

Comprehensive Annual Financial Report



Douglas County, Nevada

**For the Year Ended
June 30, 2014**



Douglas County, Nevada

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2014**

**Prepared By
Finance Division**

**Christine Vuletich
Assistant County Manager/Chief Financial Officer**



**Cover Photos Taken By
Kathy Kaiser, Finance Division**

Douglas County
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



BOARD OF COMMISSIONERS
1594 Esmeralda Avenue, Minden, Nevada 89423

James R. Nichols
COUNTY MANAGER
775-782-9821

COMMISSIONERS:
Doug N. Johnson, CHAIRMAN
Nancy McDermid, VICE-CHAIRWOMAN
Greg Lynn
Lee Bonner
Barry Penzel

December 15, 2014

To the County Commission and Citizens of the Douglas County:

Nevada Revised Statutes (NRS) 354.624 require Douglas County (the County) to submit a “complete set” of financial statements presented in accordance with accounting principles generally accepted in the United States and audited by a firm of independent certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, the Comprehensive Annual Financial Report (CAFR) for the County as of and for the year ended June 30, 2014, is hereby submitted.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all information presented in this report. To provide a reasonable basis for making these representations, County management has established a comprehensive internal control framework that is designed, among other things, both to protect the County's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with accounting principles generally accepted in the United States. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the County's financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this CAFR is complete and reliable in all material respects.

The County's basic financial statements were audited by Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors. The goal of the independent audit was to provide reasonable assurance that the basic financial statements of the County as of and for the year ended June 30, 2014, 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 auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the County's basic financial statements as of and for the year ended June 30, 2014, are fairly presented in all material respects in conformity with accounting principles generally accepted in the United States. The Independent Auditors' Report on Financial Statements and Supplementary Information is presented as the first component of the financial section of this report. In addition, the Independent Auditors' 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* is presented as the last component of the financial section of this report.

Accounting principles generally accepted in the United States require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in a specified form called Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the Independent Auditors' Report on Financial Statements and Supplementary Information.

Profile of the Government

The County is a political subdivision of the State of Nevada (the State or Nevada), operating under provisions of Title 20 of Nevada Revised Statutes (NRS). On November 25, 1861, the County became one of the first nine counties established by the first Nevada Territorial Legislature, with the County seat located in the Town of Genoa. The County was retained when the territory became a state on October 31, 1864. Broad and green, nourished by the Carson River and its tributaries, the County appeared as an oasis for early western settlers drawn by the California Gold Rush of the 1840's. Historically, many small communities were scattered along the base of the Sierra Nevada Mountain Range, remnants of some of the first towns in the State, many of which were established in the 1850's as trading posts and centers of ranching and farming. Settled in 1851, Genoa, originally known as Mormon Station, is the oldest of these. After severe fire damage and a decline in population, the Nevada Legislature changed the location of the County seat during the 1915 session from the Town of Genoa to the Town of Minden.

The County covers an approximate area of 751 square miles, and is located in the western portion of the State bordering Nevada's state capital and the truly one-of-a-kind Lake Tahoe with all its summer and winter activities. The County is recognized as the gem of Northern Nevada - a hidden jewel, where you can still find miles of open space, expansive ranches and farms, many historical sites and displays, along with a wealth of outdoor recreation activities. The County borders the State of California to the south and west, Lyon County to the east, and the state capital of Carson City to the north. Included within the County's boundaries are portions of the Sierra Nevada Mountain Range, Pinenut Mountains, Lake Tahoe, Topaz Lake, and the Carson and Walker Rivers. Elevations within the County vary from a low of 4,625 feet on the valley floor to a high of 9,500 feet at East Peak. The proximity of the Carson Valley to the Sierra Nevada Mountains creates one of the most comfortable daily temperature ranges in the continental United States. Generally, the climate is arid, with warm summers, moderate winters, and cool evening temperatures year around.

County residents elect officials to provide community leadership and administration. The County operates under a commission-manager form of government. The Board of Commissioners, the governing body of the County, is comprised of five members who are elected at-large by district to serve four-year, overlapping terms. Other elected offices of the County include the Assessor, Clerk/Treasurer, Constable, District Attorney, Justice of the Peace, Recorder, Sheriff and Public Administrator. The County provides a wide range of community services, including an airport, animal care, building safety, cooperative extension, code enforcement, community development services, district and justice courts, economic development, fire protection and paramedic services, general administrative services, juvenile care, law enforcement, library, parks and recreation, senior services, street construction and maintenance, water and sewer services, weed control, social services, and zoning.

Factors Affecting Financial Condition

Local Economy

With its proximity to the State of California, and its favorable tax laws, the County experienced significant growth in residential housing and commercial development prior to the "Great Recession," which stagnated in the past several years. Current data from the County Assessor's office indicates that residential property sales and prices have stabilized and are continuing to trend upward. Residential building permits have also been trending higher over the last three years. The County's unemployment rate, which increased from 4.1% in September 2004 to 14.0% in September 2010, is currently tracking that of the State, and has dropped to 7.1% as of September 2014.

Major industries in the County include tourism, research, manufacturing, government and professional services. The County offers the facilities and amenities of a metropolitan area, yet remains pleasantly rural with easy access to services, and has one of the best school districts in the State with scores well above the national standard. Major County employers include leaders the fields of technology, manufacturing and research. Several dozen technology entrepreneurs and advanced manufacturers are located in the Carson Valley. The sector includes advanced engineering technologies such as those introduced by the late Don Bently in his groundbreaking work on vibration monitoring systems. Bently Nevada, a world leader in its field, is now a product line of General Electric and continues operations in Minden. Other major employers include Starbucks Roasting Facility, North Sails (maker of America's Cup sails), Harrah's and Harvey's Casino/Hotels at Lake Tahoe, Heavenly Valley LTD (ski resort), Douglas County School District, Walmart and the Carson Valley Medical Center.

Long-term Financial Planning

The County continues to build upon its strong record of long-range planning and financial stability. In the past several years, we have developed a five-year financial forecast process for the general fund, and other major funds, to focus on correcting structural imbalances over the long-term. Over the last several years, the County has worked collaboratively with other special taxing districts to restructure property tax rates and with other regional entities to provide for various shared services that serve our community in the most cost effective way. In 2013, the County became the first county in the United States to implement Priority Based Budgeting, a leading practice as recognized by the Alliance for Innovation in Local Government and the International City/County Management Association.

Priority Based Budgeting is more than a budgeting tool, it is a long-term organizational change used to achieve and sustain fiscal health and wellness by aligning an organization's financial resources with its highest priority programs and services. Priority Based Budgeting involves a comprehensive review of the entire organization, identifying every program offered and its cost, and evaluating the relevance of every program in terms of its contribution in meeting the priority results the County strives to provide for the community as identified in the strategic planning process.

Community engagement is an important component of the budget process as it assists in the continued support of our residents for the County's programs, and illustrates the difficult choices facing local elected officials, especially in the economic environment of recent years. Citizens are engaged in the Priority Based Budgeting process by actively participating in the Manage the County's Checkbook an on-line forum in which they have the opportunity to allocate a limited amount of budget dollars amongst the County's strategic priorities. Over the last two years, the outcome of this forum has resulted in a reallocation of existing budget resources into key areas identified by citizens, such as road maintenance.

Relevant Financial Policies

The County maintains a comprehensive set of financial management policies designed to ensure financial stability, and whose objectives include protecting the policy-making ability of the Board of County Commissioners through sound financial management practices and the provision of timely and accurate financial information so that policy decisions are made proactively and not dictated by financial problems or emergencies. These policies also provide for operational principles that minimize the cost of government and financial risk, provide essential public facilities and maintenance of the County's infrastructure, protect and enhance the County's credit rating, and ensure the legal use of all County funding sources through a sound system of internal controls. The following are highlights of the County's financial policies relevant to this report. To view these policies in detail go to the County's website www.douglascountynv.gov, and to the link provided on the Finance Division's home page.

The County maintains an accounting system and financial reporting practices that conform to accounting principles generally accepted in the United States and with the requirements of the Governmental Accounting Standards Board (GASB). The County provides for an annual independent audit of its financial statements by a qualified certified public accounting firm. The County publishes its audited financial statements and presents them in a public meeting together with the auditor's report no later than December 30 each year in compliance with the applicable NRS.

It is the County's policy to maintain a structurally balanced budget, where only recurring revenues reasonably expected to continue from year to year are utilized to fund ongoing operating expenditures. The County uses one-time revenues to fund one-time expenditures, such as the acquisition of capital assets or for capital improvements. The County maintains reserves at desired policy levels. Using reserves to balance the budget is only considered within the context of a time specific plan to return to structural balance. The County budgets and strives to maintain a designated fund balance of at least 8.3% of estimated annual operating expenditures and an appropriated contingency of between 1.5% and 3.0% in its general fund and special revenue funds. The County maintains a five-year Capital Improvement Plan, which is updated annually in the development of the annual Capital Improvement Program Budget.

In January 2014, Standard & Poor's (S&P) upgraded the County's general obligation bond rating to AA from A+, with a stable outlook. The rating agency cited the County's management conditions as very strong with strong financial practices that are well embedded and likely sustainable. In terms of the stable outlook, S&P's opinion was that the County will continue to manage general fund operations prudently, making the budget adjustments necessary to maintain stable financial operations and very strong available reserves.

Major Initiatives

The North County Regional Water Line, a pumping and conveyance system designed to serve multi-jurisdictional wholesale water customers, began its pumping operations in 2013 to provide water from the Town of Minden to the eastern part of the County, the Indian Hill General Improvement District and Carson City and, at year end, is substantially complete.

The new Community and Senior Center will open to the public in December of 2014. This 85,000 square foot multi-generational facility will include a gymnasium, fitness facilities, multi-purpose rooms, senior center with dining facilities, child-care facility, senior day care facility, classrooms and meeting rooms.

The Minden-Tahoe Airport is a 990-acre, full service, non-towered facility. Originally built in 1942 as a military training base, the airport today serves diverse aviation uses such as, sport aviation, emergency services and corporate flying, and is home to a number of businesses. The East-side Utilities project to be completed in 2015 is for the construction of electric, water and sewer utilities to serve the currently undeveloped eastern section of the airport. Constructing the basic utilities will allow for the migration of soaring activity and overall development in this area, which includes an estimated additional 300 acres.

The Douglas County Economic Vitality Plan, developed in 2010 in response to the lingering economic downturn continues to achieve remarkable results. Key strategic areas of focus of the plan include developing distinctive downtowns, capitalizing on outdoor recreation and lifestyle, and developing a thriving climate for business and learning. The Valley Vision and South Shore (Lake Tahoe) Vision Plans, include the development of partnerships between public and private sector entities to provide for vibrant and more pedestrian friendly downtown areas and transportation improvements. Outdoor recreation and lifestyle initiatives underway include the airport improvements previously discussed, as well as preparation for the 2016 Soaring World Championship, and development of other sports aviation uses and businesses. In addition, several projects within the Tremendous Trails segment of this initiative are underway. The third initiative, which focuses on education and the overall business climate, includes a state-of-the-art Science, Technology, Engineering and Math (STEM) Center opening in 2015, an Open for Business project to streamline the governmental permitting process, and efforts to accelerate the advanced manufacturing cluster and to facilitate job recruitment and training.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awards an annual Certificate of Achievement for Excellence in Financial Reporting to governments that publish an easily readable and efficiently organized Comprehensive Annual Financial Report that also satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR meets the GFOA's Certificate of Achievement Program requirements and we are submitting it to the GFOA.

Preparation of this CAFR could not have been accomplished without the efforts and dedication of the staff of the Finance Division. A special thanks to the firm of Piercy Bowler Taylor & Kern, Certified Public Accountants & Business Advisors, for its timely and professional service to the County as its independent auditors.

We wish to commend the members of the County Commission for their continued interest in conducting the financial operations of the County in a responsible and prudent manner.

Respectfully submitted,



Christine Vuletich
Assistant County Manager/Chief Financial Officer

DOUGLAS COUNTY

COUNTY COMMISSIONERS, OTHER ELECTED OFFICIALS AND APPOINTED OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2014

County Commissioners

Greg Lynn, District 1
Lee Bonner, District 2
Doug Johnson, Chairman, District 3
Nancy McDermid, Vice Chairwoman, District 4
Barry Penzel, District 5



Doug Johnson, Lee Bonner, Nancy McDermid, Barry Penzel, Greg Lynn

Other Elected Officials

Tod Young, District Judge, District Court I
Michael P. Gibbons, District Judge, District Court II
Thomas Perkins, Justice Judge, East Fork Township
Richard Glasson, Justice Judge, Tahoe Township
Paul Gilbert, Constable, East Fork Township
Doug Sonnemann, County Assessor
Mark B. Jackson, District Attorney
Ron Pierini, Sheriff
Ted Thran, County Clerk-Treasurer
Karen Ellison, County Recorder

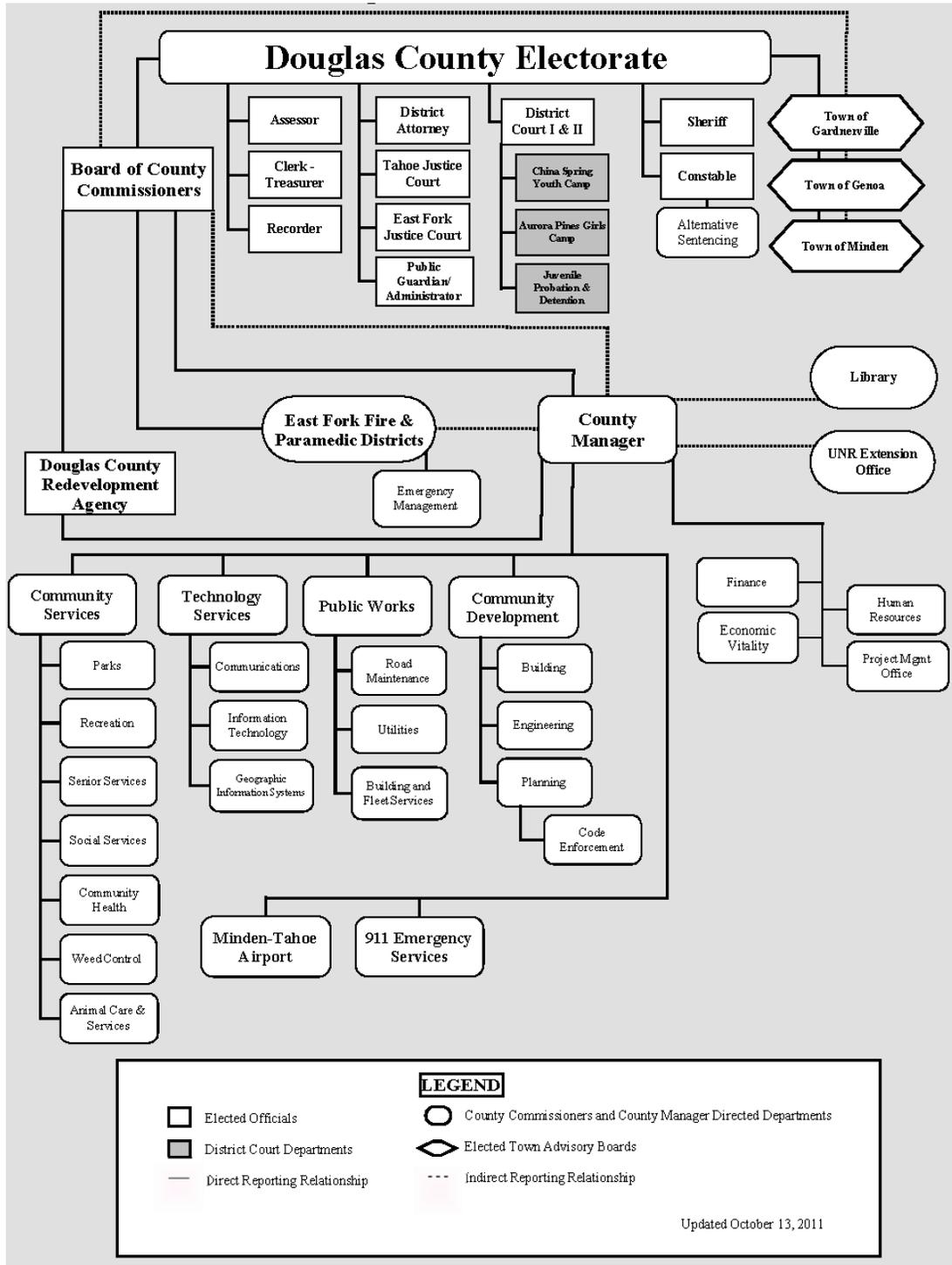
Appointed Officials

Lawrence A. Werner, Interim County Manager
Christine Vuletich, Assistant County Manager/Chief Financial Officer
Bobbi Thompson, Minden-Tahoe Airport Manager
Linda Deacy, Library Director
Carl Ruschmeyer, Public Works Director
Mimi Moss, Community Development Director
Scott Morgan, Community Services Director
Tod Carlini, East Fork Fire and Paramedic District Chief
Ron Sagen, 911 Emergency Services Manager
Craig Betts, Chief Technology Officer

DOUGLAS COUNTY

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2014



FINANCIAL SECTION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITORS' REPORT ON FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Members of the County Commission
Douglas County, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Douglas County (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

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

Management's Responsibility for the Financial Statements. Management is responsible for the preparation and fair presentation of the basic 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 basic financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility. Our responsibility is to express an opinion on the basic 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 basic financial statements are free from material misstatement.

