

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2002



Washoe County School District
Reno, Nevada

Washoe County School District Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2002



Prepared By:
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Washoe County School District Superintendent & Board of Trustees



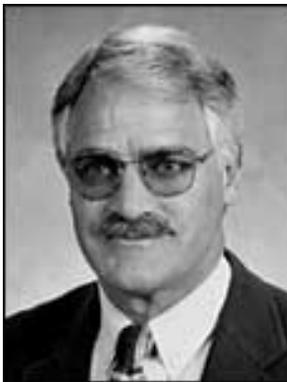
James L. Hager, Ph.D.
Superintendent



Nancy Hollinger
Board of Trustees
President



Jonnie Pullman
Board of Trustees
Vice President



Dan Carne
Board of Trustees
Clerk



Marilyn Fendelander
Board of Trustees
Member



Anne Loring
Board of Trustees
Member



Lezlie Porter
Board of Trustees
Member



Jody Ruggiero
Board of Trustees
Member

WASHOE COUNTY SCHOOL DISTRICT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2002

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Excellence in Financial Reporting



Washoe County School District

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Reno, Nevada 89520-3425
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Board of Trustees

Nancy Hollinger, President
Marilyn Fendelander

Jonnie Pullman, Vice President
Anne Loring
James L. Hager, Ph.D., Superintendent

Dan Carne, Clerk
Jody Ruggiero

October 10, 2002

TO THE CITIZENS AND THE HONORABLE BOARD OF TRUSTEES OF THE WASHOE COUNTY SCHOOL DISTRICT:

The comprehensive annual financial report of the Washoe County School District (the "District") for the fiscal year ended June 30, 2002, is hereby submitted. Nevada Revised Statutes (NRS) 354.624 requires the District to issue an annual report on its financial position and activities and that this report be audited by an independent firm of certified public accountants. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with District management. The report has been prepared by the Business and Financial Services Division and to the best of our knowledge and belief, the data contained in the report is accurate in all material respects and presents fairly the financial position of the various funds of this organization, including all disclosures necessary to understand District's activities.

INTERNAL CONTROLS

The District maintains an internal control structure, which uses policies and procedures established by the Business and Financial Services Division to provide reasonable assurance that specific entity objectives (e.g., compliance with legal requirements) will be achieved, that proper recording of financial transactions are made, and that assets will be safeguarded in the public interest. The District has an Internal Audit Department, which reports administratively to the Superintendent. The department has full and independent access to the Audit Committee of the Board of Trustees and is authorized to review all areas of the District with full, free, and unrestricted access to all activities, records, property, and personnel as may be required.

The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the evaluation of such costs and benefits requires estimates and judgements made by management. We believe the District's internal accounting controls provide reasonable assurance of proper recording and disclosure of financial transactions and adequately safeguards assets.

AUDIT

This report has been audited by Kafoury, Armstrong & Co. and their unqualified opinion is presented on the first page of the financial section. An audit is performed to provide reasonable assurance that these financial statements are free from material misstatements. This conclusion is reached after performance of various tests of financial transactions and disclosures. Tests were also performed on the internal control structure and its compliance with applicable laws and

regulations, including those related to federal award programs. Testing was not sufficient to support an opinion, but the audit did not disclose material internal control weaknesses. These reports are included in the compliance section and were made in accordance with the Single Audit requirements for federal agencies.

The financial statements in this report have been prepared in conformity with generally accepted accounting principals (GAAP) as applied to governmental audits. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Additionally, this report has been prepared using the guidelines recommended by the Government Finance Officers Association of the United States and Canada, in the publication entitled Government Accounting, Auditing and Financial Reporting (GAAFR), Using the GASB 34 Model, 2001.

REPORT PRESENTATION

The District is presenting, for the first time, a Management's Discussion and Analysis as an introduction to the financial information. This analysis immediately follows the independent auditor's opinion. This section provides an overview and analysis of the District's significant transactions to aid readers in understanding their financial impact and relationship to the financial statements and schedules provided. This new section is presented to comply with the most significant change in governmental accounting standards in history, in an attempt to provide more meaningful information to our readers and demonstrate accountability for our financial actions.

REPORTING ENTITY

The District was organized as a result of legislation enacted in 1956. The District provides a full range of elementary and secondary educational services including Federal, State, and Local programs. As with all school districts in Nevada, its boundaries are conterminous with the County. During fiscal year 2001-02, the District operated fifty-nine elementary schools, eleven middle schools, and eleven high schools. Additionally, the District operates one special education facility, two alternative high schools, and an occupational education center. The District employed over 7,000 employees and served 57,557 students during the year. The governing board of the District consists of seven members elected by the public for four-year terms. The Board of Trustees believe that our mission is to provide each student the opportunity to achieve his or her potential through a superior education in a safe and challenging environment in order to develop responsible and productive citizens for our diverse and rapidly changing community.

The Board of Trustees is ultimately accountable for the fiscal matters of the District. The Superintendent of Schools is responsible to the Board of Trustees for the general efficiency of the school system, including personnel, finance, administration and instruction, student services, and all other phases of District operations. In addition, the Superintendent develops policy for constructive relations between schools and the community, and assures programs are responsive to current and future student needs, and compatible with community expectations.

This report includes all funds of the primary government unit, the District. The District does not have any component units or legally separate entities. Control by or dependence on the District was determined on the basis of budget adoption, outstanding debt secured by revenues or general obligations of the District, or by obligation of the District to finance any deficits that occur. Based on these criteria, there are no other organizations or entities included in the financial statements.

ECONOMIC CONDITION AND OUTLOOK

The District is located in the northwestern part of the State in the boundaries designated as Washoe County. The County itself is the second largest (population wise) in the State of Nevada geographically covering an area of 6,600 square miles with the county seat in the City of Reno. Other cities included in the County are Gerlach, Sparks, Wadsworth and Incline Village at Lake Tahoe.

The economy of Nevada is heavily dependent upon a tourist industry based on legalized casino gambling. Gaming has been legal in Nevada since 1931 and is regulated and controlled by the State. Different forms of legal gaming have been authorized or are being considered by many states, including California. As such, the diversification of Nevada's job base continues to be a high priority throughout the State.

Washoe County continues to be one of the most diversified in Nevada. The Reno/Sparks area is a principal manufacturing and distribution center for the Western United States with industrial space of nearly 52 million square feet. New and improved industrial and business parks offer sites at a wide range of prices, with easy access to existing freeways, railroads and the airport. The ease of transportation access has also contributed to tourism with the growth of ski resorts, golf courses, a National Bowling Stadium, and expanded convention facilities throughout the region. Washoe County also hosts a number of significant events each year including the Reno Rodeo, Hot August Nights Classic Cars, the Reno/Tahoe PGA Golf Tournament, the National Championship Air Races, and the Great Reno Balloon Race. It is this quality of life coupled with low taxes, no personal or corporate income tax that makes northern Nevada appealing to companies looking to relocate their operations to this area.

The forecasted population of Washoe County at the end of the 2001-02 fiscal period is 341,134, which reflects a 27.1% increase over the 1992-93 population of 268,470. Over the last year, the County population grew by 2.4%. The annual labor force of the County is estimated at 186,100 at the end of June 2002, and the unemployment rate was established at 4.6% compared to 3.4% last year. This can be compared to the United States unemployment rate of 5.9% for the same period.

Other indicators of the economy in the County are reflected in taxable retail sales that increased 1.67% compared to the 4.78% increase in the prior year. Air traffic in Reno is down 15.9%, while gross income from gaming is also down 5.8%. Additionally, sales of existing homes increased 5.3% while new building permits were at similar levels as the prior year.

In summary, Nevada and Washoe County's economy continues to show sluggish growth when compared to similar statistics in recent business cycles. Nevada's economic slow down is reflective of declines that have been experienced throughout the nation these last couple of years. To address the State's difficulties, the governor has established a task force of financial experts to study a wide variety of revenue ideas and make recommendations for the 2003 legislative session.

CHALLENGES FACING THE DISTRICT

These are difficult financial times for school districts all across the nation. Washoe County is no exception. Last spring, following a major community engagement process, the Board of Trustees was forced to reduce expenditures in the 2002-03 general fund budget by \$8.5 million. State revenues are falling and another sizeable reduction for 2003-04 is not out of the question. Enrollment growth continues unabated. This year's final student count showed a growth of approximately 2.3%, or more that 1,300 new students.

This tight fiscal environment presents several opportunities for the District. First, it has forced us to critically evaluate how limited resources are deployed. The budget realignment process compelled us to ask tough questions about every area of the budget in order to align resources with the district's central mission of teaching and learning. Secondly, it afforded us the opportunity to educate our community about where school district revenue comes from and where it goes. As the 2003 Legislature convenes to tackle the issues of revenue, taxes and funding for schools, it will be more important than ever that our community understands the issue.

Of major importance right now is the General Election on November 5, 2002 when voters will decide whether the District will have an ongoing, dependable source of revenue for its capital improvement needs. A relatively new mechanism in Nevada allows voters to freeze the existing debt retirement tax rate at its current level for a period of ten years. As old bonds are retired, new ones would be issued to replace them. Hopefully, by the time this report is issued, that measure will have been approved and funds will be available to build new schools, improve the technology infrastructure and upgrade existing schools. If not, it will be another two years before we can approach the voters again, and overcrowding will be exacerbated and older school facilities will further deteriorate.

Finally, as a result of the new "No Child Left Behind" federal law, we are redoubling our efforts to improve student achievement. Reform and accountability are not new concepts to public education, but the complexities of this new law are only now beginning to be understood. With the assistance of the newly formed Washoe County Education Foundation, we are committed to ensuring the academic success of all students in the growing Washoe County School District.

FINANCIAL INFORMATION

In Fiscal Year 1982-83, the District, in an effort to standardize the reporting of accounting data with its counterparts, adopted and implemented the Handbook II (Revised) accounting system which has been promulgated by the U. S. Department of Education, National Center for Education statistics, and further mandated by the Nevada Department of Education. In meeting the constant demand for educational cost information, the system standardizes resources into local, state, federal and other categories while expenditures in each fund are classified by program, function, object and responsibility center.

Budgeting Process. The Business and Financial Services Office develops and administers a budgeting system that serves as the primary means by which most of the financing, acquisition, spending and service-delivery activities of the District are controlled. The use of an annual operating budget is prescribed under Chapter 354 of the Nevada Revised Statutes, approved by the Board of Trustees through public hearings, and is submitted to the Nevada Tax Commission for compliance review.

Budgetary highlights and next year's budget are discussed in Management's Discussion and Analysis. Compliance with the budget and other statutory issues are discussed in the notes to the financial statements.

Cash Management. The District has adopted and maintains a formal policy and regulation governing investment transactions. Cash available for investment is invested in U.S. Government securities, repurchase agreements, and the State Treasurer's Investment Pool during the year. In addition, the District utilizes Collateralized Investment Agreements for capital project bond proceeds received in December 1998 and after. The use of these agreements has allowed the District to earn the maximum amount of bond proceed interest permitted by law. As a standard procedure, the District schedules investment maturities with projected cash flow. In addition to short-term investments for idle cash, the District maintains its cash in an interest-bearing checking account with amounts exceeding FDIC insurance limits secured by securities held by a third party. The range of yield on investments, excluding debt service, was 1.94% to 5.63% during the fiscal year. As a result, the District yielded \$6.1 million of earnings on investments.

Risk Management. The District believes it has an obligation to protect itself against accidental losses, which could adversely affect its assets or prevent it from fulfilling its responsibilities to the public; and to provide this protection at the most economical cost possible. The District's risk management program addresses this obligation by using all available risk management resources and techniques including risk identification and analysis, purchase of commercial insurance, contract review, risk reduction, risk avoidance and self-insurance. Through its self-insured programs and the establishment of their corresponding funds, and the purchase of commercial insurance, the District believes it has the financial resources needed to respond to losses affecting its assets. A detail of the types of coverage and amounts is provided in the Statistical Section of this report.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement of Excellence in Financial Reporting to the District for its comprehensive annual financial report for the fiscal year ended June 30, 2001. This is the first year that the District has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both generally accepted accounting principals and applicable legal requirements.

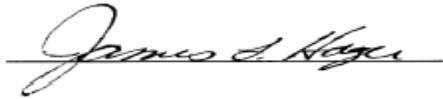
A Certificate of Achievement is valid for one year. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

Prior to this award, the District only applied and received the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting award. The District received this award eight consecutive years.

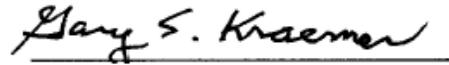
ACKNOWLEDGMENTS

The preparation of this report on a timely basis was made possible through the dedicated services of the entire accounting staff of the Business and Financial Services Division. Through their efforts, the report and its contents were compiled into an easily readable and efficiently organized document. Thanks also to the Print Shop for producing this document and to the staff from Kafoury, Armstrong & Company, Certified Public Accountants, for their contribution and support. Special thanks to the Board of Trustees for their direction and support provided in the planning and conducting of the financial operations of the District in a progressive and prudent manner.

Respectfully submitted,



James L. Hager, Ph.D.
Superintendent



Gary S. Kraemer, CPA
Chief Financial Officer

Washoe County School District Reno, Nevada



District Officials For Fiscal Year Ended June 30, 2002

Board Of Trustees

Nancy Hollinger
President

Jonnie Pullman
Vice President

Dan Carne
Clerk

Marilyn Fendelander
Member

Anne Loring
Member

Lezlie Porter
Member

Jody Ruggiero
Member

Administrative Officials

James L. Hager, Ph.D.
Superintendent

Steve Hull, Ph.D.
Assistant to the Superintendent

Paul Dugan
Area 1 Superintendent

Ken Grein
Area 2 Superintendent

Debbie Cylke
Area 3 Superintendent

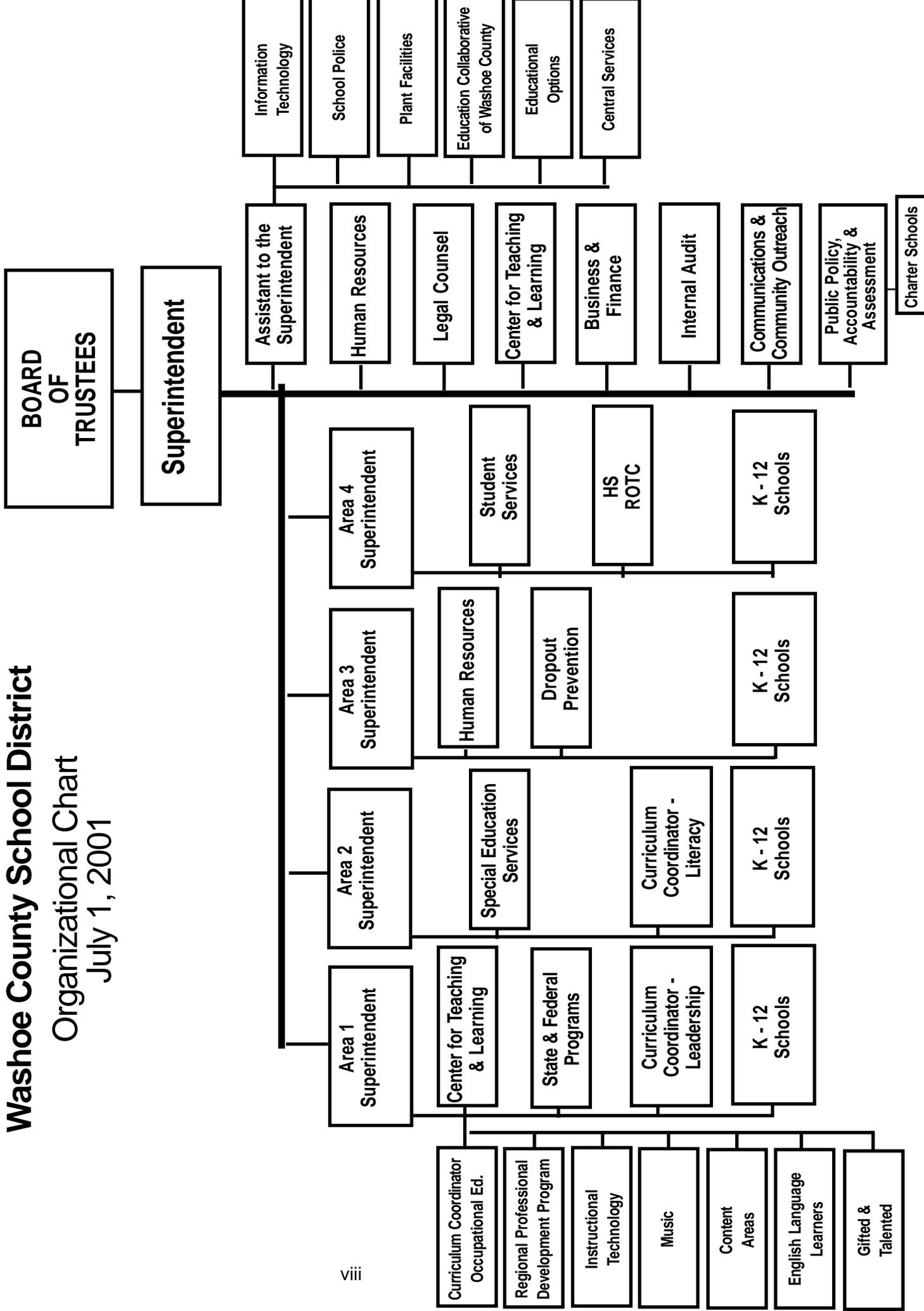
Darlene Schottle, Ed.D.
Area 4 Superintendent

Gary Kraemer, CPA
Chief Financial Officer
Business & Financial Services

Washoe County School District

Organizational Chart

July 1, 2001



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Washoe County School
District, Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2001

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.



Imelda Drew
President

Jeffrey L. Esler
Executive Director

Financial

Section

- ◆ Independent Auditor's Report
- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statements
 - ❖ Government-Wide Financial Statements
 - ❖ Fund Financial Statements
- ◆ Notes to Financial Statements
- ◆ Combining and Individual Fund Statements
- ◆ Capital Assets

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

Independent Auditor's Report

To the Board of Trustees of the
Washoe County School District
Washoe County, Nevada

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Washoe County School District, Washoe County, Nevada (the "District") as of and for the year ended June 30, 2002, which collectively comprise the District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the management of the District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2002, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Special Education Fund, Debt Service Fund and the 1999 Bond Capital Projects 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 10, 2002 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual nonmajor fund statements and schedules and the Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules and the Schedule of Expenditures of Federal Awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Introductory Section and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements. Accordingly, we do not express an opinion on them.

Kafoury, Armstrong & Co.

Reno, Nevada
October 10, 2002

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Washoe County School District's discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activities, (c) identify changes in the District'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

- ❑ GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* was implemented for these financial reports. This statement provides Washoe County School District's financial information on a government-wide basis for the first time, enhancing analysis, short and long-term, and accountability for the use of total resources.
- ❑ The auditor's report offers an unqualified opinion on the financial statements, the highest opinion that can be attained.
- ❑ Government-wide net assets reached \$124 million.
- ❑ Unrestricted net assets total \$(14.4) million. The negative unrestricted net assets result from the unfunded long-term obligations in the form of compensated absences totaling \$17.7 million and early separation incentives totaling \$2.3 million.
- ❑ The District's total revenues were \$389.8 million. The greatest revenues are local school support taxes (sales tax) at \$112.3 million, property tax (Ad Valorem) at \$102.6 and state aid at \$75 million.
- ❑ The District's total expenses were \$383 million. The greatest expenses were in regular instruction at \$180.2 million, operation and maintenance at \$32.5 million and special education instruction at \$30.1 million.
- ❑ Net capital assets increased to \$394 million. Major additions included \$8.2 million for Damonte Ranch High School (11% completed), \$7.1 million for Rollan Melton Elementary, \$6.4 million for Double Diamond Elementary, \$5.8 million for older school improvements and \$1.2 million for the Regional Technical Institute (50% completed). For the first time, depreciation is reflected on all District owned assets and current infrastructure is recorded. Depreciation expense totaling \$8.9 million is included in the government-wide statements.
- ❑ The District's debt decreased by \$(12.7) million or (3.45)%.
- ❑ The District has an A2 bond rating with a stable outlook from Moody's Investor Service and is rated A with a negative outlook from Standard and Poor's Corporation. While the rating agencies have a confident view of the District's overall financial picture, they are concerned with the low General Fund reserves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide an overview of the District's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

The Statement of Activities presents information showing how the District's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods.

In many government entities, the government-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges by reporting them as business-type activities. The District has no functions in the business-type category resulting in the entire statement representing governmental activities.

Fund Financial Statements

The Fund Financial Statements presentation is more familiar. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide statements described above. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. To provide a better understanding of the relationship between the fund statements and the government-wide statements, both the governmental fund balance sheet and governmental fund statement of revenues, expenditures and changes in fund balances provide reconciliations between the two statement types.

The focus of the governmental fund statements is on major funds. The District has 31 individual governmental funds of which the general, special education, debt service and 1999 bond funds are considered major. These funds are disclosed separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances. The remaining 27 nonmajor governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for each of these nonmajor funds is reported in combining statements in the supplementary information section of this report.

Proprietary funds are comprised of enterprise funds and internal service funds. As reported previously, the District has no business-type activities to be accounted for in enterprise funds. Internal service funds are used to accumulate and allocate costs internally among the District's various programs and functions. The District uses three internal service funds to account for the self-insured cost of property and casualty, employees' health care and workers' compensation. Because internal service fund operations primarily benefit governmental funds, they are included in the governmental fund activities column in the government-wide statements.

All three internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the combining statements in the supplementary information section of this report

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

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Notes to the Financial Statements

The notes provide required disclosure and information necessary to understand the District's activities.

Other

Supplementary information, including individual fund statements and schedules providing budget to actual comparisons, are presented after the other government-wide financial statements. 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

In order to enhance analysis, comparative information is provided for assets, liabilities, net equity and revenues. Prior year comparative information for governmental activity expenses were not available, due to the pervasive changes required to implement GASB 34. We feel that, in all material respects, the prior year information provided is accurate. Complete comparative analysis will be provided in future years, when prior year information is available.

WASHOE COUNTY SCHOOL DISTRICT'S NET ASSETS

	<u>2002</u>	<u>2001</u>
Assets		
Current and other assets	\$ 169,760,989	\$ 199,769,203
Net capital assets	<u>393,892,817</u>	<u>364,111,551</u>
Total assets	563,653,806	563,880,754
Liabilities		
Current liabilities	88,233,520	81,315,579
Long-term liabilities	<u>351,024,033</u>	<u>364,909,598</u>
Total liabilities	439,257,553	446,225,177
Net Assets		
Invested in capital assets, net of related debt	99,715,396	91,720,962
Restricted	39,073,756	35,528,527
Unrestricted	<u>(14,392,899)</u>	<u>(9,593,912)</u>
Total net assets	<u>\$ 124,396,253</u>	<u>\$ 117,655,577</u>

For more detailed information see the Government-Wide Statement of Net Assets and the Notes to the Financial Statements.

Net Assets: The District's assets exceeded liabilities by \$124.4 million at June 30, 2002. The largest portion of net assets (80.2%) reflects its investment in capital assets (e.g., land, buildings, equipment and construction in progress) less any related debt used to acquire those assets that is still outstanding. The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

- An additional portion of the District's assets (34.4%) represents resources that are subject to external restrictions (statutory, bond covenants, or granting agency) on how they may be used. At June 30, 2002, the District had negative unrestricted net assets of \$(14.4) million. The negative unrestricted net assets result from the unfunded long-term obligations in the form of compensated absences totaling \$17.7 million and early separation incentives totaling \$2.3 million.

Governmental activities increased the District's net assets by \$6.7 million. 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 SCHOOL DISTRICT CHANGE IN NET ASSETS

	<u>2002</u>	<u>2001</u>
Revenues		
Program revenues:		
Charges for services	\$ 7,679,075	\$ 6,659,463
Operating grants and contributions	68,176,805	52,752,397
General revenues:		
Property taxes	102,617,739	98,949,656
Local school support taxes	112,258,067	110,894,639
Government service taxes	13,015,491	12,165,658
Other taxes and fees	1,516,853	1,424,169
Unrestricted investment earnings	7,363,521	11,900,472
State aid not restricted to specific purposes	75,088,119	65,294,451
Other	2,037,587	1,107,398
Total revenues	<u>389,753,257</u>	<u>361,148,303</u>
*Expenses		
Instruction:		
Regular instruction	180,196,628	-
Special instruction	30,070,560	-
Vocational instruction	6,593,175	-
Other instruction	4,767,956	-
Support services:		
Student support	17,903,382	-
Instructional staff support	13,329,522	-
General administration	5,542,329	-
School administration	18,739,572	-
Business support	3,989,647	-
Operation and maintenance	32,528,440	-
Student transportation	12,376,312	-
Central support	4,709,401	-
Other support	179,924	-
Nutrition services	12,554,171	-
Facilities Acquisition and Construction	17,369,591	-
Interest on long-term debt	22,161,971	-
Total expenses	<u>383,012,581</u>	<u>*</u>
Increase in net assets	<u>\$ 6,740,676</u>	<u>\$ *</u>

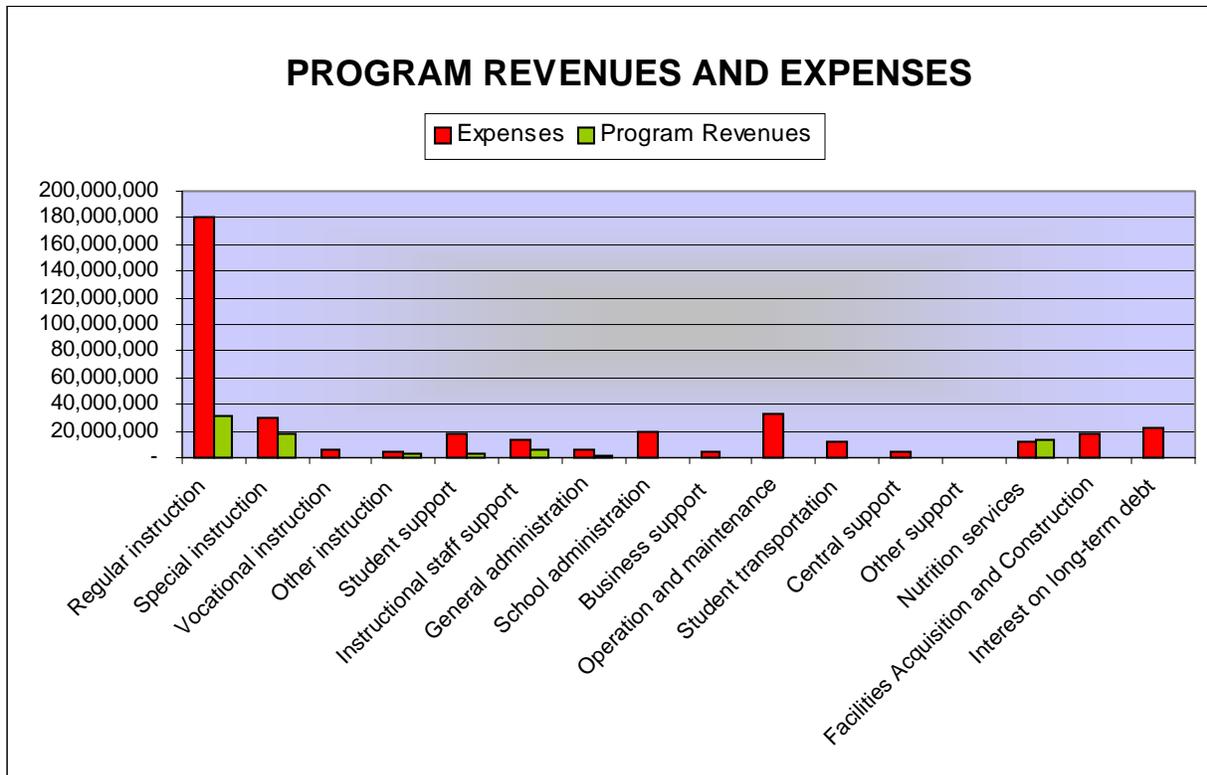
**Expenses relating to governmental activities on a functional basis were not available.*

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

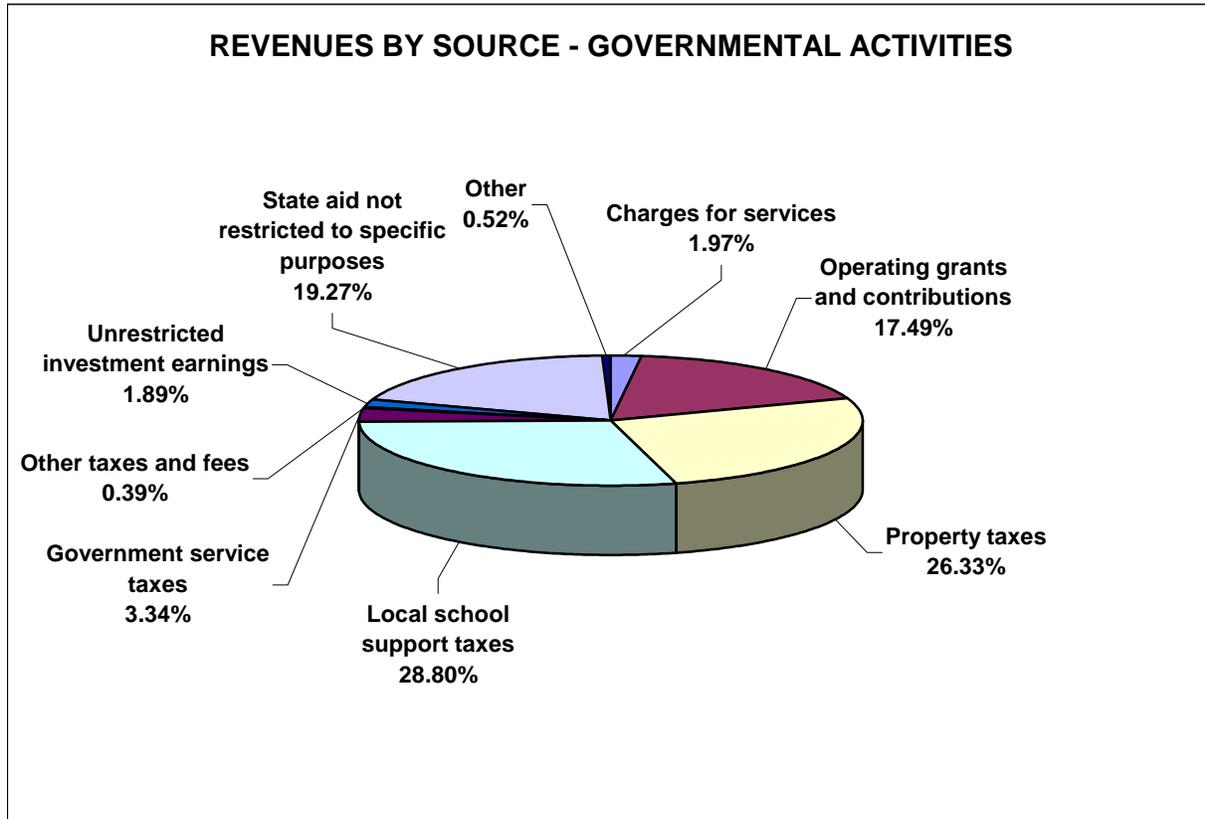
Total Revenues: Total revenue exceeded prior year revenue by 7.9%. General revenues, mainly comprised of taxes, state aid and investment earnings, represented 80.5% of total revenue. Program revenues are revenues directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings, when restricted for use in programs.

