCES AND TRANSFERS

Interfund transfers for the year ended June 30, 2003, consisted of the following:

<u>TRANSFERS OUT:</u>	<u>TRANSFERS IN:</u>		
	<u>GENERAL FUND</u>	<u>PRE-FUNDED RETIREE HEALTH BENEFITS FUND</u>	<u>SPECIAL ASSESS- MENT DEBT SERVICE FUND</u>
General Fund	\$ -	\$ 4,684,000	\$ -
Pre-Funded Retiree Health Benefits Fund	-	-	-
Public Works Construction Fund	21,452	-	-
Infrastructure Fund	-	-	-
Nonmajor Governmental Funds	74,456	-	11,245
Water Resources Fund	2,876,199	-	-
Total Transfers Out	\$ 2,972,107	\$ 4,684,000	\$ 11,245

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

PUBLIC WORKS CONSTRUCTION FUND	NONMAJOR GOVERNMENTAL FUNDS	WATER RESOURCES FUND	INTERNAL SERVICE FUNDS	TOTALS
\$ 3,556,137	\$ 12,491,556	\$ 1,817,088	\$ 6,960,317	\$ 29,509,098
-	-	-	468,713	468,713
-	-	-	-	21,452
-	3,675,194	-	-	3,675,194
-	5,626,519	107,830	-	5,820,050
-	-	-	-	2,876,199
\$ 3,556,137	\$ 21,793,269	\$ 1,924,918	\$ 7,429,030	\$ 42,370,706

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

NOTE 16 – JOINT VENTURES

Local Government Oversight Committee Joint Venture (Truckee River Water Quality Settlement Agreement)

Pursuant to an interlocal agreement amended and restated on June 11, 1997 and July 28, 1998, Washoe County and the Cities of Reno and Sparks have entered into a joint venture for the purchase of water rights pursuant to the Truckee River Water Quality Settlement Agreement (TRWQSA) dated October 10, 1996.

Parties to the TRWQSA are Washoe County, City of Reno, City of Sparks, United States Department of the Interior (DOI), U.S. Department of Justice, U.S. Environmental Protection Agency, Nevada Division of Environmental Protection and the Pyramid Lake Paiute Tribe of Indians (TRIBE).

The agreement settled and dismissed pending litigation by the TRIBE relating to the expansion of the Truckee Meadows Water Reclamation Facility (TMWRF), which is operated by the Cities of Reno and Sparks. It allows Reno and Sparks to use the sewage plant's full capacity in exchange for the purchase of \$24,000,000 of water rights. This amount includes DOI's share of funding of \$12,000,000. Washoe County's estimated portion of funding of these water rights purchases is \$2,640,000 and the total joint venture's share (including Washoe County) is \$12,000,000. Bonds totaling \$5,957,000 have been issued. If joint venture equity is insufficient to make bond payments, any deficit has been guaranteed by each entity based on the proportional flow contributed to TMWRF by each entity.

Water rights will be jointly managed by Washoe County, Reno, Sparks and DOI. Water will be stored in reservoirs and released during the summer when the river flows are low. The acquisition of water rights by Washoe County, Reno and Sparks are being financed under the State of Nevada Water Pollution Control Revolving Loan Fund or by any other interim financing mechanism, as deemed necessary.

Repayment of the financing will be made 50% from a pledged uniform charge on connection fees of new users in Central Truckee Meadows, Spanish Springs Valley, and Reno-Stead, effective January 1, 1997. The remaining 50% will be made from a pledged uniform flow-based charge to customers of the Truckee Meadows Water Reclamation Facility, effective October 1, 1997. The joint venture is accumulating significant financial resources to fund future debt payments and water right purchases.

Washoe County is responsible for administration of the joint venture. The arrangement is considered a joint venture because: 1) the agreement results in a contractual entity, 2) joint control exists in a three-member oversight committee with one member each appointed by Washoe County, Reno and Sparks, and 3) there is an ongoing financial relationship/responsibility on the part of the participating entities.

The arrangement is considered a joint venture with no equity interest recorded on Washoe County's balance sheet as of June 30, 2003, because no explicit and measurable equity interest is deemed to exist. The entire equity is reserved for purchase of water rights and repayment of debt and is therefore, unavailable to the County. Each entity (Washoe County, Reno and Sparks) will own an undivided and equal interest in the property and water rights purchased. The County's proportionate share of the water rights and related property purchases are included in capital assets when purchased. Purchases of \$1,799,067 have been recorded as of June 30, 2003. The joint venture is an ongoing operation.

Separate audited financial statements and information for the joint venture are available by contacting the Washoe County Comptroller's Department, 1001 E. 9th Street, Reno, Nevada.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)**

Truckee Meadows Water Authority

The Truckee Meadows Water Authority ("Authority") is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County. The Authority was formed in order to purchase water assets and undertake water utility operations of Sierra Pacific Power Company (SPPC), a Nevada corporation, and to develop, manage and maintain supplies of water for the benefit of the Truckee Meadows community.

The Authority issued bonds that do not constitute an obligation of Reno, Sparks, the County or the State of Nevada.

The Authority is considered a joint venture because: 1) the agreement results in a contractual entity, 2) joint control exists in a seven-member governing body with three directors appointed by Reno, two directors appointed by Sparks, one director appointed by the County and one at-large director, who shall be an elected official from the governing body of a member, and 3) there is an ongoing financial relationship/responsibility on the part of the participating entities.

The arrangement is considered a joint venture with no equity interest recorded on Washoe County's balance sheet as of June 30, 2003, because no explicit and measurable equity interest is deemed to exist.

Separate audited financial statements and information for the joint venture are available by contacting the Authority at 1155 Corporate Blvd., P.O. Box 30013 Reno, NV 89520-3013.

NOTE 17 - PENSION PROGRAM

Plan Description: Washoe County contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit pension plan. PERS provides retirement benefits, disability benefits and death benefits, including annual cost-of-living adjustments, to plan members and beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Funding Policy: Benefits for plan members are funded under the employer pay contribution plan method. Under this method, the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation.

The County's contribution rates and amounts contributed for the last three years are as follows:

FISCAL YEAR	CONTRIBUTION RATE		TOTAL CONTRIBUTION
	REGULAR MEMBERS	POLICE/FIRE	
2002-03	18.75%	28.50%	\$27,959,112
2001-02	18.75%	28.50%	\$25,882,639
2000-01	18.75%	28.50%	\$24,638,091

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

Actuarial Information: Actuarial valuations are prepared annually by the independent actuary for the PERS, with the most recent actuarial valuations prepared as of June 30, 2002. The actuarial cost method used in the valuation is the entry age normal cost method. The actuarial method used for valuing assets is as follows:

The actuarial value of assets is equal to the prior year's actuarial value of assets plus:

- Net new money (contributions minus benefit payments and administrative expenses)
- Expected investment return
- 20% of each of the previous five years' gain/(losses) due to investment return greater/(less) than expected.

The actuarial value of assets is further limited to be not less than 80% or greater than 120% of market value.

The unfunded actuarial accrued liability is being amortized by level percentage-of-payroll payments over a period of 22 years from July 1, 2002. Under the level percentage-of-payroll amortization method, the dollar amounts of calculated amortization payments increase in direct proportion to the assumed payroll growth rates of 6.5% per year for regular employees and 7.0% per year for police and firefighters. These payroll growth rates are based on 5.0% inflation.

NOTE 18 - OTHER POSTEMPLOYMENT BENEFITS

In accordance with NRS 287.023, the Board of County Commissioners adopted the Retiree Health Insurance Program. Employees hired before September 17, 1997, are eligible for payment by the County of a portion of their health benefit premiums upon retirement, based upon years of service to a maximum of 100% after 20 years of service. Retirees are offered medical, prescription, vision and life insurance benefits for themselves and their dependents. Retirees must pay the full premium for their dependents. A new contract with the Washoe County Employees Association eliminated the provision for county paid retiree health benefit premiums for employees hired after September 16, 1997. During the current fiscal year, the County paid \$3,024,000 toward retirees' premiums and claims. Retirees' contributions totaled \$1,239,211 for 676 eligible participants with 103 dependents. Currently, the County finances the plan on a pay-as-you-go basis. The Pre-Funded Retiree Health Benefits Fund was established to accumulate a sufficient fund balance for payment of future retiree health benefits. During the 2003 fiscal year, the County transferred \$4,684,000 to the Fund. Transfers of \$468,713 were made from the Fund to the Health Benefits Fund for the first time this fiscal year. At June 30, 2003, fund balance available for future benefits is \$24,196,589.

Prior to July 1, 2000, Truckee Meadows Fire Protection District (TMFPD), a component unit, provided health insurance benefits to retired employees. AT June 30, 2000, ten retirees were participating in TMFPD health benefits program. At July 1, 2000, the date of the Interlocal Agreement for Fire Services and Consolidation, the City of Reno accepted liability for the ten retirees under this plan. The plan, prior to consolidation, was funded by operating resources which now pay monthly installments to fund the consolidated budget administered by the City of Reno.

Also, in accordance with the Interlocal Agreement, TMFPD continues to pay pre-funding of service costs and other associated costs of the future obligation of health benefits to retiring TMFPD employees who transferred employment to the City of Reno on July 1, 2000. The number of eligible participants at June 30, 2003 was seventeen. Contributions made by TMFPD for the year ended June 30, 2003 were \$225,000, which represents the current service cost plus a payment towards the unfunded actuarial liability. Assets available for benefits at June 30, 2003 were \$1,875,035. The estimated actuarial liability as of June 30, 2002 was \$3,483,000. A new actuarial report will be completed during the 2004 fiscal year.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

NOTE 19 - RISK MANAGEMENT

Washoe County currently self-funds its fiscal responsibility related to exposures of loss from torts; theft of, damage to, or destruction of assets; and errors or omissions. Since 1981, when Washoe County started self-funding its workers' compensation obligation, it has increased the number of programs where self-funding is practiced and the proportion of the loss exposure which it self-funds.

Two funds were established to account for these programs. The Risk Management Fund accounts for costs related to general liability, auto liability, workers' compensation, property coverage and unemployment compensation. The Health Benefits Fund accounts for the life insurance, medical, prescription, dental and vision programs.

Annually there are a number of lawsuits and unresolved disputes involving the County which are administered by the Risk Management Division. These items are reviewed by the Risk Manager with input from the District Attorney's Office and the appropriate third party administrator to set values to the extent a value is determinable. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. Allocated claim adjustment expenses are included. Annually, an aggregate value is placed on all claims through the performance of an actuarial study. The values set by the actuary for both short and long-term liabilities, using a 75% confidence level, are as follows:

PENDING CLAIMS	CURRENT	LONG TERM	TOTAL
Property and liability claims	\$ 941,000	\$ 2,044,000	\$ 2,985,000
Workers' compensation claims	2,486,000	5,237,000	7,723,000
Unprocessed Health Benefits Fund claims	1,300,000	-	1,300,000
Total Pending Claims	\$ 4,727,000	\$ 7,281,000	\$12,008,000

Many items involving the Risk Management Fund do not specifically fall within the criteria used by the actuaries for evaluation. Such items include contract disputes and noninsurance items. In the 1980's, management declared their intention to have \$1,000,000 of net assets in the Fund available for claims which fall into areas not recognized in the actuarial studies, or for possible catastrophic losses which exceed parameters of the actuarial studies. Currently, there is a net asset deficit of (\$2,210,514).

The plans contained within the Health Benefits Fund are handled through contracts with an external claims administrator, a preferred provider organization for medical services, and through the purchase of various insurance plans.

There was no significant reduction in the amount of insurance coverage purchased this year by the County compared to the previous year. There were no settlements in excess of insurance coverage in any of the three prior fiscal years.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2003
(CONTINUED)

Claims' liability and activity for the Risk Management and the Health Benefits Funds for the fiscal years ending June 30, were as follows:

CLAIMS LIABILITY/ACTIVITY	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND
Claims liability, July 1, 2001	\$ 6,502,000	\$ 960,000
Claims and changes in estimates	3,745,774	12,471,609
Claim payments	(1,800,774)	(12,471,609)
Claims liability, June 30, 2002	8,447,000	960,000
Claims and changes in estimates	5,315,160	13,523,021
Claim payments	(3,054,160)	(13,183,021)
Claims liability, June 30, 2003	<u>\$ 10,708,000</u>	<u>\$ 1,300,000</u>

The cost of the current year's programs within the Risk Management Fund and the Health Benefits Fund was similar to that of the prior year. The Risk Management Fund's costs include a mixture of costs for personnel, external contractors and consultants, and costs related to claims and litigation for various programs. Property insurance was purchased from outside carriers with a deductible of \$50,000.

The nondiscounted carrying amount of unpaid claims at June 30 is \$11,979,000. The interest rate used for discounting was 4%.

South Truckee Meadows General Improvement District, a component unit, is a participant in Washoe County's property insurance program and self-insurance program for general liability. The District is responsible for repayment of expenses as incurred by the general liability self-insurance program up to a maximum of \$10,000 per year. Amounts in excess of insurance coverage for settled claims from these risks have been insignificant during the past three years.

NOTE 20 - SUBSEQUENT EVENTS

On July 22, 2003, the Board of County Commissioners determined that the County reasonably expects to incur expenditures with respect to Special Assessment District No. 29 (Mt. Rose Sewer extension) prior to issuance of bonds. The County expects to incur expenditures up to \$1,300,000 with respect to this project prior to issuance of the bonds. The County will be reimbursed upon sale of the bonds. None have been issued to date.

On May 13, 2003, the Board of County Commissioners authorized issuance of \$10,750,000 in General Obligation (Limited Tax) Animal Control Bonds Series 2003A. Proceeds will be used to finance a portion of cost of acquiring, constructing, improving and equipping a Regional Animal Shelter and were issued July 1, 2003.

On May 13, 2003, the Board of County Commissioner authorized issuance of \$2,575,000 in General Obligation (Limited Tax) Medium-Term Bonds Series 2003B. Proceeds will be used to finance a portion of the cost of a Regional Animal Shelter facility and were issued July 1, 2003.

On September 16, 2003, the Board of County Commissioners authorized the issuance of Special Assessment District No. 21 Local Improvement Refunding Bonds, Series 2003 for \$1,100,000. None have been issued to date.

NONMAJOR GOVERNMENTAL FUNDS

- * *Combining Balance Sheet*
- * *Combining Statement of Revenues,
Expenditures and Changes
in Fund Balances*

The 1970's

By 1970 the population had increased to 121,068; 72,863 lived in Reno, 24,187 in Sparks and 24,018 in the unincorporated area.

In 1972, the need for suburban fire protection in the populated areas of the county was answered by the creation of the Truckee Meadows Fire Protection District. In June 1972, the Washoe County Sheriff's Department Employees Association became the first employees' association to be recognized by the commissioners.

Also in 1972 a county management analyst was appointed. As a result of the pressure applied by the Environmental Protection Agency, the Crystal Bay General Improvement District was created at Lake Tahoe and on the same day an interlocal agreement was executed between the cities of Reno, Sparks and Washoe County for the operation of the district health department.

The Stead branch library opened in April 1973, a female animal control officer, a registrar of voters and a second justice of the peace for the Reno Township were appointed. In May, 1974 the Gerlach General Improvement District was created and in July 1975, the commissioners created the office of the coroner.

In June 1976, the county issued its first economic revenue bonds for \$10,000,000 to finance water facilities to be used by Sierra Pacific Power Company in the furnishing of water available on reasonable demand to the general public.

During the last three months of 1977 the commissioners awarded a construction contract for the senior center, instituted a formal risk management program, and awarded a contract for a finance center at the county building complex. By 1978 the road division was repairing and maintaining 2,320 lane miles of roadway.

Late in the decade growth spurted in Washoe County as three casinos opened their doors at the same time. These openings coincided with a severe drought in Northern Nevada. Between 1976 and 1979 the snow pack was well below average, and with the increase in job opportunities and population that came to Washoe County the dominant political issue became growth and how it should be controlled. Washoe County was coming to realize that the water from the Sierra would not always be plentiful.

**WASHOE COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL
ASSETS				
Cash and investments	\$ 16,785,563	\$ 9,545,996	\$ 5,544,671	\$ 31,876,230
Accounts receivable	230,222	-	-	230,222
Consolidated tax receivable	897,269	-	-	897,269
Property taxes receivable	327,011	91,604	58,685	477,300
Other taxes receivable	207,453	-	-	207,453
Interest receivable	33,660	23,593	18,284	75,537
Due from other governments - grants	7,249,613	-	-	7,249,613
Due from other governments - other	11,682	-	-	11,682
Inventory	221,957	-	-	221,957
Total Assets	\$ 25,964,430	\$ 9,661,193	\$ 5,621,640	\$ 41,247,263
LIABILITIES				
Accounts payable	\$ 2,169,182	\$ 76,674	\$ 82,430	\$ 2,328,286
Accrued salaries and benefits	1,082,570	-	-	1,082,570
Contracts/retention payable	-	-	218,048	218,048
Interest payable	-	51,259	-	51,259
Due to other governments	561,357	-	59,638	620,995
Other liabilities	25,599	-	-	25,599
Deferred revenue	291,178	83,377	53,433	427,988
Total Liabilities	4,129,886	211,310	413,549	4,754,745
FUND BALANCES				
Reserved for:				
Encumbrances	311,864	-	1,311,086	1,622,950
Debt service	-	9,449,883	-	9,449,883
Inventory	221,957	-	-	221,957
Projects	611,906	-	9,812	621,718
Claims	1,875,035	-	-	1,875,035
Unreserved:				
Designated/future years expenditures	17,854,977	-	3,186,923	21,041,900
Designated/departmental carryover	507,298	-	-	507,298
Undesignated	451,507	-	700,270	1,151,777
Total Fund Balances	21,834,544	9,449,883	5,208,091	36,492,518
Total Liabilities/Fund Balances	\$ 25,964,430	\$ 9,661,193	\$ 5,621,640	\$ 41,247,263

**WASHOE COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 23,501,398	\$ 7,575,356	\$ 4,811,311	\$ 35,888,065
Licenses and permits	1,827,409	-	-	1,827,409
Intergovernmental revenues	27,282,049	459,444	232,872	27,974,365
Charges for services	3,766,360	-	321,153	4,087,513
Fines and forfeits	649,432	-	-	649,432
Miscellaneous	1,168,478	109,286	228,612	1,506,376
Total Revenues	<u>58,195,126</u>	<u>8,144,086</u>	<u>5,593,948</u>	<u>71,933,160</u>
EXPENDITURES				
Current:				
General government	2,101,771	-	-	2,101,771
Judicial	136,200	-	-	136,200
Public safety	12,946,423	-	-	12,946,423
Health and sanitation	15,372,914	-	-	15,372,914
Welfare	23,806,500	-	-	23,806,500
Culture and recreation	6,130,237	-	-	6,130,237
Intergovernmental	-	-	1,321,614	1,321,614
Capital outlay	-	-	2,269,245	2,269,245
Debt service:				
Principal	-	10,482,845	-	10,482,845
Interest	-	7,920,073	-	7,920,073
Debt service fees	-	11,223	-	11,223
Bond issuance costs	-	331,150	-	331,150
Total Expenditures	<u>60,494,045</u>	<u>18,745,291</u>	<u>3,590,859</u>	<u>82,830,195</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,298,919)</u>	<u>(10,601,205)</u>	<u>2,003,089</u>	<u>(10,897,035)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	16,725,000	-	16,725,000
Debt premium	-	1,120,591	-	1,120,591
Proceeds from asset disposition	-	-	32,749	32,749
Refunding payment to escrow agent	-	(17,606,754)	-	(17,606,754)
Transfers in	9,726,769	10,991,500	1,075,000	21,793,269
Transfers (out)	(2,308,274)	-	(3,511,776)	(5,820,050)
Total Other Financing Sources (Uses)	<u>7,418,495</u>	<u>11,230,337</u>	<u>(2,404,027)</u>	<u>16,244,805</u>
Net Change in Fund Balances	5,119,576	629,132	(400,938)	5,347,770
FUND BALANCE, JULY 1	<u>16,714,968</u>	<u>8,820,751</u>	<u>5,609,029</u>	<u>31,144,748</u>
FUND BALANCE, JUNE 30	<u>\$ 21,834,544</u>	<u>\$ 9,449,883</u>	<u>\$ 5,208,091</u>	<u>\$ 36,492,518</u>

GENERAL FUND

TO ACCOUNT FOR ALL FINANCIAL RESOURCES EXCEPT THOSE REQUIRED TO BE ACCOUNTED FOR IN OTHER FUNDS.

REVENUES INCLUDE:

- TAXES
- LICENSES AND PERMITS
- INTERGOVERNMENTAL REVENUES
- CHARGES FOR SERVICES
- FINES AND FORFEITS
- MISCELLANEOUS REVENUES

EXPENDITURES BY FUNCTION:

- GENERAL GOVERNMENT
- JUDICIAL
- PUBLIC SAFETY
- PUBLIC WORKS
- WELFARE
- CULTURE AND RECREATION
- COMMUNITY SUPPORT

The 1960's

The population of Washoe County more than doubled to 84,743.

The decade started out with a bang for the area with the 1960 Winter Olympic Games held at Squaw Valley. Reno became the international headquarters for the press and the airport was expanded to handle the increase in traffic.

The 1960 legislature authorized the commissioners to issue \$2,000,000 of county bonds for a county jail and courthouse. They also increased the three-man county commissioners to a five-person board.

In February 1960 the board authorized a construction contract for a juvenile detention facility, now called Wittenberg Hall. Public Works construction continued at a rapid pace.

A convention center was erected on the southern edge of the city on Virginia and Peckham Streets. Since it was built at the time of the celebration of Nevada's 100th birthday, it was called the Centennial Coliseum.

In 1966 the United States Air Force closed the Stead Air Force Base and two years later William Lear established Lear Industries on 3500 acres at the abandoned base. The buildings were also used by the University of Nevada and the Desert Research Institute.

The golf course was turned over to the County and became the Sierra Sage golf course.

On June 16, 1969 the first county public defender was appointed and in August 1969 the first comptroller was appointed, and the County roads department became a division of the public works department in September 1969.

In October 1969, a contract was awarded for the construction of a data processing center (now the Management Information Services Department).

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem:				
General	\$ 86,771,233	\$ 87,601,537	\$ 830,304	\$ 75,820,742
Detention facility	7,369,339	7,447,283	77,944	6,934,607
Indigent insurance program	1,435,655	1,443,224	7,569	1,343,477
AB 104	1,716,253	1,807,597	91,344	1,690,943
China Springs support	665,772	670,904	5,132	429,527
Family court	1,828,718	1,847,279	18,561	1,719,265
NRS 354.59813 - Makeup	-	963	963	439
County option - motor vehicle fuel tax-(\$.01)-NRS 365.192	471,586	496,086	24,500	481,064
Room tax	400,000	319,671	(80,329)	377,099
Total Taxes	100,658,556	101,634,544	975,988	88,797,163
Licenses and Permits:				
Business:				
Business licenses	683,600	664,807	(18,793)	646,688
Business licenses/Electric and telecom	570,000	808,854	238,854	982,754
Liquor licenses	252,100	266,834	14,734	254,032
Local gaming licenses	1,050,000	945,966	(104,034)	937,744
Franchise fees:				
Sanitation	240,000	289,478	49,478	263,436
Cable television	637,185	655,019	17,834	591,361
County gaming licenses	750,000	435,975	(314,025)	737,757
AB 104 - Gaming licenses	433,670	692,196	258,526	655,187
Nonbusiness:				
Marriage affidavits	420,000	404,292	(15,708)	417,706
Animal licenses	14,000	10,478	(3,522)	15,605
Mobile home permits	730	698	(32)	667
Other	650	775	125	775
Total Licenses and Permits	5,051,935	5,175,372	123,437	5,503,712
Intergovernmental Revenues:				
Federal grants	5,987,153	5,751,626	(235,527)	7,034,562
Federal payments in lieu of taxes	1,509,214	1,584,062	74,848	1,509,213
Federal/state narcotics forfeitures	668,150	668,150	-	18,456
Federal incarceration charges	2,000,000	1,817,114	(182,886)	2,535,945
Medicaid management	179,264	19,509	(159,755)	173,553
State grants	2,028,224	2,028,224	-	2,560,944

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
State Shared Revenues:				
Motor vehicle fuel tax:				
(1.25) - NRS 365.180	\$ 1,496,319	\$ 1,539,749	\$ 43,430	\$ 1,441,857
(1.75) - NRS 365.190	1,097,202	1,160,325	63,123	1,078,295
(2.35) - NRS 365.550	1,613,460	1,663,893	50,433	1,566,500
State gaming licenses-NRS 463.320 &.380	160,000	162,339	2,339	158,702
Real property transfer tax - AB 104	458,950	558,124	99,174	479,009
LGTA sales taxes	9,129,194	8,968,341	(160,853)	8,640,669
Consolidated taxes	75,093,086	75,685,280	592,194	71,857,499
Government services tax - AB 104	3,175,864	3,224,419	48,555	3,919,693
State extraditions	45,000	47,649	2,649	63,818
Local contributions:				
Reno	-	-	-	1,501,669
Sparks	-	-	-	361,008
Other	476,921	56,533	(420,388)	128,530
Misc other governmental receipts	430,435	286,325	(144,110)	151,530
Total Intergovernmental Revenues	105,548,436	105,221,662	(326,774)	105,181,452
Charges for Services:				
General Government:				
Clerk fees	81,000	109,382	28,382	90,584
Recorder fees	2,008,000	3,717,268	1,709,268	2,657,643
Map fees	184,200	246,033	61,833	185,038
Assessor commissions	1,200,000	1,237,384	37,384	1,472,423
Building and zoning fees	128,400	183,099	54,699	195,564
Other	1,704,835	1,779,189	74,354	1,220,633
Subtotal General Government	5,306,435	7,272,355	1,965,920	5,821,885
Judicial:				
Clerk fees	540,000	517,869	(22,131)	521,866
Other	316,800	300,101	(16,699)	307,379
Subtotal Judicial	856,800	817,970	(38,830)	829,245
Public Safety:				
Police:				
Sheriff fees	1,291,800	1,418,949	127,149	1,322,356
Other	423,116	512,822	89,706	340,615
Corrections	4,000	7,343	3,343	3,447
Protective services	215,075	211,614	(3,461)	225,289
Subtotal Public Safety	1,933,991	2,150,728	216,737	1,891,707

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Public Works	\$ 525,500	\$ 1,032,727	\$ 507,227	\$ 326,548
Welfare	300,000	413,457	113,457	420,234
Culture and Recreation:				
Swimming pool	111,279	100,319	(10,960)	75,741
Other	1,252,126	1,122,531	(129,595)	1,110,101
Subtotal Culture and Recreation	1,363,405	1,222,850	(140,555)	1,185,842
Total Charges for Services	10,286,131	12,910,087	2,623,956	10,475,461
Fines and Forfeits:				
Fines:				
Library	130,000	140,579	10,579	138,885
Court	2,145,360	2,279,334	133,974	2,116,075
Penalties	2,237,853	2,718,038	480,185	2,519,587
Forfeits:				
Bail	1,653,000	1,477,617	(175,383)	1,549,030
Total Fines and Forfeits	6,166,213	6,615,568	449,355	6,323,577
Miscellaneous:				
Investment earnings	2,050,000	1,405,586	(644,414)	1,781,711
Net increase (decrease) in the fair value of investments	-	153,469	153,469	309,910
Rents and royalties	10,400	36,633	26,233	111,730
Contributions and donations	423,656	398,094	(25,562)	121,162
Other	2,267,638	2,976,839	709,201	2,111,967
Total Miscellaneous	4,751,694	4,970,621	218,927	4,436,480
Total Revenues	232,462,965	236,527,854	4,064,889	220,717,845

EXPENDITURES BY FUNCTION AND ACTIVITY

General Government Function:

Legislative:

County Commissioners:

Salaries and wages	268,059	222,273	45,786	226,252
Employee benefits	62,233	56,282	5,951	53,329
Services and supplies	76,967	70,297	6,670	79,314
Capital outlay	-	-	-	6,108
	407,259	348,852	58,407	365,003

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Public/Legislative Affairs:				
Salaries and wages	\$ 61,169	\$ 58,390	\$ 2,779	\$ -
Employee benefits	16,180	16,346	(166)	-
Services and supplies	272,947	234,987	37,960	88,917
	<u>350,296</u>	<u>309,723</u>	<u>40,573</u>	<u>88,917</u>
Subtotal Legislative	<u>757,555</u>	<u>658,575</u>	<u>98,980</u>	<u>453,920</u>
Executive:				
County Manager:				
Salaries and wages	617,543	612,758	4,785	584,206
Employee benefits	152,782	153,629	(847)	139,189
Services and supplies	237,527	188,737	48,790	163,810
	<u>1,007,852</u>	<u>955,124</u>	<u>52,728</u>	<u>887,205</u>
Labor Relations:				
Salaries and wages	126,755	126,754	1	118,876
Employee benefits	33,158	33,144	14	30,598
Services and supplies	17,722	7,152	10,570	7,673
	<u>177,635</u>	<u>167,050</u>	<u>10,585</u>	<u>157,147</u>
HUD/USDA Grants:				
Services and supplies	106,997	106,997	-	66,957
Capital outlay	-	-	-	35,002
	<u>106,997</u>	<u>106,997</u>	<u>-</u>	<u>101,959</u>
Community Relations:				
Salaries and wages	202,709	174,454	28,255	184,202
Employee benefits	55,317	50,036	5,281	49,906
Services and supplies	253,970	226,694	27,276	182,160
	<u>511,996</u>	<u>451,184</u>	<u>60,812</u>	<u>416,268</u>
Strategic Planning:				
Salaries and wages	86,404	85,335	1,069	125,591
Employee benefits	25,976	26,176	(200)	38,084
Services and supplies	51,564	48,797	2,767	48,250
	<u>163,944</u>	<u>160,308</u>	<u>3,636</u>	<u>211,925</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Internal Audit:				
Salaries and wages	\$ 93,907	\$ 93,764	\$ 143	\$ 92,617
Employee benefits	25,274	24,654	620	24,386
Services and supplies	11,940	11,837	103	8,927
	131,121	130,255	866	125,930
Subtotal Executive	2,099,545	1,970,918	128,627	1,900,434
Elections:				
Registrar of Voters:				
Salaries and wages	730,372	670,692	59,680	317,661
Employee benefits	112,214	108,390	3,824	98,602
Services and supplies	776,243	766,368	9,875	73,223
Capital outlay	15,000	14,294	706	1,109
Subtotal Elections	1,633,829	1,559,744	74,085	490,595
Finance:				
Finance Department:				
Administration:				
Salaries and wages	284,702	280,439	4,263	255,105
Employee benefits	74,848	75,123	(275)	68,324
Services and supplies	24,146	7,985	16,161	6,972
	383,696	363,547	20,149	330,401
Comptroller:				
Salaries and wages	1,102,517	1,077,272	25,245	1,033,065
Employee benefits	320,139	313,183	6,956	299,995
Services and supplies	48,603	41,692	6,911	51,007
Capital outlay	-	-	-	11,617
	1,471,259	1,432,147	39,112	1,395,684
Budget Division:				
Salaries and wages	376,998	356,696	20,302	376,714
Employee benefits	101,362	98,201	3,161	100,978
Services and supplies	137,535	110,535	27,000	123,794
	615,895	565,432	50,463	601,486
Collections Division:				
Salaries and wages	295,689	296,006	(317)	275,520
Employee benefits	97,716	99,179	(1,463)	88,745
Services and supplies	36,970	33,613	3,357	45,784
	430,375	428,798	1,577	410,049