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

Opinion. In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2014, 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.

Other Matters. Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, postemployment benefits other than pensions, schedule of funding progress and budgetary comparison information on pages 9-24 and 79-92 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 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.

Other Information. Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the County's basic financial statements. The introductory section, other supplementary information, as listed in the table of contents, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relates 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 other supplementary information as listed in the table of contents is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we 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 December 15, 2014, on our consideration of the County'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 the County's internal control over financial reporting and compliance.



Las Vegas, Nevada
December 15, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED JUNE 30, 2014

The following section provides an overview of the financial activity and overall financial position of Douglas County (the County) for the fiscal year ended June 30, 2014. It includes condensed financial data followed by the County's independently audited basic financial statements, along with notes to the financial statements and supplemental information. We encourage the reader to consider the information presented here in conjunction with the additional information provided in our letter of transmittal.

Financial Highlights

The County's net position totaled \$248,055,284 at June 30, 2014, an increase of \$655,186, over the prior fiscal year.

Current and other (non-capital) assets totaled \$85,642,927 a decrease of \$9,424,038, primarily due to the expenditure of bond proceeds received in the prior year for the construction of the County's new Community and Senior Center.

Capital assets totaled \$224,947,354, an increase of \$7,711,397, primarily related to the construction of the new Community and Senior Center.

Long-term liabilities totaled \$49,088,284, a decrease of \$1,785,421, reflecting the regular amortization (repayment) of outstanding debt.

The County's governmental funds reported combined ending fund balances of \$48,642,449, a decrease of \$9,865,533 in comparison to the prior year.

The total fund balance in the general fund was \$10,597,894, an increase of \$419,002 over the prior fiscal year.

Financial Statement Overview

Government-wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the County's finances that is similar to a private-sector business, and include a comparison to the prior fiscal year.

Statement of Net Position - Presents information on all of the County's assets and liabilities, with the difference between the two 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 County is improving or deteriorating.

Statement of Activities - Presents information showing how the County's net position changed during the fiscal year. The County reports changes in net position when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses in this statement are for some items that will only result in cash flows for future fiscal periods.

The amounts in the government-wide financial statements distinguish the operating functions of the County as follows.

Governmental Activities - Activities principally supported by taxes and intergovernmental revenues, including federal and state grants and other shared revenues and include general government, judicial, public safety, public works, community support, culture and recreation, health and sanitation, welfare and debt service.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Business-type Activities - Functions that recover all or a significant portion of their costs through user fees and charges. The business-type activities of the County include water, sewer, and trash service operations; and debt service.

The government-wide financial statements include not only the County, but also the Towns of Gardnerville, Genoa and Minden and the East Fork Fire Protection and Paramedic Districts. The Redevelopment Agency, although legally separate, functions as a department of the County; and therefore, is included as an integral part of the primary government.

The government-wide financial statements can be found in the "Basic Financial Statements" section of this report.

Fund Financial Statements

A fund is a legal and accounting entity with a self-balancing set of accounts used to maintain accounting control over resources segregated to record specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Funds fall into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statement focus on near-term inflows and outflows of expendable resources, as well as on the balances of expendable resources available at the end of the fiscal year.

This report includes separately presented information in the balance sheet, and the statement of revenues, expenditures, and changes in fund balances is included for each of the major funds as defined in the Governmental Accounting Standards Board (GASB) Statement No. 34. Data from the remaining non-major funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining and individual fund statements and schedules included elsewhere in this report. Governmental funds include four types:

General Fund – Accounts for all financial resources not accounted for in other funds.

Special Revenue Funds - Accounts for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Debt Service Funds - Accounts for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Capital Project Funds - Accounts for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

The governmental fund financial statements can be found in the "Basic Financial Statements" section of this report.

Proprietary Funds

The County maintains two types of proprietary funds:

Enterprise Funds - Accounts for activities for which a user fee is charged for goods or services. The County uses enterprise funds to account for its water, sewer and trash service operations.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis. The County uses internal service funds to account for risk management, employee dental programs, and fleet services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within the governmental activities in the government-wide financial statements.

The proprietary fund financial statements provide separate information for each major proprietary fund. Data from the remaining nonmajor enterprise funds are combined into a single aggregated presentation. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual and combining fund data for the nonmajor enterprise and internal service funds is provided in the other supplementary information section of this report.

The proprietary fund financial statements can be found in the "Basic Financial Statements" section of this report.

Fiduciary Funds

Fiduciary Funds - Account for the County's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are not reflected on the government-wide financial statements because the resources from those funds do not arise from County operational activities and are not available to support the County's own programs. The accounting method used for fiduciary funds is much like the method used for the proprietary funds.

The fiduciary fund financial statement can be found in the "Basic Financial Statements" section of this report.

Notes to Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the countywide and fund financial statements. The notes to the basic financial statements can be found immediately following the "Basic Financial Statements" section of this report.

Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, including budget comparison data for the general and major special revenue funds. Other supplementary information for the nonmajor funds includes budget comparison data and combining and individual fund statements and schedules.

The required and other supplementary information can be found immediately following the notes to the basic financial statements in this report.

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Government-wide financial analysis

The following table summarizes the County's net position at June 30, 2014 and 2013.

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013 (Restated)	2014	2013 (Restated)	2014	2013 (Restated)
Assets						
Current, restricted and other	\$ 65,689,023	\$ 74,507,238	\$ 19,953,904	\$ 20,559,727	\$ 85,642,927	\$ 95,066,965
Capital	<u>123,764,214</u>	<u>119,677,447</u>	<u>101,183,140</u>	<u>97,558,510</u>	<u>224,947,354</u>	<u>217,235,957</u>
Total assets	<u>189,453,237</u>	<u>194,184,685</u>	<u>121,137,044</u>	<u>118,118,237</u>	<u>310,590,281</u>	<u>312,302,922</u>
Deferred outflows of resources	<u>7,275</u>	<u>8,569</u>	<u>418,624</u>	<u>446,150</u>	<u>425,899</u>	<u>454,719</u>
Liabilities						
Current	10,072,716	9,235,960	3,799,896	5,247,878	13,872,612	14,483,838
Long-term	<u>30,188,887</u>	<u>31,093,349</u>	<u>18,899,397</u>	<u>19,780,356</u>	<u>49,088,284</u>	<u>50,873,705</u>
Total liabilities	<u>40,261,603</u>	<u>40,329,309</u>	<u>22,699,293</u>	<u>25,028,234</u>	<u>62,960,896</u>	<u>65,357,543</u>
Net position						
Net investment in capital assets	103,681,416	97,260,853	82,994,996	77,024,668	186,676,412	174,285,521
Restricted	38,473,264	41,549,199	716,905	6,720,290	39,190,169	48,269,489
Unrestricted	<u>7,044,229</u>	<u>15,053,893</u>	<u>15,144,474</u>	<u>9,791,195</u>	<u>22,188,703</u>	<u>24,845,088</u>
Total net position	<u>\$ 149,198,909</u>	<u>\$ 153,863,945</u>	<u>\$ 98,856,375</u>	<u>\$ 93,536,153</u>	<u>\$ 248,055,284</u>	<u>\$ 247,400,098</u>

At the year ended June 30, 2014, the County's net position totaled \$248,055,284, representing an increase of \$655,186. Assets exceeded liabilities by \$149,198,909 in governmental activities and \$98,856,375 in business-type activities.

Current assets totaled \$85,642,927, a decrease of \$9,424,038, primarily due to the expenditure of bond proceeds issued in the prior year for the construction of the County's new Community and Senior Center. Long-term liabilities totaled \$49,088,284, a decrease of \$1,785,421 reflecting the regular amortization (repayment) of outstanding debt.

The largest portion of the net position, \$186,676,412 (75%) reflects the County's net investment in capital assets (e.g., land, buildings and building improvements, machinery and equipment, vehicles, and infrastructure, net of depreciation) less any related debt used to acquire those assets that is still outstanding. Net investment in capital assets increased by \$12,390,891 in fiscal year 2014.

An additional portion of the County's net position, \$39,190,169 (16%) represents resources that are subject to restricted use, such as for debt service, capital improvement projects, and special revenue funded programs for redevelopment, youth and judicial services, public safety, streets and public works, cultural and community development, and for insurance liabilities.

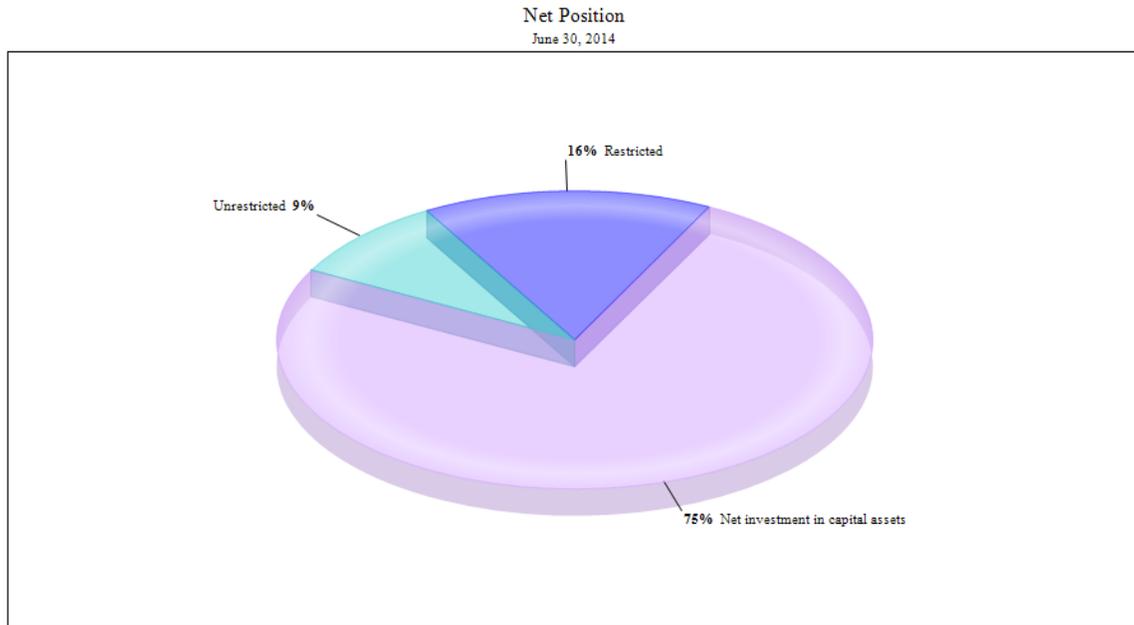
The remaining balance of unrestricted assets, \$22,188,703 (9%) may be used to meet the County's obligations to citizens and creditors. Unrestricted net assets decreased by \$2,656,385 between fiscal years 2014 and 2013.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014



The following table summarizes the County's statement of activities and details the changes in net position for the fiscal years ended June 30, 2014 and 2013.

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013 Restated	2014	2013 Restated	2014	2013 Restated
Revenues						
Program revenues						
Charges for services	\$ 12,035,744	\$ 12,384,076	\$ 10,506,035	\$ 9,713,490	\$ 22,541,779	\$ 22,097,566
Operating grants and contributions	6,819,224	6,386,271			6,819,224	6,386,271
Capital grants and contributions	2,135,366	4,175,978	4,920,192	8,903,653	7,055,558	13,079,631
General revenues						
Property taxes	35,969,749	35,782,091			35,969,749	35,782,091
Intergovernmental consolidated taxes	12,824,547	12,347,211			12,824,547	12,347,211
Room taxes	5,414,873	5,411,693			5,414,873	5,411,693
Intergovernmental sales taxes	1,470,298	1,460,401			1,470,298	1,460,401
Construction taxes	125,057	115,777			125,057	115,777
Intergovernmental franchise and public service taxes	6,912,030	6,687,207			6,912,030	6,687,207
Investment income	316,546	129,913	69,675	8,070	386,221	137,983
Change in fair value of investments	(19,768)	(198,000)	(5,208)	(23,320)	(24,976)	(221,320)
Gain on disposal of capital assets	262,461	101,293	(9,227)	6,925	253,234	108,218
Miscellaneous	269,635	245,652	107,249	112,967	376,884	358,619
Total revenues	<u>84,535,762</u>	<u>85,029,563</u>	<u>15,588,716</u>	<u>18,721,785</u>	<u>100,124,478</u>	<u>103,751,348</u>

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Summary Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
		Restated		Restated		Restated
Expenses						
General government	\$ 13,920,640	\$ 12,698,299	\$	\$	\$ 13,920,640	\$ 12,698,299
Judicial	13,425,448	12,226,063			13,425,448	12,226,063
Public safety	29,498,459	28,378,343			29,498,459	28,378,343
Public works	13,034,974	14,568,198			13,034,974	14,568,198
Community development	3,605,357	3,441,664			3,605,357	3,441,664
Culture and recreation	11,803,428	11,742,073			11,803,428	11,742,073
Health and sanitation	953,423	906,878			953,423	906,878
Welfare	2,267,169	2,369,403			2,267,169	2,369,403
Interest expense and fiscal charges	600,564	520,540			600,564	520,540
Water			6,959,476	6,616,855	6,959,476	6,616,855
Sewer			1,937,546	1,972,400	1,937,546	1,972,400
Health and sanitation			878,886	842,923	878,886	842,923
Trash service			583,922	532,343	583,922	532,343
	<u>89,109,462</u>	<u>86,851,461</u>	<u>10,359,830</u>	<u>9,964,521</u>	<u>99,469,292</u>	<u>96,815,982</u>
Total expenses						
Transfers	<u>(91,336)</u>	<u>(42,500)</u>	<u>91,336</u>	<u>42,500</u>		
Change in net position	(4,665,036)	(1,864,398)	5,320,222	8,799,764	655,186	6,935,366
Net position, beginning of year	<u>153,863,945</u>	<u>155,728,343</u>	<u>93,536,153</u>	<u>84,736,989</u>	<u>247,400,098</u>	<u>240,465,332</u>
Net position, end of year	<u>\$ 149,198,909</u>	<u>\$ 153,863,945</u>	<u>\$ 98,856,375</u>	<u>\$ 93,536,753</u>	<u>\$ 248,055,284</u>	<u>\$ 247,400,698</u>

In fiscal year 2014, the net position of the County's governmental activities decreased by \$4,665,036. Revenues received from governmental activities totaled \$84,535,762, a net decrease of \$493,801 over the prior year primarily due to a reduction in capital grants and contributions. Expenses in governmental activities totaled \$89,109,462, an increase of \$2,258,001 over the prior year, due primarily to increases in general government, judicial and public safety expenditures.

