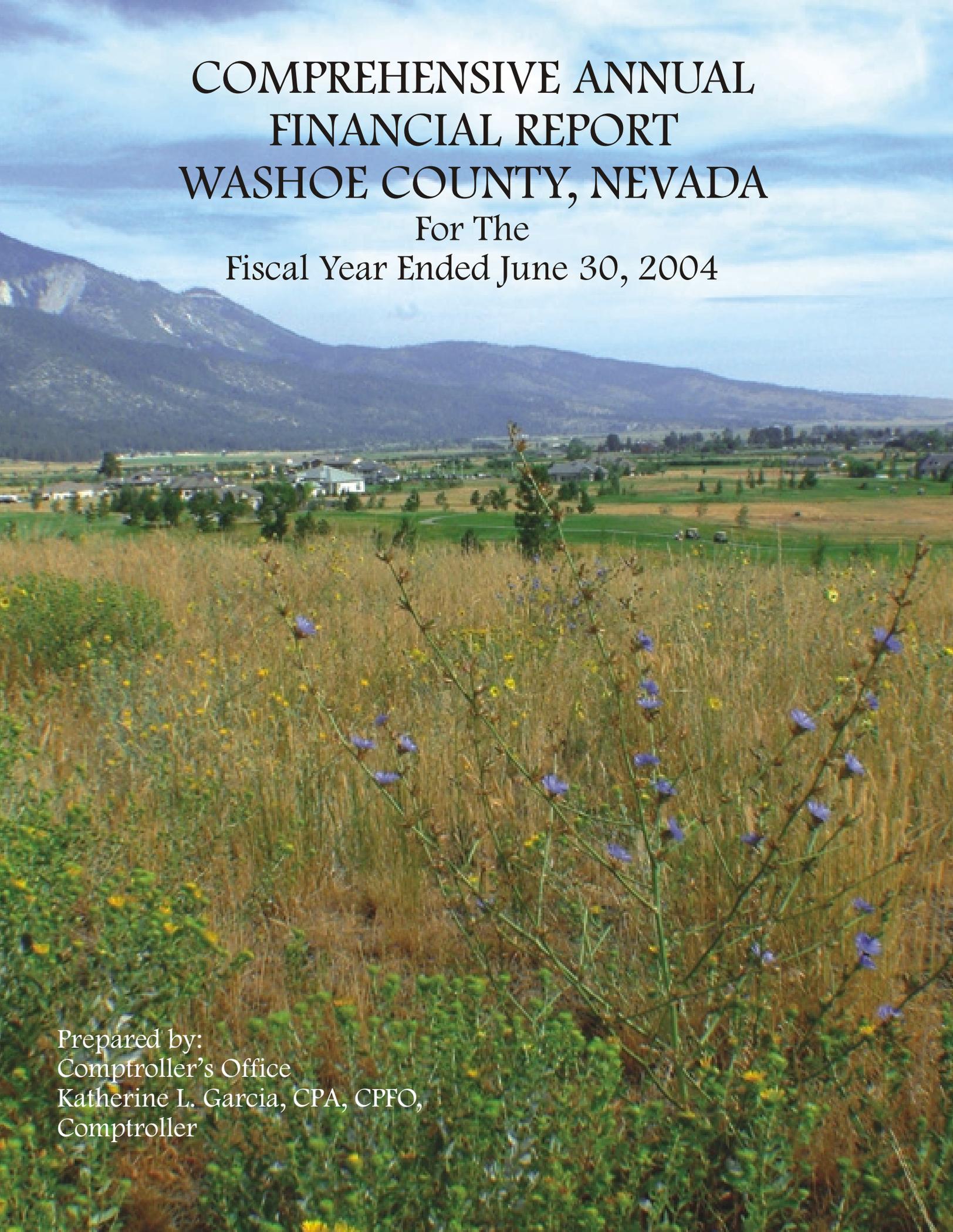


WASHOE COUNTY, NEVADA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
For The
Fiscal Year Ended June 30, 2004



Photos and excerpts from the Washoe County Online
provided by the
Washoe County Community Relations Department



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
WASHOE COUNTY, NEVADA
For The
Fiscal Year Ended June 30, 2004

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

The Year in Washoe County



Social Services Goes Turquoise For May

When you came into work on Monday, May 3rd, you may have asked yourself, "What's with all those turquoise ribbons at 9th and Wells?"

It's all Social Services fault.

Turquoise is the official color for Foster Care Month, and Washoe County's Social Services department held a ribbon-tying ceremony to recognize May as National Foster Care Month.

In addition to performances by the "Future of the World" Children's Choir, audiences heard from Elizabeth Muto, a former Miss Black USA and current Miss Las Vegas, and Christina O'Neil, Miss Nevada 2003.



Muto, a foster and adopted child, spoke on her experiences growing up in an adoptive family, and encouraged children to communicate with their foster parents.

Awards were presented to foster families for their ongoing support of the foster care system, culminating in a special award for Mr. and Mrs. Mitchell, foster parents for 30 years.

In their honor, the Mitchell Award, as it is officially named, will be given out to those families who foster children for 30 years or more.

The presentations were followed by a ribbon-tying ceremony, where the trees, lamp posts, rails, and anything else that could be found, were adorned with turquoise ribbons.



May 2004

**WASHOE COUNTY, NEVADA
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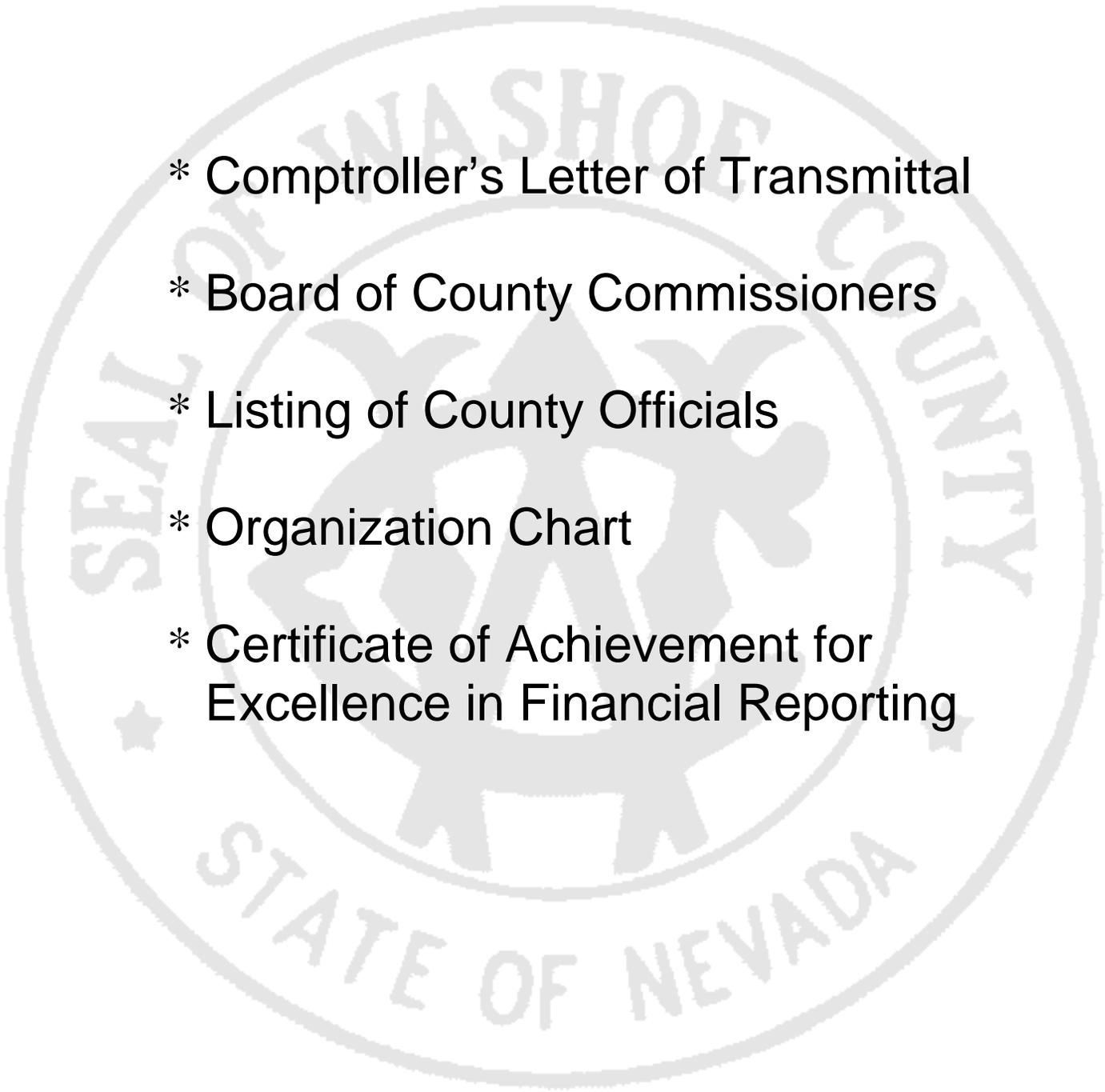
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INTRODUCTORY SECTION

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- The seal of Washoe County, State of Nevada, is a large, faint watermark in the background. It is circular and contains the text "SEAL OF WASHOE COUNTY" at the top and "STATE OF NEVADA" at the bottom. In the center is a stylized figure of a Native American holding a bow and arrow, 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 4, 2004

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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, 2004, 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 an independent firm of certified public accountants audit this report. 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 judgments 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

Kafoury, Armstrong & Co. has audited this report 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, the County's 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. A five-member elected Board of County Commissioners governs the County. 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.

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, parks, libraries, senior services and emergency management. Other community services include business licensing, land use planning and permitting. Administrative and internal support services include 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. The Finance Director with Board notification may approve budget adjustments between functions or funds. 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 major rail transportation providing freight and passenger service. The airport is designated an international port of entry and 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. Numerous regional truck and freight facilities are located in the County, including Consolidated Freight, Viking Freight Systems, Conway Western Express, PIE Rider, to name a few. 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 large, established foreign trade zone (FTZ 126), 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,	2001	2002	2003	2004	2005
Reno	\$ 4,318,882,571	\$ 4,380,915,854	\$ 4,501,164,755	\$ 4,757,490,008	\$ 5,105,374,124
Sparks	1,382,425,008	1,478,157,655	1,524,637,551	1,604,846,399	1,741,368,873
Unincorporated County	2,923,079,310	3,237,624,085	3,436,162,039	4,046,501,021	4,169,515,262
Total	\$ 8,624,386,889	\$ 9,096,697,594	\$ 9,461,964,345	\$ 10,408,837,428	\$ 11,016,258,259
Percent Growth	6.66%	5.48%	4.02%	10.01%	5.84%

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:

PROPERTY TAX LEVIES AND COLLECTIONS

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%	\$ 3,339,045	\$ 261,724,794	99.98%
2001	273,864,229	270,702,031	98.85%	3,087,891	273,789,922	99.97%
2002	291,602,632	288,339,841	98.88%	3,074,482	291,414,323	99.93%
2003	320,080,572	316,660,506	98.93%	2,365,368	319,025,874	99.67%
2004	348,063,837	345,198,433	99.18%	-	345,198,433	99.18%

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,	2001	2002	2003	2004	2005
Average Statewide Rate	\$ 3.0339	\$ 3.0563	\$ 3.0758	\$ 3.1115	\$ 3.1182
Washoe County	1.2495	1.2705	1.3453	1.3817	1.3917
City of Reno	0.9076	0.9556	0.9456	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	0.0004	0.0020
State of Nevada*	0.1500	0.1500	0.1500	0.1700	0.1700
Total	\$ 3.4461	\$ 3.5151	\$ 3.5799	\$ 3.6362	\$ 3.6478

*Two cents of the State of Nevada rate is excluded from the \$3.64 statutory limitation.

The one-cent increase in the County's 2005 tax rate consists of an increase to fund medical indigent costs authorized by NRS 428.285.

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				
Fiscal Year Ended June 30,	Washoe County Total	Percent Change	State Total	Percent Change
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	2%	31,986,722,618	1%
2003	5,481,582,915	4%	33,908,130,387	6%
2004	6,003,368,280	9.5%	38,239,526,538	13%

Taxable sales in Washoe County for fiscal year 2004 increased over the prior fiscal year by 9.5%. The increase in county taxable sales reflected growth in wholesale trade, particularly durable goods, automotive dealers and gasoline, and building materials and hardware.

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:

CONSOLIDATED TAX REVENUES		
Fiscal Year Ended June 30,	Washoe County Total	% Increase
2001	\$ 74,971,676	4.0%
2002	76,632,358	2.0%
2003	80,672,964	5.0%
2004	89,950,461	11.5%
2005 (Budgeted)	90,731,095	1.0%

Sales and government services taxes contributed most significantly to the current fiscal year 11.5% increase.

The following table indicates the annual average number of persons working in nonagricultural industrial employment in Washoe County:

ESTABLISHMENT BASED INDUSTRIAL EMPLOYMENT (Estimates in 000's)				
	June 2004	June 2003	Yearly	
			Change	% Change
Total All Industries	207.5	199.3	8.2	4%
Natural Resources and Mining	0.3	0.3	-	0%
Construction	19.2	17.4	1.8	10%
Manufacturing	14.0	13.3	0.7	5%
Trade, Transportation and Utilities	43.6	42.4	1.2	3%
Information	3.2	3.2	-	0%
Financial Activities	10.9	10.5	0.4	4%
Professional and Business Services	23.3	21.2	2.1	10%
Education and Health Services	19.4	18.4	1.0	5%
Leisure and Hospitality	40.0	39.9	0.1	0%
Other Services	7.0	6.7	0.3	4%
Government	26.6	26.0	0.6	2%

Industrial based employment increased 4% over the prior year. The greatest job growth was experienced in the professional and business services and construction sectors. In June, unemployment in Washoe County was 3.8%, down from 4.3% in the prior year. The state and national seasonally adjusted unemployment rates were 4.2% and 5.6%, respectively.

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 five years follows:

GAMING ACTIVITY						
Fiscal Year Ended June 30,	Gross Taxable Gaming Revenue			State Gaming Collection		
	State	Washoe County	% Change Washoe County	State	Washoe County	% Change Washoe County
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	0%	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	9,563,841,353	1,033,110,637	-2%	721,834,741	76,522,635	-2%
2004	10,109,953,867	1,011,657,616	-2%	762,101,561	81,074,958	6%

A 6% increase in gaming fee collections reflects the impact of a 2% decline in taxable revenues coupled with an 8.6% increase in the tax rate for percentage fee collections, which became effective September 1, 2003.

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. A kayaking course was recently completed on

the Truckee River in downtown Reno, to national acclaim. The Sierra Nevada mountains feature alpine and Nordic skiing at 18 major resorts, all within an hour's drive of Reno. The Tahoe Rim Trail, a 150-mile path encircling the Tahoe Basin was recognized nationally as one of 50 Millennium Legacy Trails.

The area is also 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		Percent
Ended June 30,	Revenue	Change
2000	\$ 18,527,709	8%
2001	18,737,762	1%
2002	17,550,841	-6%
2003	16,963,290	-3%
2004	18,157,050	7%

The increase in room tax collections reflects not only an increase in room occupancy, but in room rates, as well. Average room rates in June were more than 12% higher than the previous June and occupancy was up over 4% for the same period. While gaming revenues are down, tourism has seen an increase, as reflected in the 13% annual increase in passenger count experienced at Reno-Tahoe International Airport from last June. Airport passenger statistics have been climbing steadily over the last six months.

MAJOR INITIATIVES

Board priorities for the current year included the following:

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

Activities engaged in to support those priorities follow:

Regional Planning:

The Washoe County **Capital Improvements Program** (CIP) is an integral part of the County's growth management/planning process. The Capital Improvement Program is designed to provide for the adequacy of public facilities that will assist in the provision of services and the implementation of the Comprehensive

Plan for new and existing county residents. Budgeted categories of the current year's program are:

CIP Categories	FY 2003-04
Water	\$ 23,974,300
Sanitary Sewer	10,975,000
Flood and Stormwater	4,575,000
Erosion Control	3,325,000
Streets and Highways	38,794,090
Buildings	19,699,500
Parks and Recreation	2,331,200
Trails and Land Acquisition	250,000
Technology	1,818,000
Totals	\$ 105,742,090

- The Department of Water Resources operates and maintains the County's water, wastewater and reclaimed water systems. Budgeted water projects for the current year totaled \$24 million. Major water expansion projects included Damonte Ranch storage tanks required to serve new development and a school. Double Diamond storage and wholesale supply were required to support continued development and to complete interties with the Truckee Meadows Water Authority distribution systems. Budgeted sanitary sewer projects totaled \$11 million, the largest being for the Spanish Springs Valley Nitrate Occurrence project.
- Groundbreaking ceremonies for the **Mills B. Lane Justice Center**, in honor of a former District Attorney and District Court Judge, took place in June. 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 \$36 million and is expected to be completed by January 2006. 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.
- In May, the **Jan Evans Juvenile Justice Center** opened. The Center replaced the 40-year old Wittenberg Hall at a budgeted cost of \$25 million. The Center provides safe detention facilities where juvenile offenders can receive mandated education and treatment programs in an effort to prevent juveniles from becoming adult offenders, which would result in a much higher cost to taxpayers. Funding came from a variety of sources including sale of the existing facility, federal and state grants, and re-prioritization of existing resources. No property tax increase was used to fund this facility.
- A \$19 million expansion project for the regional jail facility was approved in the current year. Partial funding for the project will be provided by the 1.5-cent public safety property tax approved by the Board in 2002.
- A bid was awarded in April for the new **Incline Village Library**. Expected to cost \$3.5 million, the new 11,000 square foot facility will include an expanded children's area and reading room, a coffee bar, a community room and additional public-access computers. Completion is expected in winter 2005.
- The County and Cities of Reno and Sparks have agreed to make building codes compatible among jurisdictions. A common code will be effective as of January 2005 in order to adequately notify the building community. A Regional Plan Settlement was developed and adopted with cooperative planning criteria and development standards to guide growth over the next 20 years. The County and Cities are still negotiating details of the settlement's implementation with the District Court's oversight.

The Truckee River:

- **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 U.S. Army Corp of Engineers (Corp) 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. The Truckee River Flood Management Project concept was submitted to the Corp, which is currently under study.

Phase 3 – Congressional authorization for project (projected for 2006);

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

Phase 5 – Construction (projected to begin 2007).

The Board approved a land acquisition plan to enable land acquisitions needed to move forward in advance of congressional authorization and funding slated for 2004-05. These acquisitions will allow the project to take advantage of timesaving or cost-sensitive opportunities. The primary local funding source for the project is a 1/8-cent sales tax imposed in 1998.

Consolidation of Functions and/or Governments:

- The final phase of integration of the State and County child welfare systems was completed during the current fiscal year. 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 also oversees recruitment and licensing of foster care and adoptive families. Funding for these services comes from federal, state and local sources. This effort resulted in approximately 30 more adoptions than in the previous year and children are spending significantly less time in foster homes.
- The County implemented a \$10.5 million enterprise resource planning system, replacing the 13-year-old financial system and integrating 20+ software systems into one. The new system will provide increased accessibility to information, reduce duplication, enhance data consistency, provide superior reporting capabilities and allow for better customer service. It will also provide the foundation for future e-government transactions on the County's website.
- The Parks Department is working with both Cities on implementation of a new facility and program reservation system that would provide community internet access for reservations. They are also working together toward an internet-friendly job application process for seasonal workers for all three jurisdictions. Additionally, the County transferred the Park's Before and After School Activity Program to the Cities to provide for additional opportunities for the children served.
- Upon completion of a Regional Animal Shelter, to be constructed and operated in public/private partnership with the Nevada Humane Society, the County will assume responsibility for all regional animal services. The facility is funded from a \$13.3 million voter-approved bond, \$3.75 million in medium term bonds to be paid by the Humane Society and \$1.25 million from the County's General Fund. Services will be funded by an operating tax rate approved by voters for this purpose. The shelter is scheduled to open July 1, 2005.

- The Registrar of Voters received 660 touch screen voting machines in FYE 2004 and another 472 after July 1 for use in the coming elections. The machines were mandated by the Nevada Secretary of State and purchased with federal Help America Vote Act (HAVA) funds. The value of the voting machines to the County exceeded \$4.0 million.
- The County participated in the launching of an interagency website, www.yournevada.com, in January. Other participating agencies include the Cities of Reno and Sparks, the Nevada Department of Motor Vehicles, the Regional Transportation Commission, the State of Nevada, Truckee Meadows Community College, Truckee Meadows Regional Planning Agency, the University of Nevada, Reno and the Washoe County School District. The founding organization, called Webmasters in Nevada Government, (WiNG), designed the site as a portal to point citizens in the right direction for answers to questions about their government. Other public sector organizations are encouraged to become contributing members.

Historic Preservation:

- The historic portion of the Washoe county courthouse is considered one of the community's most treasured historic buildings. The building consists of the original 1870's courthouse and various additions constructed in 1911, 1946 and 1947. Efforts are underway to fund, primarily through donations, restoration of Courtroom Number 1, on the second floor. Future efforts include a comprehensive sprinkler system to protect the entire structure.
- Parks projects included the review for renovation of the Old Verdi School as a community center; improvements to the Galena Fish Hatchery, restoration of four barns at Bartley Ranch, a historic stage stop was identified in the Galena Creek area that will be interpreted in the future and Parks is working with the Nevada Rock Art Foundation on preservation and interpretation of a number of cultural sites. Additionally, the Board directed staff to preserve property that contains remnants of the Old Beckwourth Trail that dates back to 1851. The trail was thought to have been a route between Fernley and Oroville, California. No other trail remnants remain in the County.

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, 2004 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.

The 2004-05 budget reflects improving economic conditions as well as forecasts for continuing economic growth. Property taxes are projected to increase 6.5%, consolidated taxes reflect a projected 3.6% increase, while General Fund appropriations will increase only 2.2% over actual current year expenditures. Remaining revenue increases will be used to support construction of needed infrastructure.

The 2004-05 budget is based on the Board of County Commissioner's adopted strategic priorities and goals as developed with input from town hall meetings with employees and taxpayers; meetings with employee labor associations; independent voter research regarding budget priorities, and on-line and written citizen survey budget instruments. Additionally, a new element was added in the form of the Charting Our Course...Investing in Our Future committee. This committee was established to draft criteria for prioritizing county services, enhancing revenues and creating service efficiencies. These draft criteria were also employed in reaching funding decisions and priorities.

The Board identified the following priorities for 2004-05:

- Preserve Natural Resources
- Promote Quality Economic Development
- Government Efficiency and Financial Stability
- Encourage Citizen Participation
- Workforce Development

Budget appropriations for the 2004-05 fiscal year reflect the following:

- Governmental fund appropriations, net of fund balance, total \$463.9 million.
- Proprietary fund appropriations total \$71.4 million.
- Property tax revenues are budgeted at \$153.4 million, a 6.7% increase from the prior year.
- In excess of \$8 million in base budget was restored from prior year cuts, including 35 positions.
- Above base requests of \$3.1 million were approved, including 25 new positions.
- Total capital outlay budgets total \$91.9 million.
- Washoe County's property tax rate is 1.3917 per \$100 of assessed valuation.

The Board is also preparing for the 2005 biannual legislative session. Bill Draft Requests approved to date include:

- Voter Approved Increase in Sales Tax – If approved by voters in November, would allow up to 1/8 cent increase for the purpose of acquiring, improving, restoring and maintaining open space, trails, regional parks, natural resources and historic and cultural facilities;
- Fire District Boundaries – Adjustment of boundaries in order to merge two Fire Protection Districts

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 describe 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 more fully described in Notes 1 (F) and 3 to the financial statements.

Entity-wide cash and investments at June 30, 2004 increased \$44.9 million from the prior year, largely due to new financing and unspent bond proceeds for construction projects. Total bonds issued during the year were \$38.2 million. Information regarding debt is detailed in Notes 10, 11 and 12 of this report. Other

contributors to increased cash included increased cash from proprietary operations and utility hookup fees. Cash increases were partially offset by capital asset acquisitions and debt service.

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 \$1.1 million, which included \$2.9 million of realized loss and \$6.8 million of unrealized loss. Investment earnings decreased by \$8.5 million from the prior year due to realized and unrealized losses on investments, caused by rising interest rates.

AWARDS

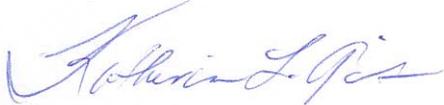
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Washoe County for its comprehensive annual financial report for the fiscal year ended June 30, 2003. This was the 22nd consecutive year that 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., Russell Limprecht, Joe Mavis 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 for their wonderful contribution of photographs and press releases, 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



JAMES M. SHAW,
Chairman
District Four

Washoe County Vision Statement:

Washoe County is home to Lake Tahoe, one of the most beautiful places on earth; to the majestic Sierra Nevada mountains; to the life-giving Truckee River; to vast open ranges and blue sky; to pastoral ranches and to the friendly, vibrant cities of Reno and Sparks. Our vision is that Washoe County will remain a compelling place in which to live, work, visit, and invest through our:

- ◆ **Excellent regional services,**
- ◆ **Open, informed, and collaborative decision-making,**
- ◆ **Valued staff that is accessible and accountable,**
- ◆ **Quality, sustainable facilities and infrastructure,**
- ◆ **Responsible growth management, and**
- ◆ **Preservation of our magnificent natural landscape.**



BONNIE WEBER,
Vice-Chairman
District Five

Washoe County Organizational Value Statement

We Value. . . .

COMMUNITY: *We take pride in our region, our neighborhoods, and our people, and we are dedicated to building a healthy, prosperous region with a strong sense of community.*

QUALITY PUBLIC SERVICE: *Quality service to all is the fundamental reason that Washoe County exists.*

TEAMWORK: *We believe in the value of teamwork and a spirit of cooperative effort within our organization and our community.*

PEOPLE: *We strive to treat all people with equity, dignity, respect, and fairness. We believe that our employees are our most valuable resource. Each employee's contribution is essential to our success.*

COMMUNICATION: *We believe in simplicity, accuracy, and clarity in communications with the public and each other. We encourage the open exchange of ideas and information among all employees.*

INTEGRITY: *We are dedicated to high ethical and moral standards and uncompromising honesty in our dealings with the public and each other.*

PROFESSIONALISM: *We believe in high professional standards and attitudes that dictate an objective analysis of issues, free of our personal biases.*

PROGRESSIVE THOUGHT: *We value innovation and creativity, and support an orientation for change and intelligent decision making at all levels of the organization.*



JIM GALLOWAY,
District One



DAVID HUMKE,
District Two



PETE SFERRAZZA,
District Three

**WASHOE COUNTY, NEVADA
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2004**

Elected Officials

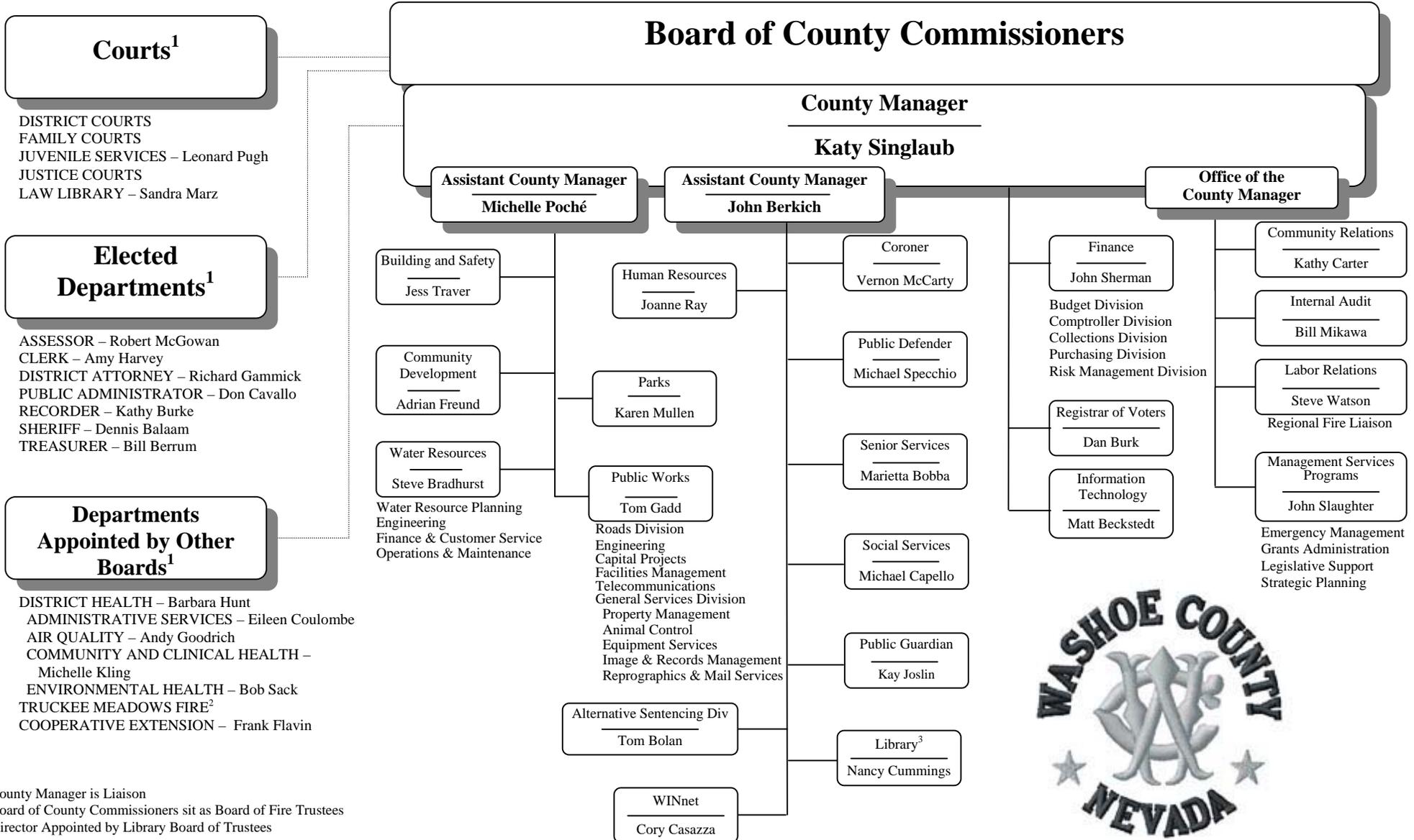
	First Elected	*Term Ends	
District 1: Commissioner	1997	2005	Jim Galloway
District 2: Commissioner	2003	2007	David Humke
District 3: Commissioner	1999	2007	Pete Sferrazza
District 4: Chairman, Board of County Commissioners	1993	2005	James M. Shaw
District 5: Vice-Chairman, Board of County Commissioners	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	Frank Flavin
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



XIV

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, 2003

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



Library Celebrates Centennial with Silver

The year is 1904 and Reno's Free Public Library becomes a reality! This library was located at the corner of S. Virginia and Mill Streets and was bounded by the Truckee River. This was one of the over 1600 libraries funded worldwide by Andrew Carnegie. Today, 100 years later, the Washoe County Library System will celebrate the achievements of the past and look forward to the future.

As part of this historic event, a numbered, limited edition .999 silver commemorative medallion will be

struck on Medallion Press Number One at the former United States Mint in Carson City Nevada. This numbered, limited edition of only 350 will feature the original Carnegie Library on one side and the old medallion press on the back. Costs for this medallion are set at \$100.00. Pre-sales for County employees and Friends of Washoe County Library will take place February 9-20 with a one per person limit; general public sales will begin February 23rd and continue until they're gone.

Original Carnegie Library, 1904



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

...VE FOR THE ...
... County Library ...



Washoe County Library 100-Year Silver
Commemorative Medallion

...ed in 1904 ...
... of Sou ...



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, 2004, 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, 2004, 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 7, 2004 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 grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing 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 accounting principles generally accepted in the United States of America. 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 Introductory Section, nonmajor combining and individual fund statements and schedules, 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*) and the Statistical Section 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 and, accordingly, we express no opinion on them.

Kafoury, Armstrong & Co.

Reno, Nevada
October 7, 2004

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

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 \$291.4 million are available to meet current liabilities, including debt due within one year, of \$80.6 million. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 3.62, meaning that the County has slightly more than 3.6 times unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 3.52.
- Net capital assets increased \$47.0 million to \$564.2 million, an increase of 9%. The change includes acquisitions of \$106.5 million and is offset by countywide depreciation expense of \$18.2 million.
- Outstanding bonded debt and certificates of participation increased \$2.5 million to \$225.3 million. New debt of \$19.4 million was issued, offset by \$16.9 million in principal payments. Outstanding debt is \$797 million below the legal debt margin.
- Total net assets increased by \$84.6 million over prior year to \$616.4 million. The County's investment in capital assets exceeds related debt by \$420.9 million. Restricted net assets increased to \$108.8 million or 18% of total net assets.
- Unrestricted net assets increased from \$75.1 million in the prior year to \$86.7 million in the current year. Business-type unrestricted net assets of \$43.4 million are generally not used to fund other operations.
- Total revenue increased 7% to \$423.4 million. Program revenues were \$145.9 million or 34% of the total.
- The County's primary revenue sources are ad valorem and consolidated taxes. These two revenue sources comprise 36% and 21%, of countywide revenues. These revenues increased 10% and 12% over the prior year, reflecting corresponding increases in assessed valuation, a tax rate increase of 3.64 cents per \$100 of assessed valuation, and increases in taxable sales.
- Total expenses were \$338.9 million, an increase of 4% countywide over prior year. The largest functions are public safety, general government, and judicial. Together these functions comprise 59% of expenses. Business-type activities were \$27.4 million or 8% of total expenses.
- Current year revenues, net of capital grants, interest and contributions, exceeded expenses by \$40.5 million. This indicates that current year operations did not rely on debt or reserves to provide resources for necessary services.
- Countywide expenses, net of depreciation and inclusive of principal payments approximates noncapital cash disbursements of \$337.5 million. Total current year debt service of \$27.2 million comprised approximately 8 cents of every dollar of noncapital expenditures made by the County.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

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 activities 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.

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.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

Other

Supplementary information, including individual fund statements and schedules providing budget to actual comparisons, are presented after the basic 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*					
	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2004	2003	2004	2003	2004	2003
Assets						
Current and other assets	\$ 290,099,658	\$ 253,677,023	\$ 65,478,753	\$ 51,437,293	\$ 355,578,411	\$ 305,114,316
Net capital assets	367,257,143	335,457,901	196,985,776	181,810,655	564,242,919	517,268,556
Total Assets	<u>657,356,801</u>	<u>589,134,924</u>	<u>262,464,529</u>	<u>233,247,948</u>	<u>919,821,330</u>	<u>822,382,872</u>
Liabilities						
Current Liabilities	33,238,275	28,145,081	9,255,611	7,496,738	42,493,886	35,641,819
Long-term liabilities	223,069,433	214,909,757	37,829,116	39,955,209	260,898,549	254,864,966
Total Liabilities	<u>256,307,708</u>	<u>243,054,838</u>	<u>47,084,727</u>	<u>47,451,947</u>	<u>303,392,435</u>	<u>290,506,785</u>
Net Assets						
Invested in capital assets, net of related debt	252,653,836	222,670,697	168,259,882	145,919,046	420,913,718	368,589,743
Restricted	105,061,201	85,199,744	3,733,392	2,939,068	108,794,593	88,138,812
Unrestricted	43,334,056	38,209,645	43,386,528	36,937,887	86,720,584	75,147,532
Total Net Assets	<u>\$ 401,049,093</u>	<u>\$ 346,080,086</u>	<u>\$ 215,379,802</u>	<u>\$ 185,796,001</u>	<u>\$ 616,428,895</u>	<u>\$ 531,876,087</u>

*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 \$616.4 million at June 30, 2004. The largest portion of net assets (68%) 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 generally 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.

An additional portion of Washoe County's net assets (18%) represents resources that are subject to external restrictions (statutes, bond covenants, or granting agencies) on how they may be used. The remaining balance of unrestricted net assets of \$86.7 million may be used to meet the government's other ongoing obligations to citizens and creditors. At June 30, 2004, 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. Additionally, all net asset categories had increased.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

Governmental activities increased the County's net assets by \$55 million, thereby accounting for 65% of the total growth in net assets. Business-type activities increased the County's net assets by \$29.6 million, accounting for 35% 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	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for services	\$ 32,475,286	\$ 30,849,099	\$ 29,050,130	\$ 23,691,791	\$ 61,525,416	\$ 54,540,890
Operating grants, interest and contributions	40,402,466	34,093,847	-	334,771	40,402,466	34,428,618
Capital grants, interest and contributions	16,191,244	25,353,014	27,817,874	28,569,930	44,009,118	53,922,944
General Revenues:						
Ad valorem taxes	152,176,219	138,210,010	323,701	326,698	152,499,920	138,536,708
Consolidated taxes	89,950,461	80,672,965	-	-	89,950,461	80,672,965
Other taxes	23,725,945	27,976,881	-	-	23,725,945	27,976,881
Unrestricted investment earnings	591,036	3,019,802	41,333	1,019,447	632,369	4,039,249
Other	10,696,248	1,724,589	-	-	10,696,248	1,724,589
Total Revenues	366,208,905	341,900,207	57,233,038	53,942,637	423,441,943	395,842,844
Expenses:						
General government	52,812,014	49,482,363	-	-	52,812,014	49,482,363
Judicial	43,645,919	42,100,213	-	-	43,645,919	42,100,213
Public safety	102,936,119	100,742,250	-	-	102,936,119	100,742,250
Public works	17,420,909	19,385,932	-	-	17,420,909	19,385,932
Health and sanitation	17,301,879	18,328,422	-	-	17,301,879	18,328,422
Welfare	43,358,999	37,153,019	-	-	43,358,999	37,153,019
Culture and recreation	24,490,662	23,480,485	-	-	24,490,662	23,480,485
Community support	506,213	701,637	-	-	506,213	701,637
Interest/fiscal charges	8,970,137	8,734,553	-	-	8,970,137	8,734,553
Utilities	-	-	22,483,383	20,016,344	22,483,383	20,016,344
Golf courses	-	-	2,098,946	2,178,402	2,098,946	2,178,402
Building permits	-	-	2,863,955	2,397,951	2,863,955	2,397,951
Total Expenses	311,442,851	300,108,874	27,446,284	24,592,697	338,889,135	324,701,571
Increase in net assets						
before transfers	54,766,054	41,791,333	29,786,754	29,349,940	84,552,808	71,141,273
Transfers	202,953	365,122	(202,953)	(365,122)	-	-
Change in Net Assets	\$ 54,969,007	\$ 42,156,455	\$ 29,583,801	\$ 28,984,818	\$ 84,552,808	\$ 71,141,273

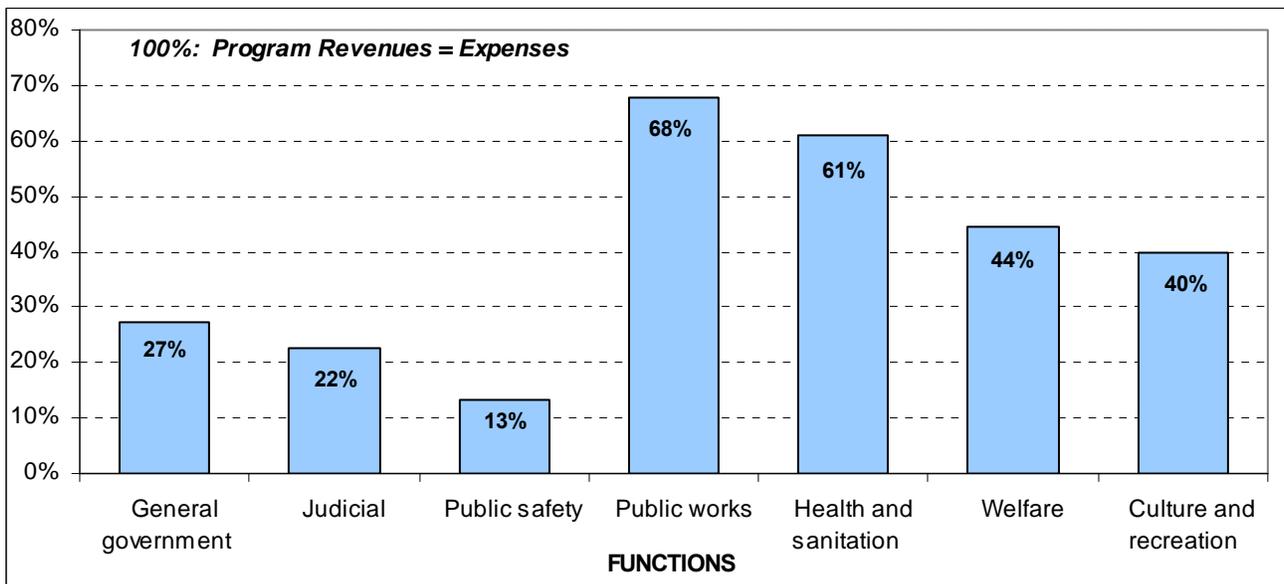
Revenues: Total revenues of \$423.4 million exceeded prior year revenue by 7%. Total governmental activity revenue increased 7% while total business-type activity revenues rose 6%. General revenues, mainly comprised of various taxes and investment earnings, represent 66% of total revenue. Program revenues are directly related to service activities of a function and include charges for services, operating and capital 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, 2004
(CONTINUED)**

General Revenues: Total general revenues increased 10% from the prior fiscal year to \$277.5 million.

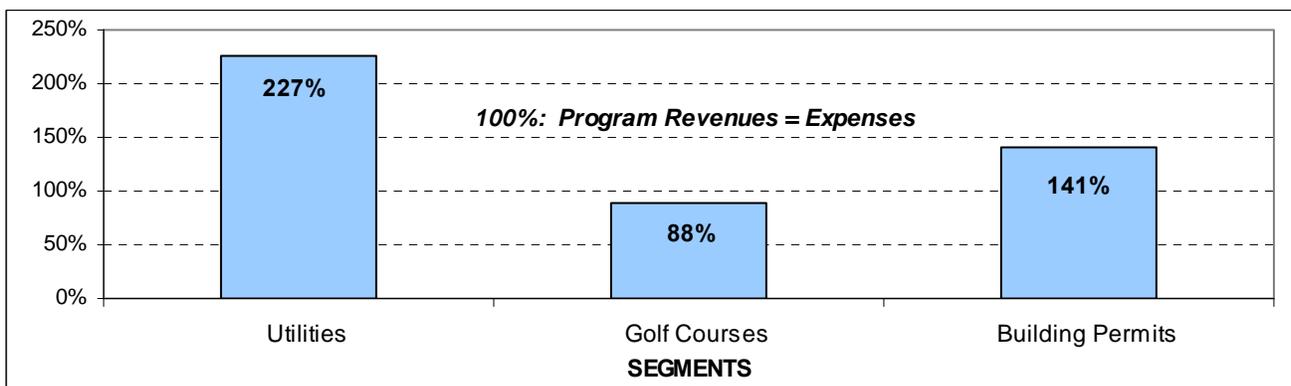
Program Revenues: Total program revenues related to or derived from activities of specific functions provided an average of 43% of the resources necessary to pay costs of providing program services. The remaining program costs were financed from general revenues. The graphs on this page demonstrate governmental and business-type program revenue/expense coverage on a functional and segment basis.

GOVERNMENTAL ACTIVITIES – PROGRAM REVENUES AS % OF EXPENSES



Total business-type activity program revenues provided 207% of the resources to finance the operations. Capital contributions for water and sewer infrastructure assets are included in program revenues for the utilities segment. The value of these contributions is 54% of utility program revenues, or \$27.8 million.

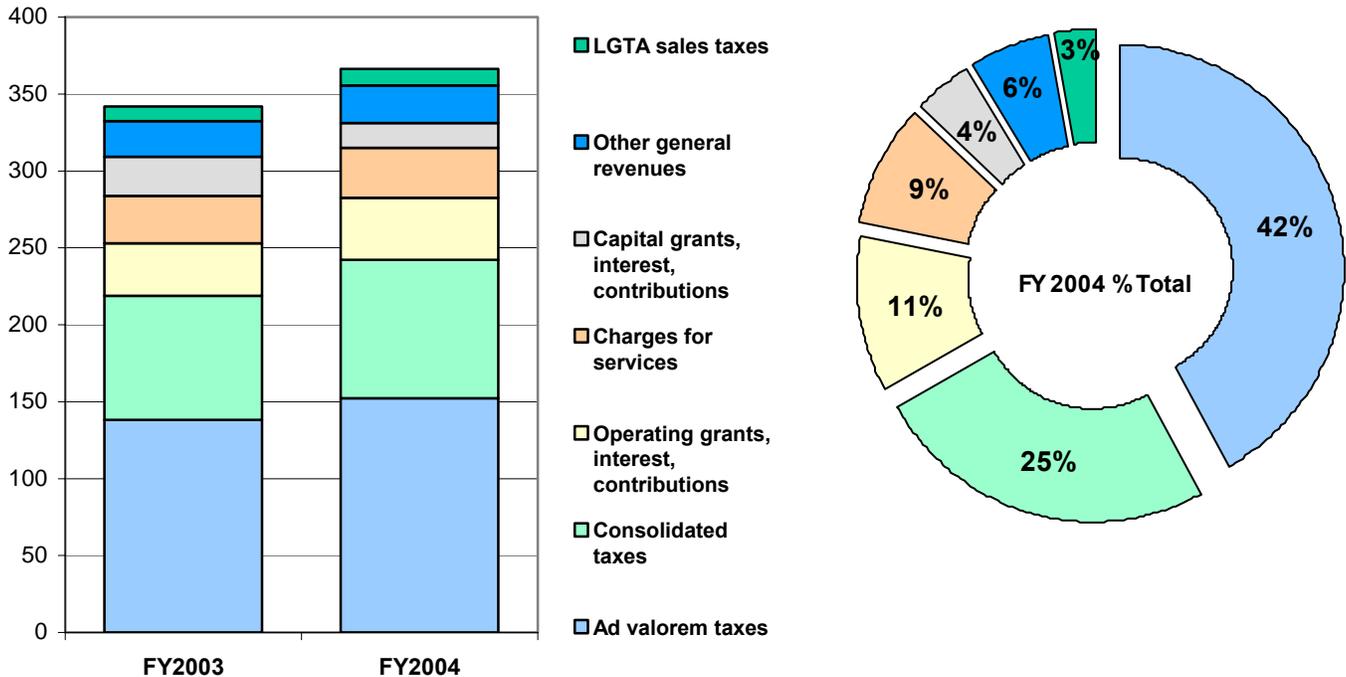
BUSINESS-TYPE ACTIVITIES– PROGRAM REVENUES AS % OF EXPENSES



WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)

REVENUES BY SOURCE – GOVERNMENTAL ACTIVITIES

Millions of Dollars

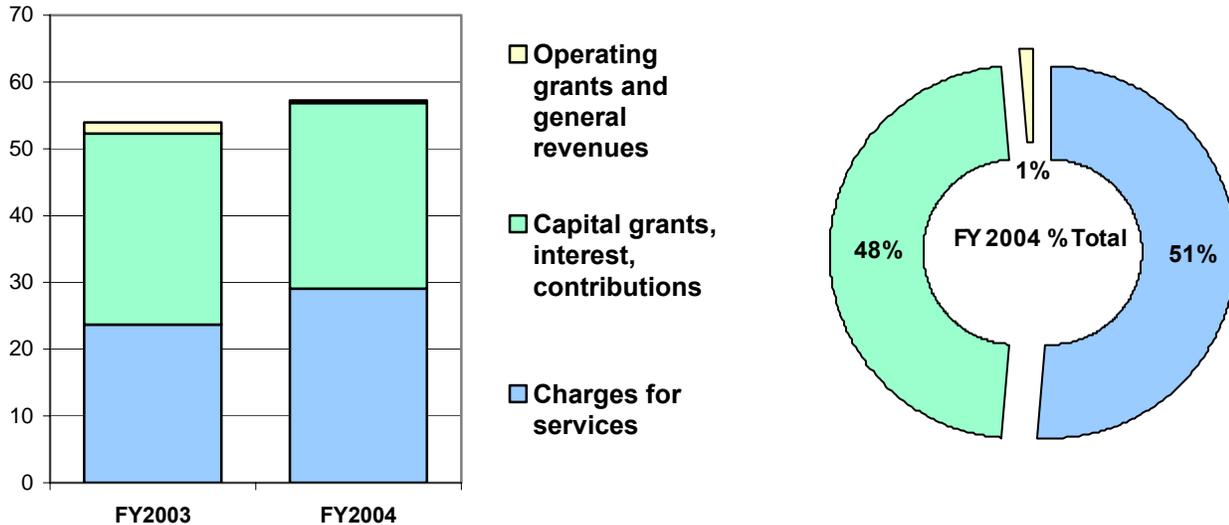


- The two largest revenue sources are ad valorem and consolidated taxes, which together comprise 67% of governmental activity revenue, up from 64% in the prior year.
- Ad valorem taxes increased by 10% from the prior year. This increase was due to a 10% increase in real and personal property assessed valuations, offset by adjustments during the year, and a 3.64 cent (per \$100 assessed valuation) rate increase.
- Consolidated taxes rose 12% or \$9.3 million reflecting increases in wholesale trade, particularly durable goods, automotive dealers and gasoline and building materials and hardware.
- Operating grants increased \$6.3 million or 19% from the prior year due to increased activities in Child Protective Services. This was offset by a decrease in capital grants of \$9.2 million reflecting reduced contributions from the Regional Transportation Commission for completed infrastructure projects.
- Other general revenues, including licenses, fees, investment earnings and gain on sale of capital assets, increased \$1.3 million from the prior year. \$4.3 million of this increase represents the gain on the sale of the former juvenile detention facility. Offsetting this gain was the loss on investments of \$2.5 million, representing a reduction of \$2.8 million from the \$300,000 gain in the prior year. \$1.7 million of this loss is unrealized, representing the market level versus investment cost as of June 30.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

REVENUES BY SOURCE – BUSINESS-TYPE ACTIVITIES

Millions of Dollars



- Charges for services increased 23% or \$5.3 million, increasing to 51% of total business-type revenues. The service charge increase reflects a \$4.8 million increase in utility services, primarily due to area growth and rate adjustments.
- Capital grants, interest and contributions decreased by \$0.8 million or 3% from the prior year for business-type activities.

WASHOE COUNTY EXPENSES BY TYPE

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2004	2003	2004	2003	2004	2003
Expenses:						
Salaries and wages	\$ 141,775,907	\$ 135,782,250	\$ 6,471,825	\$ 6,031,137	\$ 148,247,732	\$ 141,813,387
Employee benefits	52,645,242	47,418,281	2,061,360	1,938,075	54,706,602	49,356,356
Services and supplies	95,848,114	97,152,815	11,846,441	10,508,121	107,694,555	107,660,936
Depreciation/amortization	12,203,451	11,020,975	6,127,761	5,302,832	18,331,212	16,323,807
Interest/debt fees	8,970,137	8,734,553	938,897	812,532	9,909,034	9,547,085
Total	\$ 311,442,851	\$ 300,108,874	\$ 27,446,284	\$ 24,592,697	\$ 338,889,135	\$ 324,701,571

Expenses by Type: Total expenses increased \$14.2 million or 4% over the prior year.

