



Washoe County School District / Reno, Nevada

Fiscal Year Ended June 30, 2006

# Comprehensive Annual Financial Report



# Washoe County School District Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2006



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Grant Accountant

# Washoe County School District Superintendent & Board of Trustees



**Paul Dugan**  
Superintendent



**Lezlie Porter**  
Board of Trustees  
President



**Jody Ruggiero**  
Board of Trustees  
Vice President



**Nancy Hollinger**  
Board of Trustees  
Clerk



**Dan Carne**  
Board of Trustees  
Member



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



**Barbara Price**  
Board of Trustees  
Member



**Jonnie Pullman**  
Board of Trustees  
Member

**WASHOE COUNTY SCHOOL DISTRICT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2006**

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# Introductory

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Excellence in Financial Reporting



## **Washoe County School District**

425 East Ninth Street • P.O. Box 30425 • Reno, NV 89520-3425

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Board of Trustees: Lezlie Porter, President • Jody Ruggiero, Vice President • Nancy Hollinger, Clerk  
Dan Carne • Galen "Mitch" Mitchell • Barbara Price • Jonnie Pullman • Paul Dugan, Superintendent

September 29, 2006

### **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, 2006, 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's 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.

Kafoury, Armstrong & Co., Certified Public Accountants, have issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **PROFILE OF THE GOVERNMENT**

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 2005-06, the District operated sixty-two elementary schools (including one special education facility), twelve middle schools and fourteen high schools (including two alternative high schools). The District employed approximately 7,843 employees (certified, classified, administrative and substitutes) and served 62,356 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.

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.

## **LOCAL ECONOMY**

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 61.3 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 2005-06 fiscal period is 391,956, which reflects a 22.2% increase over the 1996-97 population of 320,828. Over the next year, the County population is forecasted to decline by 4,885 or (1.3%). The annual labor force of the County is estimated at 219,400 at the end of June 2006, and the unemployment rate was established at a fiscal year average of 4.0% compared to 3.8% last year. This can be compared to the United States unemployment rate of 4.8% for the same period.

Other indicators of the economy in the County are reflected in taxable sales that increased 8.35% compared to the 11.03% increase in the prior year. Air traffic in Reno is up 1.03%, while gross income from gaming was up 5.52%. Additionally, sales of existing homes decreased

(549) or (10.04%) while new family units were at 851 compared to 1,113 in the prior year. The County itself has experienced expansive property value growth for two plus years (2003 to 2005), now the market appears to be softening as the market adjusts for the larger than average growth.

In summary, Nevada and Washoe County's economy has experienced overall positive growth and improvement when compared to similar statistics in recent business cycles. With the coming election on November 7, 2006, Nevada will have a new governor for the first time in eight years. The new governor will need to work with the legislature in the next legislative session to establish the direction this State will go. This will include addressing the educational needs of K-12 school districts as well as looking at the significant issues of the unfunded retiree health insurance liabilities that impacts all governmental entities as required by two new Government Accounting Standards Board (GASB) pronouncements.

## **LONG-TERM FINANCIAL PLANNING**

In 2006, the Board of Trustees directed the Chief Financial Officer to provide recommendations of "best practices" for financial policies for adoption by the District. The process is expected to continue during the next fiscal year. The Board has tentatively approved financial policies regarding a minimum contingency budget and a minimum budgeted ending fund balance starting in fiscal year 2007-2008. The District intends to continue this strategy of improving its financial policies and the goal of maintaining prudent reserves.

The Board also adopted the Vision 2015 Plan, a long-range facility planning process, as a tool for evaluating and recommending future capital project plans for the Rollover Bond program. The District also has projected its facility needs through 2012 and has a 5-year Capital Improvement Plan that estimates capital construction needs in more detail.

The District is continuing its efforts to address the overall funding issue of the retiree health insurance unfunded liability that the District will be required to start recognizing in fiscal years 2007 and 2008, as a result of the two new GASB pronouncements. The District has already set up a pre-funding fund that is expected to have \$10 million in it by June 30, 2007. The total unfunded liability and annual required contribution for this item have not been finalized at this time. An updated actuarial study in process will be completed in the fall of 2006.

## **MAJOR INITIATIVES**

### *Enrollment Analysis*

Last year we noted a possible flattening of our enrollment growth. In 2005-06 the District grew by only 1/2 of 1% or 283 students, the slowest and smallest growth of any year in the last twenty. To ascertain if this was a one-year anomaly or the beginning of a trend, the Superintendent convened a group of local experts to analyze our enrollment data and to review our enrollment projection methodology. Consisting of realtors, developers, city and county planners and the State Demographer, the group concluded that our experience may signal a major shift in the local housing market. The escalation in housing prices appears to have squeezed out young families. Attracted to the area in increasing numbers are older "empty-nesters" and retirees.

To be fiscally conservative, and in light of that data, the District projected a similar enrollment increase for fiscal year 2006-2007, another .5% increase. The actual enrollment count came in over double that projection. We grew by 1.09% or 683 students. Nevertheless, this increase is still below the ten-year average growth of 3.1%. It is imperative that planners in our Capital Projects and Planning office work closely with local developers and monitor this situation.

### *Building Needs*

In 2006, the Superintendent formed a Blue Ribbon Advisory Panel to offer direction to the District for funding both capital construction plans and career-technical education programs. The panel will help the District plan an effective strategy for financing construction of new schools and rehabilitating older schools. Presently Washoe County School District has only property taxes and government services tax available for funding capital projects, while all other Nevada school districts have access to other revenue sources. In addition, the 2005 Nevada Legislature passed property tax cap legislation that has dampened the amount of property tax revenue available for capital projects (General Fund property tax revenue is mostly mitigated by provisions in the Distributive School Account funding methodology).

### *District Governance*

Finally, it is worth noting that the Board of Trustees has undertaken a major revision of its governing structure. Focusing on "High Impact Governing," they have dedicated two board meetings each month to the specific areas of "budgeting and planning" and "performance monitoring." This new structure is designed to allow detailed staff reports and in-depth discussion. In conjunction with this new initiative, the District has undertaken a Continuous Systems Improvement project and seeks certification under the ISO: 9001-2000 program. An on-site audit and compliance visit is set for October, 2006 and we hope to announce our certification soon thereafter.

## **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 judgments 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.

## **AWARDS AND ACKNOWLEDGMENTS**

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, 2005. This is the fifth 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

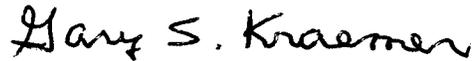
Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting award and received this award for eight consecutive years.

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,

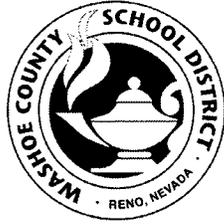


Paul S. Dugan  
Superintendent



Gary S. Kraemer, CPA  
Chief Financial Officer

# Washoe County School District Reno, Nevada



## District Officials For Fiscal Year Ended June 30, 2006

### Board Of Trustees

Lezlie Porter  
*President*

Jody Ruggiero  
*Vice President*

Nancy Hollinger  
*Clerk*

Dan Carne  
*Member*

Galen "Mitch" Mitchell  
*Member*

Barbara Price  
*Member*

Jonnie Pullman  
*Member*

### Administrative Officials

Paul Dugan  
*Superintendent*

Elisabeth Noonan, Ed.D.  
*Superintendent, Elementary Education*

Debbie Cylke  
*Superintendent, Secondary Education*

Ken Grein  
*Superintendent of Operations*

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



# 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, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Emmer*

Executive Director

# 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, the business-type 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, 2006, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2006, 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 September 29, 2006 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 considered in assessing the results of our audit.

Management's Discussion and Analysis on pages 3 through 16 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of

measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise 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, and accordingly, we express no opinion on them.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
September 29, 2006

**WASHOE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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**

- ❑ Government-wide net assets increased by \$35 million to \$236.2 million.
- ❑ Unrestricted net assets increased or improved by \$14.6 million to \$28.7 million.
- ❑ The District's total revenues increased by \$31.6 million to \$511.9 million. The most significant revenues are local school support taxes (sales tax) at \$161 million, property tax (Ad Valorem) at \$136.4 million and state aid at \$77.3 million.
- ❑ The District's total expenses increased by \$31.9 million to \$476.9 million. The most significant expenses were in regular instruction at \$219.3 million, operation and maintenance at \$42.1 million and special education instruction at \$40.4 million.
- ❑ Net capital assets increased to \$535.9 million. Major additions include \$26.6 million for Cold Springs Middle School, \$13.9 million for Hall Elementary, \$13.8 million for Sepulveda Elementary, \$13.5 million in School Additions, \$9 million for School Renewal and \$2.8 million for All Day Kindergarten. Depreciation expense totaling \$14.2 million is included in the government-wide statements.
- ❑ The District's general obligation bonds payable increased by \$6.8 million or 1.59%. This is the result of the issuance of \$30 million in bond rollover debt, \$24.6 million of debt payments and net refunded debt of \$1.4 million.
- ❑ The District improved to an Aa3 from 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 remain at least at current levels.
- ❑ The District established the Nutrition Services operation as an Enterprise Fund this fiscal year. In prior years, this fund was treated as a Special Revenue Fund.

**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.

Both of the government-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are

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intended to recover all or a significant portion of their costs through user fees and charges (*business-type 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 40 individual governmental funds of which the general, special education, debt service, 2006 bond rollover, 2005 bond rollover, 2003 bond rollover and 2002 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 33 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. Enterprise funds are used to report an activity where a fee is charged to external users. The District's sole enterprise fund, the Nutrition Services Enterprise Fund, is used to account for the nutrition service operation of the District. 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 along with the sole enterprise fund in a separate column. Individual fund data for the internal service funds and the enterprise fund 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. The District has three fiduciary funds which are the Student Activities for schools in the district, an 80/5 Salary Plan for employees and the Nevada Interscholastic Athletic Association for all school districts in Nevada.

**Notes to the Financial Statements**

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

**WASHOE COUNTY SCHOOL DISTRICT  
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**Other**

In addition to the basic financial statements and accompanying notes, this report presents certain *required supplementary information* concerning the District's General and Special Education funds. Required supplementary information can be found on pages 27 and 28 of this report.

*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**

	Governmental activities		Business-type activities		Total	
	2006	2005	2006	2005	2006	2005
<b>Assets</b>						
Current and other assets	\$ 281,125,736	\$ 294,310,898	\$ 3,765,719	\$ -	\$ 284,891,455	\$ 294,310,898
Net capital assets	535,371,741	465,974,469	542,397	-	535,914,138	465,974,469
Total assets	816,497,477	760,285,367	4,308,116	-	820,805,593	760,285,367
<b>Liabilities</b>						
Current liabilities	124,476,022	102,430,933	608,979	-	125,085,001	102,430,933
Long-term liabilities	459,563,730	456,718,343	-	-	459,563,730	456,718,343
Total liabilities	584,039,752	559,149,276	608,979	-	584,648,731	559,149,276
<b>Net Assets</b>						
Invested in capital assets, net of related debt	136,809,928	127,695,444	542,397	-	137,352,325	127,695,444
Restricted	70,158,376	59,385,880	-	-	70,158,376	59,385,880
Unrestricted	25,489,421	14,054,767	3,156,740	-	28,646,161	14,054,767
Total net assets	\$ 232,457,725	\$ 201,136,091	\$ 3,699,137	\$ -	\$ 236,156,862	\$ 201,136,091

*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 \$236.2 million at June 30, 2006. The largest portion of net assets (58.2%) 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 (29.9%) represents resources that are subject to external restrictions (statutory, bond covenants, or granting agency) on how they may be used. At June 30, 2006, the District had unrestricted net assets of \$28.6 million.

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**Governmental activities.** Governmental activities increased the District's net assets by \$34.4 million. These increases were the result of the excess of revenues over expenses. Key elements of the increases are noted on the following table.

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

	Governmental activities		Business-type	Total	
	2006	2005	activities	2006	2005
<b>Revenues</b>					
Program revenues:					
Charges for services	\$ 1,805,959	\$ 8,314,770	\$ 6,945,811	\$ 8,751,770	\$ 8,314,770
Operating grants and contributions	86,523,775	86,721,909	9,313,397	95,837,172	86,721,909
General revenues:					
Property taxes	136,445,205	126,044,207	-	136,445,205	126,044,207
Local school support taxes	161,027,372	145,056,434	-	161,027,372	145,056,434
Government service taxes	18,277,143	17,260,710	-	18,277,143	17,260,710
Other taxes and fees	2,833,827	2,331,837	-	2,833,827	2,331,837
Unrestricted investment earnings	7,304,748	5,789,233	-	7,304,748	5,789,233
State aid not restricted to specific purposes	77,280,007	85,542,351	-	77,280,007	85,542,351
Other	4,137,772	3,252,207	-	4,137,772	3,252,207
Total revenues	<u>495,635,808</u>	<u>480,313,658</u>	<u>16,259,208</u>	<u>511,895,016</u>	<u>480,313,658</u>
<b>Expenses</b>					
Instruction:					
Regular instruction	219,283,856	206,911,454	-	219,283,856	206,911,454
Special instruction	40,361,274	37,356,574	-	40,361,274	37,356,574
Vocational instruction	7,978,977	7,310,262	-	7,978,977	7,310,262
Other instruction	4,908,141	5,299,761	-	4,908,141	5,299,761
Support services:					
Student support	27,775,369	25,372,276	-	27,775,369	25,372,276
Instructional staff support	18,234,230	15,787,724	-	18,234,230	15,787,724
General administration	7,195,661	6,632,435	-	7,195,661	6,632,435
School administration	24,734,884	22,674,418	-	24,734,884	22,674,418
Business support	6,831,633	6,060,209	-	6,831,633	6,060,209
Operation and maintenance	42,085,877	36,854,305	-	42,085,877	36,854,305
Student transportation	16,311,285	15,126,041	-	16,311,285	15,126,041
Central support	7,543,020	7,388,451	-	7,543,020	7,388,451
Other support	29,117	144,341	-	29,117	144,341
Nutrition services	-	14,621,816	15,603,133	15,603,133	14,621,816
Facilities	16,272,050	17,700,847	-	16,272,050	17,700,847
Interest on long-term debt	20,921,135	18,955,978	-	20,921,135	18,955,978
Issuance costs on debt	804,603	715,201	-	804,603	715,201
Total expenses	<u>461,271,112</u>	<u>444,912,093</u>	<u>15,603,133</u>	<u>476,874,245</u>	<u>444,912,093</u>
Increase in net assets	\$ <u>34,364,696</u>	\$ <u>35,401,565</u>	\$ <u>656,075</u>	\$ <u>35,020,771</u>	\$ <u>35,401,565</u>

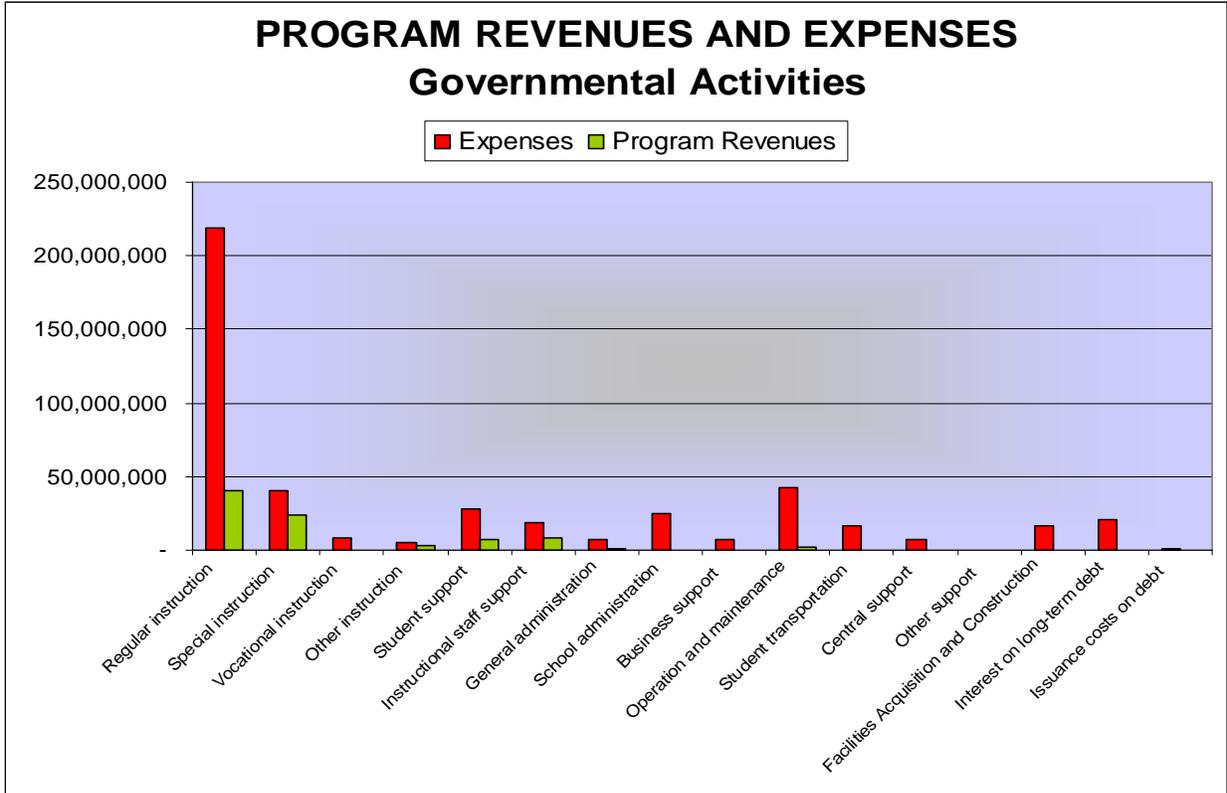
**Total Revenues:** Total revenues exceeded prior year revenues by 6.5%. General revenues, mainly comprised of taxes, state aid and investment earnings, represented 82.2% of total revenue. Program revenues are revenues directly related to service activities of a function and include charges for services, grants and contributions, and related investment earnings, when restricted for use in programs. All percentages reflect adjustments for new business-type activities which were accounted for in governmental activities last year.

**General Revenues:** General revenues increased 5.7% from the prior fiscal year. The District experienced increases in all categories except state aid due to higher than anticipated local school support tax and property tax collections, which offset the state requirement.

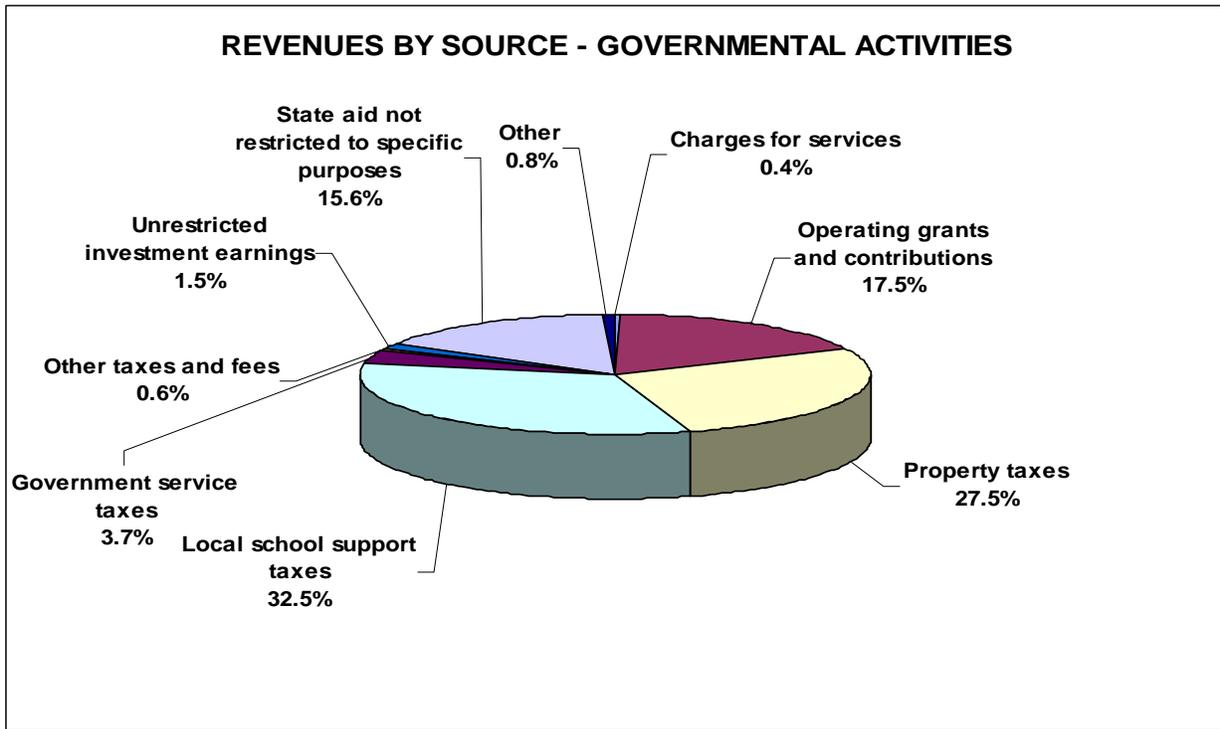
**Program Revenues:** Program revenues represent 17.8% of the total revenues collected to pay costs of providing program services. Charges for services increased 5.3% and operating grants and contributions increased 11.2%.

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The graph below demonstrates the governmental revenue expense coverage on a functional basis.



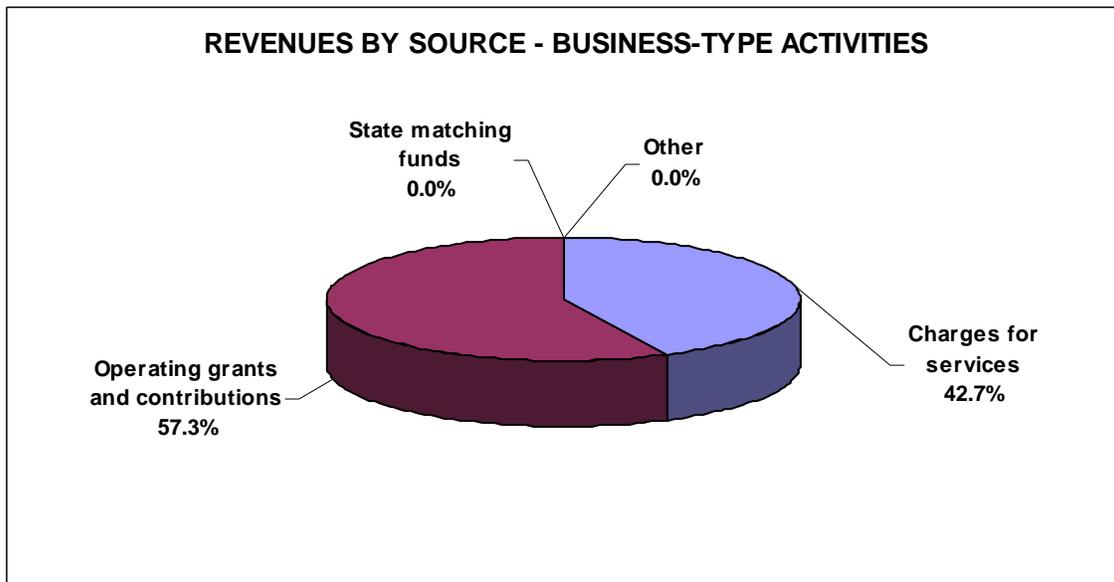
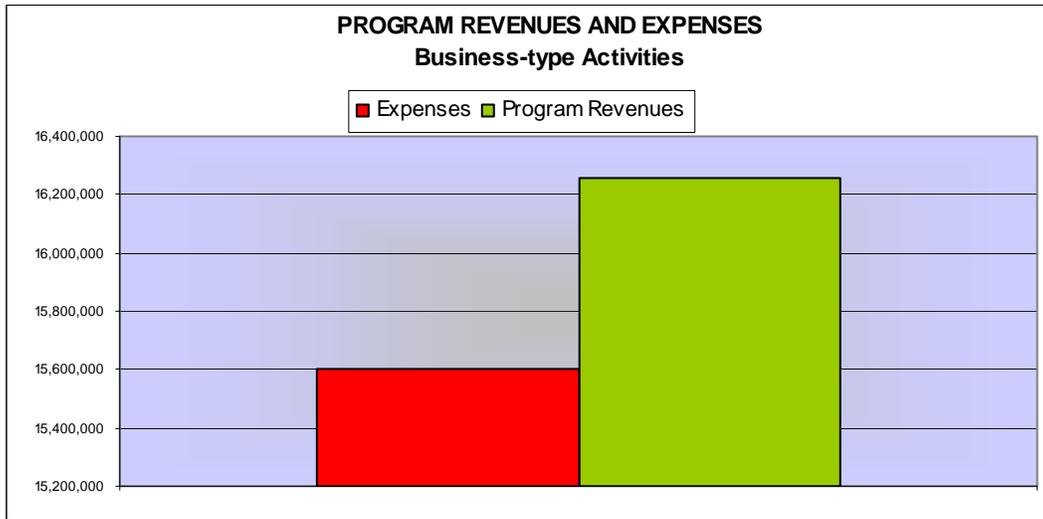
**WASHOE COUNTY SCHOOL DISTRICT  
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- ❑ The largest and main revenue sources for the District are property taxes (Ad Valorem), local school support taxes and state aid, which comprise 75.6% of total revenues.
- ❑ Ad valorem taxes increased 8.25% from the prior year due to increased tax collections and increases in assessed valuations.
- ❑ Local school support taxes increased 11% due to increased taxable sales.
- ❑ State revenue, as provided in the Nevada Plan (State aid guaranteed funding), decreased (9.7%), even though the District had increased enrollments. The reduced state aid results from larger than anticipated increases in property tax and school support tax, which reduces the contribution required by the state.

**Business-type activities.** Business-type activities consist solely of the District's Nutrition Services Enterprise Fund. In the current fiscal year this activity increased net assets by \$656,075. Nutrition services charges and federal subsidies including contributions of commodity food products account for almost 100% of revenues received by business-type activities, with student charges representing 42.7% and federal subsidies accounting for 57.3%. The majority of expenses in the business-type activities are for food purchases and salary expenses to maintain the District's nutrition services program.

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**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 \$163.9 million, a decrease of \$38 million over the prior year. Of this total, \$93 million is unreserved and approximately \$18.6 million, or 20%, constitutes *unreserved and undesignated fund balance*, which is available for spending at the District's discretion within the

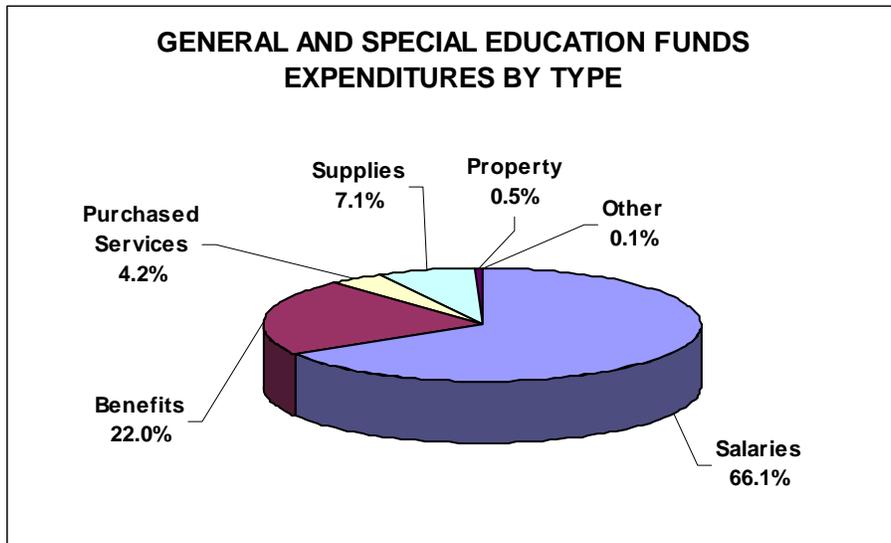
**WASHOE COUNTY SCHOOL DISTRICT  
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respective fund. The District has \$74.4 million, or 80%, *unreserved and designated fund balances* for subsequent year items. The remainder of fund balance is reserved to indicate that it is not available for spending because it has already been committed to: (1) \$21.9 million for construction contracts and encumbrances (contracts or purchase orders of the prior period), (2) \$47.5 million to pay debt service and sinking fund, and (3) \$1.4 million for inventories.

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>2006</u>	<u>2005</u>
Salaries	\$ 234,098,471	\$ 221,100,958
Benefits	77,874,086	74,968,558
Purchased Services	15,013,095	13,536,304
Supplies	25,208,765	24,806,210
Property	1,828,473	6,008,555
Other	<u>257,030</u>	<u>263,227</u>
Totals	<u>\$ 354,279,920</u>	<u>\$ 340,683,812</u>



- ❑ Salaries comprise 66.1% of total expenditures. School districts by their nature are labor intensive.
- ❑ Employee benefits average 33.3% of salaries and 22.0% 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 11.8% of total expenditures. Details regarding variances on a fund level are available in separate reports.

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**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 \$28.9 million compared to \$22.7 million in the prior year. The total fund balance was \$31.9 million compared to \$24.6 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 9.2% of total fund expenditures while total fund balance represents 10.2% of that same amount.

The unreserved fund balance of the General Fund increased \$7.3 million. Key factors in this change are as follows:

- Total revenues of \$351.9 million exceeded prior year revenue by \$16.6 million or 5%, primarily due to increased property tax (7.9%), school support tax (11%) and government services tax (5.9%).
- Total expenditures of \$313.5 million exceeded the prior year by \$11.1 million or 3.7%. Salaries increased 5.8% as a result of District growth and movement on the salary schedules. Additionally, the District is in the first year of a two-year salary contract with all bargaining groups which provided a Cost of Living Increase (COLA's) during the fiscal year. Employee benefits exceeded the previous year by 3.8% due largely to increased costs that result from rates (i.e. retirement, medicare, workers' compensation, etc) applied to increasing salaries with no rate increase in health insurance costs.
- Operating (non-salary) categories decreased by (\$2.5) million or (5.8%) from the prior year. The largest decreases were due to bus purchases for \$4.5 million to address safety issues with Carpenter buses made in the prior year that did not occur again in the current fiscal year. The remaining increases in the other operating categories were normal increases which offset against the prior year savings lowered the decrease to the level presented.
- The excess of revenues over expenditures was \$38.4 million. Transfers to other funds were \$32.2 million. Significant transfers included \$22.2 million to the Special Education Fund, \$3.1 million to the Debt Service Fund, \$1.9 million to the Health Insurance Fund and \$5 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 \$40.8 million, which exceeded the prior year by \$2.5 million or 6.4%. State aid totaling \$18.7 million and transfers from the General Fund of \$22.2 million, accounted for all the resources in the fund.

**The Debt Service Fund** has a total fund balance of \$47.5 million, all of which is reserved for the payment of debt service. The fund balance increased by \$3.3 million primarily as a result of increased property tax revenues.

**The 2002 Rollover Capital Projects Fund** represents \$25.7 million of an estimated \$300-600 million 2002 voter approved bonds. During the ten year rollover period, bonds have and 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. The total fund balance at year-end was \$2 million compared to \$2.8 million in the prior year. This fund balance consists of unspent bond proceeds and investment income. This bond issuance was originally

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dedicated to the construction of Shaw Middle School which was opened in August, 2004. Any remaining balance in this fund is used on subsequent rollover bond projects. During the year \$.9 million was expended on additional work at Shaw Middle School, construction costs for Cold Springs Middle School and administrative costs.

**The 2003 Rollover Capital Projects Fund** represents \$55 million of the estimated \$300-600 million 2002 voter approved ten year rollover bonds. The total fund balance at year-end was \$7.4 million compared to \$44.7 million in the prior year. This fund balance consists of unspent bond proceeds and investment income. During the year \$38 million was expended on new school construction, school renewal and information technology projects. This bond issuance is dedicated to the construction of Cold Springs Middle School (96% expended), construction of Sepulveda Elementary School (100% expended), School Renewal Projects (95% expended) and Information Technology Projects (69% expended).

**The 2005 Rollover Capital Projects Fund** represents \$66 million of the estimated \$300-600 million 2002 voter approved ten year rollover bonds. The total fund balance at year-end was \$23.7 million compared to \$64.9 million in the prior year. This fund balance consists of unspent bond proceeds and investment income. During the year \$43.2 million was expended on new school construction, school renewal and information technology projects. This bond issuance is dedicated to the construction of Hall Elementary School (86% expended), completion of Cold Springs Middle School (100% expended); completion of Sepulveda Elementary School (97% expended), School Expansions at North Valleys High School and Spanish Springs High School (75% expended), School Renewal Projects (84% expended) and Information Technology Projects (4% expended).

**The 2006 Rollover Capital Projects Fund** represents \$30 million of the estimated \$300-600 million 2002 voter approved ten year rollover bonds. The total fund balance at the end of this first year was \$28.6 million. This fund balance consists of unspent bond proceeds and investment income. During the year \$2.1 million was expended on school renewal projects and bond issuance costs. This bond issuance is dedicated to School Renewal (13% expended), Information Technology Projects (0% expended), School Site Acquisition and Planning (0% expended) and other projects including Transportation Renewal (0% expended).

