



WASHOE COUNTY

Integrity Communication Service

www.washoecounty.us

STAFF REPORT

BOARD MEETING DATE: January 8, 2019

DATE: Tuesday, January 8, 2019
TO: Board of County Commissioners
FROM: Nancy Parent, Washoe County Clerk
784-7287, nparent@washoecounty.us
THROUGH: Nancy Parent, Washoe County Clerk
SUBJECT: Acknowledge the communications and reports received by the Clerk on behalf of the Board of County Commissioners.

SUMMARY

This matter is brought to the Board's attention to publicly set forth on the record various communications and reports received by the Clerk on behalf of the Board of County Commissioners.

Washoe County Strategic Objective supported by this item:

Regional and Community Leadership

PREVIOUS ACTION

None.

BACKGROUND

None.

FISCAL IMPACT

None.

RECOMMENDATION

Acknowledge the communications and reports received by the Clerk on behalf of the Board of County Commissioners.

POSSIBLE MOTION

"Move to acknowledge of the communications and reports received by the Clerk on behalf of the Board of County Commissioners.

AGENDA ITEM # _____

COMMUNICATIONS AND REPORTS

January 08, 2019

The following communications and reports were received, duly noted, and ordered placed on file with the Clerk:

COMMUNICATIONS:

- A. Letter from the Department of Conservation and Natural Resources Division of Water Resources, to the Washoe County Commissioners, dated October 18, 2018, requesting the County levy a special assessment in the amount of \$2,000 on all taxable property within the confines of the Tracy Segment Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.
- B. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County Commissioners, dated October 23, 2018, requesting the Board levy a special assessment in the amount of \$2,500 on all taxable property within the confines of the Pleasant Valley Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.
- C. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County Commissioners, dated October 23, 2018, requesting the Board levy a special assessment in the amount of \$2,000 on all taxable property within the confines of the Truckee Canyon Segment Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.
- D. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County Commissioners, dated October 23, 2018, requesting the Board levy a special assessment in the amount of \$3,000 on all taxable property within the confines of the Spanish Springs Valley Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.
- E. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County Commissioners, dated October 23, 2018, requesting the Board levy a special assessment in the amount of \$2,500 on all taxable property within the confines of the Lemmon Valley Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.
- F. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County Commissioners, dated October 30, 2018, requesting the Board levy a special assessment in the amount of \$2,500 on all taxable property within the confines of the Truckee Meadows/Sun Valley Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.

- G. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County Commissioners, dated October 23, 2018, saying a special assessment should not be levied on all taxable property within the confines of the Cold Springs Valley Groundwater Basin for Fiscal Year July 1, 2019 to June 30, 2020.
- H. Letter from the Nevada Division of Environmental Protection to the Washoe County Commissioners, dated October 31, 2018, regarding a 30 day proposed action or request for public hearing related to a draft water pollution control discharge permit for the Truckee Meadow Water Authority operations and maintenance discharges (permit NV0024031).
- I. Letter from the Department of Conservation and Natural Resources Division of Water Resources to the Washoe County, dated November 2, 2018, notifying a permit to appropriate waters of the State of Nevada requires a Proof of Beneficial Use and Cultural Map on or before October 26, 2018.
- J. Letter from the Office of the Washoe County Treasurer to the Washoe County Commissioners, dated November 19, 2018, stating the Washoe County District Board of Health determined at their October 25, 2018 meeting the Environmental Oversight Trust account was no longer needed and funds in the amount of \$108,426.11 were deposited into the Washoe County's main bank account and accounted for in the Washoe County Health fund Environmental Health account 172400-485300. The Washoe County Health District Environmental Oversight Bank account was closed on November 9, 2018.

MONTHLY STATEMENTS:

- A. Office of the Washoe County Treasurer, Monthly Statement for Month Ending October 31, 2018.
- B. Office of the Washoe County Treasurer, Monthly Statement for Month Ending November 30, 2018.

ANNUAL STATEMENTS:

- A. North Lake Tahoe Fire Protection District, Financial Statements ending June 30, 2018.
- B. Incline Village General Improvement District, Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2018.
- C. Regional Transportation Commission, Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2018.
- D. Washoe County School District, Comprehensive Annual Financial Report for the Fiscal Year ending June 30, 2018.



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 18, 2018

Washoe County Commissioners

P. O. Box 11130

Reno, NV 89520-0027

CERTIFIED MAIL: 9214 7969 0099 9790 1624 2363 25

Ladies and Gentlemen:

Pursuant to the provisions of NRS § 534.040(2), it is respectfully requested that you levy a special assessment on all taxable property within the confines of the Tracy Segment Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020. The levy must be charged against each taxable property in the subject hydrographic basin, as officially designated on March 1, 1978.

The amount of \$2,000.00 will be required for the payment of necessary expenses for supervision over the groundwater basin to include, but not limited to water level measurements, crop/pumpage inventories, field investigations, aquifer tests, well driller inspections, intent to drill card and well log review, associated data collection and management.

We are enclosing a certificate to be signed and returned indicating that the assessment rate necessary to support the proposed budget has been acted on by the County Commissioners and the amount certified to the Assessor.

Sincerely,

A handwritten signature in black ink, appearing to be "Jason King", followed by the initials "P.E." to the right.

Jason King, P.E.
State Engineer

JK/aa

Enclosure

11/20/18 Forwarded to Budget 'cause they didn't get from mgr off
NRP

Jason King, P.E., State Engineer
Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Dear Mr. King:

I hereby certify that the State Engineer's budget for payment of necessary expenses for the supervision over the waters of the Tracy Segment Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020, in the amount of Two Thousand Dollars (\$2,000.00), has been received by WASHOE COUNTY in accordance with the provisions of NRS § 534.040.

The assessment rate necessary to support the proposed budget was acted upon by the COUNTY COMMISSION OF WASHOE COUNTY on the _____ day of _____, 20____, and the amount contained therein was certified to the ASSESSOR OF WASHOE COUNTY.

Respectfully submitted,

COUNTY CLERK

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701



Return Service Requested

CERTIFIED MAIL TM



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Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520



Hasler

FIRST-CLASS MAIL

10/18/2018

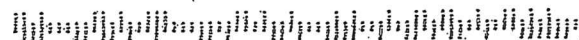
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**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 23, 2018

Washoe County Commissioners

P.O. Box 11130

Reno, NV 89520-0027

CERTIFIED MAIL: 9214 7969 0099 9790 1624 2920 48

Ladies and Gentlemen:

Pursuant to the provisions of NRS § 534.040(2), it is respectfully requested that you levy a special assessment on all taxable property within the confines of the Pleasant Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020. The levy must be charged against each taxable property in the subject hydrographic basin, as officially designated on March 1, 1978.

The amount of \$2,500.00 will be required for the payment of necessary expenses for supervision over the groundwater basin to include, but not limited to special studies, water level measurements, crop/pumpage inventories, field investigations, aquifer tests, well driller inspections, intent to drill card and well log review, associated data collection and management.

We are enclosing a certificate to be signed and returned indicating that the assessment rate necessary to support the proposed budget has been acted on by the Washoe County Commissioners and the amount certified to the Assessor.

Sincerely,

A handwritten signature in black ink, appearing to be "Jason King", followed by the letters "P.E." written in a similar style.

Jason King, P.E.
State Engineer

JK/aa

Enclosure

Jason King, P.E., State Engineer
Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada

Dear Mr. King:

I hereby certify that the State Engineer's budget for payment of necessary expenses for the supervision over the waters of the Pleasant Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020, in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), has been received by Washoe County in accordance with the provisions of NRS § 534.040.

The assessment rate necessary to support the proposed budget was acted upon by the WASHOE COUNTY COMMISSIONERS on the ____ day of _____, 20____, and the amount contained therein was certified to the WASHOE COUNTY COMMISSIONERS.

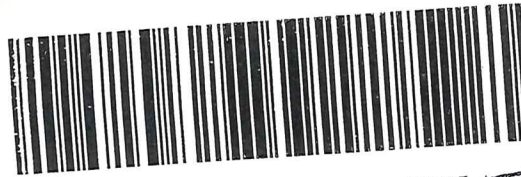
Respectfully submitted,

COUNTY CLERK

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701


Return Service Requested

PLACE STICKER
CERTIFIED MAIL™



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Washoe County Commissioner
P.O. Box 11130
Reno, NV 89520



Hasler
10/23/2018
US POSTAGE

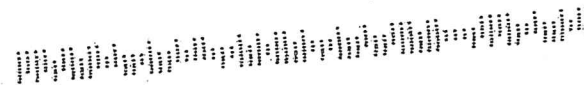
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**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 23, 2018

Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520-0027
CERTIFIED MAIL: 9214 7969 0099 9790 1624 3124 56

Ladies and Gentlemen:

Pursuant to the provisions of NRS § 534.040(2), it is respectfully requested that you levy a special assessment on all taxable property within the confines of the Truckee Canyon Segment Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020. The levy must be charged against each taxable property in the subject hydrographic basin, as officially designated on March 1, 1978.

The amount of \$2,000.00 will be required for the payment of necessary expenses for supervision over the groundwater basin to include, but not limited to water level measurements, crop/pumpage inventories, field investigations, aquifer tests, well driller inspections, intent to drill card and well log review, associated data collection and management.

We are enclosing a certificate to be signed and returned indicating that the assessment rate necessary to support the proposed budget has been acted on by the County Commissioners and the amount certified to the Assessor.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.
State Engineer

P.E.

JK/aa
Enclosure

Jason King, P.E., State Engineer
Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Dear Mr. King:

I hereby certify that the State Engineer's budget for payment of necessary expenses for the supervision over the waters of the Truckee Canyon Segment Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020, in the amount of Two Thousand Dollars (\$2,000.00), has been received by WASHOE COUNTY in accordance with the provisions of NRS § 534.040.

The assessment rate necessary to support the proposed budget was acted upon by the COUNTY COMMISSION OF WASHOE COUNTY on the _____ day of _____, 20__, and the amount contained therein was certified to the ASSESSOR OF WASHOE COUNTY.

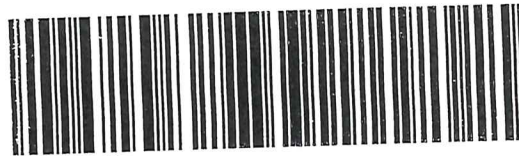
Respectfully submitted,

COUNTY CLERK

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701


Return Service Requested

CERTIFIED MAIL™



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Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520

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10/23/2018
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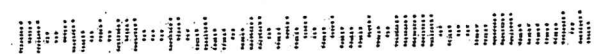
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**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

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Carson City, Nevada 89701-5250

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<http://water.nv.gov>

October 23, 2018

Washoe County Commissioners

P. O. Box 11130

Reno, NV 89520-0027

CERTIFIED MAIL: 9214 7969 0099 9790 1624 3125 48

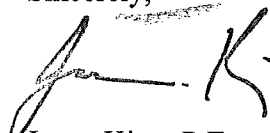
Ladies and Gentlemen:

Pursuant to the provisions of NRS § 534.040(2), it is respectfully requested that you levy a special assessment on all taxable property within the confines of the Spanish Springs Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020. The levy must be charged against each taxable property in the subject hydrographic basin, as officially designated on March 10, 1975.

The amount of \$3,000.00 will be required for the payment of necessary expenses for supervision over the groundwater basin to include, but not limited to water level measurements, crop/pumpage inventories, field investigations, aquifer tests, well driller inspections, intent to drill card and well log review, associated data collection and management.

We are enclosing a certificate to be signed and returned indicating that the assessment rate necessary to support the proposed budget has been acted on by the County Commissioners and the amount certified to the Assessor.

Sincerely,

 P.E.
Jason King, P.E.
State Engineer

JK/aa
Enclosure

Jason King, P.E., State Engineer
Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Dear Mr. King:

I hereby certify that the State Engineer's budget for payment of necessary expenses for the supervision over the waters of the Spanish Springs Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020, in the amount of Three Thousand Dollars (\$3,000.00), has been received by WASHOE COUNTY in accordance with the provisions of NRS § 534.040.

The assessment rate necessary to support the proposed budget was acted upon by the COUNTY COMMISSION OF WASHOE COUNTY on the _____ day of _____, 20__, and the amount contained therein was certified to the ASSESSOR OF WASHOE COUNTY.

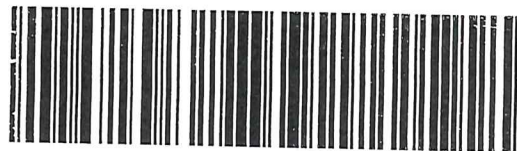
Respectfully submitted,

COUNTY CLERK

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701


Return Service Requested

CERTIFIED MAIL™



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Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520

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10/23/2018
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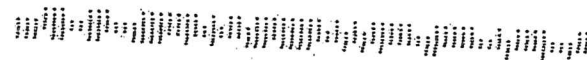
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**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 23, 2018

Washoe County Commissioners

P. O. Box 11130

Reno, NV 89520-0027

CERTIFIED MAIL: 9214 7969 0099 9790 1624 2919 42

Ladies and Gentlemen:

Pursuant to the provisions of NRS § 534.040(2), it is respectfully requested that you levy a special assessment on all taxable property within the confines of the Lemmon Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020. The levy must be charged against each taxable property in the subject hydrographic basin, as officially designated on July 14, 1971.

The amount of \$2,500.00 will be required for the payment of necessary expenses for supervision over the groundwater basin to include, but not limited to water level measurements, crop/pumpage inventories, field investigations, aquifer tests, well driller inspections, intent to drill card and well log review, associated data collection and management.

We are enclosing a certificate to be signed and returned indicating that the assessment rate necessary to support the proposed budget has been acted on by the County Commissioners and the amount certified to the Assessor.

Sincerely,

A handwritten signature in black ink, appearing to be "J. King", followed by the letters "P.E." in a similar handwritten style.

Jason King, P.E.
State Engineer

JK/aa
Enclosure

Jason King, P.E., State Engineer
Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Dear Mr. King:

I hereby certify that the State Engineer's budget for payment of necessary expenses for the supervision over the waters of the Lemmon Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020, in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), has been received by WASHOE COUNTY in accordance with the provisions of NRS § 534.040.

The assessment rate necessary to support the proposed budget was acted upon by the COUNTY COMMISSION OF WASHOE COUNTY on the _____ day of _____, 20__, and the amount contained therein was certified to the ASSESSOR OF WASHOE COUNTY.

Respectfully submitted,

COUNTY CLERK

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701



Return Service Requested

CERTIFIED MAIL™



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Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520



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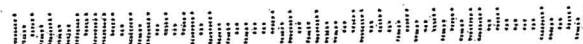
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**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 30, 2018

Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520-0027
CERTIFIED MAIL: 9214 7969 0099 9790 1624 3696 41

Ladies and Gentlemen:

Pursuant to the provisions of NRS § 534.040(2), it is respectfully requested that you levy a special assessment on all taxable property within the confines of the Truckee Meadows/Sun Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020. The levy must be charged against each taxable property in the subject hydrographic basin, as officially designated on March 1, 1978.

The amount of \$2,500.00 will be required for the payment of necessary expenses for supervision over the groundwater basin to include, but not limited to water level measurements, crop/pumpage inventories, field investigations, aquifer tests, well driller inspections, intent to drill card and well log review, associated data collection and management.

We are enclosing a certificate to be signed and returned indicating that the assessment rate necessary to support the proposed budget has been acted on by the County Commissioners and the amount certified to the Assessor.

Sincerely,

A handwritten signature of Jason King in black ink.

Jason King, P.E.
State Engineer

P.E.

JK/aa
Enclosure

PLACE STICKER AT TOP OF ENVELOPE TO THE RIGHT
OF THE RETURN ADDRESS. FOLD AT DOTTED LINE

CERTIFIED MAIL TM

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701



Return Service Requested



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Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520

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US POSTAGE \$006.67⁰



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Jason King, P.E., State Engineer
Division of Water Resources
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Dear Mr. King:

I hereby certify that the State Engineer's budget for payment of necessary expenses for the supervision over the waters of the Truckee Meadows/Sun Valley Groundwater Basin for the Fiscal Year July 1, 2019, to June 30, 2020, in the amount of Two Thousand Five Hundred Dollars (\$2,500.00), has been received by WASHOE COUNTY in accordance with the provisions of NRS § 534.040.

The assessment rate necessary to support the proposed budget was acted upon by the COUNTY COMMISSION OF WASHOE COUNTY on the _____ day of _____, 20__, and the amount contained therein was certified to the ASSESSOR OF WASHOE COUNTY.

Respectfully submitted,

COUNTY CLERK



**DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES**

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

<http://water.nv.gov>

October 23, 2018

Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520-0027

Ladies and Gentlemen:

In the past years, pursuant to Chapter 534.040(2) of the Nevada Revised Statutes (NRS), an assessment has been required by the State Engineer for work performed by well supervisors in Cold Springs Valley Groundwater Basin. The Statute states that "the Board of County Commissioners shall levy a special assessment annually, or at such time as the assessment is needed" to pay for the salaries and necessary expenses incurred by well supervisors working in that particular basin. Upon review of past assessments and expenditures it has been deemed that a special assessment should not be levied for the fiscal year July 1, 2019, to June 30, 2020.

Thank you very much for your continued cooperation and assistance in this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Jason King".

Jason King, P.E.
State Engineer

P.E.

JK/aa
Enclosures

*Scanned and
emailed to Lori Cooke
11/20/18
She did not receive original*

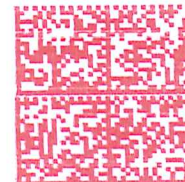
4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701



Return Service Requested

Washoe County Commissioners
P. O. Box 11130
Reno, NV 89520-0027

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10/23/2018

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STATE OF NEVADA

JASON KING, P.E.
State Engineer



DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
DIVISION OF WATER RESOURCES

901 South Stewart Street, Suite 2002

Carson City, Nevada 89701-5250

(775) 684-2800 • Fax (775) 684-2811

(800) 992-0900

(In Nevada Only)

<http://water.nv.gov>

FINAL NOTICE

November 2, 2018

FINAL NOTICE

Washoe County
P.O. Box 11130
Reno, NV 89520
Certified Mail: 9214 7969 0099 9790 1624 5080 88

Carl D. Herold Trust
c/o Amy Lathrop
Carl D. Herold
2380 W. 12th Ave.
Junction City, OR 97448-8340
Certified Mail: 9214 7969 0099 9790 1624 5081 32

Re: Final Notice for Permit 68313

The provisions of your above referenced permit to appropriate waters of the State of Nevada require you to file a **Proof of Beneficial Use and Cultural Map on or before October 26, 2018.**

Our records indicate that you have not filed the required proof(s) and your permit is in danger of cancellation unless the proof(s) or an application for an extension of time along with the appropriate filing fee(s) with which to file the required proof(s) is/are received and filed with the State Engineer within thirty (30) days of the date of this final certified notice.

Per NRS 533.390 and/or 533.410, if the required proof or extension of time is not received within thirty (30) days after the mailing of this notice, your permit will be cancelled.

Please be advised that the permittee is responsible for notifying the State Engineer's Office of any address change. Furthermore, when multiple addresses are used by the applicant or agent, the required legal notices will be sent to the latest address of record and not to earlier addresses unless proper written notification from the applicant or agent directs otherwise.

If there are any questions regarding this notice please contact our office at (775) 684-2800.

sl
cc: Parsons, Behle & Latimer (Email)

Schedule of Fees:

Fee for filing Proof of Completion - \$60

Fee for filing Proof of Beneficial Use - \$60

Fee for filing Request for Extension of Time - \$120

No CER
NRP

4w for 11/20/18
Valid
954-4647
Scanned & sent to
Valid

4171
STATE OF NEVADA
DIVISION OF WATER RESOURCES
901 S. Stewart Street, Suite 2002
Carson City, Nevada 89701

Return Service Requested

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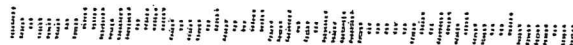


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Washoe County
P.O. Box 11130
Reno, NV 89520



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11/02/2018

US POSTAGE

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OPENED BY
WASHOE COUNTY
MAILROOM
INSUFFICIENT ADDRESS



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Brian Sandoval, Governor
Bradley Crowell, Director
Greg Lovato, Administrator

October 31, 2018

Washoe County Board of Commissioners
1001 E. Ninth Street
Reno, NV 89512

Dear Commissioners:

The Division has completed development of a draft water pollution control discharge permit for the Truckee Meadow Water Authority operations and maintenance discharges (permit NV0024031). Attached is a copy of the Notice of Proposed Action. I have asked the Reno Gazette-Journal to publish the Notice of Proposed Action in the legal section on November 5, 2018. The Notice of Proposed Action and the Fact Sheet are also posted on the NDEP website: <https://ndep.nv.gov/posts/category/water>.

Comments on the proposed action or a request for a public hearing may be submitted to this office during a thirty (30) day period following the date of newspaper publication of the Notice of Proposed Action, ending December 5, 2018. If we find that a significant degree of public interest exists with respect to the proposed permit, a public hearing will be held.

If no hearing is held, we would expect to issue the permit containing the final determinations of the Administrator shortly after the expiration of the thirty (30) day comment period.

Please contact me at (775) 687-9569 or at plassaline@ndep.nv.gov should you have any questions regarding this draft permit or the permit process.

Sincerely,

Peter Lassaline
Bureau of Water Pollution Control
Nevada Division of Environmental Protection

Enclosures: Permit NV0024031 Notice of Proposed Action

11/20/18
Valid rec'd
No C&R
HRO



NEVADA DIVISION OF
**ENVIRONMENTAL
PROTECTION**

STATE OF NEVADA
Department of Conservation & Natural Resources

Brian Sandoval, Governor
Bradley Crowell, Director
Greg Lovato, Administrator

NOTICE OF PROPOSED ACTION

The Administrator, Division of Environmental Protection, Carson City, Nevada is issuing the following notice of proposed action under the Nevada Revised Statutes and/or the Clean Water Act, where applicable. The Administrator has received an application for a Manufacturing, Commercial, Mining and Silvicultural facility that discharges NON-PROCESS Wastewater , permit number NV0024031 from the following applicant:

TRUCKEE MEADOWS WATER AUTHORITY
PO BOX 30013
RENO, NV - 89520

**Permit NV0024031, TRUCKEE MEADOWS WATER AUTHORITY WATER SYSTEMS
OPERATIONS AND MAINTENANCE:**

The Permittee, Truckee Meadows Water Authority (TMWA), has applied for the renewal of its National Pollutant Discharge Elimination System permit to discharge water from its drinking water system. The Permittee owns and operates a system of drinking water treatment and supply facilities in Washoe County, Nevada, including two water treatment plants, groundwater wells, storage reservoirs and tanks, pumping stations, pressure regulating stations and water mains. In the interest of protecting public health and safety by providing safe drinking water and fire protection water, TMWA performs routine and non-routine maintenance and operational activities that result in the discharge to waters of the State, including the Truckee River, which is also a Waters of the U.S. The discharges are pertinent to all operations, maintenance and emergency activities performed by TMWA throughout the water systems it owns and operates.

On the basis of preliminary review of the requirements of the Nevada Revised Statutes, as amended, and implementing regulations, the Administrator proposes to issue Permit NV0024031 to discharge for a five (5) year period, subject to certain effluent limitations.

Persons wishing to comment upon or object to the proposed determinations by the Administrator regarding permit issuance, or request a hearing pursuant to the Nevada Administrative Code, Water Pollution Control, should submit their comments or request, in writing, within thirty (30) days of the date of newspaper publication, hand delivered or postmarked no later than 5:00 P.M. on 12/05/2018, either in person or by mail to:

Department of Conservation and Natural Resources
Division of Environmental Protection
Bureau of Water Pollution Control
901 South Stewart Street, Suite 4001
Carson City, NV 89701

The request must be filed within the comment period and must indicate the interest of the person filing the request and the reasons why a hearing is warranted. All comments or objections received within the thirty (30) day period will be considered in the formulation of final determination(s) regarding the application. If written comments indicate a significant degree of public interest in the proposed permit, the Administrator shall hold a public hearing. A public notice of such hearing will be issued not less than thirty (30) days prior to the hearing date.

If no hearing is held and the determinations of the Administrator are substantially changed from the tentative determinations, the Administrator will give public notice of the revised determinations. Additional comments and objections will be considered at that time.

The applications, proposed permits, comments received, and other information are on file and may be copied or copies may be obtained by writing to the above address or by contacting Peter

Lassaline, Bureau of Water Pollution Control, at (775) 687-9569 or at plassaline@ndep.nv.gov. The office facsimile number is (775) 687-4684. For further information, the fact sheet for this project can be viewed at the following website: <http://ndep.nv.gov/admin/public.htm>.

Please bring the forgoing notice to the attention of all persons whom you know would be interested in this matter.



3173
State of Nevada
Division of Environmental Protection
Bureau of Water Pollution Control
901 South Stewart Street, Suite 4001
Carson City, NV 89701-5249

Return Service Requested

Hasler

11/02/2018

US POSTAGE

FIRST-CLASS MAIL
AUTO

\$00.40⁸



ZIP 89701
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OFFICE OF THE WASHOE COUNTY TREASURER

Tammi Davis, Treasurer

1001 E 9TH St - D140
P O Box 30039
Reno NV 89520-3039

November 19, 2018

BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY
RENO, NEVADA

RE: WASHOE COUNTY HEALTH DEPARTMENT ENVIRONMENTAL OVERSIGHT
ACCOUNT

Honorable Commissioners:

The Washoe County District Board of Health determined at their October 25, 2018 meeting the Environmental Oversight Trust account was no longer needed. On November 5, 2018, the funds in the amount of \$108,426.11 were deposited into the Washoe County's main bank account and accounted for in the Washoe County Health fund Environmental Health account 172400-485300. The Washoe County Health District Environmental Oversight Bank account was officially closed on November 9, 2018.

Respectfully,


Brenda Mathers, Acting Chief Deputy Treasurer

CC: Anna Heenan, Health Department
Samantha Pierce, Internal Auditor

DD	NA
DHO	
DA	NA
Risk	NA

STAFF REPORT
BOARD MEETING DATE: October 25, 2018

TO: District Board of Health
FROM: Anna Heenan, Administrative Health Services Officer
328-2417, aheenan@washoecounty.us
SUBJECT: Approval of a staff recommendation for the Board to give direction to the County Treasurer to close the Environmental Health Oversight account ending in 3027 held at the Bank of America and further direction to deposit the funds in the Health District Environmental Health account 172400-485300

SUMMARY

Approval of a staff recommendation for the Board to give direction to the County Treasurer to close the Environmental Health Oversight account ending in 3027 held at the Bank of America and further direction to deposit the funds in the Health District Environmental Health account 172400-485300.

District Health Strategic Priorities supported by this item:

- 5. Financial Stability:** Enable the Health District to make long-term commitments in areas that will positively impact the community's health by growing reliable sources of income.

PREVIOUS ACTION

No previous action specific to this request.

BACKGROUND

Due to the County Treasurer's Office moving banking services from Bank of America to Wells Fargo, the County Departments, including the Health District, have been reviewing accounts that are with Bank of America. The Health District has one checking account that is outside the County checking account and it is for the Environmental Health Division.

At the July 26, 1995 and September 27, 1995 District Board of Health meeting the board approved a settlement agreement for a Tank Farm Litigation with the Settling Defendants (multiple firms) and Golden Gate Petroleum in the amounts of \$150,000 and \$3,000 respectively. The settlement agreements both contain similar provisions whereby a trust account was to be established with the Washoe County Treasurer and said funds and the interest thereon shall be utilized for payment of future oversight activities at the site during the remediation period. Given the settlement agreements the County Treasurer established the District Health/Environmental Oversight account with Bank of America.

The Washoe County Health District has received notification from the Chief of the Bureau of Corrective Actions, Nevada Division of Environmental Protection and the Project Manager that the State does not envision any further assistance or involvement from the Health District with the Sparks Tank Farm (NDEP Facility ID# D-000084, Sparks Solvent/Fuel Site).

The checking account has not had any activity in the last seven years and the average interest on the account is \$1.81 a month. Pursuant to Washoe County Code 15.190.5 we are required each month to turn into the County Treasurer an account reconciliation. The cost to complete this reconciliation is greater than the average monthly interest earnings. Alternative investment vehicles were explored but it was determined that the funds would have to be locked up for years to earn enough interest to offset the cost of maintaining the checking account and then the funds would not be available for use.

Given that the bank accounts have to be closed with Bank of America and given that the Health District is no longer obligated to pay for remediation issues or future litigation at the Tank Farm sight it is being requested that the Bank of America account be closed and the funds be deposited in the Washoe County Health Fund Environmental Health account 172400-485300.

FISCAL IMPACT

The Health District Environmental Health Division revenue in account 172400-485300 will be increased approximately \$108,425, which is the anticipated final balance of the account.

RECOMMENDATION

Staff recommends that the Board give direction to the County Treasurer to close the Environmental Health Oversight account ending in 3027 held at the Bank of America and further direction to deposit the funds in the Health District Environmental Health account 172400-485300.

POSSIBLE MOTION

Move to approve staff recommendation to give direction to the County Treasurer to close the Environmental Health Oversight account ending in 3027 held at the Bank of America and further direction to deposit the funds in the Health District Environmental Health account 172400-485300.

OFFICE OF THE WASHOE COUNTY TREASURER

Tammi Davis, Treasurer

1001 E 9TH St - D140

P O Box 30039

Reno NV 89520-3039

**MONTHLY STATEMENT OF WASHOE COUNTY TREASURER FOR
MONTH ENDING OCTOBER 31, 2018**

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY
RENO, NEVADA**

RE: NRS 354.280


Honorable Commissioners:

I hereby submit this summary record of the source and amount of all receipts, apportionments to, payments from and balances in all funds and separate accounts as required by referenced statute. Detail information for these funds is available in my office.

Beginning Balance	Ending Cash Balance
\$ 44,834,655.60	\$ 30,225,657.50

INVESTMENTS (Reported at Market - All Groups)
\$ 528,185,733.01

Unapportioned Funds (Secured & Unsecured)	Washoe County	Other Agencies	Restricted Funds	Total
	\$ 2,156,078.83	\$ 3,445,471.24	\$ 1,237,414.99	\$6,838,965.06



Tammi Davis, Treasurer

OFFICE OF THE WASHOE COUNTY TREASURER
Tammi Davis, Treasurer

1001 E 9TH St - D140
P O Box 30039
Reno NV 89520-3039

**MONTHLY STATEMENT OF WASHOE COUNTY TREASURER FOR
MONTH ENDING NOVEMBER 30, 2018**

**BOARD OF COUNTY COMMISSIONERS
WASHOE COUNTY
RENO, NEVADA**

RE: NRS 354.280

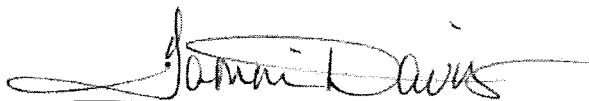
Honorable Commissioners:

I hereby submit this summary record of the source and amount of all receipts, apportionments to, payments from and balances in all funds and separate accounts as required by referenced statute. Detail information for these funds is available in my office.

Beginning Balance	Ending Cash Balance
\$ 30,225,657.50	\$ 12,526,038.77

INVESTMENTS (Reported at Market - All Groups)
\$ 508,670,735.10

Unapportioned Funds (Secured & Unsecured)	Washoe County	Other Agencies	Restricted Funds	Total
	\$ 3,895,775.96	\$ 6,337,194.33	\$ 2,244,954.00	\$12,477,924.29



Tammi Davis, Treasurer



November 30, 2018

To the Board of Directors
North Lake Tahoe Fire Protection District
Incline Village, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the North Lake Tahoe Fire Protection District (the "District") as of and for the year ended June 30, 2018, and have issued our report thereon dated November 30, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our engagement letter dated March 23, 2018, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal controls of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a material weakness during our audit in our 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* dated November 30, 2018.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. The District adopted Governmental Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of GASB Statement No 75 was reflected in the presentation of payroll-related measures in required supplementary information. No other new accounting policies were adopted and there were no changes in significant accounting policies or their application during 2018. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

- Management's estimate of the allowance for doubtful accounts is based on historical collection rates. We evaluated the key factors and assumptions used to develop the allowance for doubtful accounts and determined that they are reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of compensated absences is based on a weighted average of historical payouts. We evaluated the key factors and assumptions used to develop the compensated absences and determined that they are reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of the other postemployment benefit liabilities is based on a third party actuarial valuation. We evaluated the key factors and assumptions used to develop the other postemployment benefit liabilities and determined that they are reasonable in relation to the basic financial statements taken as a whole.
- Management's estimate of the net pension liability is based on a third party actuarial valuation. The actuarial valuation is calculated based on the employee information submitted by the District to the Public Employees' Retirement System of the State of Nevada (PERS). We evaluated the key factors and assumptions used to develop the pension liability and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements relate to:

- The disclosure on the defined benefit pension plan in Note 5 to the financial statements provides information on the assumptions made and inputs used to determine the pension liability and related amounts.
- The disclosure on the other postemployment benefits liability in Note 10 to the financial statements provides information on the assumptions made and inputs used to determine the other postemployment benefits liability.
- The disclosure on contingencies in Note 12 to the financial statements provides information on potential liabilities that have not been recognized by the District.
- The disclosure on restatements in Note 13 to the financial statements provides information on adjustments that were necessary to beginning fund balance or net position balances.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

The following misstatements that we identified as a result of our audit procedures were brought to the attention of, and corrected by, management:

General Fund:

To record amounts due from the OPEB Trust in the current and prior year

Accounts Receivable	\$249,346	
Miscellaneous Revenue	\$466,166	
Employee Benefits		\$463,315
Beginning Fund Balance		\$252,197

The following summarizes uncorrected financial statement misstatements whose effects in the current and prior periods, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Governmental Activities:

Passed adjustment for the understatement of the OPEB liability

Public Safety Expense	\$ 80,000	
OPEB Liability		\$ 80,000

Prior year passed adjustment for the understatement of compensated absences

Beginning Net Position	\$ 20,067	
Public Safety Expense		\$ 20,067

Ambulance Fund and Business-Type Activities:

Passed adjustment for the overstatement of accrued payroll

Accrued Payroll	\$ 2,557	
Salaries Expense		\$ 2,557

Passed adjustment for an asset that was not capitalized prior to disposal

Depreciation Expense	\$ 630	
Loss on sale	\$6,925	
Beginning Net Position		\$ 7,555

The effect of these uncorrected misstatements, including the effect of the reversal of prior year uncorrected misstatements as of and for the year ended June 30, 2018, is:

Governmental Activities:

An overstatement of change in net position of \$59,933 and an overstatement of ending net position of \$80,000.

Ambulance Fund and Business-Type Activities:

An overstatement of change in net position of \$4,998 and an understatement of ending net position of \$2,557

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management that are included in the management representation letter dated November 30, 2018.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the entity, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

Noncompliance with Laws and Regulations

We have identified the following matters involving noncompliance with laws and regulations that came to our attention during the course of the audit.

- Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code (NAC) is disclosed in Note 2 to the financial statements.

Other Information in Documents Containing Audited Financial Statements

Pursuant to professional standards, our responsibility as auditors for other information in documents containing the District's audited financial statements does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have:

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in the District's OPEB liability and related ratios, the schedule of the District's contributions – OPEB, the schedule of the District's proportionate share of net pension liability, and the schedule of the District's contributions - pension, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We applied procedures to the general fund budgetary comparison information. Such information was subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

We were engaged to report on the supplementary information section, which includes the individual fund budget and actual schedules which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying account records used to prepare the financial statements or to the financial statements themselves.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

Modification of the Auditor's Report

We have made the following modification to our auditor's report.

Change in Accounting Principle

As discussed in Notes 1 and 13 to the financial statements, the District adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which resulted in a restatement of the net position as of July 1, 2017. Our opinions were not modified with respect to this matter.

Correction of Errors

As discussed in Note 13 to the financial statements, certain errors occurred in the implementation of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statement No. 67, No. 68, and No. 73*, resulting in an overstatement of amounts previously reported for deferred outflows of resources. In addition, certain errors occurred in the recognition of accounts receivable from the OPEB Trust. Accordingly, these errors resulted in a restatement of net position as of July 1, 2017. Our opinions were not modified with respect to these matters.

This report is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be and should not be used by anyone other than these specified parties.

Edie Bailey LLP

Reno, Nevada

Financial Statements
June 30, 2018

North Lake Tahoe Fire Protection District

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT, NEVADA
JUNE 30, 2018

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Independent Auditor's Report

To the Board of Directors
North Lake Tahoe Fire Protection District
Incline Village, Nevada

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the North Lake Tahoe Fire Protection District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, and each major fund of North Lake Tahoe Fire Protection District as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Notes 1 and 13 to the financial statements, North Lake Tahoe Fire Protection District has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Correction of Errors

As discussed in Note 13 to the financial statements, certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016 of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*, resulting in the overstatement of amounts previously reported for deferred outflows of resources, net pension liability-related amounts for the year ended June 30, 2017, and were discovered by management during the current year based on communications from the Public Employee's Retirement System of Nevada (PERS), including a restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, amounts for deferred outflows of resources, net pension liability-related amounts have resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

As discussed in Note 13 to the financial statements, certain errors occurred in the recognition of accounts receivable, resulting in an understatement of amounts previously reported for accounts receivable for the year ended June 30, 2017, and were discovered by management during the current year. Accordingly, amounts for accounts receivable have resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4A-4G, the General Fund budgetary comparison on pages 43-44, the Schedule of Changes in the District's OPEB Liability and Related Ratios on page 45, the Schedule of District Contributions - OPEB on page 46, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 47, and the Schedule of the District's Contributions - Pension on page 47, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis, the Schedule of Changes in the District's OPEB Liability and Related Ratios, the Schedule of District Contributions – OPEB, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions - Pension in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The General Fund budgetary comparison information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund budgetary comparison information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The individual fund budget and actual schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The individual fund budget and actual schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, individual budget and actual schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Prior Year Comparative Information

The individual fund financial statements and schedules related to the 2017 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2017 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The statements and schedules referred to above are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018, 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, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Reno, Nevada
November 30, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the North Lake Tahoe Fire Protection District's (the District) finances, we offer readers of the District's financial statements this narrative overview and analysis of the District's financial activities for the year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The liabilities and deferred inflows of resources of the District's governmental activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$4,136,533, resulting in a negative net position.
- The liabilities and deferred inflows of resources of the District's business-type activities exceeded its assets and deferred outflows of resources at the close of the most recent fiscal year by \$1,075,311, resulting in a negative net position as discussed above.
- The assessed valuation of the District's property tax base increased by 5.55% over last year's assessed value. The District's consolidated tax revenues increased by 5.79% this fiscal year.
- In March 2016, one of the Ambulance Fund rescue units was involved in a non-injury accident. The District was not at fault. The insurance claim has been resolved, after the District asked the State of Nevada, Department of Insurance to intervene. In 2018, the District wrote off the balance of the rescue unit of \$16,142.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to private sector business. The Statement of Net Position presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources (as applicable), with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (uncollected taxes, earned but unused vacation leave and other compensated absences, other postemployment benefits and net pension related items).

Both of the government-wide financial statements show the public safety function of the District, which is principally supported by taxes and intergovernmental revenue (governmental activities). All governmental activities of the District are included in the public safety function and all business-type activities are included in Ambulance activities, a component of public safety (business-type activities), since the District is a single-purpose entity.

The government-wide financial statements can be found on pages 5 and 6 of the report.

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, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District has governmental and proprietary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of expendable resources, as well as on balances of expendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

For the 2017-2018 fiscal year, the District maintained three individual governmental funds. Information is presented separately in the Governmental Funds Balance Sheet and in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund and the Capital Projects Fund. The basic governmental fund financial statements can be found on pages 5-10 of this report.

Proprietary Funds. The District maintains one proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for its ambulance operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Ambulance Fund, which is considered to be a major fund of the District. The enterprise fund data is shown elsewhere in the report. The basic proprietary fund financial statements can be found on pages 11-13 of this report.

The District adopts an annual budget for each of its funds. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with the budget.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 14-41 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budgetary comparison information, the District's progress in funding its obligation to provide postemployment benefits, and information on the District's share of the net pension liability for PERS along with the information for the District's contributions to PERS. Required supplementary information can be found on pages 42-46 of this report.

Accounting Changes.

As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments to calculate and report the costs and obligations associated with postemployment benefits other than pensions (OPEB) in their basic financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively remove the prior OPEB liability reported under GASB Statement No. 45 and adopt the provisions of GASB Statements No. 75 to report the beginning OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

During 2018, the District identified misstatements in the June 30, 2017 financial statements related to the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*. Based on the restated Schedule of Employer Allocations for GASB 82 implementation provided by the Public Employees' Retirement System of Nevada (PERS), the beginning net pension was restated as of July 1, 2017 to report the previous overstatement of the balances reported for deferred outflows of resources (net pension related) at June 30, 2017.

During 2018, the District identified misstatements in the June 30, 2017 financial statements related to the recognition of receivables due from the North Lake Tahoe Fire Protection District OPEB Trust. Based on these misstatements, beginning net position was restated as of July 1, 2017 to report the previous understatement of the balances reported for accounts receivable at June 30, 2017.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. Condensed versions of the Statement of Net Position at June 30, 2018 and 2017 are presented below.

North Lake Tahoe Fire Protection District's Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$12,083,902	\$ 10,181,826	\$ 464,924	\$ 229,380	\$ 12,548,826	\$ 10,411,206
Capital assets	6,019,598	6,476,731	900,752	851,818	6,920,350	7,328,549
Total assets	18,103,500	16,658,557	1,365,676	1,081,198	19,469,176	17,739,755
Deferred outflows of Resources	4,271,789	3,637,319	430,599	656,761	4,702,388	4,294,080
Noncurrent liabilities	24,638,373	19,699,655	2,604,401	2,507,628	27,242,774	22,207,283
Other liabilities	722,543	739,793	104,913	81,860	827,456	821,653
Total liabilities	25,360,916	20,439,448	2,709,314	2,589,488	28,070,230	23,028,936
Deferred inflows of Resources	1,150,906	1,048,987	162,272	253,415	1,313,178	1,302,402
Net assets:						
Net investment in capital assets	3,222,598	3,253,731	900,752	851,818	\$4,123,350	4,105,549
Restricted for:						
Capital projects	-	-	-	-	-	-
Debt service	-	502,993	-	-	-	502,993
Unrestricted	(7,359,131)	(4,949,283)	(1,976,063)	(1,956,762)	(9,335,194)	(6,906,045)
Total Net Position	(\$4,136,533)	(\$1,192,559)	(\$1,075,311)	(1,104,944)	(\$5,211,844)	(\$2,297,503)

The statement of net position presents information on all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Although recognizing net pension liability related amounts indicates a deterioration of the District's financial position, the reader should be aware that the liability relating to the PERS is currently paid by the District as a portion of employees' salaries throughout each year. The District will not be required to pay this entire amount at one time unless unforeseen circumstances arise. Total assets and deferred outflows of the District at June 30, 2018 were \$24,171,564 an increase of \$2,137,729 from fiscal year 2017, with capital assets, net of accumulated depreciation accounting for \$6,920,350 of the 2018 fiscal year total and \$7,328,549 of the 2017 fiscal year total. Deferred outflows of resources for 2018 are \$4,702,388 an increase of \$408,308 from fiscal year 2017 of \$4,294,080. The increase is directly related to the net pension and OPEB related amounts recognized in 2018.

Total liabilities at the end of fiscal year 2018 were \$28,070,230 and 23,028,936 at the end of fiscal year 2017, an increase of \$5,041,294 again related to reporting the net pension liability and OPEB related amounts as of June 30, 2018. At June 30, 2018, the District's net position was (\$5,211,844). This is a decrease in net position of \$2,914,341 from fiscal year 2017 balance of (\$2,297,503). As was explained above, the negative net position is related to the recognition of the long-term liability for the District's obligation in the Public Employees' Retirement System and other post-employment benefits.

North Lake Tahoe Fire Protection District's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 3,076,596	\$ 2,825,280	\$ 841,088	\$ 625,439	\$ 3,917,684	\$ 3,450,719
Operating grants, interest and contributions	458,629	186,239			458,629	186,239
Capital grants/contributions	-	12,500	49,180	169,679	49,180	182,179
General revenues:						
Property taxes	8,712,031	8,414,850	-	-	8,712,031	8,414,850
Consolidated taxes	3,828,914	3,619,224	-	-	3,828,914	3,619,224
Other taxes	681,530	638,005	-	-	681,530	638,005
Unrestricted interest income	82,568	27,814	610	807	83,178	28,621
Other	40,000	40,000	-	-	40,000	40,000
Gain on sale of capital assets	-	23,757	3,871	1,892	3,871	25,649
Total Revenues	16,880,268	15,787,669	894,749	797,817	17,775,017	16,585,486
Expenses:						
Public Safety	13,774,396	13,361,427	-	-	13,774,396	13,361,427
Interest on long- term debt	105,626	86,262			105,626	86,262
Ambulance services	-	-	2,235,129	1,991,818	2,235,129	1,991,818
Total expenses	13,880,022	13,447,689	2,235,129	1,991,818	16,115,151	15,439,507
Change in net assets	3,000,246	2,339,980	(1,340,380)	(1,194,001)	1,659,866	1,145,979
Transfers	(1,567,993)	(1,540,581)	1,567,993	1,540,581	-	-
Change in net assets	1,432,253	799,399	227,613	346,580	1,659,866	1,145,979
Net Position, Beginning of Year	(1,192,559)	(1,991,958)	(1,104,944)	(1,451,524)	(2,297,503)	(3,443,482)
Prior Period Adjustment	(4,376,227)	-	(197,980)	-	(4,574,207)	-
Net Position, Beginning of Year, as Restated	(5,568,786)	-	(1,302,924)	-	(6,871,710)	-
Net Position, End of Year	(\$4,136,533)	(\$1,192,559)	(\$1,075,311)	(\$1,104,944)	(\$5,211,844)	(\$2,297,503)

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

As such, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future periods (e.g., uncollected taxes, earned but unused vacation leave and net pension related amounts). Total revenues for the year ended June 30, 2018 were \$17,775,017 and consisted primarily of taxes and intergovernmental revenues. This represents a \$1,189,531 increase over fiscal year 2017 total revenues of \$16,585,486. The increase is mainly related to an increase in property taxes of \$297,181, consolidated taxes of \$209,690 and fuels management grant and mutual aid reimbursements of \$272,390. The Ambulance charges for services are up from the previous year by \$215,649. Total expenses for fiscal year 2018 were \$16,115,151, an increase of \$675,644 over fiscal year 2017 expenses of \$15,439,507. The increase relates to an increase of salaries and wages and compensated absences of \$639,372. Although the District is not staffed to budget, in past two years the District has promoted personnel and hired firefighter

paramedics, a Fire inspector II and a Compliance Officer. With the increase in personnel and the past fire season, salaries have increased, with most of these increases offset by mutual aid reimbursements.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of expendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year or available for use in unexpected circumstances.

At the close of the fiscal year 2018 the District's governmental funds reported combined ending fund balances of \$10,911,438, an increase of \$1,850,993 when compared to the close of fiscal year 2017. Of the \$10,911,438 combined ending fund balance, \$9,691,278 is unassigned.

The increase from the prior fiscal year in the District's combined governmental fund balances of \$1,850,993 as noted above is due to an increase in the General Fund ending fund balance of \$2,631,485; a decrease in the Debt Service Fund ending fund balance of \$502,993 and a decrease in the Capital Projects Fund ending fund balance of \$277,499.

The \$2,631,485 increase in the General Fund is due to a combination of items: (1) An increase in revenues of \$769,015 due to an increase in property tax, consolidated tax, and fuels management grant revenue; (2) A decrease in transfers out of the General Fund of \$734,255 and a decrease in overall expenditures; (3) An increase of \$252,197 due to the restatement of a prior period, as explained in Note 13. The decrease in the Debt Service Fund of \$502,993 is because no transfers were made from the General Fund to the Debt Service. The \$277,499 decrease in the Capital Projects Fund was due to a transfer of \$167,993 to the Ambulance Fund for the purchase of cardiac monitors. The balance of the decrease was due to the purchase of radios and a utility vehicle.

The General Fund is the chief operating fund of the District and at June 30, 2018, the fund balance was \$10,729,322. General Fund revenues exceeded the budget by 7.19%. Salaries, wages and benefits were under budget by \$351,362 due to unfilled positions. Service and supplies expenditures were under budget by \$3,352,264 mainly because the District budgeted to repay the taxpayers of Incline Village and Crystal Bay \$3,050,000 for property tax refunds and interest. The court case has not been resolved; therefore, the payments were not made.

Proprietary Funds. The accounting records for the Proprietary Funds are maintained on the accrual basis of accounting. Under this method, revenues are recognized at the time they are earned and expenses are recognized when the related liabilities are incurred. The measurement focus of these funds is on capital maintenance, where the revenues derived from current operations are generally intended to provide those resources necessary to maintain continued delivery of such services in future periods.

The proprietary fund for the District is the Ambulance Fund, which accounts for the emergency medical services operations of the District. The net position for this fund increased \$29,633 in the 2017-2018 fiscal year, due to the Ground Emergency Medical Transport cost reimbursement from Medicaid of \$180,788, a transfer in from the Capital Projects Fund that was \$167,993 larger than expected and a decrease of \$197,980 for a prior period adjustment that is explained in Note 13

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets: The District's capital assets at June 30, 2018 were \$6,920,350 (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles, and equipment. The decrease in capital assets is related to depreciation. Detailed information regarding capital assets can be found in Note 4 to the financial statements.

Long-term liabilities: At the end of the fiscal year, the District had total outstanding long-term liabilities of \$27,242,774. The District's outstanding liabilities included accrued compensated absences for \$1,321,205, unfunded liability of Other Post-employment Benefits of \$7,385,981, a net pension liability of \$15,583,104 and \$2,797,000 in general obligation bonds, and medium term financing debt. In addition, the District owed a sales tax refund of \$155,484 at June 30, 2018. Detailed information regarding long-term liabilities can be found in Note 5, Note 7 and Note 11.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- The District relies primarily on two types of tax revenues. The first of these is ad valorem or property taxes and is directly affected by the assessed property tax values in Incline Village and Crystal Bay, Nevada. Property tax revenues are projected to increase for 2018-2019 as property values increased by 2.67% for the coming fiscal year. The District's property tax rate is .6291 for fiscal year 2018-2019, the same as the previous five years.
- The second significant tax revenue for the District, the consolidated tax, consists primarily of sales taxes. For the year ended June 30, 2018, taxable sales in Washoe County increased by 4.5% over the previous fiscal year. The District continues to budget sales tax revenue conservatively. The District's 2018-2019 budget is based on actual sales tax revenue collected for 2016-2017.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Business Manager, 866 Oriole Way, Incline Village, Nevada 89451.

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NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 9,856,550	\$ 164,877	\$ 10,021,427
Accounts receivable, net	341,675	242,406	584,081
Property taxes receivable	61,288	-	61,288
Due from other governments	1,744,345	-	1,744,345
Prepaid expense	80,044	57,641	137,685
Capital assets:			
Land	1,019,283	30,588	1,049,871
Other capital assets, net of depreciation	5,000,315	870,164	5,870,479
Total Assets	<u>18,103,500</u>	<u>1,365,676</u>	<u>19,469,176</u>
DEFERRED OUTFLOWS OF RESOURCES			
Net pension - related amounts	2,969,471	430,599	3,400,070
OPEB - related amounts	1,161,806	-	1,161,806
Deferred charge on refunding	140,512	-	140,512
Total Deferred Outflows of Resources	<u>4,271,789</u>	<u>430,599</u>	<u>4,702,388</u>
LIABILITIES			
Accounts payable	106,744	31,704	138,448
Accrued liabilities	601,633	73,209	674,842
Accrued interest	14,166	-	14,166
Noncurrent liabilities:			
Due within one year	943,305	66,308	1,009,613
Due in more than one year	3,254,293	9,783	3,264,076
Net pension liability	13,054,794	2,528,310	15,583,104
Other postemployment benefits	7,385,981	-	7,385,981
Total Liabilities	<u>25,360,916</u>	<u>2,709,314</u>	<u>28,070,230</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB - related amounts	31,853	-	31,853
Net pension - related amounts	1,119,053	162,272	1,281,325
Total Deferred Inflows of Resources	<u>1,150,906</u>	<u>162,272</u>	<u>1,313,178</u>
NET POSITION			
Net investment in capital assets	3,222,598	900,752	4,123,350
Unrestricted	(7,359,131)	(1,976,063)	(9,335,194)
Total Net Position	<u>\$ (4,136,533)</u>	<u>\$ (1,075,311)</u>	<u>\$ (5,211,844)</u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

FUNCTIONS/PROGRAMS	<u>Expenses</u>	<u>PROGRAM REVENUES</u>		
		<u>Charges for Services</u>	<u>Operating Grants, Interest, Contributions</u>	<u>Capital Grants, Interest, Contributions</u>
Governmental Activities:				
Public safety	\$ 13,774,396	\$ 3,076,596	\$ 458,629	\$ -
Interest on long-term debt	105,626	-	-	-
Total Governmental Activities	13,880,022	3,076,596	458,629	-
Business-Type Activities:				
Ambulance	2,235,129	841,088	-	49,180
Total	\$ 16,115,151	\$ 3,917,684	\$ 458,629	\$ 49,180

General Revenues:

Ad valorem taxes
Consolidated tax
SCCR taxes- AB104
Unrestricted interest income
Miscellaneous
Gain on the sale of capital assets
Transfers

Total General Revenues and Transfers

Change in Net Position

NET POSITION, BEGINNING OF YEAR, AS ORIGINALLY STATED

RESTATEMENTS

NET POSITION, BEGINNING OF YEAR, AS RESTATED

NET POSITION, END OF YEAR

See accompanying notes.

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

Governmental Activities	Business-Type Activities	Total
\$ (10,239,171)	\$ -	\$ (10,239,171)
(105,626)	-	(105,626)
(10,344,797)	-	(10,344,797)
-	(1,344,861)	(1,344,861)
(10,344,797)	(1,344,861)	(11,689,658)
8,712,031	-	8,712,031
3,828,914	-	3,828,914
681,530	-	681,530
82,568	610	83,178
40,000	-	40,000
-	3,871	3,871
(1,567,993)	1,567,993	-
11,777,050	1,572,474	13,349,524
1,432,253	227,613	1,659,866
(1,192,559)	(1,104,944)	(2,297,503)
(4,376,227)	(197,980)	(4,574,207)
(5,568,786)	(1,302,924)	(6,871,710)
<u>\$ (4,136,533)</u>	<u>\$ (1,075,311)</u>	<u>\$ (5,211,844)</u>

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and investments	\$ 9,663,371	\$ -	\$ 193,179	\$ 9,856,550
Accounts receivable	341,675	-	-	341,675
Property taxes receivable	61,288	-	-	61,288
Due from other governments	1,744,345	-	-	1,744,345
Prepaid expense	80,044	-	-	80,044
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 11,890,723</u>	<u>\$ -</u>	<u>\$ 193,179</u>	<u>\$ 12,083,902</u>
LIABILITIES				
Accounts payable	\$ 106,159	\$ -	\$ 585	\$ 106,744
Accrued liabilities	591,155	-	10,478	601,633
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>697,314</u>	<u>-</u>	<u>11,063</u>	<u>708,377</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - delinquent property taxes	61,288	-	-	61,288
Unavailable revenue - project reimbursements	278,101	-	-	278,101
Unavailable revenue - miscellaneous	41,766	-	-	41,766
Unavailable revenue - mutual aid reimbursements	82,932	-	-	82,932
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>464,087</u>	<u>-</u>	<u>-</u>	<u>464,087</u>
FUND BALANCES				
Nonspendable	80,044	-	-	80,044
Committed	-	-	182,116	182,116
Assigned	958,001	-	-	958,001
Unassigned	9,691,277	-	-	9,691,277
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>10,729,322</u>	<u>-</u>	<u>182,116</u>	<u>10,911,438</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,890,723</u>	<u>\$ -</u>	<u>\$ 193,179</u>	<u>\$ 12,083,902</u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE BALANCE SHEET
TO THE STATEMENT OF NET POSITION
GOVERNMENTAL FUNDS
JUNE 30, 2018**

Fund Balances - Governmental Funds	\$ 10,911,438
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Amounts reported for governmental activities in the statement of net position are different because:

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

Governmental capital assets	\$ 18,574,042	
Less: Accumulated depreciation	<u>(12,554,444)</u>	6,019,598

Deferred outflows of resources is the consumption of net position that applies to a future period and so is not recognized as an outflow of resources until then.

Deferred outflow on funding escrow	140,512
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Long-term liabilities, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Medium term financing payable	(630,000)	
Bonds payable	(2,167,000)	
Accrued interest	(14,166)	
Net pension liability	(13,054,794)	
Sales tax refund	(155,484)	
Compensated absences	(1,245,114)	
Other postemployment benefits obligation	<u>(7,385,981)</u>	(24,652,539)

Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to OPEB	1,161,806	
Deferred inflows of resources related to OPEB	(31,853)	
Deferred outflows of resources related to pensions	2,969,471	
Deferred inflows of resources related to pensions	<u>(1,119,053)</u>	2,980,371

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources until that time by governmental funds.

Deferred inflows related to property taxes and reimbursements	<u>464,087</u>
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Net Position - Governmental Activities	<u><u>\$ (4,136,533)</u></u>
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See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

	General Fund	Debt Service Fund	Capital Projects Fund	Total Governmental Funds
REVENUES				
Taxes	\$ 8,709,331	\$ -	\$ -	\$ 8,709,331
Intergovernmental	4,969,073	-	-	4,969,073
Miscellaneous	3,086,515	-	40,000	3,126,515
Total Revenues	<u>16,764,919</u>	<u>-</u>	<u>40,000</u>	<u>16,804,919</u>
EXPENDITURES				
Current:				
Public safety	12,985,631	-	-	12,985,631
Capital outlay	-	-	149,506	149,506
Debt service:				
Principal	-	426,000	-	426,000
Interest	-	76,993	-	76,993
Total Expenditures	<u>12,985,631</u>	<u>502,993</u>	<u>149,506</u>	<u>13,638,130</u>
Excess (Deficiency) of Revenues over (under) Expenditures	3,779,288	(502,993)	(109,506)	3,166,789
OTHER FINANCING SOURCES (USES)				
Transfers:				
Transfers out	<u>(1,400,000)</u>	<u>-</u>	<u>(167,993)</u>	<u>(1,567,993)</u>
Net Change in Fund Balances	<u>2,379,288</u>	<u>(502,993)</u>	<u>(277,499)</u>	<u>1,598,796</u>
FUND BALANCES, BEGINNING OF YEAR, AS ORIGINALLY STATED	8,097,837	502,993	459,615	9,060,445
RESTATEMENT	<u>252,197</u>	<u>-</u>	<u>-</u>	<u>252,197</u>
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	<u>8,350,034</u>	<u>502,993</u>	<u>459,615</u>	<u>9,312,642</u>
FUND BALANCES, END OF YEAR	<u><u>\$ 10,729,322</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 182,116</u></u>	<u><u>\$ 10,911,438</u></u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balances - Governmental Funds		\$ 1,598,796
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures and the proceeds from the sale of assets as other financing sources. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives and only the gain or loss is recorded when assets are sold.		
Additions to capital assets	\$ 149,506	
Less: Current year depreciation	<u>(606,639)</u>	
		(457,133)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Change in deferred inflows of resources		75,349
Bond proceeds provide current financial resources to governmental funds. Repayments of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which debt issued exceeded repayments.		
Change in accrued interest	(7,016)	
Principal payments	<u>426,000</u>	
		418,984
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 compensated absences	(350,215)	
Change in sales tax refund	(155,484)	
Change in deferred outflows	<u>(21,617)</u>	
		(527,316)
Governmental funds report the District PERS and OPEB contributions as expenditures. However, in the Statement of Activities, the cost of pension and other post-employment benefits earned is reported as pension or OPEB expense.		
District OPEB contributions	1,161,806	
District OPEB expense	(757,133)	
District OPEB implicit subsidy	138,208	
District PERS contributions	961,888	
District pension expense	<u>(1,181,196)</u>	
		<u>323,573</u>
Change in Net Position of Governmental Activities		<u>\$ 1,432,253</u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
AMBULANCE FUND
STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2018**

	Business-Type Activities Enterprise Fund
ASSETS	
Current Assets:	
Cash and investments	\$ 164,877
Accounts receivable, net	242,406
Prepaid expense	57,641
Total Current Assets	<u>464,924</u>
Noncurrent Assets:	
Capital assets, not being depreciated	30,588
Capital assets, being depreciated, net	870,164
Total Noncurrent Assets	<u>900,752</u>
Deferred Outflows of Resources	
Net pension - related amounts	<u>430,599</u>
LIABILITIES	
Current Liabilities:	
Accounts payable	31,704
Accrued salaries and benefits	73,209
Compensated absences	66,308
Total Current Liabilities	<u>171,221</u>
Noncurrent Liabilities:	
Net pension liability	2,528,310
Compensated absences	9,783
Total Non-Current Liabilities	<u>2,538,093</u>
Deferred Inflows of Resources	
Net pension - related amounts	<u>162,272</u>
Total Liabilities and Deferred Inflows of Resources	<u>2,871,586</u>
NET POSITION	
Net investment in capital assets	900,752
Unrestricted	(1,976,063)
Total Net Position	<u><u>\$ (1,075,311)</u></u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
AMBULANCE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund
OPERATING REVENUES	
Ambulance fees, net of bad debt	\$ 582,744
Paramedic education	77,556
Ground emergency medical transport	180,788
Total Operating Revenues	<u>841,088</u>
OPERATING EXPENSES	
Salaries and wages	941,552
Employee benefits	622,848
Services and supplies	507,269
Depreciation	163,460
Total Operating Expenses	<u>2,235,129</u>
Operating Income (Loss)	<u>(1,394,041)</u>
NONOPERATING REVENUES	
Interest revenue	610
Gain on sale of capital assets	3,871
Grant revenue	49,180
Total Nonoperating Revenues	<u>53,661</u>
Income (Loss) before Transfers	(1,340,380)
TRANSFERS	
Transfers in	<u>1,567,993</u>
Changes in Net Position	<u>227,613</u>
NET POSITION, BEGINNING OF YEAR, AS ORIGINALLY STATED	(1,104,944)
RESTATEMENT	<u>(197,980)</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED	<u>(1,302,924)</u>
NET POSITION, END OF YEAR	<u><u>\$ (1,075,311)</u></u>

See accompanying notes.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
AMBULANCE FUND
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Business-Type Activities Enterprise Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash received from patients	\$ 555,610
Cash received from others	258,344
Cash payments for salaries and benefits	(1,523,704)
Cash payments for services and supplies	(539,970)
	<hr/>
Net Cash Provided (Used) by Operating Activities	(1,249,720)
	<hr/>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers from other funds	1,400,000
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(247,021)
Transfers from other funds	167,993
Sale of capital assets	38,498
Grant proceeds	49,180
	<hr/>
Net Cash Provided (Used) by Capital and Related Financing Activities	8,650
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	610
	<hr/>
Net Increase (Decrease) in Cash and Cash Equivalents	159,540
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	5,337
	<hr/>
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 164,877
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	\$ (1,394,041)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation expense	163,460
(Increase) decrease in accounts receivable	(27,134)
(Increase) decrease in prepaid expense	(48,870)
Increase (decrease) in accounts payable	16,169
Increase (decrease) in accrued salaries and benefits	6,884
Increase (decrease) in pension related items	31,799
Increase (decrease) in compensated absences	2,013
	<hr/>
Total Adjustments	144,321
	<hr/>
Net Cash Provided (Used) by Operating Activities	\$ (1,249,720)
	<hr/> <hr/>

See accompanying notes.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 1 – Summary of Significant Accounting Policies:

Reporting Entity:

North Lake Tahoe Fire Protection District (District) is a municipality of the State of Nevada located in Washoe County, Nevada. The District is under the direct jurisdiction of the Board of Directors of North Lake Tahoe Fire Protection District.

Accounting Changes

As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments to calculate and report the costs and obligations associated with postemployment benefits other than pensions (OPEB) in their basic financial statements. Employers are required to recognize OPEB amounts for all benefits provided through the plan which include the total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense. The effect of the implementation of this standard on beginning net position is disclosed in Note 13 and the additional disclosures required by this standard are included in Note 10.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (Statement of Net Position and the Statement of Activities) report information about the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. 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.

The Statement of Activities demonstrates the degree to which the direct expenses are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function/activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function/activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function/activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from an exchange transaction such as providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Nonoperating revenues and nonoperating expenses result from nonexchange transactions or ancillary services.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and the enterprise fund (also, a major fund) are reported as separate columns in the fund financial statements.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as is the proprietary fund. Agency funds have no measurement focus, but are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The District's net position is reported in three parts – net investment in capital assets, restricted net position and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District 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 this 60 day period, the receivable is recorded and an offsetting deferred inflow of resources is established. Deferred inflows of resources also arise when the government receives resources before it has legal claim to them, and thus in subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the deferred inflow of resources is removed and revenue is recognized. Expenditures generally are recorded when the related liabilities are incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments are recorded only when payment is due.

Property taxes, intergovernmental revenues, and interest earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Other revenue items are considered to be measurable and available only when cash is received by the District.

The District reports the following major governmental funds:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.
- The Debt Service Fund accounts for the accumulation of funds for the payment of principal and interest on long-term debt.
- The Capital Projects Fund accounts for the financial resources to be used for the acquisition and construction of major capital assets.

The District has one proprietary fund, which is considered to be a major enterprise fund:

- The Ambulance Fund accounts for the operations of the District's ambulance service.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Budgets and Budgetary Accounting:

Budget Policies:

North Lake Tahoe Fire Protection District adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which include the following major procedures to establish the budgetary data, which is reflected in these financial statements:

1. On or before April 15, the Board of Directors files a tentative budget with the Nevada Department of Taxation for all funds.
2. Public hearings on the tentative budget are held in the third week in May.
3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for approval. In any year in which legislative action, which was not anticipated, affects the local government's final budget, the Board may file an amended final budget before August 15 of the budget year.
4. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
5. Budgets for all funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
6. Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers are to be approved by the Board of Directors.
7. Budget augmentations in excess of original budgetary amounts may not be made without prior approval of the Board of Directors, following a scheduled and noticed public hearing. Such augmentations become effective upon receipt of a resolution by the Nevada Department of Taxation.
8. In accordance with state statute, actual expenditures generally may not exceed budgetary appropriations of the public safety function of the General Fund. State statutes do not require that debt service payments (Debt Service Fund) be limited by the budget. Also, state statutes generally do not require that capital payments (Capital Projects Fund) be limited by the budget. Actual expenses of the Proprietary Funds may not exceed the sum of budgeted operating and nonoperating expenses.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Assets, Liabilities, and Net Position or Equity:

Cash Deposited and Invested:

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. Investments are carried at fair value.

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

- Certain "A" rated notes and bonds purchased by a registered broker-dealer that are issued by corporations organized and operating in the United States and that mature within five (5) years from the date of purchase; asset-backed securities and collateralized mortgage obligations rated "AAA" or higher by a nationally recognized rating service. These investments must not, in the aggregate, exceed 20 percent of the total portfolio at the time of purchase, nor include notes and bonds issued by any one corporation in excess of 25 percent of such investments.
- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Bills and notes of the United States Treasury, maturing within ten (10) years from the date of purchase.
- Obligations of an agency of the United States or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.
- Obligations of state and local governments if, (1) the interest is exempt for federal income tax purposes, and (2) the obligation has been rated "A" or higher by a nationally recognized bond credit rating agency.
- Negotiable and nonnegotiable certificates of deposit from commercial banks and insured savings and loan associations.
- State of Nevada Local Government Investment Pool.
- Certain securities issued by local governments of the State of Nevada.
- Certain bankers' acceptances.
- Certain short-term paper issued by a corporation organized and operating in the United States.
- Other securities expressly provided by other statutes, including repurchase agreements.
- Certain "AAA" rated mutual funds that invest in (1) securities issued by the Federal Government or agencies of the Federal Government, (2) Master, bank notes or other short-term commercial paper rated as "A-1" or "P-1" issued by a corporation or depository institution organized, licensed and operating in the United States and/or (3) Repurchase agreements that are fully collateralized by (1) and (2) above.

For purposes of the Statement of Cash Flows, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. All cash and investments are considered to be cash equivalents.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Property Taxes Receivable:

Real property taxes receivable reflect only those taxes receivable from the delinquent roll years. Delinquent taxes from all roll years prior to 2016-17 have been written off. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss in respect to the remaining balances.

Personal property taxes receivable reflect only those taxes management believes to be collectible. Delinquent taxes from all other prior years have been written off.

Amounts not collected within 60 days after year end have been recorded as unavailable revenue at the governmental fund level.

Receivables:

The allowance method is used to provide for estimated uncollectible amounts in the Ambulance Fund. At June 30, 2018, the allowance for uncollectible accounts was \$226,554.

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

Inventory/Prepaid Expense:

For all funds, the District charges consumable supplies against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

When payments to vendors reflect costs applicable to future accounting periods, they are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets:

Capital assets, which include land, land improvements, buildings and improvements, and vehicles and equipment, are reported in the government-wide financial statements and the enterprise fund financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$1,000 for office equipment and tools, \$2,000 for equipment, \$3,000 for buildings and land improvements, \$5,000 for construction and remodel projects and a normal useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Major outlays for capital assets and improvements are capitalized as projects are constructed. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Property, plant, and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	25
Buildings and improvements	15-25
Vehicles and equipment	3-10

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position/Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has the following items that fall under this category:

- The deferred charge on refunding reported in the government-wide statement of net position results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- The OPEB related amounts reported in the government-wide statement of net position results from the District's contributions subsequent to the measurement date of the OPEB liability. This item is deferred and recognized as a reduction of the OPEB liability in the subsequent year.
- The Net pension related amounts reported in the government-wide statement of net position results from the differences between projected and actual earnings on pension plan investments, changes in the District's proportionate share, changes of assumptions or other inputs, and the District's contributions subsequent to the measurement date of the net pension liability. These items are deferred and recognized as a reduction of the net pension liability in the subsequent year.

In addition to liabilities, the Statement of Net Position/Balance Sheet Governmental Funds may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

- The OPEB related amounts reported in the government-wide statement of net position results from differences between projected and actual earnings. This item is deferred and recognized as an increase to the OPEB liability in subsequent periods.
- The Net pension related amounts reported in the government-wide statement of net position results from differences between expected and actual experience and changes in the District's proportionate share. These items are deferred and recognized as an increase in the net pension liability in subsequent periods.
- Unavailable revenue is reported in the Governmental Funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and other revenue items. These items are deferred and recognized as an inflow of resources in the period that the amounts become available.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

Pensions:

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Long-Term Liabilities:

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position. Bond premiums and discounts and prepaid bond insurance, if applicable, are amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed during the current period.

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

Compensated Absences:

The costs involved in vacation time and sick leave benefits are accrued when incurred in the government-wide and enterprise fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured as a result of employee resignations and retirements; costs are recorded as payroll costs only when the accumulated benefits are paid or accrued as a result of a termination of service.

Upon death, permanent disability, or termination of an employee after two years of full-time service, all personnel, whether union or non-union, shall be compensated for 50% (75% upon retirement) of accrued sick leave in accordance with the employment contract in effect and District policy.

Equity Classifications:

In the governmental-wide financial statements, equity is classified as net position and displayed in three components:

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

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

- Restricted Net Position – Consists of net position with constraints placed on its use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; (2) law through constitutional provisions or enabling legislation.
- Unrestricted Net Position – All other net position that does not meet the definition of “restricted” or “net investment in capital assets.”

In the governmental fund financial statements, fund equity is classified as fund balance. Fund balance is further classified in the following components:

- Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or the law or regulations of other governments.
- Committed – Amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to actions passed by the Board of Directors, which is the District’s highest level of decision making authority. A similar action is required to rescind or modify a commitment.
- Assigned – Amounts that the District intends to use for a specific purpose, that do not meet the definition of restricted or committed fund balance. Under the District’s policy, amounts may be assigned by the Business Manager under the authorization of the Board of Directors.
- Unassigned – all other spendable amounts in the General Fund.

Proprietary fund equity is classified the same as in the government-wide statements.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Director’s has provided otherwise in its commitment or assignment actions.

Property Taxes:

All real property in the District 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 determined by multiplying the assessed value by the tax rate applicable to the area in

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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 the legislative action, the tax rate was further limited to \$3.64 per \$100 of assessed valuation, except in cases of severe financial emergency defined in NRS 354.705.

Taxes on real property are a lien on the property and attach on July 1 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. 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.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

The major classifications of personal property are commercial and mobile homes. In Washoe County, taxes on motor vehicles are collected by a State agency and remitted to the District as part of Consolidated Tax revenue.

NOTE 2 – Compliance with Nevada Revised Statutes (NRS) and the Nevada Administrative Code (NAC):

The District conformed to all significant statutory and Nevada Administrative Code constraints on its financial administration during the year. Actual operating expenses in the Ambulance Fund exceeded appropriations by \$108,708, which appears to be an apparent violation of NRS 354.626, however it is covered under one of the exclusions to NRS 354.626.

NOTE 3 – Cash and Investments:

As of June 30, 2018, the North Lake Tahoe Fire Protection District had the following investments and maturities:

	<u>June 30, 2018</u>
Investments:	
State of Nevada Local Government	
Investment Pool (LGIP)	\$ 8,105,242*
Total Cash	<u>1,916,185</u>
Total Cash and Investments	<u>\$ 10,021,427</u>

* Represents average weighted maturity of 142 days

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The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is reported at fair value. The District's investment in the LGIP is equal to its original investment plus monthly allocations of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares.

As noted, Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has not adopted a formal investment policy that would further limit its investment choices nor further limit its exposure to certain risks as set forth below.

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. As noted above, the District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the Statute.

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 rating of investments. The LGIP is an unrated external investment pool and as noted above, the District does not have a formal investment policy that specifies minimum acceptable credit ratings.

Custodial Credit Risk on Deposits. Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's bank deposits are covered by FDIC insurance and collateralized by the office of the State Treasurer/Nevada Collateral Pool.

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

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NOTE 4 – Capital Assets:

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 1,019,283	\$ -	\$ -	\$ 1,019,283
Capital assets, being depreciated:				
Land improvements	99,428	-	-	99,428
Buildings and building improvements	9,923,046	15,378	-	9,938,424
Vehicles and equipment	7,382,779	134,128	-	7,516,907
Total capital assets being depreciated	17,405,253	149,506	-	17,554,759
Less accumulated depreciation for:				
Land improvements	(99,428)	-	-	(99,428)
Buildings and building improvements	(5,815,342)	(331,332)	-	(6,146,674)
Vehicles and equipment	(6,033,035)	(275,307)	-	(6,308,342)
Total accumulated depreciation	(11,947,805)	(606,639)	-	(12,554,444)
Total capital assets, being depreciated, net	5,457,448	(457,133)	-	5,000,315
Governmental activities capital assets net	\$ 6,476,731	\$ (457,133)	\$ -	\$ 6,019,598

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	Balance <u>July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2018</u>
Business-type Activities:				
Capital assets, not being depreciated:				
Land	\$ 30,588	\$ -	\$ -	\$ 30,588
Capital assets, being depreciated:				
Buildings	338,550	-	-	338,550
Vehicles and equipment	<u>1,360,137</u>	<u>247,021</u>	<u>(216,740)</u>	<u>1,390,418</u>
Total capital assets being depreciated	<u>1,698,687</u>	<u>247,021</u>	<u>(216,740)</u>	<u>1,728,968</u>
Less accumulated depreciation for:				
Buildings	(291,153)	(13,542)	-	(304,695)
Vehicles and equipment	<u>(586,304)</u>	<u>(149,918)</u>	<u>182,113</u>	<u>(554,109)</u>
Total accumulated depreciation	<u>(877,457)</u>	<u>(163,460)</u>	<u>182,113</u>	<u>(858,804)</u>
Total capital assets, being depreciated, net	<u>821,230</u>	<u>83,561</u>	<u>(34,627)</u>	<u>870,164</u>
Business-type activities capital assets, net	<u>\$ 851,818</u>	<u>\$ 83,561</u>	<u>\$ (34,627)</u>	<u>\$ 900,752</u>

Depreciation expense of \$606,639 was charged to the public safety function and \$163,460 was charged to Ambulance operations.

NOTE 5 – Defined Benefit Pension Plan:

Plan Description

The District contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

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Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members entering PERS on or after July 1, 2015 are eligible for retirement at age 65 with five years of service, or at age 62 with ten years of service, or at age 55 with 30 years of service, or any age with 33 1/3 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. The District contributes under the employer-pay contribution (EPC) option.

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Under the Employer-Pay provisions, the contributions made by employers on behalf of employees are not credited to the member's PERS account and are not refunded upon termination. For employees covered by the Employer-Pay provisions, average compensation is increased by half the total contributions made by the District and may not be less than it would have been if contributions had been made by the member and the employer separately.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2018 and 2017, the statutory employer/employee matching rates were 14.50% for Regular and 20.75% for Police/Fire. The employer-pay contribution (EPC) rates were 28.00% for Regular and 40.50% for Police/Fire.

The District's contributions were \$1,101,370 for the year ended June 30, 2018.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2017:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2017, PERS' long-term inflation assumption was 2.75%.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
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Net Pension Liability

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability of \$15,583,104. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportionate share of the net pension liability was based on the District's share of contributions in the PERS pension plan relative to the contributions of all participating PERS employers and members. At June 30, 2017, the District's proportion was 0.11717%, which was an increase of .00776 from its proportion measured at June 30, 2016.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the District as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$23,557,303	\$15,583,104	\$8,960,407

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website (www.nvpers.org).

Actuarial Assumptions

The District's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00% including inflation
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.9%, depending on service
	Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
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Mortality rates for healthy were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement were based on Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.50% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2018, the District recognized pension expense of \$1,352,477. At June 30, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,022,567
Changes in assumptions or other inputs	1,033,791	-
Net difference between projected and actual earnings on pension plan investments	101,179	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	1,163,730	258,758
District contributions subsequent to the measurement date	1,101,370	-
Total	<u>\$ 3,400,070</u>	<u>\$ 1,281,325</u>

Of the amount reported as deferred outflows of resources, \$1,101,370 related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2016 (the beginning of the measurement period ended June 30, 2017) is 6.39 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ending June 30:</u>	
2019	\$ 70,622
2020	(520,401)
2021	(279,747)
2022	86,303
2023	(256,313)
Thereafter	(117,839)

Additional Information

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

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NOTE 7 – Long-Term Debt:

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rate</u>
Governmental Activities:			
2012 General Obligation (Limited Tax) Refunding Bonds, Series 2012	12/04/12	3,429,000	2.35%
Medium Term Financing, Series 2013	12/11/13	1,000,000	2.70%
Sales tax refund	N/A	N/A	N/A
Compensated absences	N/A	N/A	N/A
Total Governmental Activities			
Business-Type Activities:			
Compensated absences	N/A	N/A	N/A
Total Long-Term Debt			

The annual requirements to amortize outstanding general long-term liabilities, excluding compensated absences and other post-employment benefits, at June 30, 2018 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation</u>		<u>Medium Term Financing</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 336,000	\$ 50,924	\$ 100,000	\$ 15,660
2020	345,000	43,029	100,000	12,960
2021	355,000	34,921	105,000	10,192
2022	366,000	26,578	105,000	7,358
2023	379,000	17,978	110,000	4,455
2024	<u>386,000</u>	<u>9,071</u>	<u>110,000</u>	<u>1,485</u>
	<u>\$2,167,000</u>	<u>\$182,501</u>	<u>\$ 630,000</u>	<u>\$ 52,110</u>

Interest expense of \$76,993 was incurred during the 2017-2018 year for long term liabilities. Compensated absences will be liquidated from the General Fund for Governmental Activities and from the Ambulance Fund for Business-Type Activities. The General Obligation Revenue Bonds and the Medium Term Financing will be liquidated from the Debt Service Fund, after transfers from the General Fund.

The District has pledged 15% of the Consolidated Tax revenue receipts for the repayment of the General Obligation (Limited Tax) Refunding Bonds, Series 2012. The Bonds are general obligation (limited tax) bonds additionally secured by the pledged revenue. The total principal and interest remaining to be paid on the 2012 General Obligation Refunding bonds is \$2,349,501 through fiscal year 2024. The current year principal and interest on the 2012 Refunding Bonds was \$389,703 and the pledged revenue was \$574,337.

<u>Principal Outstanding July 1, 2017</u>	<u>Additions</u>	<u>Reductions</u>	<u>Principal Outstanding June 30, 2018</u>	<u>Due Within One Year</u>
\$ 2,498,000	\$ -	\$ 331,000	\$ 2,167,000	\$ 336,000
725,000	-	95,000	630,000	100,000
-	155,484	-	155,484	103,656
<u>894,899</u>	<u>767,839</u>	<u>417,624</u>	<u>1,245,114</u>	<u>403,649</u>
<u>4,117,899</u>	<u>923,323</u>	<u>843,624</u>	<u>4,197,598</u>	<u>943,305</u>
<u>74,078</u>	<u>71,434</u>	<u>69,421</u>	<u>76,091</u>	<u>66,308</u>
<u>\$ 4,191,977</u>	<u>\$ 994,757</u>	<u>\$913,045</u>	<u>\$4,273,689</u>	<u>\$1,009,613</u>

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
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NOTE 8 – Interfund Transfers:

Interfund transfers for the year ended June 30, 2018 consisted of the following:

	Transfers To:
	Ambulance
<u>Transfers From:</u>	<u>Service Fund</u>
General Fund	\$ 1,400,000
Capital Projects Fund	167,993
	<u>\$ 1,567,993</u>

Transfers are used to move revenues from the General Fund to the funds that will expend them in accordance with the budget and to use unrestricted revenues collected or resources in the General Fund and Capital Projects Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 9 – Risk Management:

The District is exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; illness and injuries to employees; and natural disasters.

The District carries commercial insurance for risks of loss related to property and casualty liabilities. The District also carries health insurance for all eligible employees.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The District has joined together with similar public agencies, under the Nevada Interlocal Cooperation Act to create an intergovernmental self-insured association for Workers' Compensation insurance, the PACT. The District pays premiums based on payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

NOTE 10 – Other Post-Employment Benefits Plan (OPEB):

Plan Descriptions

The District contributes to a single employer defined benefit healthcare plan, the North Lake Tahoe Fire Protection District Health Insurance Benefit Plan (the District's Plan). The District's Plan is administered through the North Lake Tahoe Fire Protection District OPEB Trust. The measurement focus of this plan is its net OPEB liability. The District's Plan will issue a publicly available financial report, when available. More information can be obtained by contacting the North Lake Tahoe Fire Protection District business office.

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The District also provides OPEB for certain former employees through the Nevada Public Employees' Benefits Plan (PEBP), an agent multiple employer defined benefit plan. PEBP is administered by the State of Nevada, and as such, no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB No. 75. The measurement focus of PEBP is the total OPEB liability associated with participating former District employees. No separate financial reports are issued.

Benefit Provisions and Contributions (District Plan)

Benefit provisions for the District's plan are established pursuant to NRS 287.023 and can be amended by the District's Board of Directors. Benefit provisions for PEBP are established pursuant to NRS 287.023 and subject to amendment through legislation by the State of Nevada, each biennium. The District's plan provides medical, dental, vision, and life insurance benefits to eligible retired District employees and beneficiaries.

Employees must have at least fifteen years of full-time service to be eligible for benefits and must be at least 50 years of age. Employees who separate from the District with at least fifteen years of service may activate this benefit upon attainment of age 50. The District pays the entire cost of retiree health benefits for retirees, their spouses and their dependent children for employees hired prior to March 1, 2012. The coverage is provided until the employee and/or their spouse attain Medicare eligibility, and/or the children are no longer dependents as defined by the health insurance plan. For employees hired on or after March 1, 2012, the District will pay 65% of the premiums for the retiree until they attain Medicare eligibility.

Under state law, retiree loss experience is pooled with active loss experience for the purpose of setting rates. The difference between the true premium cost and the blended premium is an implicit rate subsidy that creates an OPEB cost for the District. The District's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates, as well as the percentage of pay-as-you-go premiums and is determined in actuarial studies contracted by the District.

Contribution requirements of the District's Plan may be amended through negotiations between the District and the employee associations. The contribution to the OPEB Trust is determined by the collective bargaining agreement and requires a minimum amount of \$25,200 be contributed. The District may contribute additional amounts based on projected pay-as-you-go financing requirements and actuarial studies contracted for by the District. For the year ended June 30, 2018, the District contributed \$691,366 to the OPEB trust and paid \$463,315 in pay-as-you-go premiums to benefit the District's Plan.

Benefit Provisions and Contributions (PEBP)

PEBP provides medical, prescription, vision, life and accident insurance, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan. Retirees are responsible for payment of unsubsidized premiums. The District is required to provide a subsidy for their retirees who have elected to join PEBP. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. The contributions required for PEBP subsidies depends on the date of retirement and years of PERS service former employees earned in total and while working for the

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
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	PEBP Increase (Decrease) Total OPEB Liability
Balance as of June 30, 2016	\$ 127,903
Changes for the year:	
Service cost	-
Interest on the total OPEB liability	8,881
Changes of benefit terms	-
Differences between actual and Expected experience with regard to economic or demographic factors	-
Changes of assumptions	-
Benefit payments	(6,178)
Other changes	-
Net changes	2,703
Balance as of June 30, 2017	\$ 130,606

The OPEB liability of both plans as of June 30, 2017 is \$7,385,981.

Sensitivity Analysis

The following presents the OPEB liabilities of the plans, as well as what each plan's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current discount rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
District's Plan - Net OPEB Liability	\$ 7,850,404	\$ 7,255,375	\$ 6,717,390
PEBP - Total OPEB Liability	141,317	130,606	120,922
OPEB Liability	<u>\$ 7,991,721</u>	<u>\$ 7,385,981</u>	<u>\$ 6,838,312</u>

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
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The following presents the OPEB liabilities of the plans, as well as what each plan's OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	1% Decrease (7.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.0% decreasing to 4.5%)	1% Increase (9.0% decreasing to 5.5%)
District's Plan - Net OPEB Liability	\$ 6,620,242	\$ 7,255,375	\$ 7,981,231
PEBP - Total OPEB Liability	<u>119,173</u>	<u>130,606</u>	<u>143,672</u>
OPEB Liability	<u>\$ 6,739,415</u>	<u>\$ 7,385,981</u>	<u>\$ 8,124,903</u>

OPEB Plan Fiduciary Net Position:

Detailed information about the OPEB plan fiduciary net position will be available in a separately issued North Lake Tahoe Fire Protection District OPEB Trust financial report. The audit of the OPEB Trust is currently in progress.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2018, the District recognized OPEB expense of \$757,133:

District Plan	\$ 748,252
PEBP	<u>8,881</u>
	<u>\$ 757,133</u>

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	District Plan		PEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on OPEB plan investments	\$ -	\$ 31,853	\$ -	\$ -
Contributions made subsequent to measurement date	1,154,681	-	7,125	-
Total	<u>\$ 1,154,681</u>	<u>\$ 31,853</u>	<u>\$ 7,125</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>District Plan</u>	<u>PEBP</u>	<u>Total</u>
2019	\$ (7,963)	\$ -	\$ (7,963)
2020	(7,963)	-	(7,963)
2021	(7,963)	-	(7,963)
2022	(7,964)	-	(7,964)

NOTE 11 – Tax Abatements

Consolidated sales taxes collected in Nevada are partially allocated to local governments in accordance with the distribution formulas established by Nevada Revised Statutes (NRS). The State of Nevada has entered into various tax abatement agreements which have reduced fiscal year 2018 intergovernmental revenues of the District by \$108,661.

State of Nevada Tax Abatements

Aviation Tax Abatement (NRS 360.753)	\$ 3,114
Data Centers Abatement (NRS 360.754)	43,248
Local Sales and Use Tax Abatement*	62,242
Renewable Energy Abatement (NRS 701A.370)	57

*Local Sales and Use Tax is a component of the State's Standard Tax Abatement (NRS 360.750).

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

NOTE 12 – Commitments and Contingencies

There are various lawsuits with property owners disputing the Assessor's valuation methods used for property within the Lake Tahoe Basin, which may ultimately impact the District. The outcome of the disputes is not presently determinable.

NOTE 13 – Restatements

Adoption of a New Standard

As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, and requires governments to calculate and report the cost and obligations associated with other postemployment benefits other than pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively remove the prior OPEB liability reported under GASB Statement No. 45 and adopt the provisions of GASB Statement No. 75 to report the beginning OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

Correction of Errors

During 2018, the District identified misstatements in the June 30, 2017 financial statements related to the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*. Based on the restated Schedule of Employer Allocations for GASB 82 implementation provided by the Public Employee's Retirement System of Nevada (PERS), the beginning net position was restated as of July 1, 2017 to report the previous overstatement of the balances reported for deferred outflows of resources (net pension related) at June 30, 2017.

During 2018, the District identified misstatements in the June 30, 2017 financial statements related to the recognition of receivables due from the North Lake Tahoe Fire Protection District OPEB Trust. Based on these misstatements, beginning net position was restated as of July 1, 2017 to report the previous understatement of the balances reported for accounts receivable at June 30, 2017.

The following summarizes the effect of the restatements:

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

	<u>Governmental Activities</u>	<u>Business- Type Activities</u>	<u>General Fund</u>	<u>Ambulance Fund</u>
Net position/fund balance at June 30, 2017, as previously reported	<u>\$ (1,192,559)</u>	<u>\$(1,104,944)</u>	<u>\$8,097,837</u>	<u>\$(1,104,944)</u>
GASB 82:				
Restatement of deferred outflows of resources, net pension related amounts	<u>(1,121,890)</u>	<u>(197,980)</u>	<u>-</u>	<u>(197,980)</u>
GASB 75:				
Remove previous reported OPEB liability reported under GASB Statement No. 45	3,292,375	-	-	-
Addition of OPEB liability under GASB Statement No. 75	(7,521,987)	-	-	-
Addition of deferred outflows of resources related to contributions made during the year	<u>723,078</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(3,506,534)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OPEB Trust:				
Recognition of amounts due from the OPEB Trust	<u>252,197</u>	<u>-</u>	<u>252,197</u>	<u>-</u>
Net position/fund balance at July 1, 2017, as restated	<u><u>\$(5,568,786)</u></u>	<u><u>\$(1,302,924)</u></u>	<u><u>\$8,350,034</u></u>	<u><u>\$(1,302,924)</u></u>

NOTE 14 – Subsequent Events

Effective July 1, 2018, the District entered into a new collective bargaining agreement that changes the benefits provided for employees on the District's Retiree Health Benefit Plan. These new provisions may have a significant impact on OPEB related amounts.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)
(1 of 2)**

	Budget Amounts		2018		2017
	Original	Final	Actual Amounts	Variance with Final Budget	Actual Amounts
REVENUES					
Taxes:					
Ad valorem					
Real and personal property	\$ 8,726,876	\$ 8,726,876	\$ 8,709,331	\$ (17,545)	\$ 8,388,660
Intergovernmental:					
State shared revenues					
Consolidated tax revenue	3,168,380	3,168,380	3,828,914	660,534	3,619,224
AB 104, fair share	593,835	593,835	681,530	87,695	638,005
Federal and state grants	-	-	458,629	458,629	186,239
	3,762,215	3,762,215	4,969,073	1,206,858	4,443,468
Miscellaneous:					
Interest	15,000	15,000	82,568	67,568	27,814
Fire suppression reimbursement and other	3,135,707	3,135,707	3,003,947	(131,760)	3,135,962
	3,150,707	3,150,707	3,086,515	(64,192)	3,163,776
Total Revenues	15,639,798	15,639,798	16,764,919	1,125,121	15,995,904
EXPENDITURES					
Public safety:					
Fire:					
Salaries and wages	7,001,268	7,001,268	7,045,899	(44,631)	6,463,208
Employee benefits:					
Retirement	2,134,008	2,134,008	1,912,353	221,655	1,817,678
Group medical insurance	1,041,338	1,041,338	1,090,464	(49,126)	1,078,034
Retiree medical	722,409	722,409	698,491	23,918	722,878
Industrial insurance	636,291	636,291	509,283	127,008	537,181
Clothing allowance	31,200	31,200	30,148	1,052	26,150
Medicare portion of Social Security	98,981	98,981	100,829	(1,848)	93,285
Unemployment insurance	125,000	125,000	64,284	60,716	114,915
Social Security	38,640	38,640	26,024	12,616	47,866
	4,827,867	4,827,867	4,431,876	395,991	4,437,987
Services and supplies:					
Utilities	117,197	117,197	98,863	18,334	96,571
Telephone	50,981	50,981	46,239	4,742	46,019
Professional services	284,360	284,360	241,176	43,184	275,581
Membership and meetings	4,448	4,448	4,110	338	7,444

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)
(2 of 2)**

	Budget Amounts		2018		2017
	Original	Final	Actual Amounts	Variance with Final Budget	Actual Amounts
Services and supplies (continued):					
Training	\$ 95,422	\$ 95,422	\$ 68,175	\$ 27,247	\$ 45,294
Public education supplies	10,500	10,500	11,127	(627)	9,326
Dispatch	231,000	231,000	231,000	-	231,000
District insurance	138,938	138,938	127,433	11,505	114,535
Vehicle repairs and maintenance	221,340	221,340	204,279	17,061	228,799
Equipment supplies	80,836	80,836	66,778	14,058	69,486
Radio and alarm	45,000	45,000	43,854	1,146	24,155
Operational expense	20,674	20,674	11,912	8,762	14,120
Station supplies	10,175	10,175	12,255	(2,080)	14,395
Publications and subscriptions	2,816	2,816	275	2,541	194
Physical fitness	44,250	44,250	27,537	16,713	31,391
Postage	5,200	5,200	4,070	1,130	5,258
Reimbursable expenditures	134,548	134,548	71,278	63,270	253,588
CPR/FACTS	24,000	24,000	30,176	(6,176)	28,760
Employee recognition	12,269	12,269	6,922	5,347	10,407
Office supplies	10,960	10,960	8,548	2,412	12,996
Special clothing and gear	95,275	95,275	51,990	43,285	86,915
Building repairs and maintenance	169,928	169,928	139,859	30,069	225,181
Interest expense	1,250,000	1,250,000	-	1,250,000	-
Real property tax refunds	1,800,000	1,800,000	-	1,800,000	-
	<u>4,860,117</u>	<u>4,860,117</u>	<u>1,507,856</u>	<u>3,352,261</u>	<u>1,831,415</u>
Total Expenditures	<u>16,689,252</u>	<u>16,689,252</u>	<u>12,985,631</u>	<u>3,703,621</u>	<u>12,732,610</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,049,454)</u>	<u>(1,049,454)</u>	<u>3,779,288</u>	<u>4,828,742</u>	<u>3,263,294</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(100,000)	(100,000)	-	100,000	-
Transfers out	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>(1,400,000)</u>	<u>-</u>	<u>(2,134,255)</u>
Total Other Financing Sources (Uses)	<u>(1,500,000)</u>	<u>(1,500,000)</u>	<u>(1,400,000)</u>	<u>100,000</u>	<u>(2,134,255)</u>
Net Change in Fund Balances	<u>(2,549,454)</u>	<u>(2,549,454)</u>	<u>2,379,288</u>	<u>4,928,742</u>	<u>1,129,039</u>
FUND BALANCES, BEGINNING OF YEAR, AS ORIGINALLY REPORTED	7,451,193	7,451,193	8,097,837	646,644	6,968,798
PRIOR PERIOD ADJUSTMENT	<u>-</u>	<u>-</u>	<u>252,197</u>	<u>252,197</u>	<u>-</u>
FUND BALANCES, BEGINNING OF YEAR, AS RESTATED	<u>7,451,193</u>	<u>7,451,193</u>	<u>8,350,034</u>	<u>898,841</u>	<u>6,968,798</u>
FUND BALANCES, END OF YEAR	<u>\$ 4,901,739</u>	<u>\$ 4,901,739</u>	<u>\$ 10,729,322</u>	<u>\$ 5,827,583</u>	<u>\$ 8,097,837</u>

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of Changes in the District's OPEB Liability and Related Ratios
Last 10 Fiscal Years

North Lake Tahoe Fire Protection District Health Benefits Plan (District Plan):

	2017
Total OPEB liability	
Service cost	\$ 250,647
Interest	548,689
Benefit payments	(629,708)
Net change in total OPEB liability	169,628
Total OPEB liability - beginning	7,899,306
Total OPEB liability - ending (a)	<u>\$ 8,068,934</u>
 Plan fiduciary net position	
Employer contributions	\$ 855,108
Net investment income	82,937
Benefit payments	(629,708)
Net change in plan fiduciary net position	308,337
Plan fiduciary net position - beginning	505,222
Plan fiduciary net position - ending (b)	<u>\$ 813,559</u>
 District Plan net OPEB liability -ending (a) - (b)	<u>\$ 7,255,375</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	10.08%
 Covered-employee payroll	6,402,732
 District's Plan net OPEB liability as a percentage of covered-employee payroll	113.32%

Nevada Public Employees' Benefits Plan (PEBP):

	2017
Total OPEB liability	
Interest	\$ 8,881
Benefit payments	(6,178)
Net change in total OPEB liability	2,703
Total OPEB liability - beginning	127,903
Total OPEB liability - ending	<u>\$ 130,606</u>

Notes to Schedule:

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 for PEBP.

The District adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. Information is not available prior to that time.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of District Contributions - OPEB
Last 10 Fiscal Years

North Lake Tahoe Fire Protection District Health Benefits Plan (District Plan):

	<u>2017</u>
Actuarially determined contribution	\$ 882,177
Contributions in relation to the actuarially determined contribution	<u>855,108</u>
Contribution deficiency (excess)	<u>\$ 27,069</u>
Covered-employee payroll	<u>\$ 6,402,732</u>
Contributions as a percentage of covered-employee payroll	13.36%

Notes to Schedule:

Valuation date: July 1, 2017, rolled backward to June 30, 2017

Methods and assumptions used to determine contribution amount:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, open
Remaining amortization period	30 years
Asset valuation method	Market value
Healthcare inflation rate	8.0% initial, 4.50% ultimate
Salary increases	Ranges from 14.3% with less than one year of service to 4.6% with 13 or more years of service
Investment rate of return	7.00%, net of OPEB plan investment expense
Mortality	RP-2014 Mortality Tables adjusted to reflect Mortality Improvement Scale MP-2017 from the 2006 base year, and projected forward on a generational basis

No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75 for PEBP.

The District adopted GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, for the year ended June 30, 2018. Information is not available prior to that time.

The schedule reports information by the fiscal year of the measurement date as that is when information is available.

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
Schedule of the District's Proportionate Share of Net Pension Liability
Public Employees' Retirement System of Nevada (PERS)
Last 10 Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's portion of net the pension liability	0.11717%	0.10941%	0.11230%	0.10800%
District's proportionate share of the net pension liability	\$ 15,583,104	\$ 14,722,931	\$ 12,868,725	\$ 11,255,393
District's covered payroll	\$ 5,772,945	\$ 4,827,941	\$ 4,740,506	\$ 4,405,244
Districts' proportional share of the net pension liability as a percentage of its covered payroll	269.93%	304.95%	271.46%	255.50%
Plan fiduciary net position as a percentage of the total pension liability	74.42%	72.23%	75.13%	76.31%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information for only those years for which information is available.

Schedule of the District Contributions - Pension
Public Employees' Retirement System of Nevada (PERS)
Last 10 Fiscal Years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily required contribution*	\$ 1,103,370	\$ 1,051,687	\$ 927,603	\$ 866,686
Contributions in relation to the statutorily required contribution	\$ 1,103,370	\$ 1,051,687	\$ 927,603	\$ 866,686
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 6,019,370	\$ 5,772,945	\$ 4,827,941	\$ 4,740,506
Contributions as a percentage of covered payroll	18.33%	18.22%	19.21%	18.28%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information for only those years for which information is available.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.50% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

*All contributions shown reflect employer-paid contributions only. Member contributions are excluded. Prior values are restated due to GASB No. 82, which classifies contributions as member contributions for the purposes of GASB No. 68 if they are made by an employer to satisfy what are actually deemed to be member contribution requirements.

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018				2017
	Budget Amount				
	Original	Final	Actual	Variance	Actual
EXPENDITURES					
Debt service:					
Principal	\$ 426,000	\$ 426,000	\$ 426,000	\$ -	\$ 415,000
Interest	76,993	76,993	76,993	-	87,081
Total Expenditures	502,993	502,993	502,993	-	502,081
Excess (Deficiency) of Revenues over Expenditures	(502,993)	(502,993)	(502,993)	-	(502,081)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	494,182
Net Change in Fund Balances	(502,993)	(502,993)	(502,993)	-	(7,899)
FUND BALANCES, BEGINNING OF YEAR	502,993	502,993	502,993	-	510,892
FUND BALANCES, END OF YEAR	\$ -	\$ -	\$ -	\$ -	\$ 502,993

**NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018				2017
	Budget Amount		Actual	Variance	Actual
	Original	Final			
REVENUES					
Miscellaneous:					
Other	\$ 40,000	\$ 40,000	\$ 40,000	\$ -	\$ 40,000
EXPENDITURES					
Capital outlay	354,474	354,474	149,506	204,968	285,888
Excess (Deficiency) of Revenues over Expenditures	(314,474)	(314,474)	(109,506)	204,968	(245,888)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	340,073
Transfers out	-	-	(167,993)	(167,993)	(240,581)
Sale of capital assets	-	-	-	-	23,757
Total Other Financing Sources (Uses)	-	-	(167,993)	(167,993)	123,249
Net Change in Fund Balances	(314,474)	(314,474)	(277,499)	36,975	(122,639)
FUND BALANCES, BEGINNING OF YEAR	607,403	607,403	459,615	(147,788)	582,254
FUND BALANCES, END OF YEAR	\$ 292,929	\$ 292,929	\$ 182,116	\$ (110,813)	\$ 459,615

NORTH LAKE TAHOE FIRE PROTECTION DISTRICT
ENTERPRISE FUND - AMBULANCE FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018				2017
	Budget Amount		Actual	Variance	Actual
	Original	Final			
OPERATING REVENUES					
Charges for services:					
Public safety:					
Ambulance	\$ 502,157	\$ 502,157	\$ 582,744	\$ 80,587	\$ 584,405
GEMT Cost Settlement	-	-	180,788	180,788	-
Other	70,725	70,725	77,556	6,831	41,034
Total Operating Revenues	572,882	572,882	841,088	268,206	625,439
OPERATING EXPENSES					
Public safety:					
Ambulance:					
Salaries and wages	822,068	822,068	941,552	(119,484)	837,942
Employee benefits	541,334	541,334	622,848	(81,514)	560,384
Services and supplies	680,452	680,452	507,269	173,183	472,336
Depreciation	82,567	82,567	163,460	(80,893)	121,156
Total Operating Expenses	2,126,421	2,126,421	2,235,129	(108,708)	1,991,818
Operating Income (Loss)	(1,553,539)	(1,553,539)	(1,394,041)	159,498	(1,366,379)
NONOPERATING REVENUES					
Interest revenue	744	744	610	(134)	807
Gain on sale of capital assets	-	-	3,871	3,871	1,892
Insurance recovery	-	-	-	-	82,943
Grant revenue	-	-	49,180	49,180	86,736
Total Nonoperating Revenues	744	744	53,661	52,917	172,378
Income (Loss) before Transfers	(1,552,795)	(1,552,795)	(1,340,380)	212,415	(1,194,001)
TRANSFERS					
Transfers in	1,400,000	1,400,000	1,567,993	167,993	1,540,581
Changes in Net Position	<u>\$ (152,795)</u>	<u>\$ (152,795)</u>	227,613	<u>\$ 380,408</u>	346,580
NET POSITION, BEGINNING OF YEAR, AS ORIGINALLY STATED			(1,104,944)		(1,451,524)
RESTATEMENT			(197,980)		-
NET POSITION, BEGINNING OF YEAR, AS RESTATED			(1,302,924)		(1,451,524)
NET POSITION, END OF YEAR			<u>\$ (1,075,311)</u>		<u>\$ (1,104,944)</u>



**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 Directors
North Lake Tahoe Fire Protection District
Incline Village, Nevada

We have audited, 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, the financial statements of the governmental activities, the business-type activities, and each major fund of North Lake Tahoe Fire Protection District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and responses we identified a certain deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses as Finding 2018-A to be material a weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

North Lake Tahoe Fire Protection District's Response to Finding

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Reno, Nevada
November 30, 2018



Auditor's Comments

To the Board of Directors
North Lake Tahoe Fire Protection District
Incline Village, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, and each major fund of the North Lake Tahoe Fire Protection District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, except as noted, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The District conformed to all significant statutory constraints on its financial administration during the year as noted in Note 2 of the accompanying financial statements.

Progress on Prior Year Statute Compliance

The District has arranged for audits of the North Lake Tahoe Fire Protection District Post-employment Plan and Trust.

Prior Year Recommendations

The prior year finding 2017-A was corrected.

Current Year Recommendations

The current year finding is included in the accompanying Schedule of Findings and Responses.

Eide Bailly LLP

Reno, Nevada
November 30, 2018

2018-A: Accounts Receivable – OPEB Trust
Material Weakness

Criteria: Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Properly reporting receivables is a key component of effective internal control over financial reporting.

Condition: During our testing over transactions involving the North Lake Tahoe Fire Protection District OPEB Trust (OPEB Trust), we noted that the amounts paid by the District for retiree premiums on behalf of the OPEB Trust during the six months ended June 30, 2017 were not being recognized as amounts due from the OPEB Trust for reimbursement. A similar amount was not recognized at June 30, 2018.

Cause: North Lake Tahoe Fire Protection District did not have adequate controls in place to ensure the amounts due from the OPEB Trust were appropriately reflected in the financial statements.

Effect: Prior to adjustment, beginning fund balance/net position in the General Fund and Governmental Activities, was understated by \$252,197. In addition, accounts receivable was understated in the General Fund and Governmental Activities by \$249,346.

Recommendation: We recommend North Lake Tahoe Fire Protection District enhance controls over amounts due from the OPEB Trust to ensure they are accurately and timely recorded.

Views of Responsible Officials: The requirement for financial statements, an audit, and filing tax returns for the North Lake Tahoe Fire Protection District Post-Retirement Plan & Trust, which was established February 18, 2015, was brought to management's attention November 2017 at the completion of the District's 2016-2017 audit. Management relies on Eide Bailly for guidance in financial accounting and reporting requirements and now that management is aware of these requirements management will ensure enhanced controls are in place.



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

PREPARED BY: DEPARTMENT OF FINANCE & ACCOUNTING



GREETINGS!

The following pages comprise the Incline Village General Improvement District (IVGID) Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2018. Our financial records support what is further proof of a financially sustainable government model, which IVGID offers the communities of Incline Village and Crystal Bay.

IVGID's enviable financial condition continues with our increases in net position, readily available cash, low debt ratio and no unfunded pension and medical liabilities.



Over the past five years:

- Our cash position remains adequate while our net investment in capital assets has increased to \$117.3 million.
- Our 2018 expenses have increased entirely due to meeting service levels for our venues, while remaining on average an increase of 2 percent per year.
- Our utility revenues have increased to ensure adequate cash flow to not only fund annual operations, but to also fund future capital improvement needs, especially the effluent pipeline project.
- Our recreation user fees have been otherwise stable.
- Our governmental revenues (property tax and combined taxes) are no longer subject to litigation refunds and have been steady to increasing over the entire period.
- Our bonded indebtedness has dropped from \$1546 to \$767 per capita.
- Our total recreation fee cost to the property owners has remained flat over the entire period.

Current Conditions:

- Our unrestricted net position of \$28 million is 400% greater than our total outstanding indebtedness of \$7 million.
- Since 2008, our outstanding indebtedness has dropped from a high of \$27.2 million to \$7 million.
- Our outstanding indebtedness is only .8% of our statutory debt capacity.
- Our ratio of debt service to total expenditures has dropped to 5.4%.

Conclusion

Despite this track record of exceptional financial performance, we refuse to rest on our performance so far. We will continue to endeavor to provide quality service to all of our customers at the lowest cost possible. In addition, we will continue to excel in financial and capital planning in the most transparent, inclusive manner possible.

I'd like to personally thank our dedicated management staff for all the work that they do throughout the year and in conjunction with this important document. I'd also like to thank all of our stakeholders: property owners, business owners, residents, guests and our employees for their continuing support of all of our operations. Together, we all play a part in making Incline Village/Crystal Bay one of the most livable communities in the nation.

Steven J. Pinkerton
General Manager

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INTRODUCTION



November 30, 2018

**Citizens of Incline Village and Crystal Bay
Board of Trustees for the Incline Village General Improvement District**

The Incline Village General Improvement District (the District) hereby submits our Comprehensive Annual Financial Report (the Report) for the year ended June 30, 2018. The Finance Department publishes the Report to provide financial and general information about the District to members of the Incline Village/Crystal Bay community, customers, the investment community, and general public. The data presented is designed to help readers assess the financial condition of the District and to understand the services that the District provides to the Incline Village/Crystal Bay community. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control. Since the cost of internal control should not exceed the anticipated benefits, the objective is to provide reasonable assurance, rather than absolute assurance, that the financial statements are free of any material misstatements.

State law requires that each local government publish, within five months of the close of each fiscal year, an annual audit of all of its financial statements. The audit must be presented at a meeting of the governing body held not more than 30 days after the report is submitted. Also, the report must be presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with United States Generally Accepted Auditing Standards by a firm of licensed certified public accountants. We hereby issue the Comprehensive Annual Financial Report of the Incline Village General Improvement District.

The District's financial statements are audited by Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended

June 30, 2018, are free of material misstatements. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the District's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The unmodified Independent Auditors' Report appears in the Financial Section.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statement in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with that overview. The District's MD&A can be found immediately following the report of the independent auditors.

Profile of the District

The District was formed in 1961 in accordance with the State of Nevada's Revised Statutes, Chapter 318, pertaining to General Improvement District Law as a body corporate and public and a quasi-municipal corporation in the State of Nevada. The District is located on the northeast corner of Lake Tahoe, in the Sierra Nevada Mountains, and occupies a land area of approximately 15.36 square miles and serves a base population of approximately 9,000 residents. In accordance with the enabling legislation, the District provides water, waste water, and solid waste services within its boundaries, as well as various recreational amenities including downhill skiing, two golf courses, a multi-use recreation center, tennis facilities, meeting facilities, parks, recreation programs, beaches, playgrounds and other recreation-related programming. The District serves approximately 4,200 water/sewer customers, accommodates over 100,000 skiers, 35,000 golfers, and 170,000 beach users, and oversees a variety of other activities including over 120,000 visits to the Recreation Center annually.

IVGID's Vision Statement

With passion for quality of life and our environment, Incline Village General Improvement District will enhance the reputation of our community as an exceptional place to live, work, invest, and play.

IVGID's Mission Statement

Incline Village General Improvement District delivers exemplary recreational experiences and provides the highest level of water, sewer, and solid waste services while striving for fiscal and environmental sustainability.

IVGID's Value Statement

We are dedicated people providing quality service, for our community and environment, with integrity and teamwork.

IVGID's Mantra Statement

One District • One Team

IVGID's Long Range Principles

The District adopted a Strategic Plan for July 1, 2015 through June 30, 2018. Part of the plan includes six Long Range Principles. Under the direction of the Board of Trustees and the leadership of the District General Manager, the Principles align our activities to the strategy of the District. Each Principle addresses objectives over the two years of the Plan, as well as annual budget initiatives.

RESOURCES AND ENVIRONMENT – Initiating and maintaining effective practices of environmental sustainability for a healthy environment, a strong community and a lasting legacy.

- Review and upgrade District policies and practices to encourage or require waste reduction, recycling and environmentally preferable purchasing.
- Develop sustainability measures, goals and metrics to create and/or maintain a sustainable District.
- Provide the community with environmental education and technical services on watershed protection, water conservation, pollution prevention, recycling and waste reduction.

FINANCE – The District will ensure fiscal responsibility and sustainability of service capacities by maintaining effective financial policies for operating budgets, fund balances, and capital improvement and debt management.

- Adhere to Government Generally Accepted Accounting Principles.
- Comply with State and Federal regulations.
- Maintain Performance Measurement.
- Report results and demonstrate value.
- Develop and maintain a long term plan to sustain financial resources.

WORKFORCE – Attract, maintain and retain a highly qualified, motivated and productive workforce to meet the needs of District venues.

- Staff will evaluate open position job descriptions, for need to fill, level of and related compensation for the position.
- Re-evaluate, during the budget process, the optimum level of Staff and related total compensation, necessary to each department based on industry standard and level of service.
- Comply with State and Federal regulations.
- Continue to provide a safe environment and continue to strive for low worker's compensation incidents.
- Identify individuals for retention and growth for management succession within the District.

SERVICE – The District will provide superior quality service and value to its customers considering responsible use of District resources and assets.

- Provide well defined customer centric service levels consistent with community expectations.
- Apply Performance Management to meet or exceed established venue customer service levels.
- Utilize best practice standards for delivery of services.

- Commit to evaluate customer loyalty/satisfaction to demonstrate the value of results.
- Maintaining customer service training for new, returning and existing employees.

ASSETS AND INFRASTRUCTURE – The District will practice perpetual asset renewal, replacement and improvement to provide safe and superior long term utility services and recreation activities.

- Maintain, renew, expand and enhance District infrastructure to meet the capacity needs and desires of the community for future generations.
- Maintain, procure and construct District assets to ensure safe and accessible operations for the public and the District's workforce.
- Maintain current Community Service and Public Works master plans.
- Maintain a 5-Year and 20-Year capital improvement plan.
- Conduct planning and design, in advance of undertaking projects or procurement, to ensure new District assets meet operational requirements and enhance the customer experience.
- Maintain an asset management program leveraging technology, as appropriate by venue/division, to ensure timely and efficient asset maintenance.
- Comply with regulatory requirements and industry standards.

COMMUNICATION – The District will engage, interact and educate to promote understanding of the programs, activities, services, and ongoing affairs.

- Promote transparency in all areas including finance, operations and public meetings.
- Provide clear, concise and timely information in multiple, publicly accessible formats.
- Ensure that both internal and external communication is responsive, comprehensive and inclusive.

District Management

A five-person elected Board of Trustees, with 4-year terms, governs the District. Every other year, two or three of the trustee terms expire and are up for election. Upon being elected, the trustees assume office on January 1 or the first board meeting of the year. The District has benefited from longevity and management experience. The Senior Management Team is led by District General Manager Steven J. Pinkerton. The District has made a commitment to developing strategy that leads to results. It has also continued a commitment for sustainability in financing for capital assets. The District has made many capital investments out of current resources, along with paying off bonds utilized to finance improvements. The Facility Fee, which is charged by parcel, is a significant source for both capital expenditure and debt service for the Community Services and the Beach activities. This fee has been at the same total for the eight years, but has transitioned more for capital improvement and less for debt service. The Utility Fund has been increasing its rates for several years in anticipation of a major improvement to the effluent export pipeline that is several years away from construction.

The District adheres to the Local Government Budget Act incorporated within Nevada Revised Statutes, which includes prescribed procedures to establish the budgetary data reflected in these financial statements. On or before April 15, 2017, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the budget and Facility Fees were held on May 24, 2017. On or before June 1, 2017, the Board adopted final budget for the year ended June 30, 2018 was filed with the Nevada Department of Taxation.

Budgets are adopted on a basis consistent with GAAP for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds type budgets are adopted on an accrual basis. The District can amend or augment the budget after following State statutes and public hearing procedures. The District did augment its budget for the Community Services Special Revenue to reflect higher than expected activity for the ski resort and filed the documents with the State of Nevada.

District Financial Initiatives and Accomplishments

The Board of Trustees establishes policy and direction, within the framework of the District Strategic Plan and its Long Range Principles. That direction provides initiatives for each budget year. For the year ending June 30, 2018 emphasis continues on developing performance measures, stabilizing planning for capital improvements, and enhancing communication at many levels. It also marks the completion of the first plan under our General Manager which ran from 2015 to 2018. An updated Strategic Plan has been adopted for 2018-2020.

Performance measurement through Fund Accounting Governmental Fund Accounting demonstrates sources and uses through budgeting and reporting. The District's parcel owners pay a facility fee that is dedicated to operational, capital improvement and debt service by functions or activities. By using the Special Revenue, Capital Projects and Debt Service Fund Types; the District can demonstrate and communicate the relationship of the facility fee paid to how it was used for these very different types of transactions. Many of the District's service venues require substantial capital investment and improvements. Operating statements alone do not represent the true scope of activity to make services available. This accounting not only provides a record of accomplishment, but allows for focused planning to meet the strategic objectives of sustainability and capital maintenance.

Utility Rates to Support Infrastructure The District has identified approximately 6 miles of effluent pipeline for replacement over a series of years. This project is expected to cost at least \$15,000,000. This replacement will be paid for by rate increases over a period of years, rather than debt. Sewer Rates have been increased for several years to accumulate more resources for this project. Water rates are set to strictly pay for what you use as a cost of service. The latest rate increase went into effect in May 2018. Results of the Utility operations exceed budget. The resources intended for the long term portion of the effluent project, have been invested.

Holding the combined Recreation and Beach Facility Fee at \$830 The fiscal year 2017-18 marks the eighth year in which the combined fee totaled \$830. The facility fee revenue was realized as planned.

Minimizing the year to year changes in the Facility Fee to support capital expenditures Fiscal year 2017-18 also marks the eighth year for what has become known as "smoothing". This is an initiative integrated with the 5-year capital plan, to schedule projects in a way to provide reasonably level amounts for capital expenditure thus avoiding increases in the total Facility Fee from year to year. The Recreation and Beach Facility Fee is intended to generate resources for operations, debt service and capital expenditures. The debt service and capital expenditure components are budgeted based on specific issues and projects. Following the maturity of bond issues, resources for debt service were directed toward capital improvement. Results of operations for 2017-18 in the Community Services Special Revenue Fund were over budget. The Community Services Special Revenue fund balance continues to be evaluated and is expected to be used for several major capital projects that have been identified for completion in the next three years.

Factors Affecting Financial Condition

Located on the northeast shore of Lake Tahoe, Nevada, near the California border in Washoe County, the District's economy is largely dependent on tourism, centered on summer and winter recreational activities. Due to its location, the region's economy is closely tied to the California/San Francisco Bay Area economy. The Reno-Sparks Convention & Visitors Authority report at June 2018 indicates the combined room occupancy rate is up 2.6% from last year.

Development within the District is challenged by the availability of parcels for redevelopment. There are commercial projects planned in Crystal Bay. The preliminary development permits for the projects have been approved. The scope of the development will be determined by future events. It is anticipated they will have a positive effect on the area.

Located in Incline Village, Sierra Nevada College (SNC) is Nevada's only private residential four-year liberal arts college which serves the community at large and those looking for a unique educational experience. The college has forged a unique partnership with Tahoe Center for Environmental Sciences (TCES). This partnership, between public and private institutions of higher education in two states, includes Sierra Nevada College, the University of California, Davis (UC Davis), the Desert Research Institute (DRI) and the University of Nevada, Reno (UNR).

The 2010 census population of 9,087 reflects an 8% decrease since 2000. Of the District's 7,954 housing units, the Census reports 3,353 for seasonal recreation use. This is 14% more than the number in 2000. There is no indication of a change in these factors as of 2018. The median housing value at June 30, 2018 for single family residence and condo sales for Incline Village and Crystal Bay are \$1,197,500 and \$557,500, respectfully, representing a 14% decrease on residence and a 30% increase on condos over last year. For the entire Washoe County the values were \$387,000 and \$244,900 respectively. Values in Incline Village and Crystal Bay tend to be more than the general County because of a strong demand by California buyers looking for a preferred tax address in the Tahoe Basin.

The Reno-Sparks June 2018 unemployment rate of 3.5% and is slightly under the State at 4.7% and is below the national level at 4%.