- Salaries and wages comprise 44% of expenses and exceeded the previous year by 5%. This is the result of cost of living allowances, merit increases and staffing changes.
- Employee benefits comprise 16% of expenses and average 37% of salaries and wages. They increased 11% over prior year, reflecting an increase in group and dependent insurance, as well as corresponding salary increases.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

- Services and supplies comprise 32% of expenses and was approximately even with prior year. 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. Details regarding debt are provided in Notes 10, 11, and 12 to the financial statements.

Expenses by Function:

- The largest functions are Public Safety and General Government. Together these functions comprise 50% of governmental activities expenses. Combined, these functions increased \$5.5 million or 4% from the prior year, primarily due to increased personnel costs.
- The \$2 million decrease in the Public Works function reflects reduced spending for capital outlay, including Incline Village water quality projects.
- The \$1 million decrease in the Health and Sanitation function is due to lower spending on supplies.
- The Welfare function increased 17% or \$6.2 million. Welfare increased due to the Child Protective Services Fund taking over services previously provided by the State of Nevada for the adoption and residential care of children needing protective custody. This process, known as the integration of child welfare, began in April 2002 and is now fully functional. 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 identifying a permanent plan for the child and the shift to state custody is eliminated. This provides for consistency and stability for both the child and family.
- Culture and Recreation expenses increased 4% or \$1 million from increases in both personnel costs and operating supplies and services.

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 \$227.7 million reflect an increase of \$21.8 million over the prior year. Unreserved fund balance of \$169.4 million is available for appropriation at the Board's discretion. The remainder of fund balance is reserved to indicate that it is not available for appropriation because it has already been committed: (1) \$38.5 million to liquidate contracts and purchase orders of the prior period, (2) \$11.3 million for debt service, (3) \$6.4 million for unspent grants, donations and inventory and (4) \$2.1 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 \$31.2 million and total fund balance was \$38.9 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 18% of expenditures.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

The fund balance of the General Fund increased \$3.6 million. Key factors in this change are as follows:

- Revenues of \$253.1 million increased \$16.8 million or 7% over the prior year, primarily due to increases in ad valorem and consolidated taxes. Together these make up 76% of General Fund revenues.
- Ad valorem tax revenue exceeded prior year revenue by \$6.9 million. The 7% increase in tax revenues over prior year reflects a 10% increase in real property assessed valuation offset in part by a \$.0036 cent reallocation of tax rate to other funds.
- Total intergovernmental revenues increased by \$10.5 million. Consolidated tax increased \$8.8 million or 12% over prior year.
- Expenditures of \$211.5 million increased \$4.8 million or 2% over the prior year and were 7% under budget. Salaries and wages exceeded prior year by 3% as a result of cost of living allowances, merit increases and staffing changes. Employee benefits exceeded the previous year by 10% due to increases in group and dependent insurance, as well as related salary increases. Personnel costs comprise 74% of expenditures in the General Fund.
- Revenues exceeded expenditures by \$41.6 million. Net transfers out were \$42.6 million. Transfers to other funds support operations, public works projects and debt service. Proceeds from asset disposition include \$4.6 million from the sale of the former Juvenile Detention facility which were used to fund the construction of the new Jan Evans Juvenile Justice Center.

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 \$28.6 million. Transfers of \$5 million from the General Fund and investment income of \$53,000 provide resources for the fund. Transfers in will continue to accumulate until they are adequate to meet actuarially determined funding requirements. A transfer of \$688,000 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 \$1.2 million, which is three times greater than the 2004-05 debt service requirement. A \$421,000 decrease to fund balance during the current year is primarily due to principal paid in advance for the refunding of Special Assessment District 21 - Cold Springs Sewer Bonds.

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 and grants. The Fund has a total fund balance of \$25.3 million, \$301,000 of which is reserved. Fund balance decreased \$497,000 from the prior year primarily due to expenditures in excess of revenues.

There were no major current year projects funded with residential construction tax. Major bond funded projects included Huffaker Hills land acquisition, Keystone Canyon trailhead, phase 2 of Anderson Bartley Park, Galena Children's Camp, phase 2 of Lazy 5 Regional Park, and phase 2 of North Valleys Sport Complex. The Truckee River Kayak Course was funded from Nevada State Question 1 bond proceeds and constructed by the City of Reno.

The **Public Works Construction Fund** has a total fund balance of \$59 million consisting 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, Spanish Springs Library, Jan Evans Juvenile Justice Center, enterprise resource planning system and the regional animal services shelter. Primary resources for projects consisted of bonds issued and transfers from the General Fund.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

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 \$33.4 million. Expenditures in the current year included \$313,000 for the regional emergency dispatch and operations center, \$316,000 for the Truckee River flood control projects for the response portion of the Reno Early Flood Warning System, and \$3.7 million Debt Service Fund transfers for Sales Tax Revenue Bonds and Certificates of Participation. Outstanding debt of \$34.1 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 statements.

The **Water Resources Fund** was established to account for county-owned and operated water and sewer systems in the unincorporated areas of Washoe County. The Washoe County Department of Water Resources is the only Nevada water organization that provides drinking water, wastewater collection and treatment, reclaimed water, regional water resource planning, regional flood control and regional ground water remediation in one organization.

Capital asset acquisitions totaled \$20.6 million, \$10.6 million of which were developer contributions. Net assets of the Water Resources Fund increased \$27.1 million during the fiscal year to \$186.6 million. Net assets exist of \$151.2 million invested in capital assets net of related debt and unrestricted net assets of \$35.4 million. Total operating revenues increased \$4.8 million or 29% over prior year. Operating expenses increased \$2.1 million, resulting in net operating income of \$1.3 million. Growth in service demand and rate adjustments contributed to operating income.

General Fund Budgetary Highlights

Total revenues in the General Fund exceeded budget by \$2.7 million or 1% of budget. The greatest budget to actual positive dollar variance was \$4.1 million in Intergovernmental revenues. This was primarily due to greater than anticipated consolidated tax earnings. The greatest percentage variance was a 33% or \$1.5 million negative variance in Miscellaneous revenues, driven by a decline in investment earnings.

Total expenditures were 7% or \$16.6 million below budget. Functions represent the legal level of budgetary control for appropriations. All functional expenditures were below budget. Functional variances reflect expenditures below budget of 52% for capital outlay, 11% for services and supplies and 3% for personnel costs. Much of the capital outlay variance reflects unspent grant authority for multi-year projects. Professional services, repairs, maintenance and supplies were significantly underspent in the services and supply category.

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, 2004 is \$561.2 million (net of accumulated depreciation). This investment in capital assets includes the categories described below. The total increase in investment in capital assets for the current fiscal year was 9% for both governmental activities and business-type activities.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

**WASHOE COUNTY CAPITAL ASSETS
(NET OF DEPRECIATION)**

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2004	2003	2004	2003	2004	2003
Land	\$ 94,135,879	\$ 92,771,464	\$ 4,980,549	\$ 4,978,922	\$ 99,116,428	\$ 97,750,386
Construction in progress	64,448,130	44,059,640	14,635,130	29,223,099	79,083,260	73,282,739
Land improvements	26,424,552	22,920,208	165,436,398	132,917,670	191,860,950	155,837,878
Building/improvements	116,228,352	114,602,282	12,006,525	12,429,068	128,234,877	127,031,350
Equipment	19,826,358	17,535,089	(72,826)	2,261,896	19,753,532	19,796,985
Infrastructure	46,193,872	43,569,218	-	-	46,193,872	43,569,218
Total	\$ 367,257,143	\$ 335,457,901	\$ 196,985,776	\$ 181,810,655	\$ 564,242,919	\$ 517,268,556

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

Long-term Debt - At June 30, 2004, Washoe County had total outstanding bonded debt and certificates of participation of \$225.3 million. Of this amount, \$114.7 million is general obligation (G.O.) debt backed by the full faith and credit of the County, \$73.6 million of general obligation bonds are additionally secured by specified revenue sources and \$1.7 million is special assessment debt for which the County is liable in the event of default by property owners subject to the assessment. Revenue bonds consist of Minor League Baseball Stadium Project Bonds (\$1.2 million) and Sales Tax Bonds (\$20.4 million). The Minor League Baseball Stadium Bonds will be paid with revenue received from a 2% short-term car rental fee authorized by NRS 244A.810. 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

	GOVERNMENTAL ACTIVITIES		BUSINESS-TYPE ACTIVITIES		TOTAL	
	2004	2003	2004	2003	2004	2003
G.O. Bonds	\$ 109,018,698	\$ 106,050,863	\$ 5,676,302	\$ 6,754,137	\$ 114,695,000	\$ 112,805,000
G.O. Revenue Backed Bonds	43,109,850	40,980,431	30,452,698	30,649,717	73,562,548	71,630,148
Special Assessment Bonds	1,677,000	2,178,000	-	-	1,677,000	2,178,000
Revenue Bonds	21,575,000	20,790,000	-	-	21,575,000	20,790,000
Certificates of Participation	13,755,000	15,390,000	-	-	13,755,000	15,390,000
Total	\$ 189,135,548	\$ 185,389,294	\$ 36,129,000	\$ 37,403,854	\$ 225,264,548	\$ 222,793,148

Washoe County's current fiscal year outstanding debt increase of \$2.5 million consisted of \$19.4 million in new debt and \$16.9 million in principal payments. Key factors in the increase were the issuance of \$13.3 million General Obligation Series 2003A and B for the new Regional Animal Shelter and General Obligation Revenue Bonds Series 2004 of \$3.3 million for a Library facility at Incline Village. Special Assessment District Refunding Bonds Series 2003 of \$1.1 million were issued for a current refunding of \$1.5 million. Also issued were Revenue Bonds Series 2004 of \$1.2 million for the Minor League Baseball Stadium, with a maximum authorized amount of \$2.6 million and drawdowns of General Obligation Sewer Bonds 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 \$1.1 billion, which is \$797 million in excess of Washoe County's general obligation debt limitation.

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.

**WASHOE COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2004
(CONTINUED)**

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

ECONOMIC FACTORS

Factors taken into consideration in the 2005 fiscal year budget include:

- Property taxes are the greatest single source of governmental fund revenues. They comprise 44% of total governmental revenues or \$153.4 million. This reflects a budgeted increase of 6% over the prior year, supported by a 5.8% increase in assessed valuation and a 1 cent rate increase to the statutorily required Indigent Tax Levy Fund.
- Board policy limits budget growth to below combined rates of growth in population and consumer price index, which, for the 2004-05 fiscal year is 5.7%. The approved General Fund budget reflects a 2.2% increase over 2003-04 estimated year end expenditures.
- Budgeted appropriation increases reflect health benefit costs growing 11%; an increase of 2% for personnel costs; an increase for the jail medical contract of \$1.2 million and projected election year increases of \$1 million.
- In June, unemployment in Washoe County was 3.8%, down from 4.3% in the prior year. During the latter half of 2003, job growth increased and has continued to grow about 3% year over year.
- The increase in job growth rates in the region has stimulated taxable sales. The 2003-04 11.5% increase is expected to continue at a more moderate increase in the 2004-05 fiscal year. The unexpected growth in the 2003-2004 fiscal year meant budget reductions were not required to balance the 2004-2005 budget.
- Fund balance in the General Fund increased to 8.1% of appropriations from 7.1% the previous year. Appropriations for contingencies are maintained at \$1 million. These practices contribute to a stable bond rating of Aa3.

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 Year in Washoe County



Washoe County and Rancho San Rafael Shine During Great Outdoor Games

As the Reno Sparks Convention-Visitors' Authority and ESPN talk about the 2004 Great Outdoor Games returning to the Reno area, Rancho San Rafael is getting back to normal—thanks to the hard work of Washoe County Parks and Recreation employees.

Washoe County staff played an essential role in this year's games, before, during, and after the event, making certain the park looked and stayed its very best for television cameras and visitors from all over the world.



"We love it here," said Eric Matijevich, ESPN's director of the games. Matijevich also commented that venues such as Rancho San Rafael and the Truckee River created a great backdrop for the games.

With attendance at the games well over 40,000, Rancho San Rafael got a real workout during the games, which hosted events such as log-rolling, retriever trials, archery and timber endurance competitions.



July 2003

WASHOE COUNTY
STATEMENT OF NET ASSETS
JUNE 30, 2004

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and investments (Note 3)	\$ 241,990,989	\$ 49,366,573	\$ 291,357,562
Accounts receivable	1,721,386	2,744,782	4,466,168
Consolidated tax receivable	16,437,310	-	16,437,310
Property taxes receivable	1,553,813	2,978	1,556,791
Other taxes receivable	8,374,676	-	8,374,676
Interest receivable	1,358,167	291,438	1,649,605
Due from other governments	10,891,213	2,605,776	13,496,989
Internal balances	(1,077,629)	1,077,629	-
Inventory	480,999	219,957	700,956
Deposits	2,039,460	6,000	2,045,460
Other assets (Note 4)	349,354	6,249	355,603
Restricted assets (Note 5)	4,069,000	4,126,247	8,195,247
Long-term assets (Note 6)	1,910,920	5,031,124	6,942,044
Capital assets: (Note 7)			
Land and construction in progress	158,584,009	19,615,679	178,199,688
Other capital assets net of depreciation	208,673,134	177,370,097	386,043,231
Total Assets	657,356,801	262,464,529	919,821,330
LIABILITIES			
Accounts payable	8,272,582	1,325,291	9,597,873
Accrued salaries and benefits	9,705,219	1,239,782	10,945,001
Contracts/retention payable	3,656,708	2,204,491	5,861,199
Interest payable	2,054,474	526,114	2,580,588
Due to other governments	2,594,649	841,793	3,436,442
Other liabilities (Note 8)	5,085,688	3,118,140	8,203,828
Unearned revenue (Note 9)	1,868,955	-	1,868,955
Noncurrent liabilities: (Notes 10, 11, 12, 19)			
Due within one year	34,179,002	3,331,770	37,510,772
Due in more than one year, payable from restricted assets	4,069,000	-	4,069,000
Due in more than one year, net of bond premium, dis- count and issuance costs of \$161,632 and \$261,405	184,821,431	34,497,346	219,318,777
Total Liabilities	256,307,708	47,084,727	303,392,435
NET ASSETS (Note 13)			
Invested in capital assets, net of related debt	252,653,836	168,259,882	420,913,718
Restricted for:			
General government	10,300,856	-	10,300,856
Judicial	3,958,066	-	3,958,066
Public safety	13,168,088	3,733,392	16,901,480
Public works	5,753,144	-	5,753,144
Health and sanitation	116,824	-	116,824
Welfare	6,248,592	-	6,248,592
Culture and recreation	1,095,493	-	1,095,493
Debt service	11,639,884	-	11,639,884
Capital projects	47,798,457	-	47,798,457
Claims	4,981,797	-	4,981,797
Unrestricted	43,334,056	43,386,528	86,720,584
Total Net Assets	\$ 401,049,093	\$ 215,379,802	\$ 616,428,895

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

**WASHOE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS, INTEREST, CONTRIBUTIONS	CAPITAL GRANTS, INTEREST, CONTRIBUTIONS
Primary government:				
Governmental Activities:				
General government	\$ 52,812,014	\$ 10,103,932	\$ 1,434,920	\$ 2,818,768
Judicial	43,645,919	6,386,691	3,429,661	(22,482)
Public safety	102,936,119	7,410,575	4,792,340	1,255,761
Public works	17,420,909	1,858,239	2,887,303	7,096,154
Health and sanitation	17,301,879	3,809,069	6,742,607	45,390
Welfare	43,358,999	801,458	18,465,251	72
Culture and recreation	24,490,662	2,105,322	2,650,384	4,997,581
Community support	506,213	-	-	-
Interest on long-term debt	8,970,137	-	-	-
Total Governmental Activities	<u>311,442,851</u>	<u>32,475,286</u>	<u>40,402,466</u>	<u>16,191,244</u>
Business-type Activities:				
Utilities	22,483,383	23,207,329	-	27,777,692
Golf courses	2,098,946	1,812,214	-	40,182
Building permits	2,863,955	4,030,587	-	-
Total Business-type Activities	<u>27,446,284</u>	<u>29,050,130</u>	<u>-</u>	<u>27,817,874</u>
Total Primary Government	<u>\$ 338,889,135</u>	<u>\$ 61,525,416</u>	<u>\$ 40,402,466</u>	<u>\$ 44,009,118</u>

General Revenues:

- Ad valorem taxes
- Consolidated taxes
- LGTA sales taxes
- Government services tax
- Infrastructure sales tax
- Other taxes
- Unrestricted gaming licenses, state shared
- Unrestricted franchise fees, state shared
- 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**

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$ (38,454,394)	\$ -	\$ (38,454,394)
(33,852,049)	-	(33,852,049)
(89,477,443)	-	(89,477,443)
(5,579,213)	-	(5,579,213)
(6,704,813)	-	(6,704,813)
(24,092,218)	-	(24,092,218)
(14,737,375)	-	(14,737,375)
(506,213)	-	(506,213)
(8,970,137)	-	(8,970,137)
(222,373,855)	-	(222,373,855)
-	28,501,638	28,501,638
-	(246,550)	(246,550)
-	1,166,632	1,166,632
-	29,421,720	29,421,720
(222,373,855)	29,421,720	(192,952,135)
152,176,219	323,701	152,499,920
89,950,461	-	89,950,461
10,574,671	-	10,574,671
2,574,823	-	2,574,823
7,409,815	-	7,409,815
3,166,636	-	3,166,636
2,037,928	-	2,037,928
1,031,837	-	1,031,837
2,860,709	-	2,860,709
591,036	41,333	632,369
4,765,774	-	4,765,774
202,953	(202,953)	-
277,342,862	162,081	277,504,943
54,969,007	29,583,801	84,552,808
346,080,086	185,796,001	531,876,087
\$ 401,049,093	\$ 215,379,802	\$ 616,428,895

**WASHOE COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2004**

	GENERAL FUND	PRE-FUNDED RETIREE HEALTH BENEFITS FUND	SPECIAL ASSESSMENT DEBT SERVICE FUND	PARK CONSTRUCTION TAX FUND
ASSETS				
Cash and investments (Note 3)	\$ 32,486,308	\$ 28,406,232	\$ 3,090,702	\$ 25,530,196
Accounts receivable	400,623	-	-	-
Consolidated tax receivable	15,462,197	-	-	-
Property taxes receivable	1,120,999	-	-	-
Other taxes receivable	4,237,610	-	2,297,488	4,000
Interest receivable	443,533	148,598	17,279	144,089
Due from other funds	-	-	-	-
Due from other governments	3,437,635	-	-	243,751
Inventory	-	-	-	-
Deposits	56,102	-	-	21,785
Total Assets	\$ 57,645,007	\$ 28,554,830	\$ 5,405,469	\$ 25,943,821
LIABILITIES				
Accounts payable	\$ 3,580,732	\$ -	\$ 1,092	\$ -
Accrued salaries and benefits	7,691,899	-	-	-
Contracts/retention payable	109,883	-	-	569,045
Interest payable	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	1,377,941	-	-	30,000
Other liabilities (Note 8)	3,161,737	-	1,910,821	-
Deferred revenue (Note 9)	2,802,626	-	2,297,488	-
Total Liabilities	18,724,818	-	4,209,401	599,045
FUND BALANCES/(DEFICITS) (Note 13)				
Reserved for:				
Encumbrances	2,443,290	-	-	262,200
Debt service	-	-	1,196,068	-
Projects	5,245,954	-	-	39,180
Claims	-	-	-	-
Inventory	-	-	-	-
Unreserved, reported in:				
General Fund	31,230,945	-	-	-
Special Revenue Funds	-	28,554,830	-	-
Capital Projects Funds	-	-	-	25,043,396
Total Fund Balances/(Deficits)	38,920,189	28,554,830	1,196,068	25,344,776
Total Liabilities/Fund Balances	\$ 57,645,007	\$ 28,554,830	\$ 5,405,469	\$ 25,943,821

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

PUBLIC WORKS CONSTRUCTION FUND	INFRASTRUCTURE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 58,510,159	\$ 32,138,584	\$ 42,861,225	\$ 223,023,406
23,395	-	386,189	810,207
-	-	975,113	16,437,310
-	-	432,814	1,553,813
-	1,326,003	509,575	8,374,676
213,864	176,112	138,776	1,282,251
1,807,565	-	-	1,807,565
246,046	-	6,963,781	10,891,213
-	-	221,957	221,957
419,465	-	-	497,352
\$ 61,220,494	\$ 33,640,699	\$ 52,489,430	\$ 264,899,750
\$ -	\$ -	\$ 3,374,026	\$ 6,955,850
17,008	5,812	1,659,519	9,374,238
2,111,761	188,988	677,031	3,656,708
-	-	11,296	11,296
-	-	1,807,565	1,807,565
47,956	-	1,138,752	2,594,649
-	-	13,130	5,085,688
-	-	2,647,541	7,747,655
2,176,725	194,800	11,328,860	37,233,649
34,393,081	89,652	1,360,713	38,548,936
-	-	10,113,984	11,310,052
207,075	-	658,151	6,150,360
-	-	2,064,360	2,064,360
-	-	221,957	221,957
-	-	-	31,230,945
-	-	22,996,127	51,550,957
24,443,613	33,356,247	3,745,278	86,588,534
59,043,769	33,445,899	41,160,570	227,666,101
\$ 61,220,494	\$ 33,640,699	\$ 52,489,430	\$ 264,899,750

**WASHOE COUNTY
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2004**

Fund Balances - Governmental Funds \$ 227,666,101

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets and long-term assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Governmental capital assets and long-term assets/plant capacity	\$ 448,458,468	
Less accumulated depreciation/amortization	(90,894,790)	357,563,678

Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.

Bond costs	2,204,262	
Less current year amortization	(168,188)	2,036,074

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in governmental funds.

Governmental bonds payable	(175,380,548)	
Bond premium/carrying value on refunded bonds	(2,025,612)	
Less current year amortization	151,170	
Capital leases payable	(14,198,022)	
Compensated absences	(18,916,374)	(210,369,386)

Interest payable		(2,043,178)
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Deferred revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.		5,878,700
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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.		21,394,733
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Internal balances payable to business-type activities.		(1,077,629)
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Total Net Assets of Governmental Activities		\$ 401,049,093

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

**WASHOE COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	<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	\$ 107,758,311	\$ -	\$ -	-
Residential construction tax	-	-	-	998,337
Car rental fee	-	-	-	-
County option - motor vehicle fuel tax	499,434	-	-	-
Room taxes	280,109	-	-	-
Special assessments	-	-	346,768	-
Licenses and permits	5,472,057	-	-	-
Intergovernmental revenues	115,761,785	-	-	4,183,919
Charges for services	13,195,585	-	-	-
Fines and forfeits	7,194,852	-	-	-
Miscellaneous	2,916,800	53,241	192,797	128,611
Total Revenues	253,078,933	53,241	539,565	5,310,867
EXPENDITURES				
Current:				
General government	44,809,446	-	51,662	-
Judicial	41,545,186	-	-	-
Public safety	80,174,775	-	-	-
Public works	17,716,075	-	-	-
Health and sanitation	-	-	-	-
Welfare	11,351,761	-	-	-
Culture and recreation	14,434,555	-	-	-
Community support	506,214	-	-	-
Intergovernmental	960,275	-	-	1,500,000
Capital outlay	-	-	-	4,329,527
Debt Service:				
Principal	-	-	867,610	-
Interest	-	-	135,648	-
Debt service fees	-	-	2,810	-
Bond issuance costs	-	-	46,442	-
Assessment refunds	-	-	39,685	-
Total Expenditures	211,498,287	-	1,143,857	5,829,527
Excess (Deficiency) of Revenues Over (Under) Expenditures	41,580,646	53,241	(604,292)	(518,660)

PUBLIC WORKS CONSTRUCTION FUND	INFRASTRUCTURE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 42,792,466	\$ 150,550,777
-	-	-	998,337
-	-	286,050	286,050
-	-	-	499,434
-	-	-	280,109
-	-	-	346,768
777,379	-	1,869,140	8,118,576
204,928	7,409,815	32,633,572	160,194,019
5,093	-	4,898,776	18,099,454
-	-	614,494	7,809,346
279,338	75,165	2,069,056	5,715,008
<u>1,266,738</u>	<u>7,484,980</u>	<u>85,163,554</u>	<u>352,897,878</u>
-	-	2,231,275	47,092,383
-	-	230,078	41,775,264
-	-	14,615,507	94,790,282
-	-	-	17,716,075
-	-	16,106,362	16,106,362
-	-	31,405,202	42,756,963
-	-	5,888,820	20,323,375
-	-	-	506,214
-	-	3,213,606	5,673,881
24,972,467	628,759	4,155,343	34,086,096
-	-	13,529,229	14,396,839
-	-	8,867,971	9,003,619
-	-	8,453	11,263
399,783	-	42,668	488,893
-	-	-	39,685
<u>25,372,250</u>	<u>628,759</u>	<u>100,294,514</u>	<u>344,767,194</u>
<u>(24,105,512)</u>	<u>6,856,221</u>	<u>(15,130,960)</u>	<u>8,130,684</u>

(CONTINUED)

**WASHOE COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	<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	\$ -	\$ -	\$ 1,085,000	\$ -
Debt premium/(discount)	-	-	(2,781)	-
Proceeds from asset disposition	4,651,960	-	-	22,000
Transfers in	2,061,412	4,993,000	-	-
Transfers out	(44,671,482)	(688,000)	-	-
Refunding payment to escrow agent	-	-	(899,303)	-
Total Other Financing Sources (Uses)	<u>(37,958,110)</u>	<u>4,305,000</u>	<u>182,916</u>	<u>22,000</u>
Net Change in Fund Balances	3,622,536	4,358,241	(421,376)	(496,660)
FUND BALANCE, JULY 1	<u>35,297,653</u>	<u>24,196,589</u>	<u>1,617,444</u>	<u>25,841,436</u>
FUND BALANCE/(DEFICIT), JUNE 30	<u>\$ 38,920,189</u>	<u>\$ 28,554,830</u>	<u>\$ 1,196,068</u>	<u>\$ 25,344,776</u>

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

PUBLIC WORKS CONSTRUCTION FUND	INFRASTRUCTURE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 16,885,283	\$ -	\$ 1,200,000	\$ 19,170,283
-	-	-	(2,781)
-	-	22,000	4,695,960
14,105,960	-	25,976,696	47,137,068
-	(3,676,721)	(7,399,684)	(56,435,887)
-	-	-	(899,303)
<u>30,991,243</u>	<u>(3,676,721)</u>	<u>19,799,012</u>	<u>13,665,340</u>
6,885,731	3,179,500	4,668,052	21,796,024
<u>52,158,038</u>	<u>30,266,399</u>	<u>36,492,518</u>	<u>205,870,077</u>
<u>\$ 59,043,769</u>	<u>\$ 33,445,899</u>	<u>\$ 41,160,570</u>	<u>\$ 227,666,101</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, 2004

Net Change in Fund Balances - Governmental Funds	\$	21,796,024
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 and long-term assets	\$ 36,395,284	
Less current year depreciation/amortization	<u>(10,052,332)</u>	26,342,952
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Donated capital assets	6,424,817	
Change in unavailable deferred revenue	<u>1,721,007</u>	8,145,824
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	(18,890,000)	
Bond premium	(280,283)	
Bond discount	2,781	
Issuance costs	488,893	
Carrying value difference on refunding debt	(185,697)	
Change in accrued interest payable	350,895	
Principal payments general obligation debt	13,508,746	
Principal payments capital leases	<u>1,723,648</u>	(3,281,017)
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	151,170	
Amortization of current year bond issuance costs	(168,188)	
Change in long-term compensated absences	(879,378)	
Change in arbitrage payable	142,258	
Disposition of capital assets	<u>(57,607)</u>	(811,745)
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.		
		3,602,284
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the statement of activities indirect expenses are eliminated.		
		<u>(825,315)</u>
Change in Net Assets of Governmental Activities	\$	<u><u>54,969,007</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, 2004**

	2004 BUDGETED AMOUNTS		2004	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Taxes:				
Ad valorem	\$ 109,369,647	\$ 109,369,647	\$ 107,758,311	\$ (1,611,336)
Other taxes	503,038	503,038	499,434	(3,604)
Room tax	400,000	400,000	280,109	(119,891)
Licenses and permits	5,764,064	5,764,064	5,472,057	(292,007)
Intergovernmental revenues	103,636,719	111,704,490	115,761,785	4,057,295
Charges for services	11,684,387	11,784,387	13,195,585	1,411,198
Fines and forfeits	6,445,060	6,455,060	7,194,852	739,792
Miscellaneous	4,037,142	4,376,414	2,916,800	(1,459,614)
Total Revenues	241,840,057	250,357,100	253,078,933	2,721,833
EXPENDITURES BY FUNCTION AND DEPARTMENT				
Current:				
General Government:				
Legislative	436,379	427,099	415,369	11,730
Executive	2,270,563	3,295,692	2,945,386	350,306
Registrar of Voters	602,209	583,023	565,544	17,479
Finance	2,991,634	3,000,680	2,766,477	234,203
Treasurer	1,627,795	1,627,795	1,634,491	(6,696)
Assessor	5,774,078	5,737,067	5,553,060	184,007
Purchasing	839,022	842,672	771,984	70,688
Human Resources	1,412,937	1,426,101	1,323,816	102,285
Clerk	1,383,709	1,416,806	1,279,293	137,513
Recorder	2,059,838	2,879,701	1,751,051	1,128,650
Information Technology	8,976,604	9,069,711	8,321,757	747,954
General Services	16,437,951	16,685,349	14,886,204	1,799,145
Community Development	2,785,937	2,749,861	2,595,014	154,847
Total General Government	47,598,656	49,741,557	44,809,446	4,932,111
Judicial:				
District Courts	12,516,098	13,037,598	12,306,623	730,975
District Attorney	17,064,942	17,991,359	16,678,072	1,313,287
Law Library	817,413	817,485	801,522	15,963
Public Defender	5,891,267	5,908,835	5,795,015	113,820
Justice Courts	5,898,314	5,983,737	5,820,151	163,586
Constables	135,340	139,728	143,803	(4,075)
Total Judicial	42,323,374	43,878,742	41,545,186	2,333,556

(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, 2004**

	2004 BUDGETED AMOUNTS		2004	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
Public Safety:				
Sheriff and detention	\$ 63,767,805	\$ 67,095,806	\$ 64,898,787	\$ 2,197,019
Coroner	1,225,671	1,226,589	1,190,314	36,275
Fire suppression	210,335	624,711	64,062	560,649
Juvenile services	11,867,835	12,278,569	11,726,257	552,312
Protective services	2,150,299	2,386,526	2,295,355	91,171
Total Public Safety	79,221,945	83,612,201	80,174,775	3,437,426
Public Works:				
Public works administration	626,085	678,248	674,187	4,061
Infrastructure preservation	2,664,300	2,701,158	2,646,658	54,500
Public works projects	710,875	6,090,294	3,632,908	2,457,386
Roads	9,059,180	9,057,890	8,684,623	373,267
Engineer	2,338,141	2,565,438	2,077,699	487,739
Total Public Works	15,398,581	21,093,028	17,716,075	3,376,953
Welfare:				
Social Services	11,791,092	11,791,129	11,351,761	439,368
Culture and Recreation:				
Library	8,729,205	8,817,679	8,460,746	356,933
Parks and Recreation	7,314,156	7,102,452	5,973,809	1,128,643
Total Culture and Recreation	16,043,361	15,920,131	14,434,555	1,485,576
Community Support	556,182	596,538	506,214	90,324
Intergovernmental	1,491,151	1,491,151	960,275	530,876
Total Expenditures	214,424,342	228,124,477	211,498,287	16,626,190
Excess (Deficiency) of Revenues Over (Under)Expenditures	27,415,715	22,232,623	41,580,646	19,348,023
OTHER FINANCING SOURCES (USES):				
Proceeds from asset disposition	-	4,618,981	4,651,960	32,979
Transfers in	1,167,587	1,167,587	2,061,412	893,825
Transfers (out)	(34,585,019)	(44,643,484)	(44,671,482)	(27,998)
Contingency	(1,000,000)	(922,606)	-	922,606
Total Other Financing Sources (Uses)	(34,417,432)	(39,779,522)	(37,958,110)	1,821,412
Net Change in Fund Balances	(7,001,717)	(17,546,899)	3,622,536	21,169,435
FUND BALANCE, JULY 1,	24,749,990	35,295,172	35,297,653	2,481
FUND BALANCE, JUNE 30	\$ 17,748,273	\$ 17,748,273	\$ 38,920,189	\$ 21,171,916

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, 2004

	2004 BUDGETED AMOUNTS		2004	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Miscellaneous:				
Investment earnings	\$ 600,000	\$ 600,000	\$ 734,152	\$ 134,152
Net increase (decrease) in the fair value of investments	-	-	(680,911)	(680,911)
Total Revenues	600,000	600,000	53,241	(546,759)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	4,993,000	4,993,000	4,993,000	-
Health Benefits Fund	(688,000)	(688,000)	(688,000)	-
Total Other Financing Source (Uses)	4,305,000	4,305,000	4,305,000	-
Net Change in Fund Balances	4,905,000	4,905,000	4,358,241	(546,759)
FUND BALANCE, JULY 1	24,010,611	24,010,611	24,196,589	185,978
FUND BALANCE, JUNE 30	\$ 28,915,611	\$ 28,915,611	\$ 28,554,830	\$ (360,781)

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

**WASHOE COUNTY
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2004**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	WATER RESOURCES FUND	OTHER ENTERPRISE FUNDS	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS				
Current Assets:				
Cash and investments (Note 3)	\$ 38,476,239	\$ 10,890,334	\$ 49,366,573	\$ 18,967,583
Accounts receivable	2,431,744	293,660	2,725,404	911,179
Remediation fee receivable	19,378	-	19,378	-
Property taxes receivable	-	2,978	2,978	-
Interest receivable	232,168	59,270	291,438	75,916
Due from other governments	2,605,776	-	2,605,776	-
Inventory	176,882	43,075	219,957	259,042
Deposits	6,000	-	6,000	1,542,108
Other assets (Note 4)	6,249	-	6,249	349,354
Total Current Assets	43,954,436	11,289,317	55,243,753	22,105,182
Noncurrent Assets:				
Restricted cash and investments (Note 5)	3,985,322	140,925	4,126,247	4,069,000
Long-term receivables	128,339	-	128,339	-
Long-term assets (Note 6)	4,139,521	763,264	4,902,785	1,653,125
Capital Assets: (Note 7)				
Land and nondepreciable assets	4,233,811	746,738	4,980,549	-
Land improvements	176,114,109	25,620,163	201,734,272	-
Building and improvements	14,760,337	1,280,582	16,040,919	34,024
Equipment	2,033,850	1,425,303	3,459,153	23,215,798
Construction in progress	14,548,729	86,401	14,635,130	-
Less accumulated depreciation	(34,089,189)	(9,775,058)	(43,864,247)	(13,298,562)
Total Noncurrent Assets	185,854,829	20,288,318	206,143,147	15,673,385
Total Assets	229,809,265	31,577,635	261,386,900	37,778,567
LIABILITIES				
Current Liabilities:				
Bank overdraft	-	-	-	193,387
Accounts payable	1,137,995	187,296	1,325,291	1,123,345
Accrued salaries and benefits	310,380	156,038	466,418	105,109
Compensated absences (Notes 10,11)	539,773	233,591	773,364	225,872
Contracts/retention payable	2,190,211	14,280	2,204,491	-
Interest payable	480,721	45,393	526,114	-
Due to other governments	841,793	-	841,793	-
Other liabilities (Note 8)	3,094,397	23,743	3,118,140	-
Notes, bonds, leases payable (Notes 10,11,12)	2,407,109	151,298	2,558,407	-
Pending claims (Note 19)	-	-	-	5,601,759
Total Current Liabilities	11,002,379	811,639	11,814,018	7,249,472

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2004**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATER RESOURCES FUND	OTHER ENTERPRISE FUNDS	TOTAL	
Noncurrent Liabilities: (Notes 10,11,12,19)				
Compensated absences	\$ 80,345	\$ 34,770	\$ 115,115	\$ 33,621
Notes, bonds, leases payable	32,079,632	3,075,962	35,155,594	-
Pending claims	-	-	-	5,031,741
Pending claims payable from restricted cash	-	-	-	4,069,000
Total Noncurrent Liabilities	<u>32,159,977</u>	<u>3,110,732</u>	<u>35,270,709</u>	<u>9,134,362</u>
Total Liabilities	<u>43,162,356</u>	<u>3,922,371</u>	<u>47,084,727</u>	<u>16,383,834</u>
NET ASSETS (Note 13)				
Invested in capital assets, net of related debt	151,239,749	17,020,133	168,259,882	9,951,259
Restricted for public safety	-	3,733,392	3,733,392	-
Restricted for claims	-	-	-	5,311,212
Unrestricted	<u>35,407,160</u>	<u>6,901,739</u>	<u>42,308,899</u>	<u>6,132,262</u>
Total Net Assets/(Deficit)	<u>\$ 186,646,909</u>	<u>\$ 27,655,264</u>	<u>214,302,173</u>	<u>\$ 21,394,733</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.

2,024,097

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

(946,468)

Net Assets of Business-Type Activities

\$ 215,379,802

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

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL
	WATER RESOURCES FUND	OTHER ENTERPRISE FUNDS	TOTAL	ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES				
Charges for Services:				
Utility fees	\$ 18,602,152	\$ 2,204,273	\$ 20,806,425	\$ -
Remediation fees	2,324,804	-	2,324,804	-
Golf course fees	-	1,812,213	1,812,213	-
Building permits and fees	-	4,030,586	4,030,586	-
Self insurance fees	-	-	-	24,452,275
Equipment service billings	-	-	-	6,094,498
Miscellaneous	-	-	-	33,875
Total Operating Revenues	20,926,956	8,047,072	28,974,028	30,580,648
OPERATING EXPENSES				
Salaries and wages	4,053,596	2,418,229	6,471,825	1,630,122
Employee benefits	1,282,888	778,472	2,061,360	527,045
Services and supplies	9,288,237	2,558,204	11,846,441	32,792,750
Depreciation/Amortization	5,038,987	1,088,774	6,127,761	2,151,119
Total Operating Expenses	19,663,708	6,843,679	26,507,387	37,101,036
Operating Income (Loss)	1,263,248	1,203,393	2,466,641	(6,520,388)
NONOPERATING REVENUES (EXPENSES)				
Ad valorem taxes	-	323,701	323,701	-
Investment earnings	180,858	41,333	222,191	187,540
Gain (loss) on asset disposition	-	-	-	127,420
Facilities rental	76,100	-	76,100	-
Interest/bond issuance costs	(1,302,487)	(185,535)	(1,488,022)	-
Total Nonoperating Revenues (Expenses)	(1,045,529)	179,499	(866,030)	314,960
Income (Loss) Before Capital Contributions and Transfers	217,719	1,382,892	1,600,611	(6,205,428)
CAPITAL CONTRIBUTIONS IN (OUT)				
Hookup fees	13,861,132	357,376	14,218,508	-
Contributions	10,704,224	210,357	10,914,581	29,752
Federal grant	2,503,927	-	2,503,927	-
Total Capital Contributions In (Out)	27,069,283	567,733	27,637,016	29,752

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
	<u>WATER RESOURCES FUND</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL</u>	
TRANSFERS IN (OUT)				
Transfers in	\$ 1,440,722	\$ -	\$ 1,440,722	\$ 9,501,772
Transfers out	(1,643,675)	-	(1,643,675)	-
Total Transfers In (Out)	(202,953)	-	(202,953)	9,501,772
Change in Net Assets	27,084,049	1,950,625	29,034,674	3,326,096
NET ASSETS, JULY 1	159,562,860	25,704,639	185,267,499	18,068,637
NET ASSETS/(DEFICIT), JUNE 30	\$ 186,646,909	\$ 27,655,264	214,302,173	\$ 21,394,733

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.

2,024,097

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

(946,468)

Net Assets of Business-Type Activities

\$ 215,379,802

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

**WASHOE COUNTY
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2004**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
	WATER RESOURCES FUND	OTHER ENTERPRISE FUNDS	TOTAL	
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 14,012,714	\$ 8,063,256	\$ 22,075,970	\$ 531,806
Cash received from remediation fees	2,326,672	-	2,326,672	-
Cash received from water surcharge fees	1,199,367	-	1,199,367	-
Cash received from other funds	1,004,428	-	1,004,428	30,085,382
Cash received from other services	1,642,015	-	1,642,015	-
Cash payments for personnel costs	(5,187,288)	(3,195,118)	(8,382,406)	(2,124,958)
Cash payments for insurance premiums/claims	-	-	-	(27,179,515)
Cash payments for services and supplies	(9,156,311)	(2,483,996)	(11,640,307)	(2,494,784)
Net Cash Provided (Used) by Operating Activities	<u>5,841,597</u>	<u>2,384,142</u>	<u>8,225,739</u>	<u>(1,182,069)</u>
Cash Flows From Noncapital Financing Activities:				
Cash received from ad valorem taxes	-	324,136	324,136	-
Transfers from other funds	1,408,332	-	1,408,332	9,501,772
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,408,332</u>	<u>324,136</u>	<u>1,732,468</u>	<u>9,501,772</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from debt issued	519,301	-	519,301	-
Proceeds from asset disposition	-	-	-	159,903
Cash received from federal/state grants	185,037	-	185,037	-
Contributions	13,866,954	357,376	14,224,330	-
Transfers from other funds	32,390	-	32,390	-
Transfers to other funds	(1,643,675)	-	(1,643,675)	-
Developer deposits received	228,068	-	228,068	-
Principal paid on financing	(1,427,750)	(464,488)	(1,892,238)	-
Interest paid on financing	(1,294,576)	(216,543)	(1,511,119)	-
*Acquisition of capital assets	(9,641,821)	(306,148)	(9,947,969)	(881,537)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>823,928</u>	<u>(629,803)</u>	<u>194,125</u>	<u>(721,634)</u>
Cash Flows From Investing Activities:				
Investment earnings	131,683	10,428	142,111	(24,167)
Equipment supply deposit paid	-	-	-	(61,000)
Net Cash Provided (Used) by Investing Activities	<u>131,683</u>	<u>10,428</u>	<u>142,111</u>	<u>(85,167)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	8,205,540	2,088,903	10,294,443	7,512,902
CASH AND CASH EQUIVALENTS, JULY 1	<u>34,256,021</u>	<u>8,942,356</u>	<u>43,198,377</u>	<u>15,330,294</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 42,461,561</u>	<u>\$ 11,031,259</u>	<u>\$ 53,492,820</u>	<u>\$ 22,843,196</u>

**WASHOE COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS</u>			<u>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</u>
	<u>WATER RESOURCES FUND</u>	<u>OTHER ENTERPRISE FUNDS</u>	<u>TOTAL</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 1,263,248	\$ 1,203,393	\$ 2,466,641	\$ (6,520,388)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	5,038,987	1,088,774	6,127,761	2,151,119
**Imputed rental expense	-	-	-	167,548
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(743,628)	11,984	(731,644)	(67,251)
Other receivables	1,868	-	1,868	98,744
Due from other governments	-	-	-	5,047
Inventory	(86,584)	31,886	(54,698)	(3,605)
Other assets	(1,920)	-	(1,920)	307,765
Increase (decrease) in:				
Accounts payable	354,631	42,322	396,953	(47,756)
Accrued salaries and benefits	82,788	38,575	121,363	16,575
Compensated absences	66,408	(32,792)	33,616	15,633
Due to other governments	(134,201)	-	(134,201)	-
Pending claims	-	-	-	2,694,500
Total Adjustments	4,578,349	1,180,749	5,759,098	5,338,319
Net Cash Provided (Used) by Operating Activities	<u>\$ 5,841,597</u>	<u>\$ 2,384,142</u>	<u>\$ 8,225,739</u>	<u>\$ (1,182,069)</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 \$61,000. Deposits remaining from prior year rental agreements total \$3,132,228. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$167,548 have been imputed to give accounting recognition to these transactions.

***Acquisition of Capital Assets**

Financed by Cash	\$ 9,641,821	\$ 306,148	\$ 9,947,969	\$ 881,537
Contributions	10,614,188	210,357	10,824,545	29,752
Increase/(decrease) in accounts payable	-	-	-	475,561
Increase/(decrease) in contracts/ retention/notes payable	346,648	35,274	381,922	-
Total Acquisition of of Capital Assets	<u>\$ 20,602,657</u>	<u>\$ 551,779</u>	<u>\$ 21,154,436</u>	<u>\$ 1,386,850</u>

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

**WASHOE COUNTY
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2004**

	<u>INVESTMENT TRUST FUND</u>	<u>PRIVATE-PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
ASSETS			
Cash and investments (Note 3)	\$ 83,143,364	\$ 1,662,616	\$ 19,607,884
Financial assurances	-	-	8,606,076
Accounts receivable	-	-	313,700
Consolidated tax receivable	-	-	4,005,083
Property taxes receivable	-	-	2,680,279
Other taxes receivable	-	-	126,003
Interest receivable	484,765	467	3,090
Due from other governments	-	-	387,995
	<u>83,628,129</u>	<u>1,663,083</u>	<u>35,730,110</u>
LIABILITIES			
Due to others/governments	-	10,608	35,730,110
	<u>-</u>	<u>10,608</u>	<u>35,730,110</u>
NET ASSETS			
Held in trust for pool participants and trust beneficiaries	<u>\$ 83,628,129</u>	<u>\$ 1,652,475</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, 2004**

	INVESTMENT TRUST FUND	PRIVATE-PURPOSE TRUST FUNDS
ADDITIONS		
Proceeds	\$ -	\$ 2,638,332
Investment income:		
Interest	2,463,608	1,470
Net increase (decrease) in the fair value of investments	(2,201,308)	(874)
Capital share transactions	13,515,541	-
Total Additions	13,777,841	2,638,928
DEDUCTIONS		
Distributions to beneficiaries	-	2,438,666
Change in Net Assets	13,777,841	200,262
NET ASSETS, JULY 1	69,850,288	1,452,213
NET ASSETS, JUNE 30	\$ 83,628,129	\$ 1,652,475

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



View of Ballardini Ranch

NOTES TO FINANCIAL STATEMENTS

POLICIES, COMPLIANCE AND ACCOUNTABILITY

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NOTE 2 - COMPLIANCE WITH NEVADA REVISED STATUTES AND ADMINISTRATIVE CODE

ASSETS

NOTE 3 - CASH AND INVESTMENTS

NOTE 4 - OTHER ASSETS

NOTE 5 - RESTRICTED ASSETS

NOTE 6 - LONG-TERM ASSETS

NOTE 7 - CAPITAL ASSETS

LIABILITIES

NOTE 8 - OTHER LIABILITIES AND CONTINGENCIES

NOTE 9 - DEFERRED REVENUE

NOTE 10 - NEW FINANCING AND DEBT RELATED MATTERS

NOTE 11 - WASHOE COUNTY DEBT

NOTE 12 - ANNUAL PRINCIPAL/INTEREST REQUIREMENTS

FUND EQUITY

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

REVENUES/EXPENDITURES/OTHER

NOTE 14 - CAPITAL CONTRIBUTIONS

NOTE 15 - INTERFUND BALANCES AND TRANSFERS

NOTE 16 - JOINT VENTURES

NOTE 17 - PENSION PROGRAM

NOTE 18 - OTHER POSTEMPLOYMENT BENEFITS

NOTE 19 - RISK MANAGEMENT

NOTE 20 - SUBSEQUENT EVENTS



Sunset at Bartley Ranch

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004

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.

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

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

In the government-wide Statement of Net Assets, both governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resources 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 revenues (property and consolidated taxes, certain intergovernmental revenues, investment earnings 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, interest and contributions; and capital grants, interest 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, 2004
(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 were 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. Enterprise Funds:

1. The **Water Resources Fund** accounts for water planning, remediation, flood control and operations of the County's water and sewer systems.

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, 2004
(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 trust 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 when eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus but are reported using the accrual basis of accounting.

Pronouncements of the Financial Accounting Standards Board (FASB) issued after November 30, 1989, are not applied when reporting business-type activities or proprietary 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.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

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.

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 netted \$77,394. Augmentations from beginning fund balance (including reserved for encumbrances and projects) and previously unbudgeted resources increased the following fund appropriations:

General Fund	\$	10,545,182
Special Revenue Funds		1,810,936
Debt Service Funds		1,480,945
Capital Projects Funds		21,182,745
Enterprise Funds		12,000
Total Augmentations (includes blended component units)	\$	35,031,808

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

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.

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 2003-04 was \$1.3817 per \$100 of assessed valuation. The total combined rate was \$2.6902 per \$100 of assessed valuation in the unincorporated area of the County.

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 and submitted to the Treasurer for collection. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for the 2003-04 fiscal year was due and payable on the third Monday in August 2003. 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 2002-03 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.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)**

Personal property taxes receivable reflect only those taxes management believes are collectible from the two prior years (75% of the 2003-04 roll balances and 25% of the 2002-03 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 base cost per the terms of the contract with the City of Reno. For all other governmental 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:

	YEARS
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

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 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

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

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.
- 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."

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

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 the government-wide statements.

NOTE 2 - COMPLIANCE WITH NEVADA REVISED STATUTES AND ADMINISTRATIVE CODE

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

Major Governmental Funds

Total actual debt service expenditures in the Special Assessment Debt Service Fund exceeded budget appropriations by \$73,003. Although this appears to be a violation of NRS 354.626, the overexpenditures occurred as the result of debt service payments expressly authorized by law, which falls under the exception to the criteria for overexpenditure. Adequate resources were available to fund debt service.

Nonmajor Enterprise Funds

The Building and Safety Fund's ending net assets restricted for operations are limited to nine months operating expenses by NRS 354.59891, section 4(c). An excess balance for two consecutive years requires a reduction of fees during the next fiscal year. Actual ending restricted net assets of \$3,733,392 are \$1,335,717 greater than 75% of the 2004 fiscal year actual expenditures of \$3,196,900. In the prior fiscal year, restricted net assets exceeded the limit by \$920,555. As a result, all fees charged will be reduced by approximately 25% in an effort to bring the fund into compliance. The Board of County Commissioners is scheduled to take action in October 2004.

An inventory of all equipment and other property, which constitute capital assets, was not taken within the specified two-year period, a potential violation of NAC 354.750.

NOTE 3 - CASH AND INVESTMENTS

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

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

- o 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.
- o Time certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada, and certain farm loan bonds.
- o Certain securities issued by local governments of the State of Nevada and other securities expressly provided by other statutes, including repurchase agreements.
- o 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.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

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.

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

The County's investment policy is structured into three parts, Group I, Group II-A and B and Group III.

