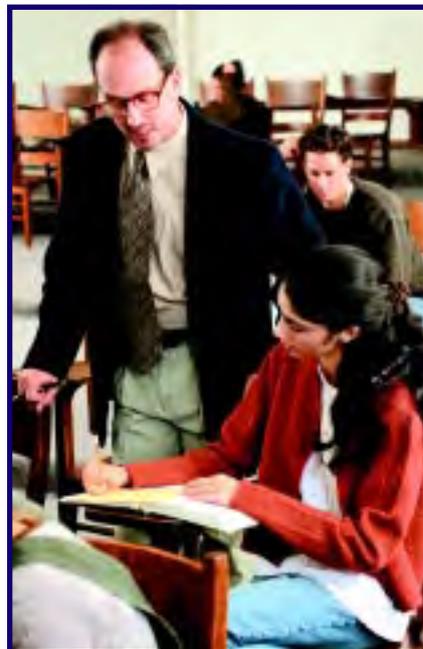


# Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2004



Washoe County School District  
Reno, Nevada

# Washoe County School District Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2004



Prepared By:  
Business & Financial Services Division

Gary Kraemer, CPA  
Chief Financial Officer

Thomas Ciesynski, CPA  
Chief Accountant

Michael Schroeder, CPA  
Senior Budget Analyst

Rob Luna  
Grant Fiscal Administrator

Darcy Burton  
Senior Accountant

Jill Murdock  
Senior Accountant

Stephen Ashorn  
Budget Analyst

Tracy Hodge  
Grant Accountant

Gail Carson  
Accountant

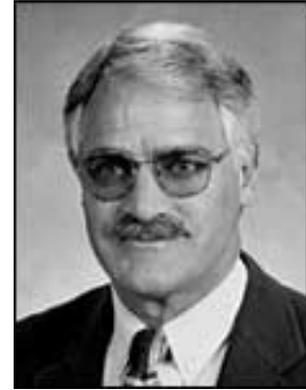
# Washoe County School District Superintendent & Board of Trustees



**James L. Hager, Ph.D.**  
Superintendent



**Jonnie Pullman**  
Board of Trustees  
President



**Dan Carne**  
Board of Trustees  
Vice President



**Lezlie Porter**  
Board of Trustees  
Clerk



**Nancy Hollinger**  
Board of Trustees  
Member



**Anne Loring**  
Board of Trustees  
Member



**Galen "Mitch" Mitchell**  
Board of Trustees  
Member



**Jody Ruggiero**  
Board of Trustees  
Member

**WASHOE COUNTY SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2004**

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# Introductory

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## Section

- Letter of Transmittal
- Board of Trustees and  
Administrative Officials
- Organizational Chart
- Certificate of Achievement for  
Excellence in Financial Reporting



# Washoe County School District

425 East Ninth Street • P. O. Box 30425  
Reno, Nevada 89520-3425  
Phone (775) 348-0200 • Fax (775) 348-0304

## Board of Trustees

Jonnie Pullman, President  
Nancy Hollinger

Dan Carne, Vice President  
Anne Loring  
Paul Dugan, Interim Superintendent

Lezlie Porter, Clerk  
Jody Ruggiero

October 1, 2004

## **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, 2004, 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 the 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 Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and compliance. The introductory section includes this transmittal letter, a list of District officials, an organization chart and a Certificate of Achievement for Excellence in Financial Reporting. The financial section includes the Report of Independent Auditors, the Management's Discussion and Analysis, the basic financial statements, required supplementary information and the combining and individual fund statements and schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The compliance section includes information pertaining to the Single Audit Act, as well as the external auditor's reports and comments.

## **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 local, state, and federal programs. As with all school districts in Nevada, its boundaries are conterminous with the County. During fiscal year 2003-04, the District operated sixty-one elementary schools, eleven middle schools, and twelve high schools. Additionally, the District operates one special education facility, two alternative high schools, and an occupational education center. The District employed approximately 7,000 employees and served 60,373 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 of Nevada in the boundaries designated as Washoe County. The County itself is the second largest (population wise) in the

State 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 56 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. Additionally, the local response to generate new business is to increase emphasis on special events and concentrate on outdoor activities that involve Lake Tahoe, Pyramid Lake, the Sierra mountains and the vast open space. 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 2003-04 fiscal period is 360,142, which reflects a 27.2% increase over the 1994-95 population of 283,178. Over the last year, the County population grew by 3.9%. The annual labor force of the County is estimated at 203,800 at the end of June 2004, and the unemployment rate was established at a fiscal year average of 4.1% compared to 4.4% last year. This can be compared to the United States unemployment rate of 5.6% for the same period.

Other indicators of the economy in the County are reflected in taxable retail sales that increased 9.64% compared to the 3.69% increase in the prior year. Air traffic in Reno is up 8.23%, while gross income from gaming was down 2.06%. Additionally, sales of existing homes increased 5.85% while new building permits were at 13,633 compared to 11,139 in the prior year.

In summary, Nevada and Washoe County's economy has experienced positive growth and improvement, when compared to similar statistics in recent business cycles. Additionally, the budget and tax adjustments approved in the 2003 legislature provided relief from the significant budget cuts experienced in the last two fiscal years by the District.

## **CHALLENGES FACING THE DISTRICT**

The budget is balanced and the necessity of budget reductions was avoided. The challenge now, however, is to prioritize and allocate available resources toward our most important goal; improving student academic achievement. The Board of Trustees has approved, and we have begun to implement, a *Blueprint for Student Success*. Part of that plan calls for new strategies and initiatives, each with a price tag. In a retreat setting, Trustees prioritized our needs in that regard and to the extent that any discretionary funds are available, they will be allocated in accord with that prioritization.

We noted last year, and we reiterate the point this year, that the mandates of the federal *No Child Left Behind Act* and its state companion, Senate Bill 1, have put enormous strains on our data gathering and data analysis abilities. New positions in our Public Policy, Accountability and Assessment and in our Information Technology offices have been added. These are General Fund positions, not funded by either the state or federal laws.

On the capital improvement front, we are fortunate to have the proceeds from the initial two bond sales from the voter-approved rollover bond program. These revenues have allowed us to open a new middle school for the 2004-05 school year, to complete dozens of school improvement projects over this past summer, to award the contract for another middle school and to begin planning for even more new schools. Nevertheless, we are increasingly concerned about the long-term ability of this mechanism (the rollover bonds) to generate the necessary funds to pay for all that needs to be done. It appears increasingly likely that there will be unmet needs unless other revenue sources are found. Since local property taxes are at or near the state imposed cap, relief will come only from the state level, a matter that will need to be addressed at the next legislature.

This section would be incomplete without acknowledging the challenges posed by a steady increase in enrollment. Since FY 1990, when our enrollment was 38,446 we grew to 60,373 in fiscal year 2003-04, a 57% increase. Such growth imposes demands for more than just new schools; it requires an increase in administrative, managerial and support positions. Those offices are now stretched beyond capacity and support staff are now scattered in six locations, miles apart. For the first time in recent years, serious discussions are taking place about how to resolve the inefficiencies inherent in the lack of a combined central administration building. The challenge, obviously, is identifying a revenue source for a new or expanded administrative center without relying on the already stretched rollover bond funds.

Finally, with the resignation of Dr. James Hager as Superintendent and the appointment of Paul Dugan as Interim Superintendent, the Trustees are now faced with the task of searching for and selecting a permanent replacement. We believe that the District is well positioned, and with its solid national reputation, will draw quality applicants. In the meantime, the transition period is progressing smoothly.

## **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. 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 proceeds 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 1.04% to 2.5% during the fiscal year. As a result, the District earned \$1.6 million on its 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.

**Pension and Other Postemployment Benefits.** The District contributes to a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada (PERS). PERS provides retirement benefits, disability benefits and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Funding into this pension plan is done under either an employer pay or employer/employee pay contribution program. An actuary engaged by PERS determines the rates of contribution for these plans.

The District also provides for postretirement health and dental care benefits for certain retirees and their dependents. The District's current program is on a pay-as-you go basis, however the District has established a new Special Revenue Pre-Funded Health Benefits Fund in anticipation of GASB 45 for Postemployment Benefits Other Than Pensions (OPEB).

Additional information on the District's pension and postemployment benefits can be found in Notes 8 and 9 in the notes to the financial statements.

## **AWARDS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded the Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2003. This is the third consecutive 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 principles 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 for the

Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting award and received this award for eight consecutive years.

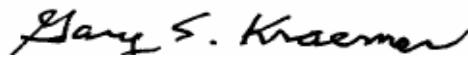
## **ACKNOWLEDGMENTS**

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 & Co., 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,



Paul S. Dugan  
Superintendent



Gary S. Kraemer, CPA  
Chief Financial Officer

# Washoe County School District Reno, Nevada



## District Officials For Fiscal Year Ended June 30, 2004

### Board Of Trustees

**Jonnie Pullman**  
President

**Dan Carne**  
Vice President

**Lezlie Porter**  
Clerk

**Nancy Hollinger**  
Member

**Anne Loring**  
Member

**Galen "Mitch" Mitchell**  
Member

**Jody Ruggiero**  
Member

### Administrative Officials

**James L. Hager, Ph.D.**  
Superintendent

**Paul Dugan**  
Superintendent, Elementary Education

**Debbie Cylke**  
Superintendent, Secondary Education

**Ken Grein**  
Superintendent of Operations

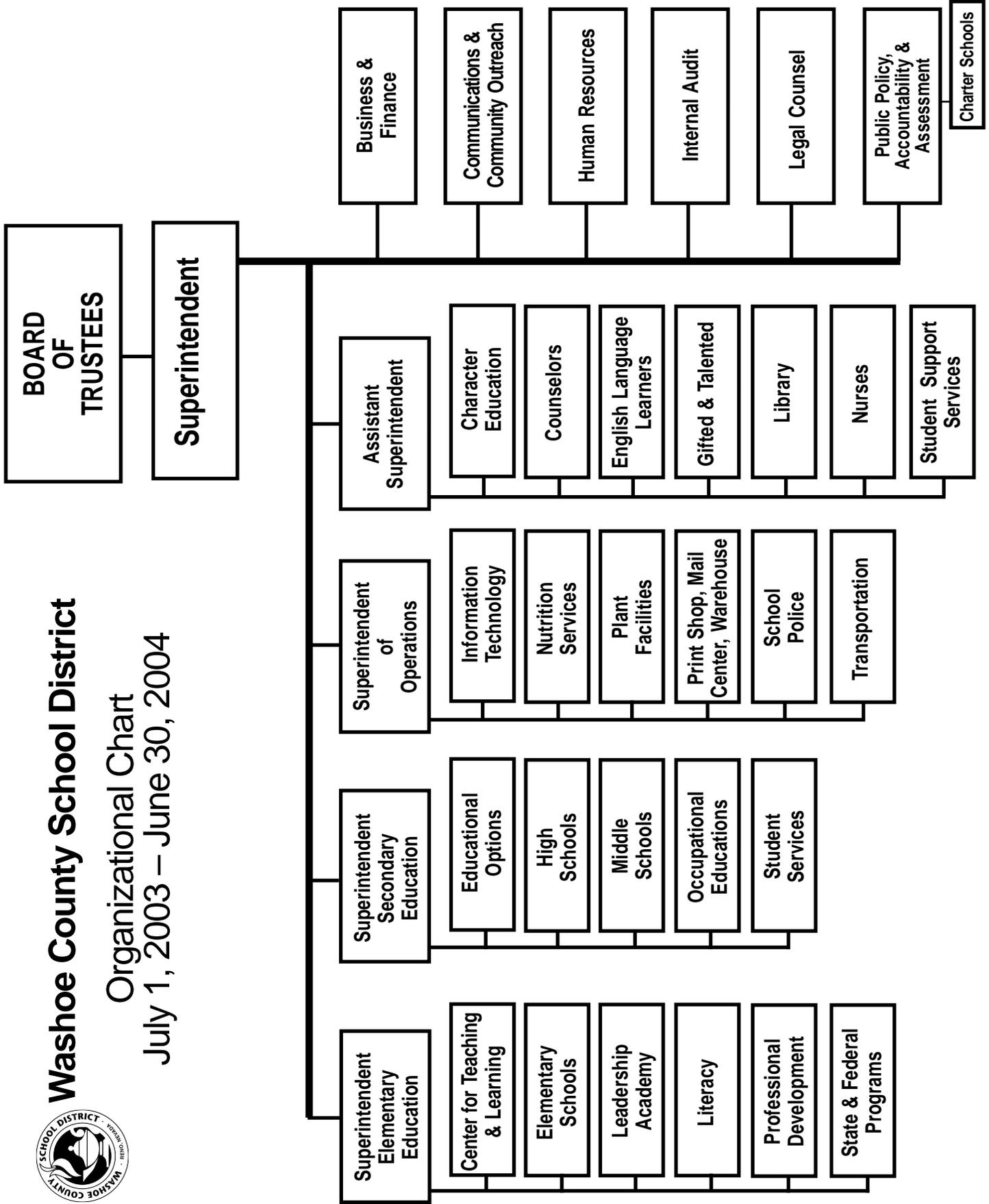
**Gary Kraemer, CPA**  
Chief Financial Officer  
Business & Financial Services



# Washoe County School District

## Organizational Chart

July 1, 2003 – June 30, 2004



# 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, 2003

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



President

Executive Director

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# Financial

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# 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, 2004, 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Special Education 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 1, 2004 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Management's Discussion and Analysis on pages 3 through 14 is not a required part of the basic financial statements but is supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Introductory Section, nonmajor combining and individual fund financial statements and schedules, the Schedule of Expenditures of Federal Awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The nonmajor combining and individual fund financial 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 1, 2004

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

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**

- The auditor's report offers an unqualified opinion on the financial statements, the highest level of assurance that can be attained.
- Government-wide net assets increased by \$22.1 million to \$165.7 million.
- Unrestricted net assets increased or improved by \$11.6 million to \$927,744.
- The District's total revenues increased by \$30.6 million to \$439 million. The most significant revenues are local school support taxes (sales tax) at \$128.6 million, property tax (Ad Valorem) at \$117.8 and state aid at \$87.2 million.
- The District's total expenses increased by \$27.7 million to \$416.9 million. The most significant expenses were in regular instruction at \$194.8 million, operation and maintenance at \$34.8 million and special education instruction at \$34.9 million.
- Net capital assets increased to \$460.5 million. Major additions included \$17.1 million for Spanish Springs Middle School (90% completed), \$10.3 million for Damonte Ranch High School (99% completed), \$2.6 million for Incline Elementary (99% completed), \$2.1 million for School Renewal and \$1.7 million for the completion of District Wide Telecommunications. Depreciation expense totaling \$12.1 million is included in the government-wide statements.
- The District's general obligation bonds payable increased by \$32.7 million or 9.3%. This is the result of the issuance of \$55 million in bond rollover debt, \$22.2 million of debt payments and net refunded debt of negative \$.1 million.
- The District has an A1 bond rating with a stable outlook from Moody's Investor Service and is rated A with a stable outlook from Standard and Poor's Corporation. The stable outlook reflects the expectation that the District's financial reserves will continue to grow.

**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.

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.

**WASHOE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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, which results in the entire statement representing governmental activities.

**Fund Financial Statements**

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's funds 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 38 individual governmental funds of which the general, special education, debt service, 1999 bond, 2002 bond rollover and 2003 bond rollover 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 32 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 its self-insurance 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.

**Notes to the Financial Statements**

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

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

**Other**

*Required supplementary information*, including combining and individual fund statements and schedules providing budget to actual and prior year 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 assets, revenues and expenses.

**WASHOE COUNTY SCHOOL DISTRICT'S NET ASSETS**

	<u>2004</u>	<u>2003</u>
<b>Assets</b>		
Current and other assets	\$ 213,408,314	\$ 171,989,074
Net capital assets	<u>460,504,225</u>	<u>436,075,295</u>
Total assets	673,912,539	608,064,369
<b>Liabilities</b>		
Current liabilities	99,060,453	92,608,288
Long-term liabilities	<u>409,117,560</u>	<u>371,832,466</u>
Total liabilities	508,178,013	464,440,754
<b>Net Assets</b>		
Invested in capital assets, net of related debt	116,714,931	103,275,042
Restricted	48,091,851	51,061,565
Unrestricted	<u>927,744</u>	<u>(10,712,992)</u>
Total net assets	<u>\$ 165,734,526</u>	<u>\$ 143,623,615</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 \$165.7 million at June 30, 2004. The largest portion of net assets (70.4%) reflects its investment in capital assets (e.g., land, buildings, equipment and construction in progress) less any outstanding related debt used to acquire those assets. 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.

- An additional portion of the District's assets (29.0%) represents resources that are subject to external restrictions (statutory, bond covenants, or granting agency) on how they may be used. At June 30, 2004, the District had unrestricted net assets of \$927,744.

Governmental activities increased the District's net assets by \$22.1 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  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

**WASHOE COUNTY SCHOOL DISTRICT CHANGE IN NET ASSETS**

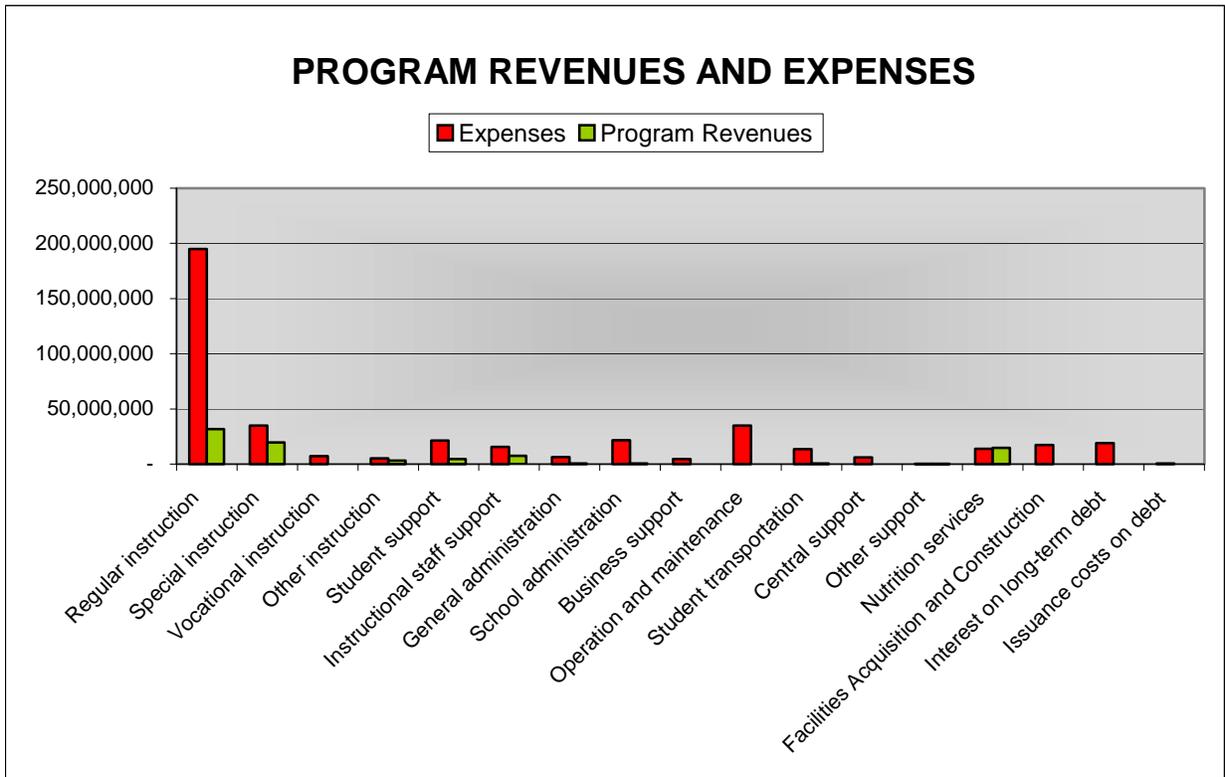
	<u>2004</u>	<u>2003</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 7,820,959	\$ 7,877,036
Operating grants and contributions	75,489,897	71,314,386
General revenues:		
Property taxes	117,819,676	109,768,083
Local school support taxes	128,565,040	116,959,363
Government service taxes	15,817,100	14,230,955
Other taxes and fees	2,241,927	1,697,574
Unrestricted investment earnings	1,672,999	4,912,745
State aid not restricted to specific purposes	87,154,547	78,721,232
Other	2,439,382	2,942,303
Total revenues	<u>439,021,527</u>	<u>408,423,677</u>
<b>Expenses</b>		
Instruction:		
Regular instruction	194,831,967	184,993,866
Special instruction	34,870,606	32,001,726
Vocational instruction	7,299,838	6,227,423
Other instruction	5,263,695	5,009,228
Support services:		
Student support	21,195,379	18,448,225
Instructional staff support	15,536,807	15,336,683
General administration	6,261,080	6,077,638
School administration	21,622,401	19,965,103
Business support	4,549,010	4,218,214
Operation and maintenance	34,840,160	33,658,260
Student transportation	13,507,932	13,343,831
Central support	6,104,423	4,887,624
Other support	199,114	336,498
Nutrition services	13,853,617	13,373,888
Facilities Acquisition and Construction	17,294,160	13,737,063
Interest on long-term debt	19,132,944	17,121,442
Issuance costs on debt	547,483	459,603
Total expenses	<u>416,910,616</u>	<u>389,196,315</u>
Increase in net assets	<u>\$ 22,110,911</u>	<u>\$ 19,227,362</u>

**Total Revenues:** Total revenue exceeded prior year revenue by 7.5%. General revenues, mainly comprised of taxes, state aid and investment earnings, represented 81.0% 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.

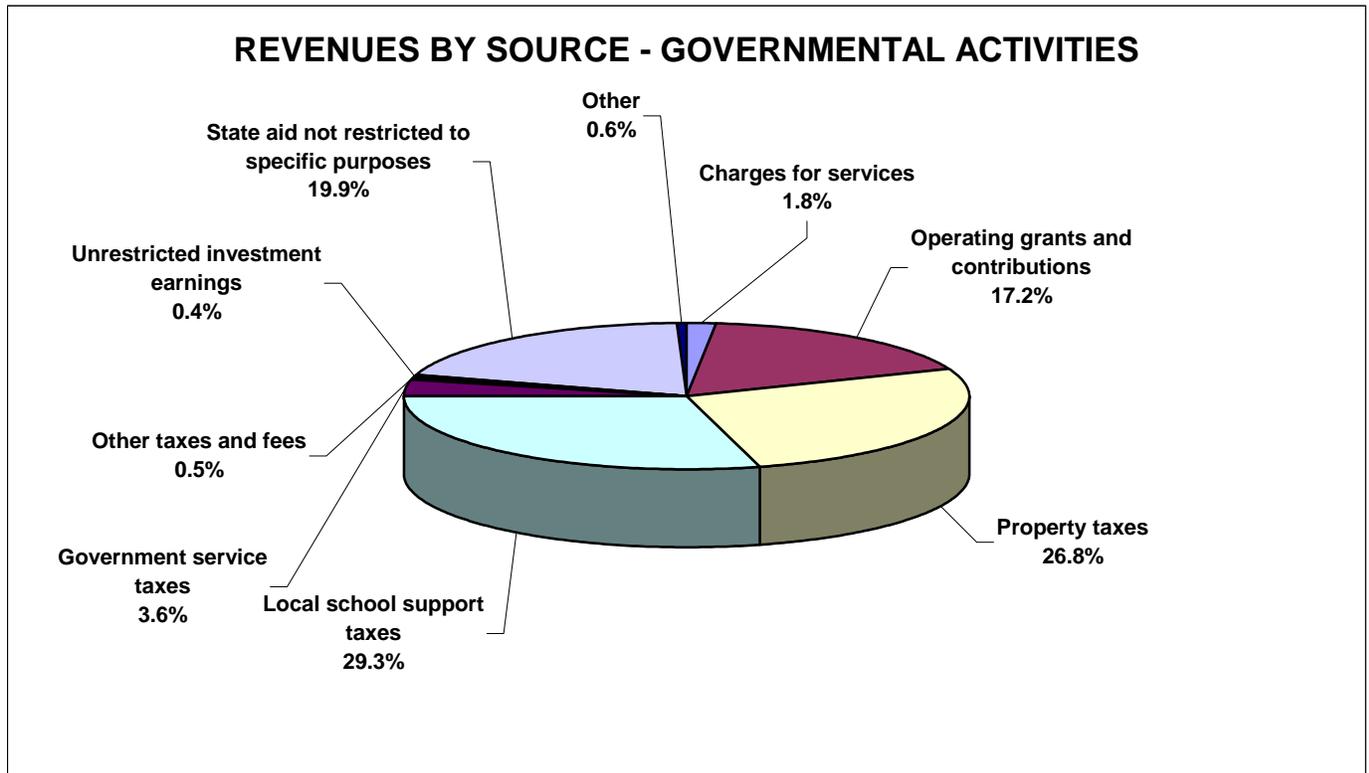
**WASHOE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

**General Revenues:** General revenues increased 8.0% from the prior fiscal year. The District experienced increases in all categories except interest due to declining rates and reduced proceeds available to invest. The District also experienced a decline in other revenues due to fewer reimbursements.

**Program Revenues:** Program revenues represent 19.0% of the total revenue collected 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, 2004**



**Governmental Activities:**

- ❑ The largest revenue sources for the District are property taxes (Ad Valorem), local school support taxes and state aid, which comprise 76.0% of total revenues.
- ❑ Ad valorem taxes increased 6.9% from the prior year due to increased tax collections and increases in assessed valuations.
- ❑ Local school support taxes increased 9.9% due to increased taxable sales.
- ❑ State revenue, as provided in the Nevada Plan (State aid guaranteed funding), increased 10.7% as a result of increased enrollment and legislative increases. However, the growth in State aid was reduced by larger than anticipated increases in property tax and school support tax.

**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 \$134.3 million, an increase of \$32.7 million over the prior year. Of this total, approximately \$17.3 million, or 21%, constitutes *unreserved and undesignated fund balance*, which is available for spending at the District's discretion within the respective fund. The District has \$63.7 million, or 79%, *unreserved and designated fund balances* for subsequent year items.

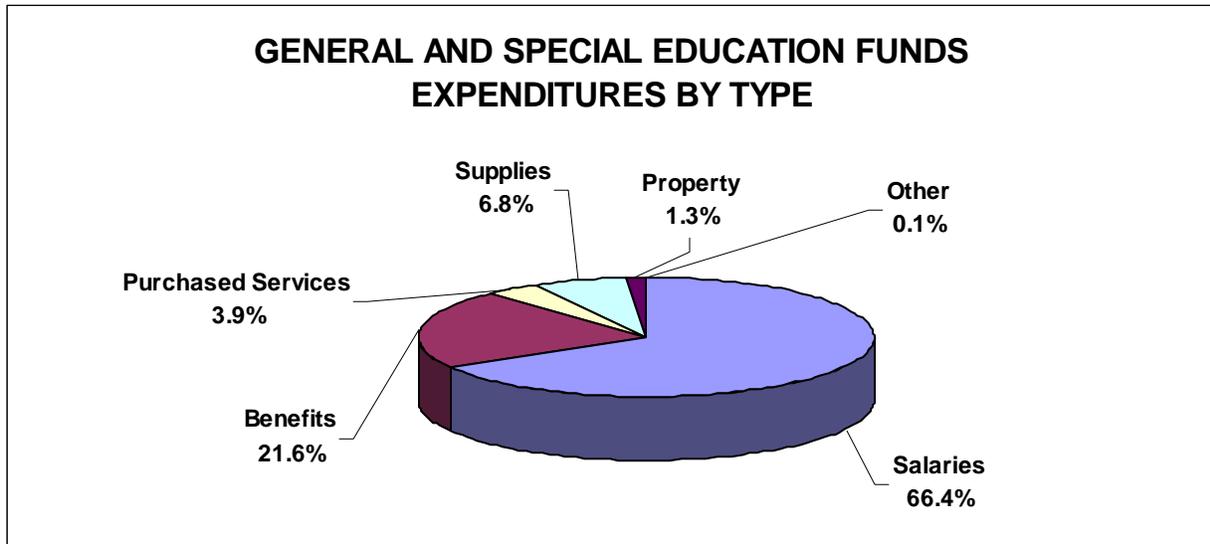
**WASHOE COUNTY SCHOOL DISTRICT  
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The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been committed to: (1) \$11.1 million for construction contracts and encumbrances (contracts or purchase orders of the prior period), (2) \$38.0 million to pay debt service and sinking fund, and (3) \$4.2 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>2004</u>	<u>2003</u>
Salaries	\$ 210,136,837	\$ 201,218,134
Benefits	68,466,112	62,112,830
Purchased Services	12,226,074	11,801,410
Supplies	21,476,062	16,503,331
Property	4,180,405	1,913,210
Other	<u>216,802</u>	<u>253,320</u>
Totals	<u>\$ 316,702,292</u>	<u>\$ 293,802,235</u>



- ❑ Salaries and wages comprise 66.4% of total expenditures. School District's by their nature are labor intensive.
- ❑ Employee benefits average 32.6% of salaries and wages and 21.6% of total expenditures. Benefits include contributions on the behalf of employees for retirement (Public Employees' Retirement), health insurance, medicare, old age survivors disability insurance (part-time employees), life insurance and workers' compensation.
- ❑ Purchased services, supplies and property comprise 12.0% of total expenditures. Details regarding variances on a fund level are available in separate reports.