General Revenues: General revenues increased 4% from the prior fiscal year. The District experienced increases in all categories except interest due to declining rates and reduced proceeds available to invest.

Program Revenues: Program revenues related to specific functions provided an average of 19.5% of the resources necessary to pay costs of providing program services. The remaining program costs were financed from general revenues. The graph on this page demonstrates the governmental revenue expense coverage on a functional basis.



**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**



Governmental Activities:

- ❑ The largest revenue sources for the District are property taxes (Ad Valorem), local school support taxes and state guaranteed funding, which comprise 74.4% of total revenues.
- ❑ Ad valorem taxes increased 3.7% from the prior year due to increased tax collections and increases in assessed valuations.
- ❑ Local school support taxes increased 1.2% due to increased taxable sales.
- ❑ State revenue, as provided in the Nevada Plan (State aid guaranteed funding), increased 15% as a result of increased enrollment and legislative increases.

FINANCIAL ANALYSIS OF THE DISTRICT'S MAJOR FUNDS

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

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

As of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$110.4 million, a decrease of \$(35.6) million over the prior year. Of this total, approximately \$7.6 million, or 6.9%, constitutes *unreserved and undesignated fund balance*,

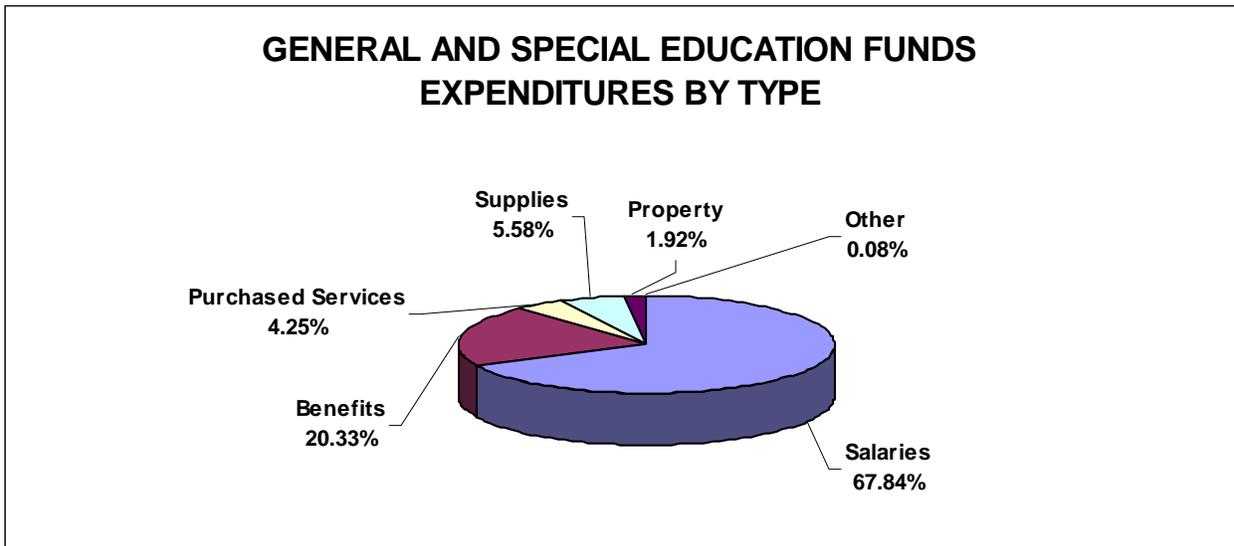
**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

which is available for spending at the District's discretion. The District has *unreserved and designated fund balances* of \$23 million for subsequent year's expenditures and \$1.8 million for general supply appropriations. The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been committed to: (1) \$45 million for construction contracts and encumbrances (contracts or purchase orders of the prior period), (2) \$24.4 million to pay debt service and sinking fund, and (3) \$8.6 million for inventories and capital leases.

In 1993 the State Legislature enacted legislation that required the special education program (previously accounted for in the general fund) to be accounted for in a separate special revenue fund. Because of its size and relationship to the general fund, it is included in the analysis below.

**GENERAL AND SPECIAL EDUCATION FUNDS
EXPENDITURES BY TYPE**

	<u>2002</u>	<u>2001</u>
Salaries	\$ 194,391,198	\$ 185,414,569
Benefits	58,255,834	54,120,652
Purchased Services	12,170,899	10,988,344
Supplies	15,991,205	14,516,353
Property	5,496,377	5,955,371
Other	<u>224,250</u>	<u>1,864,110</u>
Totals	<u>\$ 286,529,763</u>	<u>\$ 272,859,399</u>



- ❑ Salaries and wages comprise 67.8% of total expenditures. School District's by their nature are labor intensive.
- ❑ Employee benefits average 30% of salaries and wages and 20.3% of total expenditures. Benefits include contributions on the behalf of employees for retirement (Public Employees

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

Retirement), health insurance, medicare, old age survivors disability insurance (part-time employees), life insurance and workers' compensation.

- Purchased services, supplies and property comprise 11.8% of total expenditures. Details regarding variances on a fund level are available in separate reports.

The General Fund is the primary operating fund of the District. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$2.5 million, and total fund balance was \$5.4 million. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents .01% of total fund expenditures while total fund balance represents .02% of that same amount.

The fund balance of the General Fund decreased \$(4.6) million. Key factors in this change are as follows:

- Total revenues of \$271.8 exceeded prior year revenue by \$16.4 million or 6.4%, primarily due to increased property tax (3.9%), school support tax (1.2%) and state aid (15%).
- Total expenditures of \$256 million exceeded prior year by \$11.5 million or 4.7%. Salaries and wages increased 4.9% as a result of District growth and movement on the salary schedules. The District entered into a two-year salary contract with all bargaining groups which provides Cost of Living Increases (COLA's) next fiscal year, with the exception of school police, who were provided COLA's this year and next. Employee benefits exceeded the previous year by 7.6% due largely to corresponding increases in salaries and a 13.2% increase in health insurance costs.
- Operating (non-salary) categories increased by \$2.1 million or 6.2% (adjusted for change in debt service reporting) from the prior year. The increase was due primarily to the increased costs for property and casualty premiums. Additionally the added costs of new facilities and increased utility costs accounted for most of this increase.
- The excess of revenues over expenditures was \$15.8 million. Transfers to other funds were \$20.4 million. Significant transfers included \$16.7 million to the Special Education Fund and \$1.5 million to the Health Insurance Fund.

The Special Education Fund accounts for resources (state-aid and transfers from the general fund) used to provide special education to eligible students. This fund has no fund balance as the District only transfers the amount needed to cover expenditures not provided by the State. Resources and expenditures totaled \$30.6 million, which exceeded the prior year by \$2.2 million or 7.7%. State aid totaling \$13.9 million and transfers from the general fund of \$16.7 million, accounted for all the resources in the fund.

The Debt Service Fund has a total fund balance of \$27.6 million, all of which is reserved for the payment of debt service. The increase of \$1.9 million in fund balance during the current year resulted from increased property tax collections and unspent proceeds from refunded capital leases.

The 1999 Capital Projects Fund represents the \$110 million of the \$178 million 1998 voter approved bonds for the construction of elementary and high schools along with older school capital improvements. This fund has a total fund balance of \$62.1 million, which consists of unspent bond proceeds and investment income, which will be applied to various capital

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

projects. During the year \$33.7 million was expended on the construction of two new elementary schools (Rollan Melton and Double Diamond). Additionally, the construction of Damonte Ranch High School (11% completed), the renovation of older schools and the remodel of the Regional Technical Institute (50% completed) accounted for most of the expenditures during the year. Major capital projects budgeted for subsequent fiscal years include the completion of Damonte Ranch High School and the Regional Technical Institute. Additionally, a new elementary school in Incline, the Gerlach school addition and the renovation of older schools will be constructed utilizing the remaining balance in this fund.

Proprietary Funds: The proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The District's self-insured Property and Casualty, Health Insurance and Workers' Compensation Internal Service Funds had a deficit Net Asset balance of \$(291,122). This deficit is primarily due to the Health Insurance Fund, which has a deficit Net Asset balance of \$(412,844) compared to \$(1,073,884) in the prior year. Additionally, the Property and Casualty Fund has a balance of \$119,372 compared to a deficit balance in the prior year of \$(51,590). The Workers' Compensation Fund finished the year with a balance of \$2,350 compared to \$34,088 in the prior year.

The District is committed to eliminating the deficit balance in this fund. As part of this process, the District worked to secure additional health care funding in the State Legislature last session. Additionally, the District continues its efforts to adjust premiums and modify benefits to address the national problem of increased health care costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Prior to the beginning of the fiscal year, the District adopts its original budget on or before June 8. The District is required to amend the budget by January 1 of the fiscal year to reflect the official enrollment count. During the year, the Chief Financial Officer is authorized to transfer appropriations between accounts and funds, subject to the subsequent approval by the Board. The District may also augment the budget by a majority vote of the Board if anticipated resources actually available during the year exceed those estimated.

The District amended the budget on December 11, 2001 to reflect actual enrollment and other increases in anticipated resources. The District also augmented the budget on June 25, 2002. The significant changes from the original to the final budget are summarized below.

- ❑ \$7.4 million for reserved and designated opening fund balances utilized for prior year commitments.
- ❑ \$1.4 million in revenue to adjust for enrollment in excess of projections. This revenue was used to provide for additional staffing related to enrollment growth and employee relations.
- ❑ \$1.3 million in revenue from State special appropriations. This revenue was provided for increased health insurance and utility costs.
- ❑ \$1 million in miscellaneous revenue and \$200,000 for State special appropriations. The miscellaneous revenue was to provide for salary and benefit reimbursements and the special appropriation was for utility increases.
- ❑ \$600,000 transfer from the contingency account to provide for increased cost related to the property and casualty insurance fund.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2002 amounts to \$393.9 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, construction in progress and infrastructure. The total increase in the District's investment in capital assets for the current fiscal year was 8.2%. The major capital additions this fiscal year included:

Damonte Ranch High School	\$8.2 million	Melton Elementary	\$7.1 million
Double Diamond Elementary	6.4	Older School Improvements	5.8
Regional Technical Institute	1.2		

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

	<u>2002</u>	<u>2001</u>
Land	\$ 24,948,956	\$ 24,231,724
Construction in progress	4,969,655	47,788,255
Buildings	355,955,151	284,659,859
Machinery and equipment	8,019,055	7,431,714
Total	<u>\$ 393,892,817</u>	<u>\$ 364,111,552</u>

WASHOE COUNTY SCHOOL DISTRICT OUTSTANDING DEBT

	<u>2002</u>	<u>2001</u>
General Obligation Bonds	\$ 335,985,000	\$ 355,190,000
Capital Lease Obligations	15,663,851	11,592,733
Qualified Zone Academy Bonds	5,486,899	3,100,000
Total	<u>\$ 357,135,750</u>	<u>\$ 369,882,733</u>

The District's outstanding debt decreased by \$12.7 million during the current fiscal year primarily due to payments for general obligation bonds. The District also added new capital leases and Qualified Zone Academy Bonds.

State statute (NRS 387.400) limits the amount of general obligation debt a school district may issue to 15% of its total assessed valuation. The current limitation for the Washoe County School District is \$1.1 billion, which is significantly in excess of the District's outstanding general obligation debt.

Additional information on Washoe County School District's long-term debt can be found in the notes to the financial statements of this report.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Washoe County School District is the second largest county school district in the State of Nevada. The District's funding primarily comes from local ad valorem, sales and government services taxes. Additionally, the State provides funding on a per pupil basis. With this background, the following factors are provided:

- ❑ The guaranteed basic support per pupil revenue amount as provided through the State's Distributive School Account (DSA) is \$3,865 per student, an increase of \$88 over the prior year. Total revenue per pupil for the General Fund is \$4,861 and represents an increase of \$117 per pupil.
- ❑ The District will receive \$2.7 million of special appropriations for excess health insurance, higher utilities and at-risk needs in FY 2002-03.
- ❑ The District unweighted enrollment is 58,909 in FY 2002-03 or 2.3% more students than the prior year.
- ❑ District expenditures include the additional cost to operate two new elementary schools and a 2.5% negotiated salary increase for employees in FY 2002-03.

With the projected growth in enrollment, the increases in basic support per pupil funding, increase in special education funding and other small revenue increases, the General Fund Budget for FY 2002-03 will increase by \$16,242,825 or 6.0% over the prior year. Unfortunately, the District's initial expenditure projections required an additional \$24.8 million to provide for ongoing costs, negotiated salary and benefit increases as well as other fixed/mandated cost increases.

Because these necessary and essential commitments exceeded the available resources, the District implemented a very thorough budget realignment process. This process allowed for a very thorough analysis of the District's budget and identified areas where the District could reduce costs with minimal impact to the educational process. The realignment process trimmed \$8.5 million from the budget resulting in a balanced budget for FY 2002-03.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the Washoe County School District's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Gary S. Kraemer, Chief Financial Officer, P.O. Box 30425, Reno, NV 89520-3425. Effective January 1, this report will also be available on the web site at www.washoe.k12.nv.us.

Basic Financial Statements

- ◆ Government-Wide Financial Statements
 - ❖ Statement of Net Assets
 - ❖ Statement of Activities

- ◆ Fund Financial Statements
 - ❖ Governmental Funds
 - ❖ Proprietary Funds
 - ❖ Fiduciary Funds

**WASHOE COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2002**

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets:	
Cash and investments	\$ 136,535,627
Receivables:	
Property taxes	1,631,630
Interest	257,749
Grants	5,132,244
Miscellaneous	486,242
Due from other governments	23,158,567
Inventories	1,295,675
Prepaid expenditures	1,082,457
Due from fiduciary funds	43,823
Total current assets	169,624,014
Noncurrent assets:	
Restricted Cash	136,975
Capital Assets	505,327,229
Less: Accumulated Depreciation	(111,434,412)
Total noncurrent assets	394,029,792
Total assets	563,653,806
LIABILITIES	
Current liabilities:	
Accounts payable	3,700,958
Accrued liabilities	35,278,007
Construction contracts payable	5,892,457
Interest payable	2,269,416
Due to other governments	7,567
Deferred revenues	1,996,747
Current portion of long-term obligations	39,088,368
Total current liabilities	88,233,520
Noncurrent liabilities:	
General obligation bonds payable	335,985,000
Deferred premiums	2,253,461
Arbitrage payable	1,840,952
Capital leases payable	21,150,750
Accrued compensated absences	17,676,733
Accrued early separation incentive stipends	2,621,422
Accrued self-insurance pending claims	8,584,083
Less: current portion of long-term obligations	(39,088,368)
Total noncurrent liabilities	351,024,033
Total liabilities	439,257,553
NET ASSETS	
Invested in capital assets, net of related debt	99,715,396
Restricted for:	
Debt service	24,589,076
Capital projects	12,289,918
Special revenue funds	2,194,762
Unrestricted	(14,392,899)
Total net assets	\$ 124,396,253

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

**WASHOE COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
Governmental activities:				
Instruction:				
Regular instruction	\$ 180,196,628	\$ 221,483	\$ 31,128,186	\$ (148,846,959)
Special instruction	30,070,560	-	17,175,427	(12,895,133)
Vocational instruction	6,593,175	-	-	(6,593,175)
Other instruction	4,767,956	934,942	1,791,950	(2,041,064)
Total instruction	221,628,319	1,156,425	50,095,563	(170,376,331)
Support services:				
Student support	17,903,382	-	2,416,569	(15,486,813)
Instructional staff support	13,329,522	205,004	5,861,743	(7,262,775)
General administration	5,542,329	-	1,145,578	(4,396,751)
School administration	18,739,572	142,112	266,392	(18,331,068)
Business support	3,989,647	-	-	(3,989,647)
Operation and maintenance	32,528,440	-	392,945	(32,135,495)
Student transportation	12,376,312	-	626,025	(11,750,287)
Central support	4,709,401	-	63,377	(4,646,024)
Other support	179,924	-	167,506	(12,418)
Nutrition services	12,554,171	6,175,534	7,141,107	762,470
Facilities acquisition and construction	17,369,591	-	-	(17,369,591)
Interest on long-term debt	22,161,971	-	-	(22,161,971)
Total support	161,384,262	6,522,650	18,081,242	(136,780,370)
Total school district	\$ 383,012,581	\$ 7,679,075	\$ 68,176,805	\$ (307,156,701)
General revenues:				
Property taxes, levied for general purposes			\$	67,254,919
Property taxes, levied for debt service				35,362,820
Local school support taxes				112,258,067
Government service taxes for general purposes				10,338,568
Government service taxes for capital purposes				2,676,923
Franchise taxes				230,353
Other taxes and fees				1,286,500
Unrestricted investment earnings				7,363,521
Gain on the sale of capital assets				359,496
State aid not restricted to specific purposes				75,088,119
Other local sources				1,524,817
Federal aid not restricted to specific purposes				153,274
Total general revenues				313,897,377
Change in net assets				6,740,676
NET ASSETS - JULY 1				117,655,577
NET ASSETS - JUNE 30			\$	124,396,253

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2002**

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND
ASSETS			
Cash and investments	\$ 7,749,759	\$ 3,890,341	\$ 27,652,052
Receivables:			
Property taxes	1,158,213	-	473,417
Interest	38,197	-	199,671
Grants	65,298	-	-
Miscellaneous	92,663	-	-
Due from other funds	2,640,493	-	-
Due from other governments	22,846,706	68,076	-
Inventories	643,784	-	-
Cash - Restricted	-	-	136,975
	<u>35,235,113</u>	<u>3,958,417</u>	<u>28,462,115</u>
Total assets	\$ <u>35,235,113</u>	\$ <u>3,958,417</u>	\$ <u>28,462,115</u>
LIABILITIES			
Accounts payable	\$ 2,021,017	\$ 941	\$ 62,482
Accrued liabilities	26,533,039	3,929,677	370,137
Construction contracts payable	-	-	-
Due to other funds	176,910	27,799	-
Due to other governments	-	-	-
Deferred revenues	1,070,829	-	462,747
	<u>29,801,795</u>	<u>3,958,417</u>	<u>895,366</u>
Total liabilities	<u>29,801,795</u>	<u>3,958,417</u>	<u>895,366</u>
FUND BALANCES			
Reserved for:			
Encumbrances	1,274,050	-	-
Inventories	643,784	-	-
Capital leases	1,000,000	-	3,201,828
Construction contracts	-	-	-
Debt service	-	-	24,227,946
Sinking fund	-	-	136,975
Unreserved, reported in:			
General fund	2,515,484	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
	<u>5,433,318</u>	<u>-</u>	<u>27,566,749</u>
Total fund balances	<u>5,433,318</u>	<u>-</u>	<u>27,566,749</u>
Total liabilities and fund balances:	\$ <u>35,235,113</u>	\$ <u>3,958,417</u>	\$ <u>28,462,115</u>

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

1999 BOND CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 70,271,998	\$ 18,569,971	\$ 128,134,121
-	-	1,631,630
-	11,382	249,250
-	5,066,946	5,132,244
-	211,912	304,575
-	-	2,640,493
-	243,785	23,158,567
-	651,891	1,295,675
-	-	136,975
<u>\$ 70,271,998</u>	<u>\$ 24,755,887</u>	<u>\$ 162,683,530</u>
\$ 323,276	\$ 1,095,479	\$ 3,503,195
2,154,861	3,806,895	36,794,609
5,723,738	168,719	5,892,457
115	2,620,222	2,825,046
-	7,567	7,567
-	1,684,004	3,217,580
<u>8,201,990</u>	<u>9,382,886</u>	<u>52,240,454</u>
5,022,672	1,011,642	7,308,364
-	651,891	1,295,675
-	3,170,168	7,371,996
35,705,268	2,024,168	37,729,436
-	-	24,227,946
-	-	136,975
-	-	2,515,484
-	1,294,478	1,294,478
<u>21,342,068</u>	<u>7,220,654</u>	<u>28,562,722</u>
<u>62,070,008</u>	<u>15,373,001</u>	<u>110,443,076</u>
<u>\$ 70,271,998</u>	<u>\$ 24,755,887</u>	<u>\$ 162,683,530</u>

**WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2002**

Total Fund Balances for Governmental Funds \$ 110,443,076

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

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.

Governmental capital assets	\$ 505,327,229	
Less accumulated depreciation	<u>(111,434,412)</u>	
		393,892,817

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

Certificates of Participation issuance costs	869,573	
Less current year amortization	<u>(1,787)</u>	
		867,786

Bond issuance costs	216,650	
Less current year amortization	<u>(1,979)</u>	
		214,671

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

Governmental bonds payable	(335,985,000)	
Bond Premium	(2,274,230)	
Less current year amortization	20,769	
Capital leases payable	(21,150,750)	
Compensated absences	(17,676,733)	
Early separation incentive stipends	<u>(2,621,422)</u>	
		(379,687,366)

Interest payable		(2,269,416)
------------------	--	-------------

Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds. 1,225,807

Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities. (291,122)

Total Net Assets of Governmental Activities \$ 124,396,253

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>	<u>DEBT SERVICE FUND</u>
REVENUES			
Local sources	\$ 194,662,348	\$ -	\$ 35,327,857
State sources	76,568,120	13,887,475	-
Federal sources	515,713	-	-
Other sources	14,996	-	1,403,414
	<u>271,761,177</u>	<u>13,887,475</u>	<u>36,731,271</u>
Total revenues			
EXPENDITURES			
Current:			
Regular programs	148,089,728	-	-
Special programs	-	26,650,489	-
Vocational programs	6,564,020	-	-
Other instructional programs	2,930,266	-	-
Adult education programs	-	-	-
Food service operations	-	-	-
Community service programs	-	-	-
Undistributed expenditures:			
Student support	14,951,115	474,678	-
Instructional staff support	6,684,918	535,714	-
General administration	5,502,641	-	-
School administration	18,175,805	85,230	-
Business support	3,523,634	-	-
Operation and maintenance	35,662,590	41,226	-
Student transportation	9,276,802	2,765,400	-
Central support	4,615,507	-	-
Other support	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	20,028,992
Interest	-	-	19,863,055
Other	-	-	1,105,185
	<u>255,977,026</u>	<u>30,552,737</u>	<u>40,997,232</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>15,784,151</u>	<u>(16,665,262)</u>	<u>(4,265,961)</u>

1999 BOND CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 4,673,053	\$ 11,239,250	\$ 245,902,508
-	25,057,488	115,513,083
-	26,316,145	26,831,858
-	-	1,418,410
<hr/> 4,673,053	<hr/> 62,612,883	<hr/> 389,665,859
-	31,277,090	179,366,818
-	3,287,952	29,938,441
-	-	6,564,020
-	-	2,930,266
-	1,090,042	1,090,042
-	12,576,917	12,576,917
-	701,908	701,908
-	2,416,569	17,842,362
-	6,048,053	13,268,685
-	-	5,502,641
-	408,504	18,669,539
299,673	160,404	3,983,711
-	58,522	35,762,338
-	100,000	12,142,202
-	63,377	4,678,884
-	167,506	167,506
33,370,773	12,037,259	45,408,032
-	-	20,028,992
-	29,500	19,892,555
-	-	1,105,185
<hr/> 33,670,446	<hr/> 70,423,603	<hr/> 431,621,044
<hr/> (28,997,393)	<hr/> (7,810,720)	<hr/> (41,955,185)

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002**

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND
OTHER FINANCING SOURCES (USES)			
Capital leases	5,661	-	-
Refunded capital leases	-	-	9,710,001
Payments for refunded capital leases	-	-	(5,959,017)
Refunding bonds issued	-	-	46,939,230
Payments for refunded bonds	-	-	(46,707,069)
Operating transfers in	-	16,665,262	2,225,493
Operating transfers out	(20,419,591)	-	-
Total other financing sources (uses)	(20,413,930)	16,665,262	6,208,638
Net change in fund balances	(4,629,779)	-	1,942,677
FUND BALANCE, July 1	10,063,097	-	25,624,072
FUND BALANCE, June 30	\$ 5,433,318	\$ -	\$ 27,566,749

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

1999 BOND CAPITAL PROJECTS FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
-	3,939,908	3,945,569
-	-	9,710,001
-	-	(5,959,017)
-	-	46,939,230
-	-	(46,707,069)
-	130,000	19,020,755
-	(130,000)	(20,549,591)
-	3,939,908	6,399,878
(28,997,393)	(3,870,812)	(35,555,307)
91,067,401	19,243,813	145,998,383
\$ 62,070,008	\$ 15,373,001	\$ 110,443,076

**WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2002**

Net Change in Fund Balances - Governmental Funds	\$	(35,555,307)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Expenditures for capital assets	\$ 40,212,360	
Less current year depreciation	<u>(8,888,265)</u>	
		31,324,095
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund statements.		
Donated capital assets		31,700
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		
		20,028,992
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		(2,269,416)
Because some property taxes will not be collected in time to pay for obligations of the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. These revenues are accounted for as revenue in the statement of activities.		
		50,594
Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets.		
		(3,945,569)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold.		
		(15,665)
Issuance of long-term debt (e.g. refunding debt) provides current financial resources to the governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. The net effect of these transactions are deferred and amortized in the statement of activities.		
Certificates of Participation (includes principal outstanding of \$2,881,410)	(3,750,984)	
Refunding Bonds	<u>(232,161)</u>	
		(3,983,145)
Amortization of current year bond premium		20,769
Costs associated with the issuance of long-term debt and any discount or premium realized at the time of incurring debt are recognized as an expenditure and other financing source or use respectively in the governmental funds. These items are accrued and deferred in the statement of activities and amortized over the life of the new debt.		
Certificates of Participation:		
Issuance costs	869,573	
Amortization of current year debt issuance costs	<u>(1,787)</u>	
		867,786
Refunding Bonds:		
Issuance costs	216,650	
Amortization of current year debt issuance costs	<u>(1,979)</u>	
		214,671
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term early separation incentive stipends	(61,604)	
Change in long-term compensated absences	<u>(767,489)</u>	
		(829,093)
Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The net revenue of the internal service funds is reported with governmental activities.		
		<u>800,264</u>
Change in Nets Assets of Governmental Activities	\$	<u><u>6,740,676</u></u>

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

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local sources	\$ 202,647,497	\$ 202,680,927	\$ 194,662,348	\$ (8,018,579)
State sources	65,634,718	69,611,716	76,568,120	6,956,404
Federal sources	495,000	495,000	515,713	20,713
Other sources	8,000	13,662	14,996	1,334
	<u>268,785,215</u>	<u>272,801,305</u>	<u>271,761,177</u>	<u>(1,040,128)</u>
EXPENDITURES				
Current:				
Regular programs	145,836,041	149,081,472	148,089,728	991,744
Vocational programs	6,754,287	6,582,646	6,564,020	18,626
Other instructional programs	2,918,697	3,147,580	2,930,266	217,314
Undistributed expenditures:				
Student support	15,256,907	15,155,601	14,951,115	204,486
Instructional staff support	6,773,666	6,779,297	6,684,918	94,379
General administration	4,614,206	5,707,085	5,502,641	204,444
School administration	18,582,764	18,408,597	18,175,805	232,792
Business support	3,786,618	3,743,772	3,523,634	220,138
Operation and maintenance	32,045,354	37,531,230	35,662,590	1,868,640
Student transportation	9,431,989	10,055,153	9,276,802	778,351
Central support	4,724,036	4,936,240	4,615,507	320,733
Debt service:				
Principal	1,384,098	-	-	-
Interest	684,369	-	-	-
	<u>252,793,032</u>	<u>261,128,673</u>	<u>255,977,026</u>	<u>5,151,647</u>
Excess (deficiency) of revenues over expenditures	<u>15,992,183</u>	<u>11,672,632</u>	<u>15,784,151</u>	<u>(6,191,775)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	5,661	5,661
Contingency	(600,000)	-	-	-
Operating transfers out	(17,184,558)	(20,697,461)	(20,419,591)	277,870
	<u>(17,784,558)</u>	<u>(20,697,461)</u>	<u>(20,413,930)</u>	<u>283,531</u>
Net change in fund balances	(1,792,375)	(9,024,829)	(4,629,779)	4,395,050
FUND BALANCE, July 1	<u>2,442,375</u>	<u>10,063,097</u>	<u>10,063,097</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 650,000</u>	<u>\$ 1,038,268</u>	<u>\$ 5,433,318</u>	<u>\$ 4,395,050</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL EDUCATION - SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources	\$ 13,699,489	\$ 13,819,397	\$ 13,887,475	\$ 68,078
EXPENDITURES				
Current:				
Special programs	25,481,738	26,877,802	26,650,489	227,313
Undistributed expenditures:				
Student support	382,089	491,658	474,678	16,980
Instructional staff support	507,078	573,789	535,714	38,075
School administration	83,357	85,272	85,230	42
Operation and maintenance	43,677	41,239	41,226	13
Student transportation	2,942,057	2,848,654	2,765,400	83,254
Total expenditures	<u>29,439,996</u>	<u>30,918,414</u>	<u>30,552,737</u>	<u>365,677</u>
Excess (deficiency) of revenues over expenditures	<u>(15,740,507)</u>	<u>(17,099,017)</u>	<u>(16,665,262)</u>	<u>(297,599)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	<u>15,740,507</u>	<u>17,099,017</u>	<u>16,665,262</u>	<u>(433,755)</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2002**

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS	
Current assets:	
Cash and investments	\$ 8,401,506
Accounts receivable	181,667
Interest receivable	8,499
Due from other funds	228,391
Total assets	8,820,063
 LIABILITIES	
Current liabilities:	
Accounts payable	197,763
Accrued liabilities	324,350
Pending claims	6,015,921
Deferred revenues	4,974
Due to other funds	15
Total current liabilities	6,543,023
Noncurrent liabilities:	
Pending claims	2,568,162
Total liabilities	9,111,185
 NET ASSETS	
Unrestricted	(291,122)
Total net assets	\$ (291,122)

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

**WASHOE COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN FUND NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2002**

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES:	
Charges for services	\$ <u>38,637,193</u>
OPERATING EXPENSES:	
Salaries and benefits	54,109
Employee benefits	33,624,624
Services and supplies	<u>5,798,632</u>
Total operating expenses	<u>39,477,365</u>
Operating income (loss)	<u>(840,172)</u>
NONOPERATING REVENUES:	
Earnings on investments	<u>111,600</u>
Total nonoperating revenues	<u>111,600</u>
Income (loss) before transfers	<u>(728,572)</u>
TRANSFERS IN (OUT)	
Transfers in	<u>1,528,836</u>
Total transfers in (out)	<u>1,528,836</u>
Change in net assets	800,264
NET ASSETS - JULY 1, AS ADJUSTED	<u>(1,091,386)</u>
NET ASSETS - JUNE 30	\$ <u><u>(291,122)</u></u>

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

**WASHOE COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2002**

	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	
Cash Flows from Operating Activities:	
Cash received for services	\$ 38,780,741
Cash paid for salaries and benefits	(54,109)
Cash payments for employee benefits	(33,218,602)
Cash payments for claims and services	<u>(5,340,188)</u>
Net cash provided (used) by by operating activities	<u>167,842</u>
Cash Flows from Noncapital Financing Activities:	
Transfer from General Fund	<u>1,528,836</u>
Net cash provided by noncapital financing activities	<u>1,528,836</u>
Cash Flows from Investing Activities:	
Interest received on investments	<u>117,917</u>
Net increase (decrease) in cash and cash equivalents	<u>1,814,595</u>
Cash and cash equivalents, beginning of year	<u>6,586,911</u>
Cash and cash equivalents, end of year	<u><u>\$ 8,401,506</u></u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS	
Operating (loss)	\$ <u>(840,172)</u>
Adjustments to reconcile operating (loss) to net cash provided (used) by operations:	
Changes in assets and liabilities:	
Accounts Receivable	240,460
Due from other funds	(92,837)
Accounts payable	156,768
Accrued liabilities	(601,279)
Pending claims	1,308,982
Deferred revenue	(4,075)
Due to other funds	<u>(5)</u>
Total adjustments	<u>1,008,014</u>
Net cash provided (used) by operations	<u><u>\$ 167,842</u></u>

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

**WASHOE COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2002**

	PRIVATE- PURPOSE TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and investments	\$ 634,114	\$ 5,703,106
Accounts receivable	-	52,255
Total assets	634,114	5,755,361
 LIABILITIES		
Accrued liabilities	114	698,050
Due to student groups	-	5,013,488
Due to other funds	-	43,823
Total liabilities	114	5,755,361
 NET ASSETS		
Reserved for scholarships	\$ 634,000	\$ -

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

**WASHOE COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>PRIVATE- PURPOSE TRUST FUND</u>
ADDITIONS	
Contributions:	
Donations	\$ 94,016
Interest	<u>16,616</u>
Total additions	<u>110,632</u>
DEDUCTIONS	
Benefits	55,480
Administrative expenses	<u>14,194</u>
Total deductions	<u>69,674</u>
Change in net assets	40,958
Net assets - July 1	<u>593,042</u>
Net assets - June 30	<u>\$ <u>634,000</u></u>

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

Notes To

Financial Statements

The notes provide required disclosure and information necessary to understand the District's activities.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies:

The accompanying financial statements of the Washoe County School District, Washoe County, Nevada (the "District") 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 existing Government and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*. Certain of the significant changes in this Statement include the following:

1. For the first time the financial statements include:
 - (a) A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
 - (b) Financial statements prepared using full accrual accounting for all District activities.
2. A change in the fund financial statements to focus on major funds.