Lake Tahoe is known as one of the most beautiful regions in the world and as the largest alpine lake in North America, it offers an alpine environment untouchable anywhere else. The pristine beauty of Lake Tahoe draws over three and one-half million visitors annually from around the world. From snow skiing to golfing to boating to gaming, Lake Tahoe is one of the premier resort destinations, offering visitors countless activities. Additionally, Incline Village/Crystal Bay offers a spectacular and serene mountain neighborhood for property owners.

The 2004 Legislature passed Assembly Bill 489 to provide property tax relief which provides a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on the tax bill of other properties beginning with the 2005/2006 tax roll in Washoe County. For the fiscal year 2017-2018 the abatement was \$380,953, based on State of Nevada Department of Taxation formulas. The pre-abated Ad Valorem levy was \$1,918,003.

Beginning in 2010, the District has had a portion of its property tax settlements offset to settle a court ordered tax refund by Washoe County. The General Fund was able to meet this obligation while maintaining service levels while the refund was completed. Over the course of four years the total offset was approximately \$1,200,000. A new action has been taken to the NV Supreme Court and Washoe County District Court to decide if another round of refunds should be ordered. A decision has not been reached, nor is the outcome and possible affected determinable as of June 30, 2018.

Budget augmentation, application of budget contingency and other budget reconciliations

The District approves a budget for each fiscal year by completing Form 4404LGF as prescribed by the State of Nevada Department of Taxation Local Government Finance. Preparation of this form set includes prescribed account titles and allowable levels of detail. This form set in essence creates a Budgetary Basis accounting and presentation. To provide adequate financial planning, the District's approach to the budget includes an evaluation in more detail of the flow of resources for both governmental and business-type activities. This results in the District budgeting for capital expenditure and debt service in the enterprise funds, similar to governmental type funds. The District has presented additional schedules to reconcile basic financial statement presentations with information included in Form 4404LGF for the fiscal year ending June 30, 2018.

The District has leased its two golf cart fleets for a number of years. The 80 cart fleet for the Championship Course was replaced ahead of the 2017 season. The Board of Trustees voted to buy the fleet outright, when it had been budgeted to be leased. This required an augmentation in March 2017 to utilize fund balance. The Community Services Special Revenue and Capital Projects Funds were amended for the \$448,000 expenditure.

As a result of a late season surge in visits at the ski resort, the District's skier visits far exceed budget. A budget augmentation was adopted June 13 which increased Community Service Special Revenue Fund revenues by \$850,000 and expenditures by \$370,000. This augmentation was largely focused on setting expenditures at a proper level to be in compliance with Nevada Revised Statutes.

The District budgeted contingency in the General and Special Revenue Funds. None of the contingency was used for 2017-18.

The same record snow conditions that helped the results at the 2016-2017 ski resort also caused additional maintenance costs for many other venues to recover from the 2016-17 winter which is being called snowmageddon. These conditions continued to have consequences into the 2017-18 fiscal year by added costs to the culvert capital improvement project.

The District has been engaged in a lawsuit for over five years that received a final order, which was then appealed. Legal costs of the appeal were not budgeted. The majority of those costs were incurred in prior fiscal years.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Incline Village General Improvement District for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the eighteenth year that the District has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both GAAP and applicable legal requirements.

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

Acknowledgments

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the accounting department and the District's venues. We wish to express our appreciation to all staff assisting with the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support of maintaining the highest standard of professionalism in the management of Incline Village General Improvement District.

Steven J. Pinkerton

General Manager

Incline Village General Improvement District

Gerald W. Eick, CPA CGMA

Director of Finance

Incline Village General Improvement District



INCLINE VILLAGE AND CRYSTAL BAY COMMUNITIES

IVGID BOARD OF TRUSTEES

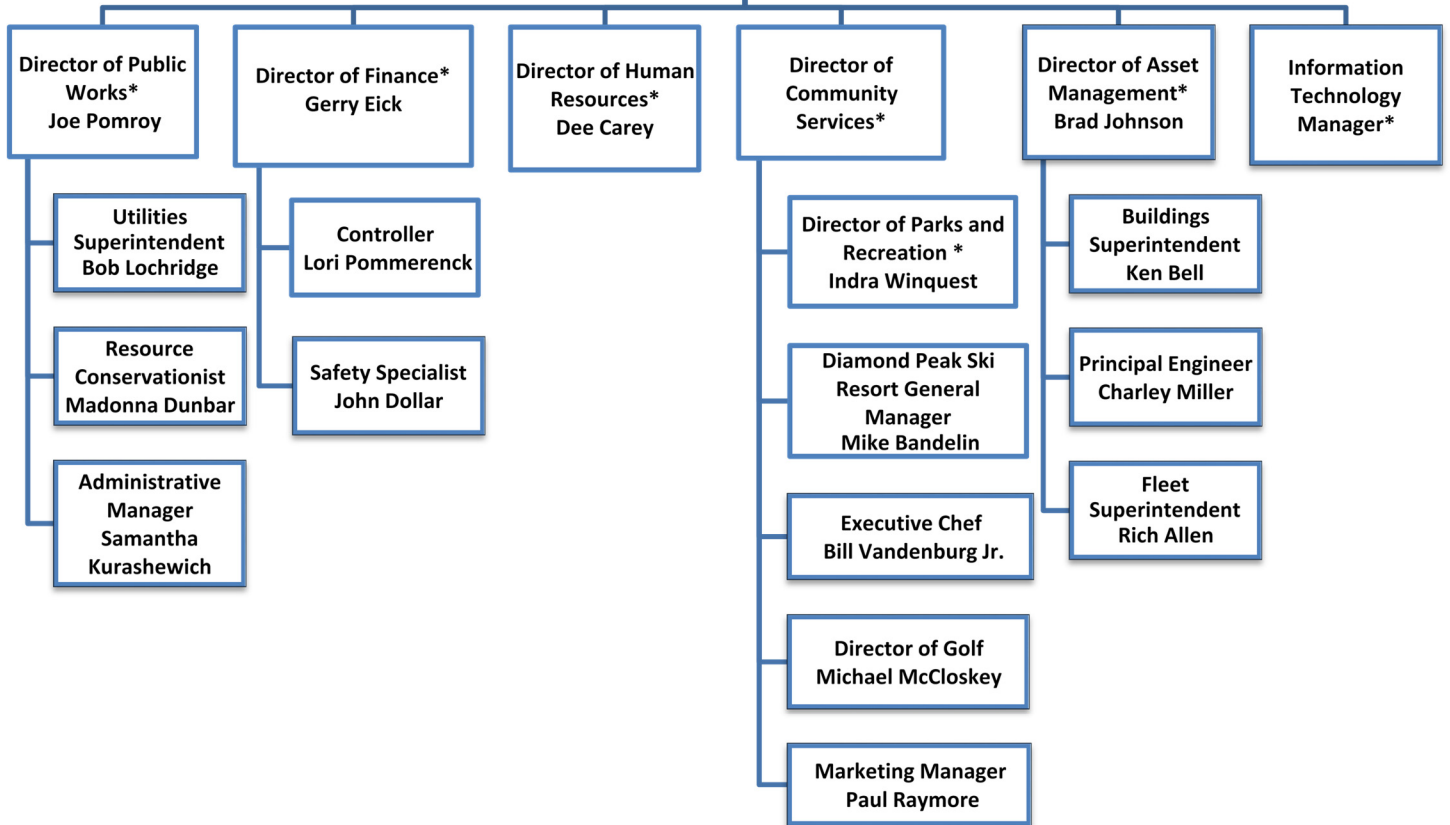
Tim Callicrate Term Expires 2018	Matthew Dent Term Expires 2020	Kendra Wong Term Expires 2018	Peter Morris Term Expires 2020	Phil Horan Term Expires 2020
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General Manager*
Steven J. Pinkerton

District General Counsel*
(Contract Position)

Executive Assistant/District Clerk *
Susan Herron

Communications Coordinator
Misty Moga



* Members of the Senior Team

ACHIEVEMENT



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Incline Village General
Improvement District, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO

This prestigious and national award, presented by the Government Finance Officers Association (GFOA) of the United States and Canada, recognized conformance with the highest standards for preparation of state and local government financial reports.

IVGID received the Certificate of Achievement of Excellence in Financial Reporting for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2017

NATIONAL AWARD

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

FINANCIALS



Independent Auditor's Report

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

Report on the Financial Statements

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 Incline Village General Improvement District (the District), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

What inspires you, inspires us. Let's talk. | eidebailly.com

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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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund, Community Services Special Revenue Fund, and Beach Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 20 and the schedule of employer required contributions on page 56, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, individual fund schedules including budgetary comparisons, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The individual fund schedules including budgetary comparisons are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual fund schedules including budgetary comparisons are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2018 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, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 30, 2018

Incline Village General Improvement District Management's Discussion and Analysis For the Fiscal Year ended June 30, 2018

As management of the Incline Village General Improvement District (District), we offer readers of the District's financial statements this narrative and analysis of the financial activities of the Incline Village General Improvement District for the fiscal year ended June 30, 2018. We encourage readers to consider the information presented here in conjunction additional information that we have furnished in our letter of transmittal, financial statements, and notes to the financial statements to gain a more complete picture of the information presented.

Financial Highlights

Weather continues to play a key role in financial performance of the District. The Community Services ski venue had a late season surge in visits that resulted in additional revenue and costs to require a budget augmentation. A normal golf season allowed both courses to work on programming and the use of dynamic pricing to improve their revenue realization. The Championship golf course experienced an increase in food and beverage activities more so than golf rounds. The beach season had above average attendance. The Utility services had an average year for their flows. Overall the District still maintains a healthy financial condition for liquidity, operations and capital management. The District continues to meet its financial obligations and provide services to the community at large. Maintaining the care and condition of infrastructure is a high priority for all venues. The Utility Fund continues to build resources for a future Effluent Pipeline Project, while executing the preliminary study and design.

June 30, 2018 Fiscal Year Highlights Based on Government-wide Financial Statements:

- The assets of the District exceeded its liabilities, at the close of the most recent fiscal year, by \$146 million (net position). Of this amount, \$28 million (unrestricted net position) may be used to meet the District's ongoing obligations.
- The District's net position increased \$5.4 million. A significant portion will serve to provide resources for future capital projects.
- The General Fund's ending fund balance is at \$2.5 million.
- The governmental activities included depreciation of \$3.3 million while making investments in capital assets of \$4.2 million.
- The District retired \$1.7 million in bond principal during the year. This included the maturity of the 2008 Medium Term Recreation Bond.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which consists of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

This report also contains other Supplementary Information in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the District finances in a manner similar to a private-sector business.

The **Statement of Net Position** presents information on all of the District's assets and liabilities and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases, in net position, may serve as 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 position changed during the fiscal year. All changes in net position are reported as soon as the underlying event occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. For example, the vacation wages liability recognizes a current cost while payment is in the future.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Both of the government-wide financial statements (*Net Position* and *Statement of Activities*) distinguish functions of the District that are principally supported by taxes, intergovernmental revenue and charges for services (*governmental activities*) from other functions that are intended to recover all or a significant portion of their cost(s) through user fees and charges (*business-type activities*). The governmental activity of the District includes the administration by the General Fund, recreation and internal service activities. The business-type activities of the District include utility activities that reflect enterprise operations where a fee for service typically covers all or most of the costs of operations including depreciation and debt service.

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. The District uses fund accounting to ensure and demonstrate compliance with financial related legal requirements, hence, the principal role of a fund is to demonstrate fiscal accountability. All of the funds of the District can be divided into two categories: governmental and proprietary.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statement, the governmental fund financial statement focuses on near-term inflow and outflow 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.

Because the focus of government funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for *governmental funds* with similar information presented for *government activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District maintains multiple governmental funds. Information is presented separately in the governmental fund financial statements for the General Fund, Community Services Special Revenue, Capital Projects and Debt Services Funds, and the Beach Special Revenue, Capital Projects and Debt Service Funds.

The District adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided for the General Fund and Special Revenue Funds to demonstrate compliance with these budgets. For the other governmental funds similar comparisons are provided elsewhere in the report.

Proprietary funds. The District operates two types of proprietary funds. *Enterprise funds* are used to report the same functions presented in business-type activities in the government-wide statements. The District uses enterprise funds to account for its Utility Fund. *Internal Service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses an internal service fund to account for its maintenance of its fleet of vehicles, buildings maintenance, and engineering functions. The District internal services fund also accounts for the Workers Compensation function. Each department pays for coverage based on its payroll costs. Workers Compensation serves the entire District and uses these charges, rather than costs being allocated by department. The Internal Service Fund is classified as governmental-type activities in the government-wide statement since the governmental funds are the most substantial users of these services.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the District. There are individual fund schedules, providing budget to actual comparisons. These schedules indicate compliance with budgetary constraints and management directives to enhance accountability at the fund and function level. The State of Nevada Department of Taxation, Local Government Division, has a prescribed format for budget data. The supplementary information reports actual results according to that format and terminology. The District has prepared a schedule for its Multi-Employer Retirement Plans. Statistical information is provided on a five or ten-year basis, as available, for trend and historical analysis. This information addresses a number of the major revenue sources of the District including the Recreation and Beach Facility Fee.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Governmental-wide Financial Analysis

Net position is a useful indicator of a government's financial position. The District's assets exceeded liabilities by \$146 million at June 30, 2018. The largest portion of net position (80%) reflects net investment in capital assets (e.g., land, buildings, equipment, construction in progress less accumulated depreciation and bonds that are still outstanding). The District uses these capital assets to provide services to citizens; therefore, they are not available for future spending. Although the investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities.

**Incline Village General Improvement District
Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and Other assets	\$ 13,170,824	\$ 11,263,386	\$ 8,435,236	\$ 10,028,628	\$ 21,606,060	\$ 21,292,014
Long Term and Net capital assets	64,267,411	63,665,605	73,258,166	69,722,084	137,525,577	133,387,689
Total Assets	77,438,235	74,928,991	81,693,402	79,750,712	159,131,637	154,679,703
Liabilities						
Current liabilities	4,631,434	5,240,470	2,306,442	1,973,031	6,937,876	7,213,501
Long-term liabilities	1,491,016	1,854,347	4,608,926	5,118,604	6,099,942	6,972,951
Total Liabilities	6,122,450	7,094,817	6,915,368	7,091,635	13,037,818	14,186,452
Deferred Inflows of Resources						
Deferred inflows	242,019	36,218	-	-	242,019	36,218
Net Position						
Net investment in capital assets	52,880,021	50,729,901	64,377,397	59,817,845	117,257,418	110,547,746
Restricted	183,037	180,564	309,344	305,022	492,381	485,586
Unrestricted	18,010,708	16,887,491	10,091,293	12,536,210	28,102,001	29,423,701
Total Net Position	\$ 71,073,766	\$ 67,797,956	\$ 74,778,034	\$ 72,659,077	\$ 145,851,800	\$ 140,457,033

**Incline Village General Improvement District
Change in Net Position**

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues						
Program Revenues:						
Charges for services	\$ 20,278,250	\$ 22,177,127	\$ 11,925,557	\$ 11,813,169	\$ 32,203,807	\$ 33,990,296
Operating grants	17,000	18,440	-	-	17,000	18,440
Capital grants and contributions	558,128	113,615	199,934	425,509	758,062	539,124
General Revenues:						
Ad valorem tax	1,546,575	1,476,148	-	-	1,546,575	1,476,148
Consolidated tax	1,637,250	1,484,830	-	-	1,637,250	1,484,830
Facility Fees	6,771,522	6,749,251	-	-	6,771,522	6,749,251
Unrestricted investment earnings	175,122	83,842	77,280	60,132	252,402	143,974
Other	190,578	310,429	50,020	17,730	240,598	328,159
Total Revenues	31,174,425	32,413,682	12,252,791	12,316,540	43,427,216	44,730,222
Expenses						
General Government	3,828,917	3,814,458	-	-	3,828,917	3,814,458
Internal Services	3,056,400	3,107,668	-	-	3,056,400	3,107,668
Utility	-	-	10,253,834	9,883,961	10,253,834	9,883,961
Community Services	19,043,639	18,599,633	-	-	19,043,639	18,599,633
Beach	1,849,659	1,802,103	-	-	1,849,659	1,802,103
Total Expenses	27,778,615	27,323,862	10,253,834	9,883,961	38,032,449	37,207,823
Transfers In (Out)	(120,000)	-	120,000	-	-	-
Changes in Net Position	3,275,810	5,089,820	2,118,957	2,432,579	5,394,767	7,522,399
Beginning Net Position	67,797,956	62,708,136	72,659,077	70,226,498	140,457,033	132,934,634
Ending Net Position	\$ 71,073,766	\$ 67,797,956	\$ 74,778,034	\$ 72,659,077	\$ 145,851,800	\$ 140,457,033

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Governmental activities increased the Districts' net position by \$3,275,810. The majority of this increase is attributed to an excellent operating season for the District's ski resort.

Total governmental activity revenue overall decreased year-on-year in the area of charges for services. The record year in 2017 for the ski resort was not expected to be repeated. Sales and consolidated taxes, mostly comprised of business and vehicle tax, and increased year-on-year. These combined taxes come through an allocation of state-wide collections. Ad valorem taxes saw an increase. During 2005, the Nevada Legislature passed a law to provide property tax relief (Assembly Bill 489) which provided a partial abatement of taxes by applying a 3% cap on the tax bill of the owner's primary residence and a higher cap on other properties beginning with the 2005/2006 tax roll in Washoe County. As of July 1, 2017 that abatement has a value of \$380,953 as a reduction of otherwise eligible ad valorem taxes for the current fiscal year. The decrease in Charges for Services is attributed to the ski resort and while we continue to see increases for banquets and events at the Championship Golf Course.

The District ski resort budgets its operations on 110,000 skier visits. For 2017-18 the resort had 120,847 visits. The added usage resulted in revenue exceeding the original budget by over \$887,000. Though some expenses also increased by \$323,000, many costs are fixed and the resulting increased results flows to fund balance. By comparison, the Community Services Special Revenue Fund for 2017 was about \$3.8 million in revenue over budget for the ski resort operations alone, from 160,613 skier visits.

Incline Village General Improvement District Governmental Activities Revenues

	2018		2017	
Property taxes	\$ 1,546,575	5%	\$ 1,476,148	5%
Combined taxes	1,637,250	5%	1,484,830	5%
Charges for Services -Community Service:	14,726,788	47%	16,820,165	52%
Charges for Services - Beach	1,266,613	4%	1,065,015	3%
Charges for Services - Internal Services	4,284,849	14%	4,291,947	13%
Facility Fees - Community Services	5,799,206	19%	5,973,914	18%
Facility Fees- Beach	972,316	3%	775,337	2%
Operating Grants	17,000	0%	18,440	0%
Capital Grants	558,128	1%	113,615	1%

The facility fee, assessed on parcel owners, is the most stable of the revenue streams for the District. The facility fee is assessed by the District for recreation and beach privileges and is collected by Washoe County Assessor's office through the real property quarterly billing process. For 2017-18 the District assessed \$5,776,770 in recreation facility fees and \$969,500 in beach facility fees. The shift to the Beach Fund was to provide more resources for future capital expenditure.

IVGID Facility Fees

Fiscal Year	Per Eligible Parcel		Total Assessment Roll		District Assessed
	Beach	Community Services	Beach	Community Services	Recreation Facility
2017-18	\$ 125	\$ 705	\$969,500	\$ 5,776,770	\$6,746,270
2016-17	100	730	774,400	5,972,860	6,747,260
2015-16	100	730	774,300	5,972,130	6,746,430
2014-15	100	730	774,300	5,971,400	6,745,700
2013-14	100	730	773,800	5,967,750	6,741,550

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Total governmental activities include the General Fund which provide District wide administration, Internal Services, and Recreation and Beach programming, capital projects and debt service. Expenditures in the General Fund increased year on year primarily related to Information Technology and Human Resources while Accounting was reduced from less staff. Internal services decreased reflecting higher service levels while having a reduced cost in Work Comp because of claim liability changes. Recreation and Beach programming reflect higher costs based on similar increase in service demand, while also increasing wages to hourly staff.

**Incline Village General Improvement District
Governmental Activities Functional Expenses**

	2018	2017
Manager	\$ 355,012	\$ 348,022
Trustees	176,450	168,718
Accounting	833,348	933,328
Information Services	820,658	689,500
Risk Management	127,032	128,644
Human Resources	597,875	527,667
Health & Wellness	24,594	22,966
Community & Employee Relations	188,682	233,073
Administration	462,552	551,749
Depreciation	242,714	210,791
Total General Government	\$ 3,828,917	\$ 3,814,458
 Fleet	 1,045,987	 1,063,578
Engineering	751,111	767,712
Buildings Maintenance	909,796	880,746
Works Compensation	349,506	395,632
Total Internal Services	\$ 3,056,400	\$ 3,107,668
 Championship Golf	 \$ 4,724,811	 \$ 4,633,645
Mountain Golf	1,165,185	1,002,359
Facilities	626,149	660,214
Ski	8,230,147	8,010,232
Recreation and Community Programming	2,564,677	2,547,383
Parks	1,063,374	1,062,086
Tennis	281,020	312,779
Recreation Administration	388,276	370,935
Total Community Services	\$ 19,043,639	\$ 18,599,633
 Total Beach	 \$ 1,849,659	 \$ 1,802,103

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Business-type activities: Business-type activities increased their net position by \$2,118,957, including \$199,934 in Capital Grants. This is less than the prior year's \$2,432,579 for the same activity, with \$425,509 in Capital Grants. The Utility Fund has little fluctuation from year to year in its units of service. The Utility Fund received \$120,000 from the Internal Service Fund for a change in the Work Comp claims liability. It continues to build added resources for a major capital project on the effluent pipeline. Capital expenditures were \$7,037,423 while depreciation expense was \$2,973,632. Principal reduction on bonds was \$495,761.

Financial Analysis at the Fund Level

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the District's governmental funds is to provide information on current inflows, outflows, and balances of resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance of \$2,298,079 may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. At the end of the fiscal year, the District's General Fund balance increased to \$2,522,786, with \$224,707 non-spendable.

The District's recreational programming is conducted under two activities; they are Community Services and Beach. As a result of a deed restriction, a distinct constituency is served by the Beach fund and thus its inflows and outflows are measured separately to demonstrate compliance. The Community Services Special Revenue Fund Balance increased to \$10,645,469. This includes the \$645,000 received from the Internal Service Fund for discontinued Work Comp self-insured claims liabilities. The Beach Special Revenue Fund Balance increased to \$1,413,091 including \$35,000 from the Internal Services Fund also for the change in Work Comp claims liability.

Budgets are adopted for all governmental funds on a modified accrual basis. The focus of this basis is to capture transactions based on current financial resources. Increases and decreases in financial resources are recognized only to the extent that they reflect near-term inflows or outflows of cash.

General Fund Budgetary Highlights

General Fund functional expenditures performed better to budget by \$506,604. Savings occurred in Information Services because of staff vacancies, in communications because of reduced contract services than planned, and in capital expenditure by cancelling a \$100,000 system upgrade. General Fund actual expenditures has increased slightly over the prior year.

Community Services Special Revenue Budgetary Highlights

Community Services cover a variety of venues. After several years of weather challenges the ski resort experienced record levels in consecutive years for attendance and revenue in 2016 and 2017. 2018 was budgeted to be average but did experience a late season surge to be over budget. This resulted in over \$887,000 in additional revenue while only incurring just over \$323,000 in additional costs. Our golf courses saw a stable level of play and our banquets and events grew by over \$50,000. The Parks and Recreation venues saw stable use. A substantial schedule of capital projects were begun during the year. Of that, over \$2,346,000 will have to be carried over, and is reflected in Fund Balance.

Beach Budgetary Highlights

The District's beach venues saw stable levels of use. The water levels on Lake Tahoe have also remained stable. The Beach is independent of other operations and has sought to increase its resources for capital projects. The Beach Study identified a number of possibilities. More definitively is an upcoming repair to a pool.

Proprietary funds: The District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail by fund. The District's proprietary funds consist of Utilities and Internal Services.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Utility Budgetary Highlights

The net assets for the Utility Fund increased \$2,118,957 for the year. Utilities increased rates about 3% to cover its costs of service and to continue to facilitate building resources for the effluent pipeline replacement project.

The Utility Fund saw a year on year increase in expenses mainly for personnel.

Internal Services Budgetary Highlights

Internal Services had a balance of charges and costs, however each was increased over the prior year with additional personnel in both Fleet and Engineering. Workers Comp decreased because of the effects of entering into a Loss Transfer and Assumption agreement which allowed the District to liquidate its claims liability from past years when it was under a self-insured program for \$98,000 less. However, that action allowed for the fund to release its retention reserve. Therefore \$800,000 was returned as excess resources to the operating funds which had paid in to the program over a period of years from 1992 to 2013. Another \$300,000 is budgeted to be returned in the next fiscal year. Readers may refer to Note 20 for more details on the changes to the Work Comp Loss Transfer and Assumption Agreement.

Capital Asset and Debt Administration

Capital Assets: The Incline Village General Improvement District's investment in capital assets for its governmental and business-type activities, as of June 30, 2018 amounts to \$124,217,038 (net of accumulated depreciation). Investment in capital assets includes land, buildings and systems, improvements, machinery and equipment, and recreation facilities. Readers desiring more information, with respect to capital asset activity, should see Note 4 to the financial statements.

Incline Village General Improvement District Capital Assets, Net

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land - Governmental Activities	\$ 16,971,753	\$ 16,904,036	\$ -	\$ -	\$ 16,971,753	\$ 16,904,036
Construction in Progress - Governmental Activities	2,755,328	1,841,242	-	-	2,755,328	1,841,242
Land - Utility Activities	-	-	6,715,544	6,715,543	6,715,544	6,715,543
Construction in Progress - Utility Activities	-	-	4,151,041	4,519,884	4,151,041	4,519,884
Buildings and Improvements	846,899	846,899	-	-	846,899	846,899
Equipment and Vehicles	1,591,187	1,501,075	-	-	1,591,187	1,501,075
Internal services equipment furniture and fixtures	263,912	246,777	-	-	263,912	246,777
Utility service infrastructure	-	-	108,626,081	105,000,108	108,626,081	105,000,108
Utility buildings and improvements	-	-	15,166,010	11,900,859	15,166,010	11,900,859
Utility equipment, furniture and fixtures	-	-	3,721,984	3,483,937	3,721,984	3,483,937
Community services buildings and improvements	58,884,392	57,644,669	-	-	58,884,392	57,644,669
Community services equipment, furniture and fixtures	11,613,546	10,637,543	-	-	11,613,546	10,637,543
Beach buildings and improvements	4,861,698	4,722,020	-	-	4,861,698	4,722,020
Beach equipment, furniture and fixtures	510,786	472,861	-	-	510,786	472,861
Total Cost	98,299,501	94,817,122	138,380,660	131,620,331	236,680,161	226,437,453
Accumulated Depreciation	(43,578,464)	(41,045,874)	(68,884,659)	(66,188,122)	(112,463,123)	(107,233,996)
Capital Assets, Net	\$ 54,721,037	\$ 53,771,248	\$ 69,496,001	\$ 65,432,209	\$ 124,217,038	\$ 119,203,457

The major capital asset events during the fiscal year was completion of an Equipment Storage Building, continuing pre-design efforts for the effluent pipeline, and culvert repairs.

Long-term debt: At the end of the current fiscal year, the District had total bonded debt outstanding of \$6,966,604. Of that amount, \$5,620,116 comprises debt backed by the full faith and credit of the District. The actual source for repayment is service revenues. The remainder of the District debt, \$1,346,488 represents bonds secured solely by specified utility revenue sources. The 2008 Recreation Bond matured June 2018.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

Long-term liability activity for the year ended June 30, 2018 was as follows:

	<u>Beginning Balance</u>	<u>New Issues</u>	<u>Principal Paid</u>	<u>Ending Balance</u>
Governmental Type Activities:				
Bonds Payable;				
Recreation Revenue Supported	\$ 3,035,000	\$ -	\$ 1,187,000	\$ 1,848,000
Business Type Activities:				
Bonds Payable;				
Utility Revenue Supported	5,614,365	-	495,761	5,118,604
Total	<u><u>\$ 8,649,365</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,682,761</u></u>	<u><u>\$ 6,966,604</u></u>

Readers desiring more information, with respect to the District's debt, should see Note 8 to the financial statements.

The District may borrow money and incur or assume indebtedness as provided in Nevada Revised Statutes, Chapter 318, Section 277, so long as the total of all such indebtedness (but excluding revenue bonds and special assessment bonds) does not exceed an amount equal to 50 percent of the total of the last assessed valuation of taxable property.

The District holds a Moody's rating which was last determined to be Aa1 on our limited tax general obligation bonds.

Economic Factors and Next Year's Budgets and Rates

- The District's primary revenue sources are from service charges from users. These come mostly in two forms as amounts charged at the point of service delivery and a standby charge paid by parcel owners to support the availability of services. The standby charge, also known as the Facility Fee, is determined annually by venue to support its operations, capital expenditure and debt service. The District has adopted a multi-year Strategic Planning process. Along with that, we continue to look at capital expenditure and debt service planning, five to twenty years ahead.
- Weather impacts demand for golf and ski and, to a much smaller extent, water and sewer charges based on the choice of residents and visitors to spending time in our community. The several years of drought have affected the beach and ski resort. With a more normal weather pattern, we look forward to less fluctuation year to year. A major initiative is to look at summer usage of the ski resort. A regulatory review of those possibilities has begun. The general economy and discretionary spending has been considered during the budget process. Anticipated user levels are revisited each year to assess probable service demands.
- Beginning with the 2009-10 fiscal year, the Utility Rate structure was evaluated by the Board one year at a time. For 2009-10 the Board decided on no increase in rates. This was applied to both the operating and capital component of rates. Rate increases were implemented for the 2010-17 fiscal years. These increases were for additional costs and to provide resources for the construction of the now completed Burnt Cedar Water Disinfection Plant Upgrade and the planned replacement project for several miles of our effluent pipeline. The design of that project is ongoing and the major construction is expected between 2017 and 2020.
- Parcel Owner user rates are based on market data and operating needs of the community activities as determined during budget preparation and adopted by the Board of Trustees.

**Incline Village General Improvement District
Management's Discussion and Analysis
For the Fiscal Year ended June 30, 2018
(continued)**

- Personnel cost comprised 38% of annual expenditures. The 2017-18 budgeted for base wages and salaries, and benefits to increase including a 3% wage increase, and 10% for health benefits rates and to those covered and increased staffing for increased service levels.
- In these economic times employee retention is a key to the success of the District. The District continues to seek a balance of market forces and its economic realities with the benefits of longevity and employee institutional knowledge. Though many employees are part time we strive to have them move from venue to venue or season to season.

Request of Information

This financial report is designed to provide a general overview of the District's finances for all interested parties. Questions concerning the information provided in this report or request for additional financial information should be addressed to the Director of Finance, 893 Southwood Boulevard, Incline Village, Nevada, 89451. This report will also be available on the District's website at www.yourtahoeplace.org.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

BASIC FINANCIALS

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2018

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 3,637,857	\$ 2,770,355	\$ 6,408,212
Short term investments	7,229,953	3,994,061	11,224,014
Receivables:			
Accounts receivable, net	73,017	1,189,596	1,262,613
Interest on investments	53,847	26,111	79,958
Taxes and Fees from Washoe County	52,411	-	52,411
Grant receivable	412,483	127,668	540,151
Due from other governments	471,945	-	471,945
Inventories and supplies	622,240	155,982	778,222
Prepaid items	617,071	171,463	788,534
Long term investments	9,121,318	3,452,821	12,574,139
Restricted assets:			
Temporarily restricted investments	425,056	309,344	734,400
Capital assets:			
Land	16,971,753	6,715,544	23,687,297
Construction in progress	2,755,328	4,151,041	6,906,369
Buildings, Structures, Improvements, Infrastructure,			
Equipment and Vehides, net of accumulated deprecation	34,993,956	58,629,416	93,623,372
Total assets	<u>77,438,235</u>	<u>81,693,402</u>	<u>159,131,637</u>
LIABILITIES			
Accounts payable	1,009,483	861,273	1,870,756
Accrued personnel costs	1,470,185	323,481	1,793,666
Accrued interest payable	13,859	68,492	82,351
Due to other governments	69,504	-	69,504
Unearned revenue	1,718,403	543,518	2,261,921
Noncurrent liabilities:			
Due within one year	350,000	509,678	859,678
Due in more than one year	1,491,016	4,608,926	6,099,942
Total liabilities	<u>6,122,450</u>	<u>6,915,368</u>	<u>13,037,818</u>
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow	<u>242,019</u>	<u>-</u>	<u>242,019</u>
NET POSITION			
Net investment in capital assets	52,880,021	64,377,397	117,257,418
Restricted Investments by Third Party Agreement	183,037	309,344	492,381
Unrestricted	18,010,708	10,091,293	28,102,001
Total net position	<u>\$ 71,073,766</u>	<u>\$ 74,778,034</u>	<u>\$ 145,851,800</u>

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities:							
General government	\$ 3,828,917	\$ 1,094,000	\$ -	\$ -	\$ (2,734,917)	\$ -	\$ (2,734,917)
Community Services	19,043,639	14,726,788	17,000	558,128	(3,741,723)	-	(3,741,723)
Beach	1,849,659	1,266,613	-	-	(583,046)	-	(583,046)
Internal Services	3,056,400	3,190,849	-	-	134,449	-	134,449
Total governmental-type activities	27,778,615	20,278,250	17,000	558,128	(6,925,237)	-	(6,925,237)
Business-type activities:							
Utilities	10,253,834	11,925,557	-	199,934	-	1,871,657	1,871,657
Total primary government	\$ 38,032,449	\$ 32,203,807	\$ 17,000	\$ 758,062	(6,925,237)	1,871,657	(5,053,580)
General revenues:							
Property taxes					1,546,575	-	1,546,575
Combined taxes					1,637,250	-	1,637,250
Facility Fees					6,771,522	-	6,771,522
Unrestricted investment earnings					175,122	77,280	252,402
Gain (loss) on sale of capital assets					79,083	50,020	129,103
Miscellaneous revenues					111,495	-	111,495
Transfers In (Out)					(120,000)	120,000	-
Total general revenues and transfers					10,201,047	247,300	10,448,347
Changes in net position					3,275,810	2,118,957	5,394,767
Net position - beginning					67,797,956	72,659,077	140,457,033
Net position - ending					\$ 71,073,766	\$ 74,778,034	\$ 145,851,800

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
ASSETS								
Cash, cash equivalents and investments	\$ 3,174,585	\$ 11,689,289	\$ 1,539,550	\$ 2,610,032	\$ 101,701	\$ 51,553	\$ 4,606	\$ 19,171,316
Accounts receivable, net	-	73,017	-	-	-	-	-	73,017
Interest receivable on investments	19,962	32,107	1,778	-	-	-	-	53,847
Grants receivable	-	1,417	-	411,066	-	-	-	412,483
Due from other governments	321,385	132,019	18,541	-	-	-	-	471,945
Inventories	-	532,842	-	-	-	-	-	532,842
Prepaid items	224,707	335,758	47,075	-	-	-	-	607,540
Restricted deposits	242,019	78,157	1,000	-	-	-	-	321,176
Total assets	<u>\$ 3,982,658</u>	<u>\$ 12,874,606</u>	<u>\$ 1,607,944</u>	<u>\$ 3,021,098</u>	<u>\$ 101,701</u>	<u>\$ 51,553</u>	<u>\$ 4,606</u>	<u>\$ 21,644,166</u>
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ 125,533	\$ 367,682	\$ 34,445	\$ 292,268	\$ 15,961	\$ -	\$ -	\$ 835,889
Accrued personnel costs	1,032,308	269,979	23,989	-	-	-	-	1,326,276
Due to other governments	60,000	-	9,504	-	-	-	-	69,504
Unearned revenue	12	1,591,476	126,915	-	-	-	-	1,718,403
Total liabilities	<u>1,217,853</u>	<u>2,229,137</u>	<u>194,853</u>	<u>292,268</u>	<u>15,961</u>	<u>-</u>	<u>-</u>	<u>3,950,072</u>
Deferred Inflow of Resources								
Deferred Inflow	<u>242,019</u>	<u>-</u>	<u>-</u>	<u>401,353</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>643,372</u>
Fund balance								
Non-spendable	224,707	868,600	47,075	-	-	-	-	1,140,382
Restricted Deposits by Third Party Agreement	-	78,157	1,000	-	-	-	-	79,157
Committed	-	9,698,712	1,365,016	-	-	-	-	11,063,728
Assigned	-	-	-	2,327,477	85,740	51,553	4,606	2,469,376
Unassigned	<u>2,298,079</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,298,079</u>
Total fund balance	<u>2,522,786</u>	<u>10,645,469</u>	<u>1,413,091</u>	<u>2,327,477</u>	<u>85,740</u>	<u>51,553</u>	<u>4,606</u>	<u>17,050,722</u>
Total liabilities and fund balance	<u>\$ 3,982,658</u>	<u>\$ 12,874,606</u>	<u>\$ 1,607,944</u>	<u>\$ 3,021,098</u>	<u>\$ 101,701</u>	<u>\$ 51,553</u>	<u>\$ 4,606</u>	<u>\$ 21,644,166</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF NET POSITION
JUNE 30, 2018**

Amounts reported for governmental activities in the Statement of Net Position that are not included in the Governmental Balance Sheet (because):

Total Fund Balance for Governmental Activities (page 22) \$ 17,050,722

General Fund:

Taxes that are collectible beyond 60 days, and therefore are recognized as receivable. 10,925

Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund 3,359,913

Community Services Fund:

Fees that are collectible beyond 60 days, and therefore are recognized as receivable. 35,697

Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund 46,475,443

Accrued interest, not to be liquidated from currently available resources (13,636)

Capital Grants in Deferred Inflows due to collection beyond 60 days 401,353

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund (1,818,247)

Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund 6,872

Beach Fund:

Fees that are collectible beyond 60 days, and therefore are recognized as receivable. 5,789

Capital Assets, net of accumulated depreciation, and are not financial resources, and therefore are not reported in that fund 4,796,213

Accrued interest, not to be liquidated from currently available resources (223)

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported in that fund (29,753)

Unamortized Bond Discount, for the remaining bond liability, and therefore not reported in the fund 112

Internal Services Fund:

Total Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities (page 29) 792,586

Net Position of Governmental Activities \$ 71,073,766

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	GENERAL	COMMUNITY SERVICES SPECIAL REV.	BEACH SPECIAL REVENUE	COMMUNITY SERVICES CAP. PROJECTS	BEACH CAPITAL PROJECTS	COMMUNITY SERVICES DEBT SERV.	BEACH DEBT SERVICE	TOTAL GOVERNMENTAL FUNDS
REVENUES								
Ad valorem taxes	\$ 1,524,623	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	1,524,623
Personal Property Tax	12,671	-	-	-	-	-	-	12,671
Intergovernmental:								
Consolidated taxes	1,388,529	-	-	-	-	-	-	1,388,529
Local Government Tax Act	248,721	-	-	-	-	-	-	248,721
Services	-	20,220	-	-	-	-	-	20,220
Charges for Services	-	14,632,554	1,266,613	-	-	-	-	15,899,167
Interfund Services	-	74,014	-	-	-	-	-	74,014
Facility Fees - Operations	-	1,759,641	657,842	-	-	-	-	2,417,483
Facility Fees - Capital Expenditure	-	2,700,842	301,833	-	-	-	-	3,002,675
Facility Fees - Debt Service	-	1,309,499	7,739	-	-	-	-	1,317,238
Operating Grants	-	17,000	-	-	-	-	-	17,000
Capital Grants	-	-	-	156,775	-	-	-	156,775
Investment income	89,960	69,303	2,288	-	-	-	-	161,551
Miscellaneous	2,033	109,462	-	-	-	-	-	111,495
Total revenues	3,266,537	20,692,535	2,236,315	156,775	-	-	-	26,352,162
EXPENDITURES								
GENERAL GOVERNMENT								
Manager	355,012	-	-	-	-	-	-	355,012
Trustees	176,450	-	-	-	-	-	-	176,450
Accounting	833,348	-	-	-	-	-	-	833,348
Information Services	820,658	-	-	-	-	-	-	820,658
Risk Management	127,032	-	-	-	-	-	-	127,032
Human Resources	597,875	-	-	-	-	-	-	597,875
Health & Wellness	24,594	-	-	-	-	-	-	24,594
Community & Employee Relations	188,682	-	-	-	-	-	-	188,682
Administration	462,552	-	-	-	-	-	-	462,552
Central Services Cost Allocation Income	(1,094,000)	-	-	-	-	-	-	(1,094,000)
Capital Outlay	113,813	-	-	-	-	-	-	113,813
RECREATION								
Championship Golf	-	4,055,702	-	-	-	-	-	4,055,702
Mountain Golf	-	972,171	-	-	-	-	-	972,171
Facilities	-	448,797	-	-	-	-	-	448,797
Ski	-	7,024,327	-	-	-	-	-	7,024,327
Community Programming and Recreation Center	-	2,232,105	-	-	-	-	-	2,232,105
Parks	-	818,298	-	-	-	-	-	818,298
Tennis	-	228,530	-	-	-	-	-	228,530
Recreation Administration	-	357,498	-	-	-	-	-	357,498
Beach	-	-	1,619,746	-	-	-	-	1,619,746
Capital Outlay	-	-	-	3,905,926	221,248	-	-	4,127,174
Debt Service:								
Principal	-	-	-	-	-	1,181,494	5,506	1,187,000
Interest	-	-	-	-	-	103,846	731	104,577
Total expenditures	2,606,016	16,137,428	1,619,746	3,905,926	221,248	1,285,340	6,237	25,781,941
Excess revenues (expenditures)	660,521	4,555,107	616,569	(3,749,151)	(221,248)	(1,285,340)	(6,237)	570,221
OTHER FINANCING SOURCES:								
Sale of Capital Assets	16	85,562	857	1,980	-	-	-	88,415
Transfers In (Out) - Facility Fees for Capital Expenditure	-	(2,700,842)	(301,833)	2,700,842	301,833	-	-	-
Transfers In (Out) - Facility Fees for Debt Service	-	(1,309,499)	(7,739)	-	-	1,309,499	7,739	-
Transfers In (Out) - From (for) Other Sources	-	(305,000)	35,000	950,000	-	-	-	680,000
Net change in fund balance	660,537	325,328	342,854	(96,329)	80,585	24,159	1,502	1,338,636
Fund balance, July 1	1,862,249	10,320,141	1,070,237	2,423,806	5,155	27,394	3,104	15,712,086
Fund balance, June 30	\$ 2,522,786	\$ 10,645,469	\$ 1,413,091	\$ 2,327,477	\$ 85,740	\$ 51,553	\$ 4,606	\$ 17,050,722

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES FOR THE GOVERNMENTAL FUNDS
TO THE GOVERNMENT WIDE STATEMENT OF ACTIVITIES
JUNE 30, 2018**

Amounts reported for governmental activities are different because the Governmental Funds account for a flow of resources while the Statement of Activities is on a full accrual basis of accounting:

Total Net Change in Fund Balance for Governmental Funds (page 24)	\$ 1,338,636
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General Fund:

Taxes for periods through June 30 that are collectible, but received after August 30, 2017.	9,281
Capital Assets acquired during the year and capitalized	113,813
Unallocated depreciation expense for the fiscal year	(242,714)
Net book value of assets sold	(304)

Community Services Fund:

Facility Fees for periods through June 30 that are collectible, but received after August 30, 2017.	29,224
Capital Assets acquired during the year and capitalized	3,905,926
Depreciation expense for the fiscal year	(2,823,174)
Net book value of assets sold	(12,210)
Capital Grants in Deferred Inflows due to collection beyond 60 days	401,353
Principal paid on long-term liabilities, including bonds payable	1,181,494
Interest accrued versus paid	7,453
Amortize Bond Premium for fiscal year	14,997
Amortize Bond Discount for fiscal year	(1,641)

Beach Fund:

Facility Fees for periods through June 30 that are collectible, but received after August 30, 2017.	4,902
Capital Assets acquired during the year and capitalized	221,248
Depreciation expense for the fiscal year	(229,196)
Net book value of assets sold	
Principal paid on long-term liabilities, including bonds payable	5,506
Interest accrued versus paid	41
Amortize Bond Discount for fiscal year	(27)

Internal Services Fund:

Total Change in Net Position of this fund, as it is reported as a governmental activity since a majority of the services are consumed by the governmental -type activities page (30)	<u>(648,798)</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 3,275,810</u></u>
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The notes to the financial statements are an integral part of this statement.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
REVENUES				
Ad valorem taxes	\$ 1,537,050	\$ 1,537,050	\$ 1,524,623	\$ (12,427)
Personal Property Tax	12,000	12,000	12,671	671
Intergovernmental:				
Consolidated Tax	1,363,510	1,363,510	1,388,529	25,019
Local Government Tax Act	216,000	216,000	248,721	32,721
Investment earnings	36,000	36,000	89,960	53,960
Miscellaneous	3,600	3,600	2,033	(1,567)
Total revenues	<u>3,168,160</u>	<u>3,168,160</u>	<u>3,266,537</u>	<u>98,377</u>
EXPENDITURES				
GENERAL GOVERNMENT:				
Manager	380,220	380,220	355,012	25,208
Trustees	215,977	215,977	176,450	39,527
Accounting	850,951	850,951	833,348	17,603
Information Services	948,571	948,571	820,658	127,913
Risk Management	142,404	142,404	127,032	15,372
Human Resources	570,070	570,070	597,875	(27,805)
Health and Wellness	46,708	46,708	24,594	22,114
Communications	307,055	307,055	188,682	118,373
Administration	465,764	465,764	462,552	3,212
Central Services Cost Allocation Income	(1,094,000)	(1,094,000)	(1,094,000)	-
Capital Outlay	278,900	278,900	113,813	165,087
Total expenditures	<u>3,112,620</u>	<u>3,112,620</u>	<u>2,606,016</u>	<u>506,604</u>
Excess (deficiency) of revenues over expenditures	<u>55,540</u>	<u>55,540</u>	<u>660,521</u>	<u>604,981</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	16	16
Contingency	(120,000)	(120,000)	-	120,000
Total other financing sources (uses)	<u>(120,000)</u>	<u>(120,000)</u>	<u>16</u>	<u>120,016</u>
Net changes in fund balance	(64,460)	(64,460)	660,537	724,997
Fund balance, July 1	<u>1,837,533</u>	<u>1,837,533</u>	<u>1,862,249</u>	<u>24,716</u>
Fund balance, June 30	<u>\$ 1,773,073</u>	<u>\$ 1,773,073</u>	<u>\$ 2,522,786</u>	<u>\$ 749,713</u>

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for Services				
Championship Golf	\$ 3,687,462	\$ 3,687,462	\$ 3,763,372	\$ 75,910
Mountain Golf	683,670	683,670	632,261	(51,409)
Facilities	358,225	358,225	355,696	(2,529)
Ski	8,268,215	9,118,215	9,155,646	37,431
Community Programming and Recreation Center	1,266,772	1,266,772	1,289,953	23,181
Parks	54,400	54,400	48,910	(5,490)
Tennis	167,500	167,500	145,197	(22,303)
Recreation Administration	(510,000)	(510,000)	(758,481)	(248,481)
Subtotal Charges for Services	13,976,244	14,826,244	14,632,554	(193,690)
Facility Fees - Operations	1,761,710	1,761,710	1,759,641	(2,069)
Facility Fees - Capital Projects	2,704,020	2,704,020	2,700,842	(3,178)
Facility Fees - Debt service	1,311,040	1,311,040	1,309,499	(1,541)
Intergovernmental Services	31,100	31,100	20,220	(10,880)
Interfund Services	91,000	91,000	74,014	(16,986)
Operating Grants	17,000	17,000	17,000	-
Investment income	48,000	48,000	69,303	21,303
Miscellaneous - other	86,400	86,400	109,462	23,062
Total revenues	20,026,514	20,876,514	20,692,535	(183,979)
EXPENDITURES				
COMMUNITY SERVICES RECREATION:				
Championship Golf	3,868,494	3,868,494	4,055,702	(187,208)
Mountain Golf	1,035,767	1,035,767	972,171	63,596
Facilities	497,074	497,074	448,797	48,277
Ski	6,701,155	7,071,155	7,024,327	46,828
Community Programming and Recreation Center	2,314,961	2,314,961	2,232,105	82,856
Parks	850,849	850,849	818,298	32,551
Tennis	278,428	278,428	228,530	49,898
Recreation Administration	428,446	428,446	357,498	70,948
Total expenditures	15,975,174	16,345,174	16,137,428	207,746
Excess (deficiency) of revenues over expenditures	4,051,340	4,531,340	4,555,107	23,767
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	645,000	645,000	645,000	-
Sale of assets	-	-	85,562	85,562
Contingency	(475,000)	(475,000)	-	475,000
Operating Transfers (Out) - Capital Projects	(5,604,020)	(5,604,020)	(3,650,842)	1,953,178
Operating Transfers (Out) - Debt Service	(1,311,040)	(1,311,040)	(1,309,499)	1,541
Total other financing sources (uses)	(6,745,060)	(6,745,060)	(4,229,779)	2,515,281
Net changes in fund balance	(2,693,720)	(2,213,720)	325,328	2,539,048
Fund Balance, July 1	9,835,803	10,320,141	10,320,141	-
Fund balance, June 30	\$ 7,142,083	\$ 8,106,421	\$ 10,645,469	\$ 2,539,048

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
BEACH SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for Services				
Beach	\$ 1,023,200	\$ 1,023,200	\$ 1,266,613	\$ 243,413
Facility Fees - Operations	659,260	659,260	657,842	(1,418)
Facility Fess - Capital Projects	302,484	302,484	301,833	(651)
Facility Fees - Debt service	7,756	7,756	7,739	(17)
Investment earnings	9,000	9,000	2,288	(6,712)
Total revenues	2,001,700	2,001,700	2,236,315	234,615
EXPENDITURES				
BEACH RECREATION:				
Beach	1,680,389	1,680,389	1,619,746	60,643
Excess (deficiency) of revenues over expenditures	321,311	321,311	616,569	295,258
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	857	857
Contingency	(50,000)	(50,000)	-	50,000
Operatign Transfers In	35,000	35,000	35,000	-
Operating Transfers (Out) - Capital Projects	(327,484)	(327,484)	(301,833)	25,651
Operating Transfers (Out) - Debt Service	(7,756)	(7,756)	(7,739)	17
Total other financing sources (uses)	(350,240)	(350,240)	(273,715)	76,525
Net changes in fund balance	(28,929)	(28,929)	342,854	371,783
Fund Balance, July 1	1,037,000	1,037,000	1,070,237	33,237
Fund balance, June 30	\$ 1,008,071	\$ 1,008,071	\$ 1,413,091	\$ 405,020

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
ASSETS		
Current assets:		
Cash, cash equivalents and investments	\$ 6,764,416	\$ 817,812
Accounts receivable	1,189,596	-
Interest receivable	26,111	-
Grants receivable	127,668	-
Inventories	155,982	89,398
Prepaid expenses	171,463	9,531
Total current assets	<u>8,435,236</u>	<u>916,741</u>
Noncurrent assets:		
Investments - long-term	3,452,821	-
Contractual deposits	100	-
Restricted deposit for debt service reserve	219,626	-
Restricted for TRPA Deposits	89,618	-
Restricted State of Nevada Work Comp Deposit	-	103,880
	<u>3,762,165</u>	<u>103,880</u>
Capital Assets		
Land	6,715,544	-
Construction in progress	4,151,041	-
Buildings and structures	15,166,010	-
Improvements and Infrastructure	108,626,081	-
Equipment and vehicles	3,721,984	263,912
Total capital assets	138,380,660	263,912
Less: accumulated depreciation	<u>(68,884,659)</u>	<u>(174,443)</u>
Total capital assets (net)	<u>69,496,001</u>	<u>89,469</u>
Total noncurrent assets	<u>73,258,166</u>	<u>193,349</u>
 Total assets	 <u>81,693,402</u>	 <u>1,110,090</u>
LIABILITIES		
Current liabilities:		
Accounts payable	861,273	173,595
Accrued personnel costs	323,481	143,909
Accrued interest payable	68,492	-
Unearned revenue	543,518	-
Current maturities of long-term debt	<u>509,678</u>	<u>-</u>
 Total current liabilities	 2,306,442	 317,504
Non-current liabilities:		
Non-current long term debt	<u>4,608,926</u>	<u>-</u>
 Total liabilities	 <u>6,915,368</u>	 <u>317,504</u>
NET POSITION		
Net investment in capital assets	64,377,397	89,469
Restricted Deposits by Third Party Agreement	309,344	103,880
Unrestricted	<u>10,091,293</u>	<u>599,237</u>
 Total net position	 <u>\$ 74,778,034</u>	 <u>\$ 792,586</u>

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
OPERATING REVENUES		
Sales and fees	\$ 11,748,009	\$ -
Interfund services	177,548	3,190,849
Total operating revenues	11,925,557	3,190,849
OPERATING EXPENSES		
Wages and benefits	3,622,220	1,926,387
Cost of goods sold	20,613	-
Services and supplies	1,974,478	747,196
Defensible Space	95,229	-
Central Services Cost	297,000	-
Insurance	184,537	348,886
Utilities	842,777	10,173
Professional fees	102,886	13,439
Depreciation	2,973,631	10,319
Total operating expenses	10,113,371	3,056,400
Operating income	1,812,186	134,449
NONOPERATING REVENUES (EXPENSES)		
Investment earnings	77,280	13,571
Gain (loss) on sales of assets	50,020	3,182
Interest on bond debt	(140,463)	-
Total nonoperating revenues (expenses)	(13,163)	16,753
Income before transfers and contributions	1,799,023	151,202
Transfer In (Out)	120,000	(800,000)
Capital Grant Contributions	199,934	-
Changes in net position	2,118,957	(648,798)
Total net position, July 1	72,659,077	1,441,384
Total net position, June 30	\$ 74,778,034	\$ 792,586

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

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	Business - type Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers and users	\$ 11,635,957	\$ -
Receipts from interfund services provided	177,548	3,190,849
Payments to suppliers	(3,196,345)	(1,139,596)
Payments to employees	(3,616,146)	(2,025,871)
Net cash provided (used) by operating activities	<u>5,001,014</u>	<u>25,382</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfer (to) from other funds	<u>120,000</u>	<u>(800,000)</u>
Net cash provided (used) by non-capital financing activities	<u>120,000</u>	<u>(800,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of capital assets	(7,037,423)	(26,719)
Proceeds (costs) from sale of assets	50,020	3,182
Payments on capital debt	(495,761)	-
Capital contributions	72,266	-
Interest expense	(147,372)	-
Net cash provided (used) by capital and related financing activities	<u>(7,558,270)</u>	<u>(23,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Restricted investments released (increased)	(4,322)	(1,452)
Investments purchased	(2,750,000)	-
Long-term investments sold	6,050,000	999,367
Investment earnings	<u>115,650</u>	<u>11,992</u>
Net cash provided (used) by investing activities	<u>3,411,328</u>	<u>1,009,907</u>
Net change in cash and cash equivalents	974,072	211,752
Cash and cash equivalents, July 1	1,796,283	606,060
Short term investments	<u>3,994,061</u>	<u>-</u>
Cash, cash equivalents and investments, June 30	<u><u>\$ 6,764,416</u></u>	<u><u>\$ 817,812</u></u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Business - type	
	Activities Enterprise Utility Fund	Governmental Activities Internal Services Fund
	<hr/>	<hr/>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 1,812,186	\$ 134,449
Non-cash adjustments -		
Depreciation	2,973,631	10,319
Increase (decrease) in cash from changes in:		
Accounts receivable	(121,011)	-
Inventory	(14,107)	(23,746)
Prepaid expenses	23,912	4,458
Accounts payable	311,370	(614)
Accrued personnel costs	6,074	(99,484)
Unearned revenue and customer deposits	8,959	-
Total adjustments	<hr/> 3,188,828	<hr/> (109,067)
Net cash provided (used) by operating activities	<hr/> \$ 5,001,014	<hr/> \$ 25,382

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

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

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INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Incline Village General Improvement District (the “District”) operates under provisions of the Nevada Revised Statutes (NRS), Chapter 318. Under the law, this General Improvement District has been granted authority by Washoe County to provide water, sewer and solid waste services, and recreational facilities and programs for the benefit of individuals owning property or residing within its geographical boundaries. The unincorporated rural areas of Incline Village and Crystal Bay, Washoe County, Nevada are within these boundaries.

The District is governed by a board of five publicly elected trustees. The District is not included in any other governmental reporting entity. The District is a legally separate government and it is fiscally independent of any other governmental entity. The District is not financially accountable for any other entity.

B. Basic Financial Statements - Government-wide financial statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the District.

In the government-wide Statement of Net Position, the governmental activities column is presented on a consolidated basis, and is reflected on a full accrual, economic resource basis that recognizes all long-term assets and receivables as well as long-term debt and obligations. The District’s net position is reported in three parts –net investment in capital assets, restricted; and unrestricted.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges to customers who receive a direct benefit from goods or services. Grants and contributions are restricted to meeting the operational or capital requirements of a function. General revenues reflect items that are not included as either program revenue or grants and contributions. The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and grants.

C. Basic Financial Statements - Fund financial statements

The financial transactions of the District are reported in individual purpose based fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses. Separate financial statements are provided for governmental funds and proprietary funds. The District has no fiduciary funds. Major funds for each fund type are presented as separate columns in the fund financial statements.

D. Measurement Focus/Basis of Accounting – Fund financial statements

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the close of the fiscal period. Expenditures are generally recorded when the liability is incurred as under the accrual basis of accounting.

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. Operating expenses include the cost of sales and services, administration and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. The Proprietary funds utilize the accrual basis of accounting.

The District's internal services are presented in the proprietary fund's financial statements. The principal users of Internal Services (Fleet, Engineering and Buildings) are the District's utility and recreation program fund activities. Another internal service provides Workmen's Compensation benefits to all funds. Each activity pays premiums based on its payroll to provide resources for the coverage. The actual benefit is provided by purchasing a fully insured program from the Nevada Public Compensation Trust. All Internal Services are considered a governmental - type activity for the Government-wide financial statements. The majority of utilization of internal services is by the Utility Fund, Community Services and the Beach funds. The effect of inter-fund activity has not been eliminated from the Government-wide financial statements.

The District uses the following funds (all considered Major):

Governmental Funds -

General Fund - is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The General Fund's primary function is to provide general administration for all other functions.

Community Services – providing recreation to approximately 8,200 parcel owners, their guests and visitors.

- Special Revenue Fund – operation of golf, event facilities, downhill skiing, recreation and fitness programs, parks and tennis
- Capital Projects Fund – capital projects related to recreation functions
- Debt Service Fund – debt service related to recreation functions

Beach – providing beach, picnic areas, boat launching and swimming pool programs to approximately 7,700 parcel owners and their guests.

- Special Revenue Fund – operations of beach functions
- Capital Projects Fund – capital projects related to beach functions
- Debt Service Fund – debt service related to beach functions

Proprietary Funds -

Enterprise Funds - The Enterprise Funds are used to account for operations of the District's Utility Departments. **Utility Fund** – providing water, sewer, trash and recycling services to approximately 4,100 customers.

Internal Service Funds – The Internal Service Fund accounts for the financing of goods or services provided by one department to other departments of the District. The District provides Fleet, Engineering, and Buildings Maintenance which includes repair and maintenance of the District's vehicles and equipment, engineering services, and buildings maintenance. The District has Worker's Compensation that provides a combination of resources for prior claims and purchases current coverage for benefits. The Fleet, Engineering and Buildings Maintenance Departments also collectively provide planning, inspection, construction and maintenance for the District's structures and equipment. The Worker's Compensation Department provides District-wide worker's current period compensation coverage of benefits through a government risk pool and holds a reserve for claims incurred prior to July 1, 2013.

E. Budgets and Budgetary Accounting

The District adheres to the Local Government Budget Act incorporated within Chapter 354 of the Nevada Revised Statutes, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

1. On or before April 15, 2017, the Board of Trustees filed a tentative budget with the Nevada Department of Taxation. Public hearings on the tentative budget were held after the third Monday in May. On May 24, 2017, at a public hearing, the Board adopted a final budget. On or before June 1, 2017 the final budget was filed with the Nevada Department of Taxation.
2. Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles (GAAP) for all funds. Formal budgetary integration in the financial records is employed to enhance management control during the year for all funds requiring budgets. Budgets are adopted for all governmental and proprietary fund types. The governmental fund type budgets are adopted on a modified accrual basis and the proprietary funds types budgets are adopted on an accrual basis. The District can amend or augment the budget after following State Statutes and, if necessary, public hearing procedures. The District did augment its budget for the 2017-18 fiscal year.
3. The legal level of budgetary control is at the fund level. Appropriations are adopted at the function level. Management has no amendment authority without the District's Board approval. Generally the expenses in the proprietary funds also may not exceed appropriations. Management is free to change the operating budgets of the proprietary funds but in practice rarely does so. Statutes do not require that enterprise fund capital outlay, debt service payments and other non-operating cash transactions, normally reflected in the balance sheet of the proprietary funds, to be limited by the budget.
4. The District also presents select cash flow information in order to reflect all resources being used to provide for capital outlay, debt service payments and other transactions particularly in proprietary funds. This supplemental disclosure allows the District to identify the extent of current year items that are being paid from previously funded resources. The presentation includes items according to character and object. It also provides the Nevada Department of Taxation with requested information that compares to amounts reported on their budget forms.

F. Cash, Cash Equivalents and Investments

The District's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition that are held for routine expenditures.

District Funds share bank accounts for operations, payroll and reimbursements. Activity between funds occurs in the regular activities of the District. The General Fund issues accounts payable and payroll and related benefits for all funds. To the extent payment has not occurred, but the cost was realized by the benefitted fund, internal balances for Due from or to Other Funds are established. These are cleared monthly through pooled cash. The combined pooled balances are monitored to assure no fund makes temporary loans to another, within the context of Nevada Revised Statute 354.6118.

Short term investments reflect items held with maturities within one year. These are predominantly certificates of deposit and agency issues. These provide funds for capital projects.

Long-term investments reflect items held with maturities beyond one year. These include certificates of deposit and instruments issued by the Federal Government or its agencies.

Nevada Revised Statutes authorize the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government investment pool (LGIP) (operated by the Nevada State Treasurer); negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days.

The District's Investments are stated at fair value as of the reporting date. These are categorized using fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based in the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 are significant unobservable inputs.

The District has the following recurring fair value measurements as of June 30, 2018:

U. S. Agencies securities are valued at quoted market prices (Level 1 inputs)

Certificates of Deposits valued at quoted market prices (Level 1 inputs)

G. Receivables

Property taxes are levied no later than July 10 of each year on property values assessed for the same year. The taxes may be paid in four installments as follows: the first installment is due on or before the third Monday in August, the second installment is due on or before the first Monday in October, the third installment is due on or before the first Monday in January, and the fourth installment is due on or before the first Monday in March. If payment of the taxes is not made within ten days following the day the installments become due, penalties are assessed in accordance with NRS 361.483. Once the installments become delinquent, interest is added at the rate of 10 percent per annum. Taxes levied become a perpetual lien against the property assessed until the tax and any penalty charges and interest which may accrue thereon are paid. Washoe County assesses the property tax, bills, collects, and distributes the property tax revenue.

Accounts receivable reflects service charges to customers and resident for deposits or fees that are earned, but not collected. An allowance for doubtful accounts is considered and at present, the allowance totals \$3,832. The District may file a tax lien for uncollected utility service fees.

The District has been granted resources to finance the construction of various utility infrastructures and restoration of a creek zone. These funds are earned when requisite construction costs are incurred. The District has recognized funds earned but not collected by a Grants Receivable. The District also has an operating grant from Washoe County, received monthly in arrears. The uncollected balance of this grant is carried in Due from other governments.

The District receives certain tax revenues in the General Fund which are collected the by the State of Nevada. These settlements arrive within 60 days of the month close when they are generated. The amounts are listed as Due from Other Governments.

H. Inventory and Prepaid Items

There are no inventories in the General Fund. Inventories for Community Services Special Revenue and Proprietary Funds are stated at the lower of cost (first-in, first-out) or market. Costs are recognized under the consumption method as items are used or resold.

Certain payments are made to vendors for costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. They are recognized under the consumption method when used.

I. Restricted Assets

The District has restricted several deposits for the benefit of other agencies in connection with performance under a retail operation, construction, debt service and providing workers compensation benefits. These agencies establish the restriction by regulation or agreement.

J. Capital Assets

Capital assets include land, buildings, machinery and equipment, or water rights which are reported in the applicable governmental or business-type activities column in the government-wide financial statements. If purchased or constructed, all capital assets are recorded at historical cost. Donated capital assets are valued at acquisition value as of the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Depreciation of all exhaustible capital assets (all categories except land and construction in progress) is charged as an expense against each fund's operation. The District's policy is to capitalize assets with a normal useful life of three or more years. The District holds 4,272 Acre Feet of Water Rights. This represents about 1,405,000,000 gallons. Currently these costs are included in Land. The District's historical records cannot identify the cost of water rights.

Activities of the General Fund include District administration, accounting and finance, information systems and technology, human resources, risk management, the General Manager's office, Communications and the Board of Trustees. The land, buildings, furniture and equipment, including technology assets, represent items used in common by all of the activities of the General Fund at the District's administrative office. The computers and technology represent equipment of the Information Systems & Technology (IST) department that services the needs of the entire District. These assets are presented as a part of government-wide net assets.

Activities of the Community Services Special Revenue Fund include two 18-hole golf courses, a large and small meeting facility, a ski resort, a recreation center, parks, tennis center, a skateboard park and green spaces. Venue improvements includes the cost of developing program ready locations.

Utility capital assets include traditional distribution lines, tanks, pumps and treatment. However, since the District is located in the Lake Tahoe Basin, the number of pumps, tanks and export lines is increased due to the requirements to manage in a mountainous and environmentally sensitive area.

The District has a number of Construction in Progress items since the fiscal year falls in the middle of the active acquisitions season. It is the nature of major projects to span multiple fiscal periods. The District accumulates costs through a series of pre-design, design and acquisition stages.

Interest is capitalized for assets used in business-type activities funded by debt.

Depreciation has been provided over the estimated useful lives of the various assets using the straight-line method. Estimated lives and capitalization thresholds of major classes of depreciable assets are as follows:

<u>Asset Category</u> <u>Threshold</u>	<u>Depreciable Life</u>	<u>Capitalization</u>
Buildings and Structures	30 - 50 years	\$10,000
Improvements and Infrastructure	10-50 years	\$10,000
Equipment and Vehicles	3-20 years	\$ 5,000

With its location within the Lake Tahoe Basin, Defensible Space is an important function for the District. This is generally accomplished through contracts with the North Lake Tahoe Fire Protection District which serves essentially the same geographic area as the District. Defensible Space expenditures range from clearing the understory to major tree removal and fuels reduction. The goal of the program is to create a “halo” around the community restricting the movement of wildfire in or out of the community. The substance of those efforts removes vegetation and other fuels as they accumulate. The degree of work in any given area rotates over time based on conditions as assessed by the Fire District. Much of the funding for the effort comes from other governments on a Federal, State and local level. The IVGID contribution is focused on treatment of District owned parcels. The District budgets to provide resources for its share of contracted expenditures. The work provides an ongoing benefit, but the District expenses all costs as incurred.

K. Amortization of Bond Discounts and Premiums

The discounts or premiums on bonds sold are being amortized to expense over the term of the bonds. Bonds payable are reported net of related discounts and premiums.

L. Compensated Absences and Accrued Personnel Costs

Full-time employees are provided vacation benefits that specifically relate to tenure with the District. After six months of service, employees are entitled to their vested vacation leave upon termination. The liability for vacation benefits is recognized with an expenditure or charge to the appropriate fund and activity as earned.

The District pays payroll every two weeks. Any District payroll earned as of month end is accrued based on the number of days attributed to that month to the total 14 days paid with the next scheduled payroll. Liabilities for fringe benefits and other costs, such as taxes, are also accrued on the same method.

The District had adopted a Risk Management Program prior to July 1, 2013 that included a self-insured workman’s compensation benefits. The District remains liable under Statute for those claims. After June 30, 2013 these benefits are covered by membership in an insurance pool.

The District has adopted a plan under which certain retirees, who have met specific service requirements, can roll unused sick leave pay to cover medical expenses after retirement. Otherwise sick leave is not vested.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that will apply to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

N. Unearned Revenue and Refundable Deposits

The District's Utility Fund reads meters over 3 cycles over the course of a month. A portion of each billing is in advance for services rendered. Billing occurs once a month. Billings in advance are held in until recognition the next cycle when they are also reconciled with actual usage.

The District's Community Services Fund recognizes unearned revenue to the extent it has issued user passes, gift or payment cards that can be applied to future purchases. There also are advance deposits made to reserve dates for facility rentals or program registrations. User passes expire with each season.

O. Long-Term Debt

In the government-wide financial statement, and proprietary fund financial statements, long term debts are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statements net of related discounts or charges. Bond discounts are amortized using the straight-line method. Bond premiums are being amortized using the effective interest method. All are amortized over the term of the related debt.

P. Fund Balance

In the fund financial statements, fund balance for governmental funds are reported in classifications that comprise a hierarchy based primarily on how amounts can be spent. These include "non-spendable" which are not expected to be converted to cash, such as inventory or prepaid items, "restricted" by conditions of law, regulation grants or contract with external parties, "committed" which arise from acts of the District's Board, "assigned" which reflect an intent by management of the District or "unassigned" which is the residual amount. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the District, which can act by their resolution, prior to the end of the fiscal year, and thus commit fund balance. Once adopted, the limitation imposed by the Board of Trustees remains in place until a similar resolution is taken to remove or revise the limitation.

An assigned fund balance can be specified by the District's General Manager.

The District's Board of Trustees has adopted a policy and practice statement on the Appropriate Level of Fund Balance.

The District first utilizes restricted resources to finance qualifying activities then unrestricted resources, as they are needed when amounts are available for the same use. The District first utilizes committed resources as authorized, then assigned and then unassigned when amounts are available for the same use.

Q. Net Position

In the fund and the government-wide financial statements, net position is presented in one of three classifications. Net investment in capital assets, restricted and the residual unrestricted. The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by outstanding balances on bonds that are attributable to the acquisition, construction or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities related to those assets. The unrestricted component of net position is the net amount of assets and liabilities not included in the determination of net investment of capital assets or the restricted component.

R. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

S. Central Services Cost Allocation

The District allocates the shared costs of Accounting and Human Resources based under a plan which considers wages, benefits, full time equivalents and certain services and supplies as a basis for determining charges. The charges are based on budgeted expenses. The revenue generated by the allocation is recorded as a separate line item from the expense category.

T. Punch Cards Utilized

Under District Ordinance 7, parcel owners may use a portion of the value of their recreation passes to pay down the difference between a regular rate and the resident rate for certain types of recreational fees. These forms of payment are presented as contra revenue in the Fund statements. Utilization is recognized based on the relationship of privileges used to total facility fee paid by the parcel. Under the 2017-2018 fee structure, this is 85% to Community Services Special Revenue Fund and 15% to the Beach Special Revenue Fund.

DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

2. CASH, CASH EQUIVALENTS AND INVESTMENTS

At year-end, the carrying amount of the District's checking deposits was \$2,913,075 while the bank balance was \$2,850,508. Of the bank balance, \$250,000 was covered by Federal Depository Insurance Coverage and the balance was covered by pledged collateral under an arrangement with the State of Nevada on behalf of all local units of government.

Cash and Cash Equivalents at June 30, 2018 consist of:

Operating Checking Accounts	\$2,913,075
Petty cash and change funds	71,360
Nevada Local Government Investment Pool (average weighted maturity of 142 days)	
General LGIP Account	2,992,689
US Government Money Market	<u>431,088</u>
Total Cash and Cash Equivalents	<u>\$6,408,212</u>

A portion of the District's investments are placed with Wells Fargo Bank as custodian in the US Government Money Market, where fair value is determined by multiplying the number of trading units held, by the quoted market value on that date.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares.

Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments. The District has adopted a formal investment policy that meets those limits and maturities for its investment choices. Essentially those investments are brokered certificates of deposit and government agencies.

The District categorizes its fair value measurements for investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs.

Fair Value Measurements as of June 30, 2018:	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
Certificates of Deposit	\$ 13,891,588	\$ -	\$13,891,588
US Agencies	9,906,564	-	<u>9,906,564</u>
	Total Interest Bearing Amounts		<u>\$23,798,152</u>

	Investment Maturities by type as of June 30 are:				
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Certificates of Deposit	\$6,979,102	\$1,736,797	\$5,175,690	\$ -	\$13,891,589
US Agencies	4,244,912	5,420,467	-	241,185	<u>9,906,564</u>
Subtotal interest bearing					23,798,153
Restricted Deposits	486,206	-	-	-	<u>486,206</u>
All Investment Types					<u>\$ 24,284,359</u>

	Investment Maturities by Activity as of June 30, 2018:			
	Governmental Activities	Business- Type Activities		Total
Short term	\$ 7,229,953	\$ 3,994,061		\$11,224,014
Long term	9,121,318	3,452,821		12,574,139
Restricted	<u>176,862</u>	<u>309,344</u>		<u>486,206</u>
Total Investment Types	<u>\$ 16,528,133</u>	<u>\$ 7,756,226</u>		<u>\$24,284,358</u>

Interest Rate Risk - To the extent possible, the maturities of securities held within District portfolios shall be closely matched to the District's cash flow requirements for day to day operations, planned capital projects and unknown future contingencies.

Credit Risk – The District's Investment Policy is based on the Uniform Prudent Investors Act and Nevada Revised Statutes 355.170 (NRS). The NRS authorizes the District to invest in obligations of the U.S. Government or U.S. Treasury, providing maturities are 10 years or less from the date of purchase; the local government pooled investment fund; negotiable certificates of deposit issued by commercial banks or insured savings and loans; short-term negotiable notes or bonds issued by local governments; and bankers' acceptances eligible by law for rediscount with the Federal Reserve Banks not to exceed 180 days. Diversification of the District's investments is guided by the Uniform Prudent Investors Act.

Custodial Credit Risk – The District Investment Policy requires FDIC coverage or collateralization on deposit-type securities. The District's cash accounts on deposit with financial institutions were covered by federal depository insurance and are collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Concentration Credit Risk – The District Investment Policy calls for diversification without setting maximum allocations. The District invests in Federal government-sponsored enterprises (GSE) for safety and to meet statutory requirements. All of these agencies have been rated Aaa by Moody's. The District's GSE holdings are approximately 42% of total investments. Individual CD's are held with a number of banks at or under the FDIC insured limit calculated by those institutions. LGIP is an unrated external investment pool administered by the State Treasurer, with oversight by the State of Nevada Board of Finance.

3. RESTRICTED ASSETS

The State of Nevada requires a deposit for sales tax collection and electronic filing of \$6,075, for a retail location in non-District owned premises.

On September 13, 2017 the District's Board of Trustees approved a settlement agreement relative to ongoing litigation with a member of the public. Under this agreement, damages awarded by the Washoe County District Court are held in a segregated account in the District's name until the Nevada Supreme Court Appeal is completed. The amount of the deposit was \$241,646 and now stands at \$242,019.

The assets of the EPA State Revolving Fund (SRF) Reserve may be used to service the Nevada SRF Sewer Bond of 2002. These restricted assets are pledged to provide a measure of security for the Nevada State Water Pollution Control Revolving Fund. The pledge is for \$213,000, interest earned is in the account at the District's discretion. The EPA SRF Reserve is in the LGIP Account totaling \$219,626. The assets in the TRPA (Tahoe Regional Planning Authority) Reserve may be used to satisfy performance obligations on projects authorized by the TRPA. These usually cover several years for construction and inspection phases. The total required deposits are \$156,778, interest earned is in the account at the District's discretion. The TRPA Project Reserve is in the LGIP Account totaling \$162,700. The Workers Comp Reserve exists according to Nevada Revised Statutes as an amount designated annually by the State of Nevada Insurance Commissioner. The amount is set aside in the event the State has to meet claims in excess of available reserves. The amount of the pledge is \$100,000 and interest earned is in the account at the District's discretion. The Work Comp Reserve is in the LGIP Account totaling \$103,880. In connection with completion of the Loss Portfolio Transfer and Assumption Agreement referred in Note 20, the Work Comp Reserve was released August 2, 2018.

Deposit with State of Nevada for Sales Tax	\$ 6,075
Building Deposit held by Parasol Foundation	100
Litigation Damage Deposit held by the District	242,019
LGIP Restricted Deposits (SRF, TRPA & Work Comp)	<u>486,206</u>
Total Temporarily Restricted Deposits	<u>\$ 734,400</u>

4. CAPITAL ASSETS

Capital Asset activity for the year ended June 30, 2018:	Balance			Balance	
	July 1, 2017	Increases	Decreases	June 30, 2018	
Governmental Activities:					
Capital assets, not being depreciated					
Land - General Government	\$ 2,669,904	\$ -	\$ -	\$ 2,669,904	
Land - Community Services	11,929,282	67,717	-	11,996,999	
Land - Beach	2,304,850	-	-	2,304,850	
Construction in Progress - General Government	14,151	113,813	(108,373)	19,591	
Construction in Progress - Community Services	1,629,467	3,905,926	(3,031,073)	2,504,320	
Construction in Progress - Beach	197,623	221,248	(187,454)	231,417	
Construction in Progress - Internal Services	-	26,719	(26,719)	-	
Total capital assets, not being depreciated	18,745,277	4,335,423	(3,353,619)	19,727,081	
Capital assets, being depreciated					
Buildings and Structures - General Government	846,899	-	-	846,899	
Buildings and Structures - Community Services	29,264,346	515,959	-	29,780,305	
Buildings and Structures - Beach	2,687,860	-	-	2,687,860	
Venue Improvements - Community Services	28,380,323	723,764	-	29,104,087	
Venue Improvements - Beach	2,034,160	139,678	-	2,173,838	
Equipment and Vehicles - General Government	1,501,075	108,373	(18,261)	1,591,187	
Equipment and Vehicles - Community Services	10,637,544	1,723,633	(747,631)	11,613,546	
Equipment and Vehicles - Beach	472,861	47,776	(9,851)	510,786	
Equipment and Vehicles - Internal Services	246,777	26,719	(9,584)	263,912	
Total capital assets, being depreciated	76,071,845	3,285,902	(785,327)	78,572,420	
Less accumulated depreciation for:					
Buildings and Structures - General Government	(780,647)	(11,054)	-	(791,701)	
Buildings and Structures - Community Services	(12,923,079)	(906,051)	-	(13,829,130)	
Buildings and Structures - Beach	(1,410,643)	(95,933)	-	(1,506,576)	
Venue Improvements - Community Services	(18,002,175)	(919,393)	-	(18,921,568)	
Venue Improvements - Beach	(1,258,460)	(93,854)	-	(1,352,314)	
Equipment and Vehicles - General Government	(762,263)	(231,660)	17,956	(975,967)	
Equipment and Vehicles - Community Services	(5,510,808)	(997,730)	735,422	(5,773,116)	
Equipment and Vehicles - Beach	(224,091)	(39,409)	9,851	(253,649)	
Equipment and Vehicles - Internal Services	(173,708)	(10,319)	9,584	(174,443)	
Total accumulated depreciation	(41,045,874)	(3,305,403)	772,813	(43,578,464)	
Total capital assets being depreciated, net	35,025,971	(19,501)	(12,514)	34,993,956	
Governmental Activities Capital Assets, net	\$ 53,771,248	\$ 4,315,922	\$ (3,366,133)	\$ 54,721,037	

Continued

Business-Type Activities

Utility Capital assets not being depreciated				
Land	\$ 6,715,544	\$ -	\$ -	\$ 6,715,544
Construction in Progress	4,519,884	7,037,423	(7,406,266)	4,151,041
Total utility capital assets, not being depreciated	11,235,428	7,037,423	(7,406,266)	10,866,585
Utility Capital assets, being depreciated				
Buildings and structures	11,900,859	3,272,789	(7,638)	15,166,010
Service infrastructure	105,000,108	3,633,611	(7,638)	108,626,081
Equipment and vehicles	3,483,938	499,866	(261,820)	3,721,984
Total utility capital assets at historical cost	120,384,905	7,406,266	(277,096)	127,514,075
Less accumulated depreciation for:				
Buildings and structures	(7,033,426)	(285,276)	7,638	(7,311,064)
Service infrastructure	(56,580,752)	(2,496,893)	7,638	(59,070,007)
Equipment and vehicles	(2,573,945)	(191,463)	261,820	(2,503,588)
Total accumulated depreciation	(66,188,123)	(2,973,632)	277,096	(68,884,659)
Total utility capital assets being depreciated, net	54,196,782	4,432,634	-	58,629,416
Business-Type Activities Capital Assets, net	\$ 65,432,210	\$ 11,470,057	\$ (7,406,266)	\$ 69,496,001

The District has a number of Construction in Progress projects open as of June 30, 2018. Community Services includes \$223,333 for the Diamond Peak Master Plan, and \$1,320,561 for the Incline Creek Culvert Rehabilitation. Beach includes \$210,032 for the Incline Beach Facility Study. The Utility Fund includes \$3,831,490 for the design phase of the Effluent Export Line that project will be ongoing through at least 2021. The District's primary building season is limited to May to October because of regulations from the Tahoe Regional Planning Agency. Most equipment purchases follow the budget and fiscal year cycle.

Depreciation expenses for the year ended June 30, 2018 was charged to functions as follows:

Governmental Activities:	
General Government	\$ 242,714
Recreation	2,823,174
Beach	229,196
Internal Services	10,319
Total Depreciation Expense	<u>\$ 3,305,403</u>
Business-Type Activities:	
Utility Fund Water and Sewer	<u>\$ 2,973,632</u>

The District holds a substantial number of land parcels for recreation and public purposes. Approximately 80 parcels were acquired at no cost through a Washoe County tax forfeiture transfer. These lands are not held for the purpose of income or profit, and therefore are not considered an investment.

5. ACCRUED PERSONNEL COSTS

The General Fund processes and issues payments for all payroll and most related personnel and benefit costs for all funds of the District. At the time the expenses are incurred, each fund records its appropriate costs. As payments are made, the individual funds provide their share through the pooled cash. This process provides the General Fund with the necessary available financial resources to meet the District wide obligations. Generally, no regular payroll or personnel accruals are recorded to the individual funds.

Accruals for special payments, Health Reimbursement Accounts, Sick Leave at Retirement, Workers Compensation and Vacation can appear in individual funds, because they are recognized well in advance of the payment process. The General Fund also maintains any bank accounts specific for payment of benefits except for those accumulated for Workers Compensation claims under the Internal Service Fund.

As a regular course of operations, the payroll including June 30 was paid July 7. The employee benefits earned through June 30 are also funded in the following month. At any given point the District has an obligation to its employees for the value of vacation time earned and not taken. The obligation is measured by the value due as if the employee terminated. The District allows retiring employees with an excess of 20 years of service, and that have accrued sick leave, to have it converted to Medical Retiree Benefit for reimbursing post employment health related costs. There are 17 eligible employees covered. The District has no other post-employment benefit obligations for health insurance or retirement benefits.

The District offers health reimbursement accounts (HRA) in exchange for the insured accepting a higher deductible or co-insurance. The Plan is administered by the health insurance carrier. The District also has a third party administered flexible spending account (FSA). The District maintains bank accounts exclusively for reimbursements for HRA and FSA transactions.

The District's Workers Compensation claims are processed by a Third Party Administrator. Claims are paid through a District zero balance account. Checks issued are payables until presented to the bank for payment.

As of June 30, 2018, the Accrued Personnel Costs were comprised of:

Current Payroll Liabilities:	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Accrued Payroll	\$ 595,235	\$ -	\$ 595,235
Taxes Withheld	44,378	-	44,378
Accrued Benefits	52,583	-	52,583
Deferred Comp	8,461	-	8,461
Pension	37,449	-	37,449
Health Reimbursement Accounts	163,683	-	163,683
Sick Leave Retirement Benefit	133,861	153,479	287,340
Workers Comp unpaid losses and expenses	57,575	-	57,575
Accrued Vacation	<u>376,960</u>	<u>170,002</u>	<u>546,962</u>
Total Government-wide	<u>\$1,470,185</u>	<u>\$ 323,481</u>	<u>\$1,793,666</u>

The Government-wide Accrued Personnel Costs could be liquidated within one year and has been classified as current. The following accounts are based on ongoing activity as opposed to a point in time accrual:

	Balance	Provisions		Balance
Select Benefit Liabilities	<u>June 30, 2017</u>	<u>Additions</u>	<u>Payments</u>	<u>June 30, 2018</u>
Health Reimbursement	\$ 129,715	\$ 74,002	\$ 40,034	\$ 163,683
Sick Leave Retirement	281,976	21,916	16,552	287,340
Work Comp unpaid losses	156,275	(98,700)	-	57,575
Accrued Vacation	536,624	651,741	641,404	546,961

6. UNEARNED REVENUE

The District receives a number of payments that will be recognized as revenue or a liquidated liability based upon a future transaction when the service is provided. These include:

	General	Community Services Special Rev.	Beach Special Rev.	Utility	Total
Billed in advance	\$ 12	\$ 464,847	\$126,915	\$543,518	\$1,135,292
Unexpired season passes	-	894,784	-	-	894,784
External Gift Cards	-	146,326	-	-	146,326
Internal Gift Cards	-	85,519	-	-	85,519
Total	<u>\$ 12</u>	<u>\$1,591,476</u>	<u>\$126,915</u>	<u>\$543,518</u>	<u>\$2,261,921</u>

7. INTERFUND ACCOUNTS AND TRANSFERS

The outstanding balances between funds results mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. The balances settle monthly through pooled cash and therefore there are no open balances as of June 30, 2018.

Transfers reported on the financial statements as of June 30, 2018 are as follows:

Fund Transfer In:								Total Out
Fund Transfer Out:	Community Services Special Revenue	Community Services Capital Projects	Community Services Debt Service	Beach Special Revenue	Beach Capital Projects	Beach Debt Service	Utility Fund	
Internal Services Fund	\$ 645,000	\$ -	\$ -	\$ 35,000	\$ -	\$ -	\$ 120,000	\$ 800,000
Community Services Special Revenue	-	3,650,842	1,309,499	-	-	-	-	\$4,960,341
Beach Special Revenue	-	-	-	-	301,833	7,739	-	\$ 309,572
Total In	<u>\$ 645,000</u>	<u>\$3,650,842</u>	<u>\$1,309,499</u>	<u>\$ 35,000</u>	<u>\$ 301,833</u>	<u>\$ 7,739</u>	<u>\$ 120,000</u>	<u>\$6,069,913</u>

Transfers for Capital Projects and Debt Service are (1) movement of revenues from the fund that by statute or budget authority collects the revenue to provide resources for specified functions and transaction types to the fund that will expend them. Transfers from Internal Services move unique resources to finance various operations in accordance with budgetary authorizations in relation to discontinuing self-insurance.

8. LONG-TERM DEBT

All of the District's Long Term Bonds are collateralized by a pledge of revenues derived and to be derived from the operation of either the Utility, Community Services or Beach venues, after deduction there from of the amount necessary to pay all operating and maintenance charges as required by applicable bond agreements. The District is also required to maintain rates sufficient to pay all maintenance, depreciation, replacement, betterment, and interest charges.

Outstanding Long-Term Debt as of June 30, 2018

Governmental Activities:

	Issue	Maturity	Interest	Amount	Principal	Due
Issue	Date	Date	Rate	Issued	Outstanding	2017-18
General Obligation Revenue Bonds Recreation						
Recreation Facilities						
and Recreation						
Refunding 2012	07/18/12	09/01/22	2.25%	3,475,000	<u>\$1,848,000</u>	<u>\$350,000</u>
Total Recreation Revenue Supported Debt					<u>\$1,848,000</u>	<u>\$350,000</u>

Business Type Activities:

Utility

State of Nevada

Sewer C32-0204	10/28/02	01/01/23	3.144%	\$1,720,380	\$ 590,633	\$ 110,875
Water IVGID-1	09/09/04	07/01/25	3.082%	1,687,282	755,855	91,048
Sewer CS32-0404 (G.O.)	08/01/06	01/01/26	2.73%	3,000,000	1,482,764	168,270
Water DW-1201 (G.O.)	03/16/12	01/01/32	2.39%	3,000,000	<u>2,289,352</u>	<u>139,485</u>
Total Utility Revenue Supported Debt					<u>\$5,118,604</u>	<u>\$ 509,678</u>
Total Debt – All Activities					<u>\$6,966,604</u>	<u>\$859,678</u>

Long-Term bonded debt activity for the year ended June 30, 2017

	Beginning <u>Balance</u>	New <u>Issues</u>	Principal <u>Reductions</u>	Ending <u>Balance</u>	Due Within <u>One Year</u>
General Obligation	\$7,107,102	\$ -	\$1,486,986	\$5,620,116	\$657,755
Revenue	<u>1,542,263</u>	<u>-</u>	<u>195,775</u>	<u>1,346,488</u>	<u>201,923</u>
Total	8,649,365	-	1,682,761	6,966,604	<u>\$859,678</u>
Bond discounts	(8,649)	-	(1,666)	(6,983)	
Bond Premiums	<u>14,997</u>	<u>-</u>	<u>14,997</u>	<u>-</u>	
Long-term Debt, net	<u>\$8,655,713</u>	<u>\$ -</u>	<u>\$1,696,092</u>	<u>\$6,959,621</u>	

Future Debt Service Requirements as of June 30, 2018

Fiscal Year	Debt Supported by		Debt Supported by	
	<u>Utility Revenue</u>		<u>Recreation Revenue</u>	
<u>Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 509,678	\$ 133,457	\$ 350,000	\$ 37,642
2020	523,988	119,145	361,000	29,643
2021	538,707	104,428	368,000	21,442
2022	553,841	89,291	378,000	13,050
2023	569,405	73,728	391,000	4,399
2024 to 2028	1,689,488	184,102	-	-
2029 to 2032	<u>733,497</u>	<u>39,990</u>	<u>-</u>	<u>-</u>
Total	<u>\$5,118,604</u>	<u>\$ 744,141</u>	<u>\$ 1,848,000</u>	<u>\$ 106,176</u>

At June 30, 2018, principal and interest to maturity in 2032, paid from pledged future revenues, totaled \$7,816,921. For the year ended June 30, 2018, the net pledged revenue was \$4,059,397.

9. DEFERRED INFLOW OF RESOURCES

The District is holding a deposit of \$242,019 for a damage award as part of ongoing litigation relating to matters asserted by a member of the public. The litigation is under appeal with the Nevada Supreme Court. If the District prevails, the award will become revenue to the General Fund. If the member of the public prevails, the deposit will be refunded under terms of a settlement agreement approved September 13, 2017.

The District has been awarded FEMA/Nevada Department of Emergency Management grants for 2017 damage to the Diamond Peak Maintenance Building \$38,643 and a portion of the culvert for \$331,019. Review of the final costs and determination of payment is ongoing. They will settle after August 31, therefore these amounts are deferred at the fund level.

The District has billed Pump Track costs of \$31,691 incurred by June 30, but will be paid after August 31. Therefore this amount is deferred at the fund level.

10. CAPITAL GRANTS

The Utility Fund received \$187,053 as a capital grant for enhanced fire flow water mains. The Utility Fund was awarded a FEMA/Nevada Department of Emergency Management Grant for 2017 damages to the wetlands of \$12,881. Final review and payment is ongoing.

The Community Services Capital Projects Fund was awarded a capital grant for \$225,000 for the Pump Track, and has received \$153,778. Another \$31,691 was billed for costs incurred by June 30. The Community Services Capital Projects Fund received a State of NV grant of \$2,996 for costs of a creek restoration project.

11. DEFERRED COMPENSATION PLAN

The District offers its employees deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans, available to all District employees, permit them to defer a portion of their earnings until future years. The deferred compensation benefit is not collectible by employees until termination, retirement, death, or unforeseeable emergency.

12. DISTRICT RETIREMENT BENEFIT PLANS

The District has two retirement plans covering substantially all of its full-time year round employees. Those not covered under the Pension Trust Fund for Operating Engineers are covered by the District's Money Purchase Pension Plan (Section 401(a)). The District also sponsors a Section 457 Deferred Compensation Plan.

The District's Money Purchase Pension (Section 401(a)) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate after six months of service. The District's provides a non-elective contribution of 12.3% of the employee's earnings. The District's contributions for each employee are fully vested after four years of service. District contributions for, and interest forfeited by employees who leave employment before fully vesting, are used to reduce the District's current-period contribution requirement. Employees are not allowed to contribute directly into this plan.

The Pension Trust Fund for Operating Engineers is a cost sharing, multiple employer, defined benefit plan contract between the District's employees and the Operating Engineers Union. The plan provides retirement and medical benefits to eligible participants based on a formula of years of service and reaching a qualifying age. It is available to approximately 45 positions in the District, covered by the collective bargaining agreements, with only four electing to do so. The District is not a party to this defined benefit plan. The District's liability under the union collective bargaining agreement is limited to making monthly contributions based on union employees' pay for hours worked. Consequently, the District is not liable for any funding shortage of the defined benefit plan. Each year the District contributions to the plan equal 100% of the District's liability under the bargaining agreement. The Pension Trust Fund for Operating Engineers issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Pension Trust Fund for Operating Engineers, 1600 Harbor Bay Parkway, Suite 200, Alameda, California 94502 or by calling (800) 251-5014.

The District's Deferred Compensation (Section 457) Plan is a defined contribution plan. The plan is administered by third party administrators. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Employees are eligible to participate immediately after the first day of a month of employment. Employee contributions are subject to Internal Revenue Service regulations for Section 457 plans. The District provides a matching contribution up to 3%. Both employee and District contributions are fully vested 100% as made.

The District's total contributions equal to required contributions for employees covered by the above plans are as follows:

	<u>Contribution to:</u>			
	401(a) Money	Operating	Employer	Employee
<u>FYE June 30</u>	<u>Purchase</u>	<u>Engineers</u>	<u>Section 457</u>	<u>Section 457</u>
2018	\$942,023	\$37,898	\$211,945	\$406,548
2017	881,780	38,839	195,958	388,287
2016	796,148	42,559	179,873	349,945

13. SCHEDULE OF INSURANCE COVERAGE AND RISK MANAGEMENT

Insurance Coverage on June 30, 2018 consists of the following:

Type	Carrier/Provider	Amount
Property Liability on buildings & contents	NV Public Agency Pool	\$ 300,000,000
Earthquake & Flood	NV Public Agency Pool	150,000,000
Boiler & Machinery	NV Public Agency Pool	100,000,000
General Liability	NV Public Agency Pool	10,000,000
Cyber Security Event	NV Public Agency Pool	2,000,000
Money & Securities	NV Public Agency Pool	500,000
Site Pollution Incident	NV Public Agency Pool	2,000,000
Ski Resort Gen. Liability	Nova Casualty Company	1,000,000
Ski Resort Excess Liability	Nova Casualty Company	6,000,000
Workers Compensation	NV Public Agency Comp. Trust	2,000,000

The District has elected to participate in the Nevada Public Agency Insurance Pool. The risk-sharing Pool secures insurance coverage for all its members. The Pool agreement provides coverage for the equivalent of errors and omissions and directors and officers acts. The Pool does not offer general or excess liability coverage for the Diamond Peak Ski Resort. Therefore, separate coverage is purchased.

A portion of each member's premium contributions to the Pool goes into the Loss Fund and the remainder pays for the excess insurance premiums and administrative expenses. The amount of the Loss Fund contribution is determined by the underwriters based on each member's average annual losses over the prior five years. This amount may vary each year.

The Pool pays all losses from the Loss Fund per occurrence, less the member's maintenance deductible. The District has a \$5,000 deductible. Excess insurance above the Pool's self-funded amount, is provided by secondary markets based on arrangements made with the Pool, including a Pool owned captive.

There were no District settlements in excess of insurance coverage in any of the three prior fiscal years.

Ski Liability Insurance is not covered by the Nevada Public Agency Insurance Pool. A separate insurance program, less the District's \$10,000 deductible, provides coverage.

Workers Compensation Coverage

Prior to July 1, 2013 the District was self-insured for Worker's Compensation coverage through an internal service fund. This fund was liable for claim costs incurred during that time. Effective July 1, 2018 the District has executed a Loss Portfolio Transfer and Assumption Agreement with Public Agency Compensation Trust, which removes all liability in exchange for a one-time assessment of \$57,300. As of July 1, 2013 the District utilizes the Nevada Public Agency Compensation Trust to provide work comp coverage for all employees.

Workers Compensation (an element of the Internal Service Fund) accounts for and finances its risks of loss for Workers Compensation benefits. Through the Internal Service Fund, the District collects charges based on compensation, and then pays pooling assessments to the Nevada Public Agency Compensation Trust

(NVPACT). All funds of the District participate in the program and made payments to the Workers Compensation Fund based on actuarial estimates provided by NVPACT for the amounts needed to pay claims as member of the risk sharing pool.

For fiscal year ended June 30, 2018, the Internal Services Fund billed other District funds a total of \$464,551 and made member assessment payments for coverage of \$441,606. There were no new claim costs for the period prior to July 1, 2013. The claim reserves and future administration costs have been re-evaluated each of the last three years. The District made general provisions of \$56,000 for 2016, and reductions of \$98,700 for 2018. The District had a Third Party Administrator monitors open claims. As of June 30, 2018, the District carries \$57,300 as the Claims Liability based on the amount due July 1, 2018 to complete a Loss Portfolio Transfer and Assumption Agreement. Under this Agreement the District will no longer be liable for costs for claims incurred prior to July 1, 2013.

Following is a reconciliation of Workers Comp claims liability as of June 30, 2018, for claims incurred prior to July 1, 2013.

	Beginning Claims <u>Liability</u>	Claims <u>Made</u>	Claims <u>Payments</u>	General <u>Provision</u>	Ending Claims <u>Liability</u>
June 30, 2018	\$156,000	\$ -	\$ -	\$ (98,700)	\$ 57,300
June 30, 2017	\$156,000	\$ -	\$ -	\$ -	\$156,000
June 30, 2016	\$ 100,000	\$ -	\$ -	\$ 56,000	\$156,000

14. CONTINGENCIES

The District participates in various federal programs, which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the District's compliance with applicable grant requirements will be established at a future date.

Washoe County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. Similar cases have resulted in the County charging a portion of the rebates against the District's tax settlements in 2012 through 2014. The impact of the current claims, on the District's financial condition, cannot be reasonably estimated.

15. COMMITTED AND ASSIGNED FUND BALANCE

As of July 1, 2015, the Board of Trustees established Special Revenue, Capital Project and Debt Service funds for District Community Services and Beach activities. Based on governmental accounting standards the fund balance for the Special Revenue funds are reported as committed for the purpose of recreation privileges utilizing the facility fee. The fund balance in the Capital Projects and Debt Service Funds are reported as assigned since they represent amounts designated through the budget process for approved but uncompleted expenditures under the direction of the District General Manager.

16. LEASE OBLIGATIONS

Current Expenses:

During the year ended June 30, 2018, \$31,813 was paid for leased golf carts used at the Mountain Golf Course. These payments are included under Services and Supplies in the Community Services Fund. A residual payment due on the Mountain Golf Carts of \$48,730 was paid as an unbudgeted capital expenditure to purchase the 58 cart fleet.

17. DUE TO OTHER GOVERNMENTS

The Nevada Department of Taxation has notified the District of refund of sales tax due another taxpayer, resulting in reductions of monthly Consolidated Tax Distributions. While the exact amount and terms for the reductions is not determined, sufficient information is available to arrive at an estimated \$60,000 liability. The refund applies to taxes received over three years ending in March 2017. The District share of recognizing the consequences of this refund will be made through 18 monthly reductions beginning with the July 2018 Consolidated Tax Distribution.

18. SEGMENT INFORMATION FOR COMMUNITY SERVICES AND BEACH SPECIAL REVENUE FUNDS

The District provides recreation functions through two individual special revenue funds. Each serves a different set of venues and customer base. A significant source of revenue for these functions for operations, capital expenditure and debt service comes directly from a facility fee assessed by parcel for each function and expenditure type. Facility Fees have been listed separately by fund and function. The operating portion of the facility fee is combined with charges for services to provide the resources for providing services. Charges for services are aggregated, while expenditures are provided by function. As stated in Note 1 T, part of the facility fee can be used to pay for charges for services in lieu of other forms of privileges. These are referred to as Punch Cards. The following are major functions included in Charges for Services and the approximate amounts of punch cards activity that is included.

	Charges for Services	Paid with Punch Cards	Punch Cards Value Utilized
Community Services Fund:			
Championship Golf	\$ 3,765,419	\$ 26,000	\$ -
Mountain Golf	630,214	97,000	-
Facilities	355,696	-	-
Ski	9,155,646	109,000	-
Community Programming	1,289,953	1,000	-
Parks	48,910	-	-
Tennis	145,197	-	-
Recreation Administration	<u>(758,481)</u>	<u>-</u>	<u>(780,000)</u>
Total	<u>\$ 14,632,554</u>	<u>\$233,000</u>	<u>\$(780,000)</u>
Beach Fund	<u>\$ 1,266,613</u>	<u>\$691,000</u>	<u>\$(144,000)</u>
District Total		<u>\$924,000</u>	<u>\$(924,000)</u>

19. COMMITMENTS AFFECTING FUTURE PERIODS

General Fund:

The District entered into an unemployment insurance contract with First Nonprofit Companies for total premiums of \$185,000 for calendar year 2018 services. As of June 30, 2018 \$92,500 in quarterly deposits are remaining as a part of the subsequent year's budget.

Capital Project Carryover:

The District budgets for capital projects one year at a time for capital improvement project spending authority. However, the actual execution of construction or acquisition can span one or more fiscal years. The District has identified carryover and unspent budget authority for those projects. The amounts for governmental fund types are re-budgeted for the subsequent fiscal year. The unused Utility Fund resources become part of Unrestricted Net Position, but are budgeted under cash flow on the State of NV budget forms.

General Fund:

As of June 30, 2018, there is \$43,700 for a carryover project for the Administration Building.

Utility Fund:

As of June 30, 2018, there is \$9,703,020 of identified projects included in the carryover. The most significant portion is \$8,756,603 for the Effluent Export Line.

Community Services Fund:

As of June 30, 2018, there is \$2,346,762 of identified projects in the carryover. The most significant portion is \$604,600 for the Incline Creek Culvert Rehabilitation, \$682,600 for the Diamond Peak Master Plan Implementation, and \$138,000 for the Community Services Master Plan.

Beach Fund:

As of June 30, 2018, there is \$30,000 in the carryover for the Incline Beach Facility Study.

Budgeting for the Fiscal Year Ending June 30, 2019:

As a part of the budgeting for the fiscal year ending June 30, 2019, the District identified transfers of \$2,458,275 for capital expenditures from the Community Services Special Revenue Fund and \$3,844 for capital expenditures from the Beach Special Revenue Fund. These operating transfers are from those Funds to their respective Capital Projects Fund. The source of those transfers is presumably fund balance, reported as Unrestricted Net Position.

The District has committed to these capital improvement projects through contractual arrangements:

	<u>Contract Award</u>	<u>Completed at June 30, 2018</u>	<u>Remaining Commitment</u>
Utility Fund			
Effluent Pipeline Project – State Route 28 Line Repairs			
State of Nevada	\$1,152,600	\$ 955,028	\$ 197,572
Community Services Fund			
Incline Creek Culvert Restoration			
Q&D Construction, Inc.	3,792,459	-	3,792,459
CH2M Hill	64,000	22,785	41,215
CH2M Hill	70,000	-	70,000
Tri Sage Consulting	92,150	-	92,150

20. SUBSEQUENT EVENTS

The District has been engaged in a lawsuit with an individual over many years. A District Court decision made an award to the District for the recovery of fees. Both the Court decision and the fees awarded are under an appeal. In order to reduce possible longer-term exposure to the individual, the District received \$241,646 on September 14, 2017. These refunds are in a separate money market account and are classified as a Deferred Inflow until all appeals under the lawsuit are resolved. The timeframe for a decision is unknown.

The District and Public Agency Compensation Trust (PACT) have entered into a Loss Portfolio Transfer and Assumption Agreement effective July 1, 2018. Under the agreement all of the past liability for the District's self-insured workers compensation program from 1992 through June 30, 2013 is transferred to PACT. The District will pay a one-time assessment of \$49,000 and file conversion costs of \$8,700. Incidental to completing this agreement, the District was able to have the restricted deposit for the benefit of claims liability released on August 2, 2018. Once the other steps are accomplished, the Board of Trustees has budgeted a transfer of fund balance totaling \$300,000 from the Internal Services Fund to the Utility, Community Service Special Revenue and Beach Special Revenue Funds for the fiscal year ending June 30, 2019. This transfer was made as budgeted, September 1, 2018.

21. STATE OF NEVADA TAX ABATEMENTS AFFECTING DISTRICT REVENUES

The State of Nevada has entered into various tax abatement agreements that reduce the tax revenues of local governments. Taxes reduced include the Consolidated Tax, which includes allocated sales and use tax revenue. State law establishes the abatements. The District's estimated share of abatements for this fiscal year is \$39,622.

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**REQUIRED
SUPPLEMENTARY
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
SCHEDULE OF EMPLOYER REQUIRED CONTRIBUTIONS
TO DEFINED CONTRIBUTION MULTI-EMPLOYER PLANS
FOR THE TEN MOST RECENT FISCAL YEARS**

For the year ending June 30:	401(a) Money Purchase			Operating Engineers			457 Employer Portion		
	Number of Participants	Covered Payroll	Required Contributions	Number of Participants	Covered Payroll	Required Contributions	Number of Participants	Covered Payroll	Required Contributions
2018	111	\$ 7,658,724	\$ 942,023	4	\$ 308,114	\$ 37,898	109	\$ 7,907,817	\$ 211,945
2017	100	7,168,943	881,780	4	315,764	38,839	101	7,552,383	195,958
2016	97	6,472,748	796,148	5	346,008	42,559	99	6,971,739	179,872
2015	92	5,945,967	731,354	4	275,846	33,929	91	6,272,193	161,521
2014	90	6,114,415	752,073	5	346,797	42,656	88	6,244,762	168,321
2013	95	5,934,439	729,936	5	377,293	46,407	91	6,193,143	190,035
2012	97	6,049,829	744,129	7	395,512	48,648	96	6,727,903	191,087
2011	102	6,482,260	797,318	7	463,862	57,055	99	6,566,779	188,652
2010	106	6,133,951	754,476	8	477,382	58,718	102	7,034,731	192,637
2009	116	6,305,970	630,597	8	550,447	67,705	107	7,065,990	193,493

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

**SUPPLEMENTARY
INFORMATION**

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

		Budgeted Amounts			
		Original	Final	Actual	Variance
REVENUES					
Sales of Assets		\$ -	\$ -	\$ 1,980	\$ 1,980
Charitable - Capital Grants		-	-	156,775	156,775
Total revenues		-	-	158,755	158,755
EXPENDITURES					
COMMUNITY SERVICES RECREATION:					
Championship Golf	New projects	570,100	570,100	538,138	31,962
	Carryover projects	255,550	255,550	125,983	129,567
Mountain Golf	New projects	413,000	413,000	312,024	100,976
	Carryover projects	184,450	184,450	90,931	93,519
Facilities	New projects	109,950	109,950	105,273	4,677
	Carryover projects	149,000	149,000	93,331	55,669
Ski	New projects	2,305,122	2,305,122	1,525,333	779,789
	Master Plan	690,000	690,000	7,422	682,578
	Carryover projects	418,000	418,000	281,266	136,734
Community Programming	New projects	194,130	194,130	71,100	123,030
	Carryover projects	113,000	113,000	-	113,000
Parks	New projects	268,000	268,000	498,206	(230,206)
	Carryover projects	177,000	177,000	103,107	73,893
Tennis	New projects	46,660	46,660	5,000	41,660
	Carryover projects	20,000	20,000	-	20,000
Comm. Serv. Administration	New projects	95,000	95,000	76,926	18,074
	Carryover projects	208,000	208,000	71,886	136,114
Total expenditures		6,216,962	6,216,962	3,905,926	2,311,036
Exæss (deficiency) of revenues over expenditures		(6,216,962)	(6,216,962)	(3,747,171)	2,469,791
OTHER FINANCING SOURCES					
Operating Transfers In - Facility Fees		2,704,020	2,704,020	2,700,842	(3,178)
Operating Transfers In - CIP		2,900,000	2,900,000	950,000	(1,950,000)
Total other financing sources		5,604,020	5,604,020	3,650,842	(1,953,178)
Net changes in fund balance		(612,942)	(612,942)	(96,329)	516,613
Fund Balance, July 1		2,284,781	2,284,781	2,423,806	139,025
Fund balance, June 30		\$ 1,671,839	\$ 1,671,839	\$ 2,327,477	\$ 655,638

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
BEACH CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

		Budgeted Amounts			
		Original	Final	Actual	Variance
EXPENDITURES					
Beach	New projects	\$ 130,500	\$ 130,500	\$ 159,215	\$ (28,715)
	Carryover projects	202,000	202,000	62,033	139,967
Total expenditures		332,500	332,500	221,248	111,252
Excess (deficiency) of revenues over expenditures		(332,500)	(332,500)	(221,248)	111,252
OTHER FINANCING SOURCES					
Operating Transfers In - Facility Fee		302,484	302,484	301,833	(651)
Operating Transfers In - Carryover CIP		25,000	25,000	-	(25,000)
Total other financing sources		327,484	327,484	301,833	(25,651)
Net changes in fund balance		(5,016)	(5,016)	80,585	85,601
Fund Balance, July 1		5,235	5,235	5,155	(80)
Fund balance, June 30		\$ 219	\$ 219	\$ 85,740	\$ 85,521

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Community Services - GO Revenue Supported				
Principal	\$ 336,494	\$ 336,494	\$ 336,494	\$ -
Interest	44,696	44,696	44,696	-
Community Services - Medium Term Financing				
Principal	845,000	845,000	845,000	-
Interest	59,150	59,150	59,150	-
Total expenditures	<u>1,285,340</u>	<u>1,285,340</u>	<u>1,285,340</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,285,340)</u>	<u>(1,285,340)</u>	<u>(1,285,340)</u>	<u>-</u>
OTHER FINANCING SOURCES				
Operating Transfers In - Facility Fees	<u>1,311,040</u>	<u>1,311,040</u>	<u>1,309,499</u>	<u>(1,541)</u>
Total other financing sources	<u>1,311,040</u>	<u>1,311,040</u>	<u>1,309,499</u>	<u>(1,541)</u>
Net changes in fund balance	25,700	25,700	24,159	(1,541)
Fund Balance, July 1	<u>26,975</u>	<u>26,975</u>	<u>27,394</u>	<u>419</u>
Fund balance, June 30	<u><u>\$ 52,675</u></u>	<u><u>\$ 52,675</u></u>	<u><u>\$ 51,553</u></u>	<u><u>\$ (1,122)</u></u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
 BEACH DEBT SERVICE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
 FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts		Actual	Variance
	Original	Final		
EXPENDITURES				
Beach				
Principal	\$ 5,506	\$ 5,506	\$ 5,506	\$ -
Interest	732	732	731	1
Total expenditures	<u>6,238</u>	<u>6,238</u>	<u>6,237</u>	<u>1</u>
Excess (deficiency) of revenues over expenditures	(6,238)	(6,238)	(6,237)	(1)
OTHER FINANCING SOURCES				
Operating Transfers In - Facility Fees	<u>7,756</u>	<u>7,756</u>	<u>7,739</u>	<u>(17)</u>
Net changes in fund balance	1,518	1,518	1,502	(16)
Fund Balance, July 1	<u>3,101</u>	<u>3,101</u>	<u>3,104</u>	<u>3</u>
Fund balance, June 30	<u><u>\$ 4,619</u></u>	<u><u>\$ 4,619</u></u>	<u><u>\$ 4,606</u></u>	<u><u>\$ (13)</u></u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Ad valorem taxes	\$ 1,537,050	\$ 1,537,050	\$ 1,524,623	\$ (12,427)
Personal Property Tax	12,000	12,000	12,671	671
Intergovernmental:				
Consolidated Tax	1,363,510	1,363,510	1,388,529	25,019
Local Government Tax Act	216,000	216,000	248,721	32,721
Investment income	36,000	36,000	89,960	53,960
Miscellaneous	3,600	3,600	2,033	(1,567)
Central Services Revenue	1,094,000	1,094,000	1,094,000	-
Total revenues	<u>4,262,160</u>	<u>4,262,160</u>	<u>4,360,537</u>	<u>98,377</u>
EXPENDITURES				
General Government - All Functions:				
Function Summary	<u>4,206,620</u>	<u>4,206,620</u>	<u>3,700,016</u>	<u>506,604</u>
Total expenditures	<u>4,206,620</u>	<u>4,206,620</u>	<u>3,700,016</u>	<u>506,604</u>
Excess (deficiency) of revenues over expenditures	<u>55,540</u>	<u>55,540</u>	<u>660,521</u>	<u>604,981</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(120,000)	(120,000)	-	120,000
Sale of capital assets	<u>-</u>	<u>-</u>	<u>16</u>	<u>16</u>
Net changes in fund balance	(64,460)	(64,460)	660,537	724,997
Fund balance, July 1	<u>1,837,533</u>	<u>1,837,533</u>	<u>1,862,249</u>	<u>24,716</u>
Fund balance, June 30	<u>\$ 1,773,073</u>	<u>\$ 1,773,073</u>	<u>\$ 2,522,786</u>	<u>\$ 749,713</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES				
General Government:				
General Administration				
Salaries and Wages	\$ 29,125	\$ 29,125	\$ 42,668	\$ (13,543)
Employee Benefits	17,975	17,975	13,250	4,725
Services and Supplies	418,664	418,664	406,634	12,030
Capital Outlay	278,900	278,900	34,361	244,539
Subtotal General Administration	744,664	744,664	496,913	247,751
General Manager				
Salaries and Wages	250,590	250,590	237,500	13,090
Employee Benefits	98,110	98,110	104,419	(6,309)
Services and Supplies	31,520	31,520	13,093	18,427
Subtotal General Manager	380,220	380,220	355,012	25,208
Trustees				
Salaries and Wages	99,087	99,087	99,852	(765)
Employee Benefits	29,398	29,398	27,905	1,493
Services and Supplies	87,492	87,492	48,693	38,799
Subtotal Trustees	215,977	215,977	176,450	39,527
Accounting				
Salaries and Wages	544,869	544,869	537,564	7,305
Employee Benefits	235,182	235,182	240,003	(4,821)
Services and Supplies	70,900	70,900	55,781	15,119
Subtotal Accounting	850,951	850,951	833,348	17,603
Information Services				
Salaries and Wages	443,860	443,860	368,250	75,610
Employee Benefits	195,407	195,407	145,695	49,712
Services and Supplies	309,304	309,304	306,713	2,591
Capital Expenditure	-	-	79,452	(79,452)
Subtotal Information Services	948,571	948,571	900,110	48,461
Risk Management				
Salaries and Wages	77,701	77,701	75,689	2,012
Employee Benefits	43,003	43,003	42,005	998
Services and Supplies	21,700	21,700	9,338	12,362
Subtotal Risk Management	142,404	142,404	127,032	15,372
Human Resources				
Salaries and Wages	323,958	323,958	369,565	(45,607)
Employee Benefits	177,556	177,556	181,497	(3,941)
Services and Supplies	68,556	68,556	46,813	21,743
Subtotal Human Resources	570,070	570,070	597,875	(27,805)
Health and Wellness				
Salaries and Wages	16,451	16,451	13,786	2,665
Employee Benefits	8,757	8,757	4,800	3,957
Services and Supplies	21,500	21,500	6,008	15,492
Subtotal Health and Wellness	46,708	46,708	24,594	22,114
Community & Employee Relations				
Salaries and Wages	103,255	103,255	103,766	(511)
Employee Benefits	54,220	54,220	44,267	9,953
Services and Supplies	149,580	149,580	40,649	108,931
Subtotal Comm. Relations	307,055	307,055	188,682	118,373
Function Subtotal - Form 10	\$ 4,206,620	\$ 4,206,620	\$ 3,700,016	\$ 506,604

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for Services				
Championship Golf	\$ 3,687,462	\$ 3,687,462	\$ 3,765,419	\$ 77,957
Mountain Golf	683,670	683,670	630,214	(53,456)
Facilities	358,225	358,225	355,696	(2,529)
Ski	8,268,215	9,118,215	9,155,646	37,431
Community Programming	1,266,772	1,266,772	1,289,953	23,181
Parks	54,400	54,400	48,910	(5,490)
Tennis	167,500	167,500	145,197	(22,303)
Recreation Administration	(510,000)	(510,000)	(758,481)	(248,481)
Facility Fee:				-
Championship Golf	794,818	794,818	795,437	619
Mountain Golf	508,028	508,028	505,878	(2,150)
Facilities	458,864	458,864	458,325	(539)
Ski	221,238	221,238	220,978	(260)
Community Programming	1,294,652	1,294,652	1,293,131	(1,521)
Parks	958,698	958,698	957,571	(1,127)
Tennis	163,880	163,880	163,687	(193)
Recreation Administration	1,376,592	1,376,592	1,374,975	(1,617)
Operating Grants	17,000	17,000	17,000	-
Interfund Services	91,000	91,000	74,014	(16,986)
Intergovernmental Services	31,100	31,100	20,220	(10,880)
Investment Earnings	48,000	48,000	69,303	21,303
Sale of Assets	-	-	85,562	85,562
Miscellaneous	86,400	86,400	109,462	23,062
Total revenues	<u>20,026,514</u>	<u>20,876,514</u>	<u>20,778,097</u>	<u>(98,417)</u>
EXPENDITURES				
Culture and Recreation - All Functions:				
Function Summary	15,975,174	16,345,174	16,137,428	207,746
Total expenditures	<u>15,975,174</u>	<u>16,345,174</u>	<u>16,137,428</u>	<u>207,746</u>
Excess (deficiency) of revenues over expenditures	<u>4,051,340</u>	<u>4,531,340</u>	<u>4,640,669</u>	<u>109,329</u>
OTHER FINANCING SOURCES (USES)				
Contingency	(475,000)	(475,000)	-	475,000
Operating Transfers In - Internal Services	645,000	645,000	645,000	-
Operating Transfers Out - Capital Projects	(5,604,020)	(5,604,020)	(3,650,842)	1,953,178
Operating Transfers Out - Debt Service	<u>(1,311,040)</u>	<u>(1,311,040)</u>	<u>(1,309,499)</u>	<u>1,541</u>
Net changes in fund balance	(2,693,720)	(2,213,720)	325,328	2,539,048
Fund balance, July 1	<u>9,835,803</u>	<u>10,320,141</u>	<u>10,320,141</u>	<u>-</u>
Fund balance, June 30	<u>\$ 7,142,083</u>	<u>\$ 8,106,421</u>	<u>\$ 10,645,469</u>	<u>\$ 2,539,048</u>

Note: The State Budget Form 4404LGF recognized the Total Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure by those Funds.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
COMMUNITY SERVICES SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original	Final	Actual	Variance
EXPENDITURES				
Community Services:				
Championship Golf				
Salaries and Wages	\$ 1,335,797	\$ 1,335,797	\$ 1,450,745	\$ (114,948)
Employee Benefits	434,814	434,814	378,678	56,136
Services and Supplies	2,097,883	2,097,883	2,226,279	(128,396)
Subtotal Championship Golf	3,868,494	3,868,494	4,055,702	(187,208)
Mountain Golf				
Salaries and Wages	381,142	381,142	327,821	53,321
Employee Benefits	111,183	111,183	88,958	22,225
Services and Supplies	543,442	543,442	555,392	(11,950)
Subtotal Mountain Golf	1,035,767	1,035,767	972,171	63,596
Facilities				
Salaries and Wages	89,577	89,577	80,096	9,481
Employee Benefits	49,752	49,752	38,460	11,292
Services and Supplies	357,745	357,745	330,241	27,504
Subtotal Facilities	497,074	497,074	448,797	48,277
Ski				
Salaries and Wages	2,544,098	2,794,098	2,767,963	26,135
Employee Benefits	938,084	1,023,084	847,817	175,267
Services and Supplies	3,218,973	3,253,973	3,408,547	(154,574)
Subtotal Ski	6,701,155	7,071,155	7,024,327	46,828
Community Programming				
Salaries and Wages	1,062,970	1,062,970	1,093,852	(30,882)
Employee Benefits	346,410	346,410	319,199	27,211
Services and Supplies	905,581	905,581	819,054	86,527
Subtotal Community Programming	2,314,961	2,314,961	2,232,105	82,856
Parks				
Salaries and Wages	335,654	335,654	332,157	3,497
Employee Benefits	85,271	85,271	71,527	13,744
Services and Supplies	429,924	429,924	414,614	15,310
Subtotal Parks	850,849	850,849	818,298	32,551
Tennis				
Salaries and Wages	149,310	149,310	120,151	29,159
Employee Benefits	26,249	26,249	19,854	6,395
Services and Supplies	102,869	102,869	88,525	14,344
Subtotal Tennis	278,428	278,428	228,530	49,898
Community Services Administration				
Salaries and Wages	142,242	142,242	144,815	(2,573)
Employee Benefits	53,704	53,704	41,518	12,186
Services and Supplies	232,500	232,500	171,165	61,335
Subtotal Recreation Administration	428,446	428,446	357,498	70,948
Function Subtotal	\$ 15,975,174	\$ 16,345,174	\$ 16,137,428	\$ 207,746

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
BEACH SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2018**

	Budgeted Amounts			
	Original	Final	Actual	Variance
REVENUES				
Charges for Services				
Culture and Recreation:				
Beach	\$ 1,023,200	\$ 1,023,200	\$ 1,266,613	\$ 243,413
Facility Fees	969,500	969,500	967,414	(2,086)
Investment Earnings	9,000	9,000	2,288	(6,712)
Sale of Assets	-	-	857	857
Total revenues	<u>2,001,700</u>	<u>2,001,700</u>	<u>2,237,172</u>	<u>235,472</u>
EXPENDITURES				
Beach:				
Salaries and Wages	763,266	763,266	748,538	14,728
Employee Benefits	214,396	214,396	182,791	31,605
Services and Supplies	<u>702,727</u>	<u>702,727</u>	<u>688,417</u>	<u>14,310</u>
Total expenditures	<u>1,680,389</u>	<u>1,680,389</u>	<u>1,619,746</u>	<u>60,643</u>
Excess (deficiency) of revenues over expenditures	321,311	321,311	617,426	296,115
OTHER FINANCING SOURCES (USES)				
Contingency	(50,000)	(50,000)	-	50,000
Operating Transfer In - Internal Services	35,000	35,000	35,000	-
Operating Transfers Out - Capital Projects	(327,484)	(327,484)	(301,833)	25,651
Operating Transfers Out - Debt Service	<u>(7,756)</u>	<u>(7,756)</u>	<u>(7,739)</u>	<u>17</u>
Net changes in fund balance	(28,929)	(28,929)	342,854	371,783
Fund balance, July 1	<u>1,037,000</u>	<u>1,037,000</u>	<u>1,070,237</u>	<u>33,237</u>
Fund balance, June 30	<u>\$ 1,008,071</u>	<u>\$ 1,008,071</u>	<u>\$ 1,413,091</u>	<u>\$ 405,020</u>

Note: The State Budget Form 4404LGF recognized Facility Fee revenue in the Community Services and Beach fund, while utilizing transfers to the Capital Projects and Debt Service Funds for expenditure.