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

**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 \$12.6 million compared to \$8.2 million in the prior year. The total fund balance was \$18.9 million compared to \$10.6 million in the prior year. 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 4.5% of total fund expenditures while total fund balance represents 6.7% of that same amount.

The unreserved fund balance of the General Fund increased \$4.4 million. Key factors in this change are as follows:

- Total revenues of \$312.1 million exceeded prior year revenue by \$24.4 million or 8.5%, primarily due to increased property tax (6.9%), school support tax (9.9%), government services tax (11.2%) and state aid (8.0%).
- Total expenditures of \$281 million exceeded the prior year by \$19.9 million or 7.6%. Salaries and wages increased 4.0% as a result of District growth and movement on the salary schedules. Additionally, the District entered into a two-year salary contract with all bargaining groups this fiscal year which provided a Cost of Living Increase (COLA's) this fiscal year and next. Employee benefits exceeded the previous year by 9.8% due largely to corresponding increases in salaries, a mandated increase in public employee retirement rates and a 13.5% increase in health insurance costs.
- Operating (non-salary) categories increased by \$7.6 million or 25.2% from the prior year. \$3 million of this increase was the result of additional money appropriated by the legislature to be used for textbooks, instructional supplies and instructional hardware and \$3.1 million was utilized to purchase PLATO educational software (from lease proceeds). In addition, \$1.4 million was for costs related to meeting mandates of the *Federal No Child Left Behind Act*, textbook purchases were increased \$1 million and \$875,000 was utilized for new costs related to the opening of one high school and one elementary school. Utility savings offset the balance of the increased costs.
- The excess of revenues over expenditures was \$31.1 million. Transfers to other funds were \$27.9 million. Significant transfers included \$19.7 million to the Special Education Fund, \$2.2 million to the Debt Service Fund, \$3.7 million to the Health Insurance Fund and \$2.3 million to the Pre-Funded Retiree Health Benefits 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 \$35.7 million, which exceeded the prior year by \$2.9 million or 9.0%. State aid totaling \$16.0 million and transfers from the General Fund of \$19.7 million, accounted for all the resources in the fund.

**The Debt Service Fund** has a total fund balance of \$38.0 million, all of which is reserved for the payment of debt service. The fund balance is virtually the same as the prior year.

**The 1999 Capital Projects Fund** represents \$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 \$2.9 million, which consists of unspent bond proceeds and investment income, which will be applied to various capital projects. During the year \$14.9 million was expended on new school construction and older

**WASHOE COUNTY SCHOOL DISTRICT  
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school improvements. Major projects include the construction of Damonte Ranch High School (99% completed), the construction on Incline Elementary (99% completed) and the District Wide Telecommunications project (completed). Additionally, new roofs, fire alarms, playground improvements, ADA renovations, cabling and phone system projects were started and some completed at many older schools during the year.

**The 2002 Rollover Capital Projects Fund** represents \$25.7 million of an estimated \$300-600 million 2002 voter approved bonds. Over the next ten years, rollover bonds will be issued for older school improvements along with the construction of new elementary and middle schools and the build-out of high schools. The rollover bonds allow the District to provide for the upkeep of existing facilities and to add new schools to address growth. This fund has a total fund balance of \$5.8 million, which consists of unspent bond proceeds and investment income. During the year \$18.5 million was expended on new school construction. This bond issuance is dedicated entirely to the construction of Spanish Springs Middle School (90% completed).

**The 2003 Rollover Capital Projects Fund** represents \$55 million of the estimated \$300-600 million 2002 voter approved ten year rollover bonds. This fund has a total fund balance of \$54.2 million, which consists of unspent bond proceeds and investment income. During the year \$2.3 million was expended on new school construction, school renewal and information technology projects. This bond issuance is dedicated to the construction of a new middle school in Cold Springs (.03% completed), a new elementary school in Spanish Springs (0% complete), School Renewal Projects (28% complete) and Information Technology Projects (.3% complete).

**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 has a Net Asset balance of \$3.7 million. The Health Insurance Fund has a Net Asset balance of \$2.4 million compared to a deficit of \$1.64 million in the prior year. Additionally, the Property and Casualty Fund has a balance of \$604,409 compared to a balance in the prior year of \$368,915. The Workers' Compensation Fund finished the year with a balance of \$671,214 compared to \$390,057 in the prior year.

The District fulfilled its commitment to eliminating the deficit balance in the Health Insurance Fund. This was accomplished by providing a special increased transfer to the fund, additional state resources and the continued adjustments to premiums and benefits.

### **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 of Trustees. 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.

Differences between the original and final budget for sources (revenues, other financing sources and opening fund balance) were \$16 million as were the differences for applications (expenditures, other financing uses and ending fund balance).

The largest increase for sources was \$6.3 million for the reserved and designated opening fund balances while the unreserved opening fund balance increased by \$2.4 million. In addition,

**WASHOE COUNTY SCHOOL DISTRICT  
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FOR THE FISCAL YEAR ENDED JUNE 30, 2004**

\$5.1 million was recognized for lease proceeds and \$2 million for additional per pupil revenues and special appropriations.

The opening reserved and designated amounts were applied to various expenditure categories in the amount of \$2.7 million while \$3.6 million was applied to the transfers out category. The lease proceeds resulted in a \$3.1 million increase to the regular programs category and a \$2 million increase to the transportation category. The unreserved ending fund balance was increased by \$1.8 million, while \$1.3 million was designated in the ending fund balance. Additional revenues also provided a \$1.5 million increase to the transportation category. Budget adjustments follow:

**GENERAL FUND BUDGET ADJUSTMENTS**

	<u>2004 BUDGET</u>		
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>DIFFERENCE</u>
<b>REVENUES</b>			
Local sources	\$ 212,031,812	\$ 220,253,913	\$ 8,222,101
State sources	97,051,499	90,946,221	(6,105,278)
Federal sources	495,000	495,000	-
Other sources	10,000	10,000	-
Total revenues	<u>309,588,311</u>	<u>311,705,134</u>	<u>2,116,823</u>
<b>OTHER FINANCING SOURCES</b>			
Capital Leases	-	5,132,500	5,132,500
FUND BALANCE, July 1	<u>1,826,888</u>	<u>10,556,064</u>	<u>8,729,176</u>
<b>TOTAL SOURCES</b>	<u>\$ 311,415,199</u>	<u>\$ 327,393,698</u>	<u>\$ 15,978,499</u>
<b>EXPENDITURES</b>			
Current:			
Regular programs	\$ 164,376,874	\$ 168,352,618	\$ 3,975,744
Vocational programs	6,582,489	7,388,953	806,464
Other instructional programs:	3,351,159	3,426,671	75,512
Undistributed Expenditures:			
Student support	16,880,912	17,036,789	155,877
Instructional staff support	7,816,515	7,675,777	(140,738)
General administration	6,426,709	6,487,416	60,707
School administration	21,202,055	21,393,944	191,889
Business support	3,682,166	3,904,635	222,469
Operation and maintenance	36,994,446	38,153,202	1,158,756
Student transportation	10,537,435	14,133,459	3,596,024
Central support services	7,221,731	6,560,193	(661,538)
Total expenditures	<u>285,072,491</u>	<u>294,513,657</u>	<u>9,441,166</u>
<b>OTHER FINANCING USES</b>			
Contingency	600,000	-	(600,000)
Transfers out	<u>23,898,924</u>	<u>27,996,071</u>	<u>4,097,147</u>
Total other financing uses	<u>24,498,924</u>	<u>27,996,071</u>	<u>3,497,147</u>
FUND BALANCE, June 30	<u>1,843,784</u>	<u>4,883,970</u>	<u>3,040,186</u>
<b>TOTAL APPLICATIONS</b>	<u>\$ 311,415,199</u>	<u>\$ 327,393,698</u>	<u>\$ 15,978,499</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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Actual expenditures were 95% of the final budget and all functions are within the appropriate budgetary authority.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The District's investment in capital assets for its governmental activities as of June 30, 2004 amounts to \$460.5 million (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings and improvements, equipment, and construction in progress. The total increase in the District's investment in capital assets for the current fiscal year was 5.6%. The major capital additions this fiscal year included:

Spanish Springs Middle School	\$17.1 million	Incline Elementary	\$2.6 million
Damonte Ranch High School	10.3	School Renewal	2.1
District Wide Telecommunications	1.7		

Additional information on the District's capital assets can be found in the notes to the financial statements of this report.

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

	<u>2004</u>	<u>2003</u>
Land	\$ 27,938,932	\$ 27,899,389
Construction in progress	20,660,037	40,007,775
Buildings	393,150,186	359,376,069
Improvements other than buildings	4,704,889	1,208,377
Machinery and equipment	14,050,181	7,583,685
Total	<u>\$ 460,504,225</u>	<u>\$ 436,075,295</u>

**WASHOE COUNTY SCHOOL DISTRICT OUTSTANDING DEBT**

	<u>2004</u>	<u>2003</u>
General Obligation Bonds	\$ 385,155,000	\$ 352,425,000
Capital Lease Obligations	15,852,684	11,942,899
Qualified Zone Academy Bonds	7,268,997	5,486,899
Total	<u>\$ 408,276,681</u>	<u>\$ 369,854,798</u>

The District's outstanding debt increased by \$38.4 million during the current fiscal year primarily due to the issuance of the new rollover bonds netted with the effects of refunding debt and planned principal payments. The District also added new capital leases and an additional Qualified Zone Academy Bond.

**WASHOE COUNTY SCHOOL DISTRICT  
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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 \$1.27 billion, which is significantly in excess of the District's outstanding general obligation debt.

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

**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.

Fiscal year 2004-05 is the second year of the biennium for the State of Nevada budget. As such, the District's per pupil support from the State's Distributive School Account (DSA) was known well in advance and planning for the year commenced as soon as this per pupil amount was known. This fact, combined with the early settlement of negotiations with bargaining units for FY 05 allowed a very smooth transition to developing and approving the FY05 budget. With this background, the following factors are provided for the FY 2004-05 budget:

- ❑ The guaranteed basic support per pupil revenue amount as provided through the State's DSA is \$4,319 (including a \$50 per student textbook allocation), an increase of \$158 per pupil over the prior year. Special Education Units are \$32,447 per unit, an increase of \$636 over the prior year.
- ❑ The District will receive a special appropriation from the State for excess health insurance costs during the fiscal year. The amount will be determined from an application process for all school districts to obtain a portion of \$5.8 million set aside by the legislature over the biennium.
- ❑ The District's projected unweighted student enrollment is 61,584 for FY 2004-05 or 2.0% greater than the prior year.
- ❑ District expenditures include the additional cost to operate a new middle school, 2.0% to 2.5% cost of living increases for all bargaining units, salary additions related to District growth, an anticipated increase of 10% for group health insurance, State mandated cost for 1/5 retirement service credit for qualifying employees, fixed increases to operating costs, continuation of pre-funding health retiree benefits and an increase to the ending fund balance.

**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, 2005 this report will also be available on the web site at [www.washoe.k12.nv.us](http://www.washoe.k12.nv.us).

# Basic Financial Statements

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➤ Government-Wide Financial Statements

- Statement of Net Assets
- Statement of Activities

➤ Fund Financial Statements

- Governmental Funds
- Proprietary Funds
- Fiduciary Funds

➤ Notes to Financial Statements

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**WASHOE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2004**

**GOVERNMENTAL  
ACTIVITIES**

**ASSETS**

Current assets:	
Cash and investments	\$ 161,181,382
Receivables:	
Property taxes	2,235,409
Interest	302,522
Grants	4,570,119
Miscellaneous	923,270
Due from other governments	33,474,012
Inventories	1,183,087
Prepaid expenses	8,778,385
Due from fiduciary funds	<u>21,235</u>
Total current assets	<u>212,669,421</u>
Noncurrent assets:	
Restricted cash	738,893
Capital assets:	
Land and construction in progress	48,598,970
Other capital assets net of depreciation	<u>411,905,255</u>
Total noncurrent assets	<u>461,243,118</u>
Total assets	<u>673,912,539</u>

**LIABILITIES**

Current liabilities:	
Accounts payable	6,034,480
Accrued liabilities	39,295,085
Construction contracts payable	4,352,108
Interest payable	2,627,328
Due to other governments	1,193,410
Deferred revenues	1,706,502
Current portion of long-term obligations	<u>43,851,540</u>
Total current liabilities	<u>99,060,453</u>
Noncurrent liabilities:	
General obligation bonds payable	385,155,000
Deferred premiums	9,268,796
Arbitrage payable	1,719,390
Capital leases payable	23,131,681
Accrued compensated absences	19,365,217
Accrued early separation incentive stipends	2,867,289
Accrued self-insurance pending claims	11,461,727
Less: current portion of long-term obligations	<u>(43,851,540)</u>
Total noncurrent liabilities	<u>409,117,560</u>
Total liabilities	<u>508,178,013</u>

**NET ASSETS**

Invested in capital assets, net of related debt	116,714,931
Restricted for:	
Debt service	35,241,958
Capital projects	7,712,965
Special revenue funds	5,136,928
Unrestricted	<u>927,744</u>
Total net assets	<u>\$ 165,734,526</u>

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, 2004**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	
<b>Governmental activities:</b>				
Instruction:				
Regular instruction	\$ 194,831,967	\$ 158,452	\$ 31,616,770	\$ (163,056,745)
Special instruction	34,870,606	-	19,719,964	(15,150,642)
Vocational instruction	7,299,838	-	-	(7,299,838)
Other instruction	5,263,695	985,198	2,182,426	(2,096,071)
Total instruction	242,266,106	1,143,650	53,519,160	(187,603,296)
Support services:				
Student support	21,195,379	-	4,707,924	(16,487,455)
Instructional staff support	15,536,807	236,461	7,324,031	(7,976,315)
General administration	6,261,080	-	444,091	(5,816,989)
School administration	21,622,401	153,168	294,994	(21,174,239)
Business support	4,549,010	-	-	(4,549,010)
Operation and maintenance	34,840,160	-	62,934	(34,777,226)
Student transportation	13,507,932	-	477,380	(13,030,552)
Central support	6,104,423	-	84,192	(6,020,231)
Other support	199,114	-	189,113	(10,001)
Nutrition services	13,853,617	6,287,680	8,386,078	820,141
Facilities acquisition and construction	17,294,160	-	-	(17,294,160)
Interest on long-term debt	19,132,944	-	-	(19,132,944)
Issuance costs on debt	547,483	-	-	(547,483)
Total support services	174,644,510	6,677,309	21,970,737	(145,996,464)
Total school district	\$ 416,910,616	\$ 7,820,959	\$ 75,489,897	\$ (333,599,760)
<b>General revenues:</b>				
Property taxes, levied for general purposes			\$	77,352,959
Property taxes, levied for debt service				40,466,717
Local school support taxes				128,565,040
Government service taxes for general purposes				12,563,725
Government service taxes for capital purposes				3,253,375
Franchise taxes				205,259
Other taxes and fees				2,036,668
Unrestricted investment earnings				1,672,999
Gain on the sale of capital assets				7,475
State aid not restricted to specific purposes				87,154,547
Other local sources				2,257,121
Federal aid not restricted to specific purposes				174,786
Total general revenues				355,710,671
Change in net assets				22,110,911
<b>NET ASSETS - July 1</b>				<b>143,623,615</b>
<b>NET ASSETS - June 30</b>			<b>\$</b>	<b>165,734,526</b>

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

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

	<b>GENERAL FUND</b>	<b>SPECIAL EDUCATION FUND</b>	<b>DEBT SERVICE FUND</b>
<b>ASSETS</b>			
Cash and investments	\$ 19,578,605	\$ 2,893,247	\$ 37,045,818
Receivables:			
Property taxes	1,857,717	-	377,692
Interest	32,447	-	248,254
Grants	-	-	-
Miscellaneous	295,185	4,987	-
Due from other funds	1,869,297	-	-
Due from other governments	30,559,751	1,328,109	-
Inventories	521,863	-	-
Cash and investments - Restricted	-	-	738,893
	<u>\$ 54,714,865</u>	<u>\$ 4,226,343</u>	<u>\$ 38,410,657</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,583,024	\$ 60,145	\$ -
Accrued liabilities	31,211,664	4,166,198	50,960
Construction contracts payable	-	-	-
Due to other funds	-	-	-
Due to other governments	1,114,317	-	-
Deferred revenues	895,299	-	311,537
	<u>35,804,304</u>	<u>4,226,343</u>	<u>362,497</u>
<b>FUND BALANCES</b>			
Reserved for:			
Encumbrances	2,793,469	-	-
Inventories	521,863	-	-
Capital leases	2,995,000	-	-
Construction contracts	-	-	-
Debt service	-	-	37,309,267
Sinking fund	-	-	738,893
Unreserved, reported in:			
General fund	12,600,229	-	-
Special revenue funds	-	-	-
Capital projects funds	-	-	-
	<u>18,910,561</u>	<u>-</u>	<u>38,048,160</u>
Total liabilities and fund balances	<u>\$ 54,714,865</u>	<u>\$ 4,226,343</u>	<u>\$ 38,410,657</u>

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

<u>1999 BOND FUND</u>	<u>2002 BOND ROLLOVER FUND</u>	<u>2003 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 5,551,040	\$ 8,356,199	\$ 55,127,423	\$ 17,626,513	\$ 146,178,845
-	-	-	-	2,235,409
5,106	-	952	7,495	294,254
-	-	-	4,570,119	4,570,119
-	-	-	214,435	514,607
-	-	-	-	1,869,297
-	-	-	1,586,152	33,474,012
-	-	-	661,224	1,183,087
-	-	-	-	738,893
<u>\$ 5,556,146</u>	<u>\$ 8,356,199</u>	<u>\$ 55,128,375</u>	<u>\$ 24,665,938</u>	<u>\$ 191,058,523</u>
\$ 52,743	\$ 336,189	\$ 101,933	\$ 2,851,732	\$ 5,985,766
1,679,311	36,866	145	3,660,520	40,805,664
954,406	2,169,722	828,084	399,896	4,352,108
-	-	-	1,848,062	1,848,062
-	-	-	79,093	1,193,410
-	-	-	1,360,676	2,567,512
<u>2,686,460</u>	<u>2,542,777</u>	<u>930,162</u>	<u>10,199,979</u>	<u>56,752,522</u>
1,090,683	2,040,790	384,772	537,808	6,847,522
-	-	-	661,224	1,183,087
-	-	-	-	2,995,000
239,381	276,496	2,475,681	1,217,108	4,208,666
-	-	-	-	37,309,267
-	-	-	-	738,893
-	-	-	-	12,600,229
-	-	-	4,475,704	4,475,704
<u>1,539,622</u>	<u>3,496,136</u>	<u>51,337,760</u>	<u>7,574,115</u>	<u>63,947,633</u>
<u>2,869,686</u>	<u>5,813,422</u>	<u>54,198,213</u>	<u>14,465,959</u>	<u>134,306,001</u>
<u>\$ 5,556,146</u>	<u>\$ 8,356,199</u>	<u>\$ 55,128,375</u>	<u>\$ 24,665,938</u>	<u>\$ 191,058,523</u>

**WASHOE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2004**

Total Fund Balances for Governmental Funds \$ 134,306,001

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.

Land and construction in progress	\$ 48,598,970	
Capital assets subject to depreciation	545,833,531	
Less accumulated depreciation	<u>(133,928,276)</u>	
		460,504,225

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

Deferred debt charges	7,111,110	
Debt issuance costs	2,678,126	
Less accumulated amortization	<u>(1,010,851)</u>	
		8,778,385

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	(385,155,000)	
Bond premium	(10,312,886)	
Less accumulated amortization	1,044,090	
Capital leases payable	(23,131,681)	
Compensated absences	(19,365,217)	
Early separation incentive stipends	<u>(2,867,289)</u>	
		(439,787,983)

Interest payable		(2,627,328)
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Deferred revenue represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds. 878,355

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. 3,682,871

Total Net Assets of Governmental Activities \$ 165,734,526

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

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

	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>	<u>DEBT SERVICE FUND</u>
<b>REVENUES</b>			
Local sources	\$ 223,602,442	\$ 481	\$ 40,505,677
State sources	87,947,806	15,983,978	-
Federal sources	572,123	-	-
Other sources	2,010	-	-
	<hr/>	<hr/>	<hr/>
Total revenues	312,124,381	15,984,459	40,505,677
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current:			
Regular programs	166,316,565	-	-
Special programs	-	31,106,307	-
Vocational programs	7,293,902	-	-
Other instructional programs	2,928,092	-	-
Adult education programs	-	-	-
Food service operations	-	-	-
Community service programs	-	-	-
Undistributed expenditures:			
Student support	16,023,781	664,810	-
Instructional staff support	7,443,317	529,453	-
General administration	6,240,901	-	-
School administration	21,024,274	132,008	-
Business support	3,600,629	-	-
Operation and maintenance	34,482,229	46,958	-
Student transportation	9,492,476	3,225,209	-
Central support	6,151,381	-	-
Other support	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	23,392,727
Interest	-	-	19,474,379
Bond issuance costs	-	-	78,115
Other	-	-	9,846
	<hr/>	<hr/>	<hr/>
Total expenditures	280,997,547	35,704,745	42,955,067
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	31,126,834	(19,720,286)	(2,449,390)
	<hr/>	<hr/>	<hr/>

<u>1999 BOND FUND</u>	<u>2002 BOND ROLLOVER FUND</u>	<u>2003 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 226,567	\$ 274,429	\$ 648,098	\$ 12,500,742	\$ 277,758,436
-	-	-	21,371,199	125,302,983
-	-	-	34,739,224	35,311,347
-	-	-	-	2,010
<u>226,567</u>	<u>274,429</u>	<u>648,098</u>	<u>68,611,165</u>	<u>438,374,776</u>
-	-	-	31,651,997	197,968,562
-	-	-	3,735,986	34,842,293
-	-	-	-	7,293,902
-	-	-	-	2,928,092
-	-	-	1,369,039	1,369,039
-	-	-	14,009,635	14,009,635
-	-	-	813,387	813,387
-	-	-	4,707,897	21,396,488
-	-	-	7,620,324	15,593,094
-	-	-	-	6,240,901
-	-	-	448,162	21,604,444
154,618	704,244	58,054	-	4,517,545
-	-	-	62,934	34,592,121
-	-	-	-	12,717,685
-	-	-	84,192	6,235,573
-	-	-	189,113	189,113
14,695,834	17,779,991	1,611,621	4,750,927	38,838,373
-	-	-	-	23,392,727
-	-	-	-	19,474,379
-	-	615,177	-	693,292
-	-	-	-	9,846
<u>14,850,452</u>	<u>18,484,235</u>	<u>2,284,852</u>	<u>69,443,593</u>	<u>464,720,491</u>
<u>(14,623,885)</u>	<u>(18,209,806)</u>	<u>(1,636,754)</u>	<u>(832,428)</u>	<u>(26,345,715)</u>

(CONTINUED)

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

	<b>GENERAL FUND</b>	<b>SPECIAL EDUCATION FUND</b>	<b>DEBT SERVICE FUND</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital leases	\$ 5,132,500	\$ -	\$ -
Bonds issued	-	-	-
Proceeds of refunding bonds	-	-	11,820,000
Debt premiums	-	-	278,000
Payments to refunded bonds escrow agent	-	-	(12,011,244)
Transfers in	-	19,720,286	2,147,303
Transfers out	<u>(27,904,837)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(22,772,337)</u>	<u>19,720,286</u>	<u>2,234,059</u>
Net change in fund balances	8,354,497	-	(215,331)
<b>FUND BALANCE, July 1</b>	<u>10,556,064</u>	<u>-</u>	<u>38,263,491</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 18,910,561</u>	<u>\$ -</u>	<u>\$ 38,048,160</u>

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

	<b>1999 BOND FUND</b>	<b>2002 BOND ROLLOVER FUND</b>	<b>2003 BOND ROLLOVER FUND</b>	<b>OTHER GOVERNMENTAL FUNDS</b>	<b>TOTAL GOVERNMENTAL FUNDS</b>
\$	-	-	-	1,782,098	6,914,598
	-	-	55,000,000	-	55,000,000
	-	-	-	-	11,820,000
	-	-	834,967	-	1,112,967
	-	-	-	-	(12,011,244)
	-	-	-	2,300,000	24,167,589
	-	-	-	-	(27,904,837)
	-	-	55,834,967	4,082,098	59,099,073
	(14,623,885)	(18,209,806)	54,198,213	3,249,670	32,753,358
	17,493,571	24,023,228	-	11,216,289	101,552,643
\$	<u>2,869,686</u>	<u>5,813,422</u>	<u>54,198,213</u>	<u>14,465,959</u>	<u>134,306,001</u>

**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, 2004**

Net Change in Fund Balances - Governmental Funds	\$	32,753,358
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	\$ 36,588,795	
Less current year depreciation	<u>(12,123,342)</u>	24,465,453
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.		23,392,727
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.		341,435
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. The changes in deferred revenue are accounted for as revenue in the statement of activities.		113,848
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.		(6,914,598)
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 net book value of the assets sold.		(36,535)
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.		
Bonds	(55,000,000)	
Refunding Bonds	90,000	
Deferred debt charges on refunding bonds	<u>101,244</u>	(54,808,756)
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.		
Debt issuance costs	693,292	
Current year amortization of debt issuance costs and charges	<u>(547,483)</u>	145,809
Current year bond premiums	(1,112,967)	
Current year amortization of bond premiums	<u>569,438</u>	(543,529)
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	(224,756)	
Change in long-term compensated absences	<u>(1,138,873)</u>	(1,363,629)
Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities.		<u>4,565,328</u>
Change in Nets Assets of Governmental Activities	\$	<u><u>22,110,911</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, 2004**

	<b>BUDGET</b>		<b>ACTUAL</b>	<b>VARIANCE TO FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Local sources	\$ 212,031,812	\$ 220,253,913	\$ 223,602,442	\$ 3,348,529
State sources	97,051,499	90,946,221	87,947,806	(2,998,415)
Federal sources	495,000	495,000	572,123	77,123
Other sources	10,000	10,000	2,010	(7,990)
	<u>309,588,311</u>	<u>311,705,134</u>	<u>312,124,381</u>	<u>419,247</u>
<b>EXPENDITURES</b>				
Current:				
Regular programs	164,376,874	168,352,618	166,316,565	2,036,053
Vocational programs	6,582,489	7,388,953	7,293,902	95,051
Other instructional programs	3,351,159	3,426,671	2,928,092	498,579
Undistributed expenditures:				
Student support	16,880,912	17,036,789	16,023,781	1,013,008
Instructional staff support	7,816,515	7,675,777	7,443,317	232,460
General administration	6,426,709	6,487,416	6,240,901	246,515
School administration	21,202,055	21,393,944	21,024,274	369,670
Business support	3,682,166	3,904,635	3,600,629	304,006
Operation and maintenance	36,994,446	38,153,202	34,482,229	3,670,973
Student transportation	10,537,435	14,133,459	9,492,476	4,640,983
Central support	7,221,731	6,560,193	6,151,381	408,812
	<u>285,072,491</u>	<u>294,513,657</u>	<u>280,997,547</u>	<u>13,516,110</u>
Excess of revenues over expenditures	<u>24,515,820</u>	<u>17,191,477</u>	<u>31,126,834</u>	<u>13,935,357</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital leases	-	5,132,500	5,132,500	-
Contingency	(600,000)	-	-	-
Transfers out	(23,898,924)	(27,996,071)	(27,904,837)	91,234
	<u>(24,498,924)</u>	<u>(22,863,571)</u>	<u>(22,772,337)</u>	<u>91,234</u>
Total other financing sources (uses)	<u>(24,498,924)</u>	<u>(22,863,571)</u>	<u>(22,772,337)</u>	<u>91,234</u>
Net change in fund balances	16,896	(5,672,094)	8,354,497	14,026,591
<b>FUND BALANCE, July 1</b>	<u>1,826,888</u>	<u>10,556,064</u>	<u>10,556,064</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,843,784</u>	<u>\$ 4,883,970</u>	<u>\$ 18,910,561</u>	<u>\$ 14,026,591</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, 2004**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 481	\$ 481
State sources	15,969,122	15,937,311	15,983,978	46,667
Total revenues	<u>15,969,122</u>	<u>15,937,311</u>	<u>15,984,459</u>	<u>47,148</u>
<b>EXPENDITURES</b>				
Current:				
Special programs	31,319,479	31,110,152	31,106,307	3,845
Undistributed expenditures:				
Student support	525,616	697,287	664,810	32,477
Instructional staff support	586,022	529,923	529,453	470
School administration	93,707	133,829	132,008	1,821
Operation and maintenance	51,773	49,096	46,958	2,138
Student transportation	3,292,704	3,228,544	3,225,209	3,335
Total expenditures	<u>35,869,301</u>	<u>35,748,831</u>	<u>35,704,745</u>	<u>44,086</u>
Excess (deficiency) of revenues over expenditures	<u>(19,900,179)</u>	<u>(19,811,520)</u>	<u>(19,720,286)</u>	<u>91,234</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>19,900,179</u>	<u>19,811,520</u>	<u>19,720,286</u>	<u>(91,234)</u>
Net change in fund balances	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<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, 2004**