These and other changes are reflected in the accompanying financial statements (including notes to the financial statements).

Reporting Entity:

The District is organized under terms of legislation enacted in 1956 creating the countywide school districts. The governing board consists of seven members elected by the voters in the district for four-year terms, and has authority to adopt and administer budgets. The District receives funding from Local, State, and Federal government sources and must comply with the related requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity," since trustees are elected by the public, it is a legally separate government and it is fiscally independent of any other governmental entity. In addition, the District is not financially accountable for any other entity.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Basic Financial Statements – Government-wide Statements

The basic financial statements include both government-wide (based on the District as a whole) and fund financial statements. While the previous model emphasized fund financial types (the total of all funds of a particular type), in the new reporting model the focus is on either the District as a whole or major individual funds (within the fund financial statements).

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the District. For the most part, the effect of interfund activity 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.

In the government-wide Statement of Net Assets, the governmental activities column is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net assets are reported in three parts – invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The District 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 District's functions. The functions are also supported by the general government revenues (Ad Valorem taxes, School support taxes, Distributive School funds, government services tax and interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Program revenue must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenue. Historically, the previous reporting model did not summarize or present net cost by function or activity.

Basic Financial Statements – Fund Financial Statements:

The financial transactions of the District 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. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are intended and the means by which spending activities are controlled. 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.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

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

The District's internal service funds are presented in the proprietary fund's financial statements. Because the principal users of the internal services are the District's governmental activities, the financial statements of the internal services 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 District'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 District, these funds are not incorporated into the government-wide statements.

The District uses the following funds:

1. Major Funds:

Governmental Funds:

- **General Fund** - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

- **Special Education Fund** - The Special Education Fund accounts for transactions of the District relating to educational services provided to children with special needs supported by state and local sources.
- **Debt Service Fund** - The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt, capital leases and other debt of governmental activities.
- **1999 Bond Capital Projects Fund** - The 1999 Bond Capital Projects Fund accounts for the 1999 bond proceeds which were to be used for the acquisition or construction of major capital facilities, and for major improvements to the District's existing facilities.

Additionally the District reports the following fund types:

Proprietary Funds:

- **Internal Service Funds** - The Internal Service Funds account for the financing of services provided by one department to other departments of the District on a cost-reimbursement basis. Currently, there are three District Internal Service Funds.

Property Casualty – accounts for self-insurance fees to provide property and liability insurance.

Health Insurance – accounts for the self-funded health plan and other contractual health insurance plans.

Workers' Compensation – accounts for the self-insurance fees to provide workers' compensation.

Fiduciary Funds:

Private Purpose Trust Fund accounts for resources legally held in trust for use for scholarships.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Agency Funds account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or students.

Special Revenue Funds:

The Special Revenue Funds are used to account for proceeds of specific revenue sources (other than private purpose trust or major capital projects) that are legally restricted to expenditures for specified purposes.

Capital Projects Funds:

The Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by special revenues) and for major improvements to the District's existing facilities.

Basis of Accounting/Measurement Focus:

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 timing of revenues and how expenditures/expense are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as 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 government 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

WASHOE COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Most major sources of revenue reported in governmental funds are susceptible to accrual under the modified accrual basis of accounting. Below is a summary of revenue recognition policies for all major revenue sources.

Type of Revenue	Accrued When Measurable and Available	Recognized When Received	Accrued When Earned
AD VALOREM TAXES	X		
LOCAL SCHOOL SUPPORT TAX	X		
GOVERNMENT SERVICES TAXES	X		
DISTRIBUTIVE SCHOOL FUND	X		
INTEREST			X
GRANTS-IN-AID			X
MISCELLANEOUS REVENUE		X	

Proprietary Funds:

Proprietary Funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount, which will ultimately be paid each claimant. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the program. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

Fiduciary Funds:

The accounting records for the Private Purpose Trust Fund and the agency funds are maintained on the economic resources measurement focus and accrual basis of accounting.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Property Taxes:

All real property in Washoe County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is being assessed at 35 percent of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. The maximum tax rate was established in the State Constitution at \$5 per \$100 of assessed valuation; however, as a result of legislative action the tax rate has been further limited to \$3.64 per \$100 of assessed value except in cases of severe financial emergency as defined in NRS 354.705.

Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August and the first Mondays in October, January, and March to the Treasurer of Washoe County in which the District is located. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges.

Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest, and costs before sale.

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 fiscal year 2000-01 have been written off.

Budgets and Budgetary Accounting:

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- (1) Prior to April 15, the Superintendent submits to the Board of Trustees and to both the Nevada Department of Taxation and Department of Education a tentative budget for the fiscal year commencing the following July 1. The tentative budget includes proposed expenditures and the means of financing them.
- (2) Prior to the third Wednesday in May, a minimum of seven days' notice of public hearing on the final budget is published in a local newspaper. Public hearings are conducted prior to the adoption of the budget to obtain taxpayer comments.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

- (3) On or before June 8, the budget is legally adopted by a majority vote of the Board of Trustees.
- (4) On or before January 1, the Board of Trustees adopts an amended final budget reflecting any adjustments necessary as a result of the complete count of students.
- (5) NRS 354.615 provides that the Board of Trustees may augment the budget at any time by a majority vote of the Board providing the Board publishes notice of intention to act in a newspaper of general circulation in the county at least three days before the date set for adoption of the resolution.
- (6) The legal level of budgetary control is at the function level for the General Fund, Special Revenue and Capital Projects Funds, and the sum of operating and non-operating expenses in the Internal Service Funds.
- (7) The Chief Financial Officer is authorized to transfer appropriations within and between funds if amounts do not exceed the original budget. The Board of Trustees is advised of the transfer and the transfer is recorded in the minutes. Augmentations in excess of the original budget require approval from the Board of Trustees.
- (8) Formal budgetary integration is employed as a management control device for the General Fund, Special Revenue Funds, Debt Service Fund, Internal Service Funds and Capital Projects Funds. Such funds have legally adopted annual budgets which lapse at year-end. The fund balance described as "Designated for Subsequent Year's Expenditures" represents that portion of the ending fund balance, which has been obligated in the 2002-03 budget. The ensuing year's budget is augmented to provide for the payment of prior year encumbrances.
- (9) All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all funds except for the Private Purpose Trust Fund and agency funds, which do not require budgets.

All budgets presented in the accompanying supplementary information reflect the original budget and final budget (which has been adjusted for legally authorized revisions of the annual budgets during the year). Appropriations except encumbrances and unexpended grant appropriations, lapse at the end of each fiscal year.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Cash and Investments:

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. The District also voluntarily participates in the State of Nevada Local Government Investment Pool (LGIP) and Washoe County's external investment pool. Interest earned on investments is allocated to certain funds pursuant to Nevada Revised Statutes.

Investments are carried at fair value as determined by quoted market prices, net of accrued interest as provided by the pool sponsors.

Pursuant to NRS 355.170 and 355.175, the District may invest in the following types of securities:

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within ten (10) years from the date of purchase.
- Negotiable certificates of deposit from commercial banks and insured savings, loan associations and credit unions.
- Certain securities issued by local governments of the State of Nevada.
- Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States, and money market mutual funds.
- Certain obligations of state and local governments.
- State of Nevada Local Government Pool Investment Fund.
- Certain "AAA" rated mutual funds that invest in federal securities.
- Other securities expressly provided by other statutes, including repurchase agreements.

Statements of Cash Flows:

For purposes of the statements of cash flows, the District considers all short-term highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Inventories:

Inventories for the General Fund and the Nutrition Services Special Revenue Fund are maintained on a consumption basis of accounting, where items are purchased for inventory and charged to the budgetary accounts as the items are consumed. Inventories are stated at cost on a first-in, first-out basis.

Capital Assets

Capital assets, which include land, buildings, machinery and equipment, are reported in the government wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. If purchased or constructed, all capital assets are recorded at historical cost or estimated historical cost. Donated capital assets are valued at their estimated fair value as of the date of donation. 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>YEARS</u>
Building/Land Improvements	7 - 50
Vehicles/Buses	5 - 10
Machinery and Equipment	8 - 20

Allowance for Uncollectible Receivables:

The District has not established an allowance for uncollectible receivables since prior experience has shown that uncollectible receivables are not significant in amount.

Accrued Liabilities:

Accrued liabilities consist principally of teacher, administrator, and other District employee salaries and benefits relating to the school program year ended June 30, 2002, but not yet paid.

Expenditures:

Expenditure data is characterized by major program classifications pursuant to the provisions of the Handbook II (Revised) Accounting System established by the Nevada Department of Education. Below is a brief description of these program classifications.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Regular programs are activities designed to provide elementary and secondary students with learning experiences to prepare them as citizens, family members, and non-vocational workers.

Special programs are activities designed primarily to serve students having special needs. Special programs include services for the gifted and talented, mentally challenged, physically handicapped, emotionally disturbed, culturally different, learning disabled, bilingual, and special programs for other types of students at all levels.

Vocational programs are learning experiences that will provide individuals with the opportunity to develop the necessary knowledge, skills, and attitudes needed for occupational employment.

Other instructional programs are activities that provide elementary and secondary students with learning experiences in school-sponsored activities, athletics, and summer school.

Adult education programs are learning experiences designed to develop knowledge and skills to meet intermediate and long-range educational objectives for adults, who having completed or interrupted formal schooling, have accepted adult roles and responsibilities.

Undistributed expenditures are charges not readily assignable to a specific program. Student and instructional staff support, overall general and administrative costs are classified as undistributed expenditures. Also included are costs of operating, maintaining, and constructing the physical facilities of the District.

Food services programs consist of activities to provide food service to students and staff.

Community service programs are activities not directly related to the provision of educational services in the District. These include services such as community recreation programs, civic activities, public libraries, programs of custody and care of children and community welfare activities provided by the District for the community as a whole or some segment of the community.

Compensated Absences:

Teachers and certain hourly employees do not receive vacation leave. For other District employees, vacation leave is earned at rates dependent on length of employment and can be accumulated to specific maximum days/hours. Employees are allowed to accumulate up to 190 sick days for future use. The District pays limited accumulated sick leave benefits to certain employees upon retirement. In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as a payroll expenditure. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 1 – Summary of Significant Accounting Policies (Continued):

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

NOTE 2 – Compliance with Nevada Revised Statutes and Nevada Administrative Code:

The District conformed to all significant statutory constraints on its financial administration during the year.

NOTE 3 – Cash and Investments:

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2002, this pool is displayed by major and other governmental funds on the governmental funds balance sheet as "Cash and Investments."

The following is a listing of deposits indicating collateral or insurance on those deposits. The bank balance differs from the carrying amount by outstanding checks and deposits in transit.

	Carrying Amount	Bank Balance
Insured, Bank of America (FDIC)	\$ 100,000	\$ 100,000
Insured, Bank of the West (FDIC)	22,765	24,858
Insured, California Federal Bank (FDIC)	2,371	2,371
Insured, First Independent Bank of Nevada (FDIC)	15,856	19,055
Insured, Heritage Bank (FDIC)	20,989	21,022
Insured, LaSalle National Bank (SIPC and NFS)	3,219,832	3,219,832
Insured, Nevada State Bank (FDIC)	100,000	100,000
Insured, Nevada Security Bank (FDIC)	9,741	21,556
Insured, Sierra Schools Credit Union (NCUA)	100,000	100,000
Insured, Sun West Bank (FDIC)	19,467	20,633
Insured, US Bank of Nevada (FDIC)	100,000	100,000
Insured, Wells Fargo Bank (FDIC)	200,000	200,000
Uninsured and collateralized, collateral held by District's agent in District's name	628,927	750,629
Uninsured and uncollateralized (collateral held by custodial agent of financial institution, both of which are subsidiaries of same bank holding company)	4,320,822	4,320,822
Uninsured and uncollateralized	<u>2,870,440</u>	<u>2,395,990</u>
 Total Cash Deposits	 <u>\$ 11,731,210</u>	 <u>\$ 11,396,768</u>

WASHOE COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2002

NOTE 3 – Cash and Investments (Continued):

Investments are carried at fair value. The following is a listing of those investments indicating insurance, collateral, or securities held on those investments:

	Category			Carrying Amount
	1	2	3	
AMBAC	X			\$ 1,009,444
SARCO	X			70,698,795
LaSalle Bank	X			136,975
Held by Washoe County		N/A		24,103,409
Held in State of Nevada's Local Government Investment Pool		N/A		35,330,000
Total Investments				131,278,623
Total Cash (Carrying Amount)				11,731,210
Total Cash and Investments ¹				\$ 143,009,833

¹Total cash and investments include restricted cash held in the Debt Service Fund and the cash and investments of the Private Purpose Trust Fund and the Agency Funds.

The District's investments are categorized as either: (1) insured or registered or for which the securities are held by the government or its agent in the government's name; (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name; or (3) uninsured and unregistered for which the securities are held by the broker or dealer or by its trust department or agent but not in the government's name.

The District is a voluntary participant in the Local Government Investment Pool (LGIP), which has regulatory oversight from the State of Nevada Board of Finance. Wells Fargo determines the fair value of LGIP's investments on a monthly basis.

In addition, the District is also a voluntary participant in Washoe County's external investment pool. The Board of County Commissioners has overall responsibility for investment of County funds 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. Bank of New York determines the fair value of Washoe County investments on a monthly basis.

The District's investments in both pools discussed above is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 4 – Interfund Balances and Transfers:

Interfund receivable/payable balances at June 30, 2002, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund - major fund	\$ 2,640,493	\$ 176,910
Special Revenue Funds:		
Special Education - major fund	-	27,799
Title I	-	799,570
Title VI	-	75,752
Indian Education, Title V	-	19,366
Public Law 101-476	-	999,732
Vocational Education	-	183,254
Special Grants	-	3,740
Drug Free Schools	-	34,784
Early Childhood LEA	-	14
Class Size Reduction AB964	-	14,368
Adult Education	-	864
Nutrition Services	-	290,117
Remedial Educational Program	-	137
Twenty-First Century Program	-	135,486
Community Education	-	17
Gifts and Donations	-	26
Wellness	-	18
Family Resource Centers	-	62,886
	<u>-</u>	<u>2,647,930</u>
Internal Service Funds:		
Health Insurance Fund	-	15
Workers' Compensation Fund	<u>228,391</u>	<u>-</u>
	<u>228,391</u>	<u>15</u>
Capital Project Funds:		
Capital Projects	-	66
1998 Bond Issue	-	25
1999 Bond Issue - major fund	<u>-</u>	<u>115</u>
	<u>-</u>	<u>206</u>

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 4 – Interfund Balances and Transfers (Continued):

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
Agency Funds:		
Nevada Interscholastic Athletic Assoc.	\$ <u> -</u>	\$ <u> 43,823</u>
	<u> -</u>	<u> 43,823</u>
Total	<u>\$ <u> 2,868,884</u></u>	<u>\$ <u> 2,868,884</u></u>

On June 23, 1998, the Nutrition Services Fund borrowed \$1,400,000 from the District's General Fund. The payment terms include interest at 5% per annum and no prepayment penalty. The loan balance of \$289,500 as of June 30, 2002 is reflected in the due to/due from other funds.

Interfund transfers are reported as other financing sources or uses, as appropriate, in all funds other than Proprietary Funds, where they are reported as operating transfers in Proprietary Funds.

Transfers between funds during the year ended June 30, 2002, are as follows:

Special Education - The transfer to the Special Education Fund from the General Fund is to supplement State funds received for Special Education.

Advanced Carpentry - The transfer to the Advanced Carpentry Fund from the Building and Sites Fund is for the construction of the student built house.

Debt Service Fund - The transfer to the Debt Service Fund from the General Fund is for non-general obligation debt.

Health Insurance Fund - The transfer to the Health Insurance Fund from the General Fund is for the retiree subsidy.

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
General Fund - major fund	\$ <u> -</u>	\$ <u>20,419,591</u>
Special Revenue Funds:		
Special Education - major fund	16,665,262	-
Advanced Carpentry	<u> 130,000</u>	<u> -</u>
Total Special Revenue Funds	<u>16,795,262</u>	<u> -</u>

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 4 – Interfund Balances and Transfers (Continued):

<u>Fund</u>	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>
Capital Project Funds:		
Building and Sites	<u>\$ -</u>	<u>\$ 130,000</u>
Debt Service Fund - major fund	<u>2,225,493</u>	<u>-</u>
Total Governmental Funds	<u>19,020,755</u>	<u>20,549,591</u>
Internal Service Funds:		
Health Insurance Fund	<u>1,528,836</u>	<u>-</u>
Total	<u>\$ 20,549,591</u>	<u>\$ 20,549,591</u>

NOTE 5 – Capital Assets:

Capital asset activity for the year ended June 30, 2002 was as follows:

	June 30, 2001 <u>Balance</u>	<u>Adjustment *</u>	<u>Additions</u>	<u>Deductions</u>	June 30, 2002 <u>Balance</u>
Governmental Activities					
Capital assets, not being depreciated					
Land	\$ 24,494,407	\$ (262,683)	\$ 717,232	\$ -	\$ 24,948,956
Construction in progress	<u>47,788,254</u>	<u>-</u>	<u>33,852,810</u>	<u>76,671,409</u>	<u>4,969,655</u>
Total capital assets, not being depreciated	<u>72,282,661</u>	<u>(262,683)</u>	<u>34,570,042</u>	<u>76,671,409</u>	<u>29,918,611</u>
Other capital assets:					
Buildings	370,527,466	(375,889)	80,090,444	1,349,679	448,892,342
Machinery and equipment	<u>52,104,902</u>	<u>(27,618,760)</u>	<u>2,254,983</u>	<u>224,849</u>	<u>26,516,276</u>
Total capital assets being depreciated	<u>422,632,368</u>	<u>(27,994,649)</u>	<u>82,345,427</u>	<u>1,574,528</u>	<u>475,408,618</u>
Total capital assets	<u>494,915,029</u>	<u>(28,257,332)</u>	<u>116,915,469</u>	<u>78,245,937</u>	<u>505,327,229</u>
Less accumulated depreciation for:					
Buildings	(85,491,718)	-	(7,445,473)	-	(92,937,191)
Machinery and equipment	<u>(17,054,428)</u>	<u>-</u>	<u>(1,442,793)</u>	<u>-</u>	<u>(18,497,221)</u>
Total accumulated depreciation	<u>(102,546,146)</u>	<u>-</u>	<u>(8,888,266)</u>	<u>-</u>	<u>(111,434,412)</u>
Governmental activities capital assets, net	<u>\$392,368,883</u>	<u>\$(28,257,332)</u>	<u>\$108,027,203</u>	<u>\$78,245,937</u>	<u>\$ 393,892,817</u>

*The adjustment represent a change in the capitalization policy for capital assets from \$1,000 to \$5,000.

WASHOE COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2002

NOTE 5 – Capital Assets (Continued):

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

Instruction	\$ 155,527
Student support	14,416
Instructional staff support	39,133
General administration	12,913
School administration	33
Business administration	39,926
Operation/maintenance	155,580
Student transportation	873,267
Central support	58,804
Nutrition services	4,501
Community services	61,494
Facilities acquisition and construction services	<u>7,472,672</u>
Total governmental activities depreciation expense	<u>\$8,888,266</u>

Furniture, equipment, and vehicles include equipment under capital leases, which consist of school buses and electrical retrofit with an aggregate carrying value of \$13,309,881 at June 30, 2002 (see Note 6).

NOTE 6 – General Long-Term Obligations:

On May 1, 2002, the District issued \$44,665,000 in General Obligation (Limited Tax) Refunding Bonds, Series 2002. The bonds were issued at a premium of \$2,274,230 with underwriting costs of \$232,161, and accrued interest of \$36,260 for a net receipt of \$46,743,329 in bond sale proceeds. The bonds were issued for the purpose of refunding the 2003 through 2007 maturities of the District's outstanding General Obligation (Limited Tax) Refunding Bonds Series 1992B and the 2005 maturity of the General Obligation (Limited Tax) School Building Bonds Series 1994A bonds. The bonds constitute direct and general obligations of the District. The full faith and credit of the District is pledged for the payment of principal, interest and any premium due thereon, subject to Nevada constitutional and statutory limitations on the aggregate amount of ad valorem taxes. The net proceeds were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on \$39,400,000 of the 1992B Series bonds and \$5,695,000 of the 1994A Series bonds. As a result, these bonds are considered to be defeased and the liability for these bonds has been removed.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 6 – General Long-Term Obligations (Continued):

This advance refunding resulted in the reduction of total debt service payments over the next 18 years by \$4,257,555 and an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,218,555.

General long-term debt consists of the following at June 30, 2002:

<u>General Obligation Bonds</u>					
<u>Series</u>	<u>Date Issued</u>	<u>Date of Maturity</u>	<u>Interest Rate (%)</u>	<u>Amount Issued</u>	<u>Balance June 30, 2002</u>
1992B	12/01/92	08/01/07	4.7-6.125	\$ 71,530,000	\$ 6,475,000
1994A	04/01/94	06/01/14	4.3-5.75	103,865,000	10,510,000
1994B	04/01/94	04/01/08	5.3-5.6	17,205,000	17,120,000
1997	09/01/97	04/01/13	4.75-5.0	25,680,000	25,120,000
1998	12/01/98	06/01/19	4.0-5.25	68,000,000	62,620,000
1999	10/01/99	06/01/20	5.0-5.875	110,200,000	95,610,000
2001A	05/01/01	06/01/20	4.25-5.25	73,865,000	73,865,000
2002	05/01/02	06/01/20	3.00-5.00	44,665,000	<u>44,665,000</u>
Total					<u>\$ 335,985,000</u>

Summary of general obligation bond debt service requirements to maturity:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2003	\$ 21,045,000	\$ 16,866,063	\$ 37,911,063
2004	21,690,000	16,210,890	37,900,890
2005	23,055,000	14,830,915	37,885,915
2006	22,875,000	13,823,106	36,698,106
2007	24,300,000	12,747,430	37,047,430
2008	25,300,000	11,536,980	36,836,980
2009	19,740,000	10,464,288	30,204,288
2010	20,745,000	9,472,251	30,217,251
2011	21,795,000	8,393,414	30,188,414
2012	22,880,000	7,299,194	30,179,194
2013	24,070,000	6,109,075	30,179,075
2014	19,685,000	4,845,788	24,530,788
2015	10,810,000	3,781,575	14,591,575
2016	11,390,000	3,173,456	14,563,456
2017	12,015,000	2,543,888	14,558,888
2018	12,665,000	1,891,500	14,556,500
2019	13,350,000	1,216,044	14,566,044
2020	<u>8,575,000</u>	<u>503,781</u>	<u>9,078,781</u>
Total	<u>\$ 335,985,000</u>	<u>\$145,709,638</u>	<u>\$ 481,694,638</u>

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 6 – General Long-Term Obligations (Continued):

Arbitrage Liability:

The District has determined it is liable to the Federal government (pursuant to federal tax laws) for arbitrage rebate on the proceeds of various capital project bond issues. The revenue reduction method of reporting is used whereby arbitrage rebate is recorded as a reduction of interest income. As of June 30, 2002, the liability has been estimated to be \$1,840,952 and is reported as a noncurrent liability in the Statement of Net Assets and as an accrued liability in each respective capital project fund.

Prior Years' Advance Refundings:

In prior years, the District 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 bonds refunded. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. As of June 30, 2002, \$118,430,000 of bonds outstanding are considered defeased.

Capital Lease Obligations:

Included in capital leases payable is a lease agreement dated May 30, 2002, in the amount of \$2,386,899 for the purpose of financing certain equipment and capital improvements within the District. The agreement was structured to qualify as a Qualified Zone Academy Bond (QZAB) pursuant to Section 1397E of the Internal Revenue Code of 1986, which qualifies the District for interest free financing. The agreement matures on May 30, 2014, and requires the establishment of a sinking fund to accumulate assets to meet the debt service requirement on that date. Beginning on November 30, 2002, and on each November 30 and May 30 thereafter, up to and including May 30, 2014, the District shall deposit into the sinking fund an amount established under the agreement. The amount of the required deposit may change depending on the interest earned in the sinking fund account. The initial deposit amounts were calculated based on an assumed interest earnings rate of 6.73%. The first deposit is scheduled for November 30, 2002; therefore, there is no balance in the sinking fund account as of June 30, 2002.

Also, a Certificate of Participation lease agreement dated June 1, 2002, in the amount of \$11,260,000, for the purpose of refinancing Phase I, Phase II, Phase III, and financing for Phase IV of the electrical retrofit. The agreement matures on May 1, 2018, and requires the establishment of a sinking fund to accumulate assets to meet the debt service requirement on that date. Beginning on June 1, 2002, and on each November 1 and May 1 thereafter, up to and including May 1, 2018, the District shall deposit into the sinking fund an amount established under the agreement. The first deposit is scheduled for November 1, 2002; therefore, there is no balance in the sinking fund account as of June 30, 2002.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 6 – General Long-Term Obligations (Continued)

The assets acquired through the capital leases are as follows:

Machinery and Equipment	\$12,895,948
Construction in Progress	1,550,000
Less: Accumulated amortization	<u>(1,136,067)</u>
Total	<u>\$13,309,881</u>

The District has various other capital leases on school buses, automobiles, a tractor and office equipment.

The future minimum lease obligations and the net present value of these minimum lease payments is as follows:

Year End <u>June 30,</u>	
2003	\$ 4,641,903
2004	1,710,855
2005	1,522,260
2006	1,254,125
2007	1,234,228
Thereafter	<u>15,849,745</u>
Total minimum lease payments	26,213,116
Less: amount representing interest	<u>(5,062,366)</u>
Present value of minimum lease payments	<u>\$21,150,750</u>

Lease payments are made by General Fund transfers to the Debt Service Fund.

Changes in General Long-Term Obligations:

	Balance July 1, 2001	Additions	Reductions	Balance June 30, 2002	Due Within One Year
General obligation bonds	\$ 355,190,000	\$ 44,665,000	\$ 63,870,000	\$ 335,985,000	\$ 21,045,000
Deferred amounts for issuance premium	-	2,274,230	20,769	2,253,461	126,346
Capital lease obligations	14,692,732	13,652,560	7,194,542	21,150,750	3,980,634
Arbitrage payable	1,321,144	519,808		1,840,952	306,969
Early separation incentive stipends	2,559,818	61,604	-	2,621,422	607,741
Compensated absences	<u>16,909,244</u>	<u>767,489</u>	<u>-</u>	<u>17,676,733</u>	<u>13,021,678</u>
Total	<u>\$ 390,672,938</u>	<u>\$ 61,940,691</u>	<u>\$ 71,085,311</u>	<u>\$ 381,528,318</u>	<u>\$ 39,088,368</u>

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 6 – General Long-Term Obligations (Continued):

Total interest paid on general long-term debt for the year ended June 30, 2002 was \$19,863,055.

The District was, in accordance with Nevada Revised Statutes 387.400, within the legal debt limit at June 30, 2002.

NOTE 7 – Fund Balance/Net Assets - Restrictions, Reservations, Designations:

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) limitation on their use. Restricted assets are classified either by function, debt service, projects, or claims.

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 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 actuarially determined, legally required, amount to be held for payment of future claim liabilities in the self-insurance funds.

Unrestricted net assets represent available financial resources of the District.

Fund Financial Statements:

The District records the portion of fund balance, which is legally segregated for a specific future purpose as a reserve.

Following is a list of all reserves used by the District and a description of each:

- (1) Reserved for Encumbrances: An account used to segregate a portion of fund balance for the amount of purchase orders, contracts, and other commitments which have been initiated but for which vendor performance has not been completed as of June 30th.
- (2) Reserved for Inventories: An account used to segregate the portion of fund balance which is composed of inventory and, as such, is not available for other discretionary expenditures.

WASHOE COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2002

NOTE 7 – Fund Balance/Net Assets – Restrictions, Reservations, Designations
 (Continued):

- (3) Reserved for Capital Leases: An account used to segregate the portion of fund balance for the amount of capital leases for which the District is committed but the capital lease project is not yet complete.
- (4) Reserved for Construction Contracts: An account used to segregate the portion of fund balance for the amount of construction contracts for which the District is committed but the capital project is not yet complete.
- (5) Reserved for Capital Projects: An account used to segregate the fund balance in accordance with Nevada Revised Statutes 354.6105 and 354.611.
- (6) Reserved for Debt Service: An account used to segregate the fund balance for Debt Service Fund resources which is legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.
- (7) Sinking Fund Reserve: An account used to segregate the portion of fund balance to redeem qualified zone academy bonds before or at their maturity.