- o Group I is a revenue receiving "pool" and is used for the purpose of holding, until distribution, funds used for cash flow needs such as immediate operational expenditures and apportionments to funds and other agencies. Allowable investments in Group I are repurchase agreements, money markets, U.S. Treasury Notes and certificates of deposit with maturities of one year or less.
- o Group II-A and B are defined as the County's "Core Portfolio". The purpose of Group II is to maximize yield on funds not in immediate demand. Group II-A maturities are restricted to one to ten years, laddered out to six years in one to five million dollar amounts to target apportionments, payroll, bond debt dates and other large liabilities when they become due. The purpose of Group II-B is to obtain investments for long-term capital growth. Maturities in Group II-B are restricted to one to ten years. Group II-B is restricted to \$6,000,000, or 12% of core portfolio, whichever is smaller. Allowable investments in Group II-A and B include all investments allowable by state statute and approved by the County's Investment Committee.
- o Group III is a bond proceeds portfolio and is used for the investment of outstanding proceeds that will be invested to match specific draw schedule requirements. Allowable investments in Group III are money market funds and U.S. Treasury Notes.

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

At year end, Washoe County's carrying amount of deposits was \$30,344,384 and the bank balance was \$31,292,709. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records. Bank balances exceed the County's carrying amount by \$948,325. 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
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
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As of June 30, 2004, the County had the following investments and maturities:

	INVESTMENT MATURITIES (IN YEARS)				
	Fair Value	Less than 1	1 to 3	4 to 5	6 to 10
INVESTMENTS:					
U.S. Treasuries	\$ 6,552,948	\$ 837,948	\$ -	\$ 2,906,250	\$ 2,808,750
U.S. Agencies	336,952,417	-	52,365,331	167,227,006	117,360,080
Municipal Bonds	717,442	130,000	587,442	-	-
Money Market Mutual Funds	29,399,476	29,399,476	-	-	-
Total Investments	373,622,283	30,367,424	52,952,773	170,133,256	120,168,830
Total Cash	30,344,384	30,344,384	-	-	-
Total Cash & Investments ¹	\$ 403,966,667	\$ 60,711,808	\$ 52,952,773	\$ 170,133,256	\$ 120,168,830

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

Interest Rate Risk. Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires a minimum aggregate investment of 10% of the County's investments to be in Group I and applies a ladder strategy to Group II-A in which the portfolio is constructed to have approximately equal amounts invested in each maturity within a six year range. Investments maturing in less than one year include Group I and Group III investments of \$4,058,481 and \$26,308,943, respectively. Investments in Group I at June 30, 2004 were 1.1% of the County's total investments. The County's strategic investment plan seeks to obtain the desired average maturity of 2 to 4 years.

Credit Risk. The County's investments in U.S. Agencies are rated AAA by Standard and Poor's and Fitch Ratings and Aaa by Moody's Investor Services. Nevada State Statute allows investments in municipal bonds issued by local governments of the State of Nevada. County policy does not further restrict these investments. As of June 30, 2004, the County's investment in local government municipal bonds were rated AAA and Aaa from Standard & Poor's Ratings Services and Moody's Investors Service, respectively.

Concentration of Credit Risk. The County's policy places no limit on amounts invested in any one issuer for investments in Group I and Group III, while placing limits on Group II-A and B to 25% and 15%, respectively.

At June 30, 2004, the following investments exceeded 5% of the County's total:

Federal Home Loan Banks	51.34%
Federal Home Loan Mortgage Corporation	29.15%
Federal National Mortgage Association	15.53%

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 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.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)

Washoe County administers an external investment pool combining Washoe County money with voluntary investments from Washoe County School District, Regional Transportation Commission, Nevada Works, TRWQSA Joint Venture and the Library Investment 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. The external investment pool is not registered with the SEC as an investment company. 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 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. Investments held in the external investment pool at June 30, 2004 were:

INVESTMENT TYPE	FAIR VALUE	PRINCIPAL AMOUNT/ NUMBER OF SHARES	INTEREST RATE	MATURITY DATES
U.S. Treasury Notes and Bonds	\$ 5,715,000	\$ 6,000,000	2.6-3.6%	May 15, 2008 - May 15, 2013
U.S. Government Securities	336,952,417	342,459,623	1.9-5.6%	September 15, 2005 - March 04, 2014
Money Market Mutual Funds	3,082,426	3,082,426 shares	Variable	July 1, 2004
Total Pooled Investments	<u>\$ 345,749,843</u>			

EXTERNAL INVESTMENT POOL:

STATEMENT OF NET ASSETS, JUNE 30, 2004

ASSETS:	
Investments in Securities:	
U.S. Treasury Notes and Bonds	\$ 5,715,000
U.S. Government and Agency Securities	336,952,417
Money Market Mutual Funds	3,082,426
Interest Receivable	2,112,274
Total Assets	<u>\$ 347,862,117</u>
NET ASSETS:	
Internal participants	264,233,988
External participants	83,628,129
Total Net Assets Held in Trust for Pool Participants (\$1.00/par)	<u>\$ 347,862,117</u>

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)**

STATEMENT OF CHANGES IN NET ASSETS, FOR THE YEAR ENDED JUNE 30, 2004

ADDITIONS:	
Investment earnings	\$ 10,740,658
Net realized gain (loss) on investments	(2,909,887)
Net increase (decrease) in fair value of investments	(6,755,000)
Increase in net assets resulting from operations	1,075,771
Capital share transactions	28,865,040
Change in Net Assets	29,940,811
NET ASSETS, JULY 1	317,921,306
NET ASSETS, JUNE 30	\$ 347,862,117

NOTE 4 - OTHER ASSETS

Internal Service Funds

Other assets in the Risk Management Fund of \$106,819 represents prepaid insurance premiums and in the Equipment Services Fund, \$242,535 represents prepaid lease expense.

NOTE 5 - RESTRICTED ASSETS

Major Enterprise Funds

Various cash balances totaling \$3,985,322 in the Water Resources Fund are classified as restricted because their use is limited by applicable bond covenants and agreements. Bond proceeds of \$160,015 from the Series 2001B, General Obligation Bonds are restricted by covenants for water projects; \$3,370,163 of remediation fees is restricted for water remediation efforts; \$395,098 is restricted for retirement of principal and interest on the November 1, 2000, General Obligation Bonds per covenants; and \$60,046 is restricted 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 \$140,925 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 \$4,069,000 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 Enterprise Funds

Long-term assets in the Water Resources Fund consist primarily of \$4,139,521 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.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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Long-term assets in the Golf Course Fund consist of \$763,264 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 \$1,590,120 in refundable lease agreement deposits and \$63,005 prepaid lease expense, all relating to leased equipment in the Equipment Services Fund.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2004 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	\$ 92,771,464	\$ 1,403,445	\$ 39,030	\$ 94,135,879
Construction in progress	44,059,640	35,727,372	15,338,882	64,448,130
Total capital assets not being depreciated	<u>136,831,104</u>	<u>37,130,817</u>	<u>15,377,912</u>	<u>158,584,009</u>
Capital assets being depreciated:				
Land improvements	38,503,907	5,242,824	67,847	43,678,884
Buildings/improvements	162,352,553	6,044,795	870,622	167,526,726
Equipment	45,452,298	6,028,216	1,333,574	50,146,940
Infrastructure	46,521,362	4,980,742	-	51,502,104
Total capital assets being depreciated	<u>292,830,120</u>	<u>22,296,577</u>	<u>2,272,043</u>	<u>312,854,654</u>
Less accumulated depreciation for:				
Land improvements	15,583,699	1,719,903	49,270	17,254,332
Buildings/improvements	47,750,271	4,418,725	870,622	51,298,374
Equipment	27,917,209	3,704,462	1,301,089	30,320,582
Infrastructure	2,952,144	2,356,088	-	5,308,232
Total accumulated depreciation	<u>94,203,323</u>	<u>12,199,178</u>	<u>2,220,981</u>	<u>104,181,520</u>
Net capital assets being depreciated	<u>198,626,797</u>	<u>10,097,399</u>	<u>51,062</u>	<u>208,673,134</u>
Governmental activities capital assets, net	<u>\$ 335,457,901</u>	<u>\$ 47,228,216</u>	<u>\$ 15,428,974</u>	<u>\$ 367,257,143</u>

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

	BEGINNING BALANCES	INCREASES	DECREASES	ENDING BALANCES
BUSINESS-TYPE ACTIVITIES:				
Capital assets not being depreciated:				
Land	\$ 4,978,922	\$ 1,627	\$ -	\$ 4,980,549
Construction in progress	29,223,099	9,385,147	23,973,116	14,635,130
Total capital assets not being depreciated	34,202,021	9,386,774	23,973,116	19,615,679
Capital assets being depreciated:				
Land improvements	166,107,638	35,626,634	-	201,734,272
Building/improvements	15,991,263	49,656	-	16,040,919
Equipment	3,394,665	64,488	-	3,459,153
Total capital assets being depreciated	185,493,566	35,740,778	-	221,234,344
Less accumulated depreciation for:				
Land improvements	31,145,627	5,281,341	-	36,426,968
Buildings/improvements	3,562,195	472,199	-	4,034,394
Equipment	3,177,110	225,775	-	3,402,885
Total accumulated depreciation	37,884,932	5,979,315	-	43,864,247
Net business-type activities being depreciated	147,608,634	29,761,463	-	177,370,097
Business-type activities capital assets, net	\$ 181,810,655	\$ 39,148,237	\$ 23,973,116	\$ 196,985,776

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

GOVERNMENTAL ACTIVITIES:	
General government	\$ 1,132,606
Judicial	1,135,662
Public safety	2,856,109
Public works	2,390,523
Health and sanitation	188,681
Welfare	85,868
Culture and recreation	2,258,610
Capital assets held by internal service funds charged to functions based on their usage of assets	2,151,119
Total Depreciation Expense - Governmental Activities*	\$ 12,199,178

BUSINESS-TYPE ACTIVITIES:	
Utilities	\$ 5,693,824
Golf courses	276,695
Building and Safety	8,796
Total Depreciation Expense - Business-type Activities*	\$ 5,979,315

*Does not include amortization of plant capacity of \$4,273 and \$148,446 for governmental and business-type activities, respectively.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)**

	BALANCE JUNE 30, 2004	REMAINING COMMITMENT
CONSTRUCTION COMMITMENTS		
Mills B. Lane Justice Center	\$ 1,192,585	\$ 36,243,002
Incline Maintenance Facility	1,258,271	3,615,624
Miscellaneous park projects	2,820,138	840,915
Library Projects	2,316,832	8,070,189
Regional dispatch/operations center	6,518,280	57,869
Integrated financial system	8,373,668	449,433
Regional radio dispatch system	9,205,151	685,437
Jan Evans Juvenile Justice Center	22,431,722	310,033
Miscellaneous public work projects		
including General Fund projects	10,331,483	6,699,514
Governmental Construction In Progress	\$ 64,448,130	\$ 56,972,016

In addition, the Water Resources Fund has entered into contracts for the construction of water related projects with outstanding balances of \$2,553,489.

NOTE 8 – OTHER LIABILITIES AND CONTINGENCIES

Other Liabilities

Governmental Activities:

Other liabilities in governmental activities in the General Fund consists of deposits and amounts due to others of \$3,161,737 for seized property forfeitures, contingent fees, bail and other customer funds. Of this amount, \$2,499,524 is for deposits tied to civil cases in the District Court's Trust pending settlement of those cases. In the Special Assessment Debt Service Fund, other liabilities include special assessments refundable of \$1,910,821. 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. Other liabilities in the Health Benefits Fund is \$1,600,000 in estimated unprocessed health claims, based on a review of prior years' runoff claims.

Business-type Activities:

Other liabilities in business-type activities include developer deposits of \$1,856,245 for sewer connection capacity, \$22,750 for water system upgrades, \$914,212 for inspections and \$297,634 for developer connection credits. The majority of the sewer capacity deposit covers the preliminary work for expansion of the Cold Springs Water Reclamation Facility.

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.

**WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)**

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	\$ 6,740,000
Series June 1, 1994A, General Obligation - Various Purpose Recreation Facility Bonds	615,000
Series October 1, 1989 General Obligation Bonds - Partially Refunded	13,397,540
Series 1999B General Obligation Bonds - Various Purpose Recreational Facility Bonds	4,595,000
Series January 2000 Bonds	24,249,948
Series June 1, 2001 Refunding Bonds	92,515,317
Total RSCVA Bonds	\$ 142,112,805

Although the County is contingently liable for the general obligation bonds of RSCVA, in the event of a default, it is anticipated that RSCVA 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 unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

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	LEASES	
GOVERNMENTAL FUNDS:					
General Fund	\$ 1,868,955	\$ 933,671	\$ -	\$ -	\$ 2,802,626
SAD Debt Service Fund	-	-	2,297,488	-	2,297,488
Nonmajor Governmental Funds	-	387,266	-	2,260,275	2,647,541
Total Deferred Revenue	\$ 1,868,955	\$ 1,320,937	\$ 2,297,488	\$ 2,260,275	\$ 7,747,655

*Federal Payments in Lieu of Taxes

NOTE 10 – NEW FINANCING AND DEBT RELATED MATTERS

On August 5, 2003, Washoe County issued \$10,750,000 of General Obligation (Limited Tax) Animal Control Bonds Series 2003A. The proceeds of Series 2003A Bonds will be used to finance a portion of the cost of acquiring, constructing, improving and equipping a regional animal shelter facility and paying the costs of issuing the 2003A Bonds. Bond principal will be retired annually through 2030, commencing June 1, 2004. Interest is payable on December 1 and June 1, commencing December 1, 2003. The 2003A 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 3.0% to 4.625%. AMBAC Assurance Corporation insures principal and interest payments which resulted in assigned ratings of AAA by Standard & Poor's and Aaa by Moody's.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

On August 5, 2003, Washoe County issued \$2,575,000 of General Obligation (Limited Tax) Medium-Term Bonds Series 2003B. The proceeds of Series 2003B Bonds will be used to finance a portion of the cost of a regional animal shelter facility and to pay the costs of issuing the 2003B Bonds. Bond principal will be retired annually through 2008, commencing June 1, 2004. Interest is payable on December 1 and June 1, commencing December 1, 2003. The 2003B 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. Interest rates on the Bonds range from 2.0% to 2.75%. Standard & Poor's and Moody's rated the 2003B A+ and Aa3, respectively.

On October 15, 2003, Washoe County issued \$1,085,000, Local Improvement Refunding Bonds Series 2003 on behalf of Special Assessment District No. 21 – Cold Springs Sewer (SAD 21). The proceeds were used for a current refunding of Special Assessment District No. 21, Local Improvement Bonds Series July 1, 1996, of \$1,400,000, to fund a bond reserve fund for the new bonds and pay issuance costs for the bonds. Bond principal will be retired annually through 2017, commencing July 1, 2004. Interest is payable on January 1 and July 1, commencing January 1, 2004. The Bonds are special obligations of the County, payable from the assessments levied in SAD 21, the Bonds Reserve Fund and the County's Surplus and Deficiency Fund. In the case of deficiencies, the bonds are further secured by the General Fund and property taxes authorized to be levied and collected. Interest rates on the Bonds range from 2.0% to 4.0%. Financial Security Assurance Inc. insures principal and interest payments which resulted in assigned rating of AAA by Standard and Poor's.

The refunding bonds were issued at a discount of \$2,781. The bond proceeds and existing funds of \$504,445 were deposited in an escrow account controlled by U.S. Bank. The amount deposited, \$1,403,748, is deemed to be sufficient to meet the debt service provision of the refunded bonds. The refunding resulted in future cash savings of \$128,104 and an economic gain (difference between the present values of the old and new debt service payments) of \$105,617.

On March 1, 2004, Washoe County issued \$3,280,000 of General Obligation (Limited Tax) Library Building Bonds (Additionally Secured by Pledged Revenues) Series 2004. The proceeds will be used to finance all or a portion of the cost of acquiring, constructing, improving, and equipping a library building and to pay the costs of issuing the bonds. Bond principal will be retired annually through 2025, commencing March 1, 2009. Interest is payable on September 1 and March 1, commencing September 1, 2004. 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 and any prior redemption premium thereon, subject to Nevada constitutional and statutory limitations regarding the aggregate amount of ad valorem taxes. The Bonds are also secured by a pledge of 15% of the revenues received by the County from the State's Consolidated Tax Act. Interest rates on the Bonds range from 3.5% to 5%. AMBAC Assurance Corporation insures principal and interest payments which resulted in assigned ratings of AAA by Standard & Poor's, and Aaa by Moody's.

On February 17, 2004, Washoe County approved an ordinance authorizing the issuance of Minor League Baseball Stadium Project Revenue Bonds, Series 2004 in the maximum principal amount of \$2,600,000. The proceeds will be used to acquire, improve, equip, operate and maintain, within the County a minor league baseball stadium project. The principal and interest payment will be payable to Bank of America, N.A., the purchaser of the Bonds, and will change based on drawdowns. At June 30, 2004, the outstanding principal amount was \$1,200,000. Bond principal will be retired annually through 2010. The interest rate is variable with the initial rate at 65% of the monthly LIBOR (London International Bank Offering Rate) currently in effect, plus 1.35% per annum, commencing on December 1, 2004. Interest is payable on December 1, and June 1, commencing on December 1, 2004. The maximum interest rate is 7.75%.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

On May 18, 2004, Washoe County approved an ordinance authorizing the issuance of General Obligation (Limited Tax) Sewer Bonds Series 2004 in the maximum principal amount of \$3,000,000. The bonds are issued through the State of Nevada for the purpose of financing sewer projects for the expansion of the Cold Springs Water Reclamation Facility. The principal and interest payments will be payable to the State of Nevada and will change based on drawdowns. At June 30, 2004, the outstanding principal balance was \$266,832. The remaining authorized and unissued balance as of June 30, 2004 is \$2,733,168. The bonds are additionally secured with pledged sewer revenue. The interest rate on the bonds is 3.2125% and is payable on January 1 and July 1, commencing January 1, 2005.

The final drawdown of \$252,469 was issued for the General Obligation (Limited Tax) Sewer Bonds Series 2001 during the 2004 fiscal year bringing the outstanding principal amount at June 30 to the approved maximum principal amount of \$21,000,000.

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 all debt related to Special Assessment District No. 23 (SAD 23) Southwest Pointe/Arrow Creek.

On October 15, 2003 Washoe County issued Special Assessment District No. 23 (ArrowCreek) current refunding Senior Local Improvement Bonds 2003 Series A for \$3,515,000 and Subordinate Local Improvement 2003 Series B Bonds for \$4,735,000, for a combined aggregate amount of \$8,250,000. Washoe County is only acting as an agent for these bonds and is not liable for the repayment of debt. The Bond proceeds and existing SAD 23 funds of \$3,416,571, were used to refund SAD 23, Local Improvement Bonds Series November 1, 1997 of \$10,075,000, pay issuance costs, and establish bond and reserve funds for both the Senior and Subordinate Bonds at U.S. Bank National Association, the escrow agent. These escrow accounts are controlled by U.S. Bank to call the outstanding 1997 bonds in their entirety. The County will remit to U.S. Bank all revenues collected each month for SAD 23 for the payment of principal and interest on the 2003 A & B Series, as they become due.

The refunding resulted in future cash savings of \$1,068,758 and an economic gain (difference between the present values of the old and new debt service payments) of \$869,354.

Bond Redemptions:

The County was able to call several special assessment bonds for early redemption as funds were made available from the early payoff of special assessments.

On July 1, 2003 the County called for early redemption, at 102% of principal, \$95,000 of Special Assessment District No. 21 (Cold Springs) Local Improvement Bonds, Series July 1, 1996 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, 2004
(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	\$ 16,405,000
Water Resources Fund Bonds Series 1986	360,000
Total Defeased Debt Outstanding	\$ 16,765,000

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, 2004:

ASSET DESCRIPTION:	GOVERNMENTAL FUND ASSETS	ENTERPRISE FUND ASSETS
Buildings	\$ 115,117,339	\$ -
Equipment/plant capacity	149,557	1,447,481
Less: Accumulated Amortization/Depreciation	(1,054,081)	(303,850)
Total Lease/Purchases	\$ 114,212,815	\$ 1,143,631

Operating Leases:

Washoe County leases office space, land, equipment and water rights under various operating lease agreements. Total lease payments in 2003/04 were \$3,786,321. Future minimum payments for these leases are:

YEAR ENDING JUNE 30,	LAND, SPACE, WATER RIGHTS	EQUIPMENT	TOTAL
2005	\$ 2,868,692	\$ 376,068	\$ 3,244,760
2006	1,587,930	141,584	1,729,514
2007	929,489	23,365	952,854
2008	78,007	338	78,345
2009	60,956	-	60,956
2010-2014	58,143	-	58,143
Totals	\$ 5,583,217	\$ 541,355	\$ 6,124,572

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(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 2003/04, 82% of governmental funds' compensated absences were paid by the General Fund, and in enterprise funds, 65% 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, 2004 follow:

	<u>GOVERNMENTAL FUNDS</u>	<u>ENTERPRISE FUNDS</u>	<u>TOTAL</u>
WASHOE COUNTY:			
Vacation	\$ 8,901,234	\$ 454,160	\$ 9,355,394
Sick Leave	5,658,196	249,668	5,907,864
Compensatory	3,801,400	174,993	3,976,393
Benefits	196,879	9,657	206,536
Total County Funds	18,557,709	888,478	19,446,187
COMPONENT UNIT:			
Truckee Meadows FPD	618,158	-	618,158
Total Compensated Absences	<u>\$ 19,175,867</u>	<u>\$ 888,478</u>	<u>\$ 20,064,345</u>

Claims and Judgments:

The claims and judgments liability of \$13,102,500 consists of \$12,173,000 generally liquidated through the Risk Management and Health Benefits internal service funds and \$929,500 being liquidated through Truckee Meadows Fire Protection District Workers Compensation Fund (see Note 19.) The Risk Management and Health Benefits 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. The TMFPD Workers Compensation Fund finances the payment of claims through transfers from the TMFPD General Fund.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(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	Nov 30, 1999	\$ 129,998	5.445%
Certificates of Participation Series 2000	Sep 1, 2000	16,950,000	4.4% - 5.25%
Capital lease/equipment/Toxicology	Nov 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	Apr 1, 2001	464,126	6.0%
Total Capital Lease/Notes Obligations			
General Obligation Bonds			
Ad Valorem:			
Jail Refunding Bonds (partially refunded 06/03/2003)	Apr 1, 1993	29,820,000	4.5% - 8.0%
Public Safety Bonds	Dec 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	Oct 1, 2002	15,515,000	3.0% - 5.0%
Jail Forward Refunding Bonds Series 2003	Jun 3, 2003	16,725,000	4.0% - 5.0%
Animal Control Shelter Bonds Series 2003A	Aug 5, 2003	10,750,000	3.0% - 4.625%
Total Ad Valorem Supported Bonds			
Medium-Term:			
Various Purpose Series June 1, 1999	Jun 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	Apr 1, 1997	10,000,000	4.0% - 5.0%
Property Acquisition Bonds Series 2000A	Aug 1, 2000	14,000,000	4.5% - 4.8%
Antelope Valley Road Special Assess Dist Series 2001B	Dec 1, 2001	1,327,290	3.0% - 4.5%
Integrated Financial System Series 2002C	Oct 1, 2002	6,960,000	2.5% - 3.0%
Animal Control Shelter Bonds Series 2003B	Aug 5, 2003	2,575,000	2.0% - 2.75%
Truckee Meadows Fire Protection District (a component unit)			
Various Purpose Series June 1, 1999	Jun 1, 1999	1,300,000	3.8% - 4.6%
Total Medium-Term Bonds			
Revenue:			
Truckee River Water Quality Settlement			
Series 1998A & 1998B	Apr 1, 1998	12,000,000	3.25%
Facility Bonds Series 2001A	Dec 1, 2001	16,620,000	4.0% - 5.5%
Office Building Bonds Series 2002A	Oct 1, 2002	19,260,000	3.0% - 5.0%
Library Building Bonds Series 2004	Mar 1, 2004	3,280,000	3.5% - 5.0%
Total General Obligation Revenue Bonds			
Total General Obligation Bonds			
Revenue Bonds			
Sales Tax Revenue Bonds Series 1998	Dec 1, 1998	21,915,000	4.0% - 5.1%
Minor League Baseball Stadium Project Bonds Series 2004	Mar 30, 2004	2,600,000	Variable
Total Revenue Bonds			
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, 2003	Additions/ Issued	Reduction/ Principal Matured/ Called	*** Principal Outstanding June 30, 2004	Payment Due in 2004-2005		Fiscal Year Of Final Payment
					Principal	Interest	
\$ 1,372	\$ 38,015	\$ -	\$ 28,252	\$ 9,763	\$ 9,763	\$ 111	2005
692,828	15,390,000	-	1,635,000	13,755,000	1,705,000	618,495	2011
1,276	28,876	-	20,108	8,768	8,768	142	2005
627	26,282	-	26,282	-	-	-	2004
25,998	438,497	-	14,006	424,491	14,866	25,139	2021
722,101	15,921,670	-	1,723,648	14,198,022	1,738,397	643,887	
50,180	1,930,000	-	1,930,000	-	-	-	2004
821,750	15,515,000	-	780,000	14,735,000	815,000	757,400	2017
1,169,348	21,845,000	-	485,000	21,360,000	515,000	1,137,824	2026
701,682	15,335,000	-	350,000	14,985,000	355,000	684,181	2030
574,041	16,725,000	-	-	16,725,000	2,085,000	729,400	2011
376,274	-	10,750,000	235,000	10,515,000	225,000	450,580	2030
3,693,275	71,350,000	10,750,000	3,780,000	78,320,000	3,995,000	3,759,385	
189,718	4,315,000	-	750,000	3,565,000	650,000	158,218	2009
157,360	2,810,000	-	2,810,000	-	-	-	2004
226,195	4,545,000	-	1,055,000	3,490,000	1,110,000	174,500	2007
652,355	14,000,000	-	-	14,000,000	1,725,000	613,543	2011
46,689	1,225,863	-	117,165	1,108,698	121,537	42,511	2012
167,294	6,960,000	-	1,270,000	5,690,000	1,375,000	134,231	2008
49,066	-	2,575,000	450,000	2,125,000	505,000	50,675	2008
37,210	845,000	-	125,000	720,000	130,000	31,960	2009
1,525,887	34,700,863	2,575,000	6,577,165	30,698,698	5,616,537	1,205,638	
173,862	5,420,431	-	285,581	5,134,850	294,939	164,505	2018
807,838	16,300,000	-	375,000	15,925,000	390,000	792,538	2027
997,224	19,260,000	-	490,000	18,770,000	650,000	814,286	2027
-	-	3,280,000	-	3,280,000	-	132,616	2025
1,978,924	40,980,431	3,280,000	1,150,581	43,109,850	1,334,939	1,903,945	
7,198,086	147,031,294	16,605,000	11,507,746	152,128,548	10,946,476	6,868,968	
994,818	20,790,000	-	415,000	20,375,000	435,000	977,817	2029
-	-	1,200,000	-	1,200,000	200,000	33,115	2010
994,818	20,790,000	1,200,000	415,000	21,575,000	635,000	1,010,932	
-	18,291,489	16,390,564	15,506,186	19,175,867	16,691,370	-	N/A
-	142,259	-	142,259	-	-	-	N/A
-	10,708,000	2,394,500	-	13,102,500	4,001,759	-	N/A
-	29,141,748	18,785,064	15,648,445	32,278,367	20,693,129	-	

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

NOTE 11 - WASHOE COUNTY DEBT (CONTINUED)

GOVERNMENTAL ACTIVITIES	Date of Issue	Original Note/ Issue	** Interest Rate
Special Assessment Debt (with governmental commitment) - Note 10			
Cold Springs Sewer	Jul 1, 1996	\$ 5,500,000	4.0% - 6.1%
Calle de la Plata-\$274,171, Matterhorn Blvd-\$537,251, Osage/Placerville-\$146,659	Oct 21, 1999	958,081	5.75%
Cold Springs Sewer Refunding Bonds	Oct 15, 2003	1,085,000	2.0% - 4.0%
Total Special Assessment Debt			
Total Governmental Activities			
BUSINESS-TYPE ACTIVITIES *			
General Obligation Debt			
Medium-Term:			
Water Resources Fund:			
Various Purpose Series June 1, 1996	Jun 1, 1996	1,850,000	4.0% - 5.3%
Water Bonds Series 2001B	Dec 1, 2001	6,262,710	3.0% - 4.5%
South Truckee Meadows GID (a component unit):			
Refunding Series 1996	Jul 1, 1996	1,740,000	3.5% - 5.1%
Revenue:			
Water Resources Fund:			
Water Sewer Series 1997	Jun 4, 1997	3,720,000	5.0% - 6.5%
Lemmon Valley Sewer Series 1997	Aug 13, 1997	1,249,137	3.33%
Sewer Bonds Series 2000A & 2000B	Jun 30, 2000	2,310,000	3.7%
Ground Water Remediation Bonds Series Nov. 1, 2000	Nov 1, 2000	3,165,000	4.6% - 5.0%
Sewer Bonds Series 2001	Feb 2, 2001	21,000,000	3.125%
Sewer Bonds Series 2004	Jun 11, 2004	3,000,000	3.213%
Golf Course Fund:			
Golf Course Series 1997	Sep 1, 1997	3,000,000	4.75% - 5.4%
Leases/Notes			
Water Resources Fund:			
Capital lease/sewer capacity - Phases A & C	Feb 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	Apr 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, 2003	Additions/ Issued	Reduction/ Principal Matured/ Called	*** Principal Outstanding June 30, 2004	Payment Due in 2004-2005		Fiscal Year Of Final Payment
					Principal	Interest	
\$ 43,905	\$ 1,495,000	\$ -	\$ 1,495,000	\$ -	\$ -	\$ -	2004
37,978	683,000	-	91,000	592,000	96,000	32,689	2010
7,076	-	1,085,000	-	1,085,000	70,000	32,820	2017
88,959	2,178,000	1,085,000	1,586,000	1,677,000	166,000	65,509	
9,003,964	215,062,712	37,675,064	30,880,839	221,856,937	34,179,002	8,589,296	
33,826	650,000	-	205,000	445,000	215,000	23,370	2006
220,298	5,784,137	-	552,835	5,231,302	573,463	200,588	2012
8,160	320,000	-	320,000	-	-	-	2004
150,138	2,750,000	-	225,000	2,525,000	240,000	136,638	2017
33,793	1,027,781	-	53,822	973,959	55,629	31,986	2018
36,034	984,405	-	42,498	941,907	44,084	34,446	2020
117,713	2,645,000	-	280,000	2,365,000	290,000	104,000	2011
617,923	20,747,531	252,469	-	21,000,000	917,873	649,135	2020
-	-	266,832	-	266,832	-	4,762	2025
125,507	2,495,000	-	115,000	2,380,000	120,000	119,925	2018
36,628	957,601	-	64,373	893,228	66,835	34,166	2015
7,776	63,680	-	4,224	59,456	4,224	7,776	2018
54,737	923,210	-	29,488	893,722	31,298	52,928	2021
-	854,862	895,492	861,876	888,478	773,364	-	N/A
1,442,533	40,203,207	1,414,793	2,754,116	38,863,884	3,331,770	1,399,720	
<u>\$ 10,446,497</u>	<u>\$ 255,265,919</u>	<u>\$ 39,089,857</u>	<u>\$ 33,634,955</u>	<u>\$ 260,720,821</u>	<u>\$ 37,510,772</u>	<u>\$ 9,989,016</u>	

** Interest on the variable-rate baseball stadium bonds is paid at an initial interest rate per annum equal to 65% of the monthly LIBOR (London International Bank Offering Rate) currently in effect, plus 1.35% for each advance. The rate will be reset in December 2004.

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

WASHOE COUNTY
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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						
2005	\$ 3,995,000	\$ 3,759,385	\$ 6,821,476	\$ 3,077,623	\$ 166,000	\$ 65,509
2006	4,175,000	3,567,411	7,069,636	2,815,872	162,000	58,603
2007	4,350,000	3,376,630	7,349,862	2,531,132	173,000	51,402
2008	4,550,000	3,178,146	6,369,541	2,225,132	186,000	43,725
2009	4,780,000	2,956,848	4,581,307	1,985,051	199,000	35,340
2010-2014	18,715,000	11,720,765	13,491,372	7,576,636	486,000	100,438
2015-2019	13,805,000	7,866,726	10,000,354	5,395,387	305,000	18,250
2020-2024	12,070,000	4,778,531	10,410,000	3,150,220	-	-
2025-2029	10,235,000	1,711,163	6,995,000	602,532	-	-
2030-2034	1,645,000	79,663	-	-	-	-
	<u>78,320,000</u>	<u>42,995,268</u>	<u>73,088,548</u>	<u>29,359,585</u>	<u>1,677,000</u>	<u>373,267</u>
GOVERNMENTAL ACTIVITIES - COMPONENT UNITS						
2005	-	-	130,000	31,960	-	-
2006	-	-	135,000	26,436	-	-
2007	-	-	145,000	20,562	-	-
2008	-	-	150,000	14,110	-	-
2009	-	-	160,000	7,360	-	-
	-	-	<u>720,000</u>	<u>100,428</u>	-	-
BUSINESS-TYPE ACTIVITIES - PRIMARY GOVERNMENT						
2005	-	-	2,456,049	1,304,850	-	-
2006	-	-	2,555,124	1,209,838	-	-
2007	-	-	2,298,735	1,105,923	-	-
2008	-	-	2,389,227	1,016,826	-	-
2009	-	-	2,484,089	924,238	-	-
2010-2014	-	-	11,089,088	3,213,310	-	-
2015-2019	-	-	8,945,456	1,436,952	-	-
2020-2024	-	-	3,901,945	188,462	-	-
2025-2029	-	-	9,287	149	-	-
	-	-	<u>36,129,000</u>	<u>10,400,548</u>	-	-
Total	\$ <u>78,320,000</u>	\$ <u>42,995,268</u>	\$ <u>109,937,548</u>	\$ <u>39,860,561</u>	\$ <u>1,677,000</u>	\$ <u>373,267</u>

*Principal amounts shown before discounts.

REVENUE BONDS		LEASES/NOTES		TOTAL DEBT	
PRINCIPAL*	INTEREST	PRINCIPAL*	INTEREST	PRINCIPAL*	INTEREST
\$ 635,000	\$ 1,010,932	\$ 1,738,397	\$ 643,887	\$ 13,355,873	\$ 8,557,336
655,000	983,690	1,795,778	564,309	13,857,414	7,989,885
675,000	959,845	1,876,745	474,466	14,424,607	7,393,475
700,000	934,828	1,977,774	378,553	13,783,315	6,760,384
720,000	908,498	2,068,864	282,715	12,349,171	6,168,452
3,190,000	4,125,525	4,513,171	302,984	40,395,543	23,826,348
3,815,000	3,319,103	152,426	47,598	28,077,780	16,647,064
4,895,000	2,240,075	74,867	5,141	27,449,867	10,173,967
6,290,000	833,848	-	-	23,520,000	3,147,543
-	-	-	-	1,645,000	79,663
21,575,000	15,316,344	14,198,022	2,699,653	188,858,570	90,744,117
-	-	-	-	130,000	31,960
-	-	-	-	135,000	26,436
-	-	-	-	145,000	20,562
-	-	-	-	150,000	14,110
-	-	-	-	160,000	7,360
-	-	-	-	720,000	100,428
-	-	102,357	94,870	2,558,406	1,399,720
-	-	106,834	90,392	2,661,958	1,300,230
-	-	111,526	85,701	2,410,261	1,191,624
-	-	116,445	80,781	2,505,672	1,097,607
-	-	121,603	75,623	2,605,692	999,861
-	-	694,604	291,530	11,783,692	3,504,840
-	-	435,411	134,718	9,380,867	1,571,670
-	-	157,626	10,824	4,059,571	199,286
-	-	-	-	9,287	149
-	-	1,846,406	864,439	37,975,406	11,264,987
\$ 21,575,000	\$ 15,316,344	\$ 16,044,428	\$ 3,564,092	\$ 227,553,976	\$ 102,109,532

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2004
(CONTINUED)

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

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 enterprise 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. 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. 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.

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
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(CONTINUED)**

Unreserved fund balances in governmental funds consist of the following:

FUND	DESIGNATED FUTURE YEARS EXPENDITURES	UNDESIGNATED	TOTAL
General Fund	\$ 31,230,945	\$ -	\$ 31,230,945
Pre-Funded Retiree			
Health Benefits Fund	28,554,830	-	28,554,830
Parks Construction Tax Fund	25,043,396	-	25,043,396
Public Works Construction Fund	24,443,613	-	24,443,613
Infrastructure Fund	33,356,247	-	33,356,247
Nonmajor Special Revenue Funds	22,544,998	451,129	22,996,127
Nonmajor Capital Projects Funds	3,162,553	582,725	3,745,278
Totals	<u>\$ 168,336,582</u>	<u>\$ 1,033,854</u>	<u>\$ 169,370,436</u>

Governmental Funds:

The Special Assessment Projects Fund, a Capital Projects Fund, has a deficit fund balance of \$1,231,767. This is the result of loans received from the Public Works Construction Fund to various special assessment districts and contracts payable in the districts, exceeding assets in the Fund. The loans will be repaid when permanent funding is received through bank loans and bond sales.

Proprietary Funds:

The Truckee Meadows Fire Protection District Workers' Compensation Fund, an internal service fund, has a deficit net asset balance of \$329,414. Legislation enacted for increased benefits for public safety employees has resulted in a pending claims liability. Negative net assets in the Fund reflect the fact that noncurrent pending claims are not fully funded.

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 Water Resources and South Truckee Meadows GID Funds consist of water rights and water and sewer facilities 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
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(CONTINUED)

NOTE 15 – INTERFUND BALANCES, LOANS AND TRANSFERS

The Board of County Commissioners approved short-term interfund loans from the Public Works Construction Fund to cover expenditures in three special assessment districts until permanent financing can be obtained. The original loans plus interest will be repaid within one year of receipt. District loans were for Special Assessment District (SAD) 29 – Mount Rose Sewer Phase II, \$1.3 million, SAD 35 – Rhodes Road, \$191,000, and SAD 36 – Evergreen Hills Drive, \$306,000. Interest rates being charged are 1.25% for SAD 29, 1.5% for SAD 35, and 2% for SAD 36.

Interfund transfers for the year ended June 30, 2004, consisted of the following:

	TRANSFERS IN:		
	NONMAJOR GENERAL FUND FUNDS	PRE-FUNDED RETIREE HEALTH BENEFITS FUND	PUBLIC WORKS CONSTRUCTION FUND
TRANSFERS OUT:			
General Fund	\$ -	\$ 4,993,000	\$ 13,892,560
Pre-Funded Retiree			
Health Benefits Fund	-	-	-
Infrastructure Fund	-	-	-
Nonmajor Governmental Funds	417,737	-	213,400
Water Resources Fund	1,643,675	-	-
Total Transfers Out	<u>\$ 2,061,412</u>	<u>\$ 4,993,000</u>	<u>\$ 14,105,960</u>

	TRANSFERS IN:			TOTALS
	NONMAJOR GOVERNMENTAL FUNDS	WATER RESOURCES FUND	INTERNAL SERVICE FUNDS	
TRANSFERS OUT:				
General Fund	\$ 16,163,818	\$ 1,408,332	\$ 8,213,772	\$ 44,671,482
Pre-Funded Retiree				
Health Benefits Fund	-	-	688,000	688,000
Infrastructure Fund	3,676,721	-	-	3,676,721
Nonmajor Governmental Funds	6,136,157	32,390	600,000	7,399,684
Water Resources Fund	-	-	-	1,643,675
Total Transfers Out	<u>\$ 25,976,696</u>	<u>\$ 1,440,722</u>	<u>\$ 9,501,772</u>	<u>\$ 58,079,562</u>

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.

WASHOE COUNTY
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JUNE 30, 2004
(CONTINUED)

NOTE 16 – JOINT VENTURES

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

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; \$12,000,000 by DOI and \$12,000,000 by the joint venture participants. Washoe County's estimated portion of funding of these water rights purchases is \$2,640,000.

The acquisition of water rights by Washoe County, Reno and Sparks is being financed using the State of Nevada Water Pollution Control Revolving Loan Fund. Bonds totaling \$5,957,456 have been issued. Repayment of the financing will be made 50% from a pledged uniform charge on connection fees of new users in special areas. The remaining 50% will be made from a pledged uniform flow-based charge to customers of TMWRF. The joint venture is accumulating adequate financial resources to fund future debt payments and water right purchases. 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.

Washoe County is responsible for administration of the joint venture. Water rights will be jointly managed by Washoe County, Reno, Sparks and DOI. The arrangement is considered a joint venture with no equity interest because no explicit and measurable equity interest is deemed to exist. All equity is reserved for purchase of water rights and repayment of debt and is therefore, unavailable to the entities. 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. Assets of \$1,770,037 have been recorded as of June 30, 2004.

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

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 (SPPCo), a Nevada corporation, and to develop, manage and maintain supplies of water for the ongoing 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 arrangement is considered a joint venture with no equity interest recorded on Washoe County's balance sheet as of June 30, 2004, because no explicit and measurable equity interest is deemed to exist. The County appoints one director of a seven-member governing body.

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NOTES TO FINANCIAL STATEMENTS
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(CONTINUED)**

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	
2003-04	20.25%	28.50%	\$ 30,234,338
2002-03	18.75%	28.50%	\$ 27,959,112
2001-02	18.75%	28.50%	\$ 25,882,639

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, 2003. 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 21 years from July 1, 2003. Under the level percentage-of-payroll amortization

WASHOE COUNTY
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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 8.0% 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 \$3,413,404 toward retirees' premiums and claims. Retirees' contributions totaled \$1,369,307 for 740 eligible participants with 123 dependents. Currently, the County finances the plan on a pay-as-you-go basis. Additionally, effective July 1, 2003, the Nevada Legislature passed legislation (AB286) that affords public employees of Nevada political subdivisions the opportunity to enroll, upon their retirement, in the Public Employees Benefit Program (PEBP) health insurance plan. The current legislation obligates the County for a portion of the medical premium for those retired employees who elect to enroll in the PEBP health insurance plan. During the current year, the County paid \$53,186 as required under this legislation. The Pre-Funded Retiree Health Benefits Fund was established to accumulate a sufficient fund balance for payment of future retiree health benefits. During the 2004 fiscal year, the County transferred \$4,993,000 to the Fund. Transfers of \$688,000 were made from the Fund to the Health Benefits Fund this fiscal year. At June 30, 2004, fund balance available for future benefits is \$28,554,830.

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. On July 1, 2000, pursuant to an Interlocal Agreement for Fire Services and Consolidation, fire district operations were transferred to the City of Reno.

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. An actuarial valuation of retiree health and life benefits was completed as of July 1, 2004, using the Projected Unit Benefit Cost Method. Significant actuarial assumptions used were a 5.5% effective annual discount rate and an initial 14% health cost trend reduced by 1.5% per year for six years, to a 5% ultimate rate. Contributions made by TMFPD for the year ended June 30, 2004 were \$225,000, which represents the present value of future benefits attributed to one year of service, plus a payment towards the Unfunded Actuarial Liability. The estimated Actuarial Liability as of July 1, 2004 was \$3,999,080. Net assets available for benefits at June 30, 2004 were \$2,064,360. As of June 30, 2004, the net assets available for funding were equal to 51.6% of the estimated actuarial liability. As of June 30, 2004, eight employees who had transferred employment to the City of Reno on July 1, 2000 had retired.

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.

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 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:

	CURRENT	LONG-TERM	TOTAL
PENDING CLAIMS:			
Property and liability claims	\$ 974,000	\$ 2,218,000	\$ 3,192,000
Workers' compensation claims	2,845,000	6,136,000	8,981,000
Unprocessed Health Benefits Fund claims	1,600,000	-	1,600,000
Total Pending Claims	<u>\$ 5,419,000</u>	<u>\$ 8,354,000</u>	<u>\$ 13,773,000</u>

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 balance of \$741,962.

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

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND
CLAIMS LIABILITY/ACTIVITY:		
Claims liability, July 1, 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	10,708,000	1,300,000
Claims and changes in estimates	3,815,381	15,267,798
Claim payments	(2,350,381)	(14,967,798)
Claims liability, June 30, 2004	<u>\$ 12,173,000</u>	<u>\$ 1,600,000</u>

WASHOE COUNTY
NOTES TO FINANCIAL STATEMENTS
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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 in the Risk Management Fund at June 30 is \$13,717,000. The interest rate used for discounting was 4%.

Truckee Meadows Fire Protection District (TMFPD), a component unit, is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. TMFPD carries commercial insurance for risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Prior to July 1, 2004, TMFPD's guaranteed payment to the City of Reno included their portion of the self-funded workers' compensation obligation. During the fiscal year ended June 30, 2004, TMFPD and the City of Reno instituted a "pay as you go" system for workers' compensation claims. TMFPD is obligated to pay 29.5% of all workers' compensation claims filed by City of Reno Fire Department employees. TMFPD established the Workers' Compensation Fund to account for this program.

The liability for workers' compensation claims was determined through an actuarial valuation performed as of June 30, 2004. The actuarial valuation was performed for the City of Reno Fire Department as a whole. The amount reported as a liability of TMFPD, \$929,500 is 29.5% of estimated potential claims for 2003-04 only. Claims incurred prior to that time remain the liability of the City of Reno under the guaranteed payment plan in effect prior to July 1, 2003. Allocated loss adjustment expense is included in the actuarial calculation. Claims of \$182,759 were determined to be current liabilities and claims of \$746,741 were determined to be long-term in nature. There were no claims paid during the year ended June 30, 2004. Under the program, TMFPD and the City of Reno self-insure up to a maximum of \$2,500,000 for each workers' compensation claim.

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 1, 2004 the County called for early redemption of \$35,000 of Special Assessment District No. 21 (Cold Springs) Local Improvement Refunding Series 2003 Bonds at 102% of principal. The call was a result of prepaid assessment principal received from property owners.

On August 24, 2004 the Board of County Commissioners authorized the issuance of General Obligation (Limited Tax) Medium-term Series 2004 Bonds for \$13.9 million. The proceeds will be used to finance all or a portion of the cost of acquiring, improving and equipping a new Sparks Justice Court facility. The bonds were issued September 22, 2004.

On August 10, 2004 the Board of County Commissioners authorized the issuance of \$11.9 million of General Obligation (limited tax) Building Bonds (additional secured by pledged revenues). The proceeds will be used to finance an office building located at 350 South Center Street, Reno, Nevada. None have been issued to date.



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NONMAJOR GOVERNMENTAL FUNDS

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

The Year in Washoe County



Award Winning South Valleys Library

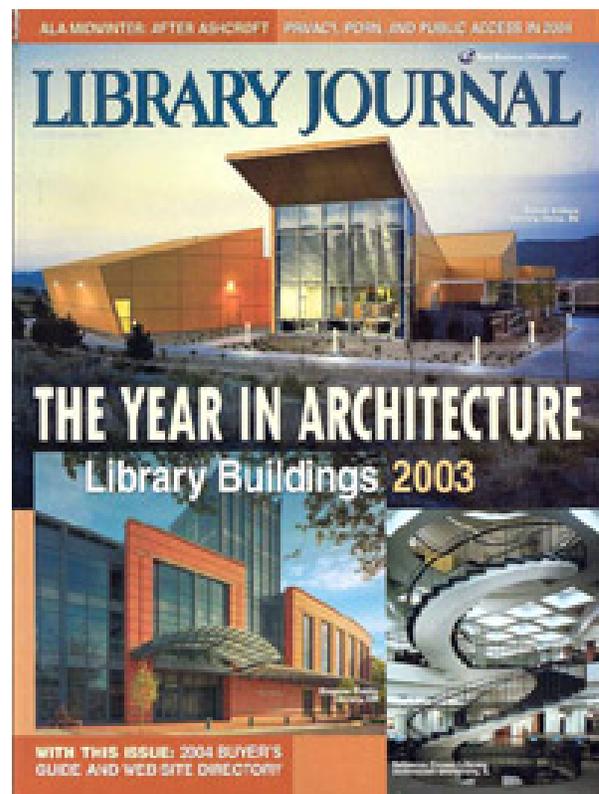
Count them-- not one, not two, but three awards have been given to the South Valleys Library!

The South Valleys Library, the first stand-alone library in Washoe County to be constructed in over 30 years, was completed in early summer of 2003.

The library is currently on the cover of the Library Journal Magazine, which is the number one library publication.

It also received an award from the Denver Chapter of the American Institute of Architects and lastly, from the Southwest Contractors Association "Best Public Project under \$5 million." The award from the Southwest Contractors Association was featured in the December issue of Southwest Contractor's magazine, giving the building nothing but praise for the architectural design and innovative use of building materials. The magazine quotes, "These and other prominent traits emphasize that as well as being a

landmark, South Valleys can become a wonderful destination to meet family and friends."



January 2004

**WASHOE COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004**

	SPECIAL REVENUE FUNDS	DEBT SERVICE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL
ASSETS				
Cash and investments	\$ 25,771,523	\$ 10,100,037	\$ 6,989,665	\$ 42,861,225
Accounts receivable	386,189	-	-	386,189
Consolidated tax receivable	975,113	-	-	975,113
Property taxes receivable	299,895	83,142	49,777	432,814
Other taxes receivable	223,525	-	286,050	509,575
Interest receivable	72,029	22,562	44,185	138,776
Due from other governments	6,953,781	-	10,000	6,963,781
Inventory	221,957	-	-	221,957
Total Assets	\$ 34,904,012	\$ 10,205,741	\$ 7,379,677	\$ 52,489,430
LIABILITIES				
Accounts payable	\$ 3,115,249	\$ 4,937	\$ 253,840	\$ 3,374,026
Accrued salaries and benefits	1,659,519	-	-	1,659,519
Contracts/retention payable	-	-	677,031	677,031
Interest payable	-	11,296	-	11,296
Due to other funds	-	-	1,807,565	1,807,565
Due to other governments	1,070,560	-	68,192	1,138,752
Other liabilities	13,130	-	-	13,130
Deferred revenue	2,526,771	75,524	45,246	2,647,541
Total Liabilities	8,385,229	91,757	2,851,874	11,328,860
FUND BALANCES (DEFICITS)				
Reserved for:				
Encumbrances	578,188	-	782,525	1,360,713
Debt service	-	10,113,984	-	10,113,984
Projects	658,151	-	-	658,151
Claims	2,064,360	-	-	2,064,360
Inventory	221,957	-	-	221,957
Unreserved:				
Designated/future years expenditures	22,544,998	-	4,394,320	26,939,318
Undesignated/(Deficit)	451,129	-	(649,042)	(197,913)
Total Fund Balances	26,518,783	10,113,984	4,527,803	41,160,570
Total Liabilities/Fund Balances	\$ 34,904,012	\$ 10,205,741	\$ 7,379,677	\$ 52,489,430

**WASHOE COUNTY
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>SPECIAL REVENUE FUNDS</u>	<u>DEBT SERVICE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 29,470,914	\$ 8,166,677	\$ 5,154,875	\$ 42,792,466
Car rental fee	-	-	286,050	286,050
Licenses and permits	1,869,140	-	-	1,869,140
Intergovernmental revenues	32,164,129	459,443	10,000	32,633,572
Charges for services	4,328,573	-	570,203	4,898,776
Fines and forfeits	614,494	-	-	614,494
Miscellaneous	1,861,953	198,525	8,578	2,069,056
Total Revenues	<u>70,309,203</u>	<u>8,824,645</u>	<u>6,029,706</u>	<u>85,163,554</u>
EXPENDITURES				
Current:				
General government	2,231,275	-	-	2,231,275
Judicial	230,078	-	-	230,078
Public safety	14,615,507	-	-	14,615,507
Health and sanitation	16,106,362	-	-	16,106,362
Welfare	31,405,202	-	-	31,405,202
Culture and recreation	5,888,820	-	-	5,888,820
Intergovernmental	1,797,437	-	1,416,169	3,213,606
Capital outlay	-	-	4,155,343	4,155,343
Debt Service:				
Principal	-	13,529,229	-	13,529,229
Interest	-	8,867,971	-	8,867,971
Debt service fees	-	8,453	-	8,453
Bond issuance costs	-	-	42,668	42,668
Total Expenditures	<u>72,274,681</u>	<u>22,405,653</u>	<u>5,614,180</u>	<u>100,294,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,965,478)</u>	<u>(13,581,008)</u>	<u>415,526</u>	<u>(15,130,960)</u>
OTHER FINANCING SOURCES (USES)				
Debt issued	-	-	1,200,000	1,200,000
Proceeds from asset disposition	-	-	22,000	22,000
Transfers in	10,531,587	14,245,109	1,200,000	25,976,696
Transfers out	(3,881,870)	-	(3,517,814)	(7,399,684)
Total Other Financing Sources (Uses)	<u>6,649,717</u>	<u>14,245,109</u>	<u>(1,095,814)</u>	<u>19,799,012</u>
Net Change in Fund Balances	4,684,239	664,101	(680,288)	4,668,052
FUND BALANCE, JULY 1	<u>21,834,544</u>	<u>9,449,883</u>	<u>5,208,091</u>	<u>36,492,518</u>
FUND BALANCE/DEFICIT, JUNE 30	<u>\$ 26,518,783</u>	<u>\$ 10,113,984</u>	<u>\$ 4,527,803</u>	<u>\$ 41,160,570</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 Year in Washoe County



County Receives National Performance Measurement Award

Using performance data for management decisions and reporting performance information to the public and other entities earned Washoe County a certificate of achievement today from ICMA (International City/County Management Association).