**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 combined Net Asset balance of \$17.5 million. The Health Insurance Fund has a Net Asset balance of \$12.4 million compared to \$10 million in the prior year. Additionally, the Property and Casualty Fund has a balance of \$1.6 million compared to a balance in the prior year of \$919,771. The Workers' Compensation Fund finished the year with a balance of \$3.5 million compared to \$1.7 million in the prior year. Insurance funds, by their nature, are very difficult to forecast. As a result, the District continues to work to maintain the proper reserves in these funds.

The District's Nutrition Services Enterprise Fund has a Net Asset balance of \$3.7 million. The factors concerning the finances in this fund were addressed in the discussion of the District's business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Prior to the beginning of the fiscal year, the District adopts its original budget on or before June 8. Because of a legislative year, the District is allowed to adopt an amended budget within 30

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days of the legislative adjournment. The District is also 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.

During the year, the District amended the budget for a decrease in revenue (\$4.1 million) related to enrollment being less than projected. The District was able to absorb the reduction by recognizing additional revenue of \$2.1million, and reducing expenditures by not filling open positions related to enrollment, conservative budgeting practices and sufficient internal service fund reserves. Additional revenue of \$1.2 million was also recognized in June 2006 to bring the net revenue difference for the year to (\$1.7 million).

Despite this \$4.1 million reduction to revenues, the District did recognize an overall increase in budgeted sources of \$10.8 million. The majority of this increase was due to unreserved opening fund balance of \$7.8, designated opening fund balance of \$3.8 million, lease proceeds of \$1 million, interest income of \$1.1 million and other revenues of \$1.1 million.

The majority of the overall increase to budgeted expenditures of \$10.8 million was applied to the ending fund balance (\$4.8 million to unreserved, \$3 million to designated for negotiations and \$600,000 to designated for other expenditures) while the remaining changes to expenditure categories result from the designated opening fund balance, transfers and salary and benefit savings.

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**GENERAL FUND BUDGET ADJUSTMENTS**

	<b>2006 BUDGET</b>		
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>DIFFERENCE</b>
<b>REVENUES</b>			
Local sources	\$ 254,274,173	\$ 253,382,361	\$ (891,812)
State sources	93,100,949	92,302,946	(798,003)
Federal sources	630,000	630,000	-
Other sources	5,000	5,000	-
Total revenues	<u>348,010,122</u>	<u>346,320,307</u>	<u>(1,689,815)</u>
<b>OTHER FINANCING SOURCES</b>			
Capital Leases	-	1,006,884	1,006,884
FUND BALANCE, July 1	<u>13,081,258</u>	<u>24,636,960</u>	<u>11,555,702</u>
<b>TOTAL SOURCES</b>	<u>\$ 361,091,380</u>	<u>\$ 371,964,151</u>	<u>\$ 10,872,771</u>
<b>EXPENDITURES</b>			
Current:			
Regular programs	\$ 182,228,817	\$ 180,677,527	\$ (1,551,290)
Vocational programs	8,088,377	8,021,817	(66,560)
Other instructional programs:	3,588,130	3,912,046	323,916
Undistributed Expenditures:			
Student support	19,636,345	20,309,233	672,888
Instructional staff support	9,135,442	9,416,054	280,612
General administration	7,721,951	7,555,289	(166,662)
School administration	23,904,627	24,556,556	651,929
Business support	4,431,064	4,871,952	440,888
Operation and maintenance	39,701,092	41,338,724	1,637,632
Student transportation	13,422,785	14,007,441	584,656
Central support services	7,967,719	8,015,683	47,964
Total expenditures	<u>319,826,349</u>	<u>322,682,322</u>	<u>2,855,973</u>
<b>OTHER FINANCING USES</b>			
Contingency	600,000	-	(600,000)
Transfers out	<u>33,112,808</u>	<u>33,309,220</u>	<u>196,412</u>
Total other financing uses	<u>33,712,808</u>	<u>33,309,220</u>	<u>(403,588)</u>
FUND BALANCE, June 30	<u>7,552,223</u>	<u>15,972,609</u>	<u>8,420,386</u>
<b>TOTAL APPLICATIONS</b>	<u>\$ 361,091,380</u>	<u>\$ 371,964,151</u>	<u>\$ 10,872,771</u>

Actual expenditures were 97% 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 and business-type activities as of June 30, 2006 amounts to \$535.9 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 15%. The major capital additions this fiscal year included:

Cold Springs Middle School	\$ 26.6 million	School Additions	\$13.5 million
Hall Elementary	13.9	School Renewals	9.0
Sepulveda Elementary	13.8	All Day Kindergarten	2.8

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Additional information on the District's capital assets can be found in Note 5 on pages 47-48 of this report.

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

**Governmental Activities:**

	<u>2006</u>	<u>(as restated)</u> <u>2005</u>
Land	\$ 32,703,529	\$ 31,033,509
Construction in progress	79,955,233	6,272,980
Buildings	399,156,525	405,472,361
Improvements other than buildings	5,566,968	4,588,063
Machinery and equipment	17,989,487	17,962,654
Total	<u>\$ 535,371,741</u>	<u>\$ 465,329,567</u>

**Business-type Activities:**

	<u>2006</u>	<u>(as restated)</u> <u>2005</u>
Machinery and equipment	<u>\$ 542,397</u>	<u>\$ 644,902</u>

**WASHOE COUNTY SCHOOL DISTRICT OUTSTANDING DEBT**

	<u>2006</u>	<u>2005</u>
General Obligation Bonds	\$ 433,985,000	\$ 427,205,000
Capital Lease Obligations	14,003,259	14,986,579
Qualified Zone Academy Bonds	7,268,997	7,268,997
Total	<u>\$ 455,257,256</u>	<u>\$ 449,460,576</u>

The District's outstanding debt increased by \$5.8 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 a new capital lease during the year.

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 \$1.9 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 Note 6 on pages 48-50 of this report.

**WASHOE COUNTY SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

**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 sales taxes, property taxes, state support and government services taxes. The State funding is approved by the Legislature and is calculated after considering all other District revenues. The State revenue is expressed as a guaranteed per pupil amount which includes the sales tax revenue and 1/3 of the property tax revenue with the balance based on a contribution from the State. By guaranteeing a per pupil amount the State has provided stability to the amount of revenue the District can expect for general operating purposes.

The guaranteed basic support per pupil revenue as provided through the State's Distributive School Account (DSA) is \$4,653 for the next fiscal year, as presented in the final budget. This is an increase of \$194 over the prior year. State funding for special education units will be \$35,122 per unit, an increase of \$689 over the prior year. These funds help continue all existing District programs, provide for increases related to: cost of living adjustments related to salaries, salary roll-ups, enrollment growth, utilities, gasoline and textbooks. Other factors include:

- ❑ The District projected enrollment growth over the prior year of .5% (313 students) to 62,669 students. Actual enrollment growth however, was 1.09% (683 students) to 63,039. In addition, the Department of Taxation is required to recalculate anticipated property tax (ad valorem) revenues for the District. This recalculation will result in additional funding for the District increasing the per pupil amount to \$4,665. The use of the additional funding for the enrollment and property tax increases has not been determined yet.
- ❑ The District is opening two new elementary schools and one new middle school in the upcoming fiscal year.
- ❑ The past legislature also appropriated additional funding for retiree health insurance, retirement credit for teachers working at at-risk schools and in hard to fill positions. This funding appears to be much more in line with the anticipated costs for these programs.
- ❑ The District will continue the pre-funding for other post employment benefits (OPEB) for the upcoming year by committing \$2 million. Ongoing and increased funding for this requirement will continue to be a concern to the District.
- ❑ The District will also begin the implementation of a compensation study recommending an increase to salaries, implementation of a school bus replacement policy and has provided additional funding for school safety.

**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, 2007 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**

**WASHOE COUNTY SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2006**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 205,904,215	\$ 2,612,222	\$ 208,516,437
Receivables:			
Property taxes	3,313,724	-	3,313,724
Interest	740,887	-	740,887
Grants	11,652,841	-	11,652,841
Miscellaneous	1,822,173	400,764	2,222,937
Due from other governments	43,157,561	-	43,157,561
Inventories	1,363,349	750,444	2,113,793
Deferred charges	11,568,853	2,289	11,571,142
	<u>279,523,603</u>	<u>3,765,719</u>	<u>283,289,322</u>
Total current assets			
Noncurrent assets:			
Restricted cash	1,602,133	-	1,602,133
Capital assets:			
Land and construction in progress	112,658,762	-	112,658,762
Other capital assets, net of depreciation	422,712,979	542,397	423,255,376
	<u>536,973,874</u>	<u>542,397</u>	<u>537,516,271</u>
Total noncurrent assets			
	<u>816,497,477</u>	<u>4,308,116</u>	<u>820,805,593</u>
Total assets			
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	11,128,133	274,567	11,402,700
Accrued liabilities	41,766,751	216,150	41,982,901
Construction contracts payable	11,818,243	-	11,818,243
Interest payable	2,466,784	-	2,466,784
Due to other governments	84,281	-	84,281
Unearned revenue	10,093,941	118,262	10,212,203
Current portion of long-term obligations	47,117,889	-	47,117,889
	<u>124,476,022</u>	<u>608,979</u>	<u>125,085,001</u>
Total current liabilities			
Noncurrent liabilities:			
General obligation bonds payable	433,985,000	-	433,985,000
Deferred premiums	14,638,225	-	14,638,225
Arbitrage payable	34,149	-	34,149
Capital leases payable	21,272,256	-	21,272,256
Accrued compensated absences	22,113,660	-	22,113,660
Accrued early separation incentive stipends	2,591,610	-	2,591,610
Accrued self-insurance pending claims	12,046,719	-	12,046,719
Less: current portion of long-term obligations	(47,117,889)	-	(47,117,889)
	<u>459,563,730</u>	<u>-</u>	<u>459,563,730</u>
Total noncurrent liabilities			
	<u>584,039,752</u>	<u>608,979</u>	<u>584,648,731</u>
Total liabilities			
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	136,809,928	542,397	137,352,325
Restricted for:			
Debt service	42,329,549	-	42,329,549
Capital projects	17,874,840	-	17,874,840
Special revenue	9,953,987	-	9,953,987
Unrestricted	25,489,421	3,156,740	28,646,161
	<u>232,457,725</u>	<u>3,699,137</u>	<u>236,156,862</u>
Total net assets			
	<u>\$ 232,457,725</u>	<u>\$ 3,699,137</u>	<u>\$ 236,156,862</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, 2006

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental activities:</b>						
Instruction:						
Regular instruction	\$ 219,283,856	\$ 263,077	\$ 40,522,629	\$ (178,498,150)	\$ -	\$ (178,498,150)
Special instruction	40,361,274	-	24,113,993	(16,247,281)	-	(16,247,281)
Vocational instruction	7,978,977	-	-	(7,978,977)	-	(7,978,977)
Other instruction	4,908,141	976,922	1,722,338	(2,208,881)	-	(2,208,881)
<b>Total instruction</b>	<b>272,532,248</b>	<b>1,239,999</b>	<b>66,358,960</b>	<b>(204,933,289)</b>	<b>-</b>	<b>(204,933,289)</b>
Support services:						
Student support	27,775,369	-	7,537,884	(20,237,485)	-	(20,237,485)
Instructional staff support	18,234,230	425,096	8,164,374	(9,644,760)	-	(9,644,760)
General administration	7,195,661	-	882,470	(6,313,191)	-	(6,313,191)
School administration	24,734,884	140,864	299,884	(24,294,136)	-	(24,294,136)
Business support	6,831,633	-	-	(6,831,633)	-	(6,831,633)
Operation and maintenance	42,085,877	-	2,488,354	(39,597,523)	-	(39,597,523)
Student transportation	16,311,285	-	392,784	(15,918,501)	-	(15,918,501)
Central support	7,543,020	-	382,214	(7,160,806)	-	(7,160,806)
Other support	29,117	-	16,851	(12,266)	-	(12,266)
Facilities	16,272,050	-	-	(16,272,050)	-	(16,272,050)
Interest on long-term debt	20,921,135	-	-	(20,921,135)	-	(20,921,135)
Amortization of issuance costs on debt	804,603	-	-	(804,603)	-	(804,603)
<b>Total support services</b>	<b>188,738,864</b>	<b>565,960</b>	<b>20,164,815</b>	<b>(168,008,089)</b>	<b>-</b>	<b>(168,008,089)</b>
<b>Total governmental activities</b>	<b>461,271,112</b>	<b>1,805,959</b>	<b>86,523,775</b>	<b>(372,941,378)</b>	<b>-</b>	<b>(372,941,378)</b>
<b>Business-type activities:</b>						
Nutrition Services	15,603,133	6,945,811	9,313,397	-	656,075	656,075
<b>Total business-type activities</b>	<b>15,603,133</b>	<b>6,945,811</b>	<b>9,313,397</b>	<b>-</b>	<b>656,075</b>	<b>656,075</b>
<b>Total school district</b>	<b>\$ 476,874,245</b>	<b>\$ 8,751,770</b>	<b>\$ 95,837,172</b>	<b>(372,941,378)</b>	<b>656,075</b>	<b>(372,285,303)</b>
<b>General revenues:</b>						
Property taxes, levied for general purposes				89,573,462	\$ -	\$ 89,573,462
Property taxes, levied for debt service				46,871,743	-	46,871,743
Local school support taxes				161,027,372	-	161,027,372
Government service taxes for general purposes				14,517,247	-	14,517,247
Government service taxes for capital purposes				3,759,896	-	3,759,896
Franchise taxes				361,157	-	361,157
Other taxes and fees				2,472,670	-	2,472,670
Unrestricted investment earnings				7,304,748	-	7,304,748
Gain on the sale of capital assets				1,038,382	-	1,038,382
State aid not restricted to specific purposes				77,280,007	-	77,280,007
Other local sources				2,880,327	-	2,880,327
Federal aid not restricted to specific purposes				219,063	-	219,063
<b>Total general revenues</b>				<b>407,306,074</b>	<b>-</b>	<b>407,306,074</b>
<b>Change in net assets</b>				<b>34,364,696</b>	<b>656,075</b>	<b>35,020,771</b>
<b>NET ASSETS - July 1 (as restated)</b>				<b>198,093,029</b>	<b>3,043,062</b>	<b>201,136,091</b>
<b>NET ASSETS - June 30</b>				<b>\$ 232,457,725</b>	<b>\$ 3,699,137</b>	<b>\$ 236,156,862</b>

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

**WASHOE COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
JUNE 30, 2006**

	<b>GENERAL FUND</b>	<b>SPECIAL EDUCATION FUND</b>	<b>DEBT SERVICE FUND</b>	<b>2006 BOND ROLLOVER FUND</b>
<b>ASSETS</b>				
Cash and investments	\$ 15,364,087	\$ 5,059,430	\$ 45,411,275	\$ 30,310,915
Receivables:				
Property taxes	2,752,063	-	561,661	-
Interest	292,248	-	294,944	6,559
Grants	-	-	-	-
Miscellaneous	575,157	-	-	-
Due from other funds	4,313,604	-	-	-
Due from other governments	42,808,326	-	-	-
Inventories	1,363,349	-	-	-
Cash and investments - Restricted	-	-	1,602,133	-
	<u>\$ 67,468,834</u>	<u>\$ 5,059,430</u>	<u>\$ 47,870,013</u>	<u>\$ 30,317,474</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,150,595	\$ 18,424	\$ 300	\$ 84,378
Accrued liabilities	31,112,396	5,041,006	4,008	9,077
Construction contracts payable	-	-	-	1,606,693
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Deferred revenues	1,304,649	-	395,437	-
	<u>35,567,640</u>	<u>5,059,430</u>	<u>399,745</u>	<u>1,700,148</u>
<b>FUND BALANCES</b>				
Reserved for:				
Encumbrances	1,627,947	-	-	362,424
Inventories	1,363,349	-	-	-
Construction contracts	-	-	-	3,838,301
Debt service	-	-	45,868,135	-
Sinking fund	-	-	1,602,133	-
Unreserved, reported in:				
General fund	28,909,898	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	24,416,601
	<u>31,901,194</u>	<u>-</u>	<u>47,470,268</u>	<u>28,617,326</u>
Total liabilities and fund balances	<u>\$ 67,468,834</u>	<u>\$ 5,059,430</u>	<u>\$ 47,870,013</u>	<u>\$ 30,317,474</u>

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

<u>2005 BOND ROLLOVER FUND</u>	<u>2003 BOND ROLLOVER FUND</u>	<u>2002 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 33,955,668	\$ 9,702,998	\$ 2,018,434	\$ 35,508,381	\$ 177,331,188
-	-	-	-	3,313,724
-	-	-	53,757	647,508
-	-	-	11,652,841	11,652,841
-	-	-	203,178	778,335
-	-	-	-	4,313,604
-	-	-	349,235	43,157,561
-	-	-	-	1,363,349
-	-	-	-	1,602,133
<u>\$ 33,955,668</u>	<u>\$ 9,702,998</u>	<u>\$ 2,018,434</u>	<u>\$ 47,767,392</u>	<u>\$ 244,160,243</u>
\$ 1,197,481	\$ 768,136	\$ 103	\$ 5,795,130	\$ 11,014,547
345,398	383,548	-	4,886,608	41,782,041
8,710,111	1,132,011	9,339	360,089	11,818,243
-	-	-	4,313,604	4,313,604
-	-	-	84,281	84,281
-	-	-	9,551,709	11,251,795
<u>10,252,990</u>	<u>2,283,695</u>	<u>9,442</u>	<u>24,991,421</u>	<u>80,264,511</u>
7,150,267	1,873,554	5,500	405,747	11,425,439
-	-	-	-	1,363,349
4,237,409	348,143	112,391	2,009,190	10,545,434
-	-	-	-	45,868,135
-	-	-	-	1,602,133
-	-	-	-	28,909,898
-	-	-	9,953,987	9,953,987
<u>12,315,002</u>	<u>5,197,606</u>	<u>1,891,101</u>	<u>10,407,047</u>	<u>54,227,357</u>
<u>23,702,678</u>	<u>7,419,303</u>	<u>2,008,992</u>	<u>22,775,971</u>	<u>163,895,732</u>
<u>\$ 33,955,668</u>	<u>\$ 9,702,998</u>	<u>\$ 2,018,434</u>	<u>\$ 47,767,392</u>	<u>\$ 244,160,243</u>

**WASHOE COUNTY SCHOOL DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006**

Total Fund Balances for Governmental Funds		\$	163,895,732
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>			
Land and construction in progress	\$	112,658,762	
Capital assets subject to depreciation		581,201,910	
Less accumulated depreciation		<u>(158,488,931)</u>	
			535,371,741
<p>Other assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>			
Deferred debt charges		9,163,245	
Debt issuance costs		4,936,264	
Less accumulated amortization		<u>(2,530,656)</u>	
			11,568,853
<p>Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.</p>			
Governmental bonds payable		(433,985,000)	
Bond premium		(17,507,823)	
Less accumulated amortization		2,869,598	
Capital leases payable		(21,272,256)	
Compensated absences		(22,113,660)	
Early separation incentive stipends		<u>(2,591,610)</u>	
			(494,600,751)
Interest payable			(2,466,784)
<p>Deferred revenue represents amounts that were not available to fund current expenditures and therefore is not reported in the governmental funds.</p>			
			1,157,972
<p>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.</p>			
			<u>17,530,962</u>
Total Net Assets of Governmental Activities		\$	<u><u>232,457,725</u></u>

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, 2006**

	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>	<u>DEBT SERVICE FUND</u>
<b>REVENUES</b>			
Local sources	\$ 273,090,706	\$ -	\$ 47,610,408
State sources	78,162,477	18,655,920	-
Federal sources	572,392	-	-
Other sources	37,224	-	-
	<u>351,862,799</u>	<u>18,655,920</u>	<u>47,610,408</u>
Total revenues			
<b>EXPENDITURES</b>			
Current:			
Regular programs	178,717,593	-	-
Special programs	-	35,044,422	-
Vocational programs	8,006,895	-	-
Other instructional programs	3,199,927	-	-
Adult education programs	-	-	-
Community service programs	-	-	-
Undistributed expenditures:			
Student support	19,531,928	705,824	-
Instructional staff support	9,132,659	598,528	-
General administration	7,208,768	-	-
School administration	24,230,730	145,012	-
Business support	4,386,717	-	-
Operation and maintenance	39,448,055	49,277	-
Student transportation	12,513,044	4,288,134	-
Central support	7,072,407	-	-
Other support	-	-	-
Capital outlay	-	-	-
Debt service:			
Principal	-	-	26,553,319
Interest	-	-	20,881,655
Bond issuance costs	-	-	1,321,765
Other	-	-	12,325
	<u>313,448,723</u>	<u>40,831,197</u>	<u>48,769,064</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	<u>38,414,076</u>	<u>(22,175,277)</u>	<u>(1,158,656)</u>

<u>2006 BOND ROLLOVER FUND</u>	<u>2005 BOND ROLLOVER FUND</u>	<u>2003 BOND ROLLOVER FUND</u>	<u>2002 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ 339,726	\$ 1,983,820	\$ 709,143	\$ 64,456	\$ 8,444,128	\$ 332,242,387
-	-	-	-	33,232,251	130,050,648
-	-	-	-	31,402,746	31,975,138
-	-	-	-	-	37,224
<u>339,726</u>	<u>1,983,820</u>	<u>709,143</u>	<u>64,456</u>	<u>73,079,125</u>	<u>494,305,397</u>
-	-	-	-	41,213,337	219,930,930
-	-	-	-	5,458,073	40,502,495
-	-	-	-	-	8,006,895
-	-	-	-	-	3,199,927
-	-	-	-	1,080,063	1,080,063
-	-	-	-	642,275	642,275
-	-	-	-	7,533,472	27,771,224
-	-	-	-	8,574,137	18,305,324
-	-	-	-	-	7,208,768
-	-	-	-	442,322	24,818,064
10,119	743,248	1,536,821	204,516	-	6,881,421
-	-	-	-	2,488,354	41,985,686
-	-	-	-	-	16,801,178
-	-	-	-	382,214	7,454,621
-	-	-	-	16,851	16,851
1,725,955	42,426,200	36,497,351	700,066	5,682,466	87,032,038
-	-	-	-	-	26,553,319
-	-	-	-	-	20,881,655
389,224	-	-	-	-	1,710,989
-	-	-	-	-	12,325
<u>2,125,298</u>	<u>43,169,448</u>	<u>38,034,172</u>	<u>904,582</u>	<u>73,513,564</u>	<u>560,796,048</u>
<u>(1,785,572)</u>	<u>(41,185,628)</u>	<u>(37,325,029)</u>	<u>(840,126)</u>	<u>(434,439)</u>	<u>(66,490,651)</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>	<u>DEBT SERVICE FUND</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Capital leases	\$ 1,005,000	\$ -	\$ -
Bonds issued	-	-	-
Refunding bonds issued	-	-	29,820,000
Debt premiums	-	-	-
Payments to refunded bonds escrow agent	-	-	(28,475,000)
Transfers in	-	22,175,277	3,081,066
Transfers out	(32,154,842)	-	-
	<u>(31,149,842)</u>	<u>22,175,277</u>	<u>4,426,066</u>
Total other financing sources (uses)	(31,149,842)	22,175,277	4,426,066
Net change in fund balances	7,264,234	-	3,267,410
<b>FUND BALANCE, July 1 (as restated)</b>	<u>24,636,960</u>	<u>-</u>	<u>44,202,858</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 31,901,194</u>	<u>\$ -</u>	<u>\$ 47,470,268</u>

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

<u>2006 BOND ROLLOVER FUND</u>	<u>2005 BOND ROLLOVER FUND</u>	<u>2003 BOND ROLLOVER FUND</u>	<u>2002 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,005,000
30,000,000	-	-	-	-	30,000,000
402,898	-	-	-	-	29,820,000
-	-	-	-	-	402,898
-	-	-	-	-	(28,475,000)
-	-	-	-	5,000,000	30,256,343
-	-	-	-	-	(32,154,842)
<u>30,402,898</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,000,000</u>	<u>30,854,399</u>
28,617,326	(41,185,628)	(37,325,029)	(840,126)	4,565,561	(35,636,252)
-	64,888,306	44,744,332	2,849,118	18,210,410	199,531,984
<u>\$ 28,617,326</u>	<u>\$ 23,702,678</u>	<u>\$ 7,419,303</u>	<u>\$ 2,008,992</u>	<u>\$ 22,775,971</u>	<u>\$ 163,895,732</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, 2006**

Net Change in Fund Balances - Governmental Funds \$ (35,636,252)

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	\$	84,238,853	
Less current year depreciation		<u>(14,184,073)</u>	
			70,054,780

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. 26,553,319

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. (39,480)

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. 333,268

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. (1,005,000)

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. (12,606)

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		(30,000,000)	
Refunding bonds issued		(29,820,000)	
Payment of refunded bonds		<u>28,475,000</u>	
			(31,345,000)

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		1,710,989	
Current year amortization of debt issuance costs and charges		<u>(804,604)</u>	
			906,385

Current year bond premiums		(402,898)	
Current year amortization of bond premiums		<u>1,009,750</u>	
			606,852

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		569,445	
Change in long-term compensated absences		<u>(1,513,930)</u>	
			(944,485)

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>4,892,915</u>	
Change in Net Assets of Governmental Activities			<u>\$ 34,364,696</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, 2006**

	<u>BUDGET</u>			<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	
<b>REVENUES</b>				
Local sources	\$ 254,274,173	\$ 253,382,361	\$ 273,090,706	\$ 19,708,345
State sources	93,100,949	92,302,946	78,162,477	(14,140,469)
Federal sources	630,000	630,000	572,392	(57,608)
Other sources	5,000	5,000	37,224	32,224
	<u>348,010,122</u>	<u>346,320,307</u>	<u>351,862,799</u>	<u>5,542,492</u>
Total revenues				
<b>EXPENDITURES</b>				
Current:				
Regular programs	182,228,817	180,677,527	178,717,593	1,959,934
Vocational programs	8,088,377	8,021,817	8,006,895	14,922
Other instructional programs	3,588,130	3,912,046	3,199,927	712,119
Undistributed expenditures:				
Student support	19,636,345	20,309,233	19,531,928	777,305
Instructional staff support	9,135,442	9,416,054	9,132,659	283,395
General administration	7,721,951	7,555,289	7,208,768	346,521
School administration	23,904,627	24,556,556	24,230,730	325,826
Business support	4,431,064	4,871,952	4,386,717	485,235
Operation and maintenance	39,701,092	41,338,724	39,448,055	1,890,669
Student transportation	13,422,785	14,007,441	12,513,044	1,494,397
Central support	7,967,719	8,015,683	7,072,407	943,276
	<u>319,826,349</u>	<u>322,682,322</u>	<u>313,448,723</u>	<u>9,233,599</u>
Total expenditures				
Excess of revenues over expenditures	<u>28,183,773</u>	<u>23,637,985</u>	<u>38,414,076</u>	<u>14,776,091</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital leases	-	1,006,884	1,005,000	(1,884)
Contingency	(600,000)	-	-	-
Transfers out	(33,112,808)	(33,309,220)	(32,154,842)	1,154,378
	<u>(33,712,808)</u>	<u>(32,302,336)</u>	<u>(31,149,842)</u>	<u>1,152,494</u>
Total other financing sources (uses)				
Net change in fund balances	(5,529,035)	(8,664,351)	7,264,234	15,928,585
<b>FUND BALANCE, July 1</b>	<u>13,081,258</u>	<u>24,636,960</u>	<u>24,636,960</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 7,552,223</u>	<u>\$ 15,972,609</u>	<u>\$ 31,901,194</u>	<u>\$ 15,928,585</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, 2006**

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		
<b>REVENUES</b>				
State sources	\$ 18,662,686	\$ 18,593,820	\$ 18,655,920	\$ 62,100
Total revenues	<u>18,662,686</u>	<u>18,593,820</u>	<u>18,655,920</u>	<u>62,100</u>
 <b>EXPENDITURES</b>				
Current:				
Special programs	36,610,410	35,730,794	35,044,422	686,372
Undistributed expenditures:				
Student support	765,288	740,923	705,824	35,099
Instructional staff support	639,140	634,321	598,528	35,793
School administration	145,359	155,463	145,012	10,451
Operation and maintenance	49,617	57,406	49,277	8,129
Student transportation	4,226,231	4,295,568	4,288,134	7,434
Total expenditures	<u>42,436,045</u>	<u>41,614,475</u>	<u>40,831,197</u>	<u>783,278</u>
Excess (deficiency) of revenues over expenditures	<u>(23,773,359)</u>	<u>(23,020,655)</u>	<u>(22,175,277)</u>	<u>845,378</u>
 <b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>23,773,359</u>	<u>23,020,655</u>	<u>22,175,277</u>	<u>(845,378)</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, 2006**

	<b>BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current assets:			
Cash and investments	\$ 2,612,222	\$ 28,573,027	\$ 31,185,249
Accounts receivable	400,764	1,043,838	1,444,602
Interest receivable	-	93,379	93,379
Inventories	750,444	-	750,444
Prepays	2,289	-	2,289
	<u>3,765,719</u>	<u>29,710,244</u>	<u>33,475,963</u>
Total current assets			
Capital Assets			
Machinery and equipment	1,525,693	-	1,525,693
Less: Allowance for depreciation	(983,296)	-	(983,296)
Total capital assets	<u>542,397</u>	<u>-</u>	<u>542,397</u>
	<u>4,308,116</u>	<u>29,710,244</u>	<u>34,018,360</u>
Total assets			
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	274,567	113,586	388,153
Accrued liabilities	216,150	18,859	235,009
Pending claims	-	8,737,652	8,737,652
Deferred revenues	118,262	118	118,380
	<u>608,979</u>	<u>8,870,215</u>	<u>9,479,194</u>
Total current liabilities			
Noncurrent liabilities:			
Pending claims	-	3,309,067	3,309,067
	<u>608,979</u>	<u>12,179,282</u>	<u>12,788,261</u>
Total liabilities			
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	542,397	-	542,397
Unrestricted	<u>3,156,740</u>	<u>17,530,962</u>	<u>20,687,702</u>
	<u>\$ 3,699,137</u>	<u>\$ 17,530,962</u>	<u>\$ 21,230,099</u>
Total net assets			

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, 2006**

	<b>BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND</b>	<b>GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS</b>	<b>TOTAL</b>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
Cash Flows from Operating Activities:			
Cash received for services	\$ 6,945,839	\$ 53,460,096	\$ 60,405,935
Cash paid for salaries and benefits	(6,516,757)	(49,216)	(6,565,973)
Cash payments for employee benefits	-	(44,663,484)	(44,663,484)
Cash payments for claims and services	-	(6,672,341)	(6,672,341)
Cash paid for food and supplies	(7,643,730)	-	(7,643,730)
Cash payments for purchased services	(1,003,086)	-	(1,003,086)
Cash payments for property	(6,283)	-	(6,283)
Cash payments for other	(330,772)	-	(330,772)
	<u>(8,554,789)</u>	<u>2,075,055</u>	<u>(6,479,734)</u>
Net cash provided (used) by operating activities			
Cash Flows from Noncapital Financing Activities:			
Federal reimbursements	8,305,362	1,898,499	10,203,861
Commodity revenue	915,273	-	915,273
State matching funds	90,704	-	90,704
Miscellaneous revenue	2,058	-	2,058
	<u>9,313,397</u>	<u>1,898,499</u>	<u>11,211,896</u>
Net cash provided by noncapital financing activities			
Cash Flows from Investing Activities:			
Interest received on investments	-	976,938	976,938
	<u>-</u>	<u>976,938</u>	<u>976,938</u>
Net increase in cash and cash equivalents			
	<u>758,608</u>	<u>4,950,492</u>	<u>5,709,100</u>
<b>Cash and investments, beginning of year</b>	<u>1,853,614</u>	<u>23,622,535</u>	<u>25,476,149</u>
<b>Cash and investments, end of year</b>	<u>\$ 2,612,222</u>	<u>\$ 28,573,027</u>	<u>\$ 31,185,249</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>			
Operating income (loss)	\$ (8,657,322)	\$ 2,017,478	\$ (6,639,844)
Adjustments to reconcile operating income to net cash provided by operations:			
Depreciation	102,505	-	102,505
Changes in assets and liabilities:			
Accounts receivable	194,858	(369,076)	(174,218)
Inventories	(9,140)	-	(9,140)
Prepays	(2,289)	-	(2,289)
Accounts payable	64,635	(79,647)	(15,012)
Accrued liabilities	21,255	13,563	34,818
Interfund accounts payable	-	-	-
Pending claims	-	525,761	525,761
Deferred revenue	(269,291)	(33,024)	(302,315)
	<u>102,533</u>	<u>57,577</u>	<u>160,110</u>
Total adjustments	<u>102,533</u>	<u>57,577</u>	<u>160,110</u>
Net cash provided (used) by operations	<u>\$ (8,554,789)</u>	<u>\$ 2,075,055</u>	<u>\$ (6,479,734)</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, 2006**

	<b>PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND</b>	<b>AGENCY FUNDS</b>
<b>ASSETS</b>		
Cash and investments	\$ 831,200	\$ 7,997,063
Accounts receivable	-	34,122
Total assets	831,200	8,031,185
 <b>LIABILITIES</b>		
Accounts payable	-	18,518
Accrued liabilities	5,500	729,352
Due to student groups	-	7,283,315
Total liabilities	5,500	8,031,185
 <b>NET ASSETS</b>		
Held in trust for scholarships	\$ 825,700	\$ -

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, 2006**

	<b>PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND</b>
<b>ADDITIONS</b>	
Contributions:	
Donations	\$ 109,342
Interest	<u>31,872</u>
Total additions	<u>141,214</u>
<b>DEDUCTIONS</b>	
Benefits	29,992
Administrative expenses	<u>-</u>
Total deductions	<u>29,992</u>
Change in net assets	111,222
<b>Net assets - July 1</b>	<u>714,478</u>
<b>Net assets - June 30</b>	<u>\$ <u>825,700</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, 2006**

**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. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. 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 consolidated financial position of the District is presented at year-end, in separate columns, for both governmental and business-type activities, 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

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues include operating grants and contributions and investment earnings legally restricted to support a specific program. Program revenue must be directly associated with the function. Operating grants include operating-specific and discretionary grants. The net costs (by function) are normally covered by general revenue.