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>ASSETS</b>	
Current assets:	
Cash and investments	\$ 15,002,537
Accounts receivable	408,663
Interest receivable	8,268
	15,419,468
Total assets	15,419,468
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	48,714
Accrued liabilities	208,811
Pending claims	7,207,727
Deferred revenues	17,345
	7,482,597
Total current liabilities	7,482,597
Noncurrent liabilities:	
Pending claims	4,254,000
	4,254,000
Total liabilities	11,736,597
 <b>NET ASSETS</b>	
Unrestricted	3,682,871
Total net assets	\$ 3,682,871

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, 2004**

	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>
<b>OPERATING REVENUES:</b>	
Charges for services	\$ <u>45,068,842</u>
<b>OPERATING EXPENSES:</b>	
Salaries and benefits	55,773
Employee benefits	37,190,621
Services and supplies	<u>7,076,954</u>
Total operating expenses	<u>44,323,348</u>
Operating income	<u>745,494</u>
<b>NONOPERATING REVENUES:</b>	
Earnings on investments	<u>82,586</u>
Income before transfers	<u>828,080</u>
<b>TRANSFERS IN</b>	
Transfers in	<u>3,737,248</u>
Change in net assets	4,565,328
<b>NET ASSETS - July 1</b>	<u>(882,457)</u>
<b>NET ASSETS - June 30</b>	\$ <u><u>3,682,871</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, 2004**

	<b>GOVERNMENTAL        ACTIVITIES        INTERNAL SERVICE        FUNDS</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	
Cash Flows from Operating Activities:	
Cash received for services	\$ 45,106,233
Cash paid for salaries and benefits	(55,773)
Cash payments for employee benefits	(37,480,242)
Cash payments for claims and services	<u>(5,882,646)</u>
Net cash provided by operating activities	<u>1,687,572</u>
Cash Flows from Noncapital Financing Activities:	
Transfer from General Fund	<u>3,737,248</u>
Cash Flows from Investing Activities:	
Interest received on investments	<u>81,338</u>
Net increase in cash and cash equivalents	5,506,158
<b>Cash and investments, beginning of year</b>	<u>9,496,379</u>
<b>Cash and investments, end of year</b>	<u>\$ <u>15,002,537</u></u>
<b>RECONCILIATION OF OPERATING INCOME        TO NET CASH PROVIDED BY OPERATIONS</b>	
Operating income	\$ <u>745,494</u>
Adjustments to reconcile operating income to net cash provided by operations:	
Changes in assets and liabilities:	
Accounts receivable	21,850
Accounts payable	(97,777)
Accrued liabilities	(213,612)
Pending claims	1,216,076
Deferred revenue	<u>15,541</u>
Total adjustments	<u>942,078</u>
Net cash provided by operations	<u>\$ <u>1,687,572</u></u>

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

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

	<b>PRIVATE- PURPOSE TRUST FUND</b>	<b>AGENCY FUNDS</b>
<b>ASSETS</b>		
Cash and investments	\$ 708,940	\$ 6,750,862
Accounts receivable	-	29,497
Total assets	708,940	6,780,359
 <b>LIABILITIES</b>		
Accrued liabilities	-	753,370
Due to student groups	-	6,005,754
Due to other funds	-	21,235
Total liabilities	-	6,780,359
 <b>NET ASSETS</b>		
Reserved for scholarships	\$ 708,940	\$ -

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, 2004**

	<b>PRIVATE- PURPOSE TRUST FUND</b>
<b>ADDITIONS</b>	
Contributions:	
Donations	\$ 22,638
Interest	<u>7,593</u>
Total additions	<u>30,231</u>
<b>DEDUCTIONS</b>	
Benefits	22,243
Administrative expenses	<u>2,563</u>
Total deductions	<u>24,806</u>
Change in net assets	5,425
<b>Net assets - July 1</b>	<u>703,515</u>
<b>Net assets - June 30</b>	\$ <u><u>708,940</u></u>

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

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# Notes To

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# 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, 2004**

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.

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.

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. The reporting focus is on either the District as a whole or major individual funds and nonmajor funds in the aggregate (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

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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.

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.

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 criteria 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 non-operating 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 service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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 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.
- **2002 Bond Rollover Fund** - The 2002 Bond Rollover Capital Projects Fund accounts for the 2002 Bond Rollover proceeds. The proceeds were primarily used to build a middle school.
- **2003 Bond Rollover Fund** - The 2003 Bond Rollover Capital Projects Fund accounts for the 2003 Bond Rollover proceeds. The proceeds will be used to build a middle school and a new elementary school and to fund school renewal and information technology projects.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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.
- Agency Funds** - account for student activity funds under the control of the respective schools in the District, employee contributions to the District's 80/5 reduced salary leave plan, and transactions related to the statewide Nevada Interscholastic Athletic Association.

**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 point at which revenues or expenditures/expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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 the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the 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 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. The provision for

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

claims incurred but not yet reported is estimated based on District experience since the inception of the program.

Fiduciary Funds:

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

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 2002-03 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.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

- (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.
- (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 2004-05 budget. The ensuing year's budget is augmented to provide for the payment of prior year encumbrances. The prior year encumbrances, where applicable, have been included in the Original Budget column of the financial statements.
- (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.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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.

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 and 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 and collateralized investment contracts.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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.

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, except for commodities, which are stated at fair value.

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.

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, 2004, but not yet paid.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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.

**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 and 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.

**Nutrition service** 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, 2004**

Use of Estimates:

The preparation of financial statements in conformity with United States 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.

Reclassification of Prior Year Information:

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

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, 2004 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.

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Insured:		
Bank of America (FDIC)	\$ 100,000	\$ 100,000
Bank of the West (FDIC)	20,426	21,037
Citibank (FDIC)	2,551	2,551
First Independent Bank of Nevada (FDIC)	20,619	23,784
Heritage Bank (FDIC)	59,485	65,145
LaSalle Bank National Association (SPIC)	448,156	448,156
Nevada State Bank (FDIC)	494,049	561,652
Nevada Security Bank (FDIC)	184,711	226,111
Sierra Schools Credit Union (NCUA)	203,753	206,197
Sun West Bank (FDIC)	20,233	21,171
US Bank of Nevada (FDIC)	43,924	48,364
Wells Fargo Bank (FDIC)	100,000	100,000

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

	Carrying Amount	Bank Balance
Uninsured and collateralized, collateral held by District's agent in District's name	\$ 648,548	\$ 758,938
Uninsured and uncollateralized (collateral held by custodial agent of financial institution, both of which are subsidiaries of same bank holding company)	5,123,626	7,745,577
Uninsured and uncollateralized	1,994	-
<b>Total Cash Deposits</b>	<b>\$ 7,472,075</b>	<b>\$ 10,328,683</b>

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	
Citigroup Global Markets Inc.	X			\$ 62,491,366
U.S. Treasury Notes and Bills	X			2,309,566
Federal Home Loan Mortgages	X			3,255,840
FNMA	X			97,495
<b>Total Categorized Investments</b>				<b>68,154,267</b>
Investments not subject to categorization:				
Held by Washoe County Investment Pool				36,725,735
Held in State of Nevada's Local Government Investment Pool				57,028,000
<b>Total Non-categorized Investments</b>				<b>93,753,735</b>
<b>Total Investments</b>				161,908,002
<b>Total Cash (Carrying Amount)</b>				<b>7,472,075</b>
<b>Total Cash and Investments<sup>1</sup></b>				<b>\$ 169,380,077</b>

<sup>1</sup>Total cash and investments include restricted cash and investments held in the Debt Service Fund.

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

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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.

**NOTE 4 – Interfund Balances and Transfers:**

Interfund receivable/payable balances at June 30, 2004, are as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund - major fund	<u>\$ 1,869,297</u>	<u>\$ -</u>
Special Revenue Funds:		
Title I	-	1,213,539
Title VI	-	194,900
Indian Education	-	4,748
Family Resource Centers	-	148,587
Drug Free Schools	-	53,735
Twenty-First Century Program	-	135,865
Title II Part A Teacher Training	-	18,487
Title III English Language Acquisition	<u>-</u>	<u>78,201</u>
	<u>-</u>	<u>1,848,062</u>
Agency Funds:		
Nevada Interscholastic Athletic Association	<u>-</u>	<u>21,235</u>
Total	<u>\$ 1,869,297</u>	<u>\$ 1,869,297</u>

The purpose of the interfund balances listed above are to address reimbursement-type funds that would otherwise have negative cash balances at the end of the year.

**WASHOE COUNTY SCHOOL DISTRICT  
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Interfund transfers are reported as other financing sources or uses, as appropriate, in all funds other than Proprietary Funds, where they are reported as transfers.

Transfers between funds during the year ended June 30, 2004, 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.

Pre-Funded Retiree Fund - The transfer to the Pre-Funded Retiree Fund is to create a fund balance for the fund, which is new for 2004.

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 and to adjust the fund balance to a positive balance.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund - major fund	\$ <u>          -</u>	<u>\$ 27,904,837</u>
Special Revenue Funds:		
Special Education - major fund	19,720,286	-
Pre-Funded Retiree	<u>2,300,000</u>	<u>-</u>
	<u>22,020,286</u>	<u>-</u>
Debt Service Fund - major fund	<u>2,147,303</u>	<u>-</u>
Total Governmental Funds	<u>24,167,589</u>	<u>-</u>
Internal Service Funds:		
Health Insurance Fund	<u>3,737,248</u>	<u>-</u>
Total	<u>\$ 27,904,837</u>	<u>\$ 27,904,837</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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NOTE 5 – Capital Assets:

Capital asset activity for the year ended June 30, 2004 was as follows:

	June 30, 2003 Balance	Adjustment *	Additions	Deductions	June 30, 2004 Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated					
Land	\$ 27,899,389	\$ -	\$ 50,906	\$ 11,363	\$ 27,938,932
Construction in progress	40,007,775	-	31,227,724	50,575,461	20,660,038
Total capital assets, not being depreciated	<u>67,907,164</u>	<u>-</u>	<u>31,278,630</u>	<u>50,586,824</u>	<u>48,598,970</u>
Other capital assets:					
Buildings	461,421,362	(81,093)	44,023,677	-	505,363,946
Improvements other than buildings	1,315,530	-	3,574,726	-	4,890,256
Machinery and equipment	27,309,585	81,093	8,287,224	98,573	35,579,329
Total capital assets being depreciated	<u>490,046,477</u>	<u>-</u>	<u>55,885,627</u>	<u>98,573</u>	<u>545,833,531</u>
Total capital assets	<u>557,953,641</u>	<u>-</u>	<u>87,164,257</u>	<u>50,685,397</u>	<u>594,432,501</u>
Less accumulated depreciation for:					
Buildings	(102,045,293)	-	(10,168,467)	-	(112,213,760)
Improvements other than buildings	(107,153)	-	(78,214)	-	(185,367)
Machinery and equipment	(19,725,900)	-	(1,876,661)	73,412	(21,529,149)
Total accumulated depreciation	<u>(121,878,346)</u>	<u>-</u>	<u>(12,123,342)</u>	<u>73,412</u>	<u>(133,928,276)</u>
Governmental activities capital assets, net	<u>\$ 436,075,295</u>	<u>\$ -</u>	<u>\$ 75,040,915</u>	<u>\$ 50,611,985</u>	<u>\$ 460,504,225</u>

\*The adjustment represents a reclassification of amounts for building-related equipment previously included in Buildings.”

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

Instruction	\$ 451,404
Student support	28,373
Instructional staff support	28,971
General administration	15,113
School administration	398
Business administration	44,341
Operation/maintenance	238,712
Student transportation	812,358
Central support	75,523
Nutrition services	6,927
Community services	107,329
Facilities acquisition and construction services	<u>10,313,893</u>
Total governmental activities depreciation expense	<u>\$12,123,342</u>

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Furniture, equipment, and vehicles include equipment under capital leases, which consist of school buses and electrical retrofit with an aggregate carrying value of \$14,224,527 at June 30, 2004 (see Note 6).

**NOTE 6 – General Long-Term Obligations:**

Advance Refunding

On January 27, 2004, the District issued \$11,820,000 in General Obligation (Limited Tax) Refunding Bonds, Series 2004. These proceeds were placed in an irrevocable trust with an escrow agent for the purpose of generating resources for all future debt service payments on \$11,910,000 of refunded debt. As a result, the refunded bonds are considered to be defeased and the liability for these bonds has been removed from the Statement of Net Assets. The advance refunding was undertaken to reduce total debt service payments over the next 4 years by \$865,014 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$848,961.

Bonds Issued

On December 1, 2003, Washoe County School District issued \$55,000,000 General Obligation School Building Bonds, Series 2003C. The proceeds of the 2003C Bonds will be used for acquiring, constructing, improving and equipping school facilities.

General long-term debt consists of the following at June 30, 2004:

<u>Series</u>	<u>Date Issued</u>	<u>General Obligation Bonds</u>		<u>Amount Issued</u>	<u>Balance June 30, 2004</u>
		<u>Date of Maturity</u>	<u>Interest Rate (%)</u>		
1997	09/01/97	04/01/13	4.75-5.0	\$ 25,680,000	\$ 24,855,000
1998	12/01/98	06/01/19	4.0-5.25	68,000,000	57,615,000
1999	12/01/99	06/01/20	5.0-5.875	110,200,000	21,275,000
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	36,275,000
2002B	08/01/02	06/01/20	3.00-5.50	68,940,000	68,820,000
2003A	03/01/03	06/01/23	2.00-5.25	27,770,000	27,770,000
2003B	03/01/03	06/01/11	2.50-4.40	8,230,000	7,860,000
2003C	12/01/03	06/01/24	2.75-5.00	55,000,000	5,000,000
2004	01/01/04	04/01/08	2.00-4.00	11,820,000	11,820,000
	Total				<u>\$385,155,000</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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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>
2005	\$ 23,825,000	\$ 18,233,650	\$ 42,058,650
2006	24,505,000	17,215,585	41,720,585
2007	26,570,000	16,136,515	42,706,515
2008	28,175,000	14,959,228	43,134,228
2009	24,000,000	13,886,622	37,886,622
2010	23,765,000	12,755,303	36,520,303
2011	24,885,000	11,597,852	36,482,852
2012	26,580,000	10,381,005	36,961,005
2013	27,895,000	9,035,549	36,930,549
2014	24,745,000	7,632,174	32,377,174
2015	16,080,000	6,379,361	22,459,361
2016	16,870,000	5,581,479	22,451,479
2017	17,735,000	4,750,572	22,485,572
2018	18,635,000	3,862,563	22,497,563
2019	19,530,000	2,950,288	22,480,288
2020	14,980,000	1,994,262	16,974,262
2021	6,815,000	1,239,263	8,054,263
2022	7,140,000	911,062	8,051,062
2023	7,480,000	580,837	8,060,837
2024	<u>4,945,000</u>	<u>234,887</u>	<u>5,179,887</u>
Total	<u>\$385,155,000</u>	<u>\$160,318,057</u>	<u>\$545,473,057</u>

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, 2004, the liability has been estimated to be \$1,719,390 and is reported as a noncurrent liability in the Statement of Net Assets and as an accrued liability in each respective capital project fund. The arbitrage liability will be liquidated through the fund where excess investment earnings were earned.

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, 2004, \$72,695,000 of bonds outstanding are considered defeased.

**WASHOE COUNTY SCHOOL DISTRICT  
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Capital Lease Obligations:

Included in capital leases payable is a lease agreement dated March 31, 2004, in the amount of \$1,782,098 for the purpose of financing certain equipment for school facilities to promote the conservation of energy. 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 March 31, 2016, and requires the establishment of a sinking fund to accumulate assets to meet the debt service requirement on that date. Beginning on September 30, 2004, and on each September 30 and March 31 thereafter, up to and including March 31, 2016, 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 3.26%. The first deposit is scheduled for September 30, 2004, therefore, there is no balance in the sinking fund as of June 30, 2004.

Also included in capital leases payable is a lease agreement dated September 15, 2003, in the amount of \$3,132,500 for the purpose of financing educational software for school facilities. The agreement matures on September 15, 2010. There is also another lease agreement dated May 25, 2004, in the amount of \$2,000,000 for the purpose of financing school buses and vehicles for the District. The agreement matures on June 1, 2009.

The District has various other capital leases on school buses, automobiles, a tractor and office equipment. As of June 30, 2004, the assets acquired through capital leases are as follows:

Machinery and Equipment	\$15,756,626
Less: Accumulated amortization	<u>(1,532,099)</u>
Total	<u>\$14,224,527</u>

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

Year Ending June 30,	
2005	\$ 2,658,989
2006	2,389,453
2007	2,369,164
2008	2,335,467
2009	1,829,032
2010-2014	9,740,081
2015-2019	<u>6,705,512</u>
Total minimum lease payments	28,027,698
Less: amount representing interest	<u>(4,896,017)</u>
Present value of minimum lease payments	<u>\$ 23,131,681</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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Lease payments are made by General Fund transfers to the Debt Service Fund.

**Changes in General Long-Term Obligations:**

	<u>Balance July 1, 2003</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2004</u>	<u>Due Within One Year</u>
General obligation bonds	\$352,425,000	\$ 66,820,000	\$34,090,000	\$385,090,000	\$23,825,000
Deferred amounts for issuance premium	8,725,267	1,112,967	569,438	9,268,796	619,913
Capital lease obligations	17,429,809	6,914,598	1,212,726	23,131,681	1,895,392
Arbitrage payable	2,073,085		353,695	1,719,390	1,719,390
Early separation incentive stipends	2,642,533	852,112	627,356	2,867,289	652,774
Compensated absences	<u>18,226,343</u>	<u>15,312,404</u>	<u>14,173,531</u>	<u>19,365,216</u>	<u>15,139,071</u>
<b>Total</b>	<b><u>\$401,522,037</u></b>	<b><u>\$91,012,081</u></b>	<b><u>\$51,026,746</u></b>	<b><u>\$441,507,372</u></b>	<b><u>\$43,851,540</u></b>

The liabilities for compensated absences and early separation incentive stipends are liquidated through the General Fund. Capital leases are generally liquidated through transfers from the General Fund to the Debt Service Fund.

The District was, in accordance with Nevada Revised Statutes 387.400, within the legal debt limit at June 30, 2004.

**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 that 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.

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**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 30.
- (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.
- (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 fund 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	\$ 3,000,000
Other Governmental Funds	507,764

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- (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 2004/2005 appropriations. The designated amount of \$2,733,722 is presented in the General Fund.
- (3) Designated for Negotiated Employee Contracts: The District established this account to partially fund negotiated employee contract costs for the fiscal year ending June 30, 2005.
- (4) Designated for Instructional Data Management: The District established this account to fund the purchase and implementation costs of an instructional data management system to be entered into in the fiscal year ending June 30, 2005.
- (5) Designated for Audio Enhancement: The District established this account to fund the purchase and installation costs of an audio enhancement system at a number of schools to be entered into in the fiscal year ending June 30, 2005.

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 20.25% 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 10.50%. The contribution requirements of plan members and the District are established by Chapter 286 of the Nevada Revised Statutes and may only be amended through legislation.

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

<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>EE</u>	<u>ER</u>	
2003-04	20.25%	28.50%	10.50%	10.50%	\$43,246,971
2002-03	18.75%	28.50%	9.75%	9.75%	38,347,049
2001-02	18.75%	28.50%	9.75%	9.75%	36,655,299

**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; and classified employees who retire from the District with at least 10 years of service; however, classified employees hired after June 30, 1999 are not eligible. The program currently has 1,361 retirees who receive post-retirement health care benefits. Retirees are required to contribute up to \$5,200 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. During the year ended June 30, 2004, expenses of \$5,212,594 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

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payments over a long period of time are reported at their present value using the expected future investment yield of 4.0 percent.

At June 30, 2004, the amount of this liability was \$11,461,727. This liability is determined by actuaries using all available information. Changes in the reported liability since July 1, 2002 are as follows:

	<u>Property and Casualty</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Claims liability, June 30, 2002	\$ 1,477,053	\$ 4,426,030	\$ 2,681,000	\$ 8,584,083
Current year claims and changes in estimates	1,672,363	37,538,126	2,047,286	41,257,775
Claim payments (39,596,207)	<u>(1,439,416)</u>	<u>(36,570,505)</u>	<u>(1,586,286)</u>	
Claims liability, June 30, 2003	<u>1,710,000</u>	<u>5,393,651</u>	<u>3,142,000</u>	<u>10,245,651</u>
Current year claims and changes in estimates	940,911	34,477,842	2,171,558	37,590,311
Claim payments (36,374,235)	<u>(496,911)</u>	<u>(34,349,766)</u>	<u>(1,527,558)</u>	
Claims liability, June 30, 2004	<u>\$ 2,154,000</u>	<u>\$ 5,521,727</u>	<u>\$ 3,786,000</u>	<u>\$ 11,461,727</u>
Due within one year	<u>\$ 544,000</u>	<u>\$ 5,521,727</u>	<u>\$ 1,142,000</u>	<u>\$ 7,207,727</u>

At June 30, 2004, the Internal Service Funds held \$15,002,537 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, \$300,000 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 \$300,000, respectively, with maximum annual coverage of approximately \$500,000,000 for property damage and coverage of \$2,000,000 per occurrence for crime, and \$10,000,000 per occurrence for wrongful acts of the Board of Trustees, and general and automobile liability.

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Health Insurance - The District is self-insured for health insurance claims up to \$200,000 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 \$275,000 are covered by excess insurance up to State statutory limits. The District maintains an account with a market value of \$2,505,459 as of June 30, 2004 to meet its State of Nevada security deposit requirement.

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

NOTE 11 – 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.

Construction Commitments:

As of June 30, 2004, 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>
ADA Retrofit	\$ 153,046	October 2004
Backflow Prevention Project	79,424	October 2004
Bleacher Renovation Projects	204,403	October 2004
Carpet Replacement Projects	12,803	October 2004
Cold Springs Middle School	884,851	October 2006
Damonte High School	235,392	December 2004
Fire Alarm Upgrades	336,752	October 2004
HVAC Project	61,259	October 2004
Outdoor Site Improvements	85,562	October 2004
Roofing Project Services	760,821	October 2004
Site Acquisition Services	15,000	January 2005
Spanish Springs Middle School	276,496	December 2004
Others Under \$5,000	3,987	Various
	<u>\$ 3,109,796</u>	

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2004**

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, 2004.

**NOTE 12 – Subsequent Events**

On September 23, 2004, the District issued general obligation (limited tax) refunding bonds (series 2004B) with the par amount of \$22,970,000 for the purpose of refunding existing outstanding bonds.

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# Nonmajor

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# 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, 2004**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and investments	\$ 7,768,316	\$ 9,858,197	\$ 17,626,513
Receivables:			
Accrued interest	-	7,495	7,495
Grants	4,570,119	-	4,570,119
Miscellaneous	214,435	-	214,435
Due from other governments	1,279,051	307,101	1,586,152
Inventories	661,224	-	661,224
	<u>14,493,145</u>	<u>10,172,793</u>	<u>24,665,938</u>
Total assets	\$	\$	\$
<b>LIABILITIES</b>			
Accounts payable	\$ 2,510,932	\$ 340,800	\$ 2,851,732
Accrued liabilities	3,557,454	103,066	3,660,520
Construction contracts payable	-	399,896	399,896
Due to other funds	1,848,062	-	1,848,062
Due to other governments	79,093	-	79,093
Deferred revenues	1,360,676	-	1,360,676
	<u>9,356,217</u>	<u>843,762</u>	<u>10,199,979</u>
Total liabilities			
<b>FUND BALANCES</b>			
Reserved for:			
Reserved for encumbrances	-	537,808	537,808
Reserved for inventories	661,224	-	661,224
Reserved for construction contracts	-	1,217,108	1,217,108
Unreserved:			
Designated for subsequent year's expenditures	507,764	-	507,764
Designated for retiree health benefits	2,309,136	-	2,309,136
Undesignated	1,658,804	7,574,115	9,232,919
	<u>5,136,928</u>	<u>9,329,031</u>	<u>14,465,959</u>
Total fund balances			
Total liabilities and fund balances	\$ <u>14,493,145</u>	\$ <u>10,172,793</u>	\$ <u>24,665,938</u>

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

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local sources	\$ 8,969,754	\$ 3,530,988	\$ 12,500,742
State sources	21,371,199	-	21,371,199
Federal sources	34,739,224	-	34,739,224
	<u>65,080,177</u>	<u>3,530,988</u>	<u>68,611,165</u>
<b>EXPENDITURES</b>			
Current:			
Regular programs	31,651,997	-	31,651,997
Special programs	3,735,986	-	3,735,986
Adult education programs	1,369,039	-	1,369,039
Food service operations	14,009,635	-	14,009,635
Community service programs	813,387	-	813,387
Undistributed expenditures:			
Student support	4,707,897	-	4,707,897
Instructional staff support	7,620,324	-	7,620,324
School administration	448,162	-	448,162
Operation and maintenance	62,934	-	62,934
Central support	84,192	-	84,192
Other support	189,113	-	189,113
Capital outlay	-	4,750,927	4,750,927
	<u>64,692,666</u>	<u>4,750,927</u>	<u>69,443,593</u>
Total expenditures	<u>64,692,666</u>	<u>4,750,927</u>	<u>69,443,593</u>
Excess (deficiency) of revenues over expenditures	<u>387,511</u>	<u>(1,219,939)</u>	<u>(832,428)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital leases	-	1,782,098	1,782,098
Transfers in	2,300,000	-	2,300,000
	<u>2,300,000</u>	<u>1,782,098</u>	<u>4,082,098</u>
Total other financing sources (uses)	<u>2,300,000</u>	<u>1,782,098</u>	<u>4,082,098</u>
Net change in fund balances	2,687,511	562,159	3,249,670
<b>FUND BALANCE, July 1</b>	<u>2,449,417</u>	<u>8,766,872</u>	<u>11,216,289</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 5,136,928</u>	<u>\$ 9,329,031</u>	<u>\$ 14,465,959</u>

# General

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# Fund

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

**WASHOE COUNTY SCHOOL DISTRICT  
COMPARATIVE BALANCE SHEET  
GENERAL FUND  
JUNE 30, 2004 AND 2003**

	<u>2004</u>	<u>2003</u>
<b>ASSETS</b>		
Cash and investments	\$ 19,578,605	\$ 7,527,520
Receivables:		
Property taxes	1,857,717	1,709,744
Interest	32,447	23,440
Miscellaneous	295,185	246,525
Due from other funds	1,869,297	2,836,999
Due from other governments	30,559,751	29,146,240
Inventories	<u>521,863</u>	<u>547,426</u>
 Total assets	 <u>\$ 54,714,865</u>	 <u>\$ 42,037,894</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 2,583,024	\$ 1,990,922
Accrued liabilities	31,211,664	27,655,188
Due to other governments	1,114,317	1,093,756
Deferred revenues	<u>895,299</u>	<u>741,964</u>
 Total liabilities	 <u>35,804,304</u>	 <u>31,481,830</u>
 <b>FUND BALANCES</b>		
Reserved for:		
Encumbrances	2,793,469	785,359
Inventories	521,863	547,426
Capital leases	2,995,000	1,000,000
Unreserved:		
Designated for subsequent year's expenditures	3,000,000	400,000
Designated for repayment carryover of general supply appropriations	2,733,722	1,853,789
Designated for restoration of health insurance fund net assets	-	1,793,829
Designated for pre-funding of other postemployment benefits	-	1,800,000
Designated for negotiated employee contracts	1,336,543	-
Designated for instructional data management	452,018	-
Designated for audio enhancement	861,804	-
Undesignated	<u>4,216,142</u>	<u>2,375,661</u>
 Total fund balances	 <u>18,910,561</u>	 <u>10,556,064</u>
 Total liabilities and fund balances	 <u>\$ 54,714,865</u>	 <u>\$ 42,037,894</u>