Washoe County was one of 22 local governments that received the distinction out of more than 120 entities nationwide who participated in the program.

"In today's accountability-driven environment, performance measurement is more important than ever," ICMA Director Robert O'Neill said. "In good times or challenging ones, an effective system of performance measurement is an essential decision making tool for local governments. I commend your commitment

to continuous improvement in the services you provide to your citizens. I congratulate the 22 communities that merit the special recognition for their hard work."

In the evaluation process for the award, data for 15 local government services such as law enforcement, road maintenance, libraries, parks, code enforcement and recycling are used to identify management practices that contribute to high performance.

The achievement award from ICMA also recognizes the County for reporting its performance data to the public and other government entities, as well as a commitment to coordination, collection and verification of performance data.

September 2003

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem:				
General	\$ 94,891,929	\$ 93,530,752	\$ (1,361,177)	\$ 87,601,537
Detention facility	8,122,940	7,987,680	(135,260)	7,447,283
Indigent insurance program	16,500	10,956	(5,544)	1,443,224
AB 104	1,888,413	1,920,585	32,172	1,807,597
China Springs support	877,842	865,357	(12,485)	670,904
Family Court	2,010,697	1,981,369	(29,328)	1,847,279
NRS 354.59813 - Makeup	1,561,326	1,461,612	(99,714)	963
County option - motor vehicle fuel tax-(\$.01)-NRS 365.192	503,038	499,434	(3,604)	496,086
Room tax	400,000	280,109	(119,891)	319,671
Total Taxes	110,272,685	108,537,854	(1,734,831)	101,634,544
Licenses and Permits:				
Business:				
Business licenses	1,840,290	1,942,914	102,624	1,473,661
Liquor licenses	252,100	272,946	20,846	266,834
Local gaming licenses	1,050,000	860,846	(189,154)	945,966
Franchise fees:				
Sanitation	300,000	303,618	3,618	289,478
Cable television	637,185	728,219	91,034	655,019
County gaming licenses	750,000	365,613	(384,387)	435,975
AB 104 - Gaming licenses	513,109	613,485	100,376	692,196
Nonbusiness:				
Marriage affidavits	420,000	383,639	(36,361)	404,292
Mobile home permits	730	553	(177)	698
Other	650	224	(426)	11,253
Total Licenses and Permits	5,764,064	5,472,057	(292,007)	5,175,372
Intergovernmental Revenues:				
Federal grants	9,136,789	6,406,518	(2,730,271)	5,751,626
Federal payments in lieu of taxes	1,615,744	1,817,966	202,222	1,584,062
Federal/state narcotics forfeitures	20,000	24,135	4,135	668,150
Federal incarceration charges	2,100,000	1,919,546	(180,454)	1,817,114
Medicaid management	150,000	949	(149,051)	19,509
State grants	3,781,628	2,425,001	(1,356,627)	2,028,224

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
State Shared Revenues:				
Motor vehicle fuel tax:				
(1.25 cents) - NRS 365.180	\$ 1,597,131	\$ 1,678,629	\$ 81,498	\$ 1,539,749
(1.75 cents) - NRS 365.190	1,259,505	1,247,284	(12,221)	1,160,325
(3.6/2.35 cents) - NRS 365.550	1,753,634	1,807,014	53,380	1,663,893
State gaming licenses-NRS 463.320 &.380	160,000	156,065	(3,935)	162,339
Real property transfer tax - AB 104	560,269	799,153	238,884	558,124
LGTA sales taxes	9,082,101	9,898,331	816,230	8,968,341
Consolidated taxes	76,592,363	84,503,117	7,910,754	75,685,280
Government services tax - AB 104	2,310,493	2,410,140	99,647	3,224,419
State extraditions	45,000	62,990	17,990	47,649
Local contributions	1,539,833	604,947	(934,886)	342,858
Total Intergovernmental Revenues	111,704,490	115,761,785	4,057,295	105,221,662
Charges for Services:				
General Government:				
Clerk fees	98,500	160,687	62,187	109,382
Recorder fees	3,018,000	4,856,055	1,838,055	3,717,268
Map fees	185,100	373,369	188,269	246,033
Assessor commissions	1,200,000	1,215,474	15,474	1,237,384
Building and zoning fees	128,400	163,777	35,377	183,099
Other	1,892,081	1,407,188	(484,893)	1,779,189
Subtotal General Government	6,522,081	8,176,550	1,654,469	7,272,355
Judicial:				
Clerk fees	545,000	568,392	23,392	517,869
Other	303,800	328,883	25,083	300,101
Subtotal Judicial	848,800	897,275	48,475	817,970
Public Safety:				
Police:				
Sheriff fees	356,300	337,898	(18,402)	348,227
Other	1,550,226	1,343,624	(206,602)	1,583,544
Corrections	4,500	8,023	3,523	7,343
Protective services	223,075	246,370	23,295	211,614
Subtotal Public Safety	2,134,101	1,935,915	(198,186)	2,150,728
Public Works	527,500	1,008,026	480,526	1,032,727
Health and Welfare	300,000	255,930	(44,070)	413,457

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Culture and Recreation:				
Swimming pool	\$ 87,279	\$ 92,835	\$ 5,556	\$ 100,319
Other	1,364,626	829,054	(535,572)	1,122,531
Subtotal Culture and Recreation	1,451,905	921,889	(530,016)	1,222,850
Total Charges for Services	11,784,387	13,195,585	1,411,198	12,910,087
Fines and Forfeits:				
Fines:				
Library	130,000	153,932	23,932	140,579
Court	2,358,860	2,887,499	528,639	2,279,334
Penalties	2,270,700	2,800,005	529,305	2,718,038
Forfeits/bail	1,695,500	1,353,416	(342,084)	1,477,617
Total Fines and Forfeits	6,455,060	7,194,852	739,792	6,615,568
Miscellaneous:				
Investment earnings	2,062,500	2,377,567	315,067	1,405,586
Net increase (decrease) in the fair value of investments	-	(1,841,905)	(1,841,905)	153,469
Contributions and donations	412,717	231,268	(181,449)	398,094
Other	1,901,197	2,149,870	248,673	2,720,897
Total Miscellaneous	4,376,414	2,916,800	(1,459,614)	4,678,046
Total Revenues	250,357,100	253,078,933	2,721,833	236,235,279

EXPENDITURES BY FUNCTION AND ACTIVITY

General Government Function:

Legislative:

County Commissioners:

Salaries and wages	284,981	279,076	5,905	222,273
Employee benefits	75,134	77,141	(2,007)	56,282
Services and supplies	66,984	59,152	7,832	70,297
Subtotal Legislative	427,099	415,369	11,730	348,852

Executive:

County Manager:

Salaries and wages	705,672	691,887	13,785	612,758
Employee benefits	188,440	191,770	(3,330)	153,629
Services and supplies	151,312	124,528	26,784	188,737
	1,045,424	1,008,185	37,239	955,124

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Labor Relations:				
Salaries and wages	\$ 132,850	\$ 126,614	\$ 6,236	\$ 126,754
Employee benefits	37,326	34,884	2,442	33,144
Services and supplies	8,960	8,211	749	7,152
	<u>179,136</u>	<u>169,709</u>	<u>9,427</u>	<u>167,050</u>
USDA Grants:				
Services and supplies	394,222	91,254	302,968	106,997
WINnet Service Center:				
Salaries and wages	441,343	554,856	(113,513)	-
Employee benefits	137,646	167,021	(29,375)	-
Services and supplies	-	18,300	(18,300)	-
	<u>578,989</u>	<u>740,177</u>	<u>(161,188)</u>	<u>-</u>
Community Relations:				
Salaries and wages	220,415	224,836	(4,421)	174,454
Employee benefits	70,736	73,667	(2,931)	50,036
Services and supplies	195,766	165,104	30,662	226,694
	<u>486,917</u>	<u>463,607</u>	<u>23,310</u>	<u>451,184</u>
Strategic Planning:				
Salaries and wages	141,676	142,115	(439)	85,335
Employee benefits	46,168	46,753	(585)	26,176
Services and supplies	40,495	27,769	12,726	48,797
	<u>228,339</u>	<u>216,637</u>	<u>11,702</u>	<u>160,308</u>
Legislative Affairs:				
Salaries and wages	-	-	-	58,390
Employee benefits	-	-	-	16,346
Services and supplies	197,235	93,485	103,750	234,987
	<u>197,235</u>	<u>93,485</u>	<u>103,750</u>	<u>309,723</u>
Internal Audit:				
Salaries and wages	142,143	122,046	20,097	93,764
Employee benefits	40,487	38,431	2,056	24,654
Services and supplies	2,800	1,855	945	11,837
	<u>185,430</u>	<u>162,332</u>	<u>23,098</u>	<u>130,255</u>
Subtotal Executive	<u>3,295,692</u>	<u>2,945,386</u>	<u>350,306</u>	<u>2,280,641</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Elections:				
Registrar of Voters:				
Salaries and wages	\$ 377,443	\$ 379,633	\$ (2,190)	\$ 670,692
Employee benefits	121,818	117,045	4,773	108,390
Services and supplies	83,762	68,866	14,896	766,368
Capital outlay	-	-	-	14,294
Subtotal Elections	583,023	565,544	17,479	1,559,744
Finance:				
Finance Department:				
Administration:				
Salaries and wages	290,390	305,848	(15,458)	280,439
Employee benefits	83,399	83,729	(330)	75,123
Services and supplies	114,000	53,435	60,565	7,985
	487,789	443,012	44,777	363,547
Comptroller:				
Salaries and wages	1,137,363	1,051,143	86,220	1,077,272
Employee benefits	356,186	315,230	40,956	313,183
Services and supplies	55,035	44,949	10,086	41,692
	1,548,584	1,411,322	137,262	1,432,147
Budget Division:				
Salaries and wages	315,123	307,480	7,643	356,696
Employee benefits	95,195	94,653	542	98,201
Services and supplies	91,833	56,197	35,636	110,535
	502,151	458,330	43,821	565,432
Collections Division:				
Salaries and wages	310,171	310,910	(739)	296,006
Employee benefits	109,947	110,154	(207)	99,179
Services and supplies	33,038	29,843	3,195	33,613
	453,156	450,907	2,249	428,798
Merit Awards Program:				
Salaries and wages	9,000	2,875	6,125	1,683
Employee benefits	-	31	(31)	17
	9,000	2,906	6,094	1,700
Subtotal Finance Department	3,000,680	2,766,477	234,203	2,791,624

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Treasurer:				
Salaries and wages	\$ 1,166,396	\$ 1,118,765	\$ 47,631	\$ 1,068,366
Employee benefits	392,199	358,856	33,343	314,133
Services and supplies	69,200	156,870	(87,670)	72,179
	<u>1,627,795</u>	<u>1,634,491</u>	<u>(6,696)</u>	<u>1,454,678</u>
Assessor:				
Salaries and wages	4,200,977	4,080,619	120,358	3,972,834
Employee benefits	1,313,612	1,276,449	37,163	1,173,146
Services and supplies	222,478	195,992	26,486	226,077
	<u>5,737,067</u>	<u>5,553,060</u>	<u>184,007</u>	<u>5,372,057</u>
Subtotal Finance	<u>10,365,542</u>	<u>9,954,028</u>	<u>411,514</u>	<u>9,618,359</u>
Other:				
Purchasing:				
Salaries and wages	578,860	570,112	8,748	577,781
Employee benefits	190,985	187,349	3,636	179,977
Services and supplies	72,827	14,523	58,304	23,046
	<u>842,672</u>	<u>771,984</u>	<u>70,688</u>	<u>780,804</u>
Human Resources:				
Salaries and wages	939,356	900,734	38,622	902,333
Employee benefits	277,279	253,604	23,675	243,166
Services and supplies	209,466	169,478	39,988	105,611
	<u>1,426,101</u>	<u>1,323,816</u>	<u>102,285</u>	<u>1,251,110</u>
Clerk:				
Salaries and wages	1,000,341	927,131	73,210	893,700
Employee benefits	334,079	296,222	37,857	285,578
Services and supplies	82,386	55,940	26,446	67,166
	<u>1,416,806</u>	<u>1,279,293</u>	<u>137,513</u>	<u>1,246,444</u>
Recorder:				
Salaries and wages	1,230,045	1,149,938	80,107	1,053,397
Employee benefits	398,216	386,859	11,357	334,701
Services and supplies	435,647	202,183	233,464	249,523
Capital outlay	815,793	12,071	803,722	14,415
	<u>2,879,701</u>	<u>1,751,051</u>	<u>1,128,650</u>	<u>1,652,036</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Information Technology:				
Administration:				
Salaries and wages	\$ 4,124,043	\$ 3,810,636	\$ 313,407	\$ 3,908,263
Employee benefits	1,283,598	1,195,029	88,569	1,129,615
Services and supplies	1,517,771	1,440,654	77,117	1,644,817
Capital outlay	48,553	62,922	(14,369)	84,016
	<u>6,973,965</u>	<u>6,509,241</u>	<u>464,724</u>	<u>6,766,711</u>
Geographic Information Systems:				
Services and supplies	204,296	-	204,296	396,303
Infrastructure Preservation:				
Services and supplies	1,380,404	1,608,351	(227,947)	838,928
Capital outlay	511,046	204,165	306,881	219,773
	<u>1,891,450</u>	<u>1,812,516</u>	<u>78,934</u>	<u>1,058,701</u>
Subtotal Information Technology	<u>9,069,711</u>	<u>8,321,757</u>	<u>747,954</u>	<u>8,221,715</u>
General Services:				
Administration:				
Salaries and wages	158,704	165,417	(6,713)	228,403
Employee benefits	49,043	50,117	(1,074)	64,322
Services and supplies	2,756,735	2,581,901	174,834	2,359,090
Capital outlay	-	-	-	166,413
	<u>2,964,482</u>	<u>2,797,435</u>	<u>167,047</u>	<u>2,818,228</u>
Central Services:				
Salaries and wages	730,210	729,409	801	633,395
Employee benefits	267,853	273,728	(5,875)	219,804
Services and supplies	913,495	652,620	260,875	819,434
	<u>1,911,558</u>	<u>1,655,757</u>	<u>255,801</u>	<u>1,672,633</u>
Facilities Services:				
Salaries and wages	2,303,772	2,198,226	105,546	2,263,527
Employee benefits	781,677	741,541	40,136	720,244
Services and supplies	6,284,674	5,670,912	613,762	5,184,191
Capital outlay	7,660	7,660	-	104,346
	<u>9,377,783</u>	<u>8,618,339</u>	<u>759,444</u>	<u>8,272,308</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Telecommunications:				
Salaries and wages	\$ 611,499	\$ 580,048	\$ 31,451	\$ 589,869
Employee benefits	203,707	185,617	18,090	172,936
Services and supplies	575,357	540,776	34,581	274,169
Capital outlay	197,283	36,928	160,355	31,724
	<u>1,587,846</u>	<u>1,343,369</u>	<u>244,477</u>	<u>1,068,698</u>
Facilities Preservation:				
Services and supplies	14,050	209,144	(195,094)	19,562
Capital outlay	829,630	262,160	567,470	145,437
	<u>843,680</u>	<u>471,304</u>	<u>372,376</u>	<u>164,999</u>
Subtotal General Services	<u>16,685,349</u>	<u>14,886,204</u>	<u>1,799,145</u>	<u>13,996,866</u>
Community Development:				
Administration:				
Salaries and wages	1,684,773	1,573,360	111,413	1,643,539
Employee benefits	506,495	487,137	19,358	464,692
Services and supplies	558,593	534,267	24,326	517,418
Capital outlay	-	250	(250)	-
	<u>2,749,861</u>	<u>2,595,014</u>	<u>154,847</u>	<u>2,625,649</u>
Subtotal Other	<u>35,070,201</u>	<u>30,929,119</u>	<u>4,141,082</u>	<u>29,774,624</u>
Total General Government Function	<u>49,741,557</u>	<u>44,809,446</u>	<u>4,932,111</u>	<u>43,582,220</u>
Judicial Function:				
District Courts:				
Administration:				
Salaries and wages	818,250	812,576	5,674	765,168
Employee benefits	256,349	254,784	1,565	223,534
Services and supplies	216,189	203,058	13,131	233,837
	<u>1,290,788</u>	<u>1,270,418</u>	<u>20,370</u>	<u>1,222,539</u>
General Jurisdiction:				
Salaries and wages	3,023,182	3,027,951	(4,769)	2,992,123
Employee benefits	1,040,722	1,019,977	20,745	920,462
Services and supplies	1,195,973	1,050,414	145,559	1,216,727
	<u>5,259,877</u>	<u>5,098,342</u>	<u>161,535</u>	<u>5,129,312</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Family Court:				
Salaries and wages	\$ 2,731,665	\$ 2,538,170	\$ 193,495	\$ 2,317,394
Employee benefits	853,516	801,344	52,172	676,225
Services and supplies	626,535	373,000	253,535	368,229
Capital outlay	134	-	134	30,257
	<u>4,211,850</u>	<u>3,712,514</u>	<u>499,336</u>	<u>3,392,105</u>
Pre-trial Services:				
Salaries and wages	1,042,927	1,035,415	7,512	1,068,584
Employee benefits	297,974	307,631	(9,657)	316,458
Services and supplies	25,755	23,043	2,712	29,056
	<u>1,366,656</u>	<u>1,366,089</u>	<u>567</u>	<u>1,414,098</u>
Drug Courts:				
Salaries and wages	183,764	147,940	35,824	-
Employee benefits	69,543	49,882	19,661	-
Services and supplies	655,120	661,438	(6,318)	816,707
	<u>908,427</u>	<u>859,260</u>	<u>49,167</u>	<u>816,707</u>
Subtotal District Courts	<u>13,037,598</u>	<u>12,306,623</u>	<u>730,975</u>	<u>11,974,761</u>
District Attorney:				
Criminal Division:				
Salaries and wages	6,854,925	6,793,084	61,841	6,646,548
Employee benefits	2,137,596	2,140,271	(2,675)	1,955,623
Services and supplies	735,747	619,899	115,848	681,252
Capital outlay	-	-	-	2,635
	<u>9,728,268</u>	<u>9,553,254</u>	<u>175,014</u>	<u>9,286,058</u>
CARES/SART:				
Salaries and wages	47,714	45,200	2,514	38,069
Employee benefits	18,495	19,384	(889)	13,818
Services and supplies	228,380	221,907	6,473	210,352
	<u>294,589</u>	<u>286,491</u>	<u>8,098</u>	<u>262,239</u>
Family Support Enforcement:				
Salaries and wages	2,913,839	2,867,231	46,608	2,703,436
Employee benefits	1,062,359	1,042,082	20,277	918,626
Services and supplies	993,479	132,971	860,508	147,954
	<u>4,969,677</u>	<u>4,042,284</u>	<u>927,393</u>	<u>3,770,016</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Civil Division:				
Salaries and wages	\$ 1,892,945	\$ 1,928,860	\$ (35,915)	\$ 1,798,427
Employee benefits	577,856	565,435	12,421	495,403
Services and supplies	99,331	72,775	26,556	69,353
	<u>2,570,132</u>	<u>2,567,070</u>	<u>3,062</u>	<u>2,363,183</u>
Grants and Designated:				
Salaries and wages	36,540	14,724	21,816	36,530
Employee benefits	13,341	3,532	9,809	11,597
Services and supplies	133,676	85,596	48,080	107,397
Capital outlay	2,840	168	2,672	50,384
	<u>186,397</u>	<u>104,020</u>	<u>82,377</u>	<u>205,908</u>
Drug Forfeitures:				
Salaries and wages	102,601	87,451	15,150	92,893
Employee benefits	35,225	31,105	4,120	31,692
Services and supplies	104,470	6,397	98,073	3,390
	<u>242,296</u>	<u>124,953</u>	<u>117,343</u>	<u>127,975</u>
Subtotal District Attorney	<u>17,991,359</u>	<u>16,678,072</u>	<u>1,313,287</u>	<u>16,015,379</u>
Law Library:				
Administration:				
Salaries and wages	384,839	376,450	8,389	359,125
Employee benefits	112,760	112,235	525	99,867
Services and supplies	319,814	312,837	6,977	378,404
	<u>817,413</u>	<u>801,522</u>	<u>15,891</u>	<u>837,396</u>
Grants:				
Services and supplies	72	-	72	4,467
Subtotal Law Library	<u>817,485</u>	<u>801,522</u>	<u>15,963</u>	<u>841,863</u>
Public Defender:				
Salaries and wages	3,600,002	3,607,759	(7,757)	3,375,152
Employee benefits	1,114,645	1,100,388	14,257	981,282
Services and supplies	327,324	220,004	107,320	227,009
	<u>5,041,971</u>	<u>4,928,151</u>	<u>113,820</u>	<u>4,583,443</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Court Appointed Attorneys:				
Services and supplies	\$ 866,864	\$ 866,864	\$ -	\$ 816,864
Subtotal Public Defender	5,908,835	5,795,015	113,820	5,400,307
Justice Courts:				
Incline Justice Court:				
Salaries and wages	233,828	232,366	1,462	225,006
Employee benefits	66,707	68,269	(1,562)	61,939
Services and supplies	18,300	10,196	8,104	12,637
	318,835	310,831	8,004	299,582
Reno Justice Court:				
Salaries and wages	2,517,176	2,481,500	35,676	2,274,149
Employee benefits	811,565	794,054	17,511	692,339
Services and supplies	480,249	422,469	57,780	424,007
	3,808,990	3,698,023	110,967	3,390,495
Sparks Justice Court:				
Salaries and wages	1,003,743	993,893	9,850	949,043
Employee benefits	335,412	338,566	(3,154)	302,025
Services and supplies	142,526	119,950	22,576	134,963
	1,481,681	1,452,409	29,272	1,386,031
Gerlach Justice Court:				
Salaries and wages	29,993	25,956	4,037	28,971
Employee benefits	11,028	9,990	1,038	10,291
Services and supplies	3,270	1,526	1,744	1,571
	44,291	37,472	6,819	40,833
Verdi Justice Court:				
Salaries and wages	143,098	143,379	(281)	133,269
Employee benefits	46,130	47,184	(1,054)	39,722
Services and supplies	12,930	6,333	6,597	12,126
	202,158	196,896	5,262	185,117
Wadsworth Justice Court:				
Salaries and wages	89,344	85,897	3,447	82,378
Employee benefits	32,375	32,405	(30)	28,531
Services and supplies	6,063	6,218	(155)	5,227
	127,782	124,520	3,262	116,136
Subtotal Justice Courts	5,983,737	5,820,151	163,586	5,418,194

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Constables:				
Incline Constable:				
Salaries and wages	\$ 78,173	\$ 88,893	\$ (10,720)	\$ 85,524
Employee benefits	26,280	28,637	(2,357)	25,224
Services and supplies	35,275	26,273	9,002	21,634
Subtotal Constables	139,728	143,803	(4,075)	132,382
Total Judicial Function	43,878,742	41,545,186	2,333,556	39,782,886
Public Safety Function:				
Police:				
Sheriff Operations:				
Salaries and wages	3,434,701	3,300,515	134,186	3,241,968
Employee benefits	1,101,929	1,112,930	(11,001)	980,832
Services and supplies	873,203	852,186	21,017	780,167
Capital outlay	-	498	(498)	3,250
	5,409,833	5,266,129	143,704	5,006,217
Grants:				
Salaries and wages	370,857	164,109	206,748	92,265
Employee benefits	44,269	21,945	22,324	-
Services and supplies	1,028,144	515,489	512,655	744,658
Capital outlay	751,084	174,146	576,938	265,256
	2,194,354	875,689	1,318,665	1,102,179
Administration:				
Salaries and wages	2,810,193	2,798,951	11,242	2,927,935
Employee benefits	1,206,639	1,158,006	48,633	1,091,623
Services and supplies	1,620,357	1,593,394	26,963	1,713,851
Capital outlay	-	-	-	43,600
	5,637,189	5,550,351	86,838	5,777,009
Detectives:				
Salaries and wages	2,572,014	2,546,209	25,805	2,660,733
Employee benefits	1,047,041	1,032,262	14,779	1,040,986
Services and supplies	108,554	106,260	2,294	104,863
	3,727,609	3,684,731	42,878	3,806,582

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Flight Operations:				
Salaries and wages	\$ 186,432	\$ 189,650	\$ (3,218)	\$ 271,400
Employee benefits	85,574	85,377	197	117,459
Services and supplies	112,836	97,641	15,195	159,842
	<u>384,842</u>	<u>372,668</u>	<u>12,174</u>	<u>548,701</u>
Patrol:				
Salaries and wages	9,035,105	9,026,419	8,686	8,609,777
Employee benefits	3,534,144	3,565,986	(31,842)	3,222,817
Services and supplies	188,494	180,466	8,028	169,945
Capital outlay	-	-	-	31,352
	<u>12,757,743</u>	<u>12,772,871</u>	<u>(15,128)</u>	<u>12,033,891</u>
Subtotal Sheriff	<u>30,111,570</u>	<u>28,522,439</u>	<u>1,589,131</u>	<u>28,274,579</u>
Forfeitures:				
Services and supplies	722,380	212,614	509,766	112,937
Capital outlay	-	53,146	(53,146)	14,392
	<u>722,380</u>	<u>265,760</u>	<u>456,620</u>	<u>127,329</u>
Detention Facility:				
Salaries and wages	21,667,982	21,507,576	160,406	20,856,620
Employee benefits	8,719,162	8,641,646	77,516	7,810,702
Services and supplies	5,874,712	5,961,366	(86,654)	5,126,692
	<u>36,261,856</u>	<u>36,110,588</u>	<u>151,268</u>	<u>33,794,014</u>
Subtotal Sheriff and Detention	<u>67,095,806</u>	<u>64,898,787</u>	<u>2,197,019</u>	<u>62,195,922</u>
Coroner:				
Salaries and wages	683,803	666,477	17,326	645,881
Employee benefits	193,280	193,702	(422)	182,725
Services and supplies	347,681	330,135	17,546	340,235
Capital outlay	1,825	-	1,825	1,912
	<u>1,226,589</u>	<u>1,190,314</u>	<u>36,275</u>	<u>1,170,753</u>
Subtotal Police	<u>68,322,395</u>	<u>66,089,101</u>	<u>2,233,294</u>	<u>63,366,675</u>
Fire Suppression:				
Employee benefits	10,500	5,065	5,435	4,862
Services and supplies	76,735	36,997	39,738	249,623
Capital outlay	537,476	22,000	515,476	23,065
	<u>624,711</u>	<u>64,062</u>	<u>560,649</u>	<u>277,550</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Juvenile Services:				
Administration:				
Salaries and wages	\$ 2,933,321	\$ 2,940,064	\$ (6,743)	\$ 2,817,380
Employee benefits	1,087,859	1,095,822	(7,963)	1,042,196
Services and supplies	497,406	505,152	(7,746)	574,744
	<u>4,518,586</u>	<u>4,541,038</u>	<u>(22,452)</u>	<u>4,434,320</u>
Detention:				
Salaries and wages	2,958,724	2,968,551	(9,827)	2,697,895
Employee benefits	948,922	927,163	21,759	809,521
Services and supplies	351,015	290,434	60,581	301,777
	<u>4,258,661</u>	<u>4,186,148</u>	<u>72,513</u>	<u>3,809,193</u>
Grants:				
Salaries and wages	343,707	198,071	145,636	216,505
Employee benefits	89,811	81,708	8,103	75,495
Services and supplies	865,738	589,254	276,484	478,691
Capital outlay	6,000	-	6,000	-
	<u>1,305,256</u>	<u>869,033</u>	<u>436,223</u>	<u>770,691</u>
Community Services:				
Salaries and wages	374,403	338,198	36,205	319,402
Employee benefits	132,521	118,912	13,609	106,349
Services and supplies	27,925	25,952	1,973	34,024
	<u>534,849</u>	<u>483,062</u>	<u>51,787</u>	<u>459,775</u>
McGee Center:				
Salaries and wages	908,012	890,828	17,184	847,153
Employee benefits	289,520	292,672	(3,152)	269,074
Services and supplies	78,963	76,391	2,572	65,350
	<u>1,276,495</u>	<u>1,259,891</u>	<u>16,604</u>	<u>1,181,577</u>
Status Offender Intervention:				
Services and supplies	-	-	-	20,962

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Community Outreach:				
Salaries and wages	\$ 278,154	\$ 280,522	\$ (2,368)	\$ 224,890
Employee benefits	92,604	92,913	(309)	72,666
Services and supplies	13,964	13,650	314	12,019
	<u>384,722</u>	<u>387,085</u>	<u>(2,363)</u>	<u>309,575</u>
Subtotal Juvenile Services	<u>12,278,569</u>	<u>11,726,257</u>	<u>552,312</u>	<u>10,986,093</u>
Protective Services:				
Alternative Sentencing:				
Salaries and wages	141,689	129,195	12,494	-
Employee benefits	51,469	47,337	4,132	-
Services and supplies	18,069	19,647	(1,578)	-
	<u>211,227</u>	<u>196,179</u>	<u>15,048</u>	<u>-</u>
Emergency Management:				
Salaries and wages	82,624	43,805	38,819	79,793
Employee benefits	21,552	11,468	10,084	19,233
Services and supplies	34,055	46,904	(12,849)	33,542
	<u>138,231</u>	<u>102,177</u>	<u>36,054</u>	<u>132,568</u>
Animal Control:				
Salaries and wages	-	-	-	477,347
Employee benefits	-	-	-	158,992
Services and supplies	-	-	-	429,293
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,065,632</u>
Public Administrator:				
Salaries and wages	596,807	582,813	13,994	529,402
Employee benefits	185,140	195,143	(10,003)	168,146
Services and supplies	69,643	47,907	21,736	36,504
Capital outlay	-	-	-	1,396
	<u>851,590</u>	<u>825,863</u>	<u>25,727</u>	<u>735,448</u>
Public Guardian:				
Salaries and wages	849,252	846,738	2,514	748,316
Employee benefits	275,348	270,342	5,006	224,863
Services and supplies	60,878	54,056	6,822	82,008
	<u>1,185,478</u>	<u>1,171,136</u>	<u>14,342</u>	<u>1,055,187</u>
Subtotal Protective Services	<u>2,386,526</u>	<u>2,295,355</u>	<u>91,171</u>	<u>2,988,835</u>
Total Public Safety Function	<u>83,612,201</u>	<u>80,174,775</u>	<u>3,437,426</u>	<u>77,619,153</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Public Works Function:				
Public Works Administration:				
Salaries and wages	\$ 322,064	\$ 321,236	\$ 828	\$ 255,748
Employee benefits	96,562	95,371	1,191	70,010
Services and supplies	259,622	256,996	2,626	161,882
Capital outlay	-	584	(584)	-
	<u>678,248</u>	<u>674,187</u>	<u>4,061</u>	<u>487,640</u>
Infrastructure Preservation:				
Salaries and wages	-	9,676	(9,676)	6,640
Employee benefits	-	1,393	(1,393)	934
Services and supplies	6,968	104,063	(97,095)	43,182
Capital outlay	2,694,190	2,531,526	162,664	3,079,219
	<u>2,701,158</u>	<u>2,646,658</u>	<u>54,500</u>	<u>3,129,975</u>
Public Works Projects:				
Salaries and wages	507,809	611,002	(103,193)	462,894
Employee benefits	166,765	176,317	(9,552)	143,131
Services and supplies	204,090	396,429	(192,339)	65,350
Capital outlay	5,211,630	2,449,160	2,762,470	1,650,288
	<u>6,090,294</u>	<u>3,632,908</u>	<u>2,457,386</u>	<u>2,321,663</u>
Roads:				
Salaries and wages	3,946,736	3,773,532	173,204	3,784,501
Employee benefits	1,423,422	1,366,257	57,165	1,318,382
Services and supplies	3,605,597	3,520,994	84,603	3,830,959
Capital outlay	82,135	23,840	58,295	688,568
	<u>9,057,890</u>	<u>8,684,623</u>	<u>373,267</u>	<u>9,622,410</u>
Engineer:				
Salaries and wages	1,615,251	1,338,615	276,636	1,422,053
Employee benefits	489,544	446,892	42,652	412,076
Services and supplies	127,858	98,051	29,807	101,912
Capital outlay	332,785	194,141	138,644	284,711
	<u>2,565,438</u>	<u>2,077,699</u>	<u>487,739</u>	<u>2,220,752</u>
Total Public Works Function	<u>21,093,028</u>	<u>17,716,075</u>	<u>3,376,953</u>	<u>17,782,440</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Welfare Function:				
Social Services Administration				
Salaries and wages	\$ 723,691	\$ 683,054	\$ 40,637	\$ 637,187
Employee benefits	254,642	241,699	12,943	205,691
Services and supplies	20,599	19,692	907	12,014
	<u>998,932</u>	<u>944,445</u>	<u>54,487</u>	<u>854,892</u>
Direct Assistance:				
General Assistance:				
Salaries and wages	74,874	74,706	168	66,205
Employee benefits	26,106	25,187	919	20,873
Services and supplies	783,620	747,928	35,692	1,113,270
Capital outlay	348,101	-	348,101	-
	<u>1,232,701</u>	<u>847,821</u>	<u>384,880</u>	<u>1,200,348</u>
Medical Assistance Indigent:				
Salaries and wages	1,550,143	1,522,671	27,472	1,451,587
Employee benefits	518,094	500,297	17,797	443,948
Services and supplies	7,491,259	7,536,527	(45,268)	7,258,134
	<u>9,559,496</u>	<u>9,559,495</u>	<u>1</u>	<u>9,153,669</u>
Subtotal Direct Assistance	<u>10,792,197</u>	<u>10,407,316</u>	<u>384,881</u>	<u>10,354,017</u>
Total Welfare Function	<u>11,791,129</u>	<u>11,351,761</u>	<u>439,368</u>	<u>11,208,909</u>
Culture and Recreation Function:				
Library Administration:				
Salaries and wages	5,290,046	5,214,071	75,975	4,724,967
Employee benefits	1,828,610	1,750,211	78,399	1,503,966
Services and supplies	1,467,823	1,386,938	80,885	1,460,437
Capital outlay	-	21,720	(21,720)	58,180
	<u>8,586,479</u>	<u>8,372,940</u>	<u>213,539</u>	<u>7,747,550</u>
Grants:				
Salaries and wages	-	378	(378)	1,656
Services and supplies	201,200	87,428	113,772	183,759
Capital outlay	30,000	-	30,000	14,275
	<u>231,200</u>	<u>87,806</u>	<u>143,394</u>	<u>199,690</u>
Subtotal Library	<u>8,817,679</u>	<u>8,460,746</u>	<u>356,933</u>	<u>7,947,240</u>

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Parks and Recreation:				
Parks Administration:				
Salaries and wages	\$ 2,816,628	\$ 2,546,087	\$ 270,541	\$ 2,472,923
Employee benefits	810,174	751,379	58,795	702,110
Services and supplies	1,382,491	1,283,823	98,668	926,446
Capital outlay	280,702	126,123	154,579	673
	<u>5,289,995</u>	<u>4,707,412</u>	<u>582,583</u>	<u>4,102,152</u>
Planning and Development:				
Salaries and wages	199,249	153,106	46,143	185,692
Employee benefits	64,100	46,993	17,107	55,526
Services and supplies	97,232	25,921	71,311	50,090
	<u>360,581</u>	<u>226,020</u>	<u>134,561</u>	<u>291,308</u>
Recreation:				
Salaries and wages	630,366	555,081	75,285	473,568
Employee benefits	112,720	97,658	15,062	82,026
Services and supplies	350,354	201,414	148,940	235,134
Capital outlay	-	990	(990)	-
	<u>1,093,440</u>	<u>855,143</u>	<u>238,297</u>	<u>790,728</u>
After School Program:				
Salaries and wages	17,108	13,081	4,027	399,215
Employee benefits	3,042	30,200	(27,158)	78,357
Services and supplies	26,886	4,793	22,093	35,182
	<u>47,036</u>	<u>48,074</u>	<u>(1,038)</u>	<u>512,754</u>
Infrastructure Preservation:				
Services and supplies	-	39,028	(39,028)	-
Capital outlay	311,400	98,132	213,268	247,289
	<u>311,400</u>	<u>137,160</u>	<u>174,240</u>	<u>247,289</u>
Subtotal Parks	<u>7,102,452</u>	<u>5,973,809</u>	<u>1,128,643</u>	<u>5,944,231</u>
Total Culture and Recreation Function	<u>15,920,131</u>	<u>14,434,555</u>	<u>1,485,576</u>	<u>13,891,471</u>
Community Support Function:				
Community Support:				
Services and supplies	596,538	506,214	90,324	701,637

(CONTINUED)

**WASHOE COUNTY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
Intergovernmental Expenditures:				
Indigent Insurance Program	\$ 16,500	\$ 12,241	\$ 4,259	\$ 1,443,224
China Springs Youth Facility	877,842	871,667	6,175	661,885
Reno/Sparks Apportionment	65,918	65,918	-	65,918
Vector Control Tax	520,442	-	520,442	-
Ethics Commission Assessment	10,449	10,449	-	-
Total Intergovernmental Expenditures	1,491,151	960,275	530,876	2,171,027
Total Expenditures	228,124,477	211,498,287	16,626,190	206,739,743
Excess (Deficiency) of Revenues Over (Under) Expenditures	22,232,623	41,580,646	19,348,023	29,495,536
OTHER FINANCING SOURCES (USES)				
Proceeds from asset disposition	4,618,981	4,651,960	(32,979)	292,575
Transfers:				
Special Revenue Funds	417,587	417,587	-	64,619
Capital Projects Funds	-	150	(150)	21,452
Enterprise Funds	750,000	1,643,675	(893,675)	2,876,199
Internal Service Funds	-	-	-	9,837
Special Revenue Funds	(15,299,587)	(15,299,587)	-	(14,185,769)
Debt Service Funds	(5,857,643)	(5,857,231)	(412)	(2,989,787)
Capital Projects Funds	(13,864,150)	(13,892,560)	28,410	(3,556,137)
Enterprise Funds	(1,408,332)	(1,408,332)	-	(1,817,088)
Internal Service Funds	(8,213,772)	(8,213,772)	-	(6,960,317)
Contingency	(922,606)	-	(922,606)	-
Total Other Financing Sources (Uses)	(39,779,522)	(37,958,110)	(1,821,412)	(26,244,416)
Net Change in Fund Balances	(17,546,899)	3,622,536	21,169,435	3,251,120
FUND BALANCE, JULY 1	35,295,172	35,297,653	2,481	32,046,533
FUND BALANCE, JUNE 30	\$ 17,748,273	\$ 38,920,189	\$ 21,171,916	\$ 35,297,653



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:

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

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.

ANIMAL SERVICES FUND

TO ACCOUNT FOR AD VALOREM TAXES AND RELATED INVESTMENT EARNINGS SPECIFICALLY APPROPRIATED TO OPERATE A REGIONAL ANIMAL SERVICES SHELTER AND TO PROVIDE REGIONAL FIELD ENFORCEMENT OPERATIONS.

REGIONAL PUBLIC SAFETY TRAINING CENTER FUND

TO ACCOUNT FOR THE OPERATIONS AND MANAGEMENT OF A PUBLIC SAFETY TRAINING CENTER FOR THE BENEFIT OF LOCAL PUBLIC AGENCIES.

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. TO STABILIZE THE OPERATIONS OF LOCAL GOVERNMENTS BY PROVIDING FUNDS, SUBJECT TO STATUTORY LIMITATIONS, IF TOTAL ACTUAL TDFPD 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 Year in Washoe County



Health Department Wins Telly Award

The television commercials developed for the Anti-Tobacco Campaign by the Health Department have won two Telly Awards.

The "Clean Cuisine" and "Smoking is not on our Menu" won the national awards, which are given to "honor outstanding television commercials, video productions, and film."

"Clean Cuisine" was developed through a collaborative effort between members of the Washoe County Tobacco Prevention Coalition and promotes restaurants in Washoe County that provide 100% smoke free dining.

Due to increased interest, the campaign was recently expanded to include locations in Elko and Carson City. The over 200 participating restaurants can be found on the internet at www.NoTobaccoNevada.com.

Research has shown that secondhand smoke kills 53,000 non-smokers each year.



October 2003



**WASHOE COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004**

	<u>HEALTH FUND</u>	<u>AGRICULTURAL EXTENSION FUND</u>	<u>INDIGENT TAX LEVY FUND</u>	<u>CHILD PROTECTIVE SERVICES FUND</u>
ASSETS				
Cash and investments	\$ 1,268,097	\$ 622,522	\$ 2,188,373	\$ 5,779,968
Receivables:				
Accounts	28,675	-	175,845	-
Consolidated tax	-	-	-	-
Property taxes	-	9,974	87,439	43,807
Other taxes	-	-	-	-
Interest	-	-	19,141	-
Due from other governments	1,403,069	-	-	3,084,900
Inventory	-	-	-	-
Total Assets	<u>\$ 2,699,841</u>	<u>\$ 632,496</u>	<u>\$ 2,470,798</u>	<u>\$ 8,908,675</u>
LIABILITIES				
Accounts payable	\$ 364,486	\$ 74,992	\$ 1,490,603	\$ 952,571
Accrued salaries/benefits	672,884	22,801	-	539,333
Due to other governments	-	-	837,615	-
Deposits	-	-	-	-
Deferred revenue	-	9,066	79,480	39,794
Total Liabilities	<u>1,037,370</u>	<u>106,859</u>	<u>2,407,698</u>	<u>1,531,698</u>
FUND BALANCES				
Reserved for:				
Encumbrances	53,477	63	-	149,610
Projects	116,824	-	-	226,206
Claims	-	-	-	-
Inventory	-	-	-	-
Unreserved:				
Designated/future years expenditures	1,492,170	525,574	63,100	7,001,161
Undesignated	-	-	-	-
Total Fund Balances	<u>1,662,471</u>	<u>525,637</u>	<u>63,100</u>	<u>7,376,977</u>
Total Liabilities/ Fund Balances	<u>\$ 2,699,841</u>	<u>\$ 632,496</u>	<u>\$ 2,470,798</u>	<u>\$ 8,908,675</u>

<u>SENIOR SERVICES FUND</u>	<u>MAY FOUNDATION FUND</u>	<u>ADMINI-STRATIVE ASSESSMENT FUND</u>	<u>ENHANCED 911 FUND</u>	<u>STABILIZATION FUND</u>
\$ 812,156	\$ 196,106	\$ 2,333,000	\$ 836,295	\$ 3,250,000
-	-	23,998	157,239	-
-	-	-	-	-
9,974	-	-	-	-
-	-	-	-	-
-	-	-	4,147	-
69,013	-	-	-	-
-	-	-	-	-
<u>\$ 891,143</u>	<u>\$ 196,106</u>	<u>\$ 2,356,998</u>	<u>\$ 997,681</u>	<u>\$ 3,250,000</u>
\$ 103,250	\$ 31,736	\$ 5,766	\$ 88,863	\$ -
105,953	44,566	-	-	-
-	-	-	96,491	-
-	13,130	-	-	-
9,066	-	-	-	-
<u>218,269</u>	<u>89,432</u>	<u>5,766</u>	<u>185,354</u>	<u>-</u>
-	-	20,027	322,825	-
192,729	100,972	-	-	-
-	-	-	-	-
-	-	-	-	-
480,145	5,702	2,331,205	489,502	3,250,000
-	-	-	-	-
<u>672,874</u>	<u>106,674</u>	<u>2,351,232</u>	<u>812,327</u>	<u>3,250,000</u>
<u>\$ 891,143</u>	<u>\$ 196,106</u>	<u>\$ 2,356,998</u>	<u>\$ 997,681</u>	<u>\$ 3,250,000</u>

(CONTINUED)

**WASHOE COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004**

	LIBRARY EXPANSION FUND	ACCRUED BENEFITS FUND	ANIMAL SERVICES FUND	REGIONAL PUBLIC SAFETY TRAINING CENTER FUND
ASSETS				
Cash and investments	\$ 386,687	\$ 310,798	\$ 408,725	\$ 274,099
Receivables:				
Accounts	-	-	432	-
Consolidated tax	-	-	-	-
Property taxes	19,938	-	25,424	-
Other taxes	-	-	-	-
Interest	3,738	1,036	2,729	1,237
Due from other governments	-	-	2,260,275	64,002
Inventory	-	-	-	-
Total Assets	<u>\$ 410,363</u>	<u>\$ 311,834</u>	<u>\$ 2,697,585</u>	<u>\$ 339,338</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 2,982	\$ -
Accrued salaries/benefits	75,435	145,898	40,974	11,675
Due to other governments	-	-	97,088	39,366
Deposits	-	-	-	-
Deferred revenue	18,123	-	2,283,363	-
Total Liabilities	<u>93,558</u>	<u>145,898</u>	<u>2,424,407</u>	<u>51,041</u>
FUND BALANCES				
Reserved for:				
Encumbrances	-	-	20,400	7,799
Projects	-	-	-	-
Claims	-	-	-	-
Inventory	-	-	-	-
Unreserved:				
Designated/future years expenditures	316,805	165,936	252,778	280,498
Undesignated	-	-	-	-
Total Fund Balances	<u>316,805</u>	<u>165,936</u>	<u>273,178</u>	<u>288,297</u>
Total Liabilities/ Fund Balances	<u>\$ 410,363</u>	<u>\$ 311,834</u>	<u>\$ 2,697,585</u>	<u>\$ 339,338</u>

TMFPD GENERAL FUND	TMFPD STABILIZATION FUND	TMFPD VACATION AND SICK LEAVE ACCRUAL FUND	TMFPD PRE-FUNDED RETIREE HEALTH BENEFITS FUND	TOTAL
\$ 4,036,944	\$ 423,445	\$ 591,372	\$ 2,052,936	\$ 25,771,523
-	-	-	-	386,189
975,113	-	-	-	975,113
103,339	-	-	-	299,895
223,525	-	-	-	223,525
22,901	2,367	3,309	11,424	72,029
72,522	-	-	-	6,953,781
221,957	-	-	-	221,957
<u>\$ 5,656,301</u>	<u>\$ 425,812</u>	<u>\$ 594,681</u>	<u>\$ 2,064,360</u>	<u>\$ 34,904,012</u>
\$ -	\$ -	\$ -	\$ -	\$ 3,115,249
-	-	-	-	1,659,519
-	-	-	-	1,070,560
-	-	-	-	13,130
87,879	-	-	-	2,526,771
<u>87,879</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,385,229</u>
3,987	-	-	-	578,188
21,420	-	-	-	658,151
-	-	-	2,064,360	2,064,360
221,957	-	-	-	221,957
4,902,630	425,812	561,980	-	22,544,998
418,428	-	32,701	-	451,129
<u>5,568,422</u>	<u>425,812</u>	<u>594,681</u>	<u>2,064,360</u>	<u>26,518,783</u>
<u>\$ 5,656,301</u>	<u>\$ 425,812</u>	<u>\$ 594,681</u>	<u>\$ 2,064,360</u>	<u>\$ 34,904,012</u>

**WASHOE COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	HEALTH FUND	AGRICULTURAL EXTENSION FUND	INDIGENT TAX LEVY FUND	CHILD PROTECTIVE SERVICES FUND
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ 1,030,954	\$ 9,272,137	\$ 4,123,918
Licenses and permits	1,771,742	-	-	24,528
Intergovernmental revenue	5,848,334	-	-	18,209,589
Charges for services	1,464,125	-	177,051	317,906
Fines and forfeits	-	-	-	-
Miscellaneous	-	487	56,631	225,073
Total Revenues	<u>9,084,201</u>	<u>1,031,441</u>	<u>9,505,819</u>	<u>22,901,014</u>
EXPENDITURES				
Current:				
General government	-	959,024	-	-
Judicial	-	-	-	-
Public safety	-	-	-	-
Health and sanitation	16,106,362	-	-	-
Welfare	-	-	9,925,777	21,479,425
Culture and recreation	-	-	-	-
Intergovernmental	-	-	-	-
Total Expenditures	<u>16,106,362</u>	<u>959,024</u>	<u>9,925,777</u>	<u>21,479,425</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,022,161)</u>	<u>72,417</u>	<u>(419,958)</u>	<u>1,421,589</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,469,280	-	-	1,095,307
Transfers out	-	-	-	(533,502)
Total Other Financing Sources (Uses)	<u>7,469,280</u>	<u>-</u>	<u>-</u>	<u>561,805</u>
Net Change in Fund Balances	447,119	72,417	(419,958)	1,983,394
FUND BALANCE, JULY 1	<u>1,215,352</u>	<u>453,220</u>	<u>483,058</u>	<u>5,393,583</u>
FUND BALANCE, JUNE 30	<u>\$ 1,662,471</u>	<u>\$ 525,637</u>	<u>\$ 63,100</u>	<u>\$ 7,376,977</u>