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 and business-type activity categories. Nonmajor governmental funds 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 and business-type 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.

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 third parties and cannot be used to address activities or obligations of the District, these funds are not incorporated into the government-wide statements.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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.
- **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 new middle school and a new elementary school and to fund school renewal and information technology projects.
- **2005 Bond Rollover Fund** - The 2005 Bond Rollover Capital Projects Fund accounts for the 2005 Bond Rollover proceeds. The proceeds will be used for the completion of one middle school and one elementary school, the expansion of two high schools, the construction of one new elementary school, and to fund school renewal and information technology projects.
- **2006 Bond Rollover Fund** - The 2006 Bond Rollover Capital Projects Fund accounts for the 2006 Bond Rollover proceeds. The proceeds will be used for site and water rights acquisition, advanced planning and technology costs, school renewal projects and transportation yard improvements.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**Proprietary Funds:**

- **Enterprise Fund** - The District's sole enterprise fund, the Nutrition Services Enterprise Fund, is used to account for the nutrition services operation of the District.

Additionally the District reports the following fund types:

**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.

**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.

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 when all eligibility requirements imposed by the provider have been met.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The District has elected not to follow subsequent private-sector guidance.

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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 do not have a measurement focus and 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 2004-05 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.

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- (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 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 Enterprise and Internal Service Funds. State statute does not require that debt service payments be limited by the budget.
- (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, Enterprise Fund, Internal Service Funds and Capital Projects Funds. Such funds have legally adopted annual budgets which lapse at year-end. 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.

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.

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Cash and Investments:

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. The District 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 Investment Pool.
- Certain "AAA" rated mutual funds that invest in federal securities.
- Other securities expressly provided by other statutes, including repurchase agreements and collateralized investment contracts.

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 Enterprise 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 for General Fund and the lower of cost or market for the Nutrition Services Enterprise Fund, using the first-in, first-out (FIFO) method of valuation.

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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 the 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, 2006, but not yet paid.

Expenditures:

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

**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 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.

**WASHOE COUNTY SCHOOL DISTRICT  
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**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 current portion is defined as those benefits actually paid or accrued as a result of employees who have terminated employment by June 30. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

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.

**WASHOE COUNTY SCHOOL DISTRICT  
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**NOTE 3 – Cash and Investments:**

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2006 this pool is displayed by major and other governmental funds on the Governmental Funds Balance Sheet and on the Enterprise Fund Statement of Net Assets as "Cash and Investments."

As of June 30, 2006, the District had the following amounts reported as cash and investments:

Government-Wide Balances:	
Pooled Cash	\$ (2,759,016)
Money Market Accounts	22,171
Non-negotiable Certificates of Deposit	508,681
Investments	<u>212,346,734</u>
	<u>210,118,570</u>
Fiduciary Funds Balances:	
Pooled Cash	1,544,948
Cash held by Student Activity Agency Fund	3,347,555
Investments	<u>3,935,760</u>
	<u>8,828,263</u>
Total Pooled Cash and Investments	<u>\$ 218,946,833</u>

Except for financial reporting purposes, the cash and investments balances in the Fiduciary Funds are not normally considered part of the District's pooled cash and investments. These amounts represent cash and investments held in an agency capacity by the District and cannot be used in the District's normal operations.

As of June 30, 2006, the District had the following investments and maturities:

Government-Wide Balances:		Investment Maturities (In Years)			
	Fair Value	Less than 1	1 to 4	4 to 6	6 to 10
Investments:					
State of Nevada Local Government Investment Pool	\$ 89,759,240	\$ 89,759,240 *	\$ -	\$ -	\$ -
Washoe County Investment Pool	45,087,791	19,160,174	19,013,711	3,149,137	3,764,769
Guaranteed Investment Contracts	73,266,701	73,266,701	-	-	-
U.S. Agencies	<u>4,233,002</u>	<u>2,654,469</u>	<u>-</u>	<u>-</u>	<u>1,578,533</u>
Total Investments	<u>\$ 212,346,734</u>	<u>\$ 184,840,584</u>	<u>\$ 19,013,711</u>	<u>\$ 3,149,137</u>	<u>\$ 5,343,302</u>

Fiduciary Fund Balances:	
	Investment Maturities (In Years)
	Less than 1
Investments:	
State of Nevada Local Government Investment Pool	\$ 3,935,760
	\$ 3,935,760 *

\* Average weighted maturity was 92 days.

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*Interest Rate Risk.* Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. To limit exposure to interest rate risk, Nevada Statutes and the District's investment policy limits bankers' acceptances to 180 days maturities, repurchase agreements to 90 days, U.S. Treasuries and Agencies to less than 10 years, and commercial paper to 270 days maturities.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. Nevada Statutes and the District's investment policy limit investment instruments by their credit risk. The State of Nevada LGIP and the Washoe County Investment Pool are unrated external investment pools. The Guaranteed Investment Contracts are unrated, and Moody's Investors Service rates all of the U.S. Agency investments held by the District as "AAA".

*Concentration of Credit Risk.* To limit exposure to concentrations of credit risk, the District's investment policy limits investment in bankers' acceptance notes to 15%, repurchase agreements to 25%, commercial paper to 20%, and money market mutual funds to 25%, of the entire portfolio on the date of purchase.

At June 30, 2006, the following investments exceeded 5% of the District's total:

Guaranteed Investment Contracts:

Wells Fargo	15%
Citigroup	19%

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District's bank deposits are generally covered by FDIC insurance and are collateralized by the Office of the State Treasurer/ Nevada Collateral Pool. The District does not have a deposit policy for custodial credit risk for the deposits of the Fiduciary Funds. As of June 30, 2006, \$30,469 of the Fiduciary Funds total bank balances of \$8,038,755 was uninsured and uncollateralized and therefore exposed to custodial credit risk.

The State of Nevada Local Government Investment Pool is an external pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance. Investment in the Local Government Investment Pool is carried at fair value, which is the same as the value of the pool shares.

The Washoe County Board of Commissioners administers and is responsible for the Washoe County Investment Pool in accordance with NRS 355.175. The external investment pool is not registered with the SEC as an investment company. Bank of New York determines the fair value of the investment pool monthly. Washoe County has not provided or obtained any legally binding guarantees during the year to support the value of shares. Each participant's share is equal to their original investment plus or minus monthly allocation of interest income, realized and unrealized gains and losses.

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

Interfund receivable/payable balances at June 30, 2006 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund - major fund	Other Governmental Funds	\$ 4,313,604
Total		\$ 4,313,604

The purpose of the interfund balance listed above is to address nonmajor Special Revenue Funds which are reimbursement-type funds that would otherwise have negative cash balances at the end of the year.

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, 2006, are as follows:

	Transfer In:				Total
	Special Education Fund	Debt Service Fund	Other Governmental Funds	Internal Service Fund	
Transfer out:					
General Fund	\$ 22,175,277	\$ 3,081,066	\$ 5,000,000	\$ 1,898,499	\$ 32,154,842

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

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

**Other Governmental Funds** - The transfer to the Pre-Funded Retiree Fund from the General Fund is to increase the fund balance for this fund.

**Internal Service Funds** - The transfer to the Health Insurance Fund from the General Fund is for the retiree subsidy.

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

As discussed in Note 12, the beginning balance of capital assets has been restated. Capital asset activity for the year ended June 30, 2006 was as follows:

	July 1, 2005 Balance	Restatement Adjustment (Note 12)	July 1, 2005 Restated Balance	Additions	Deductions	June 30, 2006 Balance
<b>Governmental Activities</b>						
Capital assets, not being depreciated						
Land	\$ 31,033,509	\$ -	\$ 31,033,509	\$ 1,709,110	\$ (39,089)	\$ 32,703,530
Construction in progress	6,272,980	-	6,272,980	79,596,935	(5,914,683)	79,955,232
Total capital assets not being depreciated	<u>37,306,489</u>	<u>-</u>	<u>37,306,489</u>	<u>81,306,045</u>	<u>(5,953,772)</u>	<u>\$ 112,658,762</u>
Other capital assets						
Buildings	527,495,607	-	527,495,607	4,672,631	-	532,168,238
Improvements other than buildings	5,007,507	-	5,007,507	1,231,813	-	6,239,320
Machinery and equipment	42,775,170	(1,525,693)	41,249,477	2,982,136	(1,437,261)	42,794,352
Total capital assets being depreciated	<u>575,278,284</u>	<u>(1,525,693)</u>	<u>573,752,591</u>	<u>8,886,580</u>	<u>(1,437,261)</u>	<u>581,201,910</u>
Total capital assets	<u>612,584,773</u>	<u>(1,525,693)</u>	<u>611,059,080</u>	<u>90,192,625</u>	<u>(7,391,033)</u>	<u>693,860,672</u>
Less accumulated depreciation for:						
Buildings	(122,023,247)	-	(122,023,247)	(10,988,467)	-	(133,011,714)
Improvements other than buildings	(419,443)	-	(419,443)	(252,909)	-	(672,352)
Machinery and equipment	(24,167,614)	880,791	(23,286,823)	(2,942,697)	1,424,655	(24,804,865)
Total accumulated depreciation	<u>(146,610,304)</u>	<u>880,791</u>	<u>(145,729,513)</u>	<u>(14,184,073)</u>	<u>1,424,655</u>	<u>(158,488,931)</u>
Governmental activities capital assets, net	<u>\$ 465,974,469</u>	<u>\$ (644,902)</u>	<u>\$ 465,329,567</u>	<u>\$ 76,008,552</u>	<u>\$ (5,966,378)</u>	<u>\$ 535,371,741</u>
<b>Business-Type Activities</b>						
Machinery and equipment	\$ -	\$ 1,525,693	\$ 1,525,693	\$ -	\$ -	\$ 1,525,693
Less accumulated depreciation:	-	(880,791)	(880,791)	(102,505)	-	(983,296)
Business-Type Activities capital assets, net	<u>\$ -</u>	<u>\$ 644,902</u>	<u>\$ 644,902</u>	<u>\$ (102,505)</u>	<u>\$ -</u>	<u>\$ 542,397</u>

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

<b>Governmental activities:</b>	
Instruction	\$ 759,043
Student support	125,199
Instructional staff support	36,627
General administration	19,364
School administration	3,354
Business support	54,714
Operation/maintenance	306,759
Student transportation	1,191,510
Central support	184,839
Other support	3,040
Facilities	11,499,624
Total governmental activities depreciation expense	<u>\$ 14,184,073</u>
<b>Business-type activities:</b>	
Nutrition services operations	\$ 102,505
Total business-type activities depreciation expense	<u>\$ 102,505</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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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 \$15,666,103 at June 30, 2006 (see Note 6).

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

Advance Refunding:

On January 5, 2006, the District issued \$29,820,000 in General Obligation (Limited Tax) Refunding Bonds, Series 2005B. 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 \$28,475,000 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 15 years by \$1,570,583 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,273,568.

Bonds Issued:

On April 5, 2006, Washoe County School District issued \$30,000,000 in General Obligation School Building Bonds, Series 2006. The proceeds of the 2006 Bonds will be used for acquiring, constructing, improving and equipping school facilities.

General long-term debt consists of the following at June 30, 2006:

<u>Series</u>	<u>Date Issued</u>	<u>General Obligation Bonds</u>		<u>Amount Issued</u>	<u>Balance June 30, 2006</u>
		<u>Date of Maturity</u>	<u>Interest Rate (%)</u>		
1997	09/01/97	04/01/13	4.75-5.00	\$ 25,680,000	\$ 24,565,000
1998	12/01/98	06/01/19	4.00-5.25	68,000,000	9,400,000
1999	12/01/99	06/01/20	5.00-5.875	110,200,000	13,495,000
2001A	05/01/01	06/01/20	4.25-5.25	73,865,000	69,185,000
2002	05/01/02	06/01/20	3.00-5.00	44,665,000	14,500,000
2002B	08/01/02	06/01/20	3.00-5.50	68,940,000	68,565,000
2003A	03/01/03	06/01/23	2.00-5.25	27,770,000	18,405,000
2003B	03/01/03	06/01/11	2.50-4.40	8,230,000	5,750,000
2003C	12/01/03	06/01/24	2.75-5.00	55,000,000	55,000,000
2004	01/01/04	04/01/08	2.00-4.00	11,820,000	6,390,000
2004B	09/01/04	06/01/15	5.00	22,970,000	22,970,000
2005A	03/24/05	06/01/25	4.00-5.00	66,000,000	66,000,000
2005B	01/05/06	06/01/20	3.950	29,820,000	29,760,000
2006	04/05/06	06/01/26	4.00-5.50	30,000,000	30,000,000
<b>Total</b>					<u><b>\$433,985,000</b></u>

**WASHOE COUNTY SCHOOL DISTRICT  
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Summary of general obligation bond debt service requirements to maturity:

<u>Year(s) Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2007	\$ 26,625,000	\$ 20,664,235	\$ 47,289,235
2008	28,230,000	19,278,904	47,508,904
2009	25,330,000	18,204,126	43,534,126
2010	25,100,000	17,019,636	42,119,636
2011	27,110,000	15,813,191	42,923,191
2012-2016	134,920,000	58,040,069	192,960,069
2017-2021	111,280,000	27,822,850	139,102,850
2022-2026	<u>55,390,000</u>	<u>6,383,075</u>	<u>61,773,075</u>
Total	<u>\$433,985,000</u>	<u>\$183,226,086</u>	<u>\$617,211,086</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, 2006, the liability has been estimated to be \$34,149 and is reported as a noncurrent liability on the Statement of Net Assets (included in the balance of the current portion of long-term obligations) 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, 2006, \$124,265,000 of bonds outstanding are considered defeased.

Capital Lease Obligations:

Included in capital leases payable is a lease agreement dated January 31, 2005, in the amount of \$1,019,287 for the purpose of financing school buses and vehicles for the District. The agreement matures on January 15, 2009.

The District has various other capital leases on school buses, automobiles, a tractor and office equipment. As of June 30, 2006, the assets acquired through capital leases are as follows:

Machinery and Equipment	\$19,780,913
Less: Accumulated amortization	<u>(4,114,810)</u>
Total	<u>\$15,666,103</u>

**WASHOE COUNTY SCHOOL DISTRICT  
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The future minimum lease obligations and the net present value of these minimum lease payments is as follows:

Year Ending June 30,	
2007	\$ 2,914,110
2008	2,880,412
2009	2,371,991
2010	2,050,724
2011	1,782,627
2012-2016	12,438,287
2017-2018	<u>446,850</u>
Total minimum lease payments	24,885,001
Less: amount representing interest	<u>(3,612,745)</u>
Present value of minimum lease payments	<u>\$ 21,272,256</u>

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

Changes in General Long-Term Obligations:

	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
General obligation bonds	\$427,205,000	\$ 59,820,000	\$ 53,040,000	\$433,985,000	\$ 26,625,000
Deferred amounts for issuance premium	15,245,077	402,899	1,009,751	14,638,225	1,025,149
Capital lease obligations	22,255,576	1,005,000	1,988,320	21,272,256	2,267,637
Arbitrage payable	56,367	-	22,218	34,149	34,149
Early separation incentive stipends	3,161,055	282,674	852,119	2,591,610	705,241
Compensated absences	<u>20,599,730</u>	<u>17,974,643</u>	<u>16,460,713</u>	<u>22,113,660</u>	<u>16,460,713</u>
Total	<u>\$488,522,805</u>	<u>\$ 79,485,216</u>	<u>\$ 73,373,121</u>	<u>\$494,634,900</u>	<u>\$ 47,117,889</u>

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, 2006.

**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.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

Restricted assets are assets that have third-party (statutory, bond covenant or granting agency) limitation on their use. Restricted assets are classified by function, debt service, projects, or claims.

The restriction for debt service represents assets legally restricted by statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net assets restricted for claims represent the actuarially determined, legally required, amount to be held for payment of future claim liabilities in the self-insurance funds.

Unrestricted net assets represent available financial resources of the District.

**Fund Financial Statements:**

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

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

- (1) Reserved for Encumbrances: An account used to segregate a portion of fund balance for the amount of purchase orders, contracts, and other commitments which have been initiated but for which vendor performance has not been completed as of June 30.
- (2) Reserved for Inventories: An account used to segregate the portion of fund balance which is comprised of inventory and, as such, is not available for other discretionary expenditures.
- (3) 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.
- (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

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

year's expenditures is included in the unreserved fund balance on the balance sheet. Amounts included are as follows:

General Fund \$ 11,805,560

- (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 2006/2007 appropriations. The designated amount of \$6,339,057 is presented in the General Fund.

**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 19.75% for regular members and 32.00% 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.

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>	
	2005-06	19.75%	32.00%	10.50%	
2004-05	20.25%	28.50%	10.50%	10.50%	\$ 46,196,612
2003-04	20.25%	28.50%	10.50%	10.50%	\$ 43,246,971

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**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 1,104 retirees who receive postretirement health care benefits. Retirees are required to contribute up to \$5,837 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, 2006, expenses of \$8,158,921 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 expenses and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated annually by an outside actuary who takes into consideration recently settled claims, the frequency of claims, and other economic and social factors. Liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time are reported at their present value using the expected future investment yield of 4.0 percent.

At June 30, 2006, the amount of this liability was \$12,046,719. This liability is determined by actuaries using all available information. Changes in the reported liability since July 1, 2004 are as follows:

	<u>Property and Casualty</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Claims liability, June 30, 2004	\$ 2,154,000	\$ 5,521,727	\$ 3,786,000	\$ 11,461,727
Current year claims and changes in estimates	1,154,451	33,835,082	1,600,884	36,590,417
Claim payments	<u>(1,006,451)</u>	<u>(34,190,851)</u>	<u>(1,333,884)</u>	<u>(36,531,186)</u>
Claims liability, June 30, 2005	<u>2,302,000</u>	<u>5,165,958</u>	<u>4,053,000</u>	<u>11,520,958</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

	<u>Property and Casualty</u>	<u>Health Insurance</u>	<u>Workers' Compensation</u>	<u>Total</u>
Current year claims and changes in estimates	1,612,571	40,621,074	1,215,795	43,449,440
Claim payments	<u>(1,474,571)</u>	<u>(39,734,313)</u>	<u>(1,714,795)</u>	<u>(42,923,679)</u>
Claims liability, June 30, 2006	<u>\$ 2,440,000</u>	<u>\$ 6,052,719</u>	<u>\$ 3,554,000</u>	<u>\$ 12,046,719</u>
Due within one year	<u>\$ 1,226,380</u>	<u>\$ 6,052,719</u>	<u>\$ 1,458,553</u>	<u>\$ 8,737,652</u>

At June 30, 2006, the Internal Service Funds held \$28,573,027 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.

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 \$350,000 for each accident. Accidents in excess of \$350,000 are covered by excess insurance up to State statutory limits. The District maintains an account with a market value of \$2,654,469 as of June 30, 2006 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

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

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, 2006, 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	\$ 117,747	December 2006
ADK Project	300,615	December 2006
Bleacher Renovation Projects	125,850	September 2006
Carpet Replacement Projects	125,168	December 2006
Cold Springs Middle School	592,025	December 2006
Construction Management Service	2,663	September 2006
Fire Alarm Upgrades	8,375	September 2006
Hall Elementary School	1,081,966	December 2006
Information Technology Upgrade	1,254,113	December 2007
Lemelson	2,739	December 2006
North Valleys High School	823,218	December 2006
Outdoor Site Improvements	94,066	March 2007
Parking Projects	829,288	December 2006
Roofing Project Services	1,817,789	December 2006
RTI Projects	1,639,953	December 2007
School Renewal Study	12,672	December 2006
Sepulveda Elementary School	123,726	December 2006
Shaw Middle School	19,094	December 2006
Signal Strength Projects	126,012	December 2006
Spanish Spring High School	1,174,162	December 2006
Warehouse Project	274,193	December 2006
	<u>\$ 10,545,434</u>	

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

No additional financing will be required to complete construction in progress at June 30, 2006.

**WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 12 – Restatement of Fund Balance/Net Assets:**

The District has restated its June 30, 2005 fund balances and net assets as follows to establish the Nutrition Services Enterprise Fund, transfer capital assets to this fund from governmental activities, and eliminate the Nutrition Services Special Revenue Fund.

	Nonmajor Special Revenue Fund - Nutrition Services	Governmental Activities	Enterprise Fund - Nutrition Services
Balances as of June 30, 2005 (as previously reported)			
Fund Balance	\$ 2,398,157	\$ -	\$ -
Net Assets	-	201,136,091	-
Adjustments:			
Transfer of fund balance to net assets	(2,398,157)	(2,398,157)	2,398,157
Transfer of capital assets		(1,525,693)	1,525,693
Accumulated depreciation on assets transferred		880,791	(880,791)
Other		(3)	3
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balances as of June 30, 2005 (as restated)	<u>\$ -</u>	<u>\$ 198,093,029</u>	<u>\$ 3,043,062</u>

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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, 2006**

	<b>SPECIAL REVENUE FUNDS</b>	<b>CAPITAL PROJECTS FUNDS</b>	<b>TOTAL</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and investments	\$ 22,582,545	\$ 12,925,836	\$ 35,508,381
Receivables:			
Accrued interest	-	53,757	53,757
Grants	11,652,841	-	11,652,841
Miscellaneous	203,178	-	203,178
Due from other governments	<u>-</u>	<u>349,235</u>	<u>349,235</u>
Total assets	<u>\$ 34,438,564</u>	<u>\$ 13,328,828</u>	<u>\$ 47,767,392</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,701,940	\$ 93,190	\$ 5,795,130
Accrued liabilities	4,833,043	53,565	4,886,608
Construction contracts payable	-	360,089	360,089
Due to other funds	4,313,604	-	4,313,604
Due to other governments	84,281	-	84,281
Deferred revenues	<u>9,551,709</u>	<u>-</u>	<u>9,551,709</u>
Total liabilities	<u>24,484,577</u>	<u>506,844</u>	<u>24,991,421</u>
<b>FUND BALANCES</b>			
Reserved for:			
Reserved for encumbrances	-	405,747	405,747
Reserved for construction contracts	-	2,009,190	2,009,190
Unreserved:			
Designated for retiree health benefits	8,532,934	-	8,532,934
Undesignated	<u>1,421,053</u>	<u>10,407,047</u>	<u>11,828,100</u>
Total fund balances	<u>9,953,987</u>	<u>12,821,984</u>	<u>22,775,971</u>
Total liabilities and fund balances	<u>\$ 34,438,564</u>	<u>\$ 13,328,828</u>	<u>\$ 47,767,392</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local sources	\$ 2,952,257	\$ 5,491,871	\$ 8,444,128
State sources	33,232,251	-	33,232,251
Federal sources	31,402,746	-	31,402,746
	<u>67,587,254</u>	<u>5,491,871</u>	<u>73,079,125</u>
<b>EXPENDITURES</b>			
Current:			
Regular programs	41,213,337	-	41,213,337
Special programs	5,458,073	-	5,458,073
Adult education programs	1,080,063	-	1,080,063
Community service programs	642,275	-	642,275
Undistributed expenditures:			
Student support	7,533,472	-	7,533,472
Instructional staff support	8,574,137	-	8,574,137
School administration	442,322	-	442,322
Operation and maintenance	2,488,354	-	2,488,354
Central support	382,214	-	382,214
Other support	16,851	-	16,851
Capital outlay	-	5,682,466	5,682,466
	<u>67,831,098</u>	<u>5,682,466</u>	<u>73,513,564</u>
Excess (deficiency) of revenues over expenditures	<u>(243,844)</u>	<u>(190,595)</u>	<u>(434,439)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
Total other financing sources (uses)	<u>5,000,000</u>	<u>-</u>	<u>5,000,000</u>
Net change in fund balances	4,756,156	(190,595)	4,565,561
<b>FUND BALANCE, July 1 (as restated)</b>	<u>5,197,831</u>	<u>13,012,579</u>	<u>18,210,410</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 9,953,987</u>	<u>\$ 12,821,984</u>	<u>\$ 22,775,971</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, 2006  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)**

	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and investments	\$ 15,364,087	\$ 33,869,360
Receivables:		
Property taxes	2,752,063	961,873
Interest	292,248	156,295
Miscellaneous	575,157	291,472
Due from other funds	4,313,604	645,275
Due from other governments	42,808,326	28,652,906
Inventories	<u>1,363,349</u>	<u>529,770</u>
 Total assets	 <u>\$ 67,468,834</u>	 <u>\$ 65,106,951</u>
 <b>LIABILITIES</b>		
Accounts payable	\$ 3,150,595	\$ 4,715,832
Accrued liabilities	31,112,396	30,871,364
Due to other governments	-	4,062,282
Deferred revenues	<u>1,304,649</u>	<u>820,513</u>
 Total liabilities	 <u>35,567,640</u>	 <u>40,469,991</u>
 <b>FUND BALANCES</b>		
Reserved for:		
Encumbrances	1,627,947	1,425,869
Inventories	1,363,349	529,770
Unreserved:		
Designated for subsequent year's expenditures	11,805,560	11,107,963
Designated for repayment carryover of general supply appropriations	6,339,057	3,772,588
Designated for negotiated employee contracts	2,989,409	-
Designated for expenditures	647,867	-
Designated for capital projects	309,000	-
Undesignated	<u>6,819,005</u>	<u>7,800,770</u>
 Total fund balances	 <u>31,901,194</u>	 <u>24,636,960</u>
 Total liabilities and fund balances	 <u>\$ 67,468,834</u>	 <u>\$ 65,106,951</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 254,274,173	\$ 253,382,361	\$ 273,090,706	\$ 19,708,345	\$ 247,752,264
State sources	93,100,949	92,302,946	78,162,477	(14,140,469)	86,720,804
Federal sources	630,000	630,000	572,392	(57,608)	772,016
Other sources	5,000	5,000	37,224	32,224	37,345
Total revenues	<u>348,010,122</u>	<u>346,320,307</u>	<u>351,862,799</u>	<u>5,542,492</u>	<u>335,282,429</u>
<b>EXPENDITURES</b>					
Current:					
Regular programs	182,228,817	180,677,527	178,717,593	1,959,934	171,738,498
Vocational programs	8,088,377	8,021,817	8,006,895	14,922	7,405,722
Other instructional programs	3,588,130	3,912,046	3,199,927	712,119	3,114,088
Undistributed Expenditures:					
Student support	19,636,345	20,309,233	19,531,928	777,305	18,176,981
Instructional staff support	9,135,442	9,416,054	9,132,659	283,395	8,107,339
General administration	7,721,951	7,555,289	7,208,768	346,521	6,743,139
School administration	23,904,627	24,556,556	24,230,730	325,826	22,382,275
Business support	4,431,064	4,871,952	4,386,717	485,235	4,040,598
Operation and maintenance	39,701,092	41,338,724	39,448,055	1,890,669	37,625,359
Student transportation	13,422,785	14,007,441	12,513,044	1,494,397	15,122,001
Central support services	7,967,719	8,015,683	7,072,407	943,276	7,864,152
Total expenditures	<u>319,826,349</u>	<u>322,682,322</u>	<u>313,448,723</u>	<u>9,233,599</u>	<u>302,320,152</u>
Excess of Revenues Over Expenditures	<u>28,183,773</u>	<u>23,637,985</u>	<u>38,414,076</u>	<u>14,776,091</u>	<u>32,962,277</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	-	1,006,884	1,005,000	(1,884)	1,019,287
Contingency	(600,000)	-	-	-	-
Transfers out	(33,112,808)	(33,309,220)	(32,154,842)	1,154,378	(28,255,165)
Total other financing sources (uses)	<u>(33,712,808)</u>	<u>(32,302,336)</u>	<u>(31,149,842)</u>	<u>1,152,494</u>	<u>(27,235,878)</u>
Net change in fund balances	(5,529,035)	(8,664,351)	7,264,234	15,928,585	5,726,399
<b>FUND BALANCE, July 1</b>	<u>13,081,258</u>	<u>24,636,960</u>	<u>24,636,960</u>	<u>-</u>	<u>18,910,561</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 7,552,223</u>	<u>\$ 15,972,609</u>	<u>\$ 31,901,194</u>	<u>\$ 15,928,585</u>	<u>\$ 24,636,960</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Ad Valorem taxes	\$ 86,614,592	\$ 83,865,913	\$ 89,351,473	\$ 5,485,560	\$ 82,793,542
School support taxes	147,817,654	147,817,654	161,027,372	13,209,718	145,056,434
Franchise taxes	210,000	210,000	361,157	151,157	286,955
Government services tax	14,168,927	14,586,794	14,517,247	(69,547)	13,709,075
Revenue in lieu of taxes	140,000	140,000	234,440	94,440	216,930
Tuition - regular day school	422,000	422,000	567,705	145,705	330,898
Tuition - summer school	550,000	550,000	409,217	(140,783)	631,805
Tuition - adult continuing education	-	-	-	-	212,357
Earnings on investments	850,000	1,980,000	2,554,914	574,914	1,030,943
Refunds	47,000	47,000	51,208	4,208	19,384
Indirect costs	1,275,000	1,584,000	1,496,516	(87,484)	1,132,554
Transportation	450,000	450,000	392,784	(57,216)	375,569
Reimbursements	1,104,000	1,104,000	1,404,396	300,396	1,245,453
Grant Administration	285,000	285,000	307,304	22,304	295,773
Other	340,000	340,000	414,973	74,973	414,592
Total local sources	254,274,173	253,382,361	273,090,706	19,708,345	247,752,264
State sources:					
Distributive school fund	92,790,949	91,420,476	77,280,007	(14,140,469)	85,542,351
Special appropriations	310,000	882,470	882,470	-	1,178,453
Total state sources	93,100,949	92,302,946	78,162,477	(14,140,469)	86,720,804
Federal sources:					
Forest reserve	5,000	5,000	6,490	1,490	6,136
FEMA Reimbursement	-	-	-	-	220,879
Impact Aid - Hurricane Relief	-	-	41,573	41,573	-
Revenue in lieu of taxes, P.L. 81-874	160,000	160,000	171,000	11,000	195,398
E-Rate refund	465,000	465,000	353,329	(111,671)	349,603
Total federal sources	630,000	630,000	572,392	(57,608)	772,016
Other sources	5,000	5,000	37,224	32,224	37,345
Total revenues	348,010,122	346,320,307	351,862,799	5,542,492	335,282,429
<b>EXPENDITURES</b>					
Current:					
Regular programs					
Instruction					
Salaries	128,082,664	126,494,531	126,317,756	176,775	120,631,684
Benefits	42,408,960	41,710,056	41,491,137	218,919	40,473,629
Purchased services	1,107,669	1,002,851	864,071	138,780	889,425
Supplies	10,310,223	11,262,959	10,022,370	1,240,589	9,681,962
Property	310,691	198,520	330	198,190	34,733
Other	8,610	8,610	21,929	(13,319)	27,065
Total regular programs	182,228,817	180,677,527	178,717,593	1,959,934	171,738,498