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 212,031,812	\$ 220,253,913	\$ 223,602,442	\$ 3,348,529	\$ 205,742,088
State sources	97,051,499	90,946,221	87,947,806	(2,998,415)	81,409,735
Federal sources	495,000	495,000	572,123	77,123	550,817
Other sources	10,000	10,000	2,010	(7,990)	5,194
Total revenues	<u>309,588,311</u>	<u>311,705,134</u>	<u>312,124,381</u>	<u>419,247</u>	<u>287,707,834</u>
<b>EXPENDITURES</b>					
Current:					
Regular programs	164,376,874	168,352,618	166,316,565	2,036,053	153,533,437
Vocational programs	6,582,489	7,388,953	7,293,902	95,051	6,169,534
Other instructional programs	3,351,159	3,426,671	2,928,092	498,579	2,776,041
Undistributed Expenditures:					
Student support	16,880,912	17,036,789	16,023,781	1,013,008	15,205,529
Instructional staff support	7,816,515	7,675,777	7,443,317	232,460	7,158,059
General administration	6,426,709	6,487,416	6,240,901	246,515	6,027,809
School administration	21,202,055	21,393,944	21,024,274	369,670	19,239,496
Business support	3,682,166	3,904,635	3,600,629	304,006	3,517,896
Operation and maintenance	36,994,446	38,153,202	34,482,229	3,670,973	33,074,471
Student transportation	10,537,435	14,133,459	9,492,476	4,640,983	9,469,947
Central support services	7,221,731	6,560,193	6,151,381	408,812	4,867,255
Total expenditures	<u>285,072,491</u>	<u>294,513,657</u>	<u>280,997,547</u>	<u>13,516,110</u>	<u>261,039,474</u>
Excess of Revenues Over Expenditures	<u>24,515,820</u>	<u>17,191,477</u>	<u>31,126,834</u>	<u>13,935,357</u>	<u>26,668,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	-	5,132,500	5,132,500	-	259,770
Contingency	(600,000)	-	-	-	-
Transfers out	(23,898,924)	(27,996,071)	(27,904,837)	91,234	(21,805,384)
Total other financing sources (uses)	<u>(24,498,924)</u>	<u>(22,863,571)</u>	<u>(22,772,337)</u>	<u>91,234</u>	<u>(21,545,614)</u>
Net change in fund balances	16,896	(5,672,094)	8,354,497	14,026,591	5,122,746
<b>FUND BALANCE, July 1</b>	<u>1,826,888</u>	<u>10,556,064</u>	<u>10,556,064</u>	<u>-</u>	<u>5,433,318</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,843,784</u>	<u>\$ 4,883,970</u>	<u>\$ 18,910,561</u>	<u>\$ 14,026,591</u>	<u>\$ 10,556,064</u>

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Ad Valorem taxes	\$ 78,071,909	\$ 78,071,909	\$ 77,268,419	\$ (803,490)	\$ 72,277,614
School support taxes	117,365,809	125,495,910	128,565,040	3,069,130	116,959,363
Franchise taxes	260,000	260,000	205,259	(54,741)	233,187
Government services tax	11,566,648	11,566,648	12,563,725	997,077	11,303,671
Revenue in lieu of taxes	140,000	140,000	210,600	70,600	141,275
Tuition - regular day school	270,000	270,000	408,336	138,336	408,967
Tuition - summer school	680,000	680,000	576,862	(103,138)	695,401
Tuition - adult continuing education	35,000	35,000	-	(35,000)	385
Earnings on investments	450,000	450,000	369,444	(80,556)	439,873
Refunds	-	-	77,371	77,371	49,632
Indirect costs	730,000	822,000	1,030,121	208,121	904,422
Transportation	550,000	550,000	477,380	(72,620)	456,072
Reimbursements	1,070,000	1,070,000	1,101,210	31,210	1,213,618
Grant Administration	365,000	365,000	350,054	(14,946)	329,967
Other	477,446	477,446	398,621	(78,825)	328,641
Total local sources	212,031,812	220,253,913	223,602,442	3,348,529	205,742,088
State sources:					
Distributive school fund	97,051,499	90,164,809	87,154,547	(3,010,262)	78,721,232
Special appropriations	-	781,412	793,259	11,847	2,688,503
Total state sources	97,051,499	90,946,221	87,947,806	(2,998,415)	81,409,735
Federal sources:					
Forest reserve	5,000	5,000	6,344	1,344	6,440
Revenue in lieu of taxes, P.L. 81-874	140,000	140,000	168,442	28,442	171,642
E-Rate refund	350,000	350,000	397,337	47,337	372,735
Total federal sources	495,000	495,000	572,123	77,123	550,817
Other sources	10,000	10,000	2,010	(7,990)	5,194
Total revenues	309,588,311	311,705,134	312,124,381	419,247	287,707,834
<b>EXPENDITURES</b>					
Current:					
Regular programs					
Instruction					
Salaries	115,956,248	115,823,433	115,617,929	205,504	112,902,996
Benefits	37,815,957	37,378,609	37,080,464	298,145	33,939,885
Purchased services	1,822,273	1,285,934	1,060,555	225,379	1,465,281
Supplies	8,049,356	9,511,258	8,621,872	889,386	4,101,767
Property	706,298	4,326,352	3,916,351	410,001	1,068,436
Other	26,742	27,032	19,394	7,638	55,072
Total regular programs	164,376,874	168,352,618	166,316,565	2,036,053	153,533,437

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational programs					
Instruction					
Salaries	\$ 4,808,087	\$ 5,392,027	\$ 5,409,428	\$ (17,401)	\$ 4,613,704
Benefits	1,546,007	1,755,225	1,750,542	4,683	1,400,040
Purchased services	107,918	41,233	10,105	31,128	46,047
Supplies	110,474	191,020	123,629	67,391	92,493
Property	9,148	7,648	-	7,648	16,407
Other	855	1,800	198	1,602	843
Total vocational programs	6,582,489	7,388,953	7,293,902	95,051	6,169,534
Other instructional programs:					
Summer school					
Salaries	940,722	941,284	621,686	319,598	625,069
Benefits	28,625	28,507	18,710	9,797	18,339
Purchased services	17,183	17,183	10,888	6,295	9,036
Supplies	10,655	27,390	13,977	13,413	6,451
Property	2,400	2,400	-	2,400	-
Total summer school	999,585	1,016,764	665,261	351,503	658,895
Athletics					
Salaries	1,625,197	1,563,832	1,540,411	23,421	1,377,962
Benefits	161,384	171,082	175,991	(4,909)	142,015
Purchased services	504,830	614,830	487,607	127,223	529,591
Supplies	24,113	24,113	14,336	9,777	7,428
Property	250	250	-	250	9,530
Other	35,800	35,800	44,486	(8,686)	50,620
Total athletics	2,351,574	2,409,907	2,262,831	147,076	2,117,146
Total other instructional programs	3,351,159	3,426,671	2,928,092	498,579	2,776,041
Undistributed Expenditures:					
Student support					
Salaries	12,234,090	11,880,993	11,802,209	78,784	11,398,937
Benefits	4,037,408	3,901,817	3,893,769	8,048	3,556,619
Purchased services	271,059	753,077	107,004	646,073	88,437
Supplies	311,806	474,353	193,644	280,709	107,133
Property	26,449	26,449	6,485	19,964	54,373
Other	100	100	20,670	(20,570)	30
Total student support	16,880,912	17,036,789	16,023,781	1,013,008	15,205,529
Instructional staff support					
Salaries	5,226,536	4,941,902	5,047,243	(105,341)	4,798,530
Benefits	1,652,350	1,589,140	1,609,248	(20,108)	1,497,362
Purchased services	426,129	539,344	324,648	214,696	284,615
Supplies	456,853	559,390	456,734	102,656	513,144
Property	49,722	42,076	-	42,076	53,156
Other	4,925	3,925	5,444	(1,519)	11,252
Total instructional staff support	7,816,515	7,675,777	7,443,317	232,460	7,158,059

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
General administration					
Salaries	\$ 1,767,973	\$ 1,636,612	\$ 1,612,127	\$ 24,485	\$ 1,684,078
Benefits	777,140	738,081	707,913	30,168	692,128
Purchased services	3,781,908	3,878,100	3,835,001	43,099	3,519,973
Supplies	73,598	204,833	46,806	158,027	42,314
Property	10,787	9,787	-	9,787	32,902
Other	15,303	20,003	39,054	(19,051)	56,414
Total general administration	6,426,709	6,487,416	6,240,901	246,515	6,027,809
School administration					
Salaries	16,027,264	16,154,535	16,020,613	133,922	14,725,808
Benefits	4,860,483	4,779,873	4,817,414	(37,541)	4,321,758
Purchased services	159,028	283,335	108,867	174,468	77,989
Supplies	124,130	141,801	67,868	73,933	76,339
Property	25,650	25,150	-	25,150	30,555
Other	5,500	9,250	9,512	(262)	7,047
Total school administration	21,202,055	21,393,944	21,024,274	369,670	19,239,496
Business support					
Salaries	2,375,996	2,523,023	2,471,212	51,811	2,376,013
Benefits	774,466	812,974	815,696	(2,722)	745,861
Purchased services	376,372	376,372	260,713	115,659	300,497
Supplies	116,207	153,141	45,760	107,381	54,623
Property	34,625	34,625	853	33,772	34,588
Other	4,500	4,500	6,395	(1,895)	6,314
Total business support	3,682,166	3,904,635	3,600,629	304,006	3,517,896
Operation and maintenance					
Salaries	15,535,753	15,263,945	15,124,754	139,191	14,405,035
Benefits	5,713,649	5,574,690	5,551,142	23,548	5,092,198
Purchased services	5,230,331	6,273,961	4,986,977	1,286,984	4,260,163
Supplies	10,426,914	10,331,807	8,740,341	1,591,466	9,220,301
Property	42,545	663,545	22,700	640,845	48,416
Other	45,254	45,254	56,315	(11,061)	48,358
Total operation and maintenance	36,994,446	38,153,202	34,482,229	3,670,973	33,074,471
Student transportation					
Salaries	5,635,571	5,347,447	5,345,444	2,003	5,115,357
Benefits	2,256,346	2,130,510	2,190,513	(60,003)	2,066,786
Purchased services	1,003,153	1,057,727	410,411	647,316	321,961
Supplies	1,303,650	1,495,460	1,507,496	(12,036)	1,598,718
Property	323,715	4,087,315	31,675	4,055,640	354,332
Other	15,000	15,000	6,937	8,063	12,793
Total student transportation	10,537,435	14,133,459	9,492,476	4,640,983	9,469,947

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
Central support services					
Salaries	\$ 2,963,175	\$ 3,343,597	\$ 3,295,198	\$ 48,399	\$ 2,825,398
Benefits	855,632	975,052	964,252	10,800	764,212
Purchased services	2,839,721	1,261,941	309,213	952,728	594,190
Supplies	365,087	517,109	1,377,131	(860,022)	494,382
Property	195,386	459,764	200,629	259,135	186,890
Other	2,730	2,730	4,958	(2,228)	2,183
Total central support	<u>7,221,731</u>	<u>6,560,193</u>	<u>6,151,381</u>	<u>408,812</u>	<u>4,867,255</u>
Total undistributed expenditure:	<u>110,761,969</u>	<u>115,345,415</u>	<u>104,458,988</u>	<u>10,886,427</u>	<u>98,560,462</u>
Total expenditures:	<u>285,072,491</u>	<u>294,513,657</u>	<u>280,997,547</u>	<u>13,516,110</u>	<u>261,039,474</u>
Excess of Revenues Over Expenditures	<u>24,515,820</u>	<u>17,191,477</u>	<u>31,126,834</u>	<u>13,935,357</u>	<u>26,668,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases		5,132,500	5,132,500	-	259,770
Contingency	(600,000)	-	-	-	-
Transfers out	(23,898,924)	(27,996,071)	(27,904,837)	91,234	(21,805,384)
Total other financing sources (uses)	<u>(24,498,924)</u>	<u>(22,863,571)</u>	<u>(22,772,337)</u>	<u>91,234</u>	<u>(21,545,614)</u>
Net change in fund balances:	16,896	(5,672,094)	8,354,497	14,026,591	5,122,746
<b>FUND BALANCE, July 1</b>	<u>1,826,888</u>	<u>10,556,064</u>	<u>10,556,064</u>	<u>-</u>	<u>5,433,318</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,843,784</u>	<u>\$ 4,883,970</u>	<u>\$ 18,910,561</u>	<u>\$ 14,026,591</u>	<u>\$ 10,556,064</u>

# Special

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# 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 V, Indian Education, Public Law 105-17 (Special Education), Vocational Education, Special Grants, Drug-Free Schools, Early Childhood LEA (Special Education), Reading Improvement, Title II, Title III, Family Resource Centers, and Twenty-First Century Funds.**

**State Programs:**

To account for transactions relating to the State of Nevada funded programs including: **Special Grants, Early Childhood, Class Size Reduction, Adult Education, Remedial Education SB2, Regional Professional Development Program, Family Resource Centers, and Special Appropriations.**

**Local Programs:**

To account for transactions relating to locally funded programs including: **Family Resource Centers, Community Education, Gifts and Donations, Advanced Carpentry, Wellness, Categorical Grants, Special Grants, and Pre-Funded Retiree Health Benefits.**

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Other	\$ -	\$ -	\$ 481	\$ 481	\$ -
State sources:					
Distributive school account	15,969,122	15,937,311	15,983,978	46,667	14,771,785
Total revenues	15,969,122	15,937,311	15,984,459	47,148	14,771,785
<b>EXPENDITURES</b>					
Current:					
Special programs					
Instruction					
Salaries	23,429,417	23,129,637	23,200,439	(70,802)	21,540,388
Benefits	7,790,230	7,834,338	7,770,784	63,554	6,767,793
Purchased services	15,771	46,771	61,146	(14,375)	30,267
Supplies	74,349	89,694	68,866	20,828	41,139
Property	9,712	9,712	1,712	8,000	21,753
Other	-	-	3,360	(3,360)	2,334
Total special programs	31,319,479	31,110,152	31,106,307	3,845	28,403,674
Undistributed expenditures:					
Student support					
Salaries	397,989	568,287	541,940	26,347	387,971
Benefits	127,627	129,000	122,708	6,292	109,560
Supplies	-	-	162	(162)	-
Total student support	525,616	697,287	664,810	32,477	497,531
Instructional staff support					
Salaries	388,472	348,577	345,375	3,202	375,100
Benefits	122,710	106,434	107,865	(1,431)	110,976
Purchased services	66,175	66,175	70,691	(4,516)	71,172
Supplies	6,665	6,737	5,443	1,294	2,384
Property	2,000	2,000	-	2,000	1,872
Other	-	-	79	(79)	60
Total instructional staff support	586,022	529,923	529,453	470	561,564
School administration					
Salaries	71,833	103,500	101,401	2,099	69,475
Benefits	21,874	30,329	30,607	(278)	20,019
Total school administration	93,707	133,829	132,008	1,821	89,494
Operations and maintenance					
Salaries	38,472	35,701	33,811	1,890	33,114
Benefits	13,301	13,395	13,147	248	12,204
Total operations and maintenance	51,773	49,096	46,958	2,138	45,318

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Student transportation					
Salaries	\$ 2,037,359	\$ 2,015,241	\$ 2,005,617	\$ 9,624	\$ 1,963,199
Benefits	878,439	836,397	845,347	(8,950)	855,075
Purchased services	214,927	214,927	182,248	32,679	202,191
Supplies	161,979	161,979	191,997	(30,018)	144,715
Total student transportation	3,292,704	3,228,544	3,225,209	3,335	3,165,180
Total undistributed expenditures	4,549,822	4,638,679	4,598,438	40,241	4,359,087
Total expenditures	35,869,301	35,748,831	35,704,745	44,086	32,762,761
Excess (deficiency) of revenues over expenditures	(19,900,179)	(19,811,520)	(19,720,286)	91,234	(17,990,976)
<b>OTHER FINANCING SOURCES</b>					
Transfers in	19,900,179	19,811,520	19,720,286	(91,234)	17,990,976
Excess of revenues and other financing sources over expenditures	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004  
(Page 1 of 2)**

	<u>TITLE I</u>	<u>TITLE V</u>	<u>INDIAN EDUCATION</u>	<u>PUBLIC LAW 105-17</u>	<u>VOCATIONAL EDUCATION</u>	<u>SPECIAL GRANTS</u>
<b>ASSETS</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ 203,350	\$ 177,329	\$ 932,884
Receivables:						
Grants	1,598,064	299,860	45,147	574,790	44,060	771,591
Miscellaneous	11,029	-	-	-	1,192	-
Due from other governments	-	-	-	-	-	-
Inventories	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 1,609,093</u>	<u>\$ 299,860</u>	<u>\$ 45,147</u>	<u>\$ 778,140</u>	<u>\$ 222,581</u>	<u>\$ 1,704,475</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 55,086	\$ 1,316	\$ 524	\$ 555,269	\$ 209,940	\$ 826,621
Accrued liabilities	340,468	101,383	39,875	222,871	12,641	199,386
Due to other funds	1,213,539	194,900	4,748	-	-	-
Due to other governments	-	-	-	-	-	7,564
Deferred revenues	-	2,261	-	-	-	670,904
	<u>-</u>	<u>2,261</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>670,904</u>
Total liabilities	<u>1,609,093</u>	<u>299,860</u>	<u>45,147</u>	<u>778,140</u>	<u>222,581</u>	<u>1,704,475</u>
<b>FUND BALANCE</b>						
Reserved for:						
Inventories	-	-	-	-	-	-
Unreserved:						
Designated for subsequent year's expenditures	-	-	-	-	-	-
Designated for retiree health benefits	-	-	-	-	-	-
Undesignated	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balance	<u>\$ 1,609,093</u>	<u>\$ 299,860</u>	<u>\$ 45,147</u>	<u>\$ 778,140</u>	<u>\$ 222,581</u>	<u>\$ 1,704,475</u>

<u>DRUG FREE SCHOOLS</u>	<u>EARLY CHILDHOOD</u>	<u>CLASS SIZE REDUCTION</u>	<u>ADULT EDUCATION</u>	<u>NUTRITION SERVICES</u>	<u>REMEDIAL EDUCATION SB 2</u>	<u>READING IMPROVEMENT GRANTS</u>	<u>TWENTY-FIRST CENTURY</u>
\$ -	\$ 56,819	\$ 638,488	\$ 392,229	\$ 1,375,137	\$ 26,261	\$ 50,274	\$ -
133,930	24,237	-	-	170,055	-	312,068	172,056
-	211	-	-	181,938	-	-	44
-	-	1,279,051	-	-	-	-	-
-	-	-	-	661,224	-	-	-
<u>\$ 133,930</u>	<u>\$ 81,267</u>	<u>\$ 1,917,539</u>	<u>\$ 392,229</u>	<u>\$ 2,388,354</u>	<u>\$ 26,261</u>	<u>\$ 362,342</u>	<u>\$ 172,100</u>
\$ 5,526	\$ 8,609	\$ -	\$ 6,314	\$ 279,459	\$ 11,793	\$ 268,952	\$ 19,812
23,525	30,936	1,917,539	165,896	115,246	7,121	93,390	16,423
53,735	-	-	-	-	-	-	135,865
4,605	41,571	-	25,353	-	-	-	-
<u>46,539</u>	<u>151</u>	<u>-</u>	<u>194,666</u>	<u>222,934</u>	<u>7,347</u>	<u>-</u>	<u>-</u>
<u>133,930</u>	<u>81,267</u>	<u>1,917,539</u>	<u>392,229</u>	<u>617,639</u>	<u>26,261</u>	<u>362,342</u>	<u>172,100</u>
-	-	-	-	661,224	-	-	-
-	-	-	-	507,764	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	601,727	-	-	-
-	-	-	-	1,770,715	-	-	-
<u>\$ 133,930</u>	<u>\$ 81,267</u>	<u>\$ 1,917,539</u>	<u>\$ 392,229</u>	<u>\$ 2,388,354</u>	<u>\$ 26,261</u>	<u>\$ 362,342</u>	<u>\$ 172,100</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2004  
(Page 2 of 2)**

	<b>TITLE II PART A TEACHER TRAINING</b>	<b>TITLE III ENGLISH LANGUAGE ACQUISITION</b>	<b>REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM</b>	<b>COMMUNITY EDUCATION</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 375,187	\$ 302,473
Receivables:				
Grants	90,872	132,912	-	-
Miscellaneous	1,000	-	-	-
Due from other governments	-	-	-	-
Inventories	-	-	-	-
	91,872	132,912	375,187	302,473
<b>Total assets</b>	<b>\$ 91,872</b>	<b>\$ 132,912</b>	<b>\$ 375,187</b>	<b>\$ 302,473</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 26,704	\$ 9,091	\$ 72,557	\$ 6,353
Accrued liabilities	46,681	45,620	113,854	7,457
Due to other funds	18,487	78,201	-	-
Due to other governments	-	-	-	-
Deferred revenues	-	-	188,776	-
	91,872	132,912	375,187	13,810
<b>Total liabilities</b>	<b>91,872</b>	<b>132,912</b>	<b>375,187</b>	<b>13,810</b>
<b>FUND BALANCE</b>				
Reserved for:				
Inventories	-	-	-	-
Unreserved:				
Designated for subsequent year's expenditures	-	-	-	-
Designated for retiree health benefits	-	-	-	-
Undesignated	-	-	-	288,663
	-	-	-	288,663
<b>Total fund balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>288,663</b>
<b>Total liabilities and fund balance</b>	<b>\$ 91,872</b>	<b>\$ 132,912</b>	<b>\$ 375,187</b>	<b>\$ 302,473</b>

<u>GIFTS AND DONATIONS</u>	<u>ADVANCED CARPENTRY PROJECT</u>	<u>WELLNESS</u>	<u>FAMILY RESOURCE CENTERS</u>	<u>CATEGORICAL GRANTS</u>	<u>PRE-FUNDED RETIREE HEALTH BENEFITS</u>	<u>TOTAL</u>
\$ 522,468	\$ 87,514	\$ 299,608	\$ -	\$ 21,262	\$ 2,307,033	\$ 7,768,316
11	-	-	200,466	-	-	4,570,119
1,450	-	2,728	-	12,740	2,103	214,435
-	-	-	-	-	-	1,279,051
-	-	-	-	-	-	661,224
<u>\$ 523,929</u>	<u>\$ 87,514</u>	<u>\$ 302,336</u>	<u>\$ 200,466</u>	<u>\$ 34,002</u>	<u>\$ 2,309,136</u>	<u>\$ 14,493,145</u>
\$ 97,318	\$ 10,016	\$ 30,987	\$ 8,685	\$ -	\$ -	\$ 2,510,932
6,994	310	3,102	16,096	30,640	-	3,557,454
-	-	-	148,587	-	-	1,848,062
-	-	-	-	-	-	79,093
-	-	-	27,098	-	-	1,360,676
<u>104,312</u>	<u>10,326</u>	<u>34,089</u>	<u>200,466</u>	<u>30,640</u>	<u>-</u>	<u>9,356,217</u>
-	-	-	-	-	-	661,224
-	-	-	-	-	-	507,764
-	-	-	-	-	2,309,136	2,309,136
<u>419,617</u>	<u>77,188</u>	<u>268,247</u>	<u>-</u>	<u>3,362</u>	<u>-</u>	<u>1,658,804</u>
<u>419,617</u>	<u>77,188</u>	<u>268,247</u>	<u>-</u>	<u>3,362</u>	<u>2,309,136</u>	<u>5,136,928</u>
<u>\$ 523,929</u>	<u>\$ 87,514</u>	<u>\$ 302,336</u>	<u>\$ 200,466</u>	<u>\$ 34,002</u>	<u>\$ 2,309,136</u>	<u>\$ 14,493,145</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2004  
(Page 1 of 2)**

	<u>TITLE I</u>	<u>TITLE V</u>	<u>INDIAN EDUCATION</u>	<u>PUBLIC LAW 105-17</u>	<u>VOCATIONAL EDUCATION</u>	<u>SPECIAL GRANTS</u>
<b>REVENUES</b>						
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 999,540
State sources	-	-	-	-	-	768,455
Federal sources	7,500,906	1,309,081	256,063	7,765,181	698,603	3,385,152
Total revenues	<u>7,500,906</u>	<u>1,309,081</u>	<u>256,063</u>	<u>7,765,181</u>	<u>698,603</u>	<u>5,153,147</u>
<b>EXPENDITURES</b>						
Current:						
Regular programs	7,151,179	1,175,233	244,579	-	-	2,339,482
Special programs	-	-	-	3,478,250	-	-
Adult education programs	-	-	-	-	-	-
Nutrition services	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-
Undistributed expenditures:						
Student support	-	-	-	3,325,858	-	1,038,942
Instructional staff support	349,727	133,848	11,484	961,073	698,603	1,501,418
School administration	-	-	-	-	-	-
Operation and maintenance	-	-	-	-	-	-
Central support	-	-	-	-	-	84,192
Other support	-	-	-	-	-	189,113
Total expenditures	<u>7,500,906</u>	<u>1,309,081</u>	<u>256,063</u>	<u>7,765,181</u>	<u>698,603</u>	<u>5,153,147</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>DRUG FREE SCHOOLS</u>	<u>EARLY CHILDHOOD</u>	<u>CLASS SIZE REDUCTION</u>	<u>ADULT EDUCATION</u>	<u>NUTRITION SERVICES</u>	<u>REMEDIAL EDUCATION SB 2</u>	<u>READING IMPROVEMENT GRANTS</u>	<u>TWENTY-FIRST CENTURY</u>	
\$ -	\$ -	\$ -	\$ -	\$ 6,287,680	\$ -	\$ -	\$ -	<b>REVENUE</b>
-	481,928	15,348,617	1,954,154	-	204,933	-	-	Local sou
311,093	257,737	-	-	8,386,078	-	1,276,346	1,568,486	State sou
311,093	739,665	15,348,617	1,954,154	14,673,758	204,933	1,276,346	1,568,486	Federal s
								Tot
								<b>EXPENDIT</b>
								Current:
-	468,746	15,348,617	-	-	204,933	1,158,961	978,974	Regul
-	257,736	-	-	-	-	-	-	Speci
-	-	-	1,369,039	-	-	-	-	Adult
-	-	-	-	14,009,635	-	-	-	Nutri
-	-	-	-	-	-	-	-	Comm
-	-	-	227,187	-	-	114,459	-	Undis
311,093	13,183	-	-	-	-	2,926	589,512	Stu
-	-	-	294,994	-	-	-	-	Inst
-	-	-	62,934	-	-	-	-	Sch
-	-	-	-	-	-	-	-	Op
-	-	-	-	-	-	-	-	Cer
-	-	-	-	-	-	-	-	Oth
311,093	739,665	15,348,617	1,954,154	14,009,635	204,933	1,276,346	1,568,486	Tot
-	-	-	-	664,123	-	-	-	
-	-	-	-	-	-	-	-	<b>OTHER FII</b>
-	-	-	-	-	-	-	-	Trans
-	-	-	-	-	-	-	-	Tot
-	-	-	-	664,123	-	-	-	
-	-	-	-	1,106,592	-	-	-	<b>FUND BAL</b>
\$ -	\$ -	\$ -	\$ -	\$ 1,770,715	\$ -	\$ -	\$ -	<b>FUND BAL</b>

(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, 2004**  
 (Page 2 of 2)

	TITLE II PART A TEACHER TRAINING	TITLE III ENGLISH LANGUAGE ACQUISITION	REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM	COMMUNITY EDUCATION	GIFTS AND DONATIONS
<b>REVENUES</b>					
Grants	\$ -	\$ -	\$ -	\$ 311,620	\$ 815,442
Grants	-	-	1,727,182	-	-
Other sources	1,245,370	492,753	-	-	-
Total revenues:	<u>1,245,370</u>	<u>492,753</u>	<u>1,727,182</u>	<u>311,620</u>	<u>815,442</u>
<b>EXPENDITURES</b>					
Classroom programs	221,388	492,753	-	190,747	927,669
Special programs	-	-	-	-	-
Continuing education program:	-	-	-	-	-
Instruction services	-	-	-	-	-
Community service program:	-	-	-	-	-
Distributed expenditures	-	-	-	-	-
Student support	-	-	-	-	-
Instructional staff support	1,023,982	-	1,727,182	-	-
School administration	-	-	-	153,168	-
Operation and maintenance	-	-	-	-	-
Central support	-	-	-	-	-
Other support	-	-	-	-	-
Total expenditure:	<u>1,245,370</u>	<u>492,753</u>	<u>1,727,182</u>	<u>343,915</u>	<u>927,669</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>(32,295)</u>	<u>(112,227)</u>
<b>FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(32,295)	(112,227)
<b>UNFUNDED BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>320,958</u>	<u>531,844</u>
<b>UNFUNDED BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 288,663</u>	<u>\$ 419,617</u>