SENIOR SERVICES FUND	MAY FOUNDATION FUND	ADMINI- STRATIVE ASSESSMENT FUND	ENHANCED 911 FUND	STABILIZATION FUND
\$ 1,030,954	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-
1,763,234	-	-	-	-
435,982	294,116	146,975	1,180,319	-
-	-	614,494	-	-
157,417	389,065	-	5,029	-
<u>3,387,587</u>	<u>683,181</u>	<u>761,469</u>	<u>1,185,348</u>	<u>-</u>
-	-	-	-	-
-	-	230,078	-	-
-	-	-	1,054,728	-
-	-	-	-	-
-	-	-	-	-
3,371,045	847,305	-	-	-
-	-	-	-	-
<u>3,371,045</u>	<u>847,305</u>	<u>230,078</u>	<u>1,054,728</u>	<u>-</u>
16,542	(164,124)	531,391	130,620	-
137,000	100,000	-	-	-
-	-	(19,587)	-	-
<u>137,000</u>	<u>100,000</u>	<u>(19,587)</u>	<u>-</u>	<u>-</u>
153,542	(64,124)	511,804	130,620	-
519,332	170,798	1,839,428	681,707	3,250,000
<u>\$ 672,874</u>	<u>\$ 106,674</u>	<u>\$ 2,351,232</u>	<u>\$ 812,327</u>	<u>\$ 3,250,000</u>

(CONTINUED)

WASHOE COUNTY
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004

	LIBRARY EXPANSION FUND	ACCRUED BENEFITS FUND	ANIMAL SERVICES FUND	REGIONAL PUBLIC SAFETY TRAINING CENTER FUND
REVENUES				
Taxes:				
Ad valorem	\$ 2,063,854	\$ -	\$ 3,153,398	\$ -
Licenses and permits	-	-	30,951	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	296,099
Fines and forfeits	-	-	-	-
Miscellaneous	(55)	6,086	508,867	71,254
Total Revenues	<u>2,063,799</u>	<u>6,086</u>	<u>3,693,216</u>	<u>367,353</u>
EXPENDITURES				
Current:				
General government	-	1,272,251	-	-
Judicial	-	-	-	-
Public safety	-	-	1,123,535	79,056
Health and sanitation	-	-	-	-
Welfare	-	-	-	-
Culture and recreation	1,670,470	-	-	-
Intergovernmental	-	-	1,797,437	-
Total Expenditures	<u>1,670,470</u>	<u>1,272,251</u>	<u>2,920,972</u>	<u>79,056</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>393,329</u>	<u>(1,266,165)</u>	<u>772,244</u>	<u>288,297</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	105,000	1,400,000	-	-
Transfers out	(642,413)	-	(499,066)	-
Total Other Financing Sources (Uses)	<u>(537,413)</u>	<u>1,400,000</u>	<u>(499,066)</u>	<u>-</u>
Net Change in Fund Balances	<u>(144,084)</u>	<u>133,835</u>	<u>273,178</u>	<u>288,297</u>
FUND BALANCE, JULY 1	<u>460,889</u>	<u>32,101</u>	<u>-</u>	<u>-</u>
FUND BALANCE, JUNE 30	<u>\$ 316,805</u>	<u>\$ 165,936</u>	<u>\$ 273,178</u>	<u>\$ 288,297</u>

TMFPD GENERAL FUND	TMFPD STABILIZATION FUND	TMFPD VACATION AND SICK LEAVE ACCRUAL FUND	TMFPD PRE-FUNDED RETIREE HEALTH BENEFITS FUND	TOTAL
\$ 8,795,690	\$ 9	\$ -	\$ -	\$ 29,470,914
41,919	-	-	-	1,869,140
6,342,972	-	-	-	32,164,129
16,000	-	-	-	4,328,573
-	-	-	-	614,494
436,639	1,048	1,525	2,887	1,861,953
<u>15,633,220</u>	<u>1,057</u>	<u>1,525</u>	<u>2,887</u>	<u>70,309,203</u>
-	-	-	-	2,231,275
-	-	-	-	230,078
12,309,302	-	10,324	38,562	14,615,507
-	-	-	-	16,106,362
-	-	-	-	31,405,202
-	-	-	-	5,888,820
-	-	-	-	1,797,437
<u>12,309,302</u>	<u>-</u>	<u>10,324</u>	<u>38,562</u>	<u>72,274,681</u>
<u>3,323,918</u>	<u>1,057</u>	<u>(8,799)</u>	<u>(35,675)</u>	<u>(1,965,478)</u>
-	-	-	225,000	10,531,587
<u>(2,187,302)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(3,881,870)</u>
<u>(2,187,302)</u>	<u>-</u>	<u>-</u>	<u>225,000</u>	<u>6,649,717</u>
1,136,616	1,057	(8,799)	189,325	4,684,239
4,431,806	424,755	603,480	1,875,035	21,834,544
<u>\$ 5,568,422</u>	<u>\$ 425,812</u>	<u>\$ 594,681</u>	<u>\$ 2,064,360</u>	<u>\$ 26,518,783</u>

**WASHOE COUNTY
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Licenses and Permits	\$ 1,635,615	\$ 1,771,742	\$ 136,127	\$ 1,754,652
Intergovernmental Revenues:				
Federal grants	5,806,795	4,739,817	(1,066,978)	4,320,090
State grants	830,973	964,928	133,955	1,161,866
Other	214,314	143,589	(70,725)	288,814
Charges for Services:				
Health and sanitation	1,209,055	1,464,125	255,070	1,461,213
Miscellaneous:				
Other	-	-	-	5,007
Total Revenues	9,696,752	9,084,201	(612,551)	8,991,642
EXPENDITURES				
Health and Sanitation Function:				
Public Health Administration:				
Salaries and wages	990,140	967,265	22,875	852,552
Employee benefits	380,259	307,078	73,181	263,097
Services and supplies	310,395	314,628	(4,233)	248,847
Capital outlay	55,000	41,830	13,170	32,837
Total Public Health Administration	1,735,794	1,630,801	104,993	1,397,333
Air Quality Management:				
Salaries and wages	1,327,497	1,239,791	87,706	1,208,276
Employee benefits	405,304	390,581	14,723	349,297
Services and supplies	718,113	493,087	225,026	282,602
Capital outlay	40,000	42,389	(2,389)	15,677
Total Air Quality Management	2,490,914	2,165,848	325,066	1,855,852
Community/Clinic Health Services:				
Salaries and wages	5,295,197	4,820,304	474,893	4,807,092
Employee benefits	1,675,195	1,535,181	140,014	1,477,913
Services and supplies	1,809,336	1,372,968	436,368	1,442,958
Capital outlay	-	-	-	6,849
Total Community/Clinic Health Services	8,779,728	7,728,453	1,051,275	7,734,812

(CONTINUED)

**WASHOE COUNTY
HEALTH FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Environmental Health Services:				
Salaries and wages	\$ 3,044,915	\$ 2,991,638	\$ 53,277	\$ 2,872,783
Employee benefits	937,218	906,067	31,151	820,481
Services and supplies	812,928	658,990	153,938	691,653
Capital outlay	30,000	24,565	5,435	-
Total Environmental Health Services	4,825,061	4,581,260	243,801	4,384,917
Total Expenditures	17,831,497	16,106,362	1,725,135	15,372,914
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,134,745)	(7,022,161)	1,112,584	(6,381,272)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	7,469,280	7,469,280	-	6,916,000
General Fund	-	-	-	(9,837)
Total Other Financing Sources (Uses)	7,469,280	7,469,280	-	6,906,163
Net Change in Fund Balances	(665,465)	447,119	1,112,584	524,891
FUND BALANCE, JULY 1	715,493	1,215,352	499,859	690,461
FUND BALANCE, JUNE 30	\$ 50,028	\$ 1,662,471	\$ 1,612,443	\$ 1,215,352

WASHOE COUNTY
AGRICULTURAL EXTENSION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 1,047,384	\$ 1,030,954	\$ (16,430)	\$ 962,136
Miscellaneous:				
Other	-	487	487	1,455
Total Revenues	<u>1,047,384</u>	<u>1,031,441</u>	<u>(15,943)</u>	<u>963,591</u>
EXPENDITURES				
General Government Function:				
Salaries and wages	391,663	390,067	1,596	368,664
Employee benefits	134,751	130,251	4,500	116,521
Services and supplies	539,990	438,706	101,284	438,288
Capital outlay	3,000	-	3,000	-
Total Expenditures	<u>1,069,404</u>	<u>959,024</u>	<u>110,380</u>	<u>923,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,020)	72,417	94,437	40,118
FUND BALANCE, JULY 1	<u>450,193</u>	<u>453,220</u>	<u>3,027</u>	<u>413,102</u>
FUND BALANCE, JUNE 30	<u>\$ 428,173</u>	<u>\$ 525,637</u>	<u>\$ 97,464</u>	<u>\$ 453,220</u>

WASHOE COUNTY
INDIGENT TAX LEVY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 9,425,954	\$ 9,272,137	\$ (153,817)	\$ 7,706,943
Charges for Services:				
Reimbursements	196,000	177,051	(18,949)	233,271
Miscellaneous:				
Investment earnings	80,000	119,413	39,413	93,746
Net increase (decrease) in the fair value of investments	-	(62,782)	(62,782)	4,997
Total Revenues	<u>9,701,954</u>	<u>9,505,819</u>	<u>(196,135)</u>	<u>8,038,957</u>
EXPENDITURES				
Welfare Function:				
Services and supplies	<u>10,350,109</u>	<u>9,925,777</u>	<u>424,332</u>	<u>7,787,599</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(648,155)	(419,958)	228,197	251,358
FUND BALANCE, JULY 1	<u>648,155</u>	<u>483,058</u>	<u>(165,097)</u>	<u>231,700</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ 63,100</u>	<u>\$ 63,100</u>	<u>\$ 483,058</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 4,191,135	\$ 4,123,918	\$ (67,217)	\$ 3,873,049
Licenses and Permits:				
Day care licenses	25,000	24,528	(472)	26,060
Intergovernmental Revenues:				
Federal grants	6,640,376	8,542,107	1,901,731	5,190,419
Other	10,904,238	9,667,482	(1,236,756)	8,836,257
Charges for Services:				
Reimbursements	264,450	317,906	53,456	193,269
Miscellaneous:				
Contributions and donations	52,653	199,032	146,379	44,137
Other	-	26,041	26,041	6,745
Total Revenues	<u>22,077,852</u>	<u>22,901,014</u>	<u>823,162</u>	<u>18,169,936</u>
EXPENDITURES				
Welfare Function:				
Child Protective Services:				
Salaries and wages	8,872,649	7,743,244	1,129,405	6,132,744
Employee benefits	2,668,820	2,532,023	136,797	1,856,929
Services and supplies	2,362,000	1,209,635	1,152,365	1,451,818
Capital outlay	-	-	-	69,487
Total Child Protective Services	<u>13,903,469</u>	<u>11,484,902</u>	<u>2,418,567</u>	<u>9,510,978</u>
Day Care Licensing:				
Salaries and wages	547,735	527,005	20,730	513,434
Employee benefits	182,726	164,135	18,591	157,515
Services and supplies	27,463	13,250	14,213	10,280
Total Day Care Licensing	<u>757,924</u>	<u>704,390</u>	<u>53,534</u>	<u>681,229</u>
Emergency Shelter Care:				
Salaries and wages	-	-	-	29,734
Employee benefits	-	-	-	81
Services and supplies	9,727,145	9,290,133	437,012	5,796,879
Total Emergency Shelter Care	<u>9,727,145</u>	<u>9,290,133</u>	<u>437,012</u>	<u>5,826,694</u>
Total Expenditures	<u>24,388,538</u>	<u>21,479,425</u>	<u>2,909,113</u>	<u>16,018,901</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,310,686)</u>	<u>1,421,589</u>	<u>3,732,275</u>	<u>2,151,035</u>

(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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	\$ 1,095,307	\$ 1,095,307	\$ -	\$ 1,018,769
General Fund	(398,000)	(398,000)	-	(48,000)
Debt Service Fund	(135,510)	(135,502)	8	(130,303)
Total Other Financing Sources (Uses)	561,797	561,805	8	840,466
Net Change in Fund Balances	(1,748,889)	1,983,394	3,732,283	2,991,501
FUND BALANCE, JULY 1	3,833,509	5,393,583	1,560,074	2,402,082
FUND BALANCE, JUNE 30	\$ 2,084,620	\$ 7,376,977	\$ 5,292,357	\$ 5,393,583

**WASHOE COUNTY
SENIOR SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 1,047,384	\$ 1,030,954	\$ (16,430)	\$ 962,136
Intergovernmental Revenues:				
Federal grants	1,326,417	1,215,760	(110,657)	803,251
State and local grants	559,069	535,672	(23,397)	694,187
Other	8,000	11,802	3,802	9,256
Charges for Services:				
Senior law project fees	72,000	67,865	(4,135)	70,798
Program income	314,000	302,216	(11,784)	322,085
Other	56,000	65,901	9,901	57,240
Miscellaneous:				
Contributions and donations	71,678	64,874	(6,804)	46,257
Other	46,050	92,543	46,493	50,479
Total Revenues	<u>3,500,598</u>	<u>3,387,587</u>	<u>(113,011)</u>	<u>3,015,689</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	1,956,507	1,611,703	344,804	1,668,364
Employee benefits	558,633	575,023	(16,390)	523,328
Services and supplies	1,427,328	1,105,479	321,849	1,071,977
Capital outlay	86,300	78,840	7,460	94,077
Total Expenditures	<u>4,028,768</u>	<u>3,371,045</u>	<u>657,723</u>	<u>3,357,746</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(528,170)</u>	<u>16,542</u>	<u>544,712</u>	<u>(342,057)</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	137,000	137,000	-	172,000
Net Change in Fund Balances	<u>(391,170)</u>	<u>153,542</u>	<u>544,712</u>	<u>(170,057)</u>
FUND BALANCE, JULY 1	<u>614,888</u>	<u>519,332</u>	<u>(95,556)</u>	<u>689,389</u>
FUND BALANCE, JUNE 30	<u>\$ 223,718</u>	<u>\$ 672,874</u>	<u>\$ 449,156</u>	<u>\$ 519,332</u>

**WASHOE COUNTY
MAY FOUNDATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for Services:				
Admissions	\$ 242,025	\$ 182,276	\$ (59,749)	\$ 141,610
Concessions	53,226	51,458	(1,768)	48,251
Facility fees	55,000	20,197	(34,803)	31,566
Gift shop	43,361	40,185	(3,176)	23,594
Miscellaneous:				
Contributions and donations	359,128	317,065	(42,063)	376,469
Other	52,201	72,000	19,799	75,321
Total Revenues	<u>804,941</u>	<u>683,181</u>	<u>(121,760)</u>	<u>696,811</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	517,015	454,784	62,231	409,665
Employee benefits	114,986	94,385	20,601	96,912
Services and supplies	307,317	298,136	9,181	262,466
Total Expenditures	<u>939,318</u>	<u>847,305</u>	<u>92,013</u>	<u>769,043</u>
Excess (Deficiency) of Revenues Over (Under)Expenditures	(134,377)	(164,124)	(29,747)	(72,232)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	100,000	100,000	-	140,000
Net Change in Fund Balances	(34,377)	(64,124)	(29,747)	67,768
FUND BALANCE, JULY 1	<u>120,852</u>	<u>170,798</u>	<u>49,946</u>	<u>103,030</u>
FUND BALANCE, JUNE 30	<u>\$ 86,475</u>	<u>\$ 106,674</u>	<u>\$ 20,199</u>	<u>\$ 170,798</u>

**WASHOE COUNTY
ADMINISTRATIVE ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for services	\$ 120,000	\$ 146,975	\$ 26,975	\$ 118,640
Fines and Forfeits:				
Administrative assessments	604,500	614,494	9,994	649,432
Total Revenues	724,500	761,469	36,969	768,072
EXPENDITURES				
Judicial Function:				
Justice Courts:				
Services and supplies	366,300	164,977	201,323	136,200
Capital outlay	1,064,341	65,101	999,240	-
Total Expenditures	1,430,641	230,078	1,200,563	136,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	(706,141)	531,391	1,237,532	631,872
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	(19,587)	(19,587)	-	(16,619)
Net Change in Fund Balances	(725,728)	511,804	1,237,532	615,253
FUND BALANCE, JULY 1	1,669,028	1,839,428	170,400	1,224,175
FUND BALANCE, JUNE 30	\$ 943,300	\$ 2,351,232	\$ 1,407,932	\$ 1,839,428

**WASHOE COUNTY
ENHANCED 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for Services:				
Enhanced 911 fees	\$ 1,068,545	\$ 1,180,319	\$ 111,774	\$ 1,048,823
Miscellaneous:				
Investment earnings	14,400	20,940	6,540	12,402
Net increase (decrease) in the fair value of investments	-	(15,911)	(15,911)	2,748
Total Revenues	<u>1,082,945</u>	<u>1,185,348</u>	<u>102,403</u>	<u>1,063,973</u>
EXPENDITURES				
Public Safety Function:				
Salaries and wages	95,000	96,491	(1,491)	73,004
Services and supplies	662,803	810,558	(147,755)	638,453
Capital outlay	684,031	147,679	536,352	106,048
Total Expenditures	<u>1,441,834</u>	<u>1,054,728</u>	<u>387,106</u>	<u>817,505</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(358,889)	130,620	489,509	246,468
FUND BALANCE, JULY 1	457,628	681,707	224,079	435,239
FUND BALANCE, JUNE 30	<u>\$ 98,739</u>	<u>\$ 812,327</u>	<u>\$ 713,588</u>	<u>\$ 681,707</u>

WASHOE COUNTY
STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 2,098,167	\$ 2,063,854	\$ (34,313)	\$ 1,921,863
Miscellaneous:				
Investment earnings	30,000	21,499	(8,501)	30,845
Net increase (decrease) in the fair value of investments	-	(21,554)	(21,554)	5,699
Total Revenues	<u>2,128,167</u>	<u>2,063,799</u>	<u>(64,368)</u>	<u>1,958,407</u>
EXPENDITURES				
Culture and Recreation Function:				
Salaries and wages	1,373,729	1,233,562	140,167	1,333,514
Employee benefits	489,900	426,786	63,114	449,179
Services and supplies	28,900	10,122	18,778	220,755
Total Expenditures	<u>1,892,529</u>	<u>1,670,470</u>	<u>222,059</u>	<u>2,003,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>235,638</u>	<u>393,329</u>	<u>157,691</u>	<u>(45,041)</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	105,000	105,000	-	105,000
Debt Service Fund	(642,398)	(642,413)	(15)	(641,412)
Total Other Financing Sources (Uses)	<u>(537,398)</u>	<u>(537,413)</u>	<u>(15)</u>	<u>(536,412)</u>
Net Change in Fund Balances	<u>(301,760)</u>	<u>(144,084)</u>	<u>157,676</u>	<u>(581,453)</u>
FUND BALANCE, JULY 1	<u>367,481</u>	<u>460,889</u>	<u>93,408</u>	<u>1,042,342</u>
FUND BALANCE, JUNE 30	<u>\$ 65,721</u>	<u>\$ 316,805</u>	<u>\$ 251,084</u>	<u>\$ 460,889</u>

**WASHOE COUNTY
ACCRUED BENEFITS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 6,000	\$ 6,098	\$ 98	\$ 5,526
Net increase (decrease) in the fair value of investments	-	(12)	(12)	565
Total Revenues	<u>6,000</u>	<u>6,086</u>	<u>86</u>	<u>6,091</u>
EXPENDITURES				
General Government Function:				
Salaries and wages	1,571,113	1,265,556	305,557	1,171,718
Employee benefits	-	6,695	(6,695)	6,580
Total Expenditures	<u>1,571,113</u>	<u>1,272,251</u>	<u>298,862</u>	<u>1,178,298</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,565,113)	(1,266,165)	298,948	(1,172,207)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	<u>1,400,000</u>	<u>1,400,000</u>	-	<u>1,150,000</u>
Net Change in Fund Balances	(165,113)	133,835	298,948	(22,207)
FUND BALANCE, JULY 1	<u>165,113</u>	<u>32,101</u>	<u>(133,012)</u>	<u>54,308</u>
FUND BALANCE, JUNE 30	<u>\$ -</u>	<u>\$ 165,936</u>	<u>\$ 165,936</u>	<u>\$ 32,101</u>

**WASHOE COUNTY
ANIMAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	2004		
	BUDGET	ACTUAL	VARIANCE
REVENUES			
Taxes:			
Ad valorem	\$ 3,122,651	\$ 3,153,398	\$ 30,747
Licenses and Permits:			
Animal licenses	28,100	30,951	2,851
Miscellaneous:			
Investment earnings	-	15,668	15,668
Net increase (decrease) in the fair value of investments	-	(6,306)	(6,306)
Contributions and donations	544,845	499,310	(45,535)
Other	-	195	195
Total Revenues	<u>3,695,596</u>	<u>3,693,216</u>	<u>(2,380)</u>
EXPENDITURES			
Public Safety Function:			
Salaries and wages	650,891	620,089	30,802
Employee benefits	214,002	209,803	4,199
Services and supplies	294,063	293,643	420
Intergovernmental:			
Reno apportionment	1,779,912	1,797,437	(17,525)
Total Expenditures	<u>2,938,868</u>	<u>2,920,972</u>	<u>17,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	756,728	772,244	15,516
OTHER FINANCING SOURCES (USES)			
Transfers:			
Debt Service Fund	(549,535)	(499,066)	50,469
Net Change in Fund Balances	207,193	273,178	65,985
FUND BALANCE, JULY 1	-	-	-
FUND BALANCE, JUNE 30	<u>\$ 207,193</u>	<u>\$ 273,178</u>	<u>\$ 65,985</u>

**WASHOE COUNTY
REGIONAL PUBLIC SAFETY TRAINING CENTER FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	2004		
	BUDGET	ACTUAL	VARIANCE
REVENUES			
Charges for Services:			
Local contributions	\$ 317,000	\$ 296,099	\$ (20,901)
Miscellaneous:			
Investment earnings	-	1,844	1,844
Net increase (decrease) in the fair value of investments	-	(3,001)	(3,001)
Rental income	-	64,002	64,002
Other	-	8,409	8,409
Total Revenues	317,000	367,353	50,353
EXPENDITURES			
Public Safety Function:			
Salaries and wages	67,000	31,189	35,811
Employee benefits	-	8,280	(8,280)
Services and supplies	250,000	39,587	210,413
Total Expenditures	317,000	79,056	237,944
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	288,297	288,297
FUND BALANCE, JULY 1	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ 288,297	\$ 288,297

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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 8,606,631	\$ 8,795,690	\$ 189,059	\$ 8,075,242
Licenses and Permits:				
Gaming licenses-AB 104	33,294	41,919	8,625	46,697
Intergovernmental Revenues:				
Motor vehicle privilege tax-AB 104	152,596	164,683	12,087	217,529
Real property transfer tax-AB 104	37,868	54,606	16,738	37,653
SCCR tax-AB 104	614,866	676,340	61,474	605,042
Consolidated tax	5,046,165	5,447,343	401,178	4,987,685
Fire suppression reimbursements	120,900	-	(120,900)	130,000
Charges for Services:				
Building and zoning fees	16,000	16,000	-	16,000
Miscellaneous:				
Investment earnings	60,000	115,525	55,525	84,443
Net increase (decrease) in the fair value of investments	-	(86,663)	(86,663)	6,811
Other	403,461	407,777	4,316	215,816
Total Revenues	<u>15,091,781</u>	<u>15,633,220</u>	<u>541,439</u>	<u>14,422,918</u>
EXPENDITURES				
Public Safety Function:				
Fire:				
Employee benefits	30,000	13,907	16,093	420,351
Services and supplies	12,406,412	12,295,395	111,017	11,682,300
Total Expenditures	<u>12,436,412</u>	<u>12,309,302</u>	<u>127,110</u>	<u>12,102,651</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,655,369</u>	<u>3,323,918</u>	<u>668,549</u>	<u>2,320,267</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
TMFPD Retiree Health Benefits Fund	(225,000)	(225,000)	-	(225,000)
TMFPD Debt Service Fund	(214,181)	(162,302)	51,879	(162,103)
TMFPD Construction Fund	(1,200,000)	(1,200,000)	-	(1,075,000)
TMFPD Workers Compensation Fund	-	(600,000)	(600,000)	-
Contingency	(300,000)	-	300,000	-
Total Other Financing Sources (Uses)	<u>(1,939,181)</u>	<u>(2,187,302)</u>	<u>(248,121)</u>	<u>(1,462,103)</u>
Net Change in Fund Balances	716,188	1,136,616	420,428	858,164
FUND BALANCE, JULY 1	3,812,612	4,431,806	619,194	3,573,642
FUND BALANCE, JUNE 30	<u>\$ 4,528,800</u>	<u>\$ 5,568,422</u>	<u>\$ 1,039,622</u>	<u>\$ 4,431,806</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ 9	\$ 9	\$ 29
Miscellaneous:				
Investment earnings	13,500	12,467	(1,033)	12,939
Net increase (decrease) in the fair value of investments	-	(11,419)	(11,419)	2,532
Net Change in Fund Balances	13,500	1,057	(12,443)	15,500
FUND BALANCE, JULY 1	<u>422,805</u>	<u>424,755</u>	<u>1,950</u>	<u>409,255</u>
FUND BALANCE, JUNE 30	<u>\$ 436,305</u>	<u>\$ 425,812</u>	<u>\$ (10,493)</u>	<u>\$ 424,755</u>

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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 20,000	\$ 17,627	\$ (2,373)	\$ 18,567
Net increase (decrease) in the fair value of investments	-	(16,102)	(16,102)	3,716
Total Revenues	20,000	1,525	(18,475)	22,283
EXPENDITURES				
Public Safety Function:				
Fire:				
Salaries and wages	100,000	10,324	89,676	3,543
Excess (Deficiency) of Revenues Over (Under) Expenditures	(80,000)	(8,799)	71,201	18,740
FUND BALANCE, JULY 1	529,740	603,480	73,740	584,740
FUND BALANCE, JUNE 30	\$ 449,740	\$ 594,681	\$ 144,941	\$ 603,480

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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 50,000	\$ 56,935	\$ 6,935	\$ 51,222
Net increase (decrease) in the fair value of investments	-	(54,048)	(54,048)	10,034
Total Revenues	50,000	2,887	(47,113)	61,256
EXPENDITURES				
Public Safety Function:				
Fire:				
Retiree insurance premiums	100,000	38,562	61,438	22,724
Excess (Deficiency) of Revenues Over (Under) Expenditures	(50,000)	(35,675)	14,325	38,532
OTHER FINANCING SOURCES (USES)				
Transfers:				
TMFPD General Fund	225,000	225,000	-	225,000
Net Change in Fund Balances	175,000	189,325	14,325	263,532
FUND BALANCE, JULY 1	<u>1,858,503</u>	<u>1,875,035</u>	<u>16,532</u>	<u>1,611,503</u>
FUND BALANCE, JUNE 30	<u>\$ 2,033,503</u>	<u>\$ 2,064,360</u>	<u>\$ 30,857</u>	<u>\$ 1,875,035</u>

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 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 Year in Washoe County



Washoe County Hosts International Visitors

Washoe County had the privilege of hosting six dignitaries from the West Bank and Gaza. The visitors were on a tour of the United States to learn about the United States legal system for prosecutors.

Their goals were to familiarize themselves with the U.S. legal system, and the structure of state and municipal courts.

They also were interested in meeting with U.S. prosecutors to examine the structure of legal research, argumentation, legal ethics, court and case management, as well as the criminal justice system and law enforcement.

When the dignitaries arrived in Washoe County, their main focus was in continuing education, training for legal professionals, and detention facilities.

They started their tour with a workshop to learn about continuing education for judges at the National Judicial College, at the University of Nevada.

They were then brought to Washoe County where they met with one of our juvenile probation officers, for a tour of Wittenburg Hall, and a presentation of the new Jan Evans Juvenile Detention Facility which serves as a model high tech state-of-the-art juvenile detention institution.

As part of the tour, they were informed about the numerous issues concerning juvenile crime and the rights of juvenile offenders.

The last stop of their tour took them to the Washoe County Jail to visit the Washoe County Sheriff's Department Crime Lab.

The group had two interpreters, who not only escorted them to the different Washoe County facilities around Reno and Lake Tahoe, but also to Virginia City for a real feel of the Wild West.

October 2003

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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Special assessments	\$ 229,000	\$ 346,768	\$ 117,768	\$ 395,621
Miscellaneous:				
Investment earnings	49,000	94,301	45,301	110,460
Net increase (decrease) in the fair value of investments	-	(87,737)	(87,737)	23,429
Assessment interest	110,500	156,964	46,464	188,206
Penalties	14,500	29,269	14,769	18,430
Total Revenues	<u>403,000</u>	<u>539,565</u>	<u>136,565</u>	<u>736,146</u>
EXPENDITURES				
General Government Function:				
Services and supplies	56,026	51,662	4,364	44,679
Debt Service:				
Special Assessment Bonds:				
Principal	772,610	867,610	(95,000)	236,427
Interest	170,917	135,648	35,269	182,335
Debt service fees	1,250	2,810	(1,560)	684
Bond issuance cost	74,415	46,442	27,973	-
Assessment refunds	-	39,685	(39,685)	202,636
Total Non-Ad Valorem Supported Debt	<u>1,019,192</u>	<u>1,092,195</u>	<u>(73,003)</u>	<u>622,082</u>
Total Expenditures	<u>1,075,218</u>	<u>1,143,857</u>	<u>(68,639)</u>	<u>666,761</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(672,218)</u>	<u>(604,292)</u>	<u>67,926</u>	<u>69,385</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	1,085,000	1,085,000	-	-
Bond discount	(2,781)	(2,781)	-	-
Refunding payment to escrow agent	(899,303)	(899,303)	-	-
Transfers:				
SAD Projects Fund	-	-	-	11,245
Total Other Financing Sources (Uses)	<u>182,916</u>	<u>182,916</u>	<u>-</u>	<u>11,245</u>
Net Change in Fund Balances	<u>(489,302)</u>	<u>(421,376)</u>	<u>67,926</u>	<u>80,630</u>
FUND BALANCE, JULY 1	<u>1,877,829</u>	<u>1,617,444</u>	<u>(260,385)</u>	<u>1,536,814</u>
FUND BALANCE, JUNE 30	<u>\$ 1,388,527</u>	<u>\$ 1,196,068</u>	<u>\$ (192,459)</u>	<u>\$ 1,617,444</u>

WASHOE COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004

	DEBT SERVICE FUND	TMFPD DEBT SERVICE FUND	TOTAL
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and investments	\$ 10,078,469	\$ 21,568	\$ 10,100,037
Property taxes receivable	83,142	-	83,142
Interest receivable	22,562	-	22,562
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 10,184,173	\$ 21,568	\$ 10,205,741
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
LIABILITIES			
Accounts payable	\$ 4,937	\$ -	\$ 4,937
Interest payable	8,632	2,664	11,296
Deferred revenue	75,524	-	75,524
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	89,093	2,664	91,757
	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES			
Reserved for debt service	10,095,080	18,904	10,113,984
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities/Fund Balances	\$ 10,184,173	\$ 21,568	\$ 10,205,741
	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

**WASHOE COUNTY
NONMAJOR DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	DEBT SERVICE FUND	TMFPD DEBT SERVICE FUND	TOTAL
REVENUES			
Taxes:			
Ad valorem	\$ 8,166,677	\$ -	\$ 8,166,677
Intergovernmental revenues	459,443	-	459,443
Miscellaneous	198,525	-	198,525
Total Revenues	<u>8,824,645</u>	<u>-</u>	<u>8,824,645</u>
EXPENDITURES			
Debt Service:			
Ad Valorem Supported Debt:			
Principal	3,780,000	-	3,780,000
Interest	3,693,275	-	3,693,275
Debt service fees	2,535	-	2,535
Total Ad Valorem Supported Debt	<u>7,475,810</u>	<u>-</u>	<u>7,475,810</u>
Non-Ad Valorem Supported Debt:			
Principal	9,624,229	125,000	9,749,229
Interest	5,137,831	36,865	5,174,696
Debt service fees	5,918	-	5,918
Total Non-Ad Valorem Supported Debt	<u>14,767,978</u>	<u>161,865</u>	<u>14,929,843</u>
Total Expenditures	<u>22,243,788</u>	<u>161,865</u>	<u>22,405,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(13,419,143)</u>	<u>(161,865)</u>	<u>(13,581,008)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	<u>14,082,807</u>	<u>162,302</u>	<u>14,245,109</u>
Net Change in Fund Balances	663,664	437	664,101
FUND BALANCE, JULY 1	<u>9,431,416</u>	<u>18,467</u>	<u>9,449,883</u>
FUND BALANCE, JUNE 30	<u>\$ 10,095,080</u>	<u>\$ 18,904</u>	<u>\$ 10,113,984</u>

**WASHOE COUNTY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Taxes:				
Ad valorem	\$ 8,137,576	\$ 8,166,677	\$ 29,101	\$ 7,575,356
Intergovernmental Revenues:				
TRWQSA bond payments	459,443	459,443	-	459,444
TMFPD	162,210	-	(162,210)	-
Miscellaneous:				
Investment earnings	103,000	96,673	(6,327)	124,264
Net increase (decrease) in the fair value of investments	-	(40,869)	(40,869)	(15,070)
Other	-	142,721	142,721	92
Total Revenues	8,862,229	8,824,645	(37,584)	8,144,086
EXPENDITURES				
Ad Valorem Supported Debt:				
General Obligation:				
Principal	3,960,000	3,780,000	180,000	3,210,000
Interest	3,708,132	3,693,275	14,857	3,524,442
Bond issuance cost	-	-	-	331,150
Debt service fees	1,950	2,535	(585)	5,518
Total Ad Valorem Supported Debt	7,670,082	7,475,810	194,272	7,071,110
Non-Ad Valorem Supported Debt:				
Sales Tax Revenue Bonds:				
Principal	415,000	415,000	-	395,000
Interest	994,818	994,818	-	1,011,018
Debt service fees	-	500	(500)	500
	1,409,818	1,410,318	(500)	1,406,518
Medium-Term Financing:				
Principal	7,535,581	7,485,581	50,000	5,106,521
Interest	3,421,381	3,420,912	469	2,540,935
Debt service fees	400	3,418	(3,018)	3,112
	10,957,362	10,909,911	47,451	7,650,568
Capital Leases/Notes:				
Principal	1,726,214	1,723,648	2,566	1,651,324
Interest	722,226	722,101	125	798,567
Debt service fees	2,000	2,000	-	2,000
	2,450,440	2,447,749	2,691	2,451,891
Total Non-Ad Valorem Supported Debt	14,817,620	14,767,978	49,642	11,508,977
Total Expenditures	22,487,702	22,243,788	243,914	18,580,087
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,625,473)	(13,419,143)	206,330	(10,436,001)

(CONTINUED)

**WASHOE COUNTY
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OTHER FINANCING SOURCES (USES)				
Refunding bonds issued	\$ -	\$ -	\$ -	\$ 16,725,000
Bond premium	-	-	-	1,120,591
Refunding payment to escrow agent	-	-	-	(17,606,754)
Transfers:				
General Fund	5,857,643	5,857,231	(412)	2,989,787
Child Protective Services Fund	135,510	135,502	(8)	130,303
Library Expansion Fund	642,398	642,413	15	641,412
Animal Services Fund	549,535	499,066	(50,469)	-
Infrastructure Fund	3,737,646	3,676,721	(60,925)	3,675,194
Capital Facilities Fund	3,271,235	3,271,874	639	3,392,701
Total Other Financing Sources (Uses)	14,193,967	14,082,807	(111,160)	11,068,234
Net Change in Fund Balances	568,494	663,664	95,170	632,233
FUND BALANCE, JULY 1	9,668,570	9,431,416	(237,154)	8,799,183
FUND BALANCE, JUNE 30	\$ 10,237,064	\$ 10,095,080	\$ (141,984)	\$ 9,431,416

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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 250	\$ -	\$ (250)	\$ -
EXPENDITURES				
Non-Ad Valorem Supported Debt:				
General Obligation Bonds:				
Principal	125,000	125,000	-	120,000
Interest	89,181	36,865	52,316	45,111
Debt service fees	-	-	-	93
Total Expenditures	214,181	161,865	52,316	165,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	(213,931)	(161,865)	52,066	(165,204)
OTHER FINANCING SOURCES (USES)				
Transfers:				
TMFPD General Fund	214,181	162,302	(51,879)	162,103
Net Change in Fund Balances	250	437	187	(3,101)
FUND BALANCE, JULY 1	21,818	18,467	(3,351)	21,568
FUND BALANCE, JUNE 30	\$ 22,068	\$ 18,904	\$ (3,164)	\$ 18,467

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

PRINCIPLE 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

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

INFRASTRUCTURE FUND

PRINCIPLE 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

PRINCIPLE 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

PRINCIPLE 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

PRINCIPLE 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 29 - MOUNT ROSE: SEWER LINE.

DISTRICT 35 - RHODES: STREET GRADING, PAVING.

DISTRICT 36 - EVERGREEN HILLS DRIVE: ROAD EXTENTION.

EXTRAORDINARY MAINTENANCE FUND

PRINCIPLE 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.

BASEBALL STADIUM FUND

PRINCIPLE RESOURCES ARE A SHORT-TERM CAR RENTAL FEE AND INVESTMENT EARNINGS. RESOURCES ARE RESTRICTED FOR THE CONSTRUCTION OF A BASEBALL STADIUM AND/OR RELATED DEBT.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT - CONSTRUCTION/EQUIPMENT ACQUISITION FUND

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

The Year in Washoe County



Washoe County Rewarded for Planning Excellence

On August 7th, 2003, the Washoe County Planning Commission was recognized by the Nevada Chapter of the American Planning Association (APA) with the DeBoer Excellence in Planning Award.

The County, along with the US Forest Service and the City of Reno, received the coveted award for its Peavine Mountain Roads and Recreation Strategy plan.

It is noted that this was the only statewide award given outside of Southern Nevada by the Nevada Chapter of the APA this year. The plan has been submitted to the national APA for consideration for a national planning award.

Washoe County has received only one national award from the national APA.

August 2003

Washoe County Scores Silver

At the end of the 2003 Annual Public Relations Society of America (PRSA) Awards Ceremony, Washoe County walked away with a Silver Spike award under each arm, one for each of the two only entries.

The Silver Spike awards are given to agencies in Northern Nevada for excellence in public relations and marketing. This year, Washoe County won for its 2003 Guide to Services and for the 2003-04 Budget Campaign.

In both cases, Washoe County beat out prominent marketing firms known for their excellent work. There were a total of 41 entries in various categories for this year's awards and 16 awards were presented.

With the exception of printing costs associated with the Guide to Services, all work on both projects was done in-house.

November 2003

**WASHOE COUNTY
PARK CONSTRUCTION TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Residential construction tax	\$ 742,500	\$ 998,337	\$ 255,837	\$ 1,228,844
Intergovernmental Revenues:				
Federal grants	133,104	73,126	(59,978)	278,182
State contributions	4,111,579	4,110,793	(786)	23,420
Miscellaneous:				
Investment earnings	213,198	747,963	534,765	582,071
Net increase (decrease) in the fair value of investments	-	(704,164)	(704,164)	30,135
Contributions and donations	40,000	35,013	(4,987)	25,924
Other	-	49,799	49,799	21,555
Total Revenues	<u>5,240,381</u>	<u>5,310,867</u>	<u>70,486</u>	<u>2,190,131</u>
EXPENDITURES				
Intergovernmental	1,500,000	1,500,000	-	-
Capital Outlay:				
Culture and Recreation Function:				
District One	708,398	77,531	630,867	530,628
District Two	1,399,356	213,557	1,185,799	321,334
District Three	400,000	9,855	390,145	17,142
District Four	688,000	-	688,000	-
Special projects	2,678,474	38,520	2,639,954	317,134
Bond projects	22,787,963	3,990,064	18,797,899	5,113,061
Debt Service:				
Bond issuance costs	-	-	-	133,689
Total Expenditures	<u>30,162,191</u>	<u>5,829,527</u>	<u>24,332,664</u>	<u>6,432,988</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(24,921,810)</u>	<u>(518,660)</u>	<u>24,403,150</u>	<u>(4,242,857)</u>
OTHER FINANCING SOURCES (USES)				
Park/Library bonds issued	-	-	-	9,820,995
Bond premium	-	-	-	271,051
Proceeds from asset disposition	2,200,000	22,000	2,178,000	1,043,817
Total Other Financing Sources (Uses)	<u>2,200,000</u>	<u>22,000</u>	<u>2,178,000</u>	<u>11,135,863</u>
Net Change in Fund Balances	<u>(22,721,810)</u>	<u>(496,660)</u>	<u>26,581,150</u>	<u>6,893,006</u>
FUND BALANCE, JULY 1	<u>25,694,906</u>	<u>25,841,436</u>	<u>146,530</u>	<u>18,948,430</u>
FUND BALANCE, JUNE 30	<u>\$ 2,973,096</u>	<u>\$ 25,344,776</u>	<u>\$ 26,727,680</u>	<u>\$ 25,841,436</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
REVENUES				
Licenses and permits	\$ 680,000	\$ 777,379	\$ 97,379	\$ 533,732
Intergovernmental Revenues:				
Federal grants	578,919	204,928	(373,991)	191,119
State grants	-	-	-	978,990
Local contributions	75,000	-	(75,000)	982,868
Charges for services	-	5,093	5,093	15,507
Miscellaneous:				
Investment earnings	609,300	1,478,738	869,438	1,395,678
Net increase (decrease) in the fair value of investments	-	(1,227,880)	(1,227,880)	77,359
Contributions and donations	82,500	23,395	(59,105)	70,850
Other	-	5,085	5,085	150
Total Revenues	<u>2,025,719</u>	<u>1,266,738</u>	<u>(758,981)</u>	<u>4,246,253</u>
EXPENDITURES				
Capital Outlay:				
General Government Function:				
Buildings and grounds	222,000	209,726	12,274	33,670
Computers and communications	549,285	348,220	201,065	750,312
Enterprise resource project	6,182,993	5,420,297	762,696	4,532,204
Other	372,258	230	372,028	4,569
Total General Government Function	<u>7,326,536</u>	<u>5,978,473</u>	<u>1,348,063</u>	<u>5,320,755</u>
Judicial Function:				
Mills B. Lane Justice Center	24,001,655	111,281	23,890,374	749,038
Other	674,157	194,905	479,252	1,469,335
Total Judicial Function	<u>24,675,812</u>	<u>306,186</u>	<u>24,369,626</u>	<u>2,218,373</u>
Public Safety Function:				
Regional radio dispatch system	2,847,462	2,117,561	729,901	4,457,990
Jan Evans Juvenile Justice Facility	11,502,629	11,085,765	416,864	10,504,085
Jail expansion	1,566,426	5,100	1,561,326	48,900
Regional animal services shelter	13,216,237	1,200,134	12,016,103	-
Corrections-other	4,458,901	450,387	4,008,514	810,085
Total Public Safety Function	<u>33,591,655</u>	<u>14,858,947</u>	<u>18,732,708</u>	<u>15,821,060</u>
Public Works Function:				
Incline maintainance facility	4,183,255	730,441	3,452,814	179,692
Other	2,134,662	349,003	1,785,659	68,773
Total Public Works Function	<u>6,317,917</u>	<u>1,079,444</u>	<u>5,238,473</u>	<u>248,465</u>

(CONTINUED)

**WASHOE COUNTY
PUBLIC WORKS CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
Health and Sanitation Function:				
Health clinic management system	\$ 49,908	\$ 18,405	\$ 31,503	\$ 86,011
Other	-	21,228	(21,228)	-
Total Health and Sanitation Function	49,908	39,633	10,275	86,011
Welfare Function:				
Social services facilities	611,529	105,787	505,742	239,297
Culture and Recreation Function:				
Park improvements	455,327	428,075	27,252	439,619
Library bond projects	10,580,224	2,037,438	8,542,786	3,494,572
Other library projects	267,104	138,484	128,620	445,471
Total Culture and Recreation Function	11,302,655	2,603,997	8,698,658	4,379,662
Debt Service:				
Bond issuance costs	443,447	399,783	43,664	361,910
Total Expenditures	84,319,459	25,372,250	58,947,209	28,675,533
Excess (Deficiency) of Revenues Over (Under) Expenditures	(82,293,740)	(24,105,512)	58,188,228	(24,429,280)
OTHER FINANCING SOURCES (USES)				
Various purpose bonds issued	-	-	-	31,914,005
Animal services shelter bonds issued	13,325,000	13,325,000	-	-
Incline Library bonds issued	3,431,801	3,280,000	(151,801)	-
Bond premium	280,283	280,283	-	443,407
Proceeds from asset disposition	6,019	-	(6,019)	-
Transfers:				
General Fund	13,864,150	13,892,560	28,410	3,556,137
Capital Facilities Fund	200,000	200,000	-	-
Extraordinary Maintenance Fund	13,400	13,400	-	-
General Fund	-	-	-	(21,452)
Total Other Financing Sources (Uses)	31,120,653	30,991,243	(129,410)	35,892,097
Net Change in Fund Balances	(51,173,087)	6,885,731	58,058,818	11,462,817
FUND BALANCE, JULY 1,	52,074,039	52,158,038	83,999	40,695,221
FUND BALANCE, JUNE 30	\$ 900,952	\$ 59,043,769	\$ 58,142,817	\$ 52,158,038

**WASHOE COUNTY
INFRASTRUCTURE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Intergovernmental Revenues:				
Federal grants	\$ -	\$ -	\$ -	\$ 31,749
Infrastructure sales tax - NRS 377B.100	6,780,808	7,409,815	629,007	6,685,520
Miscellaneous:				
Investment earnings	755,000	902,328	147,328	813,666
Net increase (decrease) in the fair value of investments	-	(827,163)	(827,163)	86,455
Total Revenues	<u>7,535,808</u>	<u>7,484,980</u>	<u>(50,828)</u>	<u>7,617,390</u>
EXPENDITURES				
Capital Outlay:				
Public Safety Function:				
Regional dispatch center	560,743	312,595	248,148	5,854,786
Regional training complex	-	-	-	18,646
Total Public Safety Function	<u>560,743</u>	<u>312,595</u>	<u>248,148</u>	<u>5,873,432</u>
Health and Sanitation Function:				
Truckee River flood control	<u>10,027,460</u>	<u>316,164</u>	<u>9,711,296</u>	<u>462,756</u>
Total Expenditures	<u>10,588,203</u>	<u>628,759</u>	<u>9,959,444</u>	<u>6,336,188</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,052,395)</u>	<u>6,856,221</u>	<u>9,908,616</u>	<u>1,281,202</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
Debt Service Fund	<u>(3,737,646)</u>	<u>(3,676,721)</u>	<u>60,925</u>	<u>(3,675,194)</u>
Net Change in Fund Balances	<u>(6,790,041)</u>	<u>3,179,500</u>	<u>9,969,541</u>	<u>(2,393,992)</u>
FUND BALANCE, JULY 1	<u>30,266,399</u>	<u>30,266,399</u>	<u>-</u>	<u>32,660,391</u>
FUND BALANCE, JUNE 30	<u>\$ 23,476,358</u>	<u>\$ 33,445,899</u>	<u>\$ 9,969,541</u>	<u>\$ 30,266,399</u>



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**WASHOE COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2004**

	CAPITAL FACILITIES FUND	SPECIAL ASSESSMENT PROJECTS FUND	STORMWATER IMPACT FEE FUND	ALTURAS POWER MITIGATION FUND
ASSETS				
Cash and investments	\$ 883,690	\$ 857,195	\$ 1,081,192	\$ 1,010,668
Property taxes receivable	49,777	-	-	-
Other taxes receivable	-	-	-	-
Interest receivable	7,839	7,501	2,855	5,789
Due from other governments	-	-	-	-
Total Assets	<u>\$ 941,306</u>	<u>\$ 864,696</u>	<u>\$ 1,084,047</u>	<u>\$ 1,016,457</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts/retention payable	-	288,898	-	6,947
Due to other funds	-	1,807,565	-	-
Due to other governments	63,092	-	-	-
Deferred revenue	45,246	-	-	-
Total Liabilities	<u>108,338</u>	<u>2,096,463</u>	<u>-</u>	<u>6,947</u>
FUND BALANCES/(DEFICITS)				
Reserved for encumbrances	-	-	-	24,642
Unreserved:				
Designated/future years expenditures	832,968	-	1,084,047	984,868
Undesignated/(Deficit)	<u>-</u>	<u>(1,231,767)</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>832,968</u>	<u>(1,231,767)</u>	<u>1,084,047</u>	<u>1,009,510</u>
Total Liabilities/Fund Balances	<u><u>\$ 941,306</u></u>	<u><u>\$ 864,696</u></u>	<u><u>\$ 1,084,047</u></u>	<u><u>\$ 1,016,457</u></u>

BASEBALL STADIUM FUND	TMFPD CONSTRUCTION FUND	TOTAL
\$ 466,437	\$ 2,690,483	\$ 6,989,665
-	-	49,777
286,050	-	286,050
3,999	16,202	44,185
-	10,000	10,000
<u>\$ 756,486</u>	<u>\$ 2,716,685</u>	<u>\$ 7,379,677</u>
\$ -	\$ 253,840	\$ 253,840
381,186	-	677,031
-	-	1,807,565
5,100	-	68,192
-	-	45,246
<u>386,286</u>	<u>253,840</u>	<u>2,851,874</u>
50,226	707,657	782,525
319,974	1,172,463	4,394,320
-	582,725	(649,042)
<u>370,200</u>	<u>2,462,845</u>	<u>4,527,803</u>
\$ 756,486	\$ 2,716,685	\$ 7,379,677

**WASHOE COUNTY
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2004**

	<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	\$ 5,154,608	\$ -	\$ -	\$ -
Car rental fee	-	-	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Miscellaneous	8,092	22	6,482	4,709
Total Revenues	<u>5,162,700</u>	<u>22</u>	<u>6,482</u>	<u>4,709</u>
EXPENDITURES				
Intergovernmental	1,416,169	-	-	-
Capital Outlay:				
General government function	-	-	-	47,820
Judicial function	62,812	-	-	4,200
Public safety function	-	-	-	214,600
Public works function	-	17,198	182,247	-
Health and sanitation function	-	-	1,127,757	32,864
Welfare function	-	-	-	3,700
Culture and recreation function	-	-	-	40,902
Debt Service:				
Bond issuance costs	-	-	-	-
Total Expenditures	<u>1,478,981</u>	<u>17,198</u>	<u>1,310,004</u>	<u>344,086</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,683,719</u>	<u>(17,176)</u>	<u>(1,303,522)</u>	<u>(339,377)</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Proceeds from asset disposition	-	-	-	-
Transfers in	-	-	-	-
Transfers out	(3,471,874)	(150)	-	(13,400)
Total Other Financing Sources (Uses)	<u>(3,471,874)</u>	<u>(150)</u>	<u>-</u>	<u>(13,400)</u>
Net Change in Fund Balances	211,845	(17,326)	(1,303,522)	(352,777)
FUND BALANCE, JULY 1	<u>621,123</u>	<u>17,326</u>	<u>71,755</u>	<u>352,777</u>
FUND BALANCE/(DEFICIT), JUNE 30	<u>\$ 832,968</u>	<u>\$ -</u>	<u>\$ (1,231,767)</u>	<u>\$ -</u>