Designations of fund balances are not legally required but are segregated for a specific purpose. The District records the following designations of unreserved balances:

- (1) Designated for Subsequent Year's Expenditures: This amount is the budgeted opening fund balance for the forthcoming year. Amounts in excess of the budgeted opening fund balance are shown as undesignated. The designated for subsequent year's expenditures is included in the unreserved fund balance on the balance sheet. Amounts included are as follows:

General Fund	\$ 400,000
1999 Bond Capital Projects Fund	18,890,780
Other Governmental Funds	3,748,065

- (2) Designated for Repayment Carryover of General Supply Appropriations: This account was established in 1992 which allows schools, divisions, and departments to carry over from year to year, an amount not to exceed 8% of their total appropriations for the just completed fiscal year. These balances will augment 2002/2003 appropriations. The designated for repayment carryover of general supply appropriations is included in the unreserved fund balance on the balance sheet. The general fund designated for repayment carryover of general supply appropriations is \$1,764,841.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 7 – Fund Balance/Net Assets – Restrictions, Reservations, Designations
(Continued):

The fund balances available to begin the subsequent year are less than budgets in the following funds:

Gifts and Donation	\$238,212
Advanced Carpentry	2,738

The District has been monitoring the Health Insurance Fund and has increased the health insurance premiums in each of the past five years in order to reduce the deficit. The Health Insurance Fund has a deficit unrestricted net assets of \$412,844 as of June 30, 2002, compared to a deficit of \$1,073,884 at June 30, 2001.

NOTE 8 – Defined Benefit Pension Plan:

Plan Description. Washoe County School District contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their 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. The Public Employees Retirement System of the State of Nevada 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 one of two methods. Under the employer pay contribution plan, the District is required to contribute all amounts due under the plan. The rate for those contributions was 18.75% for regular members and 28.50% for police on all covered payroll. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while the District is required to match that contribution. The rate for regular employees under this plan was 9.75%. The contribution requirements of plan members and the District are established by Chapter 286 of the Nevada Revised Statutes. The funding mechanism may only be amended through legislation.

The District's contribution rates on all covered payroll which are equal to the required contributions for the last three years are as follows:

WASHOE COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2002

NOTE 8 – Defined Benefit Pension Plan (Continued):

<u>Fiscal Year</u>	<u>Employer Pay</u>		<u>Employee/ Employer Pay</u>		<u>Total Employer Contribution</u>
	<u>Regular</u>	<u>Police Members</u>	<u>Pay</u>		
			<u>EE</u>	<u>ER</u>	
2001-02	18.75%	28.50%	9.75%	9.75%	\$36,655,299
2000-01	18.75%	28.50%	9.75%	9.75%	35,170,897
1999-00	18.75%	28.50%	9.75%	9.75%	33,791,528

NOTE 9 – Postretirement Benefits:

In addition to the pension benefits described in Note 8, the District provides postretirement health care benefits. Pursuant to the contracts negotiated with various bargaining units, medical premiums are subsidized for certified and administrative employees who retire from the District with at least 15 years of service with the District; and classified employees who retire from the District with at least 10 years of service with the District; however, classified employees hired after June 30, 1999 are not eligible. The program currently has 1,172 retirees who meet the eligibility requirements. Eligible retirees are required to contribute up to \$4,860 per year for medical, dental and vision coverage, based on their gross PERS income, the number of years since their retirement and the number of years of service with the District. The District reimburses up to 100% of the amount of validated claims for medical and dental costs incurred by pre-Medicare retirees. The District serves as a secondary carrier for retirees eligible for Medicare. Expenditures for postretirement health care benefits are recognized as retirees report claims and include a provision for a liability for estimated claims incurred but not yet reported to the District. During the year ended June 30, 2002, expenses of \$6,925,510 were recognized for postretirement health care.

NOTE 10 – Risk Management:

The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District reports all of its risk management activities in the Internal Service Funds in accordance with Governmental Accounting Standards Board Statement Numbers 10 and 30.

Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated annually by an outside actuary who takes into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 10 – Risk Management (Continued):

time are reported at their present value using the expected future investment yield of 5.5 percent.

At June 30, 2002, the amount of these liabilities was \$8,584,083. This liability is determined by actuaries using all available information. Changes in the reported liability since July 1, 2000 are as follows:

	<u>Property and Casualty</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Claims liability, June 30, 2000	\$ 1,320,043	\$ 3,482,467	\$ 1,752,000	\$ 6,554,510
Current year claims and changes in estimates	554,670	28,085,391	2,093,201	30,733,262
Claim payments	<u>(584,022)</u>	<u>(27,833,448)</u>	<u>(1,595,201)</u>	<u>(30,012,671)</u>
Claims liability, June 30, 2001	<u>1,290,691</u>	<u>3,734,410</u>	<u>2,250,000</u>	<u>7,275,101</u>
Current year claims and changes in estimates	615,612	31,107,829	1,814,890	33,538,331
Claim payments	<u>(429,250)</u>	<u>(30,416,209)</u>	<u>(1,383,890)</u>	<u>(32,229,349)</u>
Claims liability, June 30, 2002	<u>\$ 1,477,053</u>	<u>\$ 4,426,030</u>	<u>\$ 2,681,000</u>	<u>\$ 8,584,083</u>

At June 30, 2002, the Internal Service Funds held \$8,401,506 in cash and investments designated for payment of these claims.

The District combines both self-insurance and commercial insurance to protect against risks. There was no significant reduction in those insurance coverages purchased by the District from the previous year. Settled claims have not exceeded the commercial coverage in any of the past three years. The following is a detail of coverage:

General Liability, Property and Casualty Insurance - The District is self-insured for individual losses up to a maximum of \$50,000 for damage to real and personal property, \$100,000 for general liability and automobile incidents resulting in bodily injury and/or property damage claims. The District has insurance for losses above \$50,000 and \$100,000, respectively, with maximum annual coverage of approximately \$679,000,000 for property damage and coverage of \$1,000,000 per occurrence for crime, wrongful acts of the Board of Trustees, and general and automobile liability. Liability claims in excess of the individual and aggregate deductibles are covered by excess liability insurance to a maximum of \$10,000,000.

WASHOE COUNTY SCHOOL DISTRICT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2002

NOTE 10 – Risk Management (Continued):

Health Insurance - The District is self-insured for health insurance claims up to \$150,000 per calendar year per employee with a lifetime maximum of \$2,000,000.

Workers' Compensation Insurance - The District is self-insured for individual workers' compensation claims up to \$275,000 for each accident. Accidents in excess of the \$275,000 are covered by excess insurance up to State statutory limits.

The Property Casualty, Health Insurance and Workers' Compensation Funds charge the District's insured funds monthly premiums.

NOTE 11 - Proprietary Fund Equity:

In accordance with provisions contained in GASB Statement 34, *Basic Financial Statements - and Management Discussion and Analysis - for State and Local Governments*, capital contributions are no longer reported as a separate component of the equity section on the balance sheet. The change is reflected as an addition to beginning retained earnings.

	Insurance Fund (Property Casualty)	Insurance Fund (Health Insurance)	Insurance Fund (Workers' Compensation)
Beginning Retained Earnings (Deficit)	(\$453,374)	(\$4,912,785)	(\$848,207)
Adjustment for Contributed Capital	<u>401,784</u>	<u>3,838,901</u>	<u>882,295</u>
Retained Earnings - Beginning (As Restated)	(\$ <u>51,590</u>)	(\$ <u>1,073,884</u>)	\$ <u>34,088</u>

NOTE 12 – Commitments and Contingencies:

Litigation:

The District is a defendant in various legal actions. The amount of liability or loss, if any, arising from such legal actions cannot be reasonably estimated at the present time. It is the opinion of management and legal counsel of the District that none of these cases would have a material impact upon the financial condition of the District.

WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2002

NOTE 12 – Commitments and Contingencies (Continued):

Construction Commitments:

As of June 30, 2002, the District had the following commitments with respect to unfinished capital projects:

<u>Capital Project Description</u>	<u>Remaining Construction Commitment</u>	<u>Expected Date of Completion</u>
800 MHZ Radio System	\$ 1,369,520	September 2003
ADA Retrofit	276,993	September 2002
Carpet - Billingshurst Elementary School	173,153	September 2002
Clayton Middle School Walkway	166,347	September 2002
Damonte High School	30,209,160	September 2003
Double Diamond Elementary School	528,045	September 2002
District Wide Communication System	74,052	September 2003
Fire Alarm Upgrades	30,362	September 2002
Gerlach School Consolidation	1,645,915	November 2002
Incline Elementary School	49,722	Various
Joint Use Tech/Alt Ed Facility	6,994	September 2002
Mechanical Engineering	36,930	September 2003
MS/HS Science Lab Alterations	161,743	September 2002
New Fueling Station - Bus Facility	6,621	September 2002
North Valleys High School	217,504	November 2002
North West Elementary School	36,918	September 2002
Repair 29 Roof Valleys	97,630	September 2002
Reroof -Engineering	11,434	September 2002
Roland Melton Elementary School	716,981	September 2002
Roofing Project Services	12,685	September 2002
RTI 380 Edison Way	1,246,531	September 2002
Stead Elementary School Reroof	89,276	September 2002
Ventilators	78,090	September 2002
Verdi Nature Center	460,684	November 2002
Others Under \$5,000	<u>26,146</u>	Various
	<u><u>\$ 37,729,436</u></u>	

This remaining construction commitment is included in the reserve for construction contracts on the Governmental Funds Balance Sheet.

No additional financing will be required to complete construction in progress at June 30, 2002.

Nonmajor

Governmental Funds

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

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
ASSETS			
Cash and investments	\$ 4,886,465	\$ 13,683,506	\$ 18,569,971
Receivables:			
Accrued interest	-	11,382	11,382
Grants	5,066,946	-	5,066,946
Miscellaneous	196,486	15,426	211,912
Due from other governments	-	243,785	243,785
Inventories	651,891	-	651,891
	<u>10,801,788</u>	<u>13,954,099</u>	<u>24,755,887</u>
Total assets	\$ <u>10,801,788</u>	\$ <u>13,954,099</u>	\$ <u>24,755,887</u>
LIABILITIES			
Accounts payable	\$ 855,995	\$ 239,484	\$ 1,095,479
Accrued liabilities	3,439,329	367,566	3,806,895
Construction contracts payable	-	168,719	168,719
Due to other funds	2,620,131	91	2,620,222
Due to other governments	7,567	-	7,567
Deferred revenues	1,684,004	-	1,684,004
	<u>8,607,026</u>	<u>775,860</u>	<u>9,382,886</u>
Total liabilities	<u>8,607,026</u>	<u>775,860</u>	<u>9,382,886</u>
FUND BALANCES			
Reserved for:			
Reserved for encumbrances	248,393	763,249	1,011,642
Reserved for inventories	651,891	-	651,891
Reserved for capital leases	-	3,170,168	3,170,168
Reserved for construction contracts	-	2,024,168	2,024,168
Unreserved:			
Designated for subsequent year's expenditures	929,050	2,819,015	3,748,065
Undesignated	365,428	4,401,639	4,767,067
	<u>2,194,762</u>	<u>13,178,239</u>	<u>15,373,001</u>
Total fund balances	<u>2,194,762</u>	<u>13,178,239</u>	<u>15,373,001</u>
Total liabilities and fund balances	\$ <u>10,801,788</u>	\$ <u>13,954,099</u>	\$ <u>24,755,887</u>

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
REVENUES			
Local sources	\$ 7,653,804	\$ 3,585,446	\$ 11,239,250
State sources	25,057,488	-	25,057,488
Federal sources	26,316,145	-	26,316,145
	<u>59,027,437</u>	<u>3,585,446</u>	<u>62,612,883</u>
EXPENDITURES			
Current:			
Regular programs	31,277,090	-	31,277,090
Special programs	3,287,952	-	3,287,952
Adult education programs	1,090,042	-	1,090,042
Food service operations	12,576,917	-	12,576,917
Community service programs	701,908	-	701,908
Undistributed expenditures:			
Student support	2,416,569	-	2,416,569
Instructional staff support	6,048,053	-	6,048,053
School administration	408,504	-	408,504
Business support	-	160,404	160,404
Operation and maintenance	58,522	-	58,522
Student transportation	100,000	-	100,000
Central support	63,377	-	63,377
Other support	167,506	-	167,506
Capital outlay	-	12,037,259	12,037,259
Debt service:			
Interest	29,500	-	29,500
	<u>58,225,940</u>	<u>12,197,663</u>	<u>70,423,603</u>
	<u>801,497</u>	<u>(8,612,217)</u>	<u>(7,810,720)</u>
OTHER FINANCING SOURCES (USES)			
Capital leases	-	3,939,908	3,939,908
Operating transfers in	130,000	-	130,000
Operating transfers out	-	(130,000)	(130,000)
	<u>130,000</u>	<u>3,809,908</u>	<u>3,939,908</u>
Net change in fund balances	931,497	(4,802,309)	(3,870,812)
FUND BALANCE, July 1	<u>1,263,265</u>	<u>17,980,548</u>	<u>19,243,813</u>
FUND BALANCE, June 30	<u>\$ 2,194,762</u>	<u>\$ 13,178,239</u>	<u>\$ 15,373,001</u>

General

Fund

To account for resources traditionally associated with governments which are not required to be accounted for in other funds.

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Ad Valorem taxes	\$ 69,080,110	\$ 68,648,110	\$ 67,239,288	\$ (1,408,822)
School support taxes	119,173,112	119,173,112	112,258,067	(6,915,045)
Franchise taxes	270,000	170,000	230,353	60,353
Government services tax	10,559,275	10,242,705	10,338,568	95,863
Rev. In Lieu of Taxes	120,000	120,000	139,865	19,865
Tuition - regular day school	270,000	270,000	274,101	4,101
Tuition - summer school	450,000	680,000	645,686	(34,314)
Tuition - adult continuing education	25,000	50,000	15,155	(34,845)
Earnings on investments	1,200,000	630,000	778,074	148,074
Refunds	90,000	90,000	32,427	(57,573)
Indirect Costs	610,000	610,000	744,818	134,818
Transportation	593,000	593,000	526,025	(66,975)
Reimbursements	-	906,280	886,749	(19,531)
Other	207,000	497,720	553,172	55,452
Total local sources	<u>202,647,497</u>	<u>202,680,927</u>	<u>194,662,348</u>	<u>(8,018,579)</u>
State sources:				
Distributive school fund	65,634,718	68,131,715	75,088,119	6,956,404
Special appropriations	-	1,480,001	1,480,001	-
Total state sources	<u>65,634,718</u>	<u>69,611,716</u>	<u>76,568,120</u>	<u>6,956,404</u>
Federal sources:				
Forest reserve	5,000	5,000	6,684	1,684
Revenue in lieu of taxes, P.L. 81-874	140,000	140,000	146,590	6,590
E-Rate Refund	350,000	350,000	362,439	12,439
Total federal sources	<u>495,000</u>	<u>495,000</u>	<u>515,713</u>	<u>20,713</u>
Other sources	8,000	13,662	14,996	1,334
Total revenues	<u>268,785,215</u>	<u>272,801,305</u>	<u>271,761,177</u>	<u>(1,040,128)</u>
EXPENDITURES				
Current:				
Regular programs				
Instruction				
Salaries	107,487,888	108,413,882	108,559,472	(145,590)
Benefits	31,657,797	32,631,700	32,637,765	(6,065)
Purchased Services	1,239,743	1,458,934	1,577,841	(118,907)
Supplies	4,815,770	5,783,176	4,392,690	1,390,486
Property	596,190	755,127	901,275	(146,148)
Other	38,653	38,653	20,685	17,968
Total regular programs	<u>145,836,041</u>	<u>149,081,472</u>	<u>148,089,728</u>	<u>991,744</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Vocational programs				
Instruction				
Salaries	\$ 5,024,726	\$ 4,862,603	\$ 4,930,637	\$ (68,034)
Benefits	1,544,723	1,522,860	1,504,751	18,109
Purchased Services	10,231	10,231	18,019	(7,788)
Supplies	163,604	175,949	97,950	77,999
Property	10,148	10,148	11,987	(1,839)
Other	855	855	676	179
Total vocational programs	<u>6,754,287</u>	<u>6,582,646</u>	<u>6,564,020</u>	<u>18,626</u>
Other instructional programs:				
Summer school				
Salaries	808,718	893,591	841,567	52,024
Benefits	27,354	29,984	28,491	1,493
Purchased Services	17,050	17,050	21,840	(4,790)
Supplies	17,249	32,147	9,985	22,162
Property	7,751	7,751	6,301	1,450
Total summer school	<u>878,122</u>	<u>980,523</u>	<u>908,184</u>	<u>72,339</u>
Athletics				
Salaries	1,341,586	1,425,331	1,331,561	93,770
Benefits	109,962	177,699	170,258	7,441
Purchased Services	538,354	513,354	460,626	52,728
Supplies	14,623	14,623	7,777	6,846
Property	250	250	-	250
Other	35,800	35,800	51,860	(16,060)
Total athletics	<u>2,040,575</u>	<u>2,167,057</u>	<u>2,022,082</u>	<u>144,975</u>
Total other instructional programs	<u>2,918,697</u>	<u>3,147,580</u>	<u>2,930,266</u>	<u>217,314</u>
Undistributed Expenditures:				
Student support				
Salaries	11,235,531	11,161,661	11,127,715	33,946
Benefits	3,518,465	3,462,189	3,416,367	45,822
Purchased Services	275,734	300,764	188,885	111,879
Supplies	195,269	200,630	176,799	23,831
Property	30,708	29,157	41,349	(12,192)
Other	1,200	1,200	-	1,200
Total student support	<u>15,256,907</u>	<u>15,155,601</u>	<u>14,951,115</u>	<u>204,486</u>
Instructional staff support				
Salaries	4,506,632	4,289,889	4,427,951	(138,062)
Benefits	1,310,812	1,286,133	1,310,467	(24,334)
Purchased Services	345,733	412,213	358,337	53,876
Supplies	506,950	689,253	492,892	196,361
Property	72,147	68,317	62,989	5,328
Other	31,392	33,492	32,282	1,210
Total instructional staff support	<u>6,773,666</u>	<u>6,779,297</u>	<u>6,684,918</u>	<u>94,379</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
General administration				
Salaries	\$ 1,835,028	\$ 1,785,315	\$ 1,720,430	\$ 64,885
Benefits	695,806	689,281	672,600	16,681
Purchased Services	1,941,152	2,980,937	3,005,423	(24,486)
Supplies	102,795	178,630	46,824	131,806
Property	18,300	51,797	20,166	31,631
Other	21,125	21,125	37,198	(16,073)
Total general administration	<u>4,614,206</u>	<u>5,707,085</u>	<u>5,502,641</u>	<u>204,444</u>
School administration				
Salaries	14,277,702	14,141,535	14,083,734	57,801
Benefits	3,999,019	3,952,474	3,924,045	28,429
Purchased Services	144,861	153,612	64,671	88,941
Supplies	122,932	124,300	51,408	72,892
Property	32,950	31,376	29,175	2,201
Other	5,300	5,300	22,772	(17,472)
Total school administration	<u>18,582,764</u>	<u>18,408,597</u>	<u>18,175,805</u>	<u>232,792</u>
Business support				
Salaries	2,478,723	2,348,778	2,315,508	33,270
Benefits	725,235	751,534	745,192	6,342
Purchased Services	363,157	416,319	366,068	50,251
Supplies	197,858	197,496	52,993	144,503
Property	16,915	24,915	39,089	(14,174)
Other	4,730	4,730	4,784	(54)
Total business support	<u>3,786,618</u>	<u>3,743,772</u>	<u>3,523,634</u>	<u>220,138</u>
Operation and maintenance				
Salaries	14,456,440	14,752,091	14,320,317	431,774
Benefits	4,247,364	4,463,453	4,331,587	131,866
Purchased Services	4,623,563	4,783,291	4,626,786	156,505
Supplies	8,619,897	8,688,541	8,663,819	24,722
Property	84,515	4,830,279	3,681,877	1,148,402
Other	13,575	13,575	38,204	(24,629)
Total operation and maintenance	<u>32,045,354</u>	<u>37,531,230</u>	<u>35,662,590</u>	<u>1,868,640</u>
Student transportation				
Salaries	5,086,671	5,283,828	5,119,216	164,612
Benefits	1,726,067	1,637,811	1,607,360	30,451
Purchased Services	945,349	946,649	343,647	603,002
Supplies	1,619,891	1,619,982	1,628,760	(8,778)
Property	38,971	551,843	565,940	(14,097)
Other	15,040	15,040	11,879	3,161
Total student transportation	<u>9,431,989</u>	<u>10,055,153</u>	<u>9,276,802</u>	<u>778,351</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
Central support services				
Salaries	\$ 2,860,384	\$ 2,712,610	\$ 2,690,666	\$ 21,944
Benefits	718,275	741,734	728,909	12,825
Purchased Services	964,252	1,154,519	864,788	289,731
Supplies	131,589	277,841	212,761	65,080
Property	46,806	46,806	115,998	(69,192)
Other	2,730	2,730	2,385	345
Total central support	<u>4,724,036</u>	<u>4,936,240</u>	<u>4,615,507</u>	<u>320,733</u>
Total undistributed expenditures	<u>95,215,540</u>	<u>102,316,975</u>	<u>98,393,012</u>	<u>3,923,963</u>
Debt service				
Principal	1,384,098	-	-	-
Interest	684,369	-	-	-
Total debt service	<u>2,068,467</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>252,793,032</u>	<u>261,128,673</u>	<u>255,977,026</u>	<u>5,151,647</u>
Excess of Revenues Over Expenditures	<u>15,992,183</u>	<u>11,672,632</u>	<u>15,784,151</u>	<u>4,111,519</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	5,661	5,661
Contingency	(600,000)	-	-	-
Operating transfers out	(17,184,558)	(20,697,461)	(20,419,591)	277,870
Total other financing sources (uses)	<u>(17,784,558)</u>	<u>(20,697,461)</u>	<u>(20,413,930)</u>	<u>283,531</u>
Net change in fund balances	(1,792,375)	(9,024,829)	(4,629,779)	4,395,050
FUND BALANCE, July 1	<u>2,442,375</u>	<u>10,063,097</u>	<u>10,063,097</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 650,000</u>	<u>\$ 1,038,268</u>	<u>\$ 5,433,318</u>	<u>\$ 4,395,050</u>

Special

Revenue Funds

To account for the proceeds of specific revenue sources (other than for private-purpose trust or major capital projects) that are legally restricted to expenditure for the specified purposes. Individual funds include the following:

Federal Projects:

To account for transactions relating to federally assisted grant programs including: **Title I, Title VI, Indian Education, Public Law 105-17 (Special Education), Vocational Education, Special Grants, Drug-Free Schools, Early Childhood LEA (Special Education), and Twenty-First Century Funds.**

State Programs:

To account for transactions relating to the State of Nevada funded programs including: **Vocational Education, Special Grants, Class Size Reduction, Adult Education, and Remedial Education SB585 and Special Appropriations.**

Local Programs:

To account for transactions relating to locally funded programs including: **Family Resource Centers and other District programs.**

Special Education:

To account for transactions of the District relating to educational services provided to children with special needs.

Nutrition Services:

To account for transactions relating to the food services provided to District schools. Financing is provided by user charges and federal subsidies.

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
State sources:				
Distributive school account	\$ 13,699,489	\$ 13,819,397	\$ 13,887,475	\$ 68,078
EXPENDITURES				
Current:				
Special programs				
Instruction				
Salaries	19,382,667	20,308,302	20,210,841	97,461
Benefits	5,997,524	6,464,060	6,338,920	125,140
Purchased Services	15,300	15,300	37,781	(22,481)
Supplies	78,247	81,865	44,436	37,429
Property	8,000	8,275	16,986	(8,711)
Other	-	-	1,525	(1,525)
Total special programs	<u>25,481,738</u>	<u>26,877,802</u>	<u>26,650,489</u>	<u>227,313</u>
Undistributed expenditures:				
Student support				
Salaries	290,390	373,690	362,853	10,837
Benefits	91,699	117,968	111,825	6,143
Total student support	<u>382,089</u>	<u>491,658</u>	<u>474,678</u>	<u>16,980</u>
Instructional staff support				
Salaries	340,333	386,040	355,168	30,872
Benefits	91,905	112,909	104,280	8,629
Purchased Services	66,175	66,175	66,569	(394)
Supplies	6,665	6,665	6,452	213
Property	2,000	2,000	3,245	(1,245)
Total instructional staff support	<u>507,078</u>	<u>573,789</u>	<u>535,714</u>	<u>38,075</u>
School administration				
Salaries	64,986	66,101	66,100	1
Benefits	18,371	19,171	19,130	41
Total school administration	<u>83,357</u>	<u>85,272</u>	<u>85,230</u>	<u>42</u>
Operations and maintenance				
Salaries	33,825	31,011	30,925	86
Benefits	9,852	10,228	10,301	(73)
Total operations and maintenance	<u>43,677</u>	<u>41,239</u>	<u>41,226</u>	<u>13</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
Student transportation				
Salaries	\$ 1,956,513	\$ 1,884,394	\$ 1,896,537	\$ (12,143)
Benefits	638,638	617,354	593,586	23,768
Purchased Services	199,927	199,927	169,618	30,309
Supplies	146,979	146,979	105,659	41,320
	<u>2,942,057</u>	<u>2,848,654</u>	<u>2,765,400</u>	<u>83,254</u>
Total student transportation				
	<u>2,942,057</u>	<u>2,848,654</u>	<u>2,765,400</u>	<u>83,254</u>
Total undistributed expenditures	<u>3,958,258</u>	<u>4,040,612</u>	<u>3,902,248</u>	<u>138,364</u>
Total expenditures	<u>29,439,996</u>	<u>30,918,414</u>	<u>30,552,737</u>	<u>365,677</u>
Excess (deficiency) of revenues over expenditures	<u>(15,740,507)</u>	<u>(17,099,017)</u>	<u>(16,665,262)</u>	<u>433,755</u>
OTHER FINANCING SOURCES				
Operating transfers in	<u>15,740,507</u>	<u>17,099,017</u>	<u>16,665,262</u>	<u>(433,755)</u>
Excess of revenues and other financing sources over expenditures	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>INDIAN EDUCATION</u>	<u>PUBLIC LAW 105-17</u>	<u>VOCATIONAL EDUCATION</u>	<u>SPECIAL GRANTS</u>
ASSETS						
Cash and investments	\$ 933	\$ -	\$ -	\$ 17,316	\$ -	\$ 63,109
Receivables:						
Grants	1,101,752	82,831	52,077	1,266,771	372,508	1,530,008
Miscellaneous accounts	772	-	-	-	-	2,342
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 1,103,457</u>	<u>\$ 82,831</u>	<u>\$ 52,077</u>	<u>\$ 1,284,087</u>	<u>\$ 372,508</u>	<u>\$ 1,595,459</u>
LIABILITIES						
Accounts payable	\$ 77,675	\$ 1,197	\$ 673	\$ 48,656	\$ 92,609	\$ 242,573
Accrued liabilities	210,348	5,882	32,038	235,699	24,811	467,722
Due to other funds	799,570	75,752	19,366	999,732	183,254	3,740
Due to other governments	-	-	-	-	3	7,564
Deferred revenues	15,864	-	-	-	71,831	873,860
Total liabilities	<u>1,103,457</u>	<u>82,831</u>	<u>52,077</u>	<u>1,284,087</u>	<u>372,508</u>	<u>1,595,459</u>
FUND BALANCE						
Reserved for:						
Encumbrances	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
Unreserved:						
Designated for subsequent year's expenditures	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,103,457</u>	<u>\$ 82,831</u>	<u>\$ 52,077</u>	<u>\$ 1,284,087</u>	<u>\$ 372,508</u>	<u>\$ 1,595,459</u>

<u>DRUG FREE SCHOOLS</u>	<u>EARLY CHILDHOOD LEA</u>	<u>CLASS SIZE REDUCTION</u>	<u>ADULT EDUCATION</u>	<u>NUTRITION SERVICES</u>	<u>REMEDIAL EDUCATION SB 555</u>	<u>TWENTY-FIRST CENTURY</u>	<u>COMMUNITY EDUCATION</u>
\$ 1,486	\$ 6,091	\$ 1,967,218	\$ 445,798	\$ 784,567	\$ 211,187	\$ 3,117	\$ 333,291
86,985	48,441	-	1,471	192,387	-	185,068	-
-	-	-	-	182,204	-	-	-
-	-	-	-	651,891	-	-	-
<u>\$ 88,471</u>	<u>\$ 54,532</u>	<u>\$ 1,967,218</u>	<u>\$ 447,269</u>	<u>\$ 1,811,049</u>	<u>\$ 211,187</u>	<u>\$ 188,185</u>	<u>\$ 333,291</u>
\$ 37,988	\$ -	\$ -	\$ 5,972	\$ 153,363	\$ 82,621	\$ 30,725	\$ 8,080
12,946	4,004	1,952,850	120,068	292,887	22,542	21,974	3,691
34,784	14	14,368	864	290,117	137	135,486	17
-	-	-	-	-	-	-	-
2,753	50,514	-	320,365	192,508	105,887	-	-
<u>88,471</u>	<u>54,532</u>	<u>1,967,218</u>	<u>447,269</u>	<u>928,875</u>	<u>211,187</u>	<u>188,185</u>	<u>11,788</u>
-	-	-	-	248,393	-	-	-
-	-	-	-	651,891	-	-	-
-	-	-	-	-	-	-	250,000
-	-	-	-	(18,110)	-	-	71,503
-	-	-	-	882,174	-	-	321,503
<u>\$ 88,471</u>	<u>\$ 54,532</u>	<u>\$ 1,967,218</u>	<u>\$ 447,269</u>	<u>\$ 1,811,049</u>	<u>\$ 211,187</u>	<u>\$ 188,185</u>	<u>\$ 333,291</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	GIFTS AND DONATIONS	ADVANCED CARPENTRY PROJECT	WELLNESS	FAMILY RESOURCE CENTERS	TOTAL
ASSETS					
Cash and investments	\$ 632,459	\$ 87,345	\$ 332,548	\$ -	\$ 4,886,465
Receivables:					
Grants	-	-	-	146,647	5,066,946
Miscellaneous accounts	8,541	-	2,627	-	196,486
Inventories	-	-	-	-	651,891
Total assets	\$ 641,000	\$ 87,345	\$ 335,175	\$ 146,647	\$ 10,801,788
LIABILITIES					
Accounts payable	\$ 25,310	\$ 17,820	\$ 20,103	\$ 10,630	\$ 855,995
Accrued liabilities	3,876	2,263	3,019	22,709	3,439,329
Due to other funds	26	-	18	62,886	2,620,131
Due to other governments	-	-	-	-	7,567
Deferred revenues	-	-	-	50,422	1,684,004
Total liabilities	29,212	20,083	23,140	146,647	8,607,026
FUND BALANCE					
Reserved for:					
Encumbrances	-	-	-	-	248,393
Inventories	-	-	-	-	651,891
Unreserved:					
Designated for subsequent year's expenditures	611,788	67,262	-	-	929,050
Undesignated	-	-	312,035	-	365,428
Total fund balance	611,788	67,262	312,035	-	2,194,762
Total liabilities and fund balance	\$ 641,000	\$ 87,345	\$ 335,175	\$ 146,647	\$ 10,801,788