<b>ADVANCED CARPENTRY PROJECT</b>	<b>WELLNESS</b>	<b>FAMILY RESOURCE CENTERS</b>	<b>NEW TEACHER SIGNING BONUS</b>	<b>CATEGORICAL GRANTS</b>	<b>PRE-FUNDED RETIREE HEALTH BENEFITS</b>	<b>TOTAL</b>
- \$	236,461 \$	127,082 \$	- \$	182,793 \$	9,136 \$	8,969,754
-	-	399,930	486,000	-	-	21,371,199
-	-	286,375	-	-	-	34,739,224
-	236,461	813,387	486,000	182,793	9,136	65,080,177
84,756	-	-	486,000	177,980	-	31,651,997
-	-	-	-	-	-	3,735,986
-	-	-	-	-	-	1,369,039
-	-	-	-	-	-	14,009,635
-	-	813,387	-	-	-	813,387
-	-	-	-	1,451	-	4,707,897
-	296,293	-	-	-	-	7,620,324
-	-	-	-	-	-	448,162
-	-	-	-	-	-	62,934
-	-	-	-	-	-	84,192
-	-	-	-	-	-	189,113
84,756	296,293	813,387	486,000	179,431	-	64,692,666
(84,756)	(59,832)	-	-	3,362	9,136	387,511
-	-	-	-	-	2,300,000	2,300,000
-	-	-	-	-	2,300,000	2,300,000
(84,756)	(59,832)	-	-	3,362	2,309,136	2,687,511
161,944	328,079	-	-	-	-	2,449,417
77,188 \$	268,247 \$	- \$	- \$	3,362 \$	2,309,136 \$	5,136,928

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title I	\$ 6,213,889	\$ 8,357,119	\$ 7,500,906	\$ (856,213)	\$ 6,854,064
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	3,368,605	4,060,761	3,804,364	256,397	3,224,707
Benefits	929,478	1,431,453	1,241,948	189,505	991,815
Purchased services	512,921	898,559	670,278	228,281	740,255
Supplies	875,249	1,187,673	1,068,520	119,153	918,475
Property	10,080	-	-	-	385,424
Other	221,450	401,842	366,069	35,773	311,681
Total regular programs	5,917,783	7,980,288	7,151,179	829,109	6,572,357
Undistributed expenditures:					
Instructional staff support					
Salaries	223,546	308,491	288,888	19,603	233,345
Benefits	57,166	59,336	52,346	6,990	42,442
Purchased services	9,343	8,504	8,223	281	5,705
Supplies	129	-	-	-	-
Property	5,877	-	-	-	-
Other	45	500	270	230	215
Total undistributed expenditures	296,106	376,831	349,727	27,104	281,707
Total expenditures	6,213,889	8,357,119	7,500,906	856,213	6,854,064
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
TITLE V - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title V	\$ 1,078,332	\$ 1,359,722	\$ 1,309,081	\$ (50,641)	\$ 989,577
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	336,000	756,999	749,062	7,937	341,634
Benefits	95,200	252,573	233,851	18,722	93,047
Purchased services	168,000	121,816	110,389	11,427	98,271
Supplies	336,000	76,673	74,875	1,798	254,634
Property	28,000	6,621	6,621	-	60,364
Other	33,600	435	435	-	731
Total regular programs	996,800	1,215,117	1,175,233	39,884	848,681
Undistributed expenditures:					
Instructional staff support					
Salaries	40,770	57,124	55,317	1,807	53,580
Benefits	12,926	13,965	11,220	2,745	11,622
Purchased services	6,834	17,800	13,828	3,972	22,662
Supplies	1,474	7,884	7,376	508	13,880
Property	-	-	-	-	6,683
Other	19,528	47,832	46,107	1,725	46,107
Total undistributed expenditures	81,532	144,605	133,848	10,757	140,896
Total expenditures	1,078,332	1,359,722	1,309,081	50,641	989,577
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title VII - Indian education program	\$ 261,685	\$ 269,779	\$ 256,063	\$ (13,716)	\$ 253,634
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	159,799	167,292	166,289	1,003	148,635
Benefits	45,301	55,848	54,690	1,158	55,856
Purchased services	23,092	28,105	19,998	8,107	20,243
Supplies	23,671	5,725	3,056	2,669	4,988
Property	-	-	-	-	13,525
Other	9,822	546	546	-	10,387
Total regular programs	261,685	257,516	244,579	12,937	253,634
Undistributed expenditures:					
Instructional staff support					
Salaries	-	3,262	2,968	294	-
Other	-	9,001	8,516	485	-
Total undistributed expenditures	-	12,263	11,484	779	-
Total expenditures	261,685	269,779	256,063	13,716	253,634
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Education of the handicapped	\$ 7,945,017	\$ 9,900,447	\$ 7,765,181	\$ (2,135,266)	\$ 6,163,637
<b>EXPENDITURES</b>					
Current:					
Special programs:					
Instruction					
Salaries	3,436,657	3,695,062	2,775,286	919,776	2,509,437
Benefits	695,433	808,895	702,964	105,931	612,065
Property	-	-	-	-	19,819
Total special programs	4,132,090	4,503,957	3,478,250	1,025,707	3,141,321
Undistributed expenditures:					
Student support					
Salaries	634,182	1,339,512	970,637	368,875	714,841
Benefits	132,392	293,996	234,465	59,531	164,929
Purchased services	705,846	518,011	324,235	193,776	390,487
Supplies	589,964	1,322,790	979,938	342,852	279,897
Property	26,618	150,000	109,937	40,063	73,877
Other	369,475	811,108	706,646	104,462	482,978
Total student support	2,458,477	4,435,417	3,325,858	1,109,559	2,107,009
Instructional staff support					
Salaries	956,440	688,834	688,834	-	663,573
Benefits	284,707	238,216	238,216	-	219,502
Purchased services	49,413	-	-	-	-
Supplies	13,242	-	-	-	-
Other	50,648	34,023	34,023	-	32,232
Total instructional staff support	1,354,450	961,073	961,073	-	915,307
Total undistributed expenditures	3,812,927	5,396,490	4,286,931	1,109,559	3,022,316
Total expenditures	7,945,017	9,900,447	7,765,181	2,135,266	6,163,637
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State sources:					
Vocational education	\$ -	\$ -	\$ -	\$ -	16,583
Federal sources:					
Vocational education	668,321	711,772	698,603	(13,169)	615,966
Total revenues	668,321	711,772	698,603	(13,169)	632,549
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional staff support					
Salaries	112,000	40,535	36,497	4,038	79,281
Benefits	25,760	3,741	3,256	485	13,877
Purchased services	113,120	167,584	162,311	5,273	160,192
Supplies	378,241	357,419	354,512	2,907	153,368
Property	28,000	121,601	121,601	-	212,810
Other	11,200	20,892	20,426	466	13,021
Total undistributed expenditures	668,321	711,772	698,603	13,169	632,549
Total expenditures	668,321	711,772	698,603	13,169	632,549
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 1,070,590	\$ 1,368,891	\$ 999,540	\$ (369,351)	\$ 447,530
State sources	845,203	1,080,703	768,455	(312,248)	815,840
Federal sources	3,718,892	4,755,095	3,385,152	(1,369,943)	2,445,861
Total revenues	5,634,685	7,204,689	5,153,147	(2,051,542)	3,709,231
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	2,016,000	1,258,435	875,193	383,242	905,004
Benefits	564,480	352,471	221,309	131,162	170,132
Purchased services	739,975	469,897	273,134	196,763	458,809
Supplies	448,000	1,230,478	886,133	344,345	258,939
Property	56,000	41,224	35,985	5,239	237,658
Other	114,317	85,702	47,728	37,974	45,910
Total regular programs	3,938,772	3,438,207	2,339,482	1,098,725	2,076,452
Undistributed expenditures:					
Student support					
Salaries	12,369	346,418	271,502	74,916	93,596
Benefits	268	102,235	74,277	27,958	21,643
Purchased services	16,377	327,331	287,071	40,260	181,580
Supplies	5,600	445,540	251,448	194,092	6,744
Property	-	149,940	131,376	18,564	7,246
Other	72,701	29,773	23,268	6,505	9,242
Total student support	107,315	1,401,237	1,038,942	362,295	320,051
Instructional staff support					
Salaries	834,400	703,535	583,951	119,584	363,596
Benefits	233,632	130,369	121,382	8,987	65,270
Purchased services	252,000	803,788	532,558	271,230	309,057
Supplies	33,600	244,030	205,941	38,089	67,137
Property	8,238	16,452	13,701	2,751	110,379
Other	58,240	146,603	43,885	102,718	32,103
Total instructional staff support	1,420,110	2,044,777	1,501,418	543,359	947,542
Other support					
Salaries	-	110,023	110,023	-	71,566
Benefits	-	12,837	12,837	-	19,660
Purchased services	-	14,769	14,255	514	10,923
Supplies	-	51,405	51,373	32	10,887
Property	-	-	-	-	215,171
Other	-	2,353	625	1,728	4,092
Total other support	-	191,387	189,113	2,274	332,299

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
Central support					
Salaries	\$ 56,000	\$ 21,605	\$ 21,605	\$ -	\$ 19,380
Benefits	19,600	8,829	8,829	-	11,054
Purchased services	92,888	2,292	1,872	420	453
Supplies	-	76,825	32,356	44,469	-
Property	-	19,530	19,530	-	2,000
Total central support	<u>168,488</u>	<u>129,081</u>	<u>84,192</u>	<u>44,889</u>	<u>32,887</u>
Total undistributed expenditures	<u>1,527,425</u>	<u>3,766,482</u>	<u>2,813,665</u>	<u>952,817</u>	<u>1,632,779</u>
Total expenditures	<u>5,634,685</u>	<u>7,204,689</u>	<u>5,153,147</u>	<u>2,051,542</u>	<u>3,709,231</u>
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Safe and drug free schools act	\$ 276,920	\$ 374,253	\$ 311,093	\$ (63,160)	\$ 240,120
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional staff support					
Salaries	196,000	194,379	178,100	16,279	151,105
Benefits	45,080	36,571	30,655	5,916	23,572
Purchased services	25,760	61,404	27,118	34,286	9,944
Supplies	5,600	75,015	69,577	5,438	44,001
Other	4,480	6,884	5,643	1,241	11,498
Total undistributed expenditures	276,920	374,253	311,093	63,160	240,120
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
EARLY CHILDHOOD - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State sources	\$ 603,680	\$ 491,277	\$ 481,928	\$ (9,349)	\$ 509,125
Federal sources	451,761	264,534	257,737	(6,797)	346,395
Total revenues	<u>1,055,441</u>	<u>755,811</u>	<u>739,665</u>	<u>(16,146)</u>	<u>855,520</u>
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	168,000	299,649	299,649	-	180,374
Benefits	47,040	106,474	106,474	-	53,149
Purchased services	252,000	41,999	41,854	145	190,785
Supplies	112,000	3,715	3,715	-	39,146
Property	-	-	-	-	21,252
Other	24,640	17,059	17,054	5	17,180
Total regular programs	<u>603,680</u>	<u>468,896</u>	<u>468,746</u>	<u>150</u>	<u>501,886</u>
Undistributed expenditures:					
Instructional staff support					
Salaries	-	5,183	5,183	-	-
Purchased services	-	8,000	8,000	-	-
Total instructional staff support	<u>-</u>	<u>13,183</u>	<u>13,183</u>	<u>-</u>	<u>-</u>
Special programs:					
Instruction					
Salaries	240,800	170,960	160,849	10,111	170,059
Benefits	78,400	28,440	27,182	1,258	26,169
Total Instruction	<u>319,200</u>	<u>199,400</u>	<u>188,031</u>	<u>11,369</u>	<u>196,228</u>
Undistributed expenditures:					
Student support					
Salaries	4,458	28,705	28,697	8	109,250
Benefits	377	7,932	7,708	224	27,599
Purchased services	49,912	-	-	-	-
Supplies	52,354	28,005	24,176	3,829	2,573
Property	7,296	-	-	-	6,000
Other	18,164	9,690	9,124	566	11,984
Total special undistributed	<u>132,561</u>	<u>74,332</u>	<u>69,705</u>	<u>4,627</u>	<u>157,406</u>
Total special programs	<u>451,761</u>	<u>273,732</u>	<u>257,736</u>	<u>15,996</u>	<u>353,634</u>
Total expenditures	<u>1,055,441</u>	<u>755,811</u>	<u>739,665</u>	<u>16,146</u>	<u>855,520</u>
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
State sources:					
Special appropriations	\$ 15,348,617	\$ 15,348,617	\$ 15,348,617	\$ -	\$ 14,320,201
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	11,460,686	11,460,686	11,346,902	113,784	10,821,238
Benefits	3,887,931	3,887,931	4,001,715	(113,784)	3,498,963
Total expenditures	<u>15,348,617</u>	<u>15,348,617</u>	<u>15,348,617</u>	<u>-</u>	<u>14,320,201</u>
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<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, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State sources:					
High school diploma program	\$ 2,312,949	\$ 2,148,820	\$ 1,954,154	\$ (194,666)	\$ 2,012,085
<b>EXPENDITURES</b>					
Current:					
Adult education programs:					
Instruction					
Salaries	970,467	933,117	921,115	12,002	909,700
Benefits	172,557	204,319	202,748	1,571	174,567
Purchased services	84,721	112,500	87,546	24,954	82,874
Supplies	192,301	178,948	88,151	90,797	79,788
Property	8,960	-	-	-	106,030
Other	105,430	76,420	69,479	6,941	67,099
Total adult education programs	1,534,436	1,505,304	1,369,039	136,265	1,420,058
Undistributed expenditures:					
Student support					
Salaries	167,590	181,500	175,291	6,209	166,859
Benefits	44,236	55,150	51,896	3,254	46,543
Purchased services	20,002	-	-	-	-
Supplies	93,233	-	-	-	240
Other	3,132	-	-	-	-
Total student support	328,193	236,650	227,187	9,463	213,642
School administration					
Salaries	291,421	264,629	232,488	32,141	247,518
Benefits	74,893	71,350	62,506	8,844	68,981
Total school administration	366,314	335,979	294,994	40,985	316,499
Operations and maintenance					
Salaries	67,302	51,000	49,696	1,304	48,003
Benefits	16,704	19,887	13,238	6,649	13,883
Total operations and maintenance	84,006	70,887	62,934	7,953	61,886
Total undistributed expenditures	778,513	643,516	585,115	58,401	592,027
Total expenditures	2,312,949	2,148,820	1,954,154	194,666	2,012,085
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Regular food program	\$ 6,174,425	\$ 6,449,859	\$ 6,287,306	\$ (162,553)	\$ 6,154,591
Other	-	-	374	374	76
Federal sources:					
Special milk	1,831	2,531	2,972	441	-
National school lunch program	5,770,875	5,920,875	6,144,775	223,900	5,617,600
School breakfast program	1,353,331	1,352,897	1,354,009	1,112	1,243,475
Commodity foods program	-	884,322	884,322	-	730,923
Total revenues	<u>13,300,462</u>	<u>14,610,484</u>	<u>14,673,758</u>	<u>63,274</u>	<u>13,746,665</u>
<b>EXPENDITURES</b>					
Current:					
Food service operations:					
Salaries	4,497,117	4,602,817	4,520,381	82,436	4,293,841
Benefits	1,216,000	1,279,000	1,268,541	10,459	1,224,539
Purchased services	1,071,384	1,099,384	1,055,072	44,312	965,745
Supplies	6,204,909	7,314,231	6,991,517	322,714	6,587,908
Property	162,462	162,462	133,366	29,096	397,649
Other	47,418	51,418	40,758	10,660	38,090
Total food service operations	<u>13,199,290</u>	<u>14,509,312</u>	<u>14,009,635</u>	<u>499,677</u>	<u>13,507,772</u>
Debt service					
Interest	-	-	-	-	14,475
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,475</u>
Total expenditures	<u>13,199,290</u>	<u>14,509,312</u>	<u>14,009,635</u>	<u>499,677</u>	<u>13,522,247</u>
Net change in fund balances	<u>101,172</u>	<u>101,172</u>	<u>664,123</u>	<u>562,951</u>	<u>224,418</u>
<b>FUND BALANCE, July 1</b>	<u>1,003,035</u>	<u>1,106,592</u>	<u>1,106,592</u>	<u>-</u>	<u>882,174</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,104,207</u>	<u>\$ 1,207,764</u>	<u>\$ 1,770,715</u>	<u>\$ 562,951</u>	<u>\$ 1,106,592</u>

**WASHOE COUNTY SCHOOL DISTRICT**  
**REMEDIAL EDUCATION SB 2 - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
State sources:					
Legislative appropriation	\$ 553,000	\$ 212,280	\$ 204,933	\$ (7,347)	\$ 806,710
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	140,000	105,391	104,024	1,367	327,993
Benefits	32,200	44,501	40,376	4,125	88,446
Purchased services	128,800	42,387	40,574	1,813	121,498
Supplies	252,000	20,001	19,959	42	236,148
Property	-	-	-	-	32,625
Total expenditures	553,000	212,280	204,933	7,347	806,710
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
READING IMPROVEMENT GRANTS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Reading grants	\$ 598,472	\$ 1,414,207	1,276,346	\$ (137,861)	\$ 711,619
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	364,000	541,026	534,836	6,190	499,808
Benefits	116,480	149,128	146,334	2,794	132,494
Purchased services	67,200	223,289	190,768	32,521	38,302
Supplies	13,440	334,319	253,456	80,863	10,419
Property	-	-	-	-	3,026
Other	20,552	35,595	33,567	2,028	24,857
Total regular programs	581,672	1,283,357	1,158,961	124,396	708,906
Undistributed expenditures:					
Student support					
Purchased services	-	67,320	67,295	25	-
Supplies	-	42,674	36,067	6,607	-
Other	-	13,821	11,097	2,724	-
Total student support	-	123,815	114,459	9,356	-
Instructional staff support					
Salaries	13,440	6,558	2,867	3,691	2,655
Benefits	3,360	477	59	418	58
Total instructional staff support	16,800	7,035	2,926	4,109	2,713
Total undistributed expenditures	16,800	130,850	117,385	13,465	2,713
Total expenditures	598,472	1,414,207	1,276,346	137,861	711,619
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Twenty-first century	\$ 1,553,191	\$ 2,763,492	\$ 1,568,486	\$ (1,195,006)	\$ 1,840,234
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	607,610	803,902	620,514	183,388	668,876
Benefits	64,960	115,726	68,145	47,581	79,914
Purchased services	283,032	371,791	213,609	158,182	160,237
Supplies	183,012	94,947	52,786	42,161	57,460
Property	-	-	-	-	12,206
Other	8,370	182,993	23,920	159,073	30,106
Total regular programs	1,146,984	1,569,359	978,974	590,385	1,008,799
Undistributed expenditures:					
Instructional staff support					
Salaries	129,857	380,747	252,918	127,829	330,252
Benefits	35,736	112,643	53,105	59,538	74,999
Purchased services	143,830	441,355	211,420	229,935	326,511
Supplies	9,648	69,177	26,848	42,329	29,821
Property	-	-	-	-	4,743
Other	87,136	190,211	45,221	144,990	65,109
Total undistributed expenditures	406,207	1,194,133	589,512	604,621	831,435
Total expenditures	1,553,191	2,763,492	1,568,486	1,195,006	1,840,234
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
TITLE II, PART A, TEACHER TRAINING - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Federal sources:					
Title II, Part A	\$ 1,526,560	\$ 1,548,228	\$ 1,245,370	\$ (302,858)	\$ 1,464,943
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	420,000	166,000	161,009	4,991	381,546
Benefits	156,800	65,575	60,379	5,196	128,030
Total regular programs	576,800	231,575	221,388	10,187	509,576
Undistributed expenditures:					
Instructional staff support					
Salaries	560,000	554,220	416,748	137,472	453,056
Benefits	76,160	45,259	21,669	23,590	49,118
Purchased services	224,000	485,199	386,582	98,617	314,542
Supplies	50,400	176,694	154,435	22,259	74,608
Property	11,200	-	-	-	10,579
Other	28,000	55,281	44,548	10,733	53,464
Total undistributed expenditures	949,760	1,316,653	1,023,982	292,671	955,367
Total expenditures	1,526,560	1,548,228	1,245,370	302,858	1,464,943
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
TITLE III, ENGLISH LANGUAGE ACQUISITION - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title III - English language acquisition	\$ 666,400	\$ 647,229	\$ 492,753	\$ (154,476)	\$ 621,261
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	453,600	315,401	254,259	61,142	404,365
Benefits	151,200	125,752	85,335	40,417	123,244
Purchased services	22,400	104,918	60,193	44,725	24,233
Supplies	33,600	88,076	82,955	5,121	43,597
Property	-	-	-	-	13,244
Other	5,600	13,082	10,011	3,071	12,578
Total expenditures	666,400	647,229	492,753	154,476	621,261
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
State sources:					
Legislative appropriation	\$ 1,720,320	\$ 1,915,958	\$ 1,727,182	\$ (188,776)	\$ 2,168,825
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional staff support					
Salaries	1,008,000	995,064	915,093	79,971	936,662
Benefits	201,600	213,817	188,690	25,127	173,970
Purchased services	302,400	348,303	287,185	61,118	388,282
Supplies	134,400	279,173	263,441	15,732	495,935
Property	7,840	10,054	10,054	-	99,415
Other	66,080	69,547	62,719	6,828	74,561
Total expenditures	1,720,320	1,915,958	1,727,182	188,776	2,168,825
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources	\$ 307,500	\$ 307,500	\$ 311,620	\$ 4,120	\$ 377,455
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	120,161	116,661	108,490	8,171	114,850
Benefits	6,154	6,954	5,730	1,224	5,752
Purchased services	92,964	95,664	59,549	36,115	94,456
Supplies	14,258	14,258	10,438	3,820	16,014
Property	1,381	1,381	-	1,381	-
Other	11,573	11,573	6,540	5,033	1,381
Total regular programs	<u>246,491</u>	<u>246,491</u>	<u>190,747</u>	<u>55,744</u>	<u>232,453</u>
Undistributed expenditures:					
School administration					
Salaries	122,307	120,757	117,141	3,616	111,323
Benefits	35,415	36,965	36,027	938	34,224
Total undistributed expenditures	<u>157,722</u>	<u>157,722</u>	<u>153,168</u>	<u>4,554</u>	<u>145,547</u>
Total expenditures	<u>404,213</u>	<u>404,213</u>	<u>343,915</u>	<u>60,298</u>	<u>378,000</u>
Net change in fund balances	(96,713)	(96,713)	(32,295)	64,418	(545)
<b>FUND BALANCE, July 1</b>	<u>224,790</u>	<u>320,958</u>	<u>320,958</u>	<u>-</u>	<u>321,503</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 128,077</u>	<u>\$ 224,245</u>	<u>\$ 288,663</u>	<u>\$ 64,418</u>	<u>\$ 320,958</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, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources	\$ 685,407	\$ 685,407	\$ 815,442	\$ 130,035	\$ 765,618
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	154,700	154,700	146,290	8,410	160,825
Benefits	11,291	11,291	16,689	(5,398)	11,212
Purchased services	424,576	424,576	240,287	184,289	331,793
Supplies	209,373	209,373	499,952	(290,579)	186,586
Property	176,003	176,003	7,664	168,339	145,785
Other	10,215	10,215	16,787	(6,572)	9,361
Total expenditures	<u>986,158</u>	<u>986,158</u>	<u>927,669</u>	<u>58,489</u>	<u>845,562</u>
Net change in fund balances	(300,751)	(300,751)	(112,227)	188,524	(79,944)
<b>FUND BALANCE, July 1</b>	<u>354,139</u>	<u>531,844</u>	<u>531,844</u>	<u>-</u>	<u>611,788</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 53,388</u>	<u>\$ 231,093</u>	<u>\$ 419,617</u>	<u>\$ 188,524</u>	<u>\$ 531,844</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, 2004  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Benefits	\$ -	\$ -	\$ 17	\$ (17)	\$ -
Purchased services	13,619	13,619	24,247	(10,628)	1,306
Supplies	79,346	139,810	60,492	79,318	47,626
Other	8,515	8,515	-	8,515	6,386
Total expenditures	<u>101,480</u>	<u>161,944</u>	<u>84,756</u>	<u>77,188</u>	<u>55,318</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>150,000</u>
Net change in fund balances	(101,480)	(161,944)	(84,756)	77,188	94,682
<b>FUND BALANCE, July 1</b>	<u>101,480</u>	<u>161,944</u>	<u>161,944</u>	<u>-</u>	<u>67,262</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 77,188</u>	<u>\$ 77,188</u>	<u>\$ 161,944</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, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources	\$ 228,680	\$ 228,680	\$ 236,461	\$ 7,781	\$ 240,161
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional Staff Support					
Salaries	35,951	47,031	46,721	310	38,118
Benefits	233,357	333,243	241,974	91,269	168,716
Purchased services	2,372	5,877	7,598	(1,721)	1,779
Supplies	20,671	-	-	-	902
Property	-	-	-	-	14,602
Total undistributed expenditures	<u>292,351</u>	<u>386,151</u>	<u>296,293</u>	<u>89,858</u>	<u>224,117</u>
Total expenditures	<u>292,351</u>	<u>386,151</u>	<u>296,293</u>	<u>89,858</u>	<u>224,117</u>
Net change in fund balances	(63,671)	(157,471)	(59,832)	97,639	16,044
<b>FUND BALANCE, July 1</b>	<u>260,764</u>	<u>328,079</u>	<u>328,079</u>	-	<u>312,035</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 197,093</u>	<u>\$ 170,608</u>	<u>\$ 268,247</u>	<u>\$ 97,639</u>	<u>\$ 328,079</u>

**WASHOE COUNTY SCHOOL DISTRICT  
FAMILY RESOURCE CENTERS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 132,669	\$ 142,919	\$ 127,082	\$ (15,837)	\$ 78,959
State sources	406,299	437,688	399,930	(37,758)	365,559
Federal sources	290,212	312,634	286,375	(26,259)	317,682
<b>Total revenues</b>	<b>829,180</b>	<b>893,241</b>	<b>813,387</b>	<b>(79,854)</b>	<b>762,200</b>
<b>EXPENDITURES</b>					
Community service programs:					
Salaries	532,000	542,340	513,947	28,393	485,109
Benefits	157,180	161,810	151,685	10,125	143,408
Purchased services	67,200	105,559	79,655	25,904	74,233
Supplies	31,360	34,051	26,408	7,643	12,962
Property	-	-	-	-	5,284
Other	41,440	49,481	41,692	7,789	41,204
<b>Total community service</b>	<b>829,180</b>	<b>893,241</b>	<b>813,387</b>	<b>79,854</b>	<b>762,200</b>
<b>Total expenditures</b>	<b>829,180</b>	<b>893,241</b>	<b>813,387</b>	<b>79,854</b>	<b>762,200</b>
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**WASHOE COUNTY SCHOOL DISTRICT**  
**NEW TEACHER SIGNING BONUS - SPECIAL REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
State sources:					
Special appropriation	\$ 504,000	\$ 486,000	\$ 486,000	\$ -	\$ 634,000
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	504,000	486,000	486,000	-	634,000
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
CATEGORICAL GRANTS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004**

	2004 BUDGET		2004	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Local sources	\$ -	\$ 183,933	\$ 182,793	\$ (1,140)
Total revenues	-	183,933	182,793	(1,140)
<b>EXPENDITURES</b>				
Current:				
Regular programs:				
Instruction				
Salaries	-	155,170	138,735	16,435
Benefits	-	27,263	39,245	(11,982)
Total regular programs	-	182,433	177,980	4,453
Undistributed expenditures:				
Student support				
Salaries	-	1,500	1,109	391
Benefits	-	-	342	(342)
Total undistributed expenditures	-	1,500	1,451	49
Total expenditures	-	183,933	179,431	4,502
Net change in fund balances	-	-	3,362	3,362
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 3,362	\$ 3,362

**WASHOE COUNTY SCHOOL DISTRICT  
 PRE-FUNDED RETIREE HEALTH BENEFITS - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2004**

	<u>2004 BUDGET</u>		<u>2004</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Local sources	\$ -	\$ -	\$ 9,136	\$ 9,136
<b>OTHER FINANCING SOURCES:</b>				
Transfers in	-	2,300,000	2,300,000	-
Net change in fund balances	-	2,300,000	2,309,136	9,136
<b>FUND BALANCE, July 1</b>		-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 2,300,000</u>	<u>\$ 2,309,136</u>	<u>\$ 9,136</u>

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# Debt Service

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 40,441,247	\$ 40,441,247	\$ 40,437,409	\$ (3,838)	\$ 37,951,688
Earnings on investments	250,000	250,000	1,342,898	1,092,898	1,113,618
Net (decrease) in the fair value of investments	-	-	(1,274,630)	(1,274,630)	140,012
Total revenues	40,691,247	40,691,247	40,505,677	(185,570)	39,205,318
<b>EXPENDITURES</b>					
Debt service:					
Principal	23,391,199	23,392,715	23,392,727	(12)	22,144,229
Interest	18,394,867	19,606,572	19,474,379	132,193	16,407,620
Bond issuance costs	-	55,463	78,115	(22,652)	632,107
Other	90,000	90,000	9,846	80,154	-
Total expenditures	41,876,066	43,144,750	42,955,067	189,683	39,183,956
Excess (deficiency) of revenues over expenditures	(1,184,819)	(2,453,503)	(2,449,390)	4,113	21,362
<b>OTHER FINANCING SOURCES (USES)</b>					
Refunded capital leases	-	-	-	-	-
Payments for refunded capital leases	-	-	-	-	(2,881,410)
Bonds issued	-	-	-	-	11,000,000
Proceeds of refunding bonds	-	11,820,000	11,820,000	-	68,940,000
Debt premium	-	278,000	278,000	-	6,180,781
Payment to refunded bonds escrow agent	-	(12,011,244)	(12,011,244)	-	(74,464,866)
Transfers in	2,068,753	2,147,303	2,147,303	-	1,900,875
Total other financing sources (uses)	2,068,753	2,234,059	2,234,059	-	10,675,380
Net change in fund balances	883,934	(219,444)	(215,331)	4,113	10,696,742
<b>FUND BALANCE, July 1</b>	<u>36,842,010</u>	<u>38,263,491</u>	<u>38,263,491</u>	-	<u>27,566,749</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 37,725,944</u>	<u>\$ 38,044,047</u>	<u>\$ 38,048,160</u>	<u>\$ 4,113</u>	<u>\$ 38,263,491</u>

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# Capital Projects

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## Funds

To account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by special revenue funds). Individual funds include the following:

**Capital Projects Funds:**

To account for costs related to the building and acquisition, construction, and improvements for schools and other District-owned properties.