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
UTILITY FUND - BUDGETARY BASIS
WATER, SEWER AND TRASH ACTIVITIES
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION -BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Original & Final Budget	Actual	Variance
REVENUES			
Sales and service fees	\$ 11,559,102	\$ 11,597,653	\$ 38,551
Intergovernmental services	145,029	150,356	5,327
Interfund services	141,400	177,548	36,148
Investment earnings	96,000	77,280	(18,720)
Total revenues	<u>11,941,531</u>	<u>12,002,837</u>	<u>61,306</u>
EXPENSES			
Wages	2,561,058	2,505,990	55,068
Benefits	1,209,975	1,116,230	93,745
Services and supplies	2,034,476	2,179,628	(145,152)
Utilities	953,002	842,777	110,225
Legal and audit	97,800	102,886	(5,086)
Central Services cost	297,000	297,000	-
Defensible Space	100,000	95,229	4,771
Depreciation	2,950,000	2,973,631	(23,631)
Debt service interest	147,373	140,463	6,910
Total expenses	<u>10,350,684</u>	<u>10,253,834</u>	<u>96,850</u>
NONOPERATING ITEMS			
Gain (loss) on sale of assets	-	50,020	50,020
Transfers In (Out)	-	120,000	120,000
Capital Grants	-	199,934	199,934
Total Nonoperating items	-	369,954	369,954
Changes in Net Position	<u>\$ 1,590,847</u>	<u>\$ 2,118,957</u>	<u>\$ 528,110</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition of Capital Assets - New Projects	\$ 4,428,100	\$ 2,911,706	\$ (1,516,394)
Acquisition of Capital Assets - Carry Over Projects	<u>\$ 3,576,000</u>	<u>\$ 4,125,717</u>	<u>\$ 549,717</u>
Payments of Principal on Capital Debt	<u>\$ 495,761</u>	<u>\$ 495,761</u>	<u>\$ -</u>

**INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
INTERNAL SERVICES FUND - BUDGETARY BASIS
(FLEET, ENGINEERING AND BUILDINGS MAINTENANCE
AND WORKERS COMPENSATION ACTIVITIES)
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	Budget Amounts			
	Original	Final	Actual	Variance
REVENUES				
Services provided by:				
Fleet	\$ 1,043,000	\$ 1,043,000	\$ 1,059,405	\$ 16,405
Engineering	787,200	787,200	754,258	(32,942)
Buildings Maintenance	963,700	963,700	912,635	(51,065)
Workers Compensation	425,000	425,000	464,551	39,551
Interfund Services	3,218,900	3,218,900	3,190,849	(28,051)
Investment earnings	2,400	2,400	13,571	11,171
 Total Revenues	 3,221,300	 3,221,300	 3,204,420	 (16,880)
EXPENSES				
Wages	1,348,106	1,348,106	1,309,713	38,393
Benefits	644,204	644,204	616,674	27,530
Services and Supplies	1,185,212	1,185,212	1,102,921	82,291
Utilities	10,500	10,500	10,173	327
Legal & Audit	9,000	9,000	9,600	(600)
Depreciation	12,000	12,000	10,319	1,681
Total expenses	3,209,022	3,209,022	3,059,400	149,622
NONOPERATING ITEMS				
Gain on sale of assets	-	-	3,182	3,182
Transfers Out	(800,000)	(800,000)	(800,000)	-
Total nonoperating items	(800,000)	(800,000)	(796,818)	3,182
 Changes in Net Position	 \$ (787,722)	 \$ (787,722)	 \$ (651,798)	 \$ (163,320)

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

STATISTICAL SECTION
(UNAUDITED)

STATISTICAL SECTION (UNAUDITED)

The Statistical Section of the Incline Village General Improvement District Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information indicates about the District's overall financial health.

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Financial Trends

These schedules contain trend information to help understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help assess the District's most significant local revenue source, the Facility Fee, property tax and local share of state-wide shared taxes.

Debt Capacity

These schedules present information to help assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help understand how the information in the District's financial report relates to the services the District provides and the activities it performs.

Source: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. Certain amounts in prior year statements have been reclassified for comparisons purposes to conform to current year presentations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

District-wide Net Position, based on Statement of Net Position Last Ten Fiscal Years - (unaudited)

	Fiscal Years									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental Activities										
Net invested in capital assets	\$ 52,880,021	\$ 50,729,901	\$ 48,555,965	\$ 47,729,659	\$ 44,322,574	\$ 42,560,434	\$ 40,313,677	\$ 38,304,227	\$ 30,800,605	\$ 27,660,846
Restricted	183,037	180,564	178,426	187,825	246,604	270,359	955,415	869,013	341,784	339,193
Unrestricted	18,010,708	16,887,487	13,973,745	9,114,898	10,106,521	9,434,133	6,473,085	5,432,800	8,309,236	9,666,431
Total governmental activities net position	<u>\$ 71,073,766</u>	<u>\$ 67,797,952</u>	<u>\$ 62,708,136</u>	<u>\$ 57,032,382</u>	<u>\$ 54,675,699</u>	<u>\$ 52,264,926</u>	<u>\$ 47,742,177</u>	<u>\$ 44,606,040</u>	<u>\$ 39,451,625</u>	<u>\$ 37,666,470</u>
Business-type activities										
Net invested in capital assets	\$ 64,377,397	\$ 59,817,845	\$ 57,974,014	\$ 57,365,832	\$ 56,875,962	\$ 56,144,425	\$ 56,598,673	\$ 53,051,044	\$ 49,445,970	\$ 47,785,869
Restricted	309,344	305,022	226,208	225,435	225,185	224,951	226,777	231,514	558,563	497,371
Unrestricted	10,091,293	12,536,210	12,026,276	11,228,881	10,113,847	9,197,509	5,554,147	7,552,741	9,406,203	10,683,500
Total business-type activities net position	<u>\$ 74,778,034</u>	<u>\$ 72,659,077</u>	<u>\$ 70,226,498</u>	<u>\$ 68,820,148</u>	<u>\$ 67,214,994</u>	<u>\$ 65,566,885</u>	<u>\$ 62,379,597</u>	<u>\$ 60,835,299</u>	<u>\$ 59,410,736</u>	<u>\$ 58,966,740</u>
Primary government										
Net invested in capital assets	\$ 117,257,418	\$ 110,547,746	\$ 106,529,979	\$ 105,095,491	\$ 101,198,536	\$ 98,704,859	\$ 96,912,350	\$ 91,355,271	\$ 80,246,575	\$ 75,446,715
Restricted	492,381	485,586	404,634	413,260	471,789	495,310	1,182,192	1,100,527	900,347	836,564
Unrestricted	28,102,001	29,423,697	26,000,021	20,343,779	20,220,368	18,631,642	12,027,232	12,985,541	17,715,439	20,349,931
Total primary government net position	<u>\$ 145,851,800</u>	<u>\$ 140,457,029</u>	<u>\$ 132,934,634</u>	<u>\$ 125,852,530</u>	<u>\$ 121,890,693</u>	<u>\$ 117,831,811</u>	<u>\$ 110,121,774</u>	<u>\$ 105,441,339</u>	<u>\$ 98,862,361</u>	<u>\$ 96,633,210</u>

Source: District Comprehensive Annual Financial Report Government-wide Statement of Net Position, restated to align classifications for all years to governmental activities.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT
**District-wide Changes in Net Position, based on Statement of Activities
Last Ten Fiscal Years - (unaudited)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses										
Governmental activities:										
General government	\$ 3,828,917	\$ 3,814,458	\$ 3,672,661	\$ 3,220,478	\$ 3,189,596	\$ 2,929,928	\$ 3,265,830	\$ 3,882,904	\$ 3,067,477	\$ 3,150,889
Community Services	18,947,246	18,599,633	17,237,889	15,359,833	15,036,116	14,704,572	14,936,896	15,609,165	15,237,986	16,093,314
Beach	1,848,969	1,802,103	1,689,472	1,517,855	1,363,778	1,144,073	1,145,077	1,267,913	1,252,753	1,266,410
Internal services	3,053,400	2,947,302	2,972,060	2,503,958	2,267,111	1,792,260	1,949,861	1,979,196	1,766,735	2,001,647
Interest on long-term debt	97,083	160,366	205,263	201,882	252,324	371,938	476,635	437,360	592,288	686,854
Total governmental activities expenses	27,775,615	27,323,862	25,777,345	22,804,006	22,108,925	20,942,771	21,774,299	23,176,538	21,917,239	23,199,114
Business-type activities:										
Utilities	10,113,371	9,729,775	9,781,165	9,442,666	9,029,675	8,480,954	8,404,350	8,568,015	8,815,457	8,781,474
Interest on long-term debt	140,463	154,186	167,530	180,505	193,123	186,608	178,631	207,139	234,416	260,604
Total business-type activities expenses	10,253,834	9,883,961	9,948,695	9,623,171	9,222,798	8,667,562	8,582,981	8,775,154	9,049,873	9,042,078
Total primary government expenses	38,029,449	37,207,823	35,726,040	32,427,177	31,331,723	29,610,333	30,357,280	31,951,692	30,967,112	32,241,192
Program Revenues										
Governmental activities:										
Central Services Costs (& equivalent pre-2012)	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842	863,532
Charges for services										
Community Services	14,743,788	16,820,165	15,596,222	10,485,799	10,634,172	10,900,298	10,435,232	11,629,020	11,151,940	11,376,209
Beach	1,266,613	1,065,015	1,002,518	989,602	1,032,621	980,240	568,277	445,307	600,280	750,076
Internal Services	3,190,849	3,114,747	2,935,521	2,560,122	2,280,296	2,045,412	1,891,200	1,964,322	1,814,349	2,095,747
Total governmental activities revenues	20,295,250	22,177,127	20,657,261	15,136,523	15,016,085	14,926,150	13,968,709	14,962,803	14,834,411	15,085,564
Business-type activities:										
Charges for services										
Utilities	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694	8,182,416
Operating Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities revenue	11,925,557	11,813,169	11,158,119	10,851,123	10,434,118	9,767,475	9,127,955	8,485,161	8,051,694	8,182,416
Total primary government revenue	32,220,807	33,990,296	31,815,380	25,987,646	25,450,203	24,693,625	23,096,664	23,447,964	22,886,105	23,267,980
Net (Expense)/Revenue										
Governmental activities	(7,480,365)	(5,146,735)	(5,120,084)	(7,667,483)	(7,092,840)	(6,016,621)	(7,805,590)	(8,213,735)	(7,082,828)	(8,113,550)
Business-type activities	1,671,723	1,929,208	1,209,424	1,227,952	1,211,320	1,099,913	544,974	(289,993)	(998,179)	(859,662)
Total primary government net (expense)/revenue	(5,808,642)	(3,217,527)	(3,910,660)	(6,439,531)	(5,881,520)	(4,916,708)	(7,260,616)	(8,503,728)	(8,081,007)	(8,973,212)
General Revenues and Other Changes in Net Position										
Governmental activities										
Taxes										
Property taxes	1,546,575	1,476,148	1,498,519	1,377,337	1,293,676	1,307,715	1,325,436	1,094,166	796,482	985,295
Combined taxes	1,637,250	1,484,830	1,487,986	1,369,950	1,277,567	1,205,091	1,106,183	1,101,055	1,136,483	1,218,893
Facility Fees - Community Services	5,799,206	5,973,914	5,995,248	6,018,616	6,024,564	5,962,384	5,919,707	6,067,022	5,126,716	4,921,834
Facility Fees- Beach	972,316	775,337	777,574	778,149	780,716	775,102	899,565	783,029	865,540	1,210,476
Investment earnings	175,122	83,842	150,795	124,306	103,106	88,116	193,562	102,384	212,096	313,576
Miscellaneous	190,578	310,425	299,355	120,134	170,981	63,692	127,338	306,352	730,666	595,355
Capital Grants and contributions	558,128	132,055	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-	1,031,329
Transfers	(120,000)	-	-	-	-	-	-	-	-	(800,000)
Accounting Adjustments	-	-	-	-	(146,589)	-	-	1,787,393	-	-
Total governmental activities other changes	10,759,175	10,236,551	10,795,838	10,024,166	9,503,614	10,539,370	10,941,727	13,368,149	8,867,983	9,476,758
Business-type activities										
Investment earnings	77,280	60,132	154,162	81,996	61,007	55,666	86,010	151,646	189,786	236,935
Capital Grants and contributions	199,934	425,509	-	329,705	461,994	2,013,853	912,933	1,220,938	1,476,174	663,597
Miscellaneous	50,020	17,730	42,764	(34,499)	(4,712)	17,856	381	7,756	(223,785)	19,443
Transfers	120,000	-	-	-	-	-	-	-	-	800,000
Accounting Adjustments	-	-	-	-	(81,501)	-	-	334,217	-	-
Total business-type activities other changes	447,234	503,371	196,926	377,202	436,788	2,087,375	999,324	1,714,557	1,442,175	1,719,975
Change in Net Position										
Governmental activities	3,278,810	5,089,816	5,675,754	2,356,683	2,410,774	4,522,749	3,136,137	5,154,414	1,785,155	1,363,208
Business-type activities	2,118,957	2,432,579	1,406,350	1,605,154	1,648,108	3,187,288	1,544,298	1,424,564	443,996	860,313
Total primary government	\$ 5,397,767	\$ 7,522,395	\$ 7,082,104	\$ 3,961,837	\$ 4,058,882	\$ 7,710,037	\$ 4,680,435	\$ 6,578,978	\$ 2,229,151	\$ 2,223,521

Source: District Comprehensive Annual Financial Report Government-wide Statement of Activities, restated all years to align with the classifications of governmental activities.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Fund Balances of Governmental Funds Last Ten Fiscal Years (unaudited)

	Fiscal Year ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund										
Non-spendable	\$ 224,707	\$ 213,462	\$ 268,005	\$ 218,623	\$ 237,021	\$ 191,780	\$ 174,157	\$ 504,077	\$ 154,087	\$ 143,088
Restricted	-	-	-	-	-	-	52,000	-	129,000	-
Committed	-	-	400,000	400,000	400,000	400,000	400,000	-	-	-
Unassigned	2,298,079	1,648,787	1,151,988	882,664	754,000	294,887	357,734	111,697	332,687	472,686
Total General Fund	<u>\$ 2,522,786</u>	<u>\$ 1,862,249</u>	<u>\$ 1,819,993</u>	<u>\$ 1,501,287</u>	<u>\$ 1,391,021</u>	<u>\$ 886,667</u>	<u>\$ 983,891</u>	<u>\$ 615,774</u>	<u>\$ 615,774</u>	<u>\$ 615,774</u>
Community Services										
Special Revenue Fund										
Non-spendable	\$ 868,600	\$ 878,949	\$ 751,640	\$ 660,409	\$ 658,053	\$ 705,131	\$ 685,798	\$ 474,069	\$ 439,059	\$ 412,430
Restricted	78,157	77,136	76,674	86,421	86,332	87,261	101,617	130,467	232,434	339,193
Committed - operations	9,698,712	9,364,056	7,026,514	4,610,925	5,279,561	5,275,226	3,949,021	3,752,098	5,033,576	6,466,784
Capital Projects - Assigned	2,327,477	2,423,806	2,061,541	-	-	-	-	-	-	-
Debt Service - Assigned	51,553	27,394	2,111	-	-	-	-	-	-	-
Total Comm. Services	<u>\$ 13,024,499</u>	<u>\$ 12,771,341</u>	<u>\$ 9,918,480</u>	<u>\$ 5,357,755</u>	<u>\$ 6,023,946</u>	<u>\$ 6,067,618</u>	<u>\$ 4,736,436</u>	<u>\$ 4,356,634</u>	<u>\$ 5,705,069</u>	<u>\$ 7,218,407</u>
Beach										
Special Revenue Fund										
Non-spendable	\$ 47,075	\$ 30,328	\$ 19,614	\$ 23,520	\$ 19,328	\$ 17,222	\$ 18,265	\$ -	\$ 5,068	\$ -
Restricted	1,000	1,000	-	-	-	-	-	-	-	-
Committed - operations	1,365,016	1,038,909	1,040,136	1,084,266	1,652,877	1,514,417	1,467,463	1,177,762	1,475,139	1,400,671
Capital Projects - Assigned	85,740	5,155	20,379	-	-	-	-	-	-	-
Debt Service - Assigned	4,606	3,104	1,572	-	-	-	-	-	-	-
Total Beach	<u>\$ 1,503,437</u>	<u>\$ 1,078,496</u>	<u>\$ 1,081,701</u>	<u>\$ 1,107,786</u>	<u>\$ 1,672,205</u>	<u>\$ 1,531,639</u>	<u>\$ 1,485,728</u>	<u>\$ 1,177,762</u>	<u>\$ 1,480,207</u>	<u>\$ 1,400,671</u>

Board of Trustee action to create the Special Revenue, Capital Project and Debt Service Funds was effective July 1, 2016, and thus start the separate commitments and assignments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Changes in Fund Balances of Governmental Funds Last Ten Fiscal Years (unaudited)

	Fiscal Year ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Taxes	\$ 3,174,544	\$ 2,960,847	\$ 2,984,992	\$ 2,747,287	\$ 2,571,243	\$ 2,512,806	\$ 2,431,619	\$ 2,195,221	\$ 2,203,067	\$ 2,204,188
Charges for Services	15,993,401	17,886,620	16,598,740	11,458,401	11,560,555	11,783,415	10,925,809	11,990,328	11,665,220	11,932,797
Facility Fees	6,737,396	6,754,489	6,760,224	6,796,765	6,805,280	6,737,486	6,819,272	6,850,050	5,992,256	6,132,310
Central Services Charges	1,094,000	1,177,200	1,123,000	1,101,000	1,068,996	1,000,200	1,074,000	924,154	1,267,842	863,532
Operating Grants	17,000	17,000	19,880	17,000	106,238	97,123	77,700	84,000	87,000	193,488
Investment Earnings	161,551	81,366	115,690	99,634	78,855	65,199	54,112	66,872	183,300	269,340
Miscellaneous	111,495	198,729	516,763	116,224	111,315	72,307	75,468	29,818	479,521	655,057
Total Revenues	27,289,387	29,076,251	28,119,289	22,336,311	22,302,482	22,268,536	21,457,980	22,140,443	21,878,206	22,250,712
Expenditures										
General Government:										
General Fund - current	3,586,203	3,603,667	3,510,247	3,139,473	3,059,518	2,907,061	2,874,413	2,943,084	2,778,075	2,853,629
Capital Outlay	113,813	148,435	79,331	644,383	84,849	46,452	9,953	211,657	450,907	237,075
Recreation:										
Community Services - current	16,137,428	15,919,959	14,853,575	13,019,001	12,742,330	12,458,356	12,577,779	13,185,666	12,927,136	13,819,538
Community Services - Capital Projects	3,905,926	3,633,210	2,344,198	2,832,606	2,266,640	2,094,299	2,785,667	7,058,131	3,144,892	7,403,087
Community Services - Debt Service	1,285,340	1,284,257	1,283,074	1,761,635	1,758,931	2,239,198	2,271,093	2,352,479	2,422,769	2,427,911
Beach - current	1,619,746	1,587,259	1,493,554	1,368,428	1,226,285	1,026,756	1,028,133	1,147,809	1,115,204	1,133,760
Beach - Capital Projects	221,248	256,161	319,152	695,822	167,375	550,397	7,196	138,173	122,173	80,587
Beach - Debt Service	6,237	6,215	6,189	276,005	277,192	133,177	133,893	245,237	274,998	276,018
Total Expenditures	26,875,941	26,439,163	23,889,320	23,737,353	21,583,120	21,455,696	21,688,127	27,282,236	23,236,154	28,231,605
Other Financing Sources (Uses)										
Transfers In	680,000	-	-	-	-	-	-	-	-	-
Sale of assets	88,415	141,216	37,016	3,910	67,213	(8,615)	51,531	273,969	179,333	(68,774)
Capital Grants	156,775	113,615	586,361	235,674	(407)	1,137,270	1,369,936	2,126,748	-	1,031,329
Washoe Co Tax Refund	-	-	-	-	-	(694,817)	(280,460)	-	(270,102)	-
Total Other Sources (Uses)	925,190	254,831	623,377	239,584	66,806	433,838	1,141,007	2,400,717	(90,769)	962,555
Net Changes in Fund Balance	\$ 1,338,636	\$ 2,891,919	\$ 4,853,346	\$ (1,161,458)	\$ 786,168	\$ 1,246,678	\$ 910,860	\$ (2,741,076)	\$ (1,448,717)	\$ (5,018,338)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Assessed and Estimated Actual Value of Taxable Real Property Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	Taxable Real Property Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio Of Total Assessed Value To Total Estimated Actual Value
2018	\$ 1,623,315,601	0.1182	\$ 4,638,044,574	35%
2017	1,532,912,733	0.1183	4,379,750,666	35%
2016	1,484,624,556	0.1269	4,241,784,446	35%
2015	1,456,574,018	0.1157	4,161,640,051	35%
2014	1,392,531,036	0.1105	3,978,660,103	35%
2013	1,374,297,099	0.1153	3,926,563,140	35%
2012	1,368,961,464	0.1129	3,911,318,469	35%
2011	1,448,979,941	0.0806	4,139,942,689	35%
2010	1,580,606,324	0.0755	4,516,018,069	35%
2009	1,877,488,689	0.0741	5,364,253,397	35%

SOURCE: State of Nevada Department of Taxation

(Washoe County implemented a County-wide 15% reduction of assessed valuation in 2010)

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Direct and Overlapping Tax Districts

Last Ten Fiscal Years (unaudited)

Rate Per \$100 assessed valuation

Fiscal Year Ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Indine Village GID-Direct	\$ 0.1182	\$ 0.1183	\$ 0.1269	\$ 0.1157	\$ 0.1105	\$ 0.1153	\$ 0.1129	\$ 0.0806	\$ 0.0755	\$ 0.0741
Overlapping-										
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
North Lake Tahoe Fire District	0.6291	0.6291	0.6291	0.6291	0.6291	0.6414	0.5525	0.5389	0.5275	0.5226
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Total	<u>\$ 3.4475</u>	<u>\$ 3.4476</u>	<u>\$ 3.4562</u>	<u>\$ 3.4450</u>	<u>\$ 3.4398</u>	<u>\$ 3.4569</u>	<u>\$ 3.3656</u>	<u>\$ 3.3197</u>	<u>\$ 3.3032</u>	<u>\$ 3.2969</u>

SOURCE: Nevada Dept. of Taxation - Total Property Tax Rates by Taxing Unit

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Property Taxpayers

Current Fiscal Year and Nine Years Ago (unaudited)

Taxpayer	Type of Entity	Number of Parcels	2018 Assessed Value	% of Total Assessed Value	2009 Assessed Value	% of Total Assessed Value	Rank
Top Ten (Current Year):							
Hyatt Equities LLC	Hotel/Casino	2	\$ 26,863,443	1.61%	\$ 23,324,455	1.48%	1
Tahoe Estates LLC	Residential Property	2	11,485,581	0.69%	5,787,825	0.37%	10
Ponderosa Ranch LLC	Residential Property	22	11,158,338	0.67%	13,611,405	0.86%	2
Cascade Beach LLC	Residential Property	2	10,192,460	0.61%	12,126,728	0.77%	3
1145 Lakeshore Boulevard	Residential Property	1	10,343,826	0.62%			
SF Pacific LLC	Residential Property	1	8,675,116	0.52%			
Lakeshore Trust	Residential Property	1	8,602,712	0.52%	7,994,363	0.51%	6
Ashley 2012 Family Trust	Residential Property	2	7,291,120	0.44%			
KWS Nevada Residential LLC	Residential Property	3	6,198,590	0.37%	5,903,302	0.37%	8
Lacey Family Trust	Residential Property	1	6,050,861	0.36%	5,805,792	0.37%	9
In Prior Top Ten:							
Sierra Nevada College	Educational Facility				8,114,330	0.51%	5
HTS Ground Lake Tahoe INC	Residential Property				5,917,405	0.37%	7
David A Duffield Trust	Residential Property				8,556,826	0.54%	4
			<u>\$ 106,862,047</u>	<u>6.41%</u>	<u>\$ 97,142,431</u>	<u>6.15%</u>	
Total IVGID Community			<u>\$ 1,666,387,475</u>	<u>100.00%</u>	<u>\$ 1,580,606,324</u>	<u>100.00%</u>	

SOURCE: Washoe County Assessors Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Tax Levies, Collections and Delinquencies - Washoe County as a Whole (In Thousands) Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Net Levy Roll	Current Tax Collected	Percent of Levy Collected	Delinquent Tax Collected	Total Cumulative Taxes Collected	Total Taxes Collected as a % of Net Levy Roll
2018	\$ 473,365	\$ 471,229	99.55%	\$ -	\$ 471,229	99.55%
2017	452,327	449,930	99.47%	1,893	451,823	99.89%
2016	440,185	438,074	99.52%	1,982	440,056	99.97%
2015	424,115	421,125	99.30%	2,960	424,085	99.99%
2014	411,260	407,469	99.08%	3,773	411,242	100.00%
2013	411,058	405,977	98.76%	5,055	411,032	99.99%
2012	422,799	416,849	98.59%	5,933	422,782	100.00%
2011	458,717	451,994	98.53%	6,717	458,711	100.00%
2010	504,823	495,281	98.11%	9,535	504,816	100.00%
2009	514,531	504,268	98.01%	10,259	514,527	100.00%

SOURCE: Washoe County Comptroller's Office

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Ratios of Outstanding Debt by Type Last Ten Fiscal Years (unaudited)

Fiscal Year Ended	<u>Governmental-Type Activities:</u>			<u>Business-Type Activities:</u>			Gross Bonded Debt	Percentage Payable by	Percentage Payable by	Population	Debt Per Capita
	Revenue Pledged	General Obligation	Total	Revenue Pledged	General Obligation	Total		Property Taxes	Pledged Revenues		
2018	\$ 1,848,000	\$ -	\$ 1,848,000	\$ 1,346,488	\$ 3,772,116	\$ 5,118,604	\$ 6,966,604	0%	100%	9087	\$ 767
2017	2,190,000	845,000	3,035,000	1,542,263	4,072,102	5,614,365	8,649,365	0%	100%	9087	952
2016	2,523,000	1,635,000	4,158,000	1,732,078	4,364,517	6,096,595	10,254,595	0%	100%	9087	1,128
2015	2,847,000	2,395,000	5,242,000	1,916,115	4,649,552	6,565,667	11,807,667	0%	100%	9087	1,299
2014	3,901,000	3,125,000	7,026,000	2,094,548	4,927,395	7,021,943	14,047,943	0%	100%	9087	1,546
2013	4,925,000	3,825,000	8,750,000	2,267,548	5,198,228	7,465,776	16,215,776	0%	100%	9087	1,785
2012	5,495,000	5,195,000	10,690,000	2,435,281	3,495,379	5,930,660	16,620,660	0%	100%	9087	1,829
2011	6,045,000	6,520,000	12,565,000	2,597,909	3,483,477	6,081,386	18,646,386	0%	100%	9087	2,052
2010	6,880,000	7,795,000	14,675,000	2,755,584	4,142,174	6,897,758	21,572,758	0%	100%	9087	2,374
2009	7,695,000	9,025,000	16,720,000	2,908,459	4,780,867	7,689,326	24,409,326	0%	100%	10500	2,325

SOURCE: Indine Village General Improvement District Annual Indebtedness/Debt Management Reports/Restated for change in classification of the Community Services and Beach activities from Business-type to Governmental Type as of July 1, 2015.

Note: All outstanding bonds carry a revenue pledge, some also carry a secondary General Obligation pledge.

However, no tax levy is made to fund debt service because net revenues are sufficient to meet these obligations.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

OUTSTANDING OVERLAPPING GENERAL OBLIGATION INDEBTEDNESS

Last ten fiscal years (unaudited)

	General Obligation Indebtedness	Presently Self-Supported General Obligation Indebtedness	Percent Applicable * Indine Village	As of June 30, 2018 Applicable Net Debt
Washoe County	\$ 137,836,000	\$ 41,116,000	10.36154%	\$ 10,021,678
Washoe County School District	709,722,000	-	10.36154%	73,538,105
State of Nevada	1,358,070,000	296,840,000	1.46105%	15,505,094
Total	2,205,628,000	337,956,000		99,064,878
Indine Village GID	6,966,604	6,966,604		-
Total	\$ 2,212,594,604	\$ 344,922,604		\$ 99,064,878
Applicable Net Debt June 30:				
2017				\$ 77,387,251
2016				73,677,678
2015				79,052,199
2014				92,762,454
2013				96,542,090
2012				94,180,056
2011				90,743,574
2010				93,265,052
2009				91,229,360

*Percentage Applicable based on Assessed Valuation as reported by the Nevada Department of Taxation

SOURCE: Washoe County Comptrollers Office and Nevada Department of Taxation

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the property taxpayers of the Indine Village General Improvement District. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the property taxpayers should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Utility Fund Net Pledged Revenues Last Ten Fiscal Years (unaudited)

Fiscal Year	Utility Service Charges	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2018	\$ 11,925,557	\$ 7,139,740	\$ 127,300	\$ 4,913,117	\$ 643,135	7.64
2017	11,813,170	6,783,853	78,554	5,107,871	643,133	7.94
2016	11,158,119	6,804,140	149,326	4,503,305	636,808	7.07
2015	10,851,123	6,549,802	20,591	4,321,912	636,781	6.79
2014	10,434,118	6,270,919	56,295	4,219,494	636,956	6.62
2013	9,767,475	5,867,114	73,522	3,973,883	965,108	4.12
2012	9,127,955	5,839,109	86,391	3,375,237	1,010,929	3.34
2011	8,485,161	5,845,108	159,402	2,799,455	1,013,922	2.76
2010	8,051,694	5,446,570	(33,999)	2,571,125	1,016,046	2.53
2009	8,182,416	5,633,932	(4,226)	2,544,258	1,023,052	2.49

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Utility departments.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Community Services and Beach Fund Net Pledged Revenues

Last Ten Fiscal Years (unaudited)

Fiscal Year	Operating Revenues	Less: Operating Expenses	Other Revenues (Expenses)	Net Available Revenue	Debt Service	Debt Service Coverage
2018	\$ 22,730,797	\$ 17,757,174	\$ 71,591	\$ 5,045,214	\$ 1,291,577	3.91
2017	24,617,436	17,507,218	29,686	7,139,904	1,290,472	5.53
2016	20,666,327	16,347,129	69,701	4,388,899	1,289,263	3.40
2015	18,272,166	14,392,676	173,933	4,053,423	2,028,342	2.00
2014	18,472,073	14,002,615	196,763	4,666,221	2,025,584	2.30
2013	18,618,024	13,485,112	90,791	5,223,703	2,353,561	2.22
2012	17,771,350	13,605,912	153,785	4,319,223	2,385,541	1.81
2011	18,867,490	13,871,398	335,293	5,331,385	2,586,856	2.06
2010	17,744,476	13,408,419	813,979	5,150,036	2,682,739	1.92
2009	18,888,595	14,521,532	145,785	4,512,848	2,680,590	1.68

Notes- Details regarding the District's outstanding debt can be found in the notes to the financial statements. Expenses do not include interest, depreciation or amortization.

Debt service represents all outstanding debt of the Community Service and Beach Funds, because proceeds from some issued were used by both funds.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

**Ratio of Annual Debt Service Expenditures
To Governmental and Business Type Expenditures/Expenses
For the last 10 Years (unaudited)**

Year	Governmental Type Debt Service Expenditures	Business Type Debt Service Expenditures	Total District Debt Service Expenditures	Total Governmental Type Expenditures	Total Business Type Expenses	Ratio Debt Service to Governmental Type Expenditures	Ratio Debt Service to Business Type Expenses
2018	\$ 1,291,577	\$ 643,135	\$ 1,934,712	\$ 25,781,941	\$ 10,113,371	5.01%	6.36%
2017	1,290,472	643,135	1,933,607	25,261,963	9,729,775	5.11%	6.61%
2016	1,289,263	636,808	1,926,071	24,654,345	9,901,095	5.23%	6.43%
2015	2,028,342	636,781	2,665,123	23,737,353	9,442,666	8.54%	6.74%
2014	2,025,584	636,956	2,662,540	21,583,120	9,029,675	9.39%	7.05%
2013	2,353,561	965,108	3,318,669	21,455,696	8,480,954	10.97%	11.38%
2012	2,385,541	1,010,929	3,396,470	21,688,127	8,404,350	11.00%	12.03%
2011	2,586,856	1,013,922	3,600,778	27,282,236	8,568,015	9.48%	11.83%
2010	2,682,739	1,016,046	3,698,785	23,236,154	8,815,457	11.55%	11.53%
2009	2,680,590	1,023,052	3,703,642	28,231,605	8,781,474	9.49%	11.65%

SOURCE: Incline Village General Improvement District Comprehensive Annual Financial Reports

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Statutory Debt Limitation

Last Ten Fiscal Years (unaudited)

Fiscal Year Ending June 30,	Assessed Valuation	Debt Limit	Outstanding and Proposed General Obligation Debt	Additional Statutory Debt Capacity
2018	\$ 1,623,315,601	\$ 811,657,801	\$ 6,966,604	\$ 804,691,197
2017	1,532,912,733	766,456,367	8,649,365	757,807,002
2016	1,484,624,556	742,312,278	10,254,595	732,057,683
2015	1,456,574,018	728,287,009	11,807,667	716,479,342
2014	1,392,531,036	696,265,518	14,047,943	682,217,575
2013	1,374,297,099	687,148,550	16,215,766	670,932,784
2012	1,368,961,464	684,480,732	16,620,660	667,860,072
2011	1,448,979,941	724,489,971	18,646,386	705,843,585
2010	1,580,606,324	790,303,162	21,572,758	768,730,404
2009	1,877,488,689	938,744,345	24,409,326	914,335,019

SOURCE: State of Nevada Department of Taxation

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Demographic Statistics

<u>Year</u>	<u>Population</u>	<u>Median Age</u>	<u>County Personal Income ²</u>	<u>Housing Units</u>	<u>Occupied Housing Units</u>	<u>Housing Seasonal Use</u>	<u>Reno-Sparks Unemployment Rate ²</u>
2018	9087						3.5%
2017	9087						4.0%
2016	9087						5.9%
2015	9087						6.4%
2014	9087						7.3%
2013	9087						9.8%
2012	9087						12.0%
2011	9087						13.0%
2010 ¹	9087	46.1	\$40,322	7,954	3,924	3,353	13.6%
2000 ¹	9952	42.1	\$36,658	7,664	4,176	2,957	4.0%

1 Based on actual Census Data

2 Best available unemployment data, a rate is not determined for our immediate area.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Principal Employers - Incline Village and Crystal Bay

Current Fiscal Year and Past Years as Available (unaudited)

Employer	2018 Ranking	Rank 2017	Rank 2016	Rank 2015	Rank 2014	Rank 2013	Rank 2012	Rank 2011
HYATT LAKE TAHOE RESORT	1	1	1	1	1	1	1	1
INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT	2	2	2	2	2	2	2	2
GRAND LODGE CASINO AT HYATT (and predecessors)	3	4	4	5		5	5	6
TAHOE BILTMORE	4	7			3	8	6	7
SIERRA NEVADA COLLEGE	5	3	3	4	4	3	3	5
RALEY'S	6	9	6	6	6	9	7	8
CRYSTAL BAY CLUB CASINO	7	5	7		5	6	4	4
NORTH LAKE TAHOE FIRE PROTECTION DISTRICT	8	8	8	9	7		9	9
TAHOE FOREST HOSPITAL HEALTH	9		10	10	9	10	10	
WASHOE COUNTY SCHOOL DISTRICT	10							
ACE TOTAL SERVICES INC (Excel)		6	5	3		7	8	
KELLY BROTHERS PAINTING INC.		10	9	8				
ASSOCIATED MANAGEMENT INC.					10			
CAL_NEVA LODGE					8			10
Single Residence Project Employers:								
BOC-NEVADA, INC.						4		3
BLUE ROCK DEVELOPMENT				7				

SOURCE: Nevada Department of Employment, Training and Rehabilitation (DETR)

DETR indicates the methodology for determining rankings has changed year on year.

Data for all years is not available.

Data for percentage to total employment is not available.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Position and Full Time Equivalent Personnel Summary
Community Services and All Other Activities
For the last 10 Years (unaudited)

	<u>Budget year ending June 30</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Golf	Seasonal/Part Time Positions	113.8	117.9	105.2	107.2	97.5	103.5	72.3	68.5	68.0	67.0
	Season/Part Time FTE	38.4	38.4	35.0	37.0	35.3	36.8	27.4	29.1	28.8	29.4
	Full Time FTE	11.6	11.0	7.9	7.2	6.7	6.8	6.99	8.1	9.6	10.5
	Total FTE	50.0	49.4	42.9	44.2	42.0	43.6	34.39	37.16	38.4	39.9
Facilities	Seasonal/Part Time Positions	0.3	0.3	1.7	1.7	16.5	2.0	1.8	1.5	0.5	2.0
	Season/Part Time FTE	0.1	0.1	1.2	1.2	3.6	1.0	1.0	0.7	0.1	0.4
	Full Time FTE	1.3	1.2	1.1	1.1	3.4	2.0	1.1	1.0	2.5	2.0
	Total FTE	1.4	1.3	2.3	2.3	7.0	3.0	2.1	1.8	2.6	2.4
Ski	Seasonal/Part Time Positions	281.5	273.5	254.0	254.0	247.0	193.0	216.0	225.0	218.0	218.0
	Season/Part Time FTE	54.4	50.6	46.7	46.0	49.6	33.6	41.8	39.3	39.7	39.6
	Full Time FTE	16.4	15.2	14.5	14.4	11.7	9.8	12.8	9.6	10.5	10.6
	Total FTE	70.8	65.8	61.2	60.4	61.3	43.4	54.6	48.9	50.2	50.2
Parks & Recreation	Seasonal/Part Time Positions	91.5	91.0	102.3	103.4	94.3	101.8	100.9	103.3	106.5	108.6
	Season/Part Time FTE	24.9	24.8	25.0	25.5	25.9	27.7	28.4	28.6	29.8	30.4
	Full Time FTE	10.1	10.1	10.1	9.8	9.0	11.8	11.8	12.3	14.5	14.3
	Total FTE	36.0	35.9	35.1	35.3	34.9	39.5	40.4	40.9	44.4	44.6
Marketing	Seasonal/Part Time Positions	2.0	2.0	2.0	2.0	0.0	2.0	2.0	2.0	2.0	2.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.0	0.7	0.7	0.7	0.7	0.7
	Full Time FTE	2.8	2.8	2.9	2.9	3.0	2.0	3.0	3.0	3.0	3.0
	Total FTE	3.1	3.1	3.2	3.2	3.0	2.7	3.7	3.7	3.7	3.7
Food & Beverage	Seasonal/Part Time Positions	After 2013 Induded					57.0	59.0	53.0	59.0	59.0
	Season/Part Time FTE	in Ski & Golf					14.4	14.3	18.1	18.9	18.8
	Full Time FTE						4.0	5.0	5.3	5.6	5.6
	Total FTE						18.4	19.3	23.4	24.5	24.4
Other Recreation	Seasonal/Part Time Positions	4.8	4.8	4.8	2.8	0.8	3.1	3.2	3.2	Prior to 2011 Other Recreation were included in Parks and Recreation.	
	Season/Part Time FTE	1.8	1.8	1.8	1.4	0.1	1.1	1.6	1.6		
	Full Time FTE	1.4	0.9	1.0	1.6	1.6	1.8	2.4	1.4		
	Total FTE	3.2	2.7	2.8	3.0	1.7	2.9	4.0	3.0		
Total Community Service	Seasonal/Part Time Positions	502.0	497.5	467.9	469.0	456.1	462.4	456.1	459.5	454.5	455.6
	Season/Part Time FTE	121.6	117.7	109.6	111.1	114.5	115.3	116.4	116.1	118.2	119.3
	Full Time FTE	40.9	38.5	34.7	34.1	35.4	38.2	41.7	41.2	46.4	46.1
	Total FTE	162.5	156.2	144.3	145.2	149.9	153.5	158.1	157.2	164.5	165.4
Beach	Seasonal/Part Time Positions	97.4	99.0	96.9	94.0	89.0	88.1	90.6	86.6	95.6	93.5
	Season/Part Time FTE	18.7	18.4	18.0	17.3	14.3	13.2	12.4	11.2	14.4	13.8
	Full Time FTE	3.9	3.9	4.0	3.0	2.8	2.1	2.5	3.1	3.7	3.1
	Total FTE	22.6	22.3	22.0	20.3	17.1	15.3	14.9	14.3	18.1	16.9
Administration	Seasonal/Part Time Positions	4.0	0.0	1.0	1.0	2.0	2.0	3	4.0	4.0	4.0
	Season/Part Time FTE	1.5	0.0	0.5	0.4	0.4	0.3	0.9	1.2	1.2	1.2
	Full Time FTE	21.8	22.8	22.7	20.7	22.6	20.7	20.2	21.2	21.2	21.2
	Total FTE	23.3	22.8	23.2	21.1	23.0	21.0	21.1	22.4	22.4	22.4
Engineering	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2
	Full Time FTE	3.8	3.8	3.8	2.8	2.8	2.8	2.8	2.8	2.8	2.8
	Total FTE	4.1	4.1	4.1	3.1	3.1	3.1	3.1	3.0	3.0	3.0
Fleet	Seasonal/Part Time Positions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Season/Part Time FTE	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Full Time FTE	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
	Total FTE	7.0	7.0	7.0	6.0	6.0	6.0	6.0	6.0	7.0	7.0
Buildings	Seasonal/Part Time Positions	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	Season/Part Time FTE	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
	Full Time FTE	5.0	5.0	5.0	5.0	4.0	4.0	4.0	4.0	4.0	4.0
	Total FTE	5.5	5.5	5.5	5.5	4.5	4.5	4.5	4.5	4.5	4.5
Utilities	Seasonal/Part Time Positions	5.0	5.0	5.0	3.0	3.0	2.0	2.0	1.0	2.0	2.0
	Season/Part Time FTE	3.4	3.4	3.3	1.2	1.0	0.7	0.7	0.0	0.7	0.7
	Full Time FTE	31.2	31.2	31.2	31.2	31.2	30.2	31.2	31.3	31.7	31.7
	Total FTE	34.6	34.6	34.5	32.4	32.2	30.9	31.9	31.3	32.4	32.4
District Wide	Seasonal/Part Time Positions	610.4	603.5	572.8	569.0	552.1	556.5	553.7	561.1	558.1	557.1
	Season/Part Time FTE	146.0	140.3	132.2	130.8	131.0	130.3	131.2	129.2	135.2	135.7
	Full Time FTE	113.6	112.2	108.4	102.8	104.8	104.0	108.4	109.6	116.8	115.9
	Total FTE	259.6	252.5	240.6	233.6	235.8	234.3	239.6	238.8	252.0	251.6

Source: Indine Village General Improvement District Operating Budget for Authorized Positions.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

User Statistics, Last Ten Fiscal Years

Total number of users (unaudited)

Program	Unit Measured	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Water	Locations	4,270	4,251	4,243	4,234	4,229	4,223	4,217	4,217	4,216	4,217
Sewer	Locations	4,178	4,160	4,152	4,144	4,139	4,124	4,121	4,118	4,116	4,115
Refuse	Locations	4,345	4,338	4,177	4,162	4,138	4,151	4,149	4,233	4,233	3,671
Championship Course	Rounds played	23,139	21,353	22,881	23,142	23,784	23,744	22,860	20,417	21,841	24,409
Mountain Course	Rounds played	17,111	15,209	15,687	14,983	14,570	13,129	13,556	13,386	15,748	17,820
Beach	Individual visits	189,291	186,146	171,772	172,628	173,963	165,089	165,387	155,671	128,241	159,827
Tennis	Individual visits	13,630	14,683	14,823	14,129	13,337	13,009	14,398	14,080	12,333	14,494
Skier	Individual visits	120,847	160,613	167,064	84,568	93,935	103,397	98,818	131,371	126,867	100,709
Recreation Center	Individual visits	123,561	121,598	115,662	126,799	130,887	125,294	124,356	119,459	125,629	133,153

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Budgeted Facility Fees per parcel, Last Ten Fiscal Years (unaudited)

Program	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Ski	\$ (83)	\$ (36)	\$ 13	\$ (27)	\$ (20)	\$ (88)	\$ (35)	\$ 151	\$ 22	\$ 41
Tennis	20	18	16	9	21	6	18	15	19	12
Parks	117	117	97	108	86	102	200	120	131	136
Recreation Center	268	269	197	241	204	241	112	118	106	104
Championship Golf	97	83	126	81	75	87	47	30	38	6
Mountain Golf	62	54	69	31	29	40	20	22	21	45
Beaches	125	100	100	100	100	100	115	100	113	155
Youth	26	26	24	21	20	15	25	22	22	19
Seniors	20	20	19	12	19	16	20	23	26	11
Adult Programs	-	-	-	1	1	2	2	3	4	1
Catering	-	-	-	-	(13)	(8)	26	(2)	(6)	(18)
Facilities	56	57	47	46	52	35	33	48	33	43
Reserves for Recreation	-	-	-	-	49	75	40	-	-	-
Golf/Tennis/Ski Bonds	-	-	-	85	85	85	85	85	85	85
Ski Lodge Bond	110	110	110	110	110	110	110	110	110	110
Defensible Space	12	12	12	12	12	12	12	12	12	-
Coverage sales	-	-	-	-	-	-	-	(27)	-	-
Other/Undassified	-	-	-	-	-	-	-	-	-	10
Total	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 830	\$ 736	\$ 760
Total Collected (in 1,000's)	\$ 6,746	\$ 6,747	\$ 6,746	\$ 6,746	\$ 6,742	\$ 6,737	\$ 6,819	\$ 6,850	\$ 5,992	\$ 6,132

Bracketed amounts represent a venue that does not collect, but rather puts back an amount per parcel into the total for other venues to use the proceeds for operations.

Coverage sales in 2011 relate to the specific application of proceeds designated to reduce capital costs in Community Service venues.

The Facility Fee can be a resource for operating expenses, debt service or capital purchases. It is set annually by the Board of Trustees.

SOURCE: Incline Village General Improvement District

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water and Sewer Single Family Base Rates Last Ten Fiscal Years (unaudited)

Fiscal Year 6/30	Water Monthly Base Rate	Excess Rate Per 1k gallons	Sewer Monthly Base Rate	Excess Rate Per 1k gallons
2018	\$ 30.84	\$ 0.93	\$ 52.76	\$ 3.10
2017	29.82	0.95	51.45	3.00
2016	28.86	0.97	49.83	2.90
2015	28.10	1.35	47.95	2.79
2014	27.03	1.32	41.85	2.68
2013	27.62	1.28	39.31	2.60
2012	27.62	1.28	39.31	2.60
2011	27.89	1.24	37.52	2.50
2010	27.56	1.20	35.03	2.40
2009	26.01	1.17	34.61	2.37

The District charges an excess-use rate above normal demand
Rate changes are considered for implementation May each year.
In 2013 the changes were not effective until July 19, 2013.

INCLINE VILLAGE GENERAL IMPROVEMENT DISTRICT

Water Sold by Customer Type
Last Ten Fiscal Years (unaudited)
(in millions of gallons)

Fiscal Year	Residential	Commercial	Total
2018	633	282	915
2017	604	256	860
2016	594	255	849
2015	634	258	892
2014	673	292	965
2013	701	300	1,001
2012	626	312	938
2011	620	239	859
2010	636	253	889
2009	701	298	999

Source: IVGID Utilities Billing Department

INCLINE VILLAGE
GENERAL IMPROVEMENT DISTRICT

COMPLIANCE SECTION



**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
Incline Village General Improvement District
Incline Village, Nevada

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Reno, Nevada
November 30, 2018



Auditor's Comments

To the Board of Trustees
Incline Village General Improvement District
Incline Village, Nevada

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Incline Village General Improvement District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

Current Year Statute Compliance

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 1E to the financial statements.

Progress on Prior Year Statute Compliance

The District reported no instances of noncompliance with significant constraints on its financial administration during the year ended June 30, 2017.

Prior Year Recommendations

There were no findings for the year ended June 30, 2017.

Current Year Recommendations

We noted no material weaknesses and reported no significant deficiencies in internal control for the current year.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
November 30, 2018

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**GENERAL IMPROVEMENT DISTRICT
ONE DISTRICT ~ ONE TEAM**

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Metropolitan Planning • Engineering & Construction • Public Transportation & Operations

Metropolitan Planning Organization of Washoe County, Nevada

Reno, Sparks and Washoe County, Nevada

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



Your RTC. Our Community.



REGIONAL TRANSPORTATION COMMISSION

Reno, Sparks and Washoe County, Nevada

CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

Lee G. Gibson, AICP
Executive Director

PREPARED BY THE FINANCE DEPARTMENT

Stephanie Haddock, CGFM
Director of Finance & CFO

Jelena Williams, CPA
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Senior Accountant

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REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

RTC BOARD OF COMMISSIONERS



RON SMITH
RTC CHAIR
City of Sparks Mayor Pro Tempore



NEOMA JARDON
City of Reno Vice Mayor



BOB LUCEY
RTC VICE CHAIR
Washoe County Commissioner



PAUL MCKENZIE
City of Reno Councilman



VAUGHN HARTUNG
Washoe County Commissioner



RUBY MALFABON, Ex-officio
Director
Nevada Department of Transportation

RTC DIRECTORS



LEE G. GIBSON, AICP
Executive Director



**AMY MCABEE CUMMINGS,
AICP/LEED AP**
Deputy Executive Director/
Director of Planning



STEPHANIE HADDOCK, CGFM
Director of Finance
Chief Financial Officer



ADAM SPEAR, ESQ
Director of Legal Services



DAVID JICKING
Director of Public Transportation
& Operations



BRIAN STEWART, P.E.
Director of Engineering



ANGELA REICH, SPHR
Director of Administrative Services

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INTRODUCTORY SECTION



REGIONAL TRANSPORTATION COMMISSION

Metropolitan Planning • Public Transportation & Operations • Engineering & Construction

Metropolitan Planning Organization of Washoe County, Nevada

December 7, 2018

Honorable Chair, Vice Chair and Members
Regional Transportation Commission
1105 Terminal Way
Reno, Nevada 89502

Dear Chair Smith, Vice Chair Lucey, Members of the Commission, and Citizens of Reno, Sparks and Washoe County:

I am pleased to transmit to you the Comprehensive Annual Financial Report (CAFR) of the Regional Transportation Commission of Washoe County (RTC) for the fiscal year ended June 30, 2018. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with Generally Accepted Accounting Principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed Certified Public Accountants.

The CAFR consists of management's representations concerning the finances of the RTC. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the RTC has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the RTC's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the RTC's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The RTC's financial statements have been audited by Crowe LLP, a firm of licensed Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the RTC's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditor's opinion is presented as the first component of the financial section of this report. The independent audit of the financial statements of the RTC was part of a broader, federally-mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the

financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The RTC's MD&A can be found immediately following the report of the independent auditors.

Profile of the Government

The RTC is located in Northern Nevada. It serves the cities of Reno and Sparks and the county of Washoe. The RTC's designated urbanized service area is 165 square miles and serves a population of 467,417.

Two major sources of revenue for the RTC are fuel tax and sales tax (public transportation tax). Fuel tax and sales tax can be designated for the RTC transportation purposes by the Nevada State Legislature and must be implemented by Washoe County ordinance. By statute, the RTC may exercise the power of eminent domain with the approval of the City or County in which the property lies.

The RTC has operated as a special purpose unit of government since 1979, as a result of legislation approved in the 1979 Nevada State Legislature.

Overall agency guidance is provided by the Commission, which is composed of locally elected officials. Members of the Commission are appointed by their respective political jurisdiction and include two (2) members representing Washoe County, two (2) members representing the largest city in the jurisdiction (City of Reno), and one (1) member representing the other city in the jurisdiction (City of Sparks). They serve staggered two-year terms.

The Commission establishes and approves policy direction for the agency in all program areas. Policy established by the Commission is implemented through a professional/technical staff supervised by an Executive Director.

As the Executive Director, I serve at the pleasure of the Commission and I am considered to be an unclassified employee. The Commission establishes compensation for the Executive Director position. Department Directors and certain administrative and senior level personnel are also unclassified employees of the RTC and are subject to a classification and compensation plan approved by the Commission. Remaining staff are classified employees of the RTC and are also subject to a classification and compensation plan approved by the Commission.

The RTC is responsible for three major transportation programs:

Public Transportation Program – The RTC operates public transportation, for fixed-route, paratransit, and vanpool in conformance with Nevada Revised Statutes. The RTC has the responsibility and the authority to appropriate money from the Public Transit Fund for such purposes and may provide for all functions incident to the administration and operation of public transportation.

Separate contracts have been established for the public transportation elements of the RTC. MV Transit, Inc., provides turnkey operation for RTC RIDE, the local fixed-route bus system, RTC RAPID, the bus rapid transit service, and RTC REGIONAL CONNECTOR, a commuter service between Reno/Sparks and Carson City. The RTC REGIONAL CONNECTOR service is funded by the RTC and the city of Carson City. The RTC also has a turnkey contract with Ride Right, LLC, for the operation of RTC ACCESS, the ADA paratransit service. RTC established general service delivery policies for both systems and receives all revenues and purchases and maintains ownership of all assets of the transit operations.

In addition, the RTC helps fund transit service on the North Shore of Lake Tahoe for the Tahoe Truckee Area Rapid Transit (TART) system. The service is provided by Placer County, California, through a contractual agreement, with RTC reimbursing Placer County for the transit service provided in the Washoe County portion of the Tahoe basin.

Transportation Planning – The RTC is designated as the Metropolitan Planning Organization (MPO) for Washoe County. In that capacity, the RTC is responsible for establishing policy direction for transportation planning. This responsibility includes the approval of the Regional Transportation Plan (RTP), the annual Five-Year Financial Plan, Transportation Improvement Program (TIP), Unified Planning Work Program (UPWP), and the establishment and approval of federal funding priorities in certain program areas. The RTC provides major project review of the transportation impacts of new projects and developments.

Regional Street and Highway Program – The primary responsibility of the RTC in the Regional Street and Highway program is to approve and implement road projects through a priority-setting process in both the technical and political levels.

The RTC's Budget Process

The annual budget serves as the foundation for the RTC's financial planning and control. All Department Directors of the RTC are required to submit their budgets for approval by the Executive Director in March of each year. The RTC uses zero-based budgeting. Each department's budget is presented in extensive line item detail. A budget workshop is held for the Commissioners in February. A draft budget is presented to the Commission in April. Any Commissioners' changes are included in the final document, and that document is presented for a public hearing and approval in May. The appropriated budget is prepared by fund, function (e.g., Street and Highway), and department (e.g., Finance). Department Directors may make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Executive Director. Any increase in Fund Budgets requires the approval of the Commission. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the major governmental funds, the General Fund, the Regional Road Impact Fee Fund, and the Paratransit Services Fund, these comparisons are presented as part of the basic financial statements. For the nonmajor governmental fund, with appropriated annual budgets, these comparisons are presented in the Nonmajor Governmental Fund subsection of this report, following the basic financial statements. For the Public Transit Fund, the comparison is presented as part of the other supplementary information.

Agency Accomplishments – FY 2018

- Completed RTC 2017 Annual Report
- Completed RTC Sustainability Plan
- Completed Washoe County Regional Travel Characteristics Study
- Completed Bicycle, Pedestrian and Wheelchair Count Annual Report
- Completed 167 Community Outreach events for RTC programs and services
- Completed construction of Pyramid/McCarran intersection
- Updated Bike Share Feasibility Study
- Continued construction of 4th Street & Prater Way Bus RAPID Transit project
- Continued construction of SouthEast Connector Phase II
- Continued final design of Virginia Street Bus RAPID Transit Extension project to the University of Nevada, Reno
- Initiated Transit Asset Management Plan
- Received unmodified opinion – Certified Audit
- Received GFOA Certificate of Achievement

Factors Affecting Financial Condition

Local economy – Washoe County is experiencing strong economic growth and improvement. The area's economy is principally based in the trade and service sector. Although gaming and other recreational activities represent a major portion of Washoe County's economy, the area continues to diversify its business base with the expansion of distribution, warehousing, and manufacturing facilities. Approximately 46% of the workforce is employed in the fields of construction, manufacturing, trade, transportation, utilities, government, hospitality, professional, and finance-related services. These sectors of Washoe County's workforce increased significantly, accounting for the majority of job gains, with an increase of 9,400 jobs over the prior year. Washoe County had a 3.7% increase in total job growth. The unemployment rate as of June 2018 was 3.5%, a 0.5% decrease over June 2017.

Statewide gross gaming revenues were up by 4.2% and Washoe County gross gaming revenues were up by approximately 15.9% in June 2018 in comparison to June 2017. Washoe County's housing sales in June of 2018 decreased slightly by 4% over the prior year and median home sale price increased 16% in FY 2018.

Washoe County actual sales tax revenue for FY 2018 was 16% higher than the prior year due to higher taxable sales and a major sales tax refund in FY 2017. Fuel tax revenues continue to increase year-over-year; the increase for FY 2018 was 8.2% due to the producer price inflation (PPI) indexing that was implemented in January 2010. The gallons of gasoline used in Washoe County in FY 2018 were up 2.9% in comparison to FY 2017.

Nevada has no personal income tax, and it is a right-to-work state. The State has no estate and/or gift taxes, no unitary taxes, no franchise taxes, and no inventory taxes. These factors have contributed to the State's tremendous growth over the last 20 years and will continue to be important for the State's future growth and continued recovery.

Long-term financial planning – As the Metropolitan Planning Organization (MPO) for surface transportation in the Truckee Meadows, the RTC uses a cooperative strategy inclusive of all local and state governments and community input. The RTC coordinates, plans, and executes Washoe County's transportation projects to serve the present and the future.

As the MPO, the RTC:

- designs and implements the short-range and long-range regional transportation plans for Washoe County;
- acquires federal, state, and local funding for major regional transportation projects;
- coordinates with local jurisdictions to identify traffic impacts from current and proposed residential and commercial development;
- defines measures to relieve congestion;
- creates traffic projections to anticipate and respond to future regional growth; and
- recommends, implements, and monitors new technologies for transit programs.

The foundation of the RTC planning program is a 20-year Regional Transportation Plan (RTP). The current RTP 2040 plan was affirmed in May 2017. The plan had substantial citizen involvement. The RTP serves as the region's long-range transportation plan to accommodate the master-planned development in the City of Reno, City of Sparks, and Washoe County. The plan addresses all modes of travel including automobiles, transit, bicycles, pedestrians, aviation, rail, and goods movement as well as transportation management strategies to make the system more efficient.

Short Term Planning

The Short-Range Transit Program (SRTP) for the fiscal years 2018-2022 was adopted in March 2017. The SRTP serves as the implementation plan for public transit with annual updates over the next five years. The SRTP is driven by the goals and policies of the RTP. The SRTP is a capital-intensive plan. Approximately \$74.7 million in capital and \$193.1 million in operating expenditures are programmed over 5 years. Continued changes in the economy and the financial forecast may affect how some projects move forward. RIDE and ACCESS service levels are projected and implemented from this plan.

Debt Management

The Road Program received a substantial revenue boost when NV Senate Bill 201 (indexing of Local, State and Federal fuel taxes) was approved by the Legislature in June 2009. Collections began in January 2010. In an effort to stimulate the local economy, the Commission deviated from their usual pay-as-you-go philosophy and has initiated four bond sales totaling \$434.6 million. The first bond sale was completed in July 2009, the second in March 2010, the third in December 2010, and the fourth in April 2013. All bond sale funds have been expended and RTC has moved back to the pay-as-you-go method. Key future projects in the road program between now and the next 10 years include: the Virginia Street Bus RAPID Transit Extension project; the Oddie Boulevard & Wells Avenue corridor project; the Sparks Boulevard corridor project; the Sun Valley Boulevard

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

corridor project, Keystone Avenue corridor project, Center Street multimodal improvements and the expansion of the US395/I-580/I-80 interchange.

Operational Model

RTC uses privatization for implementation of the majority of its programs. RTC contracts out with engineering and construction firms for implementation of the road programs. Corridor studies are prepared by engineering and consulting firms. RTC contracts out the operation of RIDE and ACCESS through “turnkey” contracts which are common in the transportation industry. The RTC maintains a staff of 67 employees to oversee the RTC programs.

Awards and Recognition

The RTC staff, projects, and services were recognized on various occasions in FY 2018 for their commitment to quality and meeting the needs of the community:

- American Public Transportation Association Silver Recognition Sustainability Award
RTC Sustainability Plan, August 2017
- Association of Metropolitan Planning Organizations 2017 Outstanding Overall
Achievement for a Transportation Management Association Metropolitan Planning
Organization Honorable Mention Award, October 2017
- American Planning Association, Nevada Chapter DeBoer Award 2017 Outstanding
Implementation Plan - RTC Sustainability Plan, October 2017
- Economic Development Authority of Western Nevada (EDAWN) 2017 Community
Partner Award, October 2017
- GREENevada 2017 Golden Pinecone Sustainability Award, November 2017
- Government Finance Officers Association 2017 Certificate of Achievement, November
2017
- American Society of Civil Engineers, Truckee Meadows Branch 2017 Engineer of the
Year – Scott Gibson , March 2018
- Indigo International Design Competition Bronze Award, Graphic Design Branding
Category – Lincoln Line Bus Designs, April 2018

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Regional Transportation Commission for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the 31st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

Honorable Chair and Members
Regional Transportation Commission
December 7, 2018

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

The preparation of the CAFR on a timely basis could not have been accomplished without the efficient and dedicated services of the entire staff of the Finance Department and the Certified Public Accountants from Crowe LLP. We would like to express our appreciation to all who assisted and contributed to its preparation.

Respectfully submitted,



Lee G. Gibson, AICP
Executive Director
Regional Transportation Commission

Respectfully submitted,



Stephanie Haddock, CGFM
Director of Finance/CFO
Regional Transportation Commission

PRINCIPAL OFFICIALS

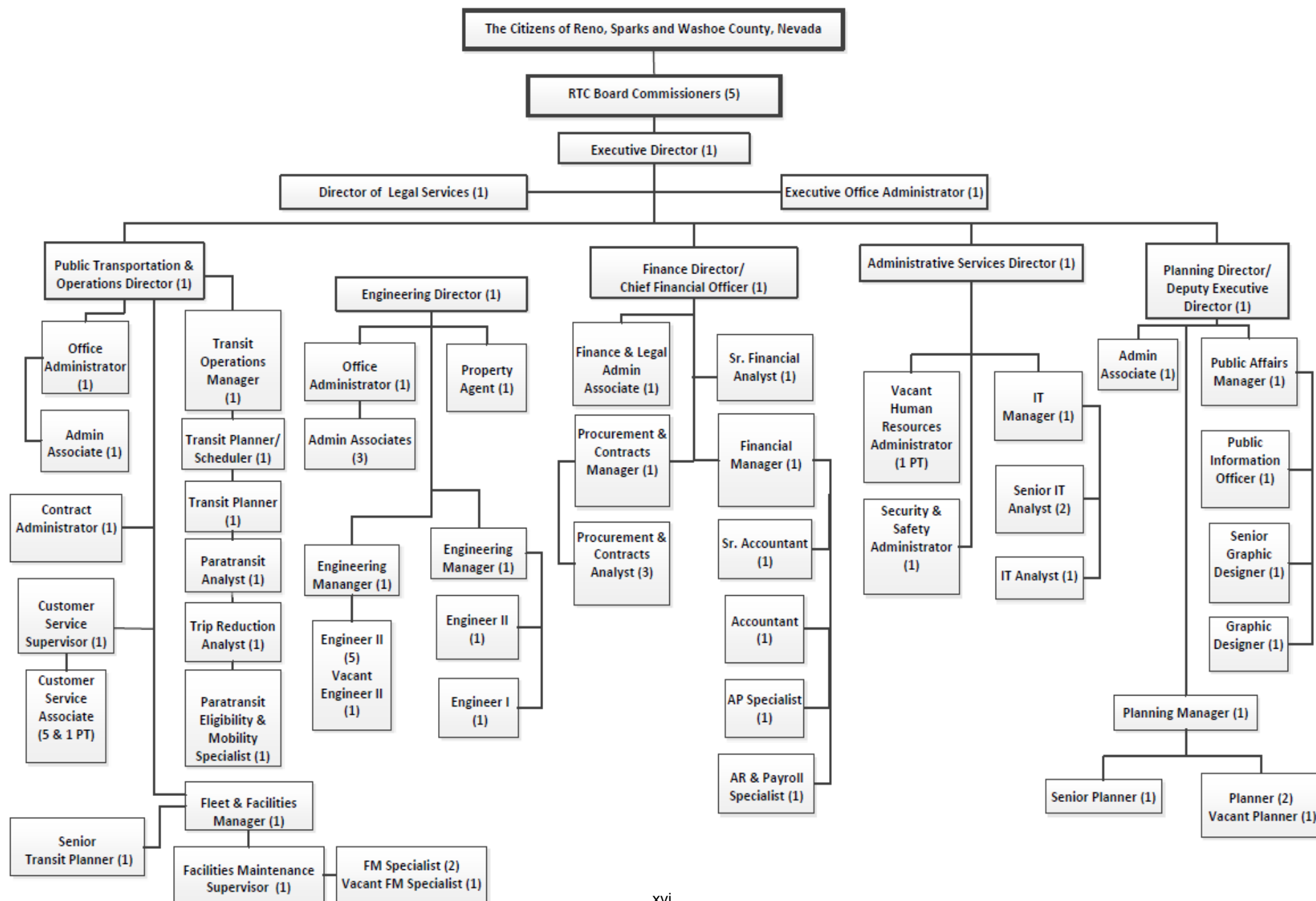
REGIONAL TRANSPORTATION COMMISSION

<u>OFFICE</u>	<u>NAME</u>	<u>TERM OF OFFICE</u>	<u>TERM EXPIRES</u>
<u>Board Members</u>			
Chair	Ron Smith	2 years	December 31, 2018
Vice-Chairman	Bob Lucey	2 years	December 31, 2019
Board Member	Vaughn Hartung	2 years	December 31, 2018
Board Member	Paul McKenzie	2 years	December 31, 2018
Board Member	Neoma Jardon	2 years	December 31, 2019
<u>RTC Staff</u>			
Executive Director *	Lee G. Gibson, AICP		Appointed
Director of Legal Services	Adam Spear, Esq.		Appointed
Administrative Services Director	Angela Reich, SPHR		Appointed
Chief Financial Officer	Stephanie Haddock, CGFM		Appointed
Engineering Director	Brian Stewart, P. E.		Appointed
Deputy Executive Director	Amy M. Cummings, AICP		Appointed
Public Transportation Director	David F. Jickling		Appointed
Legal Counsel	Dale Ferguson, Esq.		Appointed
<u>Contracts</u>			
General Manager	Harley Kempter, MV Transportation, Inc		Contracted
General Manager	Geo Jackson, Ride Right LLC		Contracted
Independent Auditor	Crowe LLP		Contracted

*The Executive Director is appointed by the Regional Transportation Commission. All other staff members are appointed by the Executive Director.

Regional Transportation Commission of Reno, Sparks and Washoe County, Nevada

Fiscal Year 2018 Organization Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Regional Transportation Commission
of Washoe County, Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morrell

Executive Director/CEO



FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Commissioners
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

Report on the Financial Statements

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 the Regional Transportation Commission, Reno, Sparks and Washoe County, Nevada (RTC), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the RTC's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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 RTC, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Regional Road Impact Fee Fund, and Paratransit Services Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note A to the financial statements, during the year ended June 30, 2018, the RTC adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*, which resulted in a restatement of the RTC's beginning net position as of July 1, 2017 of approximately \$10.5 million. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedules of Changes in the Total OPEB Liability and Related Ratios, the Schedule of Proportionate Share of the Net Pension Liability, and the Schedule of RTC Contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the RTC's basic financial statements. The Introductory Section, Individual Fund Statements and Schedules, Capital Assets Used in Operation of Governmental Funds, Other Supplementary Information, Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Individual Fund Statements and Schedules, Capital Assets Used in the Operation of Governmental Funds, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Individual Fund Statements and Schedules, Capital Assets Used in the Operation of Governmental Funds, and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory Section, Other Supplementary Information, and Statistical Section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Partial Comparative Information

RTC's basic financial statements include partial prior-year comparative information. Such information does not include all of the information required to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017 from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2018 on our consideration of RTC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RTC's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Crowe LLP". The signature is written in a cursive, flowing style.

Crowe LLP

Sacramento, California
November 26, 2018

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2018

As management of the Regional Transportation Commission (RTC), we are presenting this narrative overview and analysis of the functional activities of the RTC for the fiscal year ended June 30, 2018. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The RTC's cash and investments exceeded its liabilities due within one year by \$79.7 million at the close of the most recent fiscal year. The RTC's cash ratio is 2.6, meaning the RTC has 2.6 times the cash and investments available to meet current obligations. Last year's ratio was 3.5. The decrease is primarily due to decreases in cash used for road construction projects.
- The RTC's total net position decreased by \$25.6 million. Net position of the governmental activities decreased by \$30 million due to revenue bond financing of infrastructure assets that are not included in RTC's capital assets (Note O). Net position of the business-type activities increased by \$44 mainly due to increases in capital assets.
- At the close of the current fiscal year, the RTC's governmental funds reported combined ending fund balances of \$117 million, a decrease of \$28 million in comparison with the prior year. Most of the decrease is due to the use of cash for road construction expenses.
- RTC's outstanding bond debt decreased from \$398.3 million to \$390.7 million, as a result of \$7.6 million in principal payments on existing debt. RTC did not issue any debt in the current fiscal year.
- The RTC's total revenue increased 6.8% or \$10.9 million in comparison with the prior year. The increase is due to increases in Public Transportation (sales tax) taxes, Fuel taxes, and Impact Fees. The RTC's primary revenue sources are Motor Vehicle Fuel tax and Public Transportation (Sales) tax. These two revenue sources comprise 47.2% and 18.1% of the RTC's revenues, respectively. Motor Vehicle Fuel tax revenue increased \$6 million or 8.2% due to increased fuel gallons sold and the passage of State legislation that authorized additional indexing taxes on motor vehicle fuel and special fuel. The annual indexing increases are based on a ten year rolling average of the Producer Price Index (PPI). Inflationary increases have been in effect since January 1, 2010. Public Transportation tax increased \$4 million or 16% due to increased taxable retail sales for the County.
- The RTC's total program revenues decreased slightly 0.2% or \$130,091 thousand in comparison with the prior year. The decrease is mostly due to decreases in capital and operating grant revenues.
- Total expenses were \$187 million, an increase of 9.4% over the prior year primarily due to increases in road construction expenses in the general fund. Governmental activities made up 83.2% of the total expenses, an increase of 1.5% over the prior year. Business-type activities made up 16.8% of the total expenses, a decrease of 1.5% over the prior year due to increases in governmental activities; operating expenses for public transportation services were up slightly 0.7% for the fiscal year primarily due to the increased fuel costs.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the RTC's basic financial statements. The RTC's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the RTC's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the RTC is improving or deteriorating.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Government-wide Financial Statements (continued)

The Statement of Activities presents information showing how the RTC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the RTC that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the RTC include general government activities, streets and highways projects, transportation services, and metropolitan planning. The business-type activity of the RTC includes public transportation.

The government-wide financial statements can be found on pages 19-22 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The RTC, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the RTC can be divided into two categories: governmental funds and a proprietary fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the RTC's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The RTC maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, the Regional Road Impact Fee Fund, and the Paratransit Services Fund, all of which are considered to be major funds and for the Metropolitan Planning Organization Fund which is considered to be a nonmajor fund.

Additional data for all of the governmental funds is provided in the supplementary information section of this report.

The RTC adopts an annual appropriated budget for all funds. Budgetary comparison statements and schedules have been provided to demonstrate compliance with these budgets.

Proprietary Fund

The RTC maintains one proprietary fund. This proprietary fund, an enterprise fund, is used to report the same functions presented as business-type activities in the government-wide financial statements. The RTC uses this fund to account for public transportation.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 34-64 of this report.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Other Information

Required supplementary information concerning the RTC's progress in funding its obligation to provide pension benefits and OPEB to its employees and retirees can be found on pages 66-67.

Other supplementary information, including individual fund statements and schedules providing budget to actual comparisons and schedules of capital assets used in the operations of governmental funds, are presented after the basic financial statements.

The Statistical Section provides detailed multi-year information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the RTC's overall financial health.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

RTC'S NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
<u>Assets:</u>						
Current and other assets	\$ 141,600,785	\$ 175,965,906	\$ 29,189,796	\$ 24,448,029	\$ 170,790,581	\$ 200,413,935
Capital assets	6,290,221	7,367,327	89,357,472	80,344,692	95,647,693	87,712,019
Total assets	147,891,006	183,333,233	118,547,268	104,792,721	266,438,274	288,125,954
<u>Deferred Outflows of Resources:</u>						
Deferred outflows related to pension	2,446,997	2,943,720	-	-	2,446,997	2,943,720
Deferred outflows related to OPEB	376,704	-	-	-	376,704	-
Total deferred outflows of resources	2,823,701	2,943,720	-	-	2,823,701	2,943,720
<u>Liabilities:</u>						
Noncurrent liabilities	420,925,628	424,345,371	5,119,123	2,471,917	426,044,751	426,817,288
Other liabilities	30,916,321	34,401,733	10,273,163	3,563,305	41,189,484	37,965,038
Total liabilities	451,841,949	458,747,104	15,392,286	6,035,222	467,234,235	464,782,326
<u>Deferred Inflows of Resources:</u>						
Deferred inflows related to pension	1,213,310	-	-	-	1,213,310	-
Deferred inflows related to OPEB	956,172	808,254	-	-	956,172	808,254
Total deferred inflows of resources	2,169,482	808,254	-	-	2,169,482	808,254
<u>Net position:</u>						
Net investment in capital assets	6,290,221	7,367,328	89,134,808	79,532,529	95,425,029	86,899,857
Restricted	115,138,055	142,132,528	-	-	115,138,055	142,132,528
Unrestricted	(424,725,000)	(422,778,260)	14,020,174	19,224,970	(410,704,826)	(403,553,290)
Total net position	<u>\$ (303,296,724)</u>	<u>\$ (273,278,404)</u>	<u>\$ 103,154,982</u>	<u>\$ 98,757,499</u>	<u>\$ (200,141,742)</u>	<u>\$ (174,520,905)</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Net Position

As noted earlier, net position may serve over time as a useful indicator of the RTC's financial position. In the case of the RTC, total liabilities exceeded total assets by \$200,141,742 at the close of the current fiscal year. RTC's negative net position results from revenue bond financing of infrastructure assets that are not included in RTC's capital assets (Note O).

A significant portion of RTC's net position represents resources that are subject to external restrictions (e.g. statutes, bond covenants, and grants) on how they may be used. Restricted net position decreased \$26,994,473 from the prior year due to use of cash for road construction expenses.

Unrestricted net position may be used to meet the government's ongoing obligations to its citizens and creditors. RTC's negative unrestricted net position increased \$7,151,532 from the prior year due to decreases in cash balances.

Another significant portion of RTC's total net position is its net investment in capital assets, (e.g. land, buildings, machinery, and equipment) less any related outstanding debt used to acquire those assets. RTC's net investment in capital assets increased by a net amount \$8,525,172 over the prior year due to the addition of building improvements and buses, less depreciation expense.

The RTC did not use debt to acquire capital assets in this fiscal year. The RTC uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. If the RTC uses debt to purchase capital assets in future fiscal years, it should be noted that the resources needed to repay any long-term obligations must be provided from other sources, since the capital assets themselves cannot be used to liquidate these types of liabilities.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

RTC's CHANGES IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues						
Charges for services	\$ 9,762,480	\$ 7,387,129	\$ 6,314,382	\$ 6,365,018	\$ 16,076,862	\$ 13,752,147
Operating grants and contributions	30,324,216	30,524,773	4,088,110	4,825,788	34,412,326	35,350,561
Capital grants and contributions	745,229	227,955	7,847,909	9,881,754	8,593,138	10,109,709
Total program revenues	40,831,925	38,139,857	18,250,401	21,072,560	59,082,326	59,212,417
General revenues:						
Motor vehicle fuel taxes	81,179,894	75,058,070	-	-	81,179,894	75,058,070
Public transportation taxes	9,805,973	8,989,017	21,278,436	17,836,832	31,084,409	26,825,849
Investment earnings	465,271	235,231	65,488	33,843	530,759	269,074
Gain on sale of assets	8,360	4,227	218	5,700	8,578	9,927
Other miscellaneous	162,161	(259,656)	30,121	42,328	192,282	(217,328)
Total general revenues	91,621,659	84,026,889	21,374,263	17,918,703	112,995,922	101,945,592
Total revenues	132,453,584	122,166,746	39,624,664	38,991,263	172,078,248	161,158,009
Expenses:						
Streets and highways	118,729,501	101,901,443	-	-	118,729,501	101,901,443
Transportation services	10,348,473	9,279,374	-	-	10,348,473	9,279,374
Regional road impact fees	5,154,308	6,515,035	-	-	5,154,308	6,515,035
Metropolitan planning	2,226,012	2,518,654	-	-	2,226,012	2,518,654
Public transportation	-	-	31,465,024	31,250,873	31,465,024	31,250,873
Debt service	19,284,377	19,587,307	-	-	19,284,377	19,587,307
Total expenses	155,742,671	139,801,813	31,465,024	31,250,873	187,207,695	171,052,686
Change in net position before transfers	(23,289,087)	(17,635,067)	8,159,640	7,740,390	(15,129,447)	(9,894,677)
Transfers	300,000	217,500	(300,000)	(217,500)	-	-
Change in net position	(22,989,087)	(17,417,567)	7,859,640	7,522,890	(15,129,447)	(9,894,677)
Net position - July 1 as originally stated	(273,278,405)	(255,860,838)	98,757,499	91,234,609	(174,520,906)	(164,626,229)
Cumulative effect of GASB 75 implementation	(7,029,232)	-	(3,462,157)	-	(10,491,389)	-
Net position - July 1 as restated	(280,307,637)	(255,860,838)	95,295,342	91,234,609	(185,012,295)	(164,626,229)
Net position - June 30	\$ (303,296,724)	\$ (273,278,405)	\$ 103,154,982	\$ 98,757,499	\$ (200,141,742)	\$ (174,520,906)

Change in Net Position

The RTC's overall net position decreased \$25,620,833 from the prior year primarily due to revenue bond financing of infrastructure assets that are not included in RTC's capital assets (Note O). Program revenues are directly related to service activities of a function. Program revenues decreased slightly from the prior year and included charges for services which increased 17% due to increased regional road impact fees; capital grants and contributions decreased 15% mostly due to timing of reimbursements from federal grants. General revenues increased \$11,050,330 or 10.8% from the prior year mostly due to a 8.2% increase in motor vehicle fuel tax and a 16% increase in public transportation tax. General revenues represent 65.7% of total revenues. Total expenses increased by \$16,155,009 or 9.4% from the prior year mostly from streets and highways expenses.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

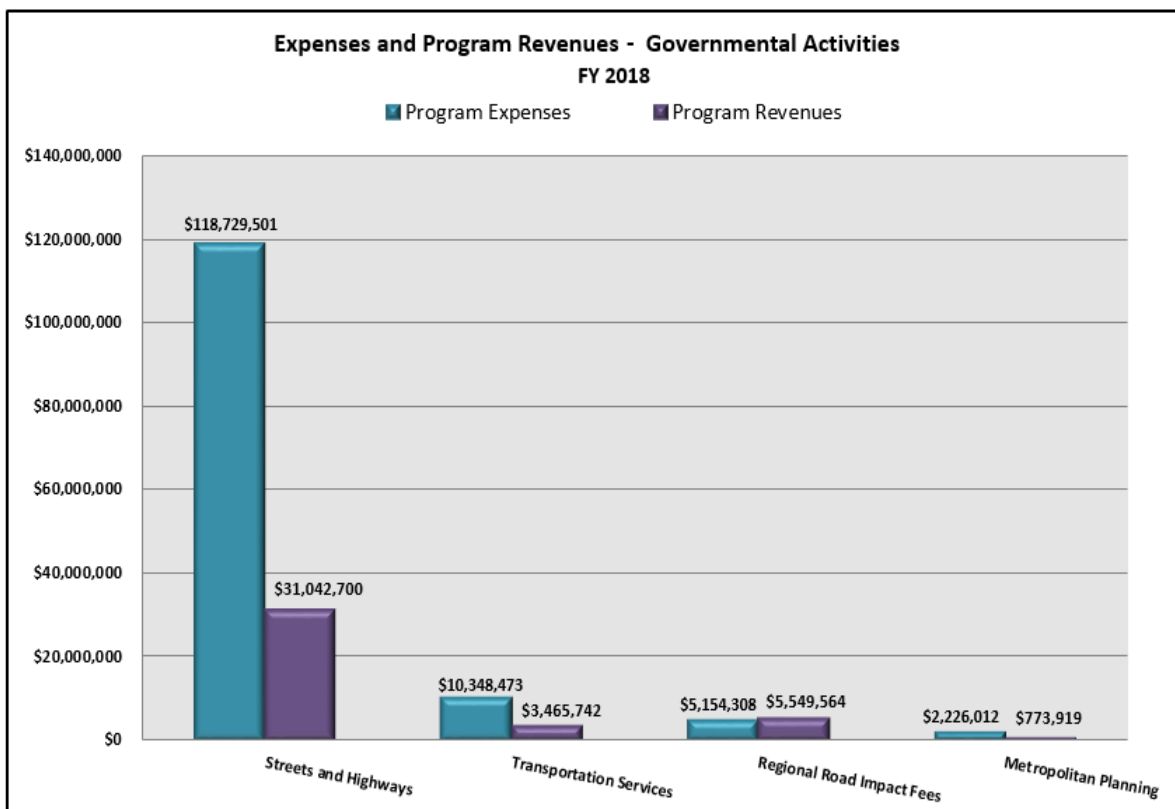
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities

Governmental activities include programs for streets and highways, transportation services, and metropolitan planning. Governmental activities decreased the RTC's net position by \$22,989,087. The key element of this decrease is:

- Streets and highway expenses increased over the prior year by \$16,828,058 or 16.5% due to major construction expenses on RTC's largest road project to date the Southeast Connector completed in FY 2018.

The following chart depicts the expenses and program revenues for governmental activities:



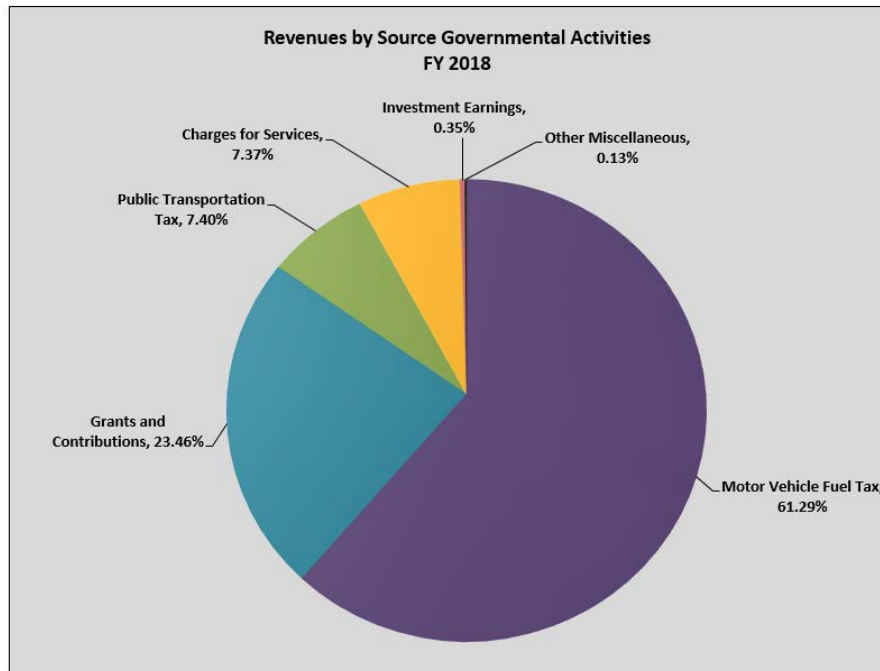
**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

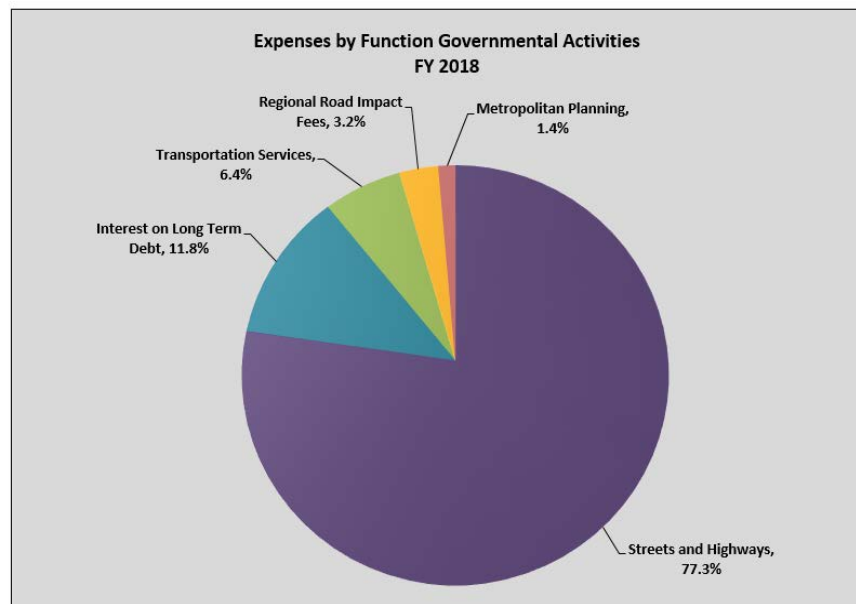
June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

The following chart depicts the governmental activities revenues by source for the current fiscal year:



The following chart depicts the governmental activities expenses by function for the current fiscal year:



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Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

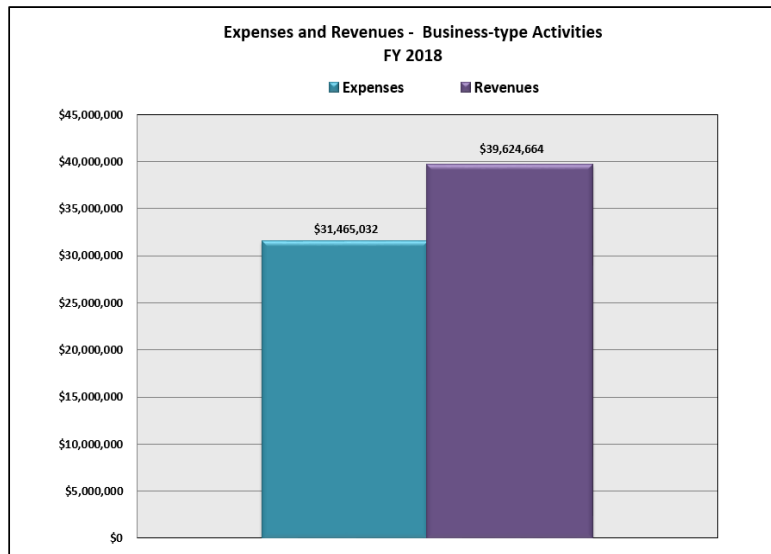
GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Business-type Activities

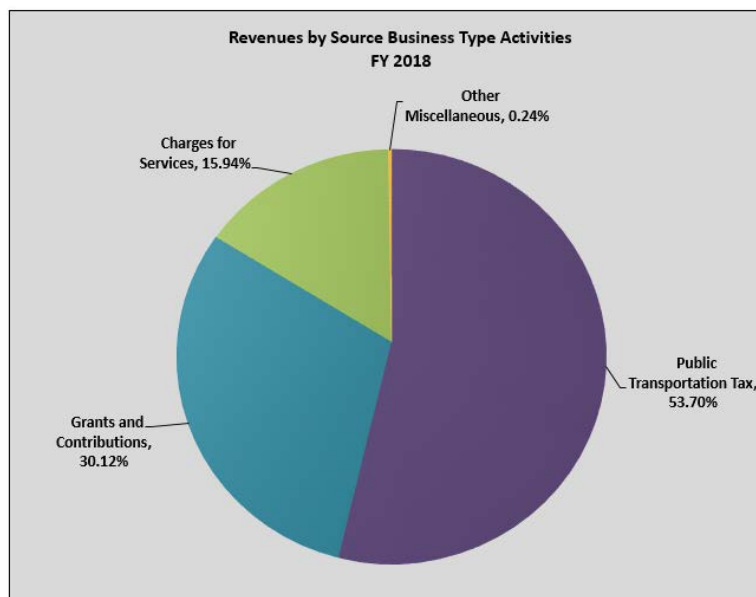
Under this section there is only one program, Public Transportation. Business-type activities increased the RTC's net position by \$7,859,632. The key element of this increase is:

- Public transportation tax increased \$3,441,604 or 19.3% due to increases in capital assets.

The following chart depicts the expenses and revenues for business-type activities:



The following chart depicts the business-type activities revenues for current fiscal year:



**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

FINANCIAL ANALYSIS OF THE RTC'S FUNDS

As noted earlier, the RTC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the RTC's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the RTC's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the RTC's governmental funds reported combined ending fund balances of \$117,358,346 a decrease of \$27,664,401 in comparison with the prior year primarily due to decreases in cash used for road construction expenses. Most of RTC's governmental fund balances are externally restricted and limited in their use.

General Fund

The General Fund is the primary operating fund of the RTC. It accounts for all financial resources of the RTC, except for those required to be accounted for in another fund. Regional streets and highways expenditures for road projects are accounted for in this fund instead of a separate fund in order to reduce undue complexity in budgeting, accounting and other phases of financial management. At the end of the current fiscal year, the nonspendable fund balance of the general fund was \$303,624 for prepaid expenses and deposits. Restricted fund balance was \$58,704,237 for federal grants match and road construction projects. There is no unassigned fund balance in the General Fund.

The fund balance of the RTC's General Fund decreased \$29,773,863 or 33.5% during the current fiscal year mostly due to decreases in cash used for road construction project expenditures.

Debt Service Fund

The Debt Service Fund is a governmental fund used to account for RTC's debt service requirements. The existing debt in this fund is backed by Motor Vehicle Fuel tax revenues and 1/8th percent of Public Transportation (Sales) tax. The ending fund balance at June 30, 2018, is \$45,655,320 and is restricted for future principal and interest payments on revenue bonds.

Regional Road Impact Fee Fund

The Regional Road Impact Fee Fund is a special revenue fund for road projects funded with impact fees. The fees consist of two components, cash impact fees and impact fee waivers. Waivers are given to developers for the construction of major arterial roads during development. Waivers are booked as a revenue and expenditure with a net zero effect on the financial statements, therefore, they are not included in analysis of fund balance. Ending fund balance at June 30, 2018, is \$10,114,644 of which \$192,975 is nonspendable for prepaid expenses, \$64,045 is restricted for federal grants match and \$9,857,624 is restricted for road construction projects. The Regional Road Impact Fee fund balance increased \$1,951,822 or 24% for the current fiscal year mostly due to increases in cash impact fee revenue.

Paratransit Services Fund

The Paratransit Services Fund is a special revenue fund, which consists of the paratransit service RTC ACCESS for people with disabilities. The Paratransit Services Fund also records all transactions for the Washoe Senior Ride Program, a taxi subsidy for elderly residents of Washoe County. The ending fund balance at June 30, 2018, is \$1,403,169 of which \$59,898 is nonspendable for prepaid expenses, \$641,588 is restricted for federal grants match and \$701,683 is assigned for future expenditures. Unassigned fund balance is a zero.

The Paratransit Services fund balance decreased \$958,452 or 41% for the current fiscal year mostly due a \$1,215,217 increase in paratransit service expenditures over the prior year.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

FINANCIAL ANALYSIS OF THE RTC'S FUNDS (CONTINUED)

Paratransit Services Fund (continued)

RTC ACCESS service levels were relatively flat for the current fiscal year but demand for paratransit services increased due to increases in population in the region. The operating statistics for RTC ACCESS are:

- RTC ACCESS carried a total of 251,461 passengers in FY 2018 compared with 231,438 in FY 2017; and
- RTC ACCESS operated 101,872 revenue vehicle hours in FY 2018 compared with 85,025 hours in FY 2017; and
- RTC ACCESS traveled 1,593,665 revenue vehicle miles in FY 2018 compared to 1,376,682 miles in FY 2017.

Metropolitan Planning Organization Fund

The Metropolitan Planning Organization Fund is a special revenue fund. The RTC serves as the Metropolitan Planning Organization (MPO) for Washoe County. The MPO is funded by transfers of public transportation (sales) tax revenues, fuel tax revenues and federal transportation planning grants. The Metropolitan Planning Organization ending fund balance at June 30, 2018, is \$1,177,352, of which \$120,800 is nonspendable for prepaid expenses, \$236,268 is restricted for federal grants match and \$820,284 is assigned for future expenditures.

The total fund balance increased \$400,537 or 52% for the current fiscal year mostly due to \$196,745 in increased federal grant revenue and \$175,808 in decreased consulting expenditures for the Unified Planning Work Program (UPWP).

Proprietary Fund

The RTC's proprietary fund provides the same type of information found in the government-wide financial statements but this fund's statements provide more detail.

Proprietary Operations

The proprietary fund consists of an enterprise fund for the RTC RIDE transit system. The RTC RIDE transit system has been in operation since September, 1978.

RTC RIDE ridership slightly decreased 0.3% over the prior fiscal year as low local fuel prices allows riders to choose use of a personal vehicle over public transportation. The operating statistics for RTC RIDE are:

- RTC RIDE carried a total of 7,396,590 passengers in FY 2018 compared to 7,416,158 passengers in FY 2017; and
- RTC RIDE operated 247,779 revenue service hours in FY 2018 compared to 253,097 revenue service hours in FY 2017; and
- RTC RIDE traveled 2,825,116 revenue miles in FY 2018 compared to 2,875,22 revenue miles in FY 2017.

RTC RIDE currently operates 26 total routes, including RTC SIERRA SPIRIT, RTC RAPID and RTC INTERCITY most of which operate seven days a week with three routes operating 24 hours per day.

Revenues

The revenue sources for the RTC RIDE transit system are a 5/16 percent public transportation tax revenue, passenger revenues, investment income, advertising revenue, and Federal and State capital and operating grants.

In November 1982, voters of Washoe County approved a 1/4 percent sales tax increase for the purpose of public transportation and related support services. This tax is to be used for the operation of the RTC RIDE transit system, transportation planning, paratransit services, and other transportation services. This revenue source cannot be used for the construction of street and highway projects.

Effective July 1, 2003, an additional 1/8 percent sales tax was implemented. This revenue source can be used for public transportation or the construction of street and highway projects as directed by RTC management.

In total Public Transportation tax revenue was \$31,084,409 in FY 2018 compared to \$26,825,849 in FY 2017, an increase of \$4,258,560 or 16%.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

FINANCIAL ANALYSIS OF THE RTC'S FUNDS (CONTINUED)

RTC RIDE passenger revenues were \$5,614,832 in FY 2018 compared to \$5,716,864 in FY 2017, a decrease of \$102,032 or 1.81% due to decreases in ridership.

Federal funding amounts, received from the Federal Transit Administration (FTA), are based on nationwide formula allocations included in the Surface Transportation Act and discretionary grants.

The RTC has built or renovated five major facilities and currently has a total fleet of 72 coaches. The FTA has participated in most of the transit and paratransit capital acquisitions.

Expenses

RTC RIDE operating expenses, including depreciation, in FY 2018 were \$31,465,024 compared to \$31,250,873 in FY 2017, a slight increase of \$214,151 or 0.7%; primarily due to increased fuel costs.

GENERAL FUND BUDGETARY HIGHLIGHTS

Total revenues were under budget by \$2,165,269 primarily due to decrease in project reimbursements from other local entities for road construction projects. Total expenditures were \$33,081,642 under budget due to the timing of planned road construction projects.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The RTC's investment in capital assets for its governmental and business-type activities as of June 30, 2018 amounted to \$95,647,693 (net of accumulated depreciation). The RTC's net investment in capital assets for the current fiscal year increased \$7,935,674 or 9% due to completed building renovations and bus purchases.

Capital spending decisions are based upon:

- Needs defined in the Regional Transportation Plan, and
- The availability of FTA funding and local funding

Major capital assets events during the current fiscal year included the following:

- Villanova and Terminal Way building renovations of \$14,260,095.
- Six electric buses \$5,237,244.
- Shop Equipment for Villanova facility \$542,346.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (continued)

RTC's CAPITAL ASSETS (Net of Depreciation) (Expressed in Thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 2,282	\$ 2,282	\$ 16,682	\$ 16,682	\$ 18,964	\$ 18,964
Construction in progress	19	116	9,778	15,312	9,796	15,428
Total capital assets not being depreciated	2,301	2,398	26,460	31,994	28,760	34,392
Coaches/vehicles	5,587	6,621	40,484	35,265	46,071	41,886
Buildings and leasehold improvements	7,176	7,176	65,453	51,192	72,629	58,369
Miscellaneous equipment	4,301	4,052	4,172	3,594	8,473	7,646
ITS	-	-	3,057	3,057	3,057	3,057
Computer equipment	-	-	1,761	1,781	1,761	1,781
Office furniture	-	-	133	133	133	133
Passenger shelters	-	-	7,641	7,565	7,641	7,565
Communications equipment	-	-	558	477	558	477
Revenue collection equipment	-	-	1,784	1,784	1,784	1,784
	17,064	17,849	125,042	104,848	142,106	122,696
Accumulated depreciation	(13,074)	(12,879)	(62,144)	(56,497)	(75,219)	(69,376)
Total capital assets being depreciated (net)	3,990	4,969	62,898	48,351	66,887	53,321
Capital assets (net)	\$ 6,290	\$ 7,367	\$ 89,357	\$ 80,345	\$ 95,648	\$ 87,713

Additional information on the RTC's capital assets can be found in Note E in the Notes to the Financial Statements and the Supplementary Information section.

Long-term Debt

At the end of the fiscal year, RTC had total bonded debt outstanding of \$390,732,000. The proceeds from all bond issues are used for financing the construction of street and highway projects. RTC's current fiscal year outstanding debt decreased \$7.6 million as a result of principal payments on debt.

Additional information of the RTC's long-term debt including a roll-forward of debt, debt issues outstanding and future debt service requirements can be found in Notes I and J in the Notes to the Financial Statements.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

MANAGEMENT'S DISCUSSION AND ANALYSIS - CONTINUED

June 30, 2018

ECONOMIC FACTORS

- Nevada economy continues to experience steady growth in retail sales, jobs, and the housing market.
- Nevada overall unemployment rate of 4.7% is higher than the national average of 4.0% for June 2018.
- Reno-Sparks metropolitan area unemployment rate was at 3.5% in June 2018.
- Unemployment in Nevada did not change over the past twelve months. In the Reno-Sparks metropolitan area, the rate declined 0.5%.
- Nevada continues to experience an ongoing healthy labor market with positive twelve months of job growth in FY 2018
- Nevada experienced overall job growth of 2.8%. June 2018 was the 90th consecutive month of job gains in the State. Nevada continues to exceed the national average job growth of 1.8%. The largest job gains were in manufacturing an increase of 14.5% and construction an increase of 7.9% in June of 2018 as compared to June of 2017.
- Washoe County's total labor force for June 2018 is estimated at 249,100, with total employment of 240,400. An increase of 3.2% and 4.1% respectively over the prior year.
- Consumer Price Index (CPI) was 3.6% for the western region for June 2018.
- Nevada's average personal income growth exceeded national growth over fifteen of the past seventeen quarters as of June 2018..
- Nevada's statewide taxable sales increased 4.2% for FY 2018. Reno-Sparks taxable sales increased 6.8% for FY 2018.
- Median home sale prices in Washoe County increased 16% in June of 2018 as compared to June of 2017.
- Washoe County fuel consumption was up 2.9% for FY 2018 and Nevada's statewide fuel consumption was up 2.4% for FY 2018. The fiscal year fuel consumption increases are attributed to average lower fuel prices.

All of these factors were considered in preparing the RTC's budget for fiscal year 2019.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the RTC's finances for all those with an interest in the RTC's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Regional Transportation Commission, 1105 Terminal Way, Suite 300, Reno, NV 89502.



BASIC FINANCIAL STATEMENTS

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

STATEMENT OF NET POSITION

June 30, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments in custody of County Treasurer	\$ 53,065,005	\$ 16,255,626	\$ 69,320,631
Cash in bank and on hand	11,764,634	2,927,762	14,692,396
Restricted cash and investments	45,511,197	-	45,511,197
Accounts receivable	1,289,970	184,692	1,474,662
Due from federal government	7,733,625	5,916,187	13,649,812
Due from State of Nevada	15,425,850	5,469,842	20,895,692
Interest receivable	2,016,511	58,082	2,074,593
Impact fees receivable	1,853,328	-	1,853,328
Internal balances	2,263,368	(2,263,368)	-
Inventory	-	180,901	180,901
Prepaid expenses, deposits and other assets	677,297	460,072	1,137,369
Capital Assets:			
Land and construction in progress	2,300,612	26,459,715	28,760,327
Property, buildings and equipment, net of accumulated depreciation	3,989,609	62,897,757	66,887,366
Total assets	147,891,006	118,547,268	266,438,274
Deferred Outflows of Resources			
Deferred outflows related to pension	2,446,997	-	2,446,997
Deferred outflows related to OPEB	376,704	-	376,704
Total deferred outflows of resources	2,823,701	-	2,823,701
Liabilities			
Accounts payable	11,656,621	9,409,722	21,066,343
Retentions payable	9,358,482	222,663	9,581,145
Accrued liabilities	108,869	606,928	715,797
Unearned revenue	12,500	33,850	46,350
Interest payable	9,779,849	-	9,779,849
Noncurrent liabilities:			
Due within one year	8,649,963	-	8,649,963
Due in more than one year	391,981,335	286,561	392,267,896
Net Pension Liability	10,915,835	-	10,915,835
Total OPEB liability	9,378,495	4,832,562	14,211,057
Total liabilities	451,841,949	15,392,286	467,234,235
Deferred Inflows of Resources			
Deferred inflows related to pension	1,213,310	-	1,213,310
Deferred inflows related to OPEB	956,172	-	956,172
Total deferred inflows of resources	2,169,482	-	2,169,482
Net Position			
Net investment in capital assets	6,290,221	89,134,808	95,425,029
Restricted for:			
Street and highway construction	58,543,762	-	58,543,762
Federal grants match	10,960,000	-	10,960,000
Debt service	45,634,293	-	45,634,293
Total restricted net position	115,138,055	-	115,138,055
Unrestricted	(424,725,000)	14,020,174	(410,704,826)
Total net position	\$ (303,296,724)	\$ 103,154,982	\$ (200,141,742)

The accompanying notes are an integral part of this statement.

Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

STATEMENT OF ACTIVITIES

Year ended June 30, 2018

FUNCTIONS/PROGRAMS	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government							
Governmental activities:							
Streets and highways	\$ 118,729,501	\$ 3,787,312	\$ 27,255,388	\$ -	\$ (87,686,801)	\$ -	\$ (87,686,801)
Transportation services	10,348,473	425,604	2,294,909	745,229	(6,882,731)	-	(6,882,731)
Regional road impact fees	5,154,308	5,549,564	-	-	395,256	-	395,256
Metropolitan planning	2,226,012	-	773,919	-	(1,452,093)	-	(1,452,093)
Interest on long-term debt	19,284,377	-	-	-	(19,284,377)	-	(19,284,377)
Total governmental activities	155,742,671	9,762,480	30,324,216	745,229	(114,910,746)	-	(114,910,746)
Business-type activities:							
Public Transportation	31,465,024	6,314,382	4,088,110	7,847,909	-	(13,214,623)	(13,214,623)
Total primary government	<u>\$ 187,207,695</u>	<u>\$ 16,076,862</u>	<u>\$ 34,412,326</u>	<u>\$ 8,593,138</u>	<u>(114,910,746)</u>	<u>(13,214,623)</u>	<u>(128,125,369)</u>
General revenues:							
Motor vehicle fuel tax					81,179,894	-	81,179,894
Public transportation tax					9,805,973	21,278,436	31,084,409
Investment earnings					465,271	65,488	530,759
Gain on sale of capital assets					8,360	218	8,578
Miscellaneous					162,161	30,121	192,282
Transfers					300,000	(300,000)	-
Total general revenues and transfers					<u>91,921,659</u>	<u>21,074,263</u>	<u>112,995,922</u>
Change in net position					<u>(22,989,087)</u>	<u>7,859,640</u>	<u>(15,129,447)</u>
Net position - beginning of year					<u>(273,278,405)</u>	<u>98,757,499</u>	<u>(174,520,906)</u>
Cumulative effect of GASB 75 implementation					<u>(7,029,232)</u>	<u>(3,462,157)</u>	<u>(10,491,389)</u>
Net position - beginning of year, as restated					<u>(280,307,637)</u>	<u>95,295,342</u>	<u>(185,012,295)</u>
Net position - ending					<u>\$ (303,296,724)</u>	<u>\$ 103,154,982</u>	<u>\$ (200,141,742)</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**BALANCE SHEET
GOVERNMENTAL FUNDS**

June 30, 2018

	Major Funds	
	General Fund	Debt Service Fund
Assets		
Cash and investments in custody of County Treasurer	\$ 45,133,626	\$ 11,818
Cash in bank and on hand	7,986,530	9,208
Restricted cash and investments	-	45,511,197
Accounts receivable	1,254,802	-
Due from federal government	6,416,267	-
Due from other government	14,276,712	-
Interest receivable	182,789	126,038
Impact fees receivable	-	-
Prepays and other assets	301,439	-
Due from other funds	2,862,325	-
Deposits	2,185	-
Total assets	<u>\$ 78,416,675</u>	<u>\$ 45,658,261</u>
Liabilities		
Accounts payable	\$ 9,452,019	\$ 2,941
Retentions payable	9,216,552	-
Accrued liabilities	108,869	-
Due to other funds	127,232	-
Unearned revenue	12,500	-
Total liabilities	<u>18,917,172</u>	<u>2,941</u>
Deferred Inflows of Resources		
Unavailable revenue - federal grants	324,711	-
Unavailable revenue - other reimbursements	166,931	-
Total deferred inflows of resources	<u>491,642</u>	<u>-</u>
Fund balances		
Nonspendable:		
Prepays	301,439	-
Deposits	2,185	-
Restricted for:		
Federal grants match	10,018,099	-
Street and highway construction	48,686,138	-
Debt service	-	45,634,293
Assigned:		
Subsequent year's actual & budget: appropriation of fund balance	<u>-</u>	<u>21,027</u>
Total fund balances	<u>59,007,861</u>	<u>45,655,320</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 78,416,675</u>	<u>\$ 45,658,261</u>

The accompanying notes are an integral part of this statement.

Major Funds		Nonmajor Fund	
Regional Road Impact Fee Fund	Paratransit Services Fund	Metropolitan Planning Organization Fund	Total Governmental Funds
\$ 6,770,118	\$ 721,627	\$ 427,816	\$ 53,065,005
1,990,731	926,375	851,790	11,764,634
-	-	-	45,511,197
-	35,168	-	1,289,970
75,826	1,017,077	224,455	7,733,625
-	1,149,138	-	15,425,850
29,860	2,496	1,419	342,602
1,853,328	-	-	1,853,328
192,975	59,898	120,800	675,112
-	6,485	2	2,868,812
-	-	-	2,185
<u>\$ 10,912,838</u>	<u>\$ 3,918,264</u>	<u>\$ 1,626,282</u>	<u>\$ 140,532,320</u>
\$ 568,831	\$ 1,439,818	\$ 193,012	\$ 11,656,621
141,930	-	-	9,358,482
-	-	-	108,869
72,450	149,840	255,918	605,440
-	-	-	12,500
<u>783,211</u>	<u>1,589,658</u>	<u>448,930</u>	<u>21,741,912</u>
14,983	519,801	-	859,495
-	405,636	-	572,567
<u>14,983</u>	<u>925,437</u>	<u>-</u>	<u>1,432,062</u>
192,975	59,898	120,800	675,112
-	-	-	2,185
64,045	641,588	236,268	10,960,000
9,857,624	-	-	58,543,762
-	-	-	45,634,293
-	701,683	820,284	1,542,994
<u>10,114,644</u>	<u>1,403,169</u>	<u>1,177,352</u>	<u>117,358,346</u>
<u>\$ 10,912,838</u>	<u>\$ 3,918,264</u>	<u>\$ 1,626,282</u>	<u>\$ 140,532,320</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION**

June 30, 2018

Total fund balances - Governmental Funds	\$ 117,358,346
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Amounts reported for governmental activities in the statement
of net position are different because:

Capital assets used in governmental activities are not financial
resources, and therefore, are not reported in governmental funds

Capital assets used in the operation of governmental funds	\$ 19,364,530	
Less accumulated depreciation	<u>(13,074,309)</u>	6,290,221

Other long-term assets are not available to pay for current period
expenditures and, therefore, are reported as unavailable revenue
in the funds

1,432,062

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

Governmental bonds payable	(390,732,000)	
Bond premiums and discounts	(9,154,667)	
Accrued interest payable	(9,779,849)	
Compensated absences	(744,628)	
Other postemployment benefits (OPEB)	<u>(9,378,495)</u>	(419,789,639)

Build America Bond credits are not due in the current period and are not
reported in the governmental funds

1,673,911

Net pension liabilities are not due and payable in the current period, and
therefore, are not reported as liabilities in the governmental funds

(10,915,835)

Deferred outflows and inflows of resources related to OPEB are applicable
to reporting periods and, therefore, are not reported in the funds

(579,468)

Deferred outflows and inflows of resources related to pensions are
applicable to reporting periods and, therefore, are not reported in the
funds

1,233,678

Net position of governmental activities	<u><u>\$ (303,296,724)</u></u>
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The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**

Year ended June 30, 2018

	Major Funds	
	General Fund	Debt Service Fund
Revenues		
Motor vehicle fuel tax	\$ 81,179,894	\$ -
Public transportation tax	5,105,973	-
Impact fees	-	-
Passenger fares	-	-
Project reimbursements	3,605,357	-
Transportation planning, operating and capital grants, and contributions:		
State of Nevada Department of Health and Human Services	-	-
Federal Transit Administration	13,856,961	-
Federal Highway Administration	15,719,605	-
Investment income	235,362	195,868
Miscellaneous	69,036	-
Total revenues	<u>119,772,188</u>	<u>195,868</u>
Expenditures		
Current:		
Streets and highways	119,682,838	-
Transportation services	-	-
Metropolitan planning	-	-
Capital outlay:		
Land	65,507	-
Equipment	-	-
Debt service:		
Principal	-	7,603,000
Interest	-	19,789,748
Debt service fees and other fiscal charges	-	45,469
Total expenditures	<u>119,748,345</u>	<u>27,438,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>23,843</u>	<u>(27,242,349)</u>
Other financing sources (uses)		
Sale of capital assets	-	-
Transfers in	-	27,957,904
Transfers out	(29,797,706)	-
Total other financing sources (uses)	<u>(29,797,706)</u>	<u>27,957,904</u>
Net change in fund balances	(29,773,863)	715,555
Fund balances - beginning	<u>88,781,724</u>	<u>44,939,765</u>
Fund balances - ending	<u>\$ 59,007,861</u>	<u>\$ 45,655,320</u>

The accompanying notes are an integral part of this statement.

Major Funds		Nonmajor Fund	
Regional Road Impact Fee Fund	Paratransit Services Fund	Metropolitan Planning Organization Fund	Total Governmental Funds
\$ -	\$ -	\$ -	\$ 81,179,894
-	4,700,000	-	9,805,973
5,549,564	-	-	5,549,564
-	425,604	-	425,604
-	-	-	3,605,357
-	1,458,394	-	1,458,394
-	1,485,363	-	15,342,324
1,048,533	-	965,572	17,733,710
28,231	4,833	977	465,271
-	167,844	-	236,880
6,626,328	8,242,038	966,549	135,802,971
5,154,308	-	-	124,837,146
-	9,032,467	-	9,032,467
-	-	2,226,012	2,226,012
-	-	-	65,507
-	176,383	-	176,383
-	-	-	7,603,000
-	-	-	19,789,748
-	-	-	45,469
5,154,308	9,208,850	2,226,012	163,775,732
1,472,020	(966,812)	(1,259,463)	(27,972,761)
-	8,360	-	8,360
479,802	-	1,660,000	30,097,706
-	-	-	(29,797,706)
479,802	8,360	1,660,000	308,360
1,951,822	(958,452)	400,537	(27,664,401)
8,162,822	2,361,621	776,815	145,022,747
\$ 10,114,644	\$ 1,403,169	\$ 1,177,352	\$ 117,358,346

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES**

Year ended June 30, 2018

Net change in fund balances - total governmental funds \$ (27,664,401)

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

Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of these assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.

Capital outlay	\$ 241,889	
Current year depreciation expense	<u>(1,318,993)</u>	(1,077,104)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in governmental funds.		(3,357,751)
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of bond premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.

Principal payments	7,603,000	
Amortization of bond premium and discounts	<u>(362,920)</u>	7,240,080

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 compensated absences	50,683	
Change in other post-employment benefits (OPEB)	(152,592)	
Change in accrued interest payable	1,065,968	
Change in long term payable	1,300,000	
Change in interest credits due from federal government	<u>(197,680)</u>	2,066,379

Governmental funds report pension contributions as expenditures when made. However, in the statement of activities pension expense is the cost of benefits earned, adjusted for member contributions, the recognition of changes in deferred outflows and inflows of resources related to pensions, and investment experience.