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>TITLE I</u>	<u>TITLE VI</u>	<u>INDIAN EDUCATION</u>	<u>PUBLIC LAW 105-17</u>	<u>VOCATIONAL EDUCATION</u>	<u>SPECIAL GRANTS</u>
REVENUES						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,397
State sources	-	-	-	-	45,496	2,523,915
Federal sources	4,728,549	315,842	214,246	5,640,394	793,149	4,339,782
Total revenues	<u>4,728,549</u>	<u>315,842</u>	<u>214,246</u>	<u>5,640,394</u>	<u>838,645</u>	<u>6,998,094</u>
EXPENDITURES						
Current:						
Regular programs	4,532,599	264,985	214,246	-	-	3,468,086
Special programs	-	-	-	3,119,664	-	-
Adult education programs	-	-	-	-	-	-
Food Service	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-
Undistributed expenditures:						
Student support	-	-	-	1,681,450	-	388,342
Instructional staff support	195,950	50,857	-	839,280	838,645	2,810,783
School administration	-	-	-	-	-	-
Operation and maintenance	-	-	-	-	-	-
Student transportation	-	-	-	-	-	100,000
Central Support	-	-	-	-	-	63,377
Other support	-	-	-	-	-	167,506
Debt service						
Interest	-	-	-	-	-	-
Total expenditures	<u>4,728,549</u>	<u>315,842</u>	<u>214,246</u>	<u>5,640,394</u>	<u>838,645</u>	<u>6,998,094</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:						
Operating transfers in	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>DRUG FREE SCHOOLS</u>	<u>EARLY CHILDHOOD LEA</u>	<u>CLASS SIZE REDUCTION</u>	<u>ADULT EDUCATION</u>	<u>NUTRITION SERVICES</u>	<u>REMEDIAL EDUCATION SB 555</u>	<u>TWENTY-FIRST CENTURY</u>	<u>COMMUNITY EDUCATION</u>
\$ -	\$ -	\$ -	\$ -	\$ 6,175,534	\$ -	\$ -	\$ 363,595
-	-	13,460,189	1,659,981	12,426	881,854	-	-
<u>252,594</u>	<u>303,170</u>	<u>-</u>	<u>-</u>	<u>7,128,681</u>	<u>-</u>	<u>2,291,668</u>	<u>-</u>
<u>252,594</u>	<u>303,170</u>	<u>13,460,189</u>	<u>1,659,981</u>	<u>13,316,641</u>	<u>881,854</u>	<u>2,291,668</u>	<u>363,595</u>
-	-	13,460,189	-	-	881,854	1,451,164	205,376
-	168,288	-	-	-	-	-	-
-	-	-	1,090,042	-	-	-	-
-	-	-	-	12,576,917	-	-	-
-	-	-	-	-	-	-	-
-	101,752	-	245,025	-	-	-	-
<u>252,594</u>	<u>33,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>840,504</u>	<u>-</u>
-	-	-	266,392	-	-	-	142,112
-	-	-	58,522	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	29,500	-	-	-
<u>252,594</u>	<u>303,170</u>	<u>13,460,189</u>	<u>1,659,981</u>	<u>12,606,417</u>	<u>881,854</u>	<u>2,291,668</u>	<u>347,488</u>
-	-	-	-	710,224	-	-	16,107
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	710,224	-	-	16,107
-	-	-	-	171,950	-	-	305,396
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 882,174</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 321,503</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>GIFTS AND DONATIONS</u>	<u>ADVANCED CARPENTRY PROJECT</u>	<u>WELLNESS</u>	<u>FAMILY RESOURCE CENTERS</u>	<u>PUBLIC SCHOOL EMPLOYEE BONUS</u>
REVENUES					
Local sources	\$ 744,952	\$ -	\$ 205,004	\$ 30,322	\$ -
State sources	-	-	-	363,516	6,110,111
Federal sources	-	-	-	308,070	-
Total revenues	<u>744,952</u>	<u>-</u>	<u>205,004</u>	<u>701,908</u>	<u>6,110,111</u>
EXPENDITURES					
Current:					
Regular programs	594,325	94,155	-	-	6,110,111
Special programs	-	-	-	-	-
Adult education programs	-	-	-	-	-
Food Service	-	-	-	-	-
Community service programs	-	-	-	701,908	-
Undistributed expenditures:					
Student support	-	-	-	-	-
Instructional staff support	-	-	186,310	-	-
School administration	-	-	-	-	-
Operation and maintenance	-	-	-	-	-
Student transportation	-	-	-	-	-
Central Support	-	-	-	-	-
Other support	-	-	-	-	-
Debt service					
Interest	-	-	-	-	-
Total expenditures	<u>594,325</u>	<u>94,155</u>	<u>186,310</u>	<u>701,908</u>	<u>6,110,111</u>
Excess (deficiency) of revenues over expenditures	<u>150,627</u>	<u>(94,155)</u>	<u>18,694</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES:					
Operating transfers in	-	130,000	-	-	-
Total other financing sources	<u>-</u>	<u>130,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	150,627	35,845	18,694	-	-
FUND BALANCE, July 1	<u>461,161</u>	<u>31,417</u>	<u>293,341</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 611,788</u>	<u>\$ 67,262</u>	<u>\$ 312,035</u>	<u>\$ -</u>	<u>\$ -</u>

TOTAL

\$ 7,653,804
25,057,488
26,316,145

59,027,437

31,277,090
3,287,952
1,090,042
12,576,917
701,908

2,416,569
6,048,053
408,504
58,522
100,000
63,377
167,506

29,500

58,225,940

801,497

130,000

130,000

931,497

1,263,265

\$ 2,194,762

**WASHOE COUNTY SCHOOL DISTRICT
TITLE I - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources:				
ESEA Title I	\$ 3,271,240	\$ 6,243,789	\$ 4,728,549	\$ (1,515,240)
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	1,614,896	3,082,816	2,385,366	697,450
Benefits	525,626	874,525	659,505	215,020
Purchased Services	371,036	746,081	519,255	226,826
Supplies	394,786	1,095,271	795,387	299,884
Property	57,318	21,963	13,832	8,131
Other	121,442	204,895	159,254	45,641
Total regular programs	<u>3,085,104</u>	<u>6,025,551</u>	<u>4,532,599</u>	<u>1,492,952</u>
Undistributed expenditures:				
Instructional staff support				
Salaries	134,216	158,571	146,366	12,205
Benefits	36,610	43,307	39,358	3,949
Purchased Services	11,087	15,800	10,196	5,604
Supplies	440	-	-	-
Property	3,519	-	-	-
Other	264	560	30	530
Total undistributed expenditures	<u>186,136</u>	<u>218,238</u>	<u>195,950</u>	<u>22,288</u>
Total expenditures	<u>3,271,240</u>	<u>6,243,789</u>	<u>4,728,549</u>	<u>1,515,240</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
TITLE VI - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources:				
Title VI	\$ 327,707	\$ 374,831	315,842	\$ (58,989)
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	69,599	120,748	109,510	11,238
Benefits	17,702	39,053	31,750	7,303
Purchased Services	175,777	70,894	57,803	13,091
Supplies	13,438	72,756	65,922	6,834
Total regular programs	<u>276,516</u>	<u>303,451</u>	<u>264,985</u>	<u>38,466</u>
Undistributed expenditures:				
Instructional staff support				
Salaries	25,163	36,737	31,799	4,938
Benefits	9,274	11,347	7,066	4,281
Purchased Services	3,926	7,035	1,688	5,347
Supplies	877	3,061	511	2,550
Other	11,951	13,200	9,793	3,407
Total undistributed expenditures	<u>51,191</u>	<u>71,380</u>	<u>50,857</u>	<u>20,523</u>
Total expenditures	<u>327,707</u>	<u>374,831</u>	<u>315,842</u>	<u>58,989</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
INDIAN EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources:				
Indian education program	\$ 168,163	251,902	214,246	\$ (37,656)
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	98,355	164,047	148,487	15,560
Benefits	31,277	56,956	44,169	12,787
Purchased Services	18,157	16,736	9,287	7,449
Supplies	14,062	5,167	4,636	531
Property		75	75	-
Other	6,312	8,921	7,592	1,329
Total expenditures	168,163	251,902	214,246	37,656
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
PUBLIC LAW 105-17 - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Federal sources:				
Education of the handicapped	\$ 4,926,059	\$ 6,021,839	5,640,394	\$ (381,445)
EXPENDITURES				
Current:				
Special programs:				
Instruction				
Salaries	2,125,037	2,721,702	2,605,170	116,532
Benefits	356,162	578,037	514,494	63,543
Total special programs	<u>2,481,199</u>	<u>3,299,739</u>	<u>3,119,664</u>	<u>180,075</u>
Undistributed expenditures:				
Student support				
Salaries	506,110	649,781	618,289	31,492
Benefits	102,455	178,888	149,043	29,845
Purchased Services	359,827	425,407	376,579	48,828
Supplies	312,478	232,621	157,871	74,750
Property	102,950	2,123	1,975	148
Other	170,038	394,000	377,693	16,307
Total student support	<u>1,553,858</u>	<u>1,882,820</u>	<u>1,681,450</u>	<u>201,370</u>
Instructional staff support				
Salaries	583,217	570,130	570,130	-
Benefits	180,567	190,279	190,279	-
Purchased Services	78,010	-	-	-
Supplies	14,609	32,410	32,410	-
Property	2,463	18,857	18,857	-
Other	32,136	27,604	27,604	-
Total instructional staff support	<u>891,002</u>	<u>839,280</u>	<u>839,280</u>	<u>-</u>
Total undistributed expenditures	<u>2,444,860</u>	<u>2,722,100</u>	<u>2,520,730</u>	<u>201,370</u>
Total expenditures	<u>4,926,059</u>	<u>6,021,839</u>	<u>5,640,394</u>	<u>381,445</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
VOCATIONAL EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources:				
Vocational education	\$ 54,900	\$ 48,636	45,496	\$ (3,140)
Federal sources:				
Vocational education	<u>1,043,114</u>	<u>924,086</u>	<u>793,149</u>	<u>(130,937)</u>
Total revenues	<u>1,098,014</u>	<u>972,722</u>	<u>838,645</u>	<u>(134,077)</u>
EXPENDITURES				
Current:				
Undistributed expenditures:				
Instructional staff support				
Salaries	289,478	198,879	179,719	19,160
Benefits	79,904	44,447	39,651	4,796
Purchased Services	225,899	200,758	191,474	9,284
Supplies	166,848	383,994	316,802	67,192
Property	154,739	69,359	38,130	31,229
Other	<u>181,146</u>	<u>75,285</u>	<u>72,869</u>	<u>2,416</u>
Total undistributed expenditures	<u>1,098,014</u>	<u>972,722</u>	<u>838,645</u>	<u>134,077</u>
Total expenditures	<u>1,098,014</u>	<u>972,722</u>	<u>838,645</u>	<u>134,077</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ 121,891	\$ 184,021	134,397	\$ (49,624)
State sources	2,194,051	3,312,374	2,523,915	(788,459)
Federal sources	<u>3,778,643</u>	<u>5,704,644</u>	<u>4,339,782</u>	<u>(1,364,862)</u>
Total revenues	<u>6,094,585</u>	<u>9,201,039</u>	<u>6,998,094</u>	<u>(2,202,945)</u>
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	2,031,708	2,452,843	1,865,086	587,757
Benefits	425,666	500,708	376,286	124,422
Purchased Services	469,397	825,539	647,894	177,645
Supplies	353,297	651,124	413,710	237,414
Property	216,755	100,790	47,317	53,473
Other	<u>96,253</u>	<u>142,761</u>	<u>117,793</u>	<u>24,968</u>
Total regular programs	<u>3,593,076</u>	<u>4,673,765</u>	<u>3,468,086</u>	<u>1,205,679</u>
Undistributed expenditures:				
Student support				
Salaries	-	63,131	32,873	30,258
Benefits	-	11,326	6,017	5,309
Purchased Services	33,259	347,161	305,282	41,879
Supplies	26,700	10,254	9,712	542
Property	-	33,598	22,008	11,590
Other	<u>1,679</u>	<u>15,190</u>	<u>12,450</u>	<u>2,740</u>
Total student support	<u>61,638</u>	<u>480,660</u>	<u>388,342</u>	<u>92,318</u>
Instructional staff support				
Salaries	941,261	1,527,513	1,220,965	306,548
Benefits	183,179	260,944	235,103	25,841
Purchased Services	562,271	1,188,487	857,710	330,777
Supplies	188,669	403,529	329,672	73,857
Property	6,669	56,305	49,262	7,043
Other	<u>94,380</u>	<u>152,457</u>	<u>118,071</u>	<u>34,386</u>
Total instructional staff support	<u>1,976,429</u>	<u>3,589,235</u>	<u>2,810,783</u>	<u>778,452</u>
Other Support				
Salaries	-	51,017	46,746	4,271
Benefits	-	14,625	12,895	1,730
Purchased Services	55,000	55,388	34,465	20,923
Supplies	-	67,866	52,744	15,122
Property	408,442	71,400	16,798	54,602
Other	<u>-</u>	<u>5,742</u>	<u>3,858</u>	<u>1,884</u>
Total other support	<u>463,442</u>	<u>266,038</u>	<u>167,506</u>	<u>92,531</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
SPECIAL GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
Student Transportation				
Property	-	100,000	100,000	-
Central Support				
Salaries	-	28,712	13,942	14,770
Benefits	-	10,495	10,495	-
Purchased Services	-	21,955	8,761	13,194
Supplies	-	7,609	7,609	-
Property	-	22,570	22,570	-
Total Central Support	-	91,341	63,377	27,964
Total undistributed expenditures	2,501,509	4,527,274	3,530,008	997,266
Total expenditures	6,094,585	9,201,039	6,998,094	2,202,945
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
 DRUG FREE SCHOOLS - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources:				
Drug free schools act of 1986	\$ 298,451	\$ 280,083	252,594	\$ (27,489)
EXPENDITURES				
Current:				
Undistributed expenditures:				
Instructional staff support				
Salaries	168,802	167,109	162,617	4,492
Benefits	32,746	21,371	20,726	645
Purchased Services	43,583	9,527	8,280	1,247
Supplies	41,765	69,645	49,797	19,848
Property	-	200	-	200
Other	11,555	12,231	11,174	1,057
Total undistributed expenditures	<u>298,451</u>	<u>280,083</u>	<u>252,594</u>	<u>27,489</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
EARLY CHILDHOOD LEA - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources:				
Early Childhood LEA	\$ 503,431	456,094	\$ 303,170	\$ (152,924)
EXPENDITURES				
Current:				
Special programs:				
Instruction				
Salaries	248,793	218,150	144,634	73,516
Benefits	69,037	36,717	23,654	13,063
Total special programs	317,830	254,867	168,288	86,579
Undistributed expenditures:				
Student support				
Salaries	13,636	4,748	4,748	-
Benefits	498	-	-	-
Purchased Services	66,861	42,500	11,860	30,640
Supplies	54,877	85,499	72,133	13,366
Property	21,114	5,590	3,270	2,320
Other	8,571	15,184	9,741	5,443
Total student support	165,557	153,521	101,752	51,769
Instructional staff support				
Salaries	1,320	12,952	452	12,500
Benefits	4,869	1,088	-	1,088
Purchased Services	4,399	13,081	12,604	477
Supplies	9,456	16,490	16,490	-
Property	-	2,348	2,348	-
Other	-	1,747	1,236	511
Total instructional staff support	20,044	47,706	33,130	14,576
Total undistributed expenditures	185,601	201,227	134,882	66,345
Total expenditures	503,431	456,094	303,170	152,924
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
CLASS SIZE REDUCTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources:				
Special appropriations	\$ 13,501,769	\$ 13,501,769	13,460,189	\$ (41,580)
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	10,310,061	10,310,061	10,263,136	46,925
Benefits	3,228,206	3,228,206	3,197,053	31,153
Total expenditures	<u>13,538,267</u>	<u>13,538,267</u>	<u>13,460,189</u>	<u>78,078</u>
Excess (Deficiency) of Revenues Over Expenditures	(36,498)	(36,498)	-	36,498
OTHER FINANCING SOURCES				
Operating transfers in	<u>36,498</u>	<u>36,498</u>	-	<u>(36,498)</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
ADULT EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources:				
High school diploma program	\$ 1,638,326	\$ 1,692,358	1,659,981	\$ (32,377)
EXPENDITURES				
Current:				
Adult education programs:				
Instruction				
Salaries	606,601	698,249	697,038	1,211
Benefits	137,663	114,584	114,584	-
Purchased Services	62,863	68,047	61,649	6,398
Supplies	88,379	156,434	146,911	9,523
Property	24,063	19,336	17,733	1,603
Other	68,144	54,359	52,127	2,232
Total adult education programs	<u>987,713</u>	<u>1,111,009</u>	<u>1,090,042</u>	<u>20,967</u>
Undistributed expenditures:				
Student support				
Salaries	185,541	156,313	155,819	494
Benefits	53,862	42,933	42,884	49
Purchased Services	79,178	28,079	18,759	9,320
Supplies	43,108	20,809	19,665	1,144
Property	33,912	3,122	3,122	-
Other	6,800	5,179	4,776	403
Total student support	<u>402,401</u>	<u>256,435</u>	<u>245,025</u>	<u>11,410</u>
School administration				
Salaries	157,973	209,751	209,751	-
Benefits	45,020	56,641	56,641	-
Total school administration	<u>202,993</u>	<u>266,392</u>	<u>266,392</u>	<u>-</u>
Operations and maintenance				
Salaries	33,870	46,867	46,867	-
Benefits	11,349	11,655	11,655	-
Total operations and maintenance	<u>45,219</u>	<u>58,522</u>	<u>58,522</u>	<u>-</u>
Total undistributed expenditures	<u>650,613</u>	<u>581,349</u>	<u>569,939</u>	<u>11,410</u>
Total expenditures	<u>1,638,326</u>	<u>1,692,358</u>	<u>1,659,981</u>	<u>32,377</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
NUTRITION SERVICES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Regular food program	\$ 5,631,125	\$ 6,206,125	\$ 6,175,534	\$ (30,591)
Earnings on investments	5,250	5,250	-	(5,250)
State sources:				
State lunch program	-	-	12,426	12,426
Federal sources:				
National school lunch program	4,811,038	5,193,385	5,226,759	33,374
School breakfast program	1,008,511	1,088,661	1,184,124	95,463
Commodity foods program	-	746,234	717,798	(28,436)
	<u>11,455,924</u>	<u>13,239,655</u>	<u>13,316,641</u>	<u>76,986</u>
EXPENDITURES				
Current:				
Food service operations:				
Salaries	3,907,656	4,182,656	4,070,767	111,889
Benefits	958,394	1,158,394	973,463	184,931
Purchased Services	826,001	961,001	1,028,580	(67,579)
Supplies	5,480,820	6,342,154	6,217,781	124,373
Property	126,324	438,724	238,157	200,567
Other	24,509	24,509	48,169	(23,660)
	<u>11,323,704</u>	<u>13,107,438</u>	<u>12,576,917</u>	<u>530,521</u>
Debt service				
Interest	<u>30,000</u>	<u>30,000</u>	<u>29,500</u>	<u>500</u>
	<u>30,000</u>	<u>30,000</u>	<u>29,500</u>	<u>500</u>
	<u>11,353,704</u>	<u>13,137,438</u>	<u>12,606,417</u>	<u>531,021</u>
Net change in fund balances	<u>102,220</u>	<u>102,217</u>	<u>710,224</u>	<u>608,007</u>
FUND BALANCE, July 1	<u>-</u>	<u>171,950</u>	<u>171,950</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 102,220</u>	<u>\$ 274,167</u>	<u>\$ 882,174</u>	<u>\$ 608,007</u>

**WASHOE COUNTY SCHOOL DISTRICT
 REMEDIAL EDUCATION SB 555 - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources:				
Legislative appropriation	\$ 611,140	\$ 987,741	881,854	\$ (105,887)
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	131,771	214,350	184,864	29,486
Benefits	35,495	61,573	51,391	10,182
Purchased Services	103,693	178,113	146,174	31,939
Supplies	260,466	384,479	353,696	30,783
Property	79,451	149,226	145,729	3,497
Other	264	-	-	-
Total expenditures	<u>611,140</u>	<u>987,741</u>	<u>881,854</u>	<u>105,887</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
 TWENTY-FIRST CENTURY - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Federal sources:				
Twenty-First Century	\$ 1,263,674	\$ 3,133,839	2,291,668	\$ (842,171)
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	425,624	1,061,057	916,915	144,142
Benefits	44,940	142,261	108,524	33,737
Purchased Services	302,821	383,488	238,134	145,354
Supplies	84,328	275,962	172,918	103,044
Property	5,206	1,249	1,243	6
Other	3,403	21,239	13,430	7,809
Total regular programs	<u>866,322</u>	<u>1,885,256</u>	<u>1,451,164</u>	<u>434,092</u>
Undistributed expenditures:				
Instructional staff support				
Salaries	132,050	440,364	324,779	115,585
Benefits	27,216	103,198	66,794	36,404
Purchased Services	180,511	472,800	305,560	167,240
Supplies	6,261	103,243	57,066	46,177
Property	1,672	3,221	1,994	1,227
Other	49,642	125,757	84,311	41,446
Total undistributed expenditures	<u>397,352</u>	<u>1,248,583</u>	<u>840,504</u>	<u>408,079</u>
Total expenditures	<u>1,263,674</u>	<u>3,133,839</u>	<u>2,291,668</u>	<u>842,171</u>
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
COMMUNITY EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ 307,500	\$ 307,500	\$ 363,595	\$ 56,095
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	120,161	167,482	89,209	78,273
Benefits	6,154	7,811	4,798	3,013
Purchased Services	97,611	105,017	96,765	8,252
Supplies	15,686	8,117	8,317	(200)
Property	1,380	1,273	1,048	225
Other	11,986	1,567	5,239	(3,672)
Total regular programs	<u>252,978</u>	<u>291,267</u>	<u>205,376</u>	<u>85,891</u>
Undistributed expenditures:				
School Administration				
Salaries	107,018	111,824	110,452	1,372
Benefits	28,599	33,793	31,660	2,133
Total undistributed expenditures	<u>135,617</u>	<u>145,617</u>	<u>142,112</u>	<u>3,505</u>
Total expenditures	<u>388,595</u>	<u>436,884</u>	<u>347,488</u>	<u>89,396</u>
Net change in fund balances	(81,095)	(129,384)	16,107	145,491
FUND BALANCE, July 1	<u>205,620</u>	<u>305,396</u>	<u>305,396</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 124,525</u>	<u>\$ 176,012</u>	<u>\$ 321,503</u>	<u>\$ 145,491</u>

**WASHOE COUNTY SCHOOL DISTRICT
GIFTS AND DONATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ 728,508	\$ 728,508	\$ 744,952	\$ 16,444
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Salaries	144,546	165,516	106,017	59,499
Benefits	26,116	9,889	9,755	134
Purchased Services	238,054	210,789	212,876	(2,087)
Supplies	181,582	164,165	163,864	301
Property	111,721	96,670	97,273	(603)
Other	33,593	4,680	4,540	140
Total expenditures	<u>735,612</u>	<u>651,709</u>	<u>594,325</u>	<u>57,384</u>
Net change in fund balances	(7,104)	76,799	150,627	73,828
FUND BALANCE, July 1	<u>650,020</u>	<u>461,161</u>	<u>461,161</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 642,916</u>	<u>\$ 537,960</u>	<u>\$ 611,788</u>	<u>\$ 73,828</u>

**WASHOE COUNTY SCHOOL DISTRICT
 ADVANCED CARPENTRY PROJECT - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
EXPENDITURES				
Current:				
Regular programs:				
Instruction				
Purchased Services	\$ 100,000	\$ 19,801	\$ 18,604	\$ 1,197
Supplies	46,148	135,395	69,848	65,547
Property	26,795	1,958	1,795	163
Other	10,000	4,263	3,908	355
Total expenditures	<u>182,943</u>	<u>161,417</u>	<u>94,155</u>	<u>67,262</u>
OTHER FINANCING SOURCES:				
Operating transfers in	<u>130,000</u>	<u>130,000</u>	<u>130,000</u>	<u>-</u>
Net change in fund balances	(52,943)	(31,417)	35,845	67,262
FUND BALANCE, July 1	<u>67,600</u>	<u>31,417</u>	<u>31,417</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 14,657</u>	<u>\$ -</u>	<u>\$ 67,262</u>	<u>\$ 67,262</u>

**WASHOE COUNTY SCHOOL DISTRICT
WELLNESS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ -	\$ 200,000	\$ 205,004	\$ 5,004
EXPENDITURES				
Current:				
Undistributed expenditures:				
Instructional Staff Support				
Salaries	-	42,055	47,057	(5,002)
Benefits	-	201,271	133,135	68,136
Supplies	-	95	87	8
Property	-	6,579	6,031	548
Total undistributed expenditures	-	250,000	186,310	63,690
Total expenditures	-	250,000	186,310	63,690
Net change in fund balances	-	(50,000)	18,694	68,694
FUND BALANCE, July 1	-	293,341	293,341	-
FUND BALANCE, June 30	\$ -	\$ 243,341	\$ 312,035	\$ 68,694

**WASHOE COUNTY SCHOOL DISTRICT
FAMILY RESOURCE CENTER GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources	\$ -	\$ 31,672	30,322	\$ (1,350)
State sources	-	411,735	363,516	(48,219)
Federal sources	-	348,392	308,070	(40,322)
	<hr/>		<hr/>	
Total revenues	-	791,799	701,908	(89,891)
<hr/>				
EXPENDITURES				
Community Service Programs:				
Salaries	-	492,315	456,730	35,585
Benefits	-	140,674	122,411	18,263
Purchased Services	-	83,116	59,932	23,184
Supplies	-	29,681	27,289	2,392
Property	-	2,750	-	2,750
Other	-	43,263	35,546	7,717
	<hr/>		<hr/>	
Total community service	-	791,799	701,908	89,891
<hr/>				
Total expenditures	-	791,799	701,908	89,891
<hr/>				
Net change in fund balances	-	-	-	-
<hr/>				
FUND BALANCE, July 1	-	-	-	-
<hr/>				
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -
<hr/> <hr/>				

WASHOE COUNTY SCHOOL DISTRICT
PUBLIC SCHOOL EMPLOYEE BONUS FUND - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
State sources:				
Special Appropriations	\$ -	6,110,111	\$ 6,110,111	\$ -
EXPENDITURES				
Regular programs:				
Instruction				
Salaries	-	6,110,111	6,110,111	-
Net change in fund balances	-	-	-	-
FUND BALANCE, July 1	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -

Debt Service

Fund

To account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

**WASHOE COUNTY SCHOOL DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Ad valorem taxes	\$ 35,339,038	\$ 35,339,038	\$ 35,327,857	\$ (11,181)
Earnings on investments	1,400,000	1,400,000	1,289,972	(110,028)
Net increase (decrease) in the fair value of investments	-	-	113,442	113,442
Total revenues	<u>36,739,038</u>	<u>36,739,038</u>	<u>36,731,271</u>	<u>(7,767)</u>
EXPENDITURES				
Debt service:				
Principal	18,775,000	20,159,097	20,028,992	130,105
Interest	19,037,093	19,862,701	19,863,055	(354)
Other	181,240	1,065,714	1,105,185	(39,471)
Total expenditures	<u>37,993,333</u>	<u>41,087,512</u>	<u>40,997,232</u>	<u>90,280</u>
Excess (deficiency) of revenues over expenditures	<u>(1,254,295)</u>	<u>(4,348,474)</u>	<u>(4,265,961)</u>	<u>82,513</u>
OTHER FINANCING SOURCES (USES)				
Refunded capital leases	-	9,727,578	9,710,001	(17,577)
Payments for refunded capital leases	-	(8,840,428)	(5,959,017)	2,881,411
Refunding bonds issued	-	46,975,491	46,939,230	(36,261)
Payments for refunded bonds	-	(46,707,069)	(46,707,069)	-
Operating transfers in	-	2,069,607	2,225,493	155,886
Total other financing sources (uses)	<u>-</u>	<u>3,225,179</u>	<u>6,208,638</u>	<u>2,983,459</u>
Net change in fund balances	(1,254,295)	(1,123,295)	1,942,677	3,065,972
FUND BALANCE, July 1	<u>23,487,120</u>	<u>25,624,072</u>	<u>25,624,072</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 22,232,825</u>	<u>\$ 24,500,777</u>	<u>\$ 27,566,749</u>	<u>\$ 3,065,972</u>

Capital Assets

Governmental Funds

- ◆ Schedule by Source
- ◆ Schedule by Function and Activity
- ◆ Schedule of Changes by Function and Activity

**WASHOE COUNTY SCHOOL DISTRICT
1999 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ -	\$ 2,450,000	\$ 4,673,053	\$ 2,223,053
EXPENDITURES				
Current:				
Undistributed expenditures:				
Business support				
Salaries	-	343,696	197,387	146,309
Benefits	-	80,299	57,501	22,798
Purchased Services	-	-	50	(50)
Supplies	15,000	21,005	1,023	19,982
Property	-	45,000	43,712	1,288
Total undistributed expenditures	15,000	490,000	299,673	190,327
Capital outlay, facilities acquisition, and construction:				
Land acquisition				
Property	3,000,000	1,600,000	478,296	1,121,704
Site improvement				
Purchased Services	1,184	25,000	12,664	12,336
Architecture and engineering services				
Salaries	-	66,638	39,628	27,010
Benefits	-	17,393	11,434	5,959
Purchased Services	1,471,170	2,205,969	1,298,257	907,712
Property	-	10,000	2,237	7,763
Total architecture and engineering services	1,471,170	2,300,000	1,351,556	948,444
Building improvement				
Purchased Services	1,100,000	4,327,118	1,620,588	2,706,530
Other	-	10,000	23,894	(13,894)
Total building improvement	1,100,000	4,337,118	1,644,482	2,692,636

**WASHOE COUNTY SCHOOL DISTRICT
1999 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
Building acquisition and construction				
Salaries	-	70,000	66,617	3,383
Benefits	-	20,300	13,690	6,610
Purchased Services	51,631,278	48,498,556	22,015,993	26,482,563
Supplies	3,860,825	4,328,825	1,508,337	2,820,488
Property	8,772,119	9,657,019	4,974,736	4,682,283
Other	543,860	480,860	1,304,402	(823,542)
Total building acquisition and construction	64,808,082	63,055,560	29,883,775	33,171,785
 Total capital outlay, facilities acquisition and construction	 70,380,436	 71,317,678	 33,370,773	 37,946,905
 Total expenditures	 70,395,436	 71,807,678	 33,670,446	 38,137,232
 Net change in fund balances	 (70,395,436)	 (69,357,678)	 (28,997,393)	 40,360,285
 FUND BALANCE, July 1	 92,105,159	 91,067,401	 91,067,401	 -
 FUND BALANCE, June 30	 \$ 21,709,723	 \$ 21,709,723	 \$ 62,070,008	 \$ 40,360,285