**Building and Sites Fund:**

To account for various other capital projects.

**Extraordinary Maintenance Funds:**

To account for costs related to extraordinary maintenance, repair or improvement of existing facilities or facilities which replace those facilities.

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 60,000	\$ 116,567	\$ 56,567	\$ 2,287,659
Other	-	80,000	110,000	30,000	180,000
Total revenues	-	140,000	226,567	86,567	2,467,659
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Business support					
Salaries	-	248,100	122,179	125,921	425,112
Benefits	-	51,200	32,142	19,058	122,974
Purchased services	-	1,000	297	703	325
Supplies	-	-	-	-	1,038
Property	-	-	-	-	24,262
Total undistributed expenditures	-	300,300	154,618	145,682	573,711
Capital outlay, facilities acquisition, and construction:					
Land acquisition					
Property	405,092	405,100	50,906	354,194	2,309,348
Total land acquisition	405,092	405,100	50,906	354,194	2,309,348
Site improvement					
Purchased services	-	-	-	-	41,705
Architecture and engineering services					
Salaries	-	32,000	17,087	14,913	69,212
Benefits	-	19,500	5,216	14,284	20,152
Purchased services	236,264	1,102,740	505,000	597,740	1,556,574
Total architecture and engineering services	236,264	1,154,240	527,303	626,937	1,645,938
Building acquisition and construction					
Salaries	-	17,500	10,488	7,012	90,895
Benefits	-	8,500	1,845	6,655	22,902
Purchased services	9,394,475	8,521,425	7,757,540	763,885	36,242,262
Supplies	716,247	1,326,747	1,053,628	273,119	917,986
Property	1,718,429	3,968,429	3,563,742	404,687	1,041,372
Other	-	30,000	-	30,000	667,083
Total building acquisition and construction	11,829,151	13,872,601	12,387,243	1,485,358	38,982,500

**(CONTINUED)**

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
Building improvement					
Purchased services	\$ 580,043	\$ 1,869,622	\$ 1,728,354	\$ 141,268	\$ 3,639,157
Property	1,708	30,000	1,950	28,050	11,617
Other	-	1,708	78	1,630	120
Total building improvement	<u>581,751</u>	<u>1,901,330</u>	<u>1,730,382</u>	<u>170,948</u>	<u>3,650,894</u>
Total capital outlay, facilities acquisition and construction	<u>13,052,258</u>	<u>17,333,271</u>	<u>14,695,834</u>	<u>2,637,437</u>	<u>46,630,385</u>
Total expenditures	<u>13,052,258</u>	<u>17,633,571</u>	<u>14,850,452</u>	<u>2,783,119</u>	<u>47,204,096</u>
Excess (deficiency) of revenues over expenditures	<u>(13,052,258)</u>	<u>(17,493,571)</u>	<u>(14,623,885)</u>	<u>2,869,686</u>	<u>(44,736,437)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,000</u>
Net change in fund balances	<u>(13,052,258)</u>	<u>(17,493,571)</u>	<u>(14,623,885)</u>	<u>2,869,686</u>	<u>(44,576,437)</u>
<b>FUND BALANCE, July 1</b>	<u>13,052,258</u>	<u>17,493,571</u>	<u>17,493,571</u>	<u>-</u>	<u>62,070,008</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,869,686</u>	<u>\$ 2,869,686</u>	<u>\$ 17,493,571</u>

**WASHOE COUNTY SCHOOL DISTRICT  
2002 BOND ROLLOVER FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ -	\$ 274,429	\$ 274,429	\$ 92,091
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Business support					
Salaries	359,928	743,292	464,751	278,541	929
Benefits	120,576	176,112	137,542	38,570	930
Purchased Services	-	295,000	55,686	239,314	931
Supplies	-	10,000	11,723	(1,723)	-
Property	-	36,000	24,542	11,458	-
Other	42,500	42,500	10,000	32,500	77,211
Total undistributed expenditures	523,004	1,302,904	704,244	598,660	78,142
Capital outlay, facilities acquisition, and construction:					
Land acquisition					
Supplies	-	10,000	5,000	5,000	-
Architecture and engineering services					
Salaries	68,664	-	-	-	977,023
Benefits	20,160	-	-	-	-
Purchased services	319,868	513,824	373,714	140,110	-
Other	-	-	-	-	25,322
Total architecture and engineering services	408,692	513,824	373,714	140,110	1,002,345
Building acquisition and construction					
Salaries	75,012	75,012	-	-	-
Benefits	20,976	20,976	-	-	-
Purchased services	18,318,598	18,799,632	16,944,571	1,855,061	232,790
Supplies	105,000	705,000	41,580	663,420	-
Property	275,000	1,274,380	335,348	939,032	-
Other	800,000	125,000	79,778	45,222	233,988
Total building acquisition and construction	19,594,586	21,000,000	17,401,277	3,502,735	466,778
Total capital outlay, facilities acquisition and construction	20,003,278	21,523,824	17,779,991	3,647,845	1,469,123
Debt service:					
Bond issuance costs	-	-	-	-	266,505
Total expenditures	20,526,282	22,826,728	18,484,235	4,246,505	1,813,770
Excess (deficiency) of revenues over expenditures	(20,526,282)	(22,826,728)	(18,209,806)	4,616,922	(1,721,679)

(CONTINUED)

**OTHER FINANCING SOURCES**

**WASHOE COUNTY SCHOOL DISTRICT**  
**2002 BOND ROLLOVER FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2004**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Bonds issued	\$ -	\$ -	\$ -	\$ -	\$ 25,000,000
Bond premium	-	-	-	-	744,907
Total other financing sources	-	-	-	-	25,744,907
Net change in fund balances	(20,526,282)	(22,826,728)	(18,209,806)	4,616,922	24,023,228
<b>FUND BALANCE, July 1</b>	<u>25,129,562</u>	<u>24,023,228</u>	<u>24,023,228</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 4,603,280</u>	<u>\$ 1,196,500</u>	<u>\$ 5,813,422</u>	<u>\$ 4,616,922</u>	<u>\$ 24,023,228</u>

**WASHOE COUNTY SCHOOL DISTRICT  
2003 BOND ROLLOVER FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004**

	<u>2004 BUDGET</u>		<u>2004</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>REVENUES</b>				
Local sources:				
Earnings on investments	\$ -	\$ 60,000	\$ 648,098	\$ 588,098
<b>EXPENDITURES</b>				
Current:				
Undistributed expenditures:				
Business support				
Purchased Services	-	25,000	34,184	(9,184)
Supplies	-	-	3,986	(3,986)
Property	-	-	19,799	(19,799)
Other	-	-	85	(85)
Total business support	-	25,000	58,054	(33,054)
Capital outlay, facilities acquisition, and construction:				
Site improvement				
Purchased services	-	449,967	246,852	203,115
Property	-	-	140	(140)
Total site improvement	-	449,967	246,992	202,975
Architecture and engineering services				
Purchased services	-	2,200,000	104,908	2,095,092
Building improvement				
Purchased services	-	3,500,000	1,259,721	2,240,279
Total capital outlay, facilities acquisition and construction	-	6,149,967	1,611,621	4,538,346
Debt service:				
Bond issuance costs	-	1,120,000	615,177	504,823
Total expenditures	-	7,294,967	2,284,852	5,010,115
Excess (deficiency) of revenues over expenditures	-	(7,234,967)	(1,636,754)	5,598,213
<b>OTHER FINANCING SOURCES</b>				
Bonds issued	-	55,000,000	55,000,000	-
Bond premium	-	834,967	834,967	-
Total other financing sources	-	55,834,967	55,834,967	-
Net change in fund balances	-	48,600,000	54,198,213	5,598,213
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ 48,600,000	\$ 54,198,213	\$ 5,598,213

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

	<b>GOVERNMENT SERVICES TAX FUND</b>	<b>1992 BOND FUND</b>	<b>1998 BOND FUND</b>	<b>BUILDING AND SITES FUND</b>
<b>ASSETS</b>				
Cash and investments	\$ 6,479,992	\$ 286,534	\$ 36,663	\$ 733,300
Receivables:				
Interest	5,596	260	31	663
Due from other governments	307,101	-	-	-
Total assets	<u>\$ 6,792,689</u>	<u>\$ 286,794</u>	<u>\$ 36,694</u>	<u>\$ 733,963</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 326,542	\$ -	\$ -	\$ 5,428
Accrued liabilities	56,943	-	31,930	-
Construction contracts payable	2,697	199,908	-	-
Total liabilities	<u>386,182</u>	<u>199,908</u>	<u>31,930</u>	<u>5,428</u>
<b>FUND BALANCE</b>				
Reserved for:				
Encumbrances	498,676	10	-	-
Construction contracts	106,978	5,051	-	-
Unreserved:				
Undesignated	5,800,853	81,825	4,764	728,535
Total fund balance	<u>6,406,507</u>	<u>86,886</u>	<u>4,764</u>	<u>728,535</u>
Total liabilities and fund balance	<u>\$ 6,792,689</u>	<u>\$ 286,794</u>	<u>\$ 36,694</u>	<u>\$ 733,963</u>

FACILITIES EXTRAORDINARY MAINTENANCE FUND	1998 BOND EXTRAORDINARY MAINTENANCE FUND	1999 BOND EXTRAORDINARY MAINTENANCE FUND	TOTAL
\$ 1,311,588	\$ 322,084	\$ 688,036	\$ 9,858,197
27	292	626	7,495
-	-	-	307,101
<u>\$ 1,311,615</u>	<u>\$ 322,376</u>	<u>\$ 688,662</u>	<u>\$ 10,172,793</u>
\$ -	\$ 8,830	\$ -	\$ 340,800
-	2,152	12,041	103,066
<u>197,291</u>	<u>-</u>	<u>-</u>	<u>399,896</u>
<u>197,291</u>	<u>10,982</u>	<u>12,041</u>	<u>843,762</u>
3,072	36,050	-	537,808
1,105,079	-	-	1,217,108
<u>6,173</u>	<u>275,344</u>	<u>676,621</u>	<u>7,574,115</u>
<u>1,114,324</u>	<u>311,394</u>	<u>676,621</u>	<u>9,329,031</u>
<u>\$ 1,311,615</u>	<u>\$ 322,376</u>	<u>\$ 688,662</u>	<u>\$ 10,172,793</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, 2004**

	<u>GOVERNMENT SERVICES TAX FUND</u>	<u>1992 BOND FUND</u>	<u>1998 BOND FUND</u>	<u>BUILDING AND SITES FUND</u>
<b>REVENUES</b>				
Local sources	\$ 3,314,811	\$ 5,837	\$ 1,797	\$ 98,369
<b>EXPENDITURES</b>				
Current:				
Capital outlay	<u>2,508,923</u>	<u>822,383</u>	<u>-</u>	<u>20,386</u>
Excess (deficiency) of revenues over expenditures	<u>805,888</u>	<u>(816,546)</u>	<u>1,797</u>	<u>77,983</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	805,888	(816,546)	1,797	77,983
<b>FUND BALANCE, July 1</b>	<u>5,600,619</u>	<u>903,432</u>	<u>2,967</u>	<u>650,552</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 6,406,507</u>	<u>\$ 86,886</u>	<u>\$ 4,764</u>	<u>\$ 728,535</u>

<b>FACILITIES EXTRAORDINARY MAINTENANCE FUND</b>	<b>1998 BOND EXTRAORDINARY MAINTENANCE FUND</b>	<b>1999 BOND EXTRAORDINARY MAINTENANCE FUND</b>	<b>TOTAL</b>
\$ 10,569	\$ 92,888	\$ 6,717	\$ 3,530,988
1,317,458	81,777	-	4,750,927
(1,306,889)	11,111	6,717	(1,219,939)
1,782,098	-	-	1,782,098
475,209	11,111	6,717	562,159
639,115	300,283	669,904	8,766,872
<u>\$ 1,114,324</u>	<u>\$ 311,394</u>	<u>\$ 676,621</u>	<u>\$ 9,329,031</u>

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Government services tax	\$ 1,900,000	\$ 2,000,000	\$ 3,253,375	\$ 1,253,375	\$ 2,927,284
Earnings on investments	-	-	61,436	61,436	65,740
Other	-	-	-	-	671,388
<b>Total revenues</b>	<b>1,900,000</b>	<b>2,000,000</b>	<b>3,314,811</b>	<b>1,314,811</b>	<b>3,664,412</b>
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Site improvement					
Purchased services	286,535	350,000	163,740	186,260	246,961
Supplies	-	-	440	(440)	-
Other	-	-	15	(15)	30
<b>Total site improvement</b>	<b>286,535</b>	<b>350,000</b>	<b>164,195</b>	<b>185,805</b>	<b>246,991</b>
Architecture and engineering services					
Salaries	140,000	213,900	219,869	(5,969)	199,642
Benefits	31,950	64,450	65,613	(1,163)	58,243
Purchased services	283,996	707,600	137,037	570,563	140,585
Other	-	-	-	-	2,053
<b>Total architecture and engineering services</b>	<b>455,946</b>	<b>985,950</b>	<b>422,519</b>	<b>563,431</b>	<b>400,523</b>
Building improvement					
Purchased services	2,149,781	6,154,827	1,813,583	4,341,244	1,129,225
Supplies	15,000	65,000	38,092	26,908	2,873
Property	31,442	31,442	18,569	12,873	140,453
Other	13,400	13,400	51,965	(38,565)	134,318
<b>Total building improvement</b>	<b>2,209,623</b>	<b>6,264,669</b>	<b>1,922,209</b>	<b>4,342,460</b>	<b>1,406,869</b>
<b>Total capital outlay, facilities acquisition and construction</b>	<b>2,952,104</b>	<b>7,600,619</b>	<b>2,508,923</b>	<b>5,091,696</b>	<b>2,054,383</b>
<b>Total expenditures</b>	<b>2,952,104</b>	<b>7,600,619</b>	<b>2,508,923</b>	<b>5,091,696</b>	<b>2,054,383</b>
<b>Net change in fund balances</b>	<b>(1,052,104)</b>	<b>(5,600,619)</b>	<b>805,888</b>	<b>6,406,507</b>	<b>1,610,029</b>
<b>FUND BALANCE, July 1</b>	<b>1,052,104</b>	<b>5,600,619</b>	<b>5,600,619</b>	<b>-</b>	<b>3,990,590</b>
<b>FUND BALANCE, June 30</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 6,406,507</b>	<b>\$ 6,406,507</b>	<b>\$ 5,600,619</b>

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

	2004 BUDGET		2004 ACTUAL	2004 VARIANCE TO FINAL BUDGET	2003
	ORIGINAL	FINAL			ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 1,568	\$ 5,837	\$ 4,269	\$ 35,787
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Site improvement					
Purchased services	119,879	140,000	139,148	852	-
Other	-	-	15	(15)	-
Total site improvement	119,879	140,000	139,163	837	-
Architecture and engineering services					
Purchased services	83,778	223,000	206,425	16,575	149,544
Building improvement					
Purchased services	543,735	542,000	476,795	65,205	1,693,156
Other	-	-	-	-	15
Total building improvement	543,735	542,000	476,795	65,205	1,693,171
Total expenditures	747,392	905,000	822,383	82,617	1,842,715
Net change in fund balances	(747,392)	(903,432)	(816,546)	86,886	(1,806,928)
<b>FUND BALANCE, July 1</b>	747,392	903,432	903,432	-	2,710,360
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 86,886	\$ 86,886	\$ 903,432

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 2,000	\$ 1,797	\$ (203)	\$ -
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Building improvement					
Purchased services	-	4,967	-	4,967	6,200
Building acquisition and construction					
Purchased services	-	-	-	-	181,555
Total expenditures	-	4,967	-	4,967	252,205
Net change in fund balances	-	(2,967)	1,797	4,764	(252,205)
<b>FUND BALANCE, July 1</b>	-	2,967	2,967	-	255,172
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 4,764	\$ 4,764	\$ 2,967

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Rental income	\$ 50,000	\$ 50,000	\$ 48,556	\$ (1,444)	\$ 45,955
Earnings on investments	-	-	7,813	7,813	14,523
Sale of property	-	-	42,000	42,000	575,522
Total revenues	50,000	50,000	98,369	48,369	636,000
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Land acquisition					
Purchased services	-	-	9,200	(9,200)	8,837
Property	-	483,000	-	483,000	978,425
Total land acquisition	-	483,000	9,200	473,800	987,262
Site improvement					
Purchased services	-	100,000	3,990	96,010	407,476
Other	-	-	-	-	30,015
Total site improvement	-	100,000	3,990	96,010	437,491
Architecture and engineering services					
Purchased services	50,000	102,552	144	102,408	19,058
Building improvement					
Purchased services	-	188	-	188	-
Supplies	-	13,312	7,052	6,260	87
Property	-	1,500	-	1,500	9,446
Total building improvement	-	15,000	7,052	7,948	9,533
Total expenditures	50,000	700,552	20,386	680,166	1,453,344
Excess (deficiency) of revenues over expenditures	-	(650,552)	77,983	728,535	(817,344)
<b>OTHER FINANCING USES:</b>					
Transfers out	-	-	-	-	(150,000)
Net change in fund balances	-	(650,552)	77,983	728,535	(967,344)
<b>FUND BALANCE, July 1</b>	-	650,552	650,552	-	1,617,896
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 728,535	\$ 728,535	\$ 650,552

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ -	\$ 10,569	\$ 10,569	\$ 7,680
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Site improvement					
Purchased services	-	-	-	-	62,503
Architecture and engineering services					
Purchased services	4,456	5,000	4,464	536	68,630
Building improvement					
Purchased services	634,659	1,319,898	1,312,980	6,918	2,802,290
Other	-	-	14	(14)	30
Total building improvement	634,659	1,319,898	1,312,994	6,904	2,802,320
Total expenditures	639,115	1,324,898	1,317,458	7,440	2,933,453
Excess (deficiency) of revenue over expenditures	(639,115)	(1,324,898)	(1,306,889)	18,009	(2,925,773)
<b>OTHER FINANCING SOURCES:</b>					
Capital leases	-	1,782,098	1,782,098	-	-
Total other financing sources (uses)	-	1,782,098	1,782,098	-	-
Net change in fund balances	(639,115)	457,200	475,209	18,009	(2,925,773)
<b>FUND BALANCE, July 1</b>	639,115	639,115	639,115	-	3,564,888
<b>FUND BALANCE, June 30</b>	\$ -	\$ 1,096,315	\$ 1,114,324	\$ 18,009	\$ 639,115

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ -	\$ 2,888	\$ 2,888	\$ 13,971
Prior year refund	-	90,000	90,000	-	-
Total revenues	-	90,000	92,888	2,888	13,971
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction					
Architecture and engineering services					
Purchased services	-	100,000	-	100,000	-
Building acquisition and construction:					
Purchased services	242,625	200,000	80,698	119,302	-
Building improvement:					
Purchased services	-	90,283	1,079	89,204	113,505
Other	-	-	-	-	15
Total building improvement	-	90,283	1,079	89,204	113,520
Total expenditures	242,625	390,283	81,777	308,506	113,520
Net change in fund balances	(242,625)	(300,283)	11,111	311,394	(99,549)
<b>FUND BALANCE, July 1</b>	242,625	300,283	300,283	-	399,832
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 311,394	\$ 311,394	\$ 300,283

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ -	\$ 6,717	\$ 6,717	\$ 30,403
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction					
Building improvement:					
Purchased services	639,501	669,904	-	669,904	-
Net change in fund balances	(639,501)	(669,904)	6,717	676,621	30,403
<b>FUND BALANCE, July 1</b>	639,501	669,904	669,904	-	639,501
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 676,621	\$ 676,621	\$ 669,904

# Internal

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# 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, 2004**

	<u>INSURANCE FUND (PROPERTY CASUALTY)</u>	<u>INSURANCE FUND (HEALTH INSURANCE)</u>	<u>INSURANCE FUND (WORKERS' COMPENSATION)</u>	<u>TOTAL</u>
<b>ASSETS</b>				
Current assets:				
Cash and Investments	\$ 3,003,915	\$ 7,522,051	\$ 4,476,571	\$ 15,002,537
Accounts receivable	1,769	406,894	-	408,663
Accrued interest receivable	<u>2,066</u>	<u>4,504</u>	<u>1,698</u>	<u>8,268</u>
Total assets	<u>3,007,750</u>	<u>7,933,449</u>	<u>4,478,269</u>	<u>15,419,468</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	43,486	618	4,610	48,714
Accrued liabilities	205,855	2,956	-	208,811
Pending claims	544,000	5,521,727	1,142,000	7,207,727
Deferred revenue	<u>-</u>	<u>900</u>	<u>16,445</u>	<u>17,345</u>
Total current liabilities	<u>793,341</u>	<u>5,526,201</u>	<u>1,163,055</u>	<u>7,482,597</u>
Noncurrent liabilities:				
Pending claims	<u>1,610,000</u>	<u>-</u>	<u>2,644,000</u>	<u>4,254,000</u>
Total liabilities	<u>2,403,341</u>	<u>5,526,201</u>	<u>3,807,055</u>	<u>11,736,597</u>
<b>NET ASSETS</b>				
Unrestricted	<u>604,409</u>	<u>2,407,248</u>	<u>671,214</u>	<u>3,682,871</u>
Total net assets	<u>\$ 604,409</u>	<u>\$ 2,407,248</u>	<u>\$ 671,214</u>	<u>\$ 3,682,871</u>

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

	<u>INSURANCE FUND (PROPERTY CASUALTY)</u>	<u>INSURANCE FUND (HEALTH INSURANCE)</u>	<u>INSURANCE FUND (WORKERS' COMPENSATION)</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 3,057,129	\$ 39,121,737	\$ 2,889,976	\$ 45,068,842
<b>OPERATING EXPENSES</b>				
Salaries and benefits	-	55,773	-	55,773
Employee benefits	-	37,190,621	-	37,190,621
Claims and services	2,840,250	1,586,528	2,650,176	7,076,954
Total operating expenses	2,840,250	38,832,922	2,650,176	44,323,348
Operating income	216,879	288,815	239,800	745,494
<b>NONOPERATING REVENUES</b>				
Earnings on investments	18,615	22,614	41,357	82,586
Income before transfers	235,494	311,429	281,157	828,080
<b>TRANSFERS IN</b>				
General Fund	-	3,737,248	-	3,737,248
Change in net assets	235,494	4,048,677	281,157	4,565,328
<b>NET ASSETS - July 1</b>	368,915	(1,641,429)	390,057	(882,457)
<b>NET ASSETS - June 30</b>	\$ 604,409	\$ 2,407,248	\$ 671,214	\$ 3,682,871

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

	<b>INSURANCE FUND (PROPERTY CASUALTY)</b>	<b>INSURANCE FUND (HEALTH INSURANCE)</b>	<b>INSURANCE FUND (WORKERS' COMPENSATION)</b>	<b>TOTAL</b>
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>				
Cash flows from operating activities:				
Cash received for services	\$ 3,055,360	\$ 39,144,452	\$ 2,906,421	\$ 45,106,233
Cash paid for salaries and benefits	-	(55,773)	-	(55,773)
Cash payments for employee benefits	-	(37,480,242)	-	(37,480,242)
Cash payments for claims and services	(2,293,994)	(1,586,528)	(2,002,124)	(5,882,646)
Net cash provided by operating activities	761,366	21,909	904,297	1,687,572
Cash flows from noncapital financing activities:				
Transfer from General Fund	-	3,737,248	-	3,737,248
Cash flows from investing activities:				
Interest received on investments	18,132	20,359	42,847	81,338
Net increase in cash and cash equivalents	779,498	3,779,516	947,144	5,506,158
<b>Cash and investments, July 1</b>	<b>2,224,417</b>	<b>3,742,535</b>	<b>3,529,427</b>	<b>9,496,379</b>
<b>Cash and investments, June 30</b>	<b>\$ 3,003,915</b>	<b>\$ 7,522,051</b>	<b>\$ 4,476,571</b>	<b>\$ 15,002,537</b>
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS</b>				
Operating income	\$ 216,879	\$ 288,815	\$ 239,800	\$ 745,494
Adjustments to reconcile operating income to net cash provided by operations:				
Changes in assets and liabilities:				
Accounts receivable	(1,769)	23,619	-	21,850
Accounts payable	(102,297)	409	4,111	(97,777)
Accrued liabilities	204,553	(418,106)	(59)	(213,612)
Pending claims	444,000	128,076	644,000	1,216,076
Deferred revenue	-	(904)	16,445	15,541
Total adjustments	544,487	(266,906)	664,497	942,078
Net cash provided by operations	\$ 761,366	\$ 21,909	\$ 904,297	\$ 1,687,572

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,057,129	\$ 3,057,129	\$ 3,057,129	\$ -	\$ 3,571,606
<b>OPERATING EXPENSES</b>					
General Government:					
Claims and services	2,744,644	3,041,187	2,840,250	200,937	3,331,296
Operating income	312,485	15,942	216,879	200,937	240,310
<b>NONOPERATING REVENUES</b>					
Earnings on investments	6,000	11,937	18,615	6,678	9,233
Total nonoperating revenues	6,000	11,937	18,615	6,678	9,233
Change in net assets	318,485	27,879	235,494	207,615	249,543
<b>NET ASSETS - July 1</b>	<u>580,504</u>	<u>368,915</u>	<u>368,915</u>	<u>-</u>	<u>119,372</u>
<b>NET ASSETS - June 30</b>	<u>\$ 898,989</u>	<u>\$ 396,794</u>	<u>\$ 604,409</u>	<u>\$ 207,615</u>	<u>\$ 368,915</u>

**WASHOE COUNTY SCHOOL DISTRICT  
INSURANCE FUND - PROPERTY AND CASUALTY  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>					
Cash flows from operating activities:					
Cash received for services	\$ 3,057,129	\$ 3,057,129	\$ 3,055,360	\$ (1,769)	\$ 3,571,606
Cash payments for claims and services	(2,488,144)	(2,597,187)	(2,293,994)	303,193	(3,116,675)
Net cash provided by operating activities	568,985	459,942	761,366	301,424	454,931
Cash flows from investing activities:					
Interest received on investments	6,000	11,937	18,132	6,195	8,803
Net increase in cash and cash equivalents	574,985	471,879	779,498	307,619	463,734
<b>Cash and investments, July 1</b>	2,224,417	2,224,417	2,224,417	-	1,760,683
<b>Cash and investments, June 30</b>	<u>\$ 2,799,402</u>	<u>\$ 2,696,296</u>	<u>\$ 3,003,915</u>	<u>\$ 307,619</u>	<u>\$ 2,224,417</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS</b>					
Operating income	\$ 312,485	\$ 15,942	\$ 216,879	\$ 200,937	\$ 240,310
Adjustments to reconcile operating income to net cash provided by operations:					
Changes in assets and liabilities:					
Accounts receivable	-	-	(1,769)	(1,769)	-
Accounts payable	-	-	(102,297)	(102,297)	(16,505)
Accrued liabilities	-	-	204,553	204,553	(1,821)
Pending claims	256,500	444,000	444,000	-	232,947
Total adjustments	256,500	444,000	544,487	100,487	214,621
Net cash provided by operations	<u>\$ 568,985</u>	<u>\$ 459,942</u>	<u>\$ 761,366</u>	<u>\$ 301,424</u>	<u>\$ 454,931</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, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 40,130,104	\$ 40,130,104	\$ 39,121,737	\$ (1,008,367)	\$ 38,961,296
<b>OPERATING EXPENSES</b>					
General Government:					
Salaries and benefits	39,668	39,668	55,773	(16,105)	53,816
Employee benefits	40,239,334	40,239,334	37,190,621	3,048,713	40,335,511
Services and supplies	1,546,755	1,560,182	1,586,528	(26,346)	1,582,826
Total operating expenses	41,825,757	41,839,184	38,832,922	3,006,262	41,972,153
Operating income (loss)	(1,695,653)	(1,709,080)	288,815	1,997,895	(3,010,857)
<b>NONOPERATING REVENUES</b>					
Earnings on investments	20,773	20,773	22,614	1,841	28,739
Income (loss) before transfers	(1,674,880)	(1,688,307)	311,429	1,999,736	(2,982,118)
<b>TRANSFERS IN</b>					
General Fund	1,929,992	3,737,248	3,737,248	-	1,753,533
Change in net assets	255,112	2,048,941	4,048,677	1,999,736	(1,228,585)
<b>NET ASSETS - July 1</b>	(255,112)	(1,641,429)	(1,641,429)	-	(412,844)
<b>NET ASSETS - June 30</b>	\$ -	\$ 407,512	\$ 2,407,248	\$ 1,999,736	\$ (1,641,429)