Contributions	1,502,067	
Pension expense	<u>(1,698,357)</u>	(196,290)

Change in net position of governmental activities		<u><u>\$ (22,989,087)</u></u>
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The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

Year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance to Final Budget
	Original	Final		
Revenues				
Motor vehicle fuel tax	\$ 81,044,609	\$ 81,044,609	\$ 81,179,894	\$ 135,285
Public transportation tax	4,980,098	4,980,098	5,105,973	125,875
Project reimbursements	5,500,000	5,500,000	3,605,357	(1,894,643)
Transportation planning and operating grants:				
Federal Transit Administration	12,000,000	12,000,000	13,856,961	1,856,961
Federal Highway Administration	18,087,750	18,087,750	15,719,605	(2,368,145)
Investment income	325,000	325,000	235,362	(89,638)
Miscellaneous	-	-	69,036	69,036
Total revenues	<u>121,937,457</u>	<u>121,937,457</u>	<u>119,772,188</u>	<u>(2,165,269)</u>
Expenditures				
Current:				
Streets and highways	152,764,480	152,764,480	119,682,838	33,081,642
Capital outlay:				
Land	-	-	65,507	(65,507)
Total expenditures	<u>152,764,480</u>	<u>152,764,480</u>	<u>119,748,345</u>	<u>33,016,135</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(30,827,023)</u>	<u>(30,827,023)</u>	<u>23,843</u>	<u>30,850,866</u>
Other financing sources (uses)				
Transfers out	<u>(28,542,112)</u>	<u>(28,542,112)</u>	<u>(29,797,706)</u>	<u>(1,255,594)</u>
Total other financing sources (uses)	<u>(28,542,112)</u>	<u>(28,542,112)</u>	<u>(29,797,706)</u>	<u>(1,255,594)</u>
Net change in fund balance	<u>(59,369,135)</u>	<u>(59,369,135)</u>	<u>(29,773,863)</u>	<u>29,595,272</u>
Fund balance - beginning	<u>156,038,064</u>	<u>156,038,064</u>	<u>88,781,724</u>	<u>(67,256,340)</u>
Fund balance - ending	<u>\$ 96,668,929</u>	<u>\$ 96,668,929</u>	<u>\$ 59,007,861</u>	<u>\$ (37,661,068)</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

Year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance to Final Budget
	Original	Final		
Revenues				
Impact fees	\$ 9,568,401	\$ 9,568,401	\$ 5,549,564	\$ (4,018,837)
Project reimbursements	5,000	5,000	-	(5,000)
Transportation planning and capital grants:				
Federal Highway Administration	3,445,650	3,445,650	1,048,533	(2,397,117)
Investment income	200,000	200,000	28,231	(171,769)
Total revenues	<u>13,219,051</u>	<u>13,219,051</u>	<u>6,626,328</u>	<u>(6,592,723)</u>
Expenditures				
Current:				
Streets and highways	16,283,119	16,283,119	5,154,308	11,128,811
Capital outlay:				
Equipment	369,000	369,000	-	369,000
Total expenditures	<u>16,652,119</u>	<u>16,652,119</u>	<u>5,154,308</u>	<u>11,497,811</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,433,068)</u>	<u>(3,433,068)</u>	<u>1,472,020</u>	<u>4,905,088</u>
Other financing sources				
Transfers in	450,000	450,000	479,802	29,802
Total other financing sources	<u>450,000</u>	<u>450,000</u>	<u>479,802</u>	<u>29,802</u>
Net change in fund balance	(2,983,068)	(2,983,068)	1,951,822	4,934,890
Fund balance - beginning	<u>7,377,602</u>	<u>7,377,602</u>	<u>8,162,822</u>	<u>785,220</u>
Fund balance - ending	<u><u>\$ 4,394,534</u></u>	<u><u>\$ 4,394,534</u></u>	<u><u>\$ 10,114,644</u></u>	<u><u>\$ 5,720,110</u></u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Paratransit Services Fund)**

Year ended June 30, 2018

	Budgeted Amounts		Actual Amounts	Variance to Final Budget
	Original	Final		
Revenues				
Public transportation tax	\$ 4,000,000	\$ 4,000,000	\$ 4,700,000	\$ 700,000
Passenger fares	733,491	733,491	425,604	(307,887)
Transportation planning, operating and capital grants, and contributions:				
State of Nevada Department of Health and Human Services	540,000	540,000	1,458,394	918,394
Federal Transit Administration	1,854,601	1,854,601	1,485,363	(369,238)
Investment income	15,000	15,000	4,833	(10,167)
Miscellaneous	63,325	63,325	167,844	104,519
Total revenues	<u>7,206,417</u>	<u>7,206,417</u>	<u>8,242,038</u>	<u>1,035,621</u>
Expenditures				
Current:				
Transportation services	9,235,408	9,235,408	9,032,467	202,941
Capital outlay:				
Equipment	1,147,869	1,147,869	176,383	971,486
Total expenditures	<u>10,383,277</u>	<u>10,383,277</u>	<u>9,208,850</u>	<u>1,174,427</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(3,176,860)</u>	<u>(3,176,860)</u>	<u>(966,812)</u>	<u>2,210,048</u>
Other financing sources				
Sale of capital assets	5,000	5,000	8,360	3,360
Total other financing sources	<u>5,000</u>	<u>5,000</u>	<u>8,360</u>	<u>3,360</u>
Net change in fund balance	(3,171,860)	(3,171,860)	(958,452)	2,213,408
Fund balance - beginning	<u>3,363,269</u>	<u>3,363,269</u>	<u>2,361,621</u>	<u>(1,001,648)</u>
Fund balance - ending	<u>\$ 191,409</u>	<u>\$ 191,409</u>	<u>\$ 1,403,169</u>	<u>\$ 1,211,760</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF NET POSITION
PROPRIETARY FUND
ENTERPRISE FUND
(Public Transit Fund)**

**June 30, 2018
with comparative amounts at June 30, 2017**

	<u>2018</u>	<u>2017</u>
Assets		
Current assets:		
Cash in custody of County Treasurer	\$ 16,255,626	\$ 16,092,760
Cash in bank and on hand	2,927,762	2,053,798
Accounts receivable	184,692	294,133
Due from federal government	5,916,187	5,843,795
Due from State of Nevada	5,469,842	4,992,311
Interest receivable	58,082	43,154
Due from other funds	153,574	48,560
Inventory	180,901	127,288
Prepaid expenses	460,072	387,945
Total current assets	31,606,738	29,883,744
Noncurrent assets:		
Property, buildings, and equipment, net	89,357,472	80,344,692
Total assets	120,964,210	110,228,436
Liabilities		
Current liabilities:		
Accounts payable	9,409,722	2,691,966
Retentions payable	222,663	812,163
Accrued liabilities	606,928	36,854
Unearned revenue	33,850	22,322
Due to other funds	2,416,942	5,435,715
Total current liabilities	12,690,105	8,999,020
Noncurrent liabilities:		
Other post-employment benefits	4,832,562	1,163,667
Contingent liability	-	1,308,250
Sales tax refund payable	286,561	-
Total liabilities	17,809,228	11,470,937
Net Position		
Net investment in capital assets	89,134,808	79,532,529
Unrestricted	14,020,174	19,224,970
Total net position	<u>\$ 103,154,982</u>	<u>\$ 98,757,499</u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUND
ENTERPRISE FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative amounts for the year ended June 30, 2017**

	<u>2018</u>	<u>2017</u>
Operating revenues:		
Passenger fares	\$ 5,614,832	\$ 5,716,864
Bus advertising	264,091	190,455
Rental income	435,459	457,699
Miscellaneous	30,121	42,328
Total operating revenues	<u>6,344,503</u>	<u>6,407,346</u>
Operating expenses:		
General administration	25,769,143	25,949,838
Depreciation	5,695,881	5,301,035
Total operating expenses	<u>31,465,024</u>	<u>31,250,873</u>
Operating loss	<u>(25,120,521)</u>	<u>(24,843,527)</u>
Nonoperating revenues:		
Operating subsidies:		
Federal government grants	4,088,110	4,825,788
Other revenue:		
Public transportation tax	11,066,489	8,458,799
Public transportation taxes pledged	10,211,947	9,378,033
Investment income	65,488	33,843
Gain (loss) on sale of capital assets	218	5,700
Total nonoperating revenues	<u>25,432,252</u>	<u>22,702,163</u>
Loss before capital contributions and transfers	<u>311,731</u>	<u>(2,141,364)</u>
Capital contributions:		
Federal grants	7,710,653	9,881,754
State grants	137,256	-
Total capital contributions	<u>7,847,909</u>	<u>9,881,754</u>
Transfers:		
Transfers out	(300,000)	(217,500)
Total transfers	<u>(300,000)</u>	<u>(217,500)</u>
Change in net position	7,859,640	7,522,890
Net position - beginning of year	<u>98,757,499</u>	<u>91,234,609</u>
Cumulative effect of GASB 75 implementation	<u>(3,462,157)</u>	<u>-</u>
Net position - beginning of year, as restated	<u>95,295,342</u>	<u>91,234,609</u>
Net position - ending	<u><u>\$ 103,154,982</u></u>	<u><u>\$ 98,757,499</u></u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND
ENTERPRISE FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative amounts for the year ended June 30, 2017**

	2018	2017
Cash flows from operating activities		
Cash received from customers	\$ 6,069,334	\$ 6,147,947
Cash received from other funds	291,360	291,360
Cash payments to suppliers for goods and services	(15,894,942)	(19,922,504)
Cash compensation and employee benefits	(6,110,601)	(3,649,843)
Net cash provided by (used for) operating activities	<u>(15,644,849)</u>	<u>(17,133,040)</u>
Cash flows from noncapital financing activities		
Operating grants	4,822,871	3,730,687
Transfers to other funds	(300,000)	(217,500)
Public transportation tax received	19,778,983	18,838,794
Net cash provided by (used for) noncapital financing activities	<u>24,301,854</u>	<u>22,351,981</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(14,711,709)	(11,949,689)
Capital contributions	7,040,756	9,983,535
Proceeds from the sale of capital assets	218	5,700
Net cash provided by (used for) capital and related financing activities	<u>(7,670,735)</u>	<u>(1,960,454)</u>
Cash flows from investing activities:		
Investment income	<u>50,560</u>	<u>23,531</u>
Net change in cash and cash equivalents	1,036,830	3,282,018
Cash and cash equivalents - beginning	<u>18,146,558</u>	<u>14,864,540</u>
Cash and cash equivalents - ending	<u><u>\$ 19,183,388</u></u>	<u><u>\$ 18,146,558</u></u>

(continued)

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**STATEMENT OF CASH FLOWS
PROPRIETARY FUND - CONTINUED
ENTERPRISE FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative amounts for the year ended June 30, 2017**

	<u>2018</u>	<u>2017</u>
Reconciliation of operating loss to net cash used in operating activities:		
Operating loss	\$ (25,120,521)	\$ (24,843,527)
Adjustments to reconcile operating loss to net cash used for operating activities:		
Depreciation and amortization expense	5,695,881	5,301,035
Decrease (increase) in accounts receivable	109,673	(7,386)
Decrease (increase) in inventory	(53,613)	(35,561)
Decrease (increase) in prepaid expenses	(72,125)	(89,714)
Increase (decrease) in accounts payable	6,717,756	2,560,652
Increase (decrease) in net OPEB liability	206,732	-
Increase (decrease) in other liabilities	(3,128,632)	(18,538)
Total adjustments	<u>9,475,672</u>	<u>7,710,488</u>
Net cash used for operating activities	<u><u>\$ (15,644,849)</u></u>	<u><u>\$ (17,133,039)</u></u>

The accompanying notes are an integral part of this statement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Regional Transportation Commission of Reno, Sparks and Washoe County, Nevada (RTC) conform to accounting principles generally accepted in the United States of America (GAAP), as applicable to governments. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements, constitutes GAAP for governmental units. A summary of RTC's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

Reporting Entity

The Regional Transportation Commission of Reno, Sparks and Washoe County was created through an interlocal cooperative agreement signed in May 1978 by Washoe County, the City of Reno and the City of Sparks. It became the Regional Transportation Commission (RTC) in July 1979. The agreement was amended in 1985 when these three public entities delegated their powers to the Commission in order to consolidate the administration and operation of public mass transportation in Washoe County. The Commission operates as a governing board with two representatives selected by the Washoe County Board of Commissioners, two representatives selected by the City Council of the City of Reno and one representative selected by the City Council of the City of Sparks.

The RTC's street and highway construction projects in Washoe County are financed from the motor vehicle fuel tax revenue, public transportation tax revenue, and impact fees for the construction of new roads and capacity improvements on roads impacted by new development. These projects are submitted to the RTC for approval and subsequently to Washoe County, City of Reno, and City of Sparks for approval. An interlocal cooperative agreement, signed by the three public entities mentioned is required before monies can be expended on these construction projects. The infrastructure created by these projects becomes the asset of the applicable public entity (City of Reno, the City of Sparks or Washoe County) upon completion.

The RTC is also responsible for the local public transit system, RTC RIDE. Final authority on the budget of the program rests with the RTC.

The RTC has allocated public transportation tax receipts to the following operations: (1) RTC RIDE a public bus system in Washoe County; the RTC contracts with a private company, MV Transportation, Incorporated, to operate RTC RIDE; (2) RTC ACCESS a paratransit operation which provides transportation services to the elderly and disabled population in Washoe County; the RTC contracts with a private company, Ride Right LLC, to operate RTC ACCESS; and (3) Tahoe Area Regional Transit (TART) a transit system operating in part in Incline Village, Nevada; TART is operated by Placer County, California; the RTC reimburses Placer County for operating expenses incurred while providing transit service in Washoe County.

The accompanying financial statements present the government. The RTC does not have any component units.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government. *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.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government-wide and Fund Financial Statements (continued)

Separate financial statements are provided for governmental funds and the proprietary fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met, and allowable expenses are made under the grant provisions.

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. Income earned on investments and project reimbursements associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Motor vehicle fuel tax and public transportation tax revenues are derived tax revenues collected by the State of Nevada and shared with the RTC. The RTC recognizes these revenues in the same period as the State. All other revenue items are considered to be measurable and available only when cash is received by the government.

Generally, expenditures are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, other postemployment benefits and claims and judgments, are recorded only when payment is due.

Project appropriations that have been approved but for which expenditure has not been incurred, are reflected as amounts restricted for project appropriations in the General Fund and Special Revenue Funds. Project appropriations are approved when a cooperative agreement specifying the amount of motor vehicle fuel tax funds, bond proceeds, impact fees or other financing sources to be spent, is executed by all the governing bodies within the jurisdiction of the RTC, or when the project has been added to the program of projects and approved by the RTC Board of Commissioners.

The RTC reports the following major governmental funds:

General Fund – The General Fund is the RTC's primary operating fund. It accounts for all financial resources of the RTC, except for those required to be accounted for in another fund. Regional street and highway expenditures for road projects are accounted for in this fund instead of a separate fund in order to reduce undue complexity in budgeting, accounting and other phases of financial management.

Debt Service Fund – The Debt Service Fund accounts for the resources accumulated and payments made for principal and interest on long-term debt of the governmental funds.

Regional Road Impact Fee Fund (Special Revenue Fund) – Monies recovered from impact fees and resources provided for capacity improvements to the regional road system are accounted for in the Regional Road Impact Fee Fund.

Paratransit Services Fund (Special Revenue Fund) – Allocation of public transportation tax, passenger fares, and federal grants for RTC ACCESS are accounted for in the Paratransit Services Fund.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The RTC reports the following major proprietary fund:

Public Transit Fund (*Enterprise Fund*) – Accounts for the operation of RTC RIDE.

Amounts reported as *program revenues* include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

The proprietary fund distinguishes *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 the proprietary fund's principal ongoing operations. The principal operating revenues of the RTC's proprietary fund are charges to customers for services. Operating expenses for the proprietary fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the RTC's policy to use restricted resources first, then unrestricted resources as they are needed.

Cash, Cash Equivalents and Temporary Investments

The RTC's cash and cash equivalents are considered to be cash on hand, demand deposits, and temporary investments. A portion of the cash resources of the individual funds are deposited with the Washoe County Treasurer. Those resources are combined with the resources of the County's funds and other local governments within the County to form a pool of cash and investments. In accordance with 355.170 of Nevada Revised Statutes, Washoe County invested in various treasury notes, mutual funds, commercial paper, bonds, and U.S. Government securities. The RTC's net position in these securities is reported at fair value, in accordance with GASB Statement No. 72, Fair Value Measurements and Application.

In addition to the cash and investment pool, certain deposits and investments are held separately by RTC funds and reported accordingly. Investments are reported at fair value and changes in fair value are included in investment income.

Investment income earned as a result of the above pooling arrangement is distributed by the County Treasurer to the appropriate funds as it is received. Interest receivable at June 30 is calculated by the Treasurer's office and accrued in the various funds. The investment income is allocated based on each fund's monthly average cash balance.

For purposes of the statement of cash flows, the RTC considers all highly liquid investments, including pooled investments with original maturities of three months or less to be cash equivalents.

Restricted Assets

Restricted assets consist of cash and investments that are restricted in their use by either bond covenants or other external agreements. RTC's restricted assets consist of remaining bond proceeds for specific road construction projects, unspent grant proceeds and debt service requirements pursuant to bond covenants.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables and Payables (continued)

between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.” The RTC considers trade receivables to be fully collectible; accordingly, no allowance for doubtful accounts is required. If amounts become uncollectible, they are charged to operations when that determination is made.

Inventories and Prepaid Items

The Proprietary Fund’s inventory is comprised of bus fuel and is stated at weighted average cost. Inventories of governmental funds, generally consisting of materials and supplies, are recorded as expenditures when purchased rather than when consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in government-wide, governmental, and proprietary fund financial statements. The RTC uses the consumption method in accounting for prepaids.

Capital Assets

Capital assets, which include property, buildings and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Capital assets are defined by the RTC as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation.

Infrastructure assets constructed by the street and highway function of the RTC (e.g., roads, bridges, curbs and gutters, streets and sidewalks) are not assets of the RTC, and so have not been capitalized or depreciated. Under the cooperative agreements to build such infrastructure assets, the entities agree that the infrastructure created belongs to the applicable public entity (City of Reno, City of Sparks or Washoe County).

The RTC has intangible assets in the form of water rights. The water rights are acquired through right of way land purchases as part of the construction of infrastructure assets. Water rights are separated from land purchases before the land is dedicated to the applicable public entity as part of their completed infrastructure asset. Water rights are not used in the operation of RTC’s street and highway function and are recorded as other assets.

Expenditures related to the construction of infrastructure assets are recognized when incurred. Grants, contributions and reimbursements for the construction of infrastructure assets are recognized as operating grants and contributions in the Statement of Activities. Impact fees collected for use in the street and highway function are recognized as general revenues in the Statement of Activities.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

When capital assets are retired, sold, or otherwise disposed of, the asset’s carrying amount and related accumulated depreciation are removed from the asset accounts and any gain or loss is recorded in the period of disposal.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. For both governmental and business-type activities, property, buildings and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Estimated Service Life (Years)
Buildings and building improvements	15-30
Communication equipment	3-5
Computer equipment	3-5
Leasehold improvements	3-20
Miscellaneous fixtures and equipment	4-7
Office furniture and equipment	3-8
Passenger shelters	3 -15
Revenue collection and counting equipment	3-6
Revenue vehicles (buses)	12
Revenue vehicles (vans)	5-7
Support vehicles	5
Safety and security equipment	5-6
Tool and shop equipment	3-12

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position or balance sheet will sometimes report separate sections for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The RTC reports an amount related to pensions and other postemploymentnet benefits (OPEB) on the government-wide financial statements.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The RTC has two types of deferred inflows of resources: 1) Amounts which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The unavailable revenue reported is from three sources, federal grants, state grants, and project reimbursements and 2) Amounts related to pensions and OPEB on the government-wide financial statements. The amounts are deferred and recognized as an inflow of resources in the period that they become available.

Compensated Absences

It is the RTC's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. A liability is recognized for compensated absences relating to services already rendered that are not contingent on a specific event and are accrued as employees earn the rights to the benefits. Compensated absences relating to future services or that are contingent on a specified event will be accounted for in the period those services are rendered or those events take place. The obligation for compensated absences is accrued when incurred in the government-wide financial statements.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Compensated Absences (continued)

For governmental type funds, the compensated absences are reported as fund liabilities only to the extent that those liabilities relate to benefits payable to employees upon termination of their employment as of the fiscal year end.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include interfund lease payments between the RTC's street and highways, transportation services and metropolitan planning functions and the business-type activities, public transportation, function. Elimination of these payments would distort the direct costs and program revenues for the various functions concerned.

Long-Term Obligations, Bond Discounts and Issuance Costs

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund Statement of Net Position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which is materiality consistent with the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Debt issuance costs are expensed during the current period.

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

Pension

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position Classifications

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

- Net investment in capital assets – consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings attributable to the acquisition, construction, or improvement of capital assets.
- Restricted – consists of net position subject to constraints that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – all other amounts that do not meet the definition of "restricted" or "net investment in capital assets."

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance (continued)

In the fund financial statements, governmental funds report the difference between assets and liabilities as fund balance. The following are the classification policies and procedures used for reporting fund balance:

- *Nonspendable* fund balance includes amounts that are not in a spendable form or are required to be legally or contractually maintained intact.
- *Restricted* fund balance includes amounts that can only be spent for the specific purposes where restrictions are externally imposed by creditors, grantors, contributors, constitutional provisions, regulations of other governments, or enabling legislation. Effectively, restrictions may only be changed or lifted with the consent of the external party. The RTC has restricted fund balances in the form of monies restricted by the State for special studies, federal grants and enabling legislation.
- *Committed* fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the government's highest level of decision making authority. Commitments may only be changed or lifted by the government taking the same formal action that imposed the original constraint. The RTC's Board of Commissioners is the highest level of decision making authority and any fund balance commitments established, modified, or rescinded would require a majority vote of the RTC's Board of Commissioners.
- *Assigned* fund balance comprises amounts intended to be used by the government for specific purposes. Intent can be expressed by the governing body, an official or body to which the governing body delegates the authority. The RTC Board of Commissioners delegates to the Executive Director or his or her designee the authority to assign amounts to be used for specific purposes. Such assignments cannot exceed the available (spendable, unrestricted, uncommitted) fund balance in any particular fund.
- *Unassigned* fund balance is the residual classification for the General Fund and includes all amounts not contained in the other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted or committed.

The RTC will consider restricted fund balance to be spent first for an expenditure for which multiple fund balance classifications are available. Committed fund balance will be spent first, followed by assigned fund balance and then unassigned fund balance when expenditures are incurred for the purposes for which any unrestricted fund balance classification could be used.

Budget Minimum Fund Balance Policy

The RTC Board of Commissioners has adopted a minimum fund balance policy for budget preparation. Fund balance is set aside as a contingency for revenue shortfalls or unanticipated expenditures. Fund balance can also be used to temporarily finance cash flow and to fund self-insurance and capital replacement programs. A minimum fund balance policy establishes the type of fund balances an organization will have, as well as the size and use of those fund balances. It is not the intent of this policy to accumulate unnecessary or excessive levels of fund balance; nor is it to be used to fund regular or ongoing operations.

The purpose of this minimum fund balance policy is to:

- Provide an overall, long-range approach to financial management.
- Ensure that the RTC is able to meet its financial obligations as they arise.
- Improve fiscal stability and protect the RTC during a financial emergency.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget Minimum Fund Balance Policy (continued)

a. Public Transportation Program Policy Statement

The sum of all fund balances for the Public Transportation Program shall be maintained at a minimum amount equal to two months of operating expenditures at June 30 of each fiscal year budget. The maximum fund balance amount would not exceed three months of operating expenditures.

b. Street and Highway Program Policy Statement

The minimum fund balance for the Street and Highway Program shall consist of two components:

1. Operating fund reserves will be maintained at a minimum of five (5) percent of operating expenditures.
2. The projects not yet finalized account will be maintained annually at a minimum of \$500,000.

The development of the minimum fund balance policy should ensure financial planning and stability for the future.

Comparative Data

Comparative total data for the prior year has been presented only for the Enterprise Fund in the basic financial statements in order to provide an understanding of the changes in the financial position and operations of this fund. It has been provided to add comparability but is not considered full disclosure of transactions for 2017. Such information can only be obtained by referring to the audited financial statements for that year.

New Accounting Pronouncements

The Governmental Accounting Standards Board has issued GASB Statement No. 75, *Account and Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, effective for fiscal years beginning after June 15, 2017. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). RTC adopted the Statement during the year ended June 30, 2018 and the adoption resulted in a decrease in net position at July 1, 2017 of \$7,029,232 for the governmental activities and \$3,462,157 for the business type activities and public transportation enterprise fund to reflect the beginning of year total OPEB liability and deferred outflow of resources.

The Governmental Accounting Standards Board has issued GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective for fiscal years beginning after June 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2019.

The Governmental Accounting Standards Board has issued GASB Statement No. 84, *Fiduciary Activities*, effective for fiscal years beginning after December 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2020.

The Governmental Accounting Standards Board has issued GASB Statement No. 85, *Omnibus 2017*, effective for fiscal years beginning after June 15, 2018. The RTC has implemented this pronouncement where applicable as of June 30, 2018.

The Governmental Accounting Standards Board has issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, effective for fiscal years beginning after June 15, 2017. This pronouncement was applicable; however, no advance refunding occurred during FY18 and therefore no disclosures for RTC as of June 30, 2018.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (continued)

The Governmental Accounting Standards Board has issued GASB Statement No. 87, *Leases*, effective for fiscal years beginning after December 15, 2019. This pronouncement will be implemented in fiscal year ending June 30, 2021.

The Governmental Accounting Standards Board has issued GASB Statement No. 88, *Certain Disclosures Related to Debt*, effective for fiscal years beginning after June 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2019.

The Governmental Accounting Standards Board has issued GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*, effective for fiscal years beginning after December 15, 2019. This pronouncement will be implemented in fiscal year ending June 30, 2021.

The Governmental Accounting Standards Board has issued GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*, effective for fiscal years beginning after December 15, 2018. This pronouncement will be implemented in fiscal year ending June 30, 2020.

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

For the year ended June 30, 2018, the RTC established its budget within the legally mandated timeframe.

- a. On or before April 15, the Finance Department submits to the Nevada Department of Taxation a tentative budget for the fiscal year commencing July 1, 2017.
- b. On May 18, 2017, the Executive Director submitted to the RTC's Board of Commissioners a proposed operating budget for the fiscal year commencing July 1, 2017. The operating budget includes proposed expenditures/expenses and the means of financing them.
- c. Public hearings were conducted in May to obtain taxpayer comments. On May 18, 2017, the budget for each fund was adopted through passage of a resolution by a majority vote of the RTC's Board of Commissioners of the RTC. The RTC filed the budget directly with the Department of Taxation, State of Nevada.

The following legal requirements were considered in developing the budgetary data which is reflected in the financial statements.

- a. Annual budgets for all governmental and proprietary funds are adopted on a basis consistent with generally accepted accounting principles. The governing body can augment the budget after following public hearing procedures. Unexpended appropriations lapse at year-end.
- b. The Executive Director is authorized to transfer appropriations between accounts within the General Fund. Any revision which alters the total appropriations of a function or fund must be approved in advance prior to year-end by the RTC's Board of Commissioners and submitted to the Department of Taxation, State of Nevada.
- c. State statute does not require that capital outlay, debt service payments, and other cash transactions normally reflected in the Statement of Net Position of the Proprietary Fund be limited by the budget.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE B – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Budgetary Information (continued)

- d. Budgeted appropriations generally may not be exceeded by actual expenditures of the various governmental functions in the General Fund, Special Revenue Funds, and by operating and non-operating expenses in the Proprietary Fund.
- e. Fund net position in the Proprietary Fund may not be a deficit.

Excess of Expenditures over Appropriations and Deficit Fund Net Position

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

NOTE C – CASH AND INVESTMENTS

Deposits

For the year ended June 30, 2018, the RTC had the following cash balances:

	Carrying Amount	Bank Balance
On hand	\$ 7,547	\$ 7,547
On deposit with bank	14,684,848	19,675,912
Restricted cash from Motor Vehicle Fuel Tax Revenue Bonds	18,293,060	18,293,060
Total RTC cash and deposits	<u>\$ 32,985,455</u>	<u>\$ 37,976,519</u>

The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected at the bank.

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the RTC's deposits may not be returned. The RTC does not have a policy for custodial credit risk; however, the RTC participates through Washoe County in the Nevada State Collateral Pool for public fund deposits. Depository banks are required to place acceptable securities of no less than 102% of the market value of the total deposits of public entities in Nevada with a third party custodian. The collateral pool is administered and monitored by the Nevada State Treasurer's Office. Due to its participation in the Nevada State Collateral Pool, the RTC's deposits were fully insured and collateralized, and as such, were not exposed to any custodial credit risk at June 30, 2018.

Pooled Investment Funds

The RTC deposits are maintained in a recognized pooled investment fund under the care of the Washoe County Chief Investment Official (the Washoe County Treasurer) under authority delegated by the Board of County Commissioners. In addition, the Washoe County Treasurer's External Investment Pool is overseen by an Investment Committee and is included in their annual audit.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Pooled Investment Funds (continued)

Pooled investment funds consist of cash deposited in the interest-bearing Washoe County Treasurer's External Investment Pool. The investment pool is not registered with the SEC as an investment company and no legally binding guarantees have been provided to support the value of the shares. The fair value of the pooled investments deposited in the investment pool is equal to the value of the pool shares. At June 30, 2018, the carrying amount of \$69,320,631 recorded at fair value of the various funds of the RTC in the pool was approximately 14.0% of the County's total balance. Earnings, realized and unrealized gains and losses are included in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Proprietary Fund's Statement of Revenues, Expenses and Changes in Fund Net Position, captioned as investment income.

Because the RTC's deposits are maintained in a recognized pooled investment fund under the care of a third party and the RTC's share of the pool does not consist of specific, identifiable investment securities, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required. The RTC's deposits in the pool are considered to be highly liquid. The Washoe County audited Comprehensive Annual Financial Report indicates that there were no derivatives in the pool as of June 30, 2018. A copy of this report can be obtained at www.washoecounty.us or through a request sent to P.O. Box 11130, Reno, NV 89520.

Investments

The RTC has a formal investment policy adopted by the RTC Board of Commissioners that is designed to insure conformity with NRS and seeks to limit exposure to investment risks. State statute authorizes the RTC to invest in the following:

- Obligations of the United States or its agencies.
- Certificates of deposit issued by commercial banks, insured credit unions or savings and loan associations as well as certain farm loan bonds.
- Certain securities issued by local governments of the State of Nevada and other securities expressly authorized by other statutes of the State of Nevada.
- Bankers acceptances, commercial paper issued by a U.S. corporation or state operating in the U.S., and money market mutual funds registered with the Securities and Exchange Commission.
- Notes, bonds, and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States.

Investments are recorded at fair value.

The RTC categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The RTC does not have any investment that is measured using Level 3 inputs.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Investments (continued)

As of June 30, 2018, the RTC had the following recurring fair value measurements as identified below:

Government-Wide Balances:

	Total	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Commercial Paper	\$ 4,875,218	\$ 4,875,218	\$ -	\$ -
U.S. Treasury Notes	22,067,915	22,067,915	-	-
Money Market Mutual Funds	30,683	30,683	-	-
Federal Agency Bond	244,321	244,321	-	-
Total Investment	27,218,137	27,218,137	-	-
Total Cash	32,985,455			
Washoe County Investment Pool	69,320,631			
Total Cash and Investments	\$ 129,524,223			

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments. Investments categorized as Level 2 are valued at fair value based on the observable market prices of the underlying assets held by the pool or fund less liabilities.

As of June 30, 2018, the RTC 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
Commerical paper	\$ 4,875,218	\$ 4,875,218	\$ -	\$ -	\$ -
U.S. Treasury Notes	22,067,915	2,249,199	19,818,716	-	-
Money Market Mutual Funds	30,683	30,683	-	-	-
Federal Agency Bond	244,321	-	244,321	-	-
Washoe County Investment Pool	69,320,631	18,951,940	28,744,533	19,705,162	1,918,996
Total Investment	96,538,768	26,107,040	48,807,570	19,705,162	1,918,996
Total Cash	32,985,455	32,985,455	-	-	-
Total Cash and Investments	\$ 129,524,223	\$ 59,092,495	\$ 48,807,570	\$ 19,705,162	\$ 1,918,996

Credit Risk

Credit risk is defined as the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The credit quality of investments is limited by NRS, which authorizes investments in obligations of the U.S. Treasury and agencies or instrumentalities of the U.S., obligations of the State of Nevada and local governments, notes, bonds and other obligations issued by corporations rated "A" or better by one or more nationally recognized bond credit rating agencies, commercial paper rated "A-1", "P-1" or better, repurchase agreements, certificates of deposit, and money market mutual funds rated "AAA" or its equivalent.

The RTC investment policy does not further limit its investment choices with the exception of investments in notes, bonds and other obligations issued by corporations. Pursuant to the RTC's formal investment policy, corporate obligations must be rated "AA" or better.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE C – CASH AND INVESTMENTS (CONTINUED)

Credit Risk (continued)

As of June 30, 2018, the RTC's investments were rated as follows:

Investment Type	Fair Value	Ratings	
		Moody's	Standard & Poor's
Commerical Paper	\$ 4,875,218	P-1	A-1
U.S. Treasury Notes	22,067,915		
Money Market Mutual Funds	30,683	Aaa	AAA
Federal Agency Bond	244,321		
Total Investments	<u>\$ 27,218,137</u>		

Interest Rate Risk

Interest rate risk is defined as the risk that changes in market interest rates will adversely affect the fair value of an investment. NRS 355.170 and NRS 355.171 limit maturities of authorized investments. The RTC's formal investment policy does not further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The weighted average years to maturity for all investments at June 30, 2018 are 0.96 years.

Concentration of Credit Risk

Concentration of credit risk is defined as the risk of loss attributed to the magnitude of a government's investment in a single issuer. The RTC's formal investment policy requires investment portfolio diversification in order to eliminate the risk of loss from overconcentration. The policy places the statutory limits on investments. Amounts invested in direct obligations of the U.S. government, securities backed by the full faith and credit of the U.S. government, repurchase agreements or certificates of deposit are not limited. Investment limits per issuer are placed on the following securities: securities backed by federal agencies, 35%; agency issued mortgage-backed securities, 15%; corporate obligations, 4%; obligations issued by state and local governments, 25%. Other limits are placed on the following securities: bankers acceptances, 20% in the aggregate, commercial paper, 20% of portfolio; and money market funds, 45% of money market fund assets.

At June 30, 2018, RTC's investments were invested in the following:

Commercial Paper	17.91%
U.S. Treasury	81.08%
Money Market Mutual funds	0.11%
Federal Agency Bond	0.90%

NOTE D – RESTRICTED CASH AND INVESTMENTS

Governmental Funds

The restricted cash and investments balance of \$45,511,197 in the Debt Service Fund is restricted for required reserves and debt service on the bonds.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E – CAPITAL ASSETS

A summary of activity in capital assets used in the operation of governmental activities for the year ended June 30, 2018, follows:

Governmental Activities	Balance June 30, 2017	Additions & Reclassifications	Transfers/ Deletions	Balance June 30, 2018
Capital Assets not being depreciated:				
Land	\$ 2,282,090	\$ -	\$ -	\$ 2,282,090
Construction in progress	115,784	-	(97,262)	18,522
Total Capital Assets, not being depreciated	<u>2,397,874</u>	<u>-</u>	<u>(97,262)</u>	<u>2,300,612</u>
Capital Assets being depreciated:				
Revenue & support vehicles	6,620,751	-	(1,033,849)	5,586,902
Other equipment	4,051,603	339,152	(90,038)	4,300,717
Buildings and leasehold improvements	7,176,299	-	-	7,176,299
Total Capital Assets being depreciated	<u>17,848,653</u>	<u>339,152</u>	<u>(1,123,887)</u>	<u>17,063,918</u>
Less accumulated depreciation for:				
Revenue & support vehicles	(3,450,311)	(973,986)	1,033,849	(3,390,448)
Other equipment	(4,040,795)	(59,968)	90,038	(4,010,725)
Buildings and leasehold improvements	(5,388,097)	(285,039)	-	(5,673,136)
Total accumulated depreciation	<u>(12,879,203)</u>	<u>(1,318,993)</u>	<u>1,123,887</u>	<u>(13,074,309)</u>
Total Capital Assets being depreciated, net	<u>4,969,450</u>	<u>(979,841)</u>	<u>-</u>	<u>3,989,609</u>
Governmental activities Capital Assets, net	<u>\$ 7,367,324</u>	<u>\$ (979,841)</u>	<u>\$ (97,262)</u>	<u>\$ 6,290,221</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E – CAPITAL ASSETS (CONTINUED)

A summary of activity in capital assets used in business-type activities for the year ended June 30, 2018, follows:

Business-type Activities	Balance June 30, 2017	Additions	Transfers/ Deletions	Balance June 30, 2018
Capital Assets not being depreciated:				
Land	\$ 16,681,817	\$ -	\$ -	\$ 16,681,817
Construction in progress	15,312,169	9,506,126	(15,040,398)	9,777,897
Total Capital Assets, not being depreciated	31,993,986	9,506,126	(15,040,398)	26,459,714
Capital Assets being depreciated:				
Revenue vehicles	34,715,788	5,237,244	-	39,953,032
Tool and shop equipment	482,383	542,346	-	1,024,729
Office furniture and equipment	132,917	-	-	132,917
Support vehicles	549,339	-	(17,961)	531,378
Revenue collection and counting equipment	1,783,525	-	-	1,783,525
Miscellaneous fixtures and equipment	2,133,085	14,985	-	2,148,070
Buildings and leasehold improvements	49,828,056	14,260,095	-	64,088,151
Land improvements	1,364,355	-	-	1,364,355
Communications equipment	476,806	81,587	-	558,393
Surveillance equipment	978,633	20,500	-	999,133
Passenger shelters	7,564,821	75,965	-	7,640,786
Computer equipment	1,780,555	10,500	(30,549)	1,760,506
Intelligent transportation system	3,057,214	-	-	3,057,214
Total Capital Assets being depreciated	104,847,477	20,243,222	(48,510)	125,042,189
Less accumulated depreciation for:				
Revenue vehicles	(22,371,973)	(2,608,758)	-	(24,980,731)
Tool and shop equipment	(340,987)	(69,787)	-	(410,774)
Office furniture and equipment	(132,917)	-	-	(132,917)
Support vehicles	(489,427)	(15,277)	17,961	(486,743)
Revenue collection and counting equipment	(1,350,393)	(94,501)	-	(1,444,894)
Miscellaneous fixtures and equipment	(1,088,729)	(150,976)	-	(1,239,705)
Buildings and leasehold improvements	(20,758,407)	(1,840,428)	-	(22,598,835)
Land improvements	(599,032)	(55,049)	-	(654,081)
Communications equipment	(409,009)	(40,715)	-	(449,724)
Surveillance equipment	(855,312)	(28,691)	-	(884,003)
Passenger shelters	(3,698,679)	(633,948)	-	(4,332,627)
Computer equipment	(1,344,691)	(157,751)	30,258	(1,472,184)
Intelligent transportation system	(3,057,214)	-	-	(3,057,214)
Total accumulated depreciation	(56,496,770)	(5,695,881)	48,219	(62,144,432)
Total Capital Assets being depreciated, net	48,350,707	14,547,341	(291)	62,897,757
Business-type activities Capital Assets, net	\$ 80,344,693	\$ 24,053,467	\$ (15,040,689)	\$ 89,357,471

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE E – CAPITAL ASSETS (CONTINUED)

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

<u>Governmental Activities:</u>	
Streets and highways	\$ 2,987
Transportation services	<u>1,316,006</u>
Total depreciation expense-governmental activities	<u>\$ 1,318,993</u>
Business-type Activities:	
Public transportation	<u><u>\$ 5,695,881</u></u>

NOTE F – CONTINGENCIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable fund. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the RTC expects such amounts, if any, to be immaterial.

NOTE G – UNEARNED REVENUE

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, \$12,500 in unearned rental revenue was reported in the General Fund.

NOTE H – UNINSURED RISK

The RTC is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The RTC is self-insured for municipal liability and business auto liability. The RTC administers claims and judgments falling under the self-insurance limit. Liabilities of any fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount, as it depends on many factors, such as inflation, changes in legal doctrines and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of payouts), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. All claims are liquidated as they become due and payable using current resources. Additional excess coverage insurance policies cover individual claims in excess of \$25,000 per event. Settlements have not exceeded coverage for each of the past five fiscal years. The RTC did not incur any liability claim in fiscal year 2018.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE I – LONG TERM OBLIGATIONS

Revenue Bonds

The RTC issued revenue bonds to provide funds for the construction and pavement maintenance of certain streets and highways in the County.

The bond Series 2009, Series 2010ABC, Series 2010DEF and Series 2013 constitute special, limited obligations of Washoe County, payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues, derived primarily from certain taxes on motor vehicle fuel collected by the RTC.

The bond Series 2010H constitutes special, limited obligations of Washoe County, payable solely from and secured by an irrevocable pledge of the Net Pledged Revenues, derived primarily from one-eighth of one percent (0.125%) sales tax collected by the RTC.

The bonds shall not be considered or held to be a general obligation of the County or RTC. Owners of the bonds may not look to any other funds or accounts other than those specifically pledged to the payment of the bonds.

Bonds outstanding at June 30, 2018 are as follows:

	Date of Issue	Original Issue	Interest Rates to Maturity	Final Maturity	Principal Outstanding July 1, 2018
Motor Vehicle Fuel Tax Series 2009 ⁽¹⁾	7/8/2009	\$ 89,567,000	3.0 - 5.5 %	2/1/2028	\$ 60,787,000
Motor Vehicle Fuel Tax Series 2010A ⁽¹⁾	3/17/2010	13,179,000	2.5 - 4.0	2/1/2020	4,699,000
Motor Vehicle Fuel Tax Series 2010B ⁽²⁾	3/17/2010	66,821,000	5.6 - 7.2	2/1/2039	66,821,000
Motor Vehicle Fuel Tax Series 2010C ⁽³⁾	3/17/2010	10,000,000	7.2	2/1/2040	10,000,000
Motor Vehicle Fuel Tax Series 2010E ⁽²⁾	12/16/2010	58,775,000	7.969	2/1/2040	58,775,000
Motor Vehicle Fuel Tax Series 2010F ⁽³⁾	12/16/2010	5,385,000	7.875	2/1/2040	5,385,000
Motor Vehicle Fuel Tax Series 2013 ⁽¹⁾	4/16/2013	165,000,000	5.0	2/1/2043	164,265,000
Sales Tax Improvement Bonds Series 2010H ⁽²⁾	12/16/2010	20,000,000	7.451	2/1/2040	20,000,000
		<u>\$ 428,727,000</u>			<u>\$ 390,732,000</u>

¹ Tax Exempt Bond

² Taxable Direct Pay Build America Bond (BAB) providing federally refundable interest credits

³ Taxable Recovery Zone Economic Development Bond (RZEDB) providing federally refundable interest credits

The debt service on bond Series 2009, 2010A, and 2013 will be payable from net pledged revenues.

The debt service on bond Series 2010B, 2010C, 2010E, 2010F, and 2010H will be payable from net pledged revenues and BAB and RZED interest credits to the extent that any such credits are actually received by the RTC.

Net pledged motor vehicle fuel tax revenues for the fiscal year on Motor Vehicle Fuel Tax bonds totaled \$81,179,894 with principal and interest payments on the bonds totaling \$27,392,748. Total principal and interest remaining to be paid on all motor vehicle fuel tax bonds before BAB and RZEDB credits is \$713,192,360 payable through 2043.

Pledged sales tax revenue for the fiscal year on the Series 2010H bonds totaled \$10,211,947. Interest payments totaling \$1,490,200 were made during FY 2018. Total principal and interest remaining to be paid on the Series 2010H bond before BAB interest credits, is \$45,423,185 payable through 2040.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE I – LONG TERM OBLIGATIONS (CONTINUED)

Compensated Absences

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Position. The governmental activities liability for compensated absences is for RTC employee benefits which are paid from the General Fund; therefore, no compensated absences liability is reported for in the business-type activities.

Changes in long-term liabilities

Changes in long-term liabilities for the year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
GOVERNMENTAL ACTIVITIES					
Revenue Bonds					
Motor Vehicle Fuel Tax Bonds	\$ 378,335,000	\$ -	\$ (7,603,000)	\$ 370,732,000	\$ 7,935,000
Sales Tax Improvement Bonds	20,000,000	-	-	20,000,000	-
Total Revenue Bonds	398,335,000	-	(7,603,000)	390,732,000	7,935,000
Less					
Bond Premium	9,558,249	-	(378,627)	9,179,622	378,627
Bond Discount	(40,662)	15,707	-	(24,955)	(15,707)
Total Bond Premiums and Discounts	9,517,587	15,707	(378,627)	9,154,667	362,920
Other Liabilities					
Compensated absences	795,311	592,112	(642,795)	744,628	352,041
Other long-term payable	1,300,000	-	(1,300,000)	-	-
Total Other Liabilities	2,095,311	592,112	(1,942,795)	744,628	352,041
Total Governmental Activities	409,947,898	607,819	(9,924,422)	400,631,295	8,649,961
Total Long-Term Obligations	<u>\$ 409,947,898</u>	<u>\$ 607,819</u>	<u>\$ (9,924,422)</u>	<u>\$ 400,631,295</u>	<u>\$ 8,649,961</u>

Long term liabilities are liquidated from the General Fund for governmental activities.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE J – DEBT SERVICE REQUIREMENTS

Revenue bond debt service requirements to maturity are as follows:

Year Ending June 30,	Principal ¹	Interest ²	Total
2019	7,935,000	23,471,648	31,406,648
2020	8,287,000	23,117,356	31,404,356
2021	8,668,000	22,739,669	31,407,669
2022	9,052,000	22,305,375	31,357,375
2023	9,472,000	21,831,602	31,303,602
2024-2028	54,722,000	100,845,363	155,567,363
2029-2033	76,995,000	81,357,529	158,352,529
2034-2038	98,078,000	53,232,081	151,310,081
2039-2043	117,523,000	18,982,923	136,505,923
	<u>\$ 390,732,000</u>	<u>\$ 367,883,547</u>	<u>\$ 758,615,547</u>

¹ Principal amounts exclude discounts and premiums

² Interest amounts exclude Build America Bond (BAB) and Recovery Zone Economic Development Bond (RZEDB) credits in the amount of \$66,979,705 through 2043.

NOTE K – INTERFUND ACCOUNT BALANCES AND TRANSFERS

Interfund account balances are a result of the timing differences between the dates that interfund goods and services are provided or reimbursable expenditures occur, and transfers between funds are made. Interfund account balances at June 30, 2018 are summarized as follows:

	Due From						Total
	General Fund	Debt Service Fund	Regional Road Impact Fee Fund	Paratransit Fund	Nonmajor Governmental Funds	Proprietary Fund	
Due To:							
General Fund	\$ -	\$ -	\$ 72,450	\$ 134,613	\$ 244,803	\$ 2,410,459	\$ 2,862,325
Regional Road Impact Fee Fund	-	-	-	-	-	-	-
Paratransit Fund	-	-	-	-	-	6,485	6,485
Nonmajor Governmental Fund	-	-	-	-	-	2	2
Governmental Funds	-	-	72,450	134,613	244,803	2,416,946	2,868,812
Proprietary Fund	127,232	-	-	15,227	11,115	-	153,574
	<u>\$ 127,232</u>	<u>\$ -</u>	<u>\$ 72,450</u>	<u>\$ 149,840</u>	<u>\$ 255,918</u>	<u>\$ 2,416,946</u>	<u>\$ 3,022,386</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE K – INTERFUND ACCOUNT BALANCES AND TRANSFERS (CONTINUED)

Transfers are used to (1) move revenues from the fund that statute or budget requires collect them to the funds that statute or budget requires expend them and (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due. Interfund transfer balances at June 30, 2018 were as follows:

Interfund transfers for the year ended June 30, 2018		
Transfers from:	Transfers to:	Amount
General Fund	Regional Road Impact Fee Fund	\$ 479,802
	Debt Service Fund	27,957,904
	Nonmajor Governmental Funds	1,360,000
	Subtotal	29,797,706
Public Transit Fund	Nonmajor Governmental Funds	300,000
Total Transfers In / Out		<u>\$ 30,097,706</u>

NOTE L – INVESTMENT INCOME

Investment income consists of the following as of June 30, 2018:

<u>Governmental Activities</u>	
Interest income	\$ 1,403,657
Net decrease in the fair value of investments	(1,028,563)
Realized gain	90,177
	<u>\$ 465,271</u>
<u>Business-type Activities</u>	
Interest income	\$ 273,304
Net decrease in the fair value of investments	(226,277)
Realized gain	18,461
	<u>\$ 65,488</u>

The calculation of realized gain or loss is independent of the calculation of the net change in the fair value of investments. Realized gains or losses on investments held more than one fiscal year, which were sold in the current year, have been included as a change in the fair value of investments as reported in prior years and the current year.

NOTE M – LEASE INCOME

The Proprietary Fund owns a building located on Terminal Way in Reno, Nevada. The acquisition cost and subsequent improvements of the building and land are \$6,563,799 as of June 30, 2018. As of June 30, 2018, accumulated depreciation of the building was \$4,023,667.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE M – LEASE INCOME (CONTINUED)

Building space is leased to various companies. Eventually, the RTC plans to fully occupy the building. Future minimum lease receipts are as follows:

Year ending June 30,

2019	18,387
<u>\$</u>	18,387

In addition, building space is leased to the General Fund and Special Revenue Funds on a month-to-month basis. Rental income from the building for the year ended June 30, 2018, was \$435,459 of which \$246,900 was received from the General Fund, and \$44,460 was received from the Special Revenue Funds.

In December 2012, the RTC entered into a license agreement with Megabus to allow the use of the Centennial Plaza property for passenger waiting, boarding and alighting for their service between Reno and San Francisco. Rental income of \$2,925 was received in fiscal year 2018. In January 2018, Megabus ceased operation on the Reno/Sparks route.

In addition, a license agreement was entered into in June 2014 with Silver State Trailways to allow the use of Bus Bay B of the Centennial Plaza property for passenger waiting, boarding and alighting only. In fiscal year 2018, Silver State Trailways was purchased by Silverado Stages. Silverado Stages provides charter bus, tour and fixed route motorcoach service from various locations in the Western United States. Rental income of \$5,862 was received in fiscal year 2018.

Lease income of \$15,000 was received from Clear Channel Outdoor, Inc. for a billboard acquired through property acquisition for the Moana Lane widening project which was paid for by Motor Vehicle Fuel Tax Bond funds.

NOTE N – RETIREMENT PROGRAMS

The RTC contributes to the following retirement programs:

State of Nevada Public Employees' Retirement System

Plan Description

The RTC contributes to the Public Employees' Retirement System (PERS) (the System). PERS administers a cost-sharing, multiple-employer defined benefit Public employees' retirement system which includes both Regular and Police/Fire members. The System was established by the Nevada Legislature in 1947, effective July 1, 1948. The System is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits, as required by the Nevada Revised Statutes (NRS) are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering the System on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits. Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior

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June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

State of Nevada Public Employees' Retirement System (continued)

to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering the System on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which in general, allows the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death. Post-retirement increases are provided by authority of NRS 286.575 -.579.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Members become fully vested as to benefits upon completion of five years of service.

Funding Policy

Plan members are funded under the employer pay contribution plan, wherein the RTC is required to contribute all amounts due under the plan. The authority for establishing and mending the obligation to make contributions and member contribution rates is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983 have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

The System's basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due. The System receives an actuarial valuation on an annual basis indicating the contribution rates required to fund the System on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary. For the fiscal year ended June 30, 2018, the employer-pay contribution rate was 28% of annual covered payroll. The RTC contributes 100% of the required annual contribution. The following are the rates and amounts contributed for the last three years:

<u>Year ending June 30,</u>	<u>Contribution Required</u>	<u>Employers Contribution Rate</u>
2018	1,502,067	28.00%
2017	1,473,393	28.00%
2016	1,464,380	28.00%

The System's policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System. The following was the Board adopted policy target asset allocation as of June 30, 2017:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic Equity	42.00%	5.50%
International Equity	18.00%	5.75%
Domestic Fixed Income	30.00%	0.25%
Private Markets	10.00%	6.80%

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

State of Nevada Public Employees' Retirement System (continued)

Pension Liability

The System's net pension liability was measured as of June 30, 2017 and the total pension liability used to calculate it was determined by an actuarial valuation as of that date. The employer allocation percentage of the net pension liability was based on the total contributions due on wages paid during the measurement period. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2017. At June 30, 2017, RTC's proportion was .08207%, which was a .00429 decrease from its proportion measured at June 30, 2016.

The following presents the net pension liability of the RTC as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
RTC's proportionate share of the net pension liability	\$ 16,501,695	\$ 10,915,835	\$ 6,276,691

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website at www.nvpers.org.

Actuarial Assumptions

The System's net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate	2.75%
Payroll Growth	5.00%, including inflation
Investment Rate of Return	7.5%, including inflation
Productivity pay increase	0.50%
Projected salary increases	Regular: 4.25% to 9.15%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Mortality rate	Healthy/Regular: RP-2000 Combined Healthy Mortality Table projected to 2016 with Scale AA, set back one year for females (no age setback for males) Disables/Regular: RP-2000 Disabled Retiree Mortality table projected to 2016 with Scale AA, set forward three years
Other assumptions	Same as those used in the June 30, 2017 funding actuarial valuation

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30,

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

State of Nevada Public Employees' Retirement System (continued)

2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension

As of June 30, 2018, RTC's total pension expense is \$755,025. At June 30, 2017, the plan's measurement date, RTC's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 716,299
Changes of assumptions	724,162	-
Net difference between projected and actual earnings on investments	70,875	-
Changes in proportion and differences between actual contributions and proportionate share of contributions	149,893	497,011
Total before contribution subsequent to measurement date	944,930	1,213,310
Contributions subsequent to the measurement date	1,502,067	-
Total	\$ 2,446,997	\$ 1,213,310

As of June 30, 2018, RTC reported \$1,502,067 deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2019.

Average expected remaining service lives are 6.39 years.

RTC's deferred outflows/(inflows) of resources related to pension will be recognized as follows:

Reporting period ended June 30:

2019	\$ (265,281)
2020	183,882
2021	(8,277)
2022	(265,187)
2023	46,405
2024	40,077

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension amounts by Employer is located in the PERS Comprehensive Annual Financial Report available on the PER's website at www.nvpers.org under Quick Links – Publications.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE N – RETIREMENT PROGRAMS (CONTINUED)

RTC – Internal Revenue Code Section 457 Deferred Compensation Plan

The RTC offers a non-qualified deferred compensation plan to its employees under Internal Revenue Code (IRC) Section 457. The plan is offered to all RTC employees and permits them to defer a portion of their salary until future years. The accumulated amount of each employee's deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. All assets and income of the plan are held in trust for the exclusive benefit of the participants and their beneficiaries and are administered by an independent plan administrator. The RTC does not have fiduciary accountability for the plan. The RTC elects to contribute to each employee's deferred compensation plan, as matching funds, up to 1% of each employee's annual base salary. The RTC also matches 7% of the Executive Director's salary. Total contributions to the plan for the year ended June 30, 2018 were \$44,586.

RTC – 401(a) Plan

On December 17, 2004, the RTC established a 401(a) Money Purchase Retirement Plan through ICMA Retirement Corporation. The ICMA Retirement Corporation Governmental Money Purchase Plan & Trust was established for the exclusive benefit of eligible employees and their beneficiaries under Section 401(a) of the IRC. The plan year coincides with the calendar year. All employees whose positions are covered by PERS are eligible to participate. The Plan is voluntary and there are no mandatory contributions from employees or the RTC. Contributions are limited to less than 25% of compensation, and compensation has been defined to include overtime and bonuses. The decision to participate is a one-time irrevocable decision. Loans are not permitted under the plan.

In 2009, the Internal Revenue Service (IRS) ruled that annual open enrollment periods for 401(a) plans would no longer be allowed. New plan enrollments are only allowed for new hires within the first sixty days of employment.

RTC – Retirement Health Savings Plans

On December 17, 2004, the RTC established a Retirement Health Savings Plan (RHS Plan). The RHS Plan was funded through voluntary employee contributions. The assets of the Plan are held in trust for the exclusive benefit of the RHS Plan participants and their beneficiaries, with the ICMA Retirement Corporation serving as the trustee. Once an employee participates in the RHS Plan, the election to contribute is irrevocable. The participant is eligible to receive benefits upon separation from service.

In 2007, the IRS ruled that the elective features of the types of plans like the RHS Plan would not be permitted after December 31, 2007. Although the ICMA and IRS reached a settlement preserving the existing favorable tax treatment of participants already in the RHS Plan, no new participants can join the plan and no further contributions can be made to the Plan by existing participants.

NOTE O – FUND BALANCES / NET POSITION

Government-wide Financial Statements

The government-wide Statement of Net Position is categorized as net investment in capital assets, restricted and unrestricted. Governmental Activities reports \$6,290,221 in net investment in capital assets and \$69,503,762 of restricted net position which is restricted by terms of grants and by enabling legislation for street and highway construction. Another \$45,634,293 is subject to restrictions by the terms of bond covenants for future debt service requirements of principal and interest. Unrestricted net position is \$(424,725,000), and total net position is \$(303,296,724). The negative unrestricted balances are the result of bonds issued during the fiscal years ended June 30, 2010, June 30, 2011, and June 30, 2013 totaling \$434,567,000 in the aggregate. Proceeds of the bonds have been used to fund various streets and highways projects.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE O – FUND BALANCES / NET POSITION (CONTINUED)

Government-wide Financial Statements (continued)

RTC's Street and Highway program builds and maintain streets and highways, which are then dedicated to Reno, Sparks, and Washoe County. As a result the RTC carries a large debt burden with no offsetting asset. The debt will be paid

through pledged motor vehicle fuel and sales taxes projected to be collected over the next 25 years. Management believes that the RTC will have sufficient cash flow to service the debt.

The net position for Business-type Activities is categorized as net investment in capital assets and unrestricted. The total net position at June 30, 2018 is \$103,154,982.

Fund Financial Statements

Governmental Funds

Governmental fund balances are classified as nonspendable, restricted, and assigned based primarily on the extent to which the RTC is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable funds include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. At June 30, 2018, nonspendable funds consisted of prepaid items and deposits totaling \$677,297.

Restricted fund balances are restricted to specific purposes either by external restrictions (debt covenants, grantors, laws or regulations of other governments) or restrictions imposed by law through constitutional provisions or enabling legislation.

At June 30, 2018, the RTC had \$10,960,000 in restricted fund balances on unspent federal grants match.

The restricted amounts for street and highway construction represent project appropriations for construction planning commitments as permitted by state statute.

The changes in the amounts for project appropriations in the General Fund (Regional Streets and Highways) during the year ended June 30, 2018 were as follows:

Balance at July 1, 2017	\$	156,917,524
Project appropriations		74,005,791
Expenditures		(114,258,121)
Net project adjustments		(5,473,744)
Total balance for project appropriations at June 30, 2018	\$	<u>111,191,450</u>

The total balance for project appropriations exceeds the available restricted fund balance of \$48,686,138 for street and highway construction in the General Fund by \$62,505,312. Since the expenditures for these projects will span more than one year, future revenue sources will be required to fund these appropriations.

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE O – FUND BALANCES / NET POSITION (CONTINUED)

Fund Financial Statements (continued)

The changes in the amounts for project appropriations of the Special Revenue Fund (Regional Road Impact Fee) during the year ended June 30, 2018 were as follows:

Balance at July 1, 2017	\$	10,735,297
Project appropriations		8,080,518
Expenditures		(4,661,821)
Net project adjustments		(5,233,862)
Total balance for project		
appropriations at June 30, 2018	\$	<u>8,920,132</u>

The available restricted fund balance for street and highway construction in the Regional Road Impact Fee Fund is \$9,857,624 which exceeds the total balance for project appropriations by \$(937,492) which will be used for future expenditures.

Debt service restricted funds of \$45,655,320 represents resources legally restricted by bond covenants for future debt service requirements of both principal and interest.

Assigned fund balances represent amounts that are constrained by the RTC's intent to use the funds for specific purposes. The RTC had \$701,683 in assigned balances which have been assigned for the purposes of the Paratransit Services Fund and \$820,284 assigned for purposes of the Metropolitan Planning Organization fund.

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

In addition to the pension benefits described in Note N, the RTC provides other postemployment health benefits (OPEB) for eligible retirees through the RTC Retiree Health Benefit Program (RTC RHBP), a single employer defined benefit OPEB plan and participates in the State of Nevada's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit OPEB plan.

RTC Retiree Health Benefit Program (RTC RHBP)

Plan Description

In accordance with NRS 287.010, the RTC Commission established and administers a retiree health insurance plan through the RTC Personnel Rules to provide postemployment benefits to eligible employees upon retirement. Retirees are offered medical, vision, and life insurance coverage through a single-employer defined benefit plan. As of June 30, 2017, all employees hired before June 1, 2013 who retire from the RTC and meet the requirements for retirement under the Public Employees Retirement System of Nevada (PERS) are eligible to participate. The plan benefit formula is based on years of service and retirees can choose from a self-funded group health plan or an HMO. The plan does not issue a separate financial report.

Funding Policy

The contribution requirements and benefits of the RTC are established and may be amended by the RTC Commission through the RTC Personnel Rules. The RTC contributes 50% of the health benefit premium for retirees with at least 10 years of service, 75% with 15 years, and 100% with 20 years or more. The benefit is reduced by 50% for part-time employees achieving the required milestones. Benefits are paid on a pay-as-you-go basis.

As of July 1, 2016 the following employees were covered by the benefit terms:

Active employees	62
Retirees	<u>34</u>
Total Participants	<u>96</u>

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

State of Nevada's Public Employee Benefit Plan (PEBP)

Plan Description

NRS 287.023 allowed retired employees of governmental entities within the State of Nevada to join the State's Public Employee Benefit Program (PEBP), an agent multiple-employer defined benefit OPEB plan administered by a nine member governing board. PEBP provided medical, prescription, vision, life and accident insurance, and dental for retirees. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan and no financial reports are issued.

Eligibility, benefit provisions, and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. The statutes were revised effective November 30, 2008, to create new participation limitations so that only active members of PEBP can elect coverage after retirement. While the plan is generally closed to RTC retirees after September 1, 2008, former employees covered by PEBP at the time of their retirement (through a subsequent employer) may join the plan. For a retiree to participate in the PEBP program, the participant must be receiving PERS benefit.

Funding Policy

The RTC is required to provide a subsidy for their retirees that have elected to join PEBP. The subsidy is paid on the pay-as-you-go basis. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually. Unsubsidized non-state retiree plan rates in effect for the fiscal year ranged from \$373 to \$405 per month. The contributions required for PEBP subsidies depend on the date of retirement or prior years of Public Employees Retirement System (PERS) service former employees earned while working for the RTC. The subsidy depends on years of service and ranges from a minimum of \$33 for 16 years of service to a maximum of \$167 for 20 years of service. These subsidies are then allocated and billed to all applicable former employers of the retiree.

RTC's portion of the monthly subsidies ranged from \$2 to \$151 during the 2018 fiscal year. Subsidies for retiree premiums are required to be paid directly to the State when due.

As of July 1, 2016, the following employees were covered by the benefit terms:

Active employees	0
Retirees	6
Total Participants	<u>6</u>

Total OPEB Liability

An actuarial valuation performed as of July 1, 2016 was used to determine the total OPEB liability for both the RTC and PEBP plans for their fiscal year ended June 30, 2018. The plans are funded on a pay-as-you-go basis with zero percent funding for the plan. For fiscal year 2018, the RTC's cost of the RTC plan was \$262,038 for 37 eligible retirees. The RTC's cost of the PEBP plan was \$5,112 for 7 eligible retirees. The RTC RHBP total OPEB liability is \$75,196. The PEBP total OPEB liability is \$14,135,863. RTC's total OPEB liability for both plans is \$14,211,059.

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Reno, Sparks and Washoe County, Nevada**

NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Actuarial Assumptions

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial methods and assumptions, applied to all periods included in the measurement, unless otherwise specified:

	RTC Plan	PEBP
Funding Method	Entry Age Normal	Entry Age Normal
Discount Rate	2.68% as of June 30, 2016 3.13% as of June 30, 2017	2.68% as of June 30, 2016 3.13% as of June 30, 2017
Salary Increase	4.00% per year	Not Applicable
General Inflation Rate	2.75% per year	2.75% per year
Healthcare cost trend	6.50% for 2018, decreasing 0.25% per year to an ultimate rate of 5.00% for 2023 and later years	6.50% for 2018, decreasing 0.25% per year to an ultimate rate of 5.00% for 2023 and later years

Mortality rates were based on the most recently published report of the Nevada Public Employees Retirement System, dated June 30, 2015, except for a different basis used to project future mortality improvements. The discount rate was based on the published change in return for the applicable municipal bond index.

The actuarial assumptions used for the fiscal year ending June 30, 2018 were measured as of June 30, 2017 based on a July 1, 2016 measurement date for both plans.

Changes in OPEB Liabilities

Changes in the Total OPEB Liability - RTC PLAN:

Balance at June 30, 2017	\$ 14,723,360
Service Cost	518,107
Interest	403,526
Changes of Benefit Terms	-
Differences between expected and actual experience	-
Changes of assumptions	(1,140,051)
Benefit Payments	(369,079)
Net Changes	(587,497)
Balance at June 30, 2018	\$ 14,135,863

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

Changes in OPEB Liabilities (continued)

Changes in the Total OPEB Liability - PEBP:

Balance at June 30, 2017	\$ 80,984
Service Cost	-
Interest	2,116
Changes of Benefit Terms	-
Differences between expected and actual experience	-
Changes of assumptions	(3,835)
Benefit Payments	(4,069)
Net Changes	(5,788)
Balance at June 30, 2018	\$ 75,196

Changes in assumptions reflect a change in the discount rate from 2.68% as of June 30, 2016 to 3.13% as of June 30, 2017, based on the published change in the return for the applicable municipal bond index.

Sensitivity of the total OPEB liabilities to changes in the discount rate. The following presents the total OPEB liabilities of the plans, as well as what each plan's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.13 percent) or 1-percentage-point higher (4.13 percent) than the current discount rate:

	Current - 1% 2.13%	Current 3.13%	Current +1% 4.13%
RTC PLAN - Total OPEB Liability	\$ 16,852,415	\$ 14,135,863	\$ 12,001,094
PEBP - Total OPEB Liability	\$ 84,158	\$ 75,196	\$ 67,675

Sensitivity of the total OPEB liabilities to changes in the healthcare cost trend rates. The following presents the total OPEB liabilities of the plans, as well as what each plan's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	Current Trend -1%	Current Trend	Current Trend +1%
RTC PLAN - Total OPEB Liability	\$ 11,258,005	\$ 14,135,863	\$ 18,129,595
PEBP - Total OPEB Liability	\$ 67,404	\$ 75,196	\$ 84,301

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NOTES TO FINANCIAL STATEMENTS

June 30, 2018

NOTE P – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the RTC recognized OPEB expense of \$359,331. At June 30, 2018, the RTC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	RTC PLAN	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ 956,172
Differences between expected and actual experiences	-	-
Net difference between projected and actual earnings on investments	-	-
Benefits paid subsequent to the measurement date	371,592	-
Total	\$ 371,592	\$ 956,172

	PEBP PLAN	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ -
Differences between expected and actual experiences	-	-
Net difference between projected and actual earnings on investments	-	-
Benefits paid subsequent to the measurement date	5,112	-
Total	\$ 5,112	\$ -

\$376,704 reported as deferred outflows of resources related to benefits paid subsequent to measurement date will be recognized as a reduction of the total OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30,	
2019	\$ (183,879)
2020	(183,879)
2021	(183,879)
2022	(183,879)
2023	(183,879)
Thereafter	(36,777)

NOTE Q – RELATED PARTY TRANSACTION

The RTC provides administrative support to the non-profit organization CitiCare. CitiCare's mission is to seek additional funding sources to bridge the gap for people with mental and physical handicaps and senior citizens between their transportation needs and the resources currently available for transportation. RTC provided approximately \$43,184 in services to CitiCare during the year ended June 30, 2018.

CitiCare paid \$59,700 to the RTC to provide rides to seniors and the disabled.



REQUIRED SUPPLEMENTARY INFORMATION

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REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - PEBP ^{1 2}

	<u>2018</u>
Total OPEB liability	
Service Cost	\$ -
Interest	2,116
Changes of benefit terms	-
Differences between expected and actual experiences	-
Changes of assumptions or other inputs	(3,835)
Benefit payments	<u>(4,069)</u>
Net change in total OPEB liability	(5,788)
Total OPEB liability - beginning	80,984
Total OPEB liability - ending	<u><u>\$ 75,196</u></u>

¹ GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until ten years of data is available, the RTC will present information only for those years which information is available.

² The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

*There are no assets accumulated in a trust to pay related benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS - RTC Plan ^{1 2}

	<u>2018</u>
Total OPEB liability	
Service Cost	\$ 518,107
Interest	403,526
Changes of benefit terms	-
Differences between expected and actual experiences	-
Changes of assumptions or other inputs	(1,140,051)
Benefit payments	<u>(369,079)</u>
Net change in total OPEB liability	(587,497)
Total OPEB liability - beginning	14,723,360
Total OPEB liability - ending	<u><u>\$ 14,135,863</u></u>
 Covered employee payroll	 \$ 3,857,000
Net OPEB liability as a percentage of covered payroll	366.50%

¹ GASB Statement No. 75 requires 10 years of information to be presented in this table. However, until ten years of data is available, the RTC will present information only for those years which information is available.

² The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

*There are no assets accumulated in a trust to pay related benefits.

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REQUIRED SUPPLEMENTARY INFORMATION

June 30, 2018

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - LAST TEN YEARS ^{1 2}

State of Nevada Public Employees' Retirement System (PERS)

	2017 Valuation	2016 Valuation	2015 Valuation	2014 Valuation
RTC's proportion of the net pension liability	0.08207%	0.08636%	0.08468%	0.08501%
RTC's proportionate share of the net pension liability	\$ 10,915,835	\$ 11,621,332	\$ 9,704,188	\$ 8,860,041
RTC's covered payroll	\$ 5,262,122	\$ 5,279,436	\$ 5,076,193	\$ 5,003,226
RTC's proportionate share of the net pension liability as a percentage of its covered payroll	207.44%	220.12%	191.17%	177.09%
Plan fiduciary net position as a percentage of the total pension liability	74.40%	72.20%	75.10%	76.30%

SCHEDULE OF THE REGIONAL TRANSPORTATION COMMISSION'S CONTRIBUTION - LAST TEN YEARS ²

State of Nevada Public Employees' Retirement System (PERS)

	2018	2017	2016	2015
Statutorily required contribution	\$ 1,502,067	\$ 1,473,393	\$ 1,464,380	\$ 1,287,423
Contributions in relation to the statutorily required contribution	\$ 1,502,067	\$ 1,473,393	\$ 1,464,380	\$ 1,287,423
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 5,364,778	\$ 5,262,122	\$ 5,279,436	\$ 5,076,193
Contributions as a percentage of covered payroll	28.00%	28.00%	27.74%	25.36%

¹ The amounts presented for each fiscal year is of the valuation determined one year in arrears from the basic financial statements. For example, the fiscal year 2017 basic financial statements are based on the 2016 valuation.

² GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the RTC will present information only for those years which information is available.



NON-MAJOR GOVERNMENTAL FUNDS

Metropolitan Planning Organization Fund

This fund is used to account for resources provided for transportation planning.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**BALANCE SHEET
NONMAJOR GOVERNMENTAL FUND
METROPOLITAN PLANNING ORGANIZATION**

June 30, 2018

Assets

Cash in custody of County Treasurer	\$ 427,816
Cash in bank and on hand	851,790
Due from federal government	224,455
Interest receivable	1,419
Prepays	120,800
Due from other funds	2
Total assets	<u>\$ 1,626,282</u>

Liabilities

Accounts payable	\$ 193,012
Due to other funds	255,918
Total liabilities	<u>448,930</u>

FUND BALANCE

Nonspendable:	
Prepays	120,800
Restricted for:	
Federal grants match	236,268
Assigned:	
Subsequent years actual & budget: appropriation of fund balance	<u>820,284</u>
Total fund balance	<u>1,177,352</u>
Total liabilities and fund balance	<u>\$ 1,626,282</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Metropolitan Planning Organization Fund)**

Year ended June 30, 2018

	Budgeted Amounts		Actual	Variance to
	Original	Final	Amounts	Final Budget
Revenues				
Regional transportation planning operating and capital grants: Federal Highway Administration	\$ 2,598,545	\$ 2,598,545	\$ 965,572	\$ (1,632,973)
Investment income	5,000	5,000	977	(4,023)
Miscellaneous	1,000	1,000	-	(1,000)
Total revenues	<u>2,604,545</u>	<u>2,604,545</u>	<u>966,549</u>	<u>(1,637,996)</u>
Expenditures				
Current:				
Metropolitan planning	<u>4,208,900</u>	<u>4,208,900</u>	<u>2,226,012</u>	<u>1,982,888</u>
Total expenditures	<u>4,208,900</u>	<u>4,208,900</u>	<u>2,226,012</u>	<u>1,982,888</u>
Deficiency of revenues under expenditures	<u>(1,604,355)</u>	<u>(1,604,355)</u>	<u>(1,259,463)</u>	<u>344,892</u>
Other financing sources				
Transfers in	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,660,000</u>	<u>60,000</u>
Total other financing sources	<u>1,600,000</u>	<u>1,600,000</u>	<u>1,660,000</u>	<u>60,000</u>
Net change in fund balance	(4,355)	(4,355)	400,537	404,892
Fund balance - beginning	<u>1,322,815</u>	<u>1,322,815</u>	<u>776,815</u>	<u>(546,000)</u>
Fund balance - ending	<u><u>\$ 1,318,460</u></u>	<u><u>\$ 1,318,460</u></u>	<u><u>\$ 1,177,352</u></u>	<u><u>\$ (141,108)</u></u>



CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCES**

June 30, 2018

Governmental funds capital assets

Land	\$ 2,282,090
Buildings and leasehold improvements	7,176,299
Revenue vehicles	5,586,902
Other equipment	4,300,717
Construction in progress	<u>18,522</u>
Total governmental funds capital assets	<u>\$ 19,364,530</u>

**Investments in governmental capital assets
by source**

General fund	\$ 2,150,013
Special revenue funds	<u>17,214,517</u>
Total governmental funds capital assets	<u>\$ 19,364,530</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY**

June 30, 2018

Function and Activity	Land	Buildings and Leasehold Improvements	Revenue Vehicles	Other Equipment	Construction in Progress	Total
General government	\$ 1,407,500	\$ 51,886	\$ -	\$ 690,627	\$ -	\$ 2,150,013
Metropolitan planning	-	-	-	169,993	-	169,993
Transportation services	874,590	7,124,413	5,586,902	3,440,097	18,522	17,044,524
Total governmental funds capital assets	<u>\$ 2,282,090</u>	<u>\$ 7,176,299</u>	<u>\$ 5,586,902</u>	<u>\$ 4,300,717</u>	<u>\$ 18,522</u>	<u>\$ 19,364,530</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY**

Year ended June 30, 2018

Function and Activity	Governmental Funds Capital Assets July 1, 2017	Additions	Deletions	Governmental Funds Capital Assets June 30, 2018
General government	\$ 2,131,207	\$ 65,507	\$ (46,701)	\$ 2,150,013
Metropolitan planning	189,081	-	(19,088)	169,993
Transportation services	17,926,240	273,645	(1,155,361)	17,044,524
Total governmental funds capital assets	<u>\$ 20,246,528</u>	<u>\$ 339,152</u>	<u>\$ (1,221,150)</u>	<u>\$ 19,364,530</u>



OTHER SUPPLEMENTARY INFORMATION

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
(Regional Street and Highway Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 2,034,949	\$ 2,368,061	\$ 333,112	\$ 1,915,694
Fringe	945,545	1,187,215	241,670	874,442
Services	1,982,872	2,159,801	176,929	1,442,136
Materials and supplies	82,462	84,158	1,696	79,551
Utilities	20,235	18,422	(1,813)	18,052
Insurance costs	29,489	49,910	20,421	38,631
Miscellaneous expense	329,165	527,658	198,493	1,219,442
Street and highway projects	114,258,121	146,369,255	32,111,134	96,267,487
Total current expenditures	<u>\$ 119,682,838</u>	<u>\$ 152,764,480</u>	<u>\$ 33,081,642</u>	<u>\$ 101,855,435</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
DEBT SERVICE**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Principal	\$ 7,603,000	\$ 7,603,000	\$ -	\$ 6,604,000
Interest	19,789,747	19,796,326	6,579	20,058,757
Debt service fees and other fiscal charges	45,470	55,000	9,530	41,823
Total current expenditures	<u>\$ 27,438,217</u>	<u>\$ 27,454,326</u>	<u>\$ 16,109</u>	<u>\$ 26,704,580</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 251,576	\$ 209,281	\$ (42,295)	\$ 260,430
Fringe	118,699	112,721	(5,978)	120,552
Services	93,869	75,356	(18,513)	95,336
Materials and supplies	7,792	6,351	(1,441)	8,507
Utilities	2,364	1,442	(922)	2,489
Miscellaneous expense	18,188	17,838	(350)	17,205
Capacity improvement projects	3,947,308	9,237,800	5,290,492	5,060,918
Capital contribution projects	714,512	3,000,000	2,285,488	452,098
Total current expenditures	<u>\$ 5,154,308</u>	<u>\$ 12,660,789</u>	<u>\$ 7,506,481</u>	<u>\$ 6,017,535</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND
(Paratransit Services Fund)**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 505,955	\$ 534,932	\$ 28,977	\$ 490,419
Fringe	238,720	265,459	26,739	227,013
Services	326,114	430,475	104,361	702,072
Materials and supplies	153,186	273,981	120,795	144,138
Utilities	22,841	72,928	50,087	59,551
Casualty/liability insurance	60,649	86,438	25,789	310,740
Miscellaneous expense	377,137	434,386	57,249	435,879
Purchased transportation services	7,347,865	7,136,809	(211,056)	5,447,438
Total current expenditures	<u>\$ 9,032,467</u>	<u>\$ 9,235,408</u>	<u>\$ 202,941</u>	<u>\$ 7,817,250</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CURRENT EXPENDITURES - BUDGET AND ACTUAL
SPECIAL REVENUE FUND - NONMAJOR FUND
(Metropolitan Planning Organization Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 888,143	\$ 1,116,442	\$ 228,299	\$ 889,272
Fringe	419,044	546,299	127,255	411,638
Services	544,806	2,057,238	1,512,432	735,750
Materials and supplies	41,195	44,844	3,649	39,460
Utilities	8,347	8,495	148	8,498
Casualty/liability insurance	14,745	21,609	6,864	19,316
Miscellaneous expense	309,732	413,973	104,241	297,883
Total current expenditures	<u>\$ 2,226,012</u>	<u>\$ 4,208,900</u>	<u>\$ 1,982,888</u>	<u>\$ 2,401,817</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND**

Year ended June 30, 2018

	Budgeted Amounts		Actual	Variance to
	Original	Final	Amounts	Final Budget
Revenues				
Investment income	\$ 250,000	\$ 250,000	\$ 195,868	\$ (54,132)
Total revenues	250,000	250,000	195,868	(54,132)
Expenditures				
Current:				
Debt service:				
Principal	7,603,000	7,603,000	7,603,000	-
Interest	19,796,326	19,796,326	19,789,748	6,578
Debt service fees and other fiscal charges	55,020	55,020	45,469	9,551
Total expenditures	27,454,346	27,454,346	27,438,217	16,129
Deficiency of revenues under expenditures	(27,204,346)	(27,204,346)	(27,242,349)	(38,003)
Other financing sources				
Transfers in	26,732,112	26,732,112	27,957,904	1,225,792
Total other financing sources	26,732,112	26,732,112	27,957,904	1,225,792
Net change in fund balance	(472,234)	(472,234)	715,555	1,187,789
Fund balance - beginning	44,099,864	44,099,864	44,939,765	839,901
Fund balance - ending	<u>\$ 43,627,630</u>	<u>\$ 43,627,630</u>	<u>\$ 45,655,320</u>	<u>\$ 2,027,690</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
PROPRIETARY FUND
(Public Transit Fund)**

**Year ended June 30, 2018
With comparative actual amounts for the year ended June 30, 2017**

	2018			2017
	Final Budget	Actual Amounts	Variance to Final Budget	Actual Amounts
Operating revenues				
Passenger fares	\$ 6,127,096	\$ 5,614,832	\$ (512,264)	\$ 5,716,864
Bus advertising	200,000	264,091	64,091	190,455
Rental income	506,000	435,459	(70,541)	457,699
Miscellaneous	46,200	30,121	(16,079)	42,328
Total operating revenues	6,879,296	6,344,503	(534,793)	6,407,346
Operating expenses				
General administration	29,714,952	25,769,143	3,945,809	25,949,838
Depreciation	6,000,000	5,695,881	304,119	5,301,035
Total operating expenses	35,714,952	31,465,024	4,249,928	31,250,873
Operating loss	(28,835,656)	(25,120,521)	3,715,135	(24,843,527)
Nonoperating revenues				
Operating subsidies:				
Federal government grants	3,841,277	4,088,110	246,833	4,825,788
Other revenue:				
Public transportation tax	20,900,488	21,278,436	377,948	17,836,832
Investment income	125,000	65,488	(59,512)	33,843
Gain on sale of capital assets	20,000	218	(19,782)	5,700
Total nonoperating revenues	24,886,765	25,432,252	545,487	22,702,163
Income (loss) before capital contributions and transfers	(3,948,891)	311,731	(7,586,051)	(2,141,364)
Capital contributions				
Federal grants	17,986,043	7,710,653	(10,275,390)	9,881,754
State grants	-	137,256	137,256	-
Total capital contributions	17,986,043	7,847,909	(10,138,134)	9,881,754
Transfers out	(240,000)	(300,000)	(60,000)	(217,500)
CHANGE IN NET POSITION	<u>\$ 13,797,152</u>	<u>\$ 7,859,640</u>	<u>\$ (5,937,512)</u>	<u>\$ 7,522,890</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF EXPENSES BY OBJECT CLASSES - BUDGET AND ACTUAL
PROPRIETARY FUND
(Public Transit Fund)**

Year ended June 30, 2018

With comparative actual amounts for the year ended June 30, 2017

	Actual Amounts	Final Budget	Variance to Final Budget	2017 Actual Amounts
Labor	\$ 2,094,199	\$ 2,315,232	\$ 221,033	\$ 1,978,610
Fringe	1,204,363	1,387,580	183,217	1,204,592
Services	2,849,487	3,596,822	747,335	2,990,905
Materials and supplies	1,867,489	2,860,960	993,471	1,725,067
Utilities	220,865	450,053	229,188	153,104
Casualty/liability insurance	211,649	343,593	131,944	276,692
Miscellaneous expenses	368,322	530,747	162,425	336,764
Purchased transportation services	16,952,769	18,229,964	1,277,195	17,284,104
Operating expenses before depreciation and amortization	25,769,143	29,714,951	3,945,808	25,949,838
Depreciation and amortization	5,695,881	6,000,000	304,119	5,301,035
Total operating expenses	<u>\$ 31,465,024</u>	<u>\$ 35,714,951</u>	<u>\$ 4,249,927</u>	<u>\$ 31,250,873</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF SPECIAL AND REGULAR MOTOR
VEHICLE FUEL TAX COLLECTIONS BY MONTH**

Year ended June 30, 2018

Date Collected by State of Nevada	RTC Special Motor Vehicle Fuel Tax - 4¢	RTC Special Motor Vehicle Fuel Tax - 5¢	RTC Special Motor Vehicle Fuel Tax - CPI Index ⁽¹⁾	RTC Special Motor Vehicle Fuel Tax - PPI Index ⁽²⁾	Local Regular Motor Vehicle Fuel Tax - 5.35¢	Local Regular Motor Vehicle Fuel Tax - 1¢	Local Regular Motor Vehicle Fuel Tax -Index	Total
July 2017	\$ 617,529	\$ 785,945	\$ 1,156,418	\$ 4,401,103	\$ 741,569	\$ 155,942	\$ 815,915	\$ 8,674,421
August 2017	643,698	819,252	1,205,835	4,839,039	765,277	162,550	850,781	9,286,431
September 2017	586,333	746,242	1,098,034	4,415,514	694,610	148,064	774,723	8,463,520
October 2017	584,875	744,386	1,095,484	4,429,592	698,699	147,696	772,923	8,473,655
November 2017	547,568	696,905	1,025,504	4,107,481	648,459	138,275	723,548	7,887,740
December 2017	591,034	752,225	1,112,887	4,267,658	700,835	153,145	785,202	8,362,986
January 2018	546,974	696,149	1,024,633	4,112,889	646,904	138,125	722,934	7,888,608
February 2018	532,278	677,445	996,806	3,890,817	619,109	134,414	703,301	7,554,170
March 2018	564,114	717,963	1,056,593	4,167,919	680,166	142,453	745,484	8,074,692
April 2018	569,847	725,260	1,067,090	4,285,868	689,060	143,901	752,890	8,233,916
May 2018	606,337	771,702	1,135,496	4,604,762	727,238	153,115	801,155	8,799,805
June 2018	605,168	770,213	1,133,451	4,649,580	715,330	152,820	799,712	8,826,274
	<u>\$ 6,995,755</u>	<u>\$ 8,903,686</u>	<u>\$ 13,108,231</u>	<u>\$ 52,172,222</u>	<u>\$ 8,327,256</u>	<u>\$ 1,770,500</u>	<u>\$ 9,248,568</u>	<u>\$ 100,526,218</u>

Allocation

Regional Transportation Commission, Washoe County,
Nevada

General Fund	\$ 79,290,092
Regional Road Impact Fee Fund	479,802
Other governmental funds	<u>1,410,000</u>
	81,179,894

Distributed to the City of Reno, City of Sparks
and Washoe County, Nevada

	19,346,324
	<u>\$ 100,526,218</u>

Notes:

(1) From October 2003 through December 2009, the Washoe County Tax Ordinance provided that the rate of levy of the 9 cent motor vehicle fuel tax would be increased on the first day of each fiscal year by the lesser of (i) 4.5 percent or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years.

(2) On November 4, 2008, the voters of Washoe County approved Washoe County Ballot Question RTC-5 which imposed additional county taxes on motor vehicle fuel and various special fuels used in motor vehicles. These taxes cause annual increases in the current amount of taxes imposed on such fuels based upon the lesser of the average increase in the Producer Price Index for construction materials for the preceding 10 years or 7.8%. SB201 carried out of the ballot question and it became effective January 1, 2010. The new basis for calculation was the 9 cent per gallon rate indexed by the CPI through December 31, 2009 for a base rate of 10.5621 cents per gallon.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CONSTRUCTION PROJECT EXPENDITURES
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Right- of-way Acquisition	Engineering and Inspection	Construction	Total
<u>Pavement Preservation Projects</u>				
All Jurisdictions				
Annual pavement preservation FY2017/2018	\$ -	\$ 398,914	\$ 5,909,908	\$ 6,308,822
Annual pavement preservation FY2018/2019-Crack Sealing	-	292,807	-	292,807
Annual pavement preservation FY2018/2019-Clean Water Water Way	-	59,670	-	59,670
Oddie/Wells Corridor Multi-Modal	-	50,751	-	50,751
City of Reno				
4th and Prater corridor improvement - Evans/Galetti	132,032	995,986	12,643,741	13,771,759
City of Sparks				
4th/Prater corridor improvement - Galetti/Pyramid	132,032	995,986	12,643,741	13,771,759
Total Pavement Preservation Projects	264,064	2,794,114	31,197,390	34,255,568
<u>Capacity Improvement Projects</u>				
All Jurisdictions				
ITS Network Pilot Project	-	216,473	448,919	665,392
Traffic Management 2A	-	11,399	228,035	239,434
Washoe County				
Southeast Connector phase 2 - Clean Water/S. Meadows	290,623	1,125,525	11,702,798	13,118,946
City of Reno				
Southeast Connector phase 2 - Clean Water/S. Meadows	1,162,494	4,502,100	46,811,192	52,475,786
Virginia St/ Midtown/ UNR	196,878	1,773,351	163,091	2,133,320
Bicycle and Pedestrian Improvement (2018) - Kesytone	-	116,685	-	116,685
Bicycle and Pedestrian Improvement (2018) - Mill-Terminal Way -McCarran	-	25,856	-	25,856
City of Sparks				
Pyramid/McCarran intersection improvements	35,445	-	-	35,445
NV Department of Transportation				
Pyramid/McCarran intersection improvements	-	1,107,555	9,910,205	11,017,760
Pyramid Hwy./US 393 connector	-	173,929	-	173,929
Total Capacity Improvement Projects	1,685,440	9,052,873	69,264,240	80,002,553
Total All Projects	\$ 1,949,504	\$ 11,846,987	\$ 100,461,630	\$ 114,258,121

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CONSTRUCTION PROJECT EXPENDITURES
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

Year ended June 30, 2018

	Right- of-way Acquisition	Engineering and Inspection	Construction	Impact Fee Credits	Total
<u>Capacity Improvement Projects</u>					
North Service Area					
Bike/Ped improvements 3,4,4 - Evans Ave	\$ 3,250	\$ 69,450	\$ 848,891	\$ -	\$ 921,591
T/E spot intersection improvements 5	-	8,892	-	-	8,892
T/E spot intersection improvement 7	-	216,183	406,000	-	622,183
North valleys safety improvements 1 & 2	-	190,884	1,583,708	-	1,774,592
Sun Valley & Lemmon Valley ped improvements	-	33,986	189,512	-	223,498
Impact Credits/Waivers	-	-	-	672,387	672,387
South Service Area					
T/E spot intersection improvements 5	-	(788)	140,465	-	139,676
T/E spot intersection improvements 6	-	7,689	241,550	-	249,239
Southeast Connector phase 2-irrigation meters	-	-	371	-	371
I580/Meadowood-close out	-	7,265	-	-	7,265
Impact Credits/Waivers	-	-	-	42,127	42,127
 Total All Projects	 \$ 3,250	 \$ 533,561	 \$ 3,410,497	 \$ 714,514	 \$ 4,661,821

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
<u>Pavement Preservation Projects</u>					
All Jurisdictions					
Annual pavement preservation FY2017/2018					
Engineering and inspection	\$ 4,365,856	\$ -	\$ 398,914	\$ (3,838,992)	\$ 127,950
Construction	-	5,000,000	5,909,908	1,270,471	360,563
Annual pavement preservation FY2018/2019					-
Engineering and inspection	-	1,047,900	352,477	(900,736)	(205,313)
Construction	-	7,402,100	-	-	7,402,100
Oddie/Wells Corridor Multi-Modal					
Engineering and inspection	-	1,550,000	50,751	-	1,499,249
Total All Jurisdictions	4,365,856	15,000,000	6,712,050	(3,469,257)	9,184,549
City of Reno					
4th St. - Prater Way corridor improvement - Evans/Galetti					
Right-of-way acquisition	-	-	132,032	132,032	-
Engineering and inspection	-	-	995,986	995,986	-
Construction	23,707,973	3,226,112	12,643,741	(1,128,018)	13,162,326
Reno Sparks Indian Colony Riverside Pathway					
Construction	212,754	-	-	-	212,754
Total City of Reno	23,920,727	3,226,112	13,771,759	-	13,375,080
City of Sparks					
4th St. - Prater Way corridor improvement - Galetti/Pyramid					
Right-of-way acquisition	-	-	132,032	132,032	-
Engineering and inspection	-	-	995,986	995,986	-
Construction	23,707,973	3,226,112	12,643,741	(1,128,018)	13,162,326
Total City of Sparks	23,707,973	3,226,112	13,771,759	-	13,162,326
Total Pavement Preservation Projects	51,994,556	21,452,224	34,255,568	(3,469,257)	35,721,955

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
Capacity Improvement Projects					
All Jurisdictions					
ITS Network Pilot Project					
Engineering and inspection	\$ 840,000	\$ -	\$ 216,473	\$ (480,127)	\$ 143,400
Construction	-	526,864	448,918	-	77,946
Traffic management 2A					
Engineering and inspection	560,980	-	11,399	(491,432)	58,149
Construction	1,253,310	-	228,035	(471,278)	553,997
Total All Jurisdictions	2,654,290	526,864	904,825	(1,442,837)	833,492
Washoe County					
Southeast Connector Phase 2 -					
Clean Water/S.Meadows					
Right-of-way acquisition	-	-	290,623	290,623	-
Engineering and inspection	-	-	1,125,525	1,125,525	-
Construction	26,196,915	369,069	11,702,798	(1,416,148)	13,447,038
Total Washoe County	26,196,915	369,069	13,118,946	-	13,447,038
City of Reno					
Southeast Connector Phase 2 -					
Clean Water/S.Meadows					
Right-of-way acquisition	-	-	1,162,494	1,162,494	-
Engineering and inspection	26,499,488	-	4,502,100	(19,935,720)	2,061,668
Construction	34,968,287	1,476,276	46,811,192	19,935,720	9,569,091
Virginia St. Bus Rapid Transit Extension					
Right-of-way acquisition	-	1,957,970	196,878	-	1,761,092
Engineering and inspection	-	-	1,773,351	4,177,828	2,404,477
Construction	6,361,507	33,000,000	163,091	(4,177,828)	35,020,588
Bicycle and Pedestrian Improvement(2018)-Keystone					
Engineering and inspection	-	2,272,125	116,685	-	2,155,440
Construction	-	-	-	-	-
Bicycle and Pedestrian Improvement(2018)-Mill-Term					
Engineering and inspection	-	3,021,625	25,856	25,856	3,021,625
Construction	-	-	-	-	-
North valley safety improvement 1 & 2					
Engineering and inspection	250,000	-	-	(250,000)	-
Construction	1,500,000	-	-	(1,500,000)	-
Total City of Reno	69,579,281	41,727,996	54,751,647	(561,650)	55,993,980

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
GENERAL FUND
(Regional Streets and Highways Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
City of Sparks					
Pyramid/McCarran intersection improvements					
Right-of-way acquisition	-	-	35,445	35,445	-
Total City of Sparks	-	-	35,445	35,445	-
NV Department of Transportation					
Pyramid/McCarran intersection improvements					
Engineering and inspection	-	-	1,107,554	1,107,554	-
Construction	6,123,566	4,929,638	9,910,205	(1,142,999)	-
Pyramid Highway/US 393 connector					
Engineering and inspection	368,916	5,000,000	173,929	-	5,194,987
Total NV Department of Transportation	6,492,482	9,929,638	11,191,688	(35,445)	5,194,987
Total Capacity Improvement Projects	104,922,968	52,553,567	80,002,553	(2,004,487)	75,469,495
Total All Projects	\$ 156,917,524	\$ 74,005,791	\$ 114,258,121	\$ (5,473,744)	\$ 111,191,450

Notes: (1) Capacity projects funded with Motor Vehicle Fuel Tax Revenue Bonds were previously reported in the Regional Road Impact Fee Fund. In FY14 the projects were transferred to the Regional Streets and Highways Fund.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CHANGES IN RESERVE
FOR PROJECT APPROPRIATIONS
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

Year ended June 30, 2018

	Reserve for Project Appropriations July 1, 2017	New Project Appropriations	Expenditures	Net Project Adjustments	Reserve for Project Appropriations June 30, 2018
<u>Capacity Improvement Projects</u>					
North Service Area					
Bike/Ped Improvements 3,4,5 - Evans Ave					
Right of Way	\$ -	\$ -	\$ 3,250	\$ 3,250	\$ -
Engineering and inspection	322,930	-	69,450	(220,835)	32,645
Construction	880,000	66,007	848,892	-	97,115
T/E spot intersection improvements 5					
Engineering and inspection	-	-	8,892	8,892	-
Construction	459,247	-	-	(459,247)	-
North valleys safety improvement 1 & 2					
Engineering and inspection	-	-	190,884	190,884	-
Construction	4,397,465	-	1,583,708	(2,516,093)	297,664
Sun Valley & Lemmon Dr ped improvements					
Engineering and inspection	-	-	33,986	33,986	-
Construction	2,038,389	-	189,512	(33,986)	1,814,891
T/E spot intersection improvements 7					
Engineering and inspection	-	-	216,183	216,183	-
Construction	-	2,750,000	406,000	(216,183)	2,127,817
Impact Credits/Waivers					
Construction	-	672,386	672,386	-	-
Total North Service Area	8,098,031	3,488,393	4,223,143	(2,993,149)	4,370,132
South Service Area					
T/E spot intersection improvements 4					
Construction	53,191	-	-	(53,191)	-
T/E spot intersection improvements 5					
Engineering and inspection	-	-	(787)	(787)	-
Construction	255,219	-	140,465	(114,754)	-
T/E spot intersection improvements 6					
Engineering and inspection	-	-	7,689	7,689	-
Construction	328,856	-	241,550	(87,306)	-
SEC Phase 2 - irrigation meters					
Construction	-	-	371	371	-
I580/Meadowood Complex Interchange					
Engineering and inspection	-	-	7,265	7,265	-
Impact Credits/Waivers					
Construction	-	42,125	42,125	-	-
Total South Service Area	637,266	42,125	438,678	(240,713)	-
Multi-Service Area					
Traffic Management Fiber Optic Connectivity					
Construction	2,000,000	-	-	(2,000,000)	-
T/E spot intersection improvements 8					
Engineering and inspection	-	500,000	-	-	500,000
Construction	-	2,500,000	-	-	2,500,000
Sun Valley Corridor Multi-Modal Improvements					
Engineering and inspection	-	1,550,000	-	-	1,550,000
Total Multi-Service Area	2,000,000	4,550,000	-	(2,000,000)	4,550,000
Total All Projects	\$ 10,735,297	\$ 8,080,518	\$ 4,661,821	\$ (5,233,862)	\$ 8,920,132

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
4th St. Prater Way corridor improvement	\$ 11,633,442	\$ 27,543,517	\$ 39,176,959	\$ 26,324,652
ADA pedestrian transition improvement plan 2012	36,631	-	36,631	-
ADA pedestrian transition improvement plan 2013	648,584	-	648,584	-
ADA pedestrian transition improvement plan 2014	515,862	-	515,862	-
ADA pedestrian transition improvement plan 2015	876,304	-	876,304	-
Albert-Bravo	90,764	-	90,764	-
Alignment, plan line, technical studies	2,412,214	-	2,412,214	-
Alturas - Keystone/Earl	797,128	-	797,128	-
Arlington/1st/Elm Street	3,325,154	-	3,325,154	-
Avenida de Landa - Beaumont/865' N. Valleywood	643,664	-	643,664	-
Baker Lane/Colman Drive	1,563,418	-	1,563,418	-
Baring Blvd./McCarran/Sparks Blvd.	735,979	-	735,979	-
Baring Blvd./Sparks/Vista	1,536,322	-	1,536,322	-
Bicycle/Pedestrian/Improvement FY2018	-	142,541	142,541	5,177,065
Board Discretionary Projects -				
Washoe County	19,946	-	19,946	-
Reno	12,625	-	12,625	-
Sparks	54,731	-	54,731	-
Boxington Way - Lincoln/Lillard	771,209	-	771,209	-
Bravo Ave. - Mt. Limbo/Ramsey	866,677	-	866,677	-
California Ave./ Liberty/Ryland	873,386	-	873,386	-
Casazza - Wells /Kietzke	1,595,069	-	1,595,069	-
Cashill/Skyline	2,168,552	-	2,168,552	-
Caughlin Parkway-Sawbuck/Longknife	977,185	-	977,185	-
Caughlin Parkway/Bridge St.-Longknife/McCarran/Frin/3rd	1,493,077	-	1,493,077	-
Center Street	2,241,994	-	2,241,994	-
Center Street overlay - Plaza/19th	374,460	-	374,460	-
Clearacre/Scottsdale	42,000	-	42,000	-
Coliseum/Yori - Peckham/Gentry	760,552	-	760,552	-
Computer signal system	190,000	-	190,000	-
Corrective maintenance FY12	1,708,346	-	1,708,346	-
Corrective maintenance FY13	1,668,466	-	1,668,466	-
Corrective maintenance FY14	1,843,310	-	1,843,310	-
Corrective maintenance FY15	1,183,656	-	1,183,656	-
County Estates - Huffaker	1,060,740	-	1,060,740	-
County-wide	184,950	-	184,950	-
County bridge - Galena Creek	353,599	-	353,599	-
Country Club Drive	664,059	-	664,059	-
Dandini Blvd.	1,005,190	-	1,005,190	-
Delucchi Lane - Virginia/Tyrone	1,031,031	-	1,031,031	-
Deming Way - Greg/Kleppe	692,449	-	692,449	-
Department of Energy traffic and street light retrofit	988,364	-	988,364	-
Donati Lane/Vista Blvd.	1,216,154	-	1,216,154	-
E. Glendale - McCarran/RR Xng	1,226,316	-	1,226,316	-
E.Greg Street	1,293,369	-	1,293,369	-
East Lake Blvd.	783,530	-	783,530	-
E. Lincoln Wy. - McCarran/Howard	236,596	-	236,596	-
E. Lincoln Wy. - Sparks/Lillard	337,446	-	337,446	-
E. Lincoln Wy. - Stanford/Howard	690,659	-	690,659	-
E. Moana Lane	54,764	-	54,764	-
E. Ninth Street	148,162	-	148,162	-
E. Nugget Ave. - McCarran/End of pavement	229,123	-	229,123	-
Echo Ave. - Mt. Bismark/Military	982,740	-	982,740	-
El Rancho Drive	1,331,531	-	1,331,531	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
El Rancho Drive - McCarran/Sun Valley Road	\$ 871,775	\$ -	\$ 871,775	\$ -
El Rancho - Sun Valley/Sullivan	1,408,196	-	1,408,196	-
El Rancho - Sullivan/McCarran	1,341,019	-	1,341,019	-
Emerson Way - Pyramid/N. Truckee	2,101,524	-	2,101,524	-
Evans Avenue	943,829	-	943,829	-
Evans Avenue/Fourth St./Jodi	1,887,228	-	1,887,228	-
Evans St./Highland Ave. - Jodi/Enterprise/Evans/Valley	1,059,969	-	1,059,969	-
First Street - Prater/Richard	912,015	-	912,015	-
Fifth Street - Ralston/RR Xng	1,237,235	-	1,237,235	-
Foothill/Thomas Creek bridge	117,830	-	117,830	-
Franklin Way - Greg/Kleppe	371,847	-	371,847	-
Freeport Blvd.	50,000	-	50,000	-
Freeport and Steneri - 21st/Steneri/Gendale	118,873	-	118,873	-
Galetti Way - Kietzke/Fourth	1,018,720	-	1,018,720	-
Geiger Grade/Toll Road	8,188,519	-	8,188,519	-
Gentry Way and Second St. - Brinkby/Virginia/Giroux/Kietzke	1,060,051	-	1,060,051	-
Gentry/Virginia/Kietzke	864,863	-	864,863	-
Glendale Avenue	4,946,368	-	4,946,368	-
Golden Valley	211,382	-	211,382	-
Golden Valley - N. Hills/U.S. 395	631,855	-	631,855	-
Greenbrae - Rock/Fourth	816,660	-	816,660	-
Greenbrae - Rock/Pyramid	21,182	-	21,182	-
Greg Street	4,343,180	-	4,343,180	-
Greg Street - McCarran Intersection/Prater drainage	140,000	-	140,000	-
Greg Street - Mill/Truckee River	749,884	-	749,884	-
Greg St. Phase I - RR Xng/Sparks Blvd.	2,387,066	-	2,387,066	-
Greg St. Phase II - Sparks Blvd./I80	3,666,549	-	3,666,549	-
Greg Street - Reno limit/McCarran	1,550,952	-	1,550,952	-
Greg Street - Spice Island	687,487	-	687,487	-
Greg Street - Truckee River/Rock	599,797	-	599,797	-
Harvard Way - Linden to Vassar	1,717,554	-	1,717,554	-
Howard/Greenbrae/Sparks	441,573	-	441,573	-
Howard Drive/Lincoln/Prater/Vista to east city limits	736,655	-	736,655	-
Hunter Lake - Plumb/Mayberry	768,273	-	768,273	-
Incline traffic signal	5,937	-	5,937	-
Industrial Way/Coney Island/Glendale	793,183	-	793,183	-
International Place/Ice House Road	454,428	-	454,428	-
Intersection corrective maintenance FY10	1,465,920	-	1,465,920	-
Intersection corrective maintenance FY11	1,247,428	-	1,247,428	-
Keystone Avenue/California Avenue/Booth St. intersection	248,679	-	248,679	-
Keystone Avenue rehabilitation	1,036,521	-	1,036,521	-
Kirman - Casazza/Plumb	146,912	-	146,912	-
Kirman/Kuenzli/Apple	412,286	-	412,286	-
Kirman/Locust	3,752,490	-	3,752,490	-
Kleppe - Greg/N. Truckee Drain	2,778,473	-	2,778,473	-
Kuenzli Street	119,416	-	119,416	-
Kuenzli Street bridge	496,598	-	496,598	-
Kuenzli Street - 2nd	1,487,274	-	1,487,274	-
La Posada/Eagle Canyon at Pyramid Hwy.	1,752,339	-	1,752,339	-
Lakeshore Drive	1,134,078	-	1,134,078	-
Lakeside Drive	1,182,372	-	1,182,372	-
Lakeside Drive - Brinkby/Mt. Rose	1,991,639	-	1,991,639	-
Lakeside - Huffaker/Meadowridge	612,170	-	612,170	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Larkin Circle/Madison Ave. - Greg/Greg	\$ 709,203	\$ -	\$ 709,203	\$ -
Las Brisas - McCarran/Brittania	818,312	-	818,312	-
Lear Blvd. - Moya/Zeolite	1,483,799	-	1,483,799	-
Lemmon Drive - Buck/Patrician	1,495,172	-	1,495,172	-
Lemmon Drive - Patrician/Ramsey	1,019,271	-	1,019,271	-
Lemmon Drive - Patrician/Waterash	1,446,833	-	1,446,833	-
Lemmon Drive, Phase I	357,708	-	357,708	-
Lemmon Drive, Phase II and III	394,729	-	394,729	-
Liberty/Ryland - Center/Holcomb/Kirman/Mill	1,042,238	-	1,042,238	-
Lillard - Brierly/Prater	1,177,261	-	1,177,261	-
Linda Way/Southern Way - Coney Island/Glendale/Freeport	1,201,905	-	1,201,905	-
Longitudinal joint study	65,470	-	65,470	-
Longley Lane - Houston/Rock	2,045,694	-	2,045,694	-
Longley Lane - Huffaker realignment	227,910	-	227,910	-
Longley Lane - S. Virginia St./Peckham Ln.	2,242,374	-	2,242,374	-
Longley - McCarran/Houston	2,150,102	-	2,150,102	-
Longley - McCarran/S. Virginia	3,760,669	-	3,760,669	-
Loop Road/Salomon Circle -Vista/end of pavement/cul de sac	629,758	-	629,758	-
Los Altos Pkwy. - Canyon Run/Goodwin	441,188	-	441,188	-
Mae Anne/Sierra Highlands - Avenida de Landa/McCarran	2,551,997	-	2,551,997	-
Mae Anne - Avenida de Landa/Ambassador	675,540	-	675,540	-
Mae Anne - Sharlands/Avenida de Landa	1,578,105	-	1,578,105	-
Mayberry Drive	3,025,256	-	3,025,256	-
Mayberry Dr. - Canyon/W. McCarran	1,659,547	-	1,659,547	-
Mayberry Dr. - Hunter Lake/California	1,073,723	-	1,073,723	-
Mayberry Dr. - McCarran/California	2,628,315	-	2,628,315	-
Mayberry Dr. - Truckee River/Canyon	2,346,483	-	2,346,483	-
Mays and Tanager - Lakeshore/Village	754,427	-	754,427	-
McCarran Blvd. - Cashill/Plumb	116,563	-	116,563	-
McCarran Blvd. - forensic study	36,693	-	36,693	-
McCarran Blvd. - Greensboro/Skyline	852,287	-	852,287	-
McCarran Blvd. - Mira Loma/Equity	1,212,775	-	1,212,775	-
McCarran Blvd. - Mira Loma/ S. Virginia Street	2,158,994	-	2,158,994	-
McCarran Blvd. - Plumas/Greensboro	250,000	-	250,000	-
McCarran Blvd. -I-80/Prater	64,396	-	64,396	-
McCarran Blvd. - S. Virginia/4th	11,611,934	-	11,611,934	-
Military Road	542,342	-	542,342	-
Military Road - Lemmon/Echo	2,780,321	-	2,780,321	-
Mill Street	2,453,504	-	2,453,504	-
Mill Street/Kietzke/Rock	3,233,994	-	3,233,994	-
Mill Street - Rock/E. McCarran	1,919,943	-	1,919,943	-
Mill Street - Wells/Virginia	454,051	-	454,051	-
Mira Loma - Longley/McCarran	1,506,925	-	1,506,925	-
Mira Loma - McCarran/1,711' E.	398,356	-	398,356	-
Mira Loma - McCarran/Rosewood	476,022	-	476,022	-
Moana Lane	87,781	-	87,781	-
Moana - Neil/Longley	301,376	-	301,376	-
Moana - Neil/Peckham	991,505	-	991,505	-
Moana - Neil/Kietzke	946,617	-	946,617	-
Moana - Peckham/McCarran	6,834	-	6,834	-
Moana - Plumas/Kietzke	1,693,570	-	1,693,570	-
Moana - Plumas/Pioneer	29,500	-	29,500	-
Moana Lane widening - S. Virginia/Neil ¹	(629,985)	-	(629,985)	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Montello Street - 9th/Wedekind	\$ 1,159,797	\$ -	\$ 1,159,797	\$ -
Mount Rose St. - Arlington/Plumas	472,072	-	472,072	-
Moya Blvd - Redrock/Echo	2,143,452	-	2,143,452	-
Neil Road - Virginia/Delucci	622,975	-	622,975	-
Neil Road/Gentry/Terminal Way - Moana/Plumb	2,050,483	-	2,050,483	-
Nichols Blvd. - E. McCarran/Howard	1,965,071	-	1,965,071	-
Nichols Blvd. - Bike/Pedestrian improvements	1,508,713	-	1,508,713	-
Ninth Street - Virginia/Valley	620,911	-	620,911	-
North Hills Boulevard - Golden Valley/1880' West	484,301	-	484,301	-
N. Virginia - 4th/6th/Maple/8th	2,869,570	-	2,869,570	-
North Valley safety improvement	-	-	-	-
Old 395 N. rehabilitation	1,551,287	-	1,551,287	-
Oddie Wells Corridor Multi -Modal	-	50,751	50,751	1,499,249
Pagni Lane	467,304	-	467,304	-
Parr Blvd.	90,219	-	90,219	-
Parr Blvd - N. Virginia/US 395	2,469,681	-	2,469,681	-
Parr Circle/Catron Drive - Parr/Parr	1,266,490	-	1,266,490	-
Pavement maintenance FY16	5,846,668	-	5,846,668	-
Pavement preservation FY2017/2018	-	6,308,822	6,308,822	488,513
Pavement preservation FY2018/2019	-	352,477	352,477	7,196,787
Peckham Lane, Phases I and II	2,704,066	-	2,704,066	-
Peckham Lane - Kietzke/Longley	1,732,873	-	1,732,873	-
Peckham Lane - S. Virginia/Kietzke	774,381	-	774,381	-
Pembroke - McCarran/Steamboat Pkwy	18,357	-	18,357	-
Pembroke Drive	160,056	-	160,056	-
Pembroke/Steamboat Parkway	815,084	-	815,084	-
Pembroke Dr. - McCarran/Boynton Bridge	1,757,774	-	1,757,774	-
Plumas - Glenda/Plumb	1,419,557	-	1,419,557	-
Plumas - Manzanita/Glenda Way	1,026,092	-	1,026,092	-
Plumas - Moana/Urban	1,159,358	-	1,159,358	-
Plumas St. sidewalks	407,385	-	407,385	-
Plumas - Sierra	993,209	-	993,209	-
Plumas - Moana south to end of pavement	2,467,726	-	2,467,726	-
Plumb Lane - Margot/S. Virginia	1,472,271	-	1,472,271	-
Plumb Lane - McCarran/Ferris	6,745,829	-	6,745,829	-
Prater Way	1,002,507	-	1,002,507	-
Prater Way and El Rancho Dr. - Stanford/ Sparks Blvd./Victorian/Prater	1,723,938	-	1,723,938	-
Prater Way enhancements Ph. 3	856,858	-	856,858	-
Prater Way enhancements Ph. 4	257,713	-	257,713	-
Probasco Way	1,614,766	-	1,614,766	-
Purina Way - Spice Island/E. Greg	448,572	-	448,572	-
Putnam and Wyoming - Kings Row/ Keystone	817,093	-	817,093	-
Pyramid Highway Corridor	402,761	-	402,761	-
Pyramid/McCarran intersection right-of-way	709,232	-	709,232	-
Pyramid/McCarran intersection improvements ¹	61,422,149	11,053,205	72,475,354	-
Pyramid Way - signal improvement	12,456	-	12,456	-
Pyramid/McCarran Blvd.-north urban limit	1,581,221	-	1,581,221	-
Pyramid Hwy./US 395 connector	1,705,599	173,929	1,879,528	5,194,987
Pyramid Hwy. northbound right turn at Ironwood	140,742	-	140,742	-
Ralston St./5th St. - 2nd/5th/Keystone/Ralston	1,854,752	-	1,854,752	-
Ranger Road - Panther/Newport	883,361	-	883,361	-
Red Rock - Adobe/Argosy	2,062,105	-	2,062,105	-
Red Rock - Moya/U.S. 395	461,643	-	461,643	-
Red Rock - Osage	1,870,038	-	1,870,038	-
Red Rock - Silver Knolls/Adobe	303,947	-	303,947	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Regional RMMS	\$ 290,439	\$ -	\$ 290,439	\$ -
Regional road maintenance - fuel tax	40,573,974	-	40,573,974	-
Regional road maintenance - public transportation tax	19,617,423	-	19,617,423	-
Regional System Photo Study	60,005	-	60,005	-
Reno Consolidated 06-01- Court/Sierra	2,264,572	-	2,264,572	-
Reno Consolidated 06-02-Airmotive/Condor/Bible	1,762,634	-	1,762,634	-
Reno Consolidated 07-01-Corporate/Finacial Blvd.	981,297	-	981,297	-
Reno Consolidated 07-02-Ralston/S. Meadows Pkwy	757,306	-	757,306	-
Reno Consolidated 08-01 - Kirman/Sutro/9th	1,888,858	-	1,888,858	-
Reno Consolidated 09-01 - Vassar/Holcomb	3,428,153	-	3,428,153	-
Reno Consolidated 09-02 - Matley/Market/Louise/ Redwood/Automotive	1,920,049	-	1,920,049	-
Reno Consolidated 10-01 - Crummer/Green Acres/Huffaker	785,000	-	785,000	-
Reno Consolidated 10-02 - Bluestone/Offenhausser/ Patriot/Portman	1,866,520	-	1,866,520	-
Reno Consolidated 10-03 - Lakeside/Manzanita	3,169,011	-	3,169,011	-
Reno Consolidated 10-04 - Brookside/Energy/Edison/ Joule/Reactor	4,370,038	-	4,370,038	-
Reno Consolidated 10-05 - Mira Loma/Barron/Louie	863,130	-	863,130	-
Reno Consolidated 11-01 - First/State	1,663,549	-	1,663,549	-
Reno Consolidated 11-02 - Brinkby/Lymberry	2,850,741	-	2,850,741	-
Reno Consolidated 11-03 -				
Gould/Kuenzli/Sunshine/Prosperity	1,707,328	-	1,707,328	-
Reno overlays	225,997	-	225,997	-
Reno rehabilitation 97-1	1,065,046	-	1,065,046	-
Reno rehabilitation 98-2	1,273,479	-	1,273,479	-
Reno rehabilitation 98-3	1,676,960	-	1,676,960	-
Reno rehabilitation - Lake/Sierra/Sinclair	1,505,712	-	1,505,712	-
Reno Sparks Indian Colony Riverside Pathway	-	-	-	212,754
Reno-Sparks signal link	27,000	-	27,000	-
Ring Road - northeast and northwest quadrants	3,317,635	-	3,317,635	-
Ridgeview Dr. - Plumas/Lakeside	358,494	-	358,494	-
Ridgeview Terrace/Plumas	1,442,660	-	1,442,660	-
Robb Drive - Walnut/S. Las Brisas	4,923,830	-	4,923,830	-
Rock Blvd.	3,016,760	-	3,016,760	-
Rock - Glendale/McCarran Blvd.	3,800,574	-	3,800,574	-
Rock - Glendale/Hymer	841,147	-	841,147	-
Rock Blvd. - Oddie/N. McCarran Blvd.	1,489,587	-	1,489,587	-
Rock Blvd. - Victorian/Oddie	1,944,538	-	1,944,538	-
Second Street bridge	308,140	-	308,140	-
Security Circle - N. Virginia/N. Virginia	835,227	-	835,227	-
Seventh Street - Akard/Keystone	3,573,805	-	3,573,805	-
Seventh Avenue - Sun Valley/Klondike	534,358	-	534,358	-
Sierra - 9th/N. Virginia Street	1,936,791	-	1,936,791	-
Silver Lake Blvd. - Silver Shores/1,000'E. of Stead	1,790,071	-	1,790,071	-
Silver Lake Blvd. - 1000' E. of Stead/Sky Vista	764,518	-	764,518	-
S. Stanford Way	699,429	-	699,429	-
S. Virginia Street - Gentry/Brinkby	396,492	-	396,492	-
S. Virginia Street - Wells intersection relocation	2,556,207	-	2,556,207	-
Southeast Connector phase 1 - Greg/Clean Water Wy. ¹	54,617,002	-	54,617,002	-
Southeast Connector phase 2 - Clean Water Wy./S. Meadows ¹	124,520,433	65,594,732	190,115,165	25,077,797
S.E. McCarran Blvd. - Longley/Mill	3,875,960	-	3,875,960	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
S.E. McCarran Blvd. - Cashill/Plumb	\$ 5,237,865	\$ -	\$ 5,237,865	\$ -
S.E. McCarran Blvd. - S. Virginia/Longley	53,000	-	53,000	-
S.E. McCarran Blvd. widening - Longley/Greg ¹	24,367,677	-	24,367,677	-
S.W. McCarran Blvd. - Mayberry/US 40	4,599,570	-	4,599,570	-
S.W. McCarran Blvd. - Plumas/US 40	156,659	-	156,659	-
S.W. McCarran Blvd. - Plumas/Skyline	6,663,719	-	6,663,719	-
S.W. McCarran Blvd. - Plumb/Mayberry	529,845	-	529,845	-
S.W. McCarran Blvd. - Skyline/Cashill	1,277,939	-	1,277,939	-
S.W. McCarran Blvd. - Skyline/Mayberry	156,959	-	156,959	-
S.W. McCarran Blvd. - S. Virginia/Plumas	1,715,990	-	1,715,990	-
Socrates Dr. - McCarran/Sienna Park	1,914,449	-	1,914,449	-
Sparks Blvd.	2,145,524	-	2,145,524	-
Sparks Blvd. - Baring/Shadow	1,266,801	-	1,266,801	-
Sparks Blvd. - Shadow/Disc	8,432,386	-	8,432,386	-
Sparks Blvd. - I-80/E. Greg	1,286,356	-	1,286,356	-
Sparks Blvd. - I-80/Prater	1,527,293	-	1,527,293	-
Sparks Blvd. - left turn at McCabe	9,677	-	9,677	-
Sparks Blvd. NB lanes - Prater/Baring	1,476,646	-	1,476,646	-
Sparks Consolidated 09-02 - Deming/Bergin/Franklin/Meredith	1,152,136	-	1,152,136	-
Sparks Consolidated 09-03 - Freeport/ Steneri	2,231,867	-	2,231,867	-
Sparks Consolidated 10-01 - Pacific/Hymer/15h/16th/ 18th/19th/Pittman/Shaber/Frazer/Crane	5,008,735	-	5,008,735	-
Sparks Consolidated 11-01 - Marietta/Snider	1,720,526	-	1,720,526	-
Sparks Consolidated 12-01 - Greenbrae/ Merchant	1,724,835	-	1,724,835	-
Sparks overlay projects	2,007,754	-	2,007,754	-
Sparks rehabilitation project	1,628,273	-	1,628,273	-
Sparks rehabilitation project 3	820,166	-	820,166	-
Spice Island Dr./United Circle - Greg/Franklin/Spice Island	2,395,074	-	2,395,074	-
Stead Blvd. - U.S. 395/Mt. Vida	2,859,984	-	2,859,984	-
Stoker Avenue	245,792	-	245,792	-
Sullivan Lane	30,000	-	30,000	-
Sullivan Lane - Byrd/McCarran	555,480	-	555,480	-
Summit Ridge/Sky Mountain - W.McCarran to 4th	1,524,397	-	1,524,397	-
Sun Valley alignment	21,616	-	21,616	-
Sun Valley Drive	19,554	-	19,554	-
Sun Valley - 8th/Leon	533,064	-	533,064	-
Sun Valley - Spanish Springs	50,063	-	50,063	-
Sutro - 9th/McCarran Blvd.	1,606,380	-	1,606,380	-
Sutro Complete St. - Mill/McCarran	1,785,808	-	1,785,808	-
Tahoe-Pyramid link	183,716	-	183,716	-
Tahoe-Pyramid link - I-80/Mt. Rose	99,989	-	99,989	-
Tanburg Dr. - 7th/Mineral	225,718	-	225,718	-
Taylor - Virginia/Holcomb/Kirman	33,557	-	33,557	-
Terminal - Gentry/Mill Street	2,291,418	-	2,291,418	-
Terminal - Plumb/Mill Street	12,105	-	12,105	-
Thomas Creek - S. Saddlehorn/Evening Song	1,242,478	-	1,242,478	-
Traffic Management 1 - ITS Master Plan	266,660	665,392	932,052	221,345
Traffic Management 2 - ITS Network Pilot Project	178,710	239,434	418,144	612,146
Traffic signals	716,583	-	716,583	-
21st - Glendale/Greg	256,987	-	256,987	-
U.S. 395/S. McCarran Blvd./S. Virginia	394,390	-	394,390	-
University Terrace	829,055	-	829,055	-
Victorian Avenue Ph. I - Rock/16th	545,905	-	545,905	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
GENERAL FUND
(Regional Streets and Highways Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Victorian Avenue Ph. II - Pyramid/McCarran	\$ 3,383,103	\$ -	\$ 3,383,103	\$ -
Village - Tahoe to Country Club Dr.	1,290,321	-	1,290,321	-
Villanova - Harvard/Terminal	1,150,059	-	1,150,059	-
Virginia Street Bus Rapid Extension- Plumb/Liberty	1,133,413	-	1,133,413	-
Virginia Street - Truckee/I-80	24,418	-	24,418	-
Virginia Street - Truckee River bridge replacement	2,000,000	-	2,000,000	-
Virginia St. Bus Rapid Transit Extension	3,145,222	2,133,321	5,278,543	39,186,155
Vista - Prater/Baring	1,801,361	-	1,801,361	-
Vista - Baring/Disc/Los Altos	3,438,894	-	3,438,894	-
Vista - I-80/Prater	1,721,671	-	1,721,671	-
Washington Street - 6th/7th	115,848	-	115,848	-
Washoe County regional preventive maintenance	1,828,193	-	1,828,193	-
Wedekind Road - Sullivan/McCarran	339,811	-	339,811	-
Wedekind Road - N. McCarran/Mapali	597,965	-	597,965	-
Wedge - Despain/Mt. Rose	121,430	-	121,430	-
Wells Avenue overpass	3,163,717	-	3,163,717	-
Wells - Casazza/Second	110,438	-	110,438	-
Wells - 9th/Sutro	889,016	-	889,016	-
Wells - Kuenzli/7th St.	1,273,099	-	1,273,099	-
Wells - Virginia/Kuenzli	5,345,136	-	5,345,136	-
W. 7th - Madera/NW McCarran	809,706	-	809,706	-
W. Huffaker - Del Monte/Spring Leaf	909,776	-	909,776	-
W. Moana Lane	188,145	-	188,145	-
West Sun Valley arterial	12,132	-	12,132	-
Whites Creek-Zolezzi/ S. Virginia Street	2,376,551	-	2,376,551	-
White Lake Parkway - Village/Brant	1,048,629	-	1,048,629	-
York Way	1,998,479	-	1,998,479	-
York Way - 18th/4th	116,049	-	116,049	-
Zolezzi Lane rehabilitation and widening	1,164,468	-	1,164,468	-
	<u>\$ 782,785,343</u>	<u>\$ 114,258,121</u>	<u>\$ 897,043,464</u>	<u>\$ 111,191,450</u>

Notes: ¹ Capacity projects were previously reported in the Regional Road Impact Fee program and were transferred to Streets and Highways in FY14.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2016 through June 30, 2018	Total	
Arrowcreek Parkway	\$ 2,981,540	\$ -	\$ 2,981,540	\$ -
Bicycle/Pedestrian improvements	1,625,955	921,591	2,547,546	129,761
Damonte Ranch/Double R intersection	437,940	-	437,940	-
Farnsworth	61	-	61	-
Geiger Grade realignment	932,412	-	932,412	-
Geiger Grade/Toll Road	1,762,624	-	1,762,624	-
Golden Valley Road	1,615,421	-	1,615,421	-
I580 northbound widening	20,000,000	-	20,000,000	-
Intersection improvement - Veterans/Geiger Grade	5,294,747	-	5,294,747	-
Intersection improvements 97 - all districts	434,168	-	434,168	-
Intersection improvements 98 - all districts	965,019	-	965,019	-
Intersection improvements 02 - all districts	277,711	-	277,711	-
Intersection improvements 03 - all districts	2,944,528	-	2,944,528	-
Intersection improvements 04 - all districts	4,595,415	-	4,595,415	-
Intersection improvements 05 - all districts	271,527	-	271,527	-
Intersection improvements 07 - all districts	283,468	-	283,468	-
Lemmon Drive - Military realignment	3,044,517	-	3,044,517	-
Lemmon Drive - US395 /N. Virginia	182,424	-	182,424	-
Lemmon Drive - Memorial / US 395	360,331	-	360,331	-
Lincoln Way - Marina/Sparks Blvd.	13,200	-	13,200	-
Longley - McCarran/Moana	1,386,833	-	1,386,833	-
McCarran - Kietzke/Lakeside	645,172	-	645,172	-
McCarran - Prater/I-80	208,467	-	208,467	-
McCarran Blvd sidewalk improvement - Nichols/Prater	149,881	-	149,881	-
S.E. McCarran Blvd widening - Longley/Greg ¹	14,858,157	-	14,858,157	-
Moana Lane extension - Longley/Neil	22,756,313	-	22,756,313	-
Moana Lane widening - S. Virginia/Neil	35,932,930	-	35,932,930	-
Neil/Kietzke roundabout	1,404,622	-	1,404,622	-
N. McCarran/N. Virginia intersection	2,450,082	-	2,450,082	-
North Valleys Safety Improvement	1,309,585	1,774,592	3,084,177	297,664
Plumb/Terminal ITS	937,133	-	937,133	-
Pyramid Hwy. - La Posada/Eagle Canyon	8,829,283	-	8,829,283	-
Pyramid/McCarran intersection ¹	4,090,380	-	4,090,380	-
Pyramid/McCarran southbound right turn lane	86,413	-	86,413	-
Pyramid Hwy./US 395 connector ¹	7,596,949	-	7,596,949	-
Red Rock - Moya/U.S. 395	710,254	-	710,254	-
Signal coordination project	1,492,556	-	1,492,556	-
Signal - Mt. Rose/Thomas Creek	324,961	-	324,961	-
Southeast connector alignment study	1,182,383	-	1,182,383	-
Southeast connector phase 1 - Greg/Clean Water Way ¹	30,199,524	-	30,199,524	-
Southeast connector phase 2 - Clean Water Way/ Veterans Pkwy. ¹	18,810,055	371	18,810,426	-
Sparks Blvd. - Pyramid/Los Altos	4,402,862	-	4,402,862	-
Sun Valley/Clearacre	363,043	-	363,043	-
Sun Valley Corridor Multi-Modal Improvements	-	-	-	1,550,000
Sun Valley/Eagle Canyon	7,604	-	7,604	-
Sun Valley/Lemmon Drive	307,700	223,498	531,198	1,814,891
Sun Valley/W. 7th Avenue	364,407	-	364,407	-
System corridor studies	1,132,593	-	1,132,593	-

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF CUMULATIVE CONSTRUCTION
PROJECT EXPENDITURES - CONTINUED
SPECIAL REVENUE FUND
(Regional Road Impact Fee Fund)**

For the period July 1, 1965 through June 30, 2018

	Expenditures			Unexpended Balance of Project Appropriations
	July 1, 1965 through June 30, 2017	July 1, 2017 through June 30, 2018	Total	
Traffic and pedestrian signal safety upgrade	\$ 44,903	\$ -	\$ 44,903	\$ -
T/E spot intersection improvements	5,573,826	1,019,991	6,593,817	5,127,816
Traffic management center	268,948	-	268,948	-
Traffic management fiber optic connectivity	-	-	-	-
Traffic signals	103,692	-	103,692	-
U.S. 395 NB and SB/Clearacre/Sun Valley	54,632,326	-	54,632,326	-
U.S. 395/Meadowood interchange	15,079,961	-	15,079,961	-
Virginia St. - Peckham/Moana	5,000	-	5,000	-
Virginia Street transit Q-jump	1,069,169	-	1,069,169	-
Virginia Street transit signal priority	1,066,499	-	1,066,499	-
Vista/Baring northbound left turn lane	461,633	-	461,633	-
Vista Blvd. corridor study	136,708	-	136,708	-
Vista/Pah Rah/Disc/Los Altos	2,723,274	-	2,723,274	-
Vista Blvd. widening - Los Altos/Wingfield Springs	9,821,787	-	9,821,787	-
Vista Blvd/Sparks Blvd at Los Altos	763,018	-	763,018	-
White Lake Parkway	46,049	-	46,049	-
Zolezzi Ln./I-580 interchange	62,076	-	62,076	-
Zolezzi Ln. rehabilitation and widening	1,949,394	-	1,949,394	-
Impact fee credits issued:				
Northwest District	40,454,705	672,386	41,127,091	-
Northeast District	74,982,099	-	74,982,099	-
South District	88,529,911	42,125	88,572,036	-
	<u>\$ 507,738,128</u>	<u>\$ 4,654,554</u>	<u>\$ 512,392,682</u>	<u>\$ 8,920,132</u>

Notes: ¹ Projects were transferred to the Schedule of Changes in Reserves for Project Appropriations - General Fund. Due to insufficient impact fee collections, the projects were funded with either bond funds pledged by fuel tax funds, direct fuel tax funds and/or federal funds.