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Merit Awards Program:				
Salaries and wages	\$ 9,000	\$ 1,683	\$ 7,317	\$ 5,524
Employee benefits	-	17	(17)	-
	<u>9,000</u>	<u>1,700</u>	<u>7,300</u>	<u>5,524</u>
Subtotal Finance Department	<u>2,910,225</u>	<u>2,791,624</u>	<u>118,601</u>	<u>2,743,144</u>
Treasurer:				
Salaries and wages	1,103,188	1,068,366	34,822	1,003,867
Employee benefits	330,497	314,133	16,364	288,103
Services and supplies	80,233	72,179	8,054	67,005
	<u>1,513,918</u>	<u>1,454,678</u>	<u>59,240</u>	<u>1,358,975</u>
Assessor:				
Salaries and wages	4,056,134	3,972,834	83,300	3,800,996
Employee benefits	1,192,258	1,173,146	19,112	1,074,996
Services and supplies	275,524	226,077	49,447	252,486
	<u>5,523,916</u>	<u>5,372,057</u>	<u>151,859</u>	<u>5,128,478</u>
Subtotal Finance	<u>9,948,059</u>	<u>9,618,359</u>	<u>329,700</u>	<u>9,230,597</u>
Other:				
Purchasing:				
Salaries and wages	582,164	577,781	4,383	577,024
Employee benefits	181,774	179,977	1,797	174,987
Services and supplies	25,004	23,046	1,958	30,829
	<u>788,942</u>	<u>780,804</u>	<u>8,138</u>	<u>782,840</u>
Human Resources:				
Salaries and wages	958,744	902,333	56,411	920,043
Employee benefits	259,250	243,166	16,084	242,161
Services and supplies	210,882	105,611	105,271	184,238
	<u>1,428,876</u>	<u>1,251,110</u>	<u>177,766</u>	<u>1,346,442</u>
Clerk:				
Salaries and wages	990,399	893,700	96,699	1,079,945
Employee benefits	305,437	285,578	19,859	326,551
Services and supplies	85,400	67,166	18,234	100,585
Capital outlay	3,000	-	3,000	8,185
	<u>1,384,236</u>	<u>1,246,444</u>	<u>137,792</u>	<u>1,515,266</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Recorder:				
Salaries and wages	\$ 1,066,965	\$ 1,053,397	\$ 13,568	\$ 954,471
Employee benefits	337,979	334,701	3,278	294,901
Services and supplies	301,397	249,523	51,874	222,577
Capital outlay	405,903	14,415	391,488	151,314
	<u>2,112,244</u>	<u>1,652,036</u>	<u>460,208</u>	<u>1,623,263</u>
Information Technology:				
Administration:				
Salaries and wages	3,611,933	3,400,324	211,609	3,332,863
Employee benefits	1,006,174	981,726	24,448	923,577
Services and supplies	1,629,995	1,462,415	167,580	1,765,738
Capital outlay	136,672	83,196	53,476	58,509
	<u>6,384,774</u>	<u>5,927,661</u>	<u>457,113</u>	<u>6,080,687</u>
Geographic Information Systems:				
Salaries and wages	506,682	507,939	(1,257)	447,570
Employee benefits	147,370	147,889	(519)	125,408
Services and supplies	621,608	578,705	42,903	135,113
Capital outlay	20,000	820	19,180	26,545
	<u>1,295,660</u>	<u>1,235,353</u>	<u>60,307</u>	<u>734,636</u>
Infrastructure Preservation:				
Services and supplies	822,780	838,928	(16,148)	1,367,649
Capital outlay	538,632	219,773	318,859	237,537
	<u>1,361,412</u>	<u>1,058,701</u>	<u>302,711</u>	<u>1,605,186</u>
Subtotal Information Technology	<u>9,041,846</u>	<u>8,221,715</u>	<u>820,131</u>	<u>8,420,509</u>
General Services:				
Administration:				
Salaries and wages	283,600	228,403	55,197	283,267
Employee benefits	75,985	64,322	11,663	70,583
Services and supplies	2,515,201	2,359,090	156,111	1,546,764
Capital outlay	194,520	166,413	28,107	128,190
	<u>3,069,306</u>	<u>2,818,228</u>	<u>251,078</u>	<u>2,028,804</u>
Central Services:				
Salaries and wages	654,432	633,395	21,037	599,858
Employee benefits	227,112	219,804	7,308	193,072
Services and supplies	914,829	819,434	95,395	776,315
	<u>1,796,373</u>	<u>1,672,633</u>	<u>123,740</u>	<u>1,569,245</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Facilities Services:				
Salaries and wages	\$ 2,332,200	\$ 2,263,527	\$ 68,673	\$ 2,190,548
Employee benefits	750,819	720,244	30,575	684,709
Services and supplies	6,457,955	5,203,753	1,254,202	5,207,690
Capital outlay	403,001	249,783	153,218	743,542
	<u>9,943,975</u>	<u>8,437,307</u>	<u>1,506,668</u>	<u>8,826,489</u>
Telecommunications:				
Salaries and wages	662,601	589,869	72,732	521,797
Employee benefits	194,795	172,936	21,859	148,575
Services and supplies	496,802	274,169	222,633	241,258
Capital outlay	56,400	31,724	24,676	74,345
	<u>1,410,598</u>	<u>1,068,698</u>	<u>341,900</u>	<u>985,975</u>
Subtotal General Services	<u>16,220,252</u>	<u>13,996,866</u>	<u>2,223,386</u>	<u>13,410,513</u>
Community Development:				
Administration:				
Salaries and wages	1,700,665	1,643,539	57,126	1,478,381
Employee benefits	471,444	464,692	6,752	427,084
Services and supplies	591,120	517,418	73,702	641,788
	<u>2,763,229</u>	<u>2,625,649</u>	<u>137,580</u>	<u>2,547,253</u>
Subtotal Other	<u>33,739,625</u>	<u>29,774,624</u>	<u>3,965,001</u>	<u>29,646,086</u>
Total General Government Function	<u>48,178,613</u>	<u>43,582,220</u>	<u>4,596,393</u>	<u>41,721,632</u>
Judicial Function:				
District Courts Administration:				
Salaries and wages	773,603	765,168	8,435	2,736,300
Employee benefits	226,317	223,534	2,783	761,208
Services and supplies	243,061	233,837	9,224	1,618,234
Capital outlay	-	-	-	4,830
	<u>1,242,981</u>	<u>1,222,539</u>	<u>20,442</u>	<u>5,120,572</u>
General Jurisdiction				
Salaries and wages	2,983,397	2,992,123	(8,726)	921,690
Employee benefits	929,466	920,462	9,004	275,243
Services and supplies	1,273,340	1,216,727	56,613	253,049
	<u>5,186,203</u>	<u>5,129,312</u>	<u>56,891</u>	<u>1,449,982</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Family Court:				
Salaries and wages	\$ 2,368,245	\$ 2,317,394	\$ 50,851	\$ 1,775,339
Employee benefits	690,458	676,225	14,233	514,631
Services and supplies	385,017	368,229	16,788	377,096
Capital outlay	35,030	30,257	4,773	-
	<u>3,478,750</u>	<u>3,392,105</u>	<u>86,645</u>	<u>2,667,066</u>
Pre-trial Services:				
Salaries and wages	1,086,984	1,068,584	18,400	964,105
Employee benefits	305,431	316,458	(11,027)	268,283
Services and supplies	38,296	29,056	9,240	46,566
Capital outlay	-	-	-	12,978
	<u>1,430,711</u>	<u>1,414,098</u>	<u>16,613</u>	<u>1,291,932</u>
Drug Court				
Salaries and wages	-	-	-	31,306
Employee benefits	-	-	-	7,699
Services and supplies	917,530	816,707	100,823	709,178
	<u>917,530</u>	<u>816,707</u>	<u>100,823</u>	<u>748,183</u>
Subtotal District Courts	<u>12,256,175</u>	<u>11,974,761</u>	<u>281,414</u>	<u>11,277,735</u>
District Attorney:				
Criminal Division:				
Salaries and wages	6,721,432	6,646,548	74,884	6,476,502
Employee benefits	1,960,523	1,955,623	4,900	1,837,214
Services and supplies	818,740	681,252	137,488	1,230,270
Capital outlay	12,400	2,635	9,765	10,409
	<u>9,513,095</u>	<u>9,286,058</u>	<u>227,037</u>	<u>9,554,395</u>
CARES/SART				
Salaries and wages	40,680	38,069	2,611	-
Employee benefits	17,675	13,818	3,857	-
Services and supplies	212,380	210,352	2,028	-
	<u>270,735</u>	<u>262,239</u>	<u>8,496</u>	<u>-</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Family Support Enforcement:				
Salaries and wages	\$ 2,735,172	\$ 2,703,436	\$ 31,736	\$ 2,571,759
Employee benefits	900,666	918,626	(17,960)	798,853
Services and supplies	952,748	147,954	804,794	143,653
Capital outlay	-	-	-	25,664
	<u>4,588,586</u>	<u>3,770,016</u>	<u>818,570</u>	<u>3,539,929</u>
Civil Division:				
Salaries and wages	1,775,731	1,798,427	(22,696)	1,492,332
Employee benefits	507,663	495,403	12,260	394,053
Services and supplies	136,743	69,353	67,390	54,449
Capital outlay	-	-	-	26,395
	<u>2,420,137</u>	<u>2,363,183</u>	<u>56,954</u>	<u>1,967,229</u>
Grants and Designated:				
Salaries and wages	28,055	36,530	(8,475)	46,528
Employee benefits	15,270	11,597	3,673	10,366
Services and supplies	212,781	107,397	105,384	82,106
Capital outlay	40,031	50,384	(10,353)	-
	<u>296,137</u>	<u>205,908</u>	<u>90,229</u>	<u>139,000</u>
Drug Forfeitures:				
Salaries and wages	95,777	92,893	2,884	95,109
Employee benefits	32,388	31,692	696	29,147
Services and supplies	17,834	3,390	14,444	4,125
	<u>145,999</u>	<u>127,975</u>	<u>18,024</u>	<u>128,381</u>
Subtotal District Attorney	<u>17,234,689</u>	<u>16,015,379</u>	<u>1,219,310</u>	<u>15,328,934</u>
Law Library:				
Administration:				
Salaries and wages	382,266	359,125	23,141	336,395
Employee benefits	103,339	99,867	3,472	94,582
Services and supplies	383,138	378,404	4,734	374,330
	<u>868,743</u>	<u>837,396</u>	<u>31,347</u>	<u>805,307</u>
Grants:				
Services and supplies	4,539	4,467	72	-
Subtotal Law Library	<u>873,282</u>	<u>841,863</u>	<u>31,419</u>	<u>805,307</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Public Defender:				
Administration:				
Salaries and wages	\$ 3,411,191	\$ 3,375,152	\$ 36,039	\$ 3,063,754
Employee benefits	1,002,301	981,282	21,019	862,777
Services and supplies	353,300	227,009	126,291	290,104
Capital outlay	-	-	-	26,956
	<u>4,766,792</u>	<u>4,583,443</u>	<u>183,349</u>	<u>4,243,591</u>
Court Appointed Attorneys:				
Services and supplies	816,864	816,864	-	816,864
Subtotal Public Defender	<u>5,583,656</u>	<u>5,400,307</u>	<u>183,349</u>	<u>5,060,455</u>
Justice Courts:				
Incline Justice Court:				
Salaries and wages	236,878	225,006	11,872	210,557
Employee benefits	58,744	61,939	(3,195)	56,436
Services and supplies	18,940	12,637	6,303	11,806
	<u>314,562</u>	<u>299,582</u>	<u>14,980</u>	<u>278,799</u>
Reno Justice Court:				
Salaries and wages	2,311,607	2,274,149	37,458	2,190,307
Employee benefits	700,753	692,339	8,414	629,917
Services and supplies	522,176	424,007	98,169	424,232
	<u>3,534,536</u>	<u>3,390,495</u>	<u>144,041</u>	<u>3,244,456</u>
Sparks Justice Court:				
Salaries and wages	953,438	949,043	4,395	868,371
Employee benefits	302,270	302,025	245	269,072
Services and supplies	142,236	134,963	7,273	136,879
	<u>1,397,944</u>	<u>1,386,031</u>	<u>11,913</u>	<u>1,274,322</u>
Gerlach Justice Court:				
Salaries and wages	29,791	28,971	820	27,571
Employee benefits	10,151	10,291	(140)	9,458
Services and supplies	2,997	1,571	1,426	1,295
	<u>42,939</u>	<u>40,833</u>	<u>2,106</u>	<u>38,324</u>
Verdi Justice Court:				
Salaries and wages	137,739	133,269	4,470	126,527
Employee benefits	39,299	39,722	(423)	37,574
Services and supplies	15,330	12,126	3,204	14,095
	<u>192,368</u>	<u>185,117</u>	<u>7,251</u>	<u>178,196</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Wadsworth Justice Court:				
Salaries and wages	\$ 82,851	\$ 82,378	\$ 473	\$ 79,053
Employee benefits	28,399	28,531	(132)	26,350
Services and supplies	5,827	5,227	600	4,791
	<u>117,077</u>	<u>116,136</u>	<u>941</u>	<u>110,194</u>
Subtotal Justice Courts	<u>5,599,426</u>	<u>5,418,194</u>	<u>181,232</u>	<u>5,124,291</u>
Constables:				
Incline Constable:				
Salaries and wages	85,640	85,524	116	83,122
Employee benefits	24,155	25,224	(1,069)	23,719
Services and supplies	26,589	21,634	4,955	27,380
Subtotal Constables	<u>136,384</u>	<u>132,382</u>	<u>4,002</u>	<u>134,221</u>
Total Judicial Function	<u>41,683,612</u>	<u>39,782,886</u>	<u>1,900,726</u>	<u>37,730,943</u>
Public Safety Function:				
Police:				
Sheriff Operations:				
Salaries and wages	1,199,105	1,230,437	(31,332)	1,177,582
Employee benefits	345,205	339,731	5,474	321,274
Services and supplies	372,899	361,735	11,164	381,810
	<u>1,917,209</u>	<u>1,931,903</u>	<u>(14,694)</u>	<u>1,880,666</u>
Grants:				
Salaries and wages	399,103	92,265	306,838	154,420
Services and supplies	961,503	744,658	216,845	470,678
Capital outlay	333,157	265,256	67,901	408,524
	<u>1,693,763</u>	<u>1,102,179</u>	<u>591,584</u>	<u>1,033,622</u>
Administration:				
Salaries and wages	2,972,708	2,927,935	44,773	2,971,180
Employee benefits	1,063,907	1,091,623	(27,716)	1,017,810
Services and supplies	1,829,609	1,713,851	115,758	1,825,828
Capital outlay	43,600	43,600	-	149,762
	<u>5,909,824</u>	<u>5,777,009</u>	<u>132,815</u>	<u>5,964,580</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Detectives:				
Salaries and wages	\$ 4,658,181	\$ 4,672,264	\$ (14,083)	\$ 4,730,115
Employee benefits	1,683,814	1,682,087	1,727	1,592,483
Services and supplies	605,025	523,295	81,730	686,844
Capital outlay	262	3,250	(2,988)	3,482
	<u>6,947,282</u>	<u>6,880,896</u>	<u>66,386</u>	<u>7,012,924</u>
Flight Operations:				
Salaries and wages	260,424	271,400	(10,976)	222,447
Employee benefits	116,751	117,459	(708)	72,956
Services and supplies	200,350	159,842	40,508	188,006
	<u>577,525</u>	<u>548,701</u>	<u>28,824</u>	<u>483,409</u>
Patrol:				
Salaries and wages	8,552,114	8,609,777	(57,663)	8,339,856
Employee benefits	3,212,271	3,222,817	(10,546)	2,984,407
Services and supplies	193,361	169,945	23,416	251,951
Capital outlay	31,352	31,352	-	1,581
	<u>11,989,098</u>	<u>12,033,891</u>	<u>(44,793)</u>	<u>11,577,795</u>
Subtotal Sheriff	<u>29,034,701</u>	<u>28,274,579</u>	<u>760,122</u>	<u>27,952,996</u>
Forfeitures:				
Services and supplies	757,734	112,937	644,797	90,727
Capital outlay	-	14,392	(14,392)	68,094
	<u>757,734</u>	<u>127,329</u>	<u>630,405</u>	<u>158,821</u>
Detention Facility:				
Salaries and wages	21,162,482	20,856,620	305,862	20,667,367
Employee benefits	7,783,573	7,810,702	(27,129)	7,128,280
Services and supplies	5,255,188	5,126,692	128,496	5,485,366
Capital outlay	-	-	-	28,500
	<u>34,201,243</u>	<u>33,794,014</u>	<u>407,229</u>	<u>33,309,513</u>
Subtotal Sheriff and Detention	<u>63,993,678</u>	<u>62,195,922</u>	<u>1,797,756</u>	<u>61,421,330</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Coroner:				
Salaries and wages	\$ 657,462	\$ 645,881	\$ 11,581	\$ 637,437
Employee benefits	178,063	182,725	(4,662)	163,368
Services and supplies	344,432	340,235	4,197	309,726
Capital outlay	-	1,912	(1,912)	-
	<u>1,179,957</u>	<u>1,170,753</u>	<u>9,204</u>	<u>1,110,531</u>
Subtotal Police	<u>65,173,635</u>	<u>63,366,675</u>	<u>1,806,960</u>	<u>62,531,861</u>
Fire Suppression:				
Employee benefits	10,000	4,862	5,138	8,082
Services and supplies	298,764	249,623	49,141	130,940
Capital outlay	114,000	23,065	90,935	162,251
	<u>422,764</u>	<u>277,550</u>	<u>145,214</u>	<u>301,273</u>
Juvenile Services:				
Administration:				
Salaries and wages	2,826,510	2,817,380	9,130	2,643,141
Employee benefits	1,040,016	1,042,196	(2,180)	952,372
Services and supplies	714,255	574,744	139,511	498,232
	<u>4,580,781</u>	<u>4,434,320</u>	<u>146,461</u>	<u>4,093,745</u>
Detention:				
Salaries and wages	2,743,083	2,697,895	45,188	2,432,250
Employee benefits	803,037	809,521	(6,484)	678,897
Services and supplies	365,392	301,777	63,615	308,235
	<u>3,911,512</u>	<u>3,809,193</u>	<u>102,319</u>	<u>3,419,382</u>
Grants:				
Salaries and wages	43,041	216,505	(173,464)	220,598
Employee benefits	72,939	75,495	(2,556)	73,675
Services and supplies	741,362	478,691	262,671	678,877
Capital outlay	6,000	-	6,000	-
	<u>863,342</u>	<u>770,691</u>	<u>92,651</u>	<u>973,150</u>
Community Services:				
Salaries and wages	318,024	319,402	(1,378)	301,761
Employee benefits	108,359	106,349	2,010	98,864
Services and supplies	30,042	34,024	(3,982)	27,815
	<u>456,425</u>	<u>459,775</u>	<u>(3,350)</u>	<u>428,440</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
McGee Center:				
Salaries and wages	\$ 861,104	\$ 847,153	\$ 13,951	\$ 801,093
Employee benefits	268,438	269,074	(636)	245,712
Services and supplies	83,585	65,350	18,235	77,878
Capital outlay	-	-	-	5,062
	<u>1,213,127</u>	<u>1,181,577</u>	<u>31,550</u>	<u>1,129,745</u>
Status Offender Intervention:				
Services and supplies	<u>20,962</u>	<u>20,962</u>	<u>-</u>	<u>20,962</u>
Community Outreach:				
Salaries and wages	232,195	224,890	7,305	248,304
Employee benefits	81,629	72,666	8,963	79,854
Services and supplies	15,968	12,019	3,949	17,915
	<u>329,792</u>	<u>309,575</u>	<u>20,217</u>	<u>346,073</u>
Subtotal Juvenile Services	<u>11,375,941</u>	<u>10,986,093</u>	<u>389,848</u>	<u>10,411,497</u>
Protective Services:				
Emergency Management:				
Salaries and wages	88,315	79,793	8,522	76,573
Employee benefits	19,239	19,233	6	18,080
Services and supplies	44,338	33,542	10,796	40,553
	<u>151,892</u>	<u>132,568</u>	<u>19,324</u>	<u>135,206</u>
Animal Control:				
Salaries and wages	476,896	477,347	(451)	448,260
Employee benefits	160,993	158,992	2,001	142,602
Services and supplies	482,766	429,293	53,473	382,299
	<u>1,120,655</u>	<u>1,065,632</u>	<u>55,023</u>	<u>973,161</u>
Public Guardian:				
Salaries and wages	778,259	748,316	29,943	525,326
Employee benefits	228,961	224,863	4,098	161,372
Services and supplies	89,514	82,008	7,506	39,047
Capital outlay	-	-	-	9,290
	<u>1,096,734</u>	<u>1,055,187</u>	<u>41,547</u>	<u>735,035</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Public Administrator:				
Salaries and wages	\$ 531,892	\$ 529,402	\$ 2,490	\$ 503,221
Employee benefits	165,401	168,146	(2,745)	146,818
Services and supplies	76,884	36,504	40,380	45,857
Capital outlay	-	1,396	(1,396)	19,815
	<u>774,177</u>	<u>735,448</u>	<u>38,729</u>	<u>715,711</u>
Subtotal Protective Services	<u>3,143,458</u>	<u>2,988,835</u>	<u>154,623</u>	<u>2,559,113</u>
Total Public Safety Function	<u>80,115,798</u>	<u>77,619,153</u>	<u>2,496,645</u>	<u>75,803,744</u>
Public Works Function:				
Public Works Administration:				
Salaries and wages	256,078	255,748	330	166,610
Employee benefits	71,327	70,010	1,317	47,642
Services and supplies	223,790	161,882	61,908	158,017
Capital outlay	5,000	-	5,000	-
	<u>556,195</u>	<u>487,640</u>	<u>68,555</u>	<u>372,269</u>
Infrastructure Preservation:				
Salaries and wages	-	6,640	(6,640)	20,983
Employee benefits	-	934	(934)	1,635
Services and supplies	16,888	43,182	(26,294)	101,696
Capital outlay	3,170,395	3,079,219	91,176	2,400,085
	<u>3,187,283</u>	<u>3,129,975</u>	<u>57,308</u>	<u>2,524,399</u>
Public Works Projects:				
Salaries and wages	463,713	462,894	819	467,262
Employee benefits	146,643	143,131	3,512	129,435
Services and supplies	173,275	65,350	107,925	124,012
Capital outlay	2,165,732	1,650,288	515,444	1,605,266
	<u>2,949,363</u>	<u>2,321,663</u>	<u>627,700</u>	<u>2,325,975</u>
Roads:				
Salaries and wages	3,888,217	3,784,501	103,716	3,849,794
Employee benefits	1,341,661	1,318,382	23,279	1,271,925
Services and supplies	3,977,595	3,830,959	146,636	3,885,042
Capital outlay	709,975	688,568	21,407	-
	<u>9,917,448</u>	<u>9,622,410</u>	<u>295,038</u>	<u>9,006,761</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Engineer:				
Salaries and wages	\$ 1,476,613	\$ 1,422,053	\$ 54,560	\$ 1,350,105
Employee benefits	415,005	412,076	2,929	389,276
Services and supplies	196,906	101,912	94,994	104,443
Capital outlay	318,440	284,711	33,729	47,283
	<u>2,406,964</u>	<u>2,220,752</u>	<u>186,212</u>	<u>1,891,107</u>
Total Public Works Function	<u>19,017,253</u>	<u>17,782,440</u>	<u>1,234,813</u>	<u>16,120,511</u>
Welfare Function:				
Welfare Administration:				
Salaries and wages	660,459	637,187	23,272	683,579
Employee benefits	214,077	205,691	8,386	200,353
Services and supplies	12,296	12,014	282	11,640
	<u>886,832</u>	<u>854,892</u>	<u>31,940</u>	<u>895,572</u>
Direct Assistance:				
General Assistance:				
Salaries and wages	68,384	66,205	2,179	99,614
Employee benefits	20,844	20,873	(29)	32,329
Services and supplies	1,217,153	1,113,270	103,883	1,329,664
	<u>1,306,381</u>	<u>1,200,348</u>	<u>106,033</u>	<u>1,461,607</u>
Medical Assistance-Indigent:				
Salaries and wages	1,638,254	1,451,587	186,667	1,399,396
Employee benefits	494,076	443,948	50,128	400,076
Services and supplies	7,021,339	7,258,134	(236,795)	6,966,282
	<u>9,153,669</u>	<u>9,153,669</u>	<u>-</u>	<u>8,765,754</u>
Subtotal Direct Assistance	<u>10,460,050</u>	<u>10,354,017</u>	<u>106,033</u>	<u>10,227,361</u>
Total Welfare Function	<u>11,346,882</u>	<u>11,208,909</u>	<u>137,973</u>	<u>11,122,933</u>
Culture and Recreation Function:				
Library:				
Administration:				
Salaries and wages	4,706,980	4,724,967	(17,987)	4,358,127
Employee benefits	1,529,508	1,503,966	25,542	1,364,378
Services and supplies	1,517,412	1,460,437	56,975	1,389,984
Capital outlay	32,436	58,180	(25,744)	-
	<u>7,786,336</u>	<u>7,747,550</u>	<u>38,786</u>	<u>7,112,489</u>

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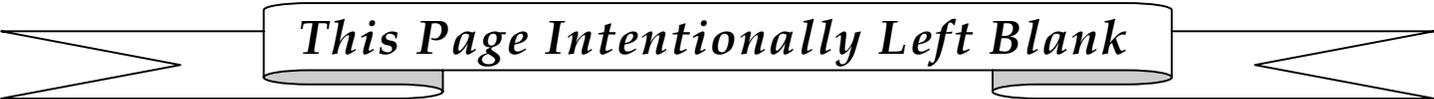
**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Grants:				
Salaries and wages	\$ -	\$ 1,656	\$ (1,656)	\$ 1,473
Services and supplies	183,932	183,759	173	228,112
Capital outlay	19,293	14,275	5,018	16,848
	<u>203,225</u>	<u>199,690</u>	<u>3,535</u>	<u>246,433</u>
Subtotal Library	<u>7,989,561</u>	<u>7,947,240</u>	<u>42,321</u>	<u>7,358,922</u>
Parks:				
Administration:				
Salaries and wages	2,586,662	2,472,923	113,739	2,301,423
Employee benefits	717,997	702,110	15,887	630,344
Services and supplies	1,175,829	926,446	249,383	816,956
Capital outlay	5,000	673	4,327	22,996
	<u>4,485,488</u>	<u>4,102,152</u>	<u>383,336</u>	<u>3,771,719</u>
Planning and Development:				
Salaries and wages	207,771	185,692	22,079	187,815
Employee benefits	61,631	55,526	6,105	54,493
Services and supplies	93,632	50,090	43,542	57,269
	<u>363,034</u>	<u>291,308</u>	<u>71,726</u>	<u>299,577</u>
Recreation:				
Salaries and wages	597,626	473,568	124,058	472,294
Employee benefits	81,909	82,026	(117)	87,904
Services and supplies	355,805	235,134	120,671	255,397
Capital outlay	-	-	-	5,887
	<u>1,035,340</u>	<u>790,728</u>	<u>244,612</u>	<u>821,482</u>
After School Program:				
Salaries and wages	451,724	399,215	52,509	406,959
Employee benefits	59,672	78,357	(18,685)	59,760
Services and supplies	50,050	35,182	14,868	35,662
	<u>561,446</u>	<u>512,754</u>	<u>48,692</u>	<u>502,381</u>
Infrastructure Preservation:				
Capital outlay	246,994	247,289	(295)	262,582
Subtotal Parks	<u>6,692,302</u>	<u>5,944,231</u>	<u>748,071</u>	<u>5,657,741</u>
Total Culture and Recreation Function	<u>14,681,863</u>	<u>13,891,471</u>	<u>790,392</u>	<u>13,016,663</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Community Support Function:				
Community Support:				
Services and supplies	\$ 764,906	\$ 701,637	\$ 63,269	\$ 641,102
Intergovernmental Expenditures:				
Indigent Insurance Program	1,435,655	1,443,224	(7,569)	1,343,477
China Springs Youth Facility	665,772	661,885	3,887	440,076
Reno/Sparks Apportionment	65,918	65,918	-	65,918
TRWQSA Joint Venture	-	-	-	906,683
Total Intergovernmental Expenditures	2,167,345	2,171,027	(3,682)	2,756,154
Total Expenditures	217,956,272	206,739,743	11,216,529	198,913,682
Excess (Deficiency) of Revenues Over (Under) Expenditures	14,506,693	29,788,111	15,281,418	21,804,163
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	-	906,683
Transfers:				
Special Revenue Funds	64,619	64,619	-	52,600
Capital Projects Funds	21,452	21,452	-	532,865
Enterprise Funds	733,097	2,876,199	2,143,102	2,759,952
Internal Service Funds	9,837	9,837	-	110,292
Special Revenue Funds	(14,185,769)	(14,185,769)	-	(12,530,444)
Debt Service Funds	(2,967,834)	(2,989,787)	21,953	(2,145,038)
Capital Projects Funds	(3,550,042)	(3,556,137)	6,095	(3,325,960)
Enterprise Funds	(1,369,307)	(1,817,088)	447,781	(2,082,203)
Internal Service Funds	(6,983,387)	(6,960,317)	(23,070)	(2,830,780)
Contingency	(1,297,577)	-	(1,297,577)	-
Total Other Financing Sources (Uses)	(29,524,911)	(26,536,991)	2,987,920	(18,552,033)
Net Change in Fund Balances	(15,018,218)	3,251,120	18,269,338	3,252,130
FUND BALANCE, JULY 1	32,046,533	32,046,533	-	28,794,403
FUND BALANCE, JUNE 30	\$ 17,028,315	\$ 35,297,653	\$ 18,269,338	\$ 32,046,533



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SPECIAL REVENUE FUNDS

TO ACCOUNT FOR THE PROCEEDS OF SPECIFIC REVENUE SOURCES (OTHER THAN SPECIAL ASSESSMENTS, OR FOR MAJOR CAPITAL PROJECTS) THAT ARE LEGALLY RESTRICTED TO EXPENDITURE FOR SPECIFIED PURPOSES. THE GENERAL FUND OF ONE OF THE COMPONENT UNITS IS CLASSIFIED AS A SPECIAL REVENUE FUND FOR FINANCIAL REPORTING PURPOSES. THE COUNTY MAINTAINS THE FOLLOWING SPECIAL REVENUE FUNDS:

Major Special Revenue Fund:

PRE-FUNDED RETIREE HEALTH BENEFITS FUND: TO ACCOUNT FOR RESOURCES SET ASIDE TO PAY FOR RETIREE MEDICAL COSTS.

Nonmajor Special Revenue Funds:

HEALTH FUND

TO ACCOUNT FOR GRANTS, USER FEES AND OTHER REVENUE SOURCES SPECIFICALLY DEDICATED TO ON-GOING HEALTH PROGRAMS AND SERVICES.

AGRICULTURAL EXTENSION FUND

TO ACCOUNT FOR AD VALOREM TAX REVENUES APPORTIONED TO AND SPECIFICALLY APPROPRIATED FOR VARIOUS AGRICULTURAL AND HOME ECONOMIC PROGRAMS AND SERVICES.

INDIGENT TAX LEVY FUND

TO ACCOUNT FOR AD VALOREM TAX REVENUES AND INVESTMENT EARNINGS THEREON APPORTIONED AND SPECIFICALLY APPROPRIATED TO PROVIDE MEDICAL ASSISTANCE TO THE INDIGENT.

CHILD PROTECTIVE SERVICES FUND

TO ACCOUNT FOR AD VALOREM TAXES, GRANTS AND OTHER REVENUE SOURCES SPECIFICALLY APPROPRIATED TO PROTECT AGAINST THE NEGLECT, ABANDONMENT AND ABUSE OF THE CHILDREN OF WASHOE COUNTY.

SENIOR SERVICES FUND

TO ACCOUNT FOR GRANTS, CHARGES FOR SERVICES AND AD VALOREM TAX REVENUES APPORTIONED AND SPECIFICALLY APPROPRIATED TO PROVIDE SERVICES FOR THE SENIOR CITIZENS OF WASHOE COUNTY.

MAY FOUNDATION FUND

TO ACCOUNT FOR THE OPERATIONS OF THE MAY MUSEUM, THE MAY ARBORETUM AND THE GREAT BASIN ADVENTURE AT RANCHO SAN RAFAEL PARK.

ADMINISTRATIVE ASSESSMENT FUND

TO ACCOUNT FOR JUSTICE COURT ADMINISTRATIVE ASSESSMENTS SPECIFICALLY APPROPRIATED FOR DESIGNATED JUSTICE COURTS PROJECTS.

ENHANCED 911 FUND

TO ACCOUNT FOR ENHANCED 911 FEES SPECIFICALLY APPROPRIATED FOR THE ENHANCEMENT OF THE TELEPHONE SYSTEM FOR REPORTING EMERGENCIES.

STABILIZATION FUND

ESTABLISHED PURSUANT TO NRS 354.6115, JULY 1996, TO STABILIZE THE OPERATIONS OF LOCAL GOVERNMENTS BY PROVIDING FUNDS, SUBJECT TO STATUTORY LIMITATIONS, IF TOTAL ACTUAL GENERAL FUND REVENUES FALL SHORT OF TOTAL BUDGETED REVENUES.

LIBRARY EXPANSION FUND

TO ACCOUNT FOR AD VALOREM TAX REVENUES AND INVESTMENT EARNINGS THEREON SPECIFICALLY APPROPRIATED TO FUND EXPANSION OF THE WASHOE COUNTY LIBRARY SYSTEM.

ACCRUED BENEFITS FUND: TO ACCOUNT FOR RESOURCES SET ASIDE FOR EMPLOYEE TERMINATION BENEFITS AT THE TIME OF RETIREMENT OR SEPARATION FROM THE COUNTY.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - GENERAL FUND

A COMPONENT UNIT. TO ACCOUNT FOR FINANCIAL ACTIVITIES IN PROVIDING FIRE PROTECTION TO UNINCORPORATED AREAS OF WASHOE COUNTY.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - STABILIZATION FUND

A COMPONENT UNIT. ESTABLISHED PURSUANT TO NRS 354.6115, JULY 1996, TO STABILIZE THE OPERATIONS OF LOCAL GOVERNMENTS BY PROVIDING FUNDS, SUBJECT TO STATUTORY LIMITATIONS, IF TOTAL ACTUAL TMFPD GENERAL FUND REVENUES FALL SHORT OF TOTAL BUDGETED REVENUES.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - VACATION AND SICK LEAVE ACCRUAL FUND

A COMPONENT UNIT. TO ACCOUNT FOR RESOURCES SET ASIDE TO PAY FOR EMPLOYEE TERMINATION BENEFITS AT THE TIME OF RETIREMENT OR SEPARATION FROM THE DISTRICT.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - PRE-FUNDED RETIREE HEALTH BENEFITS FUND

A COMPONENT UNIT. TO ACCOUNT FOR RESOURCES SET ASIDE TO PAY FOR RETIREE MEDICAL COSTS.

The 1950's

The census showed a record population growth for Washoe County (32,497 people in Reno, 8,208 resided in Sparks; and 9,500 in unincorporated Washoe County).

The 1950's was a decade of the continuing growth of the warehouse industry in Washoe County, and saw Reno for the first time in over sixty years not be the largest city in the state. Las Vegas and Clark County passed Reno and Washoe County in population. Washoe County did continue to grow. In 1950 it had a population of 50,205, Reno's population was 32,497 and Sparks' 8,208.

In 1951 the legislature directed the state board of agriculture to execute a 50-year lease with Washoe County for the Fairgrounds.

In June 1957 Commissioners adopted a resolution authorizing the position of County Manager and in August appointed the first manager.

Weather was prominent in the 1950's; the decade started with one of the heaviest winters in Northern Nevada history and there were major floods on the Truckee River in 1950, 1952, and 1953. Consequently, the U.S. Army Corps of Engineers initiated flood control measures, significantly changing the look of the river as it passed through downtown Reno.

The 1940's

By 1940, 32,476 people inhabited Washoe County. Reno residents numbered 21,317, Sparks residents totaled 5,318 and 5,841 inhabited the unincorporated area.

The military made its presence known in the Washoe County area with the opening of the Reno Air Base in 1942. This airbase was built north of Reno and would later become the Stead Air Force Base. In Fallon sixty miles east of Reno another base was built and both the Reno and Fallon bases sent their soldiers to Reno for weekend passes and furloughs.

In the midst of World War II, William F. Harrah opened up his Harrah's Club in downtown Reno, this came to rival Harold's Club for the downtown gambling club trade. After World War II Reno saw its first high rise hotel casino as the Mapes Hotel-Casino opened on the site of the former post office on the north bank of the Truckee River.

In 1945 the Nevada Legislature authorized the Washoe County Commission to appoint an engineer, and in 1949 the Legislature enacted a law that had important consequences for the county's future. Edwin Bender, a local leader and warehouseman, pushed a bill to improve the local economy. It became known as the freeport law and by its passage a thriving warehouse industry came to Washoe County. The warehouses spread throughout the County, but especially in Sparks.



**WASHOE COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003**

	HEALTH FUND	AGRICULTURAL EXTENSION FUND	INDIGENT TAX LEVY FUND	CHILD PROTECTIVE SERVICES FUND	SENIOR SERVICES FUND	MAY FOUNDATION FUND
ASSETS						
Cash and investments	\$ 674,785	\$ 549,918	\$ 1,961,444	\$ 538,365	\$ 602,000	\$ 234,509
Receivables:						
Accounts	34,440	55	15,705	10,779	7,178	-
Consolidated tax	-	-	-	-	-	-
Property taxes	-	11,756	95,002	51,638	11,757	-
Other taxes	-	-	-	-	-	-
Interest	-	-	8,743	-	-	-
Due from other governments:						
Grants	1,248,750	-	-	5,945,908	54,955	-
Other	-	-	-	-	-	-
Inventory	-	-	-	-	-	-
Total Assets	\$ 1,957,975	\$ 561,729	\$ 2,080,894	\$ 6,546,690	\$ 675,890	\$ 234,509
LIABILITIES						
Accounts payable	\$ 281,852	\$ 79,555	\$ 970,910	\$ 723,959	\$ 49,770	\$ 8,896
Accrued salaries/benefits	459,117	18,250	-	382,129	96,084	29,216
Due to other governments	1,654	-	540,427	-	-	-
Deposits	-	-	-	-	-	25,599
Deferred revenue	-	10,704	86,499	47,019	10,704	-
Total Liabilities	742,623	108,509	1,597,836	1,153,107	156,558	63,711
FUND BALANCES						
Reserved for:						
Encumbrances	34,209	-	-	37,260	-	-
Inventory	-	-	-	-	-	-
Projects	371,968	-	-	54,616	92,515	71,387
Claims	-	-	-	-	-	-
Unreserved:						
Designated/future years expenditures	301,877	453,220	483,058	5,301,707	426,817	99,411
Designated/departmental carryover	507,298	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Total Fund Balances	1,215,352	453,220	483,058	5,393,583	519,332	170,798
Total Liabilities/ Fund Balances	\$ 1,957,975	\$ 561,729	\$ 2,080,894	\$ 6,546,690	\$ 675,890	\$ 234,509

ADMINI- STRATIVE ASSESSMENT FUND	ENHANCED 911 FUND	STABILIZA- TION FUND	LIBRARY EXPANSION FUND	ACCRUED BENEFITS FUND	TMFPD GENERAL FUND	OTHER TMFPD FUNDS	TOTAL
\$ 1,835,809	\$ 578,482	\$ 3,250,000	\$ 525,953	\$ 64,733	\$ 3,071,812	\$ 2,897,753	\$ 16,785,563
19,837	142,228	-	-	-	-	-	230,222
-	-	-	-	-	897,269	-	897,269
-	-	-	23,488	-	133,370	-	327,011
-	-	-	-	-	207,453	-	207,453
-	1,739	-	2,757	737	10,624	9,060	33,660
-	-	-	-	-	-	-	7,249,613
-	-	-	-	-	11,682	-	11,682
-	-	-	-	-	221,957	-	221,957
<u>\$ 1,855,646</u>	<u>\$ 722,449</u>	<u>\$ 3,250,000</u>	<u>\$ 552,198</u>	<u>\$ 65,470</u>	<u>\$ 4,554,167</u>	<u>\$ 2,906,813</u>	<u>\$ 25,964,430</u>
\$ 16,218	\$ 21,466	\$ -	\$ 5,518	\$ -	\$ 7,495	\$ 3,543	\$ 2,169,182
-	-	-	64,405	33,369	-	-	1,082,570
-	19,276	-	-	-	-	-	561,357
-	-	-	-	-	-	-	25,599
-	-	-	21,386	-	114,866	-	291,178
<u>16,218</u>	<u>40,742</u>	<u>-</u>	<u>91,309</u>	<u>33,369</u>	<u>122,361</u>	<u>3,543</u>	<u>4,129,886</u>
73,641	152,609	-	-	-	14,145	-	311,864
-	-	-	-	-	221,957	-	221,957
-	-	-	-	-	21,420	-	611,906
-	-	-	-	-	-	1,875,035	1,875,035
1,765,787	529,098	3,250,000	460,889	32,101	3,798,467	952,545	17,854,977
-	-	-	-	-	-	-	507,298
-	-	-	-	-	375,817	75,690	451,507
<u>1,839,428</u>	<u>681,707</u>	<u>3,250,000</u>	<u>460,889</u>	<u>32,101</u>	<u>4,431,806</u>	<u>2,903,270</u>	<u>21,834,544</u>
<u>\$ 1,855,646</u>	<u>\$ 722,449</u>	<u>\$ 3,250,000</u>	<u>\$ 552,198</u>	<u>\$ 65,470</u>	<u>\$ 4,554,167</u>	<u>\$ 2,906,813</u>	<u>\$ 25,964,430</u>

WASHOE COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003

	HEALTH FUND	AGRICULTURAL EXTENSION FUND	INDIGENT TAX LEVY FUND	CHILD PROTECTIVE SERVICES FUND	SENIOR SERVICES FUND	MAY FOUNDATION FUND
REVENUES						
Taxes:						
Ad valorem	\$ -	\$ 962,136	\$ 7,706,943	\$ 3,873,049	\$ 962,136	\$ -
Licenses and permits	1,754,652	-	-	26,060	-	-
Intergovernmental revenues	5,770,770	-	-	14,026,676	1,506,694	-
Charges for services	1,461,213	-	233,271	193,269	450,123	245,021
Fines and forfeits	-	-	-	-	-	-
Miscellaneous	5,007	1,455	98,743	50,882	96,736	451,790
Total Revenues	8,991,642	963,591	8,038,957	18,169,936	3,015,689	696,811
EXPENDITURES						
Current:						
General government	-	923,473	-	-	-	-
Judicial	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Health and sanitation	15,372,914	-	-	-	-	-
Welfare	-	-	7,787,599	16,018,901	-	-
Culture and recreation	-	-	-	-	3,357,746	769,043
Total Expenditures	15,372,914	923,473	7,787,599	16,018,901	3,357,746	769,043
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,381,272)	40,118	251,358	2,151,035	(342,057)	(72,232)
OTHER FINANCING SOURCES (USES)						
Transfers in	6,916,000	-	-	1,018,769	172,000	140,000
Transfers out	(9,837)	-	-	(178,303)	-	-
Total Other Financing Sources (Uses)	6,906,163	-	-	840,466	172,000	140,000
Net Change in Fund Balances	524,891	40,118	251,358	2,991,501	(170,057)	67,768
FUND BALANCE, JULY 1	690,461	413,102	231,700	2,402,082	689,389	103,030
FUND BALANCE, JUNE 30	\$ 1,215,352	\$ 453,220	\$ 483,058	\$ 5,393,583	\$ 519,332	\$ 170,798