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

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>					
Cash flows from operating activities:					
Cash received for services	\$ 40,130,104	\$ 40,130,104	\$ 39,144,452	\$ (985,652)	\$ 38,709,280
Cash paid for salaries	(39,668)	(39,668)	(55,773)	(16,105)	(53,816)
Cash payments for employee benefits	(39,477,929)	(39,477,929)	(37,480,242)	1,997,687	(39,237,737)
Cash payments for services and supplies	(1,546,755)	(1,560,182)	(1,586,528)	(26,346)	(1,582,826)
Net cash provided (used) by operating activities	(934,248)	(947,675)	21,909	969,584	(2,165,099)
Cash flows from noncapital financing activities:					
Transfer from General Fund	1,929,992	3,737,248	3,737,248	-	1,753,533
Cash flows from investing activities:					
Interest received on investments	20,773	20,773	20,359	(414)	30,010
Net increase (decrease) in cash and cash equivalents	1,016,517	2,810,346	3,779,516	969,170	(381,556)
<b>Cash and investments, July 1</b>	<b>3,742,535</b>	<b>3,742,535</b>	<b>3,742,535</b>	<b>-</b>	<b>4,124,091</b>
<b>Cash and investments, June 30</b>	<b>\$ 4,759,052</b>	<b>\$ 6,552,881</b>	<b>\$ 7,522,051</b>	<b>\$ 969,170</b>	<b>\$ 3,742,535</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ (1,695,653)	\$ (1,709,080)	\$ 288,815	\$ 1,997,895	\$ (3,010,857)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Changes in assets and liabilities:					
Accounts receivable	-	-	23,619	23,619	(248,846)
Accounts payable	-	-	409	409	209
Accrued liabilities	-	-	(418,106)	(418,106)	129,959
Pending claims	761,405	761,405	128,076	(633,329)	967,621
Deferred revenue	-	-	(904)	(904)	(3,170)
Due to other funds	-	-	-	-	(15)
Total Adjustments	761,405	761,405	(266,906)	(1,028,311)	845,758
Net cash provided (used) by operations	\$ (934,248)	\$ (947,675)	\$ 21,909	\$ 969,584	\$ (2,165,099)

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

	<u>2004 BUDGET</u>		<u>2004</u>		<u>2003</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,900,080	\$ 2,900,080	\$ 2,889,976	\$ (10,104)	\$ 2,668,569
<b>OPERATING EXPENSES</b>					
General Government:					
Claims and services	2,968,653	2,968,653	2,650,176	318,477	2,321,373
Operating income (loss)	(68,573)	(68,573)	239,800	308,373	347,196
<b>NONOPERATING REVENUES</b>					
Earnings on investments	37,611	37,611	41,357	3,746	40,511
Change in net assets	(30,962)	(30,962)	281,157	312,119	387,707
<b>NET ASSETS - July 1</b>	<u>159,210</u>	<u>390,057</u>	<u>390,057</u>	<u>-</u>	<u>2,350</u>
<b>NET ASSETS - June 30</b>	<u>\$ 128,248</u>	<u>\$ 359,095</u>	<u>\$ 671,214</u>	<u>\$ 312,119</u>	<u>\$ 390,057</u>

**WASHOE COUNTY SCHOOL DISTRICT  
INSURANCE FUND - WORKERS' COMPENSATION  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2004  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2003)**

	2004 BUDGET		2004		2003
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>INCREASE IN CASH AND INVESTMENTS</b>					
Cash Flows from operating activities:					
Cash received for services	\$ 2,900,080	\$ 2,900,080	\$ 2,906,421	\$ 6,341	\$ 2,896,960
Payments for claims and services	(2,497,353)	(2,497,353)	(2,002,124)	495,229	(1,925,414)
Net cash provided by operating activities	402,727	402,727	904,297	501,570	971,546
Cash flows from investing activities:					
Interest received on investments	37,611	37,611	42,847	5,236	41,149
Net increase in cash and cash equivalents	440,338	440,338	947,144	506,806	1,012,695
<b>Cash and investments, July 1</b>	<b>3,529,427</b>	<b>3,529,427</b>	<b>3,529,427</b>	<b>-</b>	<b>2,516,732</b>
<b>Cash and investments, June 30</b>	<b>\$ 3,969,765</b>	<b>\$ 3,969,765</b>	<b>\$ 4,476,571</b>	<b>\$ 506,806</b>	<b>\$ 3,529,427</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS</b>					
Operating income (loss)	\$ (68,573)	\$ (68,573)	\$ 239,800	\$ 308,373	\$ 347,196
Adjustments to reconcile operating income (loss) to net cash provided by operations:					
Changes in assets and liabilities:					
Due from other funds	-	-	-	-	228,391
Accounts payable	-	-	4,111	4,111	(34,976)
Accrued liabilities	-	-	(59)	(59)	(30,065)
Pending claims	471,300	471,300	644,000	172,700	461,000
Deferred revenue	-	-	16,445	16,445	-
Total adjustments	471,300	471,300	664,497	193,197	624,350
Net cash provided by operations	\$ 402,727	\$ 402,727	\$ 904,297	\$ 501,570	\$ 971,546

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# Fiduciary Funds

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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, 2004**

	<u>JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 2004</u>
<b>Student Activities</b>				
ASSETS				
Cash and investments	\$ 5,267,892	\$ 14,857,765	\$ 14,119,903	\$ 6,005,754
LIABILITIES				
Due to student groups	\$ 5,267,892	\$ 14,857,765	\$ 14,119,903	\$ 6,005,754
<b>80/5 Salary Plan</b>				
ASSETS				
Cash and investments	\$ 682,129	\$ 230,312	\$ 167,333	\$ 745,108
LIABILITIES				
Accrued liabilities	\$ 682,129	\$ 230,312	\$ 167,333	\$ 745,108
<b>Nevada Interscholastic Athletic Association</b>				
ASSETS				
Accounts receivable	\$ 20,544	\$ 29,497	\$ 20,544	\$ 29,497
LIABILITIES				
Accrued liabilities	\$ 9,532	\$ 254,257	\$ 255,527	\$ 8,262
Due to other funds	11,012	21,235	11,012	21,235
Total liabilities	\$ 20,544	\$ 275,492	\$ 266,539	\$ 29,497
<b>Totals - All Agency Funds</b>				
ASSETS				
Cash and investments	\$ 5,950,021	\$ 15,088,077	\$ 14,287,236	\$ 6,750,862
Accounts receivable	20,544	29,497	20,544	29,497
Total assets	\$ 5,970,565	\$ 15,117,574	\$ 14,307,780	\$ 6,780,359
LIABILITIES				
Accrued liabilities	\$ 691,661	\$ 484,569	\$ 422,860	\$ 753,370
Due to student groups	5,267,892	14,857,765	14,119,903	6,005,754
Due to other funds	11,012	21,235	11,012	21,235
Total liabilities	\$ 5,970,565	\$ 15,363,569	\$ 14,553,775	\$ 6,780,359

**WASHOE COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

<u>SCHOOLS</u>	<u>BALANCE JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2004</u>
<b>ELEMENTARY SCHOOLS:</b>				
Allen	\$ 11,968	\$ 54,044	\$ 45,408	\$ 20,604
Anderson	18,696	46,981	49,383	16,294
Beasley	21,493	61,174	51,388	31,279
Beck	9,821	61,842	63,654	8,009
Bennett	15,488	32,732	36,441	11,779
Booth	44,996	61,179	64,562	41,613
Brown	35,880	71,794	75,150	32,524
Cannan	24,839	39,536	47,705	16,670
Caughlin Ranch*	29,941	92,471	107,902	14,510
Corbett	19,380	37,258	36,506	20,132
Desert Heights*	9,525	42,568	46,661	5,432
Diedrichsen	10,309	36,033	37,950	8,392
Dodson	20,525	41,474	41,766	20,233
Donner Springs	13,885	74,705	68,164	20,426
Double Diamond	11,334	113,992	94,959	30,367
Drake	17,149	65,749	61,584	21,314
Duncan	1,863	50,512	40,132	12,243
Dunn	38,792	72,757	92,871	18,678
Elmcrest	7,153	33,654	31,960	8,847
Gomes	23,713	96,765	93,361	27,117
Gomm	22,237	62,260	69,084	15,413
Greenbrae*	3,289	38,043	37,276	4,056
Hidden Valley	7,465	52,012	50,535	8,942
Huffaker	28,477	174,682	160,436	42,723
Hunsberger	29,929	168,449	178,579	19,799
Hunter Lake*	47,062	35,607	40,807	41,862
Incline	41,370	197,588	185,644	53,314
Juniper	16,657	65,369	63,602	18,424
Lemmon Valley	43,271	102,118	95,561	49,828
Lenz	37,533	89,288	66,503	60,318
Lincoln Park	15,335	35,423	41,937	8,821
Loder	25,186	20,554	16,424	29,316
Mathews	49,037	134,763	154,901	28,899
Maxwell	12,635	33,691	33,654	12,672
Melton	9,233	121,011	70,260	59,984
Mitchell	8,109	23,276	24,110	7,275
Moss	25,835	73,186	80,243	18,778
Mount Rose	16,085	80,933	38,851	58,167
Natchez	10,982	14,151	15,012	10,121
Palmer	7,193	61,820	58,340	10,673
Peavine	14,505	47,525	44,263	17,767
Picollo	92,557	90,222	112,142	70,637
Pleasant Valley	22,241	90,566	94,779	18,028
Risley	9,515	31,362	27,992	12,885
Sierra Vista	2,784	26,686	24,234	5,236
Silver Lake*	12,075	50,920	51,771	11,224
Smith, Alice*	36,447	68,797	60,224	45,020
Smith, Kate	7,029	17,799	20,819	4,009
Smithridge	16,720	34,330	32,812	18,238
Spanish Springs	38,750	150,856	144,280	45,326
Stead	18,114	67,744	71,593	14,265
Sun Valley	26,490	33,067	37,623	21,934
Taylor	9,710	129,544	129,305	9,949
Towles	16,863	75,311	63,450	28,724

**(CONTINUED)**

**WASHOE COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2004**

<u>SCHOOLS</u>	<u>BALANCE JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2004</u>
<b>ELEMENTARY SCHOOLS (CONTINUED):</b>				
Van Gorder*	\$ 22,224	\$ 100,349	\$ 104,377	\$ 18,196
Verdi	14,033	87,059	87,067	14,025
Veterans	26,841	30,408	35,023	22,226
Warner	9,359	48,490	48,466	9,383
Westergard	17,746	90,073	88,031	19,788
Whitehead	26,865	55,546	56,146	26,265
Winnemucca	15,195	112,558	107,133	20,620
	<hr/>	<hr/>	<hr/>	<hr/>
Total Elementary Schools	1,299,733	4,210,656	4,110,796	1,399,593
<b>MIDDLE SCHOOLS:</b>				
Billinghurst	132,967	218,193	196,195	154,965
Clayton*	68,592	126,916	128,594	66,914
Dilworth	33,863	81,611	80,236	35,238
Incline*	45,915	95,667	87,681	53,901
Mendive*	98,807	221,965	215,592	105,180
O'Brien	56,549	183,449	194,366	45,632
Pine	50,726	191,383	172,576	69,533
Sparks	55,724	158,087	139,106	74,705
Swope	33,419	157,050	146,979	43,490
Traner	13,999	37,342	38,396	12,945
Vaughn*	42,276	101,639	113,659	30,256
	<hr/>	<hr/>	<hr/>	<hr/>
Total Middle Schools	632,837	1,573,302	1,513,380	692,759
<b>HIGH SCHOOLS:</b>				
Damonte Ranch	5,788	648,497	495,845	158,440
Galena	516,990	1,341,718	1,269,560	589,148
Gerlach(1)*	59,744	75,404	74,873	60,275
Hug*	179,939	234,494	256,547	157,886
Incline	110,251	395,650	392,859	113,042
McQueen*	641,236	1,310,284	1,338,089	613,431
North Valleys*	188,593	573,129	486,825	274,897
Reed	319,964	1,149,015	1,140,846	328,133
Regional Technical Institute*	53,434	165,983	165,931	53,486
Reno	485,458	1,232,698	1,162,264	555,892
Spanish Springs*	198,035	788,362	657,538	328,859
Sparks	215,874	526,233	478,869	263,238
TMCC*	41,370	40,267	25,691	55,946
Washoe*	76,738	53,833	47,031	83,540
Wooster	241,908	538,240	502,959	277,189
	<hr/>	<hr/>	<hr/>	<hr/>
Total High Schools	3,335,322	9,073,807	8,495,727	3,913,402
	<hr/>	<hr/>	<hr/>	<hr/>
TOTALS	\$ 5,267,892	\$ 14,857,765	\$ 14,119,903	\$ 6,005,754

(1) Includes E.M. Johnson Elementary

\* Audited by Internal Audit

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# Capital Assets

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# 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  
COMPARATIVE SCHEDULES BY SOURCE  
JUNE 30, 2004 AND 2003**

	<u><b>2004</b></u>	<u><b>2003</b></u>
Governmental funds capital assets:		
Land	\$ 27,938,932	\$ 27,899,389
Buildings	505,363,946	461,340,269
Improvements other than buildings	4,890,256	1,315,530
Machinery and equipment	35,579,329	27,390,677
Construction in progress	20,660,038	40,007,776
Total governmental funds capital assets	<u>\$ 594,432,501</u>	<u>\$ 557,953,641</u>
 Investments in governmental funds capital assets by source:		
General fund	\$ 140,568,697	\$ 136,413,375
Special revenue funds	3,140,456	2,651,705
Capital projects funds	449,905,172	418,083,243
Donations	818,176	805,318
Total governmental funds capital assets	<u>\$ 594,432,501</u>	<u>\$ 557,953,641</u>

**WASHOE COUNTY SCHOOL DISTRICT  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY FUNCTION AND ACTIVITY  
JUNE 30, 2004**

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVMENTS OTHER THAN BUILDINGS</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
General Government:						
Instruction	\$ 131,639	\$ 253,565	\$ 25,603	\$ 6,982,008	\$ -	\$ 7,392,815
Student support	-	-	-	448,887	-	448,887
Instructional staff support	-	-	-	531,026	-	531,026
General administration	-	-	-	209,083	-	209,083
School administration	-	-	-	7,954	-	7,954
Business administration	-	-	-	570,634	-	570,634
Operation/maintenance	-	9,924,637	-	882,649	-	10,807,286
Student transportation	-	-	-	16,561,333	-	16,561,333
Central support	-	-	-	857,200	-	857,200
Other support	-	-	-	42,853	-	42,853
Nutrition services operation	-	-	-	1,520,099	-	1,520,099
Facilities acquisition and construction	27,807,293	495,185,744	4,864,653	6,965,603	20,660,038	555,483,331
Total governmental funds capital assets	<u>\$ 27,938,932</u>	<u>\$ 505,363,946</u>	<u>\$ 4,890,256</u>	<u>\$ 35,579,329</u>	<u>\$ 20,660,038</u>	<u>\$ 594,432,501</u>

**WASHOE COUNTY SCHOOL DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY  
 FOR THE YEAR ENDED JUNE 30, 2004**

<u>FUNCTION AND ACTIVITY</u>	<u>GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2003</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2004</u>
General Government:				
Instruction	\$ 3,425,305	\$ 3,973,684	\$ 6,174	\$ 7,392,815
Student support	202,000	246,887	-	448,887
Instructional staff support	433,088	97,938	-	531,026
General administration	209,083	-	-	209,083
School administration	7,954	-	-	7,954
Business administration	554,090	16,544	-	570,634
Operation and maintenance	10,788,486	18,800	-	10,807,286
Student transportation	16,528,873	32,460	-	16,561,333
Central support	651,228	211,739	5,767	857,200
Other support	42,853	-	-	42,853
Nutrition services	1,432,736	132,637	45,274	1,520,099
Facilities acquisition and construction	523,677,945	31,858,106	52,720	555,483,331
Total government funds capital assets	<u>\$ 557,953,641</u>	<u>\$ 36,588,795</u>	<u>\$ 109,935</u>	<u>\$ 594,432,501</u>

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# Statistical

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# Section

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

**Table A**

**Government-Wide Expenses by Function**

	<b>2003-04</b>	<b>2002-03</b>	<b>2001-02</b>
<b>Instruction:</b>			
Regular Instruction	\$ 194,831,967	\$ 184,993,866	\$ 180,196,628
Special Instruction	34,870,606	32,001,726	30,070,560
Vocational Instruction	7,299,838	6,227,423	6,593,175
Other Instruction	<u>5,263,695</u>	<u>5,009,228</u>	<u>4,767,957</u>
<b>Total Instruction:</b>	<b>242,266,106</b>	<b>228,232,243</b>	<b>221,628,320</b>
<b>Support Services:</b>			
Student Support	21,195,379	18,448,225	17,903,382
Instructional Staff Support	15,536,807	15,336,683	13,329,522
General Administration	6,261,080	6,077,638	5,542,329
School Administration	21,622,401	19,965,103	18,739,572
Business support	4,549,010	4,218,214	3,989,647
Operation and Maintenance	34,840,160	33,658,260	32,528,440
Student Transportation	13,507,932	13,343,831	12,376,312
Central Support	6,104,423	4,887,624	4,709,401
Other Support	199,114	336,498	179,924
Nutrition Services	13,853,617	13,373,888	12,554,171
Facilities Acquisition and Construction	17,294,160	13,737,063	17,369,591
Interest on Long Term Debt	19,132,944	17,121,442	21,945,321
Issuance Costs on Debt	<u>547,483</u>	<u>459,603</u>	<u>216,650</u>
<b>Total Support Services:</b>	<b>174,644,510</b>	<b>160,964,072</b>	<b>161,384,263</b>
<b>Total</b>	<b><u>\$ 416,910,616</u></b>	<b><u>\$ 389,196,315</u></b>	<b><u>\$ 383,012,583</u></b>

NOTE: FY 2001-02 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**

	<b>2003-04</b>	<b>2002-03</b>	<b>2001-02</b>
<b>Program Revenues:</b>			
Charges for Services	\$ 7,820,959	\$ 7,877,036	\$ 7,679,075
Operating Grants and Contributions	<u>75,489,897</u>	<u>71,314,386</u>	<u>68,176,805</u>
<b>Total Program Revenues:</b>	<b><u>83,310,856</u></b>	<b><u>79,191,422</u></b>	<b><u>75,855,880</u></b>
<b>General Revenues:</b>			
Taxes	264,443,743	242,655,975	229,408,150
Unrestricted Investment Earnings	1,672,999	4,912,745	7,363,521
State Aide	87,154,547	78,721,232	75,088,119
Other	<u>2,439,382</u>	<u>2,942,303</u>	<u>2,037,587</u>
<b>Total General Revenues:</b>	<b><u>355,710,671</u></b>	<b><u>329,232,255</u></b>	<b><u>313,897,377</u></b>
<b>Total</b>	<b><u>\$ 439,021,527</u></b>	<b><u>\$ 408,423,677</u></b>	<b><u>\$ 389,753,257</u></b>

NOTE: FY 2001-02 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

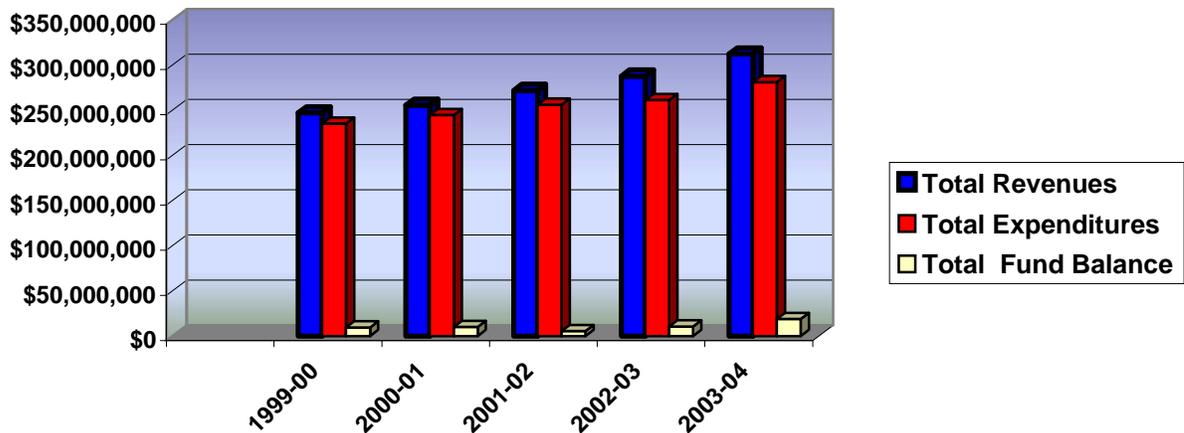
**General Fund Revenues, Expenditures and Fund Balance**  
Last Five Fiscal Years

**Table C**

Fiscal Year	Total Revenues	Total Expenditures	Total Fund Balance
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
2002-03	287,707,834	261,039,474	10,556,064
2003-04	312,124,381	280,997,547	18,910,561

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**

<b>Fiscal Year</b>	<b>Regular Instructional Programs</b>	<b>Vocational / Other Instructional Programs</b>	<b>Undistributed Programs - Support Services</b>	<b>Operating Transfers Out</b>	<b>Totals</b>
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
2002-03	153,533,437	8,945,575	98,560,462	21,805,384	282,844,858
2003-04	166,316,565	10,221,994	104,458,988	27,904,837	308,902,384
		(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

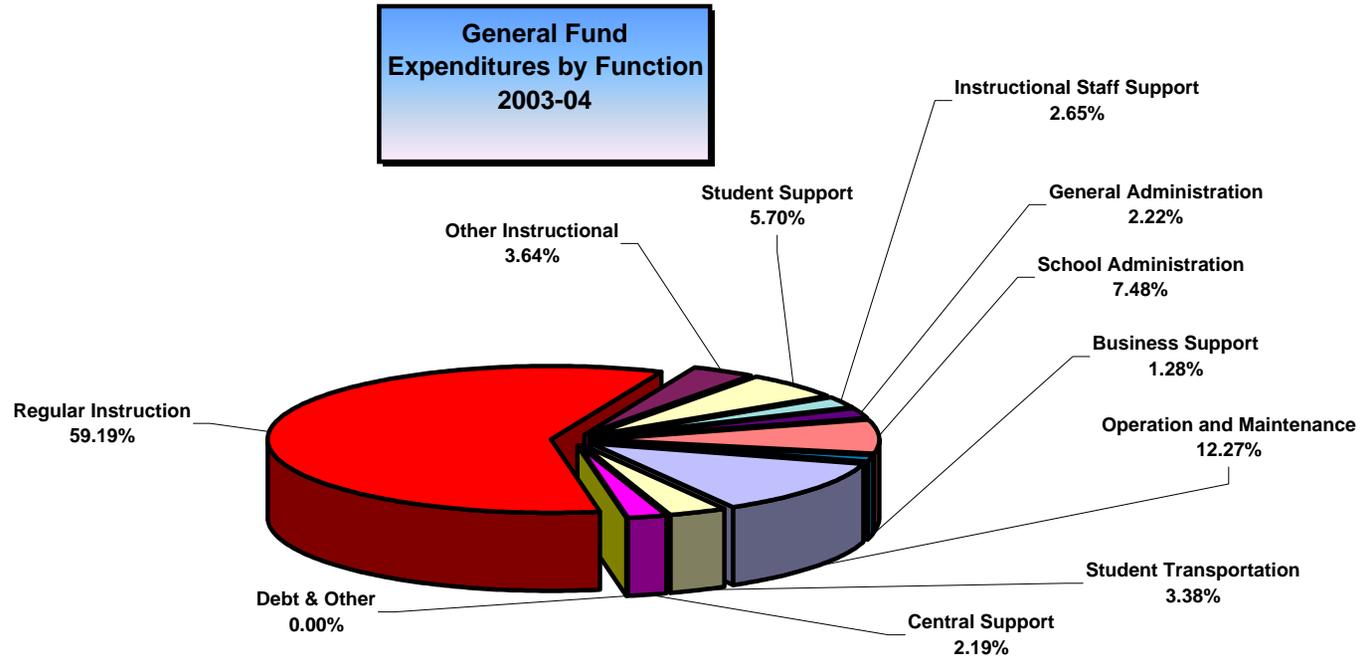
Table E

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
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
2002-03	153,533,437	8,945,575	15,205,529	7,158,059	6,027,809	19,239,496	3,517,896	33,074,471	9,469,947	4,867,255	-	261,039,474
2003-04	166,316,565	10,221,994	16,023,781	7,443,317	6,240,901	21,024,274	3,600,629	34,482,229	9,492,476	6,151,381	-	280,997,547

**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

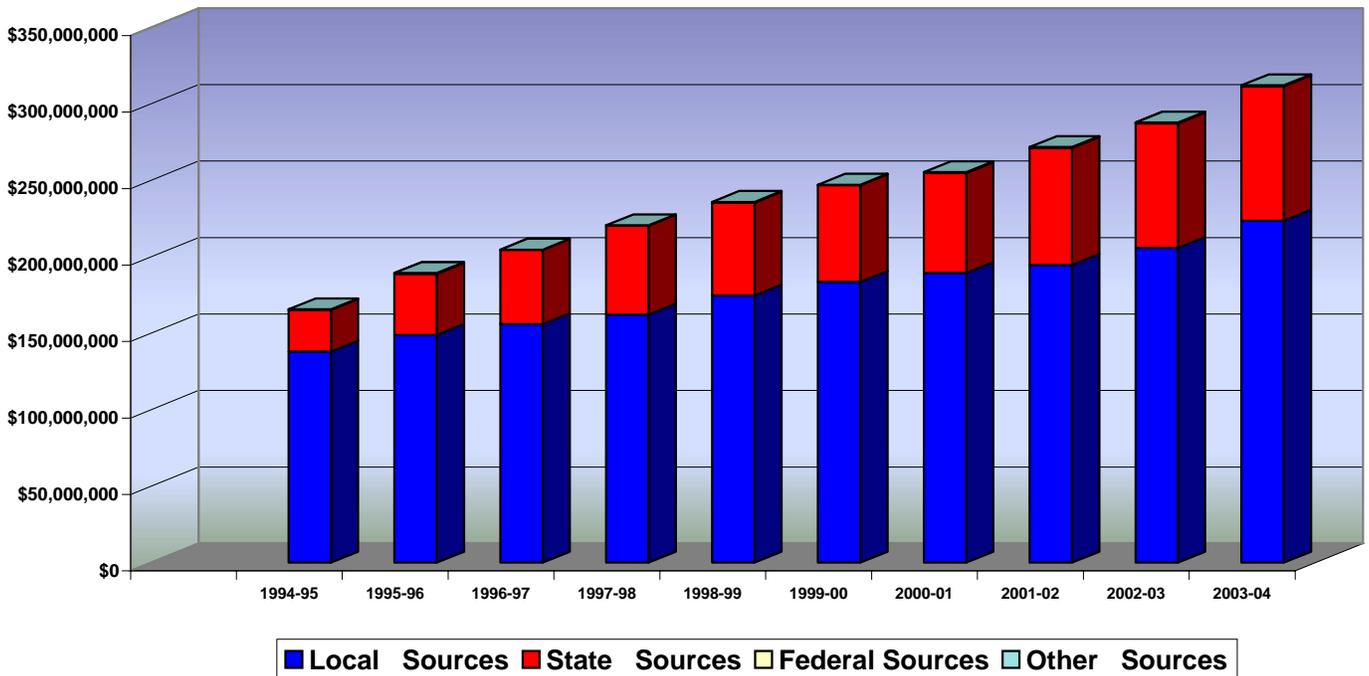
**Table F**

Fiscal Year	Local Sources	State Sources	Federal Sources	Other Sources	Totals
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
2002-03	205,742,088	81,409,735	550,817	5,194	287,707,834
2003-04	223,602,442	87,947,806	572,123	2,010	312,124,381