STATISTICAL SECTION - (*Unaudited*)

STATISTICAL SECTION - Unaudited

This part of Regional Transportation Commission's (RTC) comprehensive annual financial report presents historical perspective, context, and detail to assist in using the information in the financial statements, note disclosures, and required supplementary information to understand and assess the RTC's overall financial health.

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<i>These schedules contain service and infrastructure data to help understand how the information in the RTC's financial report relates to the services the RTC provides and the activities it performs.</i>	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The RTC implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NET POSITION BY COMPONENT

**Last ten fiscal years
(Accrual basis of accounting)
(Amounts expressed in thousands)**

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Governmental activities										
Invested in capital assets	\$ 6,290	\$ 7,367	\$ 7,146	\$ 4,323	\$ 5,028	\$ 5,882	\$ 5,919	\$ 6,737	\$ 6,987	\$ 7,454
Restricted	115,138	142,133	170,601	189,812	203,703	259,684	131,269	186,450	27,150	8,089
Unrestricted	<u>(424,725)</u>	<u>(422,778)</u>	<u>(433,608)</u>	<u>(438,024)</u>	<u>(433,877)</u>	<u>(439,896)</u>	<u>(262,933)</u>	<u>(267,138)</u>	<u>(54,255)</u>	<u>6,286</u>
Total governmental activities ¹	<u>\$ (303,297)</u>	<u>\$ (273,278)</u>	<u>\$ (255,861)</u>	<u>\$ (243,889)</u>	<u>\$ (225,146)</u>	<u>\$ (174,330)</u>	<u>\$ (125,745)</u>	<u>\$ (73,951)</u>	<u>\$ (20,118)</u>	<u>\$ 21,829</u>
Business-type activities										
Invested in capital assets	\$ 89,135	\$ 79,533	\$ 73,696	\$ 74,505	\$ 78,598	\$ 79,595	\$ 78,095	\$ 78,039	\$ 67,062	\$ 58,021
Unrestricted	<u>14,020</u>	<u>19,225</u>	<u>17,539</u>	<u>16,178</u>	<u>15,053</u>	<u>15,817</u>	<u>17,703</u>	<u>20,271</u>	<u>14,264</u>	<u>13,199</u>
Total business-type activities	<u>\$ 103,155</u>	<u>\$ 98,757</u>	<u>\$ 91,235</u>	<u>\$ 90,683</u>	<u>\$ 93,651</u>	<u>\$ 95,412</u>	<u>\$ 95,798</u>	<u>\$ 98,310</u>	<u>\$ 81,326</u>	<u>\$ 71,220</u>
Primary government										
Invested in capital assets	\$ 95,425	\$ 86,900	\$ 80,842	\$ 78,828	\$ 83,626	\$ 85,477	\$ 84,014	\$ 84,776	\$ 74,049	\$ 65,475
Restricted	115,138	142,133	170,601	189,812	203,703	259,684	131,269	186,450	27,150	8,089
Unrestricted	<u>(410,705)</u>	<u>(403,553)</u>	<u>(416,069)</u>	<u>(421,846)</u>	<u>(418,824)</u>	<u>(424,079)</u>	<u>(245,230)</u>	<u>(246,867)</u>	<u>(39,991)</u>	<u>19,485</u>
Total primary government	<u>\$ (200,142)</u>	<u>\$ (174,521)</u>	<u>\$ (164,626)</u>	<u>\$ (153,206)</u>	<u>\$ (131,495)</u>	<u>\$ (78,918)</u>	<u>\$ (29,947)</u>	<u>\$ 24,359</u>	<u>\$ 61,208</u>	<u>\$ 93,049</u>

¹ See Note O for explanation of negative balances.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CHANGES IN NET POSITIONS

Last ten fiscal years
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Program revenues										
Governmental activities										
Charges for services										
Streets and highways	\$ 3,787	\$ 2,482	\$ 274	\$ 194	\$ 619	\$ 713	\$ 1,792	\$ 13,265	\$ 3,762	\$ 15,286
Transportation services	426	414	639	651	636	693	682	686	680	621
Regional Road Impact Fees	5,550	4,492	2,690	3,979	-	-	-	-	-	-
Operating grants and contributions	30,324	30,525	18,184	17,826	18,251	8,145	2,848	1,657	1,913	1,873
Capital grants and contributions	745	228	3,462	25	7	1,563	6,792	5,171	3,495	2,029
Total governmental activities	40,832	38,140	25,249	22,675	19,513	11,114	12,114	20,779	9,850	19,809
Business-type activities										
Charges for services										
Passenger fares	5,615	5,717	5,909	5,978	6,176	5,959	5,917	5,738	6,025	7,013
Bus advertising	264	190	181	206	216	277	347	422	436	424
Rental income	435	458	455	421	460	460	434	437	463	478
Miscellaneous	-	-	-	-	-	-	-	-	105	-
Operating grants and contributions	4,088	4,826	3,618	3,404	3,499	3,989	3,483	9,814	7,476	3,120
Capital grants and contributions	7,848	9,882	3,813	980	4,147	5,463	4,580	15,279	10,809	10,505
Total business-type activities	18,250	21,073	13,976	10,989	14,498	16,148	14,761	31,690	25,314	21,540
Total program revenues	\$ 59,082	\$ 59,213	\$ 39,225	\$ 33,664	\$ 34,011	\$ 27,262	\$ 26,875	\$ 52,469	\$ 35,164	\$ 41,349
Expenses										
Governmental activities										
Streets and highways	\$ 118,730	\$ 101,901	\$ 83,266	\$ 67,542	\$ 106,986	\$ 91,016	\$ 85,851	\$ 89,240	\$ 64,868	\$ 48,422
Transportation services	10,348	9,279	8,136	7,403	7,372	7,387	6,894	7,344	7,998	8,340
Regional Road Impact Fees	5,154	6,515	3,036	2,067	-	-	-	-	-	-
Metropolitan planning	2,226	2,519	3,221	2,707	3,759	2,803	3,452	2,122	2,100	2,276
Interest and fiscal charges	19,284	19,586	19,867	20,134	20,351	14,066	12,584	10,493	5,320	24
Total governmental activities	155,743	139,802	117,526	99,853	138,468	115,272	108,781	109,199	80,286	59,062
Business-type activities										
Public transportation	31,465	31,251	30,307	30,202	30,411	30,110	29,761	30,639	29,520	31,949
Total expenses	\$ 187,208	\$ 171,053	\$ 147,833	\$ 130,055	\$ 168,879	\$ 145,382	\$ 138,542	\$ 139,838	\$ 109,806	\$ 91,011
Net expenses										
Governmental activities	\$ (114,911)	\$ (101,661)	\$ (92,277)	\$ (77,178)	\$ (118,955)	\$ (104,158)	\$ (96,667)	\$ (88,420)	\$ (70,436)	\$ (39,253)
Business-type activities	(13,215)	(10,178)	(16,331)	(19,213)	(15,913)	(13,962)	(15,000)	1,051	(4,206)	(10,409)
Total net expense	\$ (128,125)	\$ (111,839)	\$ (108,608)	\$ (96,391)	\$ (134,868)	\$ (118,120)	\$ (111,667)	\$ (87,369)	\$ (74,642)	\$ (49,662)

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CHANGES IN NET POSITION - CONTINUED

Last ten fiscal years
(Accrual basis of accounting)
(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General revenues and other changes in net position										
Governmental activities										
Motor vehicle fuel tax	\$ 81,180	\$ 75,058	\$ 68,015	\$ 58,934	\$ 49,575	\$ 41,828	\$ 35,319	\$ 29,385	\$ 21,835	\$ 19,177
Public transportation tax	9,806	8,989	9,932	8,414	8,786	8,459	7,726	4,250	1,170	3,521
Regional Road Impact fees	-	-	-	-	8,165	8,598	-	-	-	-
Unrestricted investment earnings	465	235	1,971	779	909	207	1,085	556	631	591
Miscellaneous revenue	162	(260)	193	12	246	3	55	150	59	140
Gain (loss) on disposal of capital assets	8	4	9	-	2	10	-	-	5	2
Transfers	300	218	184	188	308	(561)	338	246	4,193	6,173
Total governmental activities	<u>91,922</u>	<u>84,244</u>	<u>80,304</u>	<u>68,327</u>	<u>67,991</u>	<u>58,544</u>	<u>44,523</u>	<u>34,587</u>	<u>27,893</u>	<u>29,604</u>
Business-type activities										
Public transportation tax	21,278	17,837	16,661	16,270	14,231	12,927	12,472	15,182	17,851	17,604
Investment earnings	65	34	304	134	172	35	321	71	191	347
Miscellaneous revenue	30	43	114	18	44	15	30	923	-	35
Gain (loss) on disposal of capital assets	-	6	(12)	10	14	38	3	2	462	2,335
Transfers	(300)	(218)	(184)	(188)	(308)	561	(338)	(246)	(4,193)	(6,173)
Total business-type activities	<u>21,074</u>	<u>17,701</u>	<u>16,883</u>	<u>16,244</u>	<u>14,153</u>	<u>13,576</u>	<u>12,488</u>	<u>15,932</u>	<u>14,311</u>	<u>14,148</u>
Total primary government	<u>\$ 112,996</u>	<u>\$ 101,945</u>	<u>\$ 97,187</u>	<u>\$ 84,571</u>	<u>\$ 82,144</u>	<u>\$ 72,120</u>	<u>\$ 57,011</u>	<u>\$ 50,519</u>	<u>\$ 42,204</u>	<u>\$ 43,752</u>
Change in net position										
Governmental activities	\$ (22,989)	\$ (17,417)	\$ (11,973)	\$ (8,851)	\$ (50,964)	\$ (45,614)	\$ (52,144)	\$ (53,833)	\$ (42,543)	\$ (9,649)
Business-type activities	7,859	7,523	552	(2,969)	(1,760)	(386)	(2,512)	16,983	10,106	3,739
Total primary government	<u>\$ (15,130)</u>	<u>\$ (9,894)</u>	<u>\$ (11,421)</u>	<u>\$ (11,820)</u>	<u>\$ (52,724)</u>	<u>\$ (46,000)</u>	<u>\$ (54,656)</u>	<u>\$ (36,850)</u>	<u>\$ (32,437)</u>	<u>\$ (5,910)</u>

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

FUND BALANCES OF GOVERNMENTAL FUNDS

**Last ten fiscal years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)**

	2018	2017	2016²	2015²	2014²	2013²	2012²	2011²	2010¹	2009
General fund										
Nonspendable	\$ 304	\$ 271	\$ 221	\$ 170	\$ 192	\$ 182	\$ 201	\$ 146	\$ -	\$ -
Restricted	58,704	88,510	112,912	136,930	153,058	215,711	93,225	149,515	-	-
Reserved	-	-	-	-	-	-	-	-	126,092	8,570
Total general fund	\$ 59,008	\$ 88,782	\$ 113,133	\$ 137,100	\$ 153,250	\$ 215,893	\$ 93,426	\$ 149,661	\$ 126,092	\$ 8,570
All other governmental funds										
Nonspendable	\$ 374	\$ 384	\$ 133	\$ 124	\$ 199	\$ 157	\$ 219	\$ 135	\$ -	\$ -
Restricted	56,434	53,622	57,689	52,882	50,645	43,973	38,044	42,680	-	-
Assigned	1,543	2,234	381	2,914	2,360	1,074	535	-	-	-
Unassigned	-	-	(541)	-	-	-	(274)	(277)	-	-
Reserved	-	-	-	-	-	-	-	-	6,397	8,179
Unreserved	-	-	-	-	-	-	-	-	-	725
Total all other governmental funds	\$ 58,350	\$ 56,241	\$ 57,662	\$ 55,920	\$ 53,204	\$ 45,204	\$ 38,524	\$ 42,538	\$ 6,397	\$ 8,904

¹ The increase in reserved fund balance in the general fund was due to the issuance of the Series 2009, Series 2010, and Series 2013 Bonds to be used to finance the costs of constructing and maintaining certain streets and highways in the County. See Note I & J.

² RTC has chosen to present fund balances prospectively in accordance with the implementation of GASB No. 54.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last ten fiscal years
(Modified accrual basis of accounting)
(Amounts expressed in thousands)

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Motor vehicle fuel tax	\$ 81,180	\$ 75,058	\$ 68,015	\$ 58,934	\$ 49,575	\$ 41,828	\$ 35,319	\$ 29,385	\$ 21,835	\$ 19,177
Public transportation tax	9,806	8,989	9,932	8,414	8,786	8,459	7,726	4,250	1,170	3,521
Impact fees	5,550	4,492	2,690	3,979	8,165	8,598	596	11,226	1,076	13,368
Passenger fares	426	413	639	651	636	693	683	686	680	616
Investment income	465	235	1,971	779	909	207	1,085	556	631	591
Reimbursements	3,605	2,467	233	161	644	716	1,168	2,162	2,856	2,277
Rental income	-	-	-	-	-	-	-	-	-	27
Planning, operating and capital grants	34,534	28,970	19,928	18,711	17,919	12,125	5,866	5,118	5,123	3,696
Miscellaneous income	237	(160)	340	253	531	213	263	380	362	-
Total revenues	135,803	120,465	103,748	91,882	87,165	72,839	52,706	53,763	33,733	43,273
Expenditures										
Streets and highways	124,837	107,873	85,286	69,386	106,872	90,760	85,533	89,024	64,521	49,700
Transportation services	9,032	7,817	7,158	6,700	6,526	6,247	5,945	6,358	6,712	6,376
Metropolitan planning	2,226	2,402	3,167	2,649	3,672	2,725	3,357	2,043	2,032	941
Capital outlay	242	1,663	3,841	43	9	1,898	124	711	814	126
Debt service										
Principal	7,603	6,604	6,309	6,096	5,997	5,788	5,438	-	2,000	-
Interest	19,790	20,059	20,362	20,584	19,156	12,497	13,223	7,662	2,458	24
Debt service fees & fiscal charges	45	42	42	46	34	36	22	886	2,504	-
Total expenditures	163,776	146,459	126,165	105,504	142,266	119,951	113,642	106,684	81,041	57,167
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(27,973)	(25,994)	(22,417)	(13,622)	(55,101)	(47,112)	(60,936)	(52,921)	(47,308)	(13,894)
Other financing sources (uses)										
Transfers in	300	217	184	188	308	225	338	246	4,193	6,173
Debt issuance ¹	-	-	-	-	-	165,000	-	90,000	179,567	2,000
Line of credit	-	-	-	-	-	-	-	-	-	-
Bond premium	-	-	-	-	-	11,023	-	340	162	-
Bond discount	-	-	-	-	-	-	-	-	(155)	-
Sale of capital assets	8	4	9	-	2	10	-	-	5	2
Total other financing sources (uses)	308	221	193	188	310	176,258	338	90,586	183,772	8,175
NET CHANGE IN FUND BALANCES	<u>\$ (27,664)</u>	<u>\$ (25,773)</u>	<u>\$ (22,224)</u>	<u>\$ (13,434)</u>	<u>\$ (54,791)</u>	<u>\$ 129,146</u>	<u>\$ (60,598)</u>	<u>\$ 37,665</u>	<u>\$ 136,464</u>	<u>\$ (5,719)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>16.8%</u>	<u>18.4%</u>	<u>21.8%</u>	<u>25.3%</u>	<u>17.7%</u>	<u>15.5%</u>	<u>16.5%</u>	<u>8.1%</u>	<u>8.7%</u>	<u>0.0%</u>

¹ Proceeds from the issuance of debt are detailed in Note I & J.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REVENUES BY SOURCE, GOVERNMENTAL FUNDS

Last ten fiscal years
(Modified accrual basis of accounting)

Fiscal Year	Motor Vehicle Fuel Tax	Regional Road Impact Fee Credits¹	Regional Road Impact Fees	Public Transportation Tax	Total
2018	\$ 81,179,894	\$ 714,512	\$ 4,835,052	\$ 9,805,973	\$ 96,535,431
2017	75,058,070	452,098	4,039,431	8,989,017	88,538,616
2016	68,015,031	-	2,690,468	9,932,269	80,637,768
2015	58,934,179	953,787	3,025,633	8,414,074	71,327,673
2014	49,574,968	6,790,650	1,374,381	8,786,166	66,526,165
2013	41,827,886	7,470,788	1,126,781	8,459,319	58,884,774
2012	35,318,650	346,025	249,938	7,726,463	43,641,076
2011	29,385,293	10,730,150	496,279	4,250,000	44,861,722
2010	21,834,666	625,828	450,167	1,170,088	24,080,749
2009	19,176,895	12,076,652	1,291,729	3,520,844	36,066,120
<u>Change</u>					
2009-2018	323.3%	-94.1%	274.3%	178.5%	167.7%

¹ Regional Road Impact Fee Credits are non-cash revenue

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

REVENUES BY SOURCE, PROPRIETARY FUNDS

Last ten fiscal years
(Accrual basis of accounting)

Fiscal Year	Public Transportation Tax	Passenger Fares ¹	Federal Operating Government Grant	Bus Advertising	Investment Income	Miscellaneous⁶	Total
2018	\$ 21,278,436	\$ 5,614,832	\$ 4,088,110	\$ 264,091	\$ 65,488	\$ 465,798	\$ 31,776,755
2017	17,836,832	5,716,864	4,825,788	190,455	33,843	505,727	29,109,509
2016	16,661,346	5,908,612	3,618,038	181,404	303,719	556,570	27,229,689
2015	16,270,368	5,977,902	3,403,457	206,391	134,063	448,611	26,440,792
2014	14,230,831	6,175,971	3,498,641	216,345	172,261	517,092	24,811,141
2013	12,926,595	5,959,133	3,989,322	277,131	35,051	512,661	23,699,893
2012	12,472,313	5,916,656	3,482,964	347,714	320,859	466,834	23,007,340
2011	15,182,174	5,738,460	9,814,365	422,428	70,699	1,361,740 ⁵	32,589,866
2010	17,851,440	6,024,823	7,476,152	435,904	191,250	1,030,407 ⁴	33,009,976
2009	17,604,218	7,012,490	3,119,847	424,318	346,585	2,848,304 ³	31,355,762
Change 2009-2018	20.9%	-19.9%	31.0%	-37.8%	-81.1%	-83.6%	1.3%

¹ Passenger single ride adult fare increased:

from \$0.30 to \$0.60 in August 1993
from \$0.60 to \$1.00 in August 1995
from \$1.00 to \$1.25 in November 2000
from \$1.25 to \$1.50 in February 2003
from \$1.50 to \$1.65 in August 2005
from \$1.65 to \$1.70 in August 2006
from \$1.70 to \$1.75 in August 2007
from \$1.75 to \$2.00 in May 2008

Effective 7/1/2014, RTC RIDE and RTC RAPID prepaid passes were reduced by 7%. RTC INTERCITY fare was increased by 25%.

RTC Sierra Spirit implemented a 25-cent regular fare and 10-cent reduced fare. RTC ACCESS on RTC RIDE 10-ride pass was reduced from \$5 to \$4.

² Includes one time cash out of membership interest in EIG Mutual Holding Co., \$1,815,720.

³ Includes Citicenter gain on sale of \$2,463,637. The Citicenter transit station was sold to the City of Reno Redevelopment Agency on 8/6/2008.

⁴ Includes FTA residual value of \$426,604 on the Citicenter property sold to the City of Reno. The residual value was applied towards the 4th Street Station construction.

⁵ Includes NV Energy Incentive Program & Sure Bet Program rebate of \$815,340 for Solar, Lighting, and HVAC ARRA grant projects

⁶ Includes rental income and gain on sale of assets.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**PRINCIPAL REGIONAL ROAD IMPACT FEE CREDIT RECIPIENTS¹
YEARS 2018 AND 2009**

Last ten fiscal years

Certificate Holders	2018			2009		
	Value of Waivers Issued ³	Rank	% of Total Value	Value of Credits Issued ²	Rank	% of Total Value
North Valleys Commerce, Center	\$ 278,266	1	41.9%	\$ -	-	0.0%
Logicenter 395 Phase II	272,994	2	41.1%	-	-	0.0%
Pebble Creek II, Inc.	31,376	3	4.7%	-	-	0.0%
Woodland Village Phase 17	27,454	4	4.1%	-	-	0.0%
TL Mount Rose Estates LP	26,193	5	3.9%	-	-	0.0%
Ryder Shadow LLC	11,774	6	1.8%	-	-	0.0%
Fletcher 2009 Trust, William	4,366	7	0.7%	-	-	0.0%
Wagner, David & Melanie A	4,366	8	0.7%	-	-	0.0%
Sumner, Corrine	3,922	9	0.6%	-	-	0.0%
Rock Hound Investments	3,922	10	0.6%	-	-	0.0%
Centex Homes	-	-	0.0%	5,933,796	1	57.9%
Sparks Legends Development. Inc.	-	-	0.0%	3,394,795	2	33.1%
Kiley Ranch Communities	-	-	0.0%	340,336	3	3.3%
Trammel Crow Construction	-	-	0.0%	296,009	4	2.9%
NN Development Corp & Lewis Land Co. of NV	-	-	0.0%	139,075	5	1.4%
Sparks Galleria Investors	-	-	0.0%	87,303	6	0.9%
RRW Stonebrook, LLC	-	-	0.0%	64,310	7	0.6%
Total Ten Largest Credit Recipients	\$ 664,633		100.0%	\$ 10,255,624		100.0%
Total Impact Fee Credits Issued	\$ 664,633		100.0%	\$ 10,255,624		100.0%

¹ Any person, except a unit of government, who constructs all or part of a capital improvement included in the Regional CIP or offers a dedication of land may apply for a Regional Road Impact Fee Credit/Waiver. RRIF Credits measured in Vehicle Miles Traveled (VMT) were issued prior to 3/2/2015. RRIF Waivers, replaced the RRIF Credit program in 2015, and are measured in dollars. The RTC RRIF Administrator determines which capital improvements and/or right-of-way dedications are eligible for Credits/Waivers. RRIF Credits and Waivers are managed in an online RRIF Automation account.

² RRIF Credits may be used by the original Developer of Record to pay up to 100% of the impact fees owed within the Benefit District where they were earned. RRIF Credits transferred to a 3rd Party can be used to pay up to 100% of impact fees owed within the Development of Record where they were earned and up to 50% of the impact fees owed outside the Development of Record, but within the Benefit District. RRIF Credits may not be used outside the Benefit District where the RRIF Credits were earned. Unused RRIF Credits expire twenty years from the date of approval of the Capital Contribution Front Ending Agreement (CCFEA). In 2017, a one-time offer to extend the expiration date for an additional 10 years was given to existing credit holders.

³ RRIF Waivers may be used by the original Developer of Record to pay up to 100% of the impact fees owed within the Development of Record and do not expire. RRIF Waivers transferred to a 3rd Party can be used to pay up to 100% of the impact fees owed within the Development of Record where they were earned. RRIF Waivers may not be used outside the Development of Record. The impact fees owed using RRIF Waivers are based on the fee schedule in effect at the time of the RRIF Offset Agreement for the land uses identified in the agreement. Impact fees owed for any changes to the original land use will be assessed at the current impact fee rate.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

VEHICLE MILES TRAVELED (VMT) UNITS¹

Last ten fiscal years

	2018	2017	2016³	2015	2014	2013	2012	2011	2010	2009
Total VMT units issued in Reno ²	2,135	1,546	-	6,885	21,440	27,454	500	42,931	-	50,833
Total VMT units issued outside Reno	-	-	-	-	17,984	27,018	1,047	34,808	4,875	28,136
Total VMT units	<u>2,135</u>	<u>1,546</u>	<u>-</u>	<u>6,885</u>	<u>39,424</u>	<u>54,472</u>	<u>1,547</u>	<u>77,739</u>	<u>4,875</u>	<u>78,969</u>

¹ Any person, except a unit of government, who constructs all or part of a capital improvement included in the Regional CIP or offers a dedication of land may apply for a Regional Road Impact Fee Credit/Waiver. RRIF Credits measured in Vehicle Miles Travelled (VMT) were issued prior to 3/2/2015. RRIF Waivers, replaced the RRIF Credit program in 2015, and are measured in dollars. The RTC RRIF Administrator determines which capital improvements and/or right-of-way dedications are eligible for Credits/Waivers. RRIF Credits and Waivers are managed in an online RRIF Automation account.

² Prior to 2014, impact fees were slightly lower in the City of Reno. Impact Fees were discounted to account for additional payments made by new development within the City of Reno to pay for outstanding debt on Reno's 1985 and 1989 bond issues which were used for road capital improvements and improvements on existing roadways. The City of Sparks and Washoe County had no outstanding debt for road improvements. Beginning 2014, the bonds were paid off.

³ Beginning 2016, VMTs shown represent the RRIF Waivers issued. RRIF Waivers are issued in dollars and are converted to Vehicle Miles Traveled (VMTs) based on the impact fee rate in effect as of the date of the RRIF Offset Agreement.

⁴ RRIF Waivers measured in dollars were converted into Vehicle Miles Traveled (VMTs) using the impact fee rate in effect as of the date of the RRIF Offset Agreement.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

DIRECT AND OVERLAPPING TAX RATES

Last ten fiscal years

Fiscal Year	RTC Direct Sales Tax Rate ¹	Washoe County Sales Tax Rate	RTC Direct Vehicle Fuel Tax Rate ²	Annual RTC Direct Vehicle Fuel Tax Index Incr. ³	Washoe County Vehicle Fuel Tax Rate	Annual Washoe County Vehicle Fuel Tax Index Incr. ³	RTC Direct Impact Fee in Reno Rate ⁴	RTC Direct Impact Fee Outside Reno Rate	RTC Direct Impact Fee in North Area Rate ⁵	RTC Direct Impact Fee in South Area Rate ⁵
2018	0.375%	7.725%	\$ 0.3684	\$ 0.0155	\$ 0.4842	\$ 0.0179	N/A	N/A	\$262.69/VMT	\$297.58/VMT
2017	0.375%	7.725%	0.3529	0.0239	0.4663	0.0277	N/A	N/A	\$262.69/VMT	\$297.58/VMT
2016	0.375%	7.725%	0.3289	0.0348	0.4386	0.0403	N/A	N/A	258.20/VMT	292.50/VMT
2015	0.375%	7.725%	0.2942	0.0378	0.3983	0.0438	N/A	N/A	253.39/VMT	287.05/VMT
2014	0.375%	7.725%	0.2564	0.0366	0.3546	0.0423	\$216/VMT	\$227/VMT		
2013	0.375%	7.725%	0.2198	0.0323	0.3123	0.0374	216/VMT	227/VMT		
2012	0.375%	7.725%	0.1875	0.0264	0.2749	0.0305	216/VMT	227/VMT		
2011	0.375%	7.725%	0.1611	0.0261	0.2443	0.0302	216/VMT	227/VMT		
2010	0.375%	7.725%	0.1350	0.0294	0.2141	0.0339	216/VMT	227/VMT		
2009	0.375%	7.375%	0.1056	0.0029	0.1801	0.0049	185/VMT	198/VMT		

¹ The RTC's sales tax rate may only be changed with the approval of the Board of County Commissioners and enacted State legislation. Effective November 1, 1982, the Board of County Commissioners imposed a sales tax of 1/4 cent for mass transit or the construction of public roads. Effective July 1, 2003, the Board of County Commissioners imposed an additional 1/8 cent sales tax.

² The RTC's motor vehicle fuel tax rate may only be changed with the approval of the Board of County Commissioners and enacted State legislation. In 1965, a \$0.01 per gallon fuel tax was levied for the purpose of constructing and improving the street and highway transportation facilities within Washoe County. In 1971, it was increased to \$0.02 per gallon and in 1982 to \$0.04 per gallon. In April of 1994, a temporary additional \$0.05 per gallon was approved then made permanent in September of 1995. Reference note 3 below. Annual rates reflect year-to-year cumulative indexing.

³ Effective October 1, 2003, the Board of County Commissioners approved fuel tax indexing which imposed additional new taxes on motor vehicle fuel. On the first day of each fiscal year, motor vehicle fuel tax was increased by (i) the lesser of 4.5 percent or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years. At the November 2008 election, County voters approved RTC5 and the State Legislature enacted the bill which revised the indexing provisions for the 9-cent motor vehicle fuel tax. The county was thereby authorized to impose additional taxes on motor vehicle fuel and special fuels for the benefit of the Commission, and provided for annual increases in such taxes to be calculated using a formula based on (i) the lesser of 7.8% or (ii) a rolling 10-year average of the changes in the Producer Price Index for Street and Highway Construction. The PPI adjustments were imposed on the CPI adjusted rate of 10.5621 cents per gallon. The PPI adjusted rate went into effect with April 2010 fuel tax collections. Rates shown reflect the annual change in the index.

⁴ The imposition of an impact fees for the construction of new roads and to make capacity improvements is established by State legislation. RTC impact fee rates may only be changed with the approval of ordinances adopted by all participating local governments. The 2003 passage of WC-2 allowed for the indexing of impact fee and NRS 278B.225 was established to allow automatic inflationary adjustments to the fees. Rates shown are based on a single-family detached home.

⁵ Effective March 2, 2015 the 5th edition of the Regional Road Impact Fee System General Administrative Manual (GAM) was adopted. Service areas were modified to North and South as shown in Exhibit B. Impact fee rates shown are based on Exhibit H of the GAM.

Source: Nevada Department of Taxation and Regional Transportation Commission

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

RATIOS OF OUTSTANDING DEBT BY TYPE

**Last ten fiscal years
(Amounts expressed in thousands)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Governmental activities										
Revenue bonds	\$ 390,732	\$ 398,335	\$ 404,939	\$ 411,248	\$ 417,344	\$ 423,341	\$ 264,129	\$ 269,567	\$ 179,567	\$ -
Line of credit	-	-	-	-	-	-	-	-	-	2,000
Less Deferred amounts										
Bond Premium	9,180	9,558	9,937	10,316	10,694	11,137	308	425	153	-
Bond Discount	(25)	(41)	(56)	(72)	(88)	(103)	(119)	(135)	(151)	-
Total primary government	<u>\$ 399,887</u>	<u>\$ 407,852</u>	<u>\$ 414,820</u>	<u>\$ 421,492</u>	<u>\$ 427,950</u>	<u>\$ 434,375</u>	<u>\$ 264,318</u>	<u>\$ 269,857</u>	<u>\$ 179,569</u>	<u>\$ 2,000</u>
Percentage of personal income	<u>1.7733%</u>	<u>1.9179%</u>	<u>2.0571%</u>	<u>2.2094%</u>	<u>2.2724%</u>	<u>2.2131%</u>	<u>1.4157%</u>	<u>1.4876%</u>	<u>1.0314%</u>	<u>0.0116%</u>
Per capita	<u>\$ 0.86</u>	<u>\$ 0.89</u>	<u>\$ 0.92</u>	<u>\$ 0.95</u>	<u>\$ 0.98</u>	<u>\$ 1.00</u>	<u>\$ 0.61</u>	<u>\$ 0.63</u>	<u>\$ 0.43</u>	<u>\$ -</u>

Details regarding the RTC's outstanding debt can be found in the notes to the financial statements. See the Schedule of Demographic and Economic Statistics on page 121 for personal income and population data.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**COMPUTATION OF GENERAL OBLIGATION
DIRECT AND OVERLAPPING DEBT**

**As of June 30, 2018
(amounts expressed in thousands)**

Name of Governmental Unit	Debt Outstanding	Presently Self-Supporting Debt	Percent Applicable to Washoe County¹	Applicable Net Debt
Direct ²				
Regional Transportation Commission				
Revenue bonds	\$ 390,732	\$ 390,732	0%	\$ 390,732
Total Direct Debt	<u>390,732</u>	<u>390,732</u>		<u>390,732</u>
Overlapping				
Washoe County School District	709,722	-	100%	709,722
Reno-Sparks Convention & Visitors Authority	103,587	103,587	100%	-
City of Reno	41,780	-	100%	41,780
City of Reno supported by specific revenue	357,096	357,096	100%	-
City of Reno - Special Assessment bonds ³	10,916	10,916	100%	-
City of Sparks - Sewer and Utility bonds	37,567	37,567	100%	-
Incline Village General Improvement District	6,967	6,967	100%	-
State of Nevada	1,358,070	296,840	14.09%	154,833
Total Overlapping Debt	<u>2,625,705</u>	<u>812,973</u>		<u>906,335</u>
Total Direct and Overlapping debt	<u>\$ 3,016,437</u>	<u>\$ 1,203,705</u>		<u>\$ 1,297,067</u>

¹ Based on FY 2017-18 assessed valuation in the respective jurisdiction.

² Includes all governmental debt activities and amounts are net of related discounts, premiums and deferred refunding charges.

³ Revenue bonds are not general obligation, but are special limited obligation of the County payable solely from the pledged revenue.

⁴ Special assessment bonds are not general obligations of Washoe County, or of the Cities of Reno and Sparks. If however, the special assessments collected, with all other available resources were insufficient to meet debt service requirements on these bonds, the respective bond ordinances require that the deficiency be made up with the governments' general funds.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

PLEDGED REVENUE BOND COVERAGE AND LIMITATIONS

Last ten fiscal years

Debt Service				Motor Vehicle Fuel Tax ¹			Public Transportation Tax ³	Limitations ⁴	Bond Coverage ⁵		
Fiscal Year	Principal	Interest	Total Debt Service	RTC 9¢ + Index ²	Washoe County 5.35¢ + 1¢	Total Net Pledged Fuel Tax Revenues	Total Net Pledged Public Transportation Tax Revenues	Revenues in Excess of Debt Service	Bond Coverage Actual	Bond Coverage Required	Excess Coverage
2018	\$ 7,603,000	\$ 19,789,748	\$ 27,392,748	\$ 81,179,894	N/A	\$ 81,179,894	\$ 10,211,947	\$ 63,999,093	296%	125%	171%
2017	6,604,000	20,058,757	26,662,757	75,058,070	N/A	75,058,070	9,378,033	57,773,346	282%	125%	157%
2016	6,309,000	20,362,279	26,671,279	68,015,031	N/A	68,015,031	8,864,538	50,208,290	255%	125%	130%
2015	6,096,000	20,584,244	26,680,244	58,934,179	N/A	58,934,179	8,228,147	40,482,082	221%	125%	96%
2014	5,997,000	19,156,381	25,153,381	49,574,968	N/A	49,574,968	7,672,332	32,093,919	197%	125%	72%
2013	5,788,000	12,496,721	18,284,721	41,827,886	N/A	41,827,886	7,128,638	30,671,803	229%	125%	104%
2012	5,438,000	13,222,764	18,660,764	35,318,650	N/A	35,318,650	6,732,925	23,390,811	189%	125%	64%
2011	-	7,661,705	7,661,705	29,385,293	N/A	29,385,293	6,477,392	28,200,980	368%	125%	243%
2010	-	2,415,291	2,415,291	20,775,496	N/A	20,775,496	N/A	18,360,205	860%	125%	735%
2009	N/A	N/A	N/A	18,165,095	11,341,246	29,506,341	N/A	29,506,341	N/A	N/A	N/A

- ¹ The amounts of these taxes have increased over the years. In 1977, the rates were 2¢ and 1½¢. In 1982, these were raised to 4¢ and 1½¢. In 1983, they were increased again to the level of 4¢ and 3¢. In 1986 the 3¢ motor vehicle fuel tax previously distributed to the RTC for bond covenant provisions was distributed by the State of Nevada directly to Washoe County and the Cities of Reno and Sparks, as provided for in Chapter 365 of the Nevada Revised Statutes. The 3¢ rate was increased to 4.28¢ in 1988 and 5.35¢ in 1989. In April 1994, the 4¢ was raised to 9¢. In 1983, the 1¢ rate was implemented for Washoe County roads.
- ² The bond covenant provisions of the 2009 and 2010 Series A,B,C,D,E and F revenue bonds identify as net pledged revenues motor vehicle fuel taxes consisting of the 9¢ per gallon motor vehicle fuel tax together with prior annual increases to that base rate calculated as the lesser of: (i) 4.5% increase or (ii) the average percentage of the increase in the Consumer Price Index for West Urban Consumers for the preceding 5 years. Pursuant to a ballot measure in November 2008 and subsequent enactment of Chapter 501 at the State Legislature, additional taxes were imposed on motor vehicle fuel and special fuels for the benefit of the RTC which provided for annual increases using a formula based on the lesser of (i) 7.8% or (ii) a rolling 10-year average of the changes in the Producer Price Index for Street and Highway Construction. The PPI rate went into effect January 1, 2010 and is adjusted on July 1, annually.
- ³ The bond covenant provisions of the 2010 Series H revenue bonds identify as net pledged revenues sales taxes imposed at a rate of one-eighth of one percent (.0125%) and income derived from any additional Sales Tax imposed by the County should the RTC Board choose to include the additional tax in pledged revenues. The RTC Board may elect to include additional taxes in pledged revenues for the remaining term of the 2010H bonds by adoption of a resolution or ordinance to include such tax.
- ⁴ The following limitations on bond coverage are calculated in these columns:
a. Nevada Revised Statutes 373.130 states that revenues from vehicle fuel tax must be adequate to meet the payment of outstanding debt as it becomes due.
b. Washoe County Bond Ordinance requires that the net pledged revenues derived in any twelve consecutive months of the last eighteen months of Fiscal Year immediately preceeding the date of the issuance of such additional Parity Securities shall have been at least sufficient to pay an amount equal to 125% of the combined maximum annual principal and interest requirements of the outstanding bonds and any other outstanding parity securities of the County and the parity securities proposed to be issued (excluding any reserves therefor).
- ⁵ The Actual Bond Coverage and Excess Coverage are calculated as follows:
a. Bond Coverage – Actual is equal to the Total Net Pledged Fuel Tax Revenues divided by Total Debt Service.
b. Excess Coverage is equal to the difference between Bond Coverage – Actual and Bond Coverage – Required.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

DEMOGRAPHIC AND ECONOMIC STATISTICS

**Last ten fiscal years
(Dollars Expressed in Thousands)**

Fiscal Year	Population¹	Personal Income²	Per Capita Personal Income²	Median Age³	Total Labor Force⁴	Unemployment Rate⁴ (Percent)	Construction Activity - Total Value⁵	Number of New Family Units⁵
2018	467,417	\$ 22,549,907	48	37.9	239,119	4.2%	\$ 345,710	481
2017	459,142	21,265,239	48	37.5	223,409	4.0%	301,127	378
2016	451,248	20,164,911	51	37.5	213,923	6.4%	231,742	320
2015	444,008	19,077,494	48	37.4	213,773	6.4%	246,628	255
2014	436,647	18,832,669	48	37.6	206,624	7.2%	203,086	120
2013	433,731 ⁶	19,627,834 ⁶	45 ⁶	37.6	219,550	9.8%	126,468	74
2012	429,908 ⁶	18,656,484	45 ⁶	37.0	222,532	12.3%	95,876	83
2011	424,912 ⁶	18,121,519	43	37.2	225,481	13.2%	67,721	55
2010	422,029 ⁶	17,409,987	41	37.0	221,954	13.6%	55,952	36
2009	417,722	17,286,483	41	36.4	224,089	11.6%	85,657	103

Sources:

¹ Annual population for years 2007 and prior: Nevada Workforce Informer, Data Analysis 2010 US Census-Nevada
For years 2009 - 2013: Governor Certified Population of Nevada's Counties, Cities and Towns 2000 to 2013
2014: Washoe County Community Development, with projected growth rate applied to the 2010 US Census
FY 2015 - FY 2018: Nevada State Demographer's Office-NV Small Business Development Center

² For FY 2012 and prior: U.S. Department of Commerce, Bureau of Economic Analysis (BEA)
For FY 2013 - FY 2014: Washoe County Community Development Demographic Information
FY 2014 - FY 2018: BEA 2012 Estimate with Compound Annual Growth Rate applied

³ For FY 2001 - FY 2007: Nevada State Demographer
For FY 2008: Demographics USA
For FY 2009 - FY 2013: Center for Regional Studies, University of Nevada, Reno
For FY 2014 - FY 2018: Trend applied to U.S. Census Bureau 2008-2012 American Community Survey 5-Year Estimates

⁴ Total represents the average labor force during the fiscal year. Nevada State Department of Employment, Training and Rehabilitation (DETR)

⁵ Washoe County Building and Safety Department

⁶ Prior fiscal year information has been restated to reflect actual amounts rather than estimates

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

PRINCIPAL EMPLOYERS

Current year and ten years ago

Employer	December, 2017			December, 2008		
	Employees ¹	Rank	Percentage of Total County Employment	Employees ¹	Rank	Percentage of Total County Employment
Washoe County School District	7,750	1	3.31%	8,750	1	4.17%
University of Nevada, Reno	4,750	2	2.03%	4,750	2	2.26%
Renown Medical Center ²	3,250	3	1.39%	2,250	5	1.07%
Washoe County	2,750	4	1.17%	3,250	3	1.55%
Peppermill Hotel Casino-Reno	2,250	5	0.96%	2,250	6	1.07%
Grand Sierra Resort & Casino ³	2,250	6	0.96%	-	-	-
Silver Legacy Resort Casino	2,250	7	0.96%	1,750	7	0.83%
Atlantis Casino Resort	1,750	8	0.75%	1,750	9	0.83%
International Game Technology PLC	1,750	9	0.75%	2,750	4	1.31%
St. Marys	1,750	10	0.75%	1,750	10	0.83%
City of Reno	-	-	-	1,750	8	0.83%
Total Washoe County Covered Employment	<u>234,378</u>			<u>219,501</u>		

¹ Nevada Revised Statutes Chapter 612 stipulates that actual employment for individual employers may not be published. The Nevada Department of Employment Training and Rehabilitation publishes employee counts in ranges of 500. The number of employees are estimated using the midpoint.

² In 2007, Washoe Medical Center became Renown Medical Center.

³ Reno Hilton is now the Grand Sierra Resort & Casino

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

FULL TIME EQUIVALENT GOVERNMENT EMPLOYEES BY DEPARTMENT

Last ten fiscal years

Department	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Executive	4.00	4.00	4.00	2.00	2.00	2.00	6.50	7.50	8.50	8.50
Administrative services	6.75	6.75	6.75	7.25	6.50	7.50	10.50	12.00	14.50	14.50
Marketing/Communications ³	0.00	0.00	0.00	0.00	0.00	0.00	6.00	6.00	8.00	8.00
Finance	13.00	13.00	13.00	13.00	14.00	12.00	16.00	15.00	16.00	16.00
Engineering/Facilities maintenance ²	17.00	17.00	17.00	17.00	17.00	17.00	20.00	28.00	31.25	31.25
Metropolitan Planning Organization	12.50	12.50	12.50	12.50	15.00	12.00	9.00	9.00	10.50	10.50
Public transportation and Operations ¹	24.50	24.38	24.88	21.88	15.50	20.50	24.50	15.50	15.50	15.50
Total Budgeted Employees ⁴	<u>77.75</u>	<u>77.63</u>	<u>78.13</u>	<u>73.63</u>	<u>70.00</u>	<u>71.00</u>	<u>92.50</u>	<u>93.00</u>	<u>104.25</u>	<u>104.25</u>
Total Actual Employees ⁵	<u>65.60</u>	<u>64.48</u>	<u>65.00</u>	<u>65.75</u>	<u>59.25</u>	<u>64.00</u>	<u>66.50</u>	<u>73.75</u>	<u>84.25</u>	<u>94.25</u>

¹ In FY2012, Public Transportation department became known as Public Transportation and Operations department.

² In FY 2012, Facilities Maintenance moved from Engineering to Public Transportation and Operations department.

³ In FY 2012, Marketing department was dissolved. Staff moved to Planning and Public Transportation and Operations department.

⁴ Source: RTC Finance Department Budget documents.

⁵ Source: Payroll FTE count as of June 30th.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

RIDE OPERATING STATISTICS

Last ten fiscal years

Fiscal Year	Fleet Size ¹	Revenue Miles	Revenue Hours	Passengers	Bus Operators	Full Time Equivalent Employees (FTE)		
						Maintenance Personnel	Other	Total FTE's
2018	75	2,825,116	247,779	7,396,590	136.6	28.0	19.0	183.6
2017	69	2,875,232	253,097	7,416,158	141.0	27.0	19.0	187.0
2016	72	2,887,039	252,943	7,715,419	164.0	38.0	20.0	222.0
2015	81	2,888,968	252,515	8,140,908	160.0	29.0	19.0	208.0
2014	82	2,871,913	251,899	8,165,335	160.0	31.0	18.5	209.5
2013	82	2,817,697	249,569	8,050,950	168.0	29.0	18.5	215.5
2012	82	2,851,407	252,827	7,973,480	153.5	25.0	19.0	197.5
2011	92	2,878,008	251,861	7,688,345	160.0	35.0	20.5	215.5
2010	79	2,931,074	246,285	7,474,905	170.0	35.0	21.5	226.5
2009	78	3,236,164	263,704	8,449,134	169.5	31.0	24.0	224.5

¹ Includes Peak, Spares, and Contingency.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

ACCESS OPERATING STATISTICS

Last ten fiscal years

Fiscal Year	Fleet Size¹	Revenue Miles	Revenue Hours	Passengers	Van Operators	Full Time Equivalent Employees (FTE)		
						Maintenance Personnel	Operations Personnel	Total FTE's
2018	45	1,593,665	101,872	251,461	57.5	5.0	19.0	81.5
2017	54	1,376,682	85,025	231,438	40.5	4.0	14.5	59.0
2016	63	1,383,323	83,112	224,812	47.5	3.0	17.0	67.5
2015	50	1,362,329	82,869	227,060	50.0	3.0	13.0	66.0
2014	50	1,378,237	84,165	239,457	43.0	5.0	12.0	60.0
2013	50	1,341,109	82,637	232,776	42.0	5.0	12.0	59.0
2012	45	1,281,359	81,119	222,593	42.0	5.0	12.0	59.0
2011	45	1,220,072	80,185	213,804	45.5	5.0	14.0	64.5
2010	45	1,262,611	79,611	221,609	42.0	4.0	13.0	59.0
2009	50	1,415,581	90,074	238,142	45.5	4.0	15.0	64.5

¹ Includes Peak and Spares. Fiscal year 2018 includes 1 van that is scheduled for disposal.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

CAPITAL ASSET INFORMATION ¹

As of June 30, 2018

	Year ²	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
<u>Facilities</u>											
2050 Villanova Drive, Reno NV 89502	1984	1	1	1	1	1	1	1	1	1	1
600 Sutro Street, Reno NV 89512	1993	1	1	1	1	1	1	1	1	1	1
1105 Terminal Way, Reno NV 89502	2000	1	1	1	1	1	1	1	1	1	1
1421 Victorian Avenue, Sparks NV 89432	2009	1	1	1	1	1	1	1	1	1	1
200 East 4th Street, Reno NV 89501	2011	1	1	1	1	1	1	1	1	-	-
<u>Other assets</u>											
Number of RIDE Passenger Shelters ³		121	117	116	115	113	111	111	105	106	99
Number of RIDE revenue vehicles (fleet) ⁴		75	69	72	81	82	82	81	82	75	78
Number of ACCESS revenue vehicles (fleet) ⁴		45	54	63	50	50	50	45	45	45	50
Number of Maintenance & Operation staff vehicles ⁵		24	24	25	27	27	29	31	32	33	33

¹ More information about capital assets can be found in the notes to the financial statements.

² Fiscal year facility was acquired or construction completed.

³ Shelter information includes only installed shelters and RAPID stations.

⁴ Revenue vehicles include active fleet only. Active fleet consists of Peak, Spares, and Contingency vehicles.

⁵ Staff vehicles include RIDE, ACCESS, and RTC support vehicles.



COMPLIANCE SECTION

**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 Commissioners
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Regional Transportation Commission, Reno, Sparks, and Washoe County, Nevada (RTC) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise RTC's basic financial statements, and have issued our report thereon dated November 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered RTC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of RTC's internal control. Accordingly, we do not express an opinion on the effectiveness of RTC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether RTC's financial statements are free from 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*.

Purpose of this Report

The purpose of this report is solely 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 effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Crowe LLP". The script is cursive and fluid.

Crowe LLP

Sacramento, California
November 26, 2018

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE**

To the Commissioners
Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada

Report on Compliance for Each Major Federal Program

We have audited Regional Transportation Commission's, Reno, Sparks and Washoe County, Nevada (RTC's) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of RTC's major federal programs for the year ended June 30, 2018. RTC's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance on RTC's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 RTC'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 on compliance on the major federal program. However, our audit does not provide a legal determination of RTC's compliance.

Opinion on Each Major Federal Program

In our opinion, RTC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of RTC is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered RTC's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of RTC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Sacramento, California
November 26, 2018

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2018**

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Grant / Agreement Number	Grant Award Amount	Federal Expenditures 2018	Amounts Passed through to Subrecipients
<u>U. S. Department of Transportation</u>					
<u>Federal Transit Administration</u>					
Direct Award					
Federal Transit Cluster					
Federal Transit - Capital Investment Grants	20.500	#NV-04-0020	\$ 917,800	\$ 397,489	\$ -
Federal Transit - Capital Investment Grants	20.500	#NV-2016-015	6,470,000	4,464,002	-
		Total Capital Investment	7,387,800	4,861,491	-
Direct Award					
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-90-0073	5,470,989	143,356	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-90-0074	5,782,863	39,181	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-90-0078	5,775,854	391,727	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-95-0006	23,110,000	1,897,625	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-95-0013	3,800,000	545,813	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2016-006	6,120,979	175,134	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2017-010	12,248,635	4,100,332	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2017-012	9,750,000	186,160	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2017-013	6,375,105	2,025,666	-
Federal Transit - Urbanized Area Formula Grant	20.507	#NV-2018-012	6,619,530	2,525,151	-
		Total Urbanized Area Formula	85,053,955	12,030,145	-
Direct Award					
Federal Transit - Bus & Bus Facilities Formula Grant	20.526	#NV-2016-011	616,642	6,768	-
		Total Bus & Bus Facilities Formula	616,642	6,768	-
		Total Federal Transit Cluster	93,058,397	16,898,404	-
Direct Award					
Transit Services Programs Cluster					
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513	#NV-2016-010	748,280	334,218	334,218
		Total Transit Services Programs Cluster	748,280	334,218	334,218

(continued)

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year ended June 30, 2018**

Federal Grantor/Pass-Through Grantor Program Title	Federal C.F.D.A. Number	Grant / Agreement Number	Grant Award Amount	Federal Expenditures 2018	Amounts Passed through to Subrecipients
Direct Award					
National Infrastructure Investments					
Surface Transportation Infrastructure - Discretionary Grants for Capital Investments II	20.933	#NV-79-0003	16,000,000	10,919,509	-
Total National Infrastructure Investments			16,000,000	10,919,509	-
Total Federal Transit Administration			109,806,677	28,152,131	334,218
<u>Federal Highway Administration</u>					
Passed through State of Nevada Department of Transportation					
Highway Planning and Construction Cluster					
Highway Planning and Construction Grant	20.205	#PR325-16-063	855,000	180,691	-
Highway Planning and Construction Grant	20.205	#PR285-17-063	855,000	574,405	-
Highway Planning and Construction Grant	20.205	#P461-07-063	9,568,569	211,757	-
Highway Planning and Construction Grant	20.205	#PR351-12-063	27,354,132	9,439,865	-
Highway Planning and Construction Grant	20.205	#PR332-16-063	950,000	231,486	-
Highway Planning and Construction Grant	20.205	#PR314-14-063	1,282,500	709,791	-
Highway Planning and Construction Grant	20.205	#PR322-16-063	2,228,785	259,932	-
Highway Planning and Construction Grant	20.205	#PR224-17-804	2,699,650	773,918	-
Highway Planning and Construction Grant	20.205	#P448-15-063	940,367	598,849	-
Highway Planning and Construction Grant	20.205	#P292-17-063	100,000	84,139	-
Total Highway Planning and Construction Cluster			46,834,003	13,064,833	-
Total Federal Highway Administration			46,834,003	13,064,833	-
TOTAL EXPENDITURES OF FEDERAL AWARDS:			\$ 156,640,680	\$ 41,216,964	\$ 334,218

The notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

**Regional Transportation Commission
Reno, Sparks and Washoe County, Nevada**

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Year ended June 30, 2018

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Regional Transportation Commission (RTC) under programs of the federal government for the year ended June 30, 2018. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the RTC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the RTC.

RTC received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

NOTE B – SIGNIFICANT ACCOUNTING POLICIES

Governmental fund types account for the RTC's federal grant activity. Therefore, expenditures in the schedule of expenditures of federal awards are recognized on the accrual basis of accounting. The RTC's summary of significant accounting policies is presented in Note A in the RTC's basic financial statements.

The RTC has not elected to use the 10% de minimis cost rate.

Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

REGIONAL TRANSPORTATION COMMISSION
RENO, SPARKS AND WASHOE COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year ended June 30, 2018

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?

_____ Yes X No

Significant deficiency(ies) identified?

_____ Yes X None reported

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be Reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

CFDA Number(s)

Name of Federal Program or Cluster

20.500 / 20.507 / 20.526

Federal Transit Cluster

Dollar threshold used to distinguish between type A and type B programs:

\$1,236,509

Auditee qualified as low-risk auditee?

_____ Yes X No

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings and Questioned Costs

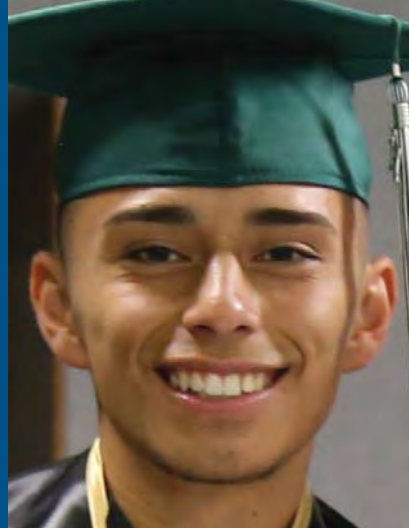
None noted.



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Your RTC. Our Community.

*Every Child,
By Name and Face,
To Graduation*



Washoe County
School District

Comprehensive Annual Financial Report

Washoe County School District: Reno, NV | Fiscal Year ended June 30, 2018



Washoe County School District Reno, Nevada

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018



Prepared By:
Office of Business & Financial Services

Mark Mathers
Chief Financial Officer

Michael Schroeder, CPA
Budget Director

Gail Carson, CPA
Controller

Andrea Sullivan
Director of Procurement & Contracts

Robert Carson
Accounting Manager

Jill Murdock
Financial Systems Manager

Rob Luna
Grant Fiscal Administrator

Lisa Mae Woods
Payroll Manager

Jodi Quilici
Bond Accountant

Kyle Rodriguez
Senior Accountant

Washoe County School District Superintendent & Board of Trustees



Traci Davis, Ed.S.
Superintendent



Katy Simon Holland
Board of Trustees
President



Malena Raymond
Board of Trustees
Vice President



John Mayer
Board of Trustees
Clerk



Dr. Debra Feemster
Board of Trustees
Member



Verónica Frenkel, M.A.
Board of Trustees
Member



Scott Kelley
Board of Trustees
Member



Dr. Angela Taylor
Board of Trustees
Member

WASHOE COUNTY SCHOOL DISTRICT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2018

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WASHOE COUNTY SCHOOL DISTRICT

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Introductory Section

Comprehensive Annual Financial Report

Introductory Section

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





Washoe County School District

425 East Ninth Street * P.O. Box 30425 * Reno, NV 89520-3425
Phone (775) 348-0200 * (775) 348-0304 * www.washoeschools.net

Board of Trustees: Katy Simon Holland, President * Malena Raymond, Vice President * John Mayer, Clerk
* Debra Feemster * Verónica Frenkel * Scott Kelley * Angela Taylor * Traci Davis, Superintendent

October 29, 2018

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

The Comprehensive Annual Financial Report (CAFR) of the Washoe County School District (the "District") for the fiscal year ended June 30, 2018, is hereby submitted in accordance with Nevada Revised Statutes (NRS) 354.624. This report represents the District's compliance with State law, which requires the District to provide for an annual audit of its financial statements by an independent firm of certified public accountants, conducted in accordance with generally accepted auditing standards.

This report consists of management's representations concerning the finances of the Washoe County School District. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with District's management. To provide a reasonable basis for making these representations, the District maintains a comprehensive internal control structure that uses policies and procedures established by the Office of Business and Financial Services and is designed to compile sufficient reliable information for the preparation of the financial statements. This CAFR has been prepared by the Office of Business and Financial Services 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.

The District's financial statements have been audited by the accounting firm of Eide Bailly LLP, Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the District for the fiscal year are free of material misstatements. The audit was designed and conducted to meet the requirements set forth in state statutes. Based upon the audit Eide Bailly has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2018. The Independent Auditor's Report is located on pages 1-3 in the financial section of this report.

Generally accepted accounting principles also require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A begins on page 4 immediately following the Independent Auditor's Report.

The CAFR is presented in four sections:

- 1. Introductory Section** – the Introductory Section is unaudited and includes this letter of transmittal, the District's organizational chart, list of principal officials and the GFOA Certificate of Achievement for fiscal year 2016-2017.
- 2. Financial Section** – the Financial Section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and related footnotes, combining and individual statements for major and non-major funds and other schedules that provide detailed information relative to the basic financial statements.



3. Statistical Section - the Statistical Section is unaudited and includes selected financial and demographic information, generally presented on a multi-year basis.

4. Compliance Section - the Compliance Section includes the annual Single Audit Report by the independent auditor on the District's compliance with the provisions of the Single Audit Act of 1984 (as amended in 1996) and the U.S. Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Also included are the Schedule of Expenditures of Federal Awards and the Schedule of Findings and Questioned Costs. Additionally, the auditor's report on the internal control structure and compliance with laws and regulations is included as required by Government Auditing Standards.

Profile of Washoe County School District

History, Population, and Geography

Prior to the creation of the Washoe County School District, there were 17 separate school districts within the County lines. Most had only one school per district but the two largest Districts – Reno School District and Sparks School District – had more. Between 1912 and 1955 fifteen schools were built in Reno/Sparks; ten remain in use today as schools, administrative offices, or other business dwellings.

Area districts throughout the state were consolidated into countywide districts as a result of legislation enacted in 1956 that created school districts with boundaries coterminous with the state's sixteen counties and Carson City. As such, all public educational services provided by the District are restricted to the boundaries of Washoe County. With an enrollment of 63,914 students, Washoe County School District is the 59th largest school district in the nation.

Washoe County, located in the northwestern part of the State of Nevada, is the second most populous county (467,417 in 2018) in the State of Nevada covering an area of 6,342 square miles with the county seat in the City of Reno. Other communities in the county are Gerlach, Sparks, Wadsworth and Incline Village at Lake Tahoe.

Structure

The governing board of the District consists of seven trustees – five represent political divisions of the county and two are “at-large”. Members are elected by the public for overlapping four-year terms to serve as the stewards and guardians of the District's values, vision, mission and resources. The legal power, duties and responsibilities of the Board of Trustees are defined by NRS and Board Policy.

The superintendent of schools is responsible to the Board of Trustees for the general efficiency of the school system including instruction, student services, personnel, finance, administration 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 District is focused on creating an education system where all students achieve academic success, develop personal and civic responsibility, and achieve career and college readiness for the 21st century.

The deputy superintendent reports directly to the superintendent and is responsible for academic programs and performance, and student services such as English learners, gifted and talented education, and special education. Most of the District's 93 schools are organized into five geographically aligned performance areas and one special area related to turnaround schools.

Each area contains 14 – 16 feeder-aligned schools and is overseen by an area superintendent under the chief school performance officer. In addition, the District has four options schools that are overseen by the chief student support services officer.

Also reporting directly to the superintendent are the chief financial officer, chief operations officer, chief communications and community engagement officer, chief human resources officer, and chief of staff. The chief financial officer is responsible for the business functions of the District including budgeting; vendor and employee payments; purchasing, contracting and warehousing; and financial systems and process improvement. The chief operations officer oversees facilities management and capital projects; nutrition services and transportation; and mail and print services. The chief human resources officer is responsible for overseeing the hiring and employment of approximately 7,430 regularly scheduled employees and 1,499 substitutes.

District facilities include 62 elementary schools, one K-12 school, 14 middle schools, 14 comprehensive high schools; one adult achievement high school, four alternative schools, and one school for medically fragile students. The District also sponsors eight charter schools.

Local economy

Historically, the economy of Nevada has been 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. However, the State of Nevada, and Northern Nevada particularly, has made great strides in diversifying the economy since the economic recovery that began in 2012-13.

Due to Washoe County's favorable climate, close proximity to major markets in the western U.S. and low tax structure, the general economy of Washoe County has experienced strong growth since the peak of the Great Recession in 2011. New businesses moving into the area continue to create jobs for residents of Washoe County. Just east of Sparks, the construction and start of work at Tesla and Panasonic has provided over 4,000 local jobs and will support close to 10,000 jobs when complete. Switch has just completed the largest data center building in the world (1.3 million square feet) and Apple continues to expand its own data center.

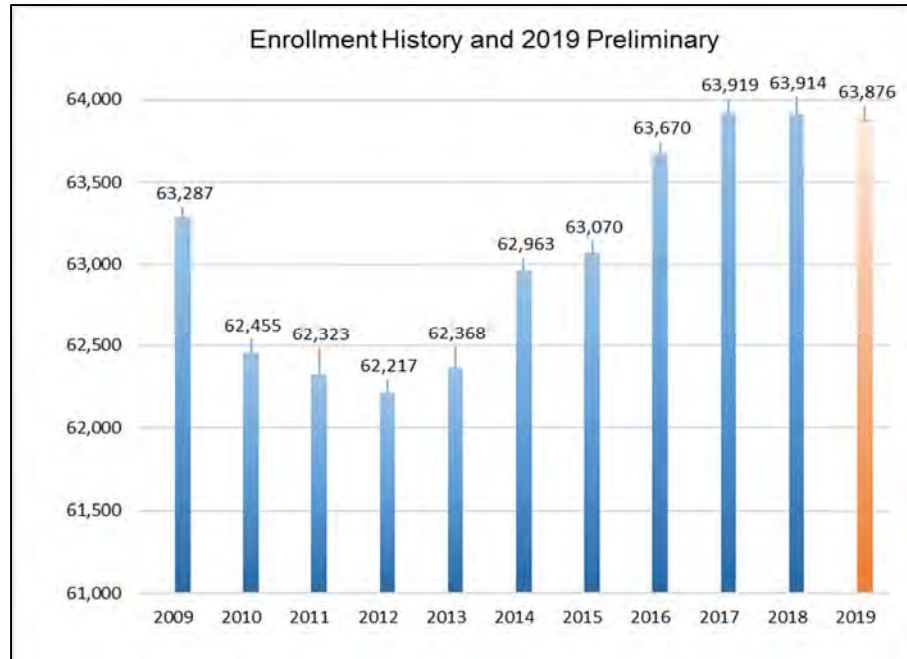
The influx of companies, and startup of many others, has resulted in a strong recovery as exhibited by virtually any measure of economic growth:

- Since June 2010, total employment has increased by more than 46,000 jobs to 238,780 at the end of June 2018. Many economists expect total employment to increase by an additional 25,000 to 30,000, a major increase for a labor market this size.
- As a result, the unemployment rate for the County is 3.5%, compared to 11.1% in 2012.
- The median household effective buying income for Washoe County in 2017 was \$48,320, which is higher than Nevada and the nation.
- The 90-day average of median sales price of single family homes of \$384,950, as reported by the County Assessor, represented an all-time high for the County.
- Taxable sales in Washoe County increased by 6.8% in Fiscal Year 2017-18 to \$8.5 billion.

Student enrollment

The ongoing recovery of the economy and increased population resulted in a modest increase in student enrollment from 2013 through 2017. In 2018, enrollment essentially remained the same as 2017. A historical graph of the District's enrollment is presented here.

The relative flatness in recent school enrollment can be attributed to various factors. There appears to be a



demographic shift to smaller household sizes and there is evidence that school districts in Northern Nevada are seeing declines in elementary school aged children. Many of the recent workforce that have moved to the region may consist of temporary workers and workers that have chosen not to relocate their families or do not have children. In addition, charter schools have seen an increase in their enrollment, which has somewhat negated the trend of enrollment increases at the District. Thus, while the total population of the County has increased, a corresponding increase in school aged children has not necessarily followed.

Long-Term Financial Planning

Capital Asset Needs and Maintenance

For several decades, Washoe County School District suffered from a lack of funding sources for construction of new schools to address growth in the region and for rehabilitation and repairs of existing schools. The inability to issue bonds between 2012 and 2015 meant a lack of funding for capital needs, including construction and repairs and maintenance. Enrollment growth continued to strain the capacity of existing schools and as of June 30, 2018, 26 schools were over capacity. The median age of our schools is 41 years.

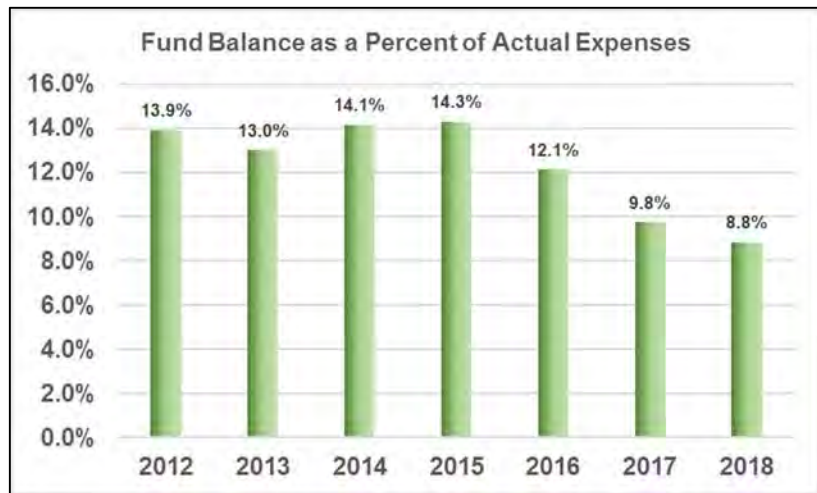
Recognizing the critical need for repairs and expansion of schools, in November 2016, Washoe County voters approved a ballot question (WC-1) that increased the sales and use tax within the county by 0.54%, with revenues restricted to capital needs. The increased sales and use tax generated \$43.8 million in fiscal year 2018, and these revenues have already provided funding for construction of a 22-classroom addition to Damonte Ranch High School. In November 2017, the first bonds pledging the new WC-1 sales and use tax were sold at a face amount of \$200 million. These bond proceeds are providing the funding for the construction of two new middle schools and one new elementary school.

The Capital Projects Department of the District prepares a long-term capital improvement plan for the construction of new schools and core school improvements and repairs. All told, property tax collections dedicated to debt, and sales and use tax revenues are projected to provide for the funding of more than \$1 billion in capital improvements over the next eight to ten years.

Operating budget

The fiscal year 2019 budget was adopted by the Board of Trustees on May 22, 2018. This was the second consecutive budget that included major reductions to District programs, in order to achieve financial sustainability. The fiscal year 2018 budget included approximately \$20 million of one-time solutions and \$20.5 million in ongoing reductions and shifts of expenses to other funds to close the funding gap.

The fiscal year 2019 budget includes more than \$9 million in ongoing reductions to departments' base budgets and savings from anticipated vacancies; as well as further cost reductions of \$3 million and a reduction of 46 positions. The District's fund balance as of June 30, 2018 represented 8.8% of actual expenses, which is within the Board's new fund balance policy.



Major Initiatives

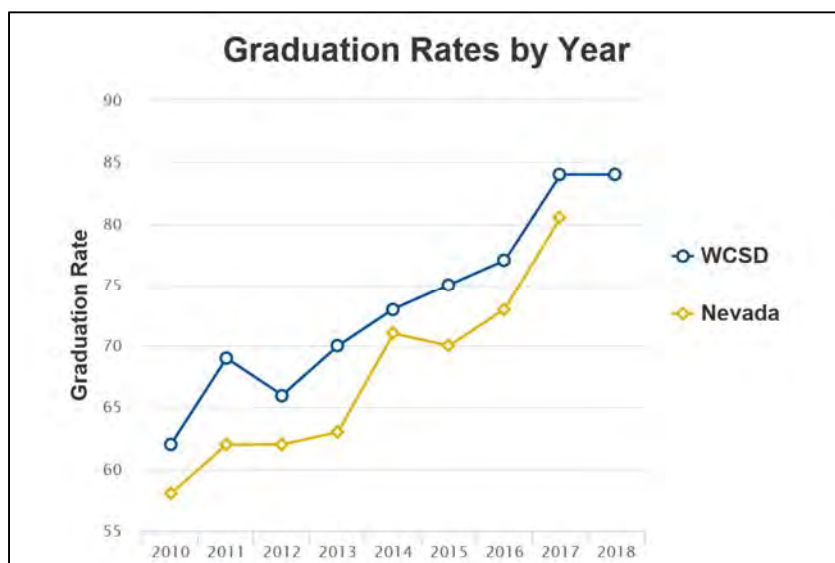
The District's "*Envision WCSD 2020 - Investing in our Future*" strategic plan sets the vision, mission, core beliefs, goals and metrics for the school district through 2020. The strategic plan was updated in 2017. Five goals are established in the plan:

- Goal 1 - To ensure annual student academic growth through a system of curriculum, instruction, and assessment that is aligned, rigorous, and relevant. Instruction will be designed to meet the needs of every child in our diverse student population.
- Goal 2 - To develop and retain highly effective personnel who are driven to support students and their academic success as well as the success of the District. The Washoe County School District will accomplish this goal through recruitment, selection, professional development, and training.
- Goal 3 - To engage family, staff, Trustees, and community members in strong relationships, provide meaningful opportunities to increase their educational expertise and trust, and to share responsibility for student success.
- Goal 4 - Provide and continuously improve operational systems that are effective, efficient, transparent, and accountable by using meaningful structures and processes.
- Goal 5 - To ensure our schools are safe, secure, supportive, and welcoming environments where students and staff are able to succeed academically and professionally at the highest possible levels.

For each of these five goals, quantitative objectives are set in the strategic plan and are measured and reported to the Board of Trustees.

Graduation Rates – 90% by 2020

Ensuring that all WCSD students graduate from high school ready for college and highly-skilled careers lies at the heart of the District's strategic plan *Envision WCSD 2020—Investing In Our Future*. Specifically, the District has a goal of reaching 90% graduation rate by the year 2020. Through innovative programs designed to provide significant support to students and schools, tremendous



support of school staff, students, parents, guardians, and the community at large we are continuing to progress toward our goal. For the sixth consecutive year, students in WCSD have posted the highest graduation rate in district history as the Class of 2018 reached an 84.4% graduation rate with nine of our high schools exceeding 90%.

Achievement gaps for different ethnicities have also been narrowed, with all groups achieving higher graduation rates in 2018. Once again this year, about half of our graduates earned advanced/honors diplomas.

Building and Repairing Schools

As noted previously, for more than a decade, the District faced a lack of funding to repair and build schools. With the passage of a county ballot measure to increase the sales and use tax by 0.54%, three new schools have broken ground and are scheduled to be completed by the opening of school in August 2019. These schools are an elementary school in South Reno, a middle school in Sun Valley, and a middle school in Spanish Springs. This is in addition to the completion of the expansion of Damonte Ranch High School. Other facilities and schools either in the planning or construction phase include a new middle school in the Arrowcreek area, expansion of the District's nutrition services facility, a new high school in the Wildcreek area, and a new elementary school in the North Valleys area. The District has also made a commitment to repair and upgrade existing schools and has budgeted more than \$20 million for this purpose. Major repairs completed or in process include a new cooling system at Gomes Elementary School, new roofs at Verdi and Smithridge elementary schools, and new boilers at several schools.

Safety

As part of its ongoing commitment to fostering a safe and healthy environment on every school campus, the WCSD Board of Trustees continues to work closely with the members of the Safe and Healthy Schools Commission to evaluate policies and ensure the District is complying with local, state, and federal safety standards designed to protect the lives of students and staff members. In addition, the District has added perimeter fencing and single point entry at school sites and is currently working on upgrading the 800 megahertz radio systems used during emergencies. More than \$1 million was spent in the last year on these physical upgrades.

Priority Based Budgeting

For many years, the District has faced budget deficits for the General Fund, the District's primary operating fund, and it has relied on an incremental budgeting approach to prepare its annual operating budget. This has resulted in the use of one-time solutions to resolve the budget gap, including the use of reserves to cover the shortfall. The Superintendent and Board of Trustees recognize that new budgeting approaches and financial practices are necessary to address these issues; as a result, in January 2018, the Board approved use of a new budgeting approach, priority based budgeting.

By asking the question “what matters most for the success of the organization”, priority based budgeting (PBB) can help free up resources to reallocate dollars to those programs with the greatest alignment to the agency's goals. Unlike traditional incremental budgeting approaches, which tend to continue funding all the same programs it funded the previous year, PBB identifies the services and programs that offer the highest value and continues to provide funding for them while reducing service levels or costs for lower value programs. This approach is recognized as a “best practice” by the International City/County Managers Association (ICMA), Government Finance Officers Association (GFOA) and Alliance for Innovation. Washoe County School District is the first school district in the nation to contract with the firm of ResourceX, formerly the Center for Priority Based Budgeting, to complete this process.

Relevant Financial Policies

Key Financial Policies

In March 2018, the Board of Trustees approved major revisions to two existing Board policies related to finances, and adoption of a new policy regarding budgetary compliance and periodic financial reporting. Key tenets of the District's financial policies include:

- Minimum Balance of General Fund – establishes a minimum unrestricted fund balance for the General Fund of 8% to 10% of total appropriations.
- Replenishment of Fund Balance – requires a plan to replenish the General Fund's balance if the District fails to meet the above minimum target balance.
- General Fund Contingency Balance – sets a minimum amount to be budgeted for unanticipated needs of 0.25% of total appropriations.
- Minimum Balance of Other Funds – establishes minimum target fund balances for other governmental funds and minimum target cash balances for proprietary funds.
- Structurally Balanced Budget – requires the District to maintain a structurally balanced budget for the General Fund, in which recurring revenues are equal to or greater than recurring expenses, beginning no later than the Fiscal Year 2020-21 budget and ongoing thereafter.
- Requires a long-term financial plan once the District achieves a structurally balanced budget and requires annual revenue forecasting.
- Budgeting – requires quantitative analysis to drive budgetary decisions, including benchmarking, calculation of academic return on investment, root cause analysis, and program and policy analysis.
- Public engagement and communications with stakeholders in the budget process is required.

- Monthly and quarterly reporting – requires monthly monitoring of funds' cash balances, monthly reporting of General Fund expenses and revenues to the Board of Trustees, and distribution of quarterly unaudited financial statements to the Board of Trustees.
- New and Expanded Programs – requires development of quantitative outcome measures to evaluate new or expanded programs on a pilot basis, and a formal sunset review.

Internal controls

In addition to the comprehensive internal control policies and procedures established and used by the Office of Business and Financial Services, the District has an Internal Audit Department which reports functionally to the Board of Trustees. 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.

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 Acknowledgements

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, 2017. This is the seventeenth 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 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.

Washoe County School District received the Award for Outstanding Achievement in Popular Annual Financial Reporting from the Government Finance Officers Association of the United States and Canada (GFOA) for the fiscal year ended June 30, 2017 for the second consecutive year. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports. To receive this award a governmental unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability, and reader appeal. An award is valid for one year. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA for consideration.

The Government Finance Officers Association of the United States and Canada (GFOA) presents an award for Best Practices in School Budgeting to entities fulfilling the requirements. The District has implemented many of these new budget processes and has applied for this award for its annual budget for the fiscal year beginning July 1, 2017, however the GFOA has not completed its review.

The District was awarded the Achievement of Excellence in Procurement Award by the National Procurement Institute, Incorporated. This is the twenty-first year (seventeenth consecutive) the District has received this award representing organizational excellence in procurement, innovation, professionalism, e-procurement, productivity and leadership attributes. The Washoe County School District is one of just five governmental agencies in Nevada and one of only 26 school districts in the United States and Canada to receive the award this year.

The preparation of this report on a timely basis was made possible through the dedicated services of the entire accounting staff of the Office of Business and Financial Services, notably Controller Gail Carson, who is retiring this year. 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 Eide Bailly LLP, 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,



Traci Davis
Superintendent



Mark Mathers
Chief Financial Officer

Washoe County School District Reno, Nevada



District Officials as of June 30, 2018

Board of Trustees

Katy Simon Holland
President

Malena Raymond
Vice President

John Mayer
Clerk

Dr. Debra Feemster
Member

Verónica Frenkel, M.A.
Member

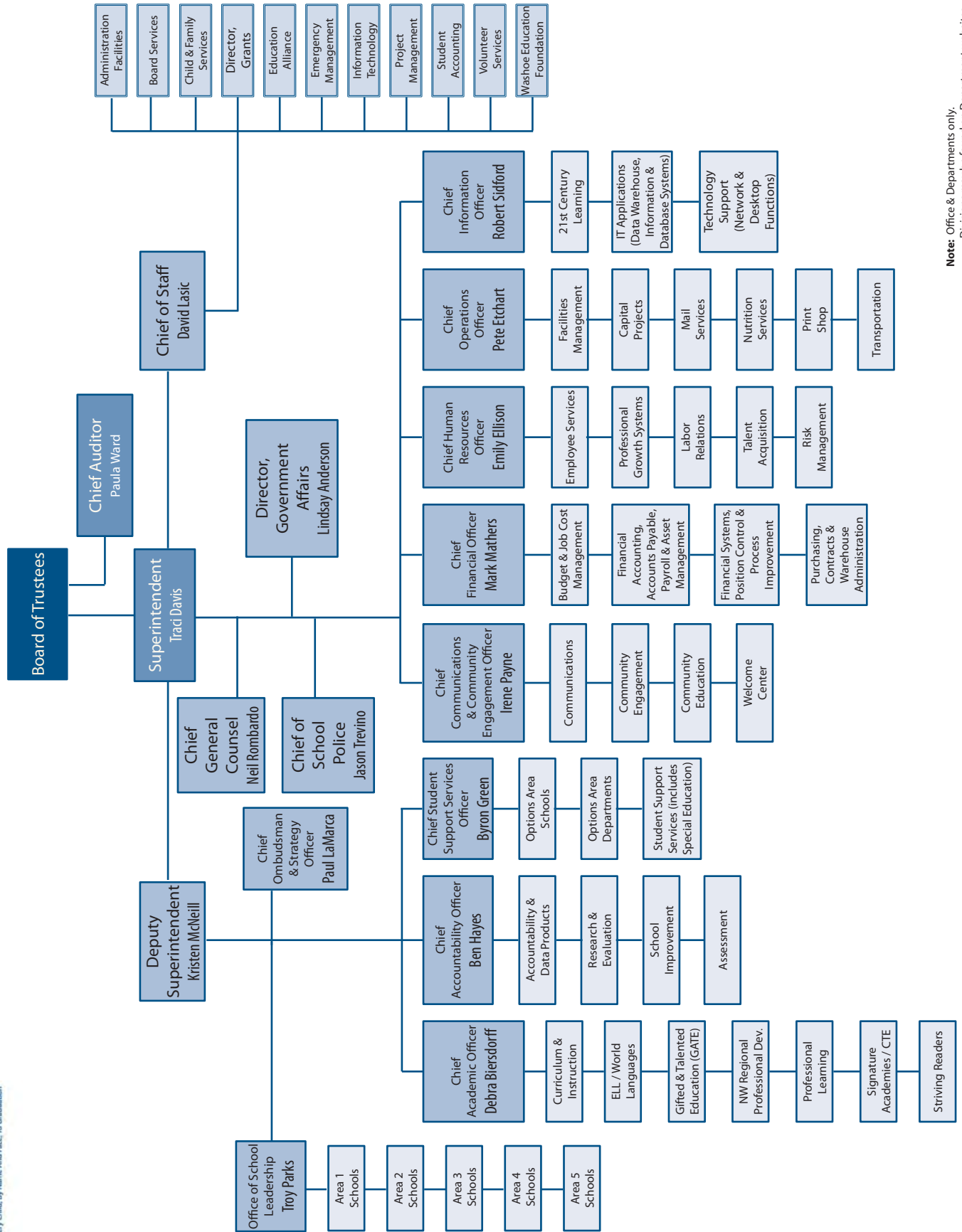
Scott Kelley
Member

Dr. Angela Taylor
Member

Administrative Officials

Traci Davis, Ed.S.
Superintendent

Mark Mathers
Chief Financial Officer
Business & Financial Services



Note: Office & Departments only.
Divisions may be found on Department websites



Government Finance Officers Association

**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, 2017

Christopher P. Morrell

Executive Director/CEO



Financial Section

Comprehensive Annual Financial Report

Financial Section

- ♦ Independent Auditor's Report
- ♦ Management's Discussion and Analysis





Independent Auditor's Report

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

Report on the Financial Statements

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 the Washoe County School District (the "District") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary

comparison for the General Fund and Special Education Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of an Error

As discussed in Note 13 to the financial statements, certain errors occurred in the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*, resulting in the overstatement of amounts previously reported for deferred outflows of resources and net pension liability-related amounts for the year ended June 30, 2017, and were discovered by management during the current year based on communications from the Public Employees' Retirement System of Nevada (PERS), including a restated Schedule of Employer Allocations for GASB 82 Implementation. Accordingly, amounts for deferred outflows of resources and net pension liability-related amounts, have resulted in a restatement of net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Change in Accounting Principle

As discussed in Notes 1 and 13 to the financial statements, the District has adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which has resulted in a restatement of the net position as of July 1, 2017. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 22, the Schedule of the District's Proportionate Share of the Net Pension Liability on page 86, the Schedule of District Contributions to Public Employees' Retirement System of the State of Nevada on page 87, the Schedules of Changes in the District's Net Other Postemployment Benefits Liability and Related Ratios on pages 88 through 90, and the Schedule of District Contributions for Other Postemployment Benefits on page 91, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements. The introductory section, combining and individual fund statements and schedules, Schedules of Capital Assets Used in the Operation of Governmental Funds, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the financial statements.

The combining and individual fund statements and schedules, Schedules of Capital Assets Used in the Operation of Governmental Funds, and the Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Report on Summarized Comparative Information

We have previously audited, in accordance with accounting standards generally accepted in the United States of America, the basic financial statements of the District as of and for the year ended June 30, 2017 and 2016 and have issued our report thereon dated October 31, 2017 and October 21, 2016, respectively, which expressed an unmodified opinion on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. The summarized comparative information presented in the basic financial statements as of and for the year ended June 30, 2017 and 2016, is consistent with the audited financial statements from which it has been derived.

The combining and individual fund statements and schedules related to the 2017 and 2016 financial statements are presented for purposes of additional analysis and were derived from and relate directly to the underlying accounting and other records used to prepare the 2017 and 2016 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2017 and 2016 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. The individual fund financial statements and schedules are consistent in relation to the basic financial statements from which they have been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated October 29, 2018 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 solely 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 effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Reno, Nevada
October 29, 2018

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

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 subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

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

Financial Highlights

- ❑ The District's total revenues increased over the prior year by \$43.8 million to \$708.1 million. The District saw property taxes increase by \$6.3 million, local school support taxes (sales tax) by \$6.2 million, government services taxes (motor vehicle fees) by \$2.4 million, WC-1 sales tax revenue by \$33.7 million, and investment earnings by \$3.5 million.
- ❑ The District's total expenses increased by \$2.8 million to \$677.0 million. The most significant expenses were in regular instruction at \$233.5 million, special education instruction at \$92.6 million, other instruction (primarily grants) at \$63.7 million and operation and maintenance at \$48 million.
- ❑ The District's General Fund deficit (the shortfall in revenues compared to expenses and other uses) significantly declined from \$10.8 million last fiscal year to \$2.4 million in the current fiscal year.
- ❑ Capital assets net of depreciation increased by \$63.9 million to \$745.9 million.
- ❑ Fiscal year 2018 was the first full fiscal year that the District received revenues from the 0.54% sales and use tax approved by County voters in November 2016 for school capital projects; a total of \$43.8 million was received. In November 2017, the District sold \$200 million of general obligation bonds that pledged this new revenue source to pay for the new construction of three schools.
- ❑ The District's general obligation bonds payable increased by \$192.7 million or 37.6% as the result of issuing \$258.3 million in school improvement and refunding bond debt, offset by debt payments and defeasance of \$65.6 million.
- ❑ Government-wide net position decreased by \$160.7 million to -\$414.9 million. The negative net position is largely due to reporting requirements of Government Accounting Standards Board (GASB) Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and GASB Statement No. 82 *Pension Issues, an amendment of GASB Statements No. 67, No. 68 and No. 73*, which requires the District to record the net liability of retiree health benefits and its proportionate share of the net pension liability of the Public Employee's Retirement System of Nevada (PERS), respectively.
- ❑ Unrestricted net position decreased by \$238.3 million to -\$817.0 million. Factors contributing to this include a net increase in the governmental activities pension liability of \$42.3 million, a net increase in the other post-employment benefit liability of \$157.0 million, and a net increase in bonds payable by \$217.1 million. Increases in cash and investments of \$157.4 million and receivables from other governments of \$13.6 million partially offset the decreases.

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.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The *Statement of Net Position* presents information on all the District's assets, deferred outflows, liabilities, and deferred inflows with the net difference reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 government-wide financial statements distinguish functions that are supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are 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 funds balance sheet and governmental funds statement of revenues, expenditures and changes in fund balance provide reconciliations between the two statement types.



The focus of the governmental fund statements is on major funds. A fund may qualify as a major fund if the revenues or expenditures, assets or liabilities meet specific criteria when compared to similar funds or the government as a whole. In addition, the District may elect to report funds as major even when they do not meet the criteria; this is generally done for public interest.

The District has 46 individual governmental funds of which the General, Debt Service and 2017C Sales Tax Revenue Bond funds qualify as major funds. The District has elected to report 15 additional funds – Special Education, Debt Service - WC1, and all other funds used for reporting transactions associated with a bond issuance – as major. These funds are disclosed separately

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

in the governmental funds balance sheet and/or in the governmental funds statement of revenues, expenditures and changes in fund balance. The remaining 28 non-major governmental funds are combined into a single aggregated presentation in these statements. Individual fund data for each of the non-major 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 services 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 activities column in the government-wide statements.



The proprietary fund financial statements present all three internal service funds in a single, aggregated column along with the 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 two agency funds: the Student Activity Funds for schools in the District and the Nevada Interscholastic Athletic Association for all school districts in Nevada. Additionally, the District has two trust funds: the Private Purpose Scholarship Trust Fund and the Other Postemployment Benefits (OPEB) Trust Fund. Additional information on the OPEB Trust Fund is in Note 9 on pages 72-80 of this report.

Notes to the Financial Statements

The notes provide descriptions of the accounting and finance-related policies underlying amounts in the financial statements, more detail about or explanations of amounts in the financial statements, and additional information necessary to understand the District's activities.

Other

Supplementary information, including combining and individual fund statements and schedules providing budget to actual and prior year comparisons, is presented after the 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.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

To enhance analysis, comparative information is provided for assets, deferred outflows, liabilities, deferred inflows, net position, revenues and expenses.

WASHOE COUNTY SCHOOL DISTRICT'S NET POSITION

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Assets						
Current and other assets \$	548,292,335	\$ 360,615,582	\$ 6,831,708	\$ 6,330,377	\$ 555,124,043	\$ 366,945,959
Net capital assets	743,303,046	679,542,545	2,616,512	2,505,230	745,919,558	682,047,775
Total assets	1,291,595,381	1,040,158,127	9,448,220	8,835,607	1,301,043,601	1,048,993,734
Deferred Outflows						
Deferred pension outflows	115,467,391	184,580,717	1,766,935	2,137,558	117,234,326	186,718,275
Deferred OPEB outflows	26,181,682	-	806,913	-	26,988,595	-
Deferred debt charges	21,692,174	19,921,865	-	-	21,692,174	19,921,865
Total deferred outflows	163,341,247	204,502,582	2,573,848	2,137,558	165,915,095	206,640,140
Liabilities						
Current liabilities	146,610,224	134,565,420	1,385,724	1,455,863	147,995,948	136,021,283
Long-term liabilities	1,626,525,540	1,287,778,346	14,298,351	8,521,884	1,640,823,891	1,296,300,230
Total liabilities	1,773,135,764	1,422,343,766	15,684,075	9,977,747	1,788,819,839	1,432,321,513
Deferred Inflows						
Deferred pension inflows	64,681,521	76,383,038	776,411	911,873	65,457,932	77,294,911
Deferred OPEB inflows	26,876,184	-	673,477	-	27,549,661	-
Deferred revenues	17,179	233,893	-	-	17,179	233,893
Total deferred inflows	91,574,884	76,616,931	1,449,888	911,873	93,024,772	77,528,804
Net Position						
Net investment in capital assets	230,621,904	253,125,985	2,616,512	2,505,230	233,238,416	255,631,215
Restricted	168,899,070	68,830,420	-	-	168,899,070	68,830,420
Unrestricted	(809,294,994)	(576,256,393)	(7,728,407)	(2,421,685)	(817,023,401)	(578,678,078)
Total net position \$	\$(409,774,020)	\$(254,299,988)	\$(5,111,895)	\$ 83,545	\$(414,885,915)	\$(254,216,443)

For more detailed information see the government-wide statement of net position and the notes to the financial statements.

Net position. The District's total liabilities and deferred inflows exceeded total assets and deferred outflows by \$414.9 million at June 30, 2018 - a \$160.7 million decrease of net position from June 30, 2017. There are many changes within the funds that impact the net position, however, the net increase in pension benefits and OPEB liabilities – approximately \$42.3 million and \$157.0 million, respectively – easily account for the decrease in the government-wide statement. The largest portion of net position, -\$817.0 million, reflects negative unrestricted net position due to the pension benefits and OPEB liabilities.

The District's investment in capital assets (e.g. land, buildings, equipment and construction in progress) less any outstanding related debt used to acquire those assets accounts for 56.2% of net position. These capital assets are used 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, 40.7%, represents resources that are subject to external restrictions (statutory, bond covenants, or granting agency) on how they may be used. Restricted net position increased by \$100.1 million during the fiscal year primarily due to increased WC1 sales tax revenues and restricted cash in the debt service funds, and reclassification of investments for OPEB from the OPEB Trust Fund to a non-fiduciary fund of the District as required by GASB Statement No. 74 *Financial Reporting for Postemployment Benefits Other Than Pension Plans*.

**WASHOE COUNTY SCHOOL DISTRICT
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Revenues and expenses of the District are depicted by type of activity in the following table. Total revenues increased by \$43.8 million – \$43.2 million in governmental activities and \$0.6 million in business-type activities. Total expenses increased by \$2.4 million in governmental activities and \$0.4 million in business-type activities.

WASHOE COUNTY SCHOOL DISTRICT'S STATEMENT OF ACTIVITIES

	<u>Governmental activities</u>		<u>Business-type activities</u>		<u>Total</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Revenues						
Program revenues						
Charges for services	\$ 362,047	\$ 322,432	\$ 5,621,234	\$ 5,307,846	\$ 5,983,281	\$ 5,630,278
Operating grants and contributions	117,673,391	135,571,248	19,153,088	18,833,405	136,826,479	154,404,653
Capital grants and contributions	50,000	896,151	-	52,818	50,000	948,969
General revenues						
Property taxes	160,554,786	154,285,623	-	-	160,554,786	154,285,623
Local school support taxes	198,072,854	181,682,201	-	-	198,072,854	181,682,201
Prior year refund - school support taxes	(8,940,689)	-	-	-	(8,940,689)	-
WC1 sales tax revenue	43,781,973	10,145,752	-	-	43,781,973	10,145,752
Government services taxes	22,562,907	20,177,492	-	-	22,562,907	20,177,492
Franchise taxes	288,011	193,040	-	-	288,011	193,040
Unrestricted investment earnings	5,685,768	2,190,293	-	-	5,685,768	2,190,293
State aid not restricted to specific purposes	130,502,725	128,259,530	-	-	130,502,725	128,259,530
Other	12,709,826	6,358,640	-	-	12,709,826	6,358,640
Total revenues	\$ 683,303,599	\$ 640,082,402	\$ 24,774,322	\$ 24,194,069	\$ 708,077,921	\$ 664,276,471
Expenses						
Instruction						
Regular instruction	\$ 233,549,611	\$ 226,475,054	\$ -	\$ -	\$ 233,549,611	\$ 226,475,054
Special instruction	92,569,058	87,896,895	-	-	92,569,058	87,896,895
Vocational instruction	8,566,133	9,361,869	-	-	8,566,133	9,361,869
Other instruction	63,705,467	79,857,162	-	-	63,705,467	79,857,162
Adult education instruction	1,316,388	1,404,779	-	-	1,316,388	1,404,779
Community services instruction	654,569	650,232	-	-	654,569	650,232
Co-curricular instruction	3,960,386	3,705,083	-	-	3,960,386	3,705,083
Support services						
Instruction	13,213	465	-	-	13,213	465
Student support	32,804,876	32,068,797	-	-	32,804,876	32,068,797
Instructional staff support	15,652,591	17,037,673	-	-	15,652,591	17,037,673
General administration	6,757,817	6,983,366	-	-	6,757,817	6,983,366
School administration	36,169,643	36,768,243	-	-	36,169,643	36,768,243
Central services	28,634,187	26,664,795	-	-	28,634,187	26,664,795
Operation and maintenance	48,013,350	47,241,870	-	-	48,013,350	47,241,870
Student transportation	18,692,812	18,045,075	-	-	18,692,812	18,045,075
Other support	16,005	57,996	-	-	16,005	57,996
Community services operations	12	128	-	-	12	128
Nutrition services	-	-	24,176,889	23,736,302	24,176,889	23,736,302
Facilities	37,600,299	36,610,769	-	-	37,600,299	36,610,769
Interest on long-term debt	23,700,061	19,477,664	-	-	23,700,061	19,477,664
Issuance costs on debt	429,753	126,697	-	-	429,753	126,697
Total expenses	652,806,231	650,434,612	24,176,889	23,736,302	676,983,120	674,170,914
Transfers	34,279,184	-	-	-	34,279,184	-
Increase (decrease) in net position	64,776,552	(10,352,210)	597,433	457,767	65,373,985	(9,894,443)
Net position, beginning	(254,299,989)	(243,947,779)	83,545	(374,222)	(254,216,444)	(244,322,001)
Prior period restatement	(220,250,583)	-	(5,792,873)	-	(226,043,456)	-
Net position, ending (as restated)	\$ (409,774,020)	\$ (254,299,989)	\$ (5,111,895)	\$ 83,545	\$ (414,885,915)	\$ (254,216,444)

For more detailed information see the government-wide statement of net position and the notes to the financial statements.

Governmental activities. Governmental activities contributed \$64.8 million to net position as a result of revenues exceeding expenses, however a -\$220.3 million prior period adjustment due to the implementation of GASB Statements 75 and 82 resulted in an overall decrease of \$155.5

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million to the District's net position for fiscal year 2018. Key elements of the changes are noted on the following table and graphs.

Revenues

Total revenues increased from fiscal year 2017 by 6.8%. Revenues are divided into program revenues and general revenues in the following table. Program revenues are revenues directly related to service activities of a function and include charges for services, operating and capital grants and contributions, and related investment earnings, when restricted for use in programs.

GOVERNMENTAL ACTIVITIES – CHANGES IN REVENUES

	Governmental activities			
	2018	2017	Inc / (Dec) from 2017	% Inc / (Dec) from 2017
Revenues				
Program revenues				
Charges for services	\$ 362,047	\$ 322,432	\$ 39,615	12.3
Operating grants and contributions	117,673,391	135,571,248	(17,897,857)	(13.2)
Capital grants and contributions	50,000	896,151	(846,151)	(94.4)
General revenues				
Property taxes	160,554,785	154,285,623	6,269,162	4.1
Local school support taxes	198,072,854	181,682,201	16,390,653	9.0
Local school support taxes - refund prior year	(8,940,689)	-	(8,940,689)	-
WC1 sales tax revenue	43,781,973	10,145,752	33,636,221	331.5
Government services taxes	22,562,907	20,177,492	2,385,415	11.8
Franchise taxes	288,011	193,040	94,971	49.2
Unrestricted investment earnings	5,685,768	2,190,293	3,495,475	159.6
State aid not restricted to specific purposes	130,502,725	128,259,530	2,243,195	1.7
Other	12,709,826	6,358,640	6,351,186	99.9
Total revenues	<u>\$ 683,303,598</u>	<u>\$ 640,082,402</u>	<u>\$ 43,221,196</u>	<u>6.8</u>

Program revenues represent 17.3% of the total revenues and are used to pay costs of providing program services; they decreased by \$18.7 million compared to last year. The 12.3% increase in charges for services is due to increasing enrollment in summer school programs. Operating grants and contributions decreased \$17.9 million or 13.2% due to decreased funding for other state and federal programs. Capital grants and contributions decreased by \$0.8 million or 94.4% due to project completion in the prior year.

General revenues of governmental activities comprise 82.7% of total revenues and are used to pay the costs of providing non-program services and operations. General revenues increased 12.3% from the prior fiscal year, with increases in all categories.

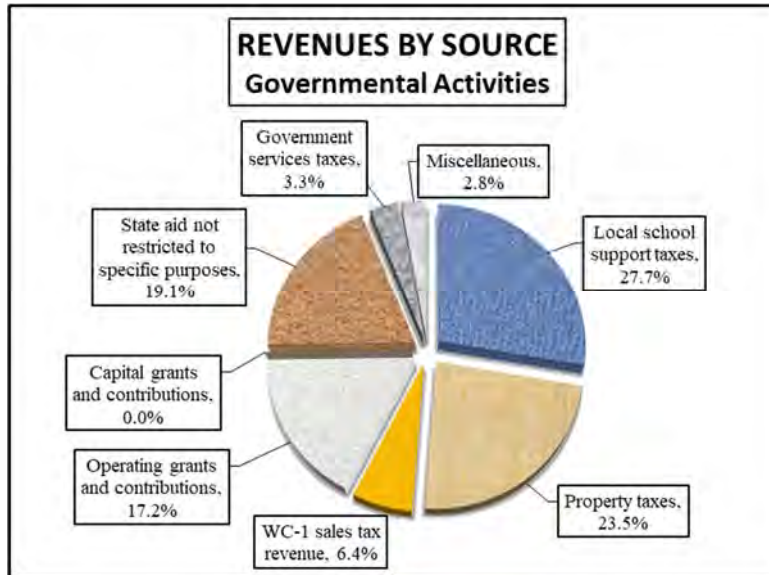
- ❑ The largest and main general revenue sources for the District are local school support taxes of \$198.1 million, partially offset by a prior year adjustment decrease of \$8.9 million due to a sales tax refund to AT&T, property taxes of \$160.6 million and state aid not restricted to specific purposes of \$130.5 million. These revenues represent 70.3% of total governmental revenues for the current fiscal year.
- ❑ Local school support taxes increased 9.0% due to increases in sales tax collections in Nevada as a result of continued economic improvement.
- ❑ Ad Valorem (property) taxes increased 4.1% from the prior year due to higher property tax collections and increases in assessed valuations.
- ❑ State revenue, as provided in the Nevada Plan (State aid guaranteed funding), increased 1.7%. The Nevada Plan provides funding for school districts at the per pupil funding rate of \$5,677 in fiscal year 2018 (compared to \$5,658 in fiscal year 2017) – less local school

WASHOE COUNTY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

support taxes and one-third of general fund property taxes. Increases in local taxes decreased state aid by approximately \$9.5 million.

- Government services taxes increased 11.8% due to higher motor vehicle tax collections.

Revenues by source for governmental activities are shown here:



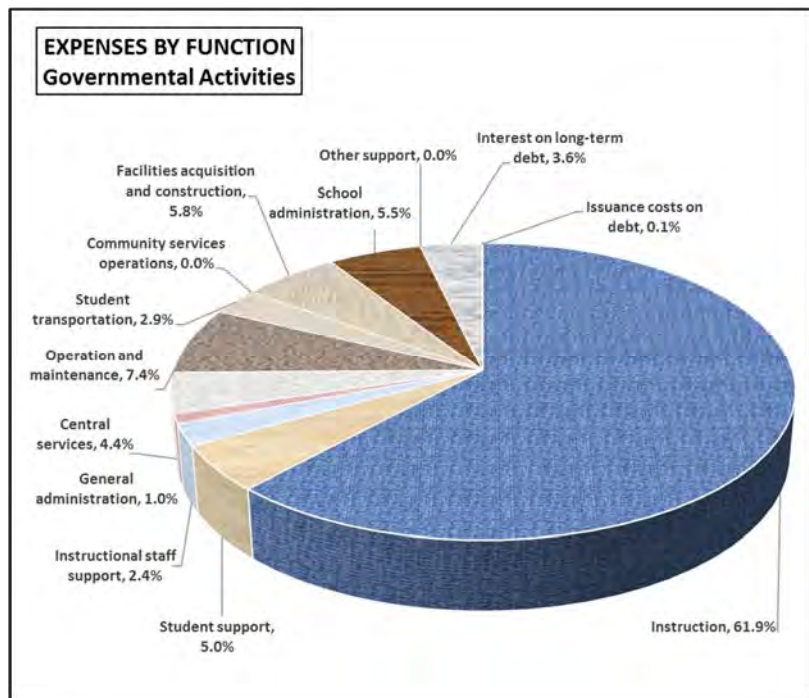
Expenses

Total expenses by function are shown in the accompanying graph. In addition, changes by amount and percentage are shown in the table on the next page.

Instruction expenditures account for 61.9% of all governmental fund expenses with 80.7% of instruction dollars spent for regular and special instruction.

The remaining 38.1% of total governmental fund expenses are used to support the students and instructional staff and operate and maintain the District. The largest support expenditures were operation and maintenance at 7.4%, school administration at 5.5%, facilities acquisition and construction at 5.8%, and student support at 5.0%.

Total instruction costs decreased 1.2% from the prior fiscal year due to decreased funding in other instruction programs, vocational instruction programs, and adult education instruction.



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Other instruction program expenses decreased by \$16.1 million or 20.2% primarily because full day kindergarten funding was transferred to the general fund by the Nevada Department of Education. Expenditures in certain state grant programs such as Victory and Zoom also decreased slightly due to the carry-over funding from the prior year.

Interest on long-term debt increased by \$5.9 million or 30.5% primarily from the issuance of \$200 million of general obligation bonds that pledge WC-1 sales tax revenues. Operation and maintenance expenses, student support, facilities, and student transportation expenses also increased slightly over last year.

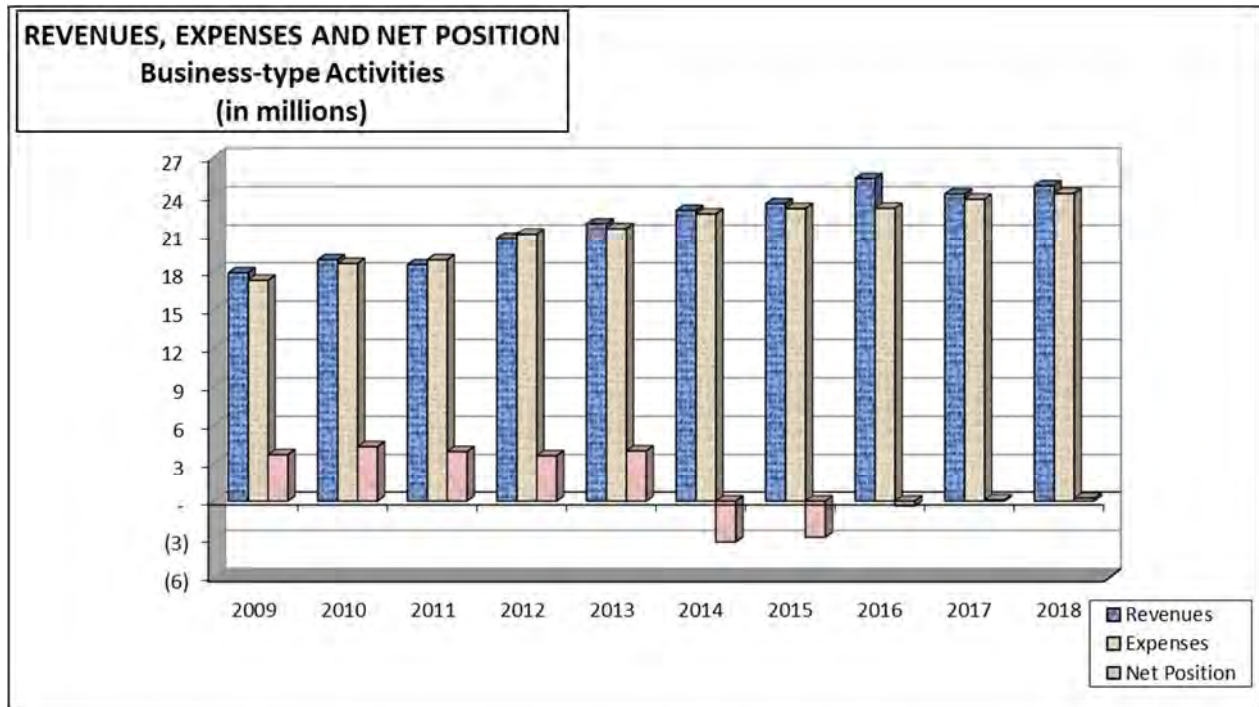
GOVERNMENTAL ACTIVITIES – CHANGES IN EXPENSES BY FUNCTION

Expenses	2018	2017	Inc / (Dec) from 2017	% Inc / (Dec) from 2017
Instruction				
Regular instruction	\$ 233,549,611	\$ 226,475,054	\$ 7,074,557	3.1
Special instruction	92,569,058	87,896,895	4,672,163	5.3
Vocational instruction	8,566,133	9,361,869	(795,736)	(8.5)
Other instruction	63,705,467	79,857,162	(16,151,695)	(20.2)
Adult education instruction	1,316,388	1,404,779	(88,391)	(6.3)
Community services instruction	654,569	650,232	4,337	0.7
Co-curricular instruction	3,960,386	3,705,083	255,303	6.9
Total instruction	<u>404,321,612</u>	<u>409,351,074</u>	<u>(5,029,462)</u>	<u>(1.2)</u>
Support services				
Instruction	13,213	465	12,748	2,741.5
Student support	32,804,876	32,068,797	736,079	2.3
Instructional staff support	15,652,591	17,037,673	(1,385,082)	(8.1)
General administration	6,757,817	6,983,366	(225,549)	(3.2)
School administration	36,169,643	36,768,243	(598,600)	(1.6)
Central services	28,634,187	26,664,795	1,969,392	7.4
Operation and maintenance	48,013,350	47,241,870	771,480	1.6
Student transportation	18,692,812	18,045,075	647,737	3.6
Other support	16,005	57,996	(41,991)	(72.4)
Community services operations	12	128	(116)	(90.6)
Facilities	37,600,299	36,610,771	989,528	2.7
Interest on long-term debt	23,700,061	19,477,664	4,222,397	21.7
Issuance costs on debt	429,753	126,697	303,056	239.2
Total support services	<u>248,484,619</u>	<u>241,083,540</u>	<u>7,401,079</u>	<u>3.1</u>
Total expenses	<u>\$ 652,806,231</u>	<u>\$ 650,434,614</u>	<u>\$ 2,371,617</u>	<u>0.4</u>

Business-type activities. Business-type activities consist solely of the District's Nutrition Services Enterprise Fund. A prior period adjustment decrease of \$5.8 million was recorded in fiscal year 2018 for the implementation of GASB Statements 75 and 82. Current fiscal year activity increased net position by \$0.6 million. Total revenues for nutrition services are comprised of charges for services 22.7%, federal subsidies 69.7%, commodity food products 7.3%, state matching funds 0.2%, and contributions and donations 0.1%. The majority of expenses are for food and supplies and salaries and benefits to conduct the District's nutrition services operation.

WASHOE COUNTY SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2018

A ten-year history of fund activity follows:



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, unassigned fund balance may serve as a useful measure of net resources available for spending at the end of the fiscal year.

The District's governmental funds reported combined ending fund balances of \$406.1 million, an increase of \$190.3 million from the prior year. Of this total, \$1.3 million or 0.3% is *nonspendable fund balance* (inventories and prepaids), \$362.3 million or 89.2% is *restricted fund balance* (constrained, typically by creditors, grantors, contributors, laws or legislation, to being used for a specific purpose), \$2.9 million or 0.7% is *committed fund balance* (constrained by action by the Board of Trustees to be used for a specific purpose), \$10.4 million or 2.6% is *assigned fund balance* (amounts intended to be used for a specific purpose), and \$29.2 million or 7.2% is



**WASHOE COUNTY SCHOOL DISTRICT
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unassigned fund balance (available for any purpose). A detailed discussion of the fund balance reporting is provided in Note 7 on pages 65-67 of this report.

In 1993, the Nevada State Legislature enacted legislation that requires the special education program (previously accounted for in the General Fund) to be accounted for in a separate special revenue fund. Although reported separately, any deficiencies of revenues under expenditures in the Special Education Fund are compensated for by transfer of monies from the General Fund. Transfers from the General Fund to cover special education expenditures in fiscal year 2018 were \$41.6 million. This is an increase of 8.5% over 2017. State funding increased by \$3.2 million or 12.4% as a new formula was enacted by the 2017 Legislature. Expenses for all functions of special education, except transportation, increased due to the increase in the number of students qualifying for special education services and the District's increased emphasis on providing additional support to this student population. Because of the size and relationship of the Special Education Fund to the General Fund, it is included in the analysis below.

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

	<u>2018</u>	<u>2017</u>
Salaries	\$ 314,392,528	\$ 303,349,787
Benefits	129,222,400	123,752,796
Purchased services	18,486,946	15,307,763
Supplies	18,811,686	20,921,405
Property	4,001,852	732,222
Other	<u>1,861,252</u>	<u>1,078,732</u>
Totals	<u>\$ 486,776,664</u>	<u>\$ 465,142,705</u>

- ❑ Salaries comprise 64.6% of total expenditures. School districts by their nature are labor intensive.
- ❑ Employee benefits averaged 41.1% of salaries and 26.6% of total expenditures. Benefits include contributions on behalf of employees for retirement (Public Employees' Retirement System and Social Security), health insurance, Medicare, old age survivor's disability insurance (part-time employees), life insurance, workers' compensation, and other post-employment benefits.
- ❑ Purchased services, supplies, property and other comprise 8.8% of total expenditures. Details regarding variances on a fund level are available in separate reports.

General Fund. At the end of the current fiscal year, the total fund balance was \$40.9 million compared to \$43.3 million in the prior year. The nonspendable fund balance increased \$0.1 million from fiscal year 2017 to \$1.3 million. Due to a change in approach on how the fund balance is assigned, the assigned fund balance was \$10.4 million compared to \$42.1 million in the previous year; however, the unassigned fund balance increased from zero in the previous year to \$29.2 million. Importantly, the District's General Fund deficit (the shortfall in revenues compared to expenses and other uses) significantly declined from \$10.0 million last fiscal year to \$2.4 million in the current fiscal year.

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As a measure of the General Fund's liquidity, it may be useful to compare total fund balance to total fund expenditures. This year's total fund balance represents 8.8% of total fund expenditures as compared to 10.8% in the prior fiscal year.