(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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Vocational programs					
Instruction					
Salaries	\$ 5,912,414	\$ 5,848,050	\$ 5,864,159	\$ (16,109)	\$ 5,376,489
Benefits	1,972,236	1,961,728	1,961,139	589	1,795,367
Purchased services	40,145	40,033	18,216	21,817	23,226
Supplies	163,582	172,006	160,766	11,240	204,562
Property	-	-	-	-	5,978
Other	-	-	2,615	(2,615)	100
Total vocational programs	8,088,377	8,021,817	8,006,895	14,922	7,405,722
Other instructional programs:					
Summer school					
Salaries	790,622	944,030	575,414	368,616	610,268
Benefits	29,049	41,899	18,114	23,785	20,537
Purchased services	17,600	18,600	6,962	11,638	8,752
Supplies	13,810	37,886	20,772	17,114	12,027
Property	2,400	2,400	-	2,400	-
Total summer school	853,481	1,044,815	621,262	423,553	651,584
Athletics					
Salaries	1,706,785	1,798,756	1,662,785	135,971	1,571,359
Benefits	184,089	227,618	213,845	13,773	205,828
Purchased services	694,642	692,702	608,968	83,734	611,639
Supplies	5,000	5,000	13,326	(8,326)	11,137
Property	17,540	17,350	24,454	(7,104)	-
Other	126,593	125,805	55,287	70,518	62,541
Total athletics	2,734,649	2,867,231	2,578,665	288,566	2,462,504
Total other instructional programs	3,588,130	3,912,046	3,199,927	712,119	3,114,088
Undistributed Expenditures:					
Student support					
Salaries	13,997,830	14,099,673	14,028,827	70,846	12,822,206
Benefits	4,563,435	4,693,731	4,672,166	21,565	4,368,444
Purchased services	741,108	789,904	644,429	145,475	563,721
Supplies	308,887	700,052	151,958	548,094	391,691
Property	24,955	24,955	-	24,955	6,683
Other	130	918	34,548	(33,630)	24,236
Total student support	19,636,345	20,309,233	19,531,928	777,305	18,176,981
Instructional staff support					
Salaries	5,995,126	6,005,044	6,099,591	(94,547)	5,457,817
Benefits	1,907,765	1,942,724	1,951,369	(8,645)	1,805,977
Purchased services	545,795	611,812	534,044	77,768	380,259
Supplies	649,103	818,821	529,832	288,989	455,779
Property	31,246	31,246	-	31,246	7,507
Other	6,407	6,407	17,823	(11,416)	-
Total instructional staff support	9,135,442	9,416,054	9,132,659	283,395	8,107,339

(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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
General administration					
Salaries	\$ 2,212,524	\$ 1,930,021	\$ 1,919,990	\$ 10,031	\$ 1,746,531
Benefits	892,394	862,286	799,265	63,021	721,808
Purchased services	4,521,153	4,365,220	4,300,431	64,789	4,108,016
Supplies	55,575	354,957	143,058	211,899	82,852
Property	650	650	10,039	(9,389)	42,136
Other	39,655	42,155	35,985	6,170	41,796
Total general administration	7,721,951	7,555,289	7,208,768	346,521	6,743,139
School administration					
Salaries	18,210,608	18,456,963	18,312,950	144,013	16,846,546
Benefits	5,488,893	5,677,316	5,651,983	25,333	5,267,985
Purchased services	147,516	257,928	167,022	90,906	116,272
Supplies	42,985	135,312	91,925	43,387	133,654
Property	6,050	6,050	-	6,050	9,190
Other	8,575	22,987	6,850	16,137	8,628
Total school administration	23,904,627	24,556,556	24,230,730	325,826	22,382,275
Business support					
Salaries	2,956,147	3,065,390	3,059,850	5,540	2,806,933
Benefits	975,456	1,024,861	1,021,459	3,402	925,968
Purchased services	644,078	371,328	267,646	103,682	132,923
Supplies	(174,434)	211,552	-	211,552	142,044
Property	24,382	193,386	30,801	162,585	26,709
Other	5,435	5,435	6,961	(1,526)	6,021
Total business support	4,431,064	4,871,952	4,386,717	485,235	4,040,598
Operation and maintenance					
Salaries	17,175,996	16,592,043	16,503,196	88,847	15,822,363
Benefits	6,702,913	6,280,661	6,351,527	(70,866)	6,085,781
Purchased services	5,565,888	6,303,996	5,070,764	1,233,232	4,927,619
Supplies	10,178,811	11,388,540	11,396,319	(7,779)	10,069,162
Property	32,230	728,230	68,084	660,146	670,058
Other	45,254	45,254	58,165	(12,911)	50,376
Total operation and maintenance	39,701,092	41,338,724	39,448,055	1,890,669	37,625,359
Student transportation					
Salaries	6,404,178	6,003,602	5,927,004	76,598	5,637,601
Benefits	2,809,987	2,250,237	2,364,953	(114,716)	2,404,322
Purchased services	863,572	848,135	576,816	271,319	395,478
Supplies	1,982,348	2,242,682	2,013,123	229,559	1,945,869
Property	1,347,700	2,647,785	1,621,388	1,026,397	4,706,161
Other	15,000	15,000	9,760	5,240	32,570
Total student transportation	13,422,785	14,007,441	12,513,044	1,494,397	15,122,001

(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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Central support services					
Salaries	\$ 4,528,454	\$ 4,060,570	\$ 4,090,566	\$ (29,996)	\$ 3,836,886
Benefits	1,317,051	1,202,442	1,208,400	(5,958)	1,150,460
Purchased services	1,178,118	1,283,071	1,541,017	(257,946)	1,094,479
Supplies	933,252	1,458,756	153,631	1,305,125	1,274,148
Property	8,174	8,174	73,377	(65,203)	499,400
Other	2,670	2,670	5,416	(2,746)	8,779
Total central support	7,967,719	8,015,683	7,072,407	943,276	7,864,152
Total undistributed expenditures	125,921,025	130,070,932	123,524,308	6,546,624	120,061,844
Total expenditures	319,826,349	322,682,322	313,448,723	9,233,599	302,320,152
Excess of Revenues Over Expenditures	28,183,773	23,637,985	38,414,076	14,776,091	32,962,277
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	-	1,006,884	1,005,000	(1,884)	1,019,287
Contingency	(600,000)	-	-	-	-
Transfers out	(33,112,808)	(33,309,220)	(32,154,842)	1,154,378	(28,255,165)
Total other financing sources (uses)	(33,712,808)	(32,302,336)	(31,149,842)	1,152,494	(27,235,878)
Net change in fund balances	(5,529,035)	(8,664,351)	7,264,234	15,928,585	5,726,399
<b>FUND BALANCE, July 1</b>	13,081,258	24,636,960	24,636,960	-	18,910,561
<b>FUND BALANCE, June 30</b>	\$ 7,552,223	\$ 15,972,609	\$ 31,901,194	\$ 15,928,585	\$ 24,636,960

# Special Revenue Funds

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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 particular 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, Family Resource Centers, Drug Free Schools, Early Childhood LEA (Special Education), Reading Improvement, Twenty-First Century, Title II, Title III, Education Collaborative, and Medicaid.*

**State Programs:**

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

**Local Programs:**

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

**Special Education:**

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

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Other	\$ -	\$ -	\$ -	\$ -	\$ 358
State sources:					
Distributive school account	18,662,686	18,593,820	18,655,920	62,100	16,881,687
Total revenues	18,662,686	18,593,820	18,655,920	62,100	16,882,045
<b>EXPENDITURES</b>					
Current:					
Special programs					
Instruction					
Salaries	27,273,240	26,372,377	26,061,579	310,798	24,453,692
Benefits	9,231,462	8,953,475	8,863,535	89,940	8,415,310
Purchased services	60,700	314,584	64,078	250,506	26,800
Supplies	41,508	86,858	53,539	33,319	72,546
Property	2,000	2,000	-	2,000	-
Other	1,500	1,500	1,691	(191)	1,115
Total special programs	36,610,410	35,730,794	35,044,422	686,372	32,969,463
Undistributed expenditures:					
Student support					
Salaries	657,379	628,914	606,409	22,505	618,943
Benefits	107,909	112,009	99,415	12,594	97,633
Total student support	765,288	740,923	705,824	35,099	716,576
Instructional staff support					
Salaries	415,481	381,087	381,798	(711)	368,287
Benefits	133,819	119,394	118,377	1,017	113,418
Purchased services	78,175	112,175	86,846	25,329	71,365
Supplies	10,000	20,000	11,507	8,493	12,101
Property	1,665	1,665	-	1,665	-
Total instructional staff support	639,140	634,321	598,528	35,793	565,171
School administration					
Salaries	112,114	116,057	111,661	4,396	106,466
Benefits	33,245	39,406	33,351	6,055	31,808
Total school administration	145,359	155,463	145,012	10,451	138,274
Operations and maintenance					
Salaries	35,098	38,428	35,050	3,378	34,772
Benefits	14,519	18,978	14,227	4,751	13,995
Total operations and maintenance	49,617	57,406	49,277	8,129	48,767

(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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
Student transportation					
Salaries	\$ 2,586,196	\$ 2,543,900	\$ 2,539,886	\$ 4,014	\$ 2,352,115
Benefits	1,203,129	1,003,628	1,039,824	(36,196)	1,070,288
Purchased services	244,927	290,980	261,785	29,195	186,330
Supplies	191,979	457,060	446,639	10,421	316,676
Total student transportation	<u>4,226,231</u>	<u>4,295,568</u>	<u>4,288,134</u>	<u>7,434</u>	<u>3,925,409</u>
Total undistributed expenditures	<u>5,825,635</u>	<u>5,883,681</u>	<u>5,786,775</u>	<u>96,906</u>	<u>5,394,197</u>
Total expenditures	<u>42,436,045</u>	<u>41,614,475</u>	<u>40,831,197</u>	<u>783,278</u>	<u>38,363,660</u>
Excess (deficiency) of revenues over expenditures	<u>(23,773,359)</u>	<u>(23,020,655)</u>	<u>(22,175,277)</u>	<u>845,378</u>	<u>(21,481,615)</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in	<u>23,773,359</u>	<u>23,020,655</u>	<u>22,175,277</u>	<u>(845,378)</u>	<u>21,481,615</u>
Excess of revenues and other financing sources over expenditures	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2006**  
**(Page 1 of 3)**

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 52,970
Receivables:						
Grants	1,337,117	462,404	91,002	2,011,556	375,752	1,486,688
Miscellaneous	-	-	-	-	-	-
	<u>1,337,117</u>	<u>462,404</u>	<u>91,002</u>	<u>2,011,556</u>	<u>375,752</u>	<u>1,539,658</u>
Total assets	<u>\$ 1,337,117</u>	<u>\$ 462,404</u>	<u>\$ 91,002</u>	<u>\$ 2,011,556</u>	<u>\$ 375,752</u>	<u>\$ 1,539,658</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 36,353	\$ 21,264	\$ 950	\$ 19,274	\$ 79,405	\$ 695,484
Accrued liabilities	368,679	36,985	39,361	761,057	32,606	308,216
Due to other funds	930,698	404,155	50,691	1,231,225	263,741	117,758
Due to other governments	-	-	-	-	-	12,752
Deferred revenues	1,387	-	-	-	-	405,448
	<u>1,337,117</u>	<u>462,404</u>	<u>91,002</u>	<u>2,011,556</u>	<u>375,752</u>	<u>1,539,658</u>
Total liabilities	<u>1,337,117</u>	<u>462,404</u>	<u>91,002</u>	<u>2,011,556</u>	<u>375,752</u>	<u>1,539,658</u>
<b>FUND BALANCE</b>						
Unreserved:						
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>\$ 1,337,117</u>	<u>\$ 462,404</u>	<u>\$ 91,002</u>	<u>\$ 2,011,556</u>	<u>\$ 375,752</u>	<u>\$ 1,539,658</u>

<u>FAMILY RESOURCE CENTERS</u>	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>DRUG FREE SCHOOLS</u>	<u>EARLY CHILDHOOD</u>	<u>SPECIAL STATE APPROPRIATIONS</u>	<u>INNOVATION &amp; REMEDIAL EDUCATION</u>
\$ -	\$ 346,876	\$ 2,123,232	\$ -	\$ -	\$ 1,749,708	\$ 7,774,134
106,242	-	-	44,572	148,370	3,597,041	-
-	-	-	-	-	-	-
<u>\$ 106,242</u>	<u>\$ 346,876</u>	<u>\$ 2,123,232</u>	<u>\$ 44,572</u>	<u>\$ 148,370</u>	<u>\$ 5,346,749</u>	<u>\$ 7,774,134</u>
\$ 11,608	\$ 335	\$ -	\$ 13,395	\$ 102	\$ 4,247,816	\$ 318,252
24,649	166,965	2,123,232	24,775	52,786	226,690	233,464
4,587	-	-	1,797	52,818	-	-
-	25,353	-	4,605	41,571	-	-
<u>65,398</u>	<u>154,223</u>	<u>-</u>	<u>-</u>	<u>1,093</u>	<u>872,243</u>	<u>7,222,418</u>
<u>106,242</u>	<u>346,876</u>	<u>2,123,232</u>	<u>44,572</u>	<u>148,370</u>	<u>5,346,749</u>	<u>7,774,134</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 106,242</u>	<u>\$ 346,876</u>	<u>\$ 2,123,232</u>	<u>\$ 44,572</u>	<u>\$ 148,370</u>	<u>\$ 5,346,749</u>	<u>\$ 7,774,134</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2006**  
**(Page 2 of 3)**

	<u>READING IMPROVEMENT</u>	<u>TWENTY-FIRST CENTURY</u>	<u>TITLE II PART A TEACHER TRAINING</u>	<u>TITLE III ENGLISH LANGUAGE ACQUISITION</u>	<u>REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM</u>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables:					
Grants	458,162	298,034	277,424	240,840	658,583
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total assets</b>	<b>\$ <u>458,162</u></b>	<b>\$ <u>298,034</u></b>	<b>\$ <u>277,424</u></b>	<b>\$ <u>240,840</u></b>	<b>\$ <u>658,583</u></b>
<b>LIABILITIES</b>					
Accounts payable	\$ 32,805	\$ 25,423	\$ 11,342	\$ 310	\$ 10,971
Accrued liabilities	98,318	23,819	53,805	38,862	141,286
Due to other funds	274,386	185,757	212,277	201,668	277,167
Due to other governments	-	-	-	-	-
Deferred revenues	<u>52,653</u>	<u>63,035</u>	<u>-</u>	<u>-</u>	<u>229,159</u>
<b>Total liabilities</b>	<b><u>458,162</u></b>	<b><u>298,034</u></b>	<b><u>277,424</u></b>	<b><u>240,840</u></b>	<b><u>658,583</u></b>
<b>FUND BALANCE</b>					
Unreserved:					
Designated for retiree health benefits	-	-	-	-	-
Undesignated	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total fund balance</b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total liabilities and fund balance</b>	<b>\$ <u>458,162</u></b>	<b>\$ <u>298,034</u></b>	<b>\$ <u>277,424</u></b>	<b>\$ <u>240,840</u></b>	<b>\$ <u>658,583</u></b>

<u>EDUCATION COLLABORATIVE</u>	<u>PRIVATE FOUNDATIONS</u>	<u>MEDICAID</u>	<u>CATEGORICAL GRANTS</u>	<u>COMMUNITY EDUCATION</u>	<u>GIFTS AND DONATIONS</u>
\$ 208,032	\$ 286,737	\$ 246,146	\$ -	\$ 323,550	\$ 785,147
55,428	3,626	-	-	-	-
-	-	-	177,043	-	3,701
<u>\$ 263,460</u>	<u>\$ 290,363</u>	<u>\$ 246,146</u>	<u>\$ 177,043</u>	<u>\$ 323,550</u>	<u>\$ 788,848</u>
\$ 32,281	\$ 24,185	\$ 48,652	\$ -	\$ 8,620	\$ 39,728
3,314	9,886	5,530	39,230	10,250	727
-	-	-	104,879	-	-
-	-	-	-	-	-
<u>227,865</u>	<u>256,292</u>	<u>-</u>	<u>495</u>	<u>-</u>	<u>-</u>
<u>263,460</u>	<u>290,363</u>	<u>54,182</u>	<u>144,604</u>	<u>18,870</u>	<u>40,455</u>
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>191,964</u>	<u>32,439</u>	<u>304,680</u>	<u>748,393</u>
-	-	191,964	32,439	304,680	748,393
<u>\$ 263,460</u>	<u>\$ 290,363</u>	<u>\$ 246,146</u>	<u>\$ 177,043</u>	<u>\$ 323,550</u>	<u>\$ 788,848</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
**JUNE 30, 2006**  
**(Page 3 of 3)**

	<b>PRE-FUNDED RETIREE HEALTH BENEFITS</b>	<b>ADVANCED CARPENTRY</b>	<b>WELLNESS</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Cash and investments	\$ 8,514,737	\$ 62,828	\$ 108,448	\$ 22,582,545
Receivables:				
Grants	-	-	-	11,652,841
Miscellaneous	18,197	-	4,237	203,178
<b>Total assets</b>	<b>\$ 8,532,934</b>	<b>\$ 62,828</b>	<b>\$ 112,685</b>	<b>\$ 34,438,564</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 12,363	\$ 11,022	\$ 5,701,940
Accrued liabilities	-	-	8,551	4,833,043
Due to other funds	-	-	-	4,313,604
Due to other governments	-	-	-	84,281
Deferred revenues	-	-	-	9,551,709
<b>Total liabilities</b>	<b>-</b>	<b>12,363</b>	<b>19,573</b>	<b>24,484,577</b>
<b>FUND BALANCE</b>				
Unreserved:				
Designated for retiree health benefits	8,532,934	-	-	8,532,934
Undesignated	-	50,465	93,112	1,421,053
<b>Total fund balance</b>	<b>8,532,934</b>	<b>50,465</b>	<b>93,112</b>	<b>9,953,987</b>
<b>Total liabilities and fund balance</b>	<b>\$ 8,532,934</b>	<b>\$ 62,828</b>	<b>\$ 112,685</b>	<b>\$ 34,438,564</b>

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**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006  
(Page 1 of 3)**

	<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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 382,348
State sources	-	-	-	-	153,066	1,396,909
Federal sources	7,889,784	1,154,204	246,222	10,595,818	643,430	4,432,446
Total revenues	<u>7,889,784</u>	<u>1,154,204</u>	<u>246,222</u>	<u>10,595,818</u>	<u>796,496</u>	<u>6,211,703</u>
<b>EXPENDITURES</b>						
Current:						
Regular programs	7,382,575	674,160	234,622	-	-	2,131,580
Special programs	-	-	-	5,300,920	-	-
Adult education programs	-	-	-	-	-	-
Community service programs	-	-	-	-	-	-
Undistributed expenditures:						
Student support	-	-	-	4,710,916	-	1,786,810
Instructional staff support	507,209	480,044	11,600	583,982	796,496	1,902,799
School administration	-	-	-	-	-	-
Operation and maintenance	-	-	-	-	-	-
Central support	-	-	-	-	-	382,214
Other support	-	-	-	-	-	8,300
Total expenditures	<u>7,889,784</u>	<u>1,154,204</u>	<u>246,222</u>	<u>10,595,818</u>	<u>796,496</u>	<u>6,211,703</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>						
Transfers in	-	-	-	-	-	-
Net change in fund balances	-	-	-	-	-	-
<b>FUND BALANCE, July 1 (as restated)</b>	-	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>FAMILY RESOURCE CENTERS</u>	<u>ADULT EDUCATION</u>	<u>CLASS SIZE REDUCTION</u>	<u>DRUG FREE SCHOOLS</u>	<u>EARLY CHILDHOOD</u>	<u>SPECIAL STATE APPROPRIATIONS</u>	<u>INNOVATION &amp; REMEDIAL EDUCATION</u>
\$ 68,486	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
324,603	1,683,663	18,298,313	-	468,906	6,652,798	2,501,164
249,186	-	-	216,644	264,771	-	-
<u>642,275</u>	<u>1,683,663</u>	<u>18,298,313</u>	<u>216,644</u>	<u>733,677</u>	<u>6,652,798</u>	<u>2,501,164</u>
-	-	18,298,313	-	432,613	4,225,041	2,492,965
-	-	-	-	157,153	-	-
-	1,080,063	-	-	-	-	-
642,275	-	-	-	-	-	-
-	243,119	-	-	-	-	-
-	-	-	216,644	143,911	-	8,199
-	299,884	-	-	-	-	-
-	60,597	-	-	-	2,427,757	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>642,275</u>	<u>1,683,663</u>	<u>18,298,313</u>	<u>216,644</u>	<u>733,677</u>	<u>6,652,798</u>	<u>2,501,164</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006  
(Page 2 of 3)**

	<u>READING IMPROVEMENT</u>	<u>TWENTY-FIRST CENTURY</u>	<u>TITLE II PART A TEACHER TRAINING</u>	<u>TITLE III ENGLISH LANGUAGE ACQUISITION</u>	<u>REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM</u>
<b>REVENUES</b>					
Local sources	\$ -	\$ 80,048	\$ -	\$ -	\$ -
State sources	-	-	-	-	1,752,829
Federal sources	1,405,633	1,483,460	1,448,771	724,969	-
Total revenues	<u>1,405,633</u>	<u>1,563,508</u>	<u>1,448,771</u>	<u>724,969</u>	<u>1,752,829</u>
<b>EXPENDITURES</b>					
Current:					
Regular programs	906,791	1,274,941	-	724,969	-
Special programs	-	-	-	-	-
Adult education programs	-	-	-	-	-
Community service programs	-	-	-	-	-
Undistributed expenditures:					
Student support	498,842	-	-	-	-
Instructional staff support	-	288,567	1,448,771	-	1,752,829
School administration	-	-	-	-	-
Operation and maintenance	-	-	-	-	-
Central support	-	-	-	-	-
Other support	-	-	-	-	-
Total expenditures	<u>1,405,633</u>	<u>1,563,508</u>	<u>1,448,771</u>	<u>724,969</u>	<u>1,752,829</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	-
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1 (as restated)</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<u>EDUCATION COLLABORATIVE</u>	<u>PRIVATE FOUNDATIONS</u>	<u>MEDICAID</u>	<u>CATEGORICAL GRANTS</u>	<u>COMMUNITY EDUCATION</u>	<u>GIFTS AND DONATIONS</u>	<u>PRE-FUNDED RETIREE HEALTH BENEFITS</u>
\$ 145,482	\$ 395,264	\$ -	\$ 554,348	\$ 403,941	\$ 331,628	\$ 165,616
-	-	-	-	-	-	-
263,028	-	384,380	-	-	-	-
<u>408,510</u>	<u>395,264</u>	<u>384,380</u>	<u>554,348</u>	<u>403,941</u>	<u>331,628</u>	<u>165,616</u>
130,482	348,146	804,416	549,423	246,211	290,313	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
263,029	30,243	-	513	-	-	-
6,448	16,875	-	2,838	-	-	-
-	-	-	1,574	140,864	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,551	-	-	-	-	-	-
<u>408,510</u>	<u>395,264</u>	<u>804,416</u>	<u>554,348</u>	<u>387,075</u>	<u>290,313</u>	<u>-</u>
-	-	(420,036)	-	16,866	41,315	165,616
-	-	-	-	-	-	5,000,000
-	-	(420,036)	-	16,866	41,315	5,165,616
-	-	612,000	32,439	287,814	707,078	3,367,318
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 191,964</u>	<u>\$ 32,439</u>	<u>\$ 304,680</u>	<u>\$ 748,393</u>	<u>\$ 8,532,934</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
FOR THE YEAR ENDED JUNE 30, 2006  
(Page 3 of 3)**

	<u>ADVANCED CARPENTRY</u>	<u>WELLNESS</u>	<u>TOTAL</u>
<b>REVENUES</b>			
Local sources	\$ -	\$ 425,096	\$ 2,952,257
State sources	-	-	33,232,251
Federal sources	-	-	31,402,746
	<hr/>	<hr/>	<hr/>
Total revenues	-	425,096	67,587,254
<b>EXPENDITURES</b>			
Current:			
Regular programs	65,776	-	41,213,337
Special programs	-	-	5,458,073
Adult education programs	-	-	1,080,063
Community service programs	-	-	642,275
Undistributed expenditures:			
Student support	-	-	7,533,472
Instructional staff support	-	406,925	8,574,137
School administration	-	-	442,322
Operation and maintenance	-	-	2,488,354
Central support	-	-	382,214
Other support	-	-	16,851
	<hr/>	<hr/>	<hr/>
Total expenditures	65,776	406,925	67,831,098
	<hr/>	<hr/>	<hr/>
Excess (deficiency) of revenues over expenditures	(65,776)	18,171	(243,844)
<b>OTHER FINANCING SOURCES:</b>			
Transfers in	-	-	5,000,000
	<hr/>	<hr/>	<hr/>
Net change in fund balances	(65,776)	18,171	4,756,156
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, July 1 (as restated)</b>	116,241	74,941	5,197,831
	<hr/>	<hr/>	<hr/>
<b>FUND BALANCE, June 30</b>	<u>\$ 50,465</u>	<u>\$ 93,112</u>	<u>\$ 9,953,987</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title I	\$ 8,602,537	\$ 9,045,296	\$ 7,889,784	\$ (1,155,512)	\$ 7,855,691
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	4,372,177	4,402,419	4,166,456	235,963	4,250,426
Benefits	1,408,191	1,602,226	1,393,084	209,142	1,433,070
Purchased services	770,652	1,223,620	844,287	379,333	672,507
Supplies	1,228,530	658,633	581,846	76,787	741,947
Property	-	5,978	5,978	-	9,085
Other	420,888	435,607	390,924	44,683	405,312
Total regular programs	8,200,438	8,328,483	7,382,575	945,908	7,512,347
Undistributed expenditures:					
Instructional staff support					
Salaries	332,149	436,361	366,780	69,581	267,708
Benefits	60,185	96,075	73,431	22,644	54,417
Purchased services	9,454	81,501	25,714	55,787	18,260
Supplies	-	14,439	9,662	4,777	-
Other	311	88,437	31,622	56,815	2,959
Total undistributed expenditures	402,099	716,813	507,209	209,604	343,344
Total expenditures	8,602,537	9,045,296	7,889,784	1,155,512	7,855,691
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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</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 V	\$ 903,070	\$ 1,335,947	\$ 1,154,204	\$ (181,743)	\$ 1,331,376
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	516,740	428,322	394,074	34,248	780,081
Benefits	161,322	136,475	112,332	24,143	239,303
Purchased services	76,152	198,224	99,525	98,699	107,035
Supplies	51,652	78,475	68,169	10,306	32,023
Property	4,568	-	-	-	-
Other	300	60	60	-	6,506
Total regular programs	<u>810,734</u>	<u>841,556</u>	<u>674,160</u>	<u>167,396</u>	<u>1,164,948</u>
Undistributed expenditures:					
Instructional staff support					
Salaries	38,161	67,416	66,405	1,011	63,753
Benefits	7,740	17,345	15,764	1,581	15,062
Purchased services	9,539	360,837	357,825	3,012	35,136
Supplies	5,089	9,937	8,172	1,765	5,808
Other	31,807	38,856	31,878	6,978	46,669
Total undistributed expenditures	<u>92,336</u>	<u>494,391</u>	<u>480,044</u>	<u>14,347</u>	<u>166,428</u>
Total expenditures	<u>903,070</u>	<u>1,335,947</u>	<u>1,154,204</u>	<u>181,743</u>	<u>1,331,376</u>
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>

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title VII - Indian education program	\$ 273,000	\$ 249,513	\$ 246,222	\$ (3,291)	\$ 257,234
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	175,440	154,241	153,691	550	172,676
Benefits	57,222	49,452	47,777	1,675	56,837
Purchased services	22,993	27,563	27,266	297	15,819
Supplies	3,513	6,259	5,615	644	298
Other	628	273	273	-	-
Total regular programs	259,796	237,788	234,622	3,166	245,630
Undistributed expenditures:					
Instructional staff support					
Salaries	3,413	2,272	2,272	-	2,498
Other	9,791	9,453	9,328	125	9,106
Total undistributed expenditures	13,204	11,725	11,600	125	11,604
Total expenditures	273,000	249,513	246,222	3,291	257,234
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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Education of the handicapped	\$ 9,453,017	\$ 11,245,795	\$ 10,595,818	\$ (649,977)	\$ 9,922,728
<b>EXPENDITURES</b>					
Current:					
Special programs:					
Instruction					
Salaries	3,400,885	4,249,827	4,130,898	118,929	3,691,837
Benefits	860,733	1,290,257	1,170,022	120,235	1,004,989
Total special programs	4,261,618	5,540,084	5,300,920	239,164	4,696,826
Undistributed expenditures:					
Student support					
Salaries	1,325,990	1,951,473	1,751,974	199,499	1,587,389
Benefits	322,076	542,725	504,910	37,815	454,826
Purchased services	372,789	1,557,377	1,428,110	129,267	955,753
Supplies	1,126,684	242,389	241,910	479	567,293
Property	126,400	-	-	-	75,881
Other	812,466	827,765	784,012	43,753	790,510
Total student support	4,086,405	5,121,729	4,710,916	410,813	4,431,652
Instructional staff support					
Salaries	791,987	388,593	388,593	-	567,218
Benefits	273,889	143,199	143,199	-	198,914
Purchased services		30,000	30,000	-	
Other	39,118	22,190	22,190	-	28,118
Total instructional staff support	1,104,994	583,982	583,982	-	794,250
Total undistributed expenditures	5,191,399	5,705,711	5,294,898	410,813	5,225,902
Total expenditures	9,453,017	11,245,795	10,595,818	649,977	9,922,728
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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
State sources:					
Vocational education	\$ -	\$ 153,501	\$ 153,066	\$ (435)	\$ -
Federal sources:					
Vocational education	703,469	647,712	643,430	(4,282)	663,990
Total revenues	703,469	801,213	796,496	(4,717)	663,990
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional staff support					
Salaries	55,773	115,052	114,348	704	32,022
Benefits	3,743	24,757	24,561	196	7,107
Purchased services	186,618	202,586	201,883	703	223,925
Supplies	407,601	387,625	386,195	1,430	331,079
Property	26,250	41,931	41,931	-	48,052
Other	23,484	29,262	27,578	1,684	21,805
Total undistributed expenditures	703,469	801,213	796,496	4,717	663,990
Total expenditures	703,469	801,213	796,496	4,717	663,990
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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 1,149,221	\$ 670,156	\$ 382,348	\$ (287,808)	\$ 539,840
State sources	883,533	2,201,941	1,396,909	(805,032)	1,095,604
Federal sources	3,892,079	6,701,562	4,432,446	(2,269,116)	3,749,399
<b>Total revenues</b>	<b>5,924,833</b>	<b>9,573,659</b>	<b>6,211,703</b>	<b>(3,361,956)</b>	<b>5,384,843</b>
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	1,006,253	1,195,866	918,508	277,358	1,003,326
Benefits	254,450	266,625	175,585	91,040	237,135
Purchased services	314,036	410,688	296,289	114,399	408,959
Supplies	1,018,832	722,728	592,646	130,082	666,765
Property	41,374	5,300	5,300	-	26,786
Other	54,875	151,103	143,252	7,851	46,209
<b>Total regular programs</b>	<b>2,689,820</b>	<b>2,752,310</b>	<b>2,131,580</b>	<b>620,730</b>	<b>2,389,180</b>
Undistributed expenditures:					
Student support					
Salaries	312,159	475,843	388,282	87,561	271,240
Benefits	85,400	132,882	117,312	15,570	77,963
Purchased services	330,060	297,924	166,449	131,475	599,388
Supplies	289,103	940,064	806,102	133,962	504,984
Property	151,050	-	-	-	275,562
Other	26,752	318,055	308,665	9,390	30,700
<b>Total student support</b>	<b>1,194,524</b>	<b>2,164,768</b>	<b>1,786,810</b>	<b>377,958</b>	<b>1,759,837</b>
Instructional staff support					
Salaries	671,398	1,376,552	667,616	708,936	388,736
Benefits	139,559	393,869	290,392	103,477	76,577
Purchased services	612,309	840,140	241,443	598,697	227,814
Supplies	236,780	494,807	334,570	160,237	159,947
Property	15,753	-	-	-	10,518
Other	50,457	576,262	368,778	207,484	168,467
<b>Total instructional staff support</b>	<b>1,726,256</b>	<b>3,681,630</b>	<b>1,902,799</b>	<b>1,778,831</b>	<b>1,032,059</b>
Other support					
Salaries	24,840	-	-	-	82,740
Benefits	10,151	-	-	-	37,260
Purchased services	2,153	15,000	8,300	6,700	514
Supplies	37,202	-	-	-	-
Other	22,454	-	-	-	1,728
<b>Total other support</b>	<b>96,800</b>	<b>15,000</b>	<b>8,300</b>	<b>6,700</b>	<b>122,242</b>