ADMINI- STRATIVE ASSESSMENT FUND	ENHANCED 911 FUND	STABILIZA- TION FUND	LIBRARY EXPANSION FUND	ACCRUED BENEFITS FUND	TMFPD GENERAL FUND	OTHER TMFPD FUNDS	TOTAL
\$ -	\$ -	\$ -	\$ 1,921,863	\$ -	\$ 8,075,242	\$ 29	\$ 23,501,398
-	-	-	-	-	46,697	-	1,827,409
-	-	-	-	-	5,977,909	-	27,282,049
118,640	1,048,823	-	-	-	16,000	-	3,766,360
649,432	-	-	-	-	-	-	649,432
-	15,150	-	36,544	6,091	307,070	99,010	1,168,478
<u>768,072</u>	<u>1,063,973</u>	<u>-</u>	<u>1,958,407</u>	<u>6,091</u>	<u>14,422,918</u>	<u>99,039</u>	<u>58,195,126</u>
-	-	-	-	1,178,298	-	-	2,101,771
136,200	-	-	-	-	-	-	136,200
-	817,505	-	-	-	12,102,651	26,267	12,946,423
-	-	-	-	-	-	-	15,372,914
-	-	-	-	-	-	-	23,806,500
-	-	-	2,003,448	-	-	-	6,130,237
<u>136,200</u>	<u>817,505</u>	<u>-</u>	<u>2,003,448</u>	<u>1,178,298</u>	<u>12,102,651</u>	<u>26,267</u>	<u>60,494,045</u>
<u>631,872</u>	<u>246,468</u>	<u>-</u>	<u>(45,041)</u>	<u>(1,172,207)</u>	<u>2,320,267</u>	<u>72,772</u>	<u>(2,298,919)</u>
-	-	-	105,000	1,150,000	-	225,000	9,726,769
(16,619)	-	-	(641,412)	-	(1,462,103)	-	(2,308,274)
<u>(16,619)</u>	<u>-</u>	<u>-</u>	<u>(536,412)</u>	<u>1,150,000</u>	<u>(1,462,103)</u>	<u>225,000</u>	<u>7,418,495</u>
615,253	246,468	-	(581,453)	(22,207)	858,164	297,772	5,119,576
1,224,175	435,239	3,250,000	1,042,342	54,308	3,573,642	2,605,498	16,714,968
<u>\$ 1,839,428</u>	<u>\$ 681,707</u>	<u>\$ 3,250,000</u>	<u>\$ 460,889</u>	<u>\$ 32,101</u>	<u>\$ 4,431,806</u>	<u>\$ 2,903,270</u>	<u>\$ 21,834,544</u>

**WASHOE COUNTY
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Licenses and Permits	\$ 1,535,001	\$ 1,754,652	\$ 219,651	\$ 1,581,636
Intergovernmental Revenues:				
Federal grants	4,320,090	4,320,090	-	3,909,054
State grants	1,163,520	1,161,866	(1,654)	737,175
Other	442,368	288,814	(153,554)	486,247
Charges for Services:				
Health and sanitation	1,209,962	1,461,213	251,251	1,244,707
Miscellaneous:				
Contributions and donations	-	-	-	3,405
Other	-	5,007	5,007	6,581
Total Revenues	<u>8,670,941</u>	<u>8,991,642</u>	<u>320,701</u>	<u>7,968,805</u>
EXPENDITURES				
Health and Sanitation Function:				
Public Health Administration:				
Salaries and wages	1,604,831	1,678,655	(73,824)	1,646,490
Employee benefits	635,120	536,970	98,150	507,414
Services and supplies	492,098	447,227	44,871	333,721
Capital outlay	44,631	32,837	11,794	-
Total Public Health Administration	<u>2,776,680</u>	<u>2,695,689</u>	<u>80,991</u>	<u>2,487,625</u>
Air Quality Management:				
Salaries and wages	1,157,882	1,208,276	(50,394)	1,213,928
Employee benefits	379,136	349,297	29,839	345,018
Services and supplies	587,838	282,602	305,236	454,371
Capital outlay	129,923	15,677	114,246	35,770
Total Air Quality Management	<u>2,254,779</u>	<u>1,855,852</u>	<u>398,927</u>	<u>2,049,087</u>
Community/Clinic Health Services:				
Salaries and wages	4,031,681	3,980,989	50,692	3,852,234
Employee benefits	1,265,794	1,204,040	61,754	1,123,927
Services and supplies	1,347,015	1,244,578	102,437	1,205,133
Capital outlay	11,401	6,849	4,552	13,599
Total Community/Clinic Health Services	<u>6,655,891</u>	<u>6,436,456</u>	<u>219,435</u>	<u>6,194,893</u>

(CONTINUED)

**WASHOE COUNTY
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Environmental Health Services:				
Salaries and wages	\$ 2,909,907	\$ 2,872,783	\$ 37,124	\$ 2,719,104
Employee benefits	834,787	820,481	14,306	762,348
Services and supplies	746,041	691,653	54,388	723,505
Capital outlay	-	-	-	44,272
Total Environmental Health Services	4,490,735	4,384,917	105,818	4,249,229
Total Expenditures	16,178,085	15,372,914	805,171	14,980,834
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,507,144)	(6,381,272)	1,125,872	(7,012,029)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	6,916,000	6,916,000	-	6,923,266
General Fund	(9,837)	(9,837)	-	(3,100)
Accrued Benefits Fund	-	-	-	(128,627)
Total Other Financing Sources (Uses)	6,906,163	6,906,163	-	6,791,539
Net Change in Fund Balances	(600,981)	524,891	1,125,872	(220,490)
FUND BALANCE, JULY 1	612,722	690,461	77,739	910,951
FUND BALANCE, JUNE 30	\$ 11,741	\$ 1,215,352	\$ 1,203,611	\$ 690,461

WASHOE COUNTY
AGRICULTURAL EXTENSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Taxes:				
Ad valorem	\$ 952,603	\$ 962,136	\$ 9,533	\$ 896,009
Miscellaneous:				
Other	-	1,455	1,455	-
Total Revenues	952,603	963,591	10,988	896,009
EXPENDITURES				
General Government Function:				
Salaries and wages	372,751	368,664	4,087	379,707
Employee benefits	113,466	116,521	(3,055)	114,138
Services and supplies	531,420	438,288	93,132	454,653
Capital outlay	10,000	-	10,000	16,313
Total Expenditures	1,027,637	923,473	104,164	964,811
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,034)	40,118	115,152	(68,802)
FUND BALANCE, JULY 1	190,199	413,102	222,903	481,904
FUND BALANCE, JUNE 30	\$ 115,165	\$ 453,220	\$ 338,055	\$ 413,102

WASHOE COUNTY
INDIGENT TAX LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 7,626,826	\$ 7,706,943	\$ 80,117	\$ 7,620,050
Charges for Services:				
Reimbursements	162,000	233,271	71,271	209,568
Miscellaneous:				
Investment earnings	70,000	93,746	23,746	183,028
Net increase (decrease) in the fair value of investments	-	4,997	4,997	(16,951)
Total Revenues	<u>7,858,826</u>	<u>8,038,957</u>	<u>180,131</u>	<u>7,995,695</u>
EXPENDITURES				
Welfare Function:				
Services and supplies	<u>8,753,298</u>	<u>7,787,599</u>	<u>965,699</u>	<u>8,618,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(894,472)	251,358	1,145,830	(622,700)
FUND BALANCE, JULY 1	<u>894,472</u>	<u>231,700</u>	<u>(662,772)</u>	<u>854,400</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ 483,058</u>	<u>\$ 483,058</u>	<u>\$ 231,700</u>

**WASHOE COUNTY
CHILD PROTECTIVE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Taxes:				
Ad valorem	\$ 3,812,013	\$ 3,873,049	\$ 61,036	\$ 3,583,806
Licenses and Permits:				
Day care licenses	30,000	26,060	(3,940)	25,445
Intergovernmental Revenues:				
Federal grants	6,036,438	5,190,419	(846,019)	2,449,228
Other	7,065,346	8,836,257	1,770,911	4,107,528
Charges for Services:				
Reimbursements	215,000	193,269	(21,731)	580,318
Miscellaneous:				
Contributions and donations	44,137	44,137	-	28,946
Other	-	6,745	6,745	-
Total Revenues	17,202,934	18,169,936	967,002	10,775,271
EXPENDITURES				
Welfare Function:				
Child Protective Services:				
Salaries and wages	6,351,316	6,132,744	218,572	4,123,689
Employee benefits	1,974,082	1,856,929	117,153	1,201,848
Services and supplies	1,986,721	1,451,818	534,903	678,329
Capital outlay	105,000	69,487	35,513	68,239
Total Child Protective Services	10,417,119	9,510,978	906,141	6,072,105
Day Care Licensing:				
Salaries and wages	511,494	513,434	(1,940)	455,904
Employee benefits	160,822	157,515	3,307	136,528
Services and supplies	16,469	10,280	6,189	15,413
Total Day Care Licensing	688,785	681,229	7,556	607,845
Emergency Shelter Care:				
Salaries and wages	-	29,734	(29,734)	-
Employee benefits	-	81	(81)	-
Services and supplies	7,832,069	5,796,879	2,035,190	4,236,492
Total Emergency Shelter Care	7,832,069	5,826,694	2,005,375	4,236,492
Total Expenditures	18,937,973	16,018,901	2,919,072	10,916,442
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,735,039)	2,151,035	3,886,074	(141,171)

(CONTINUED)

WASHOE COUNTY
CHILD PROTECTIVE SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	\$ 1,018,769	\$ 1,018,769	\$ -	\$ 901,870
General Fund	(48,000)	(48,000)	-	(48,000)
Debt Service Fund	(130,260)	(130,303)	(43)	(135,095)
Total Other Financing Sources (Uses)	840,509	840,466	(43)	718,775
Net Change in Fund Balances	(894,530)	2,991,501	3,886,031	577,604
FUND BALANCE, JULY 1	1,463,730	2,402,082	938,352	1,824,478
FUND BALANCE, JUNE 30	\$ 569,200	\$ 5,393,583	\$ 4,824,383	\$ 2,402,082

**WASHOE COUNTY
SENIOR SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 952,603	\$ 962,136	\$ 9,533	\$ 895,952
Intergovernmental Revenues:				
Federal grants	778,438	778,038	(400)	753,960
State and local grants	566,823	566,823	-	515,790
Other	85,000	161,833	76,833	111,934
Charges for Services:				
Senior law project fees	63,334	70,798	7,464	67,097
Program income	310,340	322,085	11,745	325,275
Other	40,500	57,240	16,740	51,599
Miscellaneous:				
Contributions and donations	54,146	46,257	(7,889)	89,858
Other	51,825	50,479	(1,346)	41,282
Total Revenues	<u>2,903,009</u>	<u>3,015,689</u>	<u>112,680</u>	<u>2,852,747</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	1,833,679	1,668,364	165,315	1,424,974
Employee benefits	542,543	523,328	19,215	434,622
Services and supplies	1,074,216	1,071,977	2,239	989,655
Capital outlay	154,363	94,077	60,286	-
Total Expenditures	<u>3,604,801</u>	<u>3,357,746</u>	<u>247,055</u>	<u>2,849,251</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(701,792)	(342,057)	359,735	3,496
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	172,000	172,000	-	180,000
Net Change in Fund Balances	(529,792)	(170,057)	359,735	183,496
FUND BALANCE, JULY 1	<u>920,181</u>	<u>689,389</u>	<u>(230,792)</u>	<u>505,893</u>
FUND BALANCE, JUNE 30	<u>\$ 390,389</u>	<u>\$ 519,332</u>	<u>\$ 128,943</u>	<u>\$ 689,389</u>

**WASHOE COUNTY
MAY FOUNDATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for Services:				
Admissions	\$ 242,025	\$ 141,610	\$ (100,415)	\$ 189,202
Concessions	53,226	48,251	(4,975)	50,815
Facility fees	55,000	31,566	(23,434)	42,426
Gift shop	23,000	23,594	594	29,380
Miscellaneous:				
Contributions and donations	393,647	376,469	(17,178)	318,076
Other	52,201	75,321	23,120	50,213
Total Revenues	<u>819,099</u>	<u>696,811</u>	<u>(122,288)</u>	<u>680,112</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	523,500	409,665	113,835	399,761
Employee benefits	111,995	96,912	15,083	85,085
Services and supplies	353,050	262,466	90,584	264,222
Total Expenditures	<u>988,545</u>	<u>769,043</u>	<u>219,502</u>	<u>749,068</u>
Excess (Deficiency) of Revenues Over (Under)Expenditures	(169,446)	(72,232)	97,214	(68,956)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	140,000	140,000	-	123,000
Net Change in Fund Balances	(29,446)	67,768	97,214	54,044
FUND BALANCE, JULY 1	<u>37,346</u>	<u>103,030</u>	<u>65,684</u>	<u>48,986</u>
FUND BALANCE, JUNE 30	<u>\$ 7,900</u>	<u>\$ 170,798</u>	<u>\$ 162,898</u>	<u>\$ 103,030</u>

WASHOE COUNTY
ADMINISTRATIVE ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for services	\$ 110,000	\$ 118,640	\$ 8,640	\$ 118,030
Fines and forfeits	579,500	649,432	69,932	580,059
Total Revenues	689,500	768,072	78,572	698,089
EXPENDITURES				
Judicial Function:				
Justice Courts:				
Services and supplies	545,100	136,200	408,900	165,164
Capital outlay	890,000	-	890,000	2,473
Total Expenditures	1,435,100	136,200	1,298,900	167,637
Excess (Deficiency) of Revenues Over (Under) Expenditures	(745,600)	631,872	1,377,472	530,452
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	(16,619)	(16,619)	-	(1,500)
Net Change in Fund Balances	(762,219)	615,253	1,377,472	528,952
FUND BALANCE, JULY 1	1,235,557	1,224,175	(11,382)	695,223
FUND BALANCE, JUNE 30	\$ 473,338	\$ 1,839,428	\$ 1,366,090	\$ 1,224,175

**WASHOE COUNTY
ENHANCED 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for Services:				
Enhanced 911 fees	\$ 1,374,780	\$ 1,048,823	\$ (325,957)	\$ 68,513
Miscellaneous:				
Investment earnings	15,000	12,402	(2,598)	33,047
Net increase (decrease) in the fair value of investments	-	2,748	2,748	2,524
Total Revenues	<u>1,389,780</u>	<u>1,063,973</u>	<u>(325,807)</u>	<u>104,084</u>
EXPENDITURES				
Public Safety Function:				
Salaries and wages	95,000	73,004	21,996	72,192
Services and supplies	698,200	638,453	59,747	565,521
Capital outlay	525,000	106,048	418,952	9,910
Total Expenditures	<u>1,318,200</u>	<u>817,505</u>	<u>500,695</u>	<u>647,623</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,580	246,468	174,888	(543,539)
FUND BALANCE, JULY 1	<u>213,357</u>	<u>435,239</u>	<u>221,882</u>	<u>978,778</u>
FUND BALANCE, JUNE 30	<u>\$ 284,937</u>	<u>\$ 681,707</u>	<u>\$ 396,770</u>	<u>\$ 435,239</u>

WASHOE COUNTY
STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
EXPENDITURES				
General Government Function:				
Services and supplies	\$ 3,250,000	\$ -	\$ 3,250,000	\$ -
Net Change in Fund Balances	(3,250,000)	-	(3,250,000)	-
FUND BALANCE, JULY 1	<u>3,250,000</u>	<u>3,250,000</u>	<u>-</u>	<u>3,250,000</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ 3,250,000</u>	<u>\$ (3,250,000)</u>	<u>\$ 3,250,000</u>

**WASHOE COUNTY
LIBRARY EXPANSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 1,908,621	\$ 1,921,863	\$ 13,242	\$ 1,790,065
Miscellaneous:				
Investment earnings	30,000	30,845	845	76,979
Net increase (decrease) in the fair value of investments	-	5,699	5,699	35,386
Total Revenues	<u>1,938,621</u>	<u>1,958,407</u>	<u>19,786</u>	<u>1,902,430</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	1,351,367	1,333,514	17,853	1,372,833
Employee benefits	453,176	449,179	3,997	447,775
Services and supplies	297,400	220,755	76,645	201,599
Total Expenditures	<u>2,101,943</u>	<u>2,003,448</u>	<u>98,495</u>	<u>2,022,207</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(163,322)</u>	<u>(45,041)</u>	<u>118,281</u>	<u>(119,777)</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	105,000	105,000	-	105,000
Debt Service Fund	(641,048)	(641,412)	(364)	(639,617)
Total Other Financing Sources (Uses)	<u>(536,048)</u>	<u>(536,412)</u>	<u>(364)</u>	<u>(534,617)</u>
Net Change in Fund Balances	<u>(699,370)</u>	<u>(581,453)</u>	<u>117,917</u>	<u>(654,394)</u>
FUND BALANCE, JULY 1	<u>1,008,917</u>	<u>1,042,342</u>	<u>33,425</u>	<u>1,696,736</u>
FUND BALANCE, JUNE 30	<u>\$ 309,547</u>	<u>\$ 460,889</u>	<u>\$ 151,342</u>	<u>\$ 1,042,342</u>

**WASHOE COUNTY
ACCRUED BENEFITS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 6,000	\$ 5,526	\$ (474)	\$ 11,320
Net increase (decrease) in the fair value of investments	-	565	565	(990)
Total Revenues	<u>6,000</u>	<u>6,091</u>	<u>91</u>	<u>10,330</u>
EXPENDITURES				
General Government Function:				
Salaries and wages	1,300,000	1,171,718	128,282	1,315,790
Employee benefits	-	6,580	(6,580)	5,262
Total Expenditures	<u>1,300,000</u>	<u>1,178,298</u>	<u>121,702</u>	<u>1,321,052</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,294,000)</u>	<u>(1,172,207)</u>	<u>121,793</u>	<u>(1,310,722)</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	1,150,000	1,150,000	-	897,308
Health Fund	-	-	-	128,627
Total Other Financing Sources (Uses)	<u>1,150,000</u>	<u>1,150,000</u>	<u>-</u>	<u>1,025,935</u>
Net Change in Fund Balances	<u>(144,000)</u>	<u>(22,207)</u>	<u>121,793</u>	<u>(284,787)</u>
FUND BALANCE, JULY 1	<u>182,822</u>	<u>54,308</u>	<u>(128,514)</u>	<u>339,095</u>
FUND BALANCE, JUNE 30	<u>\$ 38,822</u>	<u>\$ 32,101</u>	<u>\$ (6,721)</u>	<u>\$ 54,308</u>

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 7,769,146	\$ 8,075,242	\$ 306,096	\$ 7,367,996
Licenses and Permits:				
Gaming licenses-AB 104	35,216	46,697	11,481	43,705
Intergovernmental Revenues:				
State and local grants	11,693	-	(11,693)	-
Motor vehicle privilege tax-AB 104	209,265	217,529	8,264	261,469
Real property transfer tax-AB 104	31,555	37,653	6,098	31,953
SCCR tax-AB 104	612,011	605,042	(6,969)	576,383
Consolidated tax	4,957,678	4,987,685	30,007	4,774,859
Fire suppression reimbursements	130,000	130,000	-	130,000
Charges for Services:				
Building and zoning fees	15,000	16,000	1,000	14,789
Miscellaneous:				
Investment earnings	75,000	84,443	9,443	91,019
Net increase (decrease) in the fair value of investments	-	6,811	6,811	12,414
Other	101,516	215,816	114,300	26,716
Total Revenues	<u>13,948,080</u>	<u>14,422,918</u>	<u>474,838</u>	<u>13,331,303</u>
EXPENDITURES				
Public Safety Function:				
Fire:				
Employee benefits	399,783	420,351	(20,568)	579,769
Services and supplies	11,772,121	11,682,300	89,821	11,557,742
Total Expenditures	<u>12,171,904</u>	<u>12,102,651</u>	<u>69,253</u>	<u>12,137,511</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,776,176</u>	<u>2,320,267</u>	<u>544,091</u>	<u>1,193,792</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset disposition	-	-	-	1,837
Transfers:				
TMFPD Health Benefits Fund	(225,000)	(225,000)	-	-
TMFPD Debt Service Fund	(210,416)	(162,103)	48,313	(161,705)
TMFPD Capital Projects Fund	(1,075,000)	(1,075,000)	-	(757,500)
Contingency	(134,046)	-	134,046	-
Total Other Financing Sources (Uses)	<u>(1,644,462)</u>	<u>(1,462,103)</u>	<u>182,359</u>	<u>(917,368)</u>
Net Change in Fund Balances	131,714	858,164	726,450	276,424
FUND BALANCE, JULY 1	<u>3,373,307</u>	<u>3,573,642</u>	<u>200,335</u>	<u>3,297,218</u>
FUND BALANCE, JUNE 30	<u>\$ 3,505,021</u>	<u>\$ 4,431,806</u>	<u>\$ 926,785</u>	<u>\$ 3,573,642</u>

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ 29	\$ 29	\$ 133
Miscellaneous:				
Investment earnings	13,550	12,939	(611)	17,230
Net increase (decrease) in the fair value of investments	-	2,532	2,532	2,125
Total Revenues	13,550	15,500	1,950	19,488
FUND BALANCE, JULY 1	403,367	409,255	5,888	389,767
FUND BALANCE, JUNE 30	\$ 416,917	\$ 424,755	\$ 7,838	\$ 409,255

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT VACATION AND SICK LEAVE ACCRUAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 20,000	\$ 18,567	\$ (1,433)	\$ 25,522
Net increase (decrease) in the fair value of investments	-	3,716	3,716	3,289
Total Revenues	20,000	22,283	2,283	28,811
EXPENDITURES				
Public Safety Function:				
Fire:				
Salaries and wages	100,000	3,543	96,457	16,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,000)	18,740	98,740	12,037
FUND BALANCE, JULY 1	518,003	584,740	66,737	572,703
FUND BALANCE, JUNE 30	\$ 438,003	\$ 603,480	\$ 165,477	\$ 584,740

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT PRE-FUNDED RETIREE HEALTH BENEFITS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 45,000	\$ 51,222	\$ 6,222	\$ 59,413
Net increase (decrease) in the fair value of investments	-	10,034	10,034	7,454
Retiree contributions	-	-	-	225,000
Total Revenues	45,000	61,256	16,256	291,867
EXPENDITURES				
Public Safety Function:				
Fire:				
Retiree insurance premiums	100,000	22,724	77,276	23,900
Excess (Deficiency) of Revenues Over (Under) Expenditures	(55,000)	38,532	93,532	267,967
OTHER FINANCING SOURCES (USES)				
Transfers:				
TMFPD General Fund	225,000	225,000	-	-
Net Change in Fund Balances	170,000	263,532	93,532	267,967
FUND BALANCE, JULY 1	1,563,536	1,611,503	47,967	1,343,536
FUND BALANCE, JUNE 30	\$ 1,733,536	\$ 1,875,035	\$ 141,499	\$ 1,611,503

DEBT SERVICE FUNDS

TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES FOR PAYMENT OF LONG-TERM DEBT PRINCIPAL AND INTEREST.

THE COUNTY MAINTAINS THE FOLLOWING DEBT SERVICE FUNDS:

Major Debt Service Fund:

SPECIAL ASSESSMENT DEBT SERVICE FUND

TO ACCOUNT FOR ASSESSMENTS, PENALTIES, INVESTMENT INCOME AND OTHER RESOURCES TO RETIRE DEBT ISSUED FOR IMPROVEMENTS BENEFITING THOSE PROPERTIES AGAINST WHICH THE SPECIAL ASSESSMENTS ARE LEVIED:

DISTRICT 4 - SOUTH SUN VALLEY: A SEWER COLLECTION FACILITY

DISTRICT 8 - LAWTON/VERDI INTERCEPTOR - PHASE 1: A SEWER COLLECTION INTERCEPTOR

DISTRICT 9 - SOUTHWEST TRUCKEE MEADOWS: STREET, SANITARY SEWER AND WATER IMPROVEMENTS

DISTRICT 11 - SCARLETT/WEEMS: STREETS AND WATER MAINS

DISTRICT 18 - THOMAS CREEK: A WATER DISTRIBUTION SYSTEM

DISTRICT 21 - COLD SPRINGS: SEWER TREATMENT PLANT (INCLUDES BOND RESERVE FUND)

DISTRICT 25 - CALLE DE LA PLATA: ROAD PROJECT

DISTRICT 26 - MATTERHORN DRIVE: ROAD PROJECT

DISTRICT 27 - OSAGE ROAD/PLACERVILLE: ROAD PROJECT

DISTRICT 30 - ANTELOPE VALLEY ROAD: ROAD PROJECT

Nonmajor Debt Service Funds:

DEBT SERVICE FUND

TO ACCOUNT FOR AD VALOREM TAXES SPECIFICALLY APPORTIONED AND APPROPRIATED FOR THE RETIREMENT OF AD VALOREM SUPPORTED DEBT PRINCIPAL AND INTEREST, AS WELL AS PAYMENT OF DEBT SUPPORTED BY OTHER LEGAL RESOURCES TRANSFERRED FROM VARIOUS GOVERNMENTAL FUNDS.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - DEBT SERVICE FUND

A COMPONENT UNIT. TO ACCOUNT FOR THE ACCUMULATION OF RESOURCES FOR PAYMENT OF LONG-TERM DEBT PRINCIPAL AND INTEREST.

The 1930's

The 1930's census revealed that Washoe County's total population was 27,158 of whom 18,529 resided in Reno, 4,508 in Sparks and 4,121 in the unincorporated area.

The most important development of this decade came early when in 1931 the Nevada Legislature finally took off all the restraints on gambling. Gaming came out in the open and the old card clubs turned increasingly from its old sawdust floors to more glamorous surroundings. In that same legislative session the residency requirement went from three months to six weeks. In the 1930's many women came out to Washoe County for six weeks and "took the cure."

In March 1930 the county commissioners voted to offer to the City of Reno the county's share of the municipal airport making the field a municipal property entirely.

The 1931 legislature authorized the commissioners to issue \$25,000 of county bonds to erect a public library building in Sparks and to destroy the old Reno public library building and placed the Carnegie library building and site under the control of the county commissioners.

The 1933 legislature mandated that the commissioners divide Washoe County into two county commissioner districts.

The New Deal and its accompanying federal funds fueled new projects for Washoe County. A county board of charities and public welfare was established in 1933. Federal funds from the Public Works Administration built a swimming pool at Idlewild Park and in 1935 construction began on an 18-hole golf course on the site of the municipal airport. The airport was moved off Mill Street east of Reno.

Later in the decade two important gaming figures for the future of Washoe County moved into the community. In 1936 Harold Smith came to Reno, later his father Raymond I. "Pappy" Smith joined his son, together they opened Harold's Club. And in 1937 William Harrah moved to Reno. He operated a couple of different clubs but his most famous club was still to come.

WASHOE COUNTY
SPECIAL ASSESSMENT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Special assessments	\$ 615,500	\$ 395,621	\$ (219,879)	\$ 698,318
Miscellaneous:				
Investment earnings	98,925	110,460	11,535	164,869
Net increase (decrease) in the fair value of investments	-	23,429	23,429	13,134
Assessment interest	87,550	188,206	100,656	150,934
Penalties	27,700	18,430	(9,270)	39,352
Total Revenues	<u>829,675</u>	<u>736,146</u>	<u>(93,529)</u>	<u>1,066,607</u>
EXPENDITURES				
General Government Function:				
Services and supplies	34,555	44,679	(10,124)	37,396
Debt Service:				
Special Assessment Bonds:				
Principal	236,427	236,427	-	1,611,000
Interest	182,335	182,335	-	229,768
Debt service fees	750	684	66	28,763
Assessment refunds	435,000	202,636	232,364	280,453
Total Non-Ad Valorem Supported Debt	<u>854,512</u>	<u>622,082</u>	<u>232,430</u>	<u>2,149,984</u>
Total Expenditures	<u>889,067</u>	<u>666,761</u>	<u>222,306</u>	<u>2,187,380</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(59,392)</u>	<u>69,385</u>	<u>128,777</u>	<u>(1,120,773)</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
SAD Projects Fund	-	11,245	11,245	791,420
Net Change in Fund Balances	<u>(59,392)</u>	<u>80,630</u>	<u>140,022</u>	<u>(329,353)</u>
FUND BALANCE, JULY 1	<u>970,571</u>	<u>1,536,814</u>	<u>566,243</u>	<u>1,866,167</u>
FUND BALANCE, JUNE 30	<u>\$ 911,179</u>	<u>\$ 1,617,444</u>	<u>\$ 706,265</u>	<u>\$ 1,536,814</u>

WASHOE COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003

	DEBT SERVICE FUND	TMFPD DEBT SERVICE FUND	TOTAL
ASSETS			
Cash and investments	\$ 9,524,428	\$ 21,568	\$ 9,545,996
Property taxes receivable	91,604	-	91,604
Interest receivable	23,593	-	23,593
	\$ 9,639,625	\$ 21,568	\$ 9,661,193
	\$ 9,639,625	\$ 21,568	\$ 9,661,193
LIABILITIES			
Accounts payable	\$ 73,573	\$ 3,101	\$ 76,674
Interest payable	51,259	-	51,259
Deferred revenue	83,377	-	83,377
	208,209	3,101	211,310
	208,209	3,101	211,310
FUND BALANCES			
Reserved for debt service	9,431,416	18,467	9,449,883
	\$ 9,431,416	\$ 18,467	\$ 9,449,883
	\$ 9,431,416	\$ 18,467	\$ 9,449,883
Total Liabilities/Fund Balances	\$ 9,639,625	\$ 21,568	\$ 9,661,193
	\$ 9,639,625	\$ 21,568	\$ 9,661,193

**WASHOE COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003**

	DEBT SERVICE FUND	TMFPD DEBT SERVICE FUND	TOTAL
REVENUES			
Taxes:			
Ad valorem	\$ 7,575,356	\$ -	\$ 7,575,356
Intergovernmental revenues	459,444	-	459,444
Miscellaneous	109,286	-	109,286
Total Revenues	<u>8,144,086</u>	<u>-</u>	<u>8,144,086</u>
EXPENDITURES			
Debt Service:			
Ad Valorem Supported Debt:			
Principal	3,210,000	-	3,210,000
Interest	3,524,442	-	3,524,442
Debt service fees	5,518	-	5,518
Bond issuance costs	331,150	-	331,150
Total Ad Valorem Supported Debt	<u>7,071,110</u>	<u>-</u>	<u>7,071,110</u>
Non-Ad Valorem Supported Debt:			
Principal	7,152,845	120,000	7,272,845
Interest	4,350,520	45,111	4,395,631
Debt service fees	5,612	93	5,705
Total Non-Ad Valorem Supported Debt	<u>11,508,977</u>	<u>165,204</u>	<u>11,674,181</u>
Total Expenditures	<u>18,580,087</u>	<u>165,204</u>	<u>18,745,291</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,436,001)</u>	<u>(165,204)</u>	<u>(10,601,205)</u>
OTHER FINANCING SOURCES (USES)			
Refunding bonds issued	16,725,000	-	16,725,000
Bond premium	1,120,591	-	1,120,591
Refunding payment to escrow agent	(17,606,754)	-	(17,606,754)
Transfers	10,829,397	162,103	10,991,500
Total Other Financing Sources (Uses)	<u>11,068,234</u>	<u>162,103</u>	<u>11,230,337</u>
Net Change in Fund Balances	632,233	(3,101)	629,132
FUND BALANCE, JULY 1	<u>8,799,183</u>	<u>21,568</u>	<u>8,820,751</u>
FUND BALANCE, JUNE 30	<u>\$ 9,431,416</u>	<u>\$ 18,467</u>	<u>\$ 9,449,883</u>

**WASHOE COUNTY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 7,400,183	\$ 7,575,356	\$ 175,173	\$ 5,953,907
Intergovernmental Revenues:				
TRWQSA bond payments	459,443	459,444	1	423,907
TMFPD	162,010	-	(162,010)	-
Miscellaneous:				
Investment earnings	-	124,264	124,264	208,132
Net increase (decrease) in the fair value of investments	-	(15,070)	(15,070)	10,916
Other	-	92	92	1,370
Total Revenues	8,021,636	8,144,086	122,450	6,598,232
EXPENDITURES				
Ad Valorem Supported Debt:				
General Obligation:				
Principal	3,245,000	3,210,000	35,000	2,910,000
Interest	3,727,923	3,524,442	203,481	3,283,978
Bond issuance cost	238,474	331,150	(92,676)	-
Debt service fees	7,680	5,518	2,162	4,858
Total Ad Valorem Supported Debt	7,219,077	7,071,110	147,967	6,198,836
Non-Ad Valorem Supported Debt:				
Sales Tax Revenue Bonds:				
Principal	395,000	395,000	-	375,000
Interest	1,011,018	1,011,018	-	1,026,417
Debt service fees	835	500	335	500
	1,406,853	1,406,518	335	1,401,917
Medium-Term Financing:				
Principal	5,233,325	5,106,521	126,804	4,510,504
Interest	3,022,144	2,540,935	481,209	2,099,252
Debt service fees	4,115	3,112	1,003	4,358
	8,259,584	7,650,568	609,016	6,614,114
Capital Leases/Notes:				
Principal	1,648,759	1,651,324	(2,565)	177,567
Interest	834,910	798,567	36,343	840,770
Debt service fees	2,000	2,000	-	70
	2,485,669	2,451,891	33,778	1,018,407
Total Non-Ad Valorem Supported Debt	12,152,106	11,508,977	643,129	9,034,438
Total Expenditures	19,371,183	18,580,087	791,096	15,233,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	(11,349,547)	(10,436,001)	913,546	(8,635,042)

(CONTINUED)

**WASHOE COUNTY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	\$ 16,725,000	\$ 16,725,000	\$ -	\$ -
Bond premium	1,120,591	1,120,591	-	-
Refunding payment to escrow agent	(17,606,754)	(17,606,754)	-	-
Transfers:				
General Fund	2,967,834	2,989,787	21,953	2,145,038
Library Expansion Fund	641,048	641,412	364	639,617
Child Protective Services Fund	130,260	130,303	43	135,095
Capital Facilities Fund	3,392,311	3,392,701	390	3,286,423
Infrastructure Fund	3,730,751	3,675,194	(55,557)	5,459,328
Total Other Financing Sources (Uses)	11,101,041	11,068,234	(32,807)	11,665,501
Net Change in Fund Balances	(248,506)	632,233	880,739	3,030,459
FUND BALANCE, JULY 1	5,571,070	8,799,183	3,228,113	5,768,724
FUND BALANCE, JUNE 30	\$ 5,322,564	\$ 9,431,416	\$ 4,108,852	\$ 8,799,183

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 250	\$ -	\$ (250)	\$ 793
Net increase (decrease) in the fair value of investments	-	-	-	24
Total Revenues	250	-	(250)	817
EXPENDITURES				
Non-Ad Valorem Supported Debt:				
General Obligation Bonds:				
Principal	120,000	120,000	-	115,000
Interest	90,416	45,111	45,305	46,610
Debt service fees	-	93	(93)	95
Total Expenditures	210,416	165,204	45,212	161,705
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,166)	(165,204)	44,962	(160,888)
OTHER FINANCING SOURCES (USES)				
Transfers:				
TMFPD General Fund	210,416	162,103	(48,313)	161,705
Net Change in Fund Balances	250	(3,101)	(3,351)	817
FUND BALANCE, JULY 1	21,001	21,568	567	20,751
FUND BALANCE, JUNE 30	\$ 21,251	\$ 18,467	\$ (2,784)	\$ 21,568

CAPITAL PROJECTS FUNDS

TO ACCOUNT FOR FINANCIAL RESOURCES TO BE USED FOR THE ACQUISITION OR CONSTRUCTION OF MAJOR CAPITAL FACILITIES (OTHER THAN THOSE FINANCED BY PROPRIETARY FUNDS). THE COUNTY MAINTAINS THE FOLLOWING CAPITAL PROJECTS FUNDS:

Major Capital Projects Funds:

PARK CONSTRUCTION TAX FUND

PRINCIPAL RESOURCES ARE DERIVED FROM RESIDENTIAL CONSTRUCTION TAXES AND RELATED INVESTMENT EARNINGS, WHICH ARE LEGALLY RESTRICTED TO THE IMPROVEMENT, EXPANSION AND ACQUISITION OF NEW AND EXISTING PARKS WITHIN SPECIFIED AREAS.