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2002**

	GOVERNMENT SERVICES TAX FUND	1992 BOND FUND	1998 BOND FUND
ASSETS			
Cash and investments	\$ 3,993,638	\$ 2,717,450	\$ 589,960
Receivables:			
Interest	6,196	4,387	-
Miscellaneous accounts	15,426	-	-
Due from other governments	241,480	-	-
	<u>4,256,740</u>	<u>2,721,837</u>	<u>589,960</u>
Total assets	<u>\$ 4,256,740</u>	<u>\$ 2,721,837</u>	<u>\$ 589,960</u>
LIABILITIES			
Accounts payable	\$ 162,227	\$ 7,662	\$ -
Accrued liabilities	13,250	-	316,765
Construction contracts payable	90,607	3,815	17,998
Due to other funds	66	-	25
	<u>266,150</u>	<u>11,477</u>	<u>334,788</u>
Total liabilities	<u>266,150</u>	<u>11,477</u>	<u>334,788</u>
FUND BALANCE			
Reserved for:			
Encumbrances	460,763	149	302
Capital leases	-	-	-
Construction contracts	168,364	1,652,955	113,573
Unreserved:			
Designated for subsequent year's expenditures	2,819,015	-	-
Undesignated	542,448	1,057,256	141,297
	<u>3,990,590</u>	<u>2,710,360</u>	<u>255,172</u>
Total fund balance	<u>3,990,590</u>	<u>2,710,360</u>	<u>255,172</u>
Total liabilities and fund balance	<u>\$ 4,256,740</u>	<u>\$ 2,721,837</u>	<u>\$ 589,960</u>

<u>BUILDING AND SITES FUND</u>	<u>FACILITIES EXTRAORDINARY MAINTENANCE FUND</u>	<u>1998 BOND EXTRAORDINARY MAINTENANCE FUND</u>	<u>1999 BOND EXTRAORDINARY MAINTENANCE FUND</u>	<u>TOTAL</u>
\$ 1,617,380	\$ 3,713,109	\$ 402,890	\$ 649,079	\$ 13,683,506
-	799	-	-	11,382
-	-	-	-	15,426
<u>2,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,785</u>
<u>\$ 1,619,685</u>	<u>\$ 3,713,908</u>	<u>\$ 402,890</u>	<u>\$ 649,079</u>	<u>\$ 13,954,099</u>
\$ 1,789	\$ 67,806	\$ -	\$ -	\$ 239,484
-	24,915	3,058	9,578	367,566
-	56,299	-	-	168,719
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>91</u>
<u>1,789</u>	<u>149,020</u>	<u>3,058</u>	<u>9,578</u>	<u>775,860</u>
-	302,035	-	-	763,249
-	3,170,168	-	-	3,170,168
-	89,276	-	-	2,024,168
-	-	-	-	2,819,015
<u>1,617,896</u>	<u>3,409</u>	<u>399,832</u>	<u>639,501</u>	<u>4,401,639</u>
<u>1,617,896</u>	<u>3,564,888</u>	<u>399,832</u>	<u>639,501</u>	<u>13,178,239</u>
<u>\$ 1,619,685</u>	<u>\$ 3,713,908</u>	<u>\$ 402,890</u>	<u>\$ 649,079</u>	<u>\$ 13,954,099</u>

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2002**

	GOVERNMENT SERVICES TAX FUND	1987 BOND FUND	1992 BOND FUND	1998 BOND FUND
REVENUES				
Local sources	\$ 2,771,954	\$ 1,351	\$ 121,616	\$ 174,794
EXPENDITURES				
Current:				
Undistributed expenditures:				
Business support	-	-	-	160,404
Capital outlay	2,545,809	86,282	20,894	7,555,854
Total expenditures	2,545,809	86,282	20,894	7,716,258
Excess (deficiency) of revenues over expenditures	226,145	(84,931)	100,722	(7,541,464)
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	-
Operating transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	226,145	(84,931)	100,722	(7,541,464)
FUND BALANCE, July 1	3,764,445	84,931	2,609,638	7,796,636
FUND BALANCE, June 30	\$ 3,990,590	\$ -	\$ 2,710,360	\$ 255,172

BUILDING AND SITES FUND	FACILITIES EXTRAORDINARY MAINTENANCE FUND	1998 BOND EXTRAORDINARY MAINTENANCE FUND	1999 BOND EXTRAORDINARY MAINTENANCE FUND	TOTAL
\$ 445,873	\$ 17,032	\$ 18,045	\$ 34,781	\$ 3,585,446
-	-	-	-	160,404
442,568	1,385,852	-	-	12,037,259
442,568	1,385,852	-	-	12,197,663
3,305	(1,368,820)	18,045	34,781	(8,612,217)
-	3,939,908	-	-	3,939,908
(130,000)	-	-	-	(130,000)
(130,000)	3,939,908	-	-	3,809,908
(126,695)	2,571,088	18,045	34,781	(4,802,309)
1,744,591	993,800	381,787	604,720	17,980,548
\$ 1,617,896	\$ 3,564,888	\$ 399,832	\$ 639,501	\$ 13,178,239

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENT SERVICES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local sources:				
Government services tax	\$ 2,436,091	\$ 2,436,091	\$ 2,676,923	\$ 240,832
Earnings on investments	100,000	100,000	95,031	(4,969)
Total revenues	2,536,091	2,536,091	2,771,954	235,863
EXPENDITURES				
Current:				
Undistributed expenditures:				
Site improvement				
Purchased Services	203,869	1,200,000	721,090	478,910
Architecture and engineering services				
Salaries	240,000	240,000	159,260	80,740
Benefits	65,100	65,200	44,891	20,309
Purchased Services	565,398	564,589	153,570	411,019
Total architecture and engineering services	870,498	869,789	357,721	512,068
Building improvement				
Purchased Services	3,693,584	4,109,167	1,355,461	2,753,706
Supplies	30,000	30,000	3,409	26,591
Property	71,580	71,580	99,994	(28,414)
Other	20,000	20,000	8,134	11,866
Total building improvement	3,815,164	4,230,747	1,466,998	2,763,749
Total capital outlay, facilities acquisition and construction	4,889,531	6,300,536	2,545,809	3,754,727
Total expenditures	4,889,531	6,300,536	2,545,809	3,754,727
Net change in fund balances	(2,353,440)	(3,764,445)	226,145	3,990,590
FUND BALANCE, July 1	2,353,440	3,764,445	3,764,445	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 3,990,590	\$ 3,990,590

WASHOE COUNTY SCHOOL DISTRICT
1987 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ -	\$ 1,351	\$ 1,351	\$ -
EXPENDITURES				
Current:				
Capital outlay, facilities				
Building improvement				
Purchased Services	-	86,282	86,282	-
Net change in fund balances	-	(84,931)	(84,931)	-
FUND BALANCE, July 1	-	84,931	84,931	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
1992 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ -	\$ -	\$ 71,461	\$ 71,461
Other	-	-	50,155	50,155
Total revenues	<u>-</u>	<u>-</u>	<u>121,616</u>	<u>121,616</u>
EXPENDITURES				
Current:				
Capital outlay, facilities acquisition, and construction:				
Site improvement				
Purchased Services	-	100,000	2,142	97,858
Architecture and engineering services				
Purchased Services	2,503	100,000	18,752	81,248
Total architecture and engineering services	<u>2,503</u>	<u>100,000</u>	<u>18,752</u>	<u>81,248</u>
Building improvement				
Purchased Services	9,828	2,409,489	-	2,409,489
Property	149	149	-	149
Total building improvement	<u>9,977</u>	<u>2,409,638</u>	<u>-</u>	<u>2,409,638</u>
Total expenditures	<u>12,480</u>	<u>2,609,638</u>	<u>20,894</u>	<u>2,588,744</u>
Net change in fund balances	<u>(12,480)</u>	<u>(2,609,638)</u>	<u>100,722</u>	<u>2,710,360</u>
FUND BALANCE, July 1	<u>12,480</u>	<u>2,609,638</u>	<u>2,609,638</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,710,360</u>	<u>\$ 2,710,360</u>

**WASHOE COUNTY SCHOOL DISTRICT
1998 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ -	\$ 165,000	\$ 174,794	\$ 9,794
EXPENDITURES				
Current:				
Undistributed expenditures:				
Business support				
Salaries	-	155,480	131,297	24,183
Benefits	-	34,475	29,062	5,413
Purchased Services	-	45	-	45
Other	-	-	45	(45)
Total business support	-	190,000	160,404	29,596
Capital outlay, facilities acquisition, and construction:				
Site improvement				
Purchased Services	296,592	374,500	360,827	13,673
Property	-	-	30	(30)
Other	-	500	-	500
Total site improvement	296,592	375,000	360,857	14,143
Architecture and engineering services				
Salaries	-	65,000	31,016	33,984
Benefits	-	25,000	7,838	17,162
Purchased Services	943,048	860,000	806,820	53,180
Total architecture and engineering services	943,048	950,000	845,674	104,326
Building improvement				
Salaries	-	16,500	16,214	286
Benefits	-	1,250	878	372
Purchased Services	1,148,417	1,318,886	1,280,372	38,514
Other	-	10,000	77	9,923
Total building improvement	1,148,417	1,346,636	1,297,541	49,095
Building acquisition and construction				
Salaries	-	85,949	42,835	43,114
Benefits	-	9,700	8,290	1,410
Purchased Services	4,253,033	2,470,112	2,603,718	(133,606)
Supplies	664,696	664,696	591,839	72,857
Property	1,824,043	1,869,543	1,805,100	64,443
Total building acquisition and construction	6,741,772	5,100,000	5,051,782	48,218

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
1998 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
Total capital outlay, facilities acquisition and construction	9,129,829	7,771,636	7,555,854	215,782
Total expenditures	9,129,829	7,961,636	7,716,258	245,378
Net change in fund balances	(9,129,829)	(7,796,636)	(7,541,464)	255,172
FUND BALANCE, July 1	9,129,829	7,796,636	7,796,636	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 255,172	\$ 255,172

**WASHOE COUNTY SCHOOL DISTRICT
BUILDING AND SITES FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Rental income	\$ -	\$ -	\$ 39,378	\$ 39,378
Earnings on investments	-	17,169	46,330	29,161
Other	-	16,997	-	(16,997)
Sale of property	130,000	142,465	360,165	217,700
Total revenues	<u>130,000</u>	<u>176,631</u>	<u>445,873</u>	<u>269,242</u>
EXPENDITURES				
Capital outlay, facilities acquisition, and construction:				
Land acquisition				
Purchased services	-	-	5,342	(5,342)
Property	799,965	948,381	239,086	709,295
Other	-	-	1,763	(1,763)
Total Land Acquisition	<u>799,965</u>	<u>948,381</u>	<u>246,191</u>	<u>702,190</u>
Building acquisition and construction				
Purchased services	-	-	1,270	(1,270)
Property	-	350,000	162,706	187,294
Other	-	-	7	(7)
Total building acquisition and construction	<u>-</u>	<u>350,000</u>	<u>163,983</u>	<u>186,017</u>
Architecture and engineering services				
Purchased services	15,000	165,000	5,648	159,352
Building improvement				
Purchased services	27,841	327,841	91	327,750
Supplies	-	-	3,229	(3,229)
Property	-	-	23,426	(23,426)
Total building improvement	<u>27,841</u>	<u>327,841</u>	<u>26,746</u>	<u>301,095</u>
Total expenditures	<u>842,806</u>	<u>1,791,222</u>	<u>442,568</u>	<u>1,348,654</u>
Excess (deficiency) of revenues over expenditures	(712,806)	(1,614,591)	3,305	1,617,896
OTHER FINANCING USES:				
Operating transfers out	(130,000)	(130,000)	(130,000)	-
Net change in fund balances	<u>(842,806)</u>	<u>(1,744,591)</u>	<u>(126,695)</u>	<u>1,617,896</u>
FUND BALANCE, July 1	<u>842,806</u>	<u>1,744,591</u>	<u>1,744,591</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,617,896</u>	<u>\$ 1,617,896</u>

**WASHOE COUNTY SCHOOL DISTRICT
FACILITIES EXTRAORDINARY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ -	\$ -	\$ 17,032	\$ 17,032
EXPENDITURES				
Capital outlay, facilities acquisition, and construction:				
Site improvement				
Purchased services	269,598	400,000	308,296	91,704
Architecture and engineering services				
Purchased services	41,799	150,000	90,319	59,681
Building improvement				
Purchased services	195,940	1,409,414	980,418	428,996
Other	-	-	6,819	(6,819)
Total building improvement	195,940	1,409,414	987,237	422,177
Total expenditures	507,337	1,959,414	1,385,852	573,562
Excess (deficiency) of revenue over expenditures	(507,337)	(1,959,414)	(1,368,820)	590,594
OTHER FINANCING SOURCES:				
Capital leases	-	3,939,908	3,939,908	-
Total other financing sources (uses)	-	3,939,908	3,939,908	-
Change in fund balances	(507,337)	1,980,494	2,571,088	590,594
FUND BALANCE, July 1	507,337	993,800	993,800	-
FUND BALANCE, June 30	\$ -	\$ 2,974,294	\$ 3,564,888	\$ 590,594

WASHOE COUNTY SCHOOL DISTRICT
1998 BOND EXTRAORDINARY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ 12,500	\$ 12,500	\$ 18,045	\$ 5,545
FUND BALANCE, July 1	<u>376,500</u>	<u>381,787</u>	<u>381,787</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 389,000</u>	<u>\$ 394,287</u>	<u>\$ 399,832</u>	<u>\$ 5,545</u>

WASHOE COUNTY SCHOOL DISTRICT
1999 BOND EXTRAORDINARY MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
REVENUES				
Local sources:				
Earnings on investments	\$ 22,994	\$ 22,994	\$ 34,781	\$ 11,787
FUND BALANCE, July 1	<u>592,006</u>	<u>604,720</u>	<u>604,720</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 615,000</u>	<u>\$ 627,714</u>	<u>\$ 639,501</u>	<u>\$ 11,787</u>

Internal

Service Funds

To account for transactions relating to risk management services provided to other departments of the District on a cost-reimbursement basis. The funds in this category are:

Insurance Fund–Property and Casualty:

To account for the self-insured Property and Casualty costs of the District.

Insurance Fund–Health Insurance: To account for the self-insured Health Benefit costs of District employees.

Insurance Fund–Workers' Compensation:

To account for the self-insured Workers' Compensation costs of the District.

**WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
JUNE 30, 2002**

	<u>INSURANCE FUND (PROPERTY CASUALTY)</u>	<u>INSURANCE FUND (HEALTH INSURANCE)</u>	<u>INSURANCE FUND (WORKERS' COMPENSATION)</u>	<u>TOTAL</u>
ASSETS				
Current assets:				
Cash and Investments	\$ 1,760,683	\$ 4,124,091	\$ 2,516,732	\$ 8,401,506
Accounts receivable	-	181,667	-	181,667
Accrued interest receivable	1,153	3,520	3,826	8,499
Due from other funds	-	-	228,391	228,391
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,761,836</u>	<u>\$ 4,309,278</u>	<u>\$ 2,748,949</u>	<u>\$ 8,820,063</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 162,288	\$ -	\$ 35,475	\$ 197,763
Accrued liabilities	3,123	291,103	30,124	324,350
Pending claims	608,891	4,426,030	981,000	6,015,921
Deferred revenue	-	4,974	-	4,974
Due to other funds	-	15	-	15
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total current liabilities	<u>774,302</u>	<u>4,722,122</u>	<u>1,046,599</u>	<u>6,543,023</u>
Noncurrent liabilities:				
Pending claims	<u>868,162</u>	<u>-</u>	<u>1,700,000</u>	<u>2,568,162</u>
Total liabilities	<u>1,642,464</u>	<u>4,722,122</u>	<u>2,746,599</u>	<u>9,111,185</u>
NET ASSETS				
Unrestricted	<u>119,372</u>	<u>(412,844)</u>	<u>2,350</u>	<u>(291,122)</u>
Total net assets	<u>\$ 119,372</u>	<u>\$ (412,844)</u>	<u>\$ 2,350</u>	<u>\$ (291,122)</u>

**WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>INSURANCE FUND (PROPERTY CASUALTY)</u>	<u>INSURANCE FUND (HEALTH INSURANCE)</u>	<u>INSURANCE FUND (WORKERS' COMPENSATION)</u>	<u>TOTAL</u>
OPERATING REVENUES				
Charges for services	\$ 2,164,034	\$ 34,300,978	\$ 2,172,181	\$ 38,637,193
OPERATING EXPENSES				
Salaries and benefits	-	54,109	-	54,109
Employee benefits	-	33,624,624	-	33,624,624
Claims and services	2,018,978	1,525,052	2,254,602	5,798,632
Total operating expenses	2,018,978	35,203,785	2,254,602	39,477,365
Operating income (loss)	145,056	(902,807)	(82,421)	(840,172)
NONOPERATING REVENUES				
Earnings on investments	25,906	35,011	50,683	111,600
Total nonoperating revenues	25,906	35,011	50,683	111,600
Income (loss) before transfers	170,962	(867,796)	(31,738)	(728,572)
TRANSFERS IN (OUT)				
General Fund	-	1,528,836	-	1,528,836
Total transfers in (out)	-	1,528,836	-	1,528,836
Change in net assets	170,962	661,040	(31,738)	800,264
NET ASSETS - JULY 1, AS ADJUSTED	<u>(51,590)</u>	<u>(1,073,884)</u>	<u>34,088</u>	<u>(1,091,386)</u>
NET ASSETS - June 30	<u>\$ 119,372</u>	<u>\$ (412,844)</u>	<u>\$ 2,350</u>	<u>\$ (291,122)</u>

**WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2002**

	INSURANCE FUND (PROPERTY CASUALTY)	INSURANCE FUND (HEALTH INSURANCE)	INSURANCE FUND (WORKERS' COMPENSATION)	TOTAL
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Cash received for services	\$ 2,282,276	\$ 34,401,225	\$ 2,097,240	\$ 38,780,741
Cash paid for salaries and benefits	-	(54,109)	-	(54,109)
Cash payments for employee benefits	-	(33,218,602)	-	(33,218,602)
Cash payments for claims and services	(2,038,622)	(1,525,052)	(1,776,514)	(5,340,188)
Net cash provided (used) by operating activities	243,654	(396,538)	320,726	167,842
Cash Flows from noncapital financing activities:				
Transfer from General Fund	-	1,528,836	-	1,528,836
Net cash provided by noncapital financing activities	-	1,528,836	-	1,528,836
Cash flows from investing activities:				
Interest received on investments	29,094	37,750	51,073	117,917
Net increase (decrease) in cash and cash equivalents	272,748	1,170,048	371,799	1,814,595
Cash and cash equivalents, July 1	1,487,935	2,954,043	2,144,933	6,586,911
Cash and cash equivalents, June 30	\$ 1,760,683	\$ 4,124,091	\$ 2,516,732	\$ 8,401,506
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS				
Operating income (loss)	\$ 145,056	\$ (902,807)	\$ (82,421)	\$ (840,172)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Changes in assets and liabilities:				
Accounts receivable	118,242	104,322	17,896	240,460
Due from other funds	-	-	(92,837)	(92,837)
Accounts payable	148,840	(9,036)	16,964	156,768
Accrued liabilities	(354,846)	(276,557)	30,124	(601,279)
Pending claims	186,362	691,620	431,000	1,308,982
Deferred revenue	-	(4,075)	-	(4,075)
Due to other funds	-	(5)	-	(5)
Total adjustments	98,598	506,269	403,147	1,008,014
Net cash provided (used) by operations	\$ 243,654	\$ (396,538)	\$ 320,726	\$ 167,842

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - PROPERTY AND CASUALTY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OPERATING REVENUES				
Charges for services	\$ 1,339,000	\$ 2,164,034	\$ 2,164,034	\$ -
OPERATING EXPENSES				
General Government:				
Claims and services	1,438,000	2,167,657	2,018,978	148,679
Operating income (loss)	(99,000)	(3,623)	145,056	148,679
NONOPERATING REVENUES				
Earnings on investments	75,000	25,588	25,906	318
Total nonoperating revenues	75,000	25,588	25,906	318
Change in net assets	(24,000)	21,965	170,962	148,997
NET ASSETS - JULY 1, AS ADJUSTED	<u>24,000</u>	<u>(51,590)</u>	<u>(51,590)</u>	<u>-</u>
NET ASSETS - JUNE 30	<u>\$ -</u>	<u>\$ (29,625)</u>	<u>\$ 119,372</u>	<u>\$ 148,997</u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - PROPERTY AND CASUALTY
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Cash received for services	\$ 1,339,000	\$ 2,164,034	\$ 2,282,276	\$ 118,242
Cash payments for claims and services	<u>(1,438,000)</u>	<u>(2,167,657)</u>	<u>(2,038,622)</u>	<u>129,035</u>
Net cash provided (used) by operating activities	<u>(99,000)</u>	<u>(3,623)</u>	<u>243,654</u>	<u>247,277</u>
Cash flows from investing activities:				
Interest received on investments	<u>75,000</u>	<u>25,588</u>	<u>29,094</u>	<u>3,506</u>
Net increase (decrease) in cash and cash equivalents	(24,000)	21,965	272,748	250,783
Cash and cash equivalents, July 1	<u>250,783</u>	<u>1,487,935</u>	<u>1,487,935</u>	<u>-</u>
Cash and cash equivalents, June 30	<u><u>\$ 226,783</u></u>	<u><u>\$ 1,509,900</u></u>	<u><u>\$ 1,760,683</u></u>	<u><u>\$ 250,783</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS				
Operating income (loss)	\$ <u>(99,000)</u>	\$ <u>(3,623)</u>	\$ 145,056	\$ <u>148,679</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Changes in assets and liabilities:				
Accounts receivable	-	-	118,242	118,242
Accounts payable	-	-	148,840	148,840
Accrued liabilities	-	-	(354,846)	(354,846)
Pending claims	<u>-</u>	<u>-</u>	<u>186,362</u>	<u>186,362</u>
Total adjustments	<u>-</u>	<u>-</u>	<u>98,598</u>	<u>98,598</u>
Net cash provided (used) by operations	<u><u>\$ (99,000)</u></u>	<u><u>\$ (3,623)</u></u>	<u><u>\$ 243,654</u></u>	<u><u>\$ 247,277</u></u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - HEALTH INSURANCE
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OPERATING REVENUES				
Charges for services	\$ 33,424,839	\$ 34,158,484	\$ 34,300,978	\$ 142,494
OPERATING EXPENSES				
General government:				
Salaries and benefits	55,000	38,498	54,109	(15,611)
Employee benefits	32,735,000	34,163,038	33,624,624	538,414
Services and supplies	1,500,000	1,520,295	1,525,052	(4,757)
Total operating expenses	34,290,000	35,721,831	35,203,785	518,046
Operating income (loss)	(865,161)	(1,563,347)	(902,807)	660,540
NONOPERATING REVENUES				
Earnings on investments	42,109	34,511	35,011	500
Income (loss) before transfers	(823,052)	(1,528,836)	(867,796)	661,040
TRANSFERS IN (OUT)				
General Fund	1,407,553	1,528,836	1,528,836	-
Total transfers in (out)	1,407,553	1,528,836	1,528,836	-
Change in net assets	584,501	-	661,040	661,040
NET ASSETS - JULY 1, AS ADJUSTED	661,750	(1,073,884)	(1,073,884)	-
NET ASSETS - JUNE 30	\$ 1,246,251	\$ (1,073,884)	\$ (412,844)	\$ 661,040

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - HEALTH INSURANCE
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities:				
Cash received for services	\$ 33,424,839	\$ 34,158,484	\$ 34,401,225	\$ 242,741
Cash paid for salaries	(55,000)	(38,498)	(54,109)	(15,611)
Cash payments for employee benefits	(32,735,000)	(34,163,038)	(33,218,602)	944,436
Cash payments for services and supplies	(1,500,000)	(1,520,295)	(1,525,052)	(4,757)
Net cash provided (used) by operating activities	<u>(865,161)</u>	<u>(1,563,347)</u>	<u>(396,538)</u>	<u>1,166,809</u>
Cash flows from noncapital financing activities:				
Transfer from General Fund	<u>1,528,836</u>	<u>1,528,836</u>	<u>1,528,836</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>1,528,836</u>	<u>1,528,836</u>	<u>1,528,836</u>	<u>-</u>
Cash flows from investing activities:				
Interest received on investments	<u>42,109</u>	<u>34,511</u>	<u>37,750</u>	<u>3,239</u>
Net increase (decrease) in cash and cash equivalents	705,784	-	1,170,048	1,170,048
Cash and cash equivalents, July 1	<u>1,170,048</u>	<u>2,954,043</u>	<u>2,954,043</u>	<u>-</u>
Cash and cash equivalents, June 30	<u>\$ 1,875,832</u>	<u>\$ 2,954,043</u>	<u>\$ 4,124,091</u>	<u>\$ 1,170,048</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS				
Operating income (loss)	\$ <u>(865,161)</u>	\$ <u>(1,563,347)</u>	\$ <u>(902,807)</u>	\$ <u>660,540</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Changes in assets and liabilities:				
Accounts receivable	-	-	104,322	104,322
Accounts payable	-	-	(9,036)	(9,036)
Accrued liabilities	-	-	(276,557)	(276,557)
Pending claims	-	-	691,620	691,620
Deferred revenue	-	-	(4,075)	(4,075)
Due to other funds	-	-	(5)	(5)
Total Adjustments	<u>-</u>	<u>-</u>	<u>506,269</u>	<u>506,269</u>
Net cash provided (used) by operations	<u>\$ (865,161)</u>	<u>\$ (1,563,347)</u>	<u>\$ (396,538)</u>	<u>\$ 1,166,809</u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - WORKERS' COMPENSATION
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
OPERATING REVENUES				
Charges for services	\$ 2,203,285	\$ 2,275,246	\$ 2,172,181	\$ (103,065)
OPERATING EXPENSES				
General government:				
Claims and services	2,274,902	2,320,246	2,254,602	65,644
Operating income (loss)	(71,617)	(45,000)	(82,421)	(37,421)
NONOPERATING REVENUES				
Earnings on investments	70,000	45,000	50,683	5,683
Change in net assets	(1,617)	-	(31,738)	(31,738)
NET ASSETS - JULY 1, AS ADJUSTED	<u>1,617</u>	<u>34,088</u>	<u>34,088</u>	<u>-</u>
NET ASSETS - JUNE 30	<u>\$ -</u>	<u>\$ 34,088</u>	<u>\$ 2,350</u>	<u>\$ (31,738)</u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - WORKERS' COMPENSATION
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash Flows from operating activities:				
Cash received for services	\$ 2,203,285	\$ 2,275,246	\$ 2,097,240	\$ (178,006)
Payments for claims and services	<u>(2,274,902)</u>	<u>(2,320,246)</u>	<u>(1,776,514)</u>	<u>543,732</u>
Net cash provided (used) by operating activities	<u>(71,617)</u>	<u>(45,000)</u>	<u>320,726</u>	<u>365,726</u>
Cash flows from investing activities:				
Interest received on investments	<u>70,000</u>	<u>45,000</u>	<u>51,073</u>	<u>6,073</u>
Net increase (decrease) in cash and cash equivalents	(1,617)	-	371,799	371,799
Cash and cash equivalents, July 1	<u>371,799</u>	<u>2,144,933</u>	<u>2,144,933</u>	<u>-</u>
Cash and cash equivalents, June 30	<u>\$ 370,182</u>	<u>\$ 2,144,933</u>	<u>\$ 2,516,732</u>	<u>\$ 371,799</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS				
Operating income (loss)	\$ <u>(71,617)</u>	\$ <u>(45,000)</u>	\$ <u>(82,421)</u>	\$ <u>(37,421)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Changes in assets and liabilities:				
Accounts receivable	-	-	17,896	17,896
Due from other funds	-	-	(92,837)	(92,837)
Accounts payable	-	-	16,964	16,964
Accrued liabilities	-	-	30,124	30,124
Pending claims	<u>-</u>	<u>-</u>	<u>431,000</u>	<u>431,000</u>
Total adjustments	<u>-</u>	<u>-</u>	<u>403,147</u>	<u>403,147</u>
Net cash provided (used) by operations	<u>\$ (71,617)</u>	<u>\$ (45,000)</u>	<u>\$ 320,726</u>	<u>\$ 365,726</u>

Fiduciary Funds

Fiduciary funds account for activities in which the District acts in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Individual funds include the following:

Private-Purpose Trust Fund:

Scholarship Trust Fund: To account for funds contributed by individuals and entities outside the District that are used to provide scholarships to prospective college students.

Agency Funds:

Student Activities Fund: To account for student activity funds under the control of the respective schools in the District.

80/5 Plan Fund: To account for employee contributions to the District's 80/5 Plan.

NIAA Fund: To account for transactions related to the statewide Nevada Interscholastic Athletic Association.