(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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
Central support					
Salaries	\$ 126,500	110,941	75,498	\$ 35,443	\$ 25,179
Benefits	14,760	35,900	21,946	13,954	11,457
Purchased services	16,389	794,735	269,570	525,165	422
Supplies	59,066	11,969	10,644	1,325	44,467
Other	718	6,406	4,556	1,850	-
Total central support	<u>217,433</u>	<u>959,951</u>	<u>382,214</u>	<u>577,737</u>	<u>81,525</u>
Total undistributed expenditures	<u>3,235,013</u>	<u>6,821,349</u>	<u>4,080,123</u>	<u>2,741,226</u>	<u>2,995,663</u>
Total expenditures	<u>5,924,833</u>	<u>9,573,659</u>	<u>6,211,703</u>	<u>3,361,956</u>	<u>5,384,843</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  
FAMILY RESOURCE CENTERS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 115,271	\$ 80,751	\$ 68,486	\$ (12,265)	\$ 99,846
State sources	323,909	374,390	324,603	(49,787)	367,930
Federal sources	248,634	278,958	249,186	(29,772)	325,849
Total revenues	<u>687,814</u>	<u>734,099</u>	<u>642,275</u>	<u>(91,824)</u>	<u>793,625</u>
<b>EXPENDITURES</b>					
Community service programs:					
Salaries	430,873	427,027	393,589	33,438	493,702
Benefits	130,390	127,018	107,303	19,715	150,655
Purchased services	59,996	77,073	67,723	9,350	84,543
Supplies	25,809	38,936	36,924	2,012	27,314
Other	40,746	64,045	36,736	27,309	37,411
Total community service	<u>687,814</u>	<u>734,099</u>	<u>642,275</u>	<u>91,824</u>	<u>793,625</u>
Total expenditures	<u>687,814</u>	<u>734,099</u>	<u>642,275</u>	<u>91,824</u>	<u>793,625</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State sources:					
High school diploma program	\$ 1,837,834	\$ 1,837,887	\$ 1,683,663	\$ (154,224)	\$ 1,906,805
<b>EXPENDITURES</b>					
Current:					
Adult education programs:					
Instruction					
Salaries	858,647	783,257	734,168	49,089	867,198
Benefits	176,723	196,214	152,718	43,496	199,045
Purchased services	90,590	118,597	113,384	5,213	123,488
Supplies	48,691	37,221	15,815	21,406	70,216
Other	57,721	69,837	63,978	5,859	67,502
Total adult education programs	1,232,372	1,205,126	1,080,063	125,063	1,327,449
Undistributed expenditures:					
Student support					
Salaries	181,387	189,812	188,182	1,630	148,506
Benefits	53,700	55,667	54,937	730	44,912
Total student support	235,087	245,479	243,119	2,360	193,418
School administration					
Salaries	240,573	235,845	234,216	1,629	245,763
Benefits	64,679	81,642	65,668	15,974	77,010
Total school administration	305,252	317,487	299,884	17,603	322,773
Operations and maintenance					
Salaries	51,424	51,650	45,506	6,144	49,043
Benefits	13,699	18,145	15,091	3,054	14,122
Total operations and maintenance	65,123	69,795	60,597	9,198	63,165
Total undistributed expenditures	605,462	632,761	603,600	29,161	579,356
Total expenditures	1,837,834	1,837,887	1,683,663	154,224	1,906,805
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</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	\$ 18,298,313	\$ 18,298,313	\$ 18,298,313	\$ -	\$ 16,645,515
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	13,745,277	13,745,277	13,532,416	212,861	12,247,727
Benefits	4,553,036	4,553,036	4,765,897	(212,861)	4,397,788
Total expenditures	18,298,313	18,298,313	18,298,313	-	16,645,515
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Safe and drug free schools act	\$ 218,841	\$ 288,217	\$ 216,644	\$ (71,573)	\$ 278,304
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional staff support					
Salaries	122,181	135,113	111,096	24,017	118,816
Benefits	20,862	36,146	21,205	14,941	29,364
Purchased services	20,266	69,868	43,830	26,038	70,502
Supplies	51,315	41,439	36,265	5,174	37,961
Other	4,217	5,651	4,248	1,403	21,661
Total undistributed expenditures	218,841	288,217	216,644	71,573	278,304
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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State sources	\$ 466,201	\$ 470,000	\$ 468,906	\$ (1,094)	\$ 443,208
Federal sources	250,123	311,049	264,771	(46,278)	178,108
Total revenues	716,324	781,049	733,677	(47,372)	621,316
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	292,022	306,690	306,690	-	294,450
Benefits	93,311	114,104	114,104	-	112,912
Purchased services	32,372	2,200	1,427	773	2,156
Supplies	4,271	10,671	10,392	279	860
Other	19,608	-	-	-	-
Total regular programs	441,584	433,665	432,613	1,052	410,378
Undistributed expenditures:					
Instructional staff support					
Salaries	158,687	154,500	122,822	31,678	4,240
Purchased services	26,002	28,600	21,089	7,511	12,900
Other	-	-	-	-	15,690
Total instructional staff support	184,689	183,100	143,911	39,189	32,830
Special programs:					
Instruction					
Salaries	32,994	68,338	66,691	1,647	121,795
Benefits	8,862	23,400	19,942	3,458	-
Purchased Services	-	2,300	2,300	-	-
Supplies	22,547	22,092	21,865	227	23,165
Other	10,491	11,819	10,061	1,758	-
Total Instruction	74,894	127,949	120,859	7,090	144,960
Undistributed expenditures:					
Instructional staff support					
Salaries	5,959	4,476	4,476	-	13,006
Benefits	-	-	-	-	3,326
Purchased services	9,198	14,000	14,000	-	-
Supplies	-	-	-	-	10,511
Other	-	17,859	17,818	41	6,305
Total special undistributed	15,157	36,335	36,294	41	33,148
Total special programs	90,051	164,284	157,153	7,131	178,108
Total expenditures	716,324	781,049	733,677	47,372	621,316
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
SPECIAL STATE APPROPRIATIONS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</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	\$ 696,000	\$ 7,525,041	\$ 6,652,798	\$ (872,243)	\$ 2,584,682
<b>EXPENDITURES</b>					
Regular programs:					
Instruction					
Salaries	696,000	628,000	628,000	-	708,000
Benefits	-	3,597,041	3,597,041	-	1,876,682
Total regular programs	696,000	4,225,041	4,225,041	-	2,584,682
Bldg. Acq. and Construction:					
Purchased services	-	122,305	110,499	11,806	-
Property	-	3,177,695	2,317,258	860,437	-
Total Bldg. Acq. And Constr.	-	3,300,000	2,427,757	872,243	-
Total expenditures	696,000	7,525,041	6,652,798	872,243	2,584,682
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
 INNOVATION AND REMEDIAL EDUCATION - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
State sources:					
Legislative appropriation	\$ 1,334,056	\$ 9,723,583	\$ 2,501,164	\$ (7,222,419)	\$ 1,319,279
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	323,759	4,951,651	687,593	4,264,058	236,039
Benefits	52,963	1,399,202	123,806	1,275,396	76,962
Purchased services	210,297	931,018	230,225	700,793	181,946
Supplies	747,037	1,796,438	1,259,320	537,118	-
Other	-	192,021	192,021	-	824,332
Total regular programs	1,334,056	9,270,330	2,492,965	6,777,365	1,319,279
Undistributed expenditures:					
Instructional staff support					
Salaries	-	74	-	74	-
Purchased services	-	453,179	8,199	444,980	-
Total undistributed expenditures	-	453,253	8,199	445,054	-
Total expenditures	1,334,056	9,723,583	2,501,164	7,222,419	1,319,279
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
READING IMPROVEMENT - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Reading grants	\$ 1,567,069	\$ 1,519,592	\$ 1,405,633	\$ (113,959)	\$ 1,275,882
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	614,927	463,938	443,842	20,096	430,862
Benefits	168,248	143,711	135,200	8,511	136,408
Purchased services	219,336	91,554	69,277	22,277	38,984
Supplies	291,411	286,931	258,417	28,514	230,229
Other	38,594	307	55	252	2,551
Total regular programs	1,332,516	986,441	906,791	79,650	839,034
Undistributed expenditures:					
Student support					
Salaries	-	105,555	104,610	945	77,896
Benefits	-	35,683	33,876	1,807	27,417
Purchased services	77,373	63,114	46,738	16,376	28,354
Supplies	41,468	55,723	53,496	2,227	4,865
Other	12,759	263,395	260,122	3,273	265,947
Total student support	131,600	523,470	498,842	24,628	404,479
Instructional staff support					
Salaries	31,379	3,600	-	3,600	8,106
Benefits	815	322	-	322	81
Purchased services	63,924	4,300	-	4,300	21,643
Supplies	3,309	1,000	-	1,000	1,393
Other	3,526	459	-	459	1,146
Total instructional staff support	102,953	9,681	-	9,681	32,369
Total undistributed expenditures	234,553	533,151	498,842	34,309	436,848
Total expenditures	1,567,069	1,519,592	1,405,633	113,959	1,275,882
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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Contributions	\$ -	\$ 143,082	\$ 80,048	\$ (63,034)	\$ 9,731
Federal sources:					
21st Century	1,335,857	1,937,775	1,483,460	(454,315)	1,935,992
Total revenues	<u>1,335,857</u>	<u>2,080,857</u>	<u>1,563,508</u>	<u>(517,349)</u>	<u>1,945,723</u>
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	499,405	974,717	807,111	167,606	894,079
Benefits	54,845	200,883	133,520	67,363	129,719
Purchased services	171,918	374,049	275,522	98,527	291,367
Supplies	115,984	106,904	52,029	54,875	108,550
Other	19,251	23,198	6,759	16,439	24,858
Total regular programs	<u>861,403</u>	<u>1,679,751</u>	<u>1,274,941</u>	<u>404,810</u>	<u>1,448,573</u>
Undistributed expenditures:					
Instructional staff support					
Salaries	203,554	197,200	129,303	67,897	114,152
Benefits	42,741	57,810	31,297	26,513	29,189
Purchased services	170,156	68,880	68,880	-	185,303
Supplies	21,608	6,299	6,240	59	100,511
Other	36,395	70,917	52,847	18,070	67,995
Total undistributed expenditures	<u>474,454</u>	<u>401,106</u>	<u>288,567</u>	<u>112,539</u>	<u>497,150</u>
Total expenditures	<u>1,335,857</u>	<u>2,080,857</u>	<u>1,563,508</u>	<u>517,349</u>	<u>1,945,723</u>
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>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Federal sources:					
Title II, Part A	\$ 1,431,863	\$ 1,972,616	\$ 1,448,771	\$ (523,845)	\$ 1,044,268
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	185,120	-	-	-	-
Benefits	69,421	-	-	-	-
Total regular programs	254,541	-	-	-	-
Undistributed expenditures:					
Instructional staff support					
Salaries	479,156	934,885	694,490	240,395	502,263
Benefits	24,914	151,682	108,856	42,826	62,860
Purchased services	444,472	649,160	460,865	188,295	339,561
Supplies	177,561	143,142	117,616	25,526	94,133
Other	51,219	93,747	66,944	26,803	45,451
Total undistributed expenditures	1,177,322	1,972,616	1,448,771	523,845	1,044,268
Total expenditures	1,431,863	1,972,616	1,448,771	523,845	1,044,268
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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</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 III - English language acquisition	\$ 677,844	\$ 918,732	\$ 724,969	\$ (193,763)	\$ 815,646
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	376,335	465,359	375,123	90,236	349,480
Benefits	110,714	172,758	124,884	47,874	111,901
Purchased services	83,907	81,305	62,221	19,084	151,895
Supplies	95,378	181,296	148,526	32,770	175,378
Property	-	-	-	-	11,219
Other	11,510	18,014	14,215	3,799	15,773
Total expenditures	677,844	918,732	724,969	193,763	815,646
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>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</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	\$ 2,100,276	\$ 1,981,988	\$ 1,752,829	\$ (229,159)	\$ 2,003,557
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional staff support					
Salaries	1,052,127	1,104,449	1,025,434	79,015	930,797
Benefits	216,947	251,014	233,789	17,225	216,792
Purchased services	330,191	368,588	317,798	50,790	357,529
Supplies	417,341	180,328	112,000	68,328	425,951
Property	11,559	-	-	-	-
Other	72,111	77,609	63,808	13,801	72,488
Total expenditures	<u>2,100,276</u>	<u>1,981,988</u>	<u>1,752,829</u>	<u>229,159</u>	<u>2,003,557</u>
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>

**WASHOE COUNTY SCHOOL DISTRICT  
EDUCATION COLLABORATIVE - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 197,135	\$ 373,347	\$ 145,482	\$ (227,865)	\$ 159,942
State sources	-	-	-	-	3,656
Federal sources	210,000	306,541	263,028	(43,513)	261,433
Total revenues	407,135	679,888	408,510	(271,378)	425,031
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	15,972	4,405	5,527	(1,122)	15,526
Benefits	3,354	1,950	1,752	198	2,111
Purchased services	59,717	136,623	45,969	90,654	44,985
Supplies	82,878	210,883	20,914	189,969	79,310
Other	2,216	-	56,320	(56,320)	3,358
Total regular programs	164,137	353,861	130,482	223,379	145,290
Undistributed expenditures:					
Student support					
Salaries	150,360	127,100	109,492	17,608	139,671
Benefits	49,508	50,518	36,266	14,252	47,620
Purchased services	15,953	82,369	76,271	6,098	46,013
Supplies	16,074	34,872	30,905	3,967	18,072
Other	11,103	11,683	10,095	1,588	10,055
Total student support	242,998	306,542	263,029	43,513	261,431
Instructional staff support					
Purchased services	-	6,448	6,448	-	8,245
Other support					
Salaries	-	4,100	2,345	1,755	1,763
Benefits	-	344	196	148	147
Purchased services	-	8,493	5,910	2,583	7,676
Supplies	-	100	100	-	405
Other	-	-	-	-	74
Total other support	-	13,037	8,551	4,486	10,065
Total undistributed expenditures	242,998	326,027	278,028	47,999	279,741
Total expenditures	407,135	679,888	408,510	271,378	425,031
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
PRIVATE FOUNDATIONS - SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Foundations	\$ 265,559	\$ 651,556	\$ 395,264	\$ (256,292)	\$ 190,062
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	89,709	206,183	149,735	56,448	73,266
Benefits	7,029	21,835	13,939	7,896	3,669
Purchased services	27,757	85,231	55,573	29,658	11,618
Supplies	141,064	217,806	128,899	88,907	78,384
Total regular programs	265,559	531,055	348,146	182,909	166,937
Undistributed expenditures:					
Student support					
Salaries	-	26,471	26,471	-	-
Benefits	-	2,155	2,155	-	-
Purchased services	-	62,600	-	62,600	-
Supplies	-	12,400	1,617	10,783	10,000
Total student support	-	103,626	30,243	73,383	10,000
Instructional staff support					
Purchased Services	-	16,875	16,875	-	13,125
Total undistributed expenditures	-	120,501	47,118	73,383	23,125
Total expenditures	265,559	651,556	395,264	256,292	190,062
Net change in fund balances	-	-	-	-	-
<b>FUND BALANCE, July 1</b>	-	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT  
 MEDICAID - SPECIAL REVENUE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Federal sources:					
Medicaid	\$ 1,113,238	\$ 996,380	\$ 384,380	\$ (612,000)	\$ 769,687
<b>EXPENDITURES</b>					
Current:					
Regular Programs					
Instruction					
Salaries	152,500	996,380	57,448	938,932	20,974
Benefits	30,500	-	18,049	(18,049)	6,528
Purchased services	126,250	-	680,705	(680,705)	97,777
Supplies	780,750	-	48,214	(48,214)	32,408
Property	23,238	-	-	-	-
Total expenditures	<u>1,113,238</u>	<u>996,380</u>	<u>804,416</u>	<u>191,964</u>	<u>157,687</u>
Net change in fund balances	-	-	(420,036)	(420,036)	612,000
<b>FUND BALANCE, July 1</b>	<u>612,000</u>	<u>612,000</u>	<u>612,000</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 612,000</u>	<u>\$ 612,000</u>	<u>\$ 191,964</u>	<u>\$ (420,036)</u>	<u>\$ 612,000</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ -	\$ 619,090	\$ 554,348	\$ (64,742)	\$ 504,521
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	-	592,900	450,532	142,368	371,630
Benefits	-	12,770	98,891	(86,121)	99,636
Total regular programs	-	605,670	549,423	56,247	471,266
Undistributed expenditures:					
Student support					
Salaries	-	1,300	457	843	1,725
Benefits	-	120	56	64	544
Total student support	-	1,420	513	907	2,269
Instructional staff support					
Salaries	-	6,000	2,060	3,940	1,543
Benefits	-	-	778	(778)	338
Total instructional staff support	-	6,000	2,838	3,162	1,881
General Administration					
Salaries	-	-	-	-	25
Benefits	-	-	-	-	3
Total general administration	-	-	-	-	28
School Administration					
Salaries	-	6,000	1,462	4,538	-
Benefits	-	-	112	(112)	-
Total school administration	-	6,000	1,574	4,426	-
Total undistributed expenditures	-	13,420	4,925	8,495	4,178
Total expenditures	-	619,090	554,348	64,742	475,444
Net change in fund balances	-	-	-	-	29,077
<b>FUND BALANCE, July 1</b>	-	32,439	32,439	-	3,362
<b>FUND BALANCE, June 30</b>	\$ -	\$ 32,439	\$ 32,439	\$ -	\$ 32,439

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 310,000	\$ 310,000	\$ 403,941	\$ 93,941	\$ 322,257
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	125,000	125,000	95,858	29,142	87,487
Benefits	7,500	6,500	3,988	2,512	5,628
Purchased services	94,000	200,000	132,043	67,957	67,372
Supplies	14,949	14,000	13,865	135	10,899
Other	12,000	12,000	457	11,543	2,032
Total regular programs	253,449	357,500	246,211	111,289	173,418
Undistributed expenditures:					
School administration					
Salaries	125,000	136,000	108,872	27,128	113,988
Benefits	35,500	35,500	31,992	3,508	35,700
Total undistributed expenditures	160,500	171,500	140,864	30,636	149,688
Total expenditures	413,949	529,000	387,075	141,925	323,106
Net change in fund balances	(103,949)	(219,000)	16,866	235,866	(849)
<b>FUND BALANCE, July 1</b>	127,532	287,814	287,814	-	288,663
<b>FUND BALANCE, June 30</b>	\$ 23,583	\$ 68,814	\$ 304,680	\$ 235,866	\$ 287,814

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources	\$ 685,407	\$ 1,042,925	\$ 331,628	\$ (711,297)	\$ 637,567
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	154,700	266,686	75,774	190,912	85,791
Benefits	11,291	14,498	4,668	9,830	6,691
Purchased services	424,576	75,918	97,173	(21,255)	99,999
Supplies	209,373	666,593	102,447	564,146	138,891
Property	176,003	18,660	-	18,660	210
Other	10,215	570	10,251	(9,681)	18,524
Total expenditures	986,158	1,042,925	290,313	752,612	350,106
Net change in fund balances	(300,751)	-	41,315	41,315	287,461
<b>FUND BALANCE, July 1</b>	707,078	707,078	707,078	-	419,617
<b>FUND BALANCE, June 30</b>	\$ 406,327	\$ 707,078	\$ 748,393	\$ 41,315	\$ 707,078

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources	\$ 25,000	\$ 25,000	\$ 165,616	\$ 140,616	\$ 58,182
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	1,500,000	5,000,000	5,000,000	-	1,000,000
Net change in fund balances	1,525,000	5,025,000	5,165,616	140,616	1,058,182
<b>FUND BALANCE, July 1</b>	<u>3,334,137</u>	<u>3,367,318</u>	<u>3,367,318</u>	<u>-</u>	<u>2,309,136</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 4,859,137</u>	<u>\$ 8,392,318</u>	<u>\$ 8,532,934</u>	<u>\$ 140,616</u>	<u>\$ 3,367,318</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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ 1,248
<b>EXPENDITURES</b>					
Current:					
Regular programs:					
Instruction					
Salaries	7,500	1,540	1,540	-	8,000
Benefits	500	33	33	-	168
Purchased services	5,098	5,072	115	4,957	1,658
Supplies	52,178	109,596	64,088	45,508	95,344
Other	-	-	-	-	7,025
Total expenditures	<u>65,276</u>	<u>116,241</u>	<u>65,776</u>	<u>50,465</u>	<u>112,195</u>
<b>OTHER FINANCING SOURCES:</b>					
Transfers in	-	-	-	-	150,000
Net change in fund balances	(65,276)	(116,241)	(65,776)	50,465	39,053
<b>FUND BALANCE, July 1</b>	<u>52,288</u>	<u>116,241</u>	<u>116,241</u>	<u>-</u>	<u>77,188</u>
<b>FUND BALANCE, June 30</b>	<u><u>\$ (12,988)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 50,465</u></u>	<u><u>\$ 50,465</u></u>	<u><u>\$ 116,241</u></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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>REVENUES</b>					
Local sources	\$ 224,225	\$ 421,985	\$ 425,096	\$ 3,111	\$ 238,541
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Instructional Staff Support					
Salaries	50,000	84,000	81,920	2,080	68,803
Benefits	271,400	324,000	319,052	4,948	351,437
Purchased services	9,600	15,000	3,054	11,946	10,355
Supplies	-	3,000	2,491	509	1,252
Other	-	-	408	(408)	-
Total undistributed expenditures	<u>331,000</u>	<u>426,000</u>	<u>406,925</u>	<u>19,075</u>	<u>431,847</u>
Total expenditures	<u>331,000</u>	<u>426,000</u>	<u>406,925</u>	<u>19,075</u>	<u>431,847</u>
Net change in fund balances	(106,775)	(4,015)	18,171	22,186	(193,306)
<b>FUND BALANCE, July 1</b>	<u>122,972</u>	<u>74,941</u>	<u>74,941</u>	-	<u>268,247</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 16,197</u>	<u>\$ 70,926</u>	<u>\$ 93,112</u>	<u>\$ 22,186</u>	<u>\$ 74,941</u>

# **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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Ad valorem taxes	\$ 44,510,090	\$ 43,892,543	\$ 46,760,465	\$ 2,867,922	\$ 43,304,316
Earnings on investments	1,000,000	640,000	1,546,069	906,069	1,321,493
Net (decrease) in the fair value of investments	-	-	(696,126)	(696,126)	128,489
Total revenues	<u>45,510,090</u>	<u>44,532,543</u>	<u>47,610,408</u>	<u>3,077,865</u>	<u>44,754,298</u>
<b>EXPENDITURES</b>					
Debt service:					
Principal	26,493,319	26,553,319	26,553,319	-	25,720,391
Interest	21,215,150	20,881,655	20,881,655	-	19,156,006
Bond issuance costs	-	1,344,900	1,321,765	23,135	208,649
Other	100,000	12,071	12,325	(254)	13,738
Total expenditures	<u>47,808,469</u>	<u>48,791,945</u>	<u>48,769,064</u>	<u>22,881</u>	<u>45,098,784</u>
Excess (deficiency) of revenues over expenditures	<u>(2,298,379)</u>	<u>(4,259,402)</u>	<u>(1,158,656)</u>	<u>3,100,746</u>	<u>(344,486)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Bonds issued	-	-	-	-	3,200,000
Proceeds of refunding bonds	-	29,820,000	29,820,000	-	22,970,000
Debt premium	-	-	-	-	2,398,523
Payment to refunded bonds escrow agent	-	(28,475,000)	(28,475,000)	-	(25,147,135)
Transfers in	3,081,066	3,081,066	3,081,066	-	3,077,796
Total other financing sources (uses)	<u>3,081,066</u>	<u>4,426,066</u>	<u>4,426,066</u>	<u>-</u>	<u>6,499,184</u>
Net change in fund balances	782,687	166,664	3,267,410	3,100,746	6,154,698
<b>FUND BALANCE, July 1</b>	<u>41,369,560</u>	<u>44,202,858</u>	<u>44,202,858</u>	<u>-</u>	<u>38,048,160</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 42,152,247</u>	<u>\$ 44,369,522</u>	<u>\$ 47,470,268</u>	<u>\$ 3,100,746</u>	<u>\$ 44,202,858</u>

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# Capital Projects Funds

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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.

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**WASHOE COUNTY SCHOOL DISTRICT  
2006 BOND ROLLOVER FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006**

	2006 BUDGET		2006	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
<b>REVENUES</b>				
Local sources:				
Earnings on investments	\$ -	\$ 82,716	\$ 339,726	\$ 257,010
<b>EXPENDITURES</b>				
Current:				
Undistributed expenditures:				
Business support				
Salaries	-	40,000	-	40,000
Benefits	-	10,000	-	10,000
Other	-	1,586,271	10,119	1,576,152
Total undistributed expenditures	-	1,636,271	10,119	1,626,152
Capital outlay, facilities acquisition, and construction:				
Land acquisition				
Property	-	5,950,000	-	5,950,000
Site improvement				
Purchased services	-	1,722,000	64,552	1,657,448
Architecture and engineering services				
Purchased services	-	2,116,000	-	2,116,000
Building acquisition and construction				
Purchased services	-	50,000	-	50,000
Building improvement				
Purchased services	-	18,612,000	1,647,342	16,964,658
Supplies	-	-	276	(276)
Property	-	-	11,414	(11,414)
Other	-	-	2,371	(2,371)
Total building improvement	-	18,612,000	1,661,403	16,950,597
Total capital outlay, facilities acquisition and construction	-	28,450,000	1,725,955	26,724,045
Debt service:				
Bond issuance costs	-	399,343	389,224	10,119
Total expenditures	-	30,485,614	2,125,298	28,360,316
Excess (deficiency) of revenues over expenditures	\$ -	\$ (30,402,898)	\$ (1,785,572)	\$ 28,617,326
<b>OTHER FINANCING SOURCES</b>				
Bonds issued	-	30,000,000	30,000,000	-
Bond premium	-	402,898	402,898	-
Total other financing sources	-	30,402,898	30,402,898	-
Net change in fund balances	-	-	28,617,326	28,617,326
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 28,617,326	\$ 28,617,326

**WASHOE COUNTY SCHOOL DISTRICT  
2005 BOND ROLLOVER FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 1,000,000	\$ 1,983,820	\$ 983,820	\$ 581,156
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Business support					
Salaries	1,600,000	654,350	497,388	156,962	-
Benefits	420,000	73,150	123,400	(50,250)	-
Purchased services	2,775,000	415,000	64,107	350,893	40,408
Supplies	-	-	20,217	(20,217)	-
Property	525,000	100,000	37,171	62,829	-
Other	10,000	10,000	965	9,035	7,577
Total undistributed expenditures	5,330,000	1,252,500	743,248	509,252	47,985
Capital outlay, facilities acquisition, and construction:					
Land acquisition					
Purchased services	2,450	12,450	11,650	800	3,400
Property	700,000	1,257,550	1,060,668	196,882	610,000
Other	-	-	-	-	4,752
Total land acquisition	702,450	1,270,000	1,072,318	197,682	618,152
Site improvement					
Purchased services	352,357	1,110,000	984,812	125,188	95
Architecture and engineering services					
Purchased services	2,136,191	2,915,345	1,525,037	1,390,308	1,163,155
Other	-	-	170	(170)	-
Total architecture and engineering services	2,136,191	2,915,345	1,525,207	1,390,138	1,163,155
Building acquisition and construction					
Salaries	-	-	104,772	(104,772)	-
Benefits	-	-	31,519	(31,519)	-
Purchased services	35,251,551	51,873,372	32,747,228	19,126,144	26,960
Supplies	256,000	566,000	131,355	434,645	-
Property	543,028	673,028	1,864,414	(1,191,386)	4,022
Other	135,100	135,100	523,286	(388,186)	14,677
Total building acquisition and construction	36,185,679	53,247,500	35,402,574	17,844,926	45,659
Building improvement					
Salaries	-	-	3,077	(3,077)	-
Benefits	-	-	691	(691)	-
Purchased services	8,437,694	5,677,694	3,162,017	2,515,677	672,820
Supplies	650,000	385,267	-	385,267	-
Property	-	-	273,879	(273,879)	-
Other	30,000	30,000	1,625	28,375	-
Total building improvement	9,117,694	6,092,961	3,441,289	2,651,672	672,820

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT  
2005 BOND ROLLOVER FUND  
SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Total capital outlay, facilities acquisition and construction	\$ 48,494,371	\$ 64,635,806	\$ 42,426,200	\$ 22,209,606	\$ 2,499,881
Debt service:					
Bond issuance costs	-	-	-	-	338,500
Total expenditures	53,824,371	65,888,306	43,169,448	22,718,858	2,886,366
Excess (deficiency) of revenues over expenditures	(53,824,371)	(64,888,306)	(41,185,628)	23,702,678	(2,305,210)
<b>OTHER FINANCING SOURCES</b>					
Bonds issued	-	-	-	-	62,800,000
Bond premium	-	-	-	-	4,393,516
Total other financing sources	-	-	-	-	67,193,516
Net change in fund balances	(53,824,371)	(64,888,306)	(41,185,628)	23,702,678	64,888,306
<b>FUND BALANCE, July 1</b>	63,177,888	64,888,306	64,888,306	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ 9,353,517</u>	<u>\$ -</u>	<u>\$ 23,702,678</u>	<u>\$ 23,702,678</u>	<u>\$ 64,888,306</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 450,000	\$ 709,143	\$ 259,143	\$ 1,273,501
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Business support					
Salaries	-	972,100	944,968	27,132	883,817
Benefits	-	316,705	310,775	5,930	259,064
Purchased services	53,194	236,194	200,863	35,331	272,939
Supplies	-	-	4,823	(4,823)	14,881
Property	-	57,000	75,392	(18,392)	275,808
Other	-	-	-	-	7,449
Total business support	53,194	1,581,999	1,536,821	45,178	1,713,958
Capital outlay, facilities acquisition, and construction:					
Land acquisition					
Purchased services	-	-	4,892	(4,892)	-
Property	-	113,003	99,824	13,179	2,280,000
Other	-	40,000	8,864	31,136	-
Total land acquisition	-	153,003	113,580	39,423	2,280,000
Site improvement					
Salaries	-	-	39,513	(39,513)	-
Benefits	-	-	10,890	(10,890)	-
Purchased services	239,115	700,000	429,985	270,015	95,645
Property	-	-	856	(856)	-
Other	-	-	16	(16)	-
Total site improvement	239,115	700,000	481,260	218,740	95,645
Architecture and engineering services					
Purchased services	848,265	1,889,998	1,146,945	743,053	2,707,130
Other	-	-	-	-	5,040
Total architecture and engineering services	848,265	1,889,998	1,146,945	743,053	2,712,170
Building acquisition and construction					
Purchased services	22,937,208	37,908,029	31,567,633	6,340,396	653,232
Supplies	-	-	284,289	(284,289)	193
Property	-	-	759,359	(759,359)	-
Other	-	-	141,877	(141,877)	263,009
Total building acquisition and construction	22,937,208	37,908,029	32,753,158	5,154,871	916,434

(CONTINUED)

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Building improvement					
Salaries	\$ -	\$ 605,000	\$ 105,677	\$ 499,323	\$ -
Benefits	-	-	28,768	(28,768)	-
Purchased services	160,500	2,350,362	1,256,918	1,093,444	2,187,708
Supplies	-	-	13,956	(13,956)	15,667
Property	5,941	5,941	597,073	(591,132)	805,331
Other	-	-	16	(16)	469
Total building improvement	166,441	2,961,303	2,002,408	958,895	3,009,175
Total capital outlay, facilities acquisition and construction	24,191,029	43,612,333	36,497,351	7,114,982	9,013,424
Total expenditures	24,244,223	45,194,332	38,034,172	7,160,160	10,727,382
Net change in fund balances	(24,244,223)	(44,744,332)	(37,325,029)	7,419,303	(9,453,881)
<b>FUND BALANCE, July 1</b>	24,244,223	44,744,332	44,744,332	-	54,198,213
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 7,419,303	\$ 7,419,303	\$ 44,744,332

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ -	\$ 64,456	\$ 64,456	\$ 109,105
<b>EXPENDITURES</b>					
Current:					
Undistributed expenditures:					
Business support					
Salaries	-	161,538	157,320	4,218	318,739
Benefits	-	48,462	47,196	1,266	95,181
Purchased services	2,345	2,345	-	2,345	855
Supplies	-	-	-	-	5,111
Total undistributed expenditures	2,345	212,345	204,516	7,829	419,886
Capital outlay, facilities acquisition, and construction:					
Architecture and engineering services					
Purchased services	9,022	346,771	30,828	315,943	27,015
Building acquisition and construction					
Purchased services	617,869	2,234,447	541,724	1,692,723	341,880
Supplies	4,299	4,299	54,018	(49,719)	629,543
Property	1,256	51,256	73,068	(21,812)	1,554,212
Other	-	-	428	(428)	100,873
Total building acquisition and construction	623,424	2,290,002	669,238	1,620,764	2,626,508
Total capital outlay, facilities acquisition and construction	632,446	2,636,773	700,066	1,936,707	2,653,523
Total expenditures	634,791	2,849,118	904,582	1,944,536	3,073,409
Net change in fund balances	(634,791)	(2,849,118)	(840,126)	2,008,992	(2,964,304)
<b>FUND BALANCE, July 1</b>	634,791	2,849,118	2,849,118	-	5,813,422
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 2,008,992	\$ 2,008,992	\$ 2,849,118

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**WASHOE COUNTY SCHOOL DISTRICT  
NONMAJOR CAPITAL PROJECTS FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2006**