STORMWATER IMPACT FEE FUND	ALTURAS POWER MITIGATION FUND	BASEBALL STADIUM FUND	TMFPD CONSTRUCTION FUND	TOTAL
\$ -	\$ -	\$ -	\$ 267	\$ 5,154,875
-	-	286,050	-	286,050
-	-	-	10,000	10,000
570,203	-	-	-	570,203
1,457	655	(14,638)	1,799	8,578
<u>571,660</u>	<u>655</u>	<u>271,412</u>	<u>12,066</u>	<u>6,029,706</u>
-	-	-	-	1,416,169
-	-	-	-	47,820
-	-	-	-	67,012
-	7,177	-	1,041,654	1,263,431
-	3,315	-	-	202,760
-	-	-	-	1,160,621
-	-	-	-	3,700
-	310,553	1,058,544	-	1,409,999
-	-	42,668	-	42,668
-	321,045	1,101,212	1,041,654	5,614,180
<u>571,660</u>	<u>(320,390)</u>	<u>(829,800)</u>	<u>(1,029,588)</u>	<u>415,526</u>
-	-	1,200,000	-	1,200,000
-	-	-	22,000	22,000
-	-	-	1,200,000	1,200,000
-	(32,390)	-	-	(3,517,814)
-	(32,390)	1,200,000	1,222,000	(1,095,814)
<u>571,660</u>	<u>(352,780)</u>	<u>370,200</u>	<u>192,412</u>	<u>(680,288)</u>
<u>512,387</u>	<u>1,362,290</u>	<u>-</u>	<u>2,270,433</u>	<u>5,208,091</u>
<u>\$ 1,084,047</u>	<u>\$ 1,009,510</u>	<u>\$ 370,200</u>	<u>\$ 2,462,845</u>	<u>\$ 4,527,803</u>

**WASHOE COUNTY
CAPITAL FACILITIES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ 5,237,919	\$ 5,154,608	\$ (83,311)	\$ 4,810,473
Miscellaneous:				
Investment earnings	27,000	51,584	24,584	44,377
Net increase (decrease) in the fair value of investments	-	(43,492)	(43,492)	1,281
Total Revenues	<u>5,264,919</u>	<u>5,162,700</u>	<u>(102,219)</u>	<u>4,856,131</u>
EXPENDITURES				
Intergovernmental:				
Reno/Sparks apportionment	1,446,713	1,416,169	30,544	1,321,614
Capital Outlay:				
Judicial Function:				
Court facilities	459,893	62,812	397,081	73,655
Total Expenditures	<u>1,906,606</u>	<u>1,478,981</u>	<u>427,625</u>	<u>1,395,269</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,358,313</u>	<u>3,683,719</u>	<u>325,406</u>	<u>3,460,862</u>
OTHER FINANCING SOURCES (USES)				
Transfers:				
Debt Service Fund	(3,271,235)	(3,271,874)	(639)	(3,392,701)
Public Works Construction Fund	(200,000)	(200,000)	-	-
Total Other Financing Sources (Uses)	<u>(3,471,235)</u>	<u>(3,471,874)</u>	<u>(639)</u>	<u>(3,392,701)</u>
Net Change in Fund Balances	<u>(112,922)</u>	<u>211,845</u>	<u>324,767</u>	<u>68,161</u>
FUND BALANCE, JULY 1	<u>600,092</u>	<u>621,123</u>	<u>21,031</u>	<u>552,962</u>
FUND BALANCE, JUNE 30	<u>\$ 487,170</u>	<u>\$ 832,968</u>	<u>\$ 345,798</u>	<u>\$ 621,123</u>

WASHOE COUNTY
IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ -	\$ 77	\$ 77	\$ 542
Net increase (decrease) in the fair value of investments	-	(55)	(55)	104
Total Revenues	-	22	22	646
EXPENDITURES				
Capital Outlay:				
Public Works Function:				
Road projects	17,198	17,198	-	960
Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,198)	(17,176)	22	(314)
OTHER FINANCING SOURCES (USES)				
Transfers:				
General Fund	-	(150)	(150)	-
Net Change in Fund Balances	(17,198)	(17,326)	(128)	(314)
FUND BALANCE, JULY 1	17,198	17,326	128	17,640
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ 17,326

WASHOE COUNTY
SPECIAL ASSESSMENT PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 44,750	\$ 26,925	\$ (17,825)	\$ 3,738
Net increase (decrease) in the fair value of investments	-	(23,443)	(23,443)	1,098
Other	-	3,000	3,000	-
Total Revenues	44,750	6,482	(38,268)	4,836
EXPENDITURES				
Capital Outlay:				
Public Works Function:				
SAD 27 - Osage/Placerville Road	36,000	-	36,000	-
SAD 31 - Spearhead/Running Bear Road	125,000	-	125,000	-
SAD 32 - Spanish Spgs Vly Ranches Road	5,600,000	-	5,600,000	-
SAD 35 - Rhodes Road	275,000	148,695	126,305	-
SAD 36 - Evergreen Hills Drive	-	33,552	(33,552)	-
Total Public Works Function	6,036,000	182,247	5,853,753	-
Health and Sanitation Function:				
SAD 15 - Lawton/Verdi, Phase II	45,000	-	45,000	-
SAD 21 - Cold Springs Sewer	2,000	1,753	247	2,479
SAD 23 - Southwest Pointe	-	-	-	2,974
Developmental SADs	6,000	-	6,000	-
SAD 29 - Mt Rose Sewer Phase II	1,500,000	1,126,004	373,996	-
SAD 34 - Riverdale Water	1,200,000	-	1,200,000	-
Total Health and Sanitation Function	2,753,000	1,127,757	1,625,243	5,453
Total Expenditures	8,789,000	1,310,004	7,478,996	5,453
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,744,250)	(1,303,522)	7,440,728	(617)
OTHER FINANCING SOURCES (USES)				
Special assessment bonds issued	8,700,000	-	(8,700,000)	-
Transfers:				
Special Assessment Debt Service Fund	-	-	-	(11,245)
Water Resources Fund	-	-	-	(7,830)
Total Other Financing Sources (Uses)	8,700,000	-	(8,700,000)	(19,075)
Net Change in Fund Balances	(44,250)	(1,303,522)	(1,259,272)	(19,692)
FUND BALANCE, JULY 1	84,151	71,755	(12,396)	91,447
FUND BALANCE/(DEFICIT), JUNE 30	\$ 39,901	\$ (1,231,767)	\$ (1,271,668)	\$ 71,755

**WASHOE COUNTY
EXTRAORDINARY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 10,000	\$ 6,532	\$ (3,468)	\$ 16,343
Net increase (decrease) in the fair value of investments	-	(1,823)	(1,823)	3,517
Total Revenues	10,000	4,709	(5,291)	19,860
EXPENDITURES				
Capital Outlay:				
General government function	49,650	47,820	1,830	18,766
Judicial function	4,370	4,200	170	83,546
Public safety function	214,600	214,600	-	84,022
Public works function	500	-	500	-
Health and sanitation function	34,600	32,864	1,736	21,240
Welfare function	3,830	3,700	130	-
Culture and recreation function	41,827	40,902	925	153,128
Total Expenditures	349,377	344,086	5,291	360,702
Excess (Deficiency) of Revenues Over (Under) Expenditures	(339,377)	(339,377)	-	(340,842)
OTHER FINANCING SOURCES (USES)				
Transfers:				
Public Works Construction Fund	(13,400)	(13,400)	-	-
Net Change in Fund Balances	(352,777)	(352,777)	-	(340,842)
FUND BALANCE, JULY 1	352,777	352,777	-	693,619
FUND BALANCE, JUNE 30	\$ -	\$ -	\$ -	\$ 352,777

WASHOE COUNTY
STORMWATER IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Charges for Services:				
Impact fees	\$ -	\$ 570,203	\$ 570,203	\$ 321,153
Miscellaneous:				
Investment earnings	4,500	15,249	10,749	5,826
Net increase (decrease) in the fair value of investments	-	(13,792)	(13,792)	1,140
Total Revenues	4,500	571,660	567,160	328,119
EXPENDITURES				
Capital Outlay:				
Health and Sanitation Function:				
Southeast Truckee Meadows	193,268	-	193,268	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(188,768)	571,660	760,428	328,119
FUND BALANCE, JULY 1	188,768	512,387	323,619	184,268
FUND BALANCE, JUNE 30	\$ -	\$ 1,084,047	\$ 1,084,047	\$ 512,387

WASHOE COUNTY
ALTURAS POWER MITIGATION FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

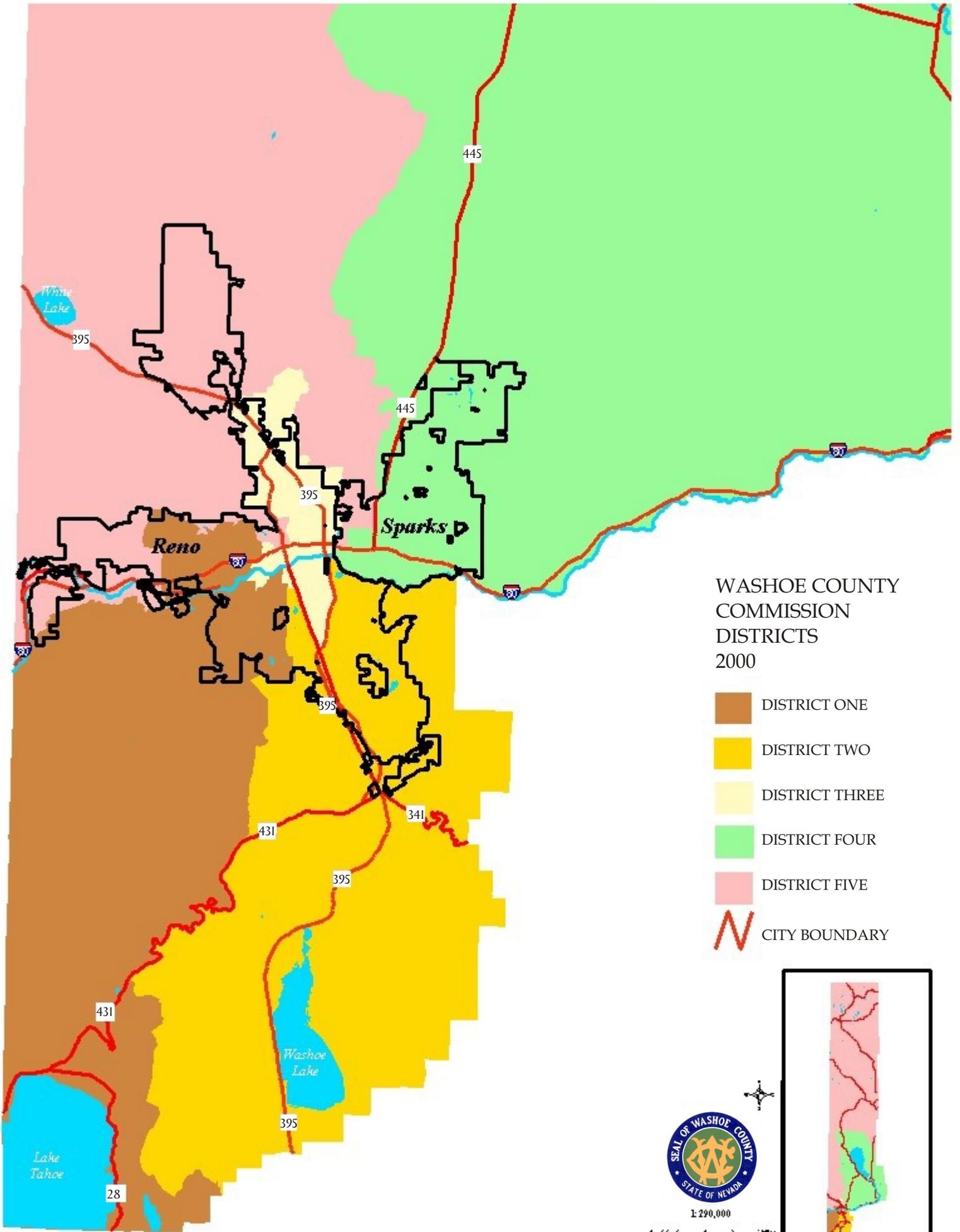
	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Miscellaneous:				
Investment earnings	\$ 41,700	\$ 34,815	\$ (6,885)	\$ 67,679
Net increase (decrease) in the fair value of investments	-	(34,160)	(34,160)	14,623
Other	-	-	-	430
Total Revenues	41,700	655	(41,045)	82,732
EXPENDITURES				
Capital Outlay:				
General government function	104,741	-	104,741	-
Public safety function	550,652	7,177	543,475	46,330
Public works function	154,890	3,315	151,575	-
Culture and recreation function	551,800	310,553	241,247	985,304
Total Expenditures	1,362,083	321,045	1,041,038	1,031,634
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,320,383)	(320,390)	999,993	(948,902)
OTHER FINANCING SOURCES (USES)				
Transfers:				
Water Resources Fund	(32,390)	(32,390)	-	(100,000)
Net Change in Fund Balances	(1,352,773)	(352,780)	999,993	(1,048,902)
FUND BALANCE, JULY 1	1,362,290	1,362,290	-	2,411,192
FUND BALANCE, JUNE 30	\$ 9,517	\$ 1,009,510	\$ 999,993	\$ 1,362,290

**WASHOE COUNTY
BASEBALL STADIUM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004**

	2004		
	BUDGET	ACTUAL	VARIANCE
REVENUES			
Taxes:			
Car rental fee	\$ -	\$ 286,050	\$ 286,050
Miscellaneous:			
Investment earnings	-	7,657	7,657
Net increase (decrease) in the fair value of investments	-	(22,295)	(22,295)
Total Revenues	-	271,412	271,412
EXPENDITURES			
Capital Outlay:			
Culture and Recreation Function:			
Baseball stadium	1,157,312	1,058,544	98,768
Debt Service:			
Bond issuance costs	42,688	42,668	20
Total Expenditures	1,200,000	1,101,212	98,788
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200,000)	(829,800)	370,200
OTHER FINANCING SOURCES (USES)			
Stadium bonds issued	1,200,000	1,200,000	-
Net Change in Fund Balances	-	370,200	370,200
FUND BALANCE, JULY 1	-	-	-
FUND BALANCE, JUNE 30	\$ -	\$ 370,200	\$ 370,200

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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
REVENUES				
Taxes:				
Ad valorem	\$ -	\$ 267	\$ 267	\$ 838
Intergovernmental Revenues:				
Federal grants	320,400	10,000	(310,400)	232,872
State grants	10,000	-	(10,000)	
Miscellaneous:				
Investment earnings	25,000	76,252	51,252	56,971
Net increase (decrease) in the fair value of investments	-	(74,453)	(74,453)	10,943
Total Revenues	<u>355,400</u>	<u>12,066</u>	<u>(343,334)</u>	<u>301,624</u>
EXPENDITURES				
Capital Outlay:				
Public safety function	3,669,152	1,041,654	2,627,498	796,841
Debt Service:				
Bond issuance costs	50,000	-	50,000	-
Total Expenditures	<u>3,719,152</u>	<u>1,041,654</u>	<u>2,677,498</u>	<u>796,841</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(3,363,752)</u>	<u>(1,029,588)</u>	<u>2,334,164</u>	<u>(495,217)</u>
OTHER FINANCING SOURCES (USES)				
General long-term debt issued	1,300,000	-	(1,300,000)	-
Proceeds from asset disposition	-	22,000	22,000	32,749
Transfers:				
TMFPD General Fund	1,200,000	1,200,000	-	1,075,000
Contingency	(70,000)	-	70,000	-
Total Other Financing Sources (Uses)	<u>2,430,000</u>	<u>1,222,000</u>	<u>(1,208,000)</u>	<u>1,107,749</u>
Net Change in Fund Balances	<u>(933,752)</u>	<u>192,412</u>	<u>1,126,164</u>	<u>612,532</u>
FUND BALANCE, JULY 1	<u>1,561,786</u>	<u>2,270,433</u>	<u>708,647</u>	<u>1,657,901</u>
FUND BALANCE, JUNE 30	<u>\$ 628,034</u>	<u>\$ 2,462,845</u>	<u>\$ 1,834,811</u>	<u>\$ 2,270,433</u>

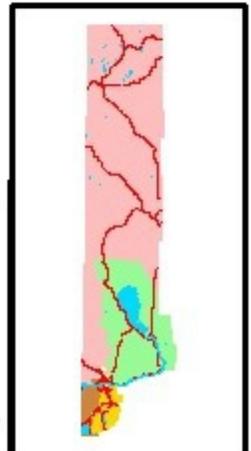


WASHOE COUNTY
COMMISSION
DISTRICTS
2000

- DISTRICT ONE
- DISTRICT TWO
- DISTRICT THREE
- DISTRICT FOUR
- DISTRICT FIVE
- CITY BOUNDARY



1:290,000



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 Fund:

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.

Nonmajor Enterprise Funds:

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 Year in Washoe County



Regional Emergency Operations Center & Dispatch Center Open

Washoe County's Regional Emergency Operations Center & Dispatch Center construction has been completed and the facility is now operational.

Construction of the 24,674 square foot building began on August 6, 2002 with the center being finished on schedule in June of 2003.

The total cost of the project was approximately \$8.3 million with funding provided by the 1/8-cent sales tax increase authorized by the 1997 State Legislation and approved by the Washoe County Board of Commissioners in 1998.

The center is now the permanent location for the Regional Dispatch Center, run by the City of Reno, in addition to being the location for Washoe County and local agencies to coordinate emergencies operations in the event of an emergency or disaster.

An official grand opening is being planned for the near future.



October 2003

Washoe County Registrar of Voters First Nevadan to Receive National Elections Designation

Registrar of Voters Dan Burk received his profession's highest achievement and is the only Nevadan to do so.

On August 15th, Dan traveled to the Elections Center in Bal Harbor, Florida where he was designated as a Certified Election/Registration Administrator. He is the first Nevada election official to receive this designation and one of only 240 in the entire country.

To obtain this honor, Dan went through a multi-year course of study conducted by the Election Center's Professional Educational Program and completed twelve core courses taught by Auburn University's Master's in Public Administration faculty. The courses range from ethics to voter registration and elections law, planning, communications and voter participation, among others.

August 2003

**WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004			2003
	BUDGET	ACTUAL	VARIANCE	ACTUAL
OPERATING REVENUES				
Charges for Services:				
Water charges - regular	\$ 6,981,315	\$ 8,996,202	\$ 2,014,887	\$ 7,023,612
Water charges - STMGID	1,270,002	1,004,428	(265,574)	944,097
Stormwater charges	-	409,651	409,651	24,566
Sewer charges	4,343,783	5,347,079	1,003,296	3,981,130
Remediation fees	2,399,664	2,324,804	(74,860)	2,363,645
Water surcharge fees	1,075,000	1,199,367	124,367	995,676
Services to other funds	-	653,645	653,645	5,453
Inspection	345,800	404,654	58,854	359,397
Developer design fees	-	138,520	138,520	69,007
Other	327,400	448,606	121,206	408,093
Total Operating Revenues	16,742,964	20,926,956	4,183,992	16,174,676
OPERATING EXPENSES				
Health and Sanitation Function:				
Operations Division:				
Salaries and wages	2,778,918	3,148,225	(369,307)	2,706,705
Employee benefits	866,589	1,001,951	(135,362)	794,746
Services and supplies	6,243,535	6,083,680	159,855	5,880,791
Depreciation/Amortization	4,099,064	4,769,150	(670,086)	3,947,020
Planning Division:				
Salaries and wages	1,043,347	905,371	137,976	983,920
Employee benefits	288,242	280,937	7,305	262,846
Services and supplies	5,307,398	3,204,557	2,102,841	2,735,882
Depreciation/Amortization	300,000	269,837	30,163	290,365
Total Operating Expenses	20,927,093	19,663,708	1,263,385	17,602,275
Operating Income (Loss)	(4,184,129)	1,263,248	5,447,377	(1,427,599)
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	520,000	1,160,962	640,962	951,607
Net increase (decrease) in the fair value of investments	-	(980,104)	(980,104)	52,375
Gain/(loss) on asset disposition	-	-	-	(339,633)
Facilities rental	48,000	76,100	28,100	37,021
Interest/bond issuance costs	(1,186,447)	(1,302,487)	(116,040)	(583,848)
Total Nonoperating Revenues (Expenses)	(618,447)	(1,045,529)	(427,082)	117,522
Income (Loss) Before Capital Contributions and Transfers	(4,802,576)	217,719	5,020,295	(1,310,077)

(CONTINUED)

**WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
Water hook-up fees	\$ 850,000	\$ 4,203,420	\$ 3,353,420	\$ 2,375,238
Sewer hook-up fees	3,030,000	9,066,447	6,036,447	7,142,418
Reclaimed hook-up fees	60,000	591,265	531,265	190,665
Contributions from contractors	8,097,000	10,614,188	2,517,188	16,083,588
Contributions from others	-	58,723	58,723	586,159
Contributions from federal government	-	2,503,927	2,503,927	99,676
Reimbursement from developer	-	-	-	59,400
Reimbursement from State of Nevada	-	31,313	31,313	176,366
Wastewater grant	-	-	-	126,083
Total Capital Contributions In (Out)	<u>12,037,000</u>	<u>27,069,283</u>	<u>15,032,283</u>	<u>26,839,593</u>
TRANSFERS IN (OUT)				
General Fund	1,375,332	1,408,332	33,000	1,817,088
Special Assessment Projects Fund	-	-	-	7,830
Alturas Power Mitigation Fund	32,390	32,390	-	100,000
General Fund	<u>(750,000)</u>	<u>(1,643,675)</u>	<u>(893,675)</u>	<u>(2,876,199)</u>
Total Transfers In (Out)	<u>657,722</u>	<u>(202,953)</u>	<u>(860,675)</u>	<u>(951,281)</u>
Change in Net Assets	<u>\$ 7,892,146</u>	<u>27,084,049</u>	<u>\$ 19,191,903</u>	<u>24,578,235</u>
NET ASSETS, JULY 1		<u>159,562,860</u>		<u>134,984,625</u>
NET ASSETS, JUNE 30		<u>\$ 186,646,909</u>		<u>\$ 159,562,860</u>

WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</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	\$ 11,325,098	\$ 14,012,714	\$ 2,687,616	\$ 10,807,766
Cash received from remediation fees	2,399,664	2,326,672	(72,992)	2,363,159
Cash received from water surcharge fees	1,075,000	1,199,367	124,367	975,268
Cash received from other funds - water	1,270,002	1,004,428	(265,574)	944,097
Cash received from services to other funds	-	653,645	653,645	5,453
Cash received from inspection and other	673,200	853,260	180,060	767,490
Cash received from developer design fees	-	135,110	135,110	69,007
Cash payments for personnel costs	(4,977,096)	(5,187,288)	(210,192)	(4,649,696)
Cash payments for services and supplies	(11,550,933)	(9,156,311)	2,394,622	(8,082,540)
Net Cash Provided (Used) by Operating Activities	<u>214,935</u>	<u>5,841,597</u>	<u>5,626,662</u>	<u>3,200,004</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	<u>1,375,332</u>	<u>1,408,332</u>	<u>33,000</u>	<u>1,817,088</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from debt issued	-	519,301	519,301	7,349,498
Cash received from grants	-	185,037	185,037	217,490
Hookup fees/water rights dedications	3,940,000	13,866,954	9,926,954	9,763,072
Transfers from Alturas Power Mitigation Fund	32,390	32,390	-	100,000
Transfers from SAD Projects Fund	-	-	-	7,830
Transfers to General Fund	(750,000)	(1,643,675)	(893,675)	(2,876,199)
Developer deposits received	-	228,068	228,068	814,760
Principal paid on financing	(1,832,874)	(1,427,750)	405,124	(1,312,839)
Interest/bond issuance costs	(1,186,447)	(1,294,576)	(108,129)	(445,328)
*Acquisition of capital assets	(19,892,992)	(9,641,821)	10,251,171	(13,618,192)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(19,689,923)</u>	<u>823,928</u>	<u>20,513,851</u>	<u>92</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>520,000</u>	<u>131,683</u>	<u>(388,317)</u>	<u>1,071,277</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(17,579,656)</u>	<u>8,205,540</u>	<u>25,785,196</u>	<u>6,088,461</u>
CASH AND CASH EQUIVALENTS, JULY 1	<u>21,105,240</u>	<u>34,256,021</u>	<u>13,150,781</u>	<u>28,167,560</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 3,525,584</u>	<u>\$ 42,461,561</u>	<u>\$ 38,935,977</u>	<u>\$ 34,256,021</u>

(CONTINUED)

WASHOE COUNTY
WATER RESOURCES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</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)	\$ (4,184,129)	\$ 1,263,248	\$ 5,447,377	\$ (1,427,599)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	4,399,064	5,038,987	639,923	4,237,385
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(743,628)	(743,628)	(431,102)
Other receivables	-	1,868	1,868	(486)
Due from other governments	-	-	-	68,763
Inventory	-	(86,584)	(86,584)	38,902
Other assets	-	(1,920)	(1,920)	88,510
Increase (decrease) in:				
Accounts payable	-	354,631	354,631	(27,816)
Accrued salaries and benefits	-	82,788	82,788	27,701
Compensated absences	-	66,408	66,408	70,820
Due to other governments	-	(134,201)	(134,201)	486,609
Deposits	-	-	-	68,317
Total Adjustments	4,399,064	4,578,349	179,285	4,627,603
Net Cash Provided (Used) by Operating Activities	\$ <u>214,935</u>	\$ <u>5,841,597</u>	\$ <u>5,626,662</u>	\$ <u>3,200,004</u>
*Acquisition of Capital Assets Financed by Cash	\$ 19,892,992	\$ 9,641,821	\$ 10,251,171	\$ 13,618,192
Capital contributions received	-	10,614,188	(10,614,188)	16,769,423
Increase (decrease) in deposits	-	-	-	297,634
Increase (decrease) in contracts/retention payable	-	346,648	(346,648)	(1,663,872)
Total Acquisition of Capital Assets	\$ <u>19,892,992</u>	\$ <u>20,602,657</u>	\$ <u>(709,665)</u>	\$ <u>29,021,377</u>

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Golf courses	\$ 2,018,000	\$ 1,585,854	\$ (432,146)	\$ 1,425,888
Restaurant	304,234	222,352	(81,882)	165,577
Other	-	4,007	4,007	3,588
Total Operating Revenues	<u>2,322,234</u>	<u>1,812,213</u>	<u>(510,021)</u>	<u>1,595,053</u>
OPERATING EXPENSES				
Culture and Recreation Function:				
Salaries and wages	823,047	777,257	45,790	767,395
Employee benefits	238,528	204,136	34,392	188,156
Services and supplies:				
Supplies	235,825	249,136	(13,311)	256,428
Equipment Services Fund billings	10,430	10,430	-	40,985
Utilities	162,000	176,075	(14,075)	168,174
Professional services	164,000	49,387	114,613	76,469
Repairs and maintenance	84,175	62,249	21,926	59,980
Travel	1,000	-	1,000	-
Other	53,160	61,443	(8,283)	51,630
Depreciation/Amortization	303,245	297,324	5,921	303,191
Total Operating Expenses	<u>2,075,410</u>	<u>1,887,437</u>	<u>187,973</u>	<u>1,912,408</u>
Operating Income (Loss)	<u>246,824</u>	<u>(75,224)</u>	<u>(322,048)</u>	<u>(317,355)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	34,000	10,659	(23,341)	12,852
Net increase (decrease) in the fair value of investments	6,000	(8,967)	(14,967)	2,613
Gain/(loss) on asset disposition	10,000	-	(10,000)	-
Interest/bond issuance costs	(185,244)	(172,675)	12,569	(188,765)
Total Nonoperating Revenues (Expenses)	<u>(135,244)</u>	<u>(170,983)</u>	<u>(35,739)</u>	<u>(173,300)</u>
Income (Loss) Before Capital Contributions	<u>111,580</u>	<u>(246,207)</u>	<u>(357,787)</u>	<u>(490,655)</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
General Fund	-	40,182	40,182	-
Change in Net Assets	<u>\$ 111,580</u>	<u>(206,025)</u>	<u>\$ (317,605)</u>	<u>(490,655)</u>
NET ASSETS, JULY 1		<u>1,224,409</u>		<u>1,715,064</u>
NET ASSETS, JUNE 30		<u>\$ 1,018,384</u>		<u>\$ 1,224,409</u>

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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	\$ 2,322,234	\$ 1,801,305	\$ (520,929)	\$ 1,614,235
Cash payments for personnel costs	(1,061,575)	(987,729)	73,846	(956,085)
Cash payments for services and supplies	(710,590)	(557,070)	153,520	(705,351)
Net Cash Provided (Used) by Operating Activities	<u>550,069</u>	<u>256,506</u>	<u>(293,563)</u>	<u>(47,201)</u>
Cash Flows From Capital and Related Financing Activities:				
Principal paid on financing	(144,488)	(144,488)	-	(163,960)
Interest paid on financing	(185,244)	(208,383)	(23,139)	(217,451)
*Acquisition of capital assets	-	(38,212)	(38,212)	(29,390)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(329,732)</u>	<u>(391,083)</u>	<u>(61,351)</u>	<u>(410,801)</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>34,000</u>	<u>985</u>	<u>(33,015)</u>	<u>17,088</u>
Net Increase (Decrease) in Cash and Cash Equivalents	254,337	(133,592)	(387,929)	(440,914)
CASH AND CASH EQUIVALENTS, JULY 1	<u>932,149</u>	<u>628,974</u>	<u>(303,175)</u>	<u>1,069,888</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,186,486</u>	<u>\$ 495,382</u>	<u>\$ (691,104)</u>	<u>\$ 628,974</u>

(CONTINUED)

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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)	\$ 246,824	\$ (75,224)	\$ (322,048)	\$ (317,355)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	303,245	297,324	(5,921)	303,191
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(10,908)	(10,908)	19,182
Inventory	-	31,886	31,886	(15,716)
Increase (decrease) in:				
Accounts payable	-	19,764	19,764	(35,969)
Accrued salaries and benefits	-	11,497	11,497	2,100
Compensated absences	-	(17,833)	(17,833)	(2,634)
Total Adjustments	303,245	331,730	28,485	270,154
Net Cash Provided (Used) by Operating Activities	<u>\$ 550,069</u>	<u>\$ 256,506</u>	<u>\$ (293,563)</u>	<u>\$ (47,201)</u>
*Acquisition of Capital Assets Financed by Cash	-	\$ 38,212	\$ (38,212)	\$ 29,390
Capital contributions received	-	40,182	(40,182)	-
Total Adjustments	<u>\$ -</u>	<u>\$ 78,394</u>	<u>\$ (78,394)</u>	<u>\$ 29,390</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Building permits	\$ 3,370,000	\$ 3,898,329	\$ 528,329	\$ 3,888,641
Mobile home safety seals	10,500	9,300	(1,200)	15,940
Washoe County/TRPA	30,000	56,455	26,455	39,008
Other	-	66,502	66,502	10,743
Total Operating Revenues	<u>3,410,500</u>	<u>4,030,586</u>	<u>620,086</u>	<u>3,954,332</u>
OPERATING EXPENSES				
Public Safety Function:				
Salaries and wages	1,739,372	1,640,972	98,400	1,573,117
Employee benefits	614,881	574,336	40,545	483,401
Services and supplies	947,060	972,796	(25,736)	634,833
Depreciation/amortization	27,000	8,796	18,204	-
Total Operating Expenses	<u>3,328,313</u>	<u>3,196,900</u>	<u>131,413</u>	<u>2,691,351</u>
Operating Income (Loss)	<u>82,187</u>	<u>833,686</u>	<u>751,499</u>	<u>1,262,981</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	40,000	106,177	66,177	80,986
Net increase (decrease) in the fair value of investments	-	(89,847)	(89,847)	11,988
Total Nonoperating Revenues (Expenses)	<u>40,000</u>	<u>16,330</u>	<u>(23,670)</u>	<u>92,974</u>
Change in Net Assets	<u>\$ 122,187</u>	<u>850,016</u>	<u>\$ 727,829</u>	<u>1,355,955</u>
NET ASSETS, JULY 1		<u>2,939,068</u>		<u>1,583,113</u>
NET ASSETS, JUNE 30		<u>\$ 3,789,084</u>		<u>\$ 2,939,068</u>

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Golf courses	\$ 2,018,000	\$ 1,585,854	\$ (432,146)	\$ 1,425,888
Restaurant	304,234	222,352	(81,882)	165,577
Other	-	4,007	4,007	3,588
Total Operating Revenues	<u>2,322,234</u>	<u>1,812,213</u>	<u>(510,021)</u>	<u>1,595,053</u>
OPERATING EXPENSES				
Culture and Recreation Function:				
Salaries and wages	823,047	777,257	45,790	767,395
Employee benefits	238,528	204,136	34,392	188,156
Services and supplies:				
Supplies	235,825	249,136	(13,311)	256,428
Equipment Services Fund billings	10,430	10,430	-	40,985
Utilities	162,000	176,075	(14,075)	168,174
Professional services	164,000	49,387	114,613	76,469
Repairs and maintenance	84,175	62,249	21,926	59,980
Travel	1,000	-	1,000	-
Other	53,160	61,443	(8,283)	51,630
Depreciation/Amortization	303,245	297,324	5,921	303,191
Total Operating Expenses	<u>2,075,410</u>	<u>1,887,437</u>	<u>187,973</u>	<u>1,912,408</u>
Operating Income (Loss)	<u>246,824</u>	<u>(75,224)</u>	<u>(322,048)</u>	<u>(317,355)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	34,000	10,659	(23,341)	12,852
Net increase (decrease) in the fair value of investments	6,000	(8,967)	(14,967)	2,613
Gain/(loss) on asset disposition	10,000	-	(10,000)	-
Interest/bond issuance costs	(185,244)	(172,675)	12,569	(188,765)
Total Nonoperating Revenues (Expenses)	<u>(135,244)</u>	<u>(170,983)</u>	<u>(35,739)</u>	<u>(173,300)</u>
Income (Loss) Before Capital Contributions	<u>111,580</u>	<u>(246,207)</u>	<u>(357,787)</u>	<u>(490,655)</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
General Fund	-	40,182	40,182	-
Change in Net Assets	<u>\$ 111,580</u>	<u>(206,025)</u>	<u>\$ (317,605)</u>	<u>(490,655)</u>
NET ASSETS, JULY 1		<u>1,224,409</u>		<u>1,715,064</u>
NET ASSETS, JUNE 30		<u>\$ 1,018,384</u>		<u>\$ 1,224,409</u>

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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	\$ 2,322,234	\$ 1,801,305	\$ (520,929)	\$ 1,614,235
Cash payments for personnel costs	(1,061,575)	(987,729)	73,846	(956,085)
Cash payments for services and supplies	(710,590)	(557,070)	153,520	(705,351)
Net Cash Provided (Used) by Operating Activities	<u>550,069</u>	<u>256,506</u>	<u>(293,563)</u>	<u>(47,201)</u>
Cash Flows From Capital and Related Financing Activities:				
Principal paid on financing	(144,488)	(144,488)	-	(163,960)
Interest paid on financing	(185,244)	(208,383)	(23,139)	(217,451)
*Acquisition of capital assets	-	(38,212)	(38,212)	(29,390)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(329,732)</u>	<u>(391,083)</u>	<u>(61,351)</u>	<u>(410,801)</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>34,000</u>	<u>985</u>	<u>(33,015)</u>	<u>17,088</u>
Net Increase (Decrease) in Cash and Cash Equivalents	254,337	(133,592)	(387,929)	(440,914)
CASH AND CASH EQUIVALENTS, JULY 1	<u>932,149</u>	<u>628,974</u>	<u>(303,175)</u>	<u>1,069,888</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,186,486</u>	<u>\$ 495,382</u>	<u>\$ (691,104)</u>	<u>\$ 628,974</u>

(CONTINUED)

**WASHOE COUNTY
GOLF COURSE FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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)	\$ 246,824	\$ (75,224)	\$ (322,048)	\$ (317,355)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	303,245	297,324	(5,921)	303,191
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(10,908)	(10,908)	19,182
Inventory	-	31,886	31,886	(15,716)
Increase (decrease) in:				
Accounts payable	-	19,764	19,764	(35,969)
Accrued salaries and benefits	-	11,497	11,497	2,100
Compensated absences	-	(17,833)	(17,833)	(2,634)
Total Adjustments	303,245	331,730	28,485	270,154
Net Cash Provided (Used) by Operating Activities	<u>\$ 550,069</u>	<u>\$ 256,506</u>	<u>\$ (293,563)</u>	<u>\$ (47,201)</u>
*Acquisition of Capital Assets Financed by Cash	-	\$ 38,212	\$ (38,212)	\$ 29,390
Capital contributions received	-	40,182	(40,182)	-
Total Adjustments	<u>\$ -</u>	<u>\$ 78,394</u>	<u>\$ (78,394)</u>	<u>\$ 29,390</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Building permits	\$ 3,370,000	\$ 3,898,329	\$ 528,329	\$ 3,888,641
Mobile home safety seals	10,500	9,300	(1,200)	15,940
Washoe County/TRPA	30,000	56,455	26,455	39,008
Other	-	66,502	66,502	10,743
Total Operating Revenues	<u>3,410,500</u>	<u>4,030,586</u>	<u>620,086</u>	<u>3,954,332</u>
OPERATING EXPENSES				
Public Safety Function:				
Salaries and wages	1,739,372	1,640,972	98,400	1,573,117
Employee benefits	614,881	574,336	40,545	483,401
Services and supplies	947,060	972,796	(25,736)	634,833
Depreciation/amortization	27,000	8,796	18,204	-
Total Operating Expenses	<u>3,328,313</u>	<u>3,196,900</u>	<u>131,413</u>	<u>2,691,351</u>
Operating Income (Loss)	<u>82,187</u>	<u>833,686</u>	<u>751,499</u>	<u>1,262,981</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	40,000	106,177	66,177	80,986
Net increase (decrease) in the fair value of investments	-	(89,847)	(89,847)	11,988
Total Nonoperating Revenues (Expenses)	<u>40,000</u>	<u>16,330</u>	<u>(23,670)</u>	<u>92,974</u>
Change in Net Assets	<u>\$ 122,187</u>	<u>850,016</u>	<u>\$ 727,829</u>	<u>1,355,955</u>
NET ASSETS, JULY 1		<u>2,939,068</u>		<u>1,583,113</u>
NET ASSETS, JUNE 30		<u>\$ 3,789,084</u>		<u>\$ 2,939,068</u>

**WASHOE COUNTY
BUILDING AND SAFETY FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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	\$ 3,410,500	\$ 4,074,727	\$ 664,227	\$ 3,905,592
Cash payments for personnel costs	(2,354,253)	(2,207,389)	146,864	(2,021,117)
Cash payments for services and supplies	(947,060)	(953,674)	(6,614)	(624,073)
Net Cash Provided (Used) by Operating Activities	<u>109,187</u>	<u>913,664</u>	<u>804,477</u>	<u>1,260,402</u>
Cash Flows From Capital and Related Financing Activities:				
*Acquisition of Capital Assets	(220,000)	(64,488)	155,512	-
Cash Flows From Investing Activities:				
Investment earnings	40,000	5,025	(34,975)	93,889
Net Increase (Decrease) in Cash and Cash Equivalents	(70,813)	854,201	925,014	1,354,291
CASH AND CASH EQUIVALENTS, JULY 1	<u>2,543,711</u>	<u>3,164,680</u>	<u>620,969</u>	<u>1,810,389</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,472,898</u>	<u>\$ 4,018,881</u>	<u>\$ 1,545,983</u>	<u>\$ 3,164,680</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	\$ 82,187	\$ 833,686	\$ 751,499	\$ 1,262,981
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	27,000	8,796	(18,204)	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	44,141	44,141	(48,740)
Increase (decrease) in:				
Accounts payable	-	19,122	19,122	10,760
Accrued salaries and benefits	-	22,878	22,878	4,945
Compensated absences	-	(14,959)	(14,959)	30,456
Total Adjustments	<u>27,000</u>	<u>79,978</u>	<u>52,978</u>	<u>(2,579)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 109,187</u>	<u>\$ 913,664</u>	<u>\$ 804,477</u>	<u>\$ 1,260,402</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, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Water charges	\$ 1,662,045	\$ 1,751,213	\$ 89,168	\$ 1,561,932
Annexation fees	25,000	54,600	29,600	18,580
Other	373,920	398,460	24,540	350,197
Total Operating Revenues	<u>2,060,965</u>	<u>2,204,273</u>	<u>143,308</u>	<u>1,930,709</u>
OPERATING EXPENSES				
Health and Sanitation Function:				
Services and supplies:				
Water Resources Fund billings	1,277,598	972,626	304,972	944,097
Reimbursements	-	4,062	(4,062)	795
Depreciation	790,500	782,654	7,846	762,256
Total Operating Expenses	<u>2,068,098</u>	<u>1,759,342</u>	<u>308,756</u>	<u>1,707,148</u>
Operating Income (Loss)	<u>(7,133)</u>	<u>444,931</u>	<u>452,064</u>	<u>223,561</u>
NONOPERATING REVENUES (EXPENSES)				
Ad valorem taxes	328,160	323,701	(4,459)	326,698
Investment earnings	75,000	179,781	104,781	100,997
Net increase (decrease) in the fair value of investments	-	(156,470)	(156,470)	14,717
Interest/bond issuance costs	(14,900)	(12,860)	2,040	(39,919)
Total Nonoperating Revenues (Expenses)	<u>388,260</u>	<u>334,152</u>	<u>(54,108)</u>	<u>402,493</u>
Income (Loss) Before Capital Contributions	<u>381,127</u>	<u>779,083</u>	<u>397,956</u>	<u>626,054</u>
CAPITAL CONTRIBUTIONS IN (OUT)				
Hookup fees	325,000	357,376	32,376	2,305,281
Contributions	750,000	170,175	(579,825)	137,298
Total Capital Contributions In (Out)	<u>1,075,000</u>	<u>527,551</u>	<u>(547,449)</u>	<u>2,442,579</u>
Change in Net Assets	<u>\$ 1,456,127</u>	<u>1,306,634</u>	<u>\$ (149,493)</u>	<u>3,068,633</u>
NET ASSETS, JULY 1		<u>21,541,162</u>		<u>18,472,529</u>
NET ASSETS, JUNE 30		<u>\$ 22,847,796</u>		<u>\$ 21,541,162</u>

WASHOE COUNTY
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</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	\$ 2,060,965	\$ 2,183,024	\$ 122,059	\$ 1,897,595
Cash payments for services and supplies	(1,277,598)	(969,052)	308,546	(952,582)
Net Cash Provided (Used) by Operating Activities	<u>783,367</u>	<u>1,213,972</u>	<u>430,605</u>	<u>945,013</u>
Cash Flows From Noncapital Financing Activities:				
Cash received from ad valorem taxes	<u>328,160</u>	<u>324,136</u>	<u>(4,024)</u>	<u>328,064</u>
Cash Flows From Capital and Related Financing Activities:				
Hookup fees	325,000	357,376	32,376	2,305,281
Principal paid on financing	(320,000)	(320,000)	-	(300,000)
Interest paid on financing	(8,160)	(8,160)	-	(23,820)
*Acquisition of capital assets	(1,876,000)	(203,448)	1,672,552	(115,648)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,879,160)</u>	<u>(174,232)</u>	<u>1,704,928</u>	<u>1,865,813</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>75,000</u>	<u>4,418</u>	<u>(70,582)</u>	<u>110,591</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(692,633)	1,368,294	2,060,927	3,249,481
CASH AND CASH EQUIVALENTS, JULY 1	<u>3,419,946</u>	<u>5,148,702</u>	<u>1,728,756</u>	<u>1,899,221</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 2,727,313</u>	<u>\$ 6,516,996</u>	<u>\$ 3,789,683</u>	<u>\$ 5,148,702</u>

(CONTINUED)

WASHOE COUNTY
SOUTH TRUCKEE MEADOWS GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)

	<u>2004</u>			<u>2003</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)	\$ (7,133)	\$ 444,931	\$ 452,064	\$ 223,561
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/Amortization	790,500	782,654	(7,846)	762,256
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(21,249)	(21,249)	(29,014)
Increase (decrease) in:				
Accounts payable	-	3,436	3,436	(7,690)
Deposits	-	4,200	4,200	(4,100)
Total Adjustments	790,500	769,041	(21,459)	721,452
Net Cash Provided (Used) by Operating Activities	<u>\$ 783,367</u>	<u>\$ 1,213,972</u>	<u>\$ 430,605</u>	<u>\$ 945,013</u>
*Acquisition of Capital Assets Financed by Cash	\$ 1,876,000	\$ 203,448	\$ 1,672,552	\$ 115,648
Contributions from developers	-	170,175	(170,175)	137,298
Increase (decrease) in contracts payable	-	35,274	(35,274)	(54,711)
Increase (decrease) in notes payable	-	-	-	(4,383)
Total Acquisition of Capital Assets	<u>\$ 1,876,000</u>	<u>\$ 408,897</u>	<u>\$ 1,467,103</u>	<u>\$ 193,852</u>

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.

TRUCKEE MEADOWS FIRE PROTECTION DISTRICT – WORKERS COMPENSATION FUND

A COMPONENT UNIT. TO ACCOUNT FOR ANNUAL COSTS AND FUTURE LIABILITIES FOR WORKERS' COMPENSATION COSTS ATTRIBUTABLE TO THE DISTRICT.

The Year in Washoe County



Project Safe Place Helps Youth on First Day of Program

Just hours after kicking off the project in Northern Nevada, a runaway youth saw the information about Project Safe Place, walked into a McDonald's and asked for help. Children's Cabinet was called and they provided the youth with appropriate assistance. The system worked.

Project Safe Place is designed to provide immediate help to young people under the age of 18 who are experiencing a crisis situation. Youth who are in need of services can enter any Northern Nevada McDonald's restaurant, ask for help and be quickly connected to the Children's Cabinet, who will pick up the youths and bring them to the McGee Center, Washoe County's youth shelter, if necessary. If the person needs medical attention, Children's Cabinet staff will get them to a medical facility; if the person is being bullied on the way home, they can go into a Safe Place and transportation will be provided home - and staff will work with the family to help ensure a safe way home from school every day.

In Washoe County nearly 2,000 youths seek shelter each year. "We know that there are more youths that do not come into contact with law enforcement who are in need of intervention," Leonard Pugh, Director of Juvenile Services for

Washoe County said. Nationwide, more than 2 million young people run away from home every year. Project Safe Place, a national program to help runaways or children in need of finding a way off the streets, is now available in Northern Nevada.

The McGee Center provides a safe time out for youths 8-17 in a nonsecured, nonpunitive environment. One of the goals of the Center is to prevent future delinquent behavior and minimize out of home placements by assisting and encouraging all youth to develop healthy outlooks and a strong sense of worth through a variety of early intervention and prevention programs. The McGee Center also works to facilitate family unification and address needs through intervention and case management. The center serves youth who are runaways, children in need of supervision, incorrigibles, and those in violation of curfew and truancy.

Other businesses may participate as Safe Place sites in the future. Each community in Northern Nevada will have local volunteers to assist youths to an identified safe place in their community.