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

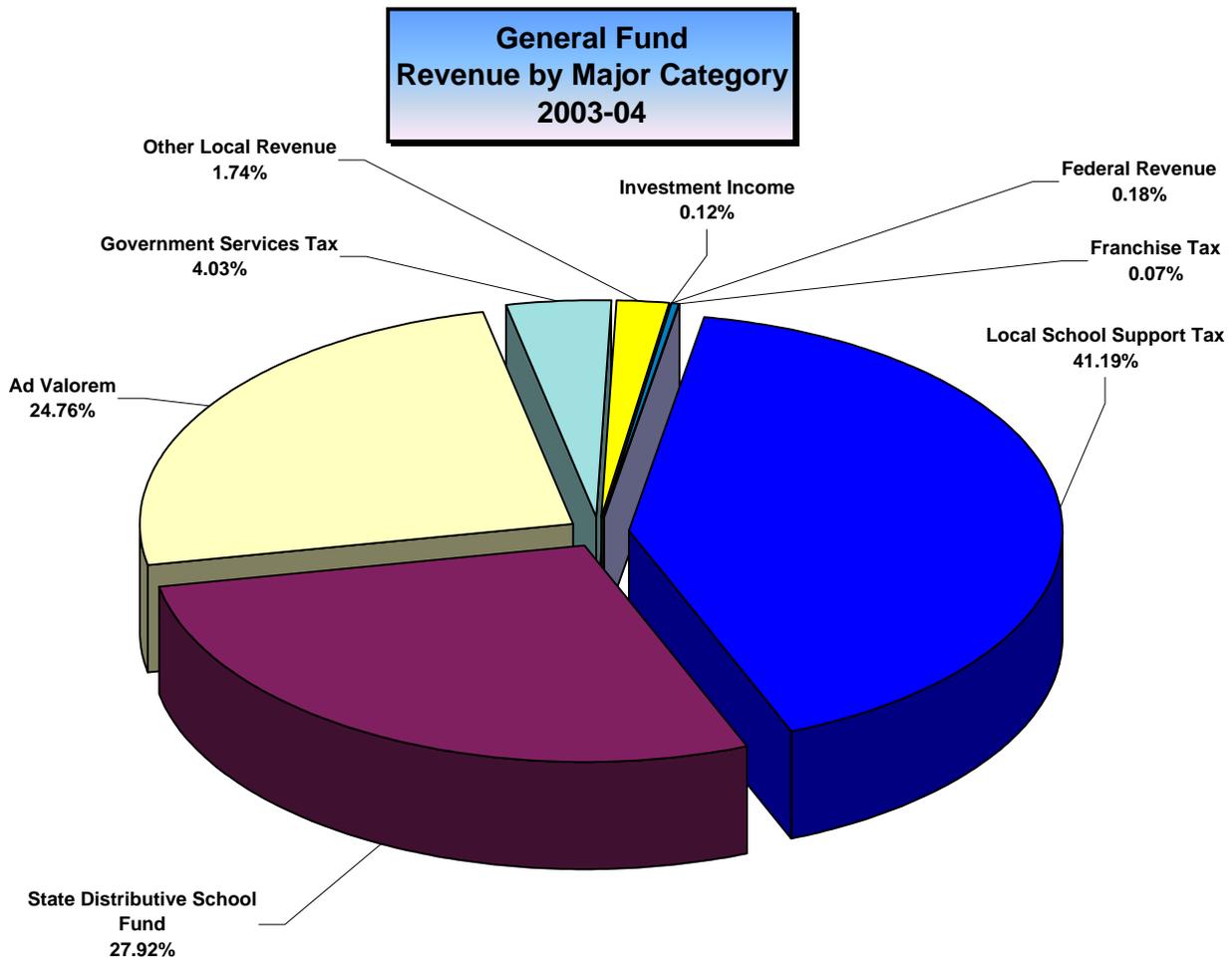
**General Fund Revenues and Other Financing Sources by Major Category  
Last Ten Fiscal Years**

**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
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
2002-03	78,721,232	72,277,614	233,187	11,303,671	116,959,363	439,873	550,817	7,222,077	287,707,834
2003-04	87,154,547	77,268,419	205,259	12,563,725	128,565,040	369,444	572,123	5,425,824	312,124,381

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

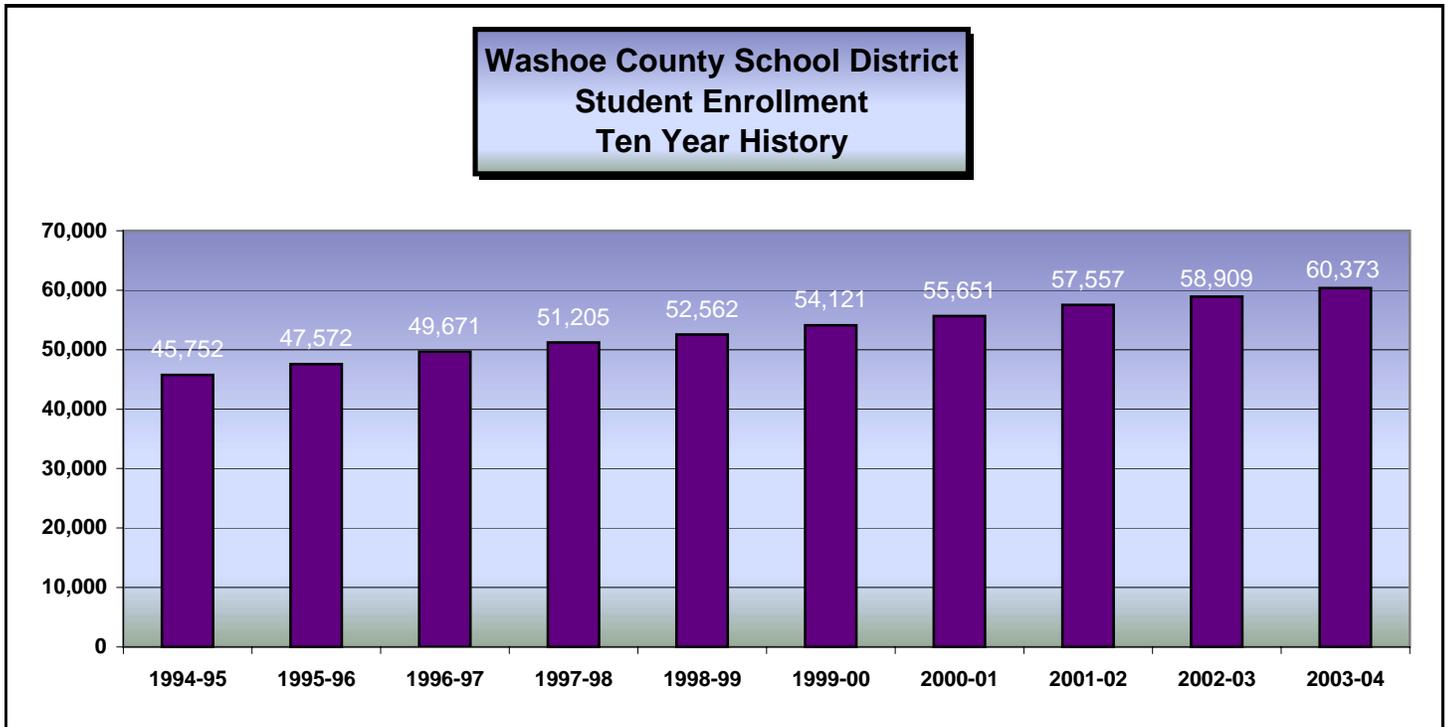
Local Tax Support Per Pupil  
Last Ten Fiscal Years

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 Per SE	Government Services Tax	Government Services Tax Per SE
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	158,047	67,239,288	1,168	112,258,067	1,950	10,338,568	180
2002-03	58,909	9,461,964,345	160,620	72,277,614	1,227	116,959,363	1,985	11,303,671	192
2003-04	60,373	10,408,837,428 (1)	172,409	77,268,419	1,280	128,565,040	2,130	12,563,725	208

(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**

Washoe County, Nevada

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

**Table I**

<b>Fiscal Year</b>	<b>Net Secured Roll Tax Levy</b>	<b>Current Tax Collections</b>	<b>Percent of Levy Collected</b>	<b>Delinquent Tax Collections</b>	<b>Total Tax Collections</b>	<b>Total Collections As Percent of Current Levy</b>	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes As Percent of Current Levy</b>
1994-95	\$ 165,037,382	\$ 161,793,362	98.034%	\$ 3,212,891	\$ 165,006,253	99.981%	\$ 31,129	0.019%
1995-96	179,262,002	176,651,156	98.544%	2,582,709	179,233,865	99.984%	28,137	0.016%
1996-97	197,485,658	194,326,837	98.400%	3,128,922	197,455,759	99.985%	29,899	0.015%
1997-98	212,203,187	208,715,129	98.356%	3,456,427	212,171,556	99.985%	31,631	0.015%
1998-99	239,267,466	235,399,065	98.383%	3,831,563	239,230,628	99.985%	36,838	0.015%
1999-00	261,772,324	258,385,749	98.706%	3,339,045	261,724,794	99.982%	47,530	0.018%
2000-01	273,864,229	270,702,031	98.845%	3,087,891	273,789,922	99.973%	74,307	0.027%
2001-02	291,602,632	288,339,841	98.881%	3,074,482	291,414,323	99.935%	188,309	0.065%
2002-03	320,080,572	316,660,506	98.931%	2,365,368	319,025,874	99.670%	1,054,698	0.330%
2003-04	348,063,837	345,198,433	99.177%	-	345,198,433	99.177%	2,865,404	0.823%

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	
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%
2002-03	8,564,036,703	24,468,676,294	897,927,642	2,565,507,549	9,461,964,345	27,034,183,843	35.000%
2003-04	9,776,291,703	27,932,262,009	632,545,725	1,807,273,500	10,408,837,428	29,739,535,509	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	Combined Special District Tax Rate	Total City of Reno	City of Sparks	Total Washoe County	Combined Special District Tax Rate	Total City of Sparks
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
2002-03	1.1385	1.3453	0.1500	2.6338	0.9456	2.6338	0.0005	3.5799	0.9361	2.6338	0.0005	3.5704
2003-04	1.1385	1.3917	0.1700	2.7002	0.9456	2.7002	0.0020	3.6478	0.9161	2.7002	0.0005	3.6168

Sources: 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 2004-05**

**Table L**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Valuation</b>	<b>Percent of Total Assessed Valuation</b>
<b>1 Circus Circus &amp; Eldorado Joint Venture</b>	Hotel / Casino	\$ 63,563,765	0.58%
<b>2 DP Industrial LLC</b>	Industrial Real Estate	54,973,410	0.50%
<b>3 Dermody Industrial Group</b>	Warehousing	46,431,540	0.42%
<b>4 Peppermill Casinos, Inc.</b>	Hotel / Casino	45,533,188	0.41%
<b>5 Harrah's Club</b>	Hotel / Casino	36,852,458	0.33%
<b>6 Eldorado Resorts LLC</b>	Hotel / Casino	35,675,129	0.32%
<b>7 Washoe Medical Center, Inc.</b>	Healthcare	33,835,007	0.31%
<b>8 Golden Road Motor Inn, Inc.</b>	Hotel / Casino	33,277,469	0.30%
<b>9 International Game Technology</b>	Gaming	31,107,778	0.28%
<b>10 FHR Corporation</b>	Hotel / Casino	<u>25,450,662</u>	<u>0.23%</u>
<b>SUBTOTAL</b>		406,700,406	3.69%
<b>All Other Taxpayers</b>		<u>10,609,557,853</u>	<u>96.31%</u>
<b>TOTAL ASSESSED VALUATION</b>		<u>\$ 11,016,258,259</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, 2004

Table M

Current Assessed Valuation for 2004/2005 Tax Year	<u>\$11,016,258,259</u>
Debt Limit for School Districts - 15% of Assessed Vauation	\$1,652,438,739
Total Washoe County School District Bonded Debt	<u>385,155,000</u>
Legal Debt Margin	<u>\$1,267,283,739</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

**Ratio of Debt Service Expenditures To Total General Fund Expenditures  
Last Ten Fiscal Years**

**Table N**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Debt Service</b>	<b>Total General Fund Expenditures</b>	<b>Debt Service/ General Fund Ratio</b>
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%
2002-03	22,144,229	16,407,620	38,551,849	261,039,474	14.77%
2003-04	23,392,727	19,474,379	42,867,106 (1)	280,997,547	15.26%

(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

**Ratio of General Obligation Bonded Debt to Assessed Value and General  
Obligation Bonded Debt Per Capita  
Last Ten Fiscal Years**

**Table O**

<b>Fiscal Year</b>	<b>Population</b>	<b>Assessed Value</b>	<b>Total Bonded Debt Outstanding</b>	<b>Ratio of Bonded Debt to Assessed Value</b>	<b>Bonded Debt Per Capita</b>
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	9,096,697,594	335,985,000	3.69%	985
2002-03	346,680	9,461,964,345	352,425,000	3.72%	1,017
2003-04	360,142	10,409,587,428	385,155,000	3.70%	1,069
	(1)	(2)			

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, 2004**

**Table P**

<b>Name of Government Unit:</b>	<b>General Obligation Debt <u>Outstanding</u></b>	<b>Present Self-Supporting General Obligation Debt</b>	<b>Percent Applicable To Washoe County*</b>	<b>Applicable Net Debt</b>
Washoe County-Governmental Fund Bonds	\$ 152,128,548	\$ 43,109,850	100%	\$109,018,698
Washoe County-Business-Type Activity Bonds	36,129,000	36,129,000	100%	-
Washoe County-Special Assessment Bonds	1,677,000	1,677,000	100%	-
Washoe County School District	385,155,000		100%	385,155,000
Reno/Sparks Convention Visitor's Authority	142,592,488	142,592,488	100%	-
City of Reno	31,415,000	-	100%	31,415,000
City of Reno-supported by specific revenues	13,925,000	13,925,000	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	-	-	100%	-
Reno-Special Assessment Bonds (1)	16,343,152	16,343,152	100%	-
City of Sparks	3,945,000	-	100%	3,945,000
Redevelopment Agency of the City of Sparks	-	-	100%	-
Sparks-Sewer/Utility Bonds	32,608,881	32,608,881	100%	-
Incline Village GID	23,378,567	23,378,567	100%	-
Sun Valley Water District	-		100%	-
State Of Nevada	2,545,598,950	1,549,905,000	15.82%	157,518,783
<b>Total Direct and Overlapping Debt</b>	<b><u>\$3,607,766,586</u></b>	<b><u>\$2,082,538,938</u></b>		<b><u>\$687,052,481</u></b>

\* Percent applicable to Washoe County is a geographic interpretation.

(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

Last Ten Fiscal Years

Table Q

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
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	9,676	5,280,706,327	1,049,151,610	4,485,369
2002-03	346,680	35,988	58,909	12,476,301,846	4.4%	198,000	1,221,547,391	11,139	5,475,601,736	1,032,987,724	4,514,225
2003-04	360,142	36,763	60,373	13,239,900,346	4.1%	203,800	1,820,038,718	13,633	6,003,368,280	1,011,657,616	4,918,829
	(1)	(2)	(3)	(2)	(2)	(2)	(5)	(5)	(6)	(7)	(4)

Source: (1) Bureau of the Census, U.S. Department of Commerce.  
 (2) State of Nevada Employment Security Department-Research & Analysis Bureau  
 (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
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
2002-03	450	216,057,447	11,139	962,923,188	2,582	42,566,756	7,885,462,769	2,099,691,893	720,840,723
2003-04	827	451,469,298	13,633	1,319,127,233	2,934	49,442,187	8,591,491,696	2,383,178,991	758,630,072
	(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, 2004

**Table S**

Type of Coverage	Company	Limitations	Deductibles or Retentions	Annual Premium
Property	Allianz	\$100,000,000	\$50,000 / Occurrence	\$481,440
Flood	Omaha P/C Flood Pgm	\$500,000	\$1,000 or \$5,000 / Occurrence	23,759
Crime Coverage	Great American Ins.	\$2,000,000 Faithful Performace	\$10,000 / Occurrence	6,367
Boiler & Machinery	Travelers	\$50 million	\$10,000 / Accident	23,876
Errors & Omissions	Genesis	\$10,000,000 / Occurance	\$300,000 / Occurrence	Included in Gen Liab
General Liability	Genesis	\$10,000,000 / Occurance	\$300,000 / Occurrence	559,496
Auto Liability	Genesis	\$10,000,000 / Occurance	\$300,000 / Occurrence	Included in Gen Liab
Earthquake	Allianz	\$50,000,000	\$100,000 Occurrence	Included in Property
Workers' Compensation	Midwest Employers	Statutory	\$300,000 / Accident	106,297
			Total	<u><u>\$1,201,235</u></u>

Source: Washoe County School District Risk Management Office

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# 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 INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS

To the 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, 2004, and have issued our report thereon dated October 1, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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 reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the basic financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its 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 1, 2004.

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Trustees, 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 1, 2004



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, 2004. 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, 2004.

## 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, Board of Trustees, 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 1, 2004

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<b>U.S. DEPARTMENT OF EDUCATION:</b>			
<i>DIRECT PROGRAMS:</i>			
Impact Aid PL 81-874	84.041	n/a	\$ 168,442
Title IX - Indian Education	84.060A	S060A031031	256,063
Improvement of Education, Teaching American History	84.215X	S215X010302	388,127
Improvement of Education, Smaller Learning Communities	84.215L	V215L032251	124,400
			<u>512,527</u>
21st Century Community Learning Centers, # 3 Urban	84.287A	S287A012654-03	896,036
21st Century Community Learning Centers, # 2 Rural	84.287B	S287B010410-03	279,085
			<u>1,175,121</u>
Title VII Bilingual Education COW Bus	84.288S	T288S010220-03	147,879
Parent Information and Resource Centers	84.310A	U310A030036	69,455
IGRAD School Dropout Prevention	84.360A	S360A020128-03	387,017
<b>Total Direct</b>			<u>2,716,504</u>
<i>PASS THROUGH FROM STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>			
<b>Special Education Cluster</b>			
PL 105-17 - Individuals with Disabilities Education Act	84.027	04-2715-16	6,804,108
PL 105-17 Special Education Case Load Reduction	84.027	04-2715-36	961,073
PL 105-17 RPDP - Trainer	84.027	04-2715-85	47,565
PL 105-17 - Early Childhood Education	84.173	04-2715-56	257,737
<b>Total Special Education Cluster</b>			<u>8,070,483</u>
Title I - Basic	84.010	2004-2712-21	7,239,855
Title I - Anderson School Improvement	84.010	2004-2712-95-AE	53,750
Title I -Desert Heights School Improvement	84.010	2004-2712-127	22,000
Title I -Sierra Vista School Improvement	84.010	2004-2712-96-SVE	53,750
			<u>7,369,355</u>
Title I - Even Start	84.213C	2004-2712-64	152,330
Title I - Migrant	84.011	2004-2712-31	88,401
Title I - Accountability, 7 Elementary Schools	84.348A	2003-271250	20,319
PL 101-392 - Carl D Perkins Basic/Reserve/Non-Traditional	84.048A	04-2676-16	698,603
Title IV - Safe & Drug-Free Schools & Community	84.186	04-260521	311,093
McKinney Homeless	84.196	2004-2709-43	108,427

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
21st Century Community Learning Centers, Smithridge ES	84.287	2004-2709-140	95,463
21st Century Community Learning Centers, Mathews ES	84.287C	2004-2709-152BM	93,394
21st Century Community Learning Centers, Risley ES	84.287C	2004-2709-153AR	80,706
21st Century Community Learning Centers, Traner MS	84.287C	2004-2709-151FT	85,772
			<u>355,335</u>
Title V - PL 103-382 Innovative Programs	84.298	04-2713-16	<u>328,941</u>
Title II, Part D, Formula	84.318	04-2713-76	248,406
Title II, Part D, Competitive	84.318	04-2713-86	94,986
Title II, Part D, Competitive	84.318	04-2713-89	81,111
			<u>424,503</u>
Advanced Placement Incentive	84.330	2004-2709-13	<u>23,191</u>
PL 105-79 CSRD # 2 - North Valley Consortium	84.332	2004-2712-47	9,713
PL 105-79 CSRD # 3 - Greenbrae ES	84.332	2004-2712-74	62,710
PL 105-79 CSRD # 4 - Corbett ES	84.332	2004-2712-80	67,099
PL 105-79 CSRD # 4 - Hug HS	84.332	2004-2712-81	53,516
			<u>193,038</u>
Gear Up Program, 34 CRF 964 - Traner MS	84.334S	03-2678-12	213
Gear Up Program, 34 CRF 964 - Hug HS	84.334S	04-2678-12	55,662
			<u>55,875</u>
Reading Excellence Act	84.338	04-2709-67	948,192
REA - Tutorial Mathews	84.338	04-2709-87	22,977
REA - Tutorial Palmer	84.338	04-2709-77	30,062
REA - Tutorial Sierra Vista	84.338	03-2709-69	3,008
REA - Employees	84.338	04-2709-82	196,488
REA/RPDP Partnership	84.338	04-2709-79	81,100
			<u>1,281,827</u>
Reading First	84.357	S357A020028	<u>328,153</u>
Title III - English Language Acquisition, LEP	84.365A	2004-270926	401,029
Title III - English language Acquisition, Immigrant Education	84.365A	2004-2709-37	91,724
			<u>492,753</u>
Title V PI 103-382 Innovative Programs *	84.367	04-2713-27	980,140
Title II, Part A *	84.367	04-2713-27	1,245,370
			<u>2,225,510</u>
Learn and Serve America	94.004	03-2706-05	<u>2,473</u>
Total funding passed through the State of Nevada, Department of Education			<u>22,530,610</u>

\*CFDA 84.367 contains \$980,140 transferred from Title II to Title V through "No Child Left Behind" transferability provisions.

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
<i>PASS THROUGH FROM WEST ED:</i>			
Fund for the Improvement of Education, Character Education	84.215V	S03-071-1T	<u>166,657</u>
<i>PASS THROUGH FROM YMCA:</i>			
YMCA 21st Century Grant - Anderson ES	84.287	2004-2709-141	19,449
YMCA 21st Century Grant - Donner Springs ES	84.287C	2004-2709-154DS	<u>18,582</u>
			<u>38,031</u>
<b>Total U.S. Department of Education</b>			<u>25,451,802</u>
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF GENERAL SERVICES:</i>			
Commodity Foods Program/Food Distribution Program	10.550		<u>884,322</u>
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553		1,354,009
National School Lunch Program	10.555		6,144,775
Special Milk Program	10.556		<u>2,972</u>
<b>Total Child Nutrition Cluster</b>			<u>7,501,756</u>
2002 Team Nutrition Training Grant - Mathews ES	10.574	04-2691111602	<u>3,289</u>
<i>PASS THROUGH FROM UNIVERSITY OF NEVADA, RENO:</i>			
Growing Green Kids: Nutrition Education	10.574	1320-153-0768	<u>14,270</u>
<b>Total U.S. Department of Agriculture</b>			<u>8,403,637</u>
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>PASS THROUGH FROM STATE OF NEVADA, DEPARTMENT OF HUMAN SERVICES:</i>			
Title IV-B FRC Coalition CY 2003	93.556	IV-B 02-05/127	13,638
Title IV-B FRC Coalition CY 2004	93.556	IV-B 02-05/127	<u>73,195</u>
			<u>86,833</u>
Title XX Life Services COW Bus	93.667	n/a	<u>60,000</u>

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

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
Children's Trust Fund - Desert Heights	93.669	93.669	14,500
Children's Trust Fund Northeast FRC	93.669	93.669	37,000
Children's Trust Fund Ribera FRC	93.669	93.669	18,000
			<u>69,500</u>
BADA - P.O.W.E.R	93.959	04072PX	55,324
BADA - Family Strengthening	93.959	04126PX	60,400
			<u>115,724</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>332,057</u>
<b>U.S. DEPARTMENT OF JUSTICE:</b>			
<i>PASS THROUGH FROM RENO POLICE DEPARTMENT:</i>			
Police Byrne Anti-Gang Task Force	16.579	02-NC-032	30,434
<b>U.S. DEPARTMENT OF LIBRARIES AND ARCHIVES:</b>			
<i>PASS THROUGH FROM NEVADA DEPARTMENT OF MUSEUMS, LIBRARY, AND ARTS:</i>			
LSTA - Swope Library Grant	45.310	LSTA 2003-14	4,791
<b>NATIONAL ENDOWMENT FOR THE HUMANITIES, NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES:</b>			
<i>PASS THROUGH FROM NEVADA HUMANITIES COMMITTEE:</i>			
Nevada Humanities History Grant	45.129	2003-22	1,500
<b>U.S. DEPARTMENT OF LABOR:</b>			
<i>PASS THROUGH PROGRAM FROM STATE OF NEVADA, DEPARTMENT OF WELFARE:</i>			
Apprenticeship Training Base Grant	93.575	n/a	355,261
Apprenticeship Accreditation Grant	93.575	n/a	318,542
<b>Total U.S. Department of Labor</b>			<u>673,803</u>
<b>U.S. FEDERAL EMERGENCY MANAGEMENT AGENCY (FEMA):</b>			
<i>DIRECT PROGRAM:</i>			
FRC Coalition Emergency Food & Shelter	83.523	n/a	9,642
			<u>9,642</u>
			<u><b>TOTAL</b></u>
			<u><b>\$ 34,907,666</b></u>

WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2004

NOTE 1 – Reporting Entity:

The accompanying Schedule of Expenditures of Federal Awards presents the expenditure activity of all federal award programs of the Washoe County School District (the "District") for the year ended June 30, 2004. The District's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the Schedule of Expenditures of Federal Awards.

NOTE 2 – Basis of Accounting:

The accompanying Schedule of Expenditures of Federal Awards is prepared on the modified accrual basis of accounting. The amounts shown as expenditures of CFDA # 10.550 – *Commodity Foods Program/Food Distribution Program* represent the fair value of commodity food received by the District.

NOTE 3 – Relationship to the Basic Financial Statements:

Expenditures of Federal awards have been included in the individual funds of the District as follows:

General Fund	\$ 168,442
Special Revenue Funds	<u>34,739,224</u>
	<u>\$34,907,666</u>

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

**Summary of Auditor's Results:**

- Kafoury, Armstrong & Co. issued an unqualified opinion on the basic financial statements of Washoe County School District for the year ended June 30, 2004.
- The audit disclosed no instances of noncompliance which were material to the financial statements of Washoe County School District.
- The audit of the financial statements disclosed no reportable conditions.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major programs of Washoe County School District.
- Washoe County School District had seven major programs for the year ended June 30, 2004, as follows:

<b>CFDA Number</b>	<b>Program Name</b>
84.010	Title I
84.027 / 84.173	Special Education Cluster
84.041	Impact Aid
84.048	Vocational Education
84.215	Fund for the Improvement of Education
84.318	Education Technology
84.360	Dropout Prevention

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2004, was \$1,047,230.
- Washoe County School District qualified as a low risk auditee for the year ended June 30, 2004 under the criteria set forth in section .530 of OMB Circular A-133.

**Findings Relating to the Financial Statements Reported in Accordance with 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, 2004.

**Findings and Questioned Costs for Federal Awards:**

None.

WASHOE COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR END JUNE 30, 2004

Finding 03-1 English Language Acquisition Grants, CFDA 84.365A

*Condition and Criteria:* The Circular A-133 Compliance Supplement states that the educational agency receiving financial assistance for this program must provide eligible private school children and their teachers or other educational personnel with equitable services or benefits. During testing of this program it was noted that the District did not engage in consultation with private school officials regarding the program opportunities available.

*Auditor's Recommendation:* We recommend that the control procedures for contacting and consulting with private schools that are in place at the District for Title II and Title V programs be applied to the Title III – English Language Acquisition grant.

*Current Status:* The District's ESL program now has a control procedure in place for contacting and consulting with private and charter schools. A letter was sent on July 3, 2003 to 53 private and charter schools in Washoe County. These schools were invited to participate in Title III activities. In addition, the schools were invited to send a representative to participate in the 2003-2004 planning session for the Title III Limited English and Immigrant Student grant. The meeting was held on September 3, 2003.



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

## INDEPENDENT ACCOUNTANT'S REPORT ON NEVADA REVISED STATUTE 354.6241

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

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624 (5) (a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2004 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for the funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2004,
- The balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of the Washoe County School District.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Reno, Nevada  
October 1, 2004

*Kafoury, Armstrong & Co.*

WASHOE COUNTY SCHOOL DISTRICT  
AUDITOR'S COMMENTS  
JUNE 30, 2004

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, 2003.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2004.

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 1, 2004.

NEVADA REVISED STATUTE 354.6113

Nevada Revised Statute 354.6113 requires a statement from the auditor indicating whether the local government has complied with the provisions of this subsection. There were no funds created during 2003-2004 under this authority.

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