PUBLIC WORKS CONSTRUCTION FUND

PRINCIPAL RESOURCES ARE DERIVED FROM FINANCING PROCEEDS, TRANSFERS AND INVESTMENT EARNINGS, WHICH ARE APPLIED TO VARIOUS MAJOR CAPITAL PROJECTS.

INFRASTRUCTURE FUND

PRINCIPAL RESOURCES ARE DERIVED FROM .125% INFRASTRUCTURE SALES TAX. THE SALES TAX AND RELATED INVESTMENT EARNINGS ARE USED FOR VARIOUS FLOOD CONTROL AND PUBLIC SAFETY PROJECTS AND TO PAY PRINCIPAL AND INTEREST ON DEBT ISSUED FOR ELIGIBLE PROJECTS.

Nonmajor Capital Projects Funds:

CAPITAL FACILITIES FUND

PRINCIPAL RESOURCES ARE DERIVED FROM CAPITAL FACILITIES AD VALOREM TAXES AND INVESTMENT EARNINGS. PROCEEDS ARE RESTRICTED FOR THE PURCHASE, RENOVATION AND REPAYMENT OF FINANCING OF CAPITAL ASSETS.

IMPACT FEE FUND

PRINCIPAL RESOURCES WERE DERIVED FROM VEHICLE TRIP FEES COLLECTED IN CONJUNCTION WITH BUILDING PERMITS ISSUED FOR NEW BUILDING DEVELOPMENTS. THE FEES AND INVESTMENT EARNINGS WERE TO BE USED FOR ROAD IMPROVEMENTS IN DISTRICTS FROM WHICH THEY WERE COLLECTED. UNCOMMITTED CASH AND INVESTMENTS WERE TRANSFERRED TO THE REGIONAL TRANSPORTATION COMMISSION IN FISCAL YEAR 1996/97 AND REMAINING FEES ARE EXPECTED TO BE FULLY EXPENDED IN 2003/04.

SPECIAL ASSESSMENT PROJECTS FUND

PRINCIPAL RESOURCES ARE DERIVED FROM FINANCING PROCEEDS, INTERFUND LOANS, INVESTMENT EARNINGS AND SPECIAL ASSESSMENTS, TO CONSTRUCT IMPROVEMENTS WHICH BENEFIT THESE SPECIFIC ASSESSMENT DISTRICTS:

DISTRICT 15 - LAWTON/VERDI PHASE II: SEWER COLLECTION INTERCEPTOR.

DISTRICT 21 - COLD SPRINGS: SEWER PROJECT.

DISTRICT 23 - SOUTHWEST POINTE: STREET, UTILITY AND WATER SYSTEMS

DISTRICT 27 - OSAGE ROAD/PLACERVILLE: ROAD PROJECT

DISTRICT 30 - ANTELOPE VALLEY: ROAD PROJECT

EXTRAORDINARY MAINTENANCE FUND

PRINCIPAL RESOURCES ARE DERIVED FROM ONE HALF OF ONE PERCENT OF CAPITAL PROJECT RELATED BOND PROCEEDS IN ACCORDANCE WITH NRS 354.6105. PROCEEDS ARE RESTRICTED FOR EXTRAORDINARY MAINTENANCE, REPAIR OR REPLACEMENT OF RELATED CAPITAL PROJECTS.

STORMWATER IMPACT FEE FUND

PRINCIPLE RESOURCES ARE IMPACT FEES LEVIED ON RESIDENTIAL AND COMMERCIAL DEVELOPERS. THE FEES AND INVESTMENT EARNINGS ARE USED FOR CONSTRUCTION OF STORMWATER DETENTION AND DRAINAGE FACILITIES.

ALTURAS POWER MITIGATION FUND

TO ACCOUNT FOR COLLECTION AND PAYMENT OF MITIGATION PROJECTS INCURRED RELATIVE TO THE POWER LINE PROJECT.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - CONSTRUCTION/EQUIPMENT ACQUISITION FUND

A COMPONENT UNIT. PRINCIPAL RESOURCES ARE DERIVED FROM AD VALOREM TAXES AND ARE USED FOR THE ACQUISITION OR CONSTRUCTION OF FIRE EQUIPMENT AND FACILITIES.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - EXTRAORDINARY MAINTENANCE FUND

A COMPONENT UNIT. PRINCIPAL RESOURCES ARE DERIVED FROM ONE HALF OF ONE PERCENT OF CAPITAL PROJECT RELATED BOND PROCEEDS IN ACCORDANCE WITH NRS 354.6105. PROCEEDS ARE RESTRICTED FOR EXTRAORDINARY MAINTENANCE, REPAIR OR REPLACEMENT OF RELATED CAPITAL PROJECTS.

The 1920's

The 1920 census indicated that there were 18,627 people in Washoe County, with 12,016 residing in Reno, 3,238 in Sparks and 3,373 in unincorporated Washoe County.

The decade of the 1920's truly was when Reno and Washoe County became known as the place to come for not only a divorce but also for marriage.

Prohibition was still the law of the land in the United States, but in Nevada the state prohibition law was repealed.

Gambling continued in Washoe County, but there were still many restrictions on some games, and were usually played out of sight.

In May 1920, the county commissioners and the city of Reno executed a lease with an option to purchase 80 acres north of the golf course for a city-county aviation field.

The Pacific Portland Cement Company had built a company town five miles south of Gerlach in 1922 and named it Empire, a trade name for gypsum products.

On July 25, 1925, the City of Reno and Washoe County exercised their option and purchased an airfield for \$15,000.

In 1927 the State Highway Department completed the grading and gravelling of the Victory Highway as it crossed the state from east to west. This road became Highway 40 and then Interstate 80. To celebrate the completion of the Victory Highway and for the completion of the Lincoln Highway through Nevada a transcontinental highway exposition was held in Reno at Idlewild Park.

Also in 1927 the State of California passed a bill that required a three-day waiting period before marriage. Nevada had no waiting period and the number of marriages coming to Washoe County increased. In that same year the Nevada Legislature reduced the residency requirement from 6 months to 3 months.

**WASHOE COUNTY
PARK CONSTRUCTION TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Residential construction tax	\$ 484,500	\$ 1,228,844	\$ 744,344	\$ 1,249,718
Intergovernmental Revenues:				
Federal grants	278,182	278,182	-	136,928
State contributions	23,420	23,420	-	-
Miscellaneous:				
Investment earnings	608,600	582,071	(26,529)	620,782
Net increase (decrease) in the fair value of investments	-	30,135	30,135	33,041
Contributions and donations	134,898	25,924	(108,974)	96,061
Other	-	21,555	21,555	3,061
Total Revenues	<u>1,529,600</u>	<u>2,190,131</u>	<u>660,531</u>	<u>2,139,591</u>
EXPENDITURES				
Intergovernmental	-	-	-	5,571
Capital Outlay:				
Culture and Recreation Function:				
District one	1,211,500	530,628	680,872	1,018,959
District two	738,116	321,334	416,782	923,674
District three	710,000	17,142	692,858	520,604
District four	768,500	-	768,500	225,203
Special projects	813,357	317,134	496,223	128,981
Bond projects	25,018,652	5,113,061	19,905,591	1,144,335
Debt Service:				
Bond issuance costs	156,946	133,689	23,257	-
Total Expenditures	<u>29,417,071</u>	<u>6,432,988</u>	<u>22,984,083</u>	<u>3,967,327</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(27,887,471)</u>	<u>(4,242,857)</u>	<u>23,644,614</u>	<u>(1,827,736)</u>
OTHER FINANCING SOURCES (USES)				
Park/Library bonds issued	9,820,995	9,820,995	-	-
Bond premium	271,051	271,051	-	-
Proceeds from asset disposition	1,043,817	1,043,817	-	-
Total Other Financing Sources (Uses)	<u>11,135,863</u>	<u>11,135,863</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(16,751,608)	6,893,006	23,644,614	(1,827,736)
FUND BALANCE, JULY 1	18,948,430	18,948,430	-	20,776,166
FUND BALANCE, JUNE 30	<u>\$ 2,196,822</u>	<u>\$ 25,841,436</u>	<u>\$ 23,644,614</u>	<u>\$ 18,948,430</u>

**WASHOE COUNTY
PUBLIC WORKS CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Licenses and permits	\$ 380,000	\$ 533,732	\$ 153,732	\$ -
Intergovernmental Revenues:				
Federal grants	191,119	191,119	-	-
State grants	978,990	978,990	-	2,021,010
Local contributions	1,002,760	982,868	(19,892)	3,041,904
Charges for Services	-	15,507	15,507	11,813
Miscellaneous:				
Investment earnings	340,000	1,395,678	1,055,678	967,873
Net increase (decrease) in the fair value of investments	-	77,359	77,359	37,911
Contributions and donations	70,850	70,850	-	-
Other	-	150	150	-
Total Revenues	<u>2,963,719</u>	<u>4,246,253</u>	<u>1,282,534</u>	<u>6,080,511</u>
EXPENDITURES				
Capital Outlay:				
General Government Function:				
Buildings and grounds	75,000	33,670	41,330	104,836
Computers and communications	1,300,628	750,312	550,316	205,385
Enterprise resource project	10,310,312	4,532,204	5,778,108	193,128
Energy conservation retrofit	-	-	-	979,480
Other	387,386	4,569	382,817	190,359
Total General Government Function	<u>12,073,326</u>	<u>5,320,755</u>	<u>6,752,571</u>	<u>1,673,188</u>
Judicial Function:				
Court facilities	<u>21,139,484</u>	<u>2,218,373</u>	<u>18,921,111</u>	<u>593,825</u>
Public Safety Function:				
Regional radio dispatch system	7,305,451	4,457,990	2,847,461	352,361
Jan Evans Juvenile Justice Facility	21,785,504	10,504,085	11,281,419	2,805,285
Corrections-other	3,794,326	858,985	2,935,341	1,761,805
Total Public Safety Function	<u>32,885,281</u>	<u>15,821,060</u>	<u>17,064,221</u>	<u>4,919,451</u>
Public Works Function:				
Road projects	442,028	22,028	420,000	10,905
Road facilities	2,833,940	226,437	2,607,503	632,288
Total Public Works Function	<u>3,275,968</u>	<u>248,465</u>	<u>3,027,503</u>	<u>643,193</u>
Health and Sanitation Function:				
Health Clinic management system	<u>127,953</u>	<u>86,011</u>	<u>41,942</u>	<u>-</u>

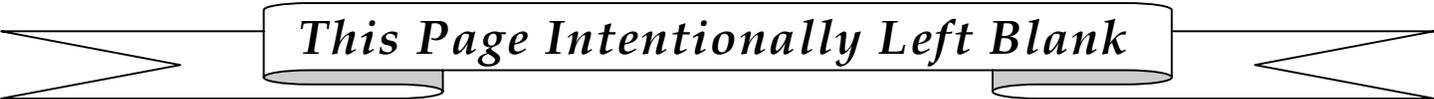
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**WASHOE COUNTY
PUBLIC WORKS CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Welfare Function:				
Social services facilities	\$ 850,825	\$ 239,297	\$ 611,528	\$ 298,587
Culture and Recreation Function:				
Park improvements	785,476	439,619	345,857	271,854
Library bond projects	12,722,006	3,494,572	9,227,434	672,764
Other library projects	843,032	445,471	397,561	85,378
Total Culture and Recreation Function	<u>14,350,514</u>	<u>4,379,662</u>	<u>9,970,852</u>	<u>1,029,996</u>
Debt Service:				
Bond issuance costs	411,352	361,910	49,442	251,972
Total Expenditures	<u>85,114,703</u>	<u>28,675,533</u>	<u>56,439,170</u>	<u>9,410,212</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(82,150,984)</u>	<u>(24,429,280)</u>	<u>57,721,704</u>	<u>(3,329,701)</u>
OTHER FINANCING SOURCES (USES)				
Various purpose bonds issued	34,914,005	31,914,005	(3,000,000)	-
Building bonds issued	-	-	-	16,620,000
Bond premium	443,407	443,407	-	162,244
Proceeds from asset disposition	4,600,000	-	(4,600,000)	-
Transfers:				
General Fund	3,550,042	3,556,137	6,095	3,325,960
General Fund	(21,452)	(21,452)	-	(532,865)
Total Other Financing Sources (Uses)	<u>43,486,002</u>	<u>35,892,097</u>	<u>(7,593,905)</u>	<u>19,575,339</u>
Net Change in Fund Balances	(38,664,982)	11,462,817	50,127,799	16,245,638
FUND BALANCE, JULY 1,	<u>39,969,242</u>	<u>40,695,221</u>	<u>725,979</u>	<u>24,449,583</u>
FUND BALANCE, JUNE 30	<u>\$ 1,304,260</u>	<u>\$ 52,158,038</u>	<u>\$ 50,853,778</u>	<u>\$ 40,695,221</u>

**WASHOE COUNTY
INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Intergovernmental Revenues:				
Federal grants	\$ 31,749	\$ 31,749	\$ -	\$ 16,670
Infrastructure sales tax - NRS 377B.100	6,549,555	6,685,520	135,965	6,485,764
Miscellaneous:				
Investment earnings	1,050,000	813,666	(236,334)	1,064,719
Net increase (decrease) in the fair value of investments	-	86,455	86,455	64,935
Total Revenues	<u>7,631,304</u>	<u>7,617,390</u>	<u>(13,914)</u>	<u>7,632,088</u>
EXPENDITURES				
Capital Outlay:				
Public Safety Function:				
Administration	341,812	-	341,812	-
Regional dispatch center	6,179,720	5,854,786	324,934	1,531,777
Regional training complex	18,752	18,646	106	9,209,643
Total Public Safety Function	<u>6,540,284</u>	<u>5,873,432</u>	<u>666,852</u>	<u>10,741,420</u>
Health and Sanitation Function:				
Truckee River flood control	5,989,392	462,756	5,526,636	622,753
Total Expenditures	<u>12,529,676</u>	<u>6,336,188</u>	<u>6,193,488</u>	<u>11,364,173</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,898,372)	1,281,202	6,179,574	(3,732,085)
OTHER FINANCING SOURCES (USES)				
Transfers:				
Debt Service Fund	(3,730,751)	(3,675,194)	55,557	(5,459,328)
Net Change in Fund Balances	(8,629,123)	(2,393,992)	6,235,131	(9,191,413)
FUND BALANCE, JULY 1	32,170,686	32,660,391	489,705	41,851,804
FUND BALANCE, JUNE 30	<u>\$ 23,541,563</u>	<u>\$ 30,266,399</u>	<u>\$ 6,724,836</u>	<u>\$ 32,660,391</u>



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**WASHOE COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2003**

	CAPITAL FACILITIES FUND	IMPACT FEE FUND	SPECIAL ASSESSMENT PROJECTS FUND	EXTRAORDINARY MAINTENANCE FUND
ASSETS				
Cash and investments	\$ 672,133	\$ 17,269	\$ 71,517	\$ 425,225
Property taxes receivable	58,685	-	-	-
Interest receivable	3,376	57	238	1,397
Total Assets	<u>\$ 734,194</u>	<u>\$ 17,326</u>	<u>\$ 71,755</u>	<u>\$ 426,622</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts/retention payable	-	-	-	73,845
Due to other governments	59,638	-	-	-
Deferred revenue	53,433	-	-	-
Total Liabilities	<u>113,071</u>	<u>-</u>	<u>-</u>	<u>73,845</u>
FUND BALANCES				
Reserved for:				
Encumbrances	59,893	17,198	-	26,627
Projects	-	-	-	-
Unreserved:				
Designated/future years expenditures	561,230	128	71,755	326,150
Undesignated	-	-	-	-
Total Fund Balances	<u>621,123</u>	<u>17,326</u>	<u>71,755</u>	<u>352,777</u>
Total Liabilities/Fund Balances	<u>\$ 734,194</u>	<u>\$ 17,326</u>	<u>\$ 71,755</u>	<u>\$ 426,622</u>

STORMWATER IMPACT FEE FUND	ALTURAS POWER MITIGATION FUND	TMFPD CONSTRUCTION FUND	TOTAL
\$ 511,759	\$ 1,500,945	\$ 2,345,823	\$ 5,544,671
-	-	-	58,685
628	5,548	7,040	18,284
<u>\$ 512,387</u>	<u>\$ 1,506,493</u>	<u>\$ 2,352,863</u>	<u>\$ 5,621,640</u>
\$ -	\$ -	\$ 82,430	\$ 82,430
-	144,203	-	218,048
-	-	-	59,638
-	-	-	53,433
<u>-</u>	<u>144,203</u>	<u>82,430</u>	<u>413,549</u>
-	268,051	939,317	1,311,086
-	-	9,812	9,812
512,387	1,094,239	621,034	3,186,923
<u>-</u>	<u>-</u>	<u>700,270</u>	<u>700,270</u>
<u>512,387</u>	<u>1,362,290</u>	<u>2,270,433</u>	<u>5,208,091</u>
<u>\$ 512,387</u>	<u>\$ 1,506,493</u>	<u>\$ 2,352,863</u>	<u>\$ 5,621,640</u>

**WASHOE COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>CAPITAL FACILITIES FUND</u>	<u>IMPACT FEE FUND</u>	<u>SPECIAL ASSESSMENT PROJECTS FUND</u>	<u>EXTRAORDINARY MAINTENANCE FUND</u>
REVENUES				
Taxes:				
Ad valorem	\$ 4,810,473	\$ -	\$ -	\$ -
Intergovernmental revenues	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	45,658	646	4,836	19,860
Total Revenues	<u>4,856,131</u>	<u>646</u>	<u>4,836</u>	<u>19,860</u>
EXPENDITURES				
Intergovernmental	1,321,614	-	-	-
Capital Outlay:				
General government function	-	-	-	18,766
Judicial function	73,655	-	-	83,546
Public safety function	-	-	-	84,022
Public works function	-	960	-	-
Health and sanitation function	-	-	5,453	21,240
Culture and recreation function	-	-	-	153,128
Total Expenditures	<u>1,395,269</u>	<u>960</u>	<u>5,453</u>	<u>360,702</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,460,862</u>	<u>(314)</u>	<u>(617)</u>	<u>(340,842)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from asset disposition	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(3,392,701)	-	(19,075)	-
Total Other Financing Sources (Uses)	<u>(3,392,701)</u>	<u>-</u>	<u>(19,075)</u>	<u>-</u>
Net Change in Fund Balances	68,161	(314)	(19,692)	(340,842)
FUND BALANCE, JULY 1	<u>552,962</u>	<u>17,640</u>	<u>91,447</u>	<u>693,619</u>
FUND BALANCE, JUNE 30	<u>\$ 621,123</u>	<u>\$ 17,326</u>	<u>\$ 71,755</u>	<u>\$ 352,777</u>

STORMWATER IMPACT FEE FUND	ALTURAS POWER MITIGATION FUND	TMFPD CONSTRUCTION FUND	TOTAL
\$ -	\$ -	\$ 838	\$ 4,811,311
-	-	232,872	232,872
321,153	-	-	321,153
6,966	82,732	67,914	228,612
<u>328,119</u>	<u>82,732</u>	<u>301,624</u>	<u>5,593,948</u>
-	-	-	1,321,614
-	-	-	18,766
-	-	-	157,201
-	46,330	796,841	927,193
-	-	-	960
-	-	-	26,693
-	985,304	-	1,138,432
<u>-</u>	<u>1,031,634</u>	<u>796,841</u>	<u>3,590,859</u>
<u>328,119</u>	<u>(948,902)</u>	<u>(495,217)</u>	<u>2,003,089</u>
-	-	32,749	32,749
-	-	1,075,000	1,075,000
-	(100,000)	-	(3,511,776)
<u>-</u>	<u>(100,000)</u>	<u>1,107,749</u>	<u>(2,404,027)</u>
328,119	(1,048,902)	612,532	(400,938)
184,268	2,411,192	1,657,901	5,609,029
<u>\$ 512,387</u>	<u>\$ 1,362,290</u>	<u>\$ 2,270,433</u>	<u>\$ 5,208,091</u>

**WASHOE COUNTY
CAPITAL FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 4,764,016	\$ 4,810,473	\$ 46,457	\$ 4,477,778
Charges for services	-	-	-	231,998
Miscellaneous:				
Investment earnings	40,000	44,377	4,377	44,188
Net increase (decrease) in the fair value of investments	-	1,281	1,281	19,042
Total Revenues	4,804,016	4,856,131	52,115	4,773,006
EXPENDITURES				
Intergovernmental:				
Reno/Sparks apportionment	1,321,970	1,321,614	356	1,230,555
Capital Outlay:				
Judicial Function:				
Court facilities	345,000	73,655	271,345	1,417,219
Total Expenditures	1,666,970	1,395,269	271,701	2,647,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,137,046	3,460,862	323,816	2,125,232
OTHER FINANCING SOURCES (USES)				
Transfers:				
Debt Service Fund	(3,392,311)	(3,392,701)	(390)	(3,286,423)
Net Change in Fund Balances	(255,265)	68,161	323,426	(1,161,191)
FUND BALANCE, JULY 1	595,777	552,962	(42,815)	1,714,153
FUND BALANCE, JUNE 30	\$ 340,512	\$ 621,123	\$ 280,611	\$ 552,962

WASHOE COUNTY
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 360	\$ 542	\$ 182	\$ 999
Net increase (decrease) in the fair value of investments	-	104	104	101
Total Revenues	360	646	286	1,100
EXPENDITURES				
Capital Outlay:				
Public Works Function:				
Road projects	18,000	960	17,040	10,506
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,640)	(314)	17,326	(9,406)
FUND BALANCE, JULY 1	17,640	17,640	-	27,046
FUND BALANCE, JUNE 30	\$ -	\$ 17,326	\$ 17,326	\$ 17,640

WASHOE COUNTY
SPECIAL ASSESSMENT PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 6,900	\$ 3,738	\$ (3,162)	\$ 30,651
Net increase (decrease) in the fair value of investments	-	1,098	1,098	9,513
Other	1,000	-	(1,000)	600
Total Revenues	<u>7,900</u>	<u>4,836</u>	<u>(3,064)</u>	<u>40,764</u>
EXPENDITURES				
Capital Outlay:				
Public Works Function:				
SAD 27 - Osage/Placerville Road	56,200	-	56,200	-
SAD 30 - Antelope Valley Road	12,000	-	12,000	1,312,896
Total Public Works Function	<u>68,200</u>	<u>-</u>	<u>68,200</u>	<u>1,312,896</u>
Health and Sanitation Function:				
SAD 15 - Lawton/Verdi, Phase II	43,200	-	43,200	-
SAD 21 - Cold Springs Sewer	-	2,479	(2,479)	92,875
SAD 23 - Southwest Pointe	-	2,974	(2,974)	245,308
Total Health and Sanitation Function	<u>43,200</u>	<u>5,453</u>	<u>37,747</u>	<u>338,183</u>
Debt Service:				
Bond issuance costs	-	-	-	19,316
Total Expenditures	<u>111,400</u>	<u>5,453</u>	<u>105,947</u>	<u>1,670,395</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(103,500)</u>	<u>(617)</u>	<u>102,883</u>	<u>(1,629,631)</u>
OTHER FINANCING SOURCES (USES)				
Special assessment bonds issued	-	-	-	1,327,290
Bond premium	-	-	-	14,177
Transfers:				
Special Assessment Debt Service Fund	-	(11,245)	(11,245)	(791,420)
Water Resources Fund	-	(7,830)	(7,830)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(19,075)</u>	<u>(19,075)</u>	<u>550,047</u>
Net Change in Fund Balances	<u>(103,500)</u>	<u>(19,692)</u>	<u>83,808</u>	<u>(1,079,584)</u>
FUND BALANCE, JULY 1	<u>123,714</u>	<u>91,447</u>	<u>(32,267)</u>	<u>1,171,031</u>
FUND BALANCE, JUNE 30	<u>\$ 20,214</u>	<u>\$ 71,755</u>	<u>\$ 51,541</u>	<u>\$ 91,447</u>

**WASHOE COUNTY
EXTRAORDINARY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 10,200	\$ 16,343	\$ 6,143	\$ 25,951
Net increase (decrease) in the fair value of investments	-	3,517	3,517	3,211
Total Revenues	10,200	19,860	9,660	29,162
EXPENDITURES				
Capital Outlay:				
General government function	62,885	18,766	44,119	-
Judicial function	83,546	83,546	-	-
Public safety function	279,235	84,022	195,213	-
Public works function	12,480	-	12,480	-
Health and sanitation function	51,749	21,240	30,509	-
Welfare function	3,488	-	3,488	-
Culture and recreation function	181,460	153,128	28,332	-
Total Expenditures	674,843	360,702	314,141	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(664,643)	(340,842)	323,801	29,162
FUND BALANCE, JULY 1	674,077	693,619	19,542	664,457
FUND BALANCE, JUNE 30	\$ 9,434	\$ 352,777	\$ 343,343	\$ 693,619

WASHOE COUNTY
STORMWATER IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for Services:				
Impact fees	\$ 100,000	\$ 321,153	\$ 221,153	\$ -
Miscellaneous:				
Investment earnings	4,500	5,826	1,326	7,759
Net increase (decrease) in the fair value of investments	-	1,140	1,140	957
Total Revenues	<u>104,500</u>	<u>328,119</u>	<u>223,619</u>	<u>8,716</u>
EXPENDITURES				
Capital Outlay:				
Health and sanitation function:				
Southeast Truckee Meadows	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(95,500)	328,119	423,619	8,716
FUND BALANCE, JULY 1	<u>279,661</u>	<u>184,268</u>	<u>(95,393)</u>	<u>175,552</u>
FUND BALANCE, JUNE 30	<u>\$ 184,161</u>	<u>\$ 512,387</u>	<u>\$ 328,226</u>	<u>\$ 184,268</u>

WASHOE COUNTY
ALTURAS POWER MITIGATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ -	\$ 67,679	\$ 67,679	\$ 91,690
Net increase (decrease) in the fair value of investments	-	14,623	14,623	13,968
Contributions and donations	-	-	-	500,000
Other	-	430	430	-
Total Revenues	-	82,732	82,732	605,658
EXPENDITURES				
Capital Outlay:				
Public safety function	449,238	46,330	402,908	9,200
Public works function	120,000	-	120,000	-
Culture and recreation function	1,502,881	985,304	517,577	103,153
Total Expenditures	2,072,119	1,031,634	1,040,485	112,353
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,072,119)	(948,902)	1,123,217	493,305
OTHER FINANCING SOURCES (USES)				
Transfers:				
Water Resources Fund	(100,000)	(100,000)	-	-
Net Change in Fund Balances	(2,172,119)	(1,048,902)	1,123,217	493,305
FUND BALANCE, JULY 1	2,348,966	2,411,192	62,226	1,917,887
FUND BALANCE, JUNE 30	\$ 176,847	\$ 1,362,290	\$ 1,185,443	\$ 2,411,192

**WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ 838	\$ 838	\$ 6,813
Intergovernmental Revenues:				
Federal grants	172,872	232,872	60,000	-
Miscellaneous:				
Investment earnings	30,000	56,971	26,971	48,987
Net increase (decrease) in the fair value of investments	-	10,943	10,943	4,529
Reimbursements	-	-	-	4,650
Total Revenues	<u>202,872</u>	<u>301,624</u>	<u>98,752</u>	<u>64,979</u>
EXPENDITURES				
Capital Outlay:				
Public safety function	4,107,588	796,841	3,310,747	131,180
Debt Service:				
Bond issuance costs	76,240	-	76,240	-
Total Expenditures	<u>4,183,828</u>	<u>796,841</u>	<u>3,386,987</u>	<u>131,180</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,980,956)</u>	<u>(495,217)</u>	<u>3,485,739</u>	<u>(66,201)</u>
OTHER FINANCING SOURCES (USES)				
General long-term debt issued	2,076,240	-	(2,076,240)	-
Proceeds from asset disposition	-	32,749	32,749	-
Transfers:				
TMFPD General Fund	1,075,000	1,075,000	-	757,500
TMFPD Extraordinary Maintenance Fund	-	-	-	21,738
Contingency	(100,000)	-	100,000	-
Total Other Financing Sources (Uses)	<u>3,051,240</u>	<u>1,107,749</u>	<u>(1,943,491)</u>	<u>779,238</u>
Net Change in Fund Balances	<u>(929,716)</u>	<u>612,532</u>	<u>1,542,248</u>	<u>713,037</u>
FUND BALANCE, JULY 1	<u>1,599,301</u>	<u>1,657,901</u>	<u>58,600</u>	<u>944,864</u>
FUND BALANCE, JUNE 30	<u>\$ 669,585</u>	<u>\$ 2,270,433</u>	<u>\$ 1,600,848</u>	<u>\$ 1,657,901</u>

ENTERPRISE FUNDS

TO ACCOUNT FOR OPERATIONS (a) THAT ARE FINANCED AND OPERATED IN A MANNER SIMILAR TO PRIVATE BUSINESS ENTERPRISES--WHERE THE INTENT OF THE GOVERNING BODY IS THAT COSTS (EXPENSES, INCLUDING DEPRECIATION) OF PROVIDING GOODS OR SERVICES TO THE GENERAL PUBLIC ON A CONTINUING BASIS BE FINANCED OR RECOVERED PRIMARILY THROUGH USER CHARGES; OR (b) WHERE THE GOVERNING BODY HAS DECIDED THAT PERIODIC DETERMINATION OF REVENUES EARNED, EXPENSES INCURRED, AND/OR NET INCOME IS APPROPRIATE FOR CAPITAL MAINTENANCE, PUBLIC POLICY, MANAGEMENT CONTROL, ACCOUNTABILITY, OR OTHER PURPOSES.

THE COUNTY MAINTAINS THE FOLLOWING ENTERPRISE FUNDS:

Major Enterprise Funds:

WATER RESOURCES FUND

ESTABLISHED ON APRIL 1, 1983, THE FUND ACCOUNTS FOR WATER PLANNING, REMEDIATION, FLOOD CONTROL AND OPERATIONS OF COUNTY-OWNED OR OPERATED WATER AND SEWER SYSTEMS, INCLUDING THE RELATED CAPITAL ASSETS AND DEPRECIATION.

GOLF COURSE FUND

ESTABLISHED ON JULY 1, 1982, THE FUND ACCOUNTS FOR OPERATIONS OF TWO COUNTY GOLF COURSES - WASHOE AND SIERRA SAGE, AND THE WASHOE GOLF RESTAURANT, INCLUDING RELATED CAPITAL ASSETS AND DEPRECIATION.

BUILDING AND SAFETY FUND

ESTABLISHED ON JULY 1, 2001, THE FUND ACCOUNTS FOR ISSUANCE OF BUILDING PERMITS AND OTHER FEES DIRECTLY RELATED TO BUILDING AND DEVELOPMENT IN THE COUNTY, INCLUDING RELATED CAPITAL ASSETS AND DEPRECIATION.

SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT

A COMPONENT UNIT. ESTABLISHED IN 1981, THE FUND ACCOUNTS FOR OPERATIONS OF THE DISTRICT WATER SERVICES, INCLUDING RELATED CAPITAL ASSETS AND DEPRECIATION.

The 1910's

The population of 1910 was 17,434. Of this number, 10,867 resided in Reno, 2,500 in Sparks and 4,068 in the unincorporated area.

On July 4, 1910 Reno was the host of the fight of the century. Jack Johnson defeated the great white hope Jim Jeffries on a hot holiday in the fifteenth round. Motion pictures of the fight were banned around the country and race riots spread throughout the nation. The build up that led to the fight gave Reno enormous publicity and gave the county and the state a reputation of being wide open and a little bit forbidding.

Washoe County was 50 years old in 1911 and to celebrate its anniversary, Old Pioneers Day was proclaimed on July 3, 1911.

The grand jury grudgingly reported in 1914 that after 50 years of complaints, "the county commissioners not only repaired county roads damaged by severe winter but have furthermore done more work on roads than in any year previously." The grand jury recommended the consolidation of certain city and county offices and that the City of Reno take some immediate steps to remove city sewage from the Truckee River.

On April 7, 1915 the commissioners enacted an ordinance establishing a county law library fund and set aside a portion of civil action filing fees for the purchase of books and the maintenance of the library.

In 1917, there were 23 licensed slot machines in the unincorporated area of the County, while Reno licensed 63.

At the 1919 session of the legislature, two acts authorizing the issuance of county bonds for ambitious road improvements were passed. \$500,000 county bonds were issued.

The commissioners were authorized to improve many roads, only bonds required to do the work in any one year could be sold and the commissioners were authorized to enter into contracts with the State department of highways and the state would pay for half of the road improvements.

**WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OPERATING REVENUES				
Charges for Services:				
Water charges - regular	\$ 6,319,200	\$ 7,023,612	\$ 704,412	\$ 6,139,701
Water charges - STMGID	1,215,245	944,097	(271,148)	933,670
Stormwater charges	-	24,566	24,566	-
Sewer charges	3,402,200	3,981,130	578,930	3,437,282
Remediation fees	1,900,000	2,363,645	463,645	1,887,295
Water surcharge fees	1,020,000	995,676	(24,324)	960,037
Services to other funds	2,693,460	5,453	(2,688,007)	11,887
Inspection	297,682	359,397	61,715	266,370
Developer design fees	185,500	69,007	(116,493)	170,400
Other	994,885	408,093	(586,792)	186,231
Total Operating Revenues	18,028,172	16,174,676	(1,853,496)	13,992,873
OPERATING EXPENSES				
Health and Sanitation Function:				
Operations Division:				
Salaries and wages	2,418,174	2,364,292	53,882	1,999,018
Employee benefits	729,043	707,017	22,026	596,044
Services and supplies	5,923,076	5,757,470	165,606	4,566,656
Depreciation/Amortization	4,055,852	3,947,020	108,832	3,374,578
Construction/Consulting Division:				
Salaries and wages	1,286,644	342,413	944,231	304,539
Employee benefits	376,059	87,729	288,330	83,869
Services and supplies	1,094,316	123,321	970,995	118,363
Planning Division:				
Salaries and wages	1,012,538	983,920	28,618	878,320
Employee benefits	281,112	262,846	18,266	232,683
Services and supplies	4,819,447	2,735,882	2,083,565	2,542,546
Depreciation/Amortization	300,000	290,365	9,635	269,227
Total Operating Expenses	22,296,261	17,602,275	4,693,986	14,965,843
Operating Income (Loss)	(4,268,089)	(1,427,599)	2,840,490	(972,970)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	550,000	951,607	401,607	880,711
Net increase (decrease) in the fair value of investments	-	52,375	52,375	137,888
Gain/(loss) on asset disposition	75,000	(339,633)	(414,633)	(30,074)
Facilities rental	-	37,021	37,021	18,000
Federal grant revenues	47,600	-	(47,600)	-
Federal grant expenses	(1,325,000)	-	1,325,000	-
Interest/bond issuance costs	(1,313,771)	(583,848)	729,923	(625,995)
Total Nonoperating Revenues (Expenses)	(1,966,171)	117,522	2,083,693	380,530
Income (Loss) Before Capital Contributions and Transfers	(6,234,260)	(1,310,077)	4,924,183	(592,440)

(CONTINUED)

**WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
Water hook-up fees	\$ 420,000	\$ 2,375,238	\$ 1,955,238	\$ 1,348,892
Sewer hook-up fees	1,891,750	7,142,418	5,250,668	3,159,936
Reclaimed hook-up fees	-	190,665	190,665	731,974
Contributions from contractors	11,483,000	16,083,588	4,600,588	11,081,624
Contributions from others	-	586,159	586,159	4,132,401
Contributions to others	-	-	-	(35,075)
Contributions from federal government	-	99,676	99,676	-
Reimbursement from developer	-	59,400	59,400	-
Reimbursement from State of Nevada	-	176,366	176,366	-
Water planning grant	-	-	-	111,891
Wastewater grant	-	126,083	126,083	-
Total Capital Contributions In (Out)	<u>13,794,750</u>	<u>26,839,593</u>	<u>13,044,843</u>	<u>20,531,643</u>
TRANSFERS IN (OUT)				
General Fund	1,369,307	1,817,088	447,781	1,570,913
General Fund	(733,097)	(2,876,199)	(2,143,102)	(2,604,043)
SAD Projects Fund	-	7,830	7,830	-
Alturas Power Mitigation Fund	100,000	100,000	-	-
Total Transfers In (Out)	<u>736,210</u>	<u>(951,281)</u>	<u>(1,687,491)</u>	<u>(1,033,130)</u>
Change in Net Assets	<u>\$ 8,296,700</u>	<u>24,578,235</u>	<u>\$ 16,281,535</u>	<u>18,906,073</u>
NET ASSETS, JULY 1		<u>134,984,625</u>		<u>116,078,552</u>
NET ASSETS, JUNE 30		<u>\$ 159,562,860</u>		<u>\$ 134,984,625</u>

WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 9,721,400	\$ 10,807,766	\$ 1,086,366	\$ 10,093,260
Cash received from remediation fees	1,900,000	2,363,159	463,159	1,886,942
Cash received from water surcharge fees	1,020,000	975,268	(44,732)	972,953
Cash received from other funds - water	1,215,245	944,097	(271,148)	933,670
Cash received from services to other funds	2,693,460	5,453	(2,688,007)	11,887
Cash received from inspection and other	1,292,567	767,490	(525,077)	452,601
Cash received from developer design fees	185,500	69,007	(116,493)	215,767
Cash payments for personnel costs	(6,103,570)	(4,649,696)	1,453,874	(4,091,512)
Cash payments for services and supplies	(11,836,839)	(8,082,540)	3,754,299	(7,182,088)
Net Cash Provided (Used) by Operating Activities	<u>87,763</u>	<u>3,200,004</u>	<u>3,112,241</u>	<u>3,293,480</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	<u>1,369,307</u>	<u>1,817,088</u>	<u>447,781</u>	<u>1,570,913</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from debt issued	12,150,000	7,349,498	(4,800,502)	18,262,142
Proceeds from asset disposition	-	-	-	20,160
Cash received from Federal Grants	25,000	170,695	145,695	-
Cash received from State Grants	-	46,795	46,795	-
Hookup fees/water rights dedications	2,311,750	9,763,072	7,451,322	5,355,727
Contributions to others	-	-	-	(35,075)
Transfers from Alturas Power Mitigation Fund	100,000	100,000	-	-
Transfers from SAD Projects Fund	-	7,830	7,830	-
Transfers to General Fund	(733,097)	(2,876,199)	(2,143,102)	(2,604,043)
Developer deposits received	-	814,760	814,760	1,103,868
Principal paid on financing	(1,374,366)	(1,312,839)	61,527	(1,401,493)
Interest paid on financing	(1,313,771)	(445,328)	868,443	(457,297)
*Acquisition of capital assets	(37,997,245)	(13,618,192)	24,379,053	(16,364,788)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(26,831,729)</u>	<u>92</u>	<u>26,831,821</u>	<u>3,879,201</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>550,000</u>	<u>1,071,277</u>	<u>521,277</u>	<u>992,641</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(24,824,659)</u>	<u>6,088,461</u>	<u>30,913,120</u>	<u>9,736,235</u>
CASH AND CASH EQUIVALENTS, JULY 1	<u>27,353,939</u>	<u>28,167,560</u>	<u>813,621</u>	<u>18,431,325</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,529,280</u>	<u>\$ 34,256,021</u>	<u>\$ 31,726,741</u>	<u>\$ 28,167,560</u>

(CONTINUED)

WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (4,268,089)	\$ (1,427,599)	\$ 2,840,490	\$ (972,970)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	4,355,852	4,237,385	(118,467)	3,643,805
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(431,102)	(431,102)	155,838
Other receivables	-	(486)	(486)	(353)
Due from other governments	-	68,763	68,763	351,731
Inventory	-	38,902	38,902	(7,021)
Other assets	-	88,510	88,510	73,358
Increase (decrease) in:				
Accounts payable	-	(27,816)	(27,816)	(432,726)
Accrued salaries and benefits	-	98,521	98,521	2,961
Deposits	-	68,317	68,317	98,472
Due to other governments	-	486,609	486,609	380,385
Total Adjustments	4,355,852	4,627,603	271,751	4,266,450
Net Cash Provided (Used) by Operating Activities	\$ <u>87,763</u>	\$ <u>3,200,004</u>	\$ <u>3,112,241</u>	\$ <u>3,293,480</u>
*Acquisition of Capital Assets Financed by Cash	\$ 37,997,245	\$ 13,618,192	\$ 24,379,053	\$ 16,364,788
Capital contributions received	-	16,769,423	(16,769,423)	15,214,025
Increase (decrease) in deposits	-	297,634	(297,634)	-
Increase (decrease) in contracts/retention payable	-	(1,663,872)	1,663,872	1,067,530
Total Acquisition of Capital Assets	\$ <u>37,997,245</u>	\$ <u>29,021,377</u>	\$ <u>8,975,868</u>	\$ <u>32,646,343</u>

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Golf courses	\$ 1,990,686	\$ 1,425,888	\$ (564,798)	\$ 1,606,022
Restaurant	313,233	165,577	(147,656)	232,913
Other	-	3,588	3,588	2,739
Total Operating Revenues	<u>2,303,919</u>	<u>1,595,053</u>	<u>(708,866)</u>	<u>1,841,674</u>
OPERATING EXPENSES				
Culture and Recreation Function:				
Salaries and wages	844,557	767,395	77,162	734,802
Employee benefits	221,335	188,156	33,179	190,960
Services and supplies:				
Supplies	273,050	256,428	16,622	272,773
Equipment Services Fund billings	46,071	40,985	5,086	42,679
Utilities	181,000	168,174	12,826	169,597
Professional services	229,000	76,469	152,531	83,682
Repairs and maintenance	95,725	59,980	35,745	110,238
Travel	1,000	-	1,000	-
Other	50,885	51,630	(745)	49,458
Depreciation/Amortization	272,500	303,191	(30,691)	303,051
Total Operating Expenses	<u>2,215,123</u>	<u>1,912,408</u>	<u>302,715</u>	<u>1,957,240</u>
Operating Income (Loss)	<u>88,796</u>	<u>(317,355)</u>	<u>(406,151)</u>	<u>(115,566)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	34,000	12,852	(21,148)	22,303
Net increase (decrease) in the fair value of investments	-	2,613	2,613	1,275
Gain/(loss) on asset disposition	16,000	-	(16,000)	2,821
Interest/bond issuance costs	(135,850)	(188,765)	(52,915)	(211,564)
Total Nonoperating Revenues (Expenses)	<u>(85,850)</u>	<u>(173,300)</u>	<u>(87,450)</u>	<u>(185,165)</u>
Change in Net Assets	<u>\$ 2,946</u>	<u>(490,655)</u>	<u>\$ (493,601)</u>	<u>(300,731)</u>
NET ASSETS, JULY 1		<u>1,715,064</u>		<u>2,015,795</u>
NET ASSETS, JUNE 30		<u>\$ 1,224,409</u>		<u>\$ 1,715,064</u>

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 2,303,919	\$ 1,614,235	\$ (689,684)	\$ 1,822,440
Cash payments for personnel costs	(1,065,892)	(956,085)	109,807	(908,541)
Cash payments for services and supplies	(876,731)	(705,351)	171,380	(717,979)
Net Cash Provided (Used) by Operating Activities	<u>361,296</u>	<u>(47,201)</u>	<u>(408,497)</u>	<u>195,920</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	16,000	-	(16,000)	2,821
Principal paid on financing	(110,000)	(163,960)	(53,960)	(150,000)
Interest paid on financing	(135,850)	(217,451)	(81,601)	(137,250)
*Acquisition of capital assets	(115,000)	(29,390)	85,610	(143,561)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(344,850)</u>	<u>(410,801)</u>	<u>(65,951)</u>	<u>(427,990)</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>34,000</u>	<u>17,088</u>	<u>(16,912)</u>	<u>25,538</u>
Net Increase (Decrease) in Cash and Cash Equivalents	50,446	(440,914)	(491,360)	(206,532)
CASH AND CASH EQUIVALENTS, JULY 1	<u>976,392</u>	<u>1,069,888</u>	<u>93,496</u>	<u>1,276,420</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,026,838</u>	<u>\$ 628,974</u>	<u>\$ (397,864)</u>	<u>\$ 1,069,888</u>

(CONTINUED)

WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 88,796	\$ (317,355)	\$ (406,151)	\$ (115,566)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	272,500	303,191	30,691	303,051
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	19,182	19,182	(19,234)
Inventory	-	(15,716)	(15,716)	(6,376)
Increase (decrease) in:				
Accounts payable	-	(35,969)	(35,969)	16,824
Accrued salaries and benefits	-	2,100	2,100	17,221
Compensated absences	-	(2,634)	(2,634)	-
Total Adjustments	272,500	270,154	(2,346)	311,486
Net Cash Provided (Used) by Operating Activities	<u>\$ 361,296</u>	<u>\$ (47,201)</u>	<u>\$ (408,497)</u>	<u>\$ 195,920</u>
*Acquisition of Capital Assets Financed by Cash	\$ 115,000	\$ 29,390	\$ 85,610	\$ 143,561
Increase (decrease) in notes payable	-	-	-	977,170
Total Acquisition of Capital Assets	<u>\$ 115,000</u>	<u>\$ 29,390</u>	<u>\$ 85,610</u>	<u>\$ 1,120,731</u>

**WASHOE COUNTY
BUILDING AND SAFETY FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Building permits	\$ 3,200,000	\$ 3,888,641	\$ 688,641	\$ 3,739,632
Mobile home safety seals	10,500	15,940	5,440	15,548
Washoe County/TRPA	30,000	39,008	9,008	34,108
Other	-	10,743	10,743	96
Total Operating Revenues	<u>3,240,500</u>	<u>3,954,332</u>	<u>713,832</u>	<u>3,789,384</u>
OPERATING EXPENSES				
Public Safety Function:				
Salaries and wages	1,663,232	1,573,117	90,115	1,699,762
Employee benefits	526,741	483,401	43,340	451,942
Services and supplies	718,930	634,833	84,097	624,455
Total Operating Expenses	<u>2,908,903</u>	<u>2,691,351</u>	<u>217,552</u>	<u>2,776,159</u>
Operating Income (Loss)	<u>331,597</u>	<u>1,262,981</u>	<u>931,384</u>	<u>1,013,225</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	25,000	80,986	55,986	51,006
Net increase (decrease) in the fair value of investments	-	11,988	11,988	7,592
Total Nonoperating Revenues (Expenses)	<u>25,000</u>	<u>92,974</u>	<u>67,974</u>	<u>58,598</u>
Income (Loss) Before Transfers	356,597	1,355,955	999,358	1,071,823
TRANSFERS IN (OUT)				
General Fund	-	-	-	511,290
Change in Net Assets	<u>\$ 356,597</u>	<u>1,355,955</u>	<u>\$ 999,358</u>	<u>1,583,113</u>
NET ASSETS, JULY 1		<u>1,583,113</u>		<u>-</u>
NET ASSETS, JUNE 30		<u>\$ 2,939,068</u>		<u>\$ 1,583,113</u>

**WASHOE COUNTY
BUILDING AND SAFETY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 3,240,500	\$ 3,905,592	\$ 665,092	\$ 3,781,470
Cash payments for personnel costs	(2,189,973)	(2,021,117)	168,856	(1,908,115)
Cash payments for services and supplies	(718,930)	(624,073)	94,857	(621,739)
Net Cash Provided (Used) by Operating Activities	<u>331,597</u>	<u>1,260,402</u>	<u>928,805</u>	<u>1,251,616</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	-	-	-	511,290
Cash Flows From Investing Activities:				
Investment earnings	<u>25,000</u>	<u>93,889</u>	<u>68,889</u>	<u>47,483</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>356,597</u>	<u>1,354,291</u>	<u>997,694</u>	<u>1,810,389</u>
CASH AND CASH EQUIVALENTS, JULY 1	<u>-</u>	<u>1,810,389</u>	<u>1,810,389</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 356,597</u>	<u>\$ 3,164,680</u>	<u>\$ 2,808,083</u>	<u>\$ 1,810,389</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ <u>331,597</u>	\$ <u>1,262,981</u>	\$ <u>931,384</u>	\$ <u>1,013,225</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(48,740)	(48,740)	(7,914)
Increase (decrease) in:				
Accounts payable	-	10,760	10,760	2,716
Accrued salaries and benefits	-	4,945	4,945	71,976
Compensated absences	-	30,456	30,456	171,613
Total Adjustments	<u>-</u>	<u>(2,579)</u>	<u>(2,579)</u>	<u>238,391</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 331,597</u>	<u>\$ 1,260,402</u>	<u>\$ 928,805</u>	<u>\$ 1,251,616</u>

WASHOE COUNTY
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Water charges	\$ 1,593,056	\$ 1,561,932	\$ (31,124)	\$ 1,387,000
Annexation fees	25,000	18,580	(6,420)	15,690
Other	345,552	350,197	4,645	241,951
Total Operating Revenues	<u>1,963,608</u>	<u>1,930,709</u>	<u>(32,899)</u>	<u>1,644,641</u>
OPERATING EXPENSES				
Health and Sanitation Function:				
Services and supplies:				
Water Resources Fund billings	1,215,245	944,097	271,148	933,702
Reimbursements	-	795	(795)	43,398
Depreciation	725,000	762,256	(37,256)	704,950
Total Operating Expenses	<u>1,940,245</u>	<u>1,707,148</u>	<u>233,097</u>	<u>1,682,050</u>
Operating Income (Loss)	<u>23,363</u>	<u>223,561</u>	<u>200,198</u>	<u>(37,409)</u>
NONOPERATING REVENUES (EXPENSES)				
Ad valorem taxes	323,820	326,698	2,878	330,335
Investment earnings	45,000	100,997	55,997	82,581
Net increase (decrease) in the fair value of investments	-	14,717	14,717	13,020
Interest/bond issuance costs	(41,793)	(39,919)	1,874	(54,531)
Total Nonoperating Revenues (Expenses)	<u>327,027</u>	<u>402,493</u>	<u>75,466</u>	<u>371,405</u>
Income (Loss) Before Capital Contributions	<u>350,390</u>	<u>626,054</u>	<u>275,664</u>	<u>333,996</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
Water hook-up fees	250,000	2,305,281	2,055,281	332,255
Contributions from developers	750,000	137,298	(612,702)	980,235
Total Capital Contributions In (Out)	<u>1,000,000</u>	<u>2,442,579</u>	<u>1,442,579</u>	<u>1,312,490</u>
Change in Net Assets	<u>\$ 1,350,390</u>	<u>3,068,633</u>	<u>\$ 1,718,243</u>	<u>1,646,486</u>
NET ASSETS, JULY 1		<u>18,472,529</u>		<u>16,826,043</u>
NET ASSETS, JUNE 30		<u>\$ 21,541,162</u>		<u>\$ 18,472,529</u>

WASHOE COUNTY
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 1,963,608	\$ 1,897,595	\$ (66,013)	\$ 1,682,247
Cash payments for services and supplies	(1,215,245)	(952,582)	262,663	(991,444)
Net Cash Provided (Used) by Operating Activities	<u>748,363</u>	<u>945,013</u>	<u>196,650</u>	<u>690,803</u>
Cash Flows From Noncapital Financing Activities:				
Cash received from ad valorem taxes	323,820	328,064	4,244	330,096
Hook-up fees	250,000	-	(250,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>573,820</u>	<u>328,064</u>	<u>(245,756)</u>	<u>330,096</u>
Cash Flows From Capital and Related Financing Activities:				
Contributions	-	2,305,281	2,305,281	332,255
Principal paid on financing	(300,000)	(300,000)	-	(285,000)
Interest paid on financing	(23,820)	(23,820)	-	(38,303)
*Acquisition of capital assets	(1,332,000)	(115,648)	1,216,352	(1,114,749)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,655,820)</u>	<u>1,865,813</u>	<u>3,521,633</u>	<u>(1,105,797)</u>
Cash Flows From Investing Activities:				
Investment earnings	45,000	110,591	65,591	100,954
Net Increase (Decrease) in Cash and Cash Equivalents	(288,637)	3,249,481	3,538,118	16,056
CASH AND CASH EQUIVALENTS, JULY 1	<u>1,813,855</u>	<u>1,899,221</u>	<u>85,366</u>	<u>1,883,165</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,525,218</u>	<u>\$ 5,148,702</u>	<u>\$ 3,623,484</u>	<u>\$ 1,899,221</u>

(CONTINUED)

WASHOE COUNTY
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)

	2003			2002
	BUDGET	ACTUAL	VARIANCE	ACTUAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 23,363	\$ 223,561	\$ 200,198	\$ (37,409)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	725,000	762,256	37,256	704,950
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(29,014)	(29,014)	37,136
Increase (decrease) in:				
Accounts payable	-	(7,690)	(7,690)	(14,344)
Deposits	-	(4,100)	(4,100)	470
Total Adjustments	725,000	721,452	(3,548)	728,212
Net Cash Provided (Used) by Operating Activities	\$ 748,363	\$ 945,013	\$ 196,650	\$ 690,803
*Acquisition of Capital Assets Financed by Cash	\$ 1,332,000	\$ 115,648	\$ 1,216,352	\$ 1,114,749
Contributions from developers	-	137,298	(137,298)	980,235
Increase (decrease) in contracts payable	-	(54,711)	54,711	24,711
Increase (decrease) in notes payable	-	(4,383)	4,383	(40,829)
Total Acquisition of Capital Assets	\$ 1,332,000	\$ 193,852	\$ 1,138,148	\$ 2,078,866

INTERNAL SERVICE FUNDS

TO ACCOUNT FOR THE FINANCING OF GOODS OR SERVICES PROVIDED BY ONE DEPARTMENT OR AGENCY TO OTHER DEPARTMENTS OR AGENCIES OF THE GOVERNMENTAL UNIT; OR TO OTHER GOVERNMENTAL UNITS, ON A COST-REIMBURSEMENT BASIS.

THE COUNTY MAINTAINS THE FOLLOWING INTERNAL SERVICE FUNDS:

RISK MANAGEMENT FUND

THE RISK MANAGEMENT FUND ACCOUNTS FOR REVENUES RECEIVED FOR PROVIDING THE COUNTY WITH PROPERTY AND LIABILITY INSURANCE, WORKERS' COMPENSATION AND UNEMPLOYMENT COMPENSATION INSURANCE.

HEALTH BENEFITS FUND

THE HEALTH BENEFITS FUND ACCOUNTS FOR THE SELF-INSURED HEALTH PLAN AND OTHER CONTRACTUAL HEALTH INSURANCE PLANS.

EQUIPMENT SERVICES FUND

THE EQUIPMENT SERVICES FUND ACCOUNTS FOR REVENUES RECEIVED FOR MAINTAINING AND PURCHASING AUTOMOBILES AND OTHER VEHICLES AND SPECIALIZED LARGE EQUIPMENT FOR USE BY OTHER COUNTY DEPARTMENTS.

The 1900's

The population of Washoe County consisted of 9,141; 4,500 in Reno and 4,641 in the remainder of the county. In 1901 bids for a new jail were invited. The new building was built on a lot adjoining the county building and facing Court Street, accommodated a total of 70 prisoners in 15 steel cells and had wards for women and boys.

A number of important institutions received their start during the decade. In 1902 the Farmers and Merchants bank opened its doors, it eventually would become the most important bank in the state when its name was changed to the First National Bank of Nevada. Two hospitals in the county made important strides, the Washoe County Hospital built a two story brick building and St. Mary's Hospital was established by the Catholic Church.

On March 16, 1903 an act to incorporate the Town of Reno was effective. The board of commissioners was directed to issue a proclamation on or before April 7, 1903 establishing the election of a mayor, five councilmen, a city clerk, and a city attorney, was required to apportion the county road fund to the City of Reno and was ordered to deliver the total property to the new city.

On September 21, 1903, the cornerstone of the free public library was laid by the Grand Lodge of Free and Accepted Masons of Nevada. The courthouse was refurbished and completed in December 1903. Post offices were established at Harriman (later renamed Sparks on May 27, 1904) three miles east of Reno and in Olinghouse four miles west of Wadsworth.

County offices were created during the decade, a county board of health was established in 1905, and a juvenile department of the district court established in 1909. The executive officer was designated a probation officer.

An event that shaped the destiny of Washoe County for the next half century happened in 1906. Laura Corey, the wife of U.S. Steel president William E. Corey came to Reno for a divorce. This was a much-publicized event and this notoriety made Reno the place to go for what became known as Renovation.

Advertised as the "Headlight City of the West" Sparks had an estimated 1,500 residents who extended "a warm invitation to the homeseeker, the mechanic, the investor and the businessman to come and live amongst us." The Sparks incorporation bill passed the senate and was approved by the governor on March 15, 1905.

In March 1907, a storm and melting snow swelled the Truckee River, destroying much property. Denominated the greatest in the history of Reno, the storm caused the water of the Truckee River almost to reach the top of the arches of a new bridge. Sparks became a "muddy, sloppy town" the streets becoming small rivers.

**WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2003**

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND	EQUIPMENT SERVICES FUND	TOTAL
ASSETS				
Current Assets:				
Cash and investments	\$ 4,590,538	\$ 4,417,908	\$ 2,381,848	\$ 11,390,294
Accounts receivable	5,501	738,735	-	744,236
Reimbursements receivable	-	198,436	-	198,436
Interest receivable	15,783	15,974	-	31,757
Due from other governments - other	5,047	-	-	5,047
Inventory	-	-	255,437	255,437
Deposits	-	-	1,307,108	1,307,108
Other assets	95,489	-	374,575	470,064
Total Current Assets	4,712,358	5,371,053	4,318,968	14,402,379
Noncurrent Assets:				
Restricted cash and investments	3,940,000	-	-	3,940,000
Long-term prepaids	-	-	250,060	250,060
Long-term deposits	-	-	1,764,120	1,764,120
Capital Assets:				
Buildings and improvements	-	-	34,024	34,024
Equipment	-	-	23,082,521	23,082,521
Less accumulated depreciation	-	-	(12,368,533)	(12,368,533)
Total Noncurrent Assets	3,940,000	-	12,762,192	16,702,192
Total Assets	8,652,358	5,371,053	17,081,160	31,104,571
LIABILITIES				
Current Liabilities:				
Accounts payable	112,408	430,673	152,459	695,540
Accrued salaries and benefits	12,174	4,350	61,377	77,901
Compensated absences	26,655	18,598	178,703	223,956
Pending claims	3,427,000	1,300,000	-	4,727,000
Total Current Liabilities	3,578,237	1,753,621	392,539	5,724,397
Noncurrent Liabilities:				
Compensated absences	3,635	2,536	24,366	30,537
Pending claims	3,341,000	-	-	3,341,000
Pending claims payable from restricted cash	3,940,000	-	-	3,940,000
Total Noncurrent Liabilities	7,284,635	2,536	24,366	7,311,537
Total Liabilities	10,862,872	1,756,157	416,905	13,035,934
NET ASSETS				
Invested in capital assets, net of related debt	-	-	10,748,012	10,748,012
Restricted for claims	-	3,614,896	-	3,614,896
Unrestricted	(2,210,514)	-	5,916,243	3,705,729
Total Net Assets	\$ (2,210,514)	\$ 3,614,896	\$ 16,664,255	\$ 18,068,637

WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2003

	<u>RISK MANAGEMENT FUND</u>	<u>HEALTH BENEFITS FUND</u>	<u>EQUIPMENT SERVICES FUND</u>	<u>TOTAL</u>
OPERATING REVENUES				
Charges for services:				
Self insurance fees	\$ 1,808,509	\$ 19,714,161	\$ -	\$ 21,522,670
Equipment service billings	-	-	6,656,300	6,656,300
Miscellaneous:				
Other	21,547	-	-	21,547
Total Operating Revenues	<u>1,830,056</u>	<u>19,714,161</u>	<u>6,656,300</u>	<u>28,200,517</u>
OPERATING EXPENSES				
Salaries and wages	253,101	106,466	1,265,909	1,625,476
Employee benefits	69,698	31,677	397,362	498,737
Services and supplies	6,136,269	21,542,508	2,806,687	30,485,464
Depreciation	-	-	1,927,680	1,927,680
Total Operating Expenses	<u>6,459,068</u>	<u>21,680,651</u>	<u>6,397,638</u>	<u>34,537,357</u>
Operating Income (Loss)	<u>(4,629,012)</u>	<u>(1,966,490)</u>	<u>258,662</u>	<u>(6,336,840)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	155,564	131,208	195,465	482,237
Net increase (decrease) in the fair value of investments	25,128	18,477	-	43,605
Gain (loss) on asset disposition	-	-	370,673	370,673
Total Nonoperating Revenues (Expenses)	<u>180,692</u>	<u>149,685</u>	<u>566,138</u>	<u>896,515</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(4,448,320)</u>	<u>(1,816,805)</u>	<u>824,800</u>	<u>(5,440,325)</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
General Fund	-	-	895,020	895,020
Child Protective Services Fund	-	-	69,487	69,487
Total Capital Contributions In (Out)	<u>-</u>	<u>-</u>	<u>964,507</u>	<u>964,507</u>
TRANSFERS IN (OUT)				
General Fund	3,903,387	3,056,930	-	6,960,317
Pre-Funded Retiree Health Benefits Fund	-	468,713	-	468,713
Total Transfers In (Out)	<u>3,903,387</u>	<u>3,525,643</u>	<u>-</u>	<u>7,429,030</u>
Change in Net Assets	<u>(544,933)</u>	<u>1,708,838</u>	<u>1,789,307</u>	<u>2,953,212</u>
NET ASSETS, JULY 1	<u>(1,665,581)</u>	<u>1,906,058</u>	<u>14,874,948</u>	<u>15,115,425</u>
NET ASSETS, JUNE 30	<u>\$ (2,210,514)</u>	<u>\$ 3,614,896</u>	<u>\$ 16,664,255</u>	<u>\$ 18,068,637</u>

**WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND	EQUIPMENT SERVICES FUND	TOTAL
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 448,229	\$ -	\$ 448,229
Cash received from other funds	1,858,489	18,995,995	6,656,300	27,510,784
Cash payments for personnel costs	(310,661)	(134,181)	(1,624,836)	(2,069,678)
Cash payments for workers' compensation	(1,398,146)	-	-	(1,398,146)
Cash payments for unemployment compensation	(163,739)	-	-	(163,739)
Cash payments for property and liability	(2,341,777)	-	-	(2,341,777)
Cash payments for services and supplies	(32,088)	(21,399,050)	(3,940,794)	(25,371,932)
Net Cash Provided (Used) by Operating Activities	<u>(2,387,922)</u>	<u>(2,089,007)</u>	<u>1,090,670</u>	<u>(3,386,259)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from other funds	<u>3,903,387</u>	<u>3,525,643</u>	<u>-</u>	<u>7,429,030</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	402,087	402,087
*Acquisition of capital assets	<u>-</u>	<u>-</u>	<u>(2,560,887)</u>	<u>(2,560,887)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(2,158,800)</u>	<u>(2,158,800)</u>
Cash Flows From Investing Activities:				
Investment earnings	188,401	151,979	-	340,380
**Equipment supply deposit received	-	-	1,439,878	1,439,878
**Equipment supply deposit paid	<u>-</u>	<u>-</u>	<u>(723,000)</u>	<u>(723,000)</u>
Net Cash Provided (Used) by Investing Activities	<u>188,401</u>	<u>151,979</u>	<u>716,878</u>	<u>1,057,258</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,703,866	1,588,615	(351,252)	2,941,229
CASH AND CASH EQUIVALENTS, JULY 1	<u>6,826,672</u>	<u>2,829,293</u>	<u>2,733,100</u>	<u>12,389,065</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 8,530,538</u>	<u>\$ 4,417,908</u>	<u>\$ 2,381,848</u>	<u>\$ 15,330,294</u>

(CONTINUED)

**WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>RISK MANAGEMENT FUND</u>	<u>HEALTH BENEFITS FUND</u>	<u>EQUIPMENT SERVICES FUND</u>	<u>TOTAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (4,629,012)	\$ (1,966,490)	\$ 258,662	\$ (6,336,840)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,927,680	1,927,680
**Imputed rental expense	-	-	195,465	195,465
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(814)	(112,829)	-	(113,643)
Reimbursements receivable	-	(157,108)	-	(157,108)
Due from other governments	29,247	-	-	29,247
Inventory	-	-	(39,044)	(39,044)
Other assets	1,766	-	140,481	142,247
Increase (decrease) in:				
Accounts payable	(62,247)	(196,542)	(374,267)	(633,056)
Accrued salaries and benefits	1,035	(901)	6,722	6,856
Compensated absences	11,103	4,863	31,713	47,679
Contracts payable	-	-	(1,056,742)	(1,056,742)
Pending claims	2,261,000	340,000	-	2,601,000
Total Adjustments	2,241,090	(122,517)	832,008	2,950,581
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,387,922)</u>	<u>\$ (2,089,007)</u>	<u>\$ 1,090,670</u>	<u>\$ (3,386,259)</u>

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

During the current fiscal year the Equipment Services Fund entered into equipment rental agreements requiring cash deposits totaling \$723,000. Deposits remaining from prior year rental agreements total \$2,348,228. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$195,465 have been imputed to give accounting recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	-	-	\$ 2,560,887	\$ 2,560,887
Capital contributions from departments	-	-	964,507	964,507
Increase (decrease) in accounts payable	-	-	24,397	24,397
Total Acquisition of Capital Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,549,791</u>	<u>\$ 3,549,791</u>

**WASHOE COUNTY
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Workers' compensation collections	\$ 1,250,000	\$ 1,362,085	\$ 112,085	\$ 1,312,967
Unemployment premiums	139,500	140,100	600	134,750
Period billings	160,000	160,000	-	190,000
Subrogation recoveries	35,000	81,943	46,943	18,671
Premium reimbursements	57,500	61,861	4,361	35,150
Insurance claim receipts	10,000	2,520	(7,480)	49,680
Miscellaneous:				
Other	7,500	21,547	14,047	47,404
Total Operating Revenues	<u>1,659,500</u>	<u>1,830,056</u>	<u>170,556</u>	<u>1,788,622</u>
OPERATING EXPENSES				
General Government Function:				
Salaries and wages	249,665	253,101	(3,436)	238,196
Employee benefits	66,795	69,698	(2,903)	54,153
Services and supplies:				
Workers' compensation program	1,168,000	1,412,167	(244,167)	1,041,375
Workers' compensation pending claims change	1,400,000	1,624,000	(224,000)	1,482,000
Unemployment compensation program	100,000	154,825	(54,825)	144,823
Property and liability program	1,897,500	2,276,132	(378,632)	1,279,473
Property/liability pending claims change	3,403,387	637,000	2,766,387	463,000
Self insurance - general	47,487	32,145	15,342	40,919
Total Operating Expenses	<u>8,332,834</u>	<u>6,459,068</u>	<u>1,873,766</u>	<u>4,743,939</u>
Operating Income (Loss)	<u>(6,673,334)</u>	<u>(4,629,012)</u>	<u>2,044,322</u>	<u>(2,955,317)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	150,000	155,564	5,564	238,454
Net increase (decrease) in the fair value of investments	-	25,128	25,128	21,717
Total Nonoperating Revenues (Expenses)	<u>150,000</u>	<u>180,692</u>	<u>30,692</u>	<u>260,171</u>
Income (Loss) Before Transfers	<u>(6,523,334)</u>	<u>(4,448,320)</u>	<u>2,075,014</u>	<u>(2,695,146)</u>
TRANSFERS IN (OUT)				
General Fund	3,903,387	3,903,387	-	391,300
Change in Net Assets	<u>\$ (2,619,947)</u>	<u>(544,933)</u>	<u>\$ 2,075,014</u>	<u>(2,303,846)</u>
NET ASSETS, JULY 1		<u>(1,665,581)</u>		<u>638,265</u>
NET ASSETS, JUNE 30		<u>\$ (2,210,514)</u>		<u>\$ (1,665,581)</u>

**WASHOE COUNTY
RISK MANAGEMENT FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 1,659,500	\$ 1,858,489	\$ 198,989	\$ 1,781,797
Cash payments for personnel costs	(316,460)	(310,661)	5,799	(316,218)
Cash payments for workers' compensation	(1,168,000)	(1,398,146)	(230,146)	(1,039,456)
Cash payments for unemployment compensation	(100,000)	(163,739)	(63,739)	(123,939)
Cash payments for property and liability	(1,897,500)	(2,341,777)	(444,277)	(1,260,294)
Cash payments for services and supplies	(47,487)	(32,088)	15,399	(42,927)
Net Cash Provided (Used) by Operating Activities	<u>(1,869,947)</u>	<u>(2,387,922)</u>	<u>(517,975)</u>	<u>(1,001,037)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	<u>3,903,387</u>	<u>3,903,387</u>	<u>-</u>	<u>391,300</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>150,000</u>	<u>188,401</u>	<u>38,401</u>	<u>270,494</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,183,440	1,703,866	(479,574)	(339,243)
CASH AND CASH EQUIVALENTS, JULY 1	<u>6,978,900</u>	<u>6,826,672</u>	<u>(152,228)</u>	<u>7,165,915</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 9,162,340</u>	<u>\$ 8,530,538</u>	<u>\$ (631,802)</u>	<u>\$ 6,826,672</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (6,673,334)	\$ (4,629,012)	\$ 2,044,322	\$ (2,955,317)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(814)	(814)	(4,162)
Due from other governments	-	29,247	29,247	(2,663)
Other assets	-	1,766	1,766	(49,507)
Increase (decrease) in:				
Accounts payable	-	(62,247)	(62,247)	89,481
Accrued salaries and benefits	-	1,035	1,035	(37)
Compensated absences	-	11,103	11,103	(23,832)
Pending claims	<u>4,803,387</u>	<u>2,261,000</u>	<u>(2,542,387)</u>	<u>1,945,000</u>
Total Adjustments	<u>4,803,387</u>	<u>2,241,090</u>	<u>(2,562,297)</u>	<u>1,954,280</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,869,947)</u>	<u>\$ (2,387,922)</u>	<u>\$ (517,975)</u>	<u>\$ (1,001,037)</u>

**WASHOE COUNTY
HEALTH BENEFITS FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Group insurance collections	\$ 18,940,000	\$ 18,288,074	\$ (651,926)	\$ 15,093,393
Premium reimbursements	1,513,000	1,313,885	(199,115)	1,194,334
COBRA payments	110,000	112,202	2,202	95,160
Total Operating Revenues	<u>20,563,000</u>	<u>19,714,161</u>	<u>(848,839)</u>	<u>16,382,887</u>
OPERATING EXPENSES				
General Government Function:				
Salaries and wages	113,647	106,466	7,181	110,058
Employee benefits	36,750	31,677	5,073	32,194
Services and supplies:				
Supplies	1,800	418	1,382	432
Insurance claims	13,243,000	13,493,738	(250,738)	12,547,527
Insurance premiums	8,790,000	7,926,582	863,418	6,330,609
Professional services	70,000	71,215	(1,215)	76,786
Travel	1,000	-	1,000	-
Other	69,150	50,555	18,595	47,026
Total Operating Expenses	<u>22,325,347</u>	<u>21,680,651</u>	<u>644,696</u>	<u>19,144,632</u>
Operating Income (Loss)	<u>(1,762,347)</u>	<u>(1,966,490)</u>	<u>(204,143)</u>	<u>(2,761,745)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	100,000	131,208	31,208	135,720
Net increase (decrease) in the fair value of investments	-	18,477	18,477	8,564
Total Nonoperating Revenues (Expenses)	<u>100,000</u>	<u>149,685</u>	<u>49,685</u>	<u>144,284</u>
Income (Loss) Before Transfers	<u>(1,662,347)</u>	<u>(1,816,805)</u>	<u>(154,458)</u>	<u>(2,617,461)</u>
TRANSFERS IN (OUT)				
General Fund	3,080,000	3,056,930	(23,070)	2,439,481
Pre-Funded Retiree Health Benefits Fund	468,713	468,713	-	-
Total Transfers In (Out)	<u>3,548,713</u>	<u>3,525,643</u>	<u>(23,070)</u>	<u>2,439,481</u>
Change in Net Assets	<u>\$ 1,886,366</u>	<u>1,708,838</u>	<u>\$ (177,528)</u>	<u>(177,980)</u>
NET ASSETS, JULY 1		<u>1,906,058</u>		<u>2,084,038</u>
NET ASSETS, JUNE 30		<u>\$ 3,614,896</u>		<u>\$ 1,906,058</u>

**WASHOE COUNTY
HEALTH BENEFITS FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 448,229	\$ 448,229	\$ 385,329
Cash received from other funds	20,563,000	18,995,995	(1,567,005)	15,942,279
Cash payments for personnel costs	(150,397)	(134,181)	16,216	(139,521)
Cash payments for services and supplies	(22,174,950)	(21,399,050)	775,900	(18,844,702)
Net Cash Provided (Used) by Operating Activities	<u>(1,762,347)</u>	<u>(2,089,007)</u>	<u>(326,660)</u>	<u>(2,656,615)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	3,080,000	3,056,930	(23,070)	2,439,481
Transfers from Pre-Funded Retiree Health Benefits Fund	468,713	468,713	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>3,548,713</u>	<u>3,525,643</u>	<u>(23,070)</u>	<u>2,439,481</u>
Cash Flows From Investing Activities:				
Investment earnings	100,000	151,979	51,979	151,288
Net Increase (Decrease) in Cash and Cash Equivalents	1,886,366	1,588,615	(297,751)	(65,846)
CASH AND CASH EQUIVALENTS, JULY 1	<u>3,136,554</u>	<u>2,829,293</u>	<u>(307,261)</u>	<u>2,895,139</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 5,022,920</u>	<u>\$ 4,417,908</u>	<u>\$ (605,012)</u>	<u>\$ 2,829,293</u>

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES

Operating income (loss)	\$ (1,762,347)	\$ (1,966,490)	\$ (204,143)	\$ (2,761,745)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(112,829)	(112,829)	(13,951)
Reimbursements receivable	-	(157,108)	(157,108)	(41,328)
Increase (decrease) in:				
Accounts payable	-	(196,542)	(196,542)	157,678
Accrued salaries and benefits	-	(901)	(901)	(188)
Compensated absences	-	4,863	4,863	2,919
Pending claims	-	340,000	340,000	-
Total Adjustments	-	<u>(122,517)</u>	<u>(122,517)</u>	<u>105,130</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,762,347)</u>	<u>\$ (2,089,007)</u>	<u>\$ (326,660)</u>	<u>\$ (2,656,615)</u>