The net position of the County's business-type activities increased \$5,320,522. Revenues from business-type activities totaled \$15,588,716, a decrease of \$3,133,069 over the prior year, primarily due to a reduction in capital grants and contributions. Expenses in business-type activities totaled \$10,359,830, an increase of \$395,309 primarily due to an increase in water systems expenditures.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Financial Analysis of Major Funds

Governmental Funds

The County's governmental fund financial statements provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources at the end of the fiscal year. At June 30, 2014, the County's governmental funds reported combined ending fund balances of \$48,642,449, a decrease of \$9,865,533 (17%) in comparison to the prior year, primarily due to the expenditure of prior year bond proceeds for construction of the new Community and Senior Center. Of this amount, \$40,610,990 is set aside to indicate that it is non-spendable, restricted, committed or assigned. The remaining fund balance of \$8,031,459 is unassigned fund balance.

Please note that we have adjusted the fund balance as of July 1, 2013, in a number of funds to correct the classifications of certain funds previously reported as agency funds, adjust unearned revenues for those earned in prior years, and as required by the implementation of GASB Statement No. 65. See note 2 to the basic financial statements for a description of these adjustments, by fund.

Governmental Funds
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended JUNE 30, 2014

	Special Revenue Funds			Capital Projects Funds	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Debt Financed		
Total revenues	\$ 40,438,526	\$ 9,959,650	\$ 7,014,670	\$ 7,329	\$ 27,825,786	\$ 85,245,961
Total expenditures	<u>37,467,942</u>	<u>11,589,860</u>	<u>11,657,900</u>	<u>12,224,089</u>	<u>22,339,162</u>	<u>95,278,953</u>
Excess (deficiency) of revenues over (under) expenditures	2,970,584	(1,630,210)	(4,643,230)	(12,216,760)	5,486,624	(10,032,992)
Total other financing sources (uses)	<u>(2,551,582)</u>	<u>251,873</u>	<u>3,976,130</u>	<u></u>	<u>(1,508,962)</u>	<u>167,459</u>
Change in fund balance	<u>419,002</u>	<u>(1,378,337)</u>	<u>(667,100)</u>	<u>(12,216,760)</u>	<u>3,977,662</u>	<u>(9,865,533)</u>
Fund balance, beginning of year, as previously reported	8,469,287	4,489,001	2,845,258	12,292,506	26,077,320	54,173,372
Adjustment	<u>1,709,605</u>	<u>474,122</u>	<u></u>	<u></u>	<u>2,150,883</u>	<u>4,334,610</u>
Fund balance, beginning of year, as adjusted	<u>10,178,892</u>	<u>4,963,123</u>	<u>2,845,258</u>	<u>12,292,506</u>	<u>28,228,203</u>	<u>58,507,982</u>
Fund balance, end of year	<u>\$ 10,597,894</u>	<u>\$ 3,584,786</u>	<u>\$ 2,178,158</u>	<u>\$ 75,746</u>	<u>\$ 32,205,865</u>	<u>\$ 48,642,449</u>

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Governmental Funds					Non-major Governmental Funds	Total Governmental Funds
	Fund Balance						
	JUNE 30, 2014						
	Special Revenue Funds		Capital Projects Funds				
	General Fund	Room Tax	East Fork Fire Protection District	Debt Financed			
FUND BALANCES							
Nonspendable							
Prepaid items	\$ 261,030	\$ 10,355	\$ 178,779		\$ 95,489	\$ 545,653	
Land held for resale					179,292	179,292	
Deposits	13,795				7,656	21,451	
Restricted for							
Debt service	342,451				2,470,985	2,813,436	
Capital improvement projects				75,746	12,336,431	12,412,177	
General, town and district redevelopment programs			1,999,379		4,262,773	6,262,152	
Youth and other judicial programs	875,738				2,255,248	3,130,986	
Fire, police and other public safety programs					606,089	606,089	
Streets and other public works programs					7,612,937	7,612,937	
Cultural, community and development programs					1,025,040	1,025,040	
Committed to							
Streets and other public works programs	700,000				596,344	1,296,344	
Assigned to							
Capital improvement projects					537,741	537,741	
Youth and other judicial programs	12,490					12,490	
Cultural, community and development programs			3,574,431			3,574,431	
Sanitation and other health programs					220,458	220,458	
Stabilization programs	360,313					360,313	
Unassigned	<u>8,032,077</u>				(618)	<u>8,031,459</u>	
Total fund balances	<u>\$ 10,597,894</u>	<u>\$ 3,584,786</u>	<u>\$ 2,178,158</u>	<u>\$ 75,746</u>	<u>\$ 32,205,865</u>	<u>\$ 48,642,449</u>	

General Fund

In the final budget, general fund revenues totaled \$39,812,957, while actual revenues totaled \$40,438,526, which was \$625,569 (2%) higher than budgeted. This increase resulted primarily from increases in licenses, permits and other fees, and intergovernmental shared revenues. Actual expenditures totaled \$37,467,942, which was \$495,073 (1%) lower than budgeted. The result was an excess of revenues over expenditures of \$2,970,584, before other financing source (uses). Budgeted other financing uses totaled \$3,552,695 and, included contingencies, transfers in and out, while actual financing uses were \$2,551,582. The net result of general fund operations for fiscal year 2014 was an excess of revenues over expenditures and other financing uses resulting a net change in fund balance of \$419,002.

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DOUGLAS COUNTY

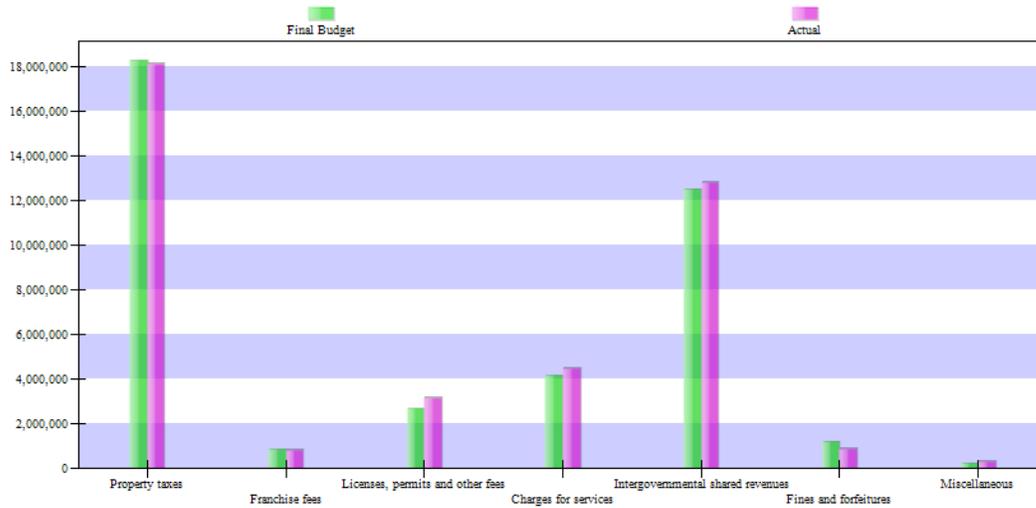
MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

General Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Total revenues	\$ 39,107,023	\$ 39,812,957	\$ 40,438,526	\$ 625,569
Total expenditures	<u>36,749,544</u>	<u>37,963,015</u>	<u>37,467,942</u>	<u>495,073</u>
Excess of revenues over expenditures	2,357,479	1,849,942	2,970,584	1,120,642
Total other financing sources (uses)	<u>(2,894,611)</u>	<u>(3,552,695)</u>	<u>(2,551,582)</u>	<u>1,001,113</u>
CHANGE IN FUND BALANCE	<u>(537,132)</u>	<u>(1,702,753)</u>	<u>419,002</u>	<u>2,121,755</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			8,469,287	
Adjustment			<u>1,709,605</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>6,737,235</u>	<u>8,469,287</u>	<u>10,178,892</u>	<u>1,709,605</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,200,103</u>	<u>\$ 6,766,534</u>	<u>\$ 10,597,894</u>	<u>\$ 3,831,360</u>

General Fund Revenues

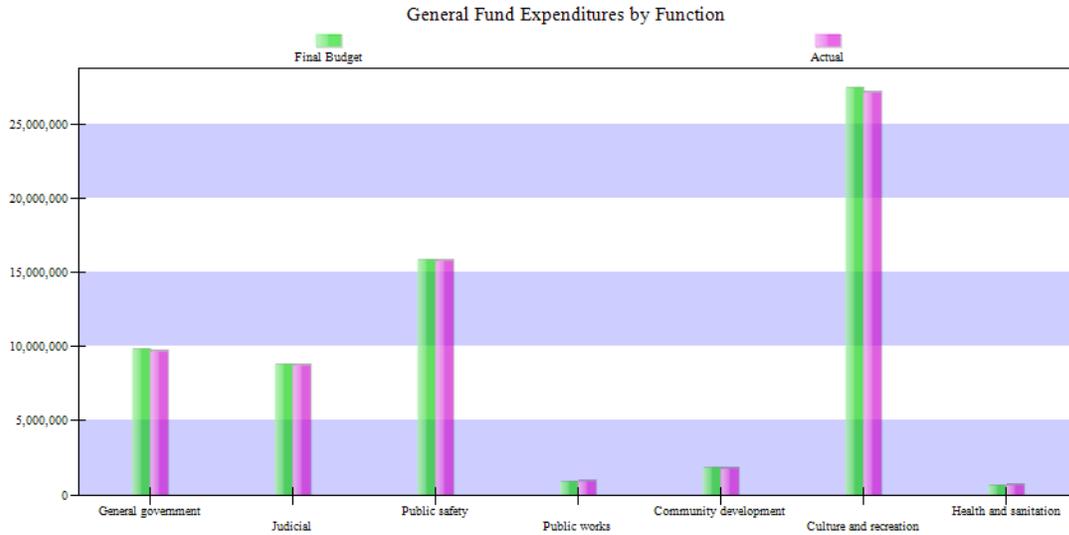


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DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014



Room Tax Fund

At June 30, 2014, the total fund balance in the room tax fund was \$3,584,786, a decrease of \$1,387,337 over the prior year. The decrease resulted primarily due to capital expenditures associated with the construction of the County's new Community and Senior Center.

East Fork Fire Protection District Fund

At June 30, 2014, the total fund balance in the East Fork fire protection district fund was \$2,178,158, a decrease of \$667,100 over the prior year. The decrease is due to a decrease in overall revenues combined with an increase in expenditures.

Debt Financed Capital Projects Fund

The debt financed capital projects fund was a new fund created in fiscal year 2013 to account for the proceeds of bonds issued to finance construction of the County's new Community and Senior Center. At June 30, 2014, this fund had a fund balance of \$75,746, a decrease of \$12,216,760 due to expenditures incurred in the construction of the new center.

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DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Proprietary Funds

Proprietary Funds
Summary Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
Total operating revenues	\$ 530,883	\$ 773,759	\$ 746,246	\$ 1,840,161	\$ 2,735,847
Total operating expenses	<u>558,777</u>	<u>650,826</u>	<u>830,807</u>	<u>1,720,344</u>	<u>2,249,618</u>
Operating income (loss)	(27,894)	122,933	(84,561)	119,817	486,229
Total nonoperating revenues (expenses)	<u>(42,460)</u>	<u>(53,516)</u>	<u>127,059</u>	<u>(201,514)</u>	<u>(211,986)</u>
Income (loss) before capital contributions and transfers	(70,354)	69,417	42,498	(81,697)	274,243
Total capital contributions	10,643	27,508	1,877,683	356,778	1,540,102
Total transfers	<u>79,254</u>	<u>1,750</u>	<u>2,735,914</u>	<u>2,990</u>	<u>(2,729,817)</u>
CHANGE IN NET POSITION	<u>19,543</u>	<u>98,675</u>	<u>4,656,095</u>	<u>278,071</u>	<u>(915,472)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	6,151,816	4,522,379	11,589,759	19,249,019	23,404,244
Adjustment	<u>(44,719)</u>	<u>(23,724)</u>	<u></u>	<u>(71,900)</u>	<u>(294,526)</u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>6,107,097</u>	<u>4,498,655</u>	<u>11,589,759</u>	<u>19,177,119</u>	<u>23,109,718</u>
NET POSITION, END OF YEAR	<u>\$ 6,126,640</u>	<u>\$ 4,597,330</u>	<u>\$ 16,245,854</u>	<u>\$ 19,455,190</u>	<u>\$ 22,194,246</u>

	Business-type Activities				Governmental Activities
	Town of Minden Wholesale Water Utility	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Total operating revenues	\$ 896,164	\$ 1,016,188	\$ 1,941,787	\$ 10,481,035	\$ 4,679,983
Total operating expenses	<u>971,144</u>	<u>921,200</u>	<u>1,793,544</u>	<u>9,696,260</u>	<u>4,794,128</u>
Operating income (loss)	(74,980)	94,988	148,243	784,775	(114,145)
Total nonoperating revenues (expenses)	<u>22,651</u>	<u>14,853</u>	<u>(4,226)</u>	<u>(349,139)</u>	<u>330,508</u>
Income (loss) before capital contributions and transfers	(52,329)	109,841	144,017	435,636	216,363
Total capital contributions		938,699	43,779	4,795,192	35,447
Total transfers	<u>2,877,345</u>	<u>(2,877,345)</u>	<u>1,245</u>	<u>91,336</u>	<u>3,666</u>
CHANGE IN NET POSITION	<u>2,825,016</u>	<u>(1,828,805)</u>	<u>189,041</u>	<u>5,322,164</u>	<u>255,476</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	10,847,914	13,702,793	4,536,860	94,004,784	5,699,670
Adjustment	<u></u>	<u></u>	<u>10,591</u>	<u>(424,278)</u>	<u></u>
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>10,847,914</u>	<u>13,702,793</u>	<u>4,547,451</u>	<u>93,580,506</u>	<u>5,699,670</u>
NET POSITION, END OF YEAR	<u>\$ 13,672,930</u>	<u>\$ 11,873,988</u>	<u>\$ 4,736,492</u>	<u>\$ 98,902,670</u>	<u>\$ 5,955,146</u>

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Proprietary Funds
Net Position
JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
	NET POSITION				
Net investment in capital assets	\$ 5,570,953	\$ 3,595,123	\$ 16,003,220	\$ 15,912,410	\$ 18,451,760
Restricted					
Debt service	1,667			424,352	260,437
Capital improvement projects		30,449			
Insurance liabilities					
Unrestricted	<u>554,020</u>	<u>971,758</u>	<u>242,634</u>	<u>3,118,428</u>	<u>3,482,049</u>
Total net position	<u>\$ 6,126,640</u>	<u>\$ 4,597,330</u>	<u>\$ 16,245,854</u>	<u>\$ 19,455,190</u>	<u>\$ 22,194,246</u>

	Business-type Activities				Governmental Activities
	Town of Minden Wholesale Water Utility	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	NET POSITION				
Net investment in capital assets	\$ 13,116,640	\$ 7,244,397	\$ 3,100,493	\$ 82,994,996	\$ 549,555
Restricted					
Debt service				686,456	
Capital improvement projects				30,449	
Insurance liabilities					4,610,447
Unrestricted	<u>556,290</u>	<u>4,629,591</u>	<u>1,635,999</u>	<u>15,190,769</u>	<u>795,144</u>
Total net position	<u>\$ 13,672,930</u>	<u>\$ 11,873,988</u>	<u>\$ 4,736,492</u>	<u>\$ 98,902,670</u>	<u>\$ 5,955,146</u>

Zephyr Water Utility Fund

At June 30, 2014, the net position in the Zephyr water utility fund totaled \$6,126,640, an increase of \$19,543 over the prior fiscal year. Of this net position, \$5,570,953 represents net investment in capital assets, and \$554,020 is unrestricted. This fund had a loss before capital contributions and transfers of \$70,354, which was mitigated by a transfer in from the general fund of \$79,254, and capital contributions of \$10,643, resulting in the increase in net position.