**WASHOE COUNTY SCHOOL DISTRICT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2002**

	<u>JULY 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 2002</u>
Student Activities				
ASSETS				
Cash and investments	\$ 4,622,073	\$ 12,467,609	\$ 12,076,194	\$ 5,013,488
LIABILITIES				
Due to student groups and others	\$ 4,622,073	\$ 12,467,609	\$ 12,076,194	\$ 5,013,488
80/5 Salary Plan				
ASSETS				
Cash and investments	\$ 701,815	\$ 949,556	\$ 961,753	\$ 689,618
LIABILITIES				
Accrued liabilities	\$ 701,815	\$ 237,219	\$ 249,416	\$ 689,618
Nevada Interscholastic Athletic Association				
ASSETS				
Receivables	\$ 49,561	\$ 52,254	\$ 49,560	\$ 52,255
LIABILITIES				
Accrued liabilities	\$ 7,615	\$ 118,147	\$ 117,330	\$ 8,432
Due to other funds	41,946	43,823	41,946	43,823
Total liabilities	\$ 49,561	\$ 161,970	\$ 159,276	\$ 52,255
Totals - All Agency Funds				
ASSETS				
Cash and investments	\$ 5,323,888	\$ 13,417,165	\$ 13,037,947	\$ 5,703,106
Receivables	49,561	52,254	49,560	52,255
Total assets	\$ 5,373,449	\$ 13,469,419	\$ 13,087,507	\$ 5,755,361
LIABILITIES				
Accrued liabilities	\$ 709,430	\$ 355,366	\$ 366,746	\$ 698,050
Due to student groups and others	4,622,073	12,467,609	12,076,194	5,013,488
Due to other funds	41,946	43,823	41,946	43,823
Total liabilities	\$ 5,373,449	\$ 12,866,798	\$ 12,484,886	\$ 5,755,361

**WASHOE COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

<u>SCHOOLS</u>	<u>BALANCE JULY 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2002</u>
ELEMENTARY SCHOOLS:				
Allen	\$ 14,019	\$ 49,865	\$ 50,917	\$ 12,967
Anderson	68,222	78,430	116,537	30,115
Beasley	18,737	48,044	51,728	15,053
Beck	9,069	44,005	44,606	8,468
Bennett	10,973	39,467	36,966	13,474
Booth	41,788	70,541	58,528	53,801
Brown	31,562	65,755	59,258	38,059
Cannan	17,593	55,112	47,857	24,848
Caughlin Ranch	13,796	95,346	87,867	21,275
Corbett	8,822	30,378	29,240	9,960
Desert Heights	11,797	46,816	47,899	10,714
Diedrichsen	10,542	41,729	42,372	9,899
Dodson	16,406	33,791	30,730	19,467
Donner Springs	16,745	75,317	69,297	22,765
Drake	18,999	44,525	44,786	18,738
Duncan**	8,457	20,885	31,574	(2,232)
Dunn	43,578	77,953	92,309	29,222
Elmcrest	25,115	32,481	41,297	16,299
Gomes	19,528	63,937	59,330	24,135
Gomm**	21,163	85,856	87,581	19,438
Greenbrae	21,973	68,768	81,907	8,834
Hidden Valley	9,545	62,961	61,395	11,111
Huffaker	13,635	146,159	136,820	22,974
Hunsberger	25,542	164,716	151,031	39,227
Hunter Lake	48,524	37,744	37,780	48,488
Incline**	28,166	213,141	192,060	49,247
Juniper	14,758	48,660	48,338	15,080
Lemmon Valley	42,843	119,954	116,023	46,774
Lenz	19,679	70,168	61,424	28,423
Lincoln Park	4,480	17,848	19,716	2,612
Loder	20,303	29,863	27,125	23,041
Mathews	6,356	46,042	36,593	15,805
Maxwell	13,159	39,400	38,743	13,816
Mitchell	7,266	13,019	15,473	4,812
Moss**	20,950	64,576	59,452	26,074
Mount Rose	14,082	21,736	19,292	16,526
Natchez	9,602	11,321	11,078	9,845
Palmer**	13,160	39,310	44,307	8,163
Peavine	9,758	41,816	37,196	14,378
Piccolo	55,913	59,049	50,296	64,666
Pleasant Valley	21,059	75,458	72,348	24,169
Risley	22,646	32,751	36,648	18,749
Sierra Vista	6,579	37,578	36,892	7,265
Silver Lake	43,562	54,747	81,156	17,153
Smith, Alice	14,836	59,711	42,456	32,091
Smith, Kate	14,872	24,257	35,224	3,905
Smithridge	5,610	33,067	32,590	6,087
Spanish Springs	34,352	111,745	117,329	28,768
Stead	22,010	52,681	51,700	22,991
Sun Valley	52,213	36,424	61,904	26,733
Taylor	23,041	73,137	81,285	14,893
Towles	21,553	56,333	56,471	21,415

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2002**

<u>SCHOOLS</u>	<u>BALANCE JULY 1, 2001</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2002</u>
ELEMENTARY SCHOOLS (CONTINUED):				
Van Gorder	\$ 12,510	85,132	79,552	\$ 18,090
Verdi	10,920	48,451	47,189	12,182
Veterans	20,673	30,292	35,191	15,774
Warner	6,742	46,870	40,103	13,509
Westergard	32,939	81,377	81,062	33,254
Whitehead	29,376	49,082	53,193	25,265
Winnemucca	21,498	81,161	86,201	16,458
	<u>1,243,596</u>	<u>3,486,738</u>	<u>3,505,222</u>	<u>1,225,112</u>
Total Elementary Schools				
MIDDLE SCHOOLS:				
Billinghurst	86,038	201,130	167,518	119,650
Clayton	75,472	97,937	116,289	57,120
Dilworth**	35,891	58,577	55,656	38,812
Incline	44,355	126,109	114,130	56,334
Mendive	85,098	216,071	203,270	97,899
O'Brien	61,337	138,543	140,777	59,103
Pine	89,776	176,860	176,791	89,845
Sparks**	41,732	137,494	135,941	43,285
Swope	31,518	162,092	155,214	38,396
Traner**	12,231	44,651	37,402	19,480
Vaughn	34,541	145,421	140,264	39,698
	<u>597,989</u>	<u>1,504,885</u>	<u>1,443,252</u>	<u>659,622</u>
Total Middle Schools				
HIGH SCHOOLS:				
Galena	275,269	1,425,120	1,248,757	451,632
Gerlach (1)	43,712	73,890	65,700	51,902
Hug**	306,832	353,261	402,349	257,744
Incline	103,620	389,275	376,868	116,027
McQueen**	622,822	957,588	970,633	609,777
North Valleys	-	445,918	342,124	103,794
Reed	349,807	975,959	1,036,075	289,691
Regional Technical Institute	59,177	118,313	107,319	70,171
Reno**	510,994	1,123,601	1,123,644	510,951
Spanish Springs	-	553,076	434,471	118,605
Sparks	164,565	503,828	487,236	181,157
TMCC	28,173	40,411	43,630	24,954
Washoe	68,693	42,893	37,797	73,789
Wooster**	246,824	472,853	451,117	268,560
	<u>2,780,488</u>	<u>7,475,986</u>	<u>7,127,720</u>	<u>3,128,754</u>
Total High Schools				
TOTALS	\$ <u>4,622,073</u>	\$ <u>12,467,609</u>	\$ <u>12,076,194</u>	\$ <u>5,013,488</u>

(1) Includes E.M. Johnson Elementary

** Audited by Internal Audit

Capital Assets

Governmental Funds

- ◆ Schedule by Source
- ◆ Schedule by Function and Activity
- ◆ Schedule of Changes by Function and Activity

**WASHOE COUNTY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
JUNE 30, 2002**

Governmental funds capital assets:	
Land	\$ 24,948,956
Buildings	448,892,342
Machinery and equipment	26,516,276
Construction in progress	4,969,655
Total governmental funds capital assets	<u>\$ 505,327,229</u>
Investments in governmental funds capital assets by source:	
General fund	\$ 133,853,538
Special revenue funds	2,242,720
Capital projects funds	368,415,215
Donations	815,756
Total governmental funds capital assets	<u>\$ 505,327,229</u>

**WASHOE COUNTY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
JUNE 30, 2002**

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
General Government:					
Instruction	\$ 131,639	\$ 253,565	\$ 2,838,970	-	\$ 3,224,174
Student support	-	-	146,232	-	146,232
Instructional staff support	-	-	425,160	-	425,160
General administration	-	-	187,085	-	187,085
School administration	-	-	7,954	-	7,954
Business administration	-	-	544,625	-	544,625
Operation/maintenance	-	9,924,637	871,150	-	10,795,787
Student transportation	-	-	16,408,213	-	16,408,213
Central support	-	-	550,341	-	550,341
Other support	-	-	42,853	-	42,853
Nutrition services operation	-	-	1,107,086	-	1,107,086
Community Services Operations	-	-	-	-	-
Facilities acquisition and construction	24,817,317	438,714,140	3,386,607	4,969,655	471,887,719
Total governmental funds capital assets	<u>\$ 24,948,956</u>	<u>\$ 448,892,342</u>	<u>\$ 26,516,276</u>	<u>\$ 4,969,655</u>	<u>\$ 505,327,229</u>

**WASHOE COUNTY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2002**

<u>FUNCTION AND ACTIVITY</u>	<u>GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2001</u>	<u>ADJUSTMENTS* DECREASES</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2002</u>
General government:					
Instruction	\$ 3,285,722	\$ 187,599	\$ 196,706	\$ 70,655	\$ 3,224,174
Student support	123,792	7,068	29,508	-	146,232
Instructional staff support	411,755	23,509	36,914	-	425,160
General administration	198,413	11,328	-	-	187,085
School administration	-	-	7,954	-	7,954
Business administration	524,467	29,945	50,103	-	544,625
Operation and maintenance	9,056,308	517,073	3,541,855	1,285,303	10,795,787
Student transportation	16,719,866	954,626	695,318	52,345	16,408,213
Central support	534,867	30,538	46,012	-	550,341
Other support	29,333	1,675	15,195	-	42,853
Nutrition services	1,059,188	60,475	113,383	5,010	1,107,086
Facilities acquisition and construction	462,971,318	26,433,496	35,511,112	161,215	471,887,719
Total government funds capital assets	<u>\$ 494,915,029</u>	<u>\$ 28,257,332</u>	<u>\$ 40,244,060</u>	<u>\$ 1,574,528</u>	<u>\$ 505,327,229</u>

*The adjustments represent a change in the capitalization threshold from \$1,000 to \$5,000.

Statistical

Section

**Washoe County School District
Washoe County, Nevada**

Table A

Government-Wide Expenses by Function

	2001-02
Instruction:	
Regular Instruction	\$ 180,196,628
Special Instruction	30,070,560
Vocational Instruction	6,593,175
Other Instruction	<u>4,767,956</u>
Total Instruction:	221,628,319
Support Services:	
Student Support	17,903,382
Instructional Staff Support	13,329,522
General Administration	5,542,329
School Administration	18,739,572
Business support	3,989,647
Operation and Maintenance	32,528,440
Student Transportation	12,376,312
Central Support	4,709,401
Other Support	179,924
Nutrition Services	12,554,171
Facilities Acquisition and Construction	17,369,591
Interest on Long Term Debt	<u>22,161,971</u>
Total Support Services:	<u>161,384,262</u>
Total	<u>\$ 383,012,581</u>

NOTE: FY 01/02 is the first year that District costs have been presented under GASB 34 guidelines. As such, prior years' data in this format is not available.

Source: Washoe County School District Business Office

**Washoe County School District
Washoe County, Nevada**

Table B

Government-Wide Revenues

	2001-02
Program Revenues:	
Charges for Services	\$ 7,679,075
Operating Grants and Contributions	<u>68,176,805</u>
Total Program Revenues:	75,855,880
General Revenues:	
Taxes	229,408,150
Unrestricted Investment Earnings	7,363,521
State Aide	75,088,119
Other	<u>2,037,587</u>
Total General Revenues:	<u>313,897,377</u>
Total	<u>\$ 389,753,257</u>

NOTE: FY 01/02 is the first year that District revenues have been presented under GASB 34 guidelines. As such, prior years' data in this format is not available.

Source: Washoe County School District Business Office

Washoe County School District
 Washoe County, Nevada

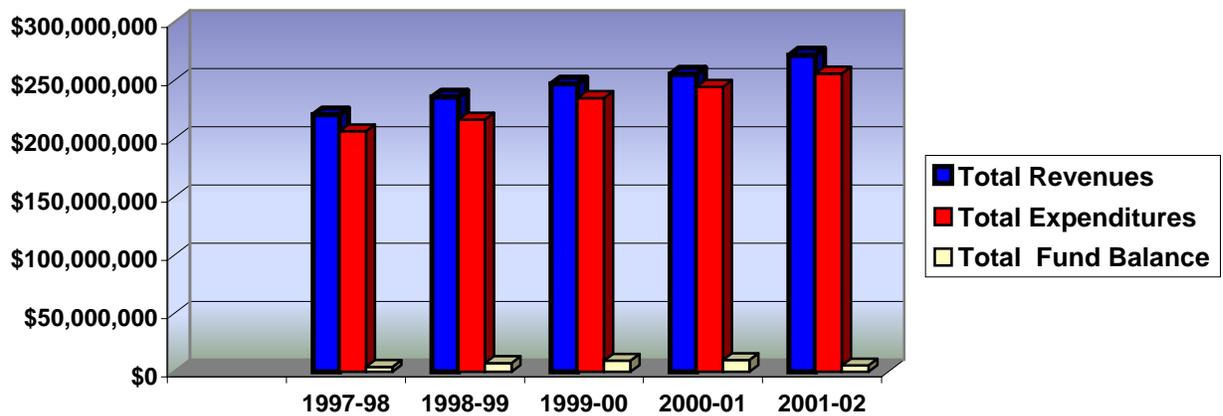
General Fund Revenues, Expenditures and Fund Balance
 Last Five Fiscal Years

Table C

Fiscal Year	Total Revenues	Total Expenditures	Total Fund Balance
1997-98	\$ 220,598,237	\$ 206,376,001	\$ 4,169,658
1998-99	235,875,508	216,363,915	7,429,903
1999-00	247,073,632	234,960,258	9,538,868
2000-01	255,354,125	244,489,008	10,063,097
2001-02	271,761,177	255,977,026	5,433,318

Source: Washoe County School District Business Office

Washoe County School District
General Fund Revenues, Expenditures and Fund Balance
Five Year History



Washoe County School District

Washoe County, Nevada

**General Fund Expenditures and Other Uses by Program
Last Ten Fiscal Years**

Table D

Fiscal Year	Regular Instructional Programs	Special Instructional Programs	Vocational / Other Instructional Programs	Undistributed Programs - Support Services	Operating Transfers Out	Totals
1992-93	\$ 87,384,189	\$ 14,369,489	\$ 1,487,360	\$ 54,564,332	\$ 2,290,301	\$ 160,095,671
1993-94	93,079,870	-	1,636,594	57,652,907	9,881,014	162,250,385
1994-95	100,295,383	-	1,680,951	62,021,890	10,374,770	174,372,994
1995-96	109,572,287	-	2,015,948	66,371,757	11,500,974	189,460,966
1996-97	116,896,924	-	2,139,791	73,150,731	13,366,281	205,553,727
1997-98	127,475,577	-	2,377,196	76,523,228	15,881,458	222,257,459
1998-99	133,447,327	-	2,432,938	80,483,650	17,221,091	233,585,006
1999-00	141,900,693	-	2,426,113	90,633,452	17,526,355	252,486,613
2000-01	149,055,330	-	2,477,598	92,956,080	17,393,345	261,882,353
2001-02	148,089,728	-	9,494,286	98,393,012	20,419,591	276,396,617

(2)

(1)

(1) Includes Debt Service

(2) Vocational programs were shown in Regular Instructional Programs prior to FY 2001-02.

Source: Washoe County School District Business Office

Washoe County School District

Washoe County, Nevada

**General Fund Expenditures by Function
Last Five Fiscal Years**

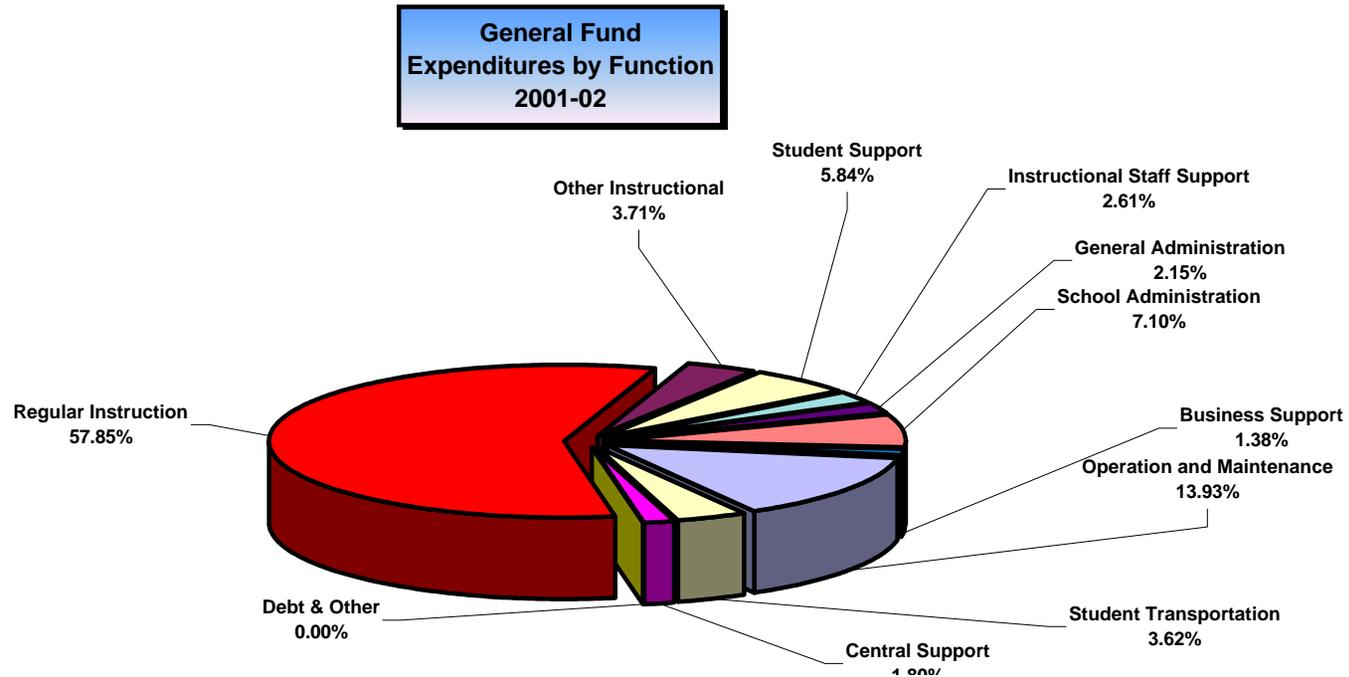
Table E

Fiscal Year	Regular Instruction	Vocational / Other Instructional	Student Support	Instructional Staff Support	General Administration	School Administration	Business Support	Operation and Maintenance	Student Transportation	Central Support Services	Debt & Other	Totals
1997-98	\$ 127,475,577	\$ 2,377,196	\$ 11,982,718	\$ 5,558,418	\$ 2,850,784	\$ 14,766,743	\$ 3,240,294	\$ 25,520,293	\$ 8,451,506	\$ 3,334,380	\$ 818,092	\$ 206,376,001
1998-99	133,447,327	2,432,938	12,828,623	5,787,447	2,971,152	15,280,615	3,402,836	26,628,272	8,978,212	3,674,533	931,960	216,363,915
1999-00	141,900,693	2,426,113	13,910,087	6,097,010	4,325,521	16,238,869	3,513,579	32,021,556	9,404,735	3,959,523	1,162,572	234,960,258
2000-01	149,055,330	2,477,598	14,128,389	6,245,600	4,623,777	16,715,516	3,656,442	31,549,996	9,698,151	4,789,559	1,548,650	244,489,008
2001-02	148,089,728	9,494,286	14,951,115	6,684,918	5,502,641	18,175,805	3,523,634	35,662,590	9,276,802	4,615,507	-	255,977,026

Notes: For comparison purposes, we listed the last five years.
Beginning in FY 2001-02, all debt service payments for the District are being paid out of the Debt Service Fund.
Vocational programs were shown in Regular Instructional Programs prior to FY 2001-02.

Source: Washoe County School District Business Office

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Washoe County School District
Washoe County, Nevada

General Fund Revenues and Other Financing Sources by Source
Last Ten Fiscal Years

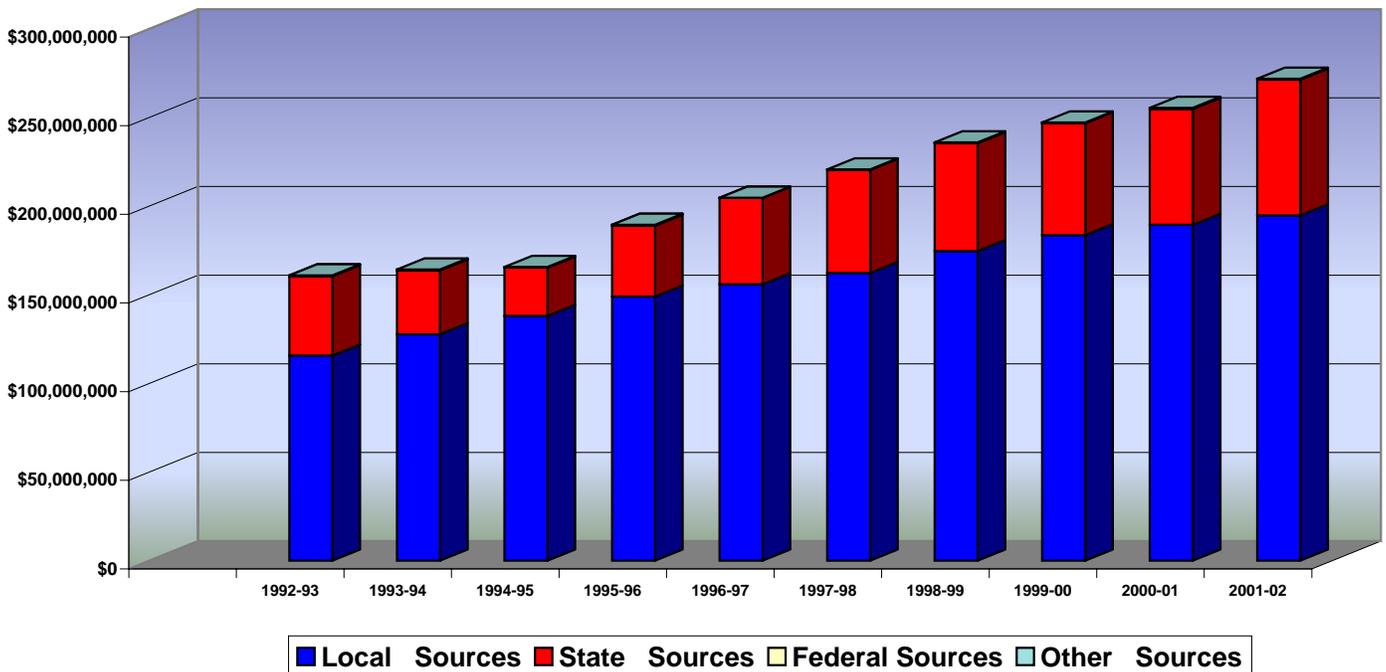
Table F

Fiscal Year	Local Sources	State Sources	Federal Sources	Other Sources	Totals
1992-93	\$ 115,591,403	\$ 44,779,480	\$ 486,791	\$ 2,888	\$ 160,860,562
1993-94	127,627,808	36,051,978	501,512	9,015	164,190,313
1994-95	137,949,876	27,258,028	406,410	17,804	165,632,118
1995-96	148,878,489	39,965,035	515,036	1,868	189,360,428
1996-97	155,870,455	48,649,919	108,824	3,910	204,633,108
1997-98	162,195,600	58,194,507	191,787	16,343	220,598,237
1998-99	174,585,455	60,817,440	167,172	305,441	235,875,508
1999-00	183,581,627	63,148,037	155,303	188,665	247,073,632
2000-01	189,382,812	65,294,451	655,318	21,544	255,354,125
2001-02	194,662,348	76,568,120	515,713	14,996	271,761,177

Note: Other sources excluding operating transfers-in and proceeds from capital leases.

Source: Washoe County School District Business Office

**Washoe County School District
Revenues by Source
Ten Year History**



Washoe County School District

Washoe County, Nevada

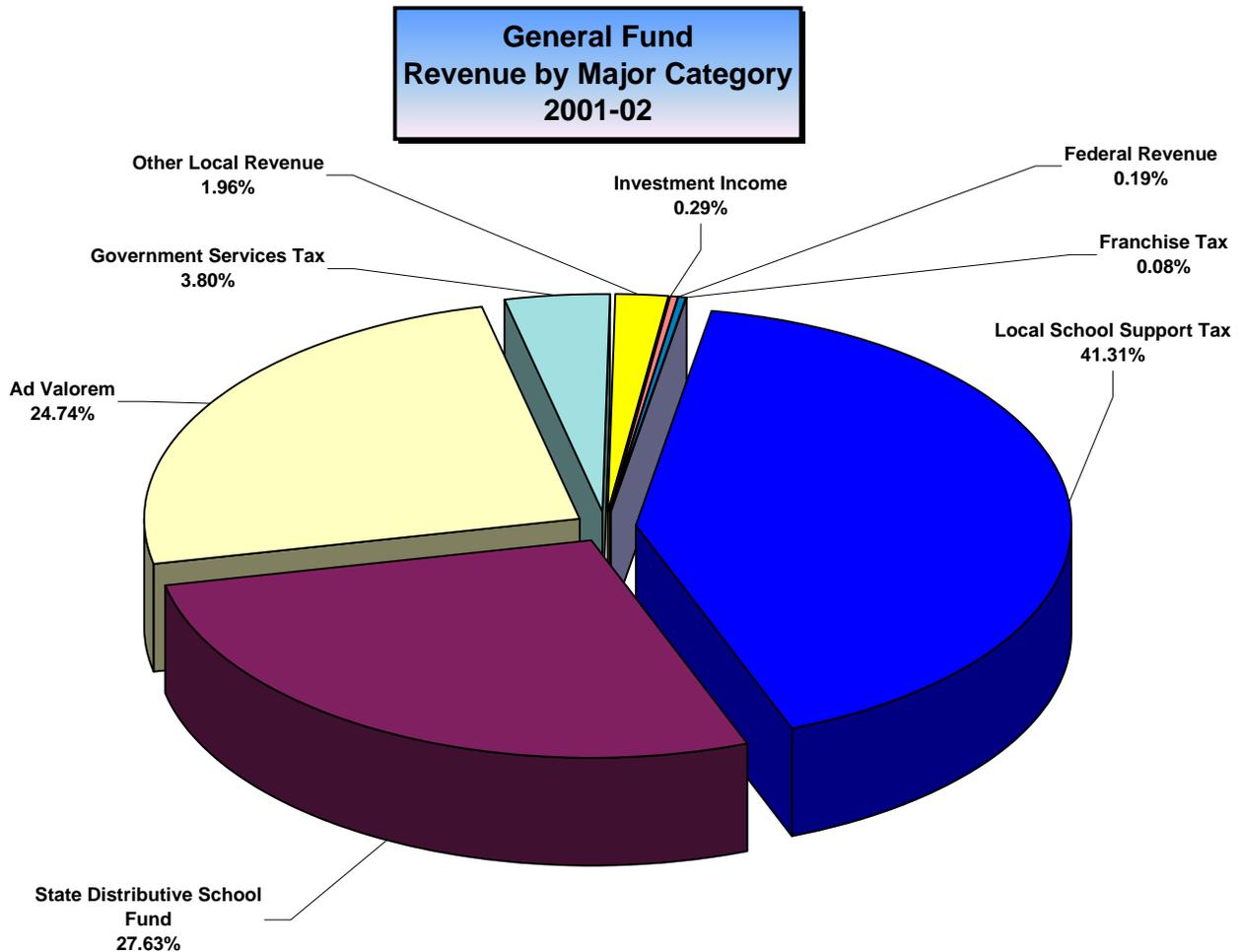
**General Fund Revenues and Other Financing Sources by Major Category
Last Ten Fiscal Years**

Table G

Fiscal Year	State Distributive School Fund	Ad Valorem Taxes	Franchise Tax	Government Services Tax	Local School Support Tax (Sales Tax)	Investment Income	Federal Revenue	Other State and Local Revenue	Totals
1992-93	\$ 44,779,480	\$ 36,923,101	\$ 174,034	\$ 5,012,134	\$ 71,861,498	\$ 628,301	\$ 486,791	\$ 995,223	\$ 160,860,562
1993-94	36,051,978	39,176,583	206,878	5,550,753	80,248,269	903,704	501,512	1,550,636	164,190,313
1994-95	27,258,028	41,419,816	223,186	6,042,325	87,154,169	1,361,506	406,410	4,295,627	168,161,067
1995-96	39,965,035	44,586,668	236,865	6,604,373	94,527,172	1,262,310	515,036	1,662,969	189,360,428
1996-97	48,649,919	48,541,046	241,072	7,172,449	97,193,220	927,976	108,824	1,798,602	204,633,108
1997-98	58,194,507	52,118,169	256,725	7,643,219	99,258,703	972,954	191,787	1,962,173	220,598,237
1998-99	60,817,440	57,148,332	303,384	7,863,772	105,775,263	1,477,680	167,172	2,322,465	235,875,508
1999-00	63,148,037	61,583,871	261,743	9,455,201	108,093,526	1,680,737	155,303	2,695,214	247,073,632
2000-01	65,294,451	64,667,692	165,560	9,662,929	110,894,639	1,589,520	655,318	2,424,016	255,354,125
2001-02	75,088,119	67,239,288	230,353	10,338,568	112,258,067	778,074	515,713	5,312,995	271,761,177

NOTE: In years prior to fiscal year 2001-2002, the Government Services Tax was named Motor Vehicles Privilege Tax.

Source: Washoe County School District Business Office



Washoe County School District
Washoe County, Nevada

Local Tax Support Per Pupil
Last Ten Fiscal Years

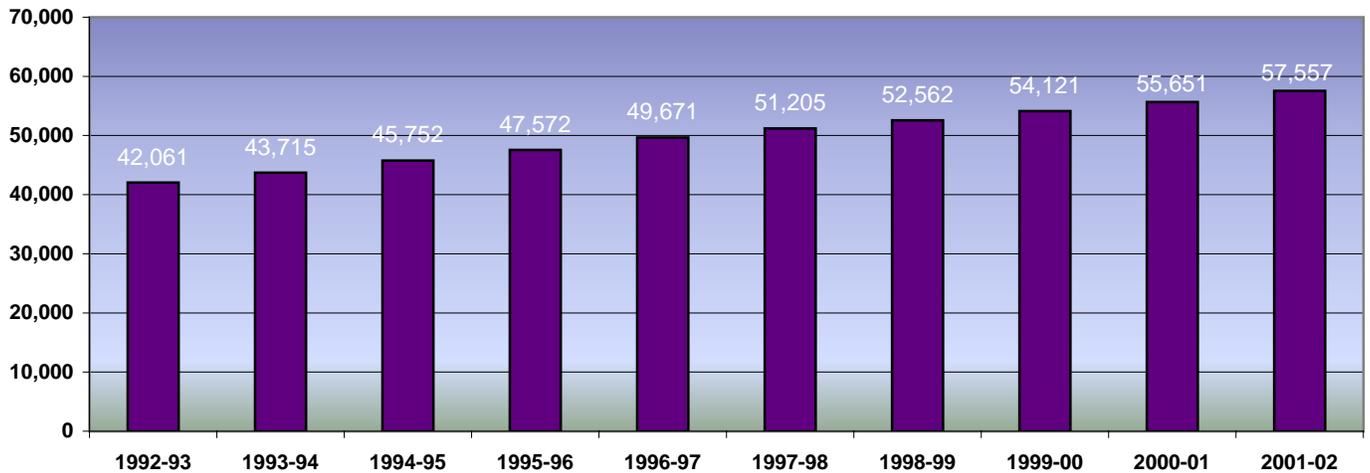
Table H

Fiscal Year	Student Enrollment	County Assessed Valuation	Assessed Value Per SE	Ad Valorem Tax	Ad Valorem Tax Per SE	School Support Tax	School Support Tax Per SE	Government Services Tax	Government Services Tax Per SE
1992-93	42,061	\$ 4,908,660,708	\$ 116,703	\$ 36,923,101	\$ 878	\$ 71,861,498	\$ 1,709	\$ 5,012,134	\$ 119
1993-94	43,715	5,179,851,368	118,491	39,176,583	896	80,248,269	1,836	5,550,753	127
1994-95	45,752	5,440,391,018	118,910	41,419,816	905	87,154,169	1,905	6,042,325	132
1995-96	47,572	5,863,539,334	123,256	44,586,668	937	94,527,172	1,987	6,604,373	139
1996-97	49,671	6,482,286,575	130,504	48,541,046	977	97,193,220	1,957	7,172,449	144
1997-98	51,205	6,948,775,738	135,705	52,118,169	1,018	99,258,703	1,938	7,643,219	149
1998-99	52,562	7,500,857,034	142,705	57,148,332	1,087	105,775,263	2,012	7,863,772	150
1999-00	54,121	8,085,545,770	149,398	61,583,871	1,138	108,093,526	1,997	9,455,201	175
2000-01	55,651	8,624,386,889	154,973	64,667,692	1,162	110,894,639	1,993	9,662,929	174
2001-02	57,557	9,096,697,594 (1)	158,047	67,239,288	1,168	112,258,067	1,950	10,338,568	180

(1) Washoe County Comptroller's Office

Student Enrollment (SE): Student enrollment taken at fourth week of school.
SE data provided by the Washoe County School District Public Policy, Accountability & Assessment.