**WASHOE COUNTY
EQUIPMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Equipment service billings	\$ 6,693,664	\$ 6,656,300	\$ (37,364)	\$ 6,633,186
OPERATING EXPENSES				
General Government Function:				
Salaries and wages	1,374,871	1,265,909	108,962	1,142,885
Employee benefits	413,936	397,362	16,574	346,336
Services and supplies:				
Supplies	2,211,750	1,752,501	459,249	1,502,899
Repairs and maintenance	343,000	206,227	136,773	189,743
Leases	900,000	598,903	301,097	505,486
Travel	8,500	3,629	4,871	2,052
Other	338,100	245,427	92,673	200,331
Depreciation	1,800,000	1,927,680	(127,680)	1,619,848
Total Operating Expenses	7,390,157	6,397,638	992,519	5,509,580
Operating Income (Loss)	(696,493)	258,662	955,155	1,123,606
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	125,000	195,465	70,465	183,228
Gain (loss) on asset disposition	150,000	370,673	220,673	146,462
Total Nonoperating Revenues (Expenses)	275,000	566,138	291,138	329,690
Income (Loss) Before Capital Contributions and Transfers	(421,493)	824,800	1,246,293	1,453,296
CAPITAL CONTRIBUTIONS IN (OUT)				
General Fund	-	895,020	895,020	349,954
Health Fund	-	-	-	24,162
Child Protective Services Fund	-	69,487	69,487	68,238
Others	-	-	-	13,300
Total Capital Contributions In (Out)	-	964,507	964,507	455,654
TRANSFERS IN (OUT)				
General Fund	-	-	-	(110,292)
Change in Net Assets	\$ (421,493)	1,789,307	\$ 2,210,800	1,798,658
NET ASSETS, JULY 1		14,874,948		13,076,290
NET ASSETS, JUNE 30		\$ 16,664,255		\$ 14,874,948

**WASHOE COUNTY
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 6,693,664	\$ 6,656,300	\$ (37,364)	\$ 6,633,186
Cash payments for personnel costs	(1,788,807)	(1,624,836)	163,971	(1,475,738)
Cash payments for services and supplies	(3,801,350)	(3,940,794)	(139,444)	(2,532,040)
Net Cash Provided (Used) by Operating Activities	<u>1,103,507</u>	<u>1,090,670</u>	<u>(12,837)</u>	<u>2,625,408</u>
Cash Flows From Noncapital Financing Activities:				
Transfers to General Fund	-	-	-	(110,292)
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	150,000	402,087	252,087	173,155
*Acquisition of capital assets	(3,630,362)	(2,560,887)	1,069,475	(2,432,965)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,480,362)</u>	<u>(2,158,800)</u>	<u>1,321,562</u>	<u>(2,259,810)</u>
Cash Flows From Investing Activities:				
**Operating lease deposit received	1,435,878	1,439,878	4,000	1,563,104
**Operating lease deposit paid	-	(723,000)	(723,000)	(1,542,108)
Net Cash Provided (Used) by Investing Activities	<u>1,435,878</u>	<u>716,878</u>	<u>(719,000)</u>	<u>20,996</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(940,977)	(351,252)	589,725	276,302
CASH AND CASH EQUIVALENTS, JULY 1	<u>1,511,386</u>	<u>2,733,100</u>	<u>1,221,714</u>	<u>2,456,798</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 570,409</u>	<u>\$ 2,381,848</u>	<u>\$ 1,811,439</u>	<u>\$ 2,733,100</u>

(CONTINUED)

**WASHOE COUNTY
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2003
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2002)**

	<u>2003</u>			<u>2002</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ (696,493)	\$ 258,662	\$ 955,155	\$ 1,123,606
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,800,000	1,927,680	127,680	1,619,848
**Imputed rental expense	-	195,465	195,465	183,228
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	(39,044)	(39,044)	(72,989)
Prepaid lease expense	-	140,481	140,481	(50,517)
Increase (decrease) in:				
Accounts payable	-	(374,267)	(374,267)	(47,248)
Accrued salaries and benefits	-	6,722	6,722	(157,873)
Contracts payable	-	(1,056,742)	(1,056,742)	(144,003)
Compensated absences	-	31,713	31,713	171,356
Total Adjustments	<u>1,800,000</u>	<u>832,008</u>	<u>(967,992)</u>	<u>1,501,802</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,103,507</u>	<u>\$ 1,090,670</u>	<u>\$ (12,837)</u>	<u>\$ 2,625,408</u>

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

During the current fiscal year, the Equipment Services Fund entered into equipment rental agreements requiring cash deposits totaling \$723,000. Deposits remaining from prior year rental agreements total \$2,348,228. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$195,465 have been imputed to give accounting recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 3,630,362	\$ 2,560,887	\$ 1,069,475	\$ 2,432,965
Capital contributions received	-	964,507	(964,507)	455,654
Increase (decrease) in accounts payable	-	24,397	(24,397)	323,825
Total Acquisition of Capital Assets	<u>\$ 3,630,362</u>	<u>\$ 3,549,791</u>	<u>\$ 80,571</u>	<u>\$ 3,212,444</u>



FIDUCIARY FUNDS

TRUST FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY WASHOE COUNTY IN A TRUSTEE CAPACITY. AGENCY FUNDS ARE USED TO ACCOUNT FOR ASSETS HELD BY WASHOE COUNTY AS AN AGENT FOR OTHER GOVERNMENTS AND/OR OTHER FUNDS. SUCH FUNDS INCLUDE:

INVESTMENT TRUST FUND: EXTERNAL INVESTMENT POOL ADMINISTERED BY WASHOE COUNTY. VOLUNTARY PARTICIPANTS INCLUDE: NEVADA WORKS, REGIONAL TRANSPORTATION COMMISSION FUNDS, WASHOE COUNTY SCHOOL DISTRICT DEBT SERVICE FUND, LIBRARY INVESTMENT FUND AND TRWQSA JOINT VENTURE.

PUBLIC GUARDIAN PRIVATE-PURPOSE TRUST FUND: A TRUST FUND TO REPORT COURT ORDERED TRUST ARRANGEMENTS IN WHICH PRINCIPAL AND INCOME RECEIVED BY THE PUBLIC ADMINISTRATOR BENEFIT INDIVIDUALS.

WASHOE COUNTY SCHOOL DISTRICT: AGENCY FUND FOR GENERAL REVENUE COLLECTIONS.

REGIONAL TRANSPORTATION COMMISSION: AGENCY FUNDS FOR THE GENERAL FUND, TWO SPECIAL REVENUE FUNDS, TWO DEBT SERVICE FUNDS, A PROPRIETARY FUND AND AN AGENCY FUND.

GENERAL IMPROVEMENT DISTRICTS: AGENCY FUNDS FOR INCLINE VILLAGE, LEMMON VALLEY WATER AND PALOMINO VALLEY.

FIRE DISTRICTS: AGENCY FUNDS FOR NORTH LAKE TAHOE AND SIERRA FOREST/CLARK McNARY FIRE PROTECTION DISTRICTS.

WASHOE COUNTY SHERIFF COMMISSARY AND OTHER: AGENCY FUNDS UNDER DIRECTION OF THE WASHOE COUNTY SHERIFF DEPARTMENT, INCLUDING COMMISSARY FUND, INMATE FUND, EXECUTION TRUST FUND AND OTHER MISCELLANEOUS FUNDS.

RAILROAD GRADE SEPARATION PROJECT FUND: AN AGENCY FUND TO ACCOUNT FOR COLLECTION AND DISBURSEMENT OF 1/8% SALES TAX REVENUE FOR PAYMENT OF CITY OF RENO DEBT RELATED TO RAILROAD GRADE SEPARATION PROJECTS.

DISTRICT COURT: AN AGENCY FUND TO ACCOUNT FOR DISTRICT COURT CASH BONDS.

SOUTHWEST POINTE ARROWCREEK: AN AGENCY FUND TO ACCOUNT FOR COLLECTIONS OF SPECIAL ASSESSMENTS FROM PROPERTY OWNERS IN DISTRICT NO. 23. WASHOE COUNTY IS NOT OBLIGATED IN ANY MANNER FOR DEBT INCURRED ON CAPITAL IMPROVEMENTS TO THE PROPERTIES.

OTHER: AGENCY FUNDS FOR STATE OF NEVADA, CITY OF RENO, CITY OF SPARKS, PLUS A NUMBER OF WATER, SANITATION AND TELEVISION DISTRICTS AND BOARDS, RANGE IMPROVEMENT DISTRICTS, PAYROLL REVOLVING FUND, FINANCIAL ASSURANCES FUNDS AND OTHER MISCELLANEOUS FUNDS.

The 1890's

Washoe County continued to grow because of its function as a transportation hub and the presence of the state university. The population of Washoe County was 6,437. Reno citizens numbered 3,563 while the unincorporated area totaled 2,874 residents.

The important political issue for Nevada was silver. The demonitization of silver was perceived as keeping capital out of Nevada. The thought was that if the United States became bimetallic that the price of silver would rise, and it would become profitable again to mine in Nevada. Politicians ran for office on this one issue. Before they had been Democrats and Republicans, now to gain office the politicians became members of the Silver Party.

The 1891 legislature (1) authorized the commissioners to issue \$5,000 of county bonds for the purpose of purchasing a full block of land for use as a public park; (2) authorized \$5,000 of county bonds for the construction of sewers in Reno; (3) granted a street-railroad franchise for 25 years.

The grand jury recommended to the commissioners they exact an ordinance requiring the payment per quarter in advance from people who engaged in the sale of any spirituous or malt or vinous liquors, and required that all houses of ill fame be removed to a certain isolated area of Reno.

In 1893 the legislature allowed for additional bonds for paying the outstanding indebtedness of the general road fund and to improve county roads. The 1894 grand jury found the county's water system inadequate and the jail inadequate; the jury recommended immediate and complete renovation.

Washoe County became more civic minded during this decade. In 1894 the Twentieth Century Club was formed in Reno. It would become the major social club in the town as monthly meetings led to discussion of important civic issues of the day. In 1895 Susan B. Anthony came to Reno, which led to the formation of the Nevada Equal Suffrage League. In that same year the Nevada Legislature authorized the first public library in the state to be built in Reno. Immediately a fund raising campaign is inaugurated which eventually is successful.

**WASHOE COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>BALANCE JUNE 30, 2002</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2003</u>
Washoe County School District:				
Assets:				
Cash and investments	\$ 299,538	\$ 72,320,839	\$ 71,821,696	\$ 798,681
Property taxes receivable	1,514,107	2,322,761	2,485,583	1,351,285
Total Assets	<u>\$ 1,813,645</u>	<u>\$ 74,643,600</u>	<u>\$ 74,307,279</u>	<u>\$ 2,149,966</u>
Liabilities:				
Due to other governments	<u>\$ 1,813,645</u>	<u>\$ 74,643,600</u>	<u>\$ 74,307,279</u>	<u>\$ 2,149,966</u>
Regional Transportation Commission:				
Assets:				
Accounts receivable	\$ 392,693	\$ 798,177	\$ 392,393	\$ 798,477
Consolidated tax receivable	2,197,406	2,418,424	2,197,407	2,418,423
Other taxes receivable	1,345,837	-	1,345,837	-
Due from other governments	7,238	2,729,610	7,238	2,729,610
Total Assets	<u>\$ 3,943,174</u>	<u>\$ 5,946,211</u>	<u>\$ 3,942,875</u>	<u>\$ 5,946,510</u>
Liabilities:				
Due to other governments	<u>\$ 3,943,174</u>	<u>\$ 5,946,211</u>	<u>\$ 3,942,875</u>	<u>\$ 5,946,510</u>
General Improvement Districts:				
Assets:				
Cash and investments	\$ 249,231	\$ 4,576,812	\$ 4,593,132	\$ 232,911
Property taxes receivable	98,240	178,730	167,707	109,263
Total Assets	<u>\$ 347,471</u>	<u>\$ 4,755,542</u>	<u>\$ 4,760,839</u>	<u>\$ 342,174</u>
Liabilities:				
Due to other governments	<u>\$ 347,471</u>	<u>\$ 4,755,542</u>	<u>\$ 4,760,839</u>	<u>\$ 342,174</u>
Fire Districts:				
Assets:				
Cash and investments	\$ 1,472,408	\$ 9,971,921	\$ 9,749,083	\$ 1,695,246
Consolidated tax receivable	190,248	211,970	190,248	211,970
Other taxes receivable	181,819	261,472	276,839	166,452
Interest receivable	165	81	165	81
Total Assets	<u>\$ 1,844,640</u>	<u>\$ 10,445,444</u>	<u>\$ 10,216,335</u>	<u>\$ 2,073,749</u>
Liabilities:				
Due to other governments	<u>\$ 1,844,640</u>	<u>\$ 10,198,637</u>	<u>\$ 9,969,528</u>	<u>\$ 2,073,749</u>
Washoe County Sheriff Commissary and Other:				
Assets:				
Cash and investments	<u>\$ 451,119</u>	<u>\$ 8,245,468</u>	<u>\$ 8,112,685</u>	<u>\$ 583,902</u>
Liabilities:				
Due to others	<u>\$ 451,119</u>	<u>\$ 8,245,468</u>	<u>\$ 8,112,685</u>	<u>\$ 583,902</u>
Railroad Grade Separation Project:				
Assets:				
Cash and investments	\$ -	\$ 6,611,795	\$ 6,611,795	\$ -
SCCR tax receivable	1,095,759	1,208,974	1,095,759	1,208,974
Total Assets	<u>\$ 1,095,759</u>	<u>\$ 7,820,769</u>	<u>\$ 7,707,554</u>	<u>\$ 1,208,974</u>
Liabilities:				
Due to other governments	<u>\$ 1,095,759</u>	<u>\$ 7,820,769</u>	<u>\$ 7,707,554</u>	<u>\$ 1,208,974</u>

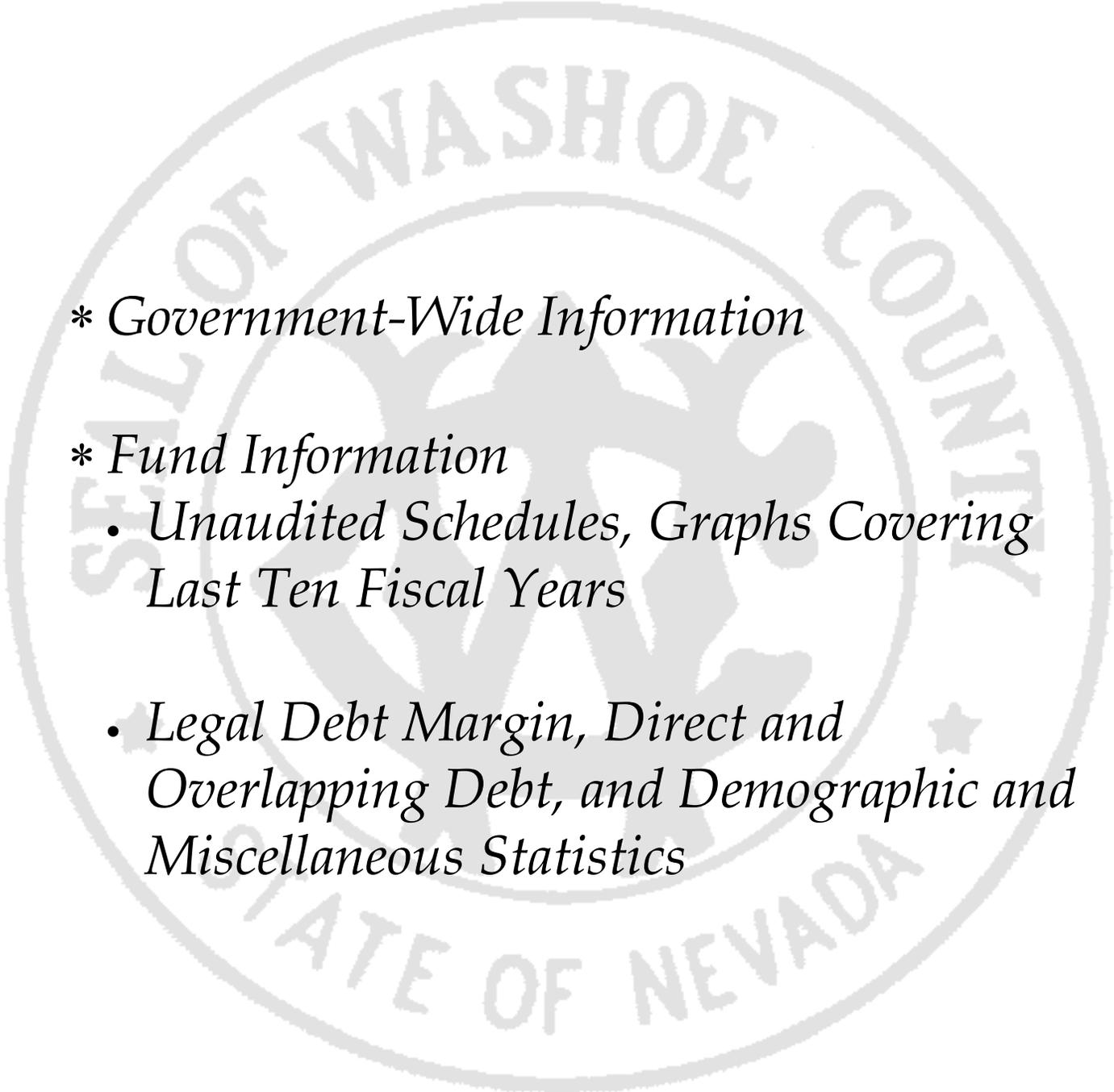
(CONTINUED)

**WASHOE COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>BALANCE JUNE 30, 2002</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2003</u>
District Court:				
Assets:				
Cash and investments	\$ 1,839,965	\$ 18,339,685	\$ 17,282,216	\$ 2,897,434
Liabilities:				
Due to others	\$ 1,839,965	\$ 18,339,685	\$ 17,282,216	\$ 2,897,434
Southwest Pointe Arrowcreek				
Assets:				
Cash and investments	\$ 2,453,002	\$ 3,166,102	\$ 2,890,239	\$ 2,728,865
Other taxes receivable	7,048	5,656	7,048	5,656
Interest receivable	16,656	9,382	16,656	9,382
Total Assets	\$ 2,476,706	\$ 3,181,140	\$ 2,913,943	\$ 2,743,903
Liabilities:				
Due to others	\$ 2,476,706	\$ 3,181,140	\$ 2,913,943	\$ 2,743,903
Other:				
Assets:				
Cash and investments	\$ 8,251,196	\$ 571,424,022	\$ 569,186,256	\$ 10,488,962
Financial assurances	5,186,982	2,994,713	5,500	8,176,195
Accounts receivable	50	79,637	50	79,637
Consolidated tax receivable	10,649	5,324	10,649	5,324
Property taxes receivable	1,246,362	2,674,084	2,534,269	1,386,177
Other taxes receivable	1,357	1,308	1,357	1,308
Interest receivable	697	433	697	433
Due from other governments	371,209		79,749	291,460
Total Assets	\$ 15,068,502	\$ 577,179,521	\$ 571,818,527	\$ 20,429,496
Liabilities:				
Due to others	\$ 15,068,502	\$ 577,179,521	\$ 571,818,527	\$ 20,429,496
Totals, Agency Funds:				
Assets:				
Cash and investments	\$ 15,016,459	\$ 694,656,644	\$ 690,247,102	\$ 19,426,001
Financial assurances	5,186,982	2,994,713	5,500	8,176,195
Accounts receivable	392,743	877,814	392,443	878,114
Consolidated tax receivable	2,398,303	2,635,718	2,398,304	2,635,717
Property taxes receivable	2,858,709	5,175,575	5,187,559	2,846,725
SCCR tax receivable	1,095,759	1,208,974	1,095,759	1,208,974
Other taxes receivable	1,536,061	268,436	1,631,081	173,416
Interest receivable	17,518	9,896	17,518	9,896
Due from other governments	378,447	2,729,610	86,987	3,021,070
Total Assets	\$ 28,880,981	\$ 710,557,380	\$ 701,062,253	\$ 38,376,108
Liabilities:				
Due to others/governments	\$ 28,880,981	\$ 710,310,573	\$ 700,815,446	\$ 38,376,108

STATISTICAL SECTION

(UNAUDITED)

- 
- * *Government-Wide Information*
 - * *Fund Information*
 - *Unaudited Schedules, Graphs Covering Last Ten Fiscal Years*
 - *Legal Debt Margin, Direct and Overlapping Debt, and Demographic and Miscellaneous Statistics*

The 1890's

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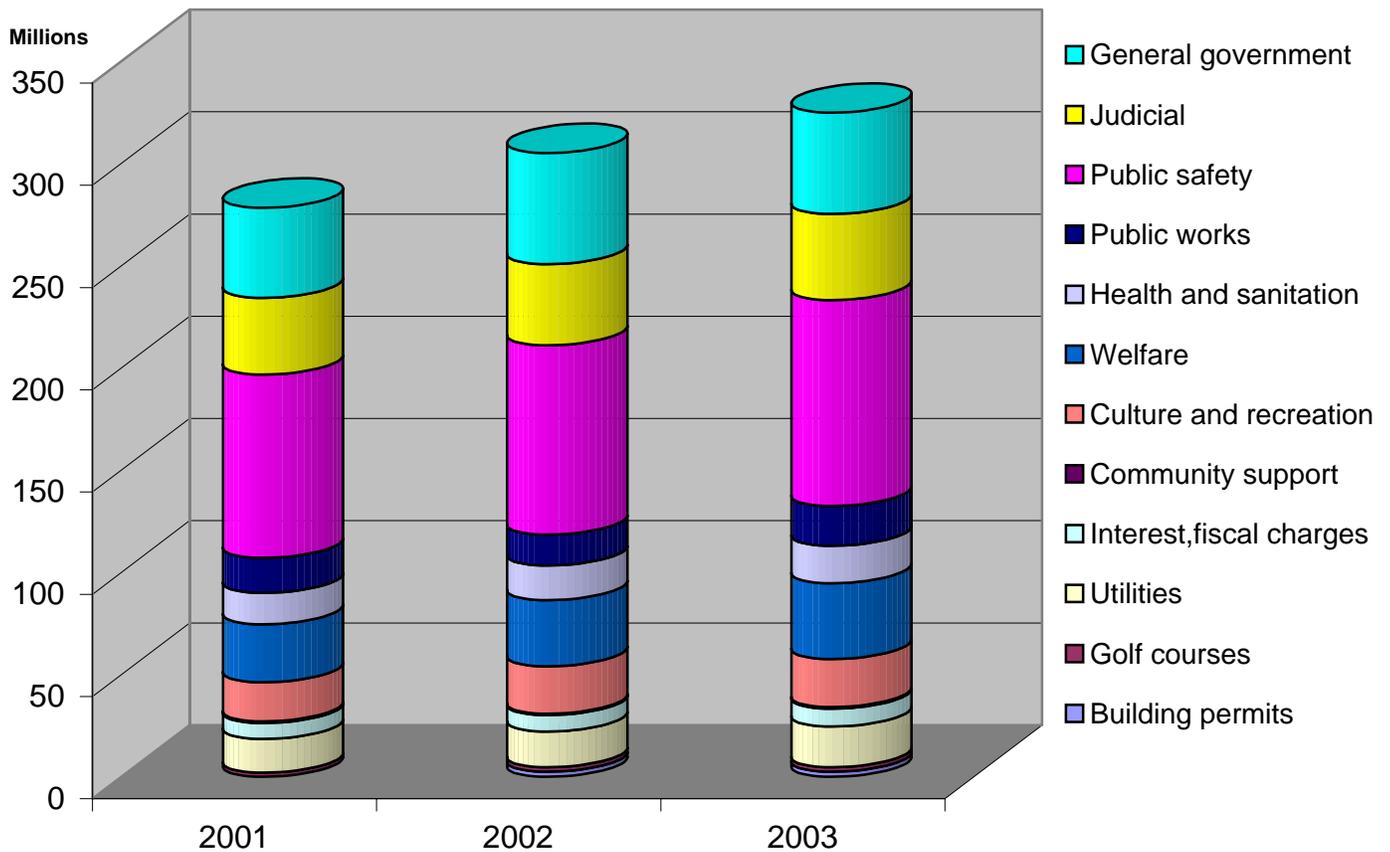
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SCHEDULE 1

WASHOE COUNTY
 GOVERNMENT-WIDE EXPENSES BY FUNCTION
 LAST THREE FISCAL YEARS

	JUNE 30, 2001	JUNE 30, 2002	JUNE 30, 2003
General government	\$ 44,007,015	\$ 54,356,481	\$ 49,482,363
Judicial	37,557,910	39,704,102	42,100,213
Public safety	89,678,887	92,592,840	100,742,250
Public works	17,072,168	15,136,896	19,385,932
Health and sanitation	15,321,674	16,882,297	18,328,422
Welfare	28,346,045	32,358,556	37,153,019
Culture and recreation	19,206,659	23,189,154	23,480,485
Community support	751,782	641,102	701,637
Interest and fiscal charges	7,850,303	8,038,073	8,734,553
Utilities	16,465,273	17,471,891	20,016,344
Golf courses	1,966,134	2,226,818	2,178,402
Building permits ¹	-	2,432,459	2,397,951
Total	\$ 278,223,850	\$ 305,030,669	\$ 324,701,571



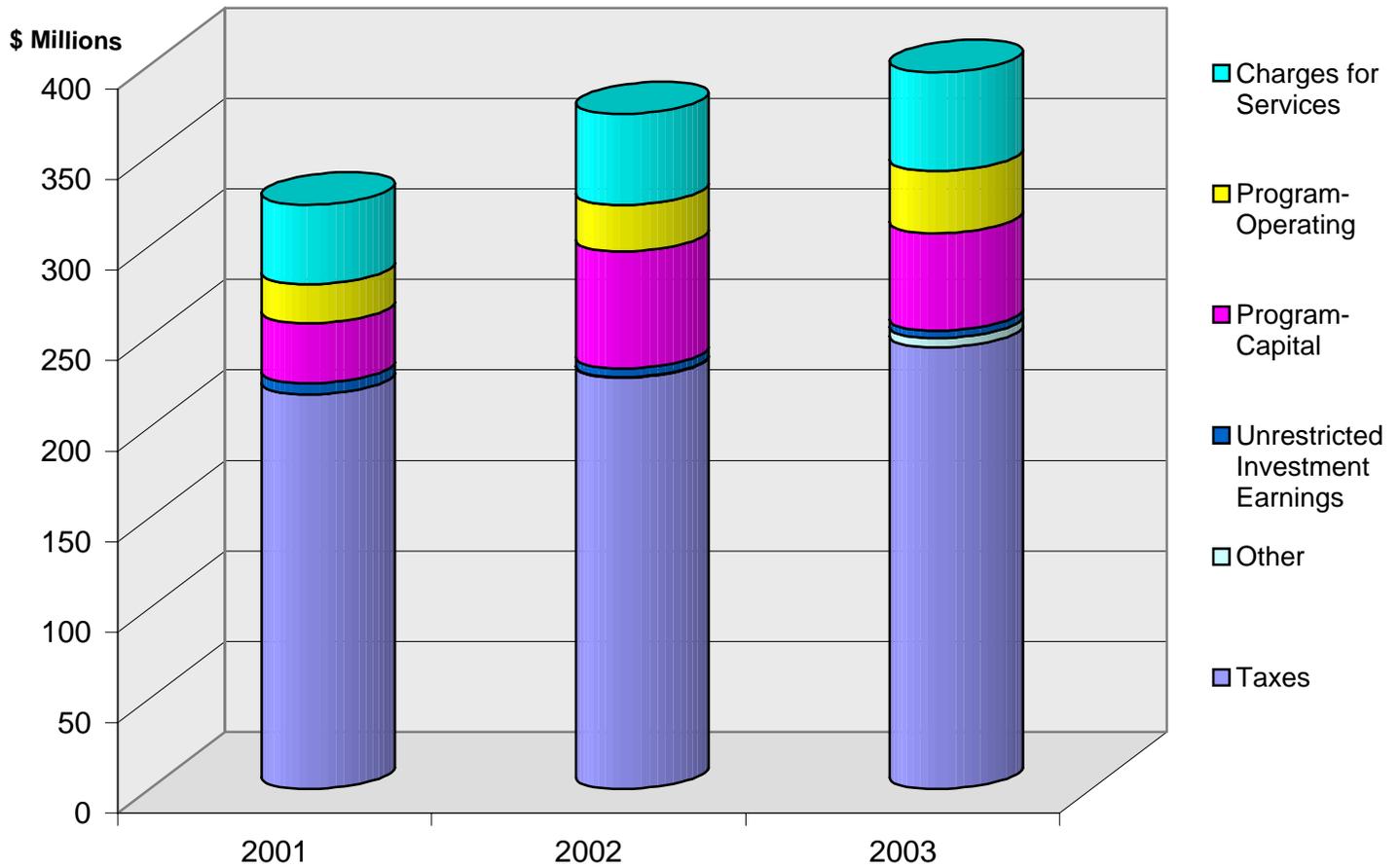
¹Building permits were transferred from the General Fund's public safety function to an enterprise fund.

**WASHOE COUNTY
GOVERNMENT-WIDE REVENUES
LAST THREE FISCAL YEARS**

SCHEDULE 2

FISCAL YEAR	PROGRAM REVENUES		
	CHARGES FOR SERVICES	OPERATING GRANTS, INTEREST, CONTRIBUTIONS	CAPITAL GRANTS, INTEREST, CONTRIBUTIONS
2000-01	\$ 44,020,626	\$ 21,474,656	\$ 33,148,597
2001-02	50,173,152	25,581,449	¹ 64,666,186
2002-03	54,540,890	34,428,618	53,922,944

FISCAL YEAR	GENERAL REVENUES			
	UNRESTRICTED INVESTMENT EARNINGS	OTHER	TAXES	TOTAL
2000-01	\$ 6,230,080	\$ 1,564,458	\$ 217,778,530	\$ 324,216,947
2001-02	4,976,315	1,855,014	227,117,273	374,369,389
2002-03	4,039,249	1,724,589	247,186,554	395,842,844



¹Increase over prior year due primarily to donations of \$27.9 million from the Regional Transportation Commission for completed infrastructure projects, \$2.3 million from the City of Reno for the Sierra Court building and \$2 million from the State for the Jan Evans Regional Juvenile Justice Center.

SCHEDULE 3

**WASHOE COUNTY
GENERAL GOVERNMENT REVENUES BY SOURCE
FOR GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

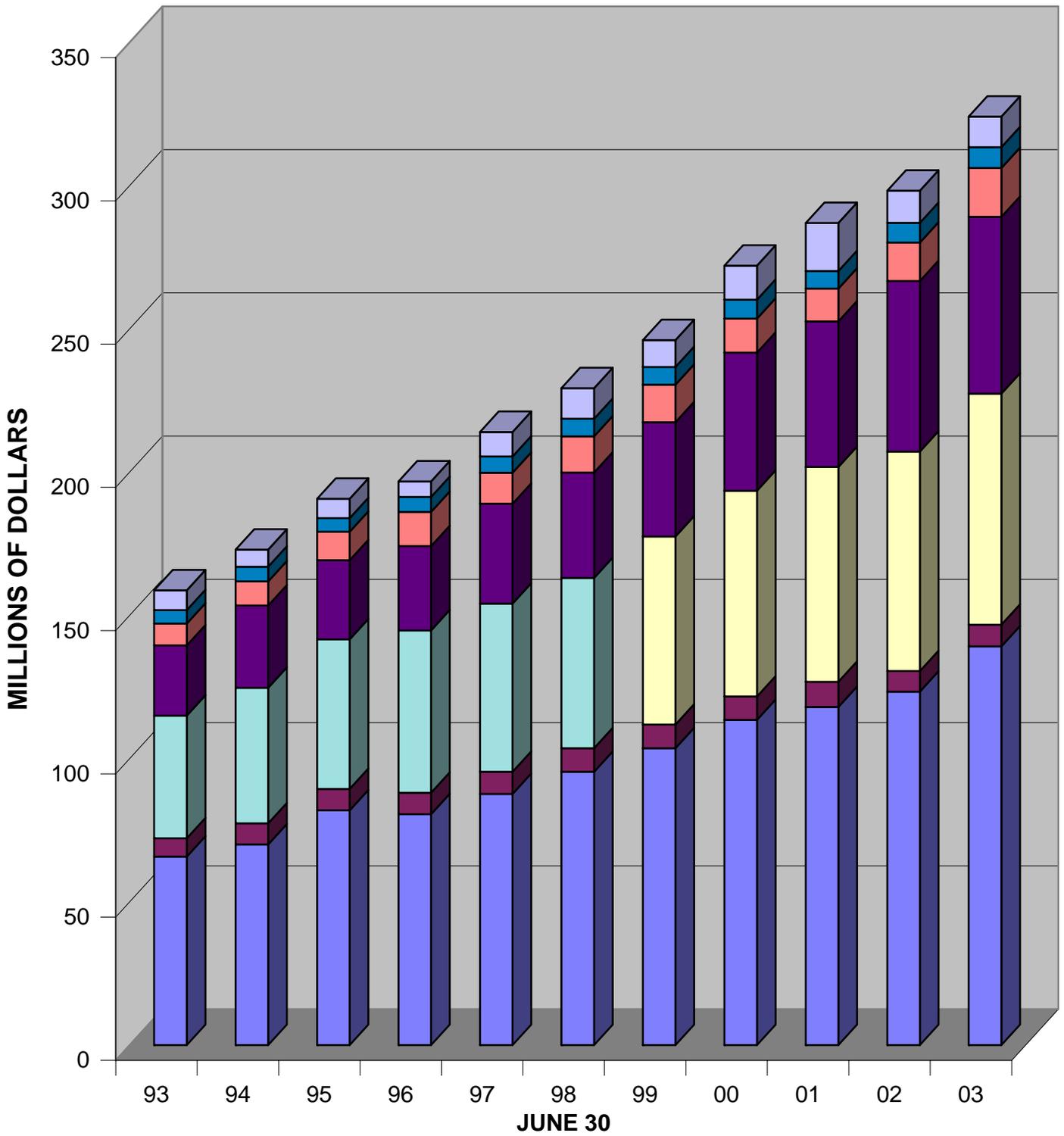
FISCAL YEAR	TAXES	LICENSES AND PERMITS	INTERGOVERNMENTAL		
			CONSOLIDATED TAX	SUPPLEMENTAL CITY/COUNTY RELIEF TAX (SCCRT)	OTHER
1993-94	\$ 69,998,510	\$ 7,348,261	\$ -	\$ 47,310,324	\$ 28,720,372
1994-95	81,897,309	7,484,292	-	52,169,012	27,666,004
1995-96	80,549,558	7,502,686	-	56,652,857	29,423,357
1996-97	87,640,034	7,701,282	-	58,721,682	34,858,779
1997-98	95,362,921	8,238,290	-	59,416,065	36,788,795
1998-99 (2)(3)	103,589,310	8,232,903	65,657,128	-	39,884,497
1999-00	113,489,745	8,142,796	71,825,215	-	48,197,852
2000-01	117,990,686	8,786,078	74,971,676	-	50,800,335
2001-02 (4)	123,337,708	7,154,498	76,632,358	-	59,520,857
2002-03 (5)	139,147,074	7,536,513	80,672,964	-	61,694,911

FISCAL YEAR	CHARGES FOR SERVICES	FINES AND FORFEITS	MISCELLANEOUS	TOTAL
1993-94	\$ 8,423,415	\$ 5,127,545	\$ 5,959,834	\$ 172,888,261
1994-95	9,900,267	4,772,656	6,742,700	190,632,240
1995-96	11,942,428	5,177,520	5,423,881	196,672,287
1996-97	10,813,659	5,680,249	8,540,205	213,955,890
1997-98	12,627,572	6,101,431	10,685,909	229,220,983
1998-99	13,108,428	6,189,844	9,363,336	246,025,446
1999-00	11,865,658	6,580,281	11,908,502	272,010,049
2000-01	11,423,783	6,155,012	16,738,679	286,866,249
2001-02	13,385,716	6,903,636	11,214,695	298,149,468
2002-03	17,013,107	7,265,000	10,690,852	324,020,421

- (1) Includes general, special revenue, debt service, and capital projects funds.
- (2) Effective July 1, 1998, Senate Bill 254 of the 1997 Legislature amended NRS 377.080 to form the Local Government Tax Distribution Fund. This fund consists of local government revenues from six sources: Supplemental City/County Relief Tax (SCCRT), Basic City/County Relief Tax (BCCRT), Cigarette Tax, Liquor Tax, General Services Tax, and Real Property Transfer Tax. These revenue sources comprise the Consolidated Tax, and replace prior year SCCRT and other tax distributions.
- (3) Prior to 1998-99, SCCRT-AB 104 was included with SCCRT. In 1998-99, SCCRT-AB104 is included with Intergovernmental - Other due to changes in statutory allocations. Years prior to 1998-99 were not restated. Also included in Intergovernmental - Other are revenues collected from the infrastructure sales tax.
- (4) The decrease in licenses and permits resulted from the establishment of an enterprise fund for the operations of the Building & Safety Department, previously included in the General Fund.
- (5) The increase in taxes reflects a 4% increase in assessed property valuations and a 7.48 cent property tax rate increase.