Cave Rock Water Utility Fund

At June 30, 2014, the net position in the Cave Rock water utility fund totaled \$4,597,330, an increase of \$98,675 over the prior fiscal year. Of this net position, \$3,595,123 represents net investment in capital assets, and \$971,758 was unrestricted. This fund had income before capital contributions and transfers of \$69,417, which together with capital contributions of \$27,508 and a transfer of \$1,750 resulted in the increase in net position.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Regional Water Utility Fund

At June 30, 2014, the net position in the Regional water utility fund totaled \$16,245,854, an increase of \$4,656,095 over the prior fiscal year. Of this net position, \$16,003,220 represents net investment in capital assets, and \$242,634 was unrestricted. This fund had income before capital contributions and transfers of \$42,498. Capital contributions of \$1,877,683 from the County's regional partners in the North County Water Line Project, and net transfers of \$2,735,914, primarily of capital assets from the Carson Valley Water Fund attributable to this project resulted in the increase in net position.

Sewer Utility Fund

At June 30, 2014, the net position in the Sewer utility fund totaled \$19,455,190, an increase of \$278,071 over the prior fiscal year. Of this net position, \$15,912,410 represents net investment in capital assets and \$3,118,428 is unrestricted. This fund had a loss in income before capital contributions and transfers of \$81,697, which together with capital contributions of \$356,778 and transfers in of \$2,990, resulted in the increase in net position.

Carson Valley Water Utility Fund

At June 30, 2014, the net position in the new Carson Valley water utility fund totaled \$22,194,246, a decrease of \$915,472. Of this net position, \$18,451,760 represents net investment in capital assets, and \$3,482,049 is unrestricted. This fund had income before capital contributions and transfers of \$274,243. Capital contributions totaled \$1,540,102, which together with \$2,729,817 in transfers out of capital assets to the Regional Water Fund associated with the North County Water Line Project resulted in the decrease in net position.

Town of Minden Wholesale Water Utility Fund

At June 30, 2014, the net position in the Town of Minden wholesale water utility fund totaled \$13,672,930, an increase of \$2,825,016 over the prior fiscal year. Of this net position, \$13,116,640 represents net investment in capital assets, and \$556,290 is unrestricted. This fund had a loss in income before capital contributions and transfers of \$52,329. Transfers in of \$2,877,345 in capital assets from the Town of Minden Water Company Fund resulted in the increase in net position.

Town of Minden Water Company Fund

At June 30, 2014, the net position in the Town of Minden water utility fund totaled \$11,873,988 a decrease of \$1,828,805 over the prior fiscal year. Of this net position, \$7,244,397 represents net investment in capital assets, and \$4,629,591 is unrestricted. This fund had income of \$109,841 before capital contributions and transfers, which together with capital contributions of \$938,699 and transfers out of \$2,877,345 in capital assets to the Minden Wholesale Water Utility Fund resulted in the decrease in net position.

Capital Assets

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2014, totaled \$224,947,354 (net of accumulated depreciation), a net increase of \$7,711,397. The County's total investment in capital assets includes land, construction in progress, buildings, equipment, infrastructure and water rights.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Capital Assets, Net of Accumulated Depreciation and Amortization

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land	\$ 17,215,387	\$ 17,147,668	\$ 2,891,609	\$ 2,669,105	\$ 20,106,996	\$ 19,816,773
Construction in progress	21,191,334	12,701,964	12,294,318	12,350,104	33,485,652	25,052,068
Water rights			2,960,865	1,991,506	2,960,865	1,991,506
Buildings and building improvements	41,843,768	43,541,793	2,132,270	1,254,114	43,976,038	44,795,907
Machinery, equipment and software	6,935,822	6,013,346	496,453	442,126	7,432,275	6,455,472
Infrastructure	36,577,903	40,272,676			36,577,903	40,272,676
Water and sewer systems			80,407,625	78,851,555	80,407,625	78,851,555
	<u>\$ 123,764,214</u>	<u>\$ 119,677,447</u>	<u>\$ 101,183,140</u>	<u>\$ 97,558,510</u>	<u>\$ 224,947,354</u>	<u>\$ 217,235,957</u>

Examples of major capital asset expenses (in excess of \$500,000 per project) during fiscal year 2014 include the following:

Buildings and Facilities:

Douglas County Community and Senior Center, \$13,965,050

Water and Sewer Systems:

North County Water Line Project, \$1,879,208

Ultra Violet Treatment Project, \$770,490

Heybourne Booster Station, \$590,260

Additional detailed information regarding capital assets is included in Notes 1 and 3 to the basic financial statements.

Long-term Liabilities

As of June 30, 2014, the County had long-term liabilities outstanding totaling \$48,482,232. Of this \$39,978,429 represents long-term debt outstanding, the balance includes compensated absences of \$3,929,066 and other postemployment benefits of \$6,574,737.

As of June 30, 2014, the County had long-term debt obligations outstanding of \$37,978,429. Of the total long-term debt obligations outstanding, \$37,148,429 comprises debt backed by the full faith and credit of the County (general obligation bonds and notes), and the balance represents debt secured by specified revenue sources (revenue bonds). Long-term debt decreased by \$2,931,357 over the prior year, which was due to the repayment and defeasance of debt principal during fiscal year 2014. In May 2014, the County refinanced its outstanding Sewer Improvement Bonds Series 2014 in the amount of \$2,010,000 at a true interest cost of 2.39%, which will generate net cash flow savings of \$173,039 over the term of the bonds.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Summary of Long-term Liabilities Outstanding

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation medium term financing bonds and notes	\$ 9,995,855	\$ 11,417,797	\$	\$	\$ 9,995,855	\$ 11,417,797
Revenue bonds	830,000	1,020,000			830,000	1,020,000
General obligation/pledged revenue bonds	9,208,000	9,677,000	17,944,574	18,794,989	27,152,574	28,471,989
Compensated absences	3,705,902	3,567,975	223,164	209,710	3,929,066	3,777,685
Postemployment benefits other than pensions	<u>6,346,751</u>	<u>5,305,090</u>	<u>227,986</u>	<u>181,889</u>	<u>6,574,737</u>	<u>5,486,979</u>
	<u>\$ 30,086,508</u>	<u>\$ 30,987,862</u>	<u>\$ 18,395,724</u>	<u>\$ 19,186,588</u>	<u>\$ 48,482,232</u>	<u>\$ 50,174,450</u>

In January 2014, Standard & Poor's (S&P's) Ratings Service upgraded the County's underlying bond rating to AA "very strong" with a stable outlook, from its previous A+ "strong" rating. The rating agency cited the County's management conditions as very strong with strong financial practices that are well embedded and likely sustainable. In terms of the stable outlook, S&P's opinion was that the County would continue to manage general fund operations prudently, making the budget adjustments necessary to maintain stable financial operations and very strong available reserves. This was the first rating upgrade for the County in ten years.

In July 2013, Moody's Investors Service, Inc. confirmed the County's Aa2 credit rating. This was Moody's first review of the County since 2005. In its analysis, Moody's identified that the County made a number of adjustments to achieve structural balance and more sustainable long-term financial results. Moody's specifically noted the County's efforts to work with other taxing entities to shift property tax revenues to the County, calling those partnerships "a significant development." Moody's also commented on the County's work with employees to reach three-year labor agreements that reduce personnel costs, concluding that those efforts "create a more sustainable cost structure into the future."

Additional detailed information regarding debt is included in Notes 1 and 3 to the basic financial statements.

Economic Factors

The County reviews a variety of economic factors in the development of its operating and capital budgets. Operating budget projections are based on current economic trends, and revenue information provided by the State of Nevada. Throughout the year, the County monitors changes in economic trends and events. The five-year Capital Improvement Plan includes assumptions reviewed by the County Commissioners and by associated committees. Overall, economic conditions are improving in the County. Below are highlights of current economic indicators and assumptions used in developing the fiscal year 2015 budget.

The County's unemployment rate is continuing to trend lower. The June 2014 rate was 8.1%, as compared to 10.7% in June of 2013. As of October 2014, the rate has decreased to 6.7%, the number of employed individuals increased 4.2% over the prior year. This is the first increase in employed individuals since the economic downturn.

As of September 2014, residential property sales continued to trend upward at Lake Tahoe and flattened in the Carson Valley. Home sales prices were up in the Valley and at the Lake continuing a trend over the last two years.

Residential building permits, which are a leading indicator of economic activity, continued to trend higher as we have seen over the last two years.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Total assessed property value within the County was valued at \$2,604,338,881 for fiscal year 2015, a 5.5% increase over the prior fiscal year, and the first increase in the last five years. Property tax, the largest revenue source for the County, comprises 30% of county-wide revenues. Property taxes are projected to increase 3.1% overall across all funds. General fund property tax revenue is budgeted to increase 4% in fiscal year 2015.

Charges for services make up 25% of countywide revenues, and are projected to increase 8.4% overall, due to changes in several areas. New services and programs will be provided by the new Community and Senior Center. County water utility service charge revenues are anticipated to increase 20.6% primarily due to the first full year of operations for the sale of water through the new regional North County Waterline project. The Town of Minden will see an estimated increase of 47.8% in its wholesale water utility also due to the new waterline.

State consolidated taxes and sales taxes comprise 12% of county-wide revenues. These revenues are projected to increase 5.4% per the State of Nevada. The State calculates the allocation using a formula based on tiers, rural guarantees, stabilizing factors, the consumer price index and other factors. Sales taxes dedicated to parks, airport, library and seniors (P.A.L.S.) are budgeted to increase 7% in fiscal year 2015.

Requests for Information

This financial report provides a general overview of the County's finances for those interested. For questions regarding the information provided in this report or requests for additional financial information contact Christine Vuletich, Assistant County Manager/Chief Financial Officer, by writing to P.O. Box 218, Minden, Nevada, 89423, calling (775) 782-9097, or *via* email at cvuletich@co.douglas.nv.us.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

DOUGLAS COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash, cash equivalents and investments, unrestricted	\$ 56,756,420	\$ 15,762,771	\$ 72,519,191
Cash, cash equivalents and investments, restricted	23,402	686,457	709,859
Accounts receivable, net	2,310,781	1,388,690	3,699,471
Notes receivable, net		1,937,500	1,937,500
Taxes and penalties receivable	1,109,096		1,109,096
Interest receivable	70,929	22,313	93,242
Due from other governments	3,711,399	73,893	3,785,292
Special assessments receivable	378		378
Inventories	220,015	31,435	251,450
Prepaid items	545,653	50,845	596,498
Property held for resale	179,292		179,292
Other assets	21,451		21,451
Internal balances *	740,207		
Capital assets, net of accumulated depreciation and amortization			
Land	17,215,387	2,891,609	20,106,996
Construction in progress	21,191,334	12,294,318	33,485,652
Water rights		2,960,865	2,960,865
Buildings and building improvements	41,843,768	2,132,270	43,976,038
Machinery, equipment and software	6,935,822	496,453	7,432,275
Infrastructure	36,577,903		36,577,903
Water and sewer systems		80,407,625	80,407,625
Total assets	189,453,237	121,137,044	309,850,074
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized deferred refunding charges	7,275	418,624	425,899
LIABILITIES			
Accounts payable and accrued expenses	4,201,279	519,903	4,721,182
Accrued salaries, wages and benefits	976,729	53,879	1,030,608
Unearned revenue	3,840,712	2,137,762	5,978,474
Contract retentions payable	592,038	167,363	759,401
Deposits	249,471	52,051	301,522
Due to other governments	33,281		33,281
Interest payable	179,206	128,731	307,937
Internal balances *		740,207	
Long-term liabilities, due within one year			
Claims and judgments, estimated	46,162		46,162
Compensated absences	2,661,739	144,643	2,806,382
Bonds and notes payable	2,160,855	1,716,116	3,876,971
Long-term liabilities, due in more than one year			
Compensated absences	1,044,163	78,521	1,122,684
Postemployment benefits other than pensions	6,346,751	227,986	6,574,737
Bonds and notes payable, net of unamortized premiums and discounts	17,929,217	16,732,131	34,661,348
Total liabilities	40,261,603	22,699,293	62,220,689

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net investment in capital assets	\$ 103,681,416	\$ 82,994,996	\$ 186,676,412
Restricted for			
Debt service	2,813,436	686,456	3,499,892
Capital improvement projects	12,412,177	30,449	12,442,626
General, town and district redevelopment programs	6,262,152		6,262,152
Youth and other judicial programs	3,130,986		3,130,986
Fire, police and other public safety programs	606,089		606,089
Streets and other public works programs	7,612,937		7,612,937
Cultural, community and development programs	1,025,040		1,025,040
Insurance liabilities	4,610,447		4,610,447
Unrestricted	7,044,229	15,144,474	22,188,703
Total net position	\$ 149,198,909	\$ 98,856,375	\$ 248,055,284

* Internal balances are eliminated in consolidation. Accordingly, the amounts reported in the total column have been adjusted to remove internal balances.