November 2003

WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2004

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND	EQUIPMENT SERVICES FUND	TMFPD WORKERS COMPENSATION FUND	TOTAL
ASSETS					
Current Assets:					
Cash and investments	\$ 8,821,076	\$ 5,803,818	\$ 3,742,662	\$ 600,027	\$ 18,967,583
Accounts receivable	-	811,487	-	-	811,487
Interest receivable	36,431	39,426	-	59	75,916
Reimbursements receivable	-	99,692	-	-	99,692
Inventory	-	-	259,042	-	259,042
Deposits	-	-	1,542,108	-	1,542,108
Other assets	106,819	-	242,535	-	349,354
Total Current Assets	8,964,326	6,754,423	5,786,347	600,086	22,105,182
Noncurrent Assets:					
Restricted cash and investments	4,069,000	-	-	-	4,069,000
Long-term prepaids	-	-	63,005	-	63,005
Long-term deposits	-	-	1,590,120	-	1,590,120
Capital Assets:					
Buildings and improvements	-	-	34,024	-	34,024
Equipment	-	-	23,215,798	-	23,215,798
Less accumulated depreciation	-	-	(13,298,562)	-	(13,298,562)
Total Noncurrent Assets	4,069,000	-	11,604,385	-	15,673,385
Total Assets	13,033,326	6,754,423	17,390,732	600,086	37,778,567
LIABILITIES					
Current Liabilities:					
Bank overdraft	-	193,387	-	-	193,387
Accounts payable	64,223	355,114	704,008	-	1,123,345
Accrued salaries and benefits	16,942	7,465	80,702	-	105,109
Compensated absences	32,379	25,423	168,070	-	225,872
Pending claims	3,819,000	1,600,000	-	182,759	5,601,759
Total Current Liabilities	3,932,544	2,181,389	952,780	182,759	7,249,472
Noncurrent Liabilities:					
Compensated absences	4,820	3,784	25,017	-	33,621
Pending claims	4,285,000	-	-	746,741	5,031,741
Pending claims payable from restricted cash	4,069,000	-	-	-	4,069,000
Total Noncurrent Liabilities	8,358,820	3,784	25,017	746,741	9,134,362
Total Liabilities	12,291,364	2,185,173	977,797	929,500	16,383,834
NET ASSETS					
Invested in capital assets, net of related debt	-	-	9,951,259	-	9,951,259
Restricted for claims	741,962	4,569,250	-	-	5,311,212
Unrestricted	-	-	6,461,676	(329,414)	6,132,262
Total Net Assets/(Deficit)	\$ 741,962	\$ 4,569,250	\$ 16,412,935	\$ (329,414)	\$ 21,394,733

WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND	EQUIPMENT SERVICES FUND	TMFPD WORKERS COMPENSATION FUND	TOTAL
OPERATING REVENUES					
Charges for services:					
Self insurance fees	\$ 2,592,694	\$ 21,859,581	\$ -	\$ -	\$ 24,452,275
Equipment service billings	-	-	6,094,498	-	6,094,498
Miscellaneous	33,875	-	-	-	33,875
Total Operating Revenues	<u>2,626,569</u>	<u>21,859,581</u>	<u>6,094,498</u>	<u>-</u>	<u>30,580,648</u>
OPERATING EXPENSES					
Salaries and wages	270,244	112,240	1,247,638	-	1,630,122
Employee benefits	79,075	32,725	415,245	-	527,045
Services and supplies	4,821,779	24,184,935	2,856,536	929,500	32,792,750
Depreciation	-	-	2,151,119	-	2,151,119
Total Operating Expenses	<u>5,171,098</u>	<u>24,329,900</u>	<u>6,670,538</u>	<u>929,500</u>	<u>37,101,036</u>
Operating Income (Loss)	<u>(2,544,529)</u>	<u>(2,470,319)</u>	<u>(576,040)</u>	<u>(929,500)</u>	<u>(6,520,388)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment earnings	171,899	168,589	167,548	59	508,095
Net increase (decrease) in the fair value of investments	(140,171)	(180,411)	-	27	(320,555)
Gain (loss) on asset disposition	-	-	127,420	-	127,420
Total Nonoperating Revenues (Expenses)	<u>31,728</u>	<u>(11,822)</u>	<u>294,968</u>	<u>86</u>	<u>314,960</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(2,512,801)</u>	<u>(2,482,141)</u>	<u>(281,072)</u>	<u>(929,414)</u>	<u>(6,205,428)</u>
CAPITAL CONTRIBUTIONS IN (OUT)					
General Fund	-	-	10,776	-	10,776
Health Fund	-	-	18,976	-	18,976
Total Capital Contributions In (Out)	<u>-</u>	<u>-</u>	<u>29,752</u>	<u>-</u>	<u>29,752</u>
TRANSFERS IN (OUT)					
General Fund	5,465,277	2,748,495	-	-	8,213,772
Pre-Funded Retiree					
Health Benefits Fund	-	688,000	-	-	688,000
TMFPD General Fund	-	-	-	600,000	600,000
Total Transfers In (Out)	<u>5,465,277</u>	<u>3,436,495</u>	<u>-</u>	<u>600,000</u>	<u>9,501,772</u>
Change in Net Assets	<u>2,952,476</u>	<u>954,354</u>	<u>(251,320)</u>	<u>(329,414)</u>	<u>3,326,096</u>
NET ASSETS, JULY 1	<u>(2,210,514)</u>	<u>3,614,896</u>	<u>16,664,255</u>	<u>-</u>	<u>18,068,637</u>
NET ASSETS/(DEFICIT), JUNE 30	<u>\$ 741,962</u>	<u>\$ 4,569,250</u>	<u>\$ 16,412,935</u>	<u>\$ (329,414)</u>	<u>\$ 21,394,733</u>

**WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND	EQUIPMENT SERVICES FUND	TMFPD WORKERS COMPENSATION FUND	TOTAL
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
Cash Flows From Operating Activities:					
Cash received from customers	\$ -	\$ 531,806	\$ -	\$ -	\$ 531,806
Cash received from other funds	2,637,117	21,353,767	6,094,498	-	30,085,382
Cash payments for:					
Personnel costs	(337,641)	(133,777)	(1,653,540)	-	(2,124,958)
Workers' compensation	(1,788,649)	-	-	-	(1,788,649)
Unemployment compensation	(148,522)	-	-	-	(148,522)
Property and liability	(1,450,768)	-	-	-	(1,450,768)
Health claims/premiums	-	(23,791,576)	-	-	(23,791,576)
Services and supplies	(28,356)	(168,918)	(2,297,510)	-	(2,494,784)
Net Cash Provided (Used) by Operating Activities	<u>(1,116,819)</u>	<u>(2,208,698)</u>	<u>2,143,448</u>	<u>-</u>	<u>(1,182,069)</u>
Cash Flows From Noncapital Financing Activities:					
Transfers from other funds	<u>5,465,277</u>	<u>3,436,495</u>	<u>-</u>	<u>600,000</u>	<u>9,501,772</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from asset disposition	-	-	159,903	-	159,903
*Acquisition of capital assets	-	-	(881,537)	-	(881,537)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(721,634)</u>	<u>-</u>	<u>(721,634)</u>
Cash Flows From Investing Activities:					
Investment earnings	11,080	(35,274)	-	27	(24,167)
**Equipment supply deposit paid	-	-	(61,000)	-	(61,000)
Net Cash Provided (Used) by Investing Activities	<u>11,080</u>	<u>(35,274)</u>	<u>(61,000)</u>	<u>27</u>	<u>(85,167)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	4,359,538	1,192,523	1,360,814	600,027	7,512,902
CASH AND CASH EQUIVALENTS, JULY 1	<u>8,530,538</u>	<u>4,417,908</u>	<u>2,381,848</u>	<u>-</u>	<u>15,330,294</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 12,890,076</u>	<u>\$ 5,610,431</u>	<u>\$ 3,742,662</u>	<u>\$ 600,027</u>	<u>\$ 22,843,196</u>

(CONTINUED)

**WASHOE COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004**

	RISK MANAGEMENT FUND	HEALTH BENEFITS FUND	EQUIPMENT SERVICES FUND	TMFPD WORKERS COMPENSATION FUND	TOTAL
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ (2,544,529)	\$ (2,470,319)	\$ (576,040)	\$ (929,500)	\$ (6,520,388)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation	-	-	2,151,119	-	2,151,119
**Imputed rental expense	-	-	167,548	-	167,548
Change in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	5,501	(72,752)	-	-	(67,251)
Reimbursements receivable	-	98,744	-	-	98,744
Due from other governments	5,047	-	-	-	5,047
Inventory	-	-	(3,605)	-	(3,605)
Other assets	(11,330)	-	319,095	-	307,765
Increase (decrease) in:					
Accounts payable	(48,185)	(75,559)	75,988	-	(47,756)
Accrued salaries and benefits	4,768	3,115	8,692	-	16,575
Compensated absences	6,909	8,073	651	-	15,633
Pending claims	1,465,000	300,000	-	929,500	2,694,500
Total Adjustments	1,427,710	261,621	2,719,488	929,500	5,338,319
Net Cash Provided (Used) by Operating Activities	\$ (1,116,819)	\$ (2,208,698)	\$ 2,143,448	\$ -	\$ (1,182,069)

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

During the current fiscal year the Equipment Services Fund entered into equipment rental agreements requiring cash deposits totaling \$61,000. Deposits remaining from prior year rental agreements total \$3,132,228. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$167,548 have been imputed to give accounting recognition to these transactions.

***Acquisition of Capital Assets**

Financed by Cash	\$ -	\$ -	\$ 881,537	\$ -	\$ 881,537
Capital contributions	-	-	29,752	-	29,752
Increase (decrease) in accounts payable	-	-	475,561	-	475,561
Total Acquisition of Capital Assets	\$ -	\$ -	\$ 1,386,850	\$ -	\$ 1,386,850

**WASHOE COUNTY
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Workers' compensation collections	\$ 2,127,444	\$ 2,121,603	\$ (5,841)	\$ 1,362,085
Unemployment premiums	200,321	198,660	(1,661)	140,100
Period billings	190,000	192,500	2,500	160,000
Subrogation recoveries	35,000	37,142	2,142	81,943
Premium reimbursements	37,500	34,513	(2,987)	61,861
Insurance claim receipts	10,000	8,276	(1,724)	2,520
Miscellaneous:				
Other	7,500	33,875	26,375	21,547
Total Operating Revenues	<u>2,607,765</u>	<u>2,626,569</u>	<u>18,804</u>	<u>1,830,056</u>
OPERATING EXPENSES				
General Government Function:				
Salaries and wages	264,587	270,244	(5,657)	253,101
Employee benefits	79,585	79,075	510	69,698
Services and supplies:				
Workers' compensation program	1,401,000	1,767,439	(366,439)	1,412,167
Workers' compensation pending claims change	1,623,000	1,258,000	365,000	1,624,000
Unemployment compensation program	180,000	138,897	41,103	154,825
Property and liability program	1,934,500	1,422,229	512,271	2,276,132
Property/liability pending claims change	637,000	207,000	430,000	637,000
Self insurance - general	28,490	28,214	276	32,145
Total Operating Expenses	<u>6,148,162</u>	<u>5,171,098</u>	<u>977,064</u>	<u>6,459,068</u>
Operating Income (Loss)	<u>(3,540,397)</u>	<u>(2,544,529)</u>	<u>995,868</u>	<u>(4,629,012)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	125,000	171,899	46,899	155,564
Net increase (decrease) in the fair value of investments	-	(140,171)	(140,171)	25,128
Total Nonoperating Revenues (Expenses)	<u>125,000</u>	<u>31,728</u>	<u>(93,272)</u>	<u>180,692</u>
Income (Loss) Before Transfers	<u>(3,415,397)</u>	<u>(2,512,801)</u>	<u>902,596</u>	<u>(4,448,320)</u>
TRANSFERS IN (OUT)				
General Fund	5,465,277	5,465,277	-	3,903,387
Change in Net Assets	<u>\$ 2,049,880</u>	<u>2,952,476</u>	<u>\$ 902,596</u>	<u>(544,933)</u>
NET ASSETS/(DEFICIT), JULY 1		<u>(2,210,514)</u>		<u>(1,665,581)</u>
NET ASSETS, JUNE 30		<u>\$ 741,962</u>		<u>\$ (2,210,514)</u>

**WASHOE COUNTY
RISK MANAGEMENT FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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	\$ 7,500	\$ -	\$ (7,500)	\$ -
Cash received from other funds	2,600,265	2,637,117	36,852	1,858,489
Cash payments for personnel costs	(344,172)	(337,641)	6,531	(310,661)
Cash payments for workers' compensation	(1,401,000)	(1,788,649)	(387,649)	(1,398,146)
Cash payments for unemployment compensation	(180,000)	(148,522)	31,478	(163,739)
Cash payments for property and liability	(1,934,500)	(1,450,768)	483,732	(2,341,777)
Cash payments for services and supplies	(28,490)	(28,356)	134	(32,088)
Net Cash Provided (Used) by Operating Activities	<u>(1,280,397)</u>	<u>(1,116,819)</u>	<u>163,578</u>	<u>(2,387,922)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	5,465,277	5,465,277	-	3,903,387
Cash Flows From Investing Activities:				
Investment earnings	125,000	11,080	(113,920)	188,401
Net Increase (Decrease) in Cash and Cash Equivalents	4,309,880	4,359,538	49,658	1,703,866
CASH AND CASH EQUIVALENTS, JULY 1	<u>8,493,183</u>	<u>8,530,538</u>	<u>37,355</u>	<u>6,826,672</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 12,803,063</u>	<u>\$ 12,890,076</u>	<u>\$ 87,013</u>	<u>\$ 8,530,538</u>

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

Operating income (loss)	\$ (3,540,397)	\$ (2,544,529)	\$ 995,868	\$ (4,629,012)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	5,501	5,501	(814)
Due from other governments	-	5,047	5,047	29,247
Other assets	-	(11,330)	(11,330)	1,766
Increase (decrease) in:				
Accounts payable	-	(48,185)	(48,185)	(62,247)
Accrued salaries and benefits	-	4,768	4,768	1,035
Compensated absences	-	6,909	6,909	11,103
Pending claims	2,260,000	1,465,000	(795,000)	2,261,000
Total Adjustments	<u>2,260,000</u>	<u>1,427,710</u>	<u>(832,290)</u>	<u>2,241,090</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,280,397)</u>	<u>\$ (1,116,819)</u>	<u>\$ 163,578</u>	<u>\$ (2,387,922)</u>

**WASHOE COUNTY
HEALTH BENEFITS FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Group insurance collections	\$ 20,741,241	\$ 20,213,819	\$ (527,422)	\$ 18,288,074
Premium reimbursements	1,513,000	1,506,275	(6,725)	1,313,885
COBRA payments	110,000	139,487	29,487	112,202
Total Operating Revenues	<u>22,364,241</u>	<u>21,859,581</u>	<u>(504,660)</u>	<u>19,714,161</u>
OPERATING EXPENSES				
General Government Function:				
Salaries and wages	101,995	112,240	(10,245)	106,466
Employee benefits	35,146	32,725	2,421	31,677
Services and supplies:				
Supplies	2,200	1,263	937	418
Insurance claims	16,062,000	15,401,963	660,037	13,493,738
Insurance premiums	8,344,000	8,614,054	(270,054)	7,926,582
Professional services	70,000	78,614	(8,614)	71,215
Travel	1,000	1,199	(199)	-
Other	58,714	87,842	(29,128)	50,555
Total Operating Expenses	<u>24,675,055</u>	<u>24,329,900</u>	<u>345,155</u>	<u>21,680,651</u>
Operating Income (Loss)	<u>(2,310,814)</u>	<u>(2,470,319)</u>	<u>(159,505)</u>	<u>(1,966,490)</u>
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	100,000	168,589	68,589	131,208
Net increase (decrease) in the fair value of investments	-	(180,411)	(180,411)	18,477
Total Nonoperating Revenues (Expenses)	<u>100,000</u>	<u>(11,822)</u>	<u>(111,822)</u>	<u>149,685</u>
Income (Loss) Before Transfers	<u>(2,210,814)</u>	<u>(2,482,141)</u>	<u>(271,327)</u>	<u>(1,816,805)</u>
TRANSFERS IN (OUT)				
General Fund	2,748,495	2,748,495	-	3,056,930
Pre-Funded Retiree Health Benefits Fund	688,000	688,000	-	468,713
Total Transfers In (Out)	<u>3,436,495</u>	<u>3,436,495</u>	<u>-</u>	<u>3,525,643</u>
Change in Net Assets	<u>\$ 1,225,681</u>	<u>954,354</u>	<u>\$ (271,327)</u>	<u>1,708,838</u>
NET ASSETS, JULY 1		<u>3,614,896</u>		<u>1,906,058</u>
NET ASSETS, JUNE 30		<u>\$ 4,569,250</u>		<u>\$ 3,614,896</u>

**WASHOE COUNTY
HEALTH BENEFITS FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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	\$ 110,000	\$ 531,806	\$ 421,806	\$ 448,229
Cash received from other funds	22,254,241	21,353,767	(900,474)	18,995,995
Cash payments for personnel costs	(137,141)	(133,777)	3,364	(134,181)
Cash payments for health claims/premiums	(24,406,000)	(23,791,576)	614,424	(21,276,862)
Cash payments for services and supplies	(131,914)	(168,918)	(37,004)	(122,188)
Net Cash Provided (Used) by Operating Activities	<u>(2,310,814)</u>	<u>(2,208,698)</u>	<u>102,116</u>	<u>(2,089,007)</u>
Cash Flows From Noncapital Financing Activities:				
Transfers from General Fund	2,748,495	2,748,495	-	3,056,930
Transfers from Pre-Funded Retiree Health Benefits Fund	688,000	688,000	-	468,713
Net Cash Provided (Used) by Noncapital Financing Activities	<u>3,436,495</u>	<u>3,436,495</u>	<u>-</u>	<u>3,525,643</u>
Cash Flows From Investing Activities:				
Investment earnings (loss)	100,000	(35,274)	(135,274)	151,979
Net Increase (Decrease) in Cash and Cash Equivalents	1,225,681	1,192,523	(33,158)	1,588,615
CASH AND CASH EQUIVALENTS, JULY 1	<u>4,264,870</u>	<u>4,417,908</u>	<u>153,038</u>	<u>2,829,293</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 5,490,551</u>	<u>\$ 5,610,431</u>	<u>\$ 119,880</u>	<u>\$ 4,417,908</u>

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

Operating income (loss)	\$ (2,310,814)	\$ (2,470,319)	\$ (159,505)	\$ (1,966,490)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(72,752)	(72,752)	(112,829)
Reimbursements receivable	-	98,744	98,744	(157,108)
Increase (decrease) in:				
Accounts payable	-	(75,559)	(75,559)	(196,542)
Accrued salaries and benefits	-	3,115	3,115	(901)
Compensated absences	-	8,073	8,073	4,863
Pending claims	-	300,000	300,000	340,000
Total Adjustments	<u>-</u>	<u>261,621</u>	<u>261,621</u>	<u>(122,517)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,310,814)</u>	<u>\$ (2,208,698)</u>	<u>\$ 102,116</u>	<u>\$ (2,089,007)</u>

**WASHOE COUNTY
EQUIPMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>ACTUAL</u>
OPERATING REVENUES				
Charges for Services:				
Equipment service billings	\$ 6,094,287	\$ 6,094,498	\$ 211	\$ 6,656,300
OPERATING EXPENSES				
General Government Function:				
Salaries and wages	1,355,882	1,247,638	108,244	1,265,909
Employee benefits	454,089	415,245	38,844	397,362
Services and supplies:				
Supplies	1,925,008	1,753,457	171,551	1,752,501
Repairs and maintenance	268,000	273,173	(5,173)	206,227
Leases	519,641	555,064	(35,423)	598,903
Travel	2,500	1,829	671	3,629
Other	213,747	273,013	(59,266)	245,427
Depreciation	2,000,000	2,151,119	(151,119)	1,927,680
Total Operating Expenses	6,738,867	6,670,538	68,329	6,397,638
Operating Income (Loss)	(644,580)	(576,040)	68,540	258,662
NONOPERATING REVENUES (EXPENSES)				
Investment earnings	125,000	167,548	42,548	195,465
Gain (loss) on asset disposition	150,000	127,420	(22,580)	370,673
Total Nonoperating Revenues (Expenses)	275,000	294,968	19,968	566,138
Income (Loss) Before Capital Contributions	(369,580)	(281,072)	88,508	824,800
CAPITAL CONTRIBUTIONS IN (OUT)				
General Fund	-	10,776	10,776	895,020
Health Fund	-	18,976	18,976	-
Child Protective Services Fund	-	-	-	69,487
Total Capital Contributions In (Out)	-	29,752	29,752	964,507
Change in Net Assets	\$ (369,580)	(251,320)	\$ 118,260	1,789,307
NET ASSETS, JULY 1		16,664,255		14,874,948
NET ASSETS, JUNE 30		\$ 16,412,935		\$ 16,664,255

**WASHOE COUNTY
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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	\$ 6,094,287	\$ 6,094,498	\$ 211	\$ 6,656,300
Cash payments for personnel costs	(1,809,971)	(1,653,540)	156,431	(1,624,836)
Cash payments for services and supplies	(2,928,896)	(2,297,510)	631,386	(3,940,794)
Net Cash Provided (Used) by Operating Activities	<u>1,355,420</u>	<u>2,143,448</u>	<u>788,028</u>	<u>1,090,670</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	150,000	159,903	9,903	402,087
*Acquisition of capital assets	(2,995,776)	(881,537)	2,114,239	(2,560,887)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,845,776)</u>	<u>(721,634)</u>	<u>2,124,142</u>	<u>(2,158,800)</u>
Cash Flows From Investing Activities:				
**Equipment supply deposit received	-	-	-	1,439,878
**Equipment supply deposit paid	-	(61,000)	(61,000)	(723,000)
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>(61,000)</u>	<u>(61,000)</u>	<u>716,878</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,490,356)	1,360,814	2,851,170	(351,252)
CASH AND CASH EQUIVALENTS, JULY 1	<u>3,014,106</u>	<u>2,381,848</u>	<u>(632,258)</u>	<u>2,733,100</u>
CASH AND CASH EQUIVALENTS, JUNE 30	<u>\$ 1,523,750</u>	<u>\$ 3,742,662</u>	<u>\$ 2,218,912</u>	<u>\$ 2,381,848</u>

(CONTINUED)

**WASHOE COUNTY
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004</u>			<u>2003</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)	\$ (644,580)	\$ (576,040)	\$ 68,540	\$ 258,662
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	2,000,000	2,151,119	151,119	1,927,680
**Imputed rental expense	-	167,548	167,548	195,465
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	(3,605)	(3,605)	(39,044)
Prepaid lease expense	-	319,095	319,095	140,481
Increase (decrease) in:				
Accounts payable	-	75,988	75,988	(374,267)
Accrued salaries and benefits	-	8,692	8,692	6,722
Contracts payable	-	-	-	(1,056,742)
Compensated absences	-	651	651	31,713
Total Adjustments	2,000,000	2,719,488	719,488	832,008
Net Cash Provided (Used) by Operating Activities	\$ 1,355,420	\$ 2,143,448	\$ 788,028	\$ 1,090,670

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

During the current fiscal year, the Equipment Services Fund entered into equipment rental agreements requiring cash deposits totaling \$61,000. Deposits remaining from prior year rental agreements total \$3,132,228. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$167,548 have been imputed to give accounting recognition to these transactions.

*Acquisition of Capital Assets Financed by Cash	\$ 2,995,776	\$ 881,537	\$ 2,114,239	\$ 2,560,887
Capital contributions received	-	29,752	(29,752)	964,507
Increase (decrease) in accounts payable	-	475,561	(475,561)	24,397
Total Acquisition of Capital Assets	\$ 2,995,776	\$ 1,386,850	\$ 1,608,926	\$ 3,549,791

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT WORKERS COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	2004		
	BUDGET	ACTUAL	VARIANCE
OPERATING EXPENSES			
Public Safety Function:			
Fire:			
Service and supplies:			
Pending claims change	\$ -	\$ 929,500	\$ (929,500)
Operating Income (Loss)	-	(929,500)	(929,500)
NONOPERATING REVENUES (EXPENSES)			
Investment earnings	-	59	59
Net increase (decrease) in the fair value of investments	-	27	27
Total Nonoperating Revenues (Expenses)	-	86	86
Income (Loss) Before Transfers	-	(929,414)	(929,414)
TRANSFERS IN (OUT)			
TMFPD General Fund	-	600,000	600,000
Change in Net Assets	\$ -	(329,414)	\$ (329,414)
NET ASSETS, JULY 1		-	
NET ASSETS/(DEFICIT), JUNE 30		\$ (329,414)	

WASHOE COUNTY
TRUCKEE MEADOWS FIRE PROTECTION DISTRICT WORKERS COMPENSATION FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	2004		
	BUDGET	ACTUAL	VARIANCE
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS			
Cash Flows From Noncapital Financing Activities:			
Transfers from TMFPD General Fund	\$ -	\$ 600,000	\$ 600,000
Cash Flows From Investing Activities:			
Investment earnings	-	27	27
Net Increase (Decrease) in Cash and Cash Equivalents	-	600,027	600,027
CASH AND CASH EQUIVALENTS, JULY 1	-	-	-
CASH AND CASH EQUIVALENTS, JUNE 30	\$ -	\$ 600,027	\$ 600,027
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	\$ -	\$ (929,500)	\$ (929,500)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in:			
Pending claims	-	929,500	929,500
Net Cash Provided (Used) by Operating Activities	\$ -	\$ -	\$ -



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 Year in Washoe County



Kathy Garcia Outstanding in Her Field

No, she hasn't been farming... Comptroller Kathy Garcia was selected as the 2003 Outstanding CPA in Government by the Nevada Society of Certified Public Accountants.

This award is given in recognition of the significant and sustained achievements by an individual CPA employed in government. Kathy was nominated for her work in the early implementation of GASB 34, a new government accounting principles, for the County.

Additionally, she helped the national association by serving as a panelist for a televised training program on GASB 34 in addition to speaking at a number of state conferences on the subject. Kathy has also been an active member of the NSCPA through her service on the Governmental Accounting Interest Group since 1997, including being the chair of that committee.



February 2004

NASA Thanks Washoe County

NASA thanked a Washoe County Engineering employee, Vic Erickson, for supporting their flight test experiment on July 30, 2003 with Washoe County's Global Positioning System (GPS).

NASA was conducting a flight test experiment in the Reno-Tahoe area and is in the process of developing a Synthetic Vision System for future pilots.

When flying over the Reno-Tahoe area, they were able to use Washoe County's GPS base station instead of having to land everyday and set up their own. By using Washoe County's GPS they were able to save time and money, and because our station is tied to the National Geodetic Survey (NGS) network, even more benefits were attained. NASA also requested that we continue to provide GPS services in Reno, as it is a national resource for future use.

November 2003

**WASHOE COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BALANCE JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2004</u>
Washoe County School District:				
Assets:				
Cash and investments	\$ 798,681	\$ 57,386,303	\$ 57,273,980	\$ 911,004
Property taxes receivable	1,351,285	1,153,649	1,351,285	1,153,649
Total Assets	<u>\$ 2,149,966</u>	<u>\$ 58,539,952</u>	<u>\$ 58,625,265</u>	<u>\$ 2,064,653</u>
Liabilities:				
Due to other governments	<u>\$ 2,149,966</u>	<u>\$ 58,539,952</u>	<u>\$ 58,625,265</u>	<u>\$ 2,064,653</u>
Regional Transportation Commission:				
Assets:				
Accounts receivable	\$ 798,477	\$ -	\$ 798,477	\$ -
Consolidated tax receivable	2,418,423	4,005,083	2,418,423	4,005,083
Due from other governments	2,729,610	1,865,234	4,594,844	-
Total Assets	<u>\$ 5,946,510</u>	<u>\$ 5,870,317</u>	<u>\$ 7,811,744</u>	<u>\$ 4,005,083</u>
Liabilities:				
Due to other governments	<u>\$ 5,946,510</u>	<u>\$ 5,870,317</u>	<u>\$ 7,811,744</u>	<u>\$ 4,005,083</u>
General Improvement Districts:				
Assets:				
Cash and investments	\$ 232,911	\$ 3,957,781	\$ 3,901,221	\$ 289,471
Property taxes receivable	109,263	122,332	109,263	122,332
Other taxes receivable	-	752	752	-
Total Assets	<u>\$ 342,174</u>	<u>\$ 4,080,865</u>	<u>\$ 4,011,236</u>	<u>\$ 411,803</u>
Liabilities:				
Due to other governments	<u>\$ 342,174</u>	<u>\$ 4,080,865</u>	<u>\$ 4,011,236</u>	<u>\$ 411,803</u>
Fire Districts:				
Assets:				
Cash and investments	\$ 1,695,246	\$ 10,589,614	\$ 10,318,794	\$ 1,966,066
Consolidated tax receivable	211,970	112,627	324,597	-
Other taxes receivable	166,452	122,064	166,452	122,064
Interest receivable	81	55	108	28
Total Assets	<u>\$ 2,073,749</u>	<u>\$ 10,824,360</u>	<u>\$ 10,809,951</u>	<u>\$ 2,088,158</u>
Liabilities:				
Due to other governments	<u>\$ 2,073,749</u>	<u>\$ 10,824,360</u>	<u>\$ 10,809,951</u>	<u>\$ 2,088,158</u>
Washoe County Sheriff Commissary and Other:				
Assets:				
Cash and investments	<u>\$ 583,902</u>	<u>\$ 8,026,200</u>	<u>\$ 7,909,101</u>	<u>\$ 701,001</u>
Liabilities:				
Due to others	<u>\$ 583,902</u>	<u>\$ 8,026,200</u>	<u>\$ 7,909,101</u>	<u>\$ 701,001</u>
Railroad Grade Separation Project:				
Assets:				
Cash and investments	\$ -	\$ 5,488,061	\$ 5,488,061	\$ -
SCCR tax receivable	1,208,974	626,271	1,835,245	-
Total Assets	<u>\$ 1,208,974</u>	<u>\$ 6,114,332</u>	<u>\$ 7,323,306</u>	<u>\$ -</u>
Liabilities:				
Due to other governments	<u>\$ 1,208,974</u>	<u>\$ 6,114,332</u>	<u>\$ 7,323,306</u>	<u>\$ -</u>

(CONTINUED)

**WASHOE COUNTY
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>BALANCE JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2004</u>
District Court:				
Assets:				
Cash and investments	\$ 2,897,434	\$ 17,257,408	\$ 17,408,847	\$ 2,745,995
Liabilities:				
Due to others	\$ 2,897,434	\$ 17,257,408	\$ 17,408,847	\$ 2,745,995
Southwest Pointe Arrowcreek:				
Assets:				
Cash and investments	\$ 2,728,865	\$ 9,970,950	\$ 11,336,176	\$ 1,363,639
Other taxes receivable	5,656	3,939	5,656	3,939
Interest receivable	9,382	36,527	43,497	2,412
Total Assets	\$ 2,743,903	\$ 10,011,416	\$ 11,385,329	\$ 1,369,990
Liabilities:				
Due to others	\$ 2,743,903	\$ 10,011,416	\$ 11,385,329	\$ 1,369,990
Other:				
Assets:				
Cash and investments	\$ 10,488,962	\$ 612,656,780	\$ 611,515,034	\$ 11,630,708
Financial assurances	8,176,195	429,881	-	8,606,076
Accounts receivable	79,637	631,384	397,321	313,700
Consolidated tax receivable	5,324	-	5,324	-
Property taxes receivable	1,386,177	1,409,623	1,391,502	1,404,298
Other taxes receivable	1,308	-	1,308	-
Interest receivable	433	3,530	3,313	650
Due from other governments	291,460	96,535	-	387,995
Total Assets	\$ 20,429,496	\$ 615,227,733	\$ 613,313,802	\$ 22,343,427
Liabilities:				
Due to others	\$ 20,429,496	\$ 615,227,733	\$ 613,313,802	\$ 22,343,427
Totals, Agency Funds:				
Assets:				
Cash and investments	\$ 19,426,001	\$ 725,333,097	\$ 725,151,214	\$ 19,607,884
Financial assurances	8,176,195	429,881	-	8,606,076
Accounts receivable	878,114	631,384	1,195,798	313,700
Consolidated tax receivable	2,635,717	4,117,710	2,748,344	4,005,083
Property taxes receivable	2,846,725	2,685,604	2,852,050	2,680,279
SCCR tax receivable	1,208,974	626,271	1,835,245	0
Other taxes receivable	173,416	126,755	174,168	126,003
Interest receivable	9,896	40,112	46,918	3,090
Due from other governments	3,021,070	1,961,769	4,594,844	387,995
Total Assets	\$ 38,376,108	\$ 735,952,583	\$ 738,598,581	\$ 35,730,110
Liabilities:				
Due to others/governments	\$ 38,376,108	\$ 735,952,583	\$ 738,598,581	\$ 35,730,110

STATISTICAL SECTION

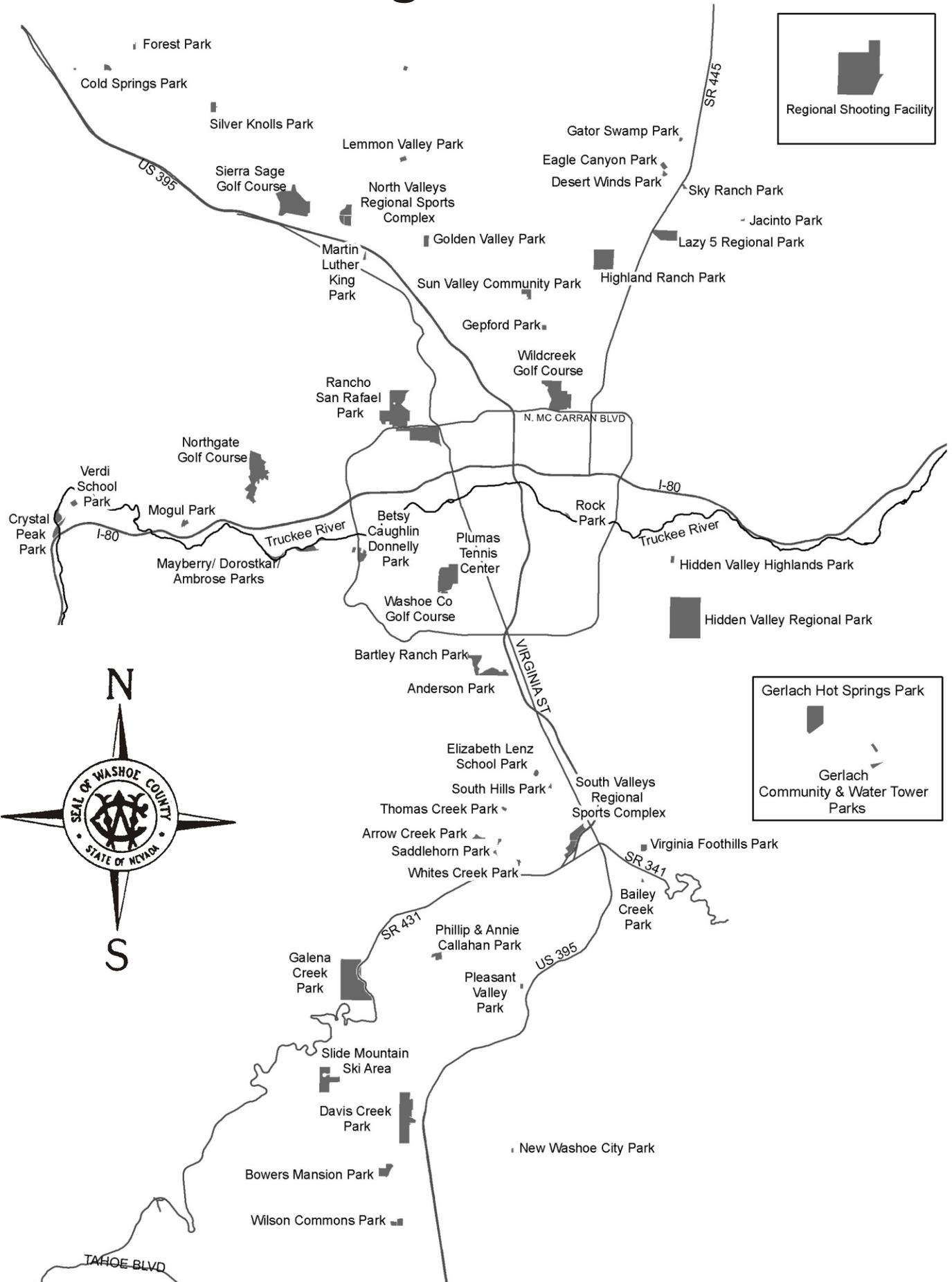
(UNAUDITED)

* 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

Regional Parks



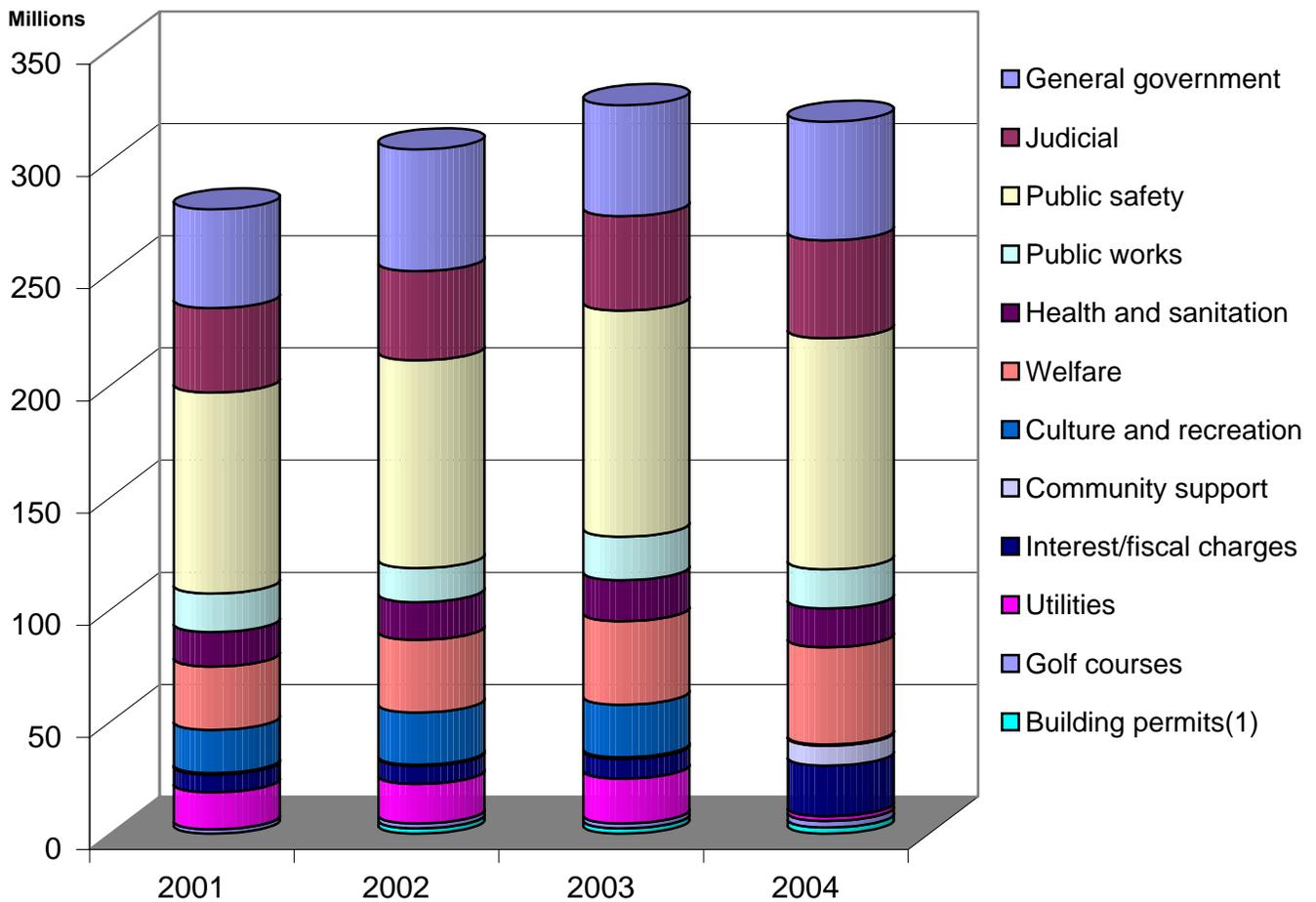


Arboretum, Rancho San Rafael

SCHEDULE 1

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

	JUNE 30, 2001	JUNE 30, 2002	JUNE 30, 2003	JUNE 30, 2004
General government	\$ 44,007,015	\$ 54,356,481	\$ 49,482,363	\$ 52,812,014
Judicial	37,557,910	39,704,102	42,100,213	43,645,919
Public safety	89,678,887	92,592,840	100,742,250	102,936,119
Public works	17,072,168	15,136,896	19,385,932	17,420,909
Health and sanitation	15,321,674	16,882,297	18,328,422	17,301,879
Welfare	28,346,045	32,358,556	37,153,019	43,358,999
Culture and recreation	19,206,659	23,189,154	23,480,485	24,490,662
Community support	751,782	641,102	701,637	506,213
Interest/fiscal charges	7,850,303	8,038,073	8,734,553	8,970,137
Utilities	16,465,273	17,471,891	20,016,344	22,483,383
Golf courses	1,966,134	2,226,818	2,178,402	2,098,946
Building permits ⁽¹⁾	-	2,432,459	2,397,951	2,863,955
Total	\$ 278,223,850	\$ 305,030,669	\$ 324,701,571	\$ 338,889,135



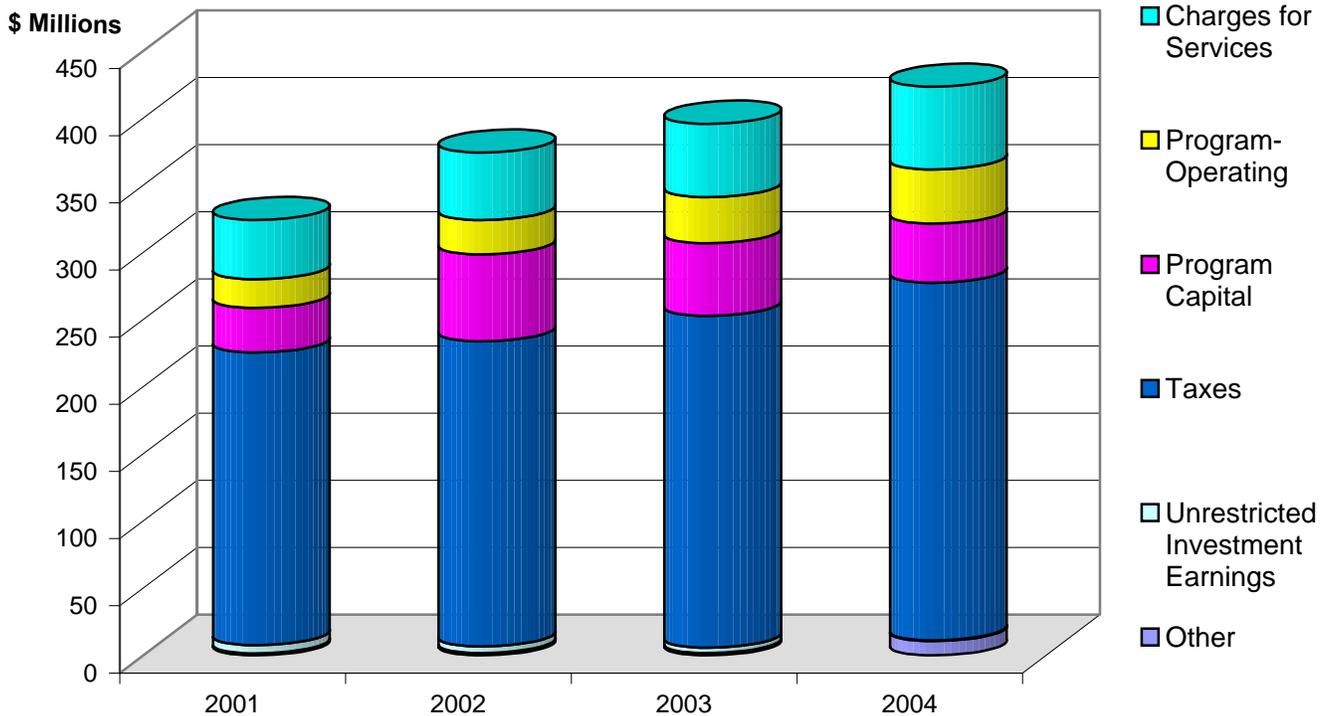
⁽¹⁾Building permits were transferred from the General Fund's public safety function to an enterprise fund.

**WASHOE COUNTY
GOVERNMENT-WIDE REVENUES
LAST FOUR 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	64,666,186 ⁽¹⁾
2002-03	54,540,890	34,428,618	53,922,944
2003-04	61,525,416	40,402,466	44,009,118

FISCAL YEAR	GENERAL REVENUES			
	TAXES	UNRESTRICTED INVESTMENT EARNINGS	OTHER	TOTAL
2000-01	\$ 217,778,530	\$ 6,230,080	\$ 1,564,458	\$ 324,216,947
2001-02	227,117,273	4,976,315	1,855,014	374,369,389
2002-03	247,186,554	4,039,249	1,724,589	395,842,844
2003-04	266,176,326	632,369	10,696,248	423,441,943



⁽¹⁾Increase 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 ⁽¹⁾
 FOR GOVERNMENTAL FUND TYPES
 LAST TEN FISCAL YEARS

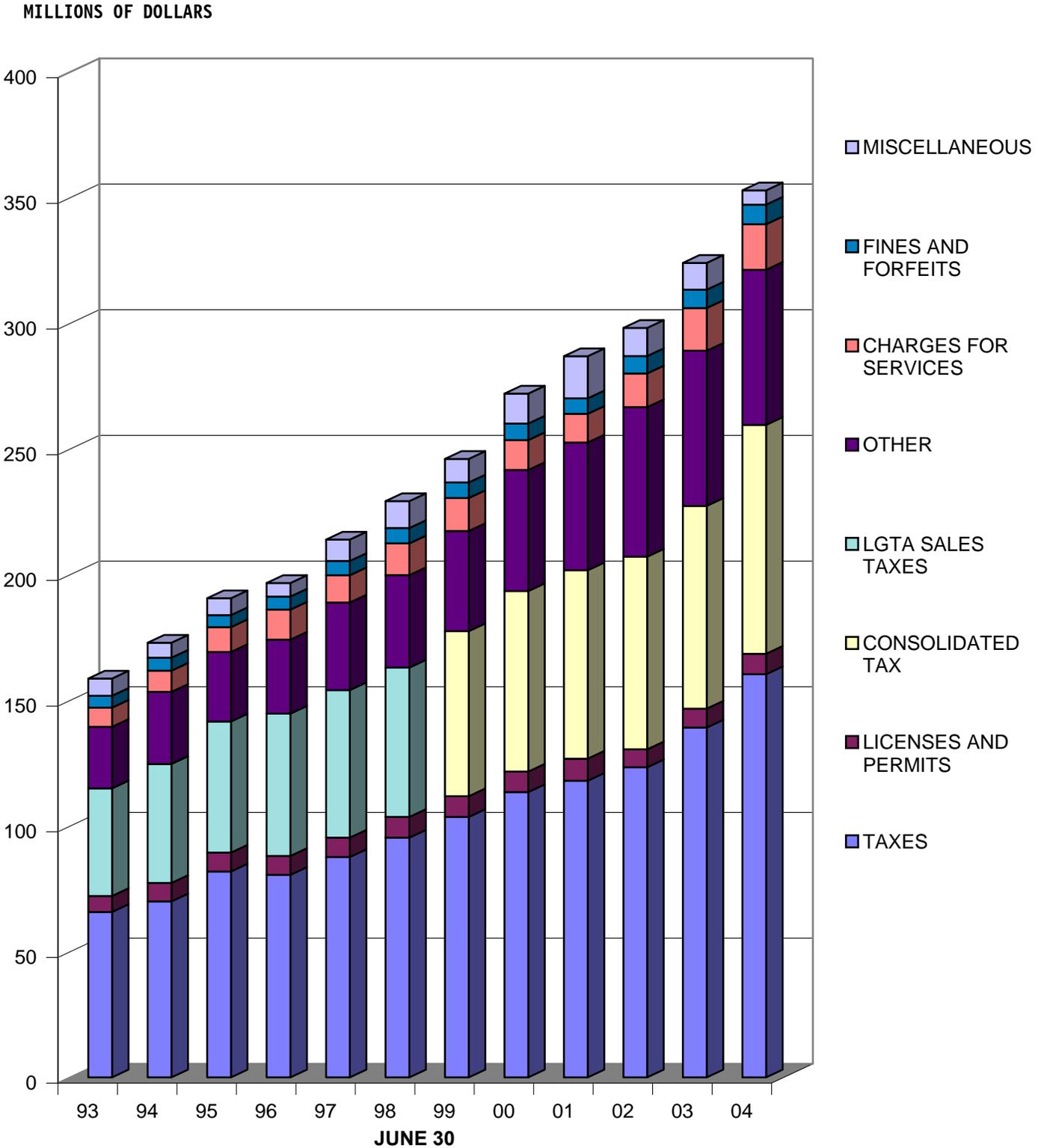
FISCAL YEAR	TAXES	LICENSES AND PERMITS	CONSOLIDATED TAX	INTERGOVERNMENTAL	
				SUPPLEMENTAL CITY/COUNTY RELIEF TAX (SCCRT)	OTHER
1994-95	\$ 81,897,309	\$ 7,484,292	\$ -	\$ 52,169,012	\$ 27,666,004
1995-96	80,549,558	7,502,686	-	56,652,857	29,423,357
1996-97	87,640,034	7,701,282	-	58,721,682	34,858,779
1997-98	95,362,921	8,238,290	-	⁽²⁾ 59,416,065	36,788,795
1998-99	⁽³⁾ 103,589,310	8,232,903	⁽²⁾ 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	123,337,708	⁽⁴⁾ 7,154,498	76,632,358	-	59,520,857
2002-03	⁽⁵⁾ 139,147,074	7,536,513	80,672,964	-	61,694,911
2003-04	⁽⁶⁾ 152,961,475	8,118,576	⁽⁷⁾ 89,950,461	-	70,243,558

FISCAL YEAR	CHARGES FOR SERVICES	FINES AND FORFEITS	MISCELLANEOUS	TOTAL
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
2003-04	18,099,454	7,809,346	⁽⁸⁾ 5,715,008	352,897,878

- (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 (per \$100 assessed valuation).
- (6) The increase in taxes reflects a 10% increase in assessed property valuations and a 3.64 cent (per \$100 assessed valuation) rate increase.
- (7) The increase in consolidated tax reflects increases in wholesale trade, particularly durable goods, automotive dealers and gasoline and building materials and hardware.
- (8) The decrease in miscellaneous revenue consists of realized and unrealized losses on investment earnings.

**WASHOE COUNTY
GENERAL GOVERNMENT REVENUES BY SOURCE
FOR GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

SCHEDULE 3



SCHEDULE 4

WASHOE COUNTY
 GENERAL GOVERNMENT EXPENDITURES BY FUNCTION ⁽¹⁾
 FOR GOVERNMENTAL FUND TYPES
 LAST TEN FISCAL YEARS

FISCAL YEAR	GENERAL GOVERNMENT	JUDICIAL	PUBLIC SAFETY	PUBLIC WORKS	HEALTH AND SANITATION	WELFARE
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	⁽⁴⁾ 35,015,409
2003-04	47,092,383	41,775,264	94,790,282	17,716,075	16,106,362	42,756,963

FISCAL YEAR	CULTURE AND RECREATION	COMMUNITY SUPPORT	INTER-GOVERNMENTAL	CAPITAL OUTLAY	DEBT SERVICE	TOTALS
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	⁽⁵⁾ 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	⁽⁶⁾ 43,218,355	19,862,972	331,681,408
2003-04	20,323,375	506,214	5,673,881	34,086,096	23,940,299	344,767,194

⁽¹⁾ Includes general, special revenue, debt service, and capital projects funds.

⁽²⁾ Debt service includes 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.

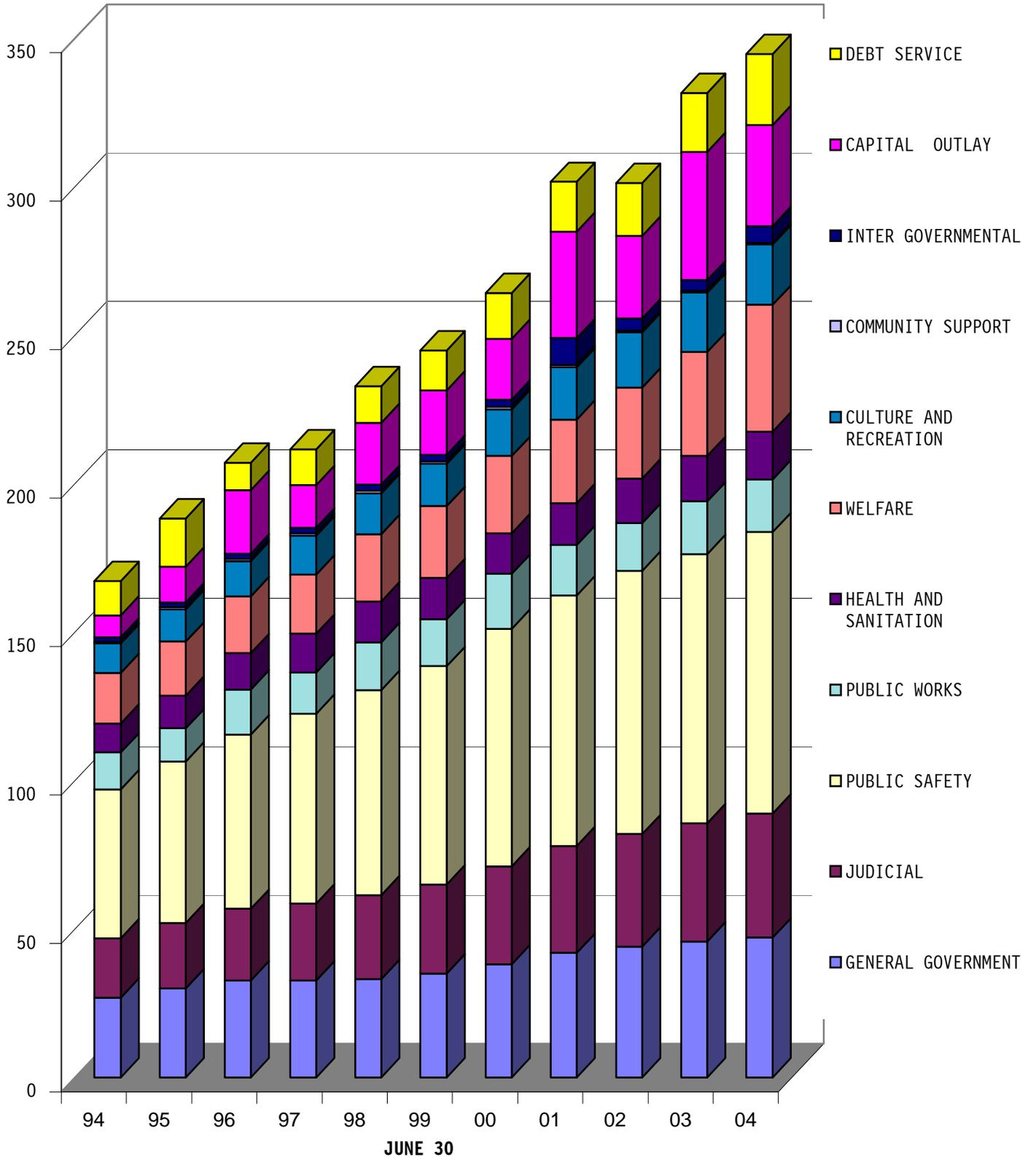
⁽⁴⁾ Welfare increased due to the Child Protective Services fund taking over services previously provided by the State of Nevada for the adoption and residential care of children needing protective custody.