**WASHOE COUNTY
GENERAL GOVERNMENT REVENUES BY SOURCE
FOR GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

SCHEDULE 3



- | | | |
|--|--|--|
| ■ TAXES | ■ LICENSES AND PERMITS | ■ CONSOLIDATED TAX |
| ■ LGTA SALES TAXES | ■ OTHER | ■ CHARGES FOR SERVICES |
| ■ FINES AND FORFEITS | ■ MISCELLANEOUS | |

SCHEDULE 4

**WASHOE COUNTY
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION (1)
FOR GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>JUDICIAL</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>HEALTH AND SANITATION</u>	<u>WELFARE</u>
1993-94	\$ 26,867,008	\$ 20,007,250	\$ 50,094,067	\$ 12,484,154	\$ 9,796,323	\$ 17,038,017
1994-95	29,942,892	22,042,436	54,429,274	11,140,855	10,980,032	18,247,849
1995-96	32,614,543	24,168,278	58,712,545	15,098,998	12,291,260	19,128,071
1996-97	32,586,604	26,020,629 (3)	63,867,551	13,909,974	13,078,755	19,957,225
1997-98	33,120,675	28,230,029	69,141,777	16,109,125	13,719,869	22,616,244
1998-99	34,956,965	30,039,546	73,516,507	15,772,895	13,907,235	24,215,160
1999-00	38,068,693	33,018,484	79,974,631	18,529,665	13,652,821	26,056,491
2000-01	41,920,966	35,977,399	84,471,315	16,931,611	14,187,382	28,040,764
2001-02	44,044,891	37,898,580	88,629,552	16,120,511	14,980,833	30,657,770
2002-03	45,728,670	39,919,086	90,565,576	17,782,440	15,372,914	35,015,409

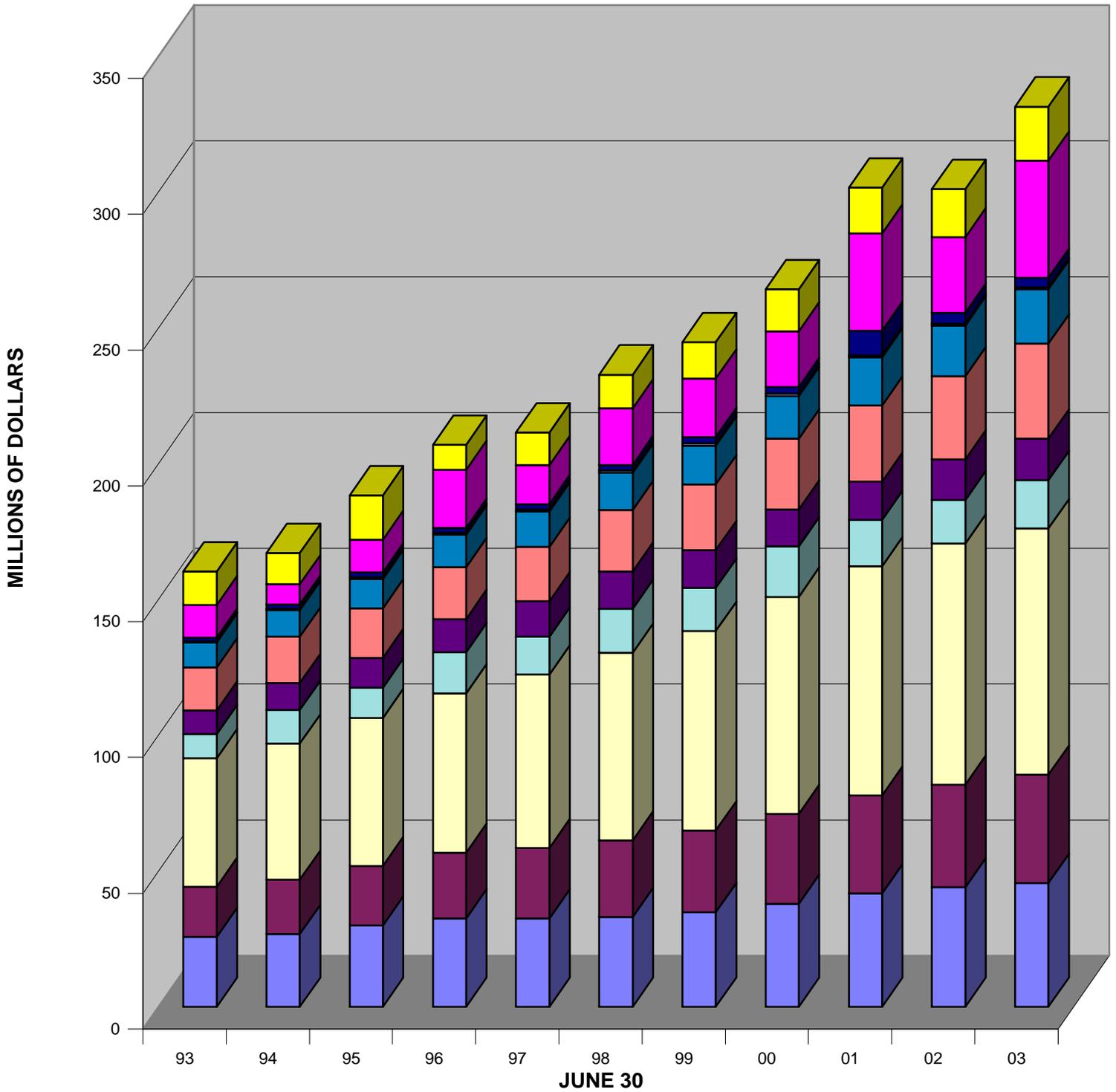
<u>FISCAL YEAR</u>	<u>CULTURE AND RECREATION</u>	<u>COMMUNITY SUPPORT</u>	<u>INTER-GOVERNMENTAL</u>	<u>CAPITAL OUTLAY</u>	<u>DEBT SERVICE</u>	<u>TOTALS</u>
1993-94	\$ 9,867,293	\$ 469,711	\$ 1,558,636	\$ 7,472,184	\$ 11,501,350	\$ 167,155,993
1994-95	10,811,909	765,626	1,648,234	11,992,044 (2)	16,335,486	188,336,637
1995-96	11,877,783	800,699	1,768,802	21,304,041	9,300,051	207,065,071
1996-97	13,055,884	772,155	1,929,451	14,392,700	11,985,112	211,556,041
1997-98	13,809,994	820,198	2,060,752	20,821,069	12,413,363	232,863,095
1998-99	14,245,458	834,388	2,254,169	21,729,348	13,391,146	244,862,817
1999-00	15,699,300	908,026	2,425,240	20,401,629	15,506,623	264,241,603
2000-01	17,629,988	751,782	9,104,860	35,805,374	16,841,094	301,662,535
2001-02	18,637,189	641,102	3,992,280	27,806,506	17,816,251	301,225,465
2002-03	20,021,708	701,637	3,492,641	43,218,355	19,862,972	331,681,408

(1) Includes general, special revenue, debt service, and capital projects funds.

(2) Debt Service expenditures include payment for retirement of \$5,700,000 in principal of Special Assessment No. 9 local improvement bonds.

(3) Public Safety expenditures increased due to the rise in jail population resulting in increased personnel and medical expenditures.

**WASHOE COUNTY
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
FOR GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**



- GENERAL GOVERNMENT
- JUDICIAL
- PUBLIC SAFETY
- PUBLIC WORKS
- HEALTH AND SANITATION
- WELFARE
- CULTURE AND RECREATION
- COMMUNITY SUPPORT
- INTER GOVERNMENTAL
- CAPITAL OUTLAY
- DEBT SERVICE

WASHOE COUNTY
SCHEDULE OF PROPERTY TAX RATES AND ASSESSED VALUATIONS
FOR THE YEARS ENDED JUNE 30, 1994, THROUGH JUNE 30, 2003
(TAX RATES PER \$100 ASSESSED VALUATION)

	<u>JUNE 30,</u> <u>1994</u>	<u>JUNE 30,</u> <u>1995</u>	<u>JUNE 30,</u> <u>1996</u>	<u>JUNE 30,</u> <u>1997</u>
WASHOE COUNTY				
General Fund	.8487	.9230	.9326	.9476
General Fund - AB 104	.0672	.0272	.0272	.0272
Agricultural Extension Fund	.0100	.0100	.0100	.0100
Indigent Tax Levy Fund	.1000	.1000	.1000	.1000
Child Protective Services Fund	.0400	.0400	.0400	.0400
Senior Services Fund	.0100	.0100	.0100	.0100
Library Expansion Fund	.0000	.0000	.0000	.0000
Debt Service Fund	.0841	.0841	.0745	.0595
Capital Facilities Fund	.0500	.0500	.0500	.0500
Total, Washoe County Funds	<u>1.2100</u>	<u>1.2443</u>	<u>1.2443</u>	<u>1.2443</u>
STATE OF NEVADA	.1500	.1500	.1500	.1500
WASHOE COUNTY SCHOOL DISTRICT	<u>1.1135</u>	<u>1.1135</u>	<u>1.1135</u>	<u>1.1135</u>
Total, Washoe County Unincorporated Area	<u>2.4735</u>	<u>2.5078</u>	<u>2.5078</u>	<u>2.5078</u>
CITY OF RENO				
City of Reno	.7451	.7487	.7401	.7534
Washoe County	2.4735	2.5078	2.5078	2.5078
Washoe Regional Water Planning Board	.0050	.0050	.0050	.0050
Total, City of Reno	<u>3.2236</u>	<u>3.2615</u>	<u>3.2529</u>	<u>3.2662</u>
CITY OF SPARKS				
City of Sparks	.8329	.8825	.8825	.7071
Washoe County	2.4735	2.5078	2.5078	2.5078
Washoe Regional Water Planning Board	.0050	.0050	.0050	.0050
Total, City of Sparks	<u>3.3114</u>	<u>3.3953</u>	<u>3.3953</u>	<u>3.2199</u>
ASSESSED VALUATION				
Washoe County, Unincorporated Area	\$ 1,752,821,400	\$ 1,873,913,034	\$ 2,038,993,902	\$ 2,268,154,856
City of Reno	2,563,395,554	2,691,664,706	2,895,914,913	3,140,777,726
City of Sparks	863,634,414	874,813,278	928,630,519	1,073,353,993
Total, Washoe County	<u>\$ 5,179,851,368</u>	<u>\$ 5,440,391,018</u>	<u>\$ 5,863,539,334</u>	<u>\$ 6,482,286,575</u>

SCHEDULE 5

<u>JUNE 30, 1998</u>	<u>JUNE 30, 1999</u>	<u>JUNE 30, 2000</u>	<u>JUNE 30, 2001</u>	<u>JUNE 30, 2002</u>	<u>JUNE 30, 2003</u>
.9528	.9528	.9661	.9461	.9631	1.0303
.0272	.0272	.0272	.0272	.0272	.0272
.0100	.0100	.0100	.0100	.0100	.0100
.1000	.1000	.0900	.0900	.0850	.0800
.0400	.0400	.0400	.0400	.0400	.0400
.0100	.0100	.0100	.0100	.0100	.0100
.0000	.0000	.0000	.0200	.0200	.0200
.0595	.0595	.0562	.0562	.0652	.0778
.0500	.0500	.0500	.0500	.0500	.0500
<u>1.2495</u>	<u>1.2495</u>	<u>1.2495</u>	<u>1.2495</u>	<u>1.2705</u>	<u>1.3453</u>
.1500	.1500	.1500	.1500	.1500	.1500
<u>1.0985</u>	<u>1.0985</u>	<u>1.1385</u>	<u>1.1385</u>	<u>1.1385</u>	<u>1.1385</u>
<u>2.4980</u>	<u>2.4980</u>	<u>2.5380</u>	<u>2.5380</u>	<u>2.5590</u>	<u>2.6338</u>
.8546	.9076	.9076	.9076	.9556	.9456
<u>2.4980</u>	<u>2.4980</u>	<u>2.5380</u>	<u>2.5380</u>	<u>2.5590</u>	<u>2.6338</u>
-	-	-	-	-	-
<u>3.3526</u>	<u>3.4056</u>	<u>3.4456</u>	<u>3.4456</u>	<u>3.5146</u>	<u>3.5794</u>
.7071	.8106	.8106	.8106	.8653	.9361
<u>2.4980</u>	<u>2.4980</u>	<u>2.5380</u>	<u>2.5380</u>	<u>2.5590</u>	<u>2.6338</u>
-	-	-	-	-	-
<u>3.2051</u>	<u>3.3086</u>	<u>3.3486</u>	<u>3.3486</u>	<u>3.4243</u>	<u>3.5699</u>
\$ 2,628,698,453	\$ 2,782,817,311	\$ 2,913,572,101	\$ 2,923,079,310	\$ 3,237,624,085	\$ 3,436,162,039
3,222,244,414	3,504,566,723	3,869,088,594	4,318,882,571	4,380,915,854	4,501,164,755
<u>1,097,832,871</u>	<u>1,213,473,000</u>	<u>1,302,885,075</u>	<u>1,382,425,008</u>	<u>1,478,157,655</u>	<u>1,524,637,551</u>
<u>\$ 6,948,775,738</u>	<u>\$ 7,500,857,034</u>	<u>\$ 8,085,545,770</u>	<u>\$ 8,624,386,889</u>	<u>\$ 9,096,697,594</u>	<u>\$ 9,461,964,345</u>

SCHEDULE 6

WASHOE COUNTY
 ASSESSED AND ESTIMATED ACTUAL
 VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR	REAL PROPERTY		PERSONAL PROPERTY	
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	ASSESSED VALUE	ESTIMATED ACTUAL VALUE
1993-94	\$ 4,800,765,233	\$ 13,716,472,094	\$ 379,086,135	\$ 1,083,103,243
1994-95	5,063,646,763	14,467,562,180	376,744,255	1,076,412,157
1995-96	5,426,028,813	15,502,939,466	437,510,521	1,250,030,060
1996-97	6,043,276,023	17,266,502,923	439,010,552	1,254,315,863
1997-98	6,462,337,241	18,463,820,689	486,438,497	1,389,824,277
1998-99	6,953,107,345	19,866,020,986	547,749,689	1,564,999,111
1999-00	7,531,190,690	21,517,687,686	554,355,080	1,583,871,657
2000-01	8,063,195,101	23,037,700,288	561,191,788	1,603,405,109
2001-02	8,498,435,597	24,281,244,563	598,261,997	1,709,319,991
2002-03	8,564,036,703	24,468,676,294	897,927,642	2,565,507,549

FISCAL YEAR	TOTAL		ASSESSED VALUE TO ESTIMATED VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
1993-94	\$ 5,179,851,368	\$ 14,799,575,337	35.0%
1994-95	5,440,391,018	15,543,974,337	35.0%
1995-96	5,863,539,334	16,752,969,526	35.0%
1996-97	6,482,286,575	18,520,818,786	35.0%
1997-98	6,948,775,738	19,853,644,966	35.0%
1998-99	7,500,857,034	21,431,020,097	35.0%
1999-00	8,085,545,770	23,101,559,343	35.0%
2000-01	8,624,386,889	24,641,105,397	35.0%
2001-02	9,096,697,594	25,990,564,554	35.0%
2002-03	9,461,964,345	27,034,183,843	35.0%

WASHOE COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS FOR ALL GOVERNMENTS
LAST TEN FISCAL YEARS

SCHEDULE 7

<u>FISCAL YEAR</u>	<u>NET SECURED ROLL TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS</u>	<u>DELINQUENT TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>OUTSTANDING DELINQUENT TAXES</u>
1993-94	\$ 152,405,532	\$ 148,474,493	\$ 3,899,524	\$ 152,374,017	\$ 31,515
1994-95	165,037,382	161,793,362	3,209,220	165,002,582	34,800
1995-96	179,262,002	176,651,156	2,579,009	179,230,165	31,837
1996-97	197,485,658	194,326,837	3,122,929	197,449,766	35,892
1997-98	212,203,187	208,715,129	3,450,150	212,165,279	37,908
1998-99	239,267,466	235,399,065	3,819,929	239,218,994	48,472
1999-00	261,772,324	258,385,749	3,320,408	261,706,157	66,167
2000-01	273,864,229	270,702,031	2,955,783	273,657,814	206,415
2001-02	291,602,632	288,339,841	2,502,711	290,842,552	760,080
2002-03	320,080,572	316,660,506	-	316,660,506	3,420,066

<u>FISCAL YEAR</u>	<u>PERCENT OF CURRENT TAXES COLLECTED</u>	<u>TOTAL COLLECTIONS AS PERCENT OF TOTAL TAX LEVY</u>	<u>OUTSTANDING TAXES AS % OF TOTAL TAX LEVY</u>
1993-94	97.421%	99.979%	0.021%
1994-95	98.034%	99.979%	0.021%
1995-96	98.544%	99.982%	0.018%
1996-97	98.400%	99.982%	0.018%
1997-98	98.356%	99.982%	0.018%
1998-99	98.383%	99.980%	0.020%
1999-00	98.706%	99.975%	0.025%
2000-01	98.845%	99.925%	0.075%
2001-02	98.881%	99.739%	0.261%
2002-03	98.931%	98.931%	1.069%

Source: Washoe County Treasurer's Office

SCHEDULE 8

WASHOE COUNTY
 2003/04 TEN LARGEST ASSESSED VALUATIONS
 IN WASHOE COUNTY

	<u>TYPE OF BUSINESS</u>	<u>ASSESSED VALUATION</u>	<u>PERCENTAGE OF TOTAL ASSESSED VALUATION</u>
1. CIRCUS CIRCUS & ELDORADO JOINT VENTURE	HOTEL/CASINO	\$ 81,925,907	0.8%
2. DERMODY INDUSTRIAL GROUP	WAREHOUSING	45,036,566	0.5%
3. DP INDUSTRIAL LLC	INDUSTRIAL REAL ESTATE	39,641,939	0.4%
4. ELDORADO RESORTS LLC	HOTEL/CASINO	38,664,878	0.4%
5. HARRAH'S CLUB	HOTEL/CASINO	35,030,934	0.3%
6. WASHOE MEDICAL CENTER INC	HEALTHCARE	34,995,799	0.3%
7. GOLDEN ROAD MOTOR INN INC	HOTEL/CASINO	33,679,605	0.3%
8. SPARK'S NUGGET INC	HOTEL/CASINO	33,416,166	0.3%
9. CIRCUS CIRCUS CASINOS, INC.	HOTEL/CASINO	33,140,526	0.3%
10. INTERNATIONAL GAME TECHNOLOGY	GAMING	<u>30,636,288</u>	<u>0.3%</u>
TOTAL, TEN LARGEST TAXPAYERS		406,168,608	3.9%
TOTAL, OTHER TAXPAYERS		<u>10,002,668,820</u>	<u>96.1%</u>
TOTAL, ASSESSED VALUATIONS		<u>\$ 10,408,837,428</u>	<u>100.0%</u>

The chart represents the ten largest parcel assessments based on property-owning taxpayers in the County and the respective taxable assessed values of such parcels for the 2003/04 fiscal year. According to the Washoe County Assessor's Office, a determination of the largest parcel assessments can be made only by manually reviewing individual assessment records. Therefore, it is possible that an owner of several parcels may have an aggregate assessed value that is larger than those listed above. No independent investigation has been made of, and consequently there can be no representation as to, the financial condition of the taxpayers listed above, or that such taxpayers will continue to maintain their status as major taxpayers based on the assessed valuation of their property in the County.

SOURCE: WASHOE COUNTY ASSESSOR'S OFFICE

**WASHOE COUNTY
SPECIAL ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS**

SCHEDULE 9

FISCAL YEAR	TOTAL OUTSTANDING ASSESSMENTS BEGINNING OF YEAR	TOTAL ASSESSMENTS DURING THE FISCAL YEAR	CURRENT ASSESSMENTS COLLECTED	TOTAL OUTSTANDING ASSESSMENTS END OF YEAR
1993-94	\$ 13,904,870	\$ -	\$ 2,313,244	\$ 11,591,626
1994-95	11,591,626	-	7,340,776	4,250,850
1995-96	4,250,850	-	1,195,877	3,054,973
1996-97	3,054,973	5,500,000	789,905	7,765,068
1997-98	(1) 7,765,068	-	981,079	6,783,989
1998-99	(1) 6,783,989	490,929	1,011,104	6,263,814
1999-00	(1) 6,263,814	982,005	2,293,756	4,952,063
2000-01	4,952,063	-	1,833,598	3,118,465
2001-02	3,118,465	619,001	698,318	3,039,148
2002-03	3,039,148	706	395,621	2,644,233

(1) Years 1997-98 through 1999-00 were restated to reflect the reclassification of Special Assessment District No. 23 Southwest Pointe, to an Agency Fund. SAD No. 23 bonds do not constitute debt or indebtedness of the County within the meaning of any constitutional or statutory provisions or limitations, and shall not be considered debt of the County.

NOTE: No presentation is made which reflects the ratio of current collections to assessments due since the installment collection period can range from five to ten years, and the collection experience varies widely from district to district.

Nevada Revised Statutes (NRS 271.165) empower the governing body of a County on behalf of the municipality and in its name, without any election, from time to time to acquire, improve, equip, operate and maintain within or without the municipality, various improvements supported by special assessment taxes. Currently, such projects include sanitary sewer projects, water projects and road improvements.

SCHEDULE 10

WASHOE COUNTY
 COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2003

Assessed value of taxable property for 2003/2004 tax year		\$ <u>10,408,837,428</u>
Debt limit applicable to Washoe County (10% of Assessed Valuation)		\$ 1,040,883,742
General Obligation Bonded Debt:		
Governmental activity	\$ 185,075,964	
Business-type activity	39,028,345	
Reno-Sparks Convention & Visitors Authority	144,774,771	
Truckee Meadows Fire Protection District (Component unit)	845,000	
South Truckee Meadows General Improvement District (Component unit)	<u>320,000</u>	
Total Bonded Debt	370,044,080	
Less: Special assessment bonds	2,178,000	
Special revenue bonds	20,790,000	
Amount available for repayment of general obligation bonds	<u>26,232,731</u>	
Debt subject to debt limitation		<u>320,843,349</u>
Legal debt margin		<u>\$ 720,040,393</u>

The statutory county debt limit is 10% of the assessed value of all taxable property in the County, as set forth in Chapter 244A.059 of the Nevada Revised Statutes. The statutory debt limit for recreational bonds issued by the Reno-Sparks Convention & Visitors Authority (RSCVA) is further limited to 3% of the total assessed valuation by Nevada Revised Statutes 244A.453 and 244A.655. RSCVA's total outstanding recreational debt of \$144,774,771 is below the 3% limit of \$312,265,123.

WASHOE COUNTY
COMPUTATION OF GENERAL OBLIGATION
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2003

SCHEDULE 11

NAME OF GOVERNMENT UNIT:	GENERAL OBLIGATION DEBT OUTSTANDING	PRESENTLY SELF-SUPPORTING GENERAL OBLIGATION DEBT	PERCENT APPLICABLE TO WASHOE COUNTY*	APPLICABLE NET DEBT
Direct:				
Washoe County:				
Governmental Activity Bonds	\$ 147,031,294	\$ 40,980,431	100%	\$ 106,050,863
Business-Type Activity Bonds	37,403,854	37,403,854	100%	-
Special Assessment Bonds (1)	2,178,000	2,178,000	100%	-
Total Direct Debt	<u>186,613,148</u>	<u>80,562,285</u>		<u>106,050,863</u>
Overlapping:				
Washoe County School District	352,425,000	-	100%	352,425,000
Reno-Sparks Convention & Visitors Authority	144,774,771	144,774,771	100%	-
City of Reno	41,915,000	-	100%	41,915,000
City of Reno supported by specific revenue	7,945,000	7,945,000	100%	-
City of Reno supported by sales tax and room tax revenues	222,870,000	222,870,000	100%	-
Redevelopment Agency of City of Reno	44,335,000	-	100%	44,335,000
Reno - Special Assessment Bonds (1)	17,096,557	17,096,557	100%	-
City of Sparks	4,655,000	-	100%	4,655,000
Redevelopment Agency of City of Sparks	34,100,000	-	100%	34,100,000
Sparks - Sewer/Utility Bonds	25,440,941	25,440,941	100%	-
Incline Village GID	19,660,000	-	100%	19,660,000
Sun Valley Water District	280,000	-	100%	280,000
State of Nevada	2,374,868,159	1,481,095,000	16.53%	147,740,703
Total Overlapping Debt	<u>3,290,365,428</u>	<u>1,899,222,269</u>		<u>645,110,703</u>
Total Direct and Overlapping Debt	<u>\$ 3,476,978,576</u>	<u>\$ 1,979,784,554</u>		<u>\$ 751,161,566</u>

*Based on fiscal year 2003-04 assessed valuation in the respective jurisdiction.

- (1) Special assessment bonds are not general obligations of Washoe County, or of the Cities of Reno and Sparks. If, however, the special assessments collected, with all other available resources were insufficient to meet debt service requirements on these bonds, the respective bond ordinances require that the deficiency be made up with the governments' general funds.

SCHEDULE 12

WASHOE COUNTY
 RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
 FOR GENERAL OBLIGATION BONDED DEBT (1)
 TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
 LAST TEN FISCAL YEARS

<u>FISCAL YEAR</u>	<u>PRINCIPAL (1)</u>	<u>INTEREST (2)</u>	<u>TOTAL DEBT SERVICE (3)</u>	<u>TOTAL GOVERNMENTAL EXPENDITURES (4)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES</u>
1993-94	\$ 5,345,000	\$ 2,910,500	\$ 8,255,500	\$ 167,155,993	4.9
1994-95	4,415,000	3,195,843	7,610,843	188,336,637	4.0
1995-96	4,765,000	2,944,603	7,709,603	207,065,071	3.7
1996-97	6,685,000	3,367,893	10,052,893	211,556,040	4.8
1997-98	6,565,000	4,104,160	10,669,160	232,863,095	4.6
1998-99	6,595,000	3,788,267	10,383,267	244,862,817	4.2
1999-00	5,955,000	3,798,424	9,753,424	264,241,600	3.7
2000-01	6,355,000	3,807,665	10,162,665	301,662,535	3.4
2001-02	7,535,504	5,449,978	12,985,482	301,225,465	4.3
2002-03	(5) 25,512,948	6,157,648	31,670,596	331,681,408	9.5

(1) General obligation bonded debt excludes debt reported in business-type activities, revenue bonds, and special assessment debt.

(2) Excludes bond issuance and other debt service costs.

(3) Includes only payments related to general obligation bonded debt.

(4) Includes governmental expenditures prior to GASB 34 reconciling accruals.

(5) Includes \$18,805,000 current refunding of Series April 1, 1993 Jail Refunding Bonds.

WASHOE COUNTY

SCHEDULE 13

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
 ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

FISCAL YEAR	ASSESSED VALUATION	GROSS GENERAL BONDED DEBT (1)	DEBT SERVICE FUND BALANCE AVAILABLE(2)	NET BONDED DEBT
1993-94	\$ 5,179,851,368	\$ 59,935,000	\$ 4,341,370	\$ 55,593,630
1994-95	5,440,391,018	55,520,000	5,261,028	50,258,972
1995-96	5,863,539,334	55,755,000	5,091,707	50,663,293
1996-97	6,482,286,575	78,070,000	4,504,799	73,565,201
1997-98	6,948,775,738	72,025,200	4,295,290	67,729,910
1998-99	7,500,857,034	74,642,784	5,460,969	69,181,815
1999-00	8,085,545,770	69,784,194	5,501,173	64,283,021
2000-01	8,624,386,889	102,765,773	5,768,724	96,997,049
2001-02	9,096,697,594	114,084,242	8,799,183	105,285,059
2002-03	9,461,964,345	147,031,294	9,431,416	137,599,878

FISCAL YEAR	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	(3) POPULATION	NET BONDED DEBT PER CAPITA
1993-94	1.07%	293,141	\$189.65
1994-95	0.92%	302,748	166.01
1995-96	0.86%	312,366	162.19
1996-97	1.13%	320,828	229.30
1997-98	0.97%	327,899	206.56
1998-99	0.92%	334,601	206.76
1999-00	0.80%	339,486	189.35
2000-01	1.12%	353,277	274.56
2001-02	1.16%	359,423	292.93
2002-03	1.45%	363,590	378.45

(1) General obligation bonded debt excludes debt reported in business-type activities, revenue bonds, and special assessment debt.

(2) Debt Service Fund Balance Available excludes Special Assessment Debt Service Fund.

(3) Nevada State Demographer as of July 1, as certified by the Governor, 1993-2002. Washoe County Department of Community Development, 2003.

SCHEDULE 14

WASHOE COUNTY
 SCHEDULE OF REVENUE BOND COVERAGE
 LAST TEN FISCAL YEARS

FISCAL YEAR	GROSS REVENUE	EXPENSES/ EXPENDITURES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIOS
				PRINCIPAL	INTEREST	TOTAL	
Water Resources Fund General Obligation Revenue Backed Bonds (1):							
1993-94	\$ 4,637,705	\$ 3,080,103	\$ 1,557,602	\$ 50,000	\$ 81,840	\$ 131,840	11.81
1994-95	6,251,460	3,961,469	2,289,991	115,000	116,823	231,823	9.88
1995-96	6,733,594	4,420,904	2,312,690	-	36,335	36,335	63.65
1996-97	9,558,786	6,466,880	3,091,906	800,000	96,745	896,745	3.45
1997-98	8,046,251	6,473,485	1,572,766	165,000	170,003	335,003	4.69
1998-99	9,527,132	7,844,625	1,682,507	188,002	241,316	429,318	3.92
1999-00	12,935,852	9,352,130	3,583,722	307,159	243,344	550,503	6.51
2000-01	11,121,656	9,548,917	1,572,739	238,743	231,619	470,362	3.34
2001-02	11,072,448	10,217,731	854,717	302,551	290,308	592,859	1.44
2002-03	13,021,365	12,091,218	930,147	308,040	622,107	930,147	1.00
Remediation District General Obligation Revenue Backed Bonds (2):							
2000-01	\$ 1,875,362	\$ 1,391,903	\$ 483,459	\$ -	\$ 72,342	\$ 72,342	6.68
2001-02	1,887,295	1,104,307	782,988	255,000	144,163	399,163	1.96
2002-03	2,363,645	1,273,672	1,089,973	265,000	131,163	396,163	2.75
Golf Course Fund General Obligation Revenue Backed Bonds (3):							
1997-98	\$ 1,798,362	\$ 1,441,520	\$ 356,842	\$ -	\$ 76,113	\$ 76,113	4.69
1998-99	1,654,531	1,408,179	246,352	95,000	149,969	244,969	1.01
1999-00	1,866,860	1,438,159	428,701	95,000	145,456	240,456	1.78
2000-01	1,791,307	1,546,730	244,577	100,000	140,825	240,825	1.02
2001-02	1,841,674	1,654,189	187,485	105,000	135,956	240,956	0.78
2002-03	1,595,053	1,609,217	(14,164)	110,000	130,850	240,850	(0.06)
Sales Tax Revenue Bonds (4):							
1998-99	\$ 1,467,814	\$ 20,473	\$ 1,447,341	\$ -	\$ 442,989	\$ 442,989	3.27
1999-00	6,063,110	2,942,075	3,121,035	-	1,048,118	1,048,118	2.98
2000-01	6,366,727	1,225,720	5,141,007	355,000	1,041,018	1,396,018	3.68
2001-02	6,485,764	3,838,503	2,647,261	375,000	1,026,417	1,401,417	1.89
2002-03	6,685,520	6,292,774	392,746	395,000	1,011,018	1,406,018	0.28

- (1) Gross revenue for the Water Resources Fund includes operating revenues, General Fund transfers and hookup fees, as required, and excludes investment earnings. Expenses are exclusive of depreciation. Principal and interest requirements include amounts for Water Sewer Series 1997, Lemmon Valley Sewer Series 1997, Sewer Bonds Series 2000A & 2000B, and Sewer Bonds Series 2001. Revenue from sewer and water operations are pledged for debt payments on all revenue bonds.
- (2) Gross revenue for the Remediation District represents a special tax imposed on properties within the District for remediation of water quality. Expenses are exclusive of depreciation. Principal and interest requirements are for the Ground Water Remediation Bonds Series November 1, 2000.
- (3) Gross revenue consists of revenue from the Golf Course Fund operations pledged for debt payment and excludes investment earnings. Principal and interest requirements are for Golf Course Series 1997 revenue bonds.
- (4) Gross revenue for the Sales Tax Revenue Bonds represents pledged sales tax collections at the rate of 0.125% of taxable sales. Sales tax revenues are accounted for in the Infrastructure Fund. The bonds are payable solely from pledged sales tax revenue. Expenditures include all capital outlay costs supported with sales tax revenue in the Infrastructure Fund. Unspent sales tax revenues total \$17,702,514.

WASHOE COUNTY
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2003

SCHEDULE 15

Date of Legislative Enactment: 1861

Form of Government:

Type: Commission – Manager
Commission composed of County Manager and
Five Commissioners

Terms of Office:

Commissioners – 4 year term
Manager – appointed by Commission

Area: 6,600 square miles

Average Annual Temperature: 52 degrees

Average Annual Rainfall: 6.68 inches

Fire Protection:

Number of stations with paid personnel: 4
Number of volunteer stations: 12
Personnel provided by City of Reno Fire Department

Police Protection:

Sheriff
Number of commissioned employees: 414
Number of non-commissioned employees: 293
Clearance rate – part one offenses: 35%
Average daily jail population: 1033

Miles of Road:

Paved: 670
Unpaved: 405

Number of Traffic Signals: 16

Parks and Recreation:

Number of major/regional parks: 18
Number of community/neighborhood parks: 42
Developed park acreage: 4,163
Undeveloped park acreage: 4,868
Number of special use facilities: 19
Number of playgrounds: 42
Number of golf courses: 2
Swimming pools: 2
Camping sites: 64
Sheltered group picnic facilities: 33
Regional shooting facility: 1
Baseball fields: 26
Soccer fields: 15
Tennis courts: 22
Volleyball courts: 8
Historical buildings/museums: 3
Amphitheaters: 3
Arboretum and botanical garden: 1
Specialized children's facility: 2
Established bicycle paths: 20.2 miles
Hiking Trails: 35 miles
Bike Moto Cross Facility: 1
Horse Arenas: 5
Skateboard Parks: 4

Washoe County, Nevada



**WASHOE COUNTY
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	POPULATION	PER CAPITA INCOME	MEDIAN AGE	SCHOOL ENROLLMENT	TOTAL PERSONAL INCOME
	(1)	(2)	(3)	(4)	(2)
1994	293,141	\$ 26,045	N/A	43,981	\$ 7,057,023,000
1995	302,748	26,017	35.8	45,734	7,246,163,000
1996	312,366	27,361	36.2	45,977	7,891,644,000
1997	320,828	28,603	36.7	48,583	8,502,604,000
1998	327,899	29,749	36.5	52,675	9,134,241,000
1999	334,601	30,769	36.9	54,088	9,729,416,000
2000	339,486	32,502	37.3	54,121	10,552,346,000
2001	353,277	33,636	35.6	55,673	11,195,305,000
2002	359,243	34,789	35.6	57,404	11,910,883,000
2003	363,590	35,610	35.8	58,908	12,949,120,000

The above are estimates of:

- (1) Nevada State Demographer as of July 1, as certified by the Governor. 1994-2002
Washoe County Department of Community Development, 2003
- (2) U.S. Department of Commerce, Bureau of Economic Analysis 1994-2002, Washoe County
Department of Community Development, 2003.
- (3) Data was not available for 1994.
Bureau of Economic and Business Research, University of Nevada, Reno, 1995-99
State Demographer Office, UNR Small Business Development Center, 2000.
Washoe County Department of Community Development, 2001-2003 (2000 United States
Census Report and U. S. Census Bureau, American Community Survey Profile)
- (4) Washoe County School District.
- (5) State Department of Employment, Training and Rehabilitation.
- (6) Washoe County Building and Safety Department.
- (7) Bureau of Economic and Business Research, University of Nevada, Reno, 1994-1996;
State Department of Taxation, 1997-2003.
- (8) Bureau of Economic and Business Research, University of Nevada, Reno, 1994-1996;
State Gaming Commission, 1997-2003.
- (9) Bureau of Economic and Business Research, University of Nevada, Reno, 1994-1996; Airport
Authority, 1997-2003.