DOUGLAS COUNTY

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2014

FUNCTION/PROGRAM	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 13,920,640	\$ 4,558,452	\$ 154,357	\$ 59,000	\$ (9,148,831)		\$ (9,148,831)
Judicial	13,425,448	1,362,610	4,433,439		(7,629,399)		(7,629,399)
Public safety	29,498,459	2,978,241	865,984	39,107	(25,615,127)		(25,615,127)
Public works	13,034,974	385,797	16,222	1,351,560	(11,281,395)		(11,281,395)
Community development	3,605,357	1,952	819,367	45,200	(2,738,838)		(2,738,838)
Culture and recreation	11,803,428	2,113,532	283,474	640,499	(8,765,923)		(8,765,923)
Health and sanitation	953,423	552,133			(401,290)		(401,290)
Welfare	2,267,169	83,027	246,381		(1,937,761)		(1,937,761)
Debt service							
Interest expense and fiscal charges	<u>600,564</u>				<u>(600,564)</u>		<u>(600,564)</u>
Total governmental activities	<u>89,109,462</u>	<u>12,035,744</u>	<u>6,819,224</u>	<u>2,135,366</u>	<u>(68,119,128)</u>		<u>(68,119,128)</u>
Business-type activities							
Water	6,959,476	7,147,955		4,563,414		4,751,893	4,751,893
Sewer	1,937,546	1,840,154		356,778		259,386	259,386
Health and sanitation	878,886	7,779			(871,107)		(871,107)
Trash service	<u>583,922</u>	<u>1,510,147</u>				<u>926,225</u>	<u>926,225</u>
Total business-type activities	<u>10,359,830</u>	<u>10,506,035</u>		<u>4,920,192</u>		<u>5,066,397</u>	<u>5,066,397</u>
Total function/program	<u>\$ 99,469,292</u>	<u>\$ 22,541,779</u>	<u>\$ 6,819,224</u>	<u>\$ 7,055,558</u>	<u>\$ (68,119,128)</u>	<u>5,066,397</u>	<u>(63,052,731)</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues			Net (Expenses) Revenues and Change in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
GENERAL REVENUES							
Property taxes					35,969,749		35,969,749
Intergovernmental consolidated taxes					12,824,547		12,824,547
Room taxes					5,414,873		5,414,873
Intergovernmental sales taxes					1,470,298		1,470,298
Construction taxes					125,057		125,057
Intergovernmental franchise and public service taxes					6,912,030		6,912,030
Investment income					316,546	69,675	386,221
Change in fair value of investments					(19,768)	(5,208)	(24,976)
Gain on disposal of capital assets					262,461	(9,227)	253,234
Miscellaneous					269,635	107,249	376,884
					63,545,428	162,489	63,707,917
Total general revenues							
Transfers					(91,336)	91,336	
					(4,665,036)	5,320,222	655,186
CHANGE IN NET POSITION							
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED							
					149,189,335	93,960,431	243,149,766
Adjustment					4,674,610	(424,278)	4,250,332
NET POSITION BEGINNING OF YEAR, AS ADJUSTED							
					153,863,945	93,536,153	247,400,098
NET POSITION, END OF YEAR							
					\$ 149,198,909	\$ 98,856,375	\$ 248,055,284

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

DOUGLAS COUNTY

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2014

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Debt Financed		
ASSETS						
Cash, cash equivalents and investments	\$ 9,721,301	\$ 4,720,536	\$ 2,033,473	\$ 661,818	\$ 33,904,526	\$ 51,041,654
Cash, cash equivalents and investments, restricted	23,402					23,402
Accounts receivable, net	557,177	815,502	6,485	56,030	819,972	2,255,166
Taxes receivable	788,681		92,052		223,942	1,104,675
Interest receivable	12,021	6,404	2,769	79	41,878	63,151
Due from other governments	1,986,646	243,905	379,810		1,101,035	3,711,396
Special assessments receivable					378	378
Due from other funds	39,194	50		634	295,642	335,520
Prepaid items	261,030	10,355	178,779		95,489	545,653
Advances to other funds	700,000					700,000
Other assets	13,795				7,656	21,451
Property held for sale					179,292	179,292
Total assets	\$ 14,103,247	\$ 5,796,752	\$ 2,693,368	\$ 718,561	\$ 36,669,810	\$ 59,981,738
LIABILITIES						
Accounts payable and accrued expenses	\$ 553,347	\$ 1,518,407	\$ 182,325	\$ 642,815	\$ 813,417	\$ 3,710,311
Accrued salaries, wages and benefits	563,893	70,381	171,620		160,036	965,930
Due to other funds	31,246		1,149		309,520	341,915
Unearned revenue, current	1,451,675	45,212			2,343,825	3,840,712
Contract retentions payable		549,158			42,880	592,038
Deposits	136,237	28,808			84,426	249,471
Due to other governments	24,942				8,339	33,281
Total liabilities	2,761,340	2,211,966	355,094	642,815	3,762,443	9,733,658
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, taxes and penalties	723,489		81,723		198,871	1,004,083
Unavailable revenue, special assessments					378	378
Unavailable revenue, grants	20,524		78,393		58,413	157,330
Unavailable revenue, other					443,840	443,840
Total deferred inflows of resources	744,013		160,116		701,502	1,605,631
Total liabilities and deferred inflows of resources	3,505,353	2,211,966	515,210	642,815	4,463,945	11,339,289

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2014

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Debt Financed		
FUND BALANCES						
Nonspendable						
Prepaid items	\$ 261,030	\$ 10,355	\$ 178,779		\$ 95,489	\$ 545,653
Land held for resale					179,292	179,292
Deposits	13,795				7,656	21,451
Restricted for						
Debt service	342,451				2,470,985	2,813,436
Capital improvement projects				75,746	12,336,431	12,412,177
General, town and district redevelopment programs			1,999,379		4,262,773	6,262,152
Youth and other judicial programs	875,738				2,255,248	3,130,986
Fire, police and other public safety programs					606,089	606,089
Streets and other public works programs					7,612,937	7,612,937
Cultural, community and development programs					1,025,040	1,025,040
Committed to						
Streets and other public works programs	700,000				596,344	1,296,344
Assigned to						
Capital improvement projects					537,741	537,741
Youth and other judicial programs	12,490					12,490
Cultural, community and development programs		3,574,431				3,574,431
Sanitation and other health programs					220,458	220,458
Stabilization programs	360,313					360,313
Unassigned	<u>8,032,077</u>				<u>(618)</u>	<u>8,031,459</u>
Total fund balances	<u>10,597,894</u>	<u>3,584,786</u>	<u>2,178,158</u>	<u>75,746</u>	<u>32,205,865</u>	<u>48,642,449</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 14,103,247</u>	<u>\$ 5,796,752</u>	<u>\$ 2,693,368</u>	<u>\$ 718,561</u>	<u>\$ 36,669,810</u>	<u>\$ 59,981,738</u>

See notes to basic financial statements.

DOUGLAS COUNTY

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION - GOVERNMENTAL ACTIVITIES JUNE 30, 2014

FUND BALANCES, GOVERNMENTAL FUNDS		\$ 48,642,449
Amounts reported in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources; and therefore, are not reported in governmental funds:		
Capital assets	\$ 364,676,790	
Less accumulated depreciation	<u>(241,462,132)</u>	123,214,658
Long-term liabilities, including bonds payable are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Bonds and notes payable	(20,033,855)	
Unamortized premiums and discounts	(56,217)	
Unamortized deferred refunding charges	7,275	
Compensated absences payable	(3,669,728)	
Postemployment benefits other than pensions	<u>(6,333,539)</u>	(30,086,064)
Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds:		
Interest payable	<u>(179,206)</u>	(179,206)
Unavailable revenue represents amounts that were not available to fund current expenditures; and therefore, are not reported in governmental funds:		
Unavailable revenue, taxes and penalties	1,004,083	
Unavailable revenue, special assessments	378	
Unavailable revenue, grants	157,330	
Unavailable revenue, other	<u>443,840</u>	1,605,631
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund assets and liabilities included in governmental activities in the statement of net position	5,955,146	
Internal service fund balance receivable from business-type activities from cumulative prior years' activity	44,353	
Internal service fund balance receivable from business-type activities from current year activity	<u>1,942</u>	<u>6,001,441</u>
NET POSITION, GOVERNMENTAL ACTIVITIES		\$ <u><u>149,198,909</u></u>

See notes to basic financial statements.

DOUGLAS COUNTY
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Debt Financed		
REVENUES						
Property taxes	\$ 18,118,572		\$ 4,457,395		\$ 12,515,729	\$ 35,091,696
County gas tax					196,869	196,869
Room taxes		4,853,039			561,834	5,414,873
Construction taxes					125,057	125,057
Franchise fees	787,523				456,950	1,244,473
Licenses, permits and other fees	3,137,208	2,088,895			302,000	5,528,103
Charges for services	4,447,270	1,175,466	143,869		3,000,763	8,767,368
Intergovernmental shared revenues	12,807,981	1,678,417	1,996,958		8,613,233	25,096,589
Fines and forfeitures	806,568				147,985	954,553
Investment income	84,964	22,227	12,364	7,329	141,395	268,279
Change in fair value of investments	16,553	(4,672)	(31)		(1,107)	10,743
Miscellaneous	231,887	146,278	404,115		1,765,078	2,547,358
Total revenues	40,438,526	9,959,650	7,014,670	7,329	27,825,786	85,245,961
EXPENDITURES						
Current						
General government	9,636,025				1,752,602	11,388,627
Judicial	8,693,478				4,436,997	13,130,475
Public safety	15,339,675		11,631,245		1,875,626	28,846,546
Public works	921,458				3,856,229	4,777,687
Community development	1,771,629				1,771,776	3,543,405
Culture and recreation		9,716,758			1,091,597	10,808,355
Health and sanitation	636,861				241,790	878,651
Welfare					2,375,557	2,375,557
Total current	36,999,126	9,716,758	11,631,245		17,402,174	75,749,303
Capital outlay						
General government	16,090			12,224,089	445,473	12,685,652
Judicial	8,605				68,070	76,675
Public safety	444,121		26,655		147,620	618,396
Public works					753,558	753,558
Community development					9,627	9,627
Culture and recreation		1,873,102			762,608	2,635,710
Welfare					25,888	25,888
Total capital outlay	468,816	1,873,102	26,655	12,224,089	2,212,844	16,805,506
Debt service						
Principal payments					2,080,942	2,080,942
Interest expense					640,402	640,402
Fiscal charges					2,800	2,800
Total debt service					2,724,144	2,724,144
Total expenditures	37,467,942	11,589,860	11,657,900	12,224,089	22,339,162	95,278,953
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,970,584	(1,630,210)	(4,643,230)	(12,216,760)	5,486,624	(10,032,992)

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

GOVERNMENTAL FUNDS

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014**

	Special Revenue Funds			Capital Projects Fund	Non-major Governmental Funds	Total Governmental Funds
	General Fund	Room Tax	East Fork Fire Protection District	Debt Financed		
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal	\$	\$ 100	\$ 146,986	\$	\$ 115,375	\$ 262,461
Transfers in	354,657	1,035,792	3,974,674		7,335,259	12,700,382
Transfers out	<u>(2,906,239)</u>	<u>(784,019)</u>	<u>(145,530)</u>		<u>(8,959,596)</u>	<u>(12,795,384)</u>
Total other financing sources (uses)	<u>(2,551,582)</u>	<u>251,873</u>	<u>3,976,130</u>		<u>(1,508,962)</u>	<u>167,459</u>
CHANGE IN FUND BALANCE	<u>419,002</u>	<u>(1,378,337)</u>	<u>(667,100)</u>	<u>(12,216,760)</u>	<u>3,977,662</u>	<u>(9,865,533)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	8,469,287	4,489,001	2,845,258	12,292,506	26,077,320	54,173,372
Adjustment	<u>1,709,605</u>	<u>474,122</u>			<u>2,150,883</u>	<u>4,334,610</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>10,178,892</u>	<u>4,963,123</u>	<u>2,845,258</u>	<u>12,292,506</u>	<u>28,228,203</u>	<u>58,507,982</u>
FUND BALANCE, END OF YEAR	<u>\$ 10,597,894</u>	<u>\$ 3,584,786</u>	<u>\$ 2,178,158</u>	<u>\$ 75,746</u>	<u>\$ 32,205,865</u>	<u>\$ 48,642,449</u>

DOUGLAS COUNTY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2014

CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS		\$ (9,865,533)
Amounts reported in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of capital assets is capitalized and depreciated over their estimated useful lives:		
Expenditures for capital assets	\$ 16,805,505	
Less current year depreciation	(12,905,315)	
Disposition of capital assets	<u>(644,974)</u>	3,255,216
Revenues in the statement of activities, which do not provide current financial resources are not reported as revenues in governmental funds. Some revenues reported in the governmental funds result from interfund transactions; and therefore, are not reported in the statement of activities:		
Capital asset contributions	903,389	
Change in unavailable revenue	(137,821)	
Revenues from interfund transactions	<u>(2,048,736)</u>	(1,283,168)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases liabilities in the statement of net position. Repayment of debt principal is an expenditure in governmental funds, but the repayment reduces liabilities in the statement of net position. This is the amount by which debt issued exceeded repayments		
Debt principal repayments	<u>2,080,942</u>	2,080,942
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 postemployment benefits other than pensions	(1,039,515)	
Change in compensated absences payable	(134,355)	
Amortization of debt premiums and discounts	3,108	
Amortization of deferred refunding charges	(1,294)	
Change in interest payable	<u>13,409</u>	(1,158,647)
Some expenditures reported in governmental funds benefit a future period or result from interfund transactions; and therefore, are not reported in the statement of activities:		
Expenditures from interfund transactions	<u>2,048,736</u>	2,048,736
Internal service funds are used by management to charge the costs of certain activities to individual funds:		
Internal service fund change in net position included in governmental activities in the statement of activities	255,476	
The internal service funds change in net position related to business-type activities	<u>1,942</u>	<u>257,418</u>
CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES		<u>\$ (4,665,036)</u>

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 1,224,568	\$ 1,081,153	\$ 87,352	\$ 3,162,659	\$ 3,527,673
Accounts receivable, net	19,110	16,524	259,671	217,715	388,578
Notes receivable			125,000		
Taxes receivable					
Interest receivable	1,659	1,463	116	4,861	5,146
Due from other governments			31,011		
Due from other funds	927	1,668	1,022	2,780	132
Inventories					
Prepaid items	151	95		6,028	834
Restricted assets					
Cash, cash equivalents and investments				424,352	260,438
Total current assets	<u>1,246,415</u>	<u>1,100,903</u>	<u>504,172</u>	<u>3,818,395</u>	<u>4,182,801</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Land	73,840	318,590		1,005,900	697,567
Construction in progress	846,197	5,119	7,552,277	10,468	2,874,175
Water rights		117,419			2,343,446
Buildings and building improvements	667,829			204,867	75,358
Machinery, equipment and software	22,008	18,273		84,689	8,315
Water and sewer systems	6,102,250	5,916,041	8,583,519	19,054,775	20,749,650
Total capital assets, net of accumulated depreciation and amortization	<u>7,712,124</u>	<u>6,375,442</u>	<u>16,135,796</u>	<u>20,360,699</u>	<u>26,748,511</u>
Other assets					
Notes receivable			1,812,500		
Total other assets			<u>1,812,500</u>		
Total noncurrent assets	<u>7,712,124</u>	<u>6,375,442</u>	<u>17,948,296</u>	<u>20,360,699</u>	<u>26,748,511</u>
Total assets	<u>8,958,539</u>	<u>7,476,345</u>	<u>18,452,468</u>	<u>24,179,094</u>	<u>30,931,312</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized deferred refunding charges	<u>4,910</u>	<u>40,685</u>		<u>148,873</u>	<u>223,195</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	18,639	12,810	135,754	76,814	115,198
Accrued salaries, wages and benefits	3,608	4,082	171	9,039	12,663
Due to other funds				132	14,365
Unearned revenue, current	18,514	15,811	125,000	118,080	24,134
Contract retentions payable	34,786		132,577		
Deposits					2,200
Interest payable	21,484	34,315		14,455	52,644
Claims and judgments					
Compensated absences	5,053	5,163	612	9,043	69,962
Bonds and notes payable	156,586	177,381		595,000	744,160
Total current liabilities	<u>258,670</u>	<u>249,562</u>	<u>394,114</u>	<u>822,563</u>	<u>1,035,326</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
Noncurrent liabilities					
Advances from other funds	\$ 600,000	\$	\$	\$	\$ 100,000
Unearned revenue, long-term			1,812,500		
Compensated absences	11,123	13,079		20,197	
Postemployment benefits other than pensions	12,306	13,437		27,855	49,148
Bonds and notes payable, net of unamortized premiums and discounts	<u>1,954,710</u>	<u>2,643,622</u>		<u>4,002,162</u>	<u>7,775,787</u>
Total noncurrent liabilities	<u>2,578,139</u>	<u>2,670,138</u>	<u>1,812,500</u>	<u>4,050,214</u>	<u>7,924,935</u>
Total liabilities	<u>2,836,809</u>	<u>2,919,700</u>	<u>2,206,614</u>	<u>4,872,777</u>	<u>8,960,261</u>
NET POSITION					
Net investment in capital assets	5,570,953	3,595,123	16,003,220	15,912,410	18,451,760
Restricted					
Debt service	1,667			424,352	260,437
Capital improvement projects		30,449			
Insurance liabilities					
Unrestricted	<u>554,020</u>	<u>971,758</u>	<u>242,634</u>	<u>3,118,428</u>	<u>3,482,049</u>
Total net position	<u>\$ 6,126,640</u>	<u>\$ 4,597,330</u>	<u>\$ 16,245,854</u>	<u>\$ 19,455,190</u>	<u>\$ 22,194,246</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					
Net position of business-type activities					