⁽⁵⁾ The increase in capital outlay reflects \$14 million for the purchase of the old Pioneer property and \$3.7 million for a communication system upgrade in the Public Safety function.

⁽⁶⁾ The increase in capital outlay reflects expenditures for the Jan Evans Juvenile Justice Center, the SAP enterprise resource project and the 800 MHz regional emergency radio system.

**WASHOE COUNTY
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION
FOR GOVERNMENTAL FUND TYPES
LAST TEN FISCAL YEARS**

MILLIONS OF DOLLARS



WASHOE COUNTY
SCHEDULE OF PROPERTY TAX RATES AND ASSESSED VALUATIONS
FOR THE YEARS ENDED JUNE 30, 1995, THROUGH JUNE 30, 2004
(TAX RATES PER \$100 ASSESSED VALUATION)

	JUNE 30, 1995	JUNE 30, 1996	JUNE 30, 1997	JUNE 30, 1998
WASHOE COUNTY				
General Fund	.9230	.9326	.9476	.9528
General Fund - AB 104	.0272	.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	-	-	-	-
Animal Services Fund	-	-	-	-
Debt Service Fund	.0841	.0745	.0595	.0595
Capital Facilities Fund	.0500	.0500	.0500	.0500
Total, Washoe County Funds	<u>1.2443</u>	<u>1.2443</u>	<u>1.2443</u>	<u>1.2495</u>
STATE OF NEVADA	.1500	.1500	.1500	.1500
WASHOE COUNTY SCHOOL DISTRICT	1.1135	1.1135	1.1135	1.0985
Total, Washoe County Unincorporated Area	<u>2.5078</u>	<u>2.5078</u>	<u>2.5078</u>	<u>2.4980</u>
CITY OF RENO				
City of Reno	.7487	.7401	.7534	.8546
Washoe County	2.5078	2.5078	2.5078	2.4980
Washoe Regional Water Planning Board/Special Districts	.0050	.0050	.0050	.0005
Total, City of Reno	<u>3.2615</u>	<u>3.2529</u>	<u>3.2662</u>	<u>3.3531</u>
CITY OF SPARKS				
City of Sparks	.8825	.8825	.7071	.7071
Washoe County	2.5078	2.5078	2.5078	2.4980
Washoe Regional Water Planning Board/Special Districts	.0050	.0050	.0050	.0005
Total, City of Sparks	<u>3.3953</u>	<u>3.3953</u>	<u>3.2199</u>	<u>3.2056</u>
ASSESSED VALUATION				
Washoe County,				
Unincorporated Area	\$ 1,873,913,034	\$ 2,038,993,902	\$ 2,268,154,856	\$ 2,628,698,453
City of Reno	2,691,664,706	2,895,914,913	3,140,777,726	3,222,244,414
City of Sparks	874,813,278	928,630,519	1,073,353,993	1,097,832,871
Total, Washoe County	<u>\$ 5,440,391,018</u>	<u>\$ 5,863,539,334</u>	<u>\$ 6,482,286,575</u>	<u>\$ 6,948,775,738</u>

SCHEDULE 5

<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>	<u>JUNE 30, 2004</u>
.9528	.9661	.9461	.9631	1.0303	1.0267
.0272	.0272	.0272	.0272	.0272	.0272
.0100	.0100	.0100	.0100	.0100	.0100
.1000	.0900	.0900	.0850	.0800	.0900
.0400	.0400	.0400	.0400	.0400	.0400
.0100	.0100	.0100	.0100	.0100	.0100
-	-	.0200	.0200	.0200	.0200
-	-	-	-	-	.0300
.0595	.0562	.0562	.0652	.0778	.0778
.0500	.0500	.0500	.0500	.0500	.0500
<u>1.2495</u>	<u>1.2495</u>	<u>1.2495</u>	<u>1.2705</u>	<u>1.3453</u>	<u>1.3817</u>
.1500	.1500	.1500	.1500	.1500	.1700
<u>1.0985</u>	<u>1.1385</u>	<u>1.1385</u>	<u>1.1385</u>	<u>1.1385</u>	<u>1.1385</u>
<u>2.4980</u>	<u>2.5380</u>	<u>2.5380</u>	<u>2.5590</u>	<u>2.6338</u>	<u>2.6902</u>
.9076	.9076	.9076	.9556	.9456	.9456
<u>2.4980</u>	<u>2.5380</u>	<u>2.5380</u>	<u>2.5590</u>	<u>2.6338</u>	<u>2.6902</u>
.0005	.0005	.0005	.0005	.0005	.0022
<u>3.4061</u>	<u>3.4461</u>	<u>3.4461</u>	<u>3.5151</u>	<u>3.5799</u>	<u>3.6380</u>
.8106	.8106	.8106	.8653	.9361	.9161
<u>2.4980</u>	<u>2.5380</u>	<u>2.5380</u>	<u>2.5590</u>	<u>2.6338</u>	<u>2.6902</u>
.0005	.0005	.0005	.0005	.0005	.0004
<u>3.3091</u>	<u>3.3491</u>	<u>3.3491</u>	<u>3.4248</u>	<u>3.5704</u>	<u>3.6067</u>
\$ 2,782,817,311	\$ 2,913,572,101	\$ 2,923,079,310	\$ 3,237,624,085	\$ 3,436,162,039	\$ 4,046,501,021
3,504,566,723	3,869,088,594	4,318,882,571	4,380,915,854	4,501,164,755	4,757,490,008
<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>1,604,846,399</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>	<u>\$ 10,408,837,428</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
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
2003-04	9,776,291,703	27,932,262,009	632,545,725	1,807,273,500

FISCAL YEAR	TOTAL		ASSESSED VALUE TO ESTIMATED VALUE
	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	
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%
2003-04	10,408,837,428	29,739,535,509	35.0%

WASHOE COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS FOR ALL GOVERNMENTS
LAST TEN FISCAL YEARS

SCHEDULE 7

FISCAL YEAR	NET SECURED ROLL TAX LEVY	CURRENT TAX COLLECTIONS	DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	OUTSTANDING DELINQUENT TAXES
1994-95	\$ 165,037,382	\$ 161,793,362	\$ 3,212,891	\$ 165,006,253	\$ 31,129
1995-96	179,262,002	176,651,156	2,582,709	179,233,865	28,137
1996-97	197,485,658	194,326,837	3,128,922	197,455,759	29,899
1997-98	212,203,187	208,715,129	3,456,427	212,171,556	31,631
1998-99	239,267,466	235,399,065	3,831,563	239,230,628	36,838
1999-00	261,772,324	258,385,749	3,339,045	261,724,794	47,530
2000-01	273,864,229	270,702,031	3,087,891	273,789,922	74,307
2001-02	291,602,632	288,339,841	3,074,482	291,414,323	188,309
2002-03	320,080,572	316,660,506	2,365,368	319,025,874	1,054,698
2003-04	348,063,837	345,198,433	-	345,198,433	2,865,404

FISCAL YEAR	PERCENT OF CURRENT TAXES COLLECTED	TOTAL COLLECTIONS AS PERCENT OF TOTAL TAX LEVY	OUTSTANDING TAXES AS % OF TOTAL TAX LEVY
1994-95	98.034%	99.981%	0.019%
1995-96	98.544%	99.984%	0.016%
1996-97	98.400%	99.985%	0.015%
1997-98	98.356%	99.985%	0.015%
1998-99	98.383%	99.985%	0.015%
1999-00	98.706%	99.982%	0.018%
2000-01	98.845%	99.973%	0.027%
2001-02	98.881%	99.935%	0.065%
2002-03	98.931%	99.670%	0.330%
2003-04	99.177%	99.177%	0.823%

Source: Washoe County Treasurer's Office

SCHEDULE 8

WASHOE COUNTY
 2004/05 TEN LARGEST ASSESSED VALUATIONS
 IN WASHOE COUNTY

	TYPE OF BUSINESS	ASSESSED VALUATION	PERCENTAGE OF TOTAL ASSESSED VALUATION
Circus Circus & Eldorado Joint Venture	Hotel/Casino	\$ 63,563,765	0.58%
DP Industrial LLC	Industrial Real Estate	54,973,410	0.50%
Dermody Industrial Group	Warehousing	46,431,540	0.42%
Peppermill Casinos Inc.	Hotel/Casino	45,533,188	0.41%
Harrah's Club	Hotel/Casino	36,852,458	0.33%
Eldorado Resorts LLC	Hotel/Casino	35,675,129	0.32%
Washoe Medical Center, Inc.	Healthcare	33,835,007	0.31%
Golden Road Motor Inn, Inc.	Hotel/Casino	33,277,469	0.31%
International Game Technology	Gaming	31,107,778	0.28%
FHR Corporation	Hotel/Casino	25,450,662	0.23%
Total, ten largest taxpayers		406,700,406	3.69%
Total, other taxpayers		10,609,557,853	96.31%
Total, assessed valuations		\$ 11,016,258,259	100.00%

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 2004/05 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
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
⁽¹⁾ 1997-98	7,765,068	-	981,079	6,783,989
⁽¹⁾ 1998-99	6,783,989	490,929	1,011,104	6,263,814
⁽¹⁾ 1999-00	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
2003-04	2,644,233	23	346,768	2,297,488

⁽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, 2004

Assessed value of taxable property for 2004/2005 tax year		\$ 11,016,258,259
<hr/>		
Debt limit applicable to Washoe County (10% of Assessed Valuation)		\$ 1,101,625,826
<hr/>		
General Obligation Bonded Debt:		
Governmental activity	\$ 174,660,548	
Business-type activity	36,129,000	
Reno-Sparks Convention & Visitors Authority	142,592,488	
Truckee Meadows Fire Protection District (Component unit)	720,000	
<hr/>		
Total Bonded Debt	354,102,036	
Less: Special assessment bonds	1,677,000	
Special revenue bonds	21,575,000	
Amount available for repayment of general obligation bonds	26,445,640	
<hr/>		
Debt subject to debt limitation		304,404,396
Legal debt margin		\$ 797,221,430

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 \$142,592,488 is below the 3% limit of \$330,487,748.

WASHOE COUNTY
COMPUTATION OF GENERAL OBLIGATION
DIRECT AND OVERLAPPING DEBT
JUNE 30, 2004

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	\$ 152,128,548	\$ 43,109,850	100%	\$ 109,018,698
Business-Type Activity Bonds	36,129,000	36,129,000	100%	-
Special Assessment Bonds ⁽¹⁾	1,677,000	1,677,000	100%	-
Total Direct Debt	<u>189,934,548</u>	<u>80,915,850</u>		<u>109,018,698</u>
Overlapping:				
Washoe County School District	385,155,000	-	100%	385,155,000
Reno-Sparks Convention & Visitors Authority	142,592,488	142,592,488	100%	-
City of Reno	31,415,000	-	100%	31,415,000
City of Reno supported by specific revenue	13,925,000	13,925,000	100%	-
City of Reno supported by sales tax and room tax revenues	222,870,000	222,870,000	100%	-
Reno - Special Assessment Bonds ⁽¹⁾	16,343,152	16,343,152	100%	-
City of Sparks	3,945,000	-	100%	3,945,000
Sparks - Sewer/Utility Bonds	32,608,881	32,608,881	100%	-
Incline Village GID	23,378,567	23,378,567	100%	-
State of Nevada	2,545,598,950	1,549,905,000	15.82%	157,518,783
Total Overlapping Debt	<u>3,417,832,038</u>	<u>2,001,623,088</u>		<u>578,033,783</u>
Total Direct and Overlapping Debt	<u>\$ 3,607,766,586</u>	<u>\$ 2,082,538,938</u>		<u>\$ 687,052,481</u>

*Based on fiscal year 2004-05 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

FISCAL YEAR	PRINCIPAL ⁽¹⁾	INTEREST ⁽²⁾	TOTAL DEBT SERVICE ⁽³⁾	TOTAL GOVERNMENTAL EXPENDITURES ⁽⁴⁾	RATIO OF DEBT SERVICE TO TOTAL GENERAL EXPENDITURES
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
2003-04	11,507,746	7,198,086	18,705,832	344,767,195	5.4

(1) General obligation bonded debt excludes debt reported in business-type activities, revenue bonds, other liabilities, 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
RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO
ASSESSED VALUE AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

SCHEDULE 13

FISCAL YEAR	ASSESSED VALUATION	GROSS GENERAL BONDED DEBT ⁽¹⁾	DEBT SERVICE FUND BALANCE AVAILABLE ⁽²⁾	NET BONDED DEBT
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	9,449,883	137,581,411
2003-04	10,408,837,428	152,128,548	10,113,984	142,014,564

FISCAL YEAR	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	POPULATION ⁽³⁾	NET BONDED DEBT PER CAPITA
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%	353,271	274.57
2001-02	1.16%	359,423	292.93
2002-03	1.45%	373,233	368.62
2003-04	1.36%	379,673	374.04

⁽¹⁾ General obligation bonded debt excludes debt reported in business-type activities, revenue bonds, other liabilities 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, 1995-2003. 2004 final figure will not be available until January 2005; information provided is estimated for periods through April 2004.

**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⁾:							
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
2003-04	18,366,809	13,166,193	5,200,616	321,320	837,888	1,159,208	4.49
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
2003-04	2,324,804	1,458,528	866,276	280,000	117,713	397,713	2.18

⁽¹⁾ Gross revenue for the Water Resources Fund includes operating revenues, General Fund transfers and hookup fees, if 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.

**WASHOE COUNTY
SCHEDULE OF REVENUE BOND COVERAGE
LAST TEN FISCAL YEARS**

SCHEDULE 14

FISCAL YEAR	GROSS REVENUE	EXPENSES/ EXPENDITURES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			COVERAGE RATIOS
				PRINCIPAL	INTEREST	TOTAL	
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)
2003-04	1,812,213	1,590,113	222,100	115,000	125,507	240,507	0.92
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
2003-04	7,409,815	628,760	6,781,055	415,000	994,818	1,409,818	4.81

⁽³⁾ Gross revenue consists of revenue from the Golf Course Fund operations pledged for debt payment and excludes investment earnings. Expenses are net of depreciation. 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 \$21,278,236.

**WASHOE COUNTY
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED JUNE 30,	POPULATION ⁽¹⁾	PER CAPITA INCOME ⁽²⁾	MEDIAN AGE ⁽³⁾	SCHOOL ENROLLMENT ⁽⁴⁾	TOTAL PERSONAL INCOME ⁽²⁾
1995	302,748	\$ 28,339	35.8	45,734	\$ 8,424,057,000
1996	312,366	29,599	36.2	45,977	9,088,227,000
1997	320,828	30,538	36.7	48,583	9,656,578,000
1998	327,899	32,265	36.5	52,675	10,475,446,000
1999	334,601	33,915	36.9	54,088	11,288,186,000
2000	339,486	36,103	37.3	54,121	12,322,546,000
2001	353,271	37,065	35.6	55,673	13,035,713,000
2002	359,423	36,831	35.6	57,404	13,323,522,000
2003	373,233	37,400	35.8	58,908	13,917,120,000
2004	379,673	39,450	35.1	60,411	15,071,220,000

The above are estimates of:

- (1) Nevada State Demographer as of July 1, as certified by the Governor, 1995-2003. 2004 final figure will not be available until January 2005; information provided is estimated for periods through April 2004.
- (2) U.S. Department of Commerce, Bureau of Economic Analysis 1995-2002; Global Insight 2003-2004
- (3) Bureau of Economic and Business Research, University of Nevada, Reno, 1995-99 State Demographer Office, UNR Small Business Development Center, 2000, 2004. 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, 1995-1996; State Department of Taxation, 1997-2004.
- (8) Bureau of Economic and Business Research, University of Nevada, Reno, 1995-1996; State Gaming Commission, 1997-2004.
- (9) Bureau of Economic and Business Research, University of Nevada, Reno, 1995-1996; Airport Authority, 1997-2004.

UNEMPLOYMENT RATE (PERCENT) ⁽⁵⁾	TOTAL LABOR FORCE ⁽⁵⁾	CONSTRUCTION ACTIVITY - TOTAL VALUE ⁽⁶⁾	NUMBER OF NEW FAMILY UNITS ⁽⁶⁾	TAXABLE SALES ⁽⁷⁾	GROSS INCOME GAMING REVENUE ⁽⁸⁾	TOTAL PASSENGER AIR TRAFFIC ⁽⁹⁾
4.9	172,900	\$ 191,118,212	1,289	\$ 3,517,656,000	\$ 890,908,000	5,673,953
5.0	177,900	195,611,998	1,373	4,030,257,000	994,832,000	6,178,341
3.7	183,200	198,655,640	1,219	4,207,682,000	976,026,000	6,929,481
4.1	189,900	181,655,590	1,204	4,359,037,576	1,009,353,314	7,047,660
4.0	187,800	201,588,866	1,086	4,679,515,860	1,032,380,849	6,318,665
2.9	194,500	255,051,619	1,001	4,957,234,787	1,111,327,004	5,951,344
3.9	200,600	290,589,395	1,270	5,194,146,044	1,113,289,199	5,332,507
4.7	201,700	294,355,860	1,324	5,292,178,588	1,049,151,610	4,485,369
4.5	201,200	305,249,144	1,217	5,475,601,376	1,032,987,724	4,514,225
3.8	208,800	345,640,310	1,009	6,003,368,280	1,011,657,616	4,918,829

**WASHOE COUNTY
PROPERTY VALUE AND CONSTRUCTION
LAST TEN FISCAL YEARS**

FISCAL YEAR	COMMERCIAL CONSTRUCTION ^(A)		RESIDENTIAL CONSTRUCTION ^(A)	
	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE
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	⁽¹⁾ 97,647,228	1,001	134,528,182
2000-01	243	95,682,953	1,270	⁽³⁾ 172,306,704
2001-02	243	39,283,900	1,324	⁽³⁾ 228,101,768
2002-03	204	36,789,913	1,217	236,647,487
2003-04	225	⁽¹⁾ 96,920,864	1,010	211,522,021

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
2,275	\$ 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
2,212	37,197,425	8,591,491,696	2,383,178,991	758,630,072

WASHOE COUNTY
MISCELLANEOUS STATISTICAL DATA
JUNE 30, 2004

SCHEDULE 17

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 staggered terms
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 noncommissioned employees: 297
Clearance rate – part one offenses: 30%
Average daily jail population: 1,072

Miles of Road:

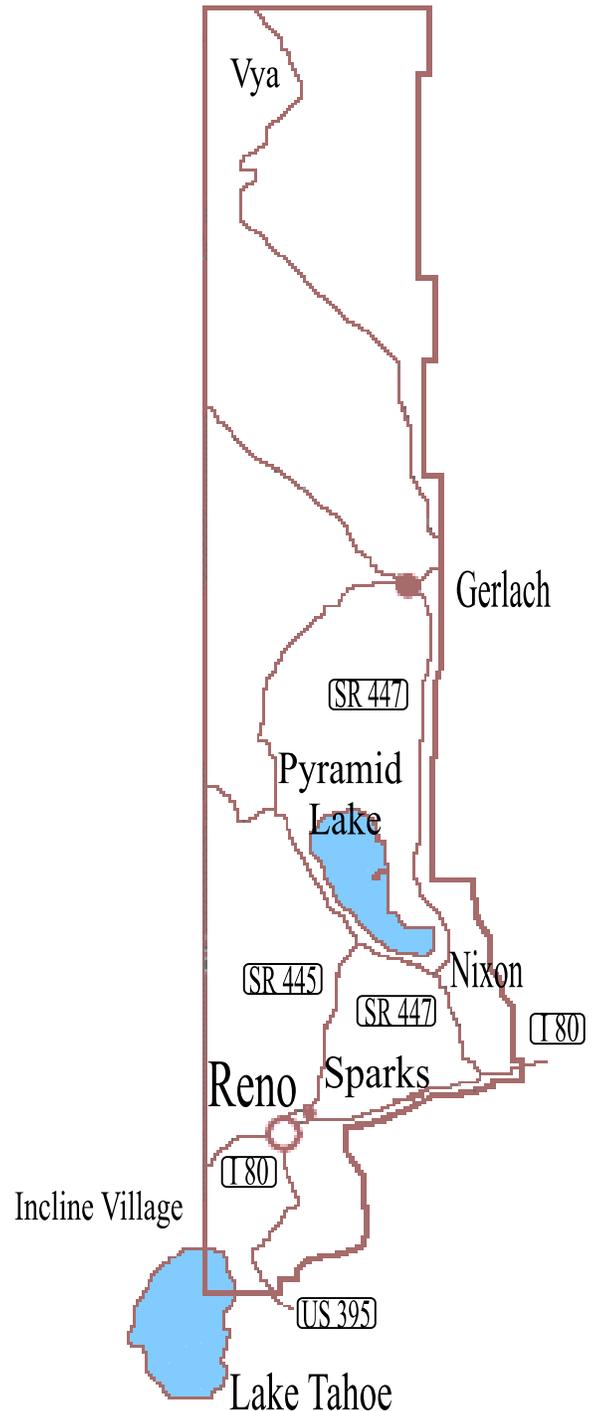
Paved: 680
Unpaved: 405

Number of Traffic Signals: 16

Parks and Recreation:

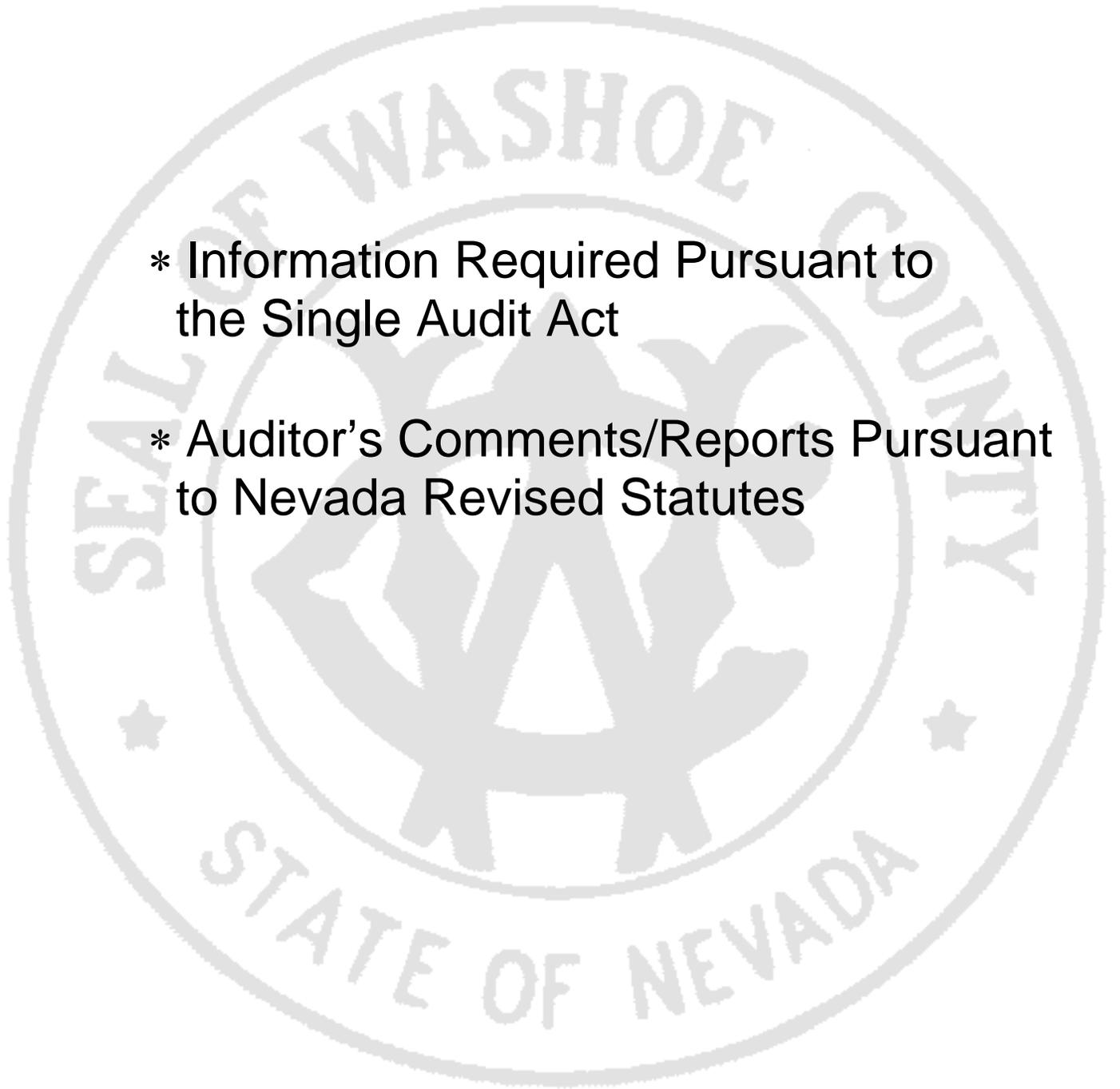
Number of major/regional parks: 18
Number of community/neighborhood parks: 42
Developed park acreage: 1,753
Undeveloped park acreage: 5,905
Number of special use facilities: 19
Number of playgrounds: 43
Number of golf courses: 2
Swimming pools: 2
Camping sites: 64
Sheltered group picnic facilities: 38
Regional shooting facility: 1
Baseball fields: 30
Soccer fields: 18
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



COMPLIANCE SECTION

- * Information Required Pursuant to the Single Audit Act
- * Auditor's Comments/Reports Pursuant to Nevada Revised Statutes



The Year in Washoe County



Flood Warning Prompts Award

On May 20, 2004 Washoe County was awarded the James Lee Witt Local Award for Excellence, Honorable Mention, at the Association of State Floodplain Managers annual national conference, held in Biloxi, Mississippi.

Paul Urban, Program Manager for the Truckee River Flood Management Project, accepted the award on behalf of Washoe County.

This award was presented to Washoe County for the Truckee River Flood Warning System and Flood Response Plan, which provides the community several days advance notice of flooding on the Truckee River, allowing the business and residential community time to prepare.

The Truckee River Flood Warning System consists of over 40 river stage and precipitation gauges located in the Truckee River watershed, and it is fully integrated with the National Weather Service River Forecast Center.

Data from the gauges is sent by satellite and radio signal to a computer base station located in the office of the Washoe County Department of Water Resources. From the base station, graphical information is transmitted

automatically to client stations in the Emergency Operations Centers of Washoe County, Reno and Sparks.

The Flood Response Plan provides a set of directions for action in each jurisdiction under four levels of flood alert. The alert levels are tied to river stage and precipitation data from the Truckee River Flood Early Warning System. Actions identified in the Flood Response Plan include notifications of affected agencies and people, staging of flood fighting materials, and identification of flood depths and evacuation routes.

The Flood Response Plan provides the community with sufficient time to respond in advance of flooding, thus saving lives and reducing property damage resulting from flooding.



May 2004



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

Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed
In Accordance with *Government Auditing Standards*

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, 2004, and have issued our report thereon dated October 7, 2004. 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.

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 reportable 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 caused by error or fraud 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 7, 2004.

Compliance and Other Matters:

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 agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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 7, 2004



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

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, 2004. 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, 2004. 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 04-2.

Internal Control over Compliance:

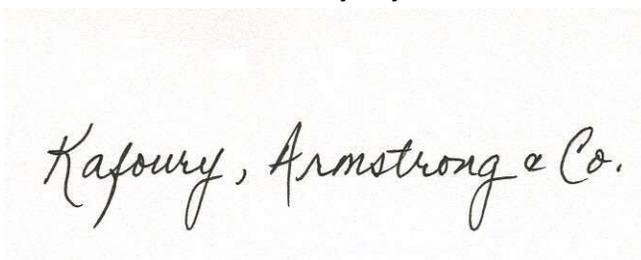
The management of Washoe County, Nevada is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Washoe County, Nevada's 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 04-1.

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.

A handwritten signature in cursive script that reads "Kafoury, Armstrong & Co." The signature is written in black ink on a light-colored, slightly textured background.

Reno, Nevada
October 7, 2004

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
<u>U.S. Administrator of General Services:</u>			
Passed through Nevada Secretary of State:			
Election Reform Payments	39.011	N/A	\$ <u>1,914,000</u>
<u>U.S. Department of Agriculture:</u>			
Direct Programs:			
Rural Development, Forestry, and Communities (Rural Development Through Forestry)	10.672	03-DG-11051900-031	404,250
Rural Development, Forestry, and Communities (Rural Development Through Forestry)	10.672	03-DG-11051900-030	100,000
Rural Development, Forestry, and Communities (Rural Development Through Forestry)	10.672	04-DG-11051900-009	180,000
Passed through State Department of Education:			
Child Nutrition Cluster:			
School Breakfast Program	10.553	N/A	28,042
School Breakfast Program	10.553	16-10-01	5,800
School Breakfast Program	10.553	16-10-01	43,101
National School Lunch Program	10.555	16-10-01	6,418
National School Lunch Program	10.555	16-10-01	65,510
National School Lunch Program	10.555	N/A	<u>35,811</u>
Total Child Nutrition Cluster			<u>184,682</u>
Passed through State Department of Administration:			
Emergency Food Assistance Cluster:			
Emergency Food Assistance Program (Administrative Costs)	10.568	N/A	14,049
Emergency Food Assistance Program (Food Commodities)	10.569	N/A	<u>26,236</u>
Total Emergency Food Assistance Cluster			<u>40,285</u>
Passed through State Department of Administration:			
Nutrition Service Incentive	10.570	N/A	15,750
Food Donation	10.550	N/A	9,444
Passed through State Department of Human Resources:			
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HD 2871	347,338
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HD 3389	471,090
Special Supplemental Nutrition Program for Women, Infants and Children	10.557	HD 3398	107,664
Passed through Nevada Division of Forestry			
Cooperative Forestry Assistance	10.664	1066403	9,701
Passed through State Controller:			
Schools and Roads Cluster:			
Schools and Roads-Grants to States	10.665	N/A	<u>8,000</u>
Total U.S. Department of Agriculture			<u>1,878,204</u>

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
<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>1,666,365</u>
<u>U.S. Department of Education:</u>			
Direct Programs:			
Community Technology Centers	84.341	V341A010992	<u>21,298</u>
<u>U.S. Department of Health and Human Services:</u>			
Direct Programs:			
Family Planning Services	93.217	6 FPHPA090003-35-01	554,832
Amount Provided to Subrecipients			94,211
Program Income			137,134
Family Violence Prevention and Services/Grants for Battered Women's Shelters_Discretionary Grants	93.592	N/A	1,523
Passed through State Department of Human Resources:			
Child Support Enforcement	93.563	N/A	3,359,707
Child Support Enforcement	93.563	N/A	14,088
Child Support Enforcement	93.563	N/A	295,100
Program Income			4,862
Child Support Enforcement	93.563	N/A	177,305
Grants to States for Access and Visitation Programs	93.597	N/A	19,745
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HD 3082-A2	23,319
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	HD 3427	39,389
Program Income			4,929
Injury Prevention and Control Research and State and Community Based Programs	93.991	HD2895-A2	8,667
Immunization Grants	93.268	HD 3075	188,353
Immunization Grants	93.268	HD 3435	134,568
Program Income			403,985
Immunization Grants	93.268	HD 3075	120,778
Immunization Grants	93.268	HD 3435	77,726
Immunization Grants	93.268	WC97-3	1,213
Immunization Grants		N/A	859,672
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HD 3342	115,485
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HD 3084	85,700
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HD 3147	69,876
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HD 3516	21,524
Centers for Disease Control and Prevention - Investigations and Technical Assistance	93.283	HD3372-A2	414,337

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
U.S. Department of Health and Human Services (Continued):			
Passed through State Department of Human Resources (Continued):			
Investigations and Technical Assistance	93.283	HD 3342	\$ 24,321
Cooperative Agreements for State-Based Comprehensive Breast and Cervical Cancer Early Detection Program	93.919	N/A	5,100
HIV Prevention Activities- Health Department Based	93.940	HD 3333	38,104
HIV Prevention Activities- Health Department Based	93.940	HD 3478	542,246
HIV /AIDS Surveillance	93.944	HD 3081	33,844
HIV /AIDS Surveillance	93.944	HD 3081-A1	32,840
Block Grants for Prevention and Treatment of Substance Abuse	93.959	04019PX	20,357
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	HD 3432	110,704
Program Income			32,970
Maternal and Child Health Services			
Block Grant to the States	93.994	HD 3203-A1	105,000
Block Grant to the States	93.994	HD 3203-A1	50,000
Program Income			36
Maternal and Child Health Services			
Block Grant to the States	93.994	N/A	1,096
Child Welfare Services - State Grants	93.645	N/A	90,000
Foster Care - Title IV-E	93.658	N/A	5,779,564
Adoption Assistance	93.659	N/A	1,648,599
Social Services Block Grant	93.667	N/A	20,000
Temporary Assistance for Needy Families (TANF)	93.558	N/A	869,000
HIV Care Formula Grants	93.917	HD 3512	49,979
Passed through State of Nevada Supreme Court:			
State Court Improvement Program	93.586	N/A	20,858
Passed through State Division of Child and Family Services:			
Chafee Foster Care Independent Living	93.674	CH-IILP-Y03WC	51,153
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	1600-05-04	88,000
Program income			120,562
Special Programs for the Aging- Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1600-02-04	61,710
Program income			21,191
Special Programs for the Aging- Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1600-11-04	96,244
Program income			5,769

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
U.S. Department of Health and Human Services (Continued):			
Passed through State Division for Aging Services (Continued):			
Special Programs for the Aging- Title III, Part B - Grants for Supportive Services and Senior Centers	93.044	1600-13-04	\$ 85,000
Special Programs for the Aging- Title III, Part B - Grants for Supportive Services and Senior Centers Program income	93.044	1600-06-04	50,000 9,540
Special Programs for the Aging- Title III, Part C2 - Nutrition Services	93.045	1600-04-03	30,233
Special Programs for the Aging- Title III, Part C2 - Nutrition Services Program income	93.045	1600-04-04	270,532 82,613
Special Programs for the Aging- Title III, Part C1 - Nutrition Services	93.045	1600-07-03	34,805
Special Programs for the Aging- Title III, Part C1 - Nutrition Services Program income	93.045	1600-07-04	193,075 62,541
Special Programs for the Aging- Title III, Part C1 - Nutrition Services	93.045	1600-66-03	7,519
Nutrition Services Incentive Program	93.053	1600-57-03	14,158
Nutrition Services Incentive Program	93.053	1800-57-04	108,415
Total Aging Cluster			<u>1,341,907</u>
Special Programs for the Aging - Title VII, Chapter 2 - Long-Term Care Ombudsman National Family Caregiver Support Program	93.052	1600-61-02	144,239
Total U.S. Department of Health and Human Services			<u>18,239,945</u>
U.S. Department of Housing and Urban Development:			
Passed through State Commission on Economic Development:			
Community Development Block Grants/State's Program	14.228	B03/MC/320002	21,799
Community Development Block Grants/State's Program	14.228	CDBG/02/HS/001	40,145
Total U.S. Department of Housing and Urban Development			<u>61,944</u>
U.S. Department of the Interior:			
Direct Programs:			
Wildland Urban Interface Community and Rural	15.228	FCA 030106	20,000
Passed through State Historic Preservation Office: Historic Preservation Fund Grants-In-Aid	15.904	32-03-318228(10)	19,997
Total U.S. Department of the Interior			<u>39,997</u>

(CONTINUED)

**WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
<u>U.S. Department of Justice:</u>			
Direct Programs:			
Federal Drug Forfeiture Program	16.N/A	N/A	\$ 25,125
Missing Children's Assistance	16.543	2001-MC-CX-K039	7,157
Local Law Enforcement Block Grants Program	16.592	2002-LB-BX-2262	21,093
Local Law Enforcement Block Grants Program	16.592	2003-LB-BX-1903	9,908
Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	16.580	2003-DD-BX-0213	53,072
State Criminal Alien Assistance Program	16.606	N/A	355,862
Bulletproof Vest Program	16.607	N/A	14,753
Passed through State Department of Motor Vehicles and Public Safety:			
Byrne Formula Grant Program	16.579	02-NC-025	25,053
Program Income			10,771
Byrne Formula Grant Program	16.579	03-NC-021	16,882
Byrne Formula Grant Program	16.579	03-NC-028	37,431
Byrne Formula Grant Program	16.579	03-NC-014	23,022
Passed through State Department of Public Safety Office of Criminal Justice Assistance:			
Community Prosecution and Project Safe Neighborhoods	16.609	03-PSN-005	74,496
Passed through State Office of the Attorney General:			
Violence Against Women Formula Grants	16.588	21-PT-33	7,500
Violence Against Women Formula Grants	16.588	2002-VAWG-49	2,899
Passed through State Department of Human Resources:			
Juvenile Accountability Incentive Block Grants	16.523	N/A	164,839
Juvenile Accountability Incentive Block Grants	16.523	2002-JB-VX-0032	138,058
Supervised Visitation, Safe Havens for Children	16.527	2003-CW-BX-0015	14,973
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	N/A	44,873
Amount Provided to Subrecipients			20,000
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	N/A	23,022
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540	N/A	47,668
Title V - Delinquency Prevention Program	16.548	N/A	28,505
Part E - State Challenge Activities	16.549	CHFFY03-02	3,600
Crime Victim Assistance	16.575	04-34-VOCA	18,255
Crime Victim Assistance	16.575	04-34-VOCA	10,155
Enforcing Underage Drinking Laws Program	16.727	N/A	12,670
Passed through the City of Sparks:			
State Domestic Preparedness Equipment Support Program	16.007	N/A	200,000
Public Safety Partnership and Community Policing Grants ("COPS" Grants)	16.710	N/A	1,500

(CONTINUED)

**WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004**

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
U.S. Department of Justice (Continued):			
Passed through State Emergency Response Commission: Interagency Hazardous Material Public Sector Training and Planning Grants (Hazardous Materials Emergency Preparedness Training and Planning Grants (HMEP)	20.703	04-HMEP-16-01	\$ 2,150
Passed through Clark County: Drug Court Discretionary Grant Program	16.585	N/A	<u>2,500</u>
Total U.S. Department of Justice			<u>1,417,791</u>
U.S. Department of Transportation:			
Passed through Nevada Division of State Parks: Recreational Trails Program	20.219	N/A	9,526
Recreational Trails Program	20.219	N/A	61,100
Recreational Trails Program	20.219	N/A	2,500
Passed through State Department of Motor Vehicles and Public Safety: Highway Safety Cluster:			
State and Community Highway Safety	20.600	23J8-18-16.15/23-157INV-1	48,305
State and Community Highway Safety	20.600	23J8-18-8	96,800
State and Community Highway Safety	20.600	21-PT-33	8,659
State and Community Highway Safety	20.600	22-PT-4.11	1,563
State and Community Highway Safety	20.600	23TR4	<u>1,918</u>
Total Highway Safety Cluster			<u>157,245</u>
Passed through State Department of Transportation: Highway Planning and Construction Cluster: (Federal Aid Highway Program)	20.205	PR105-02-0636	<u>204,928</u>
Total Highway Planning and Construction Cluster			<u>204,928</u>
Total U.S. Department of Transportation			<u>435,299</u>
<u>National Foundation on the Arts and the Humanities:</u>			
Passed through Nevada State Library and Archives: State Library Program	45.310	LSTA 2003-16	40,000
State Library Program	45.310	LSTA 2003-23	<u>26,358</u>
Total National Foundation on the Arts and the Humanities			<u>66,358</u>
<u>U.S. Environmental Protection Agency:</u>			
Direct Programs: Air Pollution Control Program Support	66.001	A-00905404-0	550,369
Air Pollution Control Program Support	66.001	A-00905404-0	32,027

(CONTINUED)

WASHOE COUNTY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2004

FEDERAL GRANTOR/PASS THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NO.	PROJECT/ PASS-THROUGH GRANTOR'S NO.	EXPENDITURES 2003-04
U.S. Environmental Protection Agency (Continued):			
Direct Programs (Continued):			
Surveys, Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	PM-97951501-0	\$ 43,439
Surveys, Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act	66.034	XP-97963701-0	50,580
Surveys, Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act In Kind Services	66.034	PM-97951501-0	25,788
Surveys, Studies, Investigations Demonstrations and Special Purpose Activities Relating to the Clean Air Act In Kind Services	66.034	PM97951501-2	8,814
Passed through State Department of Conservation and Natural Resources:			
State and Tribal Underground Storage Tanks Program	66.804	DEP 04-002	180,000
Leaking Underground Storage Tank Trust Fund Program	66.804	DEP 04-002	10,000
Clean Water Capitalization Grants for State Revolving Funds	66.458	N/A	222,360
Capitalization Grants for Drinking Water State Revolving Funds	66.468	04-008	5,350
Passed through State Department of Human Resources:			
State Public Water System Supervision	66.432	N/A	41,875
Capitalization Grants for Drinking Water State Revolving Funds	66.468	N/A	23,780
Total U.S. Environmental Protection Agency			<u>1,194,382</u>
Federal Emergency Management Agency:			
Passed through State Department of Motor Vehicles and Public Safety:			
Emergency Management Performance Grants	83.552	8355204	51,374
Emergency Management Performance Grants	83.564	83564E3	4,170
Passed through State Department of Public Safety Division of Emergency Management:			
Emergency Management Performance Grants	83.552	8355203	27,653
Pre-Disaster Mitigation	83.557	N/A	29,546
Total U.S. Federal Emergency Management Agency			<u>112,743</u>
Total Expenditures of Federal Awards			<u>\$ 27,048,326</u>

**WASHOE COUNTY
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2004**

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, Demonstrations and Special Purpose Activities relating to the Clean Air Act (66.034)

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.

Election Reform Payments (39.011)

The expenditures represent the value of electronic voting machines received.

NOTE 4 - PROGRAM INCOME

Expenditures reported include income received by the grantee, which was directly generated by grant-supported activity totaling \$896,903 and includes the following programs:

PROGRAM	CFDA NUMBER	AMOUNT
Byrne Formula Grant	16.579	\$ 10,771
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	4,929
Family Planning Services	93.217	137,134
Immunization Grants	93.268	403,985
Child Support Enforcement	93.563	4,862
Preventive Health Services-Sexually Transmitted Diseases Control Grants	93.977	32,970
Maternal and Child Health Services Block Grant to the States	93.994	36
Special Programs for the Aging Title III, Part B	93.044	157,062
Special Programs for the Aging Title III, Part C	93.045	145,154
TOTAL		\$ 896,903

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

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, 2004.
- 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.
- Audit findings, relative to a major federal award program for Washoe County, which are required to be reported under section .510(a) of OMB Circular A-133 are included on the following pages.
- Washoe County had six major programs for the year ended June 30, 2004, as follows:
 - Temporary Assistance for Needy Families — CFDA 93.558
 - Immunization Grants - CFDA 93.268
 - Rural Development, Forestry, and Communities — CFDA 10.672
 - Centers for Disease Control and Prevention_Investigations and Technical Assistance—CFDA 93.283
 - Election Reform Payments — CFDA 39.011
 - Water Resources Development Act of 1999, Section 595 Rural Nevada and Montana
- The dollar threshold used to distinguish between Type A and Type B programs for the year ended June 30, 2004 was \$811,450.
- Washoe County qualified as a low risk auditee for the year ended June 30, 2004 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, 2004.

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

Department of Health and Human Services:

Finding 04-1:

Immunization Grant. CFDA 93.268

<i>Grant Award Number:</i>	Potentially affects all grant awards included under CFDA 93.268 on the Schedule of Expenditures of Federal Awards.
<i>Condition and Criteria:</i>	<p>The OMB Circular A-133 Compliance Supplement requires entities to properly record the receipt, transfer and storage of vaccines. In addition, entities must safeguard vaccines from loss due to theft, expiration, or improper storage temperature.</p> <p>Washoe County's controls over receipt, storage, expiration and temperature were adequate. However, the inventory reconciliation reports prepared by the County indicated a substantial number of doses unaccounted for.</p>
<i>Questioned Cost:</i>	None.
<i>Context:</i>	The problem appears to be systemic, as 32 out of 34 vaccine reconciliations reported discrepancies between the reports and the physical counts (doses unaccounted for).
<i>Effect:</i>	Vaccines may be stolen or misused without the County being aware of the problem.
<i>Cause:</i>	The inventory count procedures did not identify specific cut-off procedures for the physical count. As a result, counts did not necessarily reflect the end of the month vaccines on hand. County staff was not trained to count vaccine doses properly, thereby making inventory counts per the reconciliations incorrect. Also, the counts were not forwarded to the supervisor for several days (up to a week), thereby eliminating the ability to verify the counts.
<i>Recommendation:</i>	We recommend the County strengthen the existing inventory policies to require a physical count that corresponds to the close of business on the last working day of the month. We also recommend that all discrepancies between the reports and the physical count be investigated immediately.
<i>Management's Response:</i>	See management's response on page C-14.



DISTRICT HEALTH DEPARTMENT

September 30, 2004

TO: Nevada State Health Division, Bureau of Community Health
FROM: Eileen Coulombe
SUBJECT: Washoe County Schedule of Findings and Questioned Costs for the Year Ended June 30, 2004

I am responding to the Finding and Questioned Costs for Federal Awards relating to the Comprehensive Annual Financial Report for Fiscal Year 2003/2004.

FINDING

Finding 04-1 Immunization Grant, CFDA 93.268

CONDITION AND CRITERIA

The OMB Circular A-133 Compliance Supplement requires entities to properly record the receipt, transfer and storage of vaccines. In addition, entities must safeguard vaccines from loss due to theft, expiration, or improper storage temperature.

Washoe County's controls over receipt, storage, expiration and temperature were adequate. However, the inventory reconciliation reports prepared by the County indicated a substantial number of doses unaccounted for.

CORRECTIVE ACTION

Vaccine inventory policies will be strengthened and will include physical counts being done on a timely basis and any discrepancies being immediately investigated.

cc: Katherine Garcia
Kafoury, Armstrong, and Company

**WASHOE COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2004**

U.S. Army Corp of Engineers:

Finding 04-2

Water Resources Development Act of 1999, Section 595

Condition and Criteria: As noted in OMB Circular A-133, Appendix B, reports submitted to the Federal awarding agency should include all activity of the reporting period, should be supported by the underlying accounting records, and should be fairly presented in accordance with program requirements.

The SF-270s Request for Advance or Reimbursement that were selected for testing did not reconcile to the supporting documentation.

Questioned Cost: None.

Context: The condition noted above appears to be a systemic problem.

Effect: Inappropriate amounts could have been charged to the program and financial amounts reported to the Federal agency may be inaccurate.

Cause: Adequate procedures were not in place to ensure that the SF-270 Request for Advance or Reimbursement was reconcilable to the information received from the subrecipient and the County's accounting records.

Recommendation: We recommend that the Department strengthen procedures to reconcile the SF-270 Request for Advance or Reimbursement to the appropriate supporting documentation, including the County's accounting records, spreadsheets and other summary schedules. These procedures should be performed prior to submitting reports to the Federal awarding agency.

Management's Response: See management's response on page C-I6.



Washoe County
Department of
Water Resources
4930 Energy Way
Reno, NV 89502-4106
Tel: (775) 954-4600
Fax: (775) 954-4610

September 29, 2004

To: Nicole Ortega, Project Manager U.S. Army Corps of Engineers

From: John Nelson, Registered Engineer 

Subject: Findings 04-2- Water Resources Development Act of 1999 Section 595

I am responding to the Finding for the Federal Awards related to the U.S. Army Corps of Engineers Section 595 Funds for the Lawton Verdi Interceptor Project.

FINDING

Finding 04-2 Water Resources Development Act of 1999 Section 595

CRITERIA AND CONDITION:

As noted in OMB Circular A-133, Appendix B, reports submitted to the Federal awarding agency should include all activity of the reporting period, should be supported by the underlying accounting records, and should be fairly presented in accordance with program requirements.

The SF-270s Request for Advance or Reimbursement that were selected for testing did not reconcile to the supporting documentation.

CORRECTIVE ACTION:

Reports submitted to the Federal awarding agency will include all activity of the reporting period, supported by underlying accounting records, and be fairly presented in accordance with program requirements.

c: Cheryl D. Daily CPA, CMA, CFE
Kafoury, Armstrong & Co.

Department of



Water Resources

**WASHOE COUNTY
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2004**

Finding 03-1

Air Pollution Control Program Support, CFDA 66.001

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*.

Auditor's Recommendation: We recommended that 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.

Current Status: Procedures for compiling total outlay information for the Financial Status Reports have been modified to include only costs determined on an accrual (or cash) basis.



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AUDITOR'S COMMENTS/REPORTS

The Year in Washoe County



360 Degrees of TLG

Sponsored by the Innovation Group (IG), and hosted by Reno, Sparks, and Washoe County, the Transforming Local Government (TLG) conference came to the Reno Hilton June 10th through June 12th.

This was IG's tenth annual TLG conference. The theme of this year's conference was "360 degrees of Change." The purpose of TLG is to encourage free thinking and innovative ideas, and the conference is well known for providing dynamic speakers and powerful learning sessions. As always, this year's conference had excellent keynote presentations, and featured over 60 innovative local governments presenting teams from across the country!

The Innovation Groups introduced the following learning topics that were used as a guide to establish conference content: Leadership, Learning, Team Building, and Service. These topics are valuable and important because they parallel Washoe County's Vision, Values

and Priorities as established by the County Commissioners.

Washoe County was instrumental in putting together the entire conference. The committee members worked diligently with the cities of Reno and Sparks since August of 2003 to ensure the conference would go as planned.

Washoe County's TeamWorks! Task Force took another exciting action and sponsored an awards program related to the conference. The "Excellence in Teamwork" Award was designed to recognize County employees who demonstrated exceptional qualities of teamwork and cooperation—values important to the County's overall values.

There were 40 employees nominated by their peers from throughout the organization, and as part of the recognition for this award, there were four employees selected to receive a scholarship to the TLG conference.

June 2004

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 2003-2004 relating to statute violations reported in the June 30, 2003 audit report:

- The County brought the unencumbered fund balance in the Enhanced 911 Fund within the limits specified in NRS 244A.7645.
- During the current year, efforts were made to monitor all expenditures and expenses. However, the County was unable to avoid all potential violations.
- Despite the County's efforts, the Building and Safety Fund's ending net assets continue to exceed the limit specified in NRS 354.59891 and, as such, fees are expected to be decreased in 2004-2005.

PRIOR YEAR RECOMMENDATIONS

There were no specific recommendations made in the audit report for the year ended June 30, 2003.

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, 2004 (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, 2004 (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 7, 2004