Washoe County School District
Student Enrollment
Ten Year History



Washoe County School District

Washoe County, Nevada

**Property Tax Levies and Collections for All Governments
Last Ten Fiscal Years**

Table I

Fiscal Year	Net Secured Roll Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent of Current Levy
1992-93	\$ 144,704,510	\$ 140,423,405	97.041%	\$ 4,164,129	\$ 144,587,534	99.919%	\$ 116,976	0.081%
1993-94	152,405,532	148,474,493	97.421%	3,809,693	152,284,186	99.920%	121,346	0.080%
1994-95	165,037,382	161,793,362	98.034%	3,116,819	164,910,181	99.923%	127,201	0.077%
1995-96	179,262,002	176,651,156	98.544%	2,498,466	179,149,622	99.937%	112,380	0.063%
1996-97	197,485,658	194,326,837	98.400%	3,040,098	197,366,935	99.940%	118,723	0.060%
1997-98	212,203,187	208,715,129	98.356%	3,364,420	212,079,549	99.942%	123,638	0.058%
1998-99	239,267,466	235,399,065	98.383%	3,712,720	239,111,785	99.935%	155,681	0.065%
1999-00	261,772,324	258,385,749	98.706%	3,103,939	261,489,688	99.892%	282,636	0.108%
2000-01	273,864,229	270,702,031	98.845%	2,279,234	272,981,265	99.678%	882,964	0.322%
2001-02	291,602,632	288,339,841	98.881%	-	288,339,841	98.881%	3,262,791	1.119%

Source: Washoe County Comptroller's Office

Washoe County School District

Washoe County, Nevada

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

Table J

Fiscal Year	Real Property		Personal Property		Total Property		Ratio of Assessed Value To Estimated Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	
1992-93	\$ 4,467,776,866	\$ 12,765,076,760	\$ 440,883,842	\$ 1,259,668,120	\$ 4,908,660,708	\$ 14,024,744,880	35.000%
1993-94	4,800,765,233	13,716,472,094	379,086,135	1,083,103,243	5,179,851,368	14,799,575,337	35.000%
1994-95	5,063,646,763	14,467,562,180	376,744,255	1,076,412,157	5,440,391,018	15,543,974,337	35.000%
1995-96	5,426,028,813	15,502,939,466	437,510,521	1,250,030,060	5,863,539,334	16,752,969,526	35.000%
1996-97	6,043,276,023	17,266,502,923	439,010,552	1,254,315,863	6,482,286,575	18,520,818,786	35.000%
1997-98	6,462,337,241	18,463,820,689	486,438,497	1,389,824,277	6,948,775,738	19,853,644,966	35.000%
1998-99	6,953,107,345	19,866,020,986	547,749,689	1,564,999,111	7,500,857,034	21,431,020,097	35.000%
1999-00	7,531,190,690	21,517,687,686	554,355,080	1,583,871,657	8,085,545,770	23,101,559,343	35.000%
2000-01	8,063,195,101	23,037,700,289	561,191,788	1,603,405,109	8,624,386,889	24,641,105,397	35.000%
2001-02	8,498,435,597	24,281,244,563	598,261,997	1,709,319,991	9,096,697,594	25,990,564,554	35.000%

Source: Washoe County Comptroller's Office

Washoe County School District

Washoe County, Nevada

**Property Tax Rates per \$100 Assessed Valuation - All Direct and Overlapping Governments
Last Ten Fiscal Years**

Table K

Fiscal Year	Washoe County School District	Washoe County	State of Nevada	Total Washoe County	City of Reno	Total Washoe County	Washoe Regional Water Planning Board	Total City of Reno	City of Sparks	Total Washoe County	Washoe Regional Water Planning Board	Total City of Sparks
1992-93	1.0835	1.2048	0.1440	2.4323	0.7169	2.4323	0.0050	3.1542	0.8329	2.4323	0.0050	3.2702
1993-94	1.1135	1.2100	0.1500	2.4735	0.7451	2.4735	0.0050	3.2236	0.8329	2.4735	0.0050	3.3114
1994-95	1.1135	1.2443	0.1500	2.5078	0.7487	2.5078	0.0050	3.2615	0.8825	2.5078	0.0050	3.3953
1995-96	1.1135	1.2443	0.1500	2.5078	0.7401	2.5078	0.0050	3.2529	0.8825	2.5078	0.0050	3.3953
1996-97	1.1135	1.2443	0.1500	2.5078	0.7534	2.5078	0.0050	3.2662	0.7071	2.5078	0.0050	3.2199
1997-98	1.0985	1.2495	0.1500	2.4980	0.8546	2.4980	0.0000	3.3526	0.7071	2.4980	0.0000	3.2051
1998-99	1.0985	1.2495	0.1500	2.4980	0.9076	2.4980	0.0000	3.4056	0.8106	2.4980	0.0000	3.3086
1999-00	1.1385	1.2495	0.1500	2.5380	0.9076	2.5380	0.0000	3.4456	0.8106	2.5380	0.0000	3.3486
2000-01	1.1385	1.2495	0.1500	2.5380	0.9076	2.5380	0.0000	3.4456	0.8106	2.5380	0.0000	3.3486
2001-02	1.1385	1.2705	0.1500	2.5590	0.9556	2.5590	0.0000	3.5146	0.8653	2.5590	0.0000	3.4243

Sources: Washoe County Comptroller's Office
 Local Government Red Book
 Ad Valorem Tax Rates, Budget Summaries for Nevada Local Governments
 Nevada Department of Taxation

Washoe County School District

Washoe County, Nevada

**Principal Taxpayers in Washoe County
Ten Largest for FY 2002-03****Table L**

Taxpayer	Type of Business	Assessed Valuation	Percent of Total Assessed Valuation
1. Sierra Pacific Power Company	Utility	\$ 140,363,693	1.48%
2. Circus Circus & Eldorado Jt Venture	Hotel / Casino	83,769,545	0.89%
3. Nevada Bell	Utility	58,223,546	0.62%
4. Peppermill Casinos, Inc.	Hotel / Casino	56,924,673	0.60%
5. Sparks Nugget, Inc.	Hotel / Casino	47,784,337	0.51%
6. Dermody Industrial Group	Warehousing	46,118,825	0.49%
7. Eldorado Resorts LLC	Hotel / Casino	43,398,729	0.46%
8. FHR Corporation	Hotel / Casino	43,290,984	0.46%
9. Circus Circus Casinos, Inc.	Hotel / Casino	40,304,667	0.43%
10. Harrah's Club	Hotel / Casino	38,780,077	0.41%
SUBTOTAL		598,959,076	6.33%
All Other Taxpayers		8,862,073,421	93.67%
TOTAL ASSESSED VALUATION		<u>\$ 9,461,032,497</u>	<u>100.00%</u>

Source: Washoe County Assessor's Office

Washoe County School District
Washoe County, Nevada

Computation of Legal Debt Margin
June 30, 2002

Table M

Current Assessed Valuation for 2002/2003 Tax Year	<u>\$9,461,032,497</u>
Debt Limit for School Districts - 15% of Assessed Vauation	\$1,419,154,875
Total Washoe County School District Bonded Debt	<u>335,985,000</u>
Legal Debt Margin	<u>\$1,083,169,875</u>

The statutory debt limit for school districts in the State of Nevada is 15% of the assessed value of all taxable property in the county as set forth in Chapter 387.400 of the Nevada Revised Statutes.

Washoe County School District

Washoe County, Nevada

Table N

Last Ten Fiscal Years

Fiscal Year	Principal	Interest	Total Debt Service	Total General Fund Expenditures	Debt Service/ General Fund Ratio
1992-93	\$ 8,080,000	\$ 4,746,897	\$ 12,826,897	\$ 157,805,370	8.13%
1993-94	8,920,000	10,199,541	19,119,541	152,369,371	12.55%
1994-95	6,860,000	14,909,066	21,769,066	163,998,224	13.27%
1995-96	4,985,000	13,751,480	18,736,480	177,959,992	10.53%
1996-97	6,880,000	13,405,523	20,285,523	192,187,446	10.56%
1997-98	8,455,000	12,215,475	20,670,475	206,376,001	10.02%
1998-99	9,870,000	13,850,078	23,720,078	216,363,915	10.96%
1999-00	15,325,000	19,023,514	34,348,514	234,960,258	14.62%
2000-01	17,475,000	20,293,809	37,768,809	244,489,008	15.45%
2001-02	20,028,992	19,863,055	39,892,047	255,977,026	15.58%

(1)

(1) This data reflects only the Principal and Interest component of Debt Service..

Source: Washoe County School District Business Office

Washoe County School District

Washoe County, Nevada

Table O

**Obligation Bonded Debt Per Capita
Last Ten Fiscal Years**

Fiscal Year	Population	Assessed Value	Total Bonded Debt Outstanding	Ratio of Bonded Debt to Assessed Value	Bonded Debt Per Capita
1992-93	268,470	\$ 4,908,660,708	\$ 149,425,000	3.04%	\$ 557
1993-94	274,836	5,179,851,368	244,505,000	4.72%	890
1994-95	283,178	5,440,391,018	237,645,000	4.37%	839
1995-96	290,754	5,863,539,334	232,666,000	3.97%	800
1996-97	298,665	6,482,286,575	225,780,000	3.48%	756
1997-98	310,500	6,948,775,738	219,130,000	3.15%	706
1998-99	317,080	7,500,857,034	277,260,000	3.70%	874
1999-00	326,838	8,085,545,770	372,135,000	4.60%	1,139
2000-01	333,134	8,624,386,889	355,190,000	4.12%	1,066
2001-02	341,134 (1)	9,096,697,594 (2)	335,985,000	3.69%	985

Notes: Population estimates included in years prior to FY 97-98 were obtained from the Washoe County Department of Comprehensive Planning. Beginning with FY 97-98, estimates have been obtained from the Bureau of the Census, U.S. Department of Commerce.

Some assessed values included in prior year's reports reflected preliminary estimates. These amounts have been revised in this year's report and now reflect the final assessed values.

Source: (1) Bureau of the Census, U.S. Department of Commerce.

(2) Washoe County Comptroller's Office

Washoe County School District

Washoe County, Nevada

**Computation of General Obligation
Direct and Overlapping Debt
As of June 30, 2002**

Table P

Name of Government Unit:	General Obligation Debt Outstanding	Present Self-Supporting General Obligation Debt	Percent Applicable To Washoe County*	Applicable Net Debt
Washoe County-Governmental Fund Bonds	\$ 114,084,242	\$ 22,316,952	100%	\$91,767,290
Washoe County-Proprietary Fund Bonds	31,090,969	31,090,969	100%	-
Washoe County-Special Assessment Bonds	2,313,000	2,313,000	100%	-
Washoe County-South Truckee Meadows GID	620,000	620,000	100%	-
Washoe County School District	335,985,000	-	100%	335,985,000
Reno/Sparks Convention/Visitor's Authority	150,578,651	150,578,651	100%	-
City of Reno	35,515,000	-	100%	35,515,000
City of Reno-supported by sewer & golf revenues	8,950,000	8,950,000	100%	-
City of Reno supported by sales tax & room tax revenues	222,870,000	222,870,000	100%	-
Redevelopment Agency of the City of Reno**	46,905,000	-	100%	46,905,000
Reno-Special Assessment Bonds (1)	6,812,813	6,812,813	100%	-
City of Sparks	22,430,000	-	100%	22,430,000
Redevelopment Agency of the City of Sparks**	37,017,803	-	100%	37,017,803
Sparks-Sewer/Utility Bonds	15,282,364	15,282,364	100%	-
Total Direct and Overlapping Debt	<u>\$1,030,454,842</u>	<u>\$460,834,749</u>		<u>\$569,620,093</u>

* Percent applicable to Washoe County is a geographic interpretation.

** These are not general obligation bonds.

(1) Special assessment bonds are not general obligations of Washoe County, or the Cities of Reno and Sparks. If, however, the special assessments collected, with all other available resources, were insufficient to meet debt service requirements of these bonds, the respective bond ordinances require that the deficiency be made up with the governments' general funds.

Source: Washoe County Comptroller's Office

Washoe County School District

Washoe County, Nevada

Demographic Statistics

Table Q

Last Ten Fiscal Years

Fiscal Year	Population	Per Capita Income	School Enrollment	Total Personal Income	Unemployment Rate	Total Labor Force	Construction Activity Total Value	Residential Permits Issued	Taxable Sales	Gross Income From Gaming	Total Passenger Air Traffic
1992-93	268,470	\$ 25,302	42,061	\$ 6,792,936,000	6.3%	156,700	\$ 419,648,875	2,066	\$ 2,904,838,000	\$ 885,287,000	4,315,547
1993-94	274,836	25,320	43,715	6,958,964,000	5.9%	159,500	672,319,705	3,004	3,276,983,000	920,454,000	5,037,084
1994-95	283,178	26,468	45,752	7,495,118,000	5.5%	161,300	840,697,179	2,636	3,517,656,000	890,898,000	5,673,953
1995-96	290,754	28,126	47,572	8,177,812,000	4.5%	163,700	773,527,115	2,759	4,030,257,375	1,003,003,000	6,178,441
1996-97	298,665	28,347	49,671	8,498,406,000	4.2%	166,300	754,369,874	7,642	4,228,528,576	980,778,000	6,914,216
1997-98	310,500	28,403	51,205	8,819,000,000	3.8%	170,800	813,700,946	8,744	4,359,037,576	1,009,350,000	7,047,660
1998-99	317,080	29,209	52,562	9,261,636,000	3.8%	175,200	947,247,963	9,413	4,669,485,533	1,038,805,132	6,318,665
1999-00	326,838	31,643	54,121	10,342,000,000	2.7%	183,700	1,022,515,973	9,693	4,957,234,787	1,121,396,380	5,925,944
2000-01	333,134	35,343	55,651	11,773,954,962	3.4%	180,900	1,166,876,844	10,219	5,194,146,044	1,113,289,199	5,333,101
2001-02	341,134	34,879	57,557	11,898,412,786	4.6%	186,100	1,075,616,546	12,901	5,280,706,327	1,049,151,610	4,485,369
	(1)	(2)	(3)	(2)	(2)	(2)	(5)	(5)	(6)	(7)	(4)

Source: (1) Bureau of the Census, U.S. Department of Commerce.

(3) Washoe County School District

(4) Reno Airport Authority

(5) Washoe County Building Department; City of Reno Building Department; City of Sparks Building Department

(6) State of Nevada Department of Taxation

(7) State of Nevada Gaming Control

Washoe County School District

Washoe County, Nevada

Property Values and Construction Activity Last Ten Fiscal Years

Table R

Fiscal Year	Commercial Construction		Residential Construction		Miscellaneous		Property Value		
	Number of Permits	Value	Number of Permits	Value	Number of Permits	Value	Residential	Commercial	Industrial
1992-93	342	\$ 104,187,524	2,066	\$ 219,607,218	8,866	\$ 95,854,133	\$ 3,324,952,806	\$ 1,496,194,447	\$ 315,559,552
1993-94	356	180,021,386	3,004	310,911,349	10,392	181,386,970	3,559,149,394	1,448,663,911	339,383,263
1994-95	459	376,442,992	2,636	284,672,823	10,965	179,581,364	3,792,588,859	1,535,069,817	364,548,883
1995-96	450	254,931,073	2,759	299,295,558	9,894	219,300,484	4,095,695,479	1,789,729,667	400,848,530
1996-97	3,142	258,873,217	7,642	462,386,040	4,372	33,110,617	4,455,026,407	1,920,041,972	467,018,226
1997-98	554	222,395,223	8,744	552,723,149	3,572	38,582,574	5,471,143,270	2,062,946,653	569,512,125
1998-99	593	245,345,315	9,413	661,945,875	2,548	39,956,773	5,874,220,839	2,196,919,746	601,523,402
1999-00	572	279,570,906	9,693	703,569,081	2,811	39,375,986	6,246,994,548	2,218,614,338	638,010,868
2000-01	508	344,200,534	10,219	787,551,366	2,545	35,124,944	6,488,637,393	2,244,740,101	679,762,127
2001-02	421	238,322,000	9,676	794,619,586	2,804	42,674,960	7,179,117,056	2,294,031,914	714,336,167
	(1)	(1)	(1)	(1)	(1)(a)	(1)(a)	(2)(b)	(2)(b)	(2)(b)

(a) Miscellaneous permits are for remodeling, minor additions, etc., for Washoe County and the City of Sparks.

Remodeling and minor additions for the City of Reno are included in either commercial or residential categories as appropriate.

(b) These property values represent gross assessed values and will not equal the net assessed valuations provided by Nevada Department of Taxation.

Source: (1) Washoe County Building Department; City of Reno Building Department; City of Sparks Building Department
(2) Washoe County Comptroller

Washoe County School District
Washoe County, Nevada

Insurance Coverages and Limits
June 30, 2002

Table S

Type of Coverage	Company	Limitations	Deductibles or Retentions	Annual Premium
Property	F.M. Global	\$606,300,000	\$50,000 / Occurrence	\$322,819
Flood	Omaha P/C Flood Pgm	\$500,000	\$1,000 or \$5,000 / Occurrence	21,403
Crime Coverage	Great American Ins.	\$2,000,000 Faithful Performace	\$10,000 / Occurrence	6,367
Boiler & Machinery	Hartford Steam Boiler	\$25 million	\$10,000 / Accident	16,749
Errors & Omissions	United National Group	\$1,000,000 / Occurance	\$100,000 / Occurrence	Included in Gen Liab
General Liability	United National Group	\$1,000,000 / Occurance	\$100,000 / Occurrence	252,606
Auto Liability	United National Group	\$1,000,000 / Occurance	\$100,000 / Occurrence	Included in Gen Liab
Excess Liability	United National Group	\$10,000,000 excess \$1,000,000		Included in Gen Liab
Earthquake	F.M. Global	\$25,000,000	3% / Location \$100,000 Minimum	Included in Property
Workers' Compensation	Midwest Employers	Statutory	\$275,000 / Accident	55,519
			Total	<u>\$675,463</u>

Source: Washoe County School District Risk Management Office

Compliance & --- Controls

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

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

**Independent Auditor's Report on Compliance and on Internal
Control Over Financial Reporting Based on an Audit of Financial Statements
Performed in Accordance with Government Auditing Standards**

To the Board of Trustees of the
Washoe County School District,
Washoe County, Nevada

We have audited the basic financial statements of the Washoe County School District, Washoe County, Nevada (the "District"), as of and for the year ended June 30, 2002, and have issued our report thereon dated October 10, 2002. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District'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 that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting, which we have reported to management of the District in a separate letter dated October 10, 2002.

This report is intended solely for the information of management and use of the 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 10, 2002

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

**Independent Auditor's 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 Board of Trustees
of the Washoe County School District
Washoe County, Nevada

Compliance

We have audited the compliance of the Washoe County School District, Washoe County, Nevada (the "District") 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, 2002. The District'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 the District's management. Our responsibility is to express an opinion on the District'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 the District'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 audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District 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, 2002. The results of our auditing procedures disclosed no instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133.

Internal Control Over Compliance

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants

applicable to federal programs. In planning and performing our audit, we considered the District'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 internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with 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. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the management, 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 10, 2002

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002
(Page 1 of 5)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Education:</u>			
DIRECT - Impact Aid PL 81-874	84.041	n/a	\$ 146,590
DIRECT - Title IX - Indian Education	84.060A	S060S011031	214,246
DIRECT - Twenty-First Century Community Learning Centers # 1	84.287A	R287A990260-00	1,229,924
DIRECT - Twenty-First Century Community Learning Centers # 3	84.287A	S287A012654	791,265
			<u>2,021,189</u>
DIRECT - Twenty-First Century Community Learning Centers # 2	84.287B	S287B010410	270,480
DIRECT - Title VII Bilingual Education Support Services	84.228S	T288S010220	106,582
DIRECT - Fund for the Improvement of Education	84.215X	S215X010302	62,618
<i>Passed through the State of Nevada Department of Education</i>			
Special Education Cluster			
PL 105-17 - Special Education IDEA	84.027	02-2715-16	4,801,114
PL 105-17 - Special Education IDEA, Training Project	84.027	01-2715-109	52,394
PL 105-17 - Special Education IDEA, RPD Salary Grant	84.027	02-2715-33	38,401
PL 105-17 - Special Education IDEA, Case Load Reduction	84.027	02-2715-77	786,886
PL 105-17 - Special Education IDEA, Preschool	84.173	02-2715-56	270,041
PL 105-17 - Special Education IDEA, Children with Autism	84.173	02-2715-63	33,129
Total Special Education Cluster			<u>5,981,965</u>
Title I - Basic, Concentration and Targeted Grant	84.010A	2002-271221	4,320,188
Title I - Even Start	84.213C	2002-271264	180,072
Title I - Migrant Education	84.011A	2002-271231	52,774
Title I - Accountability Grant - Smithridge Elementary School	84.348A	2002-271255	13,438
Title I - Accountability Grant - Seven Elementary Schools	84.348A	2002-271250	162,077
			<u>175,515</u>
Title VI - PI 103-382 Innovative Education Programs	84.298	02-2713-16	315,842
PL 101-392 - Carl D Perkins Basic, Vocational Education	84.048	02-2676-16	545,186
School to Career, Supplemental Transition Close Out	84.278	01-2678-20	1,463
School to Career, Workers Compensation	84.278	00-2678-20	8,257
School to Career, Supplemental Transition	84.278	01-2678-20	144,112
School to Career, 2001 Implementation Base Year 5	84.278	01-2678-20	59,852
School to Career, 2000 Implementation Base Year 4	84.278	00-2678-20	6,486
School to Career, Transition Services Valpar Competitive	84.278	01-2678-20	17,064
School to Career, Career Trek Competitive	84.278	01-2678-20	2,334
School to Career, Counselor Training Competitive	84.278	01-2678-20	8,395
			<u>247,963</u>

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002
(Page 2 of 5)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
Immigrant Education Grant	84.162	2002-270926	\$ 157,365
Title VII - Immigrant Education Bilingual Support	84.194	2001-270904	1,630
Title VI - Class Size Reduction	84.340	02-2706-66	1,040,596
Advanced Placement Incentive	84.330A	2002-270913	18,792
Title IV - Safe & Drug-Free Schools and Communities	84.186	02-260521	252,594
Education for Homeless Children and Youth	84.196	2002-270961	33,465
Nevada Goals 2000	84.276A	2002-2706-47	499,910
PL 103-382 D. D. Eisenhower Professional Development	84.281	02-2713-27	231,343
PL 103-382 Technology Literacy Challenge	84.318	2002-2706-18	198,961
Reading Excellence	84.338	02-2709-82	81,040
Gaining Early Awareness and Readiness for Undergraduate Programs, Gear Up	84.334S	01-2678-12	35,888
PL 105-79 CSRD # 1 - Original	84.332	2002-271246	67,095
PL 105-79 CSRD # 2 - North Valley Consortium	84.332	2002-271247	168,895
PL 105-79 CSRD # 3 - Greenbrae ES	84.332	2002-271274	9,495
			245,485
			14,616,574
<i>Passed through Nevada Department of Human Resources</i>			
Safe & Drug Free Schools and Communities			
BADA - Palmer After School Club	84.186	22PX69	5,609
BADA - Hang'n Out The Right Way	84.186	22PX64	8,236
			13,845
			17,452,124
Total U.S. Department of Education			
U.S. Department of Agriculture:			
<i>Passed through the State Department of General Services</i>			
Commodity Foods Program/Food Distribution Program*	10.550	n/a	717,798
<i>Passed through State of Nevada Department of Education</i>			
Child Nutrition Cluster			
School Breakfast Program	10.553	n/a	1,184,124
National School Lunch Program	10.555	n/a	5,226,759
			6,410,883
Total Child Nutrition Cluster			
			7,128,681

* Amounts shown as expenditures represent the value of commodity foods received by the District.

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002
(Page 3 of 5)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of Housing and Urban Development:</u>			
<i>Passed through City of Reno, Nevada</i>			
Community Development Block Grant Washoe County Human Services Consortium	14.218	n/a	\$ 46,569
Total U.S. Department of Housing and Urban Development			46,569
<u>U.S. Department of Health and Human Services:</u>			
<i>Passed through Nevada Department of Employment, Training, and Rehabilitation</i>			
Title IV-B - Promoting Safe and Stable Families, CY 2001	93.556	IV-B 00-01/168	68,015
Title IV-B - Promoting Safe and Stable Families, CY 2002	93.556	IV-B 02-05/127	66,973
			134,988
Title XX - Social Services Block Grant Life Services Classroom on Wheels	93.667	n/a	29,286
			164,274
<i>Passed through Nevada Department of Human Resources - Division of Child and Family Resources</i>			
Child Abuse and Neglect State Grants Children's Trust Fund Northeast FRC	93.669	n/a	65,112
Children's Trust Fund Ribera FRC	93.669	n/a	13,598
Committee For Protection of Children	93.669	G994550	104
			78,814
<i>Passed through Nevada Department of Human Resources - Health Division</i>			
Block Grants for Prevention and Treatment of Substance Abuse BADA - World of Wooster: An Odyssey	93.959	22PX75	19,287
BADA - P.O.W.E.R	93.959	22PX72	44,019
BADA - Join Together Northern Nevada	93.959	22PXC10	35,000
			98,306
<i>Passed through Nevada Department of Welfare</i>			
Apprenticeship Training Base Grant	93.575	n/a	381,567
Apprenticeship Accreditation Grant	93.575	n/a	271,004
			652,571
Total U.S. Department of Health and Human Services			993,965
<u>U.S. Department of Justice:</u>			
DIRECT - Police Bullet Proof Vests Partnership Program	16.607	n/a	1,026
<i>Passed through Nevada Department of Juvenile Justice</i>			
Title V - Delinquency Prevention Program, NovaNet	16.548	n/a	10,848

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002
(Page 4 of 5)**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<i>Passed through Nevada Department of Public Safety</i>			
Violence Against Women Formula Grant, Stalking	16.588	98VAWG-48	\$ 4,800
<i>Passed through Reno Police Department</i>			
Byrne Formula Grant, Anti-Gang Task Force	16.579	01-NC-028	48,436
Total U.S. Department of Justice			65,110
<u>U.S. Department of Libraries and Archives:</u>			
<i>Passed through Nevada Department of Museums, Library and Arts</i>			
State Library Program			
LSTA Mendive and Sparks Library Grant	45.310	LSTA 2001-21	189
LSTA Allen Library Grant	45.310	LSTA 2001-26	3,455
LSTA Booth Elementary Library Grant	45.310	n/a	288
Total U.S. Department of Libraries and Archives			3,932
<u>U.S. Department of Corporation for National and Community Service:</u>			
DIRECT- State Commissions, Americorps	94.003	n/a	900
DIRECT- Planning and Program Development Grant, Americorps	94.007	n/a	11,000
DIRECT- Americorps Grant	94.006	99ARCNV029	133,084
DIRECT- Training and Technical assistance, Americorps Mini Grant	94.009	n/a	1,260
DIRECT- Volunteers in Service to America, Americorp	94.013	01VPPNV006	266,212
<i>Passed through the State of Nevada Department of Education</i>			
Learn and Serve America	94.004	02-2706-05	22,526
Total U.S. Department of Corporation for National and Community Service			434,982
<u>U.S. Department of Labor:</u>			
<i>Passed through NevadaWorks Youth Program</i>			
WIA Youth Activities	17.259	wcsd-youth-01	25,000
Total U.S. Department of Labor			25,000
<u>U.S. Federal Emergency Management Agency (FEMA):</u>			
DIRECT - Emergency Food & Shelter, Desert Heights	83.523	n/a	4,752
DIRECT - Emergency Food & Shelter, Coalition	83.523	n/a	7,620
Total U.S. Federal Emergency Management Agency			12,372

WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2002
 (Page 5 of 5)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<u>U.S. Department of the Interior:</u>			
<i>Passed through Nevada Department of Wildlife</i>			
Wildlife Restoration, Verdi Library	15.611	n/a	\$ <u>200,000</u>
Total U.S. Department of the Interior			<u>200,000</u>
<u>U.S. Department of Transportation:</u>			
<i>Passed through Nevada Department of Transportation</i>			
Compressed Natural Bus (CNG) Grant	20.205	PR254-00-010	<u>100,000</u>
Total U.S. Department of Transportation			<u>100,000</u>
TOTAL			<u><u>\$ 26,462,735</u></u>

WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2002

Summary of Auditor's Results:

- Kafoury, Armstrong & Co. issued an unqualified opinion on the basic financial statements of Washoe County School District for the year ended June 30, 2002.
- The audit disclosed no instances of noncompliance which were material to the financial statements of Washoe County School District.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major programs of Washoe County School District.
- Washoe County School District had five major programs for the year ended 6/30/02, as follows:

Child Nutrition Cluster – CFDA #10.553 & 10.555

Title I - Basic, CFDA #84.010A

Title I- Even Start, CFDA #84.213C

Title IV, Safe and Drug-Free Schools and Communities, CFDA #84.186

Child Care and Development Block Grant, CFDA #93.575

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2002, was \$793,882.
- Washoe County School District qualified as a low risk auditee for the year ended June 30, 2002 under the criteria set forth in section .530 of OMB Circular A-133.

Findings Relating to the Financial Statements Reported in Accordance with Generally Accepted Governmental Auditing Standards (GAGAS):

There were no such findings in relation to the financial statement audit of Washoe County School District for the year ended June 30, 2002.

Findings and Questioned Costs for Federal Awards:

None

WASHOE COUNTY SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2002

01-1 Nevada Goals 2000, CFDA 84.276A

Condition and Criteria: The Catalog of Federal Domestic Assistance states that a State may adopt its own written fiscal and administrative requirements and those requirements must be sufficiently specific to ensure funds are used in compliance with all applicable statutory and regulatory provisions and to ensure that funds received are spent only for reasonable and necessary costs of the program. Washoe County School District has assigned the above-mentioned duties to the principals of the schools participating in the Nevada Goals 2000 program. There were four instances where an individual other than the authorized individual entered the authorization code for approval of expenditures into the District's computerized purchasing system.

Auditor's Recommendation: We recommend the District re-communicate established policies and procedures to individuals with fiscal responsibilities and an individual in the business office should periodically check to make sure the correct individual is approving expenditures.

Current Status: The District issued a letter to all individuals with fiscal responsibilities to remind them of their responsibilities. There were no instances of non-compliance noted in the current year.

AUDITOR'S COMMENTS

STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

PROGRESS ON PRIOR YEAR STATUTE COMPLIANCE

The Washoe County School District conformed to all significant statutory constraints on its financial administration for the year ended June 30, 2001.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2001.

CURRENT YEAR RECOMMENDATIONS

We did not find any financial weaknesses of a magnitude to justify inclusion within our report. Our audit did identify recommendations to improve procedures and accountability that have been included in our management letter, dated October 10, 2002.

**WASHOE COUNTY SCHOOL DISTRICT
NEVADA REVISED STATUTE
354.6113
JUNE 30, 2002**

Nevada Revised Statute 354.6113 requires that the report of the audit must include a statement from the auditor indicating whether the local government has complied with the provisions of this subsection.

There were no funds created during 2001-2002 under the authority of Nevada Revised Statutes 354.6113.