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2014

	Business-type Activities				Governmental
	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 470,983	\$ 4,596,162	\$ 1,612,221	\$ 15,762,771	\$ 5,714,766
Accounts receivable, net	131,160	178,002	177,930	1,388,690	55,615
Notes receivable				125,000	
Taxes receivable					4,421
Interest receivable	636	6,235	2,197	22,313	7,778
Due from other governments	3,354	39,528		73,893	3
Due from other funds	50,063	9,524	15,268	81,384	20,915
Inventories		31,435		31,435	220,015
Prepaid items	11,348	11,441	20,948	50,845	
Restricted assets					
Cash, cash equivalents and investments			1,667	686,457	
Total current assets	<u>667,544</u>	<u>4,872,327</u>	<u>1,830,231</u>	<u>18,222,788</u>	<u>6,023,513</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Land	222,504	167,456	405,752	2,891,609	
Construction in progress		760,445	245,637	12,294,318	
Water rights		500,000		2,960,865	
Buildings and building improvements	916,488		267,728	2,132,270	3,172
Machinery, equipment and software	12,967	80,828	269,373	496,453	546,384
Water and sewer systems	11,964,682	5,735,667	2,301,041	80,407,625	
Total capital assets, net of accumulated depreciation and amortization	<u>13,116,641</u>	<u>7,244,396</u>	<u>3,489,531</u>	<u>101,183,140</u>	<u>549,556</u>
Other assets					
Notes receivable				1,812,500	
Total other assets				<u>1,812,500</u>	
Total noncurrent assets	<u>13,116,641</u>	<u>7,244,396</u>	<u>3,489,531</u>	<u>102,995,640</u>	<u>549,556</u>
Total assets	<u>13,784,185</u>	<u>12,116,723</u>	<u>5,319,762</u>	<u>121,218,428</u>	<u>6,573,069</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized deferred refunding charges			961	418,624	
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses	56,846	40,946	62,896	519,903	490,968
Accrued salaries, wages and benefits	4,464	4,664	15,188	53,879	10,799
Due to other funds	7,828	50,063	2,908	75,296	20,608
Unearned revenue, current		3,016	20,707	325,262	
Contract retentions payable				167,363	
Deposits		49,851		52,051	
Interest payable			5,833	128,731	
Claims and judgments					46,162
Compensated absences	9,245	6,856	38,709	144,643	36,174
Bonds and notes payable			42,989	1,716,116	
Total current liabilities	<u>78,383</u>	<u>155,396</u>	<u>189,230</u>	<u>3,183,244</u>	<u>604,711</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF NET POSITION (CONTINUED) JUNE 30, 2014

	Business-type Activities				Governmental Activities
	Town of Minden Wholesale Water Utility	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
Noncurrent liabilities					
Advances from other funds	\$	\$	\$	\$ 700,000	\$
Unearned revenue, long-term				1,812,500	
Compensated absences	11,022	14,447	8,653	78,521	
Postemployment benefits other than pensions	21,850	72,892	30,498	227,986	13,212
Bonds and notes payable, net of unamortized premiums and discounts			<u>355,850</u>	<u>16,732,131</u>	
Total noncurrent liabilities	<u>32,872</u>	<u>87,339</u>	<u>395,001</u>	<u>19,551,138</u>	<u>13,212</u>
Total liabilities	<u>111,255</u>	<u>242,735</u>	<u>584,231</u>	<u>22,734,382</u>	<u>617,923</u>
NET POSITION					
Net investment in capital assets	13,116,640	7,244,397	3,100,493	82,994,996	549,555
Restricted					
Debt service				686,456	
Capital improvement projects				30,449	
Insurance liabilities					4,610,447
Unrestricted	<u>556,290</u>	<u>4,629,591</u>	<u>1,635,999</u>	<u>15,190,769</u>	<u>795,144</u>
Total net position	<u>\$ 13,672,930</u>	<u>\$ 11,873,988</u>	<u>\$ 4,736,492</u>	98,902,670	<u>\$ 5,955,146</u>
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time				<u>(46,295)</u>	
Net position of business-type activities				<u>\$ 98,856,375</u>	

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
OPERATING REVENUES					
Charges for services	\$ 530,883	\$ 773,759	\$ 746,246	\$ 1,840,161	\$ 2,735,847
OPERATING EXPENSES					
Salaries and wages	118,651	133,710	6,227	292,267	424,640
Employee benefits	50,386	56,834	2,157	143,877	184,859
Services and supplies	136,994	193,529	623,415	471,882	852,071
Depreciation	252,746	266,753	199,008	812,318	788,048
Total operating expenses	<u>558,777</u>	<u>650,826</u>	<u>830,807</u>	<u>1,720,344</u>	<u>2,249,618</u>
Operating income (loss)	<u>(27,894)</u>	<u>122,933</u>	<u>(84,561)</u>	<u>119,817</u>	<u>486,229</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	2,911	4,118	441	14,542	17,421
Change in fair value of investments	(1,378)	(525)	1,618	(1,500)	(614)
Interest and fiscal charges	(44,298)	(89,188)		(216,922)	(296,962)
Property taxes					
Intergovernmental shared revenues					64,338
Water capacity fees			125,000		
Lease revenues		31,680			
Gain (loss) on capital asset disposition					
Miscellaneous	305	399		2,366	3,831
Total nonoperating revenues (expenses)	<u>(42,460)</u>	<u>(53,516)</u>	<u>127,059</u>	<u>(201,514)</u>	<u>(211,986)</u>
Income (loss) before capital contributions and transfers	<u>(70,354)</u>	<u>69,417</u>	<u>42,498</u>	<u>(81,697)</u>	<u>274,243</u>
CAPITAL CONTRIBUTIONS					
Capital contributions			1,877,683	164,138	1,467,928
Connection charges	10,643	27,508		192,640	72,174
Total capital contributions	<u>10,643</u>	<u>27,508</u>	<u>1,877,683</u>	<u>356,778</u>	<u>1,540,102</u>
TRANSFERS					
Transfers in	79,254	1,750	2,860,914	2,990	131,029
Transfers out			(125,000)		(2,860,846)
Total transfers	<u>79,254</u>	<u>1,750</u>	<u>2,735,914</u>	<u>2,990</u>	<u>(2,729,817)</u>
CHANGE IN NET POSITION	<u>19,543</u>	<u>98,675</u>	<u>4,656,095</u>	<u>278,071</u>	<u>(915,472)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	6,151,816	4,522,379	11,589,759	19,249,019	23,404,244
Adjustment	(44,719)	(23,724)		(71,900)	(294,526)
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>6,107,097</u>	<u>4,498,655</u>	<u>11,589,759</u>	<u>19,177,119</u>	<u>23,109,718</u>
NET POSITION, END OF YEAR	<u>\$ 6,126,640</u>	<u>\$ 4,597,330</u>	<u>\$ 16,245,854</u>	<u>\$ 19,455,190</u>	<u>\$ 22,194,246</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds					
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES					

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				Governmental
	Town of Minden	Town of Minden	Non-major	Total Enterprise	Internal Service
	Wholesale Water Utility	Water Company	Enterprise Funds	Funds	Funds
OPERATING REVENUES					
Charges for services	\$ 896,164	\$ 1,016,188	\$ 1,941,787	\$ 10,481,035	\$ 4,679,983
OPERATING EXPENSES					
Salaries and wages	158,687	163,795	533,242	1,831,219	367,504
Employee benefits	66,092	89,111	241,977	835,293	161,153
Services and supplies	461,480	421,505	828,088	3,988,964	4,109,311
Depreciation	284,885	246,789	190,237	3,040,784	156,160
Total operating expenses	<u>971,144</u>	<u>921,200</u>	<u>1,793,544</u>	<u>9,696,260</u>	<u>4,794,128</u>
Operating income (loss)	<u>(74,980)</u>	<u>94,988</u>	<u>148,243</u>	<u>784,775</u>	<u>(114,145)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	1,939	20,647	7,656	69,675	48,267
Change in fair value of investments	(531)	(2,030)	(248)	(5,208)	(3,096)
Interest and fiscal charges			(14,258)	(661,628)	
Property taxes					238,923
Intergovernmental shared revenues				64,338	4,036
Water capacity fees				125,000	
Lease revenues		200		31,880	
Gain (loss) on capital asset disposition		(9,227)		(9,227)	
Miscellaneous	21,243	5,263	2,624	36,031	42,378
Total nonoperating revenues (expenses)	<u>22,651</u>	<u>14,853</u>	<u>(4,226)</u>	<u>(349,139)</u>	<u>330,508</u>
Income (loss) before capital contributions and transfers	<u>(52,329)</u>	<u>109,841</u>	<u>144,017</u>	<u>435,636</u>	<u>216,363</u>
CAPITAL CONTRIBUTIONS					
Capital contributions		613,346	43,779	4,166,874	35,447
Connection charges		325,353		628,318	
Total capital contributions		<u>938,699</u>	<u>43,779</u>	<u>4,795,192</u>	<u>35,447</u>
TRANSFERS					
Transfers in	2,877,345		1,245	5,954,527	3,666
Transfers out		(2,877,345)		(5,863,191)	
Total transfers	<u>2,877,345</u>	<u>(2,877,345)</u>	<u>1,245</u>	<u>91,336</u>	<u>3,666</u>
CHANGE IN NET POSITION	<u>2,825,016</u>	<u>(1,828,805)</u>	<u>189,041</u>	<u>5,322,164</u>	<u>255,476</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	10,847,914	13,702,793	4,536,860		5,699,670
Adjustment			10,591		
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>10,847,914</u>	<u>13,702,793</u>	<u>4,547,451</u>		<u>5,699,670</u>
NET POSITION, END OF YEAR	<u>\$ 13,672,930</u>	<u>\$ 11,873,988</u>	<u>\$ 4,736,492</u>		<u>\$ 5,955,146</u>
Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds				<u>(1,942)</u>	
CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES				<u>\$ 5,320,222</u>	

See notes to basic financial statements.

DOUGLAS COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 539,220	\$ 777,750	\$ 1,842,483	\$ 1,938,895	\$ 2,809,073
Cash received from interfund services					
Cash payments for goods and services	(58,911)	(172,642)	(969,108)	(419,295)	(1,225,213)
Cash payments for interfund goods and services					
Cash payments for employee services and benefits	(165,818)	(186,466)	(7,697)	(413,254)	(594,949)
Cash payments for interfund employee services and benefits					
Net cash provided by (used in) operating activities	<u>314,491</u>	<u>418,642</u>	<u>865,678</u>	<u>1,106,346</u>	<u>988,911</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	79,254	1,750	68	2,990	131,029
Transfers out			(125,000)		
Repayments of advances to other funds					
Advances from other funds	600,000				100,000
Repayments of advances from other funds			(1,294,633)		
Property taxes					
Intergovernmental shared revenues					64,338
Water capacity fees			125,000		
Other	305	32,079		2,366	3,831
Net cash provided by (used in) noncapital financing activities	<u>679,559</u>	<u>33,829</u>	<u>(1,294,565)</u>	<u>5,356</u>	<u>299,198</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(786,366)	(25,453)	(1,879,208)	(11,733)	(790,331)
Proceeds from debt issuance	720,296			2,010,000	
Principal payments on debt	(148,254)	(132,618)		(2,396,351)	(506,486)
Interest payments on debt	(46,949)	(131,678)		(400,758)	(524,718)
Connection charges		27,508		192,640	72,174
Contributed capital			1,877,683		
Net cash provided by (used in) capital financing activities	<u>(261,273)</u>	<u>(262,241)</u>	<u>(1,525)</u>	<u>(606,202)</u>	<u>(1,749,361)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	1,252	2,655	325	9,681	12,275
Change in fair value of cash equivalent investments	(1,378)	(525)	1,618	(1,500)	(614)
Net cash provided by (used in) investing activities	<u>(126)</u>	<u>2,130</u>	<u>1,943</u>	<u>8,181</u>	<u>11,661</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>732,651</u>	<u>192,360</u>	<u>(428,469)</u>	<u>513,681</u>	<u>(449,591)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	491,917	888,793	515,821	3,073,330	4,237,702
Adjustment					(4,677)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, AS ADJUSTED	<u>491,917</u>	<u>888,793</u>	<u>515,821</u>	<u>3,073,330</u>	<u>4,233,025</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 1,224,568</u>	<u>\$ 1,081,153</u>	<u>\$ 87,352</u>	<u>\$ 3,587,011</u>	<u>\$ 3,788,111</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				Governmental Activities
	Town of Minden Wholesale Water Utility	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 944,454	\$ 2,204,201	\$ 1,916,978	\$ 12,973,054	\$
Cash received from interfund services					4,581,509
Cash payments for goods and services	(438,035)	(708,935)	(815,553)	(4,807,692)	
Cash payments for interfund goods and services					(4,074,076)
Cash payments for employee services and benefits	(220,141)	(241,543)	(765,612)	(2,595,480)	
Cash payments for interfund employee services and benefits					(519,896)
Net cash provided by (used in) operating activities	<u>286,278</u>	<u>1,253,723</u>	<u>335,813</u>	<u>5,569,882</u>	<u>(12,463)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			1,245	216,336	3,666
Transfers out				(125,000)	
Repayments of advances to other funds					974,750
Advances from other funds				700,000	
Repayments of advances from other funds				(1,294,633)	
Property taxes					239,607
Intergovernmental shared revenues				64,338	4,036
Water capacity fees				125,000	
Other	21,243	5,463	2,624	67,911	42,378
Net cash provided by (used in) noncapital financing activities	<u>21,243</u>	<u>5,463</u>	<u>3,869</u>	<u>(246,048)</u>	<u>1,264,437</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets		(1,207,600)	(287,462)	(4,988,153)	(48,875)
Proceeds from debt issuance				2,730,296	
Principal payments on debt			(40,947)	(3,224,656)	
Interest payments on debt			(15,604)	(1,119,707)	
Connection charges		325,353		617,675	
Contributed capital		613,346		2,491,029	
Net cash provided by (used in) capital financing activities		<u>(268,901)</u>	<u>(344,013)</u>	<u>(3,493,516)</u>	<u>(48,875)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	1,303	14,412	5,459	47,362	40,489
Change in fair value of cash equivalent investments	(531)	(2,030)	(248)	(5,208)	(3,096)
Net cash provided by (used in) investing activities	<u>772</u>	<u>12,382</u>	<u>5,211</u>	<u>42,154</u>	<u>37,393</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	<u>308,293</u>	<u>1,002,667</u>	<u>880</u>	<u>1,872,472</u>	<u>1,240,492</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
	162,690	3,593,495	1,613,008	14,576,756	
Adjustment			1,063	(3,614)	
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, AS ADJUSTED					
	<u>162,690</u>	<u>3,593,495</u>	<u>1,614,071</u>	<u>14,573,142</u>	
CASH AND CASH EQUIVALENTS, END OF YEAR					
	<u>\$ 470,983</u>	<u>\$ 4,596,162</u>	<u>\$ 1,613,888</u>	<u>\$ 16,449,228</u>	<u>\$ 5,714,766</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				
	Zephyr Water Utility	Cave Rock Water Utility	Regional Water Utility	Sewer Utility	Carson Valley Water Utility
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (27,894)	\$ 122,933	\$ (84,561)	\$ 119,817	\$ 486,229
Adjustments to reconcile operating to net cash provided by (used in) operating activities					
Depreciation and amortization	252,746	266,753	199,008	812,318	788,048
(Increase) decrease in operating assets					
Accounts receivable	9,386	5,735	(158,218)	102,251	74,003
Notes receivable			125,000		
Due from other governments			1,073,895		
Due from other funds	(927)	(1,668)	55,360	(2,780)	(132)
Inventories					
Prepaid expenses	(122)	(76)	200	(737)	(645)
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses	9,644	(8,790)	(212,501)	21,625	(231,340)
Accrued salaries and benefits	754	887	85	3,194	2,405
Due to other funds				132	(42,017)
Unearned revenue	33,694	29,703	(125,000)	30,980	(75,712)
Contract retentions payable	34,745	(26)	(8,192)	(150)	(12,923)
Deposits					(11,150)
Compensated absences	394	929	602	5,125	3,867
Postemployment benefits other than pensions	2,071	2,262		14,571	8,278
Total adjustments	<u>342,385</u>	<u>295,709</u>	<u>950,239</u>	<u>986,529</u>	<u>502,682</u>
Net cash provided by (used in) operating activities	<u>\$ 314,491</u>	<u>\$ 418,642</u>	<u>\$ 865,678</u>	<u>\$ 1,106,346</u>	<u>\$ 988,911</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 164,138</u>	<u>\$ 1,467,928</u>