	<b>GOVERNMENT SERVICES TAX FUND</b>	<b>1999 BOND FUND</b>	<b>BUILDING AND SITES FUND</b>
<b>ASSETS</b>			
Cash and investments	\$ 8,757,752	\$ 1,901,252	\$ 1,558,133
Receivables:			
Interest	35,404	7,877	7,645
Due from other governments	349,235	-	-
Total assets	\$ 9,142,391	\$ 1,909,129	\$ 1,565,778
<b>LIABILITIES</b>			
Accounts payable	\$ 75,315	\$ 10,115	\$ 229
Accrued liabilities	28,493	-	-
Construction contracts payable	358,519	1,570	-
Total liabilities	462,327	11,685	229
<b>FUND BALANCE</b>			
Reserved for:			
Encumbrances	401,560	4,187	-
Construction contracts	381,578	1,619,193	-
Unreserved:			
Undesignated	7,896,926	274,064	1,565,549
Total fund balance	8,680,064	1,897,444	1,565,549
Total liabilities and fund balance	\$ 9,142,391	\$ 1,909,129	\$ 1,565,778

FACILITIES EXTRAORDINARY MAINTENANCE FUND	1998 BOND EXTRAORDINARY MAINTENANCE FUND	1999 BOND EXTRAORDINARY MAINTENANCE FUND	TOTAL
\$ 2,440	\$ 28,917	\$ 677,342	\$ 12,925,836
-	-	2,831	53,757
-	-	-	349,235
<u>\$ 2,440</u>	<u>\$ 28,917</u>	<u>\$ 680,173</u>	<u>\$ 13,328,828</u>
\$ 2,440	\$ 3,500	\$ 1,591	\$ 93,190
-	25,072	-	53,565
-	-	-	360,089
<u>2,440</u>	<u>28,572</u>	<u>1,591</u>	<u>506,844</u>
-	-	-	405,747
-	-	8,419	2,009,190
-	345	670,163	10,407,047
-	345	678,582	12,821,984
<u>\$ 2,440</u>	<u>\$ 28,917</u>	<u>\$ 680,173</u>	<u>\$ 13,328,828</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, 2006**

	<b>GOVERNMENT SERVICES TAX FUND</b>	<b>1999 BOND FUND</b>	<b>BUILDING AND SITES FUND</b>
<b>REVENUES</b>			
Local sources	\$ 4,120,029	\$ 189,016	\$ 1,151,381
<b>EXPENDITURES</b>			
Current:			
Capital outlay	4,293,613	655,495	594,484
Excess (deficiency) of revenues over expenditures	(173,584)	(466,479)	556,897
Net change in fund balances	(173,584)	(466,479)	556,897
<b>FUND BALANCE, July 1</b>	8,853,648	2,363,923	1,008,652
<b>FUND BALANCE, June 30</b>	\$ 8,680,064	\$ 1,897,444	\$ 1,565,549

FACILITIES EXTRAORDINARY MAINTENANCE FUND	1998 BOND EXTRAORDINARY MAINTENANCE FUND	1999 BOND EXTRAORDINARY MAINTENANCE FUND	TOTAL
\$ 228	\$ 2,669	\$ 28,548	\$ 5,491,871
<u>13,835</u>	<u>91,000</u>	<u>34,039</u>	<u>5,682,466</u>
<u>(13,607)</u>	<u>(88,331)</u>	<u>(5,491)</u>	<u>(190,595)</u>
(13,607)	(88,331)	(5,491)	(190,595)
<u>13,607</u>	<u>88,676</u>	<u>684,073</u>	<u>13,012,579</u>
<u>\$ -</u>	<u>\$ 345</u>	<u>\$ 678,582</u>	<u>\$ 12,821,984</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Government services tax	\$ 2,000,000	\$ 2,850,000	\$ 3,759,896	\$ 909,896	\$ 3,551,635
Earnings on investments	100,000	250,000	345,133	95,133	196,520
Other	-	-	15,000	15,000	7,552
<b>Total revenues</b>	<b>2,100,000</b>	<b>3,100,000</b>	<b>4,120,029</b>	<b>1,020,029</b>	<b>3,755,707</b>
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Site improvement					
Purchased services	485,267	2,334,000	814,662	1,519,338	147,274
Property	-	-	-	-	700
Other	-	-	32	(32)	401
<b>Total site improvement</b>	<b>485,267</b>	<b>2,334,000</b>	<b>814,694</b>	<b>1,519,306</b>	<b>148,375</b>
Architecture and engineering services					
Salaries	254,500	420,500	309,465	111,035	247,981
Benefits	72,500	106,500	90,242	16,258	74,908
Purchased services	309,988	2,525,000	273,963	2,251,037	193,872
Supplies	-	-	1,044	(1,044)	-
Other	-	-	3,086	(3,086)	41
<b>Total architecture and engineering services</b>	<b>636,988</b>	<b>3,052,000</b>	<b>677,800</b>	<b>2,374,200</b>	<b>516,802</b>
Building improvement					
Purchased services	2,972,508	6,523,479	2,698,646	3,824,833	908,191
Supplies	14,164	14,164	43,972	(29,808)	2,222
Property	25,000	25,000	32,358	(7,358)	62,204
Other	5,000	5,000	26,143	(21,143)	18,772
<b>Total building improvement</b>	<b>3,016,672</b>	<b>6,567,643</b>	<b>2,801,119</b>	<b>3,766,524</b>	<b>991,389</b>
<b>Total capital outlay, facilities acquisition and construction</b>	<b>4,138,927</b>	<b>11,953,643</b>	<b>4,293,613</b>	<b>7,660,030</b>	<b>1,656,566</b>
<b>Total expenditures</b>	<b>4,138,927</b>	<b>11,953,643</b>	<b>4,293,613</b>	<b>7,660,030</b>	<b>1,656,566</b>
Excess (deficiency) of revenue over expenditures	(2,038,927)	(8,853,643)	(173,584)	8,680,059	2,099,141
<b>OTHER FINANCING SOURCES</b>					
Transfers in	1,000,000	59,000	-	(59,000)	348,000
Net change in fund balances	(1,038,927)	(8,794,643)	(173,584)	8,621,059	2,447,141
<b>FUND BALANCE, July 1</b>	<b>4,138,927</b>	<b>8,853,648</b>	<b>8,853,648</b>	<b>-</b>	<b>6,406,507</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 3,100,000</b>	<b>\$ 59,005</b>	<b>\$ 8,680,064</b>	<b>\$ 8,621,059</b>	<b>\$ 8,853,648</b>

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 70,000	\$ 118,538	\$ 48,538	\$ 625,852
Other	-	65,000	70,478	5,478	402,027
Total revenues	-	135,000	189,016	54,016	1,027,879
<b>EXPENDITURES</b>					
Current:					
Architecture and engineering services					
Purchased services	603	58,500	15,469	43,031	14,204
Total architecture and engineering services	603	58,500	15,469	43,031	14,204
Building acquisition and construction					
Salaries	-	-	-	-	11,029
Purchased services	73,577	94,719	56,308	38,411	290,822
Supplies	149,361	176,361	174,860	1,501	424,587
Property	14,920	14,920	21,239	(6,319)	186,531
Other	-	-	-	-	49,025
Total building acquisition and construction	237,858	286,000	252,407	33,593	961,994
Building improvement					
Purchased services	-	2,031,454	210,110	1,821,344	94,424
Supplies	-	-	34,287	(34,287)	434
Property	107,269	122,969	143,222	(20,253)	462,586
Total building improvement	107,269	2,154,423	387,619	1,766,804	557,444
Total capital outlay, facilities acquisition and construction	\$ 345,730	\$ 2,498,923	\$ 655,495	\$ 1,843,428	\$ 1,533,642
Total expenditures	345,730	2,498,923	655,495	1,843,428	1,533,642
Net change in fund balances	(345,730)	(2,363,923)	(466,479)	1,897,444	(505,763)
<b>FUND BALANCE, July 1</b>	345,730	2,363,923	2,363,923	-	2,869,686
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 1,897,444	\$ 1,897,444	\$ 2,363,923

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Rental income	\$ 54,600	\$ 54,600	\$ 81,081	\$ 26,481	\$ 50,022
Earnings on investments	9,500	9,500	56,536	47,036	21,445
Sale of property	-	343,312	1,013,764	670,452	621,652
Total revenues	64,100	407,412	1,151,381	743,969	693,119
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Land acquisition					
Purchased services	33,148	33,148	24,933	8,215	22,650
Property	13,200	1,241,904	547,949	693,955	206,031
Other	-	-	1,659	(1,659)	1,496
Total land acquisition	46,348	1,275,052	574,541	700,511	230,177
Site improvement					
Purchased services	20,000	20,000	5,377	14,623	-
Architecture and engineering services					
Purchased services	10,596	27,963	2,813	25,150	14,225
Building improvement					
Purchased services	-	34,000	-	34,000	-
Supplies	-	-	11,753	(11,753)	12,800
Property	5,900	59,049	-	59,049	5,800
Total building improvement	5,900	93,049	11,753	81,296	18,600
Total expenditures	82,844	1,416,064	594,484	821,580	263,002
Excess (deficiency) of revenues over expenditures	(18,744)	(1,008,652)	556,897	1,565,549	430,117
<b>OTHER FINANCING USES:</b>					
Transfers out	-	-	-	-	(150,000)
Net change in fund balances	(18,744)	(1,008,652)	556,897	1,565,549	280,117
<b>FUND BALANCE, July 1</b>	82,844	1,008,652	1,008,652	-	728,535
<b>FUND BALANCE, June 30</b>	\$ 64,100	\$ -	\$ 1,565,549	\$ 1,565,549	\$ 1,008,652

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</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	\$ -	\$ 1,393	\$ 228	\$ (1,165)	\$ 5,290
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction:					
Building improvement					
Purchased services	8,696	15,000	13,835	1,165	1,106,007
Total expenditures	8,696	15,000	13,835	1,165	1,106,007
Net change in fund balances	(8,696)	(13,607)	(13,607)	-	(1,100,717)
<b>FUND BALANCE, July 1</b>	8,696	13,607	13,607	-	1,114,324
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ -	\$ -	\$ 13,607

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 2,325	\$ 2,669	\$ 344	\$ 10,737
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction					
Site improvement					
Purchased services	-	-	-	-	742
Architecture and engineering services					
Purchased services	-	934	934	-	-
Building acquisition and construction					
Purchased services	10,841	10,139	10,139	-	202,781
Property	8,500	8,500	8,500	-	26,631
Other	-	-	-	-	16
Total building acquisition and construction	19,341	18,639	18,639	-	229,428
Building improvement:					
Purchased services	3,783	71,428	71,411	17	3,285
Other	-	-	16	(16)	-
Total building improvement	3,783	71,428	71,427	1	3,285
Total expenditures	23,124	91,001	91,000	1	233,455
Net change in fund balances	(23,124)	(88,676)	(88,331)	345	(222,718)
<b>FUND BALANCE, July 1</b>	23,124	88,676	88,676	-	311,394
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 345	\$ 345	\$ 88,676

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>REVENUES</b>					
Local sources:					
Earnings on investments	\$ -	\$ 22,000	\$ 28,548	\$ 6,548	\$ 15,578
<b>EXPENDITURES</b>					
Capital outlay, facilities acquisition, and construction					
Undistributed expenditures:					
Purchased services	-	632,000	1,341	630,659	-
Architechure and engineering services					
Purchased services	-	53,000	19,072	33,928	-
Building acquisition and construction					
Purchased services	821	6,000	86	5,914	8,126
Building improvement:					
Purchased services	-	15,073	13,540	1,533	-
Total expenditures	821	706,073	34,039	672,034	8,126
Net change in fund balances	(821)	(684,073)	(5,491)	678,582	7,452
<b>FUND BALANCE, July 1</b>	821	684,073	684,073	-	676,621
<b>FUND BALANCE, June 30</b>	\$ -	\$ -	\$ 678,582	\$ 678,582	\$ 684,073

# Enterprise

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# Fund

## **Nutrition Services Fund:**

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

**WASHOE COUNTY SCHOOL DISTRICT  
NUTRITION SERVICES ENTERPRISE FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2006**

**ASSETS**

Current Assets	
Cash and investments	\$ 2,612,222
Receivables	400,764
Inventories	750,444
Prepays	<u>2,289</u>
Total current assets	<u>3,765,719</u>
Capital Assets	
Machinery and equipment	1,525,693
Less: Allowance for depreciation	<u>(983,296)</u>
Total capital assets	<u>542,397</u>
Total assets	<u>4,308,116</u>

**LIABILITIES**

Current Liabilities	
Accounts payable	274,567
Accrued liabilities	216,150
Deferred revenue	<u>118,262</u>
Total liabilities	<u>608,979</u>

**NET ASSETS**

Invested in capital assets	542,397
Unrestricted	<u>3,156,740</u>
Total net assets	<u>\$ 3,699,137</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NUTRITION SERVICES ENTERPRISE FUND  
SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2006 BUDGET</u>		<u>2006</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 7,058,404	\$ 7,708,404	\$ 6,945,811	\$ (762,593)
<b>OPERATING EXPENSES:</b>				
Food and supplies	7,341,868	8,316,369	7,643,730	672,639
Salaries and benefits	6,818,937	6,938,364	6,516,757	421,607
Purchased services	1,122,801	1,136,560	1,003,086	133,474
Property	55,763	81,660	6,283	75,377
Depreciation	-	-	102,505	(102,505)
Other	35,623	319,633	330,772	(11,139)
Total operating expenses	<u>15,374,992</u>	<u>16,792,586</u>	<u>15,603,133</u>	<u>1,189,453</u>
Operating income (loss)	<u>(8,316,588)</u>	<u>(9,084,182)</u>	<u>(8,657,322)</u>	<u>(1,952,046)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Federal subsidies	8,329,805	8,329,805	8,305,362	(24,443)
Commodity revenue	-	915,273	915,273	-
State matching funds	-	-	90,704	90,704
Other revenue	6,650	6,650	2,058	(4,592)
Total nonoperating revenues (expenses)	<u>8,336,455</u>	<u>9,251,728</u>	<u>9,313,397</u>	<u>61,669</u>
Change in net assets	19,867	167,546	656,075	(1,890,377)
<b>NET ASSETS - July 1 (as restated)</b>	<u>3,043,062</u>	<u>3,043,062</u>	<u>3,043,062</u>	<u>-</u>
<b>NET ASSETS - June 30</b>	<u>\$ 3,062,929</u>	<u>\$ 3,210,608</u>	<u>\$ 3,699,137</u>	<u>\$ (1,890,377)</u>

**WASHOE COUNTY SCHOOL DISTRICT  
NUTRITION SERVICES ENTERPRISE FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>2006 BUDGET</u>		<u>2006</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>				
Cash flows from operating activities:				
Cash received for services	\$ 7,058,404	\$ 7,708,404	\$ 6,945,839	\$ (762,565)
Cash paid for food and supplies	(7,341,868)	(8,316,369)	(7,643,730)	672,639
Cash paid for salaries and benefits	(6,818,937)	(6,938,364)	(6,516,757)	421,607
Cash payments for purchased services	(1,122,801)	(1,136,560)	(1,003,086)	133,474
Cash payments for property	(55,763)	(81,660)	(6,283)	75,377
Cash payments for other	(35,623)	(319,633)	(330,772)	(11,139)
Net cash provided (used) by operating activities	<u>(8,316,588)</u>	<u>(9,084,182)</u>	<u>(8,554,789)</u>	<u>529,393</u>
Cash flows from noncapital financing activities:				
Federal reimbursements	8,329,805	8,329,805	8,305,362	(24,443)
Commodity revenue	-	915,273	915,273	-
State matching funds	-	-	90,704	90,704
Miscellaneous revenue	6,650	6,650	2,058	(4,592)
Net cash provided by noncapital financing activities	<u>8,336,455</u>	<u>9,251,728</u>	<u>9,313,397</u>	<u>61,669</u>
Net increase (decrease) in cash and cash equivalents	19,867	167,546	758,608	591,062
<b>Cash and investments, July 1</b>	<u>1,853,614</u>	<u>1,853,614</u>	<u>1,853,614</u>	<u>-</u>
<b>Cash and investments, June 30</b>	<u>\$ 1,873,481</u>	<u>\$ 2,021,160</u>	<u>\$ 2,612,222</u>	<u>\$ 591,062</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>				
Operating income (loss)	\$ (8,316,588)	\$ (9,084,182)	\$ (8,657,322)	\$ 426,860
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:				
Depreciation	-	-	102,505	102,505
Changes in assets and liabilities:				
Accounts receivable	-	-	194,858	194,858
Inventories	-	-	(9,140)	(9,140)
Prepays	-	-	(2,289)	(2,289)
Accounts payable	-	-	64,635	64,635
Accrued liabilities	-	-	21,255	21,255
Deferred revenue	-	-	(269,291)	(269,291)
Total Adjustments	<u>-</u>	<u>-</u>	<u>102,533</u>	<u>28</u>
Net cash provided (used) by operations	<u>\$ (8,316,588)</u>	<u>\$ (9,084,182)</u>	<u>\$ (8,554,789)</u>	<u>\$ 529,393</u>

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# Internal Service Funds

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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.

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**WASHOE COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2006**

	<b>INSURANCE FUND (PROPERTY CASUALTY)</b>	<b>INSURANCE FUND (HEALTH INSURANCE)</b>	<b>INSURANCE FUND (WORKERS' COMPENSATION)</b>	<b>TOTAL</b>
<b>ASSETS</b>				
Current assets:				
Cash and Investments	\$ 4,150,514	\$ 17,383,143	\$ 7,039,370	\$ 28,573,027
Accounts receivable	-	1,043,838	-	1,043,838
Accrued interest receivable	14,749	61,304	17,326	93,379
	<u>4,165,263</u>	<u>18,488,285</u>	<u>7,056,696</u>	<u>29,710,244</u>
Total assets				
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	104,997	1,622	6,967	113,586
Accrued liabilities	12,600	4,871	1,388	18,859
Pending claims	1,226,380	6,052,719	1,458,553	8,737,652
Deferred revenue	-	118	-	118
	<u>1,343,977</u>	<u>6,059,330</u>	<u>1,466,908</u>	<u>8,870,215</u>
Total current liabilities				
Noncurrent liabilities:				
Pending claims	1,213,620	-	2,095,447	3,309,067
	<u>2,557,597</u>	<u>6,059,330</u>	<u>3,562,355</u>	<u>12,179,282</u>
Total liabilities				
<b>NET ASSETS</b>				
Unrestricted	1,607,666	12,428,955	3,494,341	17,530,962
	<u>1,607,666</u>	<u>12,428,955</u>	<u>3,494,341</u>	<u>17,530,962</u>
Total net assets	<u>\$ 1,607,666</u>	<u>\$ 12,428,955</u>	<u>\$ 3,494,341</u>	<u>\$ 17,530,962</u>

**WASHOE COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006**

	<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	\$ 3,339,126	\$ 46,808,528	\$ 3,254,865	\$ 53,402,519
<b>OPERATING EXPENSES</b>				
Salaries and benefits	-	49,216	-	49,216
Employee benefits	-	44,663,484	-	44,663,484
Claims and services	2,766,810	2,160,894	1,744,637	6,672,341
Total operating expenses	<u>2,766,810</u>	<u>46,873,594</u>	<u>1,744,637</u>	<u>51,385,041</u>
Operating income (loss)	<u>572,316</u>	<u>(65,066)</u>	<u>1,510,228</u>	<u>2,017,478</u>
<b>NONOPERATING REVENUES</b>				
Earnings on investments	<u>115,579</u>	<u>577,940</u>	<u>283,419</u>	<u>976,938</u>
Income before transfers	<u>687,895</u>	<u>512,874</u>	<u>1,793,647</u>	<u>2,994,416</u>
<b>TRANSFERS IN</b>				
General Fund	<u>-</u>	<u>1,898,499</u>	<u>-</u>	<u>1,898,499</u>
Change in net assets	687,895	2,411,373	1,793,647	4,892,915
<b>NET ASSETS - July 1</b>	<u>919,771</u>	<u>10,017,582</u>	<u>1,700,694</u>	<u>12,638,047</u>
<b>NET ASSETS - June 30</b>	<u>\$ 1,607,666</u>	<u>\$ 12,428,955</u>	<u>\$ 3,494,341</u>	<u>\$ 17,530,962</u>

**WASHOE COUNTY SCHOOL DISTRICT  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2003)**

	<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	\$ 3,421,095	\$ 47,318,072	\$ 2,720,929	\$ 53,460,096
Cash paid for salaries and benefits	-	(49,216)	-	(49,216)
Cash payments for employee benefits	-	(44,663,484)	-	(44,663,484)
Cash payments for claims and services	(2,766,810)	(2,160,894)	(1,744,637)	(6,672,341)
Net cash provided by operating activities	<u>654,285</u>	<u>444,478</u>	<u>976,292</u>	<u>2,075,055</u>
Cash flows from noncapital financing activities:				
Transfer from General Fund	-	1,898,499	-	1,898,499
Net cash provided by noncapital financing activities	<u>-</u>	<u>1,898,499</u>	<u>-</u>	<u>1,898,499</u>
Cash flows from investing activities:				
Interest received on investments	115,579	577,940	283,419	976,938
Net increase in cash and cash equivalents	769,864	2,920,917	1,259,711	4,950,492
<b>Cash and investments, July 1</b>	<u>3,380,650</u>	<u>14,462,226</u>	<u>5,779,659</u>	<u>23,622,535</u>
<b>Cash and investments, June 30</b>	<u>\$ 4,150,514</u>	<u>\$ 17,383,143</u>	<u>\$ 7,039,370</u>	<u>\$ 28,573,027</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS</b>				
Operating income (loss)	\$ <u>572,316</u>	\$ <u>(65,066)</u>	\$ <u>1,510,228</u>	\$ <u>2,017,478</u>
Adjustments to reconcile operating income (loss) to net cash provided by operations:				
Changes in assets and liabilities:				
Accounts receivable	(7,690)	(377,268)	15,882	(369,076)
Accounts payable	(60,941)	(515)	(18,191)	(79,647)
Accrued liabilities	12,600	700	263	13,563
Pending claims	138,000	886,761	(499,000)	525,761
Deferred revenue	-	(134)	(32,890)	(33,024)
Total adjustments	<u>81,969</u>	<u>509,544</u>	<u>(533,936)</u>	<u>57,577</u>
Net cash provided by operations	<u>\$ 654,285</u>	<u>\$ 444,478</u>	<u>\$ 976,292</u>	<u>\$ 2,075,055</u>

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,589,126	\$ 3,339,126	\$ 3,339,126	\$ -	\$ 3,262,842
Refunds	-	350,000	-	(350,000)	-
Operating revenues	<u>3,589,126</u>	<u>3,689,126</u>	<u>3,339,126</u>	<u>(350,000)</u>	<u>3,262,842</u>
<b>OPERATING EXPENSES</b>					
General Government: Claims and services	<u>3,807,568</u>	<u>4,218,172</u>	<u>2,766,810</u>	<u>1,451,362</u>	<u>2,994,155</u>
Operating income (loss)	<u>(218,442)</u>	<u>(529,046)</u>	<u>572,316</u>	<u>1,101,362</u>	<u>268,687</u>
<b>NONOPERATING REVENUES</b>					
Earnings on investments	<u>20,000</u>	<u>75,000</u>	<u>115,579</u>	<u>40,579</u>	<u>46,675</u>
Change in net assets	<u>(198,442)</u>	<u>(454,046)</u>	<u>687,895</u>	<u>1,141,941</u>	<u>315,362</u>
<b>NET ASSETS - July 1</b>	<u>258,445</u>	<u>919,771</u>	<u>919,771</u>	<u>-</u>	<u>604,409</u>
<b>NET ASSETS - June 30</b>	<u>\$ 60,003</u>	<u>\$ 465,725</u>	<u>\$ 1,607,666</u>	<u>\$ 1,141,941</u>	<u>\$ 919,771</u>

**WASHOE COUNTY SCHOOL DISTRICT**  
**INSURANCE FUND - PROPERTY AND CASUALTY**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006 BUDGET</u>		<u>2006</u>		<u>2005</u>
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>	<u>ACTUAL</u>
<b>INCREASE (DECREASE) IN CASH AND INVESTMENTS</b>					
Cash flows from operating activities:					
Cash received for services	\$ -	\$ 350,000	\$ 3,421,095	\$ 3,071,095	\$ 3,264,511
Cash payments for claims and services	(3,419,848)	(3,527,172)	(2,766,810)	760,362	(2,929,558)
Net cash provided (used) by operating activities	(3,419,848)	(3,177,172)	654,285	3,831,457	334,953
Cash flows from investing activities:					
Interest received on investments	20,000	75,000	115,579	40,579	41,782
Net increase (decrease) in cash and cash equivalents	(3,399,848)	(3,102,172)	769,864	3,872,036	376,735
<b>Cash and investments, July 1</b>	<u>3,380,650</u>	<u>3,380,650</u>	<u>3,380,650</u>	<u>-</u>	<u>3,003,915</u>
<b>Cash and investments, June 30</b>	<u>\$ (19,198)</u>	<u>\$ 278,478</u>	<u>\$ 4,150,514</u>	<u>\$ 3,872,036</u>	<u>\$ 3,380,650</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATIONS</b>					
Operating income (loss)	\$ (218,442)	\$ (529,046)	\$ 572,316	\$ 1,101,362	\$ 268,687
Adjustments to reconcile operating income (loss) to net cash provided by operations:					
Changes in assets and liabilities:					
Accounts receivable	-	-	(7,690)	(7,690)	1,669
Accounts payable	-	-	(60,941)	(60,941)	122,452
Accrued liabilities	-	-	12,600	12,600	(205,855)
Pending claims	387,720	691,000	138,000	(553,000)	148,000
Total adjustments	387,720	691,000	81,969	(609,031)	66,266
Net cash provided by operations	<u>\$ 169,278</u>	<u>\$ 161,954</u>	<u>\$ 654,285</u>	<u>\$ 492,331</u>	<u>\$ 334,953</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 47,473,336	\$ 47,473,336	\$ 46,808,528	\$ (664,808)	\$ 43,914,108
<b>OPERATING EXPENSES</b>					
General Government:					
Salaries and benefits	40,000	41,000	49,216	(8,216)	61,708
Employee benefits	48,107,728	48,106,728	44,663,484	3,443,244	36,743,111
Services and supplies	2,131,671	2,131,671	2,160,894	(29,223)	2,024,083
Total operating expenses	50,279,399	50,279,399	46,873,594	3,405,805	38,828,902
Operating income (loss)	(2,806,063)	(2,806,063)	(65,066)	2,740,997	5,085,206
<b>NONOPERATING REVENUES</b>					
Earnings on investments	123,026	123,026	577,940	454,914	177,374
Income (loss) before transfers	(2,683,037)	(2,683,037)	512,874	3,195,911	5,262,580
<b>TRANSFERS IN</b>					
General Fund	2,629,484	1,754,499	1,898,499	144,000	2,347,754
Change in net assets	(53,553)	(928,538)	2,411,373	3,339,911	7,610,334
<b>NET ASSETS - July 1</b>	5,017,688	10,017,582	10,017,582	-	2,407,248
<b>NET ASSETS - June 30</b>	\$ 4,964,135	\$ 9,089,044	\$ 12,428,955	\$ 3,339,911	\$ 10,017,582

**WASHOE COUNTY SCHOOL DISTRICT  
INSURANCE FUND - HEALTH INSURANCE  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	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	\$ 47,473,336	\$ 47,473,336	\$ 47,318,072	\$ (155,264)	\$ 43,621,685
Cash paid for salaries	(40,000)	(41,000)	(49,216)	(8,216)	(61,708)
Cash payments for employee benefits	(47,505,555)	(47,504,555)	(44,663,484)	2,841,071	(37,096,146)
Cash payments for services and supplies	(2,131,671)	(2,131,671)	(2,160,894)	(29,223)	(2,024,083)
Net cash provided (used) by operating activities	(2,203,890)	(2,203,890)	444,478	2,648,368	4,439,748
Cash flows from noncapital financing activities:					
Transfer from General Fund	2,629,484	1,754,499	1,898,499	144,000	2,347,754
Cash flows from investing activities:					
Interest received on investments	123,026	123,026	577,940	454,914	152,673
Net increase (decrease) in cash and cash equivalents	548,620	(326,365)	2,920,917	3,247,282	6,940,175
<b>Cash and investments, July 1</b>	<b>14,462,226</b>	<b>14,462,226</b>	<b>14,462,226</b>	<b>-</b>	<b>7,522,051</b>
<b>Cash and investments, June 30</b>	<b>\$ 15,010,846</b>	<b>\$ 14,135,861</b>	<b>\$ 17,383,143</b>	<b>\$ 3,247,282</b>	<b>\$ 14,462,226</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS</b>					
Operating income (loss)	\$ (2,806,063)	\$ (2,806,063)	\$ (65,066)	\$ 2,740,997	\$ 5,085,206
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations:					
Changes in assets and liabilities:					
Accounts receivable	-	-	(377,268)	(377,268)	(291,775)
Accounts payable	-	-	(515)	(515)	1,519
Accrued liabilities	-	-	700	700	1,215
Pending claims	602,173	602,173	886,761	284,588	(355,769)
Deferred revenue	-	-	(134)	(134)	(648)
Total Adjustments	602,173	602,173	509,544	(92,629)	(645,458)
Net cash provided (used) by operations	\$ (2,203,890)	\$ (2,203,890)	\$ 444,478	\$ 2,648,368	\$ 4,439,748

**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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>OPERATING REVENUES</b>					
Charges for services	\$ 3,655,932	\$ 2,905,932	\$ 3,254,865	\$ 348,933	\$ 3,238,146
<b>OPERATING EXPENSES</b>					
General Government:					
Claims and services	3,426,662	3,426,662	1,744,637	1,682,025	2,268,075
Operating income (loss)	229,270	(520,730)	1,510,228	2,030,958	970,071
<b>NONOPERATING REVENUES</b>					
Earnings on investments	50,000	50,000	283,419	233,419	59,409
Change in net assets	279,270	(470,730)	1,793,647	2,264,377	1,029,480
<b>NET ASSETS - July 1</b>	1,200,414	1,700,694	1,700,694	-	671,214
<b>NET ASSETS - June 30</b>	\$ 1,479,684	\$ 1,229,964	\$ 3,494,341	\$ 2,264,377	\$ 1,700,694

**WASHOE COUNTY SCHOOL DISTRICT  
INSURANCE FUND - WORKERS' COMPENSATION  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006 BUDGET		2006		2005
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
<b>INCREASE IN CASH AND INVESTMENTS</b>					
Cash Flows from operating activities:					
Cash received for services	\$ 3,655,932	\$ 2,905,932	\$ 2,720,929	\$ (185,003)	\$ 3,254,591
Payments for claims and services	(2,518,022)	(2,518,022)	(1,744,637)	773,385	(1,979,402)
Net cash provided by operating activities	<u>1,137,910</u>	<u>387,910</u>	<u>976,292</u>	<u>588,382</u>	<u>1,275,189</u>
Cash flows from investing activities:					
Interest received on investments	<u>50,000</u>	<u>50,000</u>	<u>283,419</u>	<u>233,419</u>	<u>27,899</u>
Net increase in cash and cash equivalents	1,187,910	437,910	1,259,711	821,801	1,303,088
<b>Cash and investments, July 1</b>	<u>5,779,659</u>	<u>5,779,659</u>	<u>5,779,659</u>	-	<u>4,476,571</u>
<b>Cash and investments, June 30</b>	<u>\$ 6,967,569</u>	<u>\$ 6,217,569</u>	<u>\$ 7,039,370</u>	<u>\$ 821,801</u>	<u>\$ 5,779,659</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATIONS</b>					
Operating income (loss)	\$ <u>229,270</u>	\$ <u>(520,730)</u>	\$ <u>1,510,228</u>	\$ <u>2,030,958</u>	\$ <u>970,071</u>
Adjustments to reconcile operating income (loss) to net cash provided by operations:					
Changes in assets and liabilities:					
Accounts receivable	-	-	15,882	15,882	-
Accounts payable	-	-	(18,191)	(18,191)	20,548
Accrued liabilities	-	-	263	263	1,125
Pending claims	908,640	908,640	(499,000)	(1,407,640)	267,000
Deferred revenue	-	-	(32,890)	(32,890)	16,445
Total adjustments	<u>908,640</u>	<u>908,640</u>	<u>(533,936)</u>	<u>(1,442,576)</u>	<u>305,118</u>
Net cash provided by operations	<u>\$ 1,137,910</u>	<u>\$ 387,910</u>	<u>\$ 976,292</u>	<u>\$ 588,382</u>	<u>\$ 1,275,189</u>

# 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.

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**WASHOE COUNTY SCHOOL DISTRICT  
AGENCY FUNDS  
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE YEAR ENDED JUNE 30, 2006**