Listed below are the key factors in fund balance changes during the fiscal year.

- ❑ Total revenues of \$456.4 million increased from the prior year revenue by \$22.7 million or 5.2%. Increases of 9.0% in local school support taxes, 4.3% in ad valorem taxes, and 11.8% in government services taxes were partially offset by decreases in other minor categories.
- ❑ Total expenditures of \$416.0 million increased from the prior year by \$15.2 million or 3.8%. Increases of \$11.4 million, or 3.1%, were incurred in salaries and benefits due to scheduled step increases and negotiated cost of living increases by all our bargaining groups, and a 2% increase in health insurance premiums.
- ❑ Operating (non-salary) categories increased by \$3.8 million or 10.6% from the prior year due to increases in capital asset expenses of \$3.3 million and purchased services costs of \$2.6 million. These were partially offset by decreases in supplies of \$1.9 million. Significant savings in supplies were experienced across a broad base of categories; capital asset purchases increased because of buying school buses and other district vehicles; and purchased services increased as software licenses purchased from another fund in the prior year were paid from this fund.
- ❑ The excess of revenues over expenditures was \$40.4 million. There were no transfers in. Transfers out to other funds were \$46.0 million and included \$41.6 million to the Special Education Fund, \$2.7 million to the Debt Service Fund and \$1.7 million to the Health Insurance Fund.



The Special Education Fund accounts for resources (state-aid and transfers from the General Fund) used to provide special education to eligible students. This fund has no fund balance as the District transfers only the amount needed to cover expenditures not covered by State funding. Resources and expenditures totaled \$70.8 million, an increase from the prior year of \$6.5 million, or 10.0%. All fund resources were from State aid of \$29.2 million and transfers from the General Fund of \$41.6 million.

The Debt Service Fund has a total fund balance of \$61.9 million, all of which is restricted for the payment of debt service. The fund balance increased by \$32.8 million as a result of issuing refunding bonds and increased property tax collections. Costs to defease debt and increases in principal and interest payments partially offset the increases.

The Debt Service – WC1 Fund is used to account for revenues and expenditures relating to the additional sales tax approved by voters during the 2016 election. The one-half percent sales and use tax increase became effective April 1, 2017. At June 30, 2018 the ending fund balance was

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\$26.1 million. Fiscal year 2018 revenues of \$43.8 million were offset by expenses of \$2.9 million and \$25 million of transfers to the WC1 Sales Tax Revenue Fund.

The WC1 Sales Tax Revenue Fund is used to account for capital projects paid for with funds generated by the November 2016 WC-1 ballot measure imposing a sales and use tax of 0.54% to fund capital projects for the acquisition, construction, repair and renovation of school facilities. Monies received that exceed the amount needed for payment of debt service and any required reserve may be used for pay-as-you-go projects. During fiscal year 2018, \$25 million was transferred into this fund from the Debt Service – WC1 Fund. Expenditures of approximately \$7.8 million included \$7.4 million for student housing, including the expansion of Damonte Ranch High School, and \$0.4 million for support services facility upgrades. At June 30, 2018, the ending fund balance was \$17.2 million.



The 2017C Sales Tax Revenue Bond Fund is used to account for bond proceeds of the first series of bonds that pledge the WC-1 Sales Tax Revenues for bond principal and interest payments. To date the District has issued one series of bonds in the amount of \$200 million. During fiscal year 2018 expenditures of approximately \$36.2 million included \$34 million for the partial construction of two new middle schools and one new elementary school (16% expended), \$16 thousand for support services facility upgrades (3% expended), and \$2.2 million for bond issuance costs. The ending fund balance on June 30, 2018 of \$181.0 million consists of unspent bond funds and investment income.

Rollover bond funds are funds received from issuing approximately \$551 million in voter-approved bonds between 2002 and 2012 without increasing the tax rate to citizens. This measure expired in 2012 and the District was without a source of funding for capital improvement and construction for three years. Nevada legislators, during the 2015 legislative session, authorized districts to continue to issue additional bonds under the 2002 voter approved initiative for 10 more years. These new issues, named **Extended Bond Rollover Funds**, will provide approximately \$350 million to address ongoing maintenance and improvement needs.

The rollover bonds have allowed the District to provide, in part, for the upkeep of existing facilities, improvements (including technology infrastructure upgrades) to older existing schools, and construction of new schools, when needed, to address increases in student enrollment. Individual rollover funds are as follows:

The 2017B Extended Bond Rollover Fund issuance in April 2017 for \$15 million is being used primarily for student housing in the form of school design, facility upgrades, advanced planning, site acquisition and capital renewal. During fiscal year 2018 expenditures of approximately \$2.3

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million included \$1.1 million for student housing (14% expended), \$14 thousand for safety and security (6% expended), \$0.1 million for support services facility upgrades (24% expended), \$56 thousand for advanced planning (37% expended), \$0.5 million for site acquisitions (10% expended), and \$0.4 million for capital renewal (10% expended). The ending fund balance on June 30, 2018 of \$13.9 million consists of unspent bond proceeds and investment income.

The 2017A Extended Bond Rollover Fund issuance in February 2017 for \$55 million is being used primarily for student housing in the form of high school additions and school design, safety and security, facility upgrades, advance planning, site acquisitions, capital renewal, and program administration. During fiscal year 2018 expenditures of approximately \$22.9 million included \$2.3 million for student housing (45% expended), \$37 thousand for safety and security (3% expended), \$0.4 million for support services facility upgrades (35% expended), \$8.5 million for site acquisitions (100% expended), \$11.3 million for capital renewal (57% expended), and \$0.3 million for program administration. The ending fund balance on June 30, 2018 of \$33.3 million consists of unspent bond proceeds and investment income.

The 2016B Extended Bond Rollover Fund issuance in November 2016 for \$15 million is being used primarily for student housing in the form of school design, site acquisitions, and advance planning. During fiscal year 2018 expenditures of approximately \$8.9 million included \$7.4 million for student housing (80% expended), \$194 thousand for advance planning (20% expended), and \$1.2 million for site acquisitions (26% expended). The ending fund balance on June 30, 2018 of \$5.8 million consists of unspent bond proceeds and investment income.

The 2016A Extended Bond Rollover Fund issuance in February 2016 for \$20 million is being used primarily for safety and security projects, student housing and overcrowding relief, advance planning, and various capital renewal projects. During fiscal year 2018 expenditures of



approximately \$7.9 million included \$0.4 million for student housing and overcrowding relief (74% expended), \$130 thousand for safety and security (18% expended), \$0.5 million for support services facility upgrades (30% expended), \$0.3 million for advance planning (96% expended), \$2.0 million for revitalizations (99% expended), \$3.7 million for capital renewal projects (67% expended), \$0.2 million for educational options (52% expended), and \$0.7 million for program administration. The

ending fund balance on June 30, 2018 of \$7.2 million consists of unspent bond proceeds and investment income.

The 2013 Bond Rollover Fund issuance in October 2012 for \$45 million is being used primarily for revitalizations and various capital renewal projects. During fiscal year 2018 expenditures of approximately \$7.8 million included \$119 thousand for technology upgrades (99.8% expended), \$371 thousand for revitalizations (99.9% expended), and \$7.3 million for capital renewal projects (87% expended). The ending fund balance on June 30, 2018 of \$4.5 million consists of unspent bond proceeds and investment income.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

The 2012 Bond Rollover Fund issuance in November 2011 for \$45 million is being used primarily for revitalizations and various capital renewal projects. During fiscal year 2018 expenditures of approximately \$4.7 million included \$2.0 thousand for technology (100% expended), \$2.4 million for school revitalizations, including \$1.3 million for signature academies (100% expended), approximately \$1.1 million for capital renewal (99.5% expended), and \$1.2 million for program administration. The ending fund balance on June 30, 2018 of \$0.5 million consists of unspent bond proceeds and investment income.

The 2011B Bond Rollover Fund issuance in July 2011 for \$35 million is being used primarily for technology upgrades, revitalizations and various capital renewal projects. During fiscal year 2018 expenditures of approximately \$155 thousand included \$82 thousand for revitalizations (99.9% expended) and \$73 thousand for various capital renewal projects (100% expended). The ending fund balance on June 30, 2018 of \$8 thousand consists of unspent bond proceeds and investment income.

The 2010 Washoe County Recovery Zone Economic Development Bond (RZEDB) issuance in April 2010 for \$10.515 million is being used for revitalization/infrastructure improvements and capital renewal projects at schools located within Washoe County. During fiscal year 2018 expenditures of approximately \$31 thousand were for revitalizations (99.9% expended). The ending fund balance on June 30, 2018 of \$525 consists of unspent bond proceeds and investment income.

The 2009B Washoe County Recovery Zone Economic Development Bond (RZEDB) issuance in November 2009 for \$15 million is being used primarily for revitalization/infrastructure improvements and capital renewal projects at schools located within Washoe County. During fiscal year 2018 expenditures of approximately \$1.1 million included \$0.8 million for revitalizations (98.5% expended) and \$0.3 million for capital renewal projects (100% expended). The ending fund balance on June 30, 2018 of \$65 thousand consists of unspent bond proceeds and investment income.

The 2009B City of Reno Recovery Zone Economic Development Bond (RZEDB) Fund issuance in November 2009 for \$21.9 million is being used primarily for revitalization/infrastructure improvements and capital renewal projects for schools located within Reno city limits. During fiscal year 2018 expenditures of approximately \$0.2 million included \$19 thousand for revitalization (100% expended), and \$0.2 million for capital renewal projects (99.8% expended). The \$13 thousand ending fund balance on June 30, 2018 consists of unspent bond proceeds and investment income.

The 2009 Bond Rollover Fund bond issuance for \$45 million has been used for revitalization of existing elementary schools, upgrades to information technology hardware/software, and capital renewal projects such as roofing and paving. During fiscal year 2018 expenditures totaled approximately \$34 thousand for information technology projects (100% expended). This fund was fully expended as of June 30, 2018.

The 2007 Bond Rollover Fund bond issuance for \$65 million was primarily used for construction of Depoali Middle School, the continued renovation of the District's existing facilities, acquisition of mobile classrooms and various technology upgrades. During fiscal year 2018 expenditures totaled approximately \$145 thousand for capital renewal (100% expended). This fund was fully expended as of June 30, 2018.

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Proprietary funds. The proprietary fund financial 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 have a combined net position balance of \$56.6 million, an increase of \$33.2 million from fiscal year 2017. The Property and Casualty Fund had an ending net position of \$2.8 million compared to \$3.5 million in the prior year; the Health Insurance Fund had an ending net position of \$51.9 million compared to the \$17.0 million in the prior

year; and the Workers' Compensation Fund had an ending net position \$1.9 million compared to \$2.9 million in the prior year. The decrease in the net position in the Property and Casualty Fund is primarily due to claims/costs from floods. The increase in net position for the Health Insurance Fund is a result of a transfer of funds from the Other Post-Employment Benefits Trust Fund, increased insurance reimbursements for large dollar claims, and an increase in insurance premiums. The decrease in net position in the Worker's Compensation fund is primarily due to increased claims and costs. As insurance funds, by their nature, are very difficult to forecast, the District continues to work to maintain the proper reserves in these funds.

The District's Nutrition Services Enterprise Fund has an ending net position of -\$5.1 million compared to \$83.5 thousand in the prior year. Current year operating activities increased the net position by \$597.4 thousand and a prior period adjustment of -\$5.8 million for the implementation of GASB Statements 75 and 82 decreased the net position. Additional 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 can adopt an amended final budget within 30 days of the legislative adjournment. The District is also required to amend the budget by January 1 of the fiscal year to reflect the first quarter average daily 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 become available during the year that exceed those estimated.

Original Budget compared to Final Budget. There were no net changes to revenues between the original adopted budget and final adjusted budget for fiscal year 2018.

The District augmented the budget on December 12, 2017 to reflect an increase in opening fund balances and medium-term note proceeds for fleet purchases. These sources were used to

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

increase appropriations by \$6.5 million, which included an increase for purchase of vehicles by \$3.5 million and interest due on property tax refunds of \$1.6 million. The contingency account was increased by \$3.2 million.

The District also augmented the fiscal year 2018 General Fund budget on June 26, 2018. Specifically, local school support taxes were increased \$3.7 million which reduced the State distributive school account (DSA) per pupil funding by the same amount. Therefore, expenditures were not increased but were modified to reflect transfers and alignment with anticipated costs.

Final Budget compared to Actual Results. General Fund revenues were \$2.0 million lower than the Final Budget, a variance of only 0.4%. Major variances among local sources were government services taxes (+\$1.8 million), school support taxes (+\$2.4 million), refund of prior year school support taxes (-\$8.9 million) and property taxes (-\$1.2 million). The net growth in local sources reflects the strong economy in the region. Distributive school account revenues were \$5.2 million higher than the final budget, due in part to increased school support taxes which are offset by lower state support, and declining enrollment throughout the year.

GENERAL FUND BUDGET COMPARISON

	2018 BUDGET			VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL	ACTUAL	
REVENUES				
Local sources	\$ 320,828,024	\$ 324,480,396	\$ 319,074,062	\$ (5,406,334)
State sources	136,826,554	133,174,182	136,684,502	3,510,320
Federal sources	716,000	716,000	615,980	(100,020)
Total revenues	458,370,578	458,370,578	456,374,544	(1,996,034)
OTHER FINANCING SOURCES				
Medium-term financing	-	3,100,000	3,100,000	-
Proceeds from sale of property	85,000	85,000	55,923	(29,077)
FUND BALANCE, July 1	34,667,158	43,304,157	43,304,157	-
TOTAL SOURCES	<u>\$ 493,122,736</u>	<u>\$ 504,859,735</u>	<u>\$ 502,834,624</u>	<u>\$ (2,025,111)</u>
EXPENDITURES				
Current				
Regular programs	\$ 215,900,183	\$ 217,450,322	\$ 210,469,065	\$ 6,981,257
Special programs	5,433,908	5,483,765	4,985,316	498,449
Vocational programs	6,255,723	5,668,631	5,608,081	60,550
Other instructional programs	13,296,874	13,713,467	12,946,055	767,412
Co-curricular programs	4,064,154	4,929,107	3,920,051	1,009,056
Undistributed expenditures				-
Student support	33,276,564	32,475,552	31,766,681	708,871
Instructional staff support	15,756,870	15,982,833	15,195,251	787,582
General administration	12,845,715	14,480,629	6,154,378	8,326,251
School administration	36,652,582	36,150,904	35,297,243	853,661
Central services	23,931,604	23,782,337	23,053,603	728,734
Operation and maintenance	49,182,888	49,291,727	46,969,177	2,322,550
Student transportation	16,436,124	20,079,355	19,621,614	457,741
Total expenditures	433,033,189	439,488,629	415,986,515	23,502,114
OTHER FINANCING USES				
Contingency	833,965	4,055,702	-	4,055,702
Transfers out	47,991,997	47,998,293	45,965,403	2,032,890
Total other financing uses	48,825,962	52,053,995	45,965,403	6,088,592
FUND BALANCE, June 30	11,263,585	13,317,111	40,882,706	(27,565,595)
TOTAL APPLICATIONS	<u>\$ 493,122,736</u>	<u>\$ 504,859,735</u>	<u>\$ 502,834,624</u>	<u>\$ 2,025,111</u>

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Total expenditures were \$23.5 million lower than budgeted. The District achieved significant salary savings (\$6.5 million) due to vacancies in teaching positions; in many of these cases, teaching positions were filled by a substitute teacher on a long-term basis, which carries a lower cost. Due to the large number of employees, the District has experienced vacancy savings for several years. Other notable savings included: textbook purchases (\$1.9 million), which were ordered but not received as of June 30 and thus remained encumbered; lower costs for purchased services and supplies, which totaled \$4.2 million; and the budgeting of \$7.9 million for property tax refunds, which did not materialize. The District also had savings of \$2.0 million in transfers out to the Special Education Fund, which largely reflects vacancy savings for special education staff, and savings of \$4.1 million in the Contingency account, which was unspent.

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, 2018 amounts to \$745.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, and construction in progress. The \$63.9 million increase in the District's net capital assets for the current fiscal year was 9.4%.

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

	<u>2018</u>	<u>2017</u>
Governmental Activities		
Land	\$ 60,460,009	\$ 38,933,306
Construction in progress	64,784,765	24,739,675
Buildings	573,226,567	571,514,395
Improvements other than buildings	22,091,314	21,562,293
Machinery and equipment	22,740,391	22,792,876
Total	<u>\$ 743,303,046</u>	<u>\$ 679,542,545</u>
Business-type Activities		
Construction in progress	\$ 55,176	\$ -
Buildings	1,112,442	1,165,030
Machinery and equipment	1,448,894	1,340,200
	<u>\$ 2,616,512</u>	<u>\$ 2,505,230</u>

Major capital additions this fiscal year included:

School updates	\$ 8.9 million	Machinery/Equipment	6.0 million
Air quality, electrical, plumbing	6.4 million	Site and parking lots	3.9 million
Construction in progress	40.9 million	Signature academies	7.9 million
Land	21.5 million		

Depreciation expense totaling \$30.8 million is included in the government-wide statements. Additional information on the District's capital assets can be found in Note 5 on page 62 of this report.

Debt administration. The District's outstanding debt increased by a net amount of \$193.5 million, or 37.5%, during the current fiscal year as a result of issuing \$200 million of sales tax revenue

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

bonds that pledge the 0.54% WC-1 sales tax, issuing \$58.3 million of refunding bonds, and making scheduled principal payments.

WASHOE COUNTY SCHOOL DISTRICT OUTSTANDING DEBT

	<u>2018</u>	<u>2017</u>
General obligation bonds	\$ 704,835,000	\$ 512,120,000
Medium-term debt	4,887,475	4,112,880
Total	<u><u>\$ 709,722,475</u></u>	<u><u>\$ 516,232,880</u></u>

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 fiscal year 2018 debt limit for the Washoe County School District is \$2.4 billion, which is significantly greater than the District's outstanding general obligation debt.

The District's general obligation bond rating from Moody's Investor Service was downgraded from Aa3 to A1. Moody's primary rationale for the downgrade was the weakening of the district's fund balance because of its ongoing structural deficit. Standard and Poor's Corporation maintained its AA rating with a stable outlook. Additional information on the District's long-term debt can be found in Note 6 on pages 63-65 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Washoe County School District is the second largest county school district in the State of Nevada. The District's funding primarily comes from 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. Known as the "Nevada Plan", State revenue is expressed as a guaranteed per pupil amount which includes sales tax revenue and one-third of the general fund property tax revenue, with the balance contributed from the State. By guaranteeing a per pupil amount the State provides stability to the amount of revenue the District can expect for general operating purposes.

Since the Great Recession, Washoe County's economy has improved significantly due in part to improving national economic trends, but also due to development of nearby large-scale industrial parks and the decision by Tesla, Apple, Switch and other corporations to locate major facilities in the region. Going forward, the County's economy likely will continue to be linked to the national economy but also will be influenced by local factors such as the tourism and gaming industry, continued commercial and industrial development in the region, and the availability and cost of housing.

The District continues to face a budgetary structural deficit in its General Fund. On February 27, 2018, District staff provided the Board of Trustees with a forecast of anticipated resources (revenues and opening fund balances) and applications (expenditures and ending fund balances). Staff estimated a structural deficit of \$19.1 million. Faced with this deficit, the budget process for fiscal year 2019 utilized several new approaches and techniques to successfully reduce the District's budget deficit to \$7.5 million. New budgeting techniques used by the District included:

- a complete review of historical expenses incurred by departments against appropriations, which resulted in resetting department budgets downward by \$5.2 million;

**WASHOE COUNTY SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

- an analysis of historical salary savings that accrue due to vacancies incurred during the year, which resulted in budget reductions of \$4.0 million;
- cost benchmarking analysis against peer school districts; and
- calculation of the academic return on investment of certain programs.

In addition, in January 2018, the District began implementing a new budgeting process called priority-based budgeting, which uses a quantitative scoring and review process that matches programs and their results to the agency's stated priorities. The District intends to use the full results of this process for the fiscal year 2020 budget.

On May 22, 2018, the Board approved the Final Budget, which was submitted to the State Department of Taxation. General Fund revenues total \$463.3 million, while General Fund expenditures and other financing uses equal \$470.8 million, resulting in a deficit of \$7.5 million. This shortfall is covered using a portion of the available fund balance of the General Fund. The total District budget, including all funds but net of interfund transfers, provides for funding of \$912.9 million for operating costs, debt service and capital improvement projects.

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:

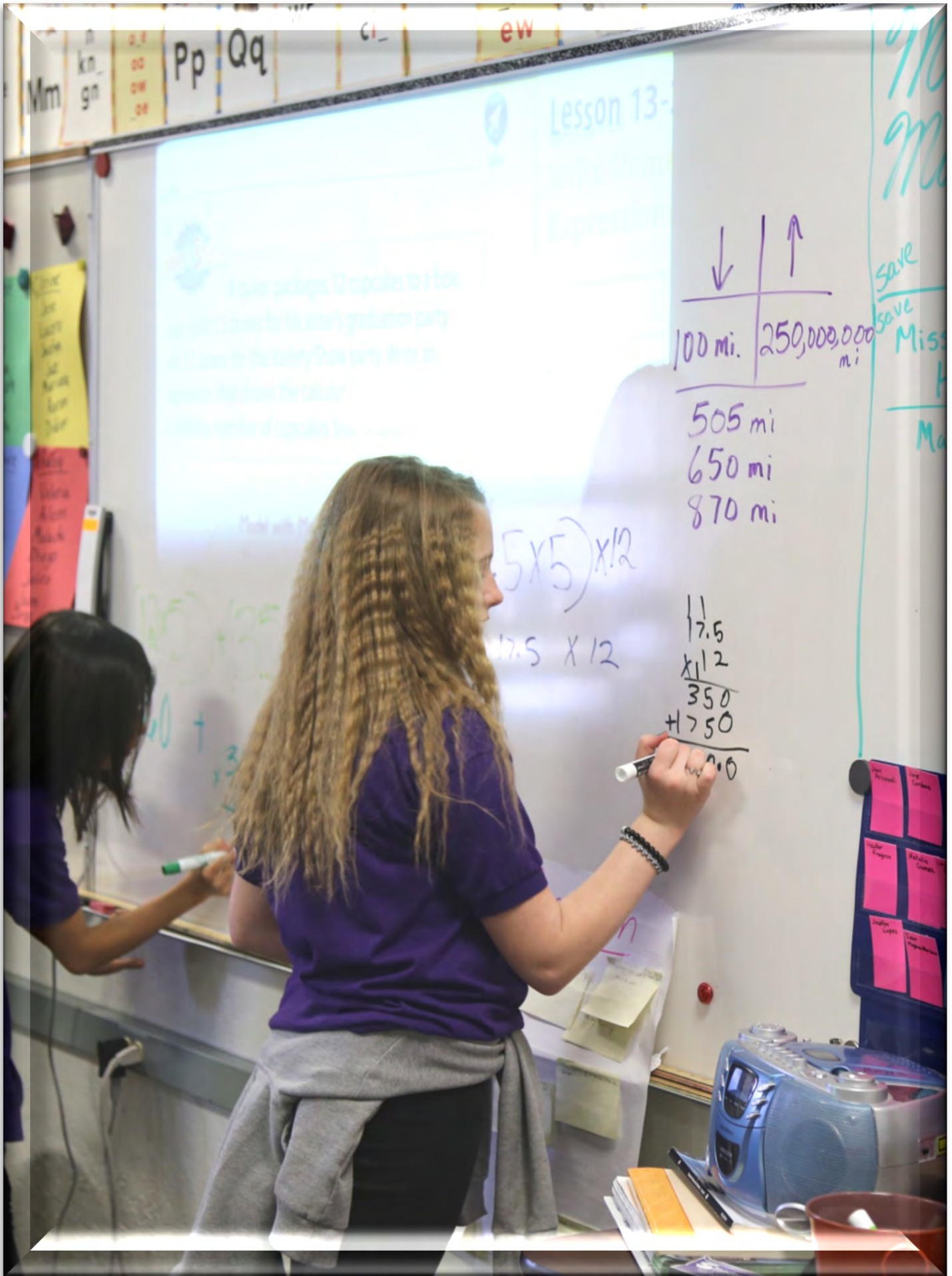
Washoe County School District
C/O Chief Financial Officer
P.O. Box 30425
Reno, NV 89520-3425

By December 31, 2018 this report will be available at www.washoeschools.net.



Basic Financial Statements

- ♦ **Government-wide Financial Statements**
 - ♦ Statement of Net Position
 - ♦ Statement of Activities
- ♦ **Fund Financial Statements**
 - ♦ Governmental Funds
 - ♦ Proprietary Funds
 - ♦ Fiduciary Funds



WASHOE COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current assets			
Cash and investments	\$ 408,185,523	\$ 3,107,419	\$ 411,292,942
Investments - restricted for OPEB	34,279,184	-	34,279,184
Receivables			
Property taxes	3,591,814	-	3,591,814
Interest	497,239	-	497,239
Grants	12,776,694	-	12,776,694
Miscellaneous	4,214,537	3,079,752	7,294,289
Due from other governments	55,192,405	-	55,192,405
Prepays	510,749	1,165	511,914
Inventories	1,250,196	643,372	1,893,568
Total current assets	<u>520,498,341</u>	<u>6,831,708</u>	<u>527,330,049</u>
Noncurrent assets			
Restricted cash	27,793,994	-	27,793,994
Capital assets			
Land and construction in progress	125,244,774	55,176	125,299,950
Other capital assets, net of depreciation	618,058,272	2,561,336	620,619,608
Total noncurrent assets	<u>771,097,040</u>	<u>2,616,512</u>	<u>773,713,552</u>
Total assets	<u>1,291,595,381</u>	<u>9,448,220</u>	<u>1,301,043,601</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pension	115,467,391	1,766,935	117,234,326
Deferred outflows of resources related to OPEB	26,181,682	806,913	26,988,595
Deferred debt retirement charges	21,692,174	-	21,692,174
Total deferred outflows of resources	<u>163,341,247</u>	<u>2,573,848</u>	<u>165,915,095</u>
Total assets and deferred outflows of resources	<u>1,454,936,628</u>	<u>12,022,068</u>	<u>1,466,958,696</u>

(CONTINUED)

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

**WASHOE COUNTY SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2018**

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
LIABILITIES			
Current liabilities			
Accounts payable	\$ 6,059,497	\$ 71,159	\$ 6,130,656
Construction contracts payable	20,006,803	55,176	20,061,979
Accrued liabilities	38,231,687	838,570	39,070,257
Interest payable	4,441,733	-	4,441,733
Due to other governments	563,297	-	563,297
Unearned revenue	1,865,669	420,819	2,286,488
Current portion of long-term obligations	75,441,538	-	75,441,538
Total current liabilities	<u>146,610,224</u>	<u>1,385,724</u>	<u>147,995,948</u>
Noncurrent liabilities			
General obligation bonds payable	772,719,073	-	772,719,073
Other long-term debt payable	4,887,475	-	4,887,475
Accrued compensated absences	32,433,448	-	32,433,448
Accrued self-insurance pending claims	15,722,266	-	15,722,266
Net pension liability	725,766,105	8,340,554	734,106,659
Net OPEB liability	150,438,711	5,957,797	156,396,508
Less: current portion of long-term obligations	(75,441,538)	-	(75,441,538)
Total noncurrent liabilities	<u>1,626,525,540</u>	<u>14,298,351</u>	<u>1,640,823,891</u>
Total liabilities	<u>1,773,135,764</u>	<u>15,684,075</u>	<u>1,788,819,839</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pension	64,681,521	776,411	65,457,932
Deferred inflows of resources related to OPEB	26,876,184	673,477	27,549,661
Deferred revenues	17,179	-	17,179
Total deferred inflows of resources	<u>91,574,884</u>	<u>1,449,888</u>	<u>93,024,772</u>
Total liabilities and deferred inflows of resources	<u>1,864,710,648</u>	<u>17,133,963</u>	<u>1,881,844,611</u>
NET POSITION			
Net investment in capital assets	230,621,904	2,616,512	233,238,416
Restricted for			
Debt service	83,273,141	-	83,273,141
Capital projects	29,007,402	-	29,007,402
Self-insurance activities	56,618,527	-	56,618,527
Unrestricted	(809,294,994)	(7,728,407)	(817,023,401)
Total net position	<u>\$ (409,774,020)</u>	<u>\$ (5,111,895)</u>	<u>\$ (414,885,915)</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, 2018**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES	
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS
Governmental activities			
Instruction			
Regular instruction	\$ 233,549,611	\$ -	\$ 18,992,775
Special instruction	92,569,058	-	44,211,584
Vocational instruction	8,566,133	-	2,717,697
Other instruction	63,705,467	362,047	48,196,642
Adult education instruction	1,316,388	-	1,291,876
Community services instruction	654,569	-	642,347
Co-curricular instruction	3,960,386	-	-
Total instruction	404,321,612	362,047	116,052,921
Support services			
Instruction	13,213	-	13,039
Student support	32,804,876	-	434,593
Instructional staff support	15,652,591	-	104,195
General administration	6,757,817	-	454,797
School administration	36,169,643	-	-
Central services	28,634,187	-	3,112
Operation and maintenance	48,013,350	-	14,129
Student transportation	18,692,812	-	594,973
Other support	16,005	-	1,632
Community services operations	12	-	-
Facilities	37,600,299	-	-
Interest on long-term debt	23,700,061	-	-
Issuance costs on debt	429,753	-	-
Total support services	248,484,619	-	1,620,470
Total governmental activities	652,806,231	362,047	117,673,391
Business-type activities			
Nutrition services	24,176,889	5,621,234	19,153,088
Total business-type activities	24,176,889	5,621,234	19,153,088
Total school district	\$ 676,983,120	\$ 5,983,281	\$ 136,826,479

General revenues

Property taxes, levied for general purposes
Property taxes, levied for debt service
Local school support taxes
Prior year refund - school support taxes
WC1 sales tax revenues
Government service taxes for general purposes
Government service taxes for capital purposes
Franchise taxes
Unrestricted investment earnings
State aid not restricted to specific purposes
State aid special appropriations
Other local sources
Federal aid not restricted to specific purposes

Transfers

Total general revenues and transfers

Change in net position

NET POSITION, July 1 - as originally stated

Prior period adjustment - implementation of GASB 75,82

NET POSITION, July 1 - as restated

NET POSITION, June 30

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

PROGRAM REVENUES		NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION		
CAPITAL				
GRANTS AND CONTRIBUTIONS		GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
\$	-	\$ (214,556,836)	\$	-
	-	(48,357,474)	-	(48,357,474)
	-	(5,848,436)	-	(5,848,436)
50,000	(15,096,778)	-	-	(15,096,778)
-	(24,512)	-	-	(24,512)
-	(12,222)	-	-	(12,222)
-	(3,960,386)	-	-	(3,960,386)
50,000	(287,856,644)	-	-	(287,856,644)
-	(174)	-	-	(174)
-	(32,370,283)	-	-	(32,370,283)
-	(15,548,396)	-	-	(15,548,396)
-	(6,303,020)	-	-	(6,303,020)
-	(36,169,643)	-	-	(36,169,643)
-	(28,631,075)	-	-	(28,631,075)
-	(47,999,221)	-	-	(47,999,221)
-	(18,097,839)	-	-	(18,097,839)
-	(14,373)	-	-	(14,373)
-	(12)	-	-	(12)
-	(37,600,299)	-	-	(37,600,299)
-	(23,700,061)	-	-	(23,700,061)
-	(429,753)	-	-	(429,753)
-	(246,864,149)	-	-	(246,864,149)
50,000	(534,720,793)	-	-	(534,720,793)
-	-	597,433	-	597,433
-	-	597,433	-	597,433
\$ 50,000	(534,720,793)	597,433	-	(534,123,360)
	105,249,358	-	-	105,249,358
	55,305,428	-	-	55,305,428
	198,072,854	-	-	198,072,854
	(8,940,689)	-	-	(8,940,689)
	43,781,973	-	-	43,781,973
	17,921,072	-	-	17,921,072
	4,641,835	-	-	4,641,835
	288,011	-	-	288,011
	5,685,768	-	-	5,685,768
	130,502,725	-	-	130,502,725
	6,181,777	-	-	6,181,777
	6,206,915	-	-	6,206,915
	321,134	-	-	321,134
	34,279,184	-	-	34,279,184
	599,497,345	-	-	599,497,345
	64,776,552	597,433	-	65,373,985
	(254,299,989)	83,545	-	(254,216,444)
	(220,250,583)	(5,792,873)	-	(226,043,456)
	(474,550,572)	(5,709,328)	-	(480,259,900)
\$	(409,774,020)	(5,111,895)	\$	(414,885,915)

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018
(Page 1 of 2)**

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	DEBT SERVICE - WC1 FUND
ASSETS				
Cash and investments	\$ 18,038,231	\$ 5,268,507	\$ 33,011,104	\$ 14,722,720
Receivables				
Property taxes	2,350,036	-	1,241,778	-
Interest	33,627	-	195,856	93,108
Grants	-	-	-	-
Miscellaneous	1,083,437	33,484	-	-
Due from other funds	8,021,189	-	-	-
Due from other governments	43,387,278	-	-	11,298,621
Prepays	33,260	-	-	-
Inventories	1,250,196	-	-	-
Restricted cash with fiscal agent	-	-	27,793,994	-
Total assets	<u>\$ 74,197,254</u>	<u>\$ 5,301,991</u>	<u>\$ 62,242,732</u>	<u>\$ 26,114,449</u>
LIABILITIES				
Accounts payable	\$ 2,847,895	\$ 398,458	\$ -	\$ -
Construction contracts payable	-	-	-	-
Accrued liabilities	28,931,982	4,903,533	-	-
Due to other funds	-	-	-	-
Due to other governments	543,499	-	1,863	-
Funds received in advance	16,693	-	-	-
Total liabilities	<u>32,340,069</u>	<u>5,301,991</u>	<u>1,863</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>974,479</u>	<u>-</u>	<u>320,222</u>	<u>-</u>
FUND BALANCE				
Nonspendable	1,283,456	-	-	-
Restricted	-	-	61,920,647	26,114,449
Committed	-	-	-	-
Assigned	10,417,754	-	-	-
Unassigned	<u>29,181,496</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	<u>40,882,706</u>	<u>-</u>	<u>61,920,647</u>	<u>26,114,449</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 74,197,254</u>	<u>\$ 5,301,991</u>	<u>\$ 62,242,732</u>	<u>\$ 26,114,449</u>

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

WC1 SALES TAX REVENUE FUND	2017C SALES TAX REVENUE BOND FUND	2017B EXTENDED BOND ROLLOVER FUND	2017A EXTENDED BOND ROLLOVER FUND	2016B EXTENDED BOND ROLLOVER FUND	2016A EXTENDED BOND ROLLOVER FUND
\$ 17,254,445	\$ 192,880,211	\$ 14,887,139	\$ 36,855,322	\$ 6,957,337	\$ 9,106,045
-	-	-	-	-	-
13,003	223	24,940	52,030	-	14,069
-	-	-	-	-	-
2,219	-	-	840	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,269,667</u>	<u>192,880,434</u>	<u>14,912,079</u>	<u>36,908,192</u>	<u>6,957,337</u>	<u>9,120,114</u>
\$ -	\$ 11,809	\$ 46,133	\$ 435,404	\$ 3,977	\$ 21,012
51,859	11,804,876	935,291	2,974,909	1,197,087	1,930,916
-	-	-	159,075	-	-
-	-	-	-	-	-
-	17,935	-	-	-	-
-	-	-	-	-	-
<u>51,859</u>	<u>11,834,620</u>	<u>981,424</u>	<u>3,569,388</u>	<u>1,201,064</u>	<u>1,951,928</u>
-	-	-	-	-	-
-	-	-	-	-	-
17,217,808	181,045,814	13,930,655	33,338,804	5,756,273	7,168,186
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>17,217,808</u>	<u>181,045,814</u>	<u>13,930,655</u>	<u>33,338,804</u>	<u>5,756,273</u>	<u>7,168,186</u>
\$ <u>17,269,667</u>	\$ <u>192,880,434</u>	\$ <u>14,912,079</u>	\$ <u>36,908,192</u>	\$ <u>6,957,337</u>	\$ <u>9,120,114</u>

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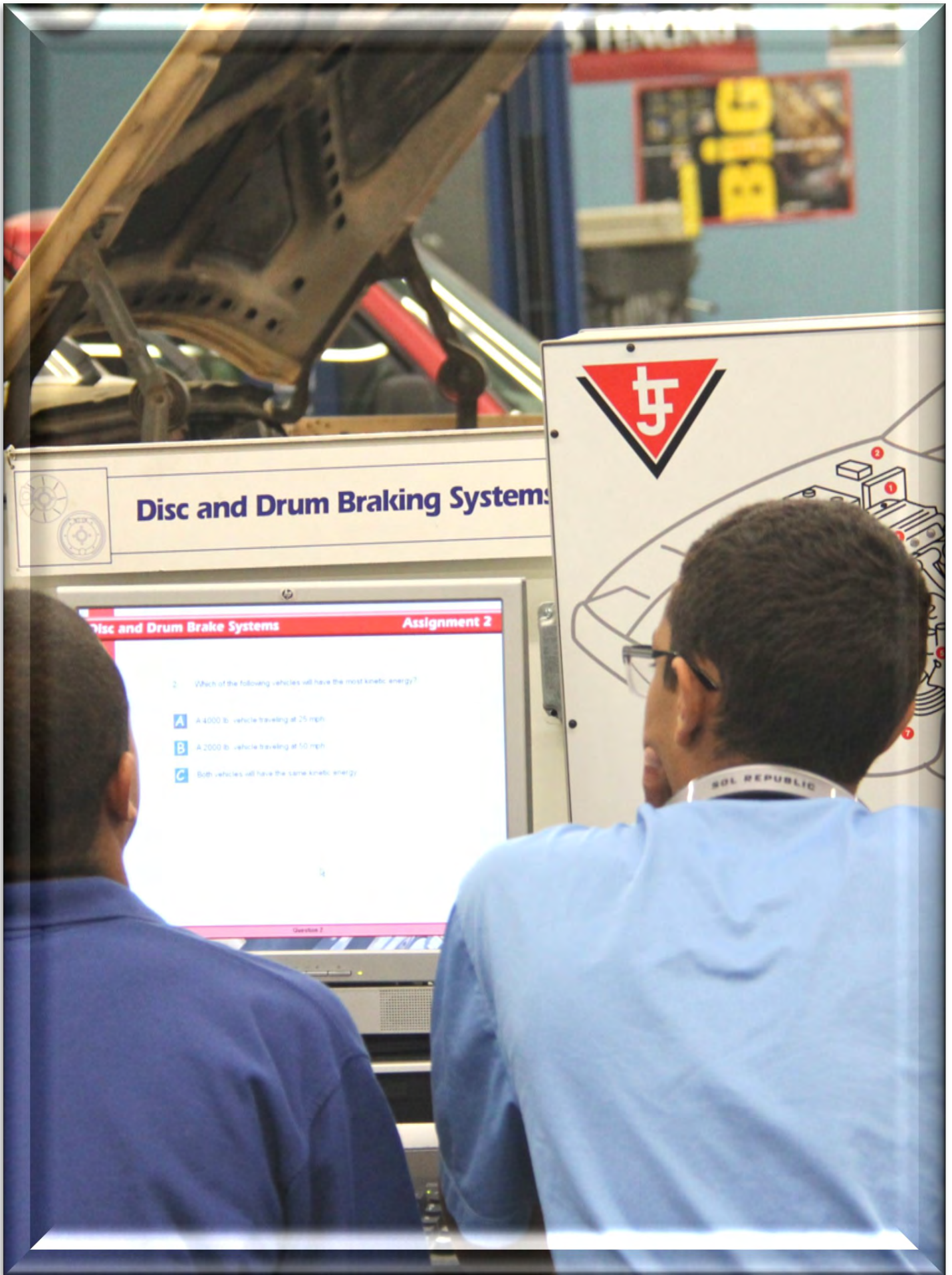
**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018
(Page 2 of 2)**

	2013 BOND ROLLOVER FUND	2012 BOND ROLLOVER FUND	2010 WASHOE COUNTY RZEDB FUND	2009B WASHOE COUNTY RZEDB FUND
ASSETS				
Cash and investments	\$ 5,522,877	\$ 618,028	\$ 525	\$ 137,791
Receivables				
Property taxes	-	-	-	-
Interest	9,267	1,783	-	-
Grants	-	-	-	-
Miscellaneous	-	59	-	-
Due from other funds	-	-	-	-
Due from other governments	-	-	-	-
Prepays	-	-	-	-
Inventories	-	-	-	-
Restricted cash with fiscal agent	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total assets	\$ <u>5,532,144</u>	\$ <u>619,870</u>	\$ <u>525</u>	\$ <u>137,791</u>
LIABILITIES				
Accounts payable	\$ 138,259	\$ 107,065	\$ -	\$ 55,586
Construction contracts payable	904,460	20,544	-	17,655
Accrued liabilities	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Funds received in advance	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities	<u>1,042,719</u>	<u>127,609</u>	<u>-</u>	<u>73,241</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
FUND BALANCE				
Nonspendable	-	-	-	-
Restricted	4,489,425	492,261	525	64,550
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total fund balance	<u>4,489,425</u>	<u>492,261</u>	<u>525</u>	<u>64,550</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total liabilities, deferred inflows of resources and fund balance	\$ <u>5,532,144</u>	\$ <u>619,870</u>	\$ <u>525</u>	\$ <u>137,791</u>

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

2009B CITY OF RENO RZEDB FUND	2011B BOND ROLLOVER FUND	2007 BOND ROLLOVER FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 31,126	\$ 22,156	\$ 5,997	\$ 14,744,994	\$ 370,064,555
-	-	-	-	3,591,814
-	-	-	17,889	455,795
-	-	-	12,776,694	12,776,694
-	-	-	2,076,009	3,196,048
-	-	-	-	8,021,189
-	-	-	463,519	55,149,418
-	-	-	477,489	510,749
-	-	-	-	1,250,196
-	-	-	-	27,793,994
<u>\$ 31,126</u>	<u>\$ 22,156</u>	<u>\$ 5,997</u>	<u>\$ 30,556,594</u>	<u>\$ 482,810,452</u>
\$ -	\$ -	\$ -	\$ 1,924,819	\$ 5,990,417
18,585	14,492	5,997	39,300	19,915,971
-	-	-	4,200,188	38,194,778
-	-	-	8,021,189	8,021,189
-	-	-	-	563,297
-	-	-	1,848,976	1,865,669
<u>18,585</u>	<u>14,492</u>	<u>5,997</u>	<u>16,034,472</u>	<u>74,551,321</u>
-	-	-	897,487	2,192,188
-	-	-	27,489	1,310,945
12,541	7,664	-	10,704,244	362,263,846
-	-	-	2,920,391	2,920,391
-	-	-	-	10,417,754
-	-	-	(27,489)	29,154,007
<u>12,541</u>	<u>7,664</u>	<u>-</u>	<u>13,624,635</u>	<u>406,066,943</u>
<u>\$ 31,126</u>	<u>\$ 22,156</u>	<u>\$ 5,997</u>	<u>\$ 30,556,594</u>	<u>\$ 482,810,452</u>

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



Disc and Drum Braking Systems

Disc and Drum Brake Systems

Assignment 2

2. Which of the following vehicles will have the most kinetic energy?

- ☐ A 4000 lb. vehicle traveling at 25 mph
- ☐ B A 2000 lb. vehicle traveling at 50 mph
- ☐ C Both vehicles will have the same kinetic energy.

Question 2

**WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018**

Total fund balances for governmental funds	\$	406,066,943
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Amounts reported for governmental activities in the Statement of Net Position are different because:

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

Land and construction in progress	\$	124,994,969	
Capital assets subject to depreciation		1,042,823,774	
Less accumulated depreciation		<u>(424,765,502)</u>	
			743,053,241

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

Deferred debt charges		39,422,172	
Less accumulated amortization		<u>(17,729,998)</u>	
			21,692,174

Deferred inflows and outflows of resources related to pension are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pension		115,225,386	
Deferred inflows of resources related to pension		<u>(64,590,157)</u>	
			50,635,229

Deferred inflows and outflows of resources related to OPEB are applicable to future periods and, therefore, are not reported in the funds.

Deferred outflows of resources related to pension		26,154,534	
Deferred inflows of resources related to pension		<u>(26,847,653)</u>	
			(693,119)

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

Governmental bonds payable		(704,835,000)	
Bond premium		(85,471,881)	
Less accumulated amortization		17,587,808	
Other long-term debt payable		(4,887,475)	
Net pension liability		(724,663,349)	
Net OPEB liability		(150,219,933)	
Compensated absences		<u>(32,433,448)</u>	
			(1,684,923,278)

Interest payable			(4,441,733)
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Unavailable revenues represents amounts that were not available to fund current expenditures and therefore are not reported in the governmental funds.		2,217,996
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Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of the internal service funds are reported with governmental activities.		<u>56,618,527</u>
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Total net position of governmental activities	\$	<u><u>(409,774,020)</u></u>
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The notes to the financial statements are an integral part of this statement.

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018
(Page 1 of 2)**

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	DEBT SERVICE - WC1 FUND
REVENUES				
Local sources	\$ 319,074,062	\$ -	\$ 57,384,090	\$ 43,860,798
State sources	136,684,502	29,185,152	-	-
Federal sources	615,980	-	-	-
Total revenues	<u>456,374,544</u>	<u>29,185,152</u>	<u>57,384,090</u>	<u>43,860,798</u>
EXPENDITURES				
Current				
Regular programs	210,469,065	-	-	-
Special programs	4,985,316	70,790,149	-	-
Vocational programs	5,608,081	-	-	-
Other instructional programs	12,946,055	-	-	-
Adult education programs	-	-	-	-
Community services programs	-	-	-	-
Co-curricular programs	3,920,051	-	-	-
Undistributed expenditures				
Instruction	-	-	-	-
Student support	31,766,681	-	-	-
Instructional staff support	15,195,251	-	-	-
General administration	6,154,378	-	-	-
School administration	35,297,243	-	-	-
Central services	23,053,603	-	-	-
Operation and maintenance	46,969,177	-	-	-
Student transportation	19,621,614	-	-	-
Food service operations	-	-	-	-
Capital outlay	-	-	-	-
Debt service				
Principal	-	-	32,205,405	-
Interest	-	-	22,632,776	2,892,101
Bond issuance costs	-	-	429,753	-
Other	-	-	13,500	-
Total expenditures	<u>415,986,515</u>	<u>70,790,149</u>	<u>55,281,434</u>	<u>2,892,101</u>
Excess (deficiency) of revenues over expenditures	<u>40,388,029</u>	<u>(41,604,997)</u>	<u>2,102,656</u>	<u>40,968,697</u>
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	58,320,000	-
Medium-term financing	3,100,000	-	-	-
Proceeds from sale of property	55,923	-	-	-
Bond premiums	-	-	9,708,204	-
Payments to refunded bonds escrow agent	-	-	(40,099,313)	-
Transfers in	-	41,604,997	2,720,387	-
Transfers out	(45,965,403)	-	-	(25,000,000)
Total other financing sources (uses)	<u>(42,809,480)</u>	<u>41,604,997</u>	<u>30,649,278</u>	<u>(25,000,000)</u>
Net change in fund balance	(2,421,451)	-	32,751,934	15,968,697
FUND BALANCE, July 1	<u>43,304,157</u>	<u>-</u>	<u>29,168,713</u>	<u>10,145,752</u>
FUND BALANCE, June 30	<u>\$ 40,882,706</u>	<u>\$ -</u>	<u>\$ 61,920,647</u>	<u>\$ 26,114,449</u>

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

WC1 SALES TAX REVENUE FUND	2017C SALES TAX REVENUE BOND FUND	2017B EXTENDED BOND ROLLOVER FUND	2017A EXTENDED BOND ROLLOVER FUND	2016B EXTENDED BOND ROLLOVER FUND	2016A EXTENDED BOND ROLLOVER FUND
\$ 27,963	\$ 1,658,556	\$ 223,149	\$ 711,029	\$ 140,613	\$ 179,007
-	-	-	-	-	-
-	-	-	-	-	-
27,963	1,658,556	223,149	711,029	140,613	179,007
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	2,160,776	-	306,896	-	706,657
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,810,155	34,015,775	2,251,448	22,558,986	8,851,478	7,208,471
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
7,810,155	36,176,551	2,251,448	22,865,882	8,851,478	7,915,128
(7,782,192)	(34,517,995)	(2,028,299)	(22,154,853)	(8,710,865)	(7,736,121)
-	200,000,000	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	15,563,809	-	-	-	-
-	-	-	-	-	-
25,000,000	-	-	-	-	-
-	-	-	-	-	-
25,000,000	215,563,809	-	-	-	-
17,217,808	181,045,814	(2,028,299)	(22,154,853)	(8,710,865)	(7,736,121)
-	-	15,958,954	55,493,657	14,467,138	14,904,307
\$ 17,217,808	\$ 181,045,814	\$ 13,930,655	\$ 33,338,804	\$ 5,756,273	\$ 7,168,186

(CONTINUED)

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018
(Page 2 of 2)**

	2013 BOND ROLLOVER FUND	2012 BOND ROLLOVER FUND	2010 WASHOE COUNTY RZEDB FUND	2009B WASHOE COUNTY RZEDB FUND
REVENUES				
Local sources	\$ 99,299	\$ 14,763	\$ 3,073	\$ 10,622
State sources	-	-	-	-
Federal sources	-	-	-	-
Total revenues	99,299	14,763	3,073	10,622
EXPENDITURES				
Current				
Regular programs	-	-	-	-
Special programs	-	-	-	-
Vocational programs	-	-	-	-
Other instructional programs	-	-	-	-
Adult education programs	-	-	-	-
Community services programs	-	-	-	-
Co-curricular programs	-	-	-	-
Undistributed expenditures				
Instruction	-	-	-	-
Student support	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
School administration	-	-	-	-
Central services	-	1,197,230	-	-
Operation and maintenance	-	-	-	-
Student transportation	-	-	-	-
Food service operations	-	-	-	-
Capital outlay	7,841,569	3,474,484	30,962	1,074,657
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Other	-	-	-	-
Total expenditures	7,841,569	4,671,714	30,962	1,074,657
Excess (deficiency) of revenues over expenditures	(7,742,270)	(4,656,951)	(27,889)	(1,064,035)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Medium-term financing	-	-	-	-
Proceeds from sale of property	-	-	-	-
Bond premiums	-	-	-	-
Payments to refunded bonds escrow agent	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balance	(7,742,270)	(4,656,951)	(27,889)	(1,064,035)
FUND BALANCE, July 1	12,231,695	5,149,212	28,414	1,128,585
FUND BALANCE, June 30	<u>\$ 4,489,425</u>	<u>\$ 492,261</u>	<u>\$ 525</u>	<u>\$ 64,550</u>

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

2009B CITY OF RENO RZEDB FUND	2011B BOND ROLLOVER FUND	2009 BOND ROLLOVER FUND	2007 BOND ROLLOVER FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 958	\$ 496	\$ -	\$ 761	\$ 8,463,014	\$ 431,852,253
-	-	-	-	41,649,215	207,518,869
-	-	-	-	43,635,483	44,251,463
958	496	-	761	93,747,712	683,622,585
-	-	-	-	18,980,511	229,449,576
-	-	-	-	15,300,531	91,075,996
-	-	-	-	2,717,697	8,325,778
-	-	-	-	48,196,642	61,142,697
-	-	-	-	1,291,876	1,291,876
-	-	-	-	642,347	642,347
-	-	-	-	-	3,920,051
-	-	-	-	13,039	13,039
-	-	-	-	380,225	32,146,906
-	-	-	-	104,195	15,299,446
-	-	-	-	510,264	6,664,642
-	-	-	-	-	35,297,243
-	-	-	-	501,670	27,926,832
-	-	-	-	14,129	46,983,306
-	-	-	-	-	19,621,614
-	-	-	-	1,632	1,632
176,348	155,141	34,297	145,440	4,728,272	100,357,483
-	-	-	-	-	32,205,405
-	-	-	-	-	25,524,877
-	-	-	-	-	429,753
-	-	-	-	-	13,500
176,348	155,141	34,297	145,440	93,383,030	738,333,999
(175,390)	(154,645)	(34,297)	(144,679)	364,682	(54,711,414)
-	-	-	-	-	200,000,000
-	-	-	-	-	58,320,000
-	-	-	-	-	3,100,000
-	-	-	-	-	55,923
-	-	-	-	-	25,272,013
-	-	-	-	-	(40,099,313)
-	-	-	-	-	69,325,384
-	-	-	-	-	(70,965,403)
-	-	-	-	-	245,008,604
(175,390)	(154,645)	(34,297)	(144,679)	364,682	190,297,190
187,931	162,309	34,297	144,679	13,259,953	215,769,753
\$ 12,541	\$ 7,664	\$ -	\$ -	\$ 13,624,635	\$ 406,066,943

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

WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

Net change in fund balances - governmental funds \$ 190,297,190

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 Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

Expenditures for capital assets	\$ 95,183,706	
Less current year depreciation	<u>(30,546,625)</u>	
		64,637,081

Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. 32,205,405

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. (1,993,655)

Because some revenues 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 inflows. The changes in deferred inflows are accounted for as revenue in the Statement of Activities. (318,986)

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 position differs from the change in fund balances by the net book value of the assets sold. (1,126,385)

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 issued	(224,705,000)	
Refunding bonds issued	(33,615,000)	
Payment of bond principal	<u>35,725,000</u>	
		(222,595,000)

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.

Retirement costs	4,374,313	
Current year amortization of retirement charges	<u>(2,604,004)</u>	
		1,770,309

Current year bond premiums	(25,272,013)	
Current year amortization of bond premiums	<u>6,422,475</u>	
		(18,849,538)

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

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. Conversely, some expenses reported in the Statement of Activities last year are reported as expenditures in the governmental funds this year.

Change in long-term compensated absences	\$ (1,095,356)	
Change in other postemployment benefits net asset	<u>(4,123,564)</u>	
		\$ (5,218,920)

District pension contributions are reported as expenditures in the governmental funds when made. However, they are reported as deferred outflows of resources in the Statement of Net Position because the reported net pension liability is measured a year before the District's report date. Pension expense, which is the change in the net pension liability adjusted for changes in deferred outflows and inflows of resources related to pensions, is reported in the Statement of Activities.

District pension contributions	48,868,825	
Pension expense	<u>(53,214,199)</u>	
		(4,345,374)

Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The change in net position of the internal service funds is reported with governmental activities.

		<u>33,414,425</u>
Change in net position of governmental activities		\$ <u><u>64,776,552</u></u>

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

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Local sources	\$ 320,828,024	\$ 324,480,396	\$ 319,074,062	\$ (5,406,334)
State sources	136,826,554	133,174,182	136,684,502	3,510,320
Federal sources	716,000	716,000	615,980	(100,020)
Total revenues	<u>458,370,578</u>	<u>458,370,578</u>	<u>456,374,544</u>	<u>(1,996,034)</u>
EXPENDITURES				
Current				
Regular programs	215,900,183	217,450,322	210,469,065	6,981,257
Special programs	5,433,908	5,483,765	4,985,316	498,449
Vocational programs	6,255,723	5,668,631	5,608,081	60,550
Other instructional programs	13,296,874	13,713,467	12,946,055	767,412
Co-curricular programs	4,064,154	4,929,107	3,920,051	1,009,056
Undistributed expenditures				
Student support	33,276,564	32,475,552	31,766,681	708,871
Instructional staff support	15,756,870	15,982,833	15,195,251	787,582
General administration	12,845,715	14,480,629	6,154,378	8,326,251
School administration	36,652,582	36,150,904	35,297,243	853,661
Central services	23,931,604	23,782,337	23,053,603	728,734
Operation and maintenance	49,182,888	49,291,727	46,969,177	2,322,550
Student transportation	16,436,124	20,079,355	19,621,614	457,741
Total expenditures	<u>433,033,189</u>	<u>439,488,629</u>	<u>415,986,515</u>	<u>23,502,114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>25,337,389</u>	<u>18,881,949</u>	<u>40,388,029</u>	<u>21,506,080</u>
OTHER FINANCING SOURCES (USES)				
Medium-term financing	-	3,100,000	3,100,000	-
Proceeds from sale of property	85,000	85,000	55,923	(29,077)
Contingency	(833,965)	(4,055,702)	-	4,055,702
Transfers out	(47,991,997)	(47,998,293)	(45,965,403)	2,032,890
Total other financing sources (uses)	<u>(48,740,962)</u>	<u>(48,868,995)</u>	<u>(42,809,480)</u>	<u>6,059,515</u>
Net change in fund balance	<u>(23,403,573)</u>	<u>(29,987,046)</u>	<u>(2,421,451)</u>	<u>27,565,595</u>
FUND BALANCE, July 1	<u>34,667,158</u>	<u>43,304,157</u>	<u>43,304,157</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ 11,263,585</u>	<u>\$ 13,317,111</u>	<u>\$ 40,882,706</u>	<u>\$ 27,565,595</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, 2018**

	BUDGET		ACTUAL	VARIANCE TO FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
State sources	\$ 27,177,533	\$ 29,150,397	\$ 29,185,152	\$ 34,755
EXPENDITURES				
Current				
Special programs	71,032,175	72,800,313	70,790,149	2,010,164
Excess (deficiency) of revenues over expenditures	(43,854,642)	(43,649,916)	(41,604,997)	2,044,919
OTHER FINANCING SOURCES				
Transfers in	43,643,620	43,649,916	41,604,997	(2,044,919)
Net change in fund balance	(211,022)	-	-	-
FUND BALANCE, July 1	211,022	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -

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

**WASHOE COUNTY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS		
Current assets		
Cash and investments	\$ 3,107,419	\$ 38,120,968
Investments - restricted for OPEB	-	34,279,184
Accounts receivable	3,079,752	1,018,489
Interest receivable	-	41,444
Inventories	643,372	-
Prepays	1,165	-
Due from other governments	-	42,987
	<hr/>	<hr/>
Total current assets	6,831,708	73,503,072
	<hr/>	<hr/>
Capital assets		
Construction in progress	55,176	249,805
Buildings and improvements	1,213,573	-
Machinery and equipment	3,477,008	-
Less: Allowance for depreciation	(2,129,245)	-
	<hr/>	<hr/>
Total capital assets	2,616,512	249,805
	<hr/>	<hr/>
Total assets	9,448,220	73,752,877
	<hr/>	<hr/>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension	1,766,935	242,005
Deferred outflows of resources related to OPEB	806,913	27,148
	<hr/>	<hr/>
Total deferred outflow of resources	2,573,848	269,153
	<hr/>	<hr/>
Total assets and deferred outflows of resources	12,022,068	74,022,030
	<hr/>	<hr/>
LIABILITIES		
Current liabilities		
Accounts payable	71,159	69,080
Construction contracts payable	55,176	90,832
Accrued liabilities	838,570	36,909
Pending claims	-	11,134,727
Unearned revenues	420,819	-
	<hr/>	<hr/>
Total current liabilities	1,385,724	11,331,548
	<hr/>	<hr/>
Noncurrent liabilities		
Pending claims	-	4,587,539
Net pension liability	8,340,554	1,102,756
Net OPEB liability	5,957,797	218,778
	<hr/>	<hr/>
Total noncurrent liabilities	14,298,351	5,909,073
	<hr/>	<hr/>
Total liabilities	15,684,075	17,240,621
	<hr/>	<hr/>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension	776,411	91,364
Deferred inflows of resources related to OPEB	673,477	28,531
Unavailable revenues	-	42,987
	<hr/>	<hr/>
Total deferred inflows of resources	1,449,888	162,882
	<hr/>	<hr/>
Total liabilities and deferred inflows of resources	17,133,963	17,403,503
	<hr/>	<hr/>
NET POSITION		
Net investment in capital assets	2,616,512	249,805
Restricted for OPEB	-	34,279,184
Unrestricted	(7,728,407)	22,089,538
	<hr/>	<hr/>
Total net position	\$ (5,111,895)	\$ 56,618,527
	<hr/>	<hr/>

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

**WASHOE COUNTY SCHOOL DISTRICT
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
OPERATING REVENUES		
Local sources	\$ 5,621,234	\$ 85,226,182
OPERATING EXPENSES		
Food and supplies	11,143,714	-
Salaries and benefits	11,039,738	465,833
Employee benefits	-	81,188,233
Claims and services	-	6,427,853
Purchased services	1,243,062	-
Depreciation	241,327	-
Other	509,048	-
Total operating expenses	24,176,889	88,081,919
Operating (loss)	(18,555,655)	(2,855,737)
NONOPERATING REVENUES		
Federal subsidies	17,256,930	-
Commodity revenues	1,812,663	-
State matching funds	68,995	-
Contributions and donations	14,500	-
Earnings on investments	-	350,959
Total nonoperating revenues	19,153,088	350,959
Income (loss) before transfers	597,433	(2,504,778)
TRANSFERS		
Transfers in	-	35,919,203
Change in net position	597,433	33,414,425
NET POSITION, July 1 - as originally stated	83,545	23,423,378
Prior period adjustment - implementation of GASB 75,82	(5,792,873)	(219,276)
NET POSITION, July 1 - as restated	(5,709,328)	23,204,102
NET POSITION, June 30	\$ (5,111,895)	\$ 56,618,527

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, 2018**

	BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Cash received for services	\$ 5,978,127	\$ 85,629,485
Cash paid for salaries and benefits	(11,021,148)	(455,120)
Cash payments for employee benefits	-	(80,381,745)
Cash payments for claims and services	-	(6,374,105)
Cash paid for food and supplies	(9,199,148)	-
Cash payments for purchased services	(1,243,062)	-
Cash payments for other	(509,048)	-
	<u>(15,994,279)</u>	<u>(1,581,485)</u>
Net cash provided (used) by operating activities		
Cash flows from capital and related financing activities		
Purchase of equipment	(352,609)	(249,805)
Cash flows from noncapital financing activities		
Federal reimbursements	17,256,930	-
State matching funds	68,995	-
Contributions and donation	14,500	-
Transfers in	-	35,919,203
	<u>17,340,425</u>	<u>35,919,203</u>
Net cash provided by noncapital financing activities		
Cash flows from investing activities		
Interest received on investments	-	328,935
Net increase in cash and cash equivalents	993,537	34,416,848
Cash and investments, beginning of year	<u>2,113,882</u>	<u>37,983,304</u>
Cash and investments, end of year	<u><u>\$ 3,107,419</u></u>	<u><u>\$ 72,400,152</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED) BY OPERATIONS		
Operating (loss)	\$ (18,555,655)	\$ (2,855,737)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations		
Depreciation	241,327	-
Commodity revenues	1,812,663	-
Non-cash pension liability adjustment	35,981	13,242
Non-cash OPEB liability adjustment	49,338	6,272
Changes in assets and liabilities		
Accounts receivable	367,787	403,303
Inventories	110,040	-
Prepays	14,379	-
Accounts payable	(47,692)	12,818
Construction contracts payable	55,176	90,832
Accrued liabilities	(66,729)	(4,703)
Pending claims	-	752,488
Unearned revenues	(10,894)	-
	<u>2,561,376</u>	<u>1,274,252</u>
Total adjustments		
Net cash (used) by operations	<u><u>\$ (15,994,279)</u></u>	<u><u>\$ (1,581,485)</u></u>

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

**WASHOE COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018**

	PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	AGENCY FUNDS
ASSETS			
Cash and investments			
Cash	\$ 1,107,293	\$ 248,546	\$ 4,790,683
Investment in state pool	-	-	4,006,245
RBIF participation units	-	23,757,455	-
Accounts receivable	-	-	89,374
Total assets	<u>1,107,293</u>	<u>24,006,001</u>	<u>8,886,302</u>
LIABILITIES			
Accrued liabilities	25,400	-	89,374
Due to student groups	-	-	8,796,928
Total liabilities	<u>25,400</u>	<u>-</u>	<u>8,886,302</u>
NET POSITION			
Assets held in trust	<u>\$ 1,081,893</u>	<u>\$ 24,006,001</u>	<u>\$ -</u>

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 POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND
ADDITIONS		
Earnings on investments	\$ 14,863	\$ 4,977,195
Donations	75,354	-
Total additions	90,217	4,977,195
DEDUCTIONS		
Benefits	-	9,085,661
Other	89,065	34,279,184
Total deductions	89,065	43,364,845
Change in net position	1,152	(38,387,650)
NET POSITION, July 1	1,080,741	62,393,651
NET POSITION, June 30	\$ 1,081,893	\$ 24,006,001

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

Notes to Financial Statements

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

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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.

Implementation of GASB Statement No. 75

As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard improves the usefulness of information about and improves accounting and financial reporting for postemployment benefits other than pensions (other postemployment benefits or OPEB). The effect of the implementation of this standard on beginning net position is disclosed in Note 13 to the financial statements and the additional disclosures required by this standard are included in Note 9.

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 Position 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.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

In the government-wide Statement of Net Position, 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 position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. 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 revenues (Ad Valorem taxes, School Support taxes, Distributive School funds, Government Services Tax and interest income not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues and operating grants. Program revenues include charges for services, operating grants and contributions, capital 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, deferred inflows of resources, 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 *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments* 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 position, 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.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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.

The District uses the following funds:

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. The revenues of the fund consist of distributions from the State of Nevada Distributive School Account. Expenses not covered by the State are covered by a transfer from the General Fund.
- **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 and other debt of governmental activities.
- **Debt Service – WC1 Fund** – The Debt Service – WC1 Fund accounts for the resources accumulated from the sales tax increase approved by the voters of Washoe County in 2016 and payments made for principal and interest on long-term general obligation debt.
- **WC1 Sales Tax Revenue Fund** – The WC1 Sales Tax Revenue Capital Projects Fund accounts for the resources accumulated from the sales tax increase approved by the voters of Washoe County in 2016. The proceeds will be used for pay-as-you-go capital projects.
- **2017C Sales Tax Revenue Bond Fund** – The 2017C Sales Tax Revenue Bond Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds will be used for school design, site acquisitions and planning.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- **2017B Extended Bond Rollover Fund** – The 2017B Extended Bond Rollover Capital Projects Fund accounts for the proceeds of this issuance. The proceeds will be used for upgrades and capital renewal projects at existing facilities, new school design, and site acquisitions.
- **2017A Extended Bond Rollover Fund** – The 2017A Extended Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds will be used for new school design, site acquisitions and planning, an addition to an existing high school, and upgrades and capital renewal projects at existing facilities.
- **2016B Extended Bond Rollover Fund** – The 2016B Extended Bond Rollover Capital Projects Fund accounts for the proceeds of this issuance. The proceeds will be used for school design, site acquisitions and planning.
- **2016A Extended Bond Rollover Fund** – The 2016A Extended Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds will be used primarily for safety and security projects, student housing and overcrowding relief, advanced planning, and various capital renewal projects.
- **2013 Bond Rollover Fund** – The 2013 Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds will be used primarily for capital renewal projects, technology, and revitalization/infrastructure improvements at schools located within Washoe County.
- **2012 Bond Rollover Fund** – The 2012 Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds will be used primarily for revitalization/infrastructure improvements and capital renewal projects.
- **2010 Washoe County Recovery Zone Economic Development Bond (RZEDB) Fund** – The 2010 Washoe County RZEDB Fund accounts for the proceeds of this bond issuance. The proceeds are being used for revitalization/infrastructure improvements and capital renewal projects at schools located within Washoe County.
- **2009B Washoe County Recovery Zone Economic Development Bond (RZEDB) Fund** – The 2009 Washoe County RZEDB Fund accounts for the proceeds of this bond issuance. The proceeds are being used primarily for revitalization/infrastructure improvements and capital renewal projects at schools located within Washoe County.
- **2009B City of Reno Recovery Zone Economic Development Bond (RZEDB) Fund** – The 2009 City of Reno RZEDB Fund accounts for the proceeds of this bond issuance. The proceeds are being used primarily for revitalization/infrastructure improvements and capital renewal projects for schools located within Reno city limits.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

- **2011B Bond Rollover Fund** – The 2011B Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds will be used primarily for revitalization/infrastructure improvements and capital renewal projects.
- **2009 Bond Rollover Fund** – The 2009 Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds are being used for the construction of a new elementary school, school renewal projects and information technology projects.
- **2007 Bond Rollover Fund** – The 2007 Bond Rollover Capital Projects Fund accounts for the proceeds of this bond issuance. The proceeds are being used for new school construction, school renewal projects and information technology projects.

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 and Casualty – accounts for self-insurance claims and 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 claims and fees to provide workers' compensation.

Fiduciary Funds:

- **Private Purpose Scholarship Trust Fund** – accounts for resources legally held in trust for use for scholarships.
- **Other Postemployment Benefits (OPEB) Trust Fund** – accounts for resources legally held in trust to fund postemployment benefit costs paid by the District.
- **Agency Funds** – account for student activity funds under the control of the respective schools in the District, and transactions related to the statewide Nevada Interscholastic Athletic Association.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Measurement Focus/Basis of Accounting:

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

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 all non-grant revenues to be available if they are collected within 60 days of the end of the current fiscal period and grant revenues to be available if they are collected within 80 days of the end of the current fiscal period. Grant revenues have been extended due to the increased period required to collect revenues from the state and Federal Government. When revenues are due but will not be collected within the availability period, the receivable is recorded and an offsetting deferred inflow of resources 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 TAXES	X		
GOVERNMENT SERVICES TAXES	X		
DISTRIBUTIVE SCHOOL FUND	X		
INTEREST			X
GRANTS-IN-AID	X		
MISCELLANEOUS REVENUE		X	

**WASHOE COUNTY SCHOOL DISTRICT
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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.

Fiduciary Funds:

The accounting records for the Private Purpose Scholarship Trust Fund and the Other Postemployment Benefits Trust Fund are maintained on the economic resources measurement focus and accrual basis of accounting. Contributions are recognized in the Other Postemployment Benefits Trust Fund in the period in which the contributions are due and the District has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. 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.

Taxes on personal property, other than mobile and manufactured homes, are calculated using values derived from Personal Property Declarations submitted to the Washoe County Assessor's Office by business and aircraft owners. The Assessor's Office is required to estimate the value of the personal property if owners or their agents fail to declare personal property. Business personal property and aircraft taxes are billed in monthly cycles beginning in September and continuing through April of each tax year. Each bill is due upon receipt and delinquent after 30 days. The Treasurer's Office is responsible for conducting seizure and sale of property when there is an ongoing delinquency. The County is allowed to deduct eight percent of personal property tax collections as a commission, prior to distributing collections to taxing entities.

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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 2016-17 have been written off.

Budgets and Budgetary Accounting:

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

- (1) Prior to April 15, the Superintendent submits to the Board of Trustees and to both the Nevada Department of Taxation and Department of Education, a tentative budget for the fiscal year commencing the following July 1. The tentative budget includes proposed expenditures and the means of financing them.
- (2) Prior to the third Wednesday in May, a minimum of seven days' notice of public hearing on the final budget is published in a local newspaper. Public hearings are conducted prior to the adoption of the budget to obtain taxpayer comments.
- (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 for a fund that receives property tax revenues at any time by a majority vote of the Board provided 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. Augmentations of other funds require that the governing body adopt a resolution by majority vote at a regular meeting and submit the resolution to the Nevada Department of Taxation.
- (6) The legal level of budgetary control is at the function level for the General Fund, Special Revenue Funds 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.

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- (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 Scholarship 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.

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 recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurements and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

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.
- Obligations of an agency or instrumentality of the United State of America or a corporation sponsored by the government, 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.

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- 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 the General Fund and the lower of cost or market for the Nutrition Services Enterprise Fund, except for inventories of commodities which are stated at market value, using the first-in, first-out (FIFO) method of valuation.

Capital Assets:

Capital assets, including 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 acquisition 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	8 - 10
Machinery and Equipment	5 - 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, 2018, but not yet paid.

**WASHOE COUNTY SCHOOL DISTRICT
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Pensions:

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Deferred Inflows of Resources:

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District reports amounts related to pensions, other postemployment benefits, and deferred debt retirement charges on the government-wide Statement of Net Position and amounts related to pensions and other postemployment benefits on the proprietary funds' Statement of Net Position as deferred outflows of resources.

In addition to liabilities, the Statement of Net Position and Balance Sheets report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The District reports amounts related to pensions, other postemployment benefits, and deferred revenues on the Government-wide Statement of Net Position and unavailable revenues on the Governmental Funds Balance Sheet as deferred inflows of resources. The District reports amounts related to pensions, other postemployment benefits, and unavailable revenues on the proprietary funds' Statement of Net Position as deferred inflows of resources.

Expenditures:

Expenditure data is characterized by major program classifications pursuant to the provisions of the National Center for Education Statistics handbook entitled *Financial Accounting for Local and State School Systems* as modified by the State of Nevada. Below is a brief description of these program classifications.

Regular programs are activities that provide students in prekindergarten through grade 12 with learning experiences to prepare them for further education or training and for responsibilities as citizens, family members, and workers.

Special programs include activities for elementary and secondary students (prekindergarten through grade 12) receiving special education and related services. These services are related to mental retardation, orthopedic impairment, emotional disturbance, developmental delay, specific learning disabilities, multiple disabilities, hearing impairment, other health impairments, visual impairments including blindness, autism, deaf-blindness, traumatic brain injury, and speech or language impairments. Special programs include students receiving services related to gifted and talented programs.

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Vocational programs are activities delivered through traditional comprehensive and vocational-technical high schools or recognized charter schools that prepare students to meet challenging academic standards as well as industry skill standards while preparing students for broad-based careers and further education beyond high school.

Other instructional programs are activities that provide students in prekindergarten through grade 12 with learning experiences in English for speakers of other languages, alternative and at-risk education programs, remedial programs, summer school programs, and other instructional programs.

Adult education programs are activities that develop knowledge and skills to meet immediate and long-range educational objectives of adults who, having completed or interrupted formal schooling, have accepted adult roles and responsibilities. Programs include activities to foster the development of fundamental tools of learning; prepare students for a postsecondary career; prepare students for postsecondary education programs; upgrade occupational competence; prepare students for a new or different career; develop skills and appreciation for special interests; or enrich the aesthetic qualities of life.

Community services 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.

Co-curricular programs are activities that add to a student's educational experience but are not related to educational activities. These include events and activities that take place outside the traditional classroom such as student government, athletics, band, choir, clubs, and honors societies.

Undistributed expenditures are those which are not allocated to any single 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.

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. The District pays limited accumulated sick leave benefits to certain employees upon separation. In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as a payroll expenditure only if it has matured as a result of employees who have terminated as of June 30. The current portion is defined as those benefits expected to be paid in the subsequent twelve months. The estimated long-term liability for compensated absences is accounted for in the government-wide financial statements.

**WASHOE COUNTY SCHOOL DISTRICT
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Comparative Data:

Comparative total data for the prior year has been presented to provide an understanding of the changes in the financial position and operations. It has been provided to add comparability but is not considered full disclosure of transactions for fiscal year 2017. Such information can only be obtained by referring to the audited financial statements for that year. Certain amounts in the prior year statements have been reclassified when feasible to conform to current year presentation.

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

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

NOTE 3 – Cash and Investments:

The District maintains a cash and investment pool that is available for use by all funds. At June 30, 2018 this pool is displayed by major and other governmental funds on the Governmental Funds Balance Sheet and on the Enterprise Fund Statement of Net Position as "Cash and Investments."

As of June 30, 2018, the District had the following amounts reported as cash and investments:

Government-Wide Balances:

Pooled cash	\$ 23,043,956
Investments	<u>450,322,164</u>
	<u>\$473,366,120</u>

Fiduciary Fund Balances:

Cash held by Student Activity Fund Agency Fund	\$ 4,790,683
Cash held by OPEB Trust Fund	248,546
Investments	<u>28,870,993</u>
	<u>\$ 33,910,222</u>
	<u><u>\$507,276,342</u></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.

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 2 or Level 3 inputs.

**WASHOE COUNTY SCHOOL DISTRICT
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As of June 30, 2018, the District had the following recurring fair value measurements, except those measured at cost as identified below:

Government-Wide Balances:

	Fair Value	Fair Value Measurements Using		
		Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Investments:				
Money Market Mutual Fund	\$210,274,373	\$210,274,373	\$ -	\$ -
U.S. Treasuries	10,764,093	10,764,093	-	-
U.S. Agencies	7,080,705	7,080,705	-	-
Asset-Backed Corporate Securities	5,349,909	5,349,909	-	-
Corporate Securities	6,021,702	6,021,702	-	-
Certificates of Deposit (at cost)	3,919,870	3,919,870	-	-
	243,410,652	<u>\$243,410,652</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not Classified by Level:				
State of Nevada Local Government Investment Pool	123,116,462			
State of Nevada Local Government Investment Pool-Workers Comp	2,493,240			
Washoe County Investment Pool	47,022,626			
Retirement Benefits Investment Fund	34,279,184			
Total Investments	<u>\$450,322,164</u>			

Fiduciary Fund Balances:

Investments:	
Retirement Benefits Investment Fund	\$ 23,757,455
State of Nevada Local Government Investment Pool	<u>5,113,538</u>
Total Investments	<u>\$ 28,870,993</u>

Investments categorized as Level 1 are valued using prices quoted in active markets for those investments.

The District is a voluntary participant in the State of Nevada Local Government Investment Pool (LGIP) which has regulatory oversight from the Board of Finance of the State of Nevada. The District's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District's investment in the LGIP is reported at fair value. Fair value is determined on a daily basis. Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments.

The District is a voluntary participant in the Washoe County Investment Pool which has regulatory oversight from the Board of County Commissioners. The District's investment in the Washoe County Investment Pool is equal to its original investment plus or minus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The District's investment in the Washoe County Investment Pool is reported at fair value. Fair value is determined on a monthly basis. Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments.

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The District, through the OPEB Trust Board, is a voluntary participant in the Retirement Benefits Investment Fund (RBIF) which has regulatory oversight from the Public Employees' Retirement Board of the State of Nevada. The District's investment in RBIF is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, according to their proportional share in the fund. The District's investment in the RBIF is reported at fair value. Fair value is determined on a monthly basis. Nevada Revised Statutes (NRS 355.170) set forth acceptable investments for Nevada local governments.

As of June 30, 2018, the District had the following investments and maturities:

Government-Wide Balances:

	Fair Value	Investment Maturities (In Years)			
		Less than 1	1 to 4	4 to 6	6 to 10
Investments:					
Money Market Mutual Fund	\$ 210,274,373	\$ 210,274,373	\$ -	\$ -	\$ -
State of Nevada Local Government Investment Pool	123,116,462	123,116,462 *	-	-	-
State of Nevada Local Government Investment Pool-Workers Comp	2,493,240	2,493,240 *	-	-	-
Washoe County Investment Pool	47,022,626	10,858,308	32,787,735	1,998,759	1,377,824
Restricted Investments	34,279,184	34,279,184	-	-	-
U.S. Treasuries	10,764,093	5,894,463	4,869,630	-	-
U.S. Agencies	7,080,705	2,380,945	4,699,760	-	-
Asset-Backed Corporate Securities	5,349,909	775,291	4,574,618	-	-
Corporate Securities	6,021,702	2,974,421	3,047,281	-	-
Certificates of Deposit (at cost)	3,919,870	-	3,919,870	-	-
Total Investments	<u>\$ 450,322,164</u>	<u>\$ 393,046,687</u>	<u>\$ 53,898,894</u>	<u>\$ 1,998,759</u>	<u>\$ 1,377,824</u>

Fiduciary Fund Balances:

	Fair Value
Investments:	
Retirement Benefits Investment Fund	\$ 23,757,455 **
State of Nevada Local Government Investment Pool	<u>5,113,538 *</u>
Total Investments	<u>\$ 28,870,993</u>

* Average weighted maturity of 310 days.

** Average weighted maturity is unavailable.

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. The District's investment in U.S. Agencies consists of securities issued by the Federal National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Farm Credit Bank, and Federal Home Loan Bank. Since investments in these agencies are in many cases backed by assets such as mortgages, they are subject to prepayment risk. The District's investments in all other mortgage-backed securities are also subject to prepayment risk.

**WASHOE COUNTY SCHOOL DISTRICT
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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. The State of Nevada Local Government Investment Pool (LGIP), the Washoe County Investment Pool, and the Retirement Benefits Investment Fund are unrated external investment pools. Nevada Statutes and the District's investment policy limit investment in money market mutual funds and asset-backed securities to the "AAA" rating (or equivalent) by a nationally recognized statistical rating organization. All of the District's money market mutual funds and asset-backed securities investments are rated by nationally recognized statistical rating organizations 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.

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 State of Nevada Local Government Investment Pool (LGIP) is an unrated external investment pool administered by the Office of the State Treasurer, with oversight by the State of Nevada Board of Finance. Investment in LGIP is carried at fair value, which is the same as the value of the pool shares and determined monthly by Bank of New York Mellon.

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. Public Financial Management, LLC 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 allocations of interest income and realized and unrealized gains and losses.

The Retirement Benefits Investment Fund (RBIF) is an external pool administered by a board that consists of the same Governor appointed individuals who serve on the Public Employees' Retirement Board. The Board is responsible for administering the Pool in accordance with NRS 355.220(2). The external investment pool is not registered with the SEC as an investment company. Bank of New York Mellon determines the fair value of the investment pool monthly. Each participant acts as fiduciary for its particular share of the Pool. RBIF allocates earnings (which include realized and unrealized gain or loss, interest, and other income) and expenses (both administrative and investment) to each participant according to their proportional share in the Pool. This investment pool is available only to the OPEB Trust Fund (a fiduciary fund of the District).

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 4 – Interfund Balances and Transfers:

Interfund receivable/payable balances at June 30, 2018 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund - major fund	Other Governmental Funds	\$ 8,021,189
Total		<u>\$ 8,021,189</u>

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, 2018, are as follows:

	Transfers In:				
	Special Education Fund	Debt Service Fund	Capital Projects Fund	Internal Service Fund	Total
Transfers Out:					
General Fund	\$ 41,604,997	\$ 2,720,387	\$ -	\$ 1,640,019	\$ 45,965,403
Debt Service Funds	-	-	25,000,000	-	25,000,000
OPEB Trust Fund	-	-	-	34,279,184	34,279,184
Total	<u>\$ 41,604,997</u>	<u>\$ 2,720,387</u>	<u>\$ 25,000,000</u>	<u>\$ 35,919,203</u>	<u>\$ 105,244,587</u>

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 repayment of non-general obligation debt.

Capital Projects Fund – The transfer to the WC1 Sales Tax Revenue Fund from the Debt Service Fund is for pay-as-you-go construction projects.

Internal Service Funds – The transfer to the Health Insurance Fund from the General Fund is to cover retiree health care costs. The transfer to the Health Insurance Fund from the OPEB Trust Fund is to transfer the portion of investments related to the Nevada Public Employees' Benefits Plan (NPEBP) out of the OPEB Trust Fund due to the adoption of Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. For additional information about this transfer and the standard see Note 9.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 – Capital Assets:

Capital asset activity for the year ended June 30, 2018 was as follows:

	July 1, 2017 Balance	Increases	Decreases	June 30, 2018 Balance
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 38,933,306	\$ 21,526,703	\$ -	\$ 60,460,009
Construction in progress	24,739,675	67,092,282	(27,047,192)	64,784,765
Total capital assets not being depreciated	63,672,981	88,618,985	(27,047,192)	125,244,774
Other capital assets				
Buildings	896,590,514	24,839,550	-	921,430,064
Improvements other than buildings	33,708,714	2,212,747	-	35,921,461
Machinery and equipment	82,138,533	5,705,784	(2,372,068)	85,472,249
Total capital assets being depreciated	1,012,437,761	32,758,081	(2,372,068)	1,042,823,774
Total capital assets	1,076,110,742	121,377,066	(29,419,260)	1,168,068,548
Less accumulated depreciation for				
Buildings	(325,076,119)	(23,127,378)	-	(348,203,497)
Improvements other than buildings	(12,146,421)	(1,683,726)	-	(13,830,147)
Machinery and equipment	(59,345,657)	(5,735,521)	2,349,320	(62,731,858)
Total accumulated depreciation	(396,568,197)	(30,546,625)	2,349,320	(424,765,502)
Governmental activities capital assets, net	\$ 679,542,545	\$ 90,830,441	\$ (27,069,940)	\$ 743,303,046
Business-Type Activities				
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ 55,176	\$ -	\$ 55,176
Total capital assets not being depreciated	-	55,176	-	55,176
Other capital assets				
Buildings	1,213,573	-	-	1,213,573
Machinery and equipment	3,173,143	303,865	-	3,477,008
Total capital assets	4,386,716	303,865	-	4,690,581
Less accumulated depreciation for				
Buildings	(52,588)	(48,543)	-	(101,131)
Machinery and equipment	(1,828,899)	(199,215)	-	(2,028,114)
Total accumulated depreciation	(1,881,487)	(247,758)	-	(2,129,245)
Business-type activities capital assets, net	\$ 2,505,229	\$ 111,283	\$ -	\$ 2,616,512

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

Governmental activities:

Instruction	\$ 137,422
Student support	57,185
Instructional staff support	35,958
General administration	3,059
School administration	2,770
Central support	435,936
Operation/maintenance	315,876
Student transportation	2,581,985
Other support	863
Facilities	26,975,571
Total governmental activities depreciation expense	<u>\$ 30,546,625</u>

Business-type activities:

Nutrition services operations	\$ 241,327
Total business-type activities depreciation expense	<u>\$ 241,327</u>

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 6 – General Long-Term Obligations:

Bonds Issued:

On November 21, 2017 the District issued \$200,000,000 in General Obligation School Improvement Bonds Series 2017C. The term is thirty years with an interest rate of 3.125%-5%. Interest payments began in April of 2018. Principal payments begin in October of 2020. The proceeds will be used for new school construction and existing school improvement projects.

On November 21, 2017 the District issued \$58,320,000 in General Obligation Refunding Bonds Series 2017D. The term is thirteen years with an interest rate of 4%-5%. Interest payments began in June of 2018. Principal payments begin in June of 2020. Net proceeds of \$33,615,000 were used for the refunding of \$35,725,000 of Series 2011A and 2011B bonds. The refunding was undertaken to reduce total debt service payments by \$4,469,738 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$3,535,831. The remaining proceeds of \$24,705,000 were used for the refunding of \$26,955,000 of Series 2009B bonds. The refunding was undertaken to reduce total debt service payments by \$1,086,628 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,001,578. The escrow funded by the refunding bonds and related premium was used only to secure the principal related to \$26,955,000, (exclusive of related call premiums) of the Series 2009B bonds, which will mature on June 1, 2024. The interest related to these maturities is not secured by this escrow. Rather, it will be paid from the existing stream of revenues. Interest on a portion of the newly issued refunding bonds will be paid from proceeds of the escrow until the aforementioned prior bonds are called for redemption. This technique, which is generally referred to as a "crossover refunding," results in economic savings to the District similar to a normal refunding, but does not meet the accounting definition of a legal defeasance of debt, in which case the defeased debt and the related escrow accounts would have been removed. Until such time as the escrow is used to repay the principal of the refunding bonds, such amounts will be reported in the 2009B City of Reno RZEDB Fund and the 2009B Washoe County RZEDB Fund. As of June 30, 2018, \$26,955,000 of these amounts remained outstanding.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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General long-term debt consists of the following at June 30, 2018:

General Obligation Bonds					
Series	Date Issued	Date of Maturity	Interest Rate (%)	Amount Issued	Balance June 30, 2018
2009	02/18/09	06/01/29	4.322%	45,000,000	5,210,000
2009B	11/12/09	06/01/24	3.141%	36,930,000	31,885,000
2010A	04/01/10	04/01/25	3.104%	10,515,000	7,515,000
2010D	05/26/10	05/01/27	3.797%	3,550,000	2,800,000
2010E	10/06/10	06/01/27	2.811%	5,415,000	4,415,000
2010F	10/06/10	06/01/23	3.538%	41,515,000	23,265,000
2011A	07/06/11	06/01/31	3.00-5.00%	43,450,000	4,180,000
2011B	11/17/11	06/01/31	3.00-5.00%	45,000,000	4,090,000
2012A	03/20/12	06/01/26	3.00-5.00%	71,855,000	65,005,000
2012C	10/02/12	04/01/33	2.00-4.00%	45,000,000	42,710,000
2013	10/10/13	05/01/21	2.200%	18,085,000	12,285,000
2014A	07/15/14	06/01/26	5.000%	40,000,000	40,000,000
2014B	07/15/14	06/01/20	2.00-5.00%	9,145,000	1,680,000
2015A	03/31/15	06/01/29	3.00-5.00%	45,375,000	45,375,000
2016A	12/31/15	06/01/36	2.00-5.00%	59,215,000	59,215,000
2016B	11/10/16	05/01/37	3.00-5.00%	15,000,000	15,000,000
2017A	02/09/17	06/01/37	4.00-5.00%	55,000,000	55,000,000
2017B	04/05/17	04/01/37	3.25-5.00%	26,885,000	26,885,000
2017C	11/21/17	04/01/48	3.125-5.00%	200,000,000	200,000,000
2017D	11/21/17	06/01/31	4.00-5.00%	58,320,000	58,320,000
Total					<u>\$ 704,835,000</u>

Notes Payable					
Series	Date Issued	Date of Maturity	Interest Rate (%)	Amount Issued	Balance June 30, 2018
US Bank	06/01/15	06/01/19	1.41%	2,325,000	593,593
Zion	04/26/16	05/01/20	1.35%	3,100,000	1,570,000
Zion	08/04/17	08/01/21	1.76%	3,100,000	2,723,882
					<u>\$ 4,887,475</u>

Summary of general long-term debt service requirements to maturity:

Year(s) Ending June 30,	Principal	Interest	Total Requirements
2019	34,069,874	30,727,386	\$ 64,797,260
2020	40,859,739	29,412,197	70,271,936
2021	46,123,434	27,604,691	73,728,125
2022	48,314,428	25,518,156	73,832,584
2023	49,470,000	23,241,923	72,711,923
2024-2028	205,985,000	80,644,970	286,629,970
2029-2033	102,040,000	43,983,288	146,023,288
2034-2038	62,115,000	27,889,766	90,004,766
2039-2043	58,140,000	17,882,519	76,022,519
2044-2048	62,605,000	6,239,899	68,844,899
Total	<u>\$ 709,722,475 *</u>	<u>\$ 313,144,795</u>	<u>\$ 1,022,867,270</u>

*Principal amounts shown exclude bond premiums.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Defeasance of Debt:

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, 2018, \$89,410,000 of bonds outstanding are considered defeased.

Changes in General Long-Term Obligations:

	Balance July 1, 2017	Additions	Reductions	Balance June 30, 2018	Due Within One Year
General obligation bonds	\$ 512,120,000	\$ 258,320,000	\$ 65,605,000	\$ 704,835,000	\$ 31,935,000
Deferred amounts for issuance of premium	49,034,535	25,272,013	6,422,475	67,884,073	4,772,915
Notes payable	4,112,880	3,100,000	2,325,405	4,887,475	2,134,874
Pending claims	14,969,778	75,565,168	74,812,680	15,722,266	11,134,727
Compensated absences	31,338,092	26,358,209	25,262,853	32,433,448	25,464,022
Total	<u>\$ 611,575,285</u>	<u>\$ 388,615,390</u>	<u>\$ 174,428,413</u>	<u>\$ 825,762,262</u>	<u>\$ 75,441,538</u>

The liabilities for compensated absences are typically liquidated through the General Fund.

The District was, in accordance with Nevada Revised Statute 387.400, within the legal debt limit at June 30, 2018.

NOTE 7 – Fund Balance/Net Position:

Government-Wide Financial Statements:

The government-wide Statement of Net Position utilizes a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted. The net investment in capital assets is capital assets less accumulated depreciation and related debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

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

The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net position restricted for self-insurance activities represents the net position of the self-insurance funds, which are legally restricted for the purposes for which the funds were established.

Unrestricted net position represents available financial resources of the District.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Fund Financial Statements:

In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the governmental fund financial statements report the following classifications of fund balance:

Nonspendable – Amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of constitutional provisions, enabling legislation, or because of constraints that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

Committed – Amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Trustees, the District's highest level of decision making authority. A similar action is required to remove or modify committed fund balance and authorized expenditures reduce committed fund balance.

Assigned – Amounts that the District intends to use for a specific purpose, but do not meet the definitions of restricted or committed fund balance. Under the District's policy, adopted by the Board of Trustees, the District has delegated the authority to assign fund balance to the Chief Financial Officer or Superintendent.

It is the desire of the District to maintain adequate General Fund balance to maintain liquidity for unanticipated needs. The Board of Trustees has adopted a policy to establish a contingency account with a minimum fund balance of .25% of total appropriations (including transfers out) that shall not exceed 3% of total appropriations (excluding transfers out).

Unassigned – All other spendable amounts in the General Fund or deficits in other governmental funds.

A minimum ending fund balance policy has been adopted by the Board of Trustees for the General Fund. A minimum unrestricted (committed, assigned, unassigned) ending fund balance of 8% to 10% of total expenditures (including transfers out), less capital outlay shall be included in the budget each fiscal year.

When an expenditure is incurred for purposes for which both restricted and unrestricted amounts are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned amounts are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally, unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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As of June 30, 2018, fund balances are composed of the following.

	General Fund	Major Debt Service Funds	Major Capital Projects Funds	Other Funds	Total
Fund balances					
Nonspendable					
Inventory	\$ 1,250,196	\$ -	\$ -	\$ -	\$ 1,250,196
Prepays	33,260	-	-	27,489	60,749
Total nonspendable fund balance	<u>1,283,456</u>	<u>-</u>	<u>-</u>	<u>27,489</u>	<u>1,310,945</u>
Restricted for					
Non-expendable	-	-	-	482,715	482,715
Student housing	-	-	182,779,928	-	182,779,928
Technology/infrastructure	-	-	121,696	-	121,696
Safety and security	-	-	3,238,912	-	3,238,912
Support services facilities	-	-	2,843,591	-	2,843,591
Advanced planning	-	-	1,412,089	-	1,412,089
Site acquisition	-	-	10,776,500	-	10,776,500
School revitalization	-	-	692,600	-	692,600
Capital renewal	-	-	18,405,726	-	18,405,726
Administration of capital projects	-	-	3,079,858	-	3,079,858
Other capital projects	-	-	-	8,965,933	8,965,933
Unallocated interest	-	-	1,089,651	-	1,089,651
Debt service reserve	-	88,035,096	-	-	88,035,096
Wellness	-	-	-	786,164	786,164
Other purposes	-	-	-	469,432	469,432
Unallocated capital projects	-	-	39,083,955	-	39,083,955
Total restricted fund balance	<u>-</u>	<u>88,035,096</u>	<u>263,524,506</u>	<u>10,704,244</u>	<u>362,263,846</u>
Committed to					
Medicaid fund	-	-	-	1,071,570	1,071,570
Other capital projects	-	-	-	1,848,821	1,848,821
Total committed fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,920,391</u>	<u>2,920,391</u>
Assigned to					
Encumbrances	2,626,109	-	-	-	2,626,109
Subsequent year's expenditures	7,502,659	-	-	-	7,502,659
Carryover of general supply appropriations	288,986	-	-	-	288,986
Total assigned fund balance	<u>10,417,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,417,754</u>
Unassigned	<u>29,181,496</u>	<u>-</u>	<u>-</u>	<u>(27,489)</u>	<u>29,154,007</u>
Total fund balances	<u>\$ 40,882,706</u>	<u>\$ 88,035,096</u>	<u>\$ 263,524,506</u>	<u>\$ 13,624,635</u>	<u>\$ 406,066,943</u>

NOTE 8 – Defined Benefit Pension Plan:

Plan Description:

The District contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Benefits Provided:

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010 and July 1, 2015. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% service time factor, and for regular members entering PERS on or after July 1, 2015, there is a 2.25% factor. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting:

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service. Regular members who entered the System on or after July 1, 2015, are eligible for retirement at age 65 with 5 years of service, or at age 62 with 10 years of service or at age 55 with 30 years of service or any age with 33 1/3 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards eligibility for retirement as police/fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both regular and police/fire members become fully vested as to benefits upon completion of five years of service.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Contributions:

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. One plan provides for matching employee and employer contributions, while the other plan provides for employer-pay contributions only. Under the matching Employee/Employer Contribution plan a member may, upon termination of service for which contribution is required, withdraw employee contributions which have been credited to their account. All membership rights and active service credit in the System are canceled upon withdrawal of contributions from the member's account. If EPC was selected, the member cannot convert to the Employee/Employer Contribution plan.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal years ended June 30, 2017 and June 30, 2018, the Statutory Employer/employee matching rate for Regular members was 14.50%; the rate was 20.75% for Police/Fire in both years. The Employer-pay contribution (EPC) rate was 28.00% for Regular members and 40.50% for Police/Fire for both years.

The District's contributions were \$49,527,541 and \$49,544,071 (restated) for the years ended June 30, 2018 and 2017, respectively.

PERS Investment Policy:

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2017:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2017, PERS' long-term inflation assumption was 2.75%.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Net Pension Liability:

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At June 30, 2017, the District's proportion was 5.51966 percent, which was a decrease of .04968 from its proportion measured as of June 30, 2016.

Pension Liability Discount Rate Sensitivity:

The following presents the net pension liability of the District as of June 30, 2017, calculated using the discount rate of 7.50%, as well as what the District's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current discount rate:

	1% Decrease in Discount Rate (6.50%)	Discount Rate (7.50%)	1% Increase in Discount Rate (8.50%)
Net Pension Liability	\$1,109,764,311	\$734,106,661	\$422,117,102

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions:

The District's net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	2.75%
Payroll Growth	5.00%
Investment Rate of Return	7.50%
Productivity Pay Increase	0.50%
Projected Salary Increases	Regular: 4.25% to 9.15%, depending on service Police/Fire: 4.55% to 13.90%, depending on service Rates include inflation and productivity increases
Consumer Price Index	2.75%
Other Assumptions	Same as those used in the June 30, 2016 funding actuarial valuation

**WASHOE COUNTY SCHOOL DISTRICT
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Mortality rates for healthy individuals were based on the Headcount-Weighted RP-2014 Healthy Annuitant Table projected to 2020 with Scale MP-2016, set forward one year for spouses and beneficiaries. For ages less than 50, mortality rates are based on the Headcount-Weighted RP-2014 Employee Mortality Tables. Those mortality rates are adjusted by the ratio of the mortality rate for healthy annuitants at age 50 to the mortality rate for employees at age 50. The mortality rates are then projected to 2020 with Scale MP-2016. Mortality rates for disabled individuals were based on the Headcount-Weighted RP-2014 Disabled Retiree Table, set forward four years. Mortality rates for pre-retirement individuals were based on the Headcount-Weighted RP-2014 Employee Table, projected to 2020 with Scale MP-2016. The additional projection of 6 years is a provision made for future mortality improvement.

Actuarial assumptions used in the June 30, 2017 valuation were based on the results of the experience review completed in 2017.

The discount rate used to measure the total pension liability was 7.50% as of June 30, 2017. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2017, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2017.

Changes in assumptions include changes in the inflation rate and consumer price index from 3.50% to 2.75%, changes in the investment rate of return from 8.00% to 7.50%, changes in the productivity pay increase from 0.75% to 0.50%, and changes in the projected salary increases. In addition, the mortality rates are now based on the Headcount-Weighted RP-2014 Mortality Tables rather than the RP-2000 Mortality Tables.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2018, the District recognized pension expense of \$53,922,140. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 48,172,240
Changes in assumptions or other inputs	48,700,990	-
Net difference between projected and actual earnings on pension plan investments	4,766,425	-
Changes in proportion	14,239,369	-
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	-	17,285,692
District contributions subsequent to the measurement date	49,527,542	-
	<u>\$ 117,234,326</u>	<u>\$ 65,457,932</u>

**WASHOE COUNTY SCHOOL DISTRICT
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The \$49,527,542 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year ended June 30, 2019.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) is 6.39 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended June 30:</u>	
2019	\$ (11,792,854)
2020	18,667,706
2021	(1,875,364)
2022	(11,557,130)
2023	6,364,246
Thereafter	2,442,248

Additional Information:

Additional information is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

NOTE 9 – Postemployment Benefits Other Than Pensions:

Plan Descriptions:

The District contributes to a single-employer defined benefit healthcare plan, Washoe County School District Retiree Health Benefits Plan (WCSDRHP). The WCSDRHP is administered through the Washoe County School District OPEB Trust Fund (Trust). The measurement focus of this plan is its net OPEB liability.

The District also provides OPEB for certain former employees through the Nevada Public Employees' Benefits Plan (NPEBP), an agent multiple employer defined benefit plan. NPEBP is administered by the State of Nevada, and as such, is not considered a "plan" for Washoe County's external financial reporting purposes. The measurement focus of this arrangement is the total OPEB liability associated with participating former District employees.

The District also sponsors one single-employer defined benefit life insurance plan, WCSD Retiree Life Insurance Plan, which makes available various levels of life insurance to eligible retired employees at a reduced blended rate cost. The WCSD Retiree Life Insurance Plan is administered through the Washoe County School District OPEB Trust Fund (Trust). The measurement focus of this plan is its net OPEB liability.

Washoe County School District Retiree Health Benefits Plan (WCSDRHP):

Benefit provisions for the WCSDRHP is established pursuant to NRS 287.023 and amended through negotiations between the District and the respective employee associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees.

**WASHOE COUNTY SCHOOL DISTRICT
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The WCSDRHP explicitly subsidizes medical insurance premiums, pursuant to the contracts negotiated with various employee associations, for employees who retire from the District with at least 15 years of service. However, classified employees hired after June 30, 1999, certified employees who retire after August 31, 2006, and administrative employees who retire after June 30, 2006 are not eligible for explicit premium subsidies. The District's cost for providing explicit subsidies is capped for the different groups at various percentages of General Fund property tax revenues, which is projected to grow 3.0% and was \$1.6 million for fiscal year 2018. However, under NRS 287.023, eligible retirees may participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees contribute up to \$10,183 per year for medical, dental and vision coverage, based on 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 postemployment health care benefits are recognized as retirees report claims.

For WCSDRHP, contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the employee associations. The contribution to the OPEB Trust Fund is determined by the District and based on projected pay-as-you-go financing requirements and actuarial studies contracted for by the District. For fiscal year 2018, the District did not contribute to the OPEB trust to benefit WCSDRHP. During the year, medical claims and premiums for other elected coverages of \$5,000,000 were paid out of the OPEB Trust Fund for WCSDRHP retirees.

The number of participants as of July 1, 2016, the most recent full actuarial valuation date, are as follows:

	<u>WCSDRHP</u>
Active Employees	6,863
Retirees and surviving spouses	<u>1,015</u>
Total participants	<u><u>7,878</u></u>

Nevada Public Employees' Benefits Plan (NPEBP):

Benefit provisions for NPEBP are established pursuant to NRS 287.023 and subject to amendment by the State of Nevada, each biannual legislative session.

In prior fiscal years, under the NPEBP plan, pursuant to NRS 287.023, retirees had the option to participate in the District's program for postemployment health care benefits or to join the Public Employees' Benefit Program (PEBP) offered by the State of Nevada. District retirees not receiving PEBP benefits as of November 30, 2008 are no longer allowed to participate in NPEBP. For the remaining eligible retirees, local governments are required to pay the same portion of the cost of coverage for those persons participating in PEBP that the State of Nevada pays for those persons retired from state service who have continued to participate in the plan. As of July 1, 2016, the most recent full actuarial valuation date, 1,164 retirees were utilizing this benefit. The subsidy paid directly to PEPB by the OPEB Trust Fund for this coverage for the year ended June 30, 2018 was \$3,370,903. Amounts paid per retiree ranged from \$2 to \$1,151. Amounts contributed by retirees are paid directly to the State of Nevada and, as such, are not available.

**WASHOE COUNTY SCHOOL DISTRICT
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For NPEBP, benefit requirements of the plan members and the District are established and may be amended by the state legislature. The contribution is determined by the District and based on projected pay-as-you-go financing requirements and actuarial studies contracted for by the District. NRS 287.023 sunsetted the option to join PEBP for District employees who were not receiving PEPB benefits by November 30, 2008.

Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which was effective for fiscal years beginning after June 15, 2016, makes changes to the financial reporting for OPEB plans administered through trusts which meet certain criteria. Because the PEBP is administered by the State of Nevada, it is not considered a "plan" for GASB Statement No. 74 purposes, and any assets accumulated for OPEB purposes are to be reported as assets of the employer. As of June 30, 2018, \$34.3 million of assets have been accumulated, and are included in the Health Insurance Fund. The assets are restricted solely for payment of the OPEB obtained through PEBP and are not subject to the claims of the District's creditors. See Note 3, Cash and Investments.

WCSD Retiree Life Insurance Plan:

Benefit provisions for the WCSD Retiree Life Insurance Plan are established pursuant to NRS 287.023 and amended through negotiations between the District and the respective employee associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees.

Any employee who has Basic Life and Accidental Death and Disability (AD&D) insurance while active and retires from the District while drawing PERS at the time of his/her retirement is eligible to continue this insurance at retirement regardless of the number of years of service with the District, as long as the retiree pays the premium. All future eligible retirees (not available to spouses of retirees) can obtain the following Basic Life and AD&D coverage:

- Administrative - \$200,000
- Certified - \$40,000
- Classified - \$40,000
- Confidential Classified (as defined by the District) - \$50,000

This coverage is reduced 50% at age 70. The amount of the benefit is dependent on when an employee retired and is subject to coverage adjustments based on bargaining results.

For WCSD Retiree Life Insurance Plan, contribution requirements of the plan members and the District are established and may be amended through negotiations between the District and the employee associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. For actuarial valuation purposes, the District's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the District. Because retirees pay 100% of the pay-as-you-go premiums for their insurance coverage and the District has no future obligations to retirees or others with respect to this Plan, the District has elected, beginning in fiscal year 2011-12, to not contribute any further money to this Plan.

**WASHOE COUNTY SCHOOL DISTRICT
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The number of participants as of July 1, 2016, the most recent full actuarial valuation date, are as follows:

	WCSD Retiree Life Insurance Plan
Active Employees	6,863
Retirees and surviving spouses	2,519
Total participants	<u>9,382</u>

Actuarial Methods and Assumptions:

The District's net OPEB liability for each plan was measured as of June 30, 2018, and the total OPEB liabilities used to calculate their respective net OPEB liability were determined by actuarial valuations for each plan as of July 1, 2016, with the amounts rolled forward to June 30, 2018. The total OPEB liability for the PEBP Arrangement was measured as of June 30, 2018, and was determined based on an actuarial valuation as of July 1, 2016, with the amounts rolled forward to June 30, 2018.

The total OPEB liability in the actuarial valuation for each plan was determined using the following actuarial assumptions and other inputs applied to all periods included in the measurement, unless otherwise specified:

	WCSDRHP	NPEBP	WCSD Retiree Life Insurance Plan
Inflation	3.00%	3.00%	3.00%
Salary increases	3.50%	n/a	3.50%
Investment rate of return	4.57%	4.57%	4.57%
Healthcare cost trend rates		n/a	
Pre-65 retirees	6.5% initial	7.50% initial, 4.75% ultimate	6.5% initial
Post-65 retirees	5.5% initial	8.25% initial, 5.00% ultimate	5.5% initial
Medicare subsidy		Medicare subsidy level (once eligible) is approximately 40% of non-Medicare subsidy level	
	n/a		n/a

Mortality rates were based on the RP-2014 generational tables using Scale MP-2016 applied on a gender specific basis.

The July 1, 2016 actuarial valuation used the Nevada Public Employees Retirement System (PERS) termination rates from PERS' 2015 experience study and used retirement rates that were in use prior to the 2015 experience study.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
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Investment rate of return. The investment rate of return of 4.57%, net of investment expenses, was selected by the plans and by the District for the PEBP Arrangement. This is based on the investment policy of the State of Nevada's Retiree Benefits Investment Fund (RBIF), where the plans and the District invest their assets to fund their OPEB liabilities. This rate is derived from RBIF's investment policy (shown in the table below) and includes a 2.50% long-term inflation assumption.

Asset Class	Asset Allocation
Foreign Developed Equity	21%
U.S. Fixed Income	30%
U.S. Large Cap Equity	49%

Discount Rate. The discount rate should be the single rate that reflects the long-term rate of return on OPEB plan investments that are expected to be used to finance the payment of benefits, to the extent that plan assets are projected to cover the benefit payments. The discount rate used to measure the total OPEB liability was 4.57% for both plans and for the PEBP Arrangement.

The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	WCSDRHP Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at July 1, 2017	\$ 84,821,121	\$ 23,279,682	\$ 61,541,439
Changes for the year			
Service cost	1,596,000	-	1,596,000
Interest cost	3,834,849	-	3,834,849
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumption or other inputs	(2,395,102)	-	(2,395,102)
(Other changes, separately identified if significant)	-	-	-
Contributions - employer	-	-	-
Net investment income	-	1,670,293	(1,670,293)
Benefit payments	(6,640,019)	(5,000,000)	(1,640,019)
Administrative expense	-	-	-
Net changes	(3,604,272)	(3,329,707)	(274,565)
Balance at June 30, 2018	\$ 81,216,849	\$ 19,949,975	\$ 61,266,874

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

	NPEBP Increase (Decrease)
	Total OPEB Liability
Balance at July 1, 2017	\$ 63,503,148
Changes for the year	
Service cost	-
Interest cost	2,823,405
Changes in benefit terms	-
Differences between expected and actual experience	
Changes in assumption or other inputs	(1,632,541)
(Other changes, separately identified if significant)	
Contributions - employer	-
Net investment income	-
Benefit payments	(3,370,903)
Administrative expense	-
Net changes	(2,180,039)
Balance at June 30, 2018	\$ 61,323,109

	WCSD Retiree Life Insurance Plan Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at July 1, 2017	\$ 37,455,912	\$ 4,334,415	\$ 33,121,497
Changes for the year			
Service cost	1,000,007	-	1,000,007
Interest cost	1,735,198	-	1,735,198
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes in assumption or other inputs	(1,616,169)	-	(1,616,169)
(Other changes, separately identified if significant)	-	-	-
Contributions - employer	-	-	-
Net investment income	-	434,007	(434,007)
Benefit payments	(714,758)	(714,758)	-
Administrative expense	-	-	-
Net changes	404,278	(280,751)	685,029
Balance at June 30, 2018	\$ 37,860,190	\$ 4,053,664	\$ 33,806,526

**WASHOE COUNTY SCHOOL DISTRICT
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Sensitivity of the OPEB liabilities to changes in the discount rate. The following presents the net OPEB liabilities of the District's plans and the total OPEB liability for the PEBP Arrangement, as well as what each plan's net OPEB liability, or the PEBP Arrangement's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.57 percent) or 1-percentage-point higher (5.57 percent) than the current discount rate:

	1% Decrease in Discount Rate 3.57%	Current Discount Rate 4.57%	1% Increase in Discount Rate 5.57%
WCSDRHP - Net OPEB Liability	\$ 49,115,788	\$ 61,266,874	\$ 75,021,320
NPEBP - Total OPEB Liability	49,160,870	61,323,109	75,090,178
WCSD Retiree Life Insurance Plan - Net OPEB Liability	27,101,663	33,806,526	41,396,109

Sensitivity of the OPEB liabilities to changes in the healthcare cost trend rates. The following presents the net OPEB liabilities of the District plans and the total OPEB liability for the PEBP Arrangement, as well as what each plan's net OPEB liability, or the PEBP Arrangement's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

WCSDRHP			
	1% Decrease in Healthcare Costs Trend Rate (6.50% decreasing to 5.50%)	Current Healthcare Costs Trend Rate (6.50%)	1% Increase in Healthcare Costs Trend Rate (6.50% increasing to 7.50%)
Net OPEB Liability	\$ 52,916,273	\$ 61,266,874	\$ 72,199,110

NPEBP			
	1% Decrease in Healthcare Costs Trend Rate (6.50% decreasing to 5.50%)	Current Healthcare Costs Trend Rate (6.50%)	1% Increase in Healthcare Costs Trend Rate (6.50% increasing to 7.50%)
Total OPEB Liability	\$ 52,964,769	\$ 61,323,109	\$ 72,265,359

WCSD Retiree Life Insurance Plan			
	1% Decrease in Healthcare Costs Trend Rate (6.50% decreasing to 5.50%)	Current Healthcare Costs Trend Rate (6.50%)	1% Increase in Healthcare Costs Trend Rate (6.50% increasing to 7.50%)
Net OPEB Liability	\$ 25,489,275	\$ 33,806,526	\$ 40,141,511

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

OPEB plan fiduciary net position. Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Washoe County School District OPEB Trust financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:

For the year ended June 30, 2018, the District recognized OPEB expense of \$2,758,599 for the WCSRHP, \$3,570,388 for the NPEBP, and \$4,284,611 for the WCSD Retiree Life Insurance Plan. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	WCSRHP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,540,788
Changes of assumptions/inputs	-	9,559,026
Net difference between projected and actual investments	-	516,086
Total	<u>\$ -</u>	<u>\$ 19,615,900</u>

	NPEBP	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,810,188
Changes of assumptions	12,982,965	1,462,479
Net difference between projected and actual earnings	-	1,446,264
Total	<u>\$ 12,982,965</u>	<u>\$ 5,718,931</u>

	WCSD Retiree Life Insurance Plan	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 626,618
Changes of assumptions	14,005,629	1,447,812
Net difference between projected and actual earnings	-	140,403
Total	<u>\$ 14,005,629</u>	<u>\$ 2,214,833</u>

**WASHOE COUNTY SCHOOL DISTRICT
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Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	WCSDRHP	NPEBP	WCSD Retiree Life Insurance Plan
2019	\$ (2,651,054)	\$ 727,446	\$ 1,548,266
2020	(2,651,054)	727,446	1,548,266
2021	(2,651,054)	727,446	1,548,266
2022	(2,484,605)	1,045,489	1,583,284
2023	(2,480,420)	1,168,523	1,592,121
Thereafter	(6,697,713)	2,867,684	3,970,593
Total	<u>\$ (19,615,900)</u>	<u>\$ 7,264,034</u>	<u>\$ 11,790,796</u>

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 GASB Statements No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues* and No. 30, *Risk Financing Omnibus an amendment of GASB Statement No. 10*.

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, 2018, the amount of this liability was \$15,722,266. This liability is determined by actuaries using all available information.

Changes in the reported liability since July 1, 2016 are as follows:

	Property & Casualty	Health Insurance	Workers' Compensation	Total
Claims liability, July 1, 2016	\$ 1,829,000	\$ 8,160,802	\$ 4,002,000	\$ 13,991,802
Current year claims and changes in estimates	1,710,231	68,831,067	2,296,353	72,837,651
Claims payments	(920,231)	(68,986,091)	(1,953,353)	(71,859,675)
Claims liability, June 30, 2017	2,619,000	8,005,778	4,345,000	14,969,778
Current year claims and changes in estimates	584,571	72,516,504	2,464,093	75,565,168
Claims payments	(839,571)	(71,710,016)	(2,263,093)	(74,812,680)
Claims liability, June 30, 2018	<u>\$ 2,364,000</u>	<u>\$ 8,812,266</u>	<u>\$ 4,546,000</u>	<u>\$ 15,722,266</u>
Due within one year	<u>\$ 932,517</u>	<u>\$ 8,812,266</u>	<u>\$ 1,389,944</u>	<u>\$ 11,134,727</u>

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

At June 30, 2018, the Internal Service Funds held \$38,120,968 in cash and investments available 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:

Property, General Liability, and Casualty Insurance – The District is self-insured for individual losses with a deductible of \$75,000 for damage to real and personal property, \$100,000 for flood coverage, except in a High Hazard which is \$500,000, 2% of the value of the property for earthquakes, and \$400,000 for general liability and automobile incidents resulting in bodily injury and/or property damage liability claims. Maximum annual coverage is approximately \$500,000,000 for property coverage and coverage of \$5,000,000 per occurrence for crime with a \$50,000 deductible. Also \$15,000,000 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 \$400,000 per calendar year per employee.

Workers' Compensation Insurance – The District is self-insured for individual workers' compensation claims up to \$600,000 for each accident. Accidents in excess of \$600,000 are covered by excess insurance up to State statutory limits. Also covered under this program is employer liability coverage for \$1,000,000 for each accident, \$1,000,000 for each employee for disease, \$1,000,000 aggregate, and is subject to the \$600,000 self-insurance retention.

The District maintains an account with a market value of \$2,493,240 as of June 30, 2018 to meet its State of Nevada security deposit requirement.

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

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 11 – Commitments and Contingencies:

Construction Commitments:

As of June 30, 2018, the District had the following commitments, which represent the District's significant encumbrances, with respect to unfinished capital projects:

	Remaining Construction Commitment	Expected Date Of Completion
2017 Sales Tax Revenue Bond		
Infrastructure Projects	\$126,626,851	6/30/2019
School Design	2,168,726	3/31/2019
	128,795,577	
WC1 Sales Tax Revenue Fund		
Office Expansion Projects	131,878	9/30/2019
Infrastructure Projects	57,613	9/30/2019
	189,491	
2011B Rollover Bonds		
Window Replacement Projects	7,664	12/31/2018
2009B-RZEDB-Reno		
Window Replacement Projects	12,541	12/31/2018
2009B-RZEDB-Washoe Co.		
CCTV Projects	28,331	12/31/2018
2012 Rollover Bonds		
CCTV Projects	40,000	12/31/2018
Door Hardware Replacement Projects	52,675	3/31/2019
Paving Projects	1,068	12/31/2018
Roofing Projects	12,395	12/31/2018
Signature Academies Projects	1,740	12/31/2018
Carpentry/Painting Projects	3,447	9/30/2018
	111,325	
2016A Extended Bond Rollover		
Boiler Projects	1,061,473	12/31/2018
Infrastructure Projects	1,112,850	3/31/2019
HVAC/Plumbing Projects	1,443,033	12/31/2018
Mobile Projects	148,677	9/30/2018
Signature Academies Projects	225,797	12/31/2018
Security Projects	558,980	12/31/2018
	4,550,810	
2016B Extended Bond Rollover		
School Design	1,893,535	12/31/2018
High School Master Plan Projects	54,600	12/31/2018
Land Acquisition Projects	13,267	3/31/2019
Infrastructure Projects	1,927,763	3/31/2019
Elementary School Master Plan Projects	17,800	12/31/2018
	3,906,965	

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

2017A Extended Bond Rollover		
Carpentry/Painting Projects	\$136,920	12/31/2018
ADA Update Projects	5,793	12/31/2018
Athletic Surfaces Projects	235,000	9/30/2018
Infrastructure Projects	357,870	3/31/2019
Energy Performance Projects	1,514,339	9/30/2018
Fire Alarm Update Projects	2,325	3/31/2019
Flooring Replacement Projects	353,545	12/31/2018
Roofing Projects	801,093	12/31/2018
Fencing Projects	1,700	12/31/2018
Security Projects	205,000	12/31/2018
HVAC/Plumbing Projects	998	6/30/2019
	<u>3,614,583</u>	
2017B Extended Bond Rollover		
School Design	2,543,735	3/31/2019
Asbestos Projects	101,529	12/31/2018
Infrastructure Projects	2,589,548	3/31/2018
HVAC/Plumbing Projects	1,814,428	12/31/2018
Window Replacement Projects	93,195	12/31/2018
	<u>7,142,435</u>	
2011 Rollover Bonds		
ADA Update Projects	13,905	12/31/2018
Asbestos Projects	13,617	12/31/2018
Infrastructure Projects	158,637	12/31/2018
School Revitalization Projects	4,465	9/30/2018
Carpentry/Painting Projects	86,722	9/30/2018
Roofing Projects	463,257	12/31/2018
Fire Alarm Update Projects	441,397	3/31/2019
Flooring Replacement Projects	156,783	12/31/2018
Electrical Projects	44,000	12/31/2018
Window Replacement Projects	116,771	12/31/2018
	<u>1,499,554</u>	
Nutrition Services		
Dishwasher Replacement Projects	87,024	3/31/2019
Nonmajor Funds		
Infrastructure Projects	132,119	3/31/2019
HVAC/Plumbing Projects	46,200	12/31/2018
Flooring Replacement Projects	92,388	12/31/2018
Energy Conservation Projects	88,195	9/30/2018
	<u>358,902</u>	
	<u>\$ 150,305,202</u>	

Currently, no additional financing is required to complete construction on the projects above.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

Litigation:

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

The District receives a portion of the property tax revenues collected by Washoe County. Washoe County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners including the portion collected on behalf of the District. The impact on the District's financial condition cannot be reasonably estimated.