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Business-type Activities				Governmental Activities
	Town of Minden Wholesale Water Utility	Town of Minden Water Company	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Funds
	RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (74,980)	\$ 94,988	\$ 148,243	\$ 784,775	\$ (114,145)
Adjustments to reconcile operating to net cash provided by (used in) operating activities					
Depreciation and amortization	284,885	246,789	190,237	3,040,784	156,160
(Increase) decrease in operating assets					
Accounts receivable	101,659	(7,128)	(10,708)	116,980	(22,337)
Notes receivable				125,000	
Due from other governments	(3,354)	1,189,017		2,259,558	2,497
Due from other funds	(50,063)	5,979	(14,958)	(9,189)	(20,915)
Inventories					(57,719)
Prepaid expenses	48	145	857	(330)	
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses	30,132	(337,854)	2,699	(726,385)	14,627
Accrued salaries and benefits	(401)	1,375	3,182	11,481	3,043
Due to other funds	7,828	49,753	(10,820)	4,876	20,608
Unearned revenue	(14,515)	671	20,678	(99,501)	
Contract retentions payable			(22)	13,432	
Deposits				(11,150)	
Compensated absences	1,322	(60)	1,275	13,454	3,572
Postemployment benefits other than pensions	3,717	10,048	5,150	46,097	2,146
Total adjustments	<u>361,258</u>	<u>1,158,735</u>	<u>187,570</u>	<u>4,785,107</u>	<u>101,682</u>
Net cash provided by (used in) operating activities	<u>\$ 286,278</u>	<u>\$ 1,253,723</u>	<u>\$ 335,813</u>	<u>\$ 5,569,882</u>	<u>\$ (12,463)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$</u>	<u>\$</u>	<u>\$ 43,779</u>	<u>\$ 1,675,845</u>	<u>\$ 35,477</u>

See notes to basic financial statements.

DOUGLAS COUNTY
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Agency Funds</u>
ASSETS	
Cash, cash equivalents and investments	\$ 2,690,197
Accounts receivable, net	61,273
Taxes receivable	647,703
Interest receivable	2,218
Due from other governments	47,268
Special assessments receivable	2,481
Inventories	32,557
Prepaid items	<u>10,785</u>
Total assets	<u>3,494,482</u>
LIABILITIES	
Due to others	<u>3,494,482</u>
NET POSITION	<u>\$ <u> </u></u>

**NOTES TO BASIC
FINANCIAL STATEMENTS**

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Note 1. Summary of Significant Accounting Policies

The financial statements of Douglas County (the County) have been prepared in conformity with accounting principles generally accepted in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Reporting Entity

The County is incorporated as a municipality of the State of Nevada (the State) and is governed by a five member elected Board of County Commissioners (the County Commission). The County's major operations include various tax assessments and collections, judicial functions, law enforcement, certain public health and welfare functions, road maintenance, parks, libraries and various administrative activities.

The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the organization's governing board, and either the ability of the primary government to impose its will on the organization or the possibility that the organization will provide a financial benefit to or impose a financial burden on the primary government. In addition to financial accountability, component units can be other organizations in which the economic resources received or held by that organization are entirely or almost entirely for the direct benefit of the primary government, the primary government is entitled to or has the ability to otherwise access a majority of the economic resources received or held by that organization and the resources to which the primary government is entitled or has the ability to otherwise access are significant to the primary government.

The County has determined that it is financially accountable for the following entities, which are presented as blended component units:

East Fork Fire Protection District

Douglas County Redevelopment District

Town of Gardnerville

Town of Genoa

Town of Minden

East Fork Paramedic District

Basic Financial Statements

The government-wide financial statements include a statement of net position and a statement of activities and present consolidated information for the County's nonfiduciary activities. 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 user fees and charges for support.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Included in the statement of net position are capital assets and long-term liabilities including general obligation and revenue bonds, notes, compensated absences, obligations for postemployment benefits other than pensions, and claims and judgments. Net position is classified as 1) net investment in capital assets, 2) restricted net position, or 3) unrestricted net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment and include indirect expenses allocated to each function. 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, which are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other revenues not restricted for use by a particular function or segment are reported as general revenues.

Separate fund financial statements are provided for governmental, proprietary and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and proprietary funds are reported as separate columns on the fund financial statements. Governmental fund financial statements include a balance sheet and a statement of revenues, expenditures and changes in fund balances with schedules presented to reconcile fund balances presented in the governmental fund financial statements to net position presented in the government-wide financial statements. Proprietary fund financial statements include a statement of net position, a statement of revenues, expenses and changes in net position, and a statement of cash flows.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are presented using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary funds financial statements, except for agency funds, which have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental Fund Financial Statements

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the current fiscal year end. The primary revenue sources, which have been treated as susceptible to accrual by the County, are property taxes, interest, intergovernmental consolidated taxes, governmental service taxes, motor vehicle fuel taxes and grants. All other revenue sources are considered to be measurable and available only when cash is received by the County. Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, obligations for postemployment benefits other than pensions, and claims and judgments, are recorded only when payment is due.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

The County reports the following major governmental funds:

General Fund - Accounts for all financial resources not accounted for in other funds.

Room Tax Fund - Accounts for activities related to, and support of, chambers of commerce, visitor authorities, and other specific Douglas County programs, such as parks, recreation and libraries.

East Fork Fire Protection District Fund - Accounts for the operations and activities of the East Fork Fire Protection District.

Debt Financed Capital Projects Fund - Accounts for the acquisition and construction of capital facilities that are financed in whole or in part by the issuance of debt.

The County reports the following non-major governmental fund types:

Special Revenue Funds - Accounts for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Debt Service Funds - Accounts for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Capital Projects Funds - Accounts for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Proprietary Fund Financial Statements

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges for services and other user fees. Operating expenses include the cost of goods and services, administrative expenses, and capital asset depreciation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The County reports the following major proprietary funds:

Zephyr Water Utility Fund - Accounts for the operations of the Zephyr water system, a separate water system in Douglas County.

Cave Rock Water Utility Fund - Accounts for the operations of the Cave Rock water system, a separate water system in Douglas County.

Regional Water Utility Fund - Accounts for the operations of the Regional water system, a separate water system in Douglas County.

Sewer Utility Fund - Accounts for the operations of the Douglas County sewer system.

Carson Valley Water Fund - Accounts for the operations of the Carson Valley water system, a separate water system in Douglas County.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Town of Minden Wholesale Water Fund - Accounts for the operations of the Town of Minden wholesale water system.

Town of Minden Water Fund - Accounts for the operations of the Town of Minden water system, a separate water system in Douglas County

The County reports the following non-major proprietary fund types:

Enterprise Funds - Accounts for activities for which a user fee is charged for goods or services.

Internal Service Funds - Accounts for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements, comprised of a statement of net position, report the County's activities that are custodial in nature (assets equal liabilities) and do not involve measurement of operational results. Fiduciary funds are excluded from the government-wide financial statements.

The County reports the following fiduciary fund type:

Agency Funds - Accounts for assets held as an agent for individuals, private organizations, or other governments.

Assets and Liabilities

Cash, Cash Equivalents and Investments

The County's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. All County cash, cash equivalents and investments are pooled for investment purposes. The pooled cash, cash equivalents and investments belonging to proprietary funds are available on demand; accordingly, amounts invested by proprietary funds are considered to be cash equivalents.

Investments are reported at fair value, regardless of the length of time remaining to maturity. The fair values of investments are determined using quotations obtained from independent published sources. Interest earned on investments is allocated to the General Fund and various other funds in accordance with the Nevada Revised Statutes (NRS) and policies established by management.

Receivables, Payables and Unearned Revenues

The assessed valuation of the real property and its improvements and personal property is computed at 35% of taxable value as defined by NRS and is further limited to \$3.64 per hundred dollars of assessed valuation, except in cases of severe financial emergency as defined by NRS 354.705. The NRS also provide for a partial abatement of the property tax levied on qualified property that limits the increase of property taxes based on the previous year's assessed value. All real property in Douglas County is subject to physical reappraisal every five years. Taxes on personal property (primarily, commercial and mobile homes) are based on annual personal property declarations and computed using percentages and tax rates previously discussed.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Upon the certification of the combined tax rate by the State Tax Commission, the County Commission levies the real property tax rate for the fiscal period beginning with the succeeding July 1. Effective upon the tax levy on July 1 each year, a perpetual lien is recorded against the property assessed until the tax and any penalty charges and interest, which may accrue thereon, are paid. Real property taxes are due on the third Monday in August of each year and may be paid in quarterly installments on or before the third Monday in August and first Mondays in October, January and March. Penalties are assessed if a taxpayer fails to pay an installment within 10 days of the due date. In the event of nonpayment, on the first Monday in June of the subsequent year, a Treasurer's Trustee Certificate is issued conveying the property to the County Treasurer as Trustee, constituting a lien for back taxes and accumulated delinquency charges. The County Treasurer is authorized to hold the property for two years, subject to redemption upon payment of taxes, penalties and costs, together with interest from the date the taxes were due until paid. If delinquent taxes are not paid within the two-year redemption period, the County Treasurer obtains a deed to the property free of all encumbrances and may sell the property to satisfy the tax lien.

Property taxes and other receivables that are not collected within 60 days of year end are classified as unavailable revenue in the fund financial statements rather than current revenue since the asset is not available to satisfy current obligations.

No allowance for uncollectable amounts related to other receivables, except for those related to ambulance billings, has been established since management does not anticipate any material collection loss in respect to delinquent accounts. In the East Fork Paramedic District Fund, accounts receivable from ambulance billings are reported net of a 23.9% allowance for uncollectable accounts.

Unearned revenues arise when the County receives resources before it has a legal claim to them, such as when grant funds are received prior to fulfillment of all eligibility requirements or property taxes for the following tax year are received before year end.

During the course of operations, individual funds engage in numerous reimbursable transactions with one another for goods provided or services rendered and any outstanding receivables and payables at year end are reported as due to/from other funds. Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as advances to/from other funds. All such balances within the governmental activities or business-type activities are eliminated in the government-wide statements. Indirect cost allocations for support services, reported as revenues and expenses in the fund financial statements, are eliminated in the government-wide statements. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide statements as internal balances.

Inventories

Inventories in the governmental funds are valued at cost, which approximates market, using the first-in/first-out method. Inventories in proprietary funds are valued at the lower of cost (first-in/first-out method) or market. In the governmental fund financial statements, inventories are recorded as expenditures when purchased rather than when consumed.

Prepaid Items

Certain payments to vendors reflect costs applicable to future periods and are recorded as prepaid items in both the government-wide and fund financial statements. In the governmental fund financial statements, prepaid items are recorded as expenditures when consumed rather than when purchased.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Restricted Assets

Bond covenants and other legal restrictions require portions of debt proceeds and other resources, be set aside for various purposes. These amounts are reported as restricted cash, cash equivalents and investments.

Capital Assets

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as those assets with an initial cost of \$5,000 or more and an estimated useful life of more than one year. All purchased capital assets are valued at cost or estimated historical cost, including capitalized interest incurred during the construction phase on debt-financed projects. Donated assets are recorded at their estimated fair value on the date donated. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets.

The costs of normal maintenance and repairs that do not significantly increase the functionality of the assets or materially extend the assets' useful lives are not capitalized.

Depreciation and amortization are computed using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and building improvements	25-50
Machinery, equipment and software	5-25
Infrastructure	20-30
Water and sewer systems	40

Long-term Liabilities

In the government-wide and proprietary fund statements, long-term obligations are reported as liabilities in the statement of net position. Premiums and discounts are deferred and amortized as a component of interest expense over the life of the bonds using the straight-line method, which approximates the effective interest method. For current and advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the defeased debt is deferred and amortized as a component of interest expense using the straight-line method, which also approximates the effective interest method. Debt issuance costs are expensed in the period incurred.

In the governmental fund financial statements, premiums, discounts and debt issuance costs are recognized in the period they are paid or received. The face amount of debt issued and premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Compensated Absences

It is the County's policy to permit employees to accumulate earned vacation and sick leave benefits that would be paid to them upon separation from County service if not previously taken. Accumulated sick leave benefits are payable to terminated employees who have accumulated a set number of hours up to a specified maximum, depending on the particular employee association. A liability for these obligations is reported in the government-wide and proprietary fund financial statements as incurred. A liability for compensated absences is reported in the governmental fund financial statements only to the extent it is due and payable at year end.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Postemployment Benefits Other Than Pensions

In accordance with the transition rules of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the County elected to apply its measurement and recognition requirements on a prospective basis and set its beginning net postemployment benefits other than pensions (OPEB) obligation at zero upon adoption. The annual OPEB cost reported in the accompanying financial statements is equal to the annual required contribution (ARC) of the County, calculated by using an actuarial valuation based upon the same methods and assumptions applied in determining the plan's funding requirements. The net OPEB obligation at year end is determined by adding the annual OPEB cost to the net OPEB obligation at the beginning of the year and deducting any contributions to the plan during the year.

Deferred Outflows and Inflows of Resources

In addition to assets, a separate section is reported 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 will not be recognized as an outflow of resources (expense/expenditure) until then. The unamortized deferred refunding charges (the difference between the reacquisition price and the net carrying amount of the defeased debt) qualifies for reporting in this category.

In addition to liabilities, a separate section is reported 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 will not be recognized as an inflow of resources (revenue) until that time. Revenues that are unavailable to satisfy current obligations qualify for reporting in this category.

Net Position

In the government-wide and proprietary fund financial statements, net position is reported as net investment in capital assets, restricted, or unrestricted. Net position is reported as restricted when constraints placed on it are either imposed by external parties (such as creditors, grantors, contributors or other governments) or imposed by law through a constitutional provision or enabling legislation.

Fund Balance

Fund balances of the governmental funds are classified in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as follows:

Nonspendable fund balances include items that cannot be spent, such as amounts that are not in a spendable form (for example, inventories and prepaid items) and amounts that are legally or contractually required to remain intact, such as a permanent fund principal balance.

Restricted fund balances have constraints placed upon the use of the resources either by external parties (such as creditors, grantors, contributors or other governments) or imposed by law through a constitutional provision or enabling legislation.

Committed fund balances can be used only for specific purposes pursuant to constraints imposed by an ordinance of the County Commission, which is the County's highest level of decision-making authority. These constraints remain binding unless removed or changed in the same manner used to create the constraints.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Assigned fund balances include amounts that are constrained by the County's intent to be used for a specific purpose, but are neither restricted nor committed. Such intent should be expressed by the County Commission or appropriately authorized officials. The Assistant County Manager/Chief Financial Officer has been authorized by the County Commission in the budget approval process to make all fund balance assignments. Constraints imposed on the use of assigned fund balances can be removed or changed without formal County Commission action. For governmental funds, other than the General Fund, this is the classification for residual amounts that are not restricted, committed or nonspendable.

Unassigned fund balance is the classification used by the General Fund for residual amounts not included in the four categories described above.