	<u>JULY 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 2006</u>
<b>Student Activities</b>				
<b>ASSETS</b>				
Cash and investments	\$ 6,694,660	\$ 16,132,770	\$ 15,544,115	\$ 7,283,315
<b>LIABILITIES</b>				
Due to student groups	\$ 6,694,660	\$ 16,132,770	\$ 15,544,115	\$ 7,283,315
<b>80/5 Salary Plan</b>				
<b>ASSETS</b>				
Cash and investments	\$ 669,129	\$ 227,878	\$ 183,259	\$ 713,748
<b>LIABILITIES</b>				
Accrued liabilities	\$ 669,129	\$ 227,878	\$ 183,259	\$ 713,748
<b>Nevada Interscholastic Athletic Association</b>				
<b>ASSETS</b>				
Accounts receivable	\$ 31,996	\$ 34,122	\$ 31,996	\$ 34,122
<b>LIABILITIES</b>				
Accrued liabilities	\$ 13,501	\$ 335,365	\$ 333,262	\$ 15,604
Due to other funds	18,495	18,518	18,495	18,518
Total liabilities	\$ 31,996	\$ 353,883	\$ 351,757	\$ 34,122
<b>Totals - All Agency Funds</b>				
<b>ASSETS</b>				
Cash and investments	\$ 7,363,789	\$ 16,360,648	\$ 15,727,374	\$ 7,997,063
Accounts receivable	31,996	34,122	31,996	34,122
Total assets	\$ 7,395,785	\$ 16,394,770	\$ 15,759,370	\$ 8,031,185
<b>LIABILITIES</b>				
Accrued liabilities	\$ 682,630	\$ 563,243	\$ 516,521	\$ 729,352
Due to student groups	6,694,660	16,132,770	15,544,115	7,283,315
Due to other funds	18,495	18,518	18,495	18,518
Total liabilities	\$ 7,395,785	\$ 16,714,531	\$ 16,079,131	\$ 8,031,185

**WASHOE COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006**

<u>SCHOOLS</u>	<u>BALANCE JULY 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2006</u>
<b>ELEMENTARY SCHOOLS:</b>				
Allen	\$ 14,375	\$ 78,770	72,184	\$ 20,961
Anderson	59,083	48,622	80,939	26,766
Beasley	37,720	75,830	85,049	28,501
Beck	9,842	74,915	76,270	8,487
Bennett	10,942	55,496	49,127	17,311
Booth	45,661	63,844	61,078	48,427
Brown	33,901	90,192	78,861	45,232
Cannan	26,923	42,643	40,020	29,546
Caughlin Ranch	33,507	92,103	111,013	14,597
Corbett	26,273	54,979	48,577	32,675
Desert Heights	9,763	33,143	28,464	14,442
Diedrichsen	6,660	30,734	31,517	5,877
Dodson	16,897	43,299	36,658	23,538
Donner Springs	32,746	71,973	75,908	28,811
Double Diamond	29,234	117,765	105,067	41,932
Drake	25,526	55,991	49,669	31,848
Duncan	16,125	65,305	59,047	22,383
Dunn	13,908	60,246	63,879	10,275
Elmcrest	9,756	42,153	40,738	11,171
Gomes	23,944	115,273	104,683	34,534
Gomm	11,381	72,917	63,665	20,633
Greenbrae	21,259	53,750	42,710	32,299
Hall	-	4,084	1,898	2,186
Hidden Valley	10,935	48,271	45,558	13,648
Huffaker	39,219	162,845	163,782	38,282
Hunsberger	35,829	235,121	209,858	61,092
Hunter Lake	51,783	38,612	69,098	21,297
Incline	20,879	155,516	143,685	32,710
Juniper	25,892	82,395	90,207	18,080
Lemmon Valley	34,077	87,149	96,694	24,532
Lenz	39,995	69,884	74,780	35,099
Lincoln Park	17,118	47,557	45,668	19,007
Loder	42,857	28,762	33,284	38,335
Mathews	57,660	42,353	29,732	70,281
Maxwell	13,468	47,239	46,033	14,674
Melton	70,830	122,330	75,772	117,388
Mitchell	7,401	31,955	33,077	6,279
Moss	19,827	62,885	62,333	20,379
Mount Rose	8,764	31,880	29,920	10,724
Natchez	11,756	11,596	12,605	10,747
Palmer	14,955	74,727	72,500	17,182
Peavine	17,496	68,611	52,957	33,150
Piccolo	75,228	62,597	39,633	98,192
Pleasant Valley	24,956	93,091	104,711	13,336
Risley	13,536	50,762	42,419	21,879
Sepulveda	-	1,000	579	421
Sierra Vista	25,683	25,679	45,169	6,193
Silver Lake	24,906	101,836	94,647	32,095
Smith, Alice	58,162	75,556	78,211	55,507
Smith, Kate	4,265	32,561	25,769	11,057
Smithridge	24,156	48,882	41,639	31,399
Spanish Springs	48,607	133,107	136,429	45,285
Stead	13,883	89,010	83,375	19,518
Sun Valley	25,903	37,863	34,669	29,097
Taylor	9,965	125,508	132,080	3,393
Towles	17,958	63,092	70,142	10,908

**(CONTINUED)**

**WASHOE COUNTY SCHOOL DISTRICT  
STUDENT ACTIVITY FUNDS  
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS  
FOR THE YEAR ENDED JUNE 30, 2006**

<u>SCHOOLS</u>	<u>BALANCE JULY 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2006</u>
<b>ELEMENTARY SCHOOLS (CONTINUED):</b>				
Van Gorder	\$ 36,053	\$ 160,725	160,110	\$ 36,668
Verdi	11,886	34,883	39,057	7,712
Veterans	18,237	50,877	59,988	9,126
Warner	13,811	49,074	49,065	13,820
Westergard	13,813	80,957	77,652	17,118
Whitehead	29,408	52,174	39,912	41,670
Winnemucca	18,630	149,842	143,268	25,204
Total Elementary Schools	<u>1,565,213</u>	<u>4,412,791</u>	<u>4,293,088</u>	<u>1,684,916</u>
<b>MIDDLE SCHOOLS:</b>				
Billinghurst *	148,350	130,401	154,594	124,157
Clayton	77,618	113,905	108,692	82,831
Cold Springs	-	1,500	491	1,009
Dilworth	37,049	70,522	63,999	43,572
Incline	36,513	87,501	77,520	46,494
Mendive	99,073	249,365	246,430	102,008
O'Brien *	54,509	223,790	225,179	53,120
Pine *	99,105	219,538	223,582	95,061
Shaw	30,225	174,311	155,604	48,932
Sparks *	67,274	79,374	82,657	63,991
Swope *	52,317	266,408	255,844	62,881
Traner	15,821	61,061	67,980	8,902
Vaughn	28,787	111,750	113,609	26,928
Total Middle Schools	<u>746,641</u>	<u>1,789,426</u>	<u>1,776,181</u>	<u>759,886</u>
<b>HIGH SCHOOLS:</b>				
Damonte Ranch	267,961	822,325	720,664	369,622
Galena *	552,706	1,334,237	1,254,964	631,979
Gerlach(1)	53,548	71,307	64,113	60,742
Hug	151,128	306,609	323,977	133,760
Incline *	200,385	414,095	425,487	188,993
McQueen	661,916	1,245,173	1,202,133	704,956
North Valleys	344,617	753,135	701,397	396,355
Reed *	337,490	1,207,701	1,249,103	296,088
Regional Technical Institute	46,590	193,923	177,791	62,722
Reno *	658,244	1,483,749	1,396,393	745,600
Spanish Springs	381,096	915,655	870,545	426,206
Sparks *	285,771	513,076	410,105	388,742
TMCC	59,103	31,422	35,562	54,963
Washoe	78,189	47,947	38,405	87,731
Wooster	303,299	573,390	590,364	286,325
Total High Schools	<u>4,382,043</u>	<u>9,913,744</u>	<u>9,461,003</u>	<u>4,834,784</u>
<b>OTHER:</b>				
Administration Buiding	763	5,794	5,454	1,103
Gifted and Talented	-	11,015	8,389	2,626
Total Other Funds	<u>763</u>	<u>16,809</u>	<u>13,843</u>	<u>3,729</u>
<b>TOTALS</b>	<b>\$ <u>6,694,660</u></b>	<b>\$ <u>16,132,770</u></b>	<b>\$ <u>15,544,115</u></b>	<b>\$ <u>7,283,315</u></b>

(1) Includes E.M. Johnson Elementary

\* Audited by Internal Audit

# Capital Assets

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# Governmental Funds

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

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**WASHOE COUNTY SCHOOL DISTRICT  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 COMPARATIVE SCHEDULE BY SOURCE  
 JUNE 30, 2006 AND 2005**

	<u>2006</u>	<u>2005</u> <u>(as restated)</u>
Governmental funds capital assets:		
Land	\$ 32,703,529	\$ 31,033,509
Buildings	532,168,239	527,495,608
Improvements other than buildings	6,239,320	5,007,506
Machinery and equipment	42,794,351	41,249,477
Construction in progress	79,955,233	6,272,980
Total governmental funds capital assets	<u>\$ 693,860,672</u>	<u>\$ 611,059,080</u>
 Investments in governmental funds capital assets by source:		
General fund	\$ 146,842,605	\$ 145,699,817
Special revenue funds	4,303,758	2,051,448
Capital projects funds	541,941,484	462,515,396
Donations	772,825	792,419
Total governmental funds capital assets	<u>\$ 693,860,672</u>	<u>\$ 611,059,080</u>

WASHOE COUNTY SCHOOL DISTRICT  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
 SCHEDULE BY FUNCTION AND ACTIVITY  
 JUNE 30, 2006

<u>FUNCTION AND ACTIVITY</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS 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	\$ 7,148,367	\$ -	\$ 7,559,174
Student support	-	-	-	801,374	-	801,374
Instructional staff support	-	-	-	640,879	-	640,879
General administration	-	-	-	258,555	-	258,555
School administration	-	-	-	31,518	-	31,518
Business administration	-	-	-	770,416	-	770,416
Operation/maintenance	-	9,924,637	-	1,516,848	-	11,441,485
Student transportation	-	-	-	21,701,966	-	21,701,966
Central support	-	-	-	1,477,497	-	1,477,497
Other support	-	-	-	42,853	-	42,853
Facilities	32,571,890	521,990,037	6,213,717	8,404,078	79,955,233	649,134,955
<b>Total governmental funds capital assets</b>	<b>\$ 32,703,529</b>	<b>\$ 532,168,239</b>	<b>\$ 6,239,320</b>	<b>\$ 42,794,351</b>	<b>\$ 79,955,233</b>	<b>\$ 693,860,672</b>

This schedule presents only the capital asset balances related to the governmental funds. Accordingly the capital assets reported in the internal service funds and the enterprise fund are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital assets of the enterprise fund are reported separately under business-type activities.

**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, 2006**

<u>FUNCTION AND ACTIVITY</u>	GOVERNMENTAL FUNDS CAPITAL ASSETS <u>JULY 1, 2005</u> <i>(as restated)</i>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	GOVERNMENTAL FUNDS CAPITAL ASSETS <u>JUNE 30, 2006</u>
General Government:				
Instruction	\$ 7,541,557	\$ 69,832	\$ 52,217	7,559,172
Student support	777,151	24,223	-	801,374
Instructional staff support	596,984	43,895	-	640,879
General administration	251,219	7,336	-	258,555
School administration	31,518	-	-	31,518
Business administration	689,907	80,509	-	770,416
Operation and maintenance	11,454,242	60,175	72,931	11,441,486
Student transportation	21,251,413	1,622,523	1,171,969	21,701,967
Central support	1,407,050	70,447	-	1,477,497
Other support	42,853	-	-	42,853
Facilities	567,015,186	82,309,240	189,471	649,134,955
Total government funds capital assets	<u>\$ 611,059,080</u>	<u>\$ 84,288,180</u>	<u>\$ 1,486,588</u>	<u>\$ 693,860,672</u>

This schedule presents only the capital asset balances related to the governmental funds. Accordingly the capital assets reported in the internal service funds and the enterprise fund are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets. The capital assets of the enterprise fund are reported separately under business-type activities.

# Statistical Section

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This section presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the District's overall financial health.

## Tables

### Financial Trends

1.1 – 1.5

Trend information to assist in the understanding of how the District's financial performance and well-being have changed over time.

### Revenue Capacity

2.1 – 2.4

Information to assist in the understanding of the District's most significant local revenue sources, property taxes (ad valorem).

### Debt Capacity

3.1 – 3.3

Information assessing the affordability of the District's current levels of outstanding debt and the ability to issue additional debt in the future.

### Demographic and Economic Information

4.1 – 4.2

Indicators to assist in understanding the environment within which the District's financial activities take place.

### Operating Information

5.1 – 5.3

Service and infrastructure data to assist in understanding how the information in the District's financial report relates to the services and activities provided.

**Sources:** Unless otherwise noted, the information in these tables is derived from the Comprehensive Financial Reports for the relevant year.

**Washoe County School District  
Net Assets by Component  
Last Five Fiscal Years  
(accrual basis of accounting)**

	Fiscal Year Ended June 30,		
	2001-02	2002-03	2003-04
<b>Governmental activities</b>			
Invested in capital assets, net of related debt	\$ 99,715,396	\$ 103,275,042	\$ 116,714,931
Restricted	39,073,756	51,061,565	48,091,851
Unrestricted	(14,392,899)	(10,712,992)	927,744
<b>Total governmental activities net assets</b>	<b>\$ 124,396,253</b>	<b>\$ 143,623,615</b>	<b>\$ 165,734,526</b>
<b>Business-type activities</b>			
Invested in capital assets	\$ -	\$ -	\$ -
Restricted	-	-	-
Unrestricted	-	-	-
<b>Total business-type activities net assets</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Primary government</b>			
Invested in capital assets, net of related debt	\$ 99,715,396	\$ 103,275,042	\$ 116,714,931
Restricted	39,073,756	51,061,565	48,091,851
Unrestricted	(14,392,899)	(10,712,992)	927,744
<b>Total primary government net assets</b>	<b>\$ 124,396,253</b>	<b>\$ 143,623,615</b>	<b>\$ 165,734,526</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

Table 1.1

	2004-05		2005-06
\$	127,695,444	\$	136,809,928
	59,385,880		70,158,376
	14,054,767		25,489,421
<b>\$</b>	<b>201,136,091</b>	<b>\$</b>	<b>232,457,725</b>

\$	-	\$	542,397
	-		-
	-		3,156,740
<b>\$</b>	<b>-</b>	<b>\$</b>	<b>3,699,137</b>

\$	127,695,444	\$	137,352,325
	59,385,880		70,158,376
	14,054,767		28,646,161
<b>\$</b>	<b>201,136,091</b>	<b>\$</b>	<b>236,156,862</b>

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**Washoe County School District**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

Table 1.2

	Fiscal Year Ended June 30,				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Expenses</b>					
<b>Governmental activities:</b>					
<b>Instruction:</b>					
Regular instruction	\$ 180,196,628	\$ 184,993,866	\$ 194,831,967	\$ 206,911,454	\$ 219,283,856
Special instruction	30,070,560	32,001,726	34,870,606	37,356,574	40,361,274
Vocational instruction	6,593,175	6,227,423	7,299,838	7,310,262	7,978,977
Other instruction	4,767,956	5,009,228	5,263,695	5,299,761	4,908,141
<b>Support services:</b>					
Student support	17,903,382	18,448,225	21,195,379	25,372,276	27,775,369
Instructional staff support	13,329,522	15,336,683	15,536,807	15,787,724	18,234,230
General Administration	5,542,329	6,077,638	6,261,080	6,632,435	7,195,661
School administration	18,739,572	19,965,103	21,622,401	22,674,418	24,734,884
Business support	3,989,647	4,218,214	4,549,010	6,060,209	6,831,633
Operation and maintenance	32,528,440	33,658,260	34,840,160	36,854,305	42,085,877
Student transportation	12,376,312	13,343,831	13,507,932	15,126,041	16,311,285
Central support	4,709,401	4,887,624	6,104,423	7,388,451	7,543,020
Other support	179,924	336,498	199,114	144,341	29,117
Nutrition Services	12,554,171	13,373,888	13,853,617	14,621,816	-
Facilities Acquisition and Construction	17,369,591	13,737,063	17,294,160	17,700,847	16,272,050
Interest on long-term debt	21,945,321	17,121,442	19,132,944	18,955,978	20,921,136
Issuance costs on debt	216,650	459,603	547,483	715,201	804,602
<b>Total governmental activities expenses</b>	<b>383,012,581</b>	<b>389,196,315</b>	<b>416,910,616</b>	<b>444,912,093</b>	<b>461,271,112</b>
<b>Business-type activities:</b>					
Nutrition Services	\$ -	\$ -	\$ -	\$ -	\$ 15,603,133
<b>Total business-type activities expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,603,133</b>
<b>Total primary government expenses</b>	<b>\$ 383,012,581</b>	<b>\$ 389,196,315</b>	<b>\$ 416,910,616</b>	<b>\$ 444,912,093</b>	<b>\$ 476,874,245</b>
<b>Revenues</b>					
<b>Governmental activities:</b>					
<b>Program revenues:</b>					
Charges for services	\$ 7,679,075	\$ 7,877,036	\$ 7,820,959	\$ 8,314,770	\$ 1,805,959
Operating grants and contributions	68,176,805	71,314,386	75,489,897	86,721,909	86,523,775
<b>General revenues:</b>					
Property taxes	102,617,739	109,768,083	117,819,676	126,044,207	136,445,205
Local school support taxes	112,258,067	116,959,363	128,565,040	145,056,434	161,027,372
Government service taxes	13,015,491	14,230,955	15,817,100	17,260,710	18,277,143
Other taxes and fees	1,516,853	1,697,574	2,241,927	2,331,837	2,833,827
Unrestricted investment earnings	7,363,521	4,912,745	1,672,999	5,789,233	7,304,748
State aid not restricted to specific purposes	75,088,119	78,721,232	87,154,547	85,542,351	77,280,007
Other	2,037,587	2,942,303	2,439,382	3,252,207	4,137,772
<b>Total governmental activities revenues</b>	<b>389,753,257</b>	<b>408,423,677</b>	<b>439,021,527</b>	<b>480,313,658</b>	<b>495,635,808</b>
<b>Business-type activities:</b>					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 6,945,811
Operating grants and contributions	-	-	-	-	9,313,397
<b>Total business-type activities revenues</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16,259,208</b>
<b>Total primary government revenues</b>	<b>\$ 389,753,257</b>	<b>\$ 408,423,677</b>	<b>\$ 439,021,527</b>	<b>\$ 480,313,658</b>	<b>\$ 511,895,016</b>
<b>Change in Net Assets</b>					
<b>Governmental activities</b>	<b>\$ 6,740,676</b>	<b>\$ 19,227,362</b>	<b>\$ 22,110,911</b>	<b>\$ 35,401,565</b>	<b>\$ 34,364,696</b>
<b>Business-type activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>656,075</b>
<b>Total primary government</b>	<b>\$ 6,740,676</b>	<b>\$ 19,227,362</b>	<b>\$ 22,110,911</b>	<b>\$ 35,401,565</b>	<b>\$ 35,020,771</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**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	1996-97	1997-98	1998-99	1999-00
<b>General Fund</b>				
Reserved	\$ 990,197	\$ 329,035	\$ 1,242,438	\$ 6,828,924
Unreserved	3,779,423	3,840,623	6,187,465	2,709,944
<b>Total general fund</b>	<b>\$ 4,769,620</b>	<b>\$ 4,169,658</b>	<b>\$ 7,429,903</b>	<b>\$ 9,538,868</b>
<b>All other governmental funds</b>				
Reserved	\$ 27,206,965	\$ 26,936,803	\$ 32,369,481	\$ 84,998,102
Unreserved reported in:				
Special revenue funds	(850,189)	(880,350)	(526,776)	(691,376)
Capital Projects funds	17,719,041	7,477,303	71,199,174	106,933,436
<b>Total all other governmental funds</b>	<b>\$ 44,075,817</b>	<b>\$ 33,533,756</b>	<b>\$ 103,041,879</b>	<b>\$ 191,240,162</b>
<b>Total Governmental Funds</b>	<b>\$ 48,845,437</b>	<b>\$ 37,703,414</b>	<b>\$ 110,471,782</b>	<b>\$ 200,779,030</b>

Fluctuations in all other governmental fund balance reserved and unreserved amounts primarily reflect financing, construction in progress and completion of large capital projects.

Source: Washoe County School District Business Office

Table 1.3

2000-01	2002-03	2003-04	2004-05	2005-06
\$ 6,456,853	\$ 2,332,785	\$ 6,310,332	\$ 1,955,639	\$ 2,991,296
3,606,244	8,223,279	12,600,229	22,681,321	28,909,898
<b>\$ 10,063,097</b>	<b>\$ 10,556,064</b>	<b>\$ 18,910,561</b>	<b>\$ 24,636,960</b>	<b>\$ 31,901,194</b>
\$ 41,661,734	\$ 54,937,381	\$ 46,972,103	\$ 76,987,832	\$ 67,813,194
(448,548)	1,714,981	4,475,704	7,022,230	9,953,987
93,630,785	34,344,217	63,947,633	93,283,119	54,227,357
<b>\$ 134,843,971</b>	<b>\$ 90,996,579</b>	<b>\$ 115,395,440</b>	<b>\$ 177,293,181</b>	<b>\$ 131,994,538</b>
<b>\$ 144,907,068</b>	<b>\$ 101,552,643</b>	<b>\$ 134,306,001</b>	<b>\$ 201,930,141</b>	<b>\$ 163,895,732</b>

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**Washoe County School District**  
**Changes in Fund Balances of Governmental Funds**  
**Last Five Fiscal Years**  
(modified accrual basis of accounting)

Table 1.4

	Fiscal Year Ended June 30,				
	2001-02	2002-03	2003-04	2004-05	2005-06
<b>Revenues</b>					
Local sources	\$ 245,902,508	\$ 258,706,169	\$ 277,758,436	\$ 309,321,004	\$ 332,242,387
State sources	115,513,083	117,830,448	125,302,983	129,972,727	130,050,648
Federal sources	26,831,858	31,007,808	35,131,347	40,324,344	31,975,138
Other sources	1,418,410	1,258,824	2,010	37,345	37,224
<b>Total revenues</b>	<b>389,665,859</b>	<b>408,803,249</b>	<b>438,194,776</b>	<b>479,655,420</b>	<b>494,305,397</b>
<b>Expenditures</b>					
Current:					
Regular programs	179,366,818	183,529,233	197,968,562	208,690,609	219,930,930
Special programs	29,938,441	31,741,223	34,842,293	37,844,397	40,502,495
Vocational programs	6,564,020	6,169,534	7,293,902	7,405,722	8,006,895
Other instructional programs	2,930,266	2,776,041	2,928,092	3,114,088	3,199,927
Adult education programs	1,090,042	1,420,058	1,369,039	1,327,449	1,080,063
Food Service programs	12,576,917	13,507,772	14,009,635	14,838,211	-
Community service programs	701,908	762,200	813,387	793,625	642,275
Undistributed expenditures:					
Student support	17,842,362	18,343,762	21,396,488	25,956,643	27,771,224
Instructional staff support	13,268,685	15,217,607	15,593,094	16,027,761	18,305,324
General administration	5,502,641	6,027,809	6,240,901	6,743,167	7,208,768
School administration	18,669,539	19,791,036	21,604,444	22,993,010	24,818,064
Business support	3,983,711	4,169,749	4,517,545	6,222,427	6,881,421
Operation and maintenance	35,762,338	33,181,675	34,592,121	37,737,291	41,985,686
Student transportation	12,142,202	12,635,127	12,717,685	19,047,410	16,801,178
Central support	4,678,884	4,900,142	6,235,573	7,945,677	7,454,621
Other support	167,506	332,299	189,113	132,307	16,851
Capital outlay	45,408,032	56,749,128	38,838,373	19,060,639	87,032,038
Debt Service:					
Principal	20,028,992	22,144,229	23,392,727	25,720,391	26,553,319
Interest	19,892,555	16,422,095	19,474,379	19,156,006	20,881,655
Bond issuance costs	-	898,612	693,292	547,149	1,710,989
Other	1,105,185	-	9,846	13,738	12,325
<b>Total expenditures</b>	<b>431,621,044</b>	<b>450,719,331</b>	<b>464,720,491</b>	<b>481,317,717</b>	<b>560,796,048</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(41,955,185)</b>	<b>(41,916,082)</b>	<b>(26,525,715)</b>	<b>(1,662,297)</b>	<b>(66,490,651)</b>
<b>Other Financing Sources (Uses)</b>					
Capital leases	3,945,569	259,770	6,914,598	1,019,287	1,005,000
Refunded capital leases	9,710,001	-	-	-	-
Payments for refunded capital leases	(5,959,017)	(2,881,410)	-	-	-
Issuance of refunding bonds	46,939,230	68,940,000	11,820,000	22,970,000	29,820,000
Bonds issued	-	36,000,000	55,000,000	66,000,000	30,000,000
Debt premiums	-	6,925,688	1,112,967	6,792,039	402,898
Payments to refunded bonds escrow agent	(46,707,069)	(74,464,866)	(12,011,244)	(25,147,135)	(28,475,000)
Transfers in	19,020,755	20,201,851	24,167,589	26,057,411	30,256,343
Transfer out	(20,549,591)	(21,955,384)	(27,904,837)	(28,405,165)	(32,154,842)
<b>Total other financing sources (uses)</b>	<b>6,399,878</b>	<b>33,025,649</b>	<b>59,099,073</b>	<b>69,286,437</b>	<b>30,854,399</b>
<b>Net change in fund balances</b>	<b>\$ (35,555,307)</b>	<b>\$ (8,890,433)</b>	<b>\$ 32,573,358</b>	<b>\$ 67,624,140</b>	<b>\$ (35,636,252)</b>
<b>Debt Service as a percentage of Non-Capital Expenditures</b>	10.62%	10.02%	10.23%	9.83%	10.38%

Note: Information prior to 2001-02 not readily available

Source: Washoe County School District Business Office

**Washoe County School District  
Major Governmental Revenues By Source  
Last Ten Fiscal Years  
(modified accrual basis of accounting)**

Fiscal Year Ended June 30,	General Fund State Distributive School Fund	General Fund Ad Valorem Taxes	General Fund Franchise Tax	General Fund Government Services Tax	General Fund Local School Support Tax (Sales Tax)	General Fund Investment Income
1996-97	\$ 48,649,919	\$ 48,541,046	\$ 241,072	\$ 7,172,449	\$ 97,193,220	\$ 927,976
1997-98	58,194,507	52,118,169	256,725	7,643,219	99,258,703	972,954
1998-99	60,817,440	57,148,332	303,384	7,863,772	105,775,263	1,477,680
1999-00	63,148,037	61,583,871	261,743	9,455,201	108,093,526	1,680,737
2000-01	65,294,451	64,667,692	165,560	9,662,929	110,894,639	1,589,520
2001-02	75,088,119	67,239,288	230,353	10,338,568	112,258,067	778,074
2002-03	78,721,232	72,277,614	233,187	11,303,671	116,959,363	439,873
2003-04	87,154,547	77,268,419	205,259	12,563,725	128,565,040	369,444
2004-05	85,542,351	82,793,542	286,955	13,709,075	145,056,434	1,030,943
2005-06	77,280,007	89,351,473	361,157	14,517,247	161,027,372	2,554,914

Source: Washoe County School District Business Office

Table 1.5

<b>Debt Service Fund Ad Valorem Taxes</b>	<b>Capital Projects Fund Government Services Tax</b>	<b>Special Revenue Funds State Distributive School Fund</b>
\$ 23,354,921	\$ 1,777,213	\$ 10,709,251
24,384,880	1,887,535	10,916,670
26,522,286	1,826,815	11,696,452
32,110,250	2,195,839	12,309,317
34,349,012	2,502,729	12,981,481
35,327,857	2,676,923	13,887,475
37,951,688	2,927,284	14,771,785
40,437,409	3,253,375	15,983,978
43,304,316	3,551,635	16,881,687
46,760,465	3,759,896	18,655,920

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**Washoe County School District  
Washoe County, Nevada  
Principal Property Taxpayers  
Current Year and Nine Years Ago**

**Table 2.1**

Taxpayer	2006			1997		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
DP Industrial LLC	\$ 98,561,828	1	0.82%		#N/A	
Circus Circus & Eldorado Joint Venture	65,115,011	2	0.54%	71,874,203	2	1.11%
Peppermill Casinos, Inc.	45,885,007	3	0.38%	35,044,029	9	0.54%
Washoe Medical Center, Inc.	39,691,839	4	0.33%		#N/A	
Eldorado Resorts LLC	38,707,092	5	0.32%	29,046,292	10	0.45%
International Game Technology	34,430,254	6	0.29%		#N/A	
Golden Road Motor Inn, Inc.	33,911,750	7	0.28%		#N/A	
Harrah's Club	31,390,212	8	0.26%	40,308,948	7	0.62%
FHR Corporation	25,921,438	9	0.22%		#N/A	
Lennar Reno LLC	24,131,753	10	0.20%		#N/A	
Sierra Pacific Power Company		#N/A		165,454,361	1	2.55%
Nevada Bell		#N/A		71,349,784	3	1.10%
Dermody Industrial Group		#N/A		57,433,123	4	0.89%
Sparks Nugget, Inc.		#N/A		53,948,760	5	0.83%
Reno Hilton Resort Corporation		#N/A		51,576,936	6	0.80%
Circus Circus Casinos, Inc.		#N/A		39,298,064	8	0.61%
<b>SUBTOTAL</b>	<b>437,746,184</b>		<b>3.65%</b>	<b>615,334,500</b>		<b>9.49%</b>
All Other Taxpayers	11,541,602,355		96.35%	5,866,952,075		90.51%
<b>TOTAL ASSESSED VALUATION</b>	<b>\$ 11,979,348,539</b>		<b>100.00%</b>	<b>\$ 6,482,286,575</b>		<b>100.00%</b>

Source: Washoe County Comptroller's Office

**Washoe County School District**  
**Washoe County , Nevada**  
**Property Tax Rates Direct and Overlapping Governments**  
**Last Ten Fiscal Years**  
**(tax rates per \$100 assessed valuation)**

	<b>Fiscal Year Ended June 30,</b>				
	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>
<b>Washoe County</b>					
Operating Rate	0.8216	0.8266	0.8266	0.8402	0.8401
Voter Approved:					
Child Protective Services	0.0400	0.0400	0.0400	0.0400	0.0400
Regional Animal Services					
Senior Services	0.0100	0.0100	0.0100	0.0100	0.0100
Library Expansion	0.0200	0.0200	0.0200	0.0200	0.0200
Legislative Overrides:					
Indigent Insurance	0.0150	0.0150	0.0150	0.0150	0.0150
Indigent Health	0.1000	0.1000	0.1000	0.0900	0.0900
Capital Acquisition	0.0500	0.0500	0.0500	0.0500	0.0500
Youth Services	0.0044	0.0046	0.0046	0.0043	0.0044
Detention Center	0.0774	0.0774	0.0774	0.0774	0.0774
SCCRT Loss					
Family Court	0.0192	0.0192	0.0192	0.0192	0.0192
AB 104 Fair Share Tax	0.0272	0.0272	0.0272	0.0272	0.0272
Debt Service	0.0595	0.0595	0.0595	0.0562	0.0562
<b>Total Washoe County Direct Rate</b>	<b>1.2443</b>	<b>1.2495</b>	<b>1.2495</b>	<b>1.2495</b>	<b>1.2495</b>
<b>State of Nevada</b>	<b>0.1500</b>	<b>0.1500</b>	<b>0.1500</b>	<b>0.1500</b>	<b>0.1500</b>
<b>Washoe County School District</b>	<b>1.1135</b>	<b>1.0985</b>	<b>1.0985</b>	<b>1.1385</b>	<b>1.1385</b>
Total, Washoe County unincorporated area	<b>2.5078</b>	<b>2.4980</b>	<b>2.4980</b>	<b>2.5380</b>	<b>2.5380</b>
<b>City of Reno</b>					
City of Reno	0.7534	0.8546	0.9076	0.9076	0.9076
Washoe County	2.5078	2.4980	2.4980	2.5380	2.5380
Washoe Regional Water Planning Board/Special Districts	0.0050	0.0005	0.0005	0.0005	0.0005
<b>Total City of Reno</b>	<b>3.2662</b>	<b>3.3531</b>	<b>3.4061</b>	<b>3.4461</b>	<b>3.4461</b>
<b>City of Sparks</b>					
City of Sparks	0.7071	0.7071	0.8106	0.8106	0.8106
Washoe County	2.5078	2.4980	2.4980	2.5380	2.5380
Washoe Regional Water Planning Board/Special Districts	0.0050	0.0005	0.0005	0.0005	0.0005
<b>Total City of Sparks</b>	<b>3.2199</b>	<b>3.2056</b>	<b>3.3091</b>	<b>3.3491</b>	<b>3.3491</b>