UNEMPLOYMENT RATE (PERCENT)	TOTAL LABOR FORCE	CONSTRUCTION ACTIVITY - TOTAL VALUE	NUMBER OF NEW FAMILY UNITS	TAXABLE SALES	GROSS INCOME GAMING REVENUE	TOTAL PASSENGER AIR TRAFFIC
(5)	(5)	(6)	(6)	(7)	(8)	(9)
5.5	163,100	\$ 183,885,252	1,286	\$ 3,276,983,000	\$ 920,454,000	5,427,922
5.5	163,700	191,118,212	1,289	3,517,656,000	890,908,000	5,673,953
4.5	166,200	195,611,998	1,373	4,030,257,000	994,832,000	6,178,341
4.2	168,200	198,655,640	1,219	4,207,682,000	976,026,000	6,929,481
3.8	173,100	181,655,590	1,204	4,359,037,576	1,009,353,314	7,047,660
3.4	176,800	201,588,866	1,086	4,679,515,860	1,032,380,849	6,318,665
2.8	180,600	255,051,619	1,001	4,957,234,787	1,111,327,004	5,951,344
3.4	183,100	290,589,395	1,270	5,194,146,044	1,113,289,199	5,332,507
4.8	190,500	294,355,860	1,324	5,292,178,588	1,049,151,610	4,485,369
4.3	198,100	305,249,144	1,217	5,475,601,376	1,032,987,724	4,514,225

**WASHOE COUNTY
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>COMMERCIAL CONSTRUCTION (A)</u>		<u>RESIDENTIAL CONSTRUCTION (A)</u>	
	<u>NUMBER OF PERMITS</u>	<u>VALUE</u>	<u>NUMBER OF PERMITS</u>	<u>VALUE</u>
1993-94	210	\$ 18,548,857	1,286	\$ 143,530,527
1994-95	231	18,194,161	1,289	150,181,641
1995-96	261	25,340,345	1,373	147,643,254
1996-97	302	33,181,482	1,219	145,209,239
1997-98	328	26,436,036	1,204	133,423,064
1998-99	311	40,322,053	1,086	133,626,125
1999-00	323	97,647,228 (1)	1,001	134,528,182
2000-01	243	95,682,953 (1)	1,270	172,306,704
2001-02	243	39,283,900	1,324	228,101,768
2002-03	204	36,789,913	1,217	236,647,487

Source: (A) Washoe County Building and Safety Department.

(B) Washoe County Assessor's Department/Secured Real Property.

(1) Commercial Construction increase was due to construction of large, high value projects.

(2) Miscellaneous construction includes remodeling, minor additions, etc.

(3) Low interest rates and relatively affordable housing have increased residential construction.

Bank deposit information is available only on a statewide basis.

MISCELLANEOUS (A) (2)		PROPERTY VALUE (B)		
NUMBER OF PERMITS	VALUE	RESIDENTIAL	COMMERCIAL	INDUSTRIAL
2,190	\$ 21,805,868	\$ 3,559,149,394	\$ 1,448,663,911	\$ 339,383,263
2,275	22,742,410	3,792,588,859	1,535,069,817	364,548,883
2,850	22,628,399	4,095,695,479	1,789,925,667	400,848,530
2,602	20,264,919	4,455,026,407	1,920,041,972	467,018,226
2,572	21,796,490	5,471,143,270	2,062,946,653	569,512,125
2,347	27,640,688	5,874,220,839	2,196,919,746	601,523,402
2,384	22,876,209	6,246,994,548	2,218,614,338	638,010,868
2,117	22,599,738	6,488,637,393	2,244,740,101	679,762,127
2,456	26,970,192	7,179,117,056	2,294,031,914	714,336,167
2,091	31,811,744	7,885,462,769	2,099,691,893	720,840,723

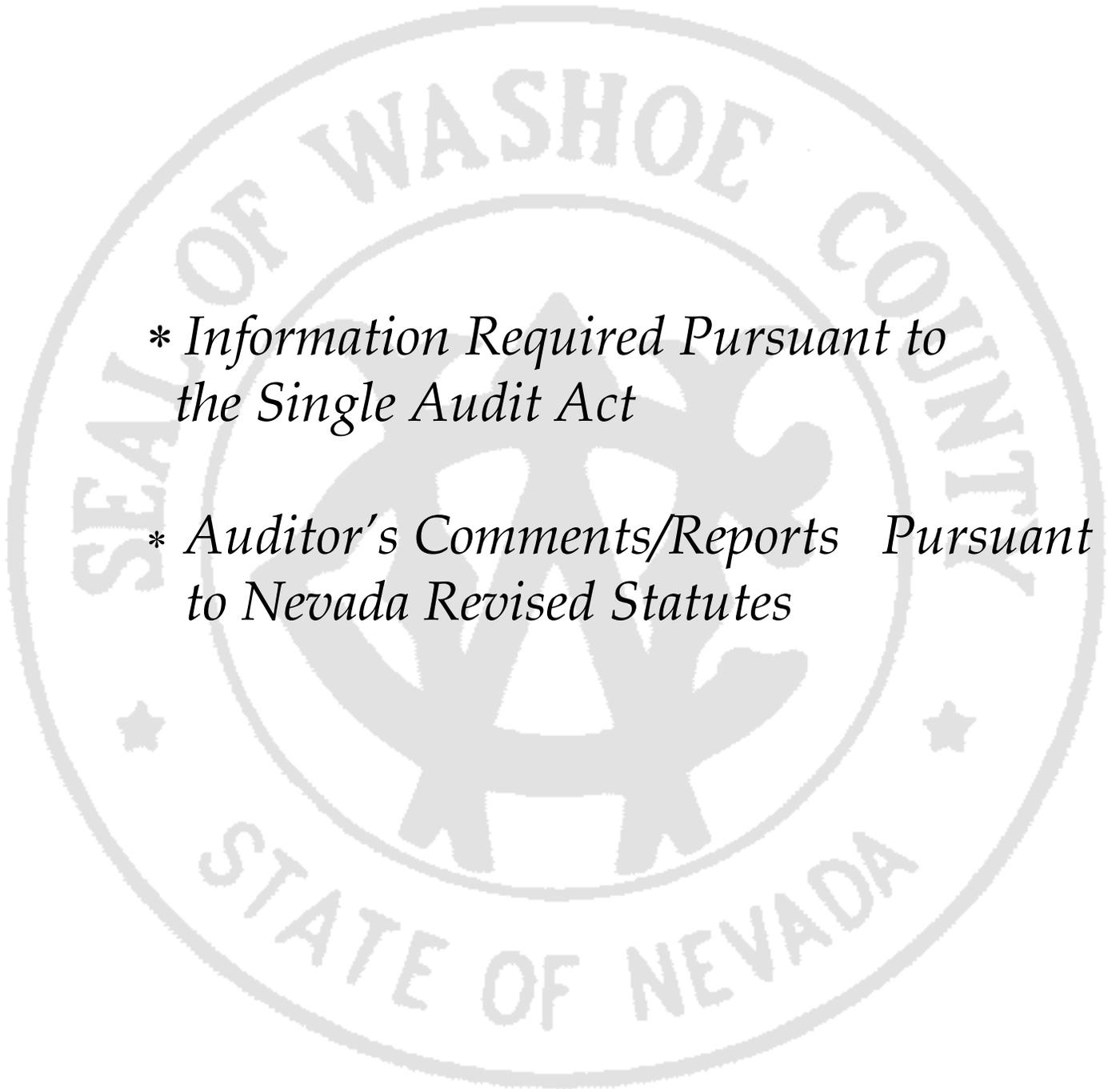


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COMPLIANCE SECTION

** Information Required Pursuant to
the Single Audit Act*

** Auditor's Comments/Reports Pursuant
to Nevada Revised Statutes*



The 1880's

Washoe County entered the 1880's with a total population of 5,664; Reno residents totaled 1,302 and the unincorporated area contained 4,362 people.

The decade of the 1880's saw the passing of the Comstock Lode and the prosperity that it brought to the State of Nevada. Reno passed Virginia City as the pre-eminent city in the State. The new decade saw the arrival of the first bicycle in Reno on February 10, 1880. By 1881, according to the Reno Evening Gazette, "Reno had three public schools, five churches, two banks, 12 hotels, 22 stores, two daily newspapers, one theater, one flouring mill, one foundry and machine shop, one planing mill, three lumber yards, three livery stables, two wagon manufactories, one tannery, one cabinet shop, five meat markets, one gas works, besides several small stores, shops and saloons too numerous to mention."

The Sierra Nevada Wood and Lumber Company expanded its logging and wood business in 1881 at Crystal Bay at the north end of Lake Tahoe. The first rails for the company's railroad arrived in Crystal Bay in the spring of 1881 and eventually the line was extended into the woods north of Crystal Bay.

Incline (now Incline Village) was established as a "company town" in 1882 by the Sierra Nevada Wood and Lumber Company. The town received its name from the steeply inclined railway of 1,600 feet up which the lumber was hauled by a continuous car affair, based on a hydraulic plan, to a flume where it was flumed to Lakeview.

Technology and what would later become public utilities came to Washoe County during this decade. The Sunset Telephone and Telegraph company is organized, as is the Reno Water, Land, and Lights company. The first electric street lamps appear in Reno.

The 1885 legislature relocated the state university from Elko to Reno. The campus was established up the hill north of downtown and would give Reno its identity for the next thirty-five years as a college town. The first university building Morrill Hall, is completed and the first students began instruction in 1886. In 1888 Reno had 900 children of school age, but only 500 Pupils actually attended.



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control over Financial
Reporting Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

To the Honorable Board of Commissioners
Washoe County, Nevada

We have audited the basic financial statements of Washoe County, Nevada as of and for the year ended June 30, 2003, and have issued our report thereon dated October 3, 2003. 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.

Compliance:

As part of obtaining reasonable assurance about whether Washoe County, Nevada's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*.

Internal Control over Financial Reporting:

In planning and performing our audit, we considered Washoe County, Nevada's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Washoe County, Nevada in a separate letter dated October 3, 2003. This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong

Reno, Nevada
October 3, 2003



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Report on Compliance with Requirements Applicable to Each
Major Program and on Internal Control over Compliance in
Accordance with OMB Circular A-133

To the Honorable Board of Commissioners
Washoe County, Nevada

Compliance:

We have audited the compliance of Washoe County, Nevada with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2003. Washoe County, Nevada's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Washoe County, Nevada's management. Our responsibility is to express an opinion on Washoe County, Nevada's compliance based on our audit.

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 Washoe County, Nevada'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. Our opinion does not provide a legal determination on Washoe County, Nevada's compliance with those requirements.

In our opinion, Washoe County, Nevada complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2003. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as Finding number 03-1.

Internal Control over Compliance:

The management of Washoe County, Nevada is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Washoe County, Nevada's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a matter involving the internal control over compliance and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect Washoe County, Nevada's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. A reportable condition is described in the accompanying schedule of findings and questioned costs as item 03-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions, and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
October 3, 2003

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
<u>U.S. Department of Agriculture:</u>			
Direct Programs:			
Lake Tahoe Restoration Act (P.P. 106-506)	10.N/A	02-DG-11051900-012	\$ 95,750
Cooperative Forestry Assistance	10.664	03-DG-11010000-017	2,900
Passed through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	SBP	25,271
School Breakfast Program	10.553	SBP	5,317
School Breakfast Program	10.553	SBP	41,635
National School Lunch Program	10.555	NSLP-204A	6,008
National School Lunch Program	10.555	NSLP-204A	62,555
National School Lunch Program	10.555	NSLP	31,709
Total Child Nutrition Cluster			172,495
Passed through State Department of Administration:			
Emergency Food Assistance Cluster:			
Emergency Food Assistance Program (Administrative Costs)	10.568	N/A	6,601
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	29,738
Total Emergency Food Assistance Cluster			36,339
Food Donation	10.550	N/A	5,871
Passed through State Department of Human Resources:			
Special Supplemental Nutrition Program for Women, Infants and Children			
	10.557	HD 2546	208,173
Special Supplemental Nutrition Program for Women, Infants and Children			
	10.557	HD 2871	743,902
Passed through State Department of Agriculture:			
Plant and Animal Disease, Pest Control and Animal Care			
	10.025	N/A	3,923
Nutrition Services Incentive (NSIP)	10.570	1600-57-03	21,058
Passed through Nevada Division of Forestry:			
Cooperative Forestry Assistance	10.664	USDA/Title VIII/UF/FFY01/#03	9,166
Cooperative Forestry Assistance	10.664	USDA/UF/FFY02/#05	4,000
Passed through State Controller:			
Schools and Roads Cluster:			
Schools and Roads Grants to States (25 percent payments to states)	10.665	N/A	8,067
Total U.S. Department of Agriculture			1,311,644

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
<u>U.S. Department of the Army, Office of the Chief of Engineers:</u>			
Direct Programs:			
Water Resources Development Act of 1999 Section 595 Rural Nevada and Montana	N/A	N/A	\$ <u>89,706</u>
<u>U.S. Department of Education:</u>			
Direct Programs:			
Community Technology Centers	84.341	V341A010992	<u>19,293</u>
<u>U.S. Department of Health and Human Services:</u>			
Direct Programs:			
Family Planning Services	93.217	6FPHPA090003-34-01	471,790
Amount Provided to Subrecipients	93.217		261,124
Program Income	93.217		164,938
Family Violence Prevention and Services/Grants for Battered Women's Shelters_Discretionary Grants	93.592	90EV0275/01	33,477
Passed through State Department of Human Resources:			
Child Support Enforcement	93.563	Acct. No. 3238	3,085,768
Child Support Enforcement	93.563	Acct. No. 3238	16,410
Child Support Enforcement	93.563	N/A	367,290
Child Support Enforcement	93.563	Acct. No. 3238	154,055
Grants to States for Access and Visitation Programs	93.597	G-0201NVSAP	21,300
Children's Justice Grants to States	93.643	CANS-99-00/137	3,988
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HD2808-A1	51,712
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HD 3082-A1	30,395
Preventive Health and Health Services Block Grant (PHHS Block Grants)	93.991	HD2895-A2	509
Injury Prevention and Control Research and State and Community Based Programs	93.136	HD2895-A2	7,785
Immunization Grants	93.268	HD 2765-A1	232,064
Immunization Grants	93.268	HD 3075	161,464
Program Income	93.268	HD 3075	387,008
Immunization Grants	93.268	HD 2765-A1	68,235
Immunization Grants	93.268	HD 2783	65,405
Immunization Grants	93.268	WC97-3	750
Immunization Grants - Vaccines	93.268	N/A	793,463
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	HD 2948	73,569
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	HD 3342	16,631

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
<u>U.S. Department of Health and Human Services (Continued):</u>			
Passed through State Department of Human Resources (Continued):			
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	HD 2864	\$ 45,683
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	HD 3147	17,028
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	U90/CCU916964-03-01	252,570
Centers for Disease Control and Prevention_ Investigations and Technical Assistance	93.283	HD 2953	67,598
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	HD2141 3220/18	5,504
HIV Prevention Activities_Health Department Based (HIV Prevention Program)	93.940	HD 2869	175,100
HIV Prevention Activities_Health Department Based (HIV Prevention Program)	93.940	HD 3071	151,560
HIV /AIDS Surveillance	93.944	HD 2782-A3	48,315
HIV /AIDS Surveillance	93.944	HD 3081	28,928
Block Grants for Prevention and Treatment of Substance Abuse	93.959	03019PX	20,551
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	HD 3048	101,123
Maternal and Child Health Services Block Grant to the States	93.994	HD2479	155,000
Maternal and Child Health Services Block Grant to the States	93.994	HD 1364/3222/12	1,851
Child Welfare Services_State Grants	93.645	N/A	71,065
Foster Care_Title IV-E	93.658	N/A	4,154,161
Adoption Assistance	93.659	N/A	601,035
Social Services Block Grant	93.667	N/A	34,082
Temporary Assistance for Needy Families	93.558	N/A	72,567
Temporary Assistance for Needy Families	93.558	N/A	817,087
Passed through State of Nevada Supreme Court:			
State Court Improvement Program	93.586	N/A	4,142
Passed through State Division of Child and Family Services:			
Chafee Foster Care Independent Living	93.674	N/A	26,963
Passed through State Division for Aging Services:			
Aging Cluster:			
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	1600-05-03	84,633
Program Income			112,828

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
<u>U.S. Department of Health and Human Services (Continued):</u>			
Passed through State Division for Aging Services (Continued):			
Aging Cluster (Continued):			
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers Program Income	93.044	1600-02-03	\$ 48,164 22,042
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers Program Income	93.044	1600-11-03	95,000 5,353
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers	93.044	1600-13-03	85,000
Special Programs for the Aging_ Title III, Part B_Grants for Supportive Services and Senior Centers Program Income	93.044	1600-06-03	50,000 6,966
Special Programs for the Aging_ Title III, Part C_Nutrition Services Program Income	93.045	1600-04-02	19,100 19,430
Special Programs for the Aging_ Title III, Part C_Nutrition Services	93.045	1600-04-02	19,492
Special Programs for the Aging_ Title III, Part C_Nutrition Services Program Income	93.045	1600-04-03	98,981 59,714
Special Programs for the Aging_ Title III, Part C_Nutrition Services Program Income	93.045	1600-07-02	29,181 26,206
Special Programs for the Aging_ Title III, Part C_Nutrition Services	93.045	1600-07-02	19,492
Special Programs for the Aging_ Title III, Part C_Nutrition Services Program Income	93.045	1600-07-03	104,420 44,801
Total Aging Cluster			950,803
National Family Caregiver Support	93.052	1600-61-02	55,804
National Family Caregiver Support	93.052	1600-61-03	22,825
Nutrition Services Incentive Program	93.053	1600-57-03	21,415
Total U.S. Department of Health and Human Services			14,371,890

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
<u>U.S. Department of Housing and Urban Development:</u>			
Passed through State Commission on Economic Development:			
Community Development Block Grants/State's Program	14.228	CDBG/00/PCB/008	\$ 1,804
Community Development Block Grants/State's Program	14.228	CDBG/01/PCB/007	-
Amount Provided to Subrecipients	14.228		18,360
Community Development Block Grants/State's Program	14.228	CDBG/02/018	17,402
Community Development Block Grants/State's Program	14.228	CDBG/02/PCB/008	25,000
Total U.S. Department of Housing and Urban Development			62,566
<u>U.S. Department of the Interior:</u>			
Direct Programs:			
Wildland Urban Interface Community and Rural			
Fire Assistance	15.228	FAA010046	60,000
Passed through State Department of Conservation and Natural Resources:			
Outdoor Recreation_Acquisition, Development and Planning			
(Land and Water Conservation Fund Grants)	15.916	32-00-00250	250,000
Total U.S. Department of the Interior			310,000
<u>U.S. Department of Justice:</u>			
Direct Programs:			
Missing Children's Assistance	16.543	2001-MC-CX-K039	12,636
Local Law Enforcement Block Grants Program	16.592	2001-LB-BX-0461	603
Local Law Enforcement Block Grants Program	16.592	2001-LB-BX-1665	5,014
Local Law Enforcement Block Grants Program	16.592	2002-LB-BX-2262	49,278
Federal Drug Forfeiture Program	16.N/A	N/A	100,086
Passed through State Department of			
Motor Vehicles and Public Safety:			
Byrne Formula Grant Program	16.579	02-NC-025	250
Program Income	16.579		7,160
Byrne Formula Grant Program	16.579	02-NC-026	51,766
Byrne Formula Grant Program	16.579	02-NC-029	30,000
Passed through State Office of the Attorney General:			
Violence Against Women Formula Grants	16.588	99-VAWG-52	340
Violence Against Women Formula Grants	16.588	2000-VAWG-52	9,288
Violence Against Women Formula Grants	16.588	2002-VAWG-15	34,938
Violence Against Women Formula Grants	16.588	2000-VAWG-54	441
Violence Against Women Formula Grants	16.588	2002-VAWG-45	24,500

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
U.S. Department of Justice (Continued):			
Passed through State Department of Human Resources:			
Juvenile Accountability Incentive Block Grants (JAIBG)	16.523	2000-JB-XV-0032	\$ 60,850
Juvenile Accountability Incentive Block Grants (JAIBG)	16.523	N/A	163,497
Juvenile Justice and Delinquency Prevention_ Allocation to States	16.540	OJJDP	40,089
Amount Provided to Subrecipients	16.540		30,493
Juvenile Justice and Delinquency Prevention_ Allocation to States	16.540	OJJDP	19,582
Juvenile Justice and Delinquency Prevention_ Allocation to States	16.540	N/A	20,061
Title V_Delinquency Prevention Program	16.548	2001-JP-FX-0032	2,560
Title V_Delinquency Prevention Program	16.548	2001-JP-FX-0032	9,840
Title V_Delinquency Prevention Program	16.548	2000-JP-FX-0032	1,892
Title V_Delinquency Prevention Program	16.548	2001-JP-FX-0032	11,488
Title V_Delinquency Prevention Program	16.548	2000-JP-FX-0032	-
Amount Provided to Subrecipients	16.548		20,000
Title V_Delinquency Prevention Program	16.548	N/A	28,505
Part E_State Challenge Activities	16.549	2001-JE-FX-0032	4,200
Crime Victim Assistance	16.575	VOCA-GV-0032	59,627
Rural Domestic Violence and Child Victimization Enforcement Grant Program	16.589	98-WR-VX-0018	1,000
Enforcing Underage Drinking Laws Program	16.727	N/A	17,513
Passed through the United States Marshals Service:			
Juvenile Detention Center	16.N/A	001-48-02 PP	150,000
Passed through the City of Sparks:			
State Domestic Preparedness Equipment Support Program	16.007	N/A	148,926
Passed through Clark County:			
Drug Court Discretionary Grant Program	16.585	2000-DC-VX-0005	80,000
Total U.S. Department of Justice			1,196,423

U.S. Department of Transportation:

Passed through State Department of
Motor Vehicles and Public Safety:

Highway Safety Cluster:

State and Community Highway Safety	20.600	22-157INV-3.15	9,022
State and Community Highway Safety	20.600	21J8-18-16.15/21-157INV-1.15	14,153
State and Community Highway Safety	20.600	23J8-18-16.15/23-157INV1.15	30,190
State and Community Highway Safety	20.600	21PT-33	10,511
State and Community Highway Safety	20.600	22-PT-4.3	2,000
State and Community Highway Safety	20.600	22-157PT-6	90,823

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
U.S. Department of Transportation (Continued):			
Passed through State Department of Motor Vehicles and Public Safety (Continued):			
Highway Safety Cluster (Continued):			
State and Community Highway Safety	20.600	23-CVARS-3	\$ 4,450
State and Community Highway Safety	20.600	23TR4	32,245
State and Community Highway Safety	20.600	22-J8-18-4.2	<u>1,712</u>
Total Highway Safety Cluster			<u>195,106</u>
Passed through State Department of Conservation and Natural Resources:			
Recreational Trails Program	20.219	FY2001-02	11,135
Passed through State Department of Transportation Highway Planning and Construction Cluster:			
Highway Planning and Construction (Federal Aid Highway Program)	20.205	PR104-02-063	22,028
Highway Planning and Construction (Federal Aid Highway Program)	20.205	PR103-02-063	8,536
Highway Planning and Construction (Federal Aid Highway Program)	20.205	PR105-02-063	<u>10,555</u>
Total Highway Planning and Construction Cluster			<u>41,119</u>
Total U.S. Department of Transportation			<u>247,360</u>
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives:			
State Library Program	45.310	LSTA 2001-25	16,864
State Library Program	45.310	LSTA 2002-36	<u>50,000</u>
Total National Foundation on the Arts and the Humanities			<u>66,864</u>
<u>U.S. Environmental Protection Agency:</u>			
Direct Programs:			
Air Pollution Control Program Support	66.001	A-00905403-0	453,968
Amount Provided to Subrecipients	66.001		42,054
Air Pollution Control Program Support	66.001	A-00905403-1	40,018
Amount Provided to Subrecipients	66.001		5,449
Surveys, Studies, Investigations and Special Purpose Grants	66.606	PM-99992401-5	32,507

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
U.S. Environmental Protection Agency (Continued):			
Direct Programs (Continued):			
Surveys, Studies, Investigations and Special Purpose Grants	66.606	PM 97951501-0	\$ 9,897
Surveys, Studies, Investigations and Special Purpose Grants_In-Kind Services	66.606	PM-99992401-5	10,494
Surveys, Studies, Investigations and Special Purpose Grants_In-Kind Services	66.606	PM 97951501-0	36,324
Passed through State Department of Conservation and Natural Resources:			
Hazardous Waste Management State Program Support	66.801	DEP 01-014	67,000
State and Tribal Underground Storage Tanks Program	66.804	DEP 03-001	10,000
Leaking Underground Storage Tank Trust Fund Program	66.805	DEP 03-001	96,500
Passed through State Department of Human Resources:			
State Public Water System Supervision	66.432	HD 2441	8,307
State Public Water System Supervision	66.432	HD 3000	33,568
Capitalization Grants for Drinking Water State Revolving Funds	66.468	HD 2441	15,381
Total U.S. Environmental Protection Agency			861,467
U.S. Federal Emergency Management Agency:			
Direct Programs:			
Assistance to Firefighters Grant (Fire Grants)	83.554	EMW-2002-FG-18334	31,310
Assistance to Firefighters Grant (Fire Grants)	83.554	EMW-2002-FG-18329	20,902
Assistance to Firefighters Grant (Fire Grants)	83.554	EMW-2002-FG-18316	31,310
Assistance to Firefighters Grant (Fire Grants)	83.554	EMW-2002-FG-18346	172,872
Passed through State Department of Motor Vehicles and Public Safety:			
Emergency Management Performance Grants	83.552	8355202	2,357
Emergency Management Performance Grants	83.552	8355203	60,363
Passed through State Department of Public Safety Division of Emergency Management:			
Pre-Disaster Mitigation	83.557	N/A	10,954
Passed through State Division of Water Resources:			
Flood Mitigation Assistance (FMA)	83.536	EMF-2001-GR-0141, EMF-GR-0017	31,749
Total U.S. Federal Emergency Management Agency			361,817

(CONTINUED)

WASHOE COUNTY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2003

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2002-03
<u>General Services Administration:</u>			
Passed through Nevada Division of Investigation: Donation of Federal Surplus Personal Property	39.003	N/A	\$ <u>415</u>
<u>U.S. Department of Labor:</u>			
Passed through State Department of Employment Training and Rehabilitation: WIA Cluster: WIA Youth Activities	17.259	YP-02-01	\$ <u>49,977</u>
Total Expenditures of Federal Awards			\$ <u><u>18,949,422</u></u>

**WASHOE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2003**

NOTE 1 – REPORTING ENTITY

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of Washoe County. The Washoe County reporting entity is defined in Note 1 to its basic financial statements. All expenditures of awards from federal agencies are included in the schedule.

NOTE 2 – BASIS OF ACCOUNTING

The Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting.

NOTE 3 – NONCASH EXPENDITURES

The expenditures reported include noncash items as follows:

FOOD DONATION (10.550)

EMERGENCY FOOD ASSISTANCE PROGRAM (10.569)

The expenditures for these programs represent the dollar value of food commodities distributed to eligible recipients during the year. The value of commodities is determined by the U.S. Department of Agriculture.

SURVEYS, STUDIES, INVESTIGATIONS AND SPECIAL PURPOSE GRANTS – IN-KIND SERVICES (66.606)

The expenditures represent the value of sample analysis obtained at no charge to Washoe County.

IMMUNIZATION GRANT PROGRAMS (93.268)

The expenditures for this program include vaccines received in lieu of cash.

NOTE 4 – PROGRAM INCOME

Expenditures reported include income received by the grantee, which was directly generated by grant-supported activity totaling \$856,446 and includes the following programs:

PROGRAM	CFDA NUMBER	AMOUNT
Byrne Formula Grant	16.579	\$ 7,160
Family Planning Services	93.217	164,938
Immunization Grants	93.268	387,008
Special Programs for the Aging Title III, Part B	93.044	147,189
Special Programs for the Aging Title III, Part C	93.045	150,151
TOTAL		\$ 856,446

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003**

Summary of Auditor's Results:

- Kafoury, Armstrong & Co. issued an unqualified opinion on the financial statements of Washoe County, Nevada for the year ended June 30, 2003.
- No reportable conditions or material weaknesses were disclosed during the audit of the financial statements.
- The audit disclosed no instances of noncompliance, which were material to the financial statements of Washoe County.
- A reportable condition, not identified as a material weakness, in the internal control over a major federal award program was disclosed.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major federal programs of Washoe County.
- An audit finding, relative to a major federal award program for Washoe County, which is required to be reported under section __.510(a) of OMB Circular A-133 is included on the following page.
- Washoe County had seven major programs for the year ended June 30, 2003, as follows:
 - Child Nutrition Cluster – CFDA 10.553/10.555
 - Special Supplemental Nutrition Program for Women, Infants, and Children– CFDA 10.557
 - Outdoor Recreation _ Acquisition, Development and Planning – CFDA 15.916
 - Air Pollution Control Program Support – CFDA 66.001
 - Foster Care _ Title IV-E – CFDA 93.658
 - Adoption Assistance – CFDA 93.659
 - State and Local Domestic Preparedness Equipment Support Program – CFDA 16.007
- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2003 was \$588,030.
- Washoe County qualified as a low risk auditee for the year ended June 30, 2003 under the criteria set forth in section __.530 of OMB Circular A-133.

Findings Relating to the Financial Statements Reported in Accordance with GAGAS:

There were no such findings in relation to the financial statements of Washoe County for the year ended June 30, 2003.

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003**

U.S. Environmental Protection Agency:

Finding 03-1:

Air Pollution Control Program Support, CFDA 66.001

Grant Award Number: Potentially affects all grant awards included under CFDA 66.001 on the Schedule of Expenditures of Federal Awards.

Condition and Criteria: OMB Circular A-133 requires entities to have controls in place to provide reasonable assurance that reports of Federal awards submitted to the awarding agency include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements. "All activity of the reporting period" for this grant includes all amounts charged to the grant under the accrual basis of accounting.

The Department operating the program identified above did not have adequate controls in place to ensure that amounts included on the annual financial report would be classified as expenditures under the accrual basis of accounting. The Financial Status Report filed for the grant year ended September 30, 2002 included amounts not allowable under OMB A-87 *Cost principles for State, Local, and Indian Tribal Governments*.

Questioned Cost: Undeterminable.

Context: The financial reporting process for final reports allowed for the inclusion of encumbrances on the final report. The costs included in the encumbrance system may not have constituted expenditures under the accrual basis of accounting. There was no internal control procedure in place to ensure that expenditure information reported includes only costs determined under the accrual basis of accounting.

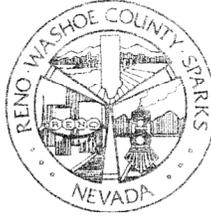
**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2003**

Effect: Final reports may contain amounts that are not determined in accordance with generally accepted accounting principles or allowable cost principles.

Cause: Reporting procedures were not in place to ensure that the amounts on the annual report included only allowable expenditures.

Recommendation: We recommend the Department modify the procedures for compiling expenditure information for the final reports to include only costs determined on an accrual (or cash) basis. Utilizing the encumbrance system to determine the accrued costs should not be continued.

Management's Response: See management's response on page C17.



DISTRICT HEALTH DEPARTMENT

October 14, 2003

TO: U. S. Environmental Protection Agency
FROM: Eileen Coulombe 
SUBJECT: Washoe County Schedule of Findings and Questioned Costs for the Year Ended June 30, 2003

I am responding to the Finding and Questioned Costs for Federal Awards relating to the Comprehensive Annual Financial Report for Fiscal Year 2002/2003.

FINDING

Finding 03-1 Air Pollutions Control Program Support, CFDA 66.001

CONDITION AND CRITERIA

OMB Circular requires entities to have controls in place to provide reasonable assurance that reports of Federal awards submitted to the awarding agency include all activity of the reporting period, are supported by applicable accounting or performance records, and are fairly presented in accordance with program requirements. "All activity of the reporting period" for this grant includes all amounts charged to the grant under the accrual basis of accounting.

The Department operating the program identified above did not have adequate controls in place to ensure that amounts included on the annual financial report would be classified as expenditures under the accrual basis of accounting. The Financial Status Report filed for the grant year ended September 30, 2002 included amounts not allowable under OMB A-87 *Cost principles for State, Local, and Indian Tribal Governments* as the "Total Outlay" line included unliquidated obligations that should have been claimed for reimbursement in a later period – after liquidation.

CORRECTIVE ACTION

Procedures for compiling total outlay information for the Financial Status Reports will be modified to include only costs determined on an accrual (or cash) basis. Unliquidated obligations will be properly reported on line 10.d. of the Financial Status Report and the report will be properly identified as not final.

cc: Katherine Garcia
Kafoury, Armstrong, and Company

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**WASHOE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003**

There were no prior audit findings.

AUDITOR'S COMMENTS/REPORTS

The 1870's

The population of Washoe County in 1870 was 3,091 with Reno having a population of 1,035.

The movement to change the county seat succeeded early in the 1870's. A special election was held June 14, 1870 and by the vote of 544 to 321 Washoe County voters approved the move from Washoe City to Reno. The next year the Nevada Legislature formally approved this election and on June 21, 1871 the county offices came to Reno.

On November 5, 1870, the east bound passenger train of the Central Pacific Railroad was boarded at Verdi by a gang of five men. They detached the engine and express car and ran them down the track to within 5 miles of Reno, where they stopped and robbed the express car of \$41,000. This is alleged to be the first train robbery in the far west. County authorities apprehended all the robbers, who were brought before the grand jury and subsequently received state prison sentences.

During the decade of the 1870's an important transportation link was built from Reno to Carson City and Virginia City. This was the construction of the Virginia and Truckee railroad. It became not only an important passenger route, but also a freighting route.

Also during this decade Washoe County had its own mining districts. There were rushes to the Peavine Mining district where gold and silver was discovered. Other mining districts in Washoe County included Poeville, Brooklyn and Wedekind.

1876 saw the start of the Reno Evening Gazette and also the opening of a school for girls by Bishop Ozi William Whittaker of the Episcopal Church. This school was on six acres of what is now Whittaker Park at Washington Street and University Terrace.

A couple of fires ended the decade for Washoe County. In 1878 Chinatown in Reno burned, this was part of an anti-Chinese movement throughout the West during this period. And on March 2, 1879 Reno's most devastating fire occurred. The fire started in an alley south of Commercial Row. Five persons lost their lives and over fifty acres of the business district destroyed. Of the area bounded by Center, Sierra, Second and Plaza Streets only the grocery stores of John Larecombe and Messers, Hagerman and Schooling were spared.

The most important agricultural product of Washoe County in 1876 was hay. The potato crop was second in importance. The timber industry was rapidly devouring 90,000 acres of timberland to supply the Comstock mills and mines with wood, timber and lumber.

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

The required disclosure on compliance with the Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The following action was taken during 2002-03 relating to statute violations reported in the June 30, 2002 audit report:

- During the current year, efforts were made to monitor all expenditures and expenses. However, the County was unable to avoid all potential violations.

PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2002.

CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report. However, our audit activity did identify recommendations to improve procedures and accountability that have been included in our current management letter.

354.6115

- The financial statements of the Stabilization Fund are located in this report.
- As noted above, compliance with Nevada Revised Statutes is contained in Note 2 to the financial statements.



KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountant's Report on
Nevada Revised Statute 354.6241

To the Honorable Board of Commissioners of
Washoe County, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5)(a):

- The identified funds are being used expressly for the purposes for which they were created.
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2003 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2003 (except as previously noted under statute compliance),
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of Washoe County, Nevada.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Reno, Nevada
October 3, 2003

The 1860's

On March 2, 1861, Congress created the Territory of Nevada. Washoe County's population was estimated at 1,613. The first legislative assembly convened October 1, 1861 at Carson City. By an act approved November 25, 1861, the Territory of Nevada was divided into nine counties, Washoe and Lake being two of the original counties.

The 1861 legislative assembly passed acts creating boards of county commissioners and defining their duties, provided for the support of the poor, the genesis of today's county welfare, and granted franchises to individuals for the construction of public toll roads in Washoe County.

Nevada entered the Union in the Midst of the Civil War in 1864, and a state constitution was written and approved by President Lincoln on October 31, 1864, and the territory ceased to exist.

Myron Lake sold land north of the Truckee River to Charles Crocker of Central Pacific. This land was surveyed and lots created. On May 9, 1868 these lots were auctioned and the community of Reno was founded. As the 1860's ended there was already a clamoring to move the county seat from the declining Washoe City to the booming town of Reno.

Pre 1860

What is now Washoe County was inhabited by the Washoe Indians, whose territory stretched from Honey Lake in the north to Topaz Lake in the south; and from Dayton in the east to the summit of the Sierra in the west.

The area that would include Washoe County was transferred to the United States from Mexico in 1848 as part of the Treaty of Guadeloupe Hidalgo. The United States Congress organized this territory received from Mexico in 1850 and it became a portion of Utah Territory.

On September 9, 1851 Congress established a territorial government in Utah. This territorial government created in turn Carson County in 1854.

In 1855 Brigham Young sent Orson Hyde out from Utah to bring some governmental structure to the area. Hyde settled in Washoe Valley and the town of Franktown became his headquarters.

Brigham Young recalled the Mormon colonists, including Orson Hyde in 1857 to help with what he thought was an upcoming battle with United States government troops.

Many colonists left Washoe Valley and the land was opened up to the new settlers coming in, providing supplies and timber to the growing mining industry.

The 1850's ended with discovery of the Comstock Lode in 1859, and the rush to Washoe began, followed shortly by a new territory of Nevada.

This information was compiled and composed by the late Russell W. McDonald in May 1982. Mr. McDonald was the Washoe County Manager from 1971 to 1976.

Excerpts have also been added from research done by Christopher G. Driggs, who has updated our history through the 1990's. Heartfelt thanks for the research and information provided.