Prioritization and Use of Available Resources

When both restricted resources and other resources (committed, assigned and unassigned) can be used for the same purposes, it is the County's policy to use restricted resources first. Furthermore, when committed, assigned and unassigned resources can be used for the same purpose, it is the County's policy to use committed resources first, assigned second, and unassigned last.

Use of Estimates

Timely preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates that affect reported amounts. Accordingly, these estimates may require revision in future periods. Significant estimates include compensated absences, postemployment benefits other than pensions and useful lives of capital assets.

Note 2. Stewardship and Accountability

Budgetary Information

The County adopts annual budgets for all funds except for agency funds. All budget augmentations made during the year ended June 30, 2014, were as prescribed by law. All budgets are adopted on a basis consistent with accounting principles generally accepted in the United States and used by the County for financial reporting.

The County uses the following procedures to establish, modify, and control budgetary data:

Prior to April 15, the County submits the tentative budget for the next fiscal year, commencing on July 1, to the State Department of Taxation. The County Commission has the ability to reject the tentative budget prior to its submission to the State.

Public hearings are conducted on the third Monday in May.

After all changes have been noted and the public hearings closed, the County Commission adopts the budget on or before June 1.

Budget amounts within funds, and between funds, may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the Budget Officer and/or the Board of Commissioners, depending on established criteria.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Budget augmentations in excess of original budget amounts may not be made without prior approval from the County Commission.

All annual appropriations lapse at the fiscal year end.

Excess of Expenditures over Appropriations

The NRS require that governmental fund budgetary controls to be exercised at the function level and that proprietary fund operating and nonoperating expenses not exceed the combined operating and nonoperating expenses budget. The NRS does not require budgetary limitations for capital asset purchases, debt service payments and other cash transactions typically reported in the proprietary fund statement of net position; however, it is the County's policy that these items be approved prior to payment.

For the year ended June 30, 2014, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of the NRS:

General fund, public works function	\$	21,161
State motor vehicle accident indigent special revenue fund, welfare function		563
Technology services (911) special revenue fund, public safety function		58,583
Senior services program special revenue fund, community development function		13,446
Town of Gardnerville special revenue fund, general government function		110,775
Town of Genoa special revenue fund, general government function		11,635
Library gifts, special revenue fund, culture and recreation function		54,968
Risk management internal service fund, operating expenses		38,242

These over expenditures were funded by available assets in excess of liabilities as represented by fund balance or net position in the respective funds.

Deficit Fund Balance or Net Position

At June 30, 2014, the following fund had a deficit fund balance:

Park residential construction tax capital projects fund	\$	618
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(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Prior Period Adjustment

Fund balance or net position as of July 1, 2013, has been retroactively adjusted as follows:

	General Fund	Room Tax Special Revenue Fund	Non-major Governmental Funds	Zephyr Water Utility Enterprise Fund	Cave Rock Water Utility Enterprise Fund
Net position or fund balance, as previously reported	\$ 8,469,287	\$ 4,489,001	\$ 26,077,320	\$ 6,151,816	\$ 4,522,379
Adjustments					
Cumulative effect of adopting GASB Statement No. 65				(69,880)	(44,357)
Correct classification of funds previously reported as agency funds	1,105,266		218,585		
Adjust unearned revenues for amounts earned in prior years	669,255	474,122	1,678,006	25,161	20,633
Recognize assets and revenue arising from a prior year legal settlement			254,292		
Adjust deferred refunding charges for amounts that should have been amortized in a prior year					
Adjust unavailable revenues for amounts recognized in prior years					
Adjust general fund cash balance for pre-1999 unreconciled variance	(64,916)				
Total adjustments	1,709,605	474,122	2,150,883	(44,719)	(23,724)
Net position or fund balance, as adjusted	\$ 10,178,892	\$ 4,963,123	\$ 28,228,203	\$ 6,107,097	\$ 4,498,655
	Sewer Utility Enterprise Fund	Carson Valley Water Utility Enterprise Fund	Non-major Enterprise Funds	Governmental Activities	Business-type Activities
Net position or fund balance, as previously reported	\$ 19,249,019	\$ 23,404,244	\$ 4,536,860	\$ 149,189,335	\$ 93,960,431
Adjustments					
Cumulative effect of adopting GASB Statement No. 65	(98,509)	(219,660)	(3,820)	(367,331)	(436,226)
Correct classification of funds previously reported as agency funds				1,323,851	
Adjust unearned revenues for amounts earned in prior years	26,609	(74,866)	14,411	2,821,383	11,948
Recognize assets and revenue arising from a prior year legal settlement				254,292	
Adjust deferred refunding charges for amounts that should have been amortized in a prior year				(19,625)	
Adjust unavailable revenues for amounts recognized in prior years				726,956	
Adjust general fund cash balance for pre-1999 unreconciled variance				(64,916)	
Total adjustments	(71,900)	(294,526)	10,591	4,674,610	(424,278)
Net position or fund balance, as adjusted	\$ 19,177,119	\$ 23,109,718	\$ 4,547,451	\$ 153,863,945	\$ 93,536,153

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, effective for periods beginning after June 15, 2014. The objective of this statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. Management has not yet completed its assessment of this statement.

In January 2013, the GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*, effective for periods beginning after December 15, 2013. The objective of this statement is to improve financial reporting by addressing accounting and financial reporting for government combinations and disposals of government operations. The term government combinations is used in this statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfers of operations may be present in shared service arrangements, reorganizations, redistricting, annexations, and arrangements in which an operation is transferred to a new government created to provide those services. Management has not yet completed its assessment of this statement, but currently believes that it will not have a material effect on the County's net position, results of operations or cash flows.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, effective for periods beginning after June 15, 2014. The objective of this statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. Management has not yet completed its assessment of this statement.

Note 3. Detailed Notes on all Funds

Cash, Cash Equivalents and Investments

When investing monies, the County is required to comply with the NRS. County monies must be deposited with federally insured banks. The County is authorized to use demand accounts, time accounts and certificates of deposit. The NRS do not specifically require collateral for demand deposits, but do specify that collateral for time deposits may be of the same type as those described for permissible State investments. Permissible State investments are similar to allowable County investments, described below, except that some State investments are for longer terms and include securities issued by municipalities outside of the State.

At June 30, 2014, the County's carrying amount of deposits was \$4,946,519 and the bank balance was \$6,477,160. The Federal Depository Insurance Corporation (FDIC) covered \$250,000 of the bank balance at fiscal year end and the bank balance was collateralized by the Nevada Collateral Pool.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

The County manages its custodial credit risk related to deposits by participating in the Nevada Collateral Pool, which requires depositories to maintain as collateral, acceptable securities having a fair market value of at least 102% of the amount of the uninsured balances of the public money held by the depository. Under NRS, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the Nevada Collateral Pool. However, the County often carries cash and cash equivalents on deposit with financial institutions in excess of federally-insured limits, and the risk of losses related to such concentrations may be increasing as a result of ongoing economic instability.

At June 30, 2014, total cash, cash equivalents and investments (including restricted amounts) were presented in the County's financial statements as follows:

Governmental activities	\$ 56,779,822
Business-type activities	16,449,228
Fiduciary funds	<u>2,690,197</u>
Total cash, cash equivalents and investments	<u>\$ 75,919,247</u>

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

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

Allowable County investments are as follows:

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 and obligations of an agency or instrumentality of the United States or a corporation sponsored by the United States maturing within ten (10) years from the date of purchase.

Negotiable and non-negotiable certificates of deposit from commercial banks and insured credit unions or savings and loan associations.

Certain securities issued by local governments within the State.

Local Government Investment Pool (an external investment pool administered by the State Treasurer, with oversight provided by the State Board of Finance. The fair value of the County's position in the pool is the same as the value of the pool shares.)

Other securities expressly provided by other statutes, including repurchase agreements.

Certain bankers acceptances, commercial paper issued by a corporation organized and operating in the United States, and Money Market Mutual Funds.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, the County had the following cash equivalents and investments:

	Reported Amount (Fair Value)	Investment Maturities (In Years)	
		Less Than One	One to Five
U.S. Treasury obligations	\$ 26,808,725	\$ 2,755,197	\$ 24,053,528
U.S. Agency securities			
Federal Home Loan Bank	5,262,723	1,509,360	3,753,363
Federal Home Loan Mortgage Corporation	4,572,990	2,507,200	2,065,790
Federal National Mortgage Association	3,008,280	1,001,230	2,007,050
Dreyfus Treasury Cash Management Fund	232,126	232,126	
Local government investment pool	<u>31,068,584</u>	<u>31,068,584</u>	
 Total investments	 70,953,428	 <u>\$ 39,073,697</u>	 <u>\$ 31,879,731</u>
Total cash	<u>4,965,819</u>		
 Total cash, cash equivalents and investments	 <u>\$ 75,919,247</u>		

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with the County's investment policy, one of the ways that the County manages its exposure to interest rate risk is by purchasing a combination of short-term and long-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2014, the County's cash equivalents and investments were rated by Moody's Investors Service as follows:

	Reported Amount (Fair Value)	Quality Rating
U.S. Agency securities		
Federal Home Loan Bank	5,262,723	AAA
Federal Home Loan Mortgage Corporation	4,572,990	AAA
Federal National Mortgage Association	3,008,280	AAA
Dreyfus Treasury Cash Management Fund	232,126	N/A *
Local government investment pool	<u>31,068,584</u>	N/A *
 Total investments	 <u>\$ 70,953,428</u>	

* The requirement to disclose credit ratings does not apply to debt securities of the United States government, or obligations of United States government agencies that are explicitly guaranteed by the United States government.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical organization. The County's investment policy allows investments in obligations of the U.S. Treasury and U.S. agencies, agency issued mortgage backed securities, negotiable medium-term obligations issued by local governments of the State of Nevada, corporate bonds rated "AA" or better, commercial paper rated "A-1", "P-1" or better, and repurchase agreements, certificates of deposit, money market mutual funds rated "AAA" by a nationally recognized rating service or other securities in which banking institutions may legally invest.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Concentration of credit risk is the risk of loss attributed to the magnitude of the County's investment in a single issuer of securities. Investments in any one issuer that represent 5% or more of total investments at June 30, 2014, were as follows:

	Percentage of Portfolio
U.S. Treasury obligations	37.78 %
Federal Home Loan Bank	7.42 %
Federal Home Loan Mortgage Corporation	6.45 %

Capital Assets

For the year ended June 30, 2014, capital asset activity was as follows:

	Balance July 1, 2013	Increases	Decreases	Completed Construction	Balance June 30, 2014
Governmental activities					
Capital assets not being depreciated or amortized					
Land	\$ 17,147,668		\$ (11,391)	\$ 79,110	\$ 17,215,387
Construction in progress	<u>12,701,964</u>	<u>16,594,609</u>	<u>(621,332)</u>	<u>(7,483,907)</u>	<u>21,191,334</u>
Total capital assets not being depreciated or amortized	<u>29,849,632</u>	<u>16,594,609</u>	<u>(632,723)</u>	<u>(7,404,797)</u>	<u>38,406,721</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	71,126,928		(29,586)	143,066	71,240,408
Machinery, equipment and software	29,834,829	1,198,607	(505,025)	1,500,830	32,029,241
Infrastructure	<u>218,951,506</u>		<u>(5,484)</u>	<u>5,760,901</u>	<u>224,706,923</u>
Total capital assets being depreciated or amortized	<u>319,913,263</u>	<u>1,198,607</u>	<u>(540,095)</u>	<u>7,404,797</u>	<u>327,976,572</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(27,585,135)	(1,837,440)	25,935		(29,396,640)
Machinery, equipment and software	(23,821,483)	(1,771,309)	499,373		(25,093,419)
Infrastructure	<u>(178,678,830)</u>	<u>(9,452,726)</u>	<u>2,536</u>		<u>(188,129,020)</u>
Total accumulated depreciation and amortization	<u>(230,085,448)</u>	<u>(13,061,475)</u>	<u>527,844</u>		<u>(242,619,079)</u>
Total capital assets being depreciated or amortized, net	<u>89,827,815</u>	<u>(11,862,868)</u>	<u>(12,251)</u>	<u>7,404,797</u>	<u>85,357,493</u>
Total governmental activities	<u>\$ 119,677,447</u>	<u>\$ 4,731,741</u>	<u>\$ (644,974)</u>	<u>\$</u>	<u>\$ 123,764,214</u>

* Includes transfers from and to proprietary funds, if any.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

For the year ended June 30, 2014, capital asset activity was as follows:

	Balance July 1, 2013	Increases	Decreases	Completed Construction	Balance June 30, 2014
Business-type activities					
Capital assets not being depreciated or amortized					
Land	\$ 2,669,105	\$	\$	\$ 222,504	\$ 2,891,609
Construction in progress	12,350,104	4,802,647		(4,858,433)	12,294,318
Water rights	<u>1,991,506</u>	<u>459,840</u>		<u>509,519</u>	<u>2,960,865</u>
Total capital assets not being depreciated or amortized	<u>17,010,715</u>	<u>5,262,487</u>		<u>(4,126,410)</u>	<u>18,146,792</u>
Capital assets being depreciated or amortized					
Buildings and building improvements	1,856,427	11,235		916,488	2,784,150
Machinery, equipment and software	2,372,077	96,059		73,638	2,541,774
Water and sewer systems	<u>103,087,604</u>	<u>1,396,236</u>	<u>(182,752)</u>	<u>3,136,284</u>	<u>107,437,372</u>
Total capital assets being depreciated or amortized	<u>107,316,108</u>	<u>1,503,530</u>	<u>(182,752)</u>	<u>4,126,410</u>	<u>112,763,296</u>
Accumulated depreciation and amortization					
Buildings and building improvements	(602,313)	(49,567)			(651,880)
Machinery, equipment and software	(1,929,951)	(115,370)			(2,045,321)
Water and sewer systems	<u>(24,236,049)</u>	<u>(2,875,847)</u>	<u>82,149</u>		<u>(27,029,747)</u>
Total accumulated depreciation and amortization	<u>(26,768,313)</u>	<u>(3,040,784)</u>	<u>82,149</u>		<u>(29,726,948)</u>
Total capital assets being depreciated or amortized, net	<u>80,547,795</u>	<u>(1,537,254)</u>	<u>(100,603)</u>	<u>4,126,410</u>	<u>83,036,348</u>
Total business-type activities	<u>\$ 97,558,510</u>	<u>\$ 3,725,233</u>	<u>\$ (100,603)</u>	<u>\$</u>	<u>\$ 101,183,140</u>

* Includes transfers from and to governmental funds, if any.

For the year ended June 30, 2014, charges, by function, for depreciation expense were as follows:

Governmental activities	
General government	\$ 1,217,593
Judicial	321,247
Public safety	1,355,655
Public works	8,333,371
Community development	87,761
Culture and recreation	1,508,851
Health and sanitation	80,837
Internal service fund depreciation expense is charged to specific functions based on asset usage	<u>156,160</u>
Total depreciation expense, governmental activities	<u>\$ 13,061,475</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Business-type activities	
Water	\$ 2,154,256
Sewer	812,318
Trash service	<u>74,210</u>
Total depreciation expense, business-type activities	<u>\$ 3,040,784</u>

Expenditures and transfers in the ad valorem capital projects funds for the year ended June 30, 2014, were as follows:

	Ad Valorem Capital Projects Fund	Town of Gardnerville Ad Valorem Capital Projects Fund	Town of Minden Ad Valorem Capital Projects Fund
Landscape equipment	\$	\$ 10,027	\$ 18,639
Motor vehicles		39,616	120,798
Transfers out	1,312,814		

Interfund Balances and Activity

Due To and From Other Funds

At June 30, 2014, amounts due to and from other funds resulting from the time lag between the dates that reimbursable transactions occur and payments between funds are made, were as follows:

	Receivable	Payable