Source: Washoe County Comptroller's Office

Table 2.2

2001-02	2002-03	2003-04	2004-05	2005-06
0.8567	0.9217	0.9167	0.9231	0.9231
0.0400	0.0400	0.0400	0.0400	0.0400
		0.0300	0.0300	0.0300
0.0100	0.0100	0.0100	0.0100	0.0100
0.0200	0.0200	0.0200	0.0200	0.0200
0.0150	0.0150	0.0000	0.0150	0.0150
0.0850	0.0800	0.0900	0.1000	0.1000
0.0500	0.0500	0.0500	0.0500	0.0500
0.0048	0.0070	0.0084	0.0083	0.0083
0.0774	0.0774	0.0774	0.0774	0.0774
		0.0150		
0.0192	0.0192	0.0192	0.0192	0.0192
0.0272	0.0272	0.0272	0.0272	0.0272
0.0652	0.0778	0.0778	0.0715	0.0715
<b>1.2705</b>	<b>1.3453</b>	<b>1.3817</b>	<b>1.3917</b>	<b>1.3917</b>
0.1500	0.1500	0.1700	0.1700	0.1700
1.1385	1.1385	1.1385	1.1385	1.1385
<b>2.5590</b>	<b>2.6338</b>	<b>2.6902</b>	<b>2.7002</b>	<b>2.7002</b>
0.9556	0.9456	0.9456	0.9456	0.9456
2.5590	2.6338	2.6902	2.7002	2.7002
0.0005	0.0005	0.0022	0.0020	0.0019
<b>3.5151</b>	<b>3.5799</b>	<b>3.6380</b>	<b>3.6478</b>	<b>3.6477</b>
0.8653	0.9361	0.9161	0.9161	0.9161
2.5590	2.6338	2.6902	2.7002	2.7002
0.0005	0.0005	0.0004	0.0005	0.0005
<b>3.4248</b>	<b>3.5704</b>	<b>3.6067</b>	<b>3.6168</b>	<b>3.6168</b>

**Washoe County School District  
Washoe County, Nevada  
Assessed and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Real Property Assessed Property</b>				<b>Personal Property Assessed Value</b>
	<b>Residential</b>	<b>Commercial</b>	<b>Industrial</b>	<b>Other</b>	
1996-97	\$ 3,832,038,712	\$ 1,945,382,032	\$ 479,904,729	\$ 714,465,366	\$ 439,010,552
1997-98	4,117,918,746	1,977,823,957	513,876,374	856,957,177	486,438,497
1998-99	4,484,043,341	2,050,920,915	561,652,165	942,159,708	547,749,689
1999-00	4,899,515,048	2,188,843,820	599,317,924	979,712,550	554,355,080
2000-01	5,345,617,797	2,224,629,664	645,829,028	1,014,683,677	561,191,788
2001-02	5,779,328,777	2,266,552,541	716,567,080	930,450,481	598,261,997
2002-03	6,097,744,543	1,995,267,773	690,536,397	1,130,858,677	897,927,642
2003-04	6,914,968,564	2,146,658,012	734,470,492	1,411,793,110	632,545,725
2004-05	7,359,180,412	2,401,255,663	760,476,525	1,361,320,326	635,383,909
2005-06	8,112,575,162	2,629,470,341	805,595,192	1,490,866,372	596,491,212

Source: Washoe County Comptroller's Office

**Table 2.3**

<b>Less: Exempt Property</b>	<b>Total</b>		<b>Assessed Value To Taxable Value</b>	<b>Total Direct Tax Rate</b>
	<b>Taxable Assessed Value</b>	<b>Estimated Actual Assessed Value</b>		
928,514,816	\$ 6,482,286,575	\$ 18,520,818,786	35.00%	1.2443
1,004,239,013	6,948,775,738	19,853,644,966	35.00%	1.2495
1,085,668,784	7,500,857,034	21,431,020,097	35.00%	1.2495
1,136,198,652	8,085,545,770	23,101,559,343	35.00%	1.2495
1,167,565,065	8,624,386,889	24,641,105,397	35.00%	1.2495
1,194,463,282	9,096,697,594	25,990,564,554	35.00%	1.2705
1,350,370,687	9,461,964,345	27,034,183,843	35.00%	1.3453
1,431,598,475	10,408,837,428	29,739,535,509	35.00%	1.3817
1,501,358,576	11,016,258,259	31,475,023,597	35.00%	1.3917
1,655,649,740	11,979,348,539	34,226,710,111	35.00%	1.3917

**Washoe County School District  
Washoe County, Nevada  
Property Tax Levies and Collections  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</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>
1996-97	\$ 197,485,658	\$ 194,326,837	98.40%	\$ 3,133,587	\$ 197,460,424	99.99%
1997-98	212,203,187	208,715,129	98.36%	3,461,216	212,176,345	99.99%
1998-99	239,267,466	235,399,065	98.38%	3,836,642	239,235,707	99.99%
1999-00	261,772,324	258,385,749	98.71%	3,347,785	261,733,534	99.99%
2000-01	273,864,229	270,702,031	98.85%	3,122,094	273,824,125	99.99%
2001-02	291,602,632	288,339,841	98.88%	3,215,931	291,555,772	99.98%
2002-03	320,080,572	316,660,506	98.93%	3,371,163	320,031,669	99.98%
2003-04	348,063,837	345,198,433	99.18%	2,740,255	347,938,688	99.96%
2004-05	372,704,071	370,001,334	99.27%	2,217,729	372,219,063	99.87%
2005-06	404,224,369	401,305,423	99.28%	-	401,305,423	99.28%

Source: Washoe County Comptroller's Office

Washoe County Comptroller

**Table 2.4**

	<b>Outstanding Delinquent Taxes</b>	<b>Outstanding Delinquent Taxes As Percent of Current Levy</b>
\$	25,234	0.01%
	26,842	0.01%
	31,759	0.01%
	38,790	0.01%
	40,104	0.01%
	46,860	0.02%
	48,903	0.02%
	125,149	0.04%
	485,008	0.13%
	2,918,946	0.72%

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**Washoe County School District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Table 3.1

Fiscal Year Ended June 30,	General Bonded Debt			Other Governmental Activities Debt			
	General Obligation Bonds	Percentage of Actual Property Value	Per Capita (a)	Capital Lease Obligations	Total Primary Government	Percentage of Personal Income (b)	Per Capital (b)
1996-97	\$ 255,780,000	3.95%	\$ 797.25	\$ 1,652,116	\$ 257,432,116	2.67%	\$ 802.40
1997-98	219,130,000	3.15%	668.29	1,857,274	220,987,274	2.11%	673.95
1998-99	277,260,000	3.70%	828.63	1,858,569	279,118,569	2.47%	834.18
1999-00	372,135,000	4.60%	1,088.32	8,508,192	380,643,192	3.09%	1,113.20
2000-01	355,190,000	4.12%	1,005.43	14,692,732	369,882,732	2.84%	1,047.02
2001-02	355,985,000	3.91%	990.43	21,150,750	377,135,750	2.83%	1,049.28
2002-03	352,425,000	3.72%	944.25	17,429,798	369,854,798	2.66%	990.95
2003-04	385,090,000	3.70%	1,004.27	23,131,681	408,221,681	2.71%	1,064.59
2004-05	427,205,000	3.88%	1,076.51	22,255,576	449,460,576	2.81%	1,132.59
2005-06	433,985,000	3.62%	1,107.23	21,272,256	455,257,256	2.69%	1,161.50

Source: Washoe County School District Business Office

(a) See Schedule 2.1 for taxable property value

(b) See Schedule 4.1 for population and personal income data

**Washoe County School District  
Legal Debt Margin Information  
Last Ten Fiscal Years**

	<b>Fiscal Year Ended June 30,</b>			
	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>
<b>Debt Limit for school districts</b>	\$ 1,042,316,361	\$ 1,042,316,361	\$ 1,213,034,366	\$ 1,293,658,033
<b>Total net debt applicable to limit</b>	<u>225,780,000</u>	<u>225,780,000</u>	<u>277,260,000</u>	<u>372,135,000</u>
<b>Legal Debt Margin</b>	<u><b>816,536,361</b></u>	<u><b>816,536,361</b></u>	<u><b>\$ 935,774,366</b></u>	<u><b>\$ 921,523,033</b></u>
<b>Total net debt applicable to the limit as a percentage of debt limit</b>	21.66%	21.66%	22.86%	28.77%

Source: Washoe County School District Business Office

Note: 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.

**Table 3.2**

<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>
\$ 1,364,504,640	\$ 1,419,154,875	\$ 1,561,438,114	\$ 1,652,438,739	\$ 1,732,291,780	\$ 1,900,908,705
355,190,000	335,985,000	352,425,000	385,155,000	427,205,000	433,985,000
<b><u>\$ 1,009,314,640</u></b>	<b><u>\$ 1,083,169,875</u></b>	<b><u>\$ 1,209,013,114</u></b>	<b><u>\$ 1,267,283,739</u></b>	<b><u>\$ 1,305,086,780</u></b>	<b><u>\$ 1,466,923,705</u></b>
26.03%	23.68%	22.57%	23.31%	24.66%	22.83%

**Legal Debt Margin Calculation for Fiscal Year Ended June 30, 2006**

Current Assessed Valuation for 2006/2007 Tax Year	\$ 12,672,724,700
Debt Limit for School Districts - 15% of Assessed Valuation	1,900,908,705
Total Washoe County School District Bonded Debt	<u>433,985,000</u>
Legal Debt Margin	<b><u>\$ 1,466,923,705</u></b>

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**Washoe County School District**  
**Washoe County, Nevada**  
**General Obligation Direct and Overlapping Debt**  
**As of June 30, 2006**

Table 3.3

Name of Government Unit:	<b>General Obligation Debt Outstanding</b>	<b>Present Self-Supporting General Obligation Debt</b>	<b>Percent Applicable To Washoe County*</b>	<b>Applicable Net Debt</b>
<b>Direct:</b>				
Washoe County School District	433,985,000	-	100%	433,985,000
<b>Total Direct Debt</b>	<b>433,985,000</b>	<b>-</b>		<b>433,985,000</b>
<b>Overlapping:</b>				
Washoe County-Governmental Activity Bonds	\$ 184,322,436	\$ 81,020,310	100%	\$103,302,126
Washoe County-Special Assessment Bonds	2,526,017	2,526,017	100%	-
Reno/Sparks Convention Visitor's Authority	138,075,843	138,075,843	100%	-
City of Reno	25,095,000	-	100%	25,095,000
City of Reno-supported by specific revenues	15,865,000	15,865,000	100%	-
City of Reno supported by sales tax & room tax reven	329,751,249	329,751,249	100%	-
Reno-Special Assessment Bonds (1)	12,400,227	12,400,227	100%	-
City of Sparks	2,390,000	-	100%	2,390,000
Sparks-Sewer/Utility Bonds	35,251,877	35,251,877	100%	-
Incline Village GID	23,096,000	23,096,000	100%	-
State Of Nevada	2,327,998,057	1,300,855,000	13.96%	143,389,171
<b>Total Overlapping Debt</b>	<b>3,096,771,706</b>	<b>1,938,841,523</b>		<b>274,176,297</b>
<b>Total Direct and Overlapping Debt</b>	<b>\$ 3,530,756,706</b>	<b>\$ 1,938,841,523</b>		<b>\$ 708,161,297</b>

Source: Washoe County Comptroller's Office

**Washoe County School District  
Washoe County, Nevada  
Demographic and Economic Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Population</b>	<b>Per Capita Income</b>	<b>Median Age</b>	<b>School Enrollment*</b>	<b>Total Personal Income</b>	<b>Unemployment Rate</b>	<b>Total Labor Force</b>
1996-97	320,828	\$ 30,538	36.7	49,671	\$ 9,656,578,000	3.7%	183,200
1997-98	327,899	32,265	36.5	51,205	10,475,446,000	4.1%	189,900
1998-99	334,601	33,915	36.9	52,562	11,288,186,000	4.0%	187,800
1999-00	341,935	36,103	37.3	54,121	12,322,546,000	2.9%	194,500
2000-01	353,271	37,065	35.6	55,651	13,035,713,000	3.9%	200,600
2001-02	359,423	36,831	35.6	57,557	13,323,522,000	4.7%	201,700
2002-03	373,233	37,400	35.8	58,909	13,917,120,000	4.5%	201,200
2003-04	383,453	39,450	35.1	60,373	15,071,220,000	3.8%	208,800
2004-05	396,844	40,780	35.9	62,073	16,007,090,000	3.8%	212,400
2005-06	391,956	42,080	36.5	62,356	16,943,510,000	4.0%	219,400

Source: Washoe County Comptroller's Office  
\* Washoe County School District

**Table 4.1**

<b>Construction Activity Total Value</b>	<b>Number of New Family Units</b>	<b>Taxable Sales</b>	<b>Gross Income From Gaming</b>	<b>Total Passenger Air Traffic</b>
\$ 198,655,640	1,219	\$ 4,207,682,000	\$ 976,026,000	6,929,481
181,655,590	1,204	4,359,037,576	1,009,353,314	7,047,660
201,588,866	1,086	4,679,515,860	1,032,380,849	6,318,665
255,051,619	1,001	4,957,234,787	1,111,327,004	5,951,344
290,589,395	1,270	5,194,146,044	1,113,289,199	5,332,507
294,355,860	1,324	5,292,178,588	1,049,151,610	4,485,369
305,249,144	1,217	5,481,582,915	1,032,987,724	4,514,225
345,640,310	1,009	6,023,436,676	1,011,657,616	4,918,829
368,356,469	1,113	6,687,446,995	1,016,864,082	5,097,170
307,685,955	851	7,245,524,852	1,072,936,817	5,149,700

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**Washoe County School District  
Washoe County, Nevada  
Principal Employers  
Current Year and Nine Years Ago**

**Table 4.2**

Taxpayer	2006			1997		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Washoe County School District	7500-8000	1	3.8%	5500-6000	1	3.7%
University of Nevada, Reno	4500-4999	2	2.1%	2500-2999	2	1.6%
Washoe County	2500-2999	3	1.4%	2500-2999	5	1.4%
International Game Technology	2500-2999	4	1.2%		#N/A	
Washoe Medical Center, Inc.	2000-2499	5	1.1%	2000-2499	7	1.3%
Silver Legacy Resort Casino	2000-2499	6	1.0%	2500-2999	4	1.4%
City of Reno	1500-1999	7	0.9%		#N/A	
Peppermill Hotel Casino-Reno	1500-1999	8	0.9%		#N/A	
Atlantis Casino Resort	1500-1999	9	0.8%		#N/A	
Reno Hilton	1500-1999	10	0.8%	2500-2999	3	1.5%
Eldorado Hotel & Casino		#N/A		2000-2499	6	1.3%
Harrah's Reno		#N/A		2000-2499	8	1.2%
Sparks Nugget, Inc.		#N/A		2000-2499	9	1.2%
Circus Circus Casinos, Inc. - Reno		#N/A		2000-2499	10	1.1%
<b>Total County Covered Employment</b>	<b>210,913</b>			<b>172,326</b>		

Source: Washoe County Comptroller's Office for all except Washoe County School District

**Washoe County School District  
Operating Statistics  
Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Enrollment</b>	<b>Governmental Funds Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Primary Government Expenses *</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Districtwide Teaching Staff</b>
1996-97	49,671	\$ 298,663,866	\$ 6,013	-	N/A	N/A	N/A	N/A
1997-98	51,205	301,131,749	5,881	-2.19%	N/A	N/A	N/A	N/A
1998-99	52,562	314,995,769	5,993	1.90%	N/A	N/A	N/A	N/A
1999-00	54,121	372,303,261	6,879	14.79%	N/A	N/A	N/A	N/A
2000-01	55,651	423,117,062	7,603	10.52%	N/A	N/A	N/A	N/A
2001-02	57,557	431,621,044	7,499	-1.37%	383,012,581	6,654	-	N/A
2002-03	58,909	450,719,331	7,651	2.03%	389,196,315	6,607	-0.72%	3,477
2003-04	60,373	464,720,491	7,697	0.61%	416,910,616	6,906	4.52%	3,487
2004-05	62,073	481,317,717	7,754	0.73%	444,912,093	7,168	3.79%	3,600
2005-06	62,356	560,796,048	8,993	15.98%	476,874,245	7,648	6.70%	3,653

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

**Table 5.1**

<b>Pupil- Teacher Ratio</b>	<b>Number of Students Receiving Free or Reduced Priced Meals</b>	<b>Percentage of Students Receiving Free or Reduced Priced Meals</b>	<b>Total Meals Served</b>
N/A	14,856	29.91%	3,042,906
N/A	13,779	26.91%	2,972,465
N/A	14,949	28.44%	3,400,735
N/A	15,184	28.06%	3,634,383
N/A	15,944	28.65%	3,895,765
N/A	18,902	32.84%	3,996,975
16.9	21,625	36.71%	4,061,134
17.3	17,338	28.72%	4,179,849
17.2	24,403	39.31%	4,251,638
17.1	21,467	34.43%	4,419,349

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**Washoe County School District  
Teacher Salary Schedules  
Last Ten Fiscal Years**

**Table 5.2**

<b>Fiscal Year Ended June 30,</b>	<b>Minimum Salary</b>	<b>Maximum salary</b>
1996-97	\$ 22,622	\$ 49,014
1997-98	23,301	50,484
1998-99	23,930	51,847
1999-00	24,409	52,884
2000-01	24,675	53,462
2001-02	24,675	53,462
2002-03	25,292	54,799
2003-04	25,924	56,169
2004-05	26,508	57,435
2005-06	27,303	59,158

Source: Washoe County School District Human Resources

**Washoe County School District  
Capital Asset Information  
Last Ten Fiscal Years**

	<b>Fiscal Year Ended June 30,</b>				
	<b>1996-97</b>	<b>1997-98</b>	<b>1998-99</b>	<b>1999-00</b>	<b>2000-01</b>
<b>Elementary Schools</b>					
Sites	N/A	58	59	60	60
Square Feet	N/A	2,412,039	2,455,734	2,504,749	2,504,749
Base Capacity	N/A	25,905	27,167	27,781	27,781
<b>Middle Schools</b>					
Sites	N/A	11	11	11	11
Square Feet	N/A	996,480	996,480	996,480	996,480
Base Capacity	N/A	8,300	8,300	8,300	8,300
<b>High Schools</b>					
Sites	N/A	11	11	11	11
Square Feet	N/A	1,724,497	1,738,457	1,750,297	1,750,297
Base Capacity	N/A	11,656	11,656	11,656	11,656
<b>Administrative</b>					
Sites	N/A	7	7	7	9
Square Feet	N/A	88,701	88,701	88,701	88,701
<b>Transportation</b>					
Sites	N/A	3	3	3	3
Square Feet	N/A	60,645	60,645	60,645	60,645
Buses	243	253	267	276	276
<b>Nutrition</b>					
Sites	N/A	1	1	1	1
Square Feet	N/A	24,246	24,246	24,246	24,246
<b>Other (Bullis Curriculum &amp; Instruction Center, Edison Curriculum &amp; Instruction Center and Plant Facilities)</b>					
Sites	N/A	2	2	2	3
Square Feet	N/A	32,675	32,675	32,675	127,609

Source: Washoe County School District Plant Facilities

**Table 5.3**

<b>2001-02</b>	<b>2002-03</b>	<b>2003-04</b>	<b>2004-05</b>	<b>2005-06</b>
60	62	62	62	62
2,509,069	2,619,151	2,656,829	2,661,149	2,664,029
28,441	28,441	29,761	30,080	30,080
11	11	11	12	12
1,000,800	1,003,680	1,005,120	1,128,911	1,128,911
8,300	8,300	8,300	8,300	9,233
13	13	13	14	14
2,251,855	2,266,868	2,506,623	2,508,063	2,518,197
11,656	15,236	15,236	16,244	16,244
9	9	9	9	9
88,701	88,701	88,701	88,701	88,701
3	3	3	3	3
60,645	60,645	60,645	60,645	60,645
288	288	299	254	279
1	1	1	1	1
24,246	24,246	24,246	24,246	24,246
3	3	3	3	3
162,275	163,715	163,715	163,715	163,715

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# **Compliance &**

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# **Controls**

 **Information Required Pursuant to  
the Single Audit Act**

 **Auditor's Comments/Reports  
Pursuant to Nevada Revised Statutes**



**KAFURY, 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, 2006, and have issued our report thereon dated September 29, 2006. 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 an opinion 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.

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*.

We noted certain matters that we have reported to management of the District in a separate letter dated September 29, 2006.

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  
September 29, 2006



**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, 2006. 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, 2006.

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 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud 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  
September 29, 2006

WASHOE COUNTY SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2006

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>			
<b>Bilingual Education Cluster</b>			
Title VII Bilingual Ed COW Bus	84.288S	T288S010220-03	\$ 23,600
<b>Total Bilingual Education Cluster</b>			<u>23,600</u>
Impact Aid PL 81-874	84.041	n/a	<u>171,000</u>
Title IX, Indian Education	84.060A	B060A051031	<u>246,222</u>
Safe and Drug-Free Schools and Communities_National Programs - Emergency Response & Crisis Management	84.184E	Q184E050114	<u>382,215</u>
Teaching American History #2	84.215X	S215X040011	281,927
Elementary US History	84.215X	U215X050077	73,921
Smaller Learning Communities	84.215L	V215L032251	155,735
Intensive English - Earmarked	84.215K	U215K050637	245,531
PLATO - Earmarked	84.215K	U215K050394	<u>235,809</u>
			<u>992,923</u>
21st Century Grant # 3 Urban Schools	84.287A	S287A012654-03	269
21st Century Grant # 2 Rural Schools	84.287B	S287B010410-03	<u>8,684</u>
			<u>8,953</u>
IGRAD School Dropout Prevention	84.360A	S360A020128-04	<u>94,032</u>
<b>Total Direct</b>			<u>1,918,945</u>
<i>PASS THROUGH FROM STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>			
<b>Special Education Cluster</b>			
PL 105-17 - Individuals with Disabilities Ed Act	84.027	06-2715-16	9,962,049
PL 105-17 - Special Ed Case Load Reduction	84.027	06-2715-36	583,982
PL 105-17 - RPD P Trainer	84.027	06-2715-94	52,224
PL 105-17 - Early Childhood Education	84.173	06-2715-56	<u>264,771</u>
<b>Total Special Education Cluster</b>			<u>10,863,026</u>
Title I - Basic	84.010	2006-2712-21	7,593,205
Title I - Allen School Improvement	84.010	2006-2712-146	22,385
Title I - Bennett School Improvement	84.010	2006-2712-196	21,689
Title I - Booth School Improvement	84.010	2006-2712-147	53,186
Title I - Cannan School Improvement	84.010	2006-2712-148	34,000
Title I - Greenbrae School Improvement	84.010	2006-2712-197	35,742
Title I - Loder School Improvement	84.010	2006-2712-149	38,555
Title I - Mathews School Improvement	84.010	2006-2712-150	92,260
Title I - Mount Rose School Improvement	84.010	2006-2712-198	20,238
Title I - Sun Valley School Improvement	84.010	2006-2712-151	39,286
Title I - Veterans School Improvement	84.010	2006-2712-152	46,161
Title I -Traner School Improvement	84.010	2006-2712-199	12,019
Title I - Corbett School Recognition	84.010	2005-2712-183	2,500
Title I - Lincoln Park School Recognition	84.010	2005-2712-184	8,871
Title I - Maxwell School Recognition	84.010	2005-2712-185	4,571
Title I - Risley School Recognition	84.010	2005-2712-186	12,602
Title I - Sierra Vista School Recognition	84.010	2005-2712-187	19,244
Title I - Smithridge School Recognition	84.010	2005-2712-188	2,792
Title I - Project Improve Traner MS	84.010	06-2712-155	<u>2,680</u>
			<u>8,061,986</u>
Title I - Migrant Education	84.011	2006-2712-31	<u>35,613</u>
Title I - Even Start	84.213C	2006-2712-64	<u>260,965</u>
Vocational Education - PL 101-392 - Carl D Perkins Basic/Reserve/Non-Trad	84.048A	06-2676-16	<u>624,664</u>

WASHOE COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
Title IV, Safe and Drug-Free Schools and Communities_State Grants	84.186	06-2605-21	<u>216,644</u>
Education For Homeless Children and Youth - McKinney Homeless Assistance	84.196	2006-2709-43	<u>75,417</u>
21st Century Community Learning Centers, Allen ES	84.287	2006-2709-78LA	83,614
21st Century Community Learning Centers, Booth ES	84.287	2006-2709-76LB	81,743
21st Century Community Learning Centers, Cannan ES	84.287	2006-2709-151FT	115,942
21st Century Community Learning Centers, Desert Heights ES	84.287	2006-2709-161DH	106,405
21st Century Community Learning Centers, Duncan ES	84.287	2006-2709-151FT	110,043
21st Century Community Learning Centers, Greenbrae ES	84.287	2006-2709-165GES	108,658
21st Century Community Learning Centers, Loder ES	84.287	2006-2709-79EL	65,682
21st Century Community Learning Centers, Mathews ES	84.287	2006-2709-151FT	109,006
21st Century Community Learning Centers, Natchez ES	84.287	2006-2709-77NES	70,604
21st Century Community Learning Centers, Risley ES	84.287	2006-2709-153AR	101,350
21st Century Community Learning Centers, Smithridge ES	84.287	2006-2709-140SE	94,367
21st Century Community Learning Centers, Warner ES	84.287	2006-2709-163GW	99,620
21st Century Community Learning Centers, Pine MS	84.287	2006-2709-164PMS	68,560
21st Century Community Learning Centers, Traner ES	84.287	2006-2709-151FT	98,028
21st Century Community Learning Centers, Vaughn MS	84.287	2006-2709-75VMS	84,358
21st Century Community Learning Centers, Academics Plus	84.287	2006-2709-143	<u>24,750</u>
			<u>1,422,730</u>
Title V, PL 103-382 State Grants For Innovative Programs*	84.298	06-2713-16	164,666
Title V, State Grants For Innovative Programs - Classroom Connect*	84.298	06-2713-19	20,097
Title II, Part A*	84.298	06-2713-27	<u>666,370</u>
			<u>851,133</u>
Title II, Part D, Education Technology State Grants - Formula	84.318	06-2713-76	151,436
Title II, Part D, Education Technology State Grants - Competitive	84.318	06-2713-86	234,821
Title II, Part D, Education Technology State Grants - Competitive Ed Tech Conf.	84.318	06-2713-89	<u>75,000</u>
			<u>461,257</u>
PL 105-17 Special Education - State Personnel Development - Project Improve Bennett ES	84.323	06-2715-105	26,734
PL 105-17 Special Education - State Personnel Development - Project Improve Sparks HS	84.323	06-2715-105	<u>20,373</u>
			<u>47,107</u>
Advanced Placement Program	84.330B	2005-2709-39	41,885
Advanced Placement Program - Fee Payment	84.330B	2006-2709-13	<u>18,069</u>
			<u>59,954</u>
PL 105-79 Comprehensive School Reform Demonstration #4 - Corbett ES	84.332	2006-2712-80	45,866
PL 105-79 Comprehensive School Reform Demonstration #4 - Hug HS	84.332	2006-2712-81	<u>61,421</u>
			<u>107,287</u>
Gaining Early Awareness and Readiness for Undergraduate Programs - GEAR UP 34 CRF 964 Hug HS	84.334S	05-2678-12	<u>48,968</u>
Reading First State Grant	84.357	06-2712-57	1,398,895
Reading First Academy - Dodson ES	84.357	06-2712-198	476
Reading First Academy - Warner ES	84.357	06-2712-196	1,163
Reading First - Virtual Academy	84.357	05-2712-46	<u>5,100</u>
			<u>1,405,634</u>
Title III, English Language Acquisition Grants	84.365A	2006-2709-26	<u>724,969</u>
Title II, Part B, Mathematics and Science Partnerships Odd	84.366	04-2713-46	73,638
Title II, Part B, Mathematics and Science Partnerships Even	84.366	06-2713-46	<u>34,147</u>
			<u>107,785</u>
Title II, Part A Improving Teacher Quality State Grants *	84.367	06-2713-27	1,448,771
Title II, Part A International Exchange Pilot	84.367	06-2713-52	<u>8,300</u>
			<u>1,457,071</u>

WASHOE COUNTY SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
Grants for State Assessments and Related Activities - Educational Training & Technical Support	84.369	2006-2713-93	<u>303,071</u>
Hurricane Education Recovery	84.938C	06-270679016	<u>43,292</u>
Total U.S. Department of Education funding passed through the State of Nevada Department of Education			<u>27,178,573</u>
<i>PASS THROUGH FROM WEST ED:</i>			
Fund for the Improvement of Education - Character Education	84.215V	4287 S03-071	<u>184,503</u>
<i>PASS THROUGH FROM YMCA</i>			
YMCA 21st Century Community Learning Centers - Anderson ES	84.287	2006-2709-141	30,222
YMCA 21st Century Community Learning Centers - Donner Springs ES	84.287	2006-2709-154DS	<u>21,554</u>
			<u>51,776</u>
<b>Total U.S. Department of Education</b>			<u>29,333,797</u>
*CFDA 84.298 contains \$666,370 transferred from Title II to Title V through "No Child Left Behind" transferability provisions.			
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>			
<i>DIRECT PROGRAMS:</i>			
Schools and Roads_Grants to States - Forest Reserve	10.665	n/a	<u>6,490</u>
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF GENERAL SERVICES:</i>			
Food Donation - Commodity Foods Program/Food Distribution Program**	10.550		<u>747,727</u>
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>			
<b>Child Nutrition Cluster</b>			
School Breakfast Program	10.553		1,374,678
National School Lunch Program	10.555		6,929,158
Special Milk Program	10.556		<u>1,527</u>
<b>Total Child Nutrition Cluster</b>			<u>8,305,363</u>
<b>Total U.S. Department of Agriculture</b>			<u>9,059,580</u>
** Amounts shown as expenditures represent the value of commodity foods used by the District.			
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>			
<i>PASS THROUGH FROM STATE OF NEVADA, DEPARTMENT OF HUMAN SERVICES:</i>			
Substance Abuse and Mental Health Services_Projects of Regional and National Significance - JTNN - Substance Abuse	93.243	0405SIG04	21,469
Substance Abuse and Mental Health Services_Projects of Regional and National Significance - JTNN - FRC	93.243	0405SIG05	<u>22,000</u>
			<u>43,469</u>
Title IV-B, Promoting Safe and Stable Families - FRC Coalition CY 2005	93.556	IVB-3145/17-SFY05-07-003	<u>58,709</u>
Head Start - Early Childhood Leadership Institute	93.600	n/a	<u>38,950</u>
Title XX Social Services Block Grant - North East FRC	93.669	n/a	57,231
Title XX Social Services Block Grant - Miguel Ribera FRC	93.669	n/a	21,135
Title XX Social Services Block Grant - Rose McGuire FRC	93.669	n/a	<u>15,006</u>
			<u>93,372</u>
Block Grants for Prevention and Treatment of Substance Abuse - BADA - P.O.W.E.R.	93.959	06089PX	85,396

WASHOE COUNTY SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2006

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES
Block Grants for Prevention and Treatment of Substance Abuse - BADA - Family Strengthening	93.959	06126PX	70,000
			<u>155,396</u>
<b>Total U.S. Department of Health and Human Services</b>			<u>389,896</u>
<b>U.S. DEPARTMENT OF LABOR:</b>			
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>			
Incentive Grants - WIA Section 503	17.267	06-2676-16	18,766
<b>U.S. DEPARTMENT OF HOMELAND SECURITY:</b>			
<i>DIRECT PROGRAM:</i>			
DIRECT - FRC Coalition Emergency Food & Shelter	97.024	589600-012	3,500
DIRECT - Emergency Food & Shelter	97.024	589600-012	1,605
<b>Total U.S. Department of Homeland Security</b>			<u>5,105</u>
<b>TOTAL EXPENDITURES OF FEDERAL AWARDS</b>			<u>\$ 38,807,144</u>

WASHOE COUNTY SCHOOL DISTRICT  
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2006

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, 2006. 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 used 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	\$ 177,490
Special Revenue Funds	29,576,565
Enterprise Fund – Nutrition Services	<u>9,053,089</u>
	<u>\$38,807,144</u>

WASHOE COUNTY SCHOOL DISTRICT  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED JUNE 30, 2006

**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, 2006.
- No reportable conditions or material weaknesses were disclosed during the audit of the financial statements of Washoe County School District.
- The audit disclosed no instances of noncompliance which were material to the financial statements of Washoe County School District.
- No reportable conditions or material weaknesses in the internal control over major programs were disclosed.
- Kafoury, Armstrong & Co. issued an unqualified opinion on compliance for major programs of Washoe County School District.
- There were no audit findings relative to the major Federal award programs for Washoe County School District that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 in this Schedule.
- Washoe County School District had four major programs for the year ended June 30, 2006, as follows:

<b>CFDA Number</b>	<b>Program Name</b>
84.010	Title I Grants to Local Educational Agencies
84.287	Twenty-First Century Community Learning Centers
84.298	Title V State Grants for Innovative Programs
84.367	Title II Improving Teacher Quality State Grants

- The dollar threshold used for distinguishing between Type A and Type B programs for the year ended June 30, 2006, was \$1,164,214.
- Washoe County School District qualified as a low risk auditee for the year ended June 30, 2006 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, 2006.

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

None.

WASHOE COUNTY SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR END JUNE 30, 2006

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

None.



**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, 2006 (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, 2006,
- 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.

*Kafoury, Armstrong & Co.*

Reno, Nevada  
September 29, 2006

**WASHOE COUNTY SCHOOL DISTRICT  
AUDITOR'S COMMENTS  
JUNE 30, 2006**

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, 2005.

PRIOR YEAR RECOMMENDATIONS

There were no recommendations made in the audit report for the year ended June 30, 2005.

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 September 29, 2006.

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