NOTE 12 – State of Nevada Tax Abatements:

For the fiscal year ended June 30, 2018, Washoe County School District revenues were reduced by a total amount of \$6,936,337 under agreements entered into by the State of Nevada.

Aviation Tax Abatement (NRS 360.753) – Partial abatements from personal property and sales & use taxes are available to companies that locate or expand their business in Nevada. The personal property tax abatement can be up to 50% for 20 years on the taxes due on tangible personal property, and the sales & use tax abatement reduces the applicable tax rate to 2% for a similar 20-year period, a near 75% reduction. For fiscal year ending June 30, 2018, the total amount abated for the District was \$198,785.

Data Centers Abatement (NRS 360.754) – Partial abatements from personal property and sales & use taxes are available to companies that establish or expand data centers. The personal property tax abatements can be up to 20 years. For fiscal year ending June 30, 2018, the total amount abated for the District was \$2,761,068.

Renewable Energy (NRS 701A.370) – Partial abatements from personal property and sales & use taxes are available to renewable energy facilities. For fiscal year ending June 30, 2018, the total amount abated for the District was \$2,797.

Standard Abatement (NRS 374.357) – Partial abatements for eligible machinery or equipment used by certain new or expanded businesses are available to companies who intend to locate in the State. The abatement is available on the tax imposed for not more than two years. For Fiscal Year ended June 30, 2018, the Total Standard Abatement Amount for the District was \$3,973,687.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

NOTE 13 – Prior Period Adjustment and Adoption of New Standard:

During 2018, the District identified misstatements in the June 30, 2017 financial statements related to the determination or classification of payments to satisfy employee contribution requirements in the adoption, as of July 1, 2016, of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68, and No. 73*. Based on the restated Schedule of Employer Allocations for GASB 82 Implementation provided by the Public Employee's Retirement System of Nevada (PERS), beginning net position was restated as of July 1, 2017 to report the previous overstatement of the balances reported for deferred outflows of resources, and net pension-liability amounts at June 30, 2017.

As of July 1, 2017, the District adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The implementation of this standard requires governments to calculate and report the cost, obligations, deferred outflows of resources, and deferred inflows of resources associated with other postemployment benefits in their financial statements, including additional footnote disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning total OPEB liability and deferred outflows of resources related to contributions made after the measurement date.

	Governmental Activities	Business-Type Activities
Net position at June 30, 2017, as previously reported	\$ (254,299,989)	\$ 83,545
Restatement of deferred outflows of resources, net pension-liability amounts	<u>(37,867,651)</u>	<u>(17,850)</u>
Net position at June 30, 2017, restated for correction of error	(292,167,640)	65,695
Total OPEB liability at June 30, 2017	(187,566,961)	(5,978,678)
Deferred outflows of resources related to changes in assumptions	21,313,665	837,307
Deferred inflows of resources related to differences between expected and actual experience and net difference between projected and actual investments	<u>(16,129,636)</u>	<u>(633,652)</u>
Net position at July 1, 2017, as restated	<u>\$ (474,550,572)</u>	<u>\$ (5,709,328)</u>



Required Supplementary Information

- ♦ Schedule of the District's Proportionate Share of the Net Pension Liability
- ♦ Schedule of the District Contributions to Public Employee's Retirement System of the State of Nevada
- ♦ Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
- ♦ Schedule of District Contributions Other Postemployment Benefits

**WASHOE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Schedule of the District's Proportionate Share of the Net Pension Liability
Last Ten Fiscal Years***

	2017	2016	2015	2014
District's proportionate share of the net pension liability	5.51966%	5.56934%	5.44943%	5.56601%
District's proportionate share of the net pension liability	\$ 734,106,661	\$ 749,473,531	\$ 624,474,359	\$ 580,088,054
District's covered payroll	\$ 350,448,613	\$ 334,502,049	\$ 323,606,402	\$ 323,300,787
District's proportionate share of the net pension liability as a percentage of its covered payroll	209.48%	224.06%	192.97%	179.43%
Plan fiduciary net position as a percentage of the total pension liability	74.42%	72.23%	75.13%	76.30%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Schedule of District Contributions to
Public Employees' Retirement System of the State of Nevada
Last Ten Fiscal Years***

	2018	2017	2016	2015
Statutorily required contribution	\$ 49,527,541	\$ 49,544,071	\$ 47,219,803	\$ 41,923,411
Contributions in relation to the statutorily required contribution	\$ 49,527,541	\$ 49,544,071	\$ 47,219,803	\$ 41,923,411
Contribution (deficiency) excess	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 350,264,576	\$ 350,448,613	\$ 334,502,049	\$ 323,606,402
Contributions as a percentage of covered payroll	14.14%	14.14%	14.12%	12.96%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Last Ten Fiscal Years***

WCSDRHP	
	2018
Total OPEB liability	
Service cost	\$ 1,596,000
Interest	3,834,849
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(2,395,102)
Benefit payments	(6,640,019)
Net change in total OPEB liability	(3,604,272)
Total OPEB liability - beginning	84,821,121
Total OPEB liability - ending (a)	\$ 81,216,849
Plan fiduciary net position	
Contributions - employer	\$ -
Net investment income	1,670,293
Benefit payments	(5,000,000)
Administrative expense	-
Net change in plan fiduciary net position	(3,329,707)
Plan fiduciary net position - beginning	23,279,682
Plan fiduciary net position - ending (b)	\$ 19,949,975
District's net OPEB liability - ending (a) - (b)	\$ 61,266,874
Plan fiduciary net position as a percentage of the total OPEB liability	24.56%
Covered payroll	\$ 307,473,000
District's net OPEB liability as a percentage of covered payroll	19.93%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Last Ten Fiscal Years***

WCSD Retiree Life Insurance Plan

	2018
Total OPEB liability	
Service cost	\$ 1,000,007
Interest	1,735,198
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(1,616,169)
Benefit payments	(714,758)
Net change in total OPEB liability	404,278
Total OPEB liability - beginning	37,455,912
Total OPEB liability - ending (a)	<u>\$ 37,860,190</u>
Plan fiduciary net position	
Contributions - employer	\$ -
Net investment income	434,007
Benefit payments	(714,758)
Administrative expense	-
Net change in plan fiduciary net position	(280,751)
Plan fiduciary net position - beginning	4,334,415
Plan fiduciary net position - ending (b)	<u>\$ 4,053,664</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 33,806,526</u>
Plan fiduciary net position as a percentage of the total OPEB liability	10.71%
Covered payroll	\$ 307,473,000
District's net OPEB liability as a percentage of covered payroll	10.99%

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**WASHOE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Schedule of Changes in Net Other Postemployment Benefits Liability and Related Ratios
Last Ten Fiscal Years***

NPEBP	
	2018
Total OPEB liability	
Service cost	\$ -
Interest	2,823,405
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	(1,632,541)
Benefit payments	(3,370,903)
Net change in total OPEB liability	(2,180,039)
Total OPEB liability - beginning	63,503,148
Total OPEB liability - ending (a)	\$ 61,323,109
 Covered payroll	N/A
 District's net OPEB liability as a percentage of covered payroll	N/A

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

**WASHOE COUNTY SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

**Schedule of District Contributions for Other Postemployment Benefits
Last Ten Fiscal Years***

WCSDRHP

	2018
Actuarially determined contribution	\$ 5,439,527
Contributions in relation to the actuarially determined contribution	5,000,000
Contribution deficiency (excess)	<u>\$ 439,527</u>
Covered payroll	\$ 307,473,000
Contributions as a percentage of covered payroll	1.63%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

WCSD Retiree Life Insurance Plan

	2018
Actuarially determined contribution	\$ 3,068,289
Contributions in relation to the actuarially determined contribution	714,758
Contribution deficiency (excess)	<u>\$ 2,353,531</u>
Covered payroll	\$ 307,473,000
Contributions as a percentage of covered payroll	0.23%

* GASB Statement No. 75 requires ten years of information to be presented in this table. However, until ten years of data is available, the District will present information only for those years for which information is available.

Nonmajor Governmental Funds

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

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL
ASSETS			
Cash and investments	\$ 6,318,844	\$ 8,426,150	\$ 14,744,994
Receivables			
Interest	3,498	14,391	17,889
Grants	12,776,694	-	12,776,694
Miscellaneous	1,725,922	350,087	2,076,009
Due from other governments	-	463,519	463,519
Prepays	477,489	-	477,489
	<u>21,302,447</u>	<u>9,254,147</u>	<u>30,556,594</u>
Total assets	\$ 21,302,447	\$ 9,254,147	\$ 30,556,594
LIABILITIES			
Accounts payable	\$ 1,810,557	\$ 114,262	\$ 1,924,819
Construction contracts payable	-	39,300	39,300
Accrued liabilities	4,099,832	100,356	4,200,188
Due to other funds	8,021,189	-	8,021,189
Grant funds received in advance	1,848,976	-	1,848,976
	<u>15,780,554</u>	<u>253,918</u>	<u>16,034,472</u>
Total liabilities	15,780,554	253,918	16,034,472
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenues	863,191	34,296	897,487
	<u>863,191</u>	<u>34,296</u>	<u>897,487</u>
FUND BALANCE			
Non-spendable	27,489	-	27,489
Restricted	1,738,311	8,965,933	10,704,244
Committed	2,920,391	-	2,920,391
Unassigned	(27,489)	-	(27,489)
	<u>4,658,702</u>	<u>8,965,933</u>	<u>13,624,635</u>
Total fund balance	4,658,702	8,965,933	13,624,635
Total liabilities, deferred inflows of resources and fund balance	\$ 21,302,447	\$ 9,254,147	\$ 30,556,594

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL
REVENUES			
Local sources	\$ 3,002,122	\$ 5,460,892	\$ 8,463,014
State sources	41,649,215	-	41,649,215
Federal sources	43,635,483	-	43,635,483
	<hr/>	<hr/>	<hr/>
Total revenues	88,286,820	5,460,892	93,747,712
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current			
Regular programs	18,980,511	-	18,980,511
Special programs	15,300,531	-	15,300,531
Vocational programs	2,717,697	-	2,717,697
Other instructional programs	48,196,642	-	48,196,642
Adult education programs	1,291,876	-	1,291,876
Community services programs	642,347	-	642,347
Undistributed expenditures			
Instruction	13,039	-	13,039
Student support	380,225	-	380,225
Instructional staff support	104,195	-	104,195
General administration	510,264	-	510,264
Central services	464,158	37,512	501,670
Operation and maintenance	14,129	-	14,129
Food services operations	1,632	-	1,632
	<hr/>	<hr/>	<hr/>
Total current expenditures	88,617,246	37,512	88,654,758
	<hr/>	<hr/>	<hr/>
Capital outlay	222,475	4,505,797	4,728,272
	<hr/>	<hr/>	<hr/>
Total expenditures	88,839,721	4,543,309	93,383,030
	<hr/>	<hr/>	<hr/>
Net change in fund balance	(552,901)	917,583	364,682
	<hr/>	<hr/>	<hr/>
FUND BALANCE, July 1	5,211,603	8,048,350	13,259,953
	<hr/>	<hr/>	<hr/>
FUND BALANCE, June 30	\$ 4,658,702	\$ 8,965,933	\$ 13,624,635
	<hr/>	<hr/>	<hr/>

General Fund

To account for and report all financial resources not accounted for and reported in another fund.

**WASHOE COUNTY SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET
GENERAL FUND
JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and investments	\$ 18,038,231	\$ 32,459,112
Receivables		
Property taxes	2,350,036	2,695,374
Interest	33,627	22,471
Miscellaneous	1,083,437	1,136,653
Due from other funds	8,021,189	11,513,946
Due from other governments	43,387,278	34,044,872
Prepays	33,260	15,580
Inventories	<u>1,250,196</u>	<u>1,179,160</u>
Total assets	<u>\$ 74,197,254</u>	<u>\$ 83,067,168</u>
LIABILITIES		
Accounts payable	\$ 2,847,895	\$ 2,293,662
Accrued liabilities	28,931,982	28,423,520
Due to other governments	543,499	7,725,818
Unearned revenues	<u>16,693</u>	<u>12,432</u>
Total liabilities	<u>32,340,069</u>	<u>38,455,432</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues	<u>974,479</u>	<u>1,307,579</u>
FUND BALANCE		
Nonspendable	1,283,456	1,194,740
Assigned	10,417,754	42,109,417
Unassigned	<u>29,181,496</u>	<u>-</u>
Total fund balance	<u>40,882,706</u>	<u>43,304,157</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 74,197,254</u>	<u>\$ 83,067,168</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 320,828,024	\$ 324,480,396	\$ 319,074,062	\$ (5,406,334)	\$ 304,953,413
State sources	136,826,554	133,174,182	136,684,502	3,510,320	128,259,530
Federal sources	716,000	716,000	615,980	(100,020)	502,675
Total revenues	458,370,578	458,370,578	456,374,544	(1,996,034)	433,715,618
EXPENDITURES					
Current					
Regular programs	215,900,183	217,450,322	210,469,065	6,981,257	199,427,308
Special programs	5,433,908	5,483,765	4,985,316	498,449	5,156,975
Vocational programs	6,255,723	5,668,631	5,608,081	60,550	6,398,112
Other instructional programs	13,296,874	13,713,467	12,946,055	767,412	13,438,927
Co-curricular programs	4,064,154	4,929,107	3,920,051	1,009,056	3,654,032
Undistributed expenditures					
Student support	33,276,564	32,475,552	31,766,681	708,871	31,318,268
Instructional staff support	15,756,870	15,982,833	15,195,251	787,582	16,580,390
General administration	12,845,715	14,480,629	6,154,378	8,326,251	6,167,302
School administration	36,652,582	36,150,904	35,297,243	853,661	36,029,691
Central services	23,931,604	23,782,337	23,053,603	728,734	20,738,078
Operation and maintenance	49,182,888	49,291,727	46,969,177	2,322,550	46,036,134
Student transportation	16,436,124	20,079,355	19,621,614	457,741	15,861,129
Total expenditures	433,033,189	439,488,629	415,986,515	23,502,114	400,806,346
Excess of revenues over expenditures	25,337,389	18,881,949	40,388,029	21,506,080	32,909,272
OTHER FINANCING SOURCES (USES)					
Medium-term financing	-	3,100,000	3,100,000	-	-
Proceeds from sale of property	85,000	85,000	55,923	(29,077)	53,846
Contingency	(833,965)	(4,055,702)	-	4,055,702	-
Transfers in	-	-	-	-	39,096
Transfers out	(47,991,997)	(47,998,293)	(45,965,403)	2,032,890	(42,989,789)
Total other financing sources (uses)	(48,740,962)	(48,868,995)	(42,809,480)	6,059,515	(42,896,847)
Net change in fund balance	(23,403,573)	(29,987,046)	(2,421,451)	27,565,595	(9,987,575)
FUND BALANCE, July 1	34,667,158	43,304,157	43,304,157	-	53,291,732
FUND BALANCE, June 30	\$ 11,263,585	\$ 13,317,111	\$ 40,882,706	\$ 27,565,595	\$ 43,304,157

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Ad valorem taxes	\$ 106,699,130	\$ 106,699,130	\$ 105,531,582	\$ (1,167,548)	\$ 101,226,035
School support taxes	192,019,989	195,672,361	198,072,854	2,400,493	181,682,201
School support taxes - refund prior year	-	-	(8,940,689)	(8,940,689)	-
Franchise taxes	250,000	250,000	288,011	38,011	193,040
Government services tax	16,123,905	16,123,905	17,921,072	1,797,167	16,024,869
Revenue in lieu of taxes	185,000	185,000	180,800	(4,200)	190,818
Tuition - regular day school	296,000	296,000	301,619	5,619	298,314
Tuition - summer school	61,000	61,000	60,428	(572)	24,118
Earnings on investments	420,000	420,000	510,671	90,671	328,210
Refunds	15,000	15,000	-	(15,000)	10,177
Indirect costs	1,700,000	1,700,000	1,688,281	(11,719)	1,556,371
Transportation	565,000	565,000	594,973	29,973	622,776
Reimbursements	1,500,000	1,500,000	1,493,680	(6,320)	1,512,331
Other	993,000	993,000	1,370,780	377,780	1,284,153
Total local sources	320,828,024	324,480,396	319,074,062	(5,406,334)	304,953,413
State sources					
Distributive school fund	131,826,554	125,313,266	130,502,725	5,189,459	128,259,530
Special appropriations	5,000,000	7,860,916	6,181,777	(1,679,139)	-
Total state sources	136,826,554	133,174,182	136,684,502	3,510,320	128,259,530
Federal sources					
Forest reserve	31,000	31,000	30,495	(505)	9,695
Revenue in lieu of taxes, P.L. 81-874	185,000	185,000	185,964	964	134,373
E-Rate refund	500,000	500,000	399,521	(100,479)	358,607
Total federal sources	716,000	716,000	615,980	(100,020)	502,675
Total revenues	458,370,578	458,370,578	456,374,544	(1,996,034)	433,715,618
EXPENDITURES					
Current					
Regular programs					
Instruction					
Salaries	144,296,509	146,540,935	143,406,922	3,134,013	134,427,954
Benefits	60,645,103	59,917,954	59,734,498	183,456	55,815,943
Purchased services	2,276,609	2,314,789	2,014,248	300,541	1,857,699
Supplies	8,319,473	8,307,271	5,198,242	3,109,029	7,224,446
Property	284,789	284,790	40,291	244,499	47,415
Other	77,700	84,583	74,864	9,719	53,851
Total regular programs	215,900,183	217,450,322	210,469,065	6,981,257	199,427,308
Special programs					
Instruction					
Salaries	3,068,303	3,127,147	2,843,270	283,877	3,012,506
Benefits	1,356,273	1,255,247	1,212,632	42,615	1,286,631
Purchased services	23,830	23,533	34,513	(10,980)	29,263
Supplies	108,788	113,093	6,404	106,689	44,352
Other	-	-	1,588	(1,588)	7,064
Total instruction	4,557,194	4,519,020	4,098,407	420,613	4,379,816

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional staff support					
Salaries	\$ 506,880	\$ 582,444	\$ 560,824	\$ 21,620	\$ 527,623
Benefits	203,864	222,348	221,563	785	207,189
Purchased services	146,316	147,896	100,295	47,601	41,053
Supplies	19,654	12,057	4,227	7,830	1,294
Total instructional staff support	876,714	964,745	886,909	77,836	777,159
Total special programs	5,433,908	5,483,765	4,985,316	498,449	5,156,975
Vocational programs					
Instruction					
Salaries	4,058,305	3,686,106	3,642,483	43,623	4,130,410
Benefits	1,825,019	1,557,217	1,555,447	1,770	1,764,403
Purchased services	9,500	35,397	35,146	251	33,736
Supplies	126,473	146,512	136,769	9,743	159,694
Property	1,000	1,000	-	1,000	-
Other	700	700	3,380	(2,680)	2,001
Total instruction	6,020,997	5,426,932	5,373,225	53,707	6,090,244
Instructional staff support					
Salaries	163,909	170,152	165,345	4,807	214,984
Benefits	64,083	64,313	64,439	(126)	87,318
Purchased services	3,950	4,450	2,251	2,199	2,994
Supplies	2,784	2,784	2,701	83	2,452
Other	-	-	120	(120)	120
Total instructional staff support	234,726	241,699	234,856	6,843	307,868
Total vocational programs	6,255,723	5,668,631	5,608,081	60,550	6,398,112
Other instructional programs					
Instruction					
Salaries	7,913,530	9,019,213	8,305,621	713,592	8,647,301
Benefits	3,294,902	3,281,087	3,308,552	(27,465)	3,444,887
Purchased services	13,500	9,904	10,187	(283)	27,570
Supplies	702,165	34,966	11,529	23,437	17,575
Total instruction	11,924,097	12,345,170	11,635,889	709,281	12,137,333
Instructional staff support					
Salaries	673,738	682,060	683,518	(1,458)	671,555
Benefits	268,326	259,047	258,515	532	257,182
Purchased services	331,971	331,971	314,884	17,087	299,154
Supplies	98,742	95,219	53,249	41,970	73,703
Total instructional staff support	1,372,777	1,368,297	1,310,166	58,131	1,301,594
Total other instructional programs	13,296,874	13,713,467	12,946,055	767,412	13,438,927

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Co-curricular programs					
Instruction					
Salaries	\$ 2,233,790	\$ 2,356,904	\$ 2,030,224	\$ 326,680	\$ 1,936,063
Benefits	127,759	127,167	112,137	15,030	97,740
Total instruction	2,361,549	2,484,071	2,142,361	341,710	2,033,803
Student support					
Salaries	154,087	159,710	154,737	4,973	159,486
Benefits	54,950	54,508	54,481	27	55,574
Total student support	209,037	214,218	209,218	5,000	215,060
Instructional staff support					
Salaries	-	-	466	(466)	-
Benefits	-	-	37	(37)	-
Purchased services	521,775	522,400	416,623	105,777	391,538
Supplies	4,433	3,841	11,584	(7,743)	27,832
Other	63,544	63,544	77,636	(14,092)	117,030
Total instructional staff support	589,752	589,785	506,346	83,439	536,400
Student transportation					
Salaries	330,514	669,568	440,677	228,891	327,645
Benefits	212,828	596,361	355,319	241,042	235,811
Purchased services	360,474	375,104	266,130	108,974	305,313
Total student transportation	903,816	1,641,033	1,062,126	578,907	868,769
Total co-curricular programs	4,064,154	4,929,107	3,920,051	1,009,056	3,654,032
Undistributed expenditures					
Student support					
Salaries	22,699,575	22,163,313	21,928,034	235,279	21,586,044
Benefits	9,661,620	9,346,676	9,309,218	37,458	9,109,148
Purchased services	717,200	744,869	263,047	481,822	293,467
Supplies	195,869	217,894	235,901	(18,007)	283,565
Other	2,300	2,800	30,481	(27,681)	46,044
Total student support	33,276,564	32,475,552	31,766,681	708,871	31,318,268
Instructional staff support					
Salaries	9,738,937	9,969,251	9,497,442	471,809	10,476,474
Benefits	3,715,276	3,782,416	3,803,912	(21,496)	4,061,265
Purchased services	1,464,705	1,461,125	829,051	632,074	872,148
Supplies	814,353	749,337	1,059,066	(309,729)	1,136,907
Property	17,999	15,599	-	15,599	9,495
Other	5,600	5,105	5,780	(675)	24,101
Total instructional staff support	15,756,870	15,982,833	15,195,251	787,582	16,580,390

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
General administration					
Salaries	\$ 3,814,995	\$ 3,848,823	\$ 3,853,201	\$ (4,378)	\$ 3,889,364
Benefits	1,787,519	1,826,664	1,677,834	148,830	1,491,707
Purchased services	630,749	631,059	358,959	272,100	461,668
Supplies	314,905	285,993	195,130	90,863	237,262
Property	6,000	6,000	-	6,000	-
Other	6,291,547	7,882,090	69,254	7,812,836	87,301
Total general administration	12,845,715	14,480,629	6,154,378	8,326,251	6,167,302
School administration					
Salaries	26,015,983	25,789,717	25,427,124	362,593	25,930,086
Benefits	10,174,990	9,710,146	9,747,083	(36,937)	9,937,917
Purchased services	293,012	483,127	76,774	406,353	67,104
Supplies	154,997	154,314	43,617	110,697	83,352
Property	3,000	3,000	-	3,000	5,850
Other	10,600	10,600	2,645	7,955	5,382
Total school administration	36,652,582	36,150,904	35,297,243	853,661	36,029,691
Central services					
Salaries	12,090,018	12,026,807	11,817,481	209,326	11,757,174
Benefits	4,660,987	4,455,542	4,500,367	(44,825)	4,451,386
Purchased services	6,088,433	6,001,021	5,996,986	4,035	3,760,256
Supplies	460,130	666,931	123,312	543,619	121,328
Property	16,870	16,870	54,745	(37,875)	45,186
Other	615,166	615,166	560,712	54,454	602,748
Total central services	23,931,604	23,782,337	23,053,603	728,734	20,738,078
Operation and maintenance					
Salaries	22,690,130	22,951,713	22,637,107	314,606	22,205,846
Benefits	9,961,777	9,308,397	9,379,760	(71,363)	9,204,625
Purchased services	6,638,567	6,906,815	6,181,287	725,528	5,817,588
Supplies	9,803,771	10,036,009	8,575,220	1,460,789	8,643,423
Property	12,043	12,043	59,058	(47,015)	49,408
Other	76,600	76,750	136,745	(59,995)	115,244
Total operation and maintenance	49,182,888	49,291,727	46,969,177	2,322,550	46,036,134
Student transportation					
Salaries	9,472,862	9,591,586	9,456,251	135,335	9,336,872
Benefits	4,026,860	3,660,765	3,919,838	(259,073)	3,958,281
Purchased services	785,479	1,106,445	724,464	381,981	785,993
Supplies	1,666,924	1,716,560	1,657,844	58,716	1,188,139
Property	472,249	3,992,249	3,847,758	144,491	574,868
Other	11,750	11,750	15,459	(3,709)	16,976
Total student transportation	16,436,124	20,079,355	19,621,614	457,741	15,861,129
Total undistributed expenditures	188,082,347	192,243,337	178,057,947	14,185,390	172,730,992
Total expenditures	433,033,189	439,488,629	415,986,515	23,502,114	400,806,346
Excess of revenues over expenditures	25,337,389	18,881,949	40,388,029	21,506,080	32,909,272

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OTHER FINANCING SOURCES (USES)					
Medium-term financing	\$ -	\$ 3,100,000	\$ 3,100,000	\$ -	\$ -
Proceeds from sale of property	85,000	85,000	55,923	(29,077)	53,846
Contingency	(833,965)	(4,055,702)	-	4,055,702	-
Transfers in	-	-	-	-	39,096
Transfers out	(47,991,997)	(47,998,293)	(45,965,403)	2,032,890	(42,989,789)
Total other financing sources (uses)	(48,740,962)	(48,868,995)	(42,809,480)	6,059,515	(42,896,847)
Net change in fund balance	(23,403,573)	(29,987,046)	(2,421,451)	27,565,595	(9,987,575)
FUND BALANCE, July 1	34,667,158	43,304,157	43,304,157	-	53,291,732
FUND BALANCE, June 30	<u>\$ 11,263,585</u>	<u>\$ 13,317,111</u>	<u>\$ 40,882,706</u>	<u>\$ 27,565,595</u>	<u>\$ 43,304,157</u>

**WASHOE COUNTY SCHOOL DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEARS ENDED JUNE 30, 2017 AND 2016)**

	<u>2018</u>	<u>2017</u>	<u>2016</u>
REVENUES			
Local sources	\$ 319,074,062	\$ 304,953,413	\$ 292,481,483
State sources	136,684,502	128,259,530	134,836,971
Federal sources	<u>615,980</u>	<u>502,675</u>	<u>995,019</u>
Total revenues	<u>456,374,544</u>	<u>433,715,618</u>	<u>428,313,473</u>
EXPENDITURES			
Current			
Regular programs	210,469,065	199,427,308	199,255,819
Special programs	4,985,316	5,156,975	5,657,811
Vocational programs	5,608,081	6,398,112	6,116,359
Other instructional programs	12,946,055	13,438,927	14,117,851
Co-curricular programs	3,920,051	3,654,032	3,631,308
Undistributed expenditures			
Student support	31,766,681	31,318,268	29,398,572
Instructional staff support	15,195,251	16,580,390	15,889,423
General administration	6,154,378	6,167,302	6,201,991
School administration	35,297,243	36,029,691	34,779,573
Central services	23,053,603	20,738,078	22,259,046
Operation and maintenance	46,969,177	46,036,134	46,180,970
Student transportation	<u>19,621,614</u>	<u>15,861,129</u>	<u>18,229,285</u>
Total expenditures	<u>415,986,515</u>	<u>400,806,346</u>	<u>401,718,008</u>
Excess of revenues over expenditures	<u>40,388,029</u>	<u>32,909,272</u>	<u>26,595,465</u>
OTHER FINANCING SOURCES (USES)			
Medium-term financing	3,100,000	-	3,100,000
Proceeds from sale of property	55,923	53,846	91,235
Transfers in	-	39,096	-
Transfers out	<u>(45,965,403)</u>	<u>(42,989,789)</u>	<u>(37,701,518)</u>
Total other financing sources (uses)	<u>(42,809,480)</u>	<u>(42,896,847)</u>	<u>(34,510,283)</u>
Net change in fund balance	(2,421,451)	(9,987,575)	(7,914,818)
FUND BALANCE, July 1	<u>43,304,157</u>	<u>53,291,732</u>	<u>61,206,550</u>
FUND BALANCE, June 30	<u>\$ 40,882,706</u>	<u>\$ 43,304,157</u>	<u>\$ 53,291,732</u>

Special Revenue Funds

To account for and report the proceeds of specific revenue sources (other than for private-purpose trust or major capital projects) that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. This includes federal, state and local programs.

The Special Education Fund is used to account for transactions of the District relating to educational services provided to children with special needs.

Major Special Revenue Fund:

Special Education Fund: used to account for transactions of the District relating to educational services provided to children with special needs.

Nonmajor Special Revenue Funds

E-Rate Fund: To account for revenues received from the Universal Service Schools and Libraries Program, commonly known as “E-rate”, which provides discounts to help eligible schools and libraries obtain affordable telecommunication and internet access.

Title I: To account for financial assistance from Title I of the Elementary and Secondary Education Act (ESSA) for local educational agencies and schools with high numbers or high percentages of children from low-income families.

Federal—Other Agency Grants: To account for federal grants which pass through other agencies.

Direct Federal Grants: To account for federal grants provided directly by U.S. government agencies.

Federal Special Education: To account for federal pass through grants authorized by the Individual with Disabilities Education Act (IDEA). These funds are used to provide special education services to qualifying students.

Vocational Education: To account for Nevada Department of Education grants to provide programs for vocational, career and technical education.

Federal, Nevada DOE: To account for Federal grants for various purposes.

Family Resource Centers: To account for Nevada Health and Human Services grants to operate family resource centers, whose purpose is to provide basic needs assistance to families and students.

Adult Education: To account for Nevada Department of Education grants to operate an adult high school diploma program for adults who are no longer eligible for educational services in a traditional high school.

Class Size Reduction: To account for Nevada Department of Education program to reduce class sizes in grades K through 3 by providing funds for additional teachers, as authorized by NRS 388.720.

Early Childhood: To account for Nevada Department of Education grant to operate early childhood education programs for pre-kindergarten students.

PERS and Financial Incentives: To account for Nevada Department of Education grants to purchase retirement credits for qualifying teachers working in at-risk schools, as authorized by NRS 391.165.

Special State Appropriations: To account for Nevada Department of Education grants for various purposes. Examples are: Zoom schools, for schools with high percentages of English language learners; Victory schools, and Read by Grade 3.

Twenty-First Century: To account for Federal pass-through grants for after school programs.

Title II Part A - Teacher Training: To account for Federal pass-through grants to provide professional development / training opportunities for teachers, administrators and support staff.

Title III - English Language Acquisition: To account for Federal pass-through grants to provide supplemental services specifically targeted to students who are currently not fluent in the English language.

Regional Professional Development Program: To account for State funding to Washoe County School District, acting as the fiscal agent, to operate professional development programs at the five school districts that comprise the Northwest Regional Professional Development Program, as authorized by NRS 391A.120.

Education Alliance: To account for revenues for this 501(c)3 organization, as the District acts as the fiscal agent. This partnership exists to enhance community involvement in the schools.

Private Foundations: To account for non-public funded grants / non-governmental grants.

Medicaid: To account for Federal reimbursement for Medicaid eligible services to students.

Other State Agencies: To account for State grants from state agencies other than the Nevada Department of Education.

Federal Other State Agencies: To account for Federal grants which pass through state agencies other than the Nevada Department of Education.

Categorical Grants: To account for small grants provided by community organizations, such as a Parent Teacher Organization (PTO) and local businesses for specific goods and / or services.

Gifts and Donations: To account for non-public gifts and donations to the school district.

Wellness: To account for the District's Wellness Program for employees.



**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Distributive school account	\$ 27,177,533	\$ 29,150,397	\$ 29,185,152	\$ 34,755	\$ 25,977,345
EXPENDITURES					
Current					
Special programs					
Instruction					
Salaries	32,300,123	32,759,766	31,409,058	1,350,708	28,782,660
Benefits	13,327,326	12,416,393	13,521,046	(1,104,653)	12,039,292
Purchased services	72,305	147,389	63,740	83,649	209
Supplies	17,614	64,449	32,075	32,374	16,236
Other	-	849,866	851,238	(1,372)	-
Total instruction	45,717,368	46,237,863	45,877,157	360,706	40,838,397
Student support					
Salaries	9,330,389	10,098,695	9,272,074	826,621	8,634,499
Benefits	3,551,824	3,477,681	3,468,425	9,256	3,293,877
Purchased services	548,054	632,903	345,366	287,537	196,725
Supplies	140,430	254,100	104,722	149,378	113,978
Other	10,000	10,000	1,350	8,650	750
Total student support	13,580,697	14,473,379	13,191,937	1,281,442	12,239,829
Instructional staff support					
Salaries	1,550,983	1,451,197	1,436,059	15,138	1,486,319
Benefits	602,894	536,671	539,456	(2,785)	584,222
Purchased services	-	258,800	258,800	-	972
Supplies	-	25,000	-	25,000	963
Total instructional staff support	2,153,877	2,271,668	2,234,315	37,353	2,072,476
General administration					
Salaries	407,998	385,365	390,275	(4,910)	392,810
Benefits	146,660	142,833	144,066	(1,233)	147,230
Supplies	300	15,300	299	15,001	483
Other	190	190	-	190	-
Total general administration	555,148	543,688	534,640	9,048	540,523
School administration					
Salaries	348,527	412,052	414,587	(2,535)	347,597
Benefits	137,695	165,670	164,048	1,622	133,957
Purchased services	500	500	-	500	-
Supplies	-	15,000	-	15,000	-
Total school administration	486,722	593,222	578,635	14,587	481,554
Central services					
Salaries	66,610	118,631	118,382	249	57,138
Benefits	27,681	39,340	38,722	618	23,064
Purchased services	10,000	175,712	160,000	15,712	3,410
Supplies	-	5,000	-	5,000	1,054
Other	-	30,000	30,000	-	120
Total central services	104,291	368,683	347,104	21,579	84,786

(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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and maintenance					
Salaries	\$ 49,877	\$ 45,706	\$ 45,732	\$ (26)	\$ 44,261
Benefits	21,968	23,748	21,757	1,991	20,988
Supplies	-	2,000	-	2,000	-
Total operation and maintenance	71,845	71,454	67,489	3,965	65,249
Student transportation					
Salaries	4,472,684	4,557,348	4,455,634	101,714	4,367,116
Benefits	2,329,435	2,192,900	2,109,248	83,652	2,043,159
Purchased services	333,150	263,150	34,195	228,955	59,903
Supplies	1,226,958	1,226,958	1,359,795	(132,837)	1,543,367
Total student transportation	8,362,227	8,240,356	7,958,872	281,484	8,013,545
Total expenditures	71,032,175	72,800,313	70,790,149	2,010,164	64,336,359
(Deficiency) of revenues (under) expenditures	(43,854,642)	(43,649,916)	(41,604,997)	2,044,919	(38,359,014)
OTHER FINANCING SOURCES					
Transfers in	43,643,620	43,649,916	41,604,997	(2,044,919)	38,359,014
Net change in fund balance	(211,022)	-	-	-	-
FUND BALANCE, July 1	211,022	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018
(Page 1 of 3)**

	ERATE PROCEEDS	TITLE I	FEDERAL - OTHER AGENCY GRANTS	DIRECT FEDERAL GRANTS
ASSETS				
Cash and investments	\$ 1,205,216	\$ -	\$ 336,683	\$ -
Receivables				
Interest	1,984	-	-	-
Grants	-	2,959,062	184,984	540,467
Miscellaneous	963,462	1,604	39	649
Prepays	450,000	954	-	4,744
	<u>450,000</u>	<u>954</u>	<u>-</u>	<u>4,744</u>
Total assets	\$ <u>2,620,662</u>	\$ <u>2,961,620</u>	\$ <u>521,706</u>	\$ <u>545,860</u>
LIABILITIES				
Accounts payable	\$ 16,205	\$ 145,986	\$ 13,912	\$ 10,412
Accrued liabilities	4,961	464,035	11,048	182,401
Due to other funds	-	2,351,599	-	353,047
Grant funds received in advance	-	-	496,746	-
	<u>-</u>	<u>-</u>	<u>496,746</u>	<u>-</u>
Total liabilities	<u>21,166</u>	<u>2,961,620</u>	<u>521,706</u>	<u>545,860</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>750,675</u>	<u>-</u>	<u>112,516</u>	<u>-</u>
FUND BALANCE				
Non-spendable	-	954	-	4,744
Restricted	-	-	(112,516)	-
Committed	1,848,821	-	-	-
Unassigned	-	(954)	-	(4,744)
	<u>-</u>	<u>(954)</u>	<u>-</u>	<u>(4,744)</u>
Total fund balance	<u>1,848,821</u>	<u>-</u>	<u>(112,516)</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ <u>2,620,662</u>	\$ <u>2,961,620</u>	\$ <u>521,706</u>	\$ <u>545,860</u>

FEDERAL SPECIAL EDUCATION	VOCATIONAL EDUCATION	FEDERAL, NEVADA DOE	FAMILY RESOURCE CENTERS	ADULT EDUCATION	CLASS SIZE REDUCTION
\$ -	\$ -	\$ -	\$ -	\$ -	1,448,731
-	-	-	-	-	-
752,799	215,852	868,416	75,079	259,021	-
4,337	37	342	724	126	5,932
-	-	-	-	-	-
<u>\$ 757,136</u>	<u>\$ 215,889</u>	<u>\$ 868,758</u>	<u>\$ 75,803</u>	<u>\$ 259,147</u>	<u>\$ 1,454,663</u>
\$ 73,695	\$ 89,018	\$ 130,463	\$ 8,185	\$ 25	\$ -
457,331	47,443	202,549	16,524	61,966	1,454,663
226,110	79,428	535,746	51,094	197,156	-
-	-	-	-	-	-
<u>757,136</u>	<u>215,889</u>	<u>868,758</u>	<u>75,803</u>	<u>259,147</u>	<u>1,454,663</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 757,136</u>	<u>\$ 215,889</u>	<u>\$ 868,758</u>	<u>\$ 75,803</u>	<u>\$ 259,147</u>	<u>\$ 1,454,663</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018
(Page 2 of 3)**

	EARLY CHILDHOOD	SPECIAL STATE APPROPRIATIONS	TWENTY-FIRST CENTURY	TITLE II PART A TEACHER TRAINING
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ -
Receivables				
Interest	-	-	-	-
Grants	98,438	4,173,584	588,003	262,880
Miscellaneous	52	725	786	265
Prepays	-	2,953	-	-
	<u>-</u>	<u>2,953</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>98,490</u>	\$ <u>4,177,262</u>	\$ <u>588,789</u>	\$ <u>263,145</u>
LIABILITIES				
Accounts payable	\$ 4,584	\$ 971,232	\$ 35,428	\$ 15
Accrued liabilities	43,210	567,829	21,350	66,460
Due to other funds	50,696	2,206,363	532,011	196,670
Grant funds received in advance	-	431,838	-	-
	<u>-</u>	<u>431,838</u>	<u>-</u>	<u>-</u>
Total liabilities	98,490	4,177,262	588,789	263,145
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE				
Non-spendable	-	2,953	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	(2,953)	-	-
	<u>-</u>	<u>(2,953)</u>	<u>-</u>	<u>-</u>
Total fund balance	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balance	\$ <u>98,490</u>	\$ <u>4,177,262</u>	\$ <u>588,789</u>	\$ <u>263,145</u>

TITLE III ENGLISH LANGUAGE ACQUISITION	REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM	EDUCATION ALLIANCE	PRIVATE FOUNDATIONS	MEDICAID	OTHER STATE AGENCIES
\$ -	\$ -	\$ 143,423	\$ 758,281	\$ 636,711	\$ 16,110
-	-	-	-	-	-
278,940	882,645	-	156,907	-	22,550
114	117	-	737	718,079	-
1,057	2,561	-	10,600	4,620	-
<u>\$ 280,111</u>	<u>\$ 885,323</u>	<u>\$ 143,423</u>	<u>\$ 926,525</u>	<u>\$ 1,359,410</u>	<u>\$ 38,660</u>
\$ 3,087	\$ 101,466	\$ 2,790	\$ 14,244	\$ 131,689	\$ 4,726
27,221	146,111	-	53,594	156,151	19,542
249,803	637,746	-	-	-	-
-	-	-	858,687	-	14,392
<u>280,111</u>	<u>885,323</u>	<u>2,790</u>	<u>926,525</u>	<u>287,840</u>	<u>38,660</u>
-	-	-	-	-	-
1,057	2,561	-	10,600	4,620	-
-	-	140,633	-	-	-
-	-	-	-	1,071,570	-
<u>(1,057)</u>	<u>(2,561)</u>	<u>-</u>	<u>(10,600)</u>	<u>(4,620)</u>	<u>-</u>
-	-	140,633	-	1,071,570	-
<u>\$ 280,111</u>	<u>\$ 885,323</u>	<u>\$ 143,423</u>	<u>\$ 926,525</u>	<u>\$ 1,359,410</u>	<u>\$ 38,660</u>

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018
(Page 3 of 3)**

	FEDERAL OTHER STATE AGENCIES	CATEGORICAL GRANTS	GIFTS AND DONATIONS	WELLNESS
ASSETS				
Cash and investments	\$ -	\$ 45,952	\$ 920,515	\$ 807,222
Receivables				
Interest	-	-	-	1,514
Grants	457,067	-	-	-
Miscellaneous	123	17,591	10,048	33
Prepays	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>457,190</u>	\$ <u>63,543</u>	\$ <u>930,563</u>	\$ <u>808,769</u>
LIABILITIES				
Accounts payable	\$ 30,512	\$ -	\$ 278	\$ 22,605
Accrued liabilities	72,958	16,230	6,255	-
Due to other funds	353,720	-	-	-
Grant funds received in advance	-	47,313	-	-
	<u>-</u>	<u>47,313</u>	<u>-</u>	<u>-</u>
Total liabilities	457,190	63,543	6,533	22,605
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	-
FUND BALANCE				
Non-spendable	-	-	-	-
Restricted	-	-	924,030	786,164
Committed	-	-	-	-
Unassigned	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balance	-	-	924,030	786,164
Total liabilities, deferred inflows of resources, and fund balance	\$ <u>457,190</u>	\$ <u>63,543</u>	\$ <u>930,563</u>	\$ <u>808,769</u>

TOTAL

\$	6,318,844
	3,498
	12,776,694
	1,725,922
	<u>477,489</u>
\$	<u><u>21,302,447</u></u>

\$	1,810,557
	4,099,832
	8,021,189
	<u>1,848,976</u>
	<u>15,780,554</u>

<u>863,191</u>

27,489
1,738,311
2,920,391
<u>(27,489)</u>

<u>4,658,702</u>

\$	<u><u>21,302,447</u></u>
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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, 2018
(Page 1 of 3)**

	<u>ERATE PROCEEDS</u>	<u>TITLE I</u>	<u>FEDERAL - OTHER AGENCY GRANTS</u>	<u>DIRECT FEDERAL GRANTS</u>
REVENUES				
Local sources	\$ 20,321	\$ -	\$ -	\$ -
State sources	-	-	-	-
Federal sources	212,781	14,446,861	472,253	5,865,711
Total revenues	233,102	14,446,861	472,253	5,865,711
EXPENDITURES				
Current				
Regular programs	-	-	-	-
Special programs	-	-	-	-
Vocational programs	-	-	-	-
Other instructional programs	-	14,446,861	584,769	5,865,711
Adult education programs	-	-	-	-
Community services programs	-	-	-	-
Undistributed expenditures				
Instruction	-	-	-	-
Student support	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
Central services	461,046	-	-	-
Operation and maintenance	-	-	-	-
Food services operations	-	-	-	-
Total current expenditures	461,046	14,446,861	584,769	5,865,711
Capital outlay	172,475	-	-	-
Total expenditures	633,521	14,446,861	584,769	5,865,711
Net change in fund balance	(400,419)	-	(112,516)	-
FUND BALANCE, July 1	2,249,240	-	-	-
FUND BALANCE, June 30	\$ 1,848,821	\$ -	\$ (112,516)	\$ -

FEDERAL SPECIAL EDUCATION	VOCATIONAL EDUCATION	FEDERAL, NEVADA DOE	FAMILY RESOURCE CENTERS	ADULT EDUCATION	CLASS SIZE REDUCTION
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	1,365,470	-	332,268	1,291,876	18,541,050
10,355,384	-	3,736,101	-	-	-
10,355,384	1,365,470	3,736,101	332,268	1,291,876	18,541,050
-	-	-	-	-	18,541,050
10,355,384	-	-	-	-	-
-	1,365,470	672,179	-	-	-
-	-	2,840,954	-	-	-
-	-	-	-	1,291,876	-
-	-	-	332,268	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
10,355,384	1,365,470	3,513,133	332,268	1,291,876	18,541,050
-	-	-	-	-	-
10,355,384	1,365,470	3,513,133	332,268	1,291,876	18,541,050
-	-	222,968	-	-	-
-	-	(222,968)	-	-	-
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(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, 2018
(Page 2 of 3)**

	<u>EARLY CHILDHOOD</u>	<u>PERS AND FINANCIAL INCENTIVES</u>	<u>SPECIAL STATE APPROPRIATIONS</u>	<u>TWENTY-FIRST CENTURY</u>
REVENUES				
Local sources	\$ -	\$ -	\$ -	\$ -
State sources	698,933	114,444	16,306,672	-
Federal sources	-	-	-	2,231,886
Total revenues	<u>698,933</u>	<u>114,444</u>	<u>16,306,672</u>	<u>2,231,886</u>
EXPENDITURES				
Current				
Regular programs	-	-	-	-
Special programs	-	-	1,785,264	-
Vocational programs	-	-	-	-
Other instructional programs	698,933	114,444	14,521,408	2,231,886
Adult education programs	-	-	-	-
Community services programs	-	-	-	-
Undistributed expenditures				
Instruction	-	-	-	-
Student support	-	-	-	-
Instructional staff support	-	-	-	-
General administration	-	-	-	-
Central services	-	-	-	-
Operation and maintenance	-	-	-	-
Food services operations	-	-	-	-
Total current expenditures	<u>698,933</u>	<u>114,444</u>	<u>16,306,672</u>	<u>2,231,886</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>698,933</u>	<u>114,444</u>	<u>16,306,672</u>	<u>2,231,886</u>
Net change in fund balance	-	-	-	-
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TITLE II PART A TEACHER TRAINING	TITLE III ENGLISH LANGUAGE ACQUISITION	REGIONAL PROFESSIONAL DEVELOPMENT PROGRAM	EDUCATION ALLIANCE	PRIVATE FOUNDATIONS	MEDICAID
\$ -	\$ -	\$ -	\$ 235,048	\$ 1,494,261	\$ -
-	-	2,552,587	-	-	-
1,239,338	1,121,597	-	-	-	2,668,558
1,239,338	1,121,597	2,552,587	235,048	1,494,261	2,668,558
-	-	-	-	-	-
-	-	-	-	-	2,942,657
-	-	-	-	-	-
1,239,338	1,121,597	2,552,587	-	1,401,846	-
-	-	-	-	-	-
-	-	-	-	42,415	-
-	-	-	-	-	-
-	-	-	180,680	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,239,338	1,121,597	2,552,587	180,680	1,444,261	2,942,657
-	-	-	-	50,000	-
1,239,338	1,121,597	2,552,587	180,680	1,494,261	2,942,657
-	-	-	54,368	-	(274,099)
-	-	-	86,265	-	1,345,669
\$ -	\$ -	\$ -	\$ 140,633	\$ -	\$ 1,071,570

(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, 2018
(Page 3 of 3)**

	OTHER STATE AGENCIES	FEDERAL, OTHER STATE AGENCIES	CATEGORICAL GRANTS	GIFTS AND DONATIONS
REVENUES				
Local sources	\$ -	\$ -	\$ 417,469	\$ 380,226
State sources	445,915	-	-	-
Federal sources	-	1,285,013	-	-
Total revenues	<u>445,915</u>	<u>1,285,013</u>	<u>417,469</u>	<u>380,226</u>
EXPENDITURES				
Current				
Regular programs	-	-	412,535	26,926
Special programs	-	209,243	-	7,983
Vocational programs	-	680,048	-	-
Other instructional programs	445,915	130,393	-	-
Adult education programs	-	-	-	-
Community services programs	-	265,329	-	2,335
Undistributed expenditures				
Instruction	-	-	-	13,039
Student support	-	-	-	199,545
Instructional staff support	-	-	4,934	99,261
General administration	-	-	-	-
Central services	-	-	-	3,112
Operation and maintenance	-	-	-	14,129
Food services operations	-	-	-	1,632
Total current expenditures	<u>445,915</u>	<u>1,285,013</u>	<u>417,469</u>	<u>367,962</u>
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>445,915</u>	<u>1,285,013</u>	<u>417,469</u>	<u>367,962</u>
Net change in fund balance	-	-	-	12,264
FUND BALANCE, July 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>911,766</u>
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 924,030</u>

<u>WELLNESS</u>		<u>TOTAL</u>	
\$	454,797	\$	3,002,122
	-		41,649,215
	-		43,635,483
	<u>454,797</u>		<u>88,286,820</u>
	-		18,980,511
	-		15,300,531
	-		2,717,697
	-		48,196,642
	-		1,291,876
	-		642,347
	-		13,039
	-		380,225
	-		104,195
	510,264		510,264
	-		464,158
	-		14,129
	-		1,632
	<u>510,264</u>		<u>88,617,246</u>
	-		222,475
	<u>510,264</u>		<u>88,839,721</u>
	(55,467)		(552,901)
	<u>841,631</u>		<u>5,211,603</u>
\$	<u><u>786,164</u></u>	\$	<u><u>4,658,702</u></u>

**WASHOE COUNTY SCHOOL DISTRICT
 ERATE PROCEEDS - SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ -	\$ -	\$ 20,321	\$ 20,321	\$ 26,514
Federal sources	-	-	212,781	212,781	1,434,595
Total revenues	-	-	233,102	233,102	1,461,109
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	57,392	57,392	44,611	12,781	48,062
Benefits	19,879	19,879	14,382	5,497	15,689
Purchased services	70,000	70,000	-	70,000	2,050,465
Supplies	190,918	1,143,494	402,053	741,441	304,961
Property	-	-	-	-	55,460
Total current expenditures	338,189	1,290,765	461,046	829,719	2,474,637
Capital outlay, facilities acquisition and construction					
Architecture and engineering					
Purchased services	-	-	-	-	22,639
Other	-	-	-	-	1,186
Total architecture and engineering	-	-	-	-	23,825
Building improvements					
Salaries	-	1,535	1,535	-	1,959
Benefits	-	614	614	-	783
Purchased services	74,886	78,362	78,362	-	20,462
Supplies	3,964	7,964	7,964	-	18,141
Property	-	84,000	84,000	-	942,156
Total building improvements	78,850	172,475	172,475	-	983,501
Total capital outlay, facilities acquisition and construction	78,850	172,475	172,475	-	1,007,326
Total expenditures	417,039	1,463,240	633,521	829,719	3,481,963
Net change in fund balance	(417,039)	(1,463,240)	(400,419)	1,062,821	(2,020,854)
FUND BALANCE, July 1	417,039	2,249,240	2,249,240	-	4,270,094
FUND BALANCE, June 30	\$ -	\$ 786,000	\$ 1,848,821	\$ 1,062,821	\$ 2,249,240



**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 15,750,000	\$ 16,624,859	\$ 14,446,861	\$ (2,177,998)	\$ 13,743,872
EXPENDITURES					
Current					
Other Instructional programs					
Instruction					
Salaries	2,805,608	3,575,838	3,104,848	470,990	3,276,740
Benefits	1,259,115	1,346,818	912,154	434,664	966,337
Purchased services	137,369	110,187	108,378	1,809	99,636
Supplies	2,774,176	2,285,504	2,262,281	23,223	2,174,377
Other	147,451	157,234	157,038	196	94,600
Total instruction	7,123,719	7,475,581	6,544,699	930,882	6,611,690
Student support					
Salaries	270,832	267,441	247,956	19,485	211,121
Benefits	96,981	138,480	92,357	46,123	74,997
Purchased services	88,548	79,246	71,413	7,833	66,176
Supplies	16,898	56,038	54,870	1,168	13,918
Other	2,562	12,196	11,950	246	303
Total student support	475,821	553,401	478,546	74,855	366,515
Instructional staff support					
Salaries	1,407,462	1,884,807	1,619,443	265,364	1,736,527
Benefits	606,187	686,819	558,039	128,780	486,551
Purchased services	530,762	829,466	754,530	74,936	335,584
Supplies	198,020	178,143	131,592	46,551	127,870
Other	8,262	16,500	7,448	9,052	2,909
Total instructional staff support	2,750,693	3,595,735	3,071,052	524,683	2,689,441
General administration					
Salaries	1,859,311	1,496,198	1,334,999	161,199	1,441,059
Benefits	860,042	701,734	516,670	185,064	526,448
Purchased services	133,227	65,151	49,623	15,528	85,712
Supplies	30,253	41,084	33,656	7,428	20,391
Other	122,296	96,308	72,255	24,053	92,906
Total general administration	3,005,129	2,400,475	2,007,203	393,272	2,166,516
School administration					
Salaries	729,700	1,050,673	1,009,927	40,746	714,756
Benefits	300,302	489,495	404,836	84,659	282,945
Total school administration	1,030,002	1,540,168	1,414,763	125,405	997,701

(CONTINUED)

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Central services					
Salaries	\$ 367,970	\$ 309,574	\$ 294,145	\$ 15,429	\$ 289,801
Benefits	154,731	158,645	115,535	43,110	113,380
Purchased services	161,489	87,000	51,079	35,921	89,503
Supplies	79,934	36,187	20,704	15,483	20,535
Other	600,512	468,093	449,135	18,958	398,790
Total central services	1,364,636	1,059,499	930,598	128,901	912,009
Total expenditures	15,750,000	16,624,859	14,446,861	2,177,998	13,743,872
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
FEDERAL - OTHER AGENCY GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 625,000	\$ 1,118,042	\$ 472,253	\$ (645,789)	\$ 385,243
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	201,756	159,000	147,503	11,497	166,500
Benefits	84,083	73,086	67,496	5,590	66,284
Supplies	1,113	1,000	-	1,000	-
Total instruction	286,952	233,086	214,999	18,087	232,784
Student support					
Salaries	65,560	227,340	64,641	162,699	54,493
Benefits	20,017	33,846	16,550	17,296	11,706
Purchased services	29,070	75,118	45,138	29,980	21,344
Supplies	213,614	313,147	24,728	288,419	54,357
Other	861	5,353	700	4,653	343
Total student support	329,122	654,804	151,757	503,047	142,243
Instructional staff support					
Salaries	-	-	-	-	3,000
Central services					
Other	8,926	8,610	7,783	827	7,216
Student transportation					
Purchased services	-	221,542	210,230	11,312	-
Total expenditures	625,000	1,118,042	584,769	533,273	385,243
Net change in fund balance	-	-	(112,516)	(112,516)	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ (112,516)	\$ (112,516)	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
DIRECT FEDERAL GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 8,500,000	\$ 9,272,933	\$ 5,865,711	\$ (3,407,222)	\$ 6,063,078
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	-	61,667	61,576	91	48,506
Benefits	-	5,443	5,443	-	3,409
Purchased services	7,221	4,224	4,224	-	3,085
Supplies	6,996	7,678	7,678	-	36,057
Other	2,912	2,920	2,920	-	2,234
Total instruction	17,129	81,932	81,841	91	93,291
Student support					
Salaries	394,248	619,846	508,604	111,242	457,708
Benefits	171,391	274,750	219,774	54,976	193,041
Purchased services	268,776	268,965	158,387	110,578	205,415
Supplies	61,321	30,577	22,660	7,917	15,169
Other	-	26,532	-	26,532	4
Total student support	895,736	1,220,670	909,425	311,245	871,337
Instructional staff support					
Salaries	1,283,192	3,701,678	2,443,142	1,258,536	2,250,361
Benefits	549,889	897,952	586,474	311,478	644,866
Purchased services	450,425	172,398	165,126	7,272	171,900
Supplies	380,811	12,551	9,419	3,132	379,482
Property	6,707	-	-	-	-
Other	80,914	50,000	49,712	288	55,340
Total instructional staff support	2,751,938	4,834,579	3,253,873	1,580,706	3,501,949
Central services					
Salaries	419,097	723,074	584,879	138,195	533,415
Benefits	169,915	246,829	180,411	66,418	185,201
Purchased services	3,572,181	1,312,006	691,378	620,628	721,508
Supplies	54,963	20,836	8,138	12,698	4,594
Other	614,741	832,677	155,436	677,241	147,483
Total central services	4,830,897	3,135,422	1,620,242	1,515,180	1,592,201
Student transportation					
Purchased services	4,300	330	330	-	4,300
Total expenditures	8,500,000	9,272,933	5,865,711	3,407,222	6,063,078
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
FEDERAL SPECIAL EDUCATION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 10,202,719	\$ 10,355,384	\$ 10,355,384	\$ -	\$ 11,131,952
EXPENDITURES					
Current					
Special programs					
Instruction					
Salaries	5,466,224	6,087,591	6,087,591	-	6,331,937
Benefits	2,486,331	2,397,795	2,397,795	-	2,514,484
Purchased services	553	-	-	-	-
Supplies	91,026	116,133	116,133	-	102,670
Total instruction	8,044,134	8,601,519	8,601,519	-	8,949,091
Student support					
Salaries	466,933	512,809	512,809	-	483,887
Benefits	235,324	242,330	242,330	-	246,419
Purchased services	-	-	-	-	2,800
Other	783,210	268,269	268,269	-	809,519
Total student support	1,485,467	1,023,408	1,023,408	-	1,542,625
Instructional staff support					
Salaries	157,119	165,858	165,858	-	66,310
Benefits	29,159	44,655	44,655	-	5,519
Purchased services	677	6,825	6,825	-	700
Total instructional staff support	186,955	217,338	217,338	-	72,529
Central services					
Salaries	118,986	127,702	127,702	-	117,599
Benefits	56,221	47,112	47,112	-	47,354
Other	296,783	332,402	332,402	-	307,985
Total central services	471,990	507,216	507,216	-	472,938
Student transportation					
Purchased services	14,173	5,903	5,903	-	15,600
Total current expenditures	10,202,719	10,355,384	10,355,384	-	11,052,783
Capital outlay, facilities acquisition and construction					
Site improvement					
Purchased services	-	-	-	-	47,701
Property	-	-	-	-	31,468
Total capital outlay, facilities acquisition and construction	-	-	-	-	79,169
Total expenditures	10,202,719	10,355,384	10,355,384	-	11,131,952
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 1,555,000	\$ 1,369,018	\$ 1,365,470	\$ (3,548)	\$ 1,370,121
EXPENDITURES					
Current					
Vocational programs					
Instruction					
Salaries	97,589	154,583	154,084	499	154,503
Benefits	47,395	49,066	48,800	266	46,009
Purchased services	53,430	90,359	90,359	-	40,195
Supplies	569,579	442,511	442,505	6	660,694
Property	155,832	117,652	117,651	1	56,220
Other	-	3,715	3,715	-	2,335
Total instruction	923,825	857,886	857,114	772	959,956
Student support					
Salaries	-	107,294	107,289	5	-
Benefits	-	42,618	42,599	19	-
Total student support	-	149,912	149,888	24	-
Instructional staff support					
Salaries	76,841	115,662	114,948	714	127,203
Benefits	37,227	43,568	41,560	2,008	24,629
Purchased services	72,953	26,410	26,410	-	34,781
Supplies	9,385	9,645	9,645	-	3,285
Total instructional staff support	196,406	195,285	192,563	2,722	189,898
Central services					
Other	46,805	-	-	-	-
Student transportation					
Purchased services	287,964	165,935	165,905	30	170,267
Total current expenditures	1,455,000	1,369,018	1,365,470	3,548	1,320,121
Capital outlay, facilities acquisition and construction					
Building improvement					
Purchased services	100,000	-	-	-	50,000
Total expenditures	1,555,000	1,369,018	1,365,470	3,548	1,370,121
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
FEDERAL, NEVADA DOE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 3,371,422	\$ 4,988,397	\$ 3,736,101	\$ (1,252,296)	\$ 3,367,069
EXPENDITURES					
Current					
Vocational programs					
Instruction					
Supplies	80,130	15,000	15,000	-	146,001
Property	-	21,000	20,763	237	-
Total instruction	80,130	36,000	35,763	237	146,001
Instructional staff support					
Salaries	261,170	347,185	345,560	1,625	271,219
Benefits	98,064	108,197	97,302	10,895	88,501
Purchased services	161,550	167,310	167,310	-	175,789
Supplies	4,360	122	122	-	8,293
Property	6,225	-	-	-	5,039
Total instructional staff support	531,369	622,814	610,294	12,520	548,841
Central services					
Other	20,658	21,913	21,273	640	21,359
Student transportation					
Purchased services	5,000	4,849	4,849	-	1,655
Total vocational programs	637,157	685,576	672,179	13,397	717,856
Other instructional programs					
Instruction					
Salaries	806,362	1,198,750	932,953	265,797	772,958
Benefits	375,335	550,332	383,451	166,881	325,918
Purchased services	-	20,000	4,655	15,345	7,407
Supplies	97,146	335,898	160,461	175,437	215,561
Total instruction	1,278,843	2,104,980	1,481,520	623,460	1,321,844
Student support					
Salaries	472,999	502,970	440,019	62,951	426,948
Benefits	180,317	190,732	172,888	17,844	159,660
Purchased services	245,474	482,188	247,335	234,853	232,651
Supplies	103,488	139,925	113,072	26,853	114,621
Other	23,500	14,600	14,176	424	30,290
Total student support	1,025,778	1,330,415	987,490	342,925	964,170
Instructional staff support					
Salaries	38,314	311,910	169,016	142,894	163,827
Benefits	15,216	126,403	63,407	62,996	27,441
Purchased services	138,694	4,500	3,708	792	112,437
Supplies	58,710	81,854	36,835	45,019	85,225
Total instructional staff support	250,934	524,667	272,966	251,701	388,930

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
FEDERAL, NEVADA DOE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
General administration					
Salaries	\$ -	\$ -	\$ -	\$ -	\$ 18,464
Benefits	-	-	-	-	9,031
Total general administration	-	-	-	-	27,495
Central services					
Other	74,428	97,420	89,221	8,199	76,207
Operation and maintenance					
Salaries	-	-	-	-	420
Purchased services	-	3,900	2,134	1,766	3,683
Total operation and maintenance	-	3,900	2,134	1,766	4,103
Student transportation					
Purchased services	14,697	18,471	7,623	10,848	11,555
Total other instructional programs	2,644,680	4,079,853	2,840,954	1,238,899	2,794,304
Total current expenditures	3,281,837	4,765,429	3,513,133	1,252,296	3,512,160
Capital outlay, facilities acquisition and construction					
Site improvement					
Purchased services	-	-	-	-	8,292
Building improvement					
Purchased services	79,585	-	-	-	69,585
Property	10,000	-	-	-	-
Total building improvement	89,585	-	-	-	69,585
Total capital outlay, facilities acquisition and construction	89,585	-	-	-	77,877
Total expenditures	3,371,422	4,765,429	3,513,133	1,252,296	3,590,037
Net change in fund balance	-	222,968	222,968	-	(222,968)
FUND BALANCE, July 1	-	(222,968)	(222,968)	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ (222,968)

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 328,000	\$ 347,031	\$ 332,268	\$ (14,763)	\$ 336,080
EXPENDITURES					
Current					
Community services programs					
Central services					
Other	10,471	6,742	6,314	428	10,078
Community services operations					
Salaries	222,039	219,481	214,427	5,054	227,803
Benefits	83,289	76,685	74,642	2,043	82,481
Purchased services	9,844	33,355	26,353	7,002	10,311
Supplies	2,357	10,768	10,532	236	5,407
Total community services operations	317,529	340,289	325,954	14,335	326,002
Total expenditures	328,000	347,031	332,268	14,763	336,080
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	<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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 1,375,000	\$ 1,395,086	\$ 1,291,876	\$ (103,210)	\$ 1,388,333
EXPENDITURES					
Current					
Adult education programs					
Instruction					
Salaries	143,375	340,304	286,469	53,835	317,608
Benefits	61,665	50,635	44,810	5,825	38,707
Purchased services	41,406	1,450	686	764	1,775
Supplies	34,777	15,220	11,850	3,370	41,731
Other	1,826	900	900	-	-
Total instruction	283,049	408,509	344,715	63,794	399,821
Student support					
Salaries	225,207	187,128	187,055	73	180,329
Benefits	100,196	81,639	79,681	1,958	77,526
Total student support	325,403	268,767	266,736	2,031	257,855
Instructional staff support					
Salaries	-	21,000	18,900	2,100	17,707
Benefits	-	940	778	162	734
Purchased services	1,477	5,000	300	4,700	4,732
Supplies	2,200	17,710	13,405	4,305	17,432
Total instructional staff support	3,677	44,650	33,383	11,267	40,605
General administration					
Salaries	-	12,480	5,441	7,039	-
Benefits	-	559	432	127	-
Total general administration	-	13,039	5,873	7,166	-
School administration					
Salaries	365,808	313,013	303,615	9,398	351,690
Benefits	146,029	120,211	111,677	8,534	131,970
Purchased services	181,165	182,820	182,820	-	181,164
Total school administration	693,002	616,044	598,112	17,932	664,824
Central services					
Other	44,568	-	-	-	-
Operation and maintenance					
Salaries	18,755	28,670	28,120	550	18,316
Benefits	3,046	11,207	10,748	459	2,974
Total operation and maintenance	21,801	39,877	38,868	1,009	21,290

(CONTINUED)

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Student transportation					
Purchased services	\$ 3,500	\$ 4,200	\$ 4,189	\$ 11	\$ 3,938
Total expenditures	1,375,000	1,395,086	1,291,876	103,210	1,388,333
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

WASHOE COUNTY SCHOOL DISTRICT
CLASS SIZE REDUCTION - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 18,549,140	\$ 18,541,050	\$ 18,541,050	\$ -	\$ 22,013,216
EXPENDITURES					
Current					
Regular programs					
Instruction					
Salaries	12,805,977	13,055,134	13,055,134	-	15,357,983
Benefits	5,743,163	5,485,916	5,485,916	-	6,655,233
Total expenditures	18,549,140	18,541,050	18,541,050	-	22,013,216
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 725,000	\$ 715,285	\$ 698,933	\$ (16,352)	\$ 657,916
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	452,557	392,005	387,810	4,195	435,620
Benefits	189,722	147,195	144,200	2,995	167,039
Purchased services	571	-	-	-	257
Total instruction	642,850	539,200	532,010	7,190	602,916
Instructional staff support					
Salaries	-	85,336	81,710	3,626	-
Benefits	-	35,485	29,949	5,536	-
Purchased services	1,600	264	264	-	-
Total instructional staff support	1,600	121,085	111,923	9,162	-
Central services					
Other	80,550	55,000	55,000	-	55,000
Total expenditures	725,000	715,285	698,933	16,352	657,916
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

WASHOE COUNTY SCHOOL DISTRICT
PERS AND FINANCIAL INCENTIVES - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 200,000	\$ 122,200	\$ 114,444	\$ (7,756)	\$ 252,562
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Benefits	200,000	122,200	114,444	7,756	252,562
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -



**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 28,057,050	\$ 19,158,569	\$ 16,306,672	\$ (2,851,897)	\$ 19,922,821
EXPENDITURES					
Current					
Special programs					
Instruction					
Salaries	1,506,402	441,993	441,993	-	753,871
Benefits	691,247	186,161	186,161	-	322,674
Total instruction	2,197,649	628,154	628,154	-	1,076,545
Student support					
Salaries	430,751	405,950	405,950	-	315,133
Benefits	206,940	155,701	155,701	-	104,387
Purchased services	462,820	155,462	155,462	-	262,444
Supplies	132,850	429,397	429,397	-	113,437
Property	-	-	-	-	12,060
Other	4,343	6,938	6,938	-	2,925
Total student support	1,237,704	1,153,448	1,153,448	-	810,386
Instructional staff support					
Salaries	-	3,600	3,600	-	-
Benefits	-	62	62	-	-
Total instructional staff support	-	3,662	3,662	-	-
Total special programs	3,435,353	1,785,264	1,785,264	-	1,886,931
Other instructional programs					
Instruction					
Salaries	7,365,922	5,598,798	4,643,599	955,199	6,702,496
Benefits	3,412,862	2,046,038	1,713,299	332,739	2,198,471
Purchased services	43,757	41,468	13,549	27,919	23,750
Supplies	5,132,349	2,479,459	2,033,203	446,256	3,574,009
Property	19,300	-	-	-	9,240
Other	144,750	130,958	130,700	258	79,889
Total Instruction	16,118,940	10,296,721	8,534,350	1,762,371	12,587,855
Student support					
Salaries	84,951	704,823	704,369	454	650,657
Benefits	42,622	57,442	54,558	2,884	59,451
Purchased services	1,651,540	1,827,436	1,785,653	41,783	920,050
Supplies	-	4,251	2,230	2,021	10,204
Total student support	1,779,113	2,593,952	2,546,810	47,142	1,640,362
Instructional staff support					
Salaries	1,119,815	1,860,409	1,498,089	362,320	1,211,880
Benefits	461,044	343,084	306,828	36,256	279,543
Purchased services	1,678,405	1,788,760	1,196,775	591,985	876,280
Supplies	2,543,679	131,799	124,012	7,787	621,478
Property	-	75,881	75,881	-	-
Other	1,158	-	-	-	949
Total instructional staff support	5,804,101	4,199,933	3,201,585	998,348	2,990,130

(CONTINUED)

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
General administration					
Salaries	\$ -	\$ 89,159	\$ 79,657	\$ 9,502	\$ 64,802
Benefits	-	8,370	7,743	627	11,862
Purchased services	103,205	16,507	16,507	-	57,600
Supplies	22,301	33,315	31,765	1,550	14,149
Total general administration	125,506	147,351	135,672	11,679	148,413
Central services					
Salaries	62,474	35,000	34,250	750	25,566
Benefits	18,364	17,028	14,146	2,882	9,765
Other	31,787	-	-	-	-
Total central services	112,625	52,028	48,396	3,632	35,331
Operation and maintenance					
Salaries	-	-	-	-	810
Student transportation					
Purchased services	116,263	83,320	54,595	28,725	65,860
Food services operations					
Salaries	-	-	-	-	1,980
Total other instructional programs	24,056,548	17,373,305	14,521,408	2,851,897	17,470,741
Total current expenditures	27,491,901	19,158,569	16,306,672	2,851,897	19,357,672
Capital outlay, facilities acquisition and construction					
Building improvement					
Purchased services	513,649	-	-	-	505,608
Supplies	41,500	-	-	-	36,459
Property	-	-	-	-	20,244
Other	10,000	-	-	-	2,838
Total capital outlay, facilities acquisition and construction	565,149	-	-	-	565,149
Total expenditures	28,057,050	19,158,569	16,306,672	2,851,897	19,922,821
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ -	\$ -	\$ -	\$ -	907,770
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Supplies	-	-	-	-	864,172
Instructional staff support					
Salaries	-	-	-	-	4,284
Benefits	-	-	-	-	74
Purchased services	-	-	-	-	11,945
Total instructional staff support	-	-	-	-	16,303
Central services					
Other	-	-	-	-	27,295
Total expenditures	-	-	-	-	907,770
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	-

**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, 2018
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 2,200,000	\$ 3,145,647	\$ 2,231,886	\$ (913,761)	\$ 2,186,508
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	1,146,336	1,853,372	1,307,612	545,760	1,285,782
Benefits	262,961	345,850	231,305	114,545	230,189
Purchased services	198,370	196,466	151,306	45,160	175,049
Supplies	45,698	162,555	108,618	53,937	88,700
Total instruction	1,653,365	2,558,243	1,798,841	759,402	1,779,720
Student Support					
Supplies	-	8,343	8,337	6	-
Instructional staff support					
Purchased services	36,058	1,700	1,600	100	24,470
Central services					
Salaries	228,029	152,778	135,608	17,170	168,549
Benefits	84,481	60,689	50,820	9,869	62,524
Purchased services	18,816	103,733	69,396	34,337	10,173
Supplies	24,225	33,917	29,825	4,092	-
Other	79,296	97,184	71,857	25,327	65,744
Total central services	434,847	448,301	357,506	90,795	306,990
Student transportation					
Purchased services	15,730	49,060	15,379	33,681	21,400
Food services operations					
Purchased services	60,000	80,000	50,223	29,777	53,928
Total expenditures	2,200,000	3,145,647	2,231,886	913,761	2,186,508
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 1,600,000	\$ 1,444,577	\$ 1,239,338	\$ (205,239)	\$ 1,581,518
EXPENDITURES					
Current					
Other instructional programs					
Instructional staff support					
Salaries	666,154	692,058	611,006	81,052	803,493
Benefits	269,900	248,071	229,759	18,312	245,361
Purchased services	328,884	135,843	49,726	86,117	260,756
Supplies	41,491	17,646	11,589	6,057	32,475
Other	9,516	3,500	357	3,143	8,681
Total instructional staff support	1,315,945	1,097,118	902,437	194,681	1,350,766
Central services					
Salaries	158,962	208,084	208,752	(668)	132,782
Benefits	66,085	88,944	86,255	2,689	53,207
Purchased services	-	3,900	1,026	2,874	-
Other	59,008	46,531	40,868	5,663	44,763
Total central services	284,055	347,459	336,901	10,558	230,752
Total expenditures	1,600,000	1,444,577	1,239,338	205,239	1,581,518
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 1,000,000	\$ 1,191,476	\$ 1,121,597	\$ (69,879)	\$ 843,183
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	419,486	458,000	453,430	4,570	378,096
Benefits	226,731	241,128	228,759	12,369	193,808
Supplies	70,290	196,865	196,860	5	25,450
Total instruction	716,507	895,993	879,049	16,944	597,354
Student support					
Salaries	46,485	38,622	38,622	-	37,093
Benefits	24,650	20,691	19,649	1,042	18,896
Purchased services	1,300	567	-	567	-
Supplies	-	1,202	-	1,202	-
Total student support	72,435	61,082	58,271	2,811	55,989
Instructional staff support					
Salaries	-	64,450	47,288	17,162	45,170
Benefits	-	24,536	15,891	8,645	12,508
Purchased services	149,995	112,460	90,305	22,155	95,037
Supplies	35,769	9,554	8,748	806	20,617
Other	-	98	98	-	-
Total instructional staff support	185,764	211,098	162,330	48,768	173,332
Central services					
Other	25,294	23,303	21,947	1,356	16,508
Total expenditures	1,000,000	1,191,476	1,121,597	69,879	843,183
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 3,000,000	\$ 2,619,276	\$ 2,552,587	\$ (66,689)	\$ 3,243,818
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Purchased services	28,986	-	-	-	21,050
Supplies	66,395	-	-	-	56,395
Total instruction	95,381	-	-	-	77,445
Instructional staff support					
Salaries	1,199,693	1,414,726	1,384,350	30,376	1,733,163
Benefits	509,388	495,442	481,727	13,715	518,019
Purchased services	639,909	386,450	374,810	11,640	661,862
Supplies	460,926	313,702	302,746	10,956	248,327
Property	-	5,113	5,113	-	-
Other	5,136	3,843	3,841	2	4,561
Total instructional staff support	2,815,052	2,619,276	2,552,587	66,689	3,165,932
Central services					
Other	79,967	-	-	-	-
Student transportation					
Purchased services	9,600	-	-	-	441
Total expenditures	3,000,000	2,619,276	2,552,587	66,689	3,243,818
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
EDUCATION ALLIANCE - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 250,000	\$ 321,313	\$ 235,048	\$ (86,265)	\$ 216,508
EXPENDITURES					
Current					
Undistributed expenditures					
Student support					
Salaries	10,800	-	10,533	(10,533)	13,562
Benefits	858	-	244	(244)	301
Purchased services	-	-	7,486	(7,486)	12,144
Supplies	238,342	321,313	28,664	292,649	29,307
Other	-	-	133,753	(133,753)	164,746
Total expenditures	250,000	321,313	180,680	140,633	220,060
Net change in fund balance	-	-	54,368	54,368	(3,552)
FUND BALANCE, July 1	89,817	86,265	86,265	-	89,817
FUND BALANCE, June 30	<u>\$ 89,817</u>	<u>\$ 86,265</u>	<u>\$ 140,633</u>	<u>\$ 54,368</u>	<u>\$ 86,265</u>

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 3,500,000	\$ 2,366,388	\$ 1,494,261	\$ (872,127)	\$ 2,116,986
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	580,841	163,322	111,933	51,389	189,675
Benefits	98,805	20,404	15,138	5,266	32,158
Purchased services	21,544	21	-	21	20,835
Supplies	26,284	29,954	24,323	5,631	21,483
Other	-	-	-	-	75,000
Total instruction	727,474	213,701	151,394	62,307	339,151
Student support					
Salaries	500,000	131,078	93,995	37,083	42,853
Benefits	100,000	47,383	26,165	21,218	10,481
Purchased services	357,985	88,070	84,883	3,187	274,591
Supplies	466,514	86,951	65,392	21,559	159,897
Property	82,036	1,000	-	1,000	91,690
Other	70,332	39,612	16,926	22,686	35,534
Total student support	1,576,867	394,094	287,361	106,733	615,046
Instructional staff support					
Salaries	167,379	311,402	205,633	105,769	204,792
Benefits	78,245	116,705	78,639	38,066	77,795
Purchased services	101,383	95,321	65,422	29,899	74,845
Supplies	238,673	237,471	183,150	54,321	290,634
Property	29,308	-	-	-	30,236
Other	239	539	539	-	-
Total instructional staff support	615,227	761,438	533,383	228,055	678,302
General administration					
Salaries	291,767	246,229	218,473	27,756	228,998
Benefits	98,334	84,388	77,958	6,430	68,306
Purchased services	41,072	23,362	22,235	1,127	58,277
Supplies	38,203	27,699	26,399	1,300	30,508
Other	-	2,714	537	2,177	975
Total general administration	469,376	384,392	345,602	38,790	387,064
Operation and maintenance					
Purchased services	-	50,000	49,300	700	-
Supplies	-	289,800	-	289,800	-
Total operation and maintenance	-	339,800	49,300	290,500	-
Student transportation					
Purchased services	18,900	37,496	34,806	2,690	38,703
Total other instructional programs	3,407,844	2,130,921	1,401,846	729,075	2,058,266

(CONTINUED)

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Community services programs					
Community services operations					
Salaries	\$ -	\$ 22,429	\$ -	\$ 22,429	\$ -
Benefits	-	5,021	-	5,021	-
Purchased services	31,973	51,695	20,126	31,569	18,189
Supplies	54,518	99,244	18,390	80,854	14,944
Other	5,665	7,078	3,899	3,179	15,587
Total community services programs	92,156	185,467	42,415	143,052	48,720
Total current expenditures	3,500,000	2,316,388	1,444,261	872,127	2,106,986
Capital outlay, facilities acquisition and construction					
Site improvement					
Purchased services	-	49,500	49,500	-	10,000
Supplies	-	500	500	-	-
Total site improvement	-	50,000	50,000	-	10,000
Total expenditures	3,500,000	2,366,388	1,494,261	872,127	2,116,986
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

WASHOE COUNTY SCHOOL DISTRICT
FULL DAY KINDERGARTEN - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ -	\$ -	\$ -	\$ -	\$ 11,619,478
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Salaries	-	-	-	-	7,753,043
Benefits	-	-	-	-	3,866,435
Total expenditures	-	-	-	-	11,619,478
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 2,500,000	\$ 2,300,000	\$ 2,668,558	\$ 368,558	\$ 3,106,007
EXPENDITURES					
Current					
Special programs					
Instruction					
Salaries	348,684	-	-	-	147,546
Benefits	94,204	-	-	-	132,100
Purchased services	8,000	-	-	-	3,730
Supplies	18,000	-	-	-	34,185
Total instruction	468,888	-	-	-	317,561
Student support					
Salaries	114,312	515,962	390,984	124,978	483,727
Benefits	32,833	232,833	160,074	72,759	191,840
Purchased services	162,570	141,900	242,439	(100,539)	126,038
Supplies	351,118	394,834	281,520	113,314	312,844
Property	-	-	55,454	(55,454)	-
Other	-	-	393	(393)	1,279
Total student support	660,833	1,285,529	1,130,864	154,665	1,115,728
Instructional staff support					
Salaries	94,018	771,018	842,222	(71,204)	731,764
Benefits	32,295	380,142	315,036	65,106	264,888
Purchased services	773,000	397,362	358,266	39,096	570,347
Supplies	60,064	51,814	49,950	1,864	148,462
Other	1,549	6,849	5,000	1,849	-
Total instructional staff support	960,926	1,607,185	1,570,474	36,711	1,715,461
General administration					
Salaries	-	2,000	4,888	(2,888)	540
Benefits	-	-	122	(122)	27
Purchased services	90,000	90,000	56,430	33,570	94,564
Other	100,000	108,000	42,714	65,286	161,738
Total general administration	190,000	200,000	104,154	95,846	256,869
Central services					
Salaries	151,703	114,180	98,557	15,623	170,773
Benefits	5,650	5,920	34,520	(28,600)	58,517
Purchased services	279,000	50,854	(27,996)	78,850	277,797
Supplies	21,000	20,000	1,934	18,066	11,279
Other	62,000	62,000	30,150	31,850	61,247
Total central services	519,353	252,954	137,165	115,789	579,613
Total expenditures	2,800,000	3,345,668	2,942,657	403,011	3,985,232
Net change in fund balance	(300,000)	(1,045,668)	(274,099)	771,569	(879,225)
FUND BALANCE, July 1	300,000	1,045,668	1,345,669	300,001	2,224,894
FUND BALANCE, June 30	\$ -	\$ -	\$ 1,071,570	\$ 1,071,570	\$ 1,345,669

**WASHOE COUNTY SCHOOL DISTRICT
OTHER STATE AGENCY GRANTS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
State sources	\$ 50,000	\$ 480,149	\$ 445,915	\$ (34,234)	\$ 683,087
EXPENDITURES					
Current					
Other instructional programs					
Instruction					
Supplies	-	20,702	20,656	46	-
Other	-	750	750	-	-
Total instruction	-	21,452	21,406	46	-
Student support					
Salaries	-	68,056	63,097	4,959	417,096
Benefits	-	27,078	26,122	956	183,012
Purchased services	10,000	3,000	3,000	-	7,080
Supplies	1,596	38,447	32,599	5,848	30,007
Other	-	5,000	-	5,000	-
Total student support	11,596	141,581	124,818	16,763	637,195
Instructional staff support					
Salaries	-	58,660	47,133	11,527	10,640
Benefits	-	2,750	1,546	1,204	179
Purchased services	16,938	12,116	8,526	3,590	24,231
Supplies	15,666	1,066	965	101	8,616
Other	4,667	975	-	975	1,154
Total instructional staff support	37,271	75,567	58,170	17,397	44,820
Central services					
Other	1,133	1,242	1,214	28	1,072
Operations and maintenance					
Purchased services	-	240,307	240,307	-	-
Total expenditures	50,000	480,149	445,915	34,234	683,087
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -



**WASHOE COUNTY SCHOOL DISTRICT
FEDERAL, OTHER STATE AGENCIES- SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Federal sources	\$ 1,450,000	\$ 1,642,657	\$ 1,285,013	\$ (357,644)	\$ 1,321,654
EXPENDITURES					
Current					
Special programs					
Student support					
Purchased services	211,664	269,351	209,243	60,108	123,066
Vocational programs					
Instruction					
Salaries	419,009	495,544	379,416	116,128	418,606
Benefits	200,195	180,377	163,509	16,868	182,175
Purchased services	1,050	500	37	463	15
Supplies	5,250	10,800	6,073	4,727	1,106
Other	-	-	-	-	32
Total instruction	625,504	687,221	549,035	138,186	601,934
Instructional staff support					
Salaries	82,661	32,750	24,966	7,784	49,072
Benefits	31,617	12,240	9,621	2,619	18,280
Purchased services	93,300	84,300	76,524	7,776	75,861
Supplies	2,500	-	-	-	-
Total instructional staff support	210,078	129,290	111,111	18,179	143,213
Central services					
Other	23,745	32,700	19,902	12,798	20,766
Student transportation					
Purchased services	2,000	1,000	-	1,000	-
Property	26,000	-	-	-	-
Total student transportation	28,000	1,000	-	1,000	-
Total vocational programs	887,327	850,211	680,048	170,163	765,913
Other instructional programs					
Instructional staff support					
Purchased services	-	7,000	-	7,000	-
Central services					
Salaries	-	3,680	3,680	-	32,298
Benefits	-	3,987	3,987	-	12,869
Total central services	-	7,667	7,667	-	45,167

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
FEDERAL, OTHER STATE AGENCIES- SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Operation and maintenance					
Salaries	\$ 69,964	\$ 74,741	\$ 71,928	\$ 2,813	\$ 60,269
Benefits	42,900	45,609	40,310	5,299	34,931
Purchased services	536	76,950	2,220	74,730	456
Supplies	6,199	15,215	8,268	6,947	7,363
Other	584	-	-	-	584
Total operation and maintenance	120,183	212,515	122,726	89,789	103,603
Total other instructional programs	120,183	227,182	130,393	96,789	148,770
Community services programs					
Central services					
Other	8,284	9,728	8,721	1,007	7,292
Community services operations					
Salaries	154,347	187,620	166,631	20,989	157,967
Benefits	52,654	66,895	61,400	5,495	57,066
Purchased services	11,691	20,476	18,491	1,985	11,197
Supplies	3,550	11,194	10,086	1,108	6,795
Other	300	-	-	-	430
Total community services operations	222,542	286,185	256,608	29,577	233,455
Total community services programs	230,826	295,913	265,329	30,584	240,747
Total current expenditures	1,450,000	1,642,657	1,285,013	357,644	1,278,496
Capital outlay, facilities acquisition and construction					
Site improvement					
Purchased services	-	-	-	-	43,158
Total expenditures	1,450,000	1,642,657	1,285,013	357,644	1,321,654
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 405,000	\$ 462,767	\$ 417,469	\$ (45,298)	\$ 392,378
EXPENDITURES					
Current					
Regular programs					
Instruction					
Salaries	330,000	457,585	344,608	112,977	316,539
Benefits	70,000	-	67,927	(67,927)	72,069
Total regular programs	400,000	457,585	412,535	45,050	388,608
Undistributed expenditures					
Instructional staff support					
Salaries	3,000	3,182	4,424	(1,242)	3,213
Benefits	2,000	2,000	510	1,490	557
Total instructional staff support	5,000	5,182	4,934	248	3,770
Total expenditures	405,000	462,767	417,469	45,298	392,378
Net change in fund balance	-	-	-	-	-
FUND BALANCE, July 1	-	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ -	\$ -	\$ -	\$ -	\$ -
OTHER FINANCING (USES)					
Transfers out	-	-	-	-	(39,096)
Net change in fund balance	-	-	-	-	(39,096)
FUND BALANCE, July 1	-	-	-	-	39,096
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**WASHOE COUNTY SCHOOL DISTRICT
GIFTS AND DONATIONS - SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 600,000	\$ 809,520	\$ 380,226	\$ (429,294)	\$ 291,599
EXPENDITURES					
Current					
Regular programs					
Instruction					
Salaries	792	-	5,195	(5,195)	14,274
Benefits	355	-	197	(197)	289
Purchased services	-	-	4,337	(4,337)	7,119
Supplies	129,759	120,274	16,497	103,777	24,734
Other	-	-	700	(700)	394
Total regular programs	130,906	120,274	26,926	93,348	46,810
Special programs					
Instruction					
Purchased services	-	-	-	-	735
Supplies	17,129	12,300	7,971	4,329	10,868
Total instruction	17,129	12,300	7,971	4,329	11,603
Instructional staff support					
Supplies	12	12	12	-	-
Total special programs	17,141	12,312	7,983	4,329	11,603
Community services programs					
Community services operations					
Purchased services	-	-	2,025	(2,025)	318
Supplies	17,877	19,105	310	18,795	1,934
Other	-	-	-	-	160
Total community services programs	17,877	19,105	2,335	16,770	2,412
Undistributed expenditures					
Instruction					
Supplies	-	15,027	13,039	1,988	-
Student support					
Salaries	38,000	-	14,582	(14,582)	12,422
Benefits	1,239	-	1,116	(1,116)	1,047
Purchased services	8,000	-	93,978	(93,978)	97,663
Supplies	314,454	464,019	89,719	374,300	64,222
Other	-	-	150	(150)	3,520
Total student support	361,693	464,019	199,545	264,474	178,874

(CONTINUED)

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Instructional staff support					
Salaries	\$ -	\$ 28,669	\$ 69,688	\$ (41,019)	\$ 64,115
Benefits	-	40,655	1,137	39,518	1,076
Purchased services	-	-	3,089	(3,089)	1,516
Supplies	33,170	66,009	3,186	62,823	172
Other	-	-	22,161	(22,161)	-
Total instructional staff support	33,170	135,334	99,261	36,072	66,879
General administration					
Other	-	-	-	-	2,647
Central services					
Purchased services	-	-	100	(100)	1,464
Supplies	14,402	3,769	3,012	757	9,182
Total central services	14,402	3,769	3,112	657	10,646
Operation and maintenance					
Purchased services	-	-	11,140	(11,140)	1,290
Supplies	24,811	38,048	2,989	35,059	5,488
Other	-	-	-	-	630
Total operation and maintenance	24,811	38,048	14,129	23,919	7,408
Food services operations					
Supplies	-	1,632	1,632	-	14,522
Total undistributed expenditures	434,076	657,829	330,718	327,110	280,976
Total expenditures	600,000	809,520	367,962	441,557	341,801
Net change in fund balance	-	-	12,264	12,263	(50,202)
FUND BALANCE, July 1	961,968	911,766	911,766	-	961,968
FUND BALANCE, June 30	<u>\$ 961,968</u>	<u>\$ 911,766</u>	<u>\$ 924,030</u>	<u>\$ 12,263</u>	<u>\$ 911,766</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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources	\$ 476,474	\$ 476,474	\$ 454,797	\$ (21,677)	\$ 430,755
EXPENDITURES					
Current					
Undistributed expenditures					
General administration					
Salaries	54,897	54,897	39,406	15,491	54,050
Benefits	25,338	25,338	11,649	13,689	25,213
Purchased services	660,625	725,755	377,576	348,179	445,246
Supplies	5,180	5,180	80,968	(75,788)	102,890
Other	-	-	665	(665)	-
Total expenditures	746,040	811,170	510,264	300,906	627,399
Net change in fund balance	(269,566)	(334,696)	(55,467)	279,229	(196,644)
FUND BALANCE, July 1	776,501	841,631	841,631	-	1,038,275
FUND BALANCE, June 30	\$ 506,935	\$ 506,935	\$ 786,164	\$ 279,229	\$ 841,631

Debt Service Funds

To account for and report financial resources that are restricted, committed, or assigned to expenditures for 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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Ad valorem taxes	\$ 55,211,257	\$ 55,211,257	\$ 55,455,088	\$ 243,831	\$ 53,049,837
Earnings on investments	1,789,977	1,789,977	2,185,218	395,241	1,979,710
Net increase in fair value of investments	-	-	(256,216)	(256,216)	(441,986)
Total revenues	57,001,234	57,001,234	57,384,090	382,856	54,587,561
EXPENDITURES					
Debt service					
Principal	32,201,287	32,205,405	32,205,405	-	31,433,537
Interest	22,216,290	21,985,645	22,632,776	(647,131)	21,149,462
Bond issuance costs	-	429,753	429,753	-	126,697
Other	5,486,000	5,474,537	13,500	5,461,037	42,608
Total expenditures	59,903,577	60,095,340	55,281,434	4,813,906	52,752,304
Excess of revenues over expenditures	(2,902,343)	(3,094,106)	2,102,656	5,196,762	1,835,257
OTHER FINANCING SOURCES (USES)					
Proceeds of refunding bonds	-	58,320,000	58,320,000	-	11,885,000
Premium on bonds sold	-	9,708,204	9,708,204	-	2,437,019
Payment to refunded bonds escrow agent	-	(68,276,335)	(40,099,313)	28,177,022	(14,469,684)
Transfers in	2,708,358	2,720,469	2,720,387	(82)	2,990,759
Total other financing sources (uses)	2,708,358	2,472,338	30,649,278	28,176,940	2,843,094
Net change in fund balance	(193,985)	(621,768)	32,751,934	33,373,702	4,678,351
FUND BALANCE, July 1	28,840,931	29,168,713	29,168,713	-	24,490,362
FUND BALANCE, June 30	<u>\$ 28,646,946</u>	<u>\$ 28,546,945</u>	<u>\$ 61,920,647</u>	<u>\$ 33,373,702</u>	<u>\$ 29,168,713</u>

**WASHOE COUNTY SCHOOL DISTRICT
DEBT SERVICE - WC1 FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
WC-1 Sales tax revenue	\$ 35,000,000	\$ 43,662,801	\$ 43,781,973	\$ 119,172	\$ 10,145,752
Earnings on investments	-	-	313,020	313,020	-
Net increase in fair value of investments	-	-	(234,195)	(234,195)	-
Total revenues	35,000,000	43,662,801	43,860,798	197,997	10,145,752
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Building improvements					
Property	30,000,000	-	-	-	-
Debt service					
Interest	-	2,892,101	2,892,101	-	-
Other	-	99,999	-	99,999	-
Total debt service	-	2,992,100	2,892,101	99,999	-
Total expenditures	30,000,000	2,992,100	2,892,101	99,999	-
Excess of revenues over expenditures	5,000,000	40,670,701	40,968,697	297,996	10,145,752
OTHER FINANCING SOURCES (USES)					
Transfers out	-	(40,200,000)	(25,000,000)	15,200,000	-
Net change in fund balance	5,000,000	470,701	15,968,697	15,497,996	10,145,752
FUND BALANCE, July 1	2,916,667	10,145,752	10,145,752	-	-
FUND BALANCE, June 30	\$ 7,916,667	\$ 10,616,453	\$ 26,114,449	\$ 15,497,996	\$ 10,145,752

Capital Projects Funds

To account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (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.

Government Services Tax Fund:

To account for capital projects funded with Government Services Taxes per NRS 387.328.

Building and Sites Fund:

To account for various other capital projects per NRS 387.177.

AB299 Indian Colony Fund:

To account for school renewal projects funded with sales tax revenue provided by Assembly Bill 299 passed in 2005.

**WASHOE COUNTY SCHOOL DISTRICT
WC1 SALES TAX REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 BUDGET		2018	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local sources				
Earnings on investments	\$ -	\$ -	\$ 27,963	\$ 27,963
EXPENDITURES				
Capital outlay, facilities acquisition and construction				
Architecture and engineering services				
Salaries	-	10,000	145	9,855
Benefits	-	5,000	58	4,942
Purchased services	-	1,000,000	371,717	628,283
Other	-	50,000	1,855	48,145
Total architecture and engineering services	-	1,065,000	373,775	691,225
Site improvement				
Salaries	-	10,000	-	10,000
Benefits	-	5,000	-	5,000
Purchased services	-	400,000	-	400,000
Total site improvement	-	415,000	-	415,000
Building improvements				
Salaries	-	95,000	87,200	7,800
Benefits	-	40,000	34,866	5,134
Purchased services	-	7,893,400	6,545,968	1,347,432
Supplies	-	2,572,600	751,076	1,821,524
Property	-	118,000	17,270	100,730
Other	-	1,000	-	1,000
Total building improvements	-	10,720,000	7,436,380	3,283,620
Total expenditures	-	12,200,000	7,810,155	4,389,845
Excess (deficiency) of revenues over expenditures	-	(12,200,000)	(7,782,192)	4,417,808
OTHER FINANCING SOURCES				
Transfers in	-	40,200,000	25,000,000	15,200,000
Net change in fund balance	-	28,000,000	17,217,808	19,617,808
FUND BALANCE, July 1	-	-	-	-
FUND BALANCE, June 30	\$ -	\$ 28,000,000	\$ 17,217,808	\$ 19,617,808

**WASHOE COUNTY SCHOOL DISTRICT
2017C SALES TAX REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 BUDGET		2018	
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET
REVENUES				
Local sources				
Earnings on investments	\$ -	\$ -	\$ 1,658,556	\$ 1,658,556
EXPENDITURES				
Current				
Undistributed expenditures				
Central services				
Other	-	2,160,776	2,160,776	-
Capital outlay, facilities acquisition and construction				
Land acquisition				
Salaries	-	75,000	-	75,000
Benefits	-	50,000	-	50,000
Purchased Services	-	650,000	-	650,000
Property	-	25,900,000	10,421,438	15,478,562
Other	-	1,000,000	-	1,000,000
Total land acquisition	-	27,675,000	10,421,438	17,253,562
Architecture and engineering services				
Purchased services	-	2,321,224	68,134	2,253,090
Other	-	10,000	4,310	5,690
Total architecture and engineering services	-	2,331,224	72,444	2,258,780
Building acquisition and construction				
Salaries	-	150,000	79,323	70,677
Benefits	-	75,000	31,825	43,175
Purchased services	-	155,885,000	21,908,327	133,976,673
Supplies	-	1,020,000	5,931	1,014,069
Property	-	1,000,000	6,976	993,024
Other	-	2,500,000	1,489,511	1,010,489
Total building acquisition and construction	-	160,630,000	23,521,893	137,108,107
Site improvement				
Purchased services	-	350,000	-	350,000
Supplies	-	50,000	-	50,000
Total site improvement	-	400,000	-	400,000
Building improvements				
Purchased services	-	1,070,000	-	1,070,000
Supplies	-	50,000	-	50,000
Total building improvements	-	1,120,000	-	1,120,000
Total capital outlay, facilities acquisition and construction	-	192,156,224	34,015,775	158,140,449
Total expenditures	-	194,317,000	36,176,551	158,140,449
Excess (deficiency) of revenues over expenditures	-	(194,317,000)	(34,517,995)	159,799,005

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
2017C SALES TAX REVENUE BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>2018 BUDGET</u>		<u>2018</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>VARIANCE TO FINAL BUDGET</u>
OTHER FINANCING SOURCES				
Bonds issued	\$ -	\$ 200,000,000	\$ 200,000,000	\$ -
Bond premiums	-	15,563,809	15,563,809	-
Total other financing sources	-	215,563,809	215,563,809	-
Net change in fund balance	-	21,246,809	181,045,814	159,799,005
FUND BALANCE, July 1	-	-	-	-
FUND BALANCE, June 30	<u>\$ -</u>	<u>\$ 21,246,809</u>	<u>\$ 181,045,814</u>	<u>\$ 159,799,005</u>

**WASHOE COUNTY SCHOOL DISTRICT
2017B EXTENDED BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ 223,149	\$ 223,149	\$ 38,135
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Other	-	-	-	-	156,802
Capital outlay, facilities acquisition and construction					
Land acquisition					
Salaries	-	5,000	210	4,790	-
Benefits	-	2,000	84	1,916	-
Purchased services	-	307,500	123,964	183,536	-
Property	-	3,248,978	379,176	2,869,802	-
Other	-	50,000	-	50,000	-
Total land acquisition	-	3,613,478	503,434	3,110,044	-
Architecture and engineering services					
Salaries	-	17,000	8,956	8,044	-
Benefits	-	8,000	3,582	4,418	-
Purchased services	302,834	6,754,879	1,339,828	5,415,051	20,735
Other	-	225,000	24,825	200,175	-
Total architecture and engineering services	302,834	7,004,879	1,377,191	5,627,688	20,735
Building acquisition and construction					
Salaries	-	4,019	4,019	-	-
Benefits	-	1,608	1,608	-	-
Purchased services	-	551,295	17,498	533,797	-
Total building acquisition and construction	-	556,922	23,125	533,797	-
Site improvement					
Salaries	-	-	49	(49)	-
Benefits	-	-	19	(19)	-
Purchased services	-	180,000	-	180,000	-
Total site improvement	-	180,000	68	179,932	-
Building improvements					
Salaries	-	18,000	25,967	(7,967)	-
Benefits	-	8,300	10,387	(2,087)	-
Purchased services	-	2,947,375	311,276	2,636,099	-
Supplies	-	25,000	-	25,000	-
Other	-	5,000	-	5,000	-
Total building improvements	-	3,003,675	347,630	2,656,045	-
Total capital outlay, facilities acquisition and construction	302,834	14,358,954	2,251,448	12,107,506	20,735
Total expenditures	302,834	14,358,954	2,251,448	12,107,506	177,537
Excess (deficiency) of revenues over expenditures	(302,834)	(14,358,954)	(2,028,299)	12,330,655	(139,402)

(CONTINUED)

WASHOE COUNTY SCHOOL DISTRICT
2017B EXTENDED BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OTHER FINANCING SOURCES					
Bonds issued	\$ -	\$ -	\$ -	\$ -	\$ 15,000,000
Bond premiums	-	-	-	-	1,098,356
Total other financing sources	-	-	-	-	16,098,356
Net change in fund balance	(302,834)	(14,358,954)	(2,028,299)	12,330,655	15,958,954
FUND BALANCE, July 1	302,834	15,958,954	15,958,954	-	-
FUND BALANCE, June 30	\$ -	\$ 1,600,000	\$ 13,930,655	\$ 12,330,655	\$ 15,958,954

**WASHOE COUNTY SCHOOL DISTRICT
2017A EXTENDED BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ 711,029	\$ 711,029	\$ 18,467
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	1,757,062	569,600	198,614	370,986	-
Benefits	742,938	224,000	62,976	161,024	-
Purchased services	-	4,914	1,843	3,071	-
Property	-	43,975	43,463	512	6,026
Other	-	-	-	-	561,478
Total current expenditures	2,500,000	842,489	306,896	535,593	567,504
Capital outlay, facilities acquisition and construction					
Land acquisition					
Purchased Services	54,500	15,256	15,256	-	-
Property	1,710,000	8,468,088	8,468,088	-	100,000
Other	50,000	350	350	-	100
Total land acquisition	1,814,500	8,483,694	8,483,694	-	100,100
Architecture and engineering services					
Salaries	-	7,500	-	7,500	-
Benefits	-	5,000	-	5,000	-
Purchased services	1,448,800	11,367,000	2,672,502	8,694,498	11,370
Other	70,000	80,000	62,046	17,954	122,985
Total architecture and engineering services	1,518,800	11,459,500	2,734,548	8,724,952	134,355
Site improvement					
Salaries	10,000	24,500	35,747	(11,247)	291
Benefits	5,000	11,000	15,276	(4,276)	117
Purchased services	1,064,000	1,871,591	145,501	1,726,090	40,214
Supplies	20,000	100,000	-	100,000	-
Other	1,000	5,000	-	5,000	-
Total site improvement	1,100,000	2,012,091	196,524	1,815,567	40,622
Building improvements					
Salaries	165,000	245,000	218,765	26,235	45,270
Benefits	82,000	102,000	86,529	15,471	18,108
Purchased services	14,524,923	15,534,923	10,154,029	5,380,894	2,932,488
Supplies	129,188	1,243,960	136,963	1,106,997	66,066
Property	125,000	775,000	547,934	227,066	95,651
Other	45,000	45,000	-	45,000	-
Total building improvements	15,071,111	17,945,883	11,144,220	6,801,663	3,157,583
Total capital outlay, facilities acquisition and construction	19,504,411	39,901,168	22,558,986	17,342,182	3,432,660
Total expenditures	22,004,411	40,743,657	22,865,882	17,877,775	4,000,164
Excess (deficiency) of revenues over expenditures	(22,004,411)	(40,743,657)	(22,154,853)	18,588,804	(3,981,697)

(CONTINUED)

WASHOE COUNTY SCHOOL DISTRICT
2017A EXTENDED BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OTHER FINANCING SOURCES					
Bonds issued	\$ -	\$ -	\$ -	\$ -	\$ 55,000,000
Bond premiums	-	-	-	-	4,475,354
Total other financing sources	-	-	-	-	59,475,354
Net change in fund balance	(22,004,411)	(40,743,657)	(22,154,853)	18,588,804	55,493,657
FUND BALANCE, July 1	30,822,611	55,493,657	55,493,657	-	-
FUND BALANCE, June 30	\$ 8,818,200	\$ 14,750,000	\$ 33,338,804	\$ 18,588,804	\$ 55,493,657

**WASHOE COUNTY SCHOOL DISTRICT
2016B EXTENDED BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ 140,613	\$ 140,613	\$ 3,210
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Other	-	-	-	-	277,762
Capital outlay, facilities acquisition and construction					
Land acquisition					
Salaries	-	6,000	2,605	3,395	231
Benefits	-	3,000	1,042	1,958	92
Purchased Services	194,135	392,135	565,913	(173,778)	250,641
Property	-	619,943	-	619,943	-
Other	-	10,000	350	9,650	750
Total land acquisition	194,135	1,031,078	569,910	461,168	251,714
Architecture and engineering services					
Salaries	-	16,000	9,466	6,534	498
Benefits	-	8,000	3,691	4,309	199
Purchased services	7,163,453	9,816,060	6,957,464	2,858,596	1,950,229
Other	5,000	505,000	442,683	62,317	-
Total architecture and engineering services	7,168,453	10,345,060	7,413,304	2,931,756	1,950,926
Building acquisition and construction					
Purchased services	-	3,091,000	868,264	2,222,736	-
Total capital outlay, facilities acquisition and construction	7,362,588	14,467,138	8,851,478	5,615,660	2,202,640
Total expenditures	7,362,588	14,467,138	8,851,478	5,615,660	2,480,402
Excess (deficiency) of revenues over expenditures	(7,362,588)	(14,467,138)	(8,710,865)	5,756,273	(2,477,192)
OTHER FINANCING SOURCES					
Bonds issued	-	-	-	-	15,000,000
Bond premiums	-	-	-	-	1,944,330
Total other financing sources	-	-	-	-	16,944,330
Net change in fund balance	(7,362,588)	(14,467,138)	(8,710,865)	5,756,273	14,467,138
FUND BALANCE, July 1	7,362,588	14,467,138	14,467,138	-	-
FUND BALANCE, June 30	\$ -	\$ -	\$ 5,756,273	\$ 5,756,273	\$ 14,467,138

**WASHOE COUNTY SCHOOL DISTRICT
2016A EXTENDED BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ 135,000	\$ 179,007	\$ 44,007	\$ 83,072
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	450,000	650,000	475,392	174,608	-
Benefits	200,000	295,340	228,263	67,077	-
Purchased services	-	79,660	3,002	76,658	-
Supplies	161,223	46,029	-	46,029	4,205
Property	-	106	-	106	124,894
Other	10,000	-	-	-	-
Total current expenditures	821,223	1,071,135	706,657	364,478	129,099
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Salaries	-	4,000	1,048	2,952	7,983
Benefits	-	1,000	419	581	1,215
Purchased services	1,184,072	1,583,072	735,646	847,426	1,487,626
Other	50,000	150,000	120,367	29,633	28,611
Total architecture and engineering services	1,234,072	1,738,072	857,480	880,592	1,525,435
Site improvement					
Salaries	-	19,000	18,932	68	8,198
Benefits	-	9,000	7,573	1,427	3,280
Purchased services	930,014	1,252,014	466,137	785,877	379,561
Supplies	10,000	95,000	-	95,000	-
Total site improvement	940,014	1,375,014	492,642	882,372	391,039
Building improvements					
Salaries	75,000	150,000	146,152	3,848	67,184
Benefits	30,000	55,000	59,006	(4,006)	26,874
Purchased services	8,626,673	9,603,573	4,987,573	4,616,000	2,472,315
Supplies	318,300	423,300	109,351	313,949	299,218
Property	553,213	623,213	556,267	66,946	344,616
Total building improvements	9,603,186	10,855,086	5,858,349	4,996,737	3,210,207
Total capital outlay, facilities acquisition and construction	11,777,272	13,968,172	7,208,471	6,759,701	5,126,681
Total expenditures	12,598,495	15,039,307	7,915,128	7,124,179	5,255,780
Net change in fund balance	(12,598,495)	(14,904,307)	(7,736,121)	7,168,186	(5,172,708)
FUND BALANCE, July 1	12,598,495	14,904,307	14,904,307	-	20,077,015
FUND BALANCE, June 30	\$ -	\$ -	\$ 7,168,186	\$ 7,168,186	\$ 14,904,307

**WASHOE COUNTY SCHOOL DISTRICT
2013 BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ 59,391	\$ 59,391	\$ 31,341
Refunds	-	-	39,908	39,908	33,035
Total revenues	-	-	99,299	99,299	64,376
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	-	-	-	-	861,777
Benefits	-	-	-	-	218,441
Purchased services	-	-	-	-	4,315
Property	-	-	-	-	60,501
Total current expenditures	-	-	-	-	1,145,034
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	371,029	978,029	327,769	650,260	647,233
Other	80,000	80,000	31,565	48,435	57,413
Total architecture and engineering services	451,029	1,058,029	359,334	698,695	704,646
Site improvement					
Salaries	-	34,000	29,094	4,906	27,049
Benefits	-	12,000	11,638	362	10,819
Purchased services	128,980	2,187,980	1,289,454	898,526	1,020,048
Supplies	25,000	25,000	-	25,000	1,716
Total site improvement	153,980	2,258,980	1,330,186	928,794	1,059,632
Building improvements					
Salaries	25,000	315,000	286,089	28,911	456,793
Benefits	10,000	120,000	109,249	10,751	179,415
Purchased services	5,119,226	8,096,980	5,477,155	2,619,825	10,713,249
Supplies	251,806	273,706	172,355	101,351	528,957
Property	-	108,000	107,126	874	412,810
Other	-	1,000	75	925	-
Total building improvements	5,406,032	8,914,686	6,152,049	2,762,637	12,291,224
Total capital outlay, facilities acquisition and construction	6,011,041	12,231,695	7,841,569	4,390,126	14,055,502
Total expenditures	6,011,041	12,231,695	7,841,569	4,390,126	15,200,536
Net change in fund balance	(6,011,041)	(12,231,695)	(7,742,270)	4,489,425	(15,136,160)
FUND BALANCE, July 1	6,011,041	12,231,695	12,231,695	-	27,367,855
FUND BALANCE, June 30	\$ -	\$ -	\$ 4,489,425	\$ 4,489,425	\$ 12,231,695

**WASHOE COUNTY SCHOOL DISTRICT
2012 BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ 9,152	\$ 14,763	\$ 5,611	\$ 11,757
Refunds	-	-	-	-	1,712
Total revenues	-	9,152	14,763	5,611	13,469
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	-	818,000	813,269	4,731	107,716
Benefits	-	226,813	230,524	(3,711)	50,064
Purchased services	12,966	75,189	49,886	25,303	25,068
Supplies	985	101,762	94,942	6,820	126,839
Property	-	15,000	6,995	8,005	9,206
Other	-	1,948	1,614	334	2,195
Total current expenditures	13,951	1,238,712	1,197,230	41,482	321,088
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	77,960	147,960	112,935	35,025	342,189
Other	-	23,000	21,720	1,280	12,346
Total architecture and engineering services	77,960	170,960	134,655	36,305	354,535
Site improvement					
Salaries	-	97	97	-	7,920
Benefits	-	39	39	-	3,168
Purchased services	61,154	99,980	99,980	-	239,697
Total site improvement	61,154	100,116	100,116	-	250,785
Building improvements					
Salaries	-	71,000	94,337	(23,337)	158,818
Benefits	-	30,000	37,625	(7,625)	63,527
Purchased services	2,462,099	3,182,546	2,873,532	309,014	4,959,570
Supplies	1,135	337,267	227,692	109,575	221,785
Property	-	27,763	6,527	21,236	20,894
Total building improvements	2,463,234	3,648,576	3,239,713	408,863	5,424,594
Total capital outlay, facilities acquisition and construction	2,602,348	3,919,652	3,474,484	445,168	6,029,914
Total expenditures	2,616,299	5,158,364	4,671,714	486,650	6,351,002
Net change in fund balance	(2,616,299)	(5,149,212)	(4,656,951)	492,261	(6,337,533)
FUND BALANCE, July 1	2,616,299	5,149,212	5,149,212	-	11,486,745
FUND BALANCE, June 30	\$ -	\$ -	\$ 492,261	\$ 492,261	\$ 5,149,212

WASHOE COUNTY SCHOOL DISTRICT
2010 WASHOE COUNTY RECOVERY ZONE ECONOMIC DEVELOPMENT BOND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ 1,706
Refunds	-	3,073	3,073	-	-
Total revenues	-	3,073	3,073	-	1,706
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	25,303	25,603	25,078	525	34,960
Building improvements					
Salaries	-	-	-	-	27,149
Benefits	-	-	-	-	10,860
Purchased services	-	490	490	-	69,775
Supplies	3,111	5,394	5,394	-	564,067
Total building improvements	3,111	5,884	5,884	-	671,851
Total expenditures	28,414	31,487	30,962	525	706,811
Net change in fund balance	(28,414)	(28,414)	(27,889)	525	(705,105)
FUND BALANCE, July 1	28,414	28,414	28,414	-	733,519
FUND BALANCE, June 30	\$ -	\$ -	\$ 525	\$ 525	\$ 28,414

WASHOE COUNTY SCHOOL DISTRICT
2009B WASHOE COUNTY RECOVERY ZONE ECONOMIC DEVELOPMENT BOND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ 10,622	\$ 10,622	\$ -	\$ 8,375
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	8,635	21,189	17,065	4,124	70,442
Other	-	3,134	3,134	-	4,806
Total architecture and engineering services	8,635	24,323	20,199	4,124	75,248
Building improvements					
Salaries	-	31,000	27,091	3,909	26,093
Benefits	-	11,500	10,651	849	10,437
Purchased services	106,499	548,684	521,456	27,228	394,503
Supplies	-	244,162	215,722	28,440	41,355
Property	68,580	279,538	279,538	-	189,050
Total building improvements	175,079	1,114,884	1,054,458	60,426	661,438
Total expenditures	183,714	1,139,207	1,074,657	64,550	736,686
Net change in fund balance	(183,714)	(1,128,585)	(1,064,035)	64,550	(728,311)
FUND BALANCE, July 1	183,714	1,128,585	1,128,585	-	1,856,896
FUND BALANCE, June 30	\$ -	\$ -	\$ 64,550	\$ 64,550	\$ 1,128,585

WASHOE COUNTY SCHOOL DISTRICT
2009B CITY OF RENO RECOVERY ZONE ECONOMIC DEVELOPMENT BOND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ 958	\$ 958	\$ -	\$ 1,466
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	7,812	12,029	12,029	-	61,489
Other	-	405	405	-	1,353
Total architecture and engineering services	7,812	12,434	12,434	-	62,842
Building improvements					
Purchased services	14,834	176,455	163,914	12,541	120,346
Total expenditures	22,646	188,889	176,348	12,541	183,188
Net change in fund balance	(22,646)	(187,931)	(175,390)	12,541	(181,722)
FUND BALANCE, July 1	22,646	187,931	187,931	-	369,653
FUND BALANCE, June 30	\$ -	\$ -	\$ 12,541	\$ 12,541	\$ 187,931

**WASHOE COUNTY SCHOOL DISTRICT
2011B BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ 496	\$ 496	\$ -	\$ 2,904
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	-	-	-	-	249,448
Benefits	-	-	-	-	92,819
Purchased services	-	-	-	-	1,850
Total current expenditures	-	-	-	-	344,117
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	3,640	2,210	2,210	-	20,443
Other	-	2,652	2,652	-	25,470
Total architecture and engineering services	3,640	4,862	4,862	-	45,913
Site improvement					
Purchased services	-	-	-	-	9,617
Building improvements					
Salaries	-	1,496	1,496	-	3,041
Benefits	-	598	598	-	1,217
Purchased services	146,455	155,659	147,995	7,664	248,925
Supplies	-	190	190	-	400,751
Total building improvements	146,455	157,943	150,279	7,664	653,934
Total capital outlay, facilities acquisition and construction	150,095	162,805	155,141	7,664	709,464
Total expenditures	150,095	162,805	155,141	7,664	1,053,581
Net change in fund balance	(150,095)	(162,309)	(154,645)	7,664	(1,050,677)
FUND BALANCE, July 1	150,095	162,309	162,309	-	1,212,986
FUND BALANCE, June 30	\$ -	\$ -	\$ 7,664	\$ 7,664	\$ 162,309

WASHOE COUNTY SCHOOL DISTRICT
2009 BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ -	\$ -	551
Refunds	-	-	-	-	33,110
Total revenues	-	-	-	-	33,661
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Property	-	-	-	-	33,110
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	-	-	-	-	6,308
Building improvements					
Salaries	-	-	-	-	232
Benefits	-	-	-	-	71
Purchased services	5,224	5,224	5,224	-	136,629
Supplies	29,073	29,073	29,073	-	53,503
Property	-	-	-	-	39,368
Total building improvements	34,297	34,297	34,297	-	229,803
Total capital outlay, facilities acquisition and construction	34,297	34,297	34,297	-	236,111
Total expenditures	34,297	34,297	34,297	-	269,221
Net change in fund balance	(34,297)	(34,297)	(34,297)	-	(235,560)
FUND BALANCE, July 1	34,297	34,297	34,297	-	269,857
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ 34,297

**WASHOE COUNTY SCHOOL DISTRICT
2008 BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Other	-	-	-	-	178
Building improvements					
Purchased services	-	-	-	-	391
Supplies	-	-	-	-	3,499
Total building improvements	-	-	-	-	3,890
Total expenditures	-	-	-	-	4,068
Net change in fund balance	-	-	-	-	(4,068)
FUND BALANCE, July 1	-	-	-	-	4,068
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**WASHOE COUNTY SCHOOL DISTRICT
2007 BOND ROLLOVER FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Earnings on investments	\$ -	\$ 761	\$ 761	\$ -	\$ 5,752
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	720	1,672	1,672	-	103,086
Other	-	3,395	3,395	-	1,390
Total architecture and engineering services	720	5,067	5,067	-	104,476
Building improvements					
Salaries	-	4,151	4,151	-	6,944
Benefits	-	1,660	1,660	-	2,777
Purchased services	138,469	132,508	132,508	-	842,655
Supplies	-	2,054	2,054	-	603,587
Total building improvements	138,469	140,373	140,373	-	1,455,963
Total expenditures	139,189	145,440	145,440	-	1,560,439
Net change in fund balance	(139,189)	(144,679)	(144,679)	-	(1,554,687)
FUND BALANCE, July 1	139,189	144,679	144,679	-	1,699,366
FUND BALANCE, June 30	\$ -	\$ -	\$ -	\$ -	\$ 144,679



**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

	GOVERNMENT SERVICES TAX FUND	BUILDING AND SITES FUND	2005 AB299 INDIAN COLONY FUND	TOTAL
ASSETS				
Cash and investments	\$ 7,292,859	\$ 593,256	\$ 540,035	\$ 8,426,150
Receivables				
Interest	12,526	952	913	14,391
Miscellaneous	187	349,900	-	350,087
Due from other governments	459,081	4,438	-	463,519
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 7,764,653</u>	<u>\$ 948,546</u>	<u>\$ 540,948</u>	<u>\$ 9,254,147</u>
LIABILITIES				
Accounts payable	\$ 99,214	\$ 690	\$ 14,358	\$ 114,262
Construction contracts payable	39,300	-	-	39,300
Accrued liabilities	100,356	-	-	100,356
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>238,870</u>	<u>690</u>	<u>14,358</u>	<u>253,918</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	29,858	4,438	-	34,296
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCE				
Restricted	7,495,925	943,418	526,590	8,965,933
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 7,764,653</u>	<u>\$ 948,546</u>	<u>\$ 540,948</u>	<u>\$ 9,254,147</u>

**WASHOE COUNTY SCHOOL DISTRICT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

	GOVERNMENT SERVICES TAX FUND	BUILDING AND SITES FUND	2005 AB299 INDIAN COLONY FUND	TOTAL
REVENUES				
Local sources	\$ 4,839,228	\$ 141,780	\$ 479,884	\$ 5,460,892
EXPENDITURES				
Current				
Undistributed				
Central services	37,512	-	-	37,512
Capital outlay, facilities acquisition and construction				
Capital outlay	4,188,766	52,676	264,355	4,505,797
Total expenditures	4,226,278	52,676	264,355	4,543,309
Net change in fund balances	612,950	89,104	215,529	917,583
FUND BALANCE, July 1	6,882,975	854,314	311,061	8,048,350
FUND BALANCE, June 30	\$ 7,495,925	\$ 943,418	\$ 526,590	\$ 8,965,933

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Government services tax	\$ 3,740,000	\$ 3,740,000	\$ 4,641,835	\$ 901,835	\$ 4,152,623
Earnings on investments	-	-	103,106	103,106	48,841
Other	-	-	94,287	94,287	63,574
Total revenues	3,740,000	3,740,000	4,839,228	1,099,228	4,265,038
EXPENDITURES					
Current					
Undistributed expenditures					
Central services					
Salaries	61,339	1,000	96	904	80
Benefits	27,329	500	8	492	3
Purchased services	75,250	73,750	28,613	45,137	5,664
Supplies	17,750	17,750	8,673	9,077	4,834
Other	2,000	2,000	122	1,878	-
Total current expenditures	183,668	95,000	37,512	57,488	10,581
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Salaries	1,014,067	1,040,900	917,384	123,516	914,915
Benefits	370,099	370,374	311,119	59,255	318,559
Purchased services	479,959	1,121,546	585,964	535,582	310,135
Supplies	8,000	32,800	9,729	23,071	18,454
Property	50,000	-	-	-	7,834
Other	43,000	37,000	23,326	13,674	19,993
Total architecture and engineering services	1,965,125	2,602,620	1,847,522	755,098	1,589,890
Site improvement					
Salaries	-	1,600	1,022	578	1,556
Benefits	-	800	409	391	622
Purchased services	433,826	482,319	176,706	305,613	564,022
Supplies	5,000	-	-	-	3,576
Property	6,098	5,864	5,864	-	-
Other	2,000	2,000	-	2,000	500
Total site improvement	446,924	492,583	184,001	308,582	570,276

(CONTINUED)

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
Building improvements					
Salaries	\$ 75,000	\$ 153,688	\$ 137,609	\$ 16,079	\$ 126,116
Benefits	25,000	57,215	55,030	2,185	50,447
Purchased services	1,542,144	2,859,346	1,930,585	928,761	898,793
Supplies	187,000	99,955	33,807	66,148	138,483
Property	-	5,500	-	5,500	-
Other	-	2,060	212	1,848	1,653
Total building improvements	<u>1,829,144</u>	<u>3,177,764</u>	<u>2,157,243</u>	<u>1,020,521</u>	<u>1,215,492</u>
Total capital outlay, facilities acquisition and construction	<u>4,241,193</u>	<u>6,272,967</u>	<u>4,188,766</u>	<u>2,084,201</u>	<u>3,375,658</u>
Total expenditures	<u>4,424,861</u>	<u>6,367,967</u>	<u>4,226,278</u>	<u>2,141,689</u>	<u>3,386,239</u>
Net change in fund balance	(684,861)	(2,627,967)	612,950	3,240,917	878,799
FUND BALANCE, July 1	<u>4,483,861</u>	<u>6,882,975</u>	<u>6,882,975</u>	<u>-</u>	<u>6,004,176</u>
FUND BALANCE, June 30	<u>\$ 3,799,000</u>	<u>\$ 4,255,008</u>	<u>\$ 7,495,925</u>	<u>\$ 3,240,917</u>	<u>\$ 6,882,975</u>

**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, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Rental income	\$ 100,000	\$ 100,000	\$ 129,568	\$ 29,568	\$ 114,189
Earnings on investments	-	7,840	10,516	2,676	7,696
Refunds	-	1,696	1,696	-	-
Total revenues	100,000	109,536	141,780	32,244	121,885
EXPENDITURES					
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Salaries	-	-	-	-	2,974
Benefits	-	-	-	-	1,190
Purchased services	51,102	62,683	20,282	42,401	20,083
Other	5,000	14,000	8,935	5,065	759
Total architecture and engineering services	56,102	76,683	29,217	47,466	25,006
Building acquisition and construction					
Property	-	350,000	100	349,900	-
Site improvement					
Purchased services	38,232	92,232	-	92,232	25,355
Supplies	5,000	25,000	-	25,000	-
Total site improvement	43,232	117,232	-	117,232	25,355
Building improvements					
Purchased services	109,210	78,359	23,359	55,000	362,959
Supplies	85,000	206,576	-	206,576	25,954
Property	-	35,000	-	35,000	-
Total building improvements	194,210	319,935	23,359	296,576	388,913
Total expenditures	293,544	863,850	52,676	811,174	439,274
Net change in fund balance	(193,544)	(754,314)	89,104	843,418	(317,389)
FUND BALANCE, July 1	293,544	854,314	854,314	-	1,171,703
FUND BALANCE, June 30	\$ 100,000	\$ 100,000	\$ 943,418	\$ 843,418	\$ 854,314

WASHOE COUNTY SCHOOL DISTRICT
2005 AB299 INDIAN COLONY FUND
SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
REVENUES					
Local sources					
Revenue in lieu of taxes	\$ -	\$ 491,000	\$ 473,865	\$ (17,135)	\$ 491,599
Earnings on investments	-	3,248	6,019	2,771	1,462
Total revenues	-	494,248	479,884	(14,364)	493,061
EXPENDITURES					
Current					
Undistributed expenditures					
Operations and maintenance					
Supplies	-	-	-	-	182,000
Capital outlay, facilities acquisition and construction					
Architecture and engineering services					
Purchased services	-	50,000	-	50,000	-
Site improvement					
Purchased services	-	60,262	10,262	50,000	-
Supplies	-	10,000	-	10,000	-
Total site improvement	-	70,262	10,262	60,000	-
Building improvements					
Purchased services	170,000	335,974	224,961	111,013	-
Supplies	-	33,330	23,389	9,941	-
Property	-	5,743	5,743	-	-
Total building improvements	170,000	375,047	254,093	120,954	-
Total capital outlay, facilities acquisition and construction	170,000	495,309	264,355	230,954	-
Total expenditures	170,000	495,309	264,355	230,954	182,000
Net change in fund balance	(170,000)	(1,061)	215,529	216,590	311,061
FUND BALANCE, July 1	491,599	311,061	311,061	-	-
FUND BALANCE, June 30	\$ 321,599	\$ 310,000	\$ 526,590	\$ 216,590	\$ 311,061



Enterprise 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 POSITION
JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
ASSETS		
Current assets		
Cash and investments	\$ 3,107,419	\$ 2,113,882
Receivables	3,079,752	3,447,539
Inventories	643,372	753,412
Prepays	1,165	15,544
Total current assets	<u>6,831,708</u>	<u>6,330,377</u>
Capital assets		
Construction in progress	55,176	-
Buildings and improvements	1,213,573	1,213,573
Machinery and equipment	3,477,008	3,173,143
Less: Allowance for depreciation	<u>(2,129,245)</u>	<u>(1,881,486)</u>
Total capital assets	<u>2,616,512</u>	<u>2,505,230</u>
Total assets	<u>9,448,220</u>	<u>8,835,607</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows of resources related to pension	1,766,935	2,137,558
Deferred outflows of resources related to OPEB	<u>806,913</u>	<u>-</u>
Total deferred outflows of resources	<u>2,573,848</u>	<u>2,137,558</u>
Total assets and deferred outflows of resources	<u>12,022,068</u>	<u>10,973,165</u>
LIABILITIES		
Current liabilities		
Accounts payable	71,159	118,851
Construction contracts payable	55,176	-
Accrued liabilities	838,570	905,299
Unearned revenues	<u>420,819</u>	<u>431,713</u>
Total current liabilities	<u>1,385,724</u>	<u>1,455,863</u>
Noncurrent liabilities		
Net pension liability	8,340,554	8,521,884
Net OPEB liability	<u>5,957,797</u>	<u>-</u>
Total noncurrent liabilities	<u>14,298,351</u>	<u>8,521,884</u>
Total liabilities	<u>15,684,075</u>	<u>9,977,747</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows of resources related to pension	776,411	911,873
Deferred inflows of resources related to OPEB	<u>673,477</u>	<u>-</u>
Total deferred inflows of resources	<u>1,449,888</u>	<u>911,873</u>
Total liabilities and deferred inflows of resources	<u>17,133,963</u>	<u>10,889,620</u>
NET POSITION		
Net investment in capital assets	2,616,512	2,505,230
Unrestricted	<u>(7,728,407)</u>	<u>(2,421,685)</u>
Total net position	<u>\$ (5,111,895)</u>	<u>\$ 83,545</u>

**WASHOE COUNTY SCHOOL DISTRICT
NUTRITION SERVICES ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 5,891,601	\$ 5,891,601	\$ 5,621,234	\$ (270,367)	\$ 5,307,846
OPERATING EXPENSES					
Food and supplies	12,318,958	12,318,958	11,143,714	1,175,244	11,007,944
Salaries and benefits	10,897,941	10,897,941	11,039,738	(141,797)	10,710,008
Purchased services	1,504,862	1,504,862	1,243,062	261,800	1,328,761
Depreciation	290,355	305,355	241,327	64,028	232,073
Other	482,381	482,381	509,048	(26,667)	457,516
Total operating expenses	25,494,497	25,509,497	24,176,889	1,332,608	23,736,302
Operating (loss)	(19,602,896)	(19,617,896)	(18,555,655)	1,062,241	(18,428,456)
NONOPERATING REVENUES (EXPENSES)					
Federal subsidies	18,268,626	18,268,626	17,256,930	(1,011,696)	17,113,621
Federal grant	-	-	-	-	64,564
Commodity revenue	1,527,862	1,527,862	1,812,663	284,801	1,632,529
State matching funds	-	-	68,995	68,995	75,509
Other food service revenue	76,735	76,735	-	(76,735)	-
Contributions and donations	-	15,000	14,500	(500)	-
Total nonoperating revenues	19,873,223	19,888,223	19,153,088	(735,135)	18,886,223
Change in net position	270,327	270,327	597,433	327,106	457,767
NET POSITION, July 1 - as originally stated	(1,885,670)	(1,885,670)	83,545	1,969,215	(374,222)
Prior period adjustment - implementation of GASB 75,82	-	-	(5,792,873)	(5,792,873)	-
NET POSITION, July 1 - as restated	(1,885,670)	(1,885,670)	(5,709,328)	(3,823,658)	(374,222)
NET POSITION, June 30	\$ (1,615,343)	\$ (1,615,343)	\$ (5,111,895)	\$ (3,496,552)	\$ 83,545

**WASHOE COUNTY SCHOOL DISTRICT
NUTRITION SERVICES ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND INVESTMENTS		
Cash flows from operating activities		
Cash received for services	\$ 5,978,127	\$ 4,940,915
Cash paid for salaries and benefits	(11,021,148)	(10,155,481)
Cash paid for food and supplies	(9,199,148)	(10,410,991)
Cash payments for purchased services	(1,243,062)	(1,328,761)
Cash payments for other	(509,048)	(457,516)
	<u>(15,994,279)</u>	<u>(17,411,834)</u>
Net cash (used) by operating activities		
Cash flows from capital and related financing activities		
Purchase of equipment	(352,609)	(229,611)
Cash flows from noncapital financing activities		
Federal reimbursements	17,256,930	17,178,185
State matching funds	68,995	75,509
Contributions and donations	14,500	-
	<u>17,340,425</u>	<u>17,253,694</u>
Net cash provided by noncapital financing activities		
Net increase (decrease) in cash and cash equivalents	993,537	(387,751)
Cash and investments, July 1	<u>2,113,882</u>	<u>2,501,633</u>
Cash and investments, June 30	<u>\$ 3,107,419</u>	<u>\$ 2,113,882</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES		
Operating (loss)	\$ (18,555,655)	\$ (18,428,456)
Adjustments to reconcile operating (loss) to net cash (used) by operating activities		
Depreciation	241,327	232,073
Commodity revenue	1,812,663	1,632,529
Non-cash pension liability adjustment	35,981	2,140
Non-cash OPEB liability adjustment	49,338	-
Changes in assets and liabilities		
Accounts receivable	367,787	(302,113)
Inventories	110,040	253,049
Prepays	14,379	(14,870)
Accounts payable	(47,692)	(1,273,755)
Construction contracts payable	55,176	-
Accrued liabilities	(66,729)	552,387
Unearned revenue	(10,894)	(64,818)
	<u>2,561,376</u>	<u>1,016,622</u>
Total adjustments		
Net cash (used) by operating activities	<u>\$ (15,994,279)</u>	<u>\$ (17,411,834)</u>



Internal Service Funds

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

Insurance Fund - Property and Casualty:

To account for the self-insured property and casualty costs of the District.

Insurance Fund - Health Insurance:

To account for the self-insured health benefit costs of District employees.

Insurance Fund - Workers' Compensation:

To account for the self-insured workers' compensation costs of the District.

**WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2018**

	INSURANCE FUND - PROPERTY CASUALTY	INSURANCE FUND - HEALTH INSURANCE	INSURANCE FUND - WORKERS' COMPENSATION	TOTAL
ASSETS				
Current assets				
Cash and investments	\$ 5,035,517	\$ 26,130,217	\$ 6,955,234	\$ 38,120,968
Investments - restricted for OPEB	-	34,279,184	-	34,279,184
Accounts receivable	-	1,018,402	87	1,018,489
Interest receivable	7,635	22,581	11,228	41,444
Due from other governments	42,987	-	-	42,987
Total current assets	<u>5,086,139</u>	<u>61,450,384</u>	<u>6,966,549</u>	<u>73,503,072</u>
Capital assets				
Construction in progress	<u>249,805</u>	<u>-</u>	<u>-</u>	<u>249,805</u>
Total assets	<u>5,335,944</u>	<u>61,450,384</u>	<u>6,966,549</u>	<u>73,752,877</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to pension	-	146,293	95,712	242,005
Deferred outflows of resources related to OPEB	<u>-</u>	<u>19,833</u>	<u>7,315</u>	<u>27,148</u>
Total deferred outflows of resources	<u>-</u>	<u>166,126</u>	<u>103,027</u>	<u>269,153</u>
Total assets and deferred outflows of resources	<u>5,335,944</u>	<u>61,616,510</u>	<u>7,069,576</u>	<u>74,022,030</u>
LIABILITIES				
Current liabilities				
Accounts payable	24,497	44,583	-	69,080
Construction contracts payable	90,832	-	-	90,832
Accrued liabilities	-	26,754	10,155	36,909
Pending claims	<u>932,517</u>	<u>8,812,266</u>	<u>1,389,944</u>	<u>11,134,727</u>
Total current liabilities	<u>1,047,846</u>	<u>8,883,603</u>	<u>1,400,099</u>	<u>11,331,548</u>
Noncurrent liabilities				
Pending claims	1,431,483	-	3,156,056	4,587,539
Net pension liability	-	604,907	497,849	1,102,756
Net OPEB liability	<u>-</u>	<u>156,573</u>	<u>62,205</u>	<u>218,778</u>
Total noncurrent liabilities	<u>1,431,483</u>	<u>761,480</u>	<u>3,716,110</u>	<u>5,909,073</u>
Total liabilities	<u>2,479,329</u>	<u>9,645,083</u>	<u>5,116,209</u>	<u>17,240,621</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to pension	-	38,667	52,697	91,364
Deferred inflows of resources related to OPEB	-	19,801	8,730	28,531
Unavailable revenue	<u>42,987</u>	<u>-</u>	<u>-</u>	<u>42,987</u>
Total deferred inflows of resources	<u>42,987</u>	<u>58,468</u>	<u>61,427</u>	<u>162,882</u>
Total liabilities and deferred inflows of resources	<u>2,522,316</u>	<u>9,703,551</u>	<u>5,177,636</u>	<u>17,403,503</u>
NET POSITION				
Net investment in capital assets	249,805	-	-	249,805
Restricted for OPEB	-	34,279,184	-	34,279,184
Unrestricted	<u>2,563,823</u>	<u>17,633,775</u>	<u>1,891,940</u>	<u>22,089,538</u>
Total net position	<u>\$ 2,813,628</u>	<u>\$ 51,912,959</u>	<u>\$ 1,891,940</u>	<u>\$ 56,618,527</u>

**WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

	INSURANCE FUND - PROPERTY CASUALTY	INSURANCE FUND - HEALTH INSURANCE	INSURANCE FUND - WORKERS' COMPENSATION	TOTAL
OPERATING REVENUES				
Local sources	\$ 2,402,015	\$ 80,696,685	\$ 2,127,482	\$ 85,226,182
OPERATING EXPENSES				
Salaries and benefits	-	465,833	-	465,833
Employee benefits	-	81,188,233	-	81,188,233
Claims and services	3,148,603	60,162	3,219,088	6,427,853
Total operating expenses	3,148,603	81,714,228	3,219,088	88,081,919
Operating loss	(746,588)	(1,017,543)	(1,091,606)	(2,855,737)
NONOPERATING REVENUES				
Earnings on investments	59,093	196,837	95,029	350,959
Loss before transfers	(687,495)	(820,706)	(996,577)	(2,504,778)
TRANSFERS				
Transfers in	-	35,919,203	-	35,919,203
Change in net position	(687,495)	35,098,497	(996,577)	33,414,425
NET POSITION, July 1 - as originally stated	3,501,123	16,973,632	2,948,623	23,423,378
Prior period adjustment - implementation of GASB 75,82	-	(159,170)	(60,106)	(219,276)
NET POSITION, July 1 - as restated	3,501,123	16,814,462	2,888,517	23,204,102
NET POSITION, June 30	\$ 2,813,628	\$ 51,912,959	\$ 1,891,940	\$ 56,618,527

**WASHOE COUNTY SCHOOL DISTRICT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018**

	INSURANCE FUND - PROPERTY CASUALTY	INSURANCE FUND - HEALTH INSURANCE	INSURANCE FUND - WORKERS' COMPENSATION	TOTAL
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS				
Cash flows from operating activities				
Cash received for services	\$ 2,406,035	\$ 81,095,968	\$ 2,127,482	\$ 85,629,485
Cash paid for salaries and benefits	-	(455,120)	-	(455,120)
Cash payments for employee benefits	-	(80,381,745)	-	(80,381,745)
Cash payments for claims and services	(3,339,859)	(16,236)	(3,018,010)	(6,374,105)
Net cash provided (used) by operating activities	(933,824)	242,867	(890,528)	(1,581,485)
Cash flows from capital and related financing activities				
Purchase of equipment	(249,805)	-	-	(249,805)
Cash flows from noncapital financing activities				
Transfers in	-	35,919,203	-	35,919,203
Cash flows from investing activities				
Interest received on investments	54,605	186,130	88,200	328,935
Net increase (decrease) in cash and cash equivalents	(1,129,024)	36,348,200	(802,328)	34,416,848
Cash and investments, July 1	6,164,541	24,061,201	7,757,562	37,983,304
Cash and investments, June 30	\$ 5,035,517	\$ 60,409,401	\$ 6,955,234	\$ 72,400,152
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating (loss)	\$ (746,588)	\$ (1,017,543)	\$ (1,091,606)	\$ (2,855,737)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Non-cash pension liability adjustment	-	10,116	3,126	13,242
Non-cash OPEB liability adjustment	-	3,763	2,509	6,272
Changes in assets and liabilities				
Accounts receivable	4,020	399,283	-	403,303
Accounts payable	(27,088)	43,926	(4,020)	12,818
Construction contracts payable	90,832	-	-	90,832
Accrued liabilities	-	(3,166)	(1,537)	(4,703)
Pending claims	(255,000)	806,488	201,000	752,488
Total adjustments	(187,236)	1,260,410	201,078	1,274,252
Net cash provided (used) by operating activities	\$ (933,824)	\$ 242,867	\$ (890,528)	\$ (1,581,485)

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - PROPERTY AND CASUALTY
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 1,914,615	\$ 1,914,615	\$ 1,914,722	\$ 107	\$ 1,914,615
Refunds	100,000	487,293	487,293	-	275,456
Operating revenues	2,014,615	2,401,908	2,402,015	107	2,190,071
OPERATING EXPENSES					
General government					
Claims and services	3,350,668	4,484,859	3,148,603	1,336,256	3,851,325
Operating (loss)	(1,336,053)	(2,082,951)	(746,588)	1,336,363	(1,661,254)
NONOPERATING REVENUES					
Earnings on investments	31,400	47,827	59,093	11,266	39,777
Change in net position	(1,304,653)	(2,035,124)	(687,495)	1,347,629	(1,621,477)
NET POSITION, July 1	3,170,652	3,501,123	3,501,123	-	5,122,600
NET POSITION, June 30	\$ 1,865,999	\$ 1,465,999	\$ 2,813,628	\$ 1,347,629	\$ 3,501,123

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - PROPERTY AND CASUALTY
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Cash received for services	\$ 2,406,035	\$ 3,236,051
Cash payments for claims and services	<u>(3,339,859)</u>	<u>(4,794,872)</u>
Net cash (used) by operating activities	(933,824)	(1,558,821)
Cash flows from capital and related financing activities		
Purchase of equipment	<u>(249,805)</u>	<u>-</u>
Cash flows from investing activities		
Interest received on investments	<u>54,605</u>	<u>38,792</u>
Net (decrease) in cash and cash equivalents	(1,129,024)	(1,520,029)
Cash and investments, July 1	<u>6,164,541</u>	<u>7,684,570</u>
Cash and investments, June 30	<u>\$ 5,035,517</u>	<u>\$ 6,164,541</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating (loss)	\$ <u>(746,588)</u>	\$ <u>(1,661,254)</u>
Adjustments to reconcile operating (loss)		
Accounts receivable	4,020	1,045,980
Accounts payable	(27,088)	(1,361,116)
Construction contracts payable	90,832	(372,431)
Pending claims	<u>(255,000)</u>	<u>790,000</u>
Total adjustments	<u>(187,236)</u>	<u>102,433</u>
Net cash (used) by operating activities	<u>\$ (933,824)</u>	<u>\$ (1,558,821)</u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - HEALTH INSURANCE
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Local sources					
Charges for services	\$ 77,451,227	\$ 77,451,227	\$ 72,364,119	\$ (5,087,108)	\$ 72,045,723
Refunds	2,079,441	2,079,441	3,332,566	1,253,125	1,419,377
Reimbursements	-	-	5,000,000	5,000,000	5,370,346
Total revenues	<u>79,530,668</u>	<u>79,530,668</u>	<u>80,696,685</u>	<u>1,166,017</u>	<u>78,835,446</u>
OPERATING EXPENSES					
General government					
Salaries and benefits	495,757	495,757	465,833	29,924	471,283
Employee benefits	83,761,160	83,761,160	81,188,233	2,572,927	75,055,175
Services and supplies	<u>15,832</u>	<u>15,832</u>	<u>60,162</u>	<u>(44,330)</u>	<u>362,274</u>
Total operating expenses	<u>84,272,749</u>	<u>84,272,749</u>	<u>81,714,228</u>	<u>2,558,521</u>	<u>75,888,732</u>
Operating income (loss)	<u>(4,742,081)</u>	<u>(4,742,081)</u>	<u>(1,017,543)</u>	<u>3,724,538</u>	<u>2,946,714</u>
NONOPERATING REVENUES					
Earnings on investments	<u>66,914</u>	<u>66,914</u>	<u>196,837</u>	<u>129,923</u>	<u>95,386</u>
Income (loss) before transfers	<u>(4,675,167)</u>	<u>(4,675,167)</u>	<u>(820,706)</u>	<u>3,854,461</u>	<u>3,042,100</u>
TRANSFERS					
Transfers in	<u>6,640,019</u>	<u>6,640,019</u>	<u>35,919,203</u>	<u>29,279,184</u>	<u>1,640,016</u>
Change in net position	<u>1,964,852</u>	<u>1,964,852</u>	<u>35,098,497</u>	<u>33,133,645</u>	<u>4,682,116</u>
NET POSITION, July 1 - as originally stated	<u>8,098,979</u>	<u>16,973,632</u>	<u>16,973,632</u>	<u>-</u>	<u>12,291,516</u>
Prior period adjustment - implementation of GASB 75,82	<u>-</u>	<u>-</u>	<u>(159,170)</u>	<u>(159,170)</u>	<u>-</u>
NET POSITION, July 1 - as restated	<u>8,098,979</u>	<u>16,973,632</u>	<u>16,814,462</u>	<u>(159,170)</u>	<u>12,291,516</u>
NET POSITION, June 30	<u>\$ 10,063,831</u>	<u>\$ 18,938,484</u>	<u>\$ 51,912,959</u>	<u>\$ 32,974,475</u>	<u>\$ 16,973,632</u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - HEALTH INSURANCE
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Cash received for services	\$ 81,095,968	\$ 78,889,740
Cash paid for salaries and benefits	(455,120)	(475,544)
Cash payments for employee benefits	(80,381,745)	(75,210,199)
Cash payments for services and supplies	(16,236)	(390,959)
	<u>242,867</u>	<u>2,813,038</u>
Net cash provided by operating activities		
Cash flows from noncapital financing activities		
Transfers in	<u>35,919,203</u>	<u>1,640,016</u>
Cash flows from investing activities		
Interest received on investments	<u>186,130</u>	<u>87,927</u>
Net increase in cash and cash equivalents	36,348,200	4,540,981
Cash and investments, July 1	<u>24,061,201</u>	<u>19,520,220</u>
Cash and investments, June 30	<u><u>\$ 60,409,401</u></u>	<u><u>\$ 24,061,201</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ <u>(1,017,543)</u>	\$ <u>2,946,714</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Non-cash pension liability adjustment	10,116	(10,422)
Non-cash OPEB liability adjustment	3,763	-
Changes in assets and liabilities		
Accounts receivable	399,283	54,294
Accounts payable	43,926	(28,685)
Accrued liabilities	(3,166)	6,161
Pending claims	<u>806,488</u>	<u>(155,024)</u>
Total adjustments	<u>1,260,410</u>	<u>(133,676)</u>
Net cash provided by operating activities	<u><u>\$ 242,867</u></u>	<u><u>\$ 2,813,038</u></u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - WORKERS' COMPENSATION
SCHEDULE OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
OPERATING REVENUES					
Charges for services	\$ 1,984,749	\$ 2,136,175	\$ 2,127,482	\$ (8,693)	\$ 2,106,992
OPERATING EXPENSES					
General government					
Claims and services	3,027,162	3,147,864	3,219,088	(71,224)	3,065,709
Operating (loss)	(1,042,413)	(1,011,689)	(1,091,606)	(79,917)	(958,717)
NONOPERATING REVENUES					
Earnings on investments	9,000	78,542	95,029	16,487	54,428
Change in net position	(1,033,413)	(933,147)	(996,577)	(63,430)	(904,289)
NET POSITION, July 1 - as originally stated	3,048,889	2,948,623	2,948,623	-	3,852,912
Prior period adjustment - implementation of GASB 75,82	-	-	(60,106)	(60,106)	-
NET POSITION, July 1 - as restated	3,048,889	2,948,623	2,888,517	(60,106)	3,852,912
NET POSITION, June 30	<u>\$ 2,015,476</u>	<u>\$ 2,015,476</u>	<u>\$ 1,891,940</u>	<u>\$ (123,536)</u>	<u>\$ 2,948,623</u>

**WASHOE COUNTY SCHOOL DISTRICT
INSURANCE FUND - WORKERS' COMPENSATION
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	<u>2018</u>	<u>2017</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Cash received for services	\$ 2,127,482	\$ 2,106,992
Payments for claims and services	<u>(3,018,010)</u>	<u>(2,713,738)</u>
Net cash (used) by operating activities	(890,528)	(606,746)
Cash flows from investing activities		
Interest received on investments	<u>88,200</u>	<u>52,585</u>
Net (decrease) in cash and cash equivalents	(802,328)	(554,161)
Cash and investments, July 1	<u>7,757,562</u>	<u>8,311,723</u>
Cash and investments, June 30	<u><u>\$ 6,955,234</u></u>	<u><u>\$ 7,757,562</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating (loss)	\$ <u>(1,091,606)</u>	\$ <u>(958,717)</u>
Adjustments to reconcile operating (loss) to net cash provided by operating activities		
Non-cash pension liability adjustment	3,126	4,434
Non-cash OPEB liability adjustment	2,509	-
Changes in assets and liabilities		
Accounts receivable	-	(84)
Accounts payable	(4,020)	3,934
Accrued liabilities	(1,537)	687
Pending claims	<u>201,000</u>	<u>343,000</u>
Total adjustments	<u>201,078</u>	<u>351,971</u>
Net cash (used) by operating activities	<u><u>\$ (890,528)</u></u>	<u><u>\$ (606,746)</u></u>



Fiduciary Funds

To 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:

Other Post-Employment Benefits (OPEB) Trust Fund:

To account for funds used to pay for healthcare and life insurance costs for qualified District retirees.

Student Activities Agency Funds:

To account for student activity funds under the control of the respective schools in the District.

NIAA Agency Fund:

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

WASHOE COUNTY SCHOOL DISTRICT
OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST FUND
STATEMENT OF PLAN NET POSITION
JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Cash and investments		
Cash	\$ 248,546	\$ 1,326,452
RBIF participation units	<u>23,757,455</u>	<u>61,067,199</u>
Total assets	<u>24,006,001</u>	<u>62,393,651</u>
LIABILITIES		
Accounts payable	<u>-</u>	<u>-</u>
NET POSITION	<u>\$ 24,006,001</u>	<u>\$ 62,393,651</u>

**WASHOE COUNTY SCHOOL DISTRICT
OTHER POSTEMPLOYMENT BENEFITS (OPEB) TRUST FUND
SCHEDULE OF CHANGES IN PLAN NET POSTION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2017)**

	2018 BUDGET		2018		2017
	ORIGINAL	FINAL	ACTUAL	VARIANCE TO FINAL BUDGET	ACTUAL
ADDITIONS					
Earnings on investments	\$ 1,000,000	\$ 1,000,000	\$ 4,977,195	\$ 3,977,195	\$ 7,049,946
DISBURSEMENTS					
Plan benefits	9,400,000	9,400,000	9,085,661	314,339	9,436,080
Transfers out	-	-	34,279,184	(34,279,184)	-
Total disbursements	9,400,000	9,400,000	43,364,845	(33,964,845)	9,436,080
Change in net position	(8,400,000)	(8,400,000)	(38,387,650)	(29,987,650)	(2,386,134)
NET POSITION, July 1	<u>56,379,785</u>	<u>56,379,785</u>	<u>62,393,651</u>	<u>6,013,866</u>	<u>64,779,785</u>
NET POSITION, June 30	<u>\$ 47,979,785</u>	<u>\$ 47,979,785</u>	<u>\$ 24,006,001</u>	<u>\$ (23,973,784)</u>	<u>\$ 62,393,651</u>

**WASHOE COUNTY SCHOOL DISTRICT
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>BALANCE</u> <u>JULY 1, 2017</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2018</u>
Student Activities				
ASSETS				
Cash and investments	\$ 8,708,010	\$ 16,307,868	\$ 16,218,950	\$ 8,796,928
LIABILITIES				
Due to student groups	\$ 8,708,010	\$ 16,307,868	\$ 16,218,950	\$ 8,796,928
Nevada Interscholastic Athletic Association				
ASSETS				
Accounts receivable	\$ 198,654	\$ 477,271	\$ 586,551	\$ 89,374
LIABILITIES				
Accrued liabilities	\$ 198,654	\$ 89,374	\$ 198,654	\$ 89,374
Totals - All Agency Funds				
ASSETS				
Cash and investments	\$ 8,708,010	\$ 16,307,868	\$ 16,218,950	\$ 8,796,928
Accounts receivable	198,654	477,271	586,551	89,374
Total assets	\$ 8,906,664	\$ 16,785,139	\$ 16,805,501	\$ 8,886,302
LIABILITIES				
Accrued liabilities	\$ 198,654	\$ 89,374	\$ 198,654	\$ 89,374
Due to student groups	8,708,010	16,307,868	16,218,950	8,796,928
Total liabilities	\$ 8,906,664	\$ 16,397,242	\$ 16,417,604	\$ 8,886,302

**WASHOE COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHOOLS	BALANCE JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2018
ELEMENTARY SCHOOLS				
Allen	\$ 12,788	\$ 9,968	\$ 11,950	\$ 10,806
Anderson	7,721	18,309	14,062	11,968
Beasley	36,819	60,548	59,294	38,073
Beck	62,795	76,132	74,563	64,364
Bennett	37,541	53,650	47,206	43,985
Booth	8,985	21,499	16,402	14,082
Brown	50,839	117,011	117,669	50,181
Cannan	21,334	27,358	29,319	19,373
Caughlin Ranch	12,802	61,367	58,342	15,827
Corbett	16,485	37,545	36,684	17,346
Desert Heights	14,392	26,126	25,757	14,761
Diedrichsen	35,449	71,814	61,457	45,806
Dodson	18,754	17,409	19,487	16,676
Donner Springs	16,443	61,511	64,914	13,040
Double Diamond	58,177	97,759	97,950	57,986
Drake	10,614	18,920	18,364	11,170
Duncan	19,452	31,056	27,454	23,054
Dunn	36,466	57,692	55,497	38,661
Elmcrest	29,052	31,605	29,702	30,955
Gomes	36,761	115,980	112,732	40,009
Gomm	27,093	91,264	92,715	25,642
Greenbrae	12,063	63,838	63,638	12,263
Hall	26,824	156,331	142,608	40,547
Hidden Valley	20,593	42,899	39,741	23,751
Huffaker	36,060	83,969	79,301	40,728
Hunsberger	111,857	121,405	123,492	109,770
Hunter Lake	18,471	37,829	39,952	16,348
Incline	38,367	96,973	105,025	30,315
Juniper	36,497	101,554	91,317	46,734
Lemelson	11,791	40,618	43,639	8,770
Lemmon Valley	40,490	74,481	52,020	62,951
Lenz	45,468	67,874	70,955	42,387
Lincoln Park	22,859	13,860	15,908	20,811
Loder	8,509	24,602	21,981	11,130
Mathews	37,074	26,553	25,615	38,012
Maxwell	23,541	54,322	58,014	19,849
Melton	12,839	73,258	69,598	16,499
Mitchell	13,720	26,852	27,566	13,006
Moss	11,904	26,792	22,156	16,540
Mount Rose	83,101	110,746	106,047	87,800
Natchez	17,799	10,044	10,244	17,599
Palmer	38,974	68,155	65,089	42,040
Peavine	16,057	30,761	28,304	18,514
Piccolo	77,089	37,604	40,922	73,771
Pleasant Valley	28,299	48,141	52,898	23,542
Risley	13,858	21,227	20,464	14,621
Sepulveda	55,300	196,375	187,455	64,220
Silver Lake	51,644	72,044	72,882	50,806
Smith, Alice	67,344	60,312	53,318	74,338
Smith, Kate	9,862	25,719	22,698	12,883
Smithridge	14,119	43,936	39,245	18,810
Spanish Springs	55,961	117,968	120,455	53,474
Stead	32,380	64,824	60,626	36,578
Sun Valley	39,477	35,717	42,010	33,184
Taylor	43,455	115,732	122,793	36,394
Towles	7,770	16,545	15,943	8,372
Van Gorder	30,662	95,004	93,661	32,005
Verdi	13,109	48,702	51,642	10,169
Veterans	6,646	19,572	18,830	7,388
Warner	14,824	28,098	27,440	15,482

(CONTINUED)

**WASHOE COUNTY SCHOOL DISTRICT
STUDENT ACTIVITY FUNDS
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

SCHOOLS	BALANCE JULY 1, 2017	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2018
ELEMENTARY SCHOOLS (CONTINUED)				
Westergard	\$ 23,533	\$ 69,556	\$ 78,986	\$ 14,103
Whitehead	36,238	60,770	60,295	36,713
Winnemucca	30,730	114,169	112,450	32,449
Total elementary schools	1,907,920	3,750,254	3,668,743	1,989,431
MIDDLE SCHOOLS				
Billinghurst	64,170	248,096	252,352	59,914
Clayton	61,248	85,800	102,234	44,814
Cold Springs	65,631	231,728	219,692	77,667
Depoali	139,838	358,819	344,275	154,382
Dilworth	23,077	105,917	104,039	24,955
Incline	111,408	70,808	78,386	103,830
Mendive	59,828	263,312	249,431	73,709
O'Brien	55,527	86,509	83,123	58,913
Pine	85,043	245,316	251,033	79,326
Shaw	66,634	121,926	126,774	61,786
Sparks	51,086	82,773	77,942	55,917
Swope	42,700	213,343	213,404	42,639
Traner	27,652	54,704	63,253	19,103
Vaughn	15,039	44,992	39,988	20,043
Total middle schools	868,881	2,214,043	2,205,926	876,998
HIGH SCHOOLS				
Academy of Arts, Careers & Tech	131,511	252,576	256,184	127,903
Damonte Ranch	717,119	1,236,393	1,216,982	736,530
Galena	796,467	1,055,534	1,081,229	770,772
Gerlach K-12 (1)	14,287	14,189	8,463	20,013
Hug	297,703	341,531	375,368	263,866
Incline	111,272	334,598	290,701	155,169
McQueen	598,825	961,357	1,016,564	543,618
North Star Online School	2,307	6,004	5,950	2,361
North Valleys	436,068	819,004	873,055	382,017
Reed	371,752	1,256,674	1,174,813	453,613
Reno	799,047	1,363,462	1,324,330	838,179
Rise Academy	168,874	49,735	66,754	151,855
Spanish Springs	685,198	1,364,597	1,323,339	726,456
Sparks	300,020	462,387	467,914	294,493
TMCC	43,735	58,843	59,384	43,194
Washoe Innovations	36,352	19,666	15,884	40,134
Washoe Inspire Academy	2,477	5,863	5,440	2,900
Wooster	341,407	690,130	709,851	321,686
Total high schools	5,854,421	10,292,543	10,272,205	5,874,759
OTHER				
Administration Building	169	1,036	686	519
Gifted and Talented	69,270	30,819	51,061	49,028
The Nevada Registry	2,117	15,718	16,616	1,219
Transportation Employee Fund	5,232	3,455	3,713	4,974
Total other funds	76,788	51,028	72,076	55,740
TOTALS	\$ 8,708,010	\$ 16,307,868	\$ 16,218,950	\$ 8,796,928

(1) Includes E.M. Johnson Elementary



Capital Assets Governmental Funds

Schedules of sources, functions and activities of capital assets used in the operation of governmental funds.

WASHOE COUNTY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
JUNE 30, 2017
(WITH COMPARATIVE ACTUAL AMOUNTS FOR JUNE 30, 2017)

	<u>2018</u>	<u>2017</u>
Governmental funds capital assets		
Land	\$ 60,460,009	\$ 38,933,306
Buildings	921,430,063	896,590,514
Improvements other than buildings	35,921,461	33,708,714
Machinery and equipment	85,472,250	82,138,533
Construction in progress	64,534,960	24,739,675
Total governmental funds capital assets	<u>\$ 1,167,818,743</u>	<u>\$ 1,076,110,742</u>
Investments in governmental funds capital assets by source		
General fund	\$ 174,469,280	\$ 171,728,818
Special revenue funds	18,845,434	18,670,777
Capital projects funds	971,862,841	883,062,959
Donations	981,749	988,749
Contributed assets	1,659,439	1,659,439
Total governmental funds capital assets	<u>\$ 1,167,818,743</u>	<u>\$ 1,076,110,742</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 position. 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 BY FUNCTION AND ACTIVITY
JUNE 30, 2018

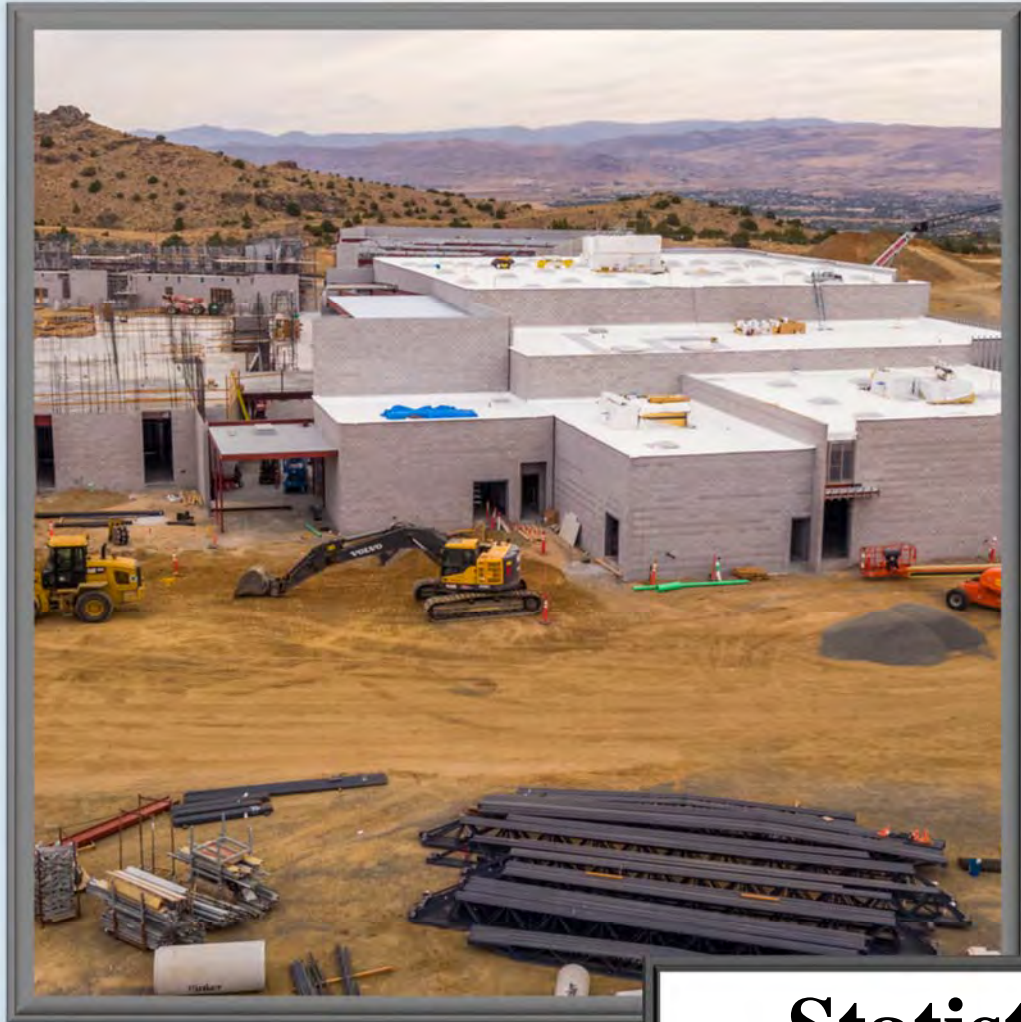
FUNCTION AND ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS
General government			
Instruction	\$ 131,639	\$ 309,028	\$ 135,553
Student support	-	101,727	-
Instructional staff support	-	-	-
General administration	-	-	-
School administration	-	-	-
Central services	-	50,000	160,009
Operation and maintenance	-	10,404,109	14,910
Student transportation	-	-	-
Other support	-	-	-
Community services operations	-	-	-
Facilities	<u>60,328,370</u>	<u>910,565,199</u>	<u>35,610,989</u>
Total governmental funds capital assets	<u>\$ 60,460,009</u>	<u>\$ 921,430,063</u>	<u>\$ 35,921,461</u>

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

<u>MACHINERY AND EQUIPMENT</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>TOTAL</u>
\$ 7,195,390	\$ -	\$ 7,771,610
1,174,883	-	1,276,610
1,012,930	-	1,012,930
141,810	-	141,810
76,554	-	76,554
6,006,680	-	6,216,689
2,578,034	-	12,997,053
40,475,677	-	40,475,677
12,950	-	12,950
12,779	-	12,779
<u>26,784,563</u>	<u>64,534,960</u>	<u>1,097,824,081</u>
\$ <u><u>85,472,250</u></u>	\$ <u><u>64,534,960</u></u>	\$ <u><u>1,167,818,743</u></u>

**WASHOE COUNTY SCHOOL DISTRICT
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2018**

FUNCTION AND ACTIVITY	GOVERNMENTAL FUNDS CAPITAL ASSETS JULY 1, 2017	ADDITIONS	DEDUCTIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS JUNE 30, 2018
General government				
Instruction	\$ 7,683,673	\$ 191,961	\$ 104,024	\$ 7,771,610
Student support	1,337,971	55,454	116,815	1,276,610
Instructional staff support	944,958	80,994	13,022	1,012,930
General administration	147,960	-	6,150	141,810
School administration	76,554	-	-	76,554
Central services	6,365,539	133,553	282,402	6,216,690
Operations and maintenance	13,100,558	70,769	174,274	12,997,053
Student transportation	37,631,810	3,847,758	1,003,891	40,475,677
Other support	12,950	-	-	12,950
Community services operations	12,779	-	-	12,779
Facilities	<u>1,008,795,990</u>	<u>90,891,413</u>	<u>1,863,323</u>	<u>1,097,824,080</u>
Total governmental funds capital assets	\$ <u>1,076,110,742</u>	\$ <u>95,271,902</u>	\$ <u>3,563,901</u>	\$ <u>1,167,818,743</u>



Statistical Section

Comprehensive Annual Financial Report

Statistical Section

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

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

Revenue Capacity

2.1-2.5

Information to assist in understanding the District's most significant local revenue sources.

Debt Capacity

3.1-3.4

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

5.1-5.5

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 Annual Financial Report for the relevant year.

Washoe County School District
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 174,502,710	\$ 172,508,687	\$ 210,091,401	\$ 260,357,416
Restricted	130,837,182	138,439,390	108,417,840	64,376,524
Unrestricted	43,165,344	56,704,911	56,692,790	55,643,471
Total governmental activities net position	\$ 348,505,236	\$ 367,652,988	\$ 375,202,031	\$ 380,377,411
Business-type activities				
Invested in capital assets	\$ 396,799	\$ 633,724	\$ 551,185	\$ 758,582
Unrestricted	3,304,626	3,693,147	3,387,368	2,856,429
Total business-type activities net position	\$ 3,701,425	\$ 4,326,871	\$ 3,938,553	\$ 3,615,011
Primary government				
Net investment in capital assets	\$ 174,899,509	\$ 173,142,411	\$ 210,642,586	\$ 261,115,998
Restricted	130,837,182	138,439,390	108,417,840	64,376,524
Unrestricted	46,469,970	60,398,058	60,080,158	58,499,900
Total primary government net position	\$ 352,206,661	\$ 371,979,859	\$ 379,140,584	\$ 383,992,422

Source: Washoe County School District Business Office

Table 1.1					
2013	2014	2015	2016	2017	2018
\$ 258,002,941	\$ 261,907,184	\$ 272,308,952	\$ 254,317,380	\$ 253,125,985	\$ 230,621,904
57,197,706	47,007,427	36,431,366	53,113,369	68,830,420	168,899,070
58,304,931	75,771,373	(556,721,442)	(551,378,528)	(576,256,393)	(809,294,994)
<u>\$ 373,505,578</u>	<u>\$ 384,685,984</u>	<u>\$ (247,981,124)</u>	<u>\$ (243,947,779)</u>	<u>\$ (254,299,988)</u>	<u>\$ (409,774,020)</u>
\$ 654,166	\$ 735,381	\$ 1,320,171	\$ 2,509,309	\$ 2,505,230	\$ 2,616,512
3,333,302	3,528,613	(4,144,817)	(2,883,531)	(2,421,685)	(7,728,407)
<u>\$ 3,987,468</u>	<u>\$ 4,263,994</u>	<u>\$ (2,824,646)</u>	<u>\$ (374,222)</u>	<u>\$ 83,545</u>	<u>\$ (5,111,895)</u>
\$ 258,657,107	\$ 262,642,565	\$ 273,629,123	\$ 256,826,689	\$ 255,631,215	\$ 233,238,416
57,197,706	47,007,427	36,431,366	53,113,369	68,830,420	168,899,070
61,638,233	79,299,986	(560,866,259)	(554,262,059)	(578,678,078)	(817,023,401)
<u>\$ 377,493,046</u>	<u>\$ 388,949,978</u>	<u>\$ (250,805,770)</u>	<u>\$ (244,322,001)</u>	<u>\$ (254,216,443)</u>	<u>\$ (414,885,915)</u>

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

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Expenses				
Governmental activities				
Instruction				
Regular instruction	\$ 255,214,934	\$ 215,922,516	\$ 200,910,500	\$ 200,264,098
Special instruction	51,095,105	67,093,235	66,119,459	68,295,149
Vocational instruction	7,408,013	8,289,052	8,192,784	7,806,131
Other instruction	6,478,515	50,408,402	62,794,001	63,005,870
Adult education instruction	-	1,600,284	1,951,707	1,681,826
Community services instruction	-	856,533	757,579	683,470
Co-curricular instruction	-	3,422,601	3,447,205	3,326,243
Total instruction	320,196,567	347,592,623	344,173,235	345,062,787
Support services				
Instruction	-	293,830	339,215	369,003
Student support	34,798,496	25,696,965	24,832,719	25,514,214
Instructional staff support	24,778,616	12,090,308	12,117,988	12,527,939
General administration	10,209,601	5,652,249	5,267,326	8,059,481
School administration	31,301,763	31,075,074	29,682,847	30,191,975
Central services	18,357,475	23,144,740	20,817,610	22,785,807
Operation and maintenance	50,175,497	48,294,122	45,840,239	44,000,876
Student transportation	21,974,038	15,454,876	15,173,028	15,986,162
Other support	313,763	11,137	2,079,234	5,469,586
Community services operations	231,969	402,769	388,674	367,507
Facilities	26,315,951	31,261,928	30,214,091	27,017,690
Interest on long-term debt	24,090,170	25,395,984	24,139,763	24,979,128
Issuance costs on debt	1,151,957	1,093,095	1,364,618	1,551,900
Total support services	243,699,296	219,867,077	212,257,352	218,821,268
Unallocated refund of Incline Village property taxes	-	-	15,000,000	-
Unallocated refund Reno Redevelopment Agency taxes	-	-	-	1,510,218
Total governmental activities	563,895,863	567,459,700	571,430,587	565,394,273
Business-type activities				
Nutrition services	17,334,964	18,643,773	18,937,409	20,990,682
Total school district	\$ 581,230,827	\$ 586,103,473	\$ 590,367,996	\$ 586,384,955

Table 1.2

	2013	2014	2015	2016	2017	2018
\$	203,039,073	\$ 202,164,369	\$ 209,934,957	\$ 214,780,578	\$ 226,475,054	\$ 233,549,609
	70,040,933	70,688,102	75,345,629	79,499,043	87,896,895	92,569,058
	7,523,944	7,707,218	8,168,435	8,825,943	9,361,869	8,566,134
	56,227,740	59,991,625	72,649,037	71,691,653	79,857,162	63,705,467
	1,710,970	1,399,916	1,601,507	1,376,984	1,404,779	1,316,388
	718,007	713,573	651,169	673,217	650,232	654,568
	3,442,863	3,439,536	3,689,717	3,675,047	3,705,083	3,960,386
	342,703,530	346,104,339	372,040,451	380,522,465	409,351,074	404,321,610
	65,647	40,012	35,809	38,960	465	13,213
	26,391,167	26,750,927	27,993,022	29,079,179	32,068,797	32,804,876
	13,863,389	15,016,809	15,515,544	15,848,393	17,037,673	15,652,591
	7,184,894	6,607,856	6,616,360	6,507,319	6,983,366	6,757,817
	30,557,090	31,634,200	33,643,481	34,306,095	36,768,243	36,169,643
	21,977,892	22,955,128	24,305,036	23,116,811	26,664,795	28,634,187
	43,669,194	44,424,777	46,298,563	46,626,235	47,241,870	48,013,351
	16,343,945	16,275,534	17,220,986	16,708,557	18,045,075	18,692,813
	15,163	16,095	14,661	48,144	57,996	16,005
	379,000	406,056	407,503	22,487	128	12
	31,355,510	28,191,360	36,470,169	36,782,176	36,610,768	37,600,299
	24,191,181	21,457,547	18,438,955	18,868,661	19,477,664	23,700,061
	1,712,640	304,156	874,016	383,214	126,697	429,753
	217,706,712	214,080,457	227,834,105	228,336,231	241,083,537	248,484,621
	-	-	-	-	-	-
	-	-	-	-	-	-
	560,410,242	560,184,796	599,874,556	608,858,696	650,434,611	652,806,231
	21,425,623	22,581,085	23,006,828	23,028,584	23,736,302	24,176,889
\$	<u>581,835,865</u>	<u>\$ 582,765,881</u>	<u>\$ 622,881,384</u>	<u>\$ 631,887,280</u>	<u>\$ 674,170,913</u>	<u>\$ 676,983,120</u>

(CONTINUED)

Washoe County School District
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Program revenues				
Governmental activities				
Charges for services				
Other instruction	\$ 1,038,137	\$ 544,918	\$ 1,410,373	\$ 1,019,344
Instructional staff support	390,408	-	-	-
General administration	-	389,397	-	-
School administration	162,438	-	-	-
Community services instruction	205,767	335,279	433,266	292,642
Operating grants and contributions	105,300,822	107,415,696	115,193,329	110,574,297
Capital grants and contributions	-	-	-	-
Total governmental activities program revenues	107,097,572	108,685,290	117,036,968	111,886,283
Business-type activities				
Charges for services	5,968,280	5,381,119	4,933,054	4,915,788
Operating grants and contributions	11,949,457	13,562,465	13,616,037	15,751,352
Capital grants and contributions	-	-	-	-
Total business-type activities revenues	17,917,737	18,943,584	18,549,091	20,667,140
Total primary government revenues	\$ 125,015,309	\$ 127,628,874	\$ 135,586,059	\$ 132,553,423
Net (expense)/revenue				
Governmental activities	\$ (456,798,291)	\$ (458,774,410)	\$ (454,393,619)	\$ (453,507,990)
Business-type activities	582,773	299,811	(388,318)	(323,542)
Total primary government net expense	\$ (456,215,518)	\$ (458,474,599)	\$ (454,781,937)	\$ (453,831,532)
General revenues and other changes in net position				
Governmental activities				
Taxes				
Property taxes	\$ 170,321,918	\$ 167,348,704	\$ 153,694,307	\$ 143,197,553
Local school support taxes	120,369,201	127,099,100	128,788,689	139,461,236
Government service taxes	16,643,570	15,321,249	14,560,297	14,029,845
WC1 Revenues	-	-	-	-
Other sources	7,608,186	6,476,613	10,587,927	8,463,102
Unrestricted investment earnings	9,476,546	4,954,850	6,630,982	11,712,091
State aid not restricted to specific purposes	143,080,662	156,389,169	143,954,130	141,063,550
State aid special appropriations	-	-	527,290	444,427
ARRA - State fiscal stabilization	21,869,831	-	-	-
Franchise taxes	364,469	332,477	365,707	311,566
State portion of Incline Village property taxes	-	-	2,833,333	-
Transfers	-	-	-	-
Total governmental activities	489,734,383	477,922,162	461,942,662	458,683,370
Business-type activities				
Transfers	-	325,635	-	-
Total primary government revenues	\$ 489,734,383	\$ 478,247,797	\$ 461,942,662	\$ 458,683,370
Changes in net position				
Governmental activities	\$ 32,936,092	\$ 19,147,752	\$ 7,549,043	\$ 5,175,380
Business-type activities	582,773	625,446	(388,318)	(323,542)
Total primary government	\$ 33,518,865	\$ 19,773,198	\$ 7,160,725	\$ 4,851,838

Table 1.2

2013		2014		2015		2016		2017		2018	
\$	834,977	\$	594,090	\$	419,795	\$	374,777	\$	322,432	\$	362,047
	-		-		-		-		-		-
	-		-		-		-		-		-
	-		-		-		-		-		-
	411,964		388,428		314,331		-		-		-
	103,105,680		110,842,870		124,163,127		124,865,058		135,571,248		117,673,391
	-		-		6,895,801		1,622,405		896,151		50,000
	<u>104,352,621</u>		<u>111,825,388</u>		<u>131,793,054</u>		<u>126,862,240</u>		<u>136,789,831</u>		<u>118,085,438</u>
	5,009,770		5,108,301		5,114,179		5,013,414		5,307,846		5,621,234
	16,788,310		17,749,310		18,265,743		19,467,673		18,833,405		19,100,270
	-		-		-		147,921		52,818		52,818
	<u>21,798,080</u>		<u>22,857,611</u>		<u>23,379,922</u>		<u>24,629,008</u>		<u>24,194,069</u>		<u>24,774,322</u>
\$	<u>126,150,701</u>	\$	<u>134,682,999</u>	\$	<u>155,172,976</u>	\$	<u>151,491,248</u>	\$	<u>160,983,900</u>	\$	<u>142,859,760</u>
\$	(456,057,621)	\$	(448,359,408)	\$	(468,081,502)	\$	(481,996,456)	\$	(513,644,780)	\$	(534,720,793)
	<u>372,457</u>		<u>276,526</u>		<u>373,094</u>		<u>1,600,424</u>		<u>457,767</u>		<u>597,433</u>
\$	<u>(455,685,164)</u>	\$	<u>(448,082,882)</u>	\$	<u>(467,708,408)</u>	\$	<u>(480,396,032)</u>	\$	<u>(513,187,013)</u>	\$	<u>(534,123,360)</u>
\$	137,794,245	\$	138,249,491	\$	142,690,871	\$	149,875,357	\$	154,285,623	\$	160,554,786
	143,443,676		151,070,968		160,841,132		172,555,705		181,682,201		189,132,165
	14,439,303		15,379,022		17,066,962		18,911,815		20,177,492		22,562,907
	-		-		-		-		10,145,752		43,781,973
	9,084,202		8,943,405		15,100,481		7,381,887		6,358,640		6,528,049
	2,255,594		3,068,710		2,373,947		2,867,979		2,190,293		5,685,768
	141,463,298		148,966,152		144,117,760		134,836,971		128,259,530		130,502,725
	438,428		-		-		187,425		-		6,181,777
	-		-		-		-		-		-
	267,042		198,246		393,128		262,662		193,040		288,011
	-		-		-		-		-		-
	-		-		-		(850,000)		-		34,279,184
	<u>449,185,788</u>		<u>465,875,994</u>		<u>482,584,281</u>		<u>486,029,801</u>		<u>503,292,571</u>		<u>599,497,345</u>
	-		-		-		850,000		-		-
\$	<u>449,185,788</u>	\$	<u>465,875,994</u>	\$	<u>482,584,281</u>	\$	<u>486,879,801</u>	\$	<u>503,292,571</u>	\$	<u>599,497,345</u>
\$	(6,871,833)	\$	17,516,586	\$	14,502,779	\$	4,033,345	\$	(10,352,209)	\$	64,776,552
	<u>372,457</u>		<u>276,526</u>		<u>373,094</u>		<u>2,450,424</u>		<u>457,767</u>		<u>597,433</u>
\$	<u>(6,499,376)</u>	\$	<u>17,793,112</u>	\$	<u>14,875,873</u>	\$	<u>6,483,769</u>	\$	<u>(9,894,442)</u>	\$	<u>65,373,985</u>

Washoe County School District
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year Ended June 30,			
	2009	2010	2011 *	2012
General fund				
Reserved	\$ 3,624,998	\$ 2,822,180	\$ -	\$ -
Unreserved	53,180,043	61,710,700	-	-
Nonspendable	-	-	1,108,844	1,074,806
Assigned	-	-	70,548,331	58,382,806
Unassigned	-	-	-	-
Total general fund	\$ 56,805,041	\$ 64,532,880	\$ 71,657,175	\$ 59,457,612
All other governmental funds				
Reserved	\$ 103,186,619	\$ 90,860,701	\$ -	\$ -
Unreserved reported in				
Special revenue funds	11,089,587	4,394,767	-	-
Capital projects funds	77,107,155	86,521,977	-	-
Non-spendable	-	-	-	-
Restricted	-	-	134,001,940	151,961,079
Committed	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	\$ 191,383,361	\$ 181,777,445	\$ 134,001,940	\$ 151,961,079
Total governmental funds	\$ 248,188,402	\$ 246,310,325	\$ 205,659,115	\$ 211,418,691

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

* The format for reporting Fund Balances changed per GASB 54 for Fiscal Year Ended June 30, 2011.

Source: Washoe County School District Business Office

Table 1.3

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
1,097,001	1,201,475	1,141,214	1,126,938	1,194,740	1,283,456
52,005,844	57,508,193	60,065,336	52,164,794	42,109,417	10,417,754
-	-	-	-	-	29,181,496
<u>\$ 53,102,845</u>	<u>\$ 58,709,668</u>	<u>\$ 61,206,550</u>	<u>\$ 53,291,732</u>	<u>\$ 43,304,157</u>	<u>\$ 40,882,706</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	374,513	31,393	24,954	27,489
146,547,999	124,236,349	102,049,359	98,834,258	168,870,687	362,263,846
2,286,133	4,315,361	2,843,324	6,534,084	3,594,909	2,920,391
-	-	(41,020)	(31,393)	(24,954)	(27,489)
<u>\$ 148,834,132</u>	<u>\$ 128,551,710</u>	<u>\$ 105,226,176</u>	<u>\$ 105,368,342</u>	<u>\$ 172,465,596</u>	<u>\$ 365,184,237</u>
<u>\$ 201,936,977</u>	<u>\$ 187,261,378</u>	<u>\$ 166,432,726</u>	<u>\$ 158,660,074</u>	<u>\$ 215,769,753</u>	<u>\$ 406,066,943</u>

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

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Revenues				
Local sources	\$ 325,570,132	\$ 324,664,593	\$ 318,889,279	\$ 319,751,134
State sources	210,879,096	215,449,306	203,695,579	198,285,165
Federal sources	56,883,485	45,264,459	53,123,315	51,105,481
Total revenues	593,332,713	585,378,358	575,708,173	569,141,780
Expenditures				
Current				
Regular programs	257,809,827	218,542,060	203,716,213	202,018,378
Special programs	51,831,651	68,224,241	67,145,848	68,916,627
Vocational programs	7,501,464	8,418,594	8,320,821	7,855,055
Other instructional programs	4,408,490	52,361,058	64,073,815	63,506,376
Adult education programs	1,098,957	1,651,604	1,990,893	1,685,583
Community services programs	938,856	884,001	766,830	686,443
Co-curricular programs	-	3,532,363	3,501,320	3,348,603
Undistributed expenditures				
Instruction	-	303,553	346,751	373,350
Student support	35,069,594	25,923,410	25,209,150	25,684,422
Instructional staff support	24,911,810	12,169,686	12,277,373	12,781,966
General administration	10,223,323	5,737,648	5,316,382	20,905,866
School administration	31,600,900	31,584,124	30,116,636	30,448,382
Central services	18,384,237	24,726,262	21,679,439	23,117,800
Operation and maintenance	50,598,979	48,859,813	46,267,691	44,251,184
Student transportation	20,516,229	14,908,326	16,484,167	16,950,972
Other support	315,279	-	-	-
Community services operations	229,920	414,448	394,001	368,501
Capital projects	10,358,602	11,666,683	6,480,102	2,426,370
Capital outlay	73,219,024	37,999,224	34,688,316	35,944,513
Debt service				
Principal	32,747,389	43,609,116	47,411,206	110,007,810
Interest	24,035,406	25,444,338	24,351,047	23,965,066
Bond issuance costs	629,331	455,566	540,294	1,631,113
Other	11,698	142,169	2,078,371	5,468,723
Total expenditures	656,440,966	637,558,287	623,156,666	702,343,103
Excess (deficiency) of revenues over expenditures	(63,108,253)	(52,179,929)	(47,448,493)	(133,201,323)
Other financing sources (uses)				
Medium-term financing	-	870,000	2,192,000	-
Refunding bonds issued	-	13,700,000	41,515,000	84,170,000
Bonds issued	45,000,000	50,995,000	5,815,000	81,920,000
Proceeds from sale of property	245,070	28,533	50,630	36,801
Debt premiums	338,162	1,022,133	4,954,986	15,979,501
Payments to refunded bonds escrow agent	-	(14,570,000)	(46,104,110)	(41,826,272)
Transfers in	38,580,485	35,608,717	39,489,238	40,062,823
Transfers out	(40,288,250)	(37,352,531)	(41,115,462)	(41,381,954)
Total other financing sources (uses)	43,875,467	50,301,852	6,797,282	138,960,899
Net change in fund balances	\$ (19,232,786)	\$ (1,878,077)	\$ (40,651,211)	\$ 5,759,576
Debt service as a percentage of non-capital expenditures	0.11%	0.10%	0.44%	1.07%

Source: Washoe County School District Business Office

Table 1.4

	2013	2014	2015	2016	2017	2018
\$	310,310,099	\$ 320,160,290	\$ 338,203,315	\$ 354,514,970	\$ 378,316,043	\$ 431,852,253
	196,437,298	210,413,611	218,881,894	208,651,831	215,724,307	207,518,869
	44,528,106	47,365,385	52,405,864	53,006,386	46,575,124	44,251,463
	551,275,503	577,939,286	609,491,073	616,173,187	640,615,474	683,622,585
	203,099,470	204,603,083	208,236,763	217,754,591	221,875,942	229,449,576
	70,063,629	71,123,835	74,830,611	80,657,485	86,552,949	91,075,996
	7,505,963	7,762,473	8,108,560	8,914,745	9,202,002	8,325,778
	55,876,283	59,173,865	72,719,743	72,707,531	78,079,041	61,142,697
	1,711,432	1,389,707	1,597,031	1,393,257	1,388,333	1,291,876
	719,144	717,283	638,144	676,053	627,959	642,347
	3,445,742	3,458,609	3,655,940	3,631,308	3,654,032	3,920,051
	51,661	39,561	34,976	38,550	-	13,039
	26,393,892	26,982,399	27,749,025	29,742,637	31,717,202	32,146,906
	13,955,814	15,062,955	15,288,870	15,958,351	16,651,039	15,299,446
	8,115,528	6,552,168	6,546,562	6,574,176	6,797,348	6,664,642
	30,544,087	31,878,885	33,418,288	34,779,573	36,029,691	35,297,243
	21,670,695	22,770,428	23,660,661	24,100,339	26,208,458	27,926,832
	43,244,624	44,503,416	45,719,668	46,185,766	46,225,542	46,983,306
	15,492,620	18,324,390	18,196,338	18,229,285	15,861,129	19,621,614
	-	-	-	-	14,522	1,632
	377,242	408,325	400,170	-	-	-
	7,413,336	-	-	-	-	-
	46,993,699	25,693,028	36,087,891	31,339,057	40,652,507	100,357,483
	26,178,943	30,245,627	32,544,072	32,013,930	31,433,537	32,205,405
	24,879,900	23,384,244	21,835,990	21,113,454	21,149,462	25,524,877
	934,216	304,156	874,016	383,214	126,697	429,753
	14,300	15,232	13,798	47,281	42,608	13,500
	608,682,220	594,393,669	632,157,117	646,240,583	674,290,000	738,333,999
	(57,406,717)	(16,454,383)	(22,666,044)	(30,067,396)	(33,674,526)	(54,711,414)
	2,325,000	2,325,000	2,372,277	3,100,000	-	3,100,000
	-	18,085,000	94,520,000	39,215,000	11,885,000	58,320,000
	45,000,000	-	-	20,000,000	85,000,000	200,000,000
	77,845	532,996	96,783	91,235	53,846	55,923
	2,027,194	-	16,158,776	10,084,238	9,955,059	25,272,013
	-	(17,796,643)	(109,758,444)	(47,705,710)	(14,469,684)	(40,099,313)
	41,302,969	42,868,310	43,273,641	36,061,499	41,388,869	69,325,384
	(42,808,005)	(44,235,879)	(44,825,641)	(38,551,518)	(43,028,885)	(70,965,403)
	47,925,003	1,778,784	1,837,392	22,294,744	90,784,205	245,008,604
\$	(9,481,714)	(14,675,599)	(20,828,652)	(7,772,652)	57,109,679	190,297,190
	0.17%	0.06%	0.15%	0.07%	0.03%	0.07%

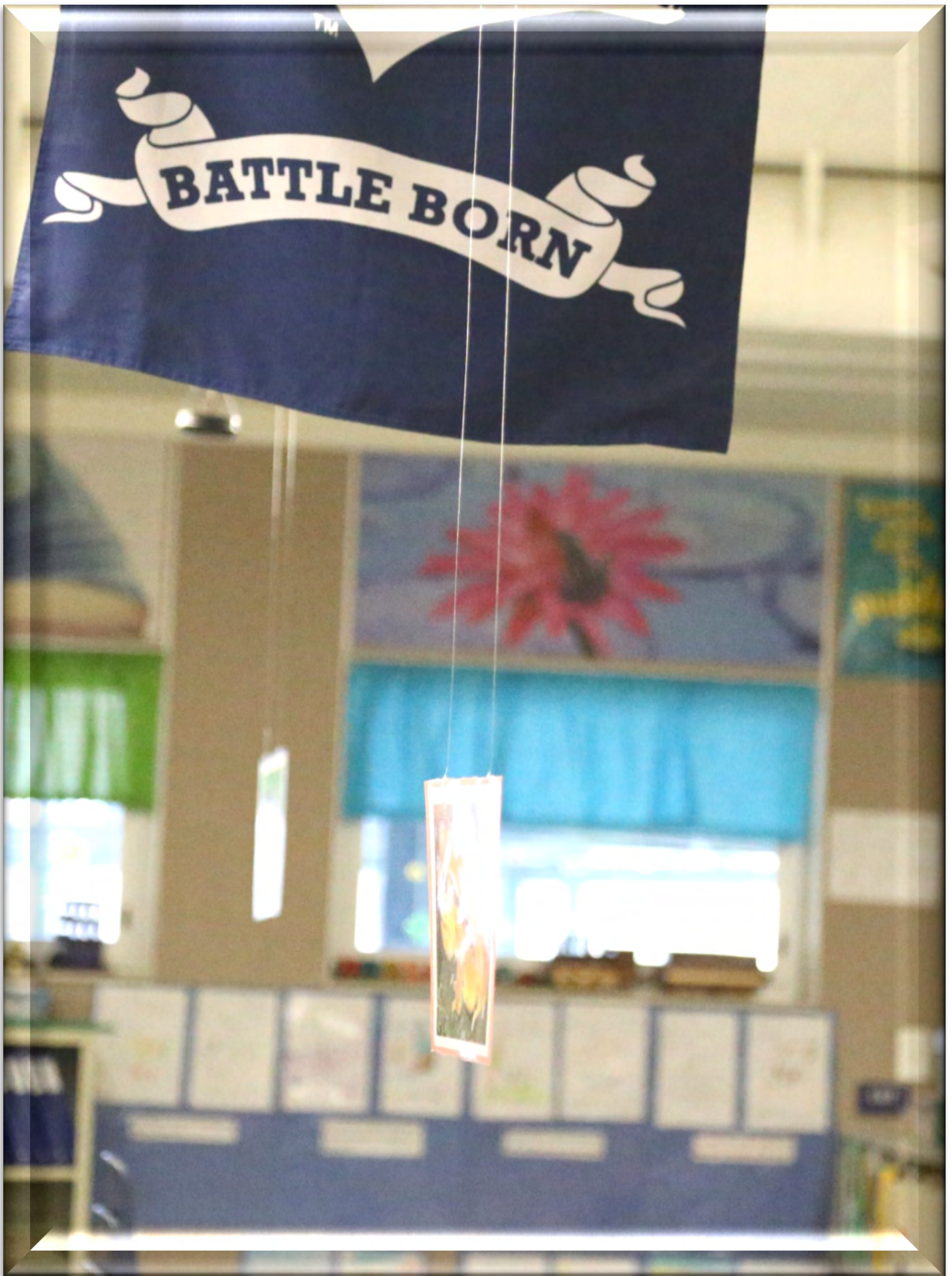
**Washoe County School District
Major Governmental Revenues By Source
Last Ten Fiscal Years
(modified accrual basis of accounting)**

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)
2009	\$	143,080,662	\$	110,021,656	\$	364,469	\$	13,219,509	\$	120,369,201
2010		156,389,169		109,168,786		332,477		12,163,806		127,099,100
2011		143,954,130		101,306,516		365,707		11,566,263		128,788,689
2012		141,063,550		94,218,811		311,566		11,144,014		139,461,236
2013		141,463,298		90,605,814		267,042		11,468,837		143,443,676
2014		148,966,152		91,124,296		198,246		12,216,118		151,070,968
2015		144,117,760		94,277,316		393,128		13,554,500		160,841,132
2016		134,836,971		98,255,572		262,662		15,021,923		172,555,705
2017		128,259,530		101,226,035		193,040		16,024,869		181,682,201
2018		130,502,725		105,531,582		288,011		17,921,072		189,132,165

Source: Washoe County School District Business Office

Table 1.5

General Fund Investment Income	General Fund ARRA State Fiscal Stabilization	Debt Service Fund Ad Valorem Taxes	Debt Service Fund Sales Taxes	Capital Projects Fund Government Services Tax	Special Revenue Fund State Distributive School Fund
\$ 1,883,405	\$ 21,869,831	\$ 58,121,673	\$ -	\$ 3,424,061	\$ 22,892,682
876,542	-	57,629,191	-	3,157,443	22,866,600
513,922	-	53,348,510	-	2,994,034	22,911,657
309,057	-	49,472,378	-	2,885,831	22,826,832
216,610	-	47,585,889	-	2,970,466	22,866,361
249,524	-	47,791,419	-	3,162,904	23,778,972
279,774	-	48,960,291	-	3,512,462	24,428,767
516,909	-	52,083,754	-	3,889,892	25,977,346
328,210	-	53,049,837	10,145,752	4,152,623	25,977,345
510,671	-	55,455,088	43,781,973	4,641,835	29,185,152



**Washoe County School District
Washoe County, Nevada
Principal Property Taxpayers
Current Year and Nine Years Ago
(amounts expressed in thousands)**

Table 2.1

Taxpayer	2018			2009		
	Assessed Valuation	Rank	Percent of Total Assessed Valuation	Assessed Valuation	Rank	Percent of Total Assessed Valuation
Peppermill Casinos, Inc.	\$ 101,824	1	0.61%	\$ 110,390	1	0.64%
Apple Inc	72,172	2	0.43%	-	-	-
Icon Reno Property Owner Pool 3 NE	65,939	3	0.40%	-	-	-
Golden Road Motor Inn, Inc.	47,140	4	0.28%	41,405	4	0.24%
Circus Circus & Eldorado Joint Venture	44,560	5	0.27%	61,502	3	0.36%
MPT of Reno LLC	38,666	6	0.23%	-	-	-
Northwest Mutual Life Ins	24,888	7	0.15%	-	-	-
AGNL Slots LLC	24,622	8	0.15%	-	-	-
Lennar Reno LLC	24,581	9	0.15%	-	-	-
Hyatt Equities LLC	24,407	10	0.15%	-	-	-
International Game Technology	-	-	-	40,708	5	0.24%
Grand Sierra Operating Corporation	-	-	-	79,942	2	0.47%
Prologis NA3 LLC	-	-	-	31,478	6	0.18%
Harrah's Club	-	-	-	29,541	7	0.17%
Eldorado Resorts LLC	-	-	-	28,271	8	0.16%
PNK (Reno) LLC	-	-	-	28,111	9	0.16%
Reno Retail Company LLC	-	-	-	26,720	10	0.16%
SUBTOTAL	468,799		2.82%	478,068		2.78%
All other taxpayers	16,136,671		97.18%	16,728,943		97.22%
TOTAL ASSESSED VALUATION	\$ 16,605,470		100.00%	\$ 17,207,011		100.00%

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)

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Washoe County				
Operating rate	0.9629	0.9612	0.9611	0.9806
Voter approved				
Child protective services	0.0400	0.0400	0.0400	0.0400
Regional animal services	0.0300	0.0300	0.0300	0.0300
Senior services	0.0100	0.0100	0.0100	0.0100
Library expansion	0.0200	0.0200	0.0200	0.0200
Legislative overrides				
Indigent insurance	0.0150	0.0150	0.0150	0.0150
Indigent health	0.0800	0.0800	0.0750	0.0700
Capital acquisition	0.0500	0.0500	0.0500	0.0500
Youth services	0.0077	0.0077	0.0088	0.0088
Detention center	0.0774	0.0774	0.0774	0.0774
SCCRT loss	-	-	-	0.0050
Family court	0.0192	0.0192	0.0192	0.0192
AB 104 Fair share tax	0.0272	0.0272	0.0272	0.0272
Debt service	0.0523	0.0540	0.0580	0.0385
Total Washoe County direct rate	1.3917	1.3917	1.3917	1.3917
State of Nevada	0.1700	0.1700	0.1700	0.1700
Washoe County School District	1.1385	1.1385	1.1385	1.1385
Total Washoe County unincorporated area	2.7002	2.7002	2.7002	2.7002
Cities				
City of Reno	0.9456	0.9456	0.9456	0.9456
City of Sparks	0.9161	0.9161	0.9161	0.9161
Fire Districts				
North Lake Tahoe Fire Protection District	0.5226	0.5275	0.5389	0.5525
Sierra Fire Protection District	0.5200	0.5200	0.5200	0.5200
Truckee Meadows Fire Protection District	0.4713	0.4713	0.4713	0.4713
General Improvement Districts				
Gerlach	-	0.2500	0.2500	0.2998
Incline Village	0.0741	0.0755	0.0806	0.1129
Palomino Valley	0.4885	0.4885	0.4885	0.4885
Other Special Districts				
Sun Valley Water & Sanitation District	0.1329	0.1457	0.1736	0.1736
Truckee Meadows Underground Water	0.0005	0.0004	0.0005	-

Source: Washoe County Comptroller's Office

Table 2.2

2013	2014	2015	2016	2017	2018
0.9891	1.0037	1.0277	0.9993	1.0005	1.0204
0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
0.0100	0.0100	0.0100	0.0100	0.0100	0.0100
0.0200	0.0200	0.0200	0.0200	0.0200	0.0200
0.0150	0.0150	0.0150	0.0150	0.0150	0.0150
0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
0.0095	0.0062	0.0087	0.0087	0.0075	0.0075
0.0774	0.0774	0.0774	0.0774	0.0774	0.0774
0.0050	-	-	-	-	-
0.0192	0.0192	0.0192	0.0192	0.0192	0.0192
0.0272	0.0272	0.0272	0.0272	0.0272	0.0272
0.0393	0.0330	0.0065	0.0349	0.0349	0.0150
1.3917	1.3917	1.3917	1.3917	1.3917	1.3917
0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
1.1385	1.1385	1.1385	1.1385	1.1385	1.1385
2.7002	2.7002	2.7002	2.7002	2.7002	2.7002
0.9598	0.9598	0.9598	0.9598	0.9598	0.9598
0.9161	0.9161	0.9598	0.9598	0.9598	0.9598
0.6414	0.6291	0.6291	0.6291	0.6291	0.6291
0.5400	0.5400	0.5400	0.5400	-	-
0.5400	0.5400	0.5400	0.5400	0.5400	0.5400
0.2998	0.2998	0.2998	0.2998	0.2998	0.2998
0.1153	0.1105	0.1157	0.1269	0.1183	0.1182
0.4198	0.4198	0.4198	0.4198	0.4198	0.4198
0.1836	0.1836	0.1836	0.1836	0.1836	0.1928
-	-	-	-	-	-

Washoe County School District
Washoe County, Nevada
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(amounts expressed in thousands)

Fiscal Year Ended June 30,	Real Property Assessed Value				Personal Property Assessed Value
	Residential	Commercial	Industrial	Other	
2009	\$ 12,389,860	\$ 3,598,911	\$ 1,096,143	\$ 2,430,308	\$ 738,274
2010	10,680,846	3,779,799	1,092,343	1,475,332	748,403
2011	9,426,219	3,489,578	1,022,668	1,584,556	636,184
2012	8,665,389	3,306,237	996,407	1,329,717	636,409
2013	8,336,767	3,402,688	986,821	1,374,092	612,022
2014	8,419,073	3,330,546	985,955	1,286,207	713,824
2015	9,389,234	3,383,703	1,030,067	1,172,158	688,878
2016	10,337,704	3,375,615	1,076,473	265,551	712,632
2017	11,076,405	3,304,064	1,160,133	661,272	769,547
2018	11,570,501	3,306,481	1,251,392	308,633	1,004,680

Source: Washoe County Comptroller's Office

Table 2.3

Total					
Less: Exempt Property	Taxable Assessed Value	Estimated Actual Assessed Value	Assessed Value To Taxable Value	Total Direct Tax Rate	
\$ 3,046,485	\$ 17,207,011	\$ 49,162,889	\$ 35.00%	\$ 1.3917	
2,677,247	15,099,476	43,141,360	35.00%	1.3917	
2,500,354	13,658,851	39,025,289	35.00%	1.3917	
2,258,785	12,675,374	36,215,354	35.00%	1.3917	
2,422,281	12,290,109	35,114,597	35.00%	1.3917	
2,417,652	12,317,953	35,194,151	35.00%	1.3917	
2,471,984	13,192,056	37,691,586	35.00%	1.3917	
2,471,049	13,296,926	37,991,217	35.00%	1.3917	
2,437,350	14,534,071	41,525,917	35.00%	1.3917	
2,464,215	14,977,472	42,792,777	35.00%	1.3917	

**Washoe County School District
Washoe County, Nevada
Property Tax Levies and Collections
Last Ten Fiscal Years
(dollars expressed in thousands)**

Table 2.4

Fiscal Year Ended June 30,	Net Secured Roll Tax Levy	Current Tax Collections	Percent of Levy Collected	Delinquent Tax Collections	Total Tax Collections	Total Collections As Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes As Percent of Current Levy
2009	\$ 514,531	\$ 504,268	98.01%	\$ 10,259	\$ 514,527	100.00%	4	0.00%
2010	504,823	495,281	98.11%	9,535	504,816	100.00%	7	0.00%
2011	458,717	451,994	98.53%	6,717	458,711	100.00%	6	0.00%
2012	422,799	416,849	98.59%	5,933	422,782	100.00%	17	0.00%
2013	411,058	405,977	98.76%	5,055	411,032	99.99%	26	0.01%
2014	411,260	407,469	99.08%	3,773	411,242	100.00%	18	0.00%
2015	424,115	421,125	99.30%	2,960	424,085	99.99%	30	0.01%
2016	440,185	438,074	99.52%	1,982	440,056	99.97%	129	0.03%
2017	452,327	449,930	99.47%	1,893	451,823	99.89%	504	0.11%
2018	473,365	471,229	99.55%	-	471,229	99.55%	-	0.00%

Source: Washoe County Comptroller's Office

Washoe County School District
Washoe County, Nevada
Taxable Sales
Last Ten Fiscal Years
(dollars expressed in thousands)

Table 2.5

Fiscal Year Ended June 30,		Taxable Sales	Percent Change	Local School Support Tax Rate
2009	\$	5,707,791	-16.4%	2.25%
2010		5,176,982	-9.3%	2.60%
2011		5,282,935	2.0%	2.60%
2012		5,522,605	4.5%	2.60%
2013		5,824,726	5.5%	2.60%
2014		6,370,685	9.4%	2.60%
2015		6,817,589	7.0%	2.60%
2016		7,550,467	10.7%	2.60%
2017		7,989,009	5.8%	2.60%
2018		8,531,252	6.8%	2.60%

Source: State of Nevada Department of Taxation

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

Table 3.1

Fiscal Year Ended June 30,	General Obligation Bonds	Other Long-term Debt	Total Primary Government	Percentage of Personal Income ^(a)	Per Capita ^(a)
2009	\$ 515,520,000	\$ 18,507,845	\$ 534,027,845	3.09%	\$ 1,278.43
2010	524,700,000	16,713,729	541,413,729	3.11%	1,282.88
2011	499,265,019	16,209,523	515,474,542	2.84%	1,213.13
2012	536,634,812	9,861,713	546,496,525	2.93%	1,273.65
2013	556,144,487	10,942,770	567,087,257	2.89%	1,307.46
2014	528,339,786	9,527,143	537,866,929	2.86%	1,231.81
2015	506,497,714	7,080,348	513,578,062	2.69%	1,156.69
2016	501,048,963	6,646,418	507,695,381	2.52%	1,125.09
2017	561,154,535	4,112,880	565,267,415	2.66%	1,231.14
2018	772,719,073	4,887,475	777,606,548	3.45%	1,663.62

Source: Washoe County School District Business Office

Source information for this report

Washoe County School District

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

**Washoe County School District
Ratios of General Bonded Debt
Last Ten Fiscal Years**

Table 3.2

Fiscal Year Ended June 30,	General Obligation Bonds	Less Restricted For Debt Service	Net General Bonded Debt	Ratio of Net Bonded Debt to Percentage Assessed Property Value ^(a)	Per Capita ^(b)
2009	\$ 515,520,000	\$ 71,992,297	\$ 443,527,703	0.90%	\$ 1,061.78
2010	524,700,000	67,681,909	457,018,091	1.06%	1,082.91
2011	499,265,019	48,580,421	450,684,598	1.15%	1,060.65
2012	536,634,812	16,336,935	520,297,877	1.44%	1,212.59
2013	556,144,487	18,025,890	538,118,597	1.53%	1,240.67
2014	528,339,786	21,652,344	506,687,442	1.44%	1,160.41
2015	506,497,714	19,518,262	486,979,452	1.29%	1,096.78
2016	501,048,963	22,892,431	478,156,532	1.26%	1,059.63
2017	561,154,535	36,396,504	524,758,031	1.26%	1,142.91
2018	772,719,073	83,273,141	689,445,932	1.61%	1,475.01

Source: Washoe County School District Business Office

Source Information for this report

Washoe County School District

(a) See Schedule 2.3 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**

Table 3.3

Fiscal Year Ended June 30,	Debt Limit for School Districts	Total Net Debt Applicable to Limit	Legal Debt Margin	Total Net Debt Applicable to the Limit as a Percentage of Debt Limit
2009	\$ 2,659,385,485	\$ 515,520,000	\$ 2,143,865,485	19.38%
2010	2,335,848,390	524,700,000	1,811,148,390	22.46%
2011	2,096,403,009	499,265,019	1,597,137,990	23.82%
2012	1,939,391,752	536,634,812	1,402,756,940	27.67%
2013	1,873,743,043	556,144,487	1,317,598,556	29.68%
2014	1,874,538,690	528,339,786	1,346,198,904	28.19%
2015	2,023,140,113	506,497,714	1,516,642,399	25.04%
2016	2,184,820,086	501,048,963	1,683,771,123	22.93%
2017	2,356,349,630	561,154,535	1,795,195,095	23.81%
2018	2,356,349,630	772,719,073	1,583,630,557	32.79%

Legal debt margin calculation for fiscal year ended June 30, 2018

Current assessed valuation for 2017/2018 tax year	\$ 15,432,327,199
Redevelopment agencies	276,670,335
Total assessed value	15,708,997,534
General obligation debt limit (15%)	2,356,349,630
Less: Outstanding general obligation debt	772,719,073
Legal debt margin	<u><u>\$ 1,583,630,557</u></u>

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.

Source: Washoe County School District Business Office, JNA Consulting

Washoe County School District
Washoe County, Nevada
General Obligation Direct and Overlapping Debt
As of June 30, 2018
(amounts expressed in thousands)

Table 3.4

	<u>General Obligation Debt Outstanding</u>	<u>Present Self-Supporting General Obligation Debt</u>	<u>Percent Applicable To Washoe County(a)</u>	<u>Applicable Net Debt</u>
Direct debt				
Washoe County School District	\$ 709,722	\$ -	100%	\$ 709,722
Overlapping				
Washoe County				
Governmental Activity Bonds	96,720	-	100%	96,720
Revenue Bonds	36,456	36,456	100%	-
Special Assessment Bonds	4,660	4,660	100%	-
Reno/Sparks Convention Visitor's Authority	103,587	103,587	100%	-
City of Reno	41,780	-	100%	41,780
City of Reno-supported by specific revenues	357,096	357,096	100%	-
Reno-Special Assessment Bonds	10,916	10,916	100%	-
Sparks-Sewer/Utility Bonds	37,567	37,567	100%	-
Incline Village General Improvement District	6,967	6,967	100%	-
State of Nevada	1,358,070	296,840	14.09%	154,833
Total overlapping debt	<u>2,053,819</u>	<u>854,089</u>		<u>293,333</u>
Total General Obligation Direct and Overlapping Debt	<u>\$ 2,763,541</u>	<u>\$ 854,089</u>		<u>\$ 1,003,055</u>

Source: Washoe County Comptroller's Office

(a) Based on fiscal year 2017-2018 assessed valuation in the respective jurisdiction.

Washoe County School District
Washoe County, Nevada
Demographic and Economic Statistics
Last Ten Fiscal Years
(dollars expressed in thousands)

Fiscal Year Ended June 30,	Population	Per Capita Income	Median Age	School Enrollment*	Total Personal Income	Unemployment Rate
2009	417,722	\$ 41	36.4	63,310	\$ 17,286,483	11.6%
2010	422,029	41	37.0	62,452	17,409,987	13.6%
2011	424,912	43	37.2	62,324	18,121,519	13.2%
2012	429,079	43	37.0	62,220	18,656,484	12.3%
2013	433,731	45	37.6	62,424	19,627,834	9.8%
2014	436,647	43	37.6	62,986	18,832,669	7.2%
2015	444,008	43	37.4	63,108	19,077,494	6.4%
2016	451,248	45	37.5	63,670	20,164,911	6.4%
2017	459,142	46	37.5	63,919	21,265,239	4.0%
2018	467,417	48	37.9	63,914	22,549,907	4.2%

Source: Washoe County Comptroller's Office

* Washoe County School District

Table 4.1

Total Labor Force	Construction Activity Total Value	Number of New Family Units	Taxable Sales	Gross Income From Gaming	Total Passenger Air Traffic
224,089	\$ 85,657	103	\$ 5,707,791	\$ 867,198	3,979,015
221,954	55,952	36	5,176,982	788,509	3,777,701
225,481	67,721	55	5,282,936	751,467	3,795,421
222,532	95,876	83	5,522,605	738,152	3,561,557
219,550	126,468	74	5,824,726	741,038	3,514,421
206,624	203,086	120	6,370,685	744,962	3,312,839
213,773	246,628	255	6,817,589	765,248	3,297,642
213,923	231,742	320	7,550,467	789,359	3,563,818
223,409	301,127	378	7,989,009	738,373	3,819,896
239,119	345,710	481	8,531,253	779,347	4,128,476

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

Table 4.2

Employer	December, 2017			December, 2008		
	Employees	Rank	Percent of Total County Employment	Employees	Rank	Percent of Total County Employment
Washoe County School District	7500-7999	1	3.31%	8500-8999	1	4.17%
University of Nevada, Reno	4500-4999	2	2.03%	4500-4999	2	2.26%
Renown Medical Center	3000-3499	3	1.39%	2000-2499	5	1.07%
Washoe County	2500-2999	4	1.17%	3000-3499	3	1.55%
Peppermill Hotel Casino - Reno	2000-2499	5	0.96%	2000-2499	6	1.07%
Grand Sierra Resort	2000-2499	6	0.96%	-	-	-
Silver Legacy Resort Casino	2000-2499	7	0.96%	1500-1999	7	0.83%
Atlantis Casino Resort	1500-1999	8	0.75%	1500-1999	9	0.83%
International Game Technology PLC	1500-1999	9	0.75%	2500-2999	4	1.31%
St. Mary's Regional Medical Center	1500-1999	10	0.75%	1500-1999	10	0.83%
City of Reno	-	-	-	1500-1999	8	0.83%
Total County covered employment	234,378			219,501		

Source: Washoe County Comptroller's Office



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

Fiscal Year Ended June 30,	Enrollment	Governmental Funds Operating Expenditures (b)	Cost per Pupil	Percentage Change	Primary Government Expenses (c)	Cost per Pupil
2009	63,287	\$ 656,440,966	\$ 10,372	10.71%	\$ 563,895,863	\$ 8,910
2010	62,445	637,558,287	10,210	-1.56%	567,459,700	9,087
2011	62,323	507,607,330	8,145	-20.23%	571,430,587	9,169
2012	62,217	522,899,508	8,404	3.19%	565,394,273	9,087
2013	62,368	502,267,826	8,053	-4.18%	560,410,242	8,986
2014	62,963	514,751,382	8,175	1.52%	560,184,796	8,897
2015	63,070	540,801,350	8,575	4.88%	599,874,556	9,511
2016	63,670	561,343,647	8,816	2.82%	608,858,696	9,563
2017	63,919	580,885,189	9,088	3.08%	650,434,611	10,176
2018	63,914	579,802,981	9,072	-0.18%	655,526,626	10,256

(a) Meals served restated in FY09 (and all prior years) to include breakfast and lunch meals.

(b) Based on expenses reported on governmental funds statement of revenue, expenditures and changes in fund balances net of capital outlays and debt service; Gov Stmt of R,E&FB

(c) Based on expenses reported in the government-wide statement of activities (governmental activities only)

Source: Washoe County School District Business Office

Table 5.1

Percentage Change	Districtwide Teaching Staff	Pupil- Teacher Ratio	Number of Students Receiving Free or Reduced Priced Meals	Percentage of Students Receiving Free or Reduced Priced Meals	Total Meals Served (a)
5.64%	3,765	16.8	22,049	34.84%	5,995,436
1.99%	3,580	17.4	27,346	43.79%	6,076,114
0.90%	3,360	18.5	26,573	42.64%	6,056,079
-0.89%	3,441	18.1	24,587	39.52%	6,501,013
-1.12%	3,587	17.4	27,039	43.35%	6,826,340
-0.98%	3,646	17.3	26,767	42.51%	7,014,053
6.90%	3,693	17.1	29,041	46.05%	7,050,851
0.54%	4,077	15.6	30,934	48.58%	7,516,638
6.41%	4,249	15.0	30,194	47.24%	7,208,184
0.79%	4,140	15.4	29,363	45.94%	7,102,620



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

Table 5.2

Fiscal Year Ended June 30,	Minimum Salary	Maximum salary
2009	32,820	70,697
2010	32,656	70,344
2011	32,656	70,344
2012	32,289	69,553
2013	32,289	69,553
2014	32,289	69,553
2015	32,773	70,596
2016	32,404	71,332
2017	33,933	72,862
2018	35,463	74,392

Source: Washoe County School District Human Resources

Washoe County School District
Full Time Equivalent Employees by Function
Last Ten Years

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Function				
Instruction	4,260	3,936	3,557	3,730
Student support	423	498	455	489
Instructional staff support	279	313	295	271
General administration	60	63	81	84
School administration	371	370	366	384
Business administration	198	198	196	209
Operation and maintenance	532	522	492	483
Student transportation	337	317	312	361
Nutrition services operations	211	231	229	230
Community services operations	17	19	21	19
Land & building acquisition, improvement	17	17	17	16
Total full time equivalent employees	6,705	6,484	6,021	6,276

Note: Full time equivalent employees do not include substitutes, student activity workers, athletic coaches, or temporary employees.

Source: Washoe County School District Business Office

Table 5.3

2013	2014	2015	2016	2017	2018
3,949	4,033	4,061	4,282	4,487	4,140
557	570	584	604	608	581
299	291	350	357	353	316
106	116	116	118	117	104
419	425	428	435	448	408
229	227	240	235	246	240
508	493	498	507	520	501
361	400	414	426	424	409
245	243	255	249	260	254
21	21	18	16	10	11
15	14	21	16	16	14
<u>6,709</u>	<u>6,833</u>	<u>6,985</u>	<u>7,245</u>	<u>7,489</u>	<u>6,978</u>

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

	Fiscal Year Ended June 30,			
	2009	2010	2011	2012
Elementary Schools				
Sites	64	64	64	64
Square feet	2,845,877	2,854,743	2,854,461	2,858,781
Base capacity	32,105	32,105	31,179	32,214
Middle Schools				
Sites	13	14	14	14
Square feet	1,259,306	1,453,875	1,445,669	1,456,689
Base capacity	11,544	12,954	12,544	12,893
High Schools				
Sites	15	15	15	14
Square feet	2,565,478	2,635,603	2,635,603	2,638,484
Base capacity	20,016	20,016	20,175	19,939
Administrative				
Sites	7	7	7	7
Square feet	223,426	224,546	234,266	234,266
Transportation				
Sites	3	3	3	3
Square feet	48,020	48,020	48,020	48,020
Buses	300	301	321	331
Nutrition				
Sites	1	1	1	1
Square feet	26,997	26,997	26,997	26,997

I

**Opportunity School & Academy of Arts, Careers & Technology, square footage tracking separated from Other in 2007-08

^Includes Picollo which is a K-12 school

Source: Washoe County School District Plant Facilities

Table 5.4

2013	2014	2015	2016	2017	2018
64	64	64	64	64	64
2,865,173	2,904,479	2,924,807	2,926,574	2,939,558	2,977,980
32,214	36,857	36,857	36,262	36,262	36,262
14	14	14	14	14	14
1,456,689	1,455,252	1,457,100	1,461,138	1,459,698	1,459,698
12,893	13,410	13,410	13,459	13,459	13,459
14	14	14	15	15	15
2,641,418	2,634,584	2,680,953	2,681,406	2,681,356	2,717,037
19,939	19,643	19,643	20,139	20,139	20,139
7	7	7	7	7	7
234,266	234,266	234,266	236,233	236,233	236,233
3	3	3	3	3	3
48,020	48,020	48,020	48,020	48,020	48,020
316	339	332	345	345	359
1	1	1	1	1	1
26,997	26,997	26,997	27,897	27,897	27,897

**Washoe County School District
Capacity Information
School year 2017-2018**

Table 5.5

Elementary Schools	Year Built	Age	Square Footage	Enrollment (a)	Capacity	Enrollment to Capacity Ratio
Allen, Lois (STYR 60/20)	1991	27	55,328	555	598	93%
Anderson (STYR – 45/15)	1955	63	35,327	424	408	104%
Beasley, Bud (MTYR)	1995	23	64,677	817	784	104%
Beck, Jessie	1958	60	34,999	582	531	110%
Bennett, Esther	1998	20	59,634	536	718	75%
Booth, Libby C (STYR-60/20)	1956	62	37,619	434	530	82%
Brown	1989	29	65,146	861	638	135%
Cannan (STYR –60/20)	1961	57	42,513	520	598	87%
Caughlin Ranch	1990	28	51,549	588	639	92%
Corbett (STYR-60/20)	1959	59	38,026	524	512	102%
Desert Heights	1994	24	63,393	478	750	64%
Diedrichsen, Lloyd	1981	37	41,018	422	531	79%
Dodson, Edwin S	1982	36	43,034	418	564	74%
Donner Springs	1996	22	62,959	645	750	86%
Double Diamond (MTYR)	2002	16	65,022	917	710	129%
Drake, Florence	1960	58	33,899	283	512	55%
Duncan, Glenn (STYR-60/20)	1957	61	38,871	418	534	78%
Dunn, Katherine	1981	37	45,999	549	639	86%
Elmcrest	1959	59	39,165	414	496	83%
Gerlach K-12	1956	62	47,994	22	140	16%
Gomes, Nancy (MTYR)	1981	37	45,043	579	501	116%
Gomm, Roy	1966	52	38,598	474	531	89%
Greenbrae	1955	63	35,389	387	392	99%
Hall, Jesse (STYR-60/20)	2006	12	62,710	647	701	92%
Hidden Valley	1989	29	55,673	380	684	56%
Huffaker (STYR-45/15)	1989	29	49,489	486	603	81%
Hunsberger, Ted	1997	21	60,943	752	750	100%
Hunter Lake	1955	63	33,023	417	435	96%
Incline Elementary	2003	15	71,646	322	684	47%
Juniper, Lena	1964	54	35,927	550	603	91%
Lemelson	1949	69	35,265	419	461	91%
Lemmon Valley	1964	54	48,561	617	699	88%
Lenz, Elizabeth	1981	37	44,306	475	514	92%
Lincoln Park	1957	61	35,513	349	496	70%
Loder, Echo (STYR-60/20)	1957	61	38,004	555	632	88%
Mathews, Bernice (MTYR)	1997	21	60,503	590	677	87%
Maxwell, Alice	1958	60	37,473	542	496	109%
Melton, Rollan	2002	16	57,653	515	710	73%
Mitchell, Robert	1937	81	39,426	385	392	98%
Moss, Marvin	1992	26	57,768	579	718	81%
Mount Rose	1911	107	41,902	491	406	121%
Natchez	1972	46	21,451	157	305	51%
Palmer, Virginia	1981	37	45,043	542	512	106%
Peavine	1955	63	27,790	374	413	91%
Picollo, (STYR-60/20)	1975	43	47,755	112	121	93%
Pleasant Valley	1964	54	38,010	455	564	81%
Risley, Agnes	1964	54	35,758	430	530	81%
Sepulveda, Miguel (MTRY)	2006	12	64,558	829	701	118%
Silver Lake	1989	29	53,345	558	584	96%
Smith, Alice L (MTYR)	1990	28	63,344	757	699	108%
Smith, Kate M	1963	55	24,959	311	278	112%
Smithridge	1965	53	47,332	696	640	109%
Spanish Springs (STYR-60/20)	1994	24	61,187	864	750	115%
Stead	1958	60	44,907	733	718	102%
Sun Valley (STYR-60/20)	1951	67	50,555	681	662	103%
Taylor, Alyce (MTYR)	1990	28	54,835	738	639	115%
Towles, Mamie	1965	53	32,785	326	497	66%

(CONTINUED)

**Washoe County School District
Capacity Information
School year 2017-2018**

Table 5.5

Elementary Schools (Continued)	Year Built	Age	Square Footage	Enrollment (a)	Capacity	Enrollment to Capacity Ratio
Van Gorder (MTYR)	2000	18	60,535	835	750	111%
Verdi	1962	56	24,470	280	342	82%
Veterans (STYR-60/20)	1948	70	38,152	423	512	83%
Warner, Grace	1964	54	34,330	408	496	82%
Westergard, George	1989	29	53,353	682	584	117%
Whitehead, Jerry	1986	32	43,196	544	531	102%
Winnemucca (STYR-60/20)	1994	24	59,343	678	767	88%
TOTAL ELEMENTARY SCHOOLS		44 *	2,977,980	33,331	36,262	92%
Middle Schools	Year Built	Age	Square Footage	Enrollment (a)	Capacity	Enrollment to Capacity Ratio
Billinghurst, B.D.	1990	28	118,311	922	1,082	85%
Clayton, Archie	1965	53	76,658	778	831	94%
Cold Springs	2006	12	142,003	980	1,409	70%
Depoali	2009	9	187,127	1,251	1,320	95%
Dilworth, George L.	1961	57	77,852	679	740	92%
Incline	1981	37	57,573	213	489	44%
Mendive, Lou	1995	23	122,339	1,044	1,072	97%
O'Brien, William	1976	42	112,176	808	1,074	75%
Pine, Edward L.	1976	42	112,176	1,010	1,096	92%
Shaw, Yvonne	2004	14	129,716	955	1,072	89%
Sparks	1965	53	83,221	750	836	90%
Swope, Darrell C.	1966	52	83,220	780	853	91%
Traner, Fred W.	1961	57	79,573	802	749	107%
Vaughn, E. Otis	1956	62	77,753	594	836	71%
TOTAL MIDDLE SCHOOLS		39 *	1,459,698	11,566	13,459	86%
High Schools	Year Built	Age	Square Footage	Enrollment (a)	Capacity	Enrollment to Capacity Ratio
AACT	2010	8	101,624	576	792	73%
Damonte Ranch	2003	15	287,897	1,737	1,597	109%
Galena	1992	26	207,369	1,508	1,692	89%
Turning Point (Glenn Hare)	1990	28	19,804	29	64	45%
Hug, Procter R.	1968	50	218,577	1,486	1,645	90%
Incline	1968	50	108,513	271	784	35%
Innovations	1992	26	22,794	119	165	72%
Inspire	1986	32	16,957	157	200	79%
McQueen, Robert	1982	36	215,754	1,741	1,601	109%
North Valley	2001	17	295,009	2,032	2,061	99%
Reed, Edward C	1974	44	253,063	2,046	2,127	96%
Reno	1951	67	279,520	1,674	1,965	85%
Spanish Springs	2001	17	304,124	2,364	2,160	109%
Sparks	1951	67	176,074	1,187	1,492	80%
Wooster, Earl	1962	56	209,958	1,666	1,794	93%
TOTAL HIGH SCHOOLS		36 *	2,717,037	18,593	20,139	92%

* Total is average age by type

(a) Not included in enrollment are Northstar Online School or TMCC Magnet.





Compliance & Controls

Comprehensive Annual Financial Report

Compliance & Controls

- ♦ Information required pursuant to the Single Audit Act
- ♦ Auditor's comments/reports pursuant to Nevada Revised Statutes



**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
Washoe County School District
Reno, Nevada

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washoe County School District (the District), as of June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 29, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified a deficiency in internal control that we consider to be a material weakness.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as Finding 2018-A to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from 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*.

The District's Response to Findings

The District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Reno, Nevada
October 29, 2018



Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance

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

Report on Compliance for Each Major Federal Program

We have audited the Washoe County School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the District's major federal programs for the year ended June 30, 2018. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on the compliance for the District's major federal programs based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal programs for the year ended June 30, 2018.

Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements

that could have a direct and material effect on the major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The image shows a handwritten signature in dark ink. The signature is written in a cursive, flowing style. It begins with a large, stylized 'E' that loops around. The rest of the signature appears to read 'ide Bailly LLP'. The ink is dark and the background is white.

Reno, Nevada
October 29, 2018

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF EDUCATION				
<i>DIRECT PROGRAMS:</i>				
Impact Aid	84.041	n/a	\$ 185,964	\$ -
Indian Education Grants to Local Educational Agencies	84.060	S060A171031	166,220	-
School Safety National Activities, Project PEACE	84.184M	S184M140024	912,317	-
School Safety National Activities, School Emergency Response to Violence, Project SERV	84.184S	S184S170004	12,580	-
Teacher and School Leader Incentive Grants, TIF 4	84.374B	S374B120008	4,774,593	153,470
Total Direct Programs			6,051,674	153,470
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>				
Special Education Cluster (IDEA)				
Special Education Grants to States, IDEA Local Plan	84.027	18-639-16000	10,113,747	-
Special Education Grants to States, Immersion Training	84.027	17-667-16000	6,825	-
			10,120,572	-
Special Education Preschool Grants - Early Childhood Education	84.173	18-665-16000	234,812	-
Total Special Education Cluster (IDEA)			10,355,384	-
Title I, Part A, Basic, Grants to Local Education Agencies	84.010	18-633-16000	13,384,697	-
Title I, Part A, 1003 School Improvement, Desert Heights	84.010	18-624-16000	201,767	-
Title I, Part A, 1003 School Improvement, Duncan	84.010	18-624-16000	25,853	-
Title I, Part A, 1003 School Improvement, Loder	84.010	18-624-16000	25,853	-
Title I, Part A, 1003 School Improvement, Mathews	84.010	18-624-16000	25,853	-
Title I, Part A, 1003 School Improvement, Natchez	84.010	18-624-16000	160,207	-
Title I, Part A, 1003 School Improvement, Veterans	84.010	18-624-16000	25,853	-
Title I, Part A, 1003 School Improvement, Inspire	84.010	18-624-16000	25,853	-
Title I, Part A, 1003 School Improvement, Vaughn	84.010	18-624-16000	92,534	-
Title I, Part A, 1003 School Improvement, Hug	84.010	18-624-16000	192,952	-
Title I, Part A, 1003 School Improvement, enCompass	84.010	18-624-16000	150,724	-
Title I, Part A, 1003 School Improvement, Mariposa Charter	84.010	18-624-16000	25,000	-
			14,337,146	-
Title I, Part D, Delinquent	84.013	18-650-16000	109,717	-
Career and Technical Education, Carl D Perkins Basic Grant	84.048	18-631-16000	672,178	-
School Safety National Activities, School Climate Transformation	84.184F	18-682-16000	16,728	-
School Safety National Activities, Grants to States for Emergency Management (GSEM)	84.184Q	18-683-16000	2,134	-
Education for Homeless Children and Youth	84.196A	18-688-16000	119,236	-
21st Century Community Learning Centers, District	84.287	18-770-16000	293,590	-
21st Century Community Learning Centers, Allen ES	84.287	18-770-16000	114,642	-
21st Century Community Learning Centers, Anderson ES	84.287	18-770-16000	106,511	-
21st Century Community Learning Centers, Booth ES	84.287	18-770-16000	107,121	-
21st Century Community Learning Centers, Cannan ES	84.287	18-770-16000	118,656	-
21st Century Community Learning Centers, Corbett ES	84.287	18-770-16000	103,200	-
21st Century Community Learning Centers, Desert Heights ES	84.287	18-770-16000	119,638	-
21st Century Community Learning Centers, Donner Springs ES	84.287	18-770-16000	111,400	-
21st Century Community Learning Centers, Duncan ES	84.287	18-770-16000	118,041	-
21st Century Community Learning Centers, Elmcrest ES	84.287	18-770-16000	101,733	-
21st Century Community Learning Centers, Greenbrae ES	84.287	18-770-16000	109,987	-
21st Century Community Learning Centers, Lemelson ES	84.287	18-770-16000	120,162	-
21st Century Community Learning Centers, Loder ES	84.287	18-770-16000	110,294	-
21st Century Community Learning Centers, Mathews ES	84.287	18-770-16000	123,044	-
21st Century Community Learning Centers, Mitchell ES	84.287	18-770-16000	107,136	-
21st Century Community Learning Centers, Kate Smith ES	84.287	18-770-16000	118,034	-
21st Century Community Learning Centers, Sun Valley ES	84.287	18-770-16000	133,326	-
21st Century Community Learning Centers, Clayton MS	84.287	18-770-16000	115,372	-
			2,231,887	-

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
Gaining Early Awareness and Readiness for Undergraduate Programs, GEAR UP	84.334S	18-610-16000	\$ 246,531	\$ -
Title III, English Language Acquisition Grants, English Language Learners	84.365A	18-658-16000	1,059,146	-
Title III, English Language Acquisition Grants, Immigrant Education	84.365A	18-659-16000	62,451	-
			1,121,597	-
Title II, Part A, Supporting Effective Instruction State Grant	84.367	18-709-16000	1,239,338	-
Preschool Development Grants, Nevada Ready! Pre-K Education	84.419A	18-795-16000	1,797,565	-
Title IV-A, Student Support and Academic Enrichment	84.424A	18-715-16000	11,631	-
Total U.S. Department of Education funding passed through the State of Nevada Department of Education			32,261,072	-
<i>PASS THROUGH FROM THE UNIVERSITY OF NEVADA, RENO:</i>				
Gaining Early Awareness and Readiness for Undergraduate Programs, GEAR UP 1320-113-00AA	84.334	UNR-17-14	7,667	-
Total U.S. Department of Education funding passed through the University of Nevada, Reno			7,667	-
Total U.S. Department of Education			38,320,413	153,470
U.S. DEPARTMENT OF AGRICULTURE:				
<i>DIRECT PROGRAMS:</i>				
Forest Service Schools and Roads Cluster				
Schools and Roads Grants to States - Forest Reserve	10.665	n/a	30,495	-
Total Direct Programs			30,495	-
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF HEALTH AND HUMAN SERVICES:</i>				
Supplemental Nutrition Assistance Program (SNAP) Cluster				
SNAP - Supplemental Nutrition Assistance Program	10.561	OUT1812	47,309	-
Total Supplemental Nutrition Assistance Program (SNAP) Cluster			47,309	-
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF AGRICULTURE:</i>				
Child Nutrition Cluster				
National School Lunch Program (Commodities) **	10.555	n/a	1,707,196	-
National School Lunch Program	10.555	n/a	11,734,538	-
			13,441,734	-
School Breakfast Program	10.553	n/a	4,938,416	-
Total Child Nutrition Cluster			18,380,150	-
Fresh Fruit and Vegetable Program	10.582	n/a	583,977	-
Total U.S. Department of Agriculture funding passed through the State of Nevada Department of Agriculture			18,964,127	-
Total U.S. Department of Agriculture			19,041,931	-

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

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	AGENCY OR PASS-THROUGH NUMBER	FEDERAL EXPENDITURES	AMOUNTS PASSED THROUGH TO SUBRECIPIENTS
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:				
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF HEALTH AND HUMAN SERVICES:</i>				
Comprehensive Community Mental Health Services for Children with Serious Emotional Disturbances, System of Care	93.104	SOC-3646-FY18-SE03	\$ 209,243	\$ -
Title IV-B, Promoting Safe and Stable Families	93.556	93556-17-023	67,208	-
Community-Based Child Abuse Prevention Grant, Children's Trust Fund	93.590	n/a	150,811	-
Total U.S. Department of Health and Human Services funding passed through the State of Nevada, Department of Health and Human Services			427,262	-
<i>PASS THROUGH FROM THE UNIVERSITY OF NEVADA, RENO:</i>				
Head Start, Early Head Start Expansion	93.600	UNR 18-13	222,331	-
<i>PASS THROUGH FROM THE CATHOLIC CHARITIES OF SOUTHERN NEVADA:</i>				
Refugee and Entrant Assistance State Administered Programs Refugee School Impact Grant	93.566	RSIG2018-WCSD	13,689	-
<i>PASS THROUGH FROM WASHOE COUNTY:</i>				
Title IV-E Foster Care	93.658	n/a	210,230	-
Total U.S. Department of Health and Human Services			873,512	-
U.S. DEPARTMENT OF HOMELAND SECURITY:				
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF PUBLIC SAFETY:</i>				
Disaster Grants - Public Disasters (Presidentially Declared Disasters) Federal Emergency Management Agency (FEMA), January 2017 Flood	97.036	DR-4303	104,676	-
Total U.S. Department of Homeland Security			104,676	-
U.S. DEPARTMENT OF JUSTICE:				
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF EDUCATION:</i>				
National Institute of Justice Research, Evaluation and Development Grants Social Worker and Other Licensed Mental Health Professional	16.560	18-617-16000	2,344	-
Total U.S. Department of Justice			2,344	-
U.S. DEPARTMENT OF TRANSPORTATION:				
<i>PASS THROUGH FROM THE STATE OF NEVADA, DEPARTMENT OF TRANSPORTATION:</i>				
Highway Planning and Construction Cluster				
Highway Planning and Construction Safe Routes to School	20.205	PR255-17-063	112,458	-
Safe Routes to School, Set Aside	20.205	PR397-17-063	10,268	-
Total Highway Planning and Construction Cluster			122,726	-
Total U.S. Department of Transportation			122,726	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ 58,465,602	\$ 153,470

See accompanying notes.

**WASHOE COUNTY SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018**

NOTE 1 – Basis of Presentation:

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Washoe County School District (the “District”) for the year ended June 30, 2018, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The District received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

NOTE 2 – Significant Accounting Policies:

Both governmental and proprietary fund types account for the District’s federal grant activity. Expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The District’s summary of significant accounting policies is presented in Note 1 in the District’s basic financial statements.

The District has not elected to use the 10% de minimis cost rate.

NOTE 3 – Consolidation of School Safety and National Activities Programs:

Programs under the School Safety and National Activities Programs are shown in the Schedule of Expenditures and Federal Awards separately due to the variety of pass through departments and direct programs from which they originate. The total amount of federal expenditures for the year ended June 30, 2018 related to School Safety National Activities CFDA # 84.184 is \$943,759.

NOTE 4 – Costs related to the Federal Emergency Relief Funding (FEMA)

The District incurred \$104,676 in the year ended June 30, 2017, related to Federal Emergency Management Agency (FEMA) Public Disasters from the January 2017 flood. These costs were approved by FEMA in the year ended June 30, 2018 and are recorded on the Schedule of Expenditures of Federal Awards for the year ended June 30, 2018.

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes

Significant deficiency(ies) identified that are not considered to be material weaknesses? No

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? No

Significant deficiency(ies) identified that are not considered to be material weaknesses? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 200.516 of the Uniform Guidance? No

Identification of major program:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number(s)</u>
Child Nutrition Cluster	10.555/10.553
Twenty-First Century Community Learning Centers	84.287
Teacher and School Leader Incentive Grants	84.374
Preschool Development Grants	84.419

Dollar threshold used to distinguish between type A and type B programs: \$1,774,370

Auditee qualified as low-risk auditee? No

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SECTION II – Financial Statement Findings:

Finding 2018-A – Material Weakness

<i>Criteria:</i>	Management is responsible for establishing and maintaining an effective system of internal control over financial reporting. One of the key components of an effective system of internal control over financial reporting is accurate recording of interest payments.
<i>Condition:</i>	The District did not properly account for an interest payment during the current year.
<i>Effect:</i>	Failure to appropriately record interest expense could result in misstatements to the financial statements.
<i>Cause:</i>	Interest expense was understated because a payment was not recorded and thus a cash account was overstated for the amount of the payment.
<i>Recommendation:</i>	We recommend the District’s staff add a step to ensure all interest expense is accurately calculated.
<i>Views of Responsible Officials:</i>	Management agrees with this finding.

**WASHOE COUNTY SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018**

SECTION III – Findings and Questioned Costs for Federal Awards:

There were no federal award findings noted.

2017-A Amortization of Bond Premiums and Discounts
Significant Deficiency

Finding Occurred:

Washoe County School District's bond amortization premium amortization was understated because the amount of amortization was not being accurately calculated for bonds that had been retired.

Corrected



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

In connection with our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Washoe County School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, nothing came to our attention that caused us to believe that the District failed to comply with the specific requirements of Nevada Revised Statutes cited below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they relate to accounting matters.

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, 2017.

Prior Year Recommendations

The status of the prior year audit findings is included in the Summary Schedule of Prior Audit Findings under separate cover.

Current Year Recommendations

The current year recommendation is included in the accompanying Schedule of Findings and Questioned Costs.

A handwritten signature in black ink that reads "Eide Bailly LLP".

Reno, Nevada
October 29, 2018

Management's Response to Auditor's Findings:
Corrective Action Plan
June 30, 2018

Prepared by Management of
Washoe County School District



Washoe County School District

425 East Ninth Street * P.O. Box 30425 * Reno, NV 89520-3425
Phone (775) 348-0200 * (775) 348-0304 * www.washoeschools.net

Board of Trustees: Katy Simon Holland, President * Malena Raymond, Vice President * John Mayer, Clerk
* Debra Feemster * Verónica Frenkel * Scott Kelley * Angela Taylor * Traci Davis, Superintendent

Corrective Action Plan for the Schedule of Findings and Questioned Costs:

Finding 2018-A

Interest expense was understated as a result of not recording a disbursement from the crossover refunding bonds escrow account. Accounting for escrow transactions is specific to crossover refunding bonds and a short-term requirement. This transaction was recorded prior to preparation of the Comprehensive Annual Financial Report so the financial statements are correctly stated for the fiscal year. In addition, management has added reconciliation of the escrow account to our standard procedures to ensure this does not occur again.

This corrective action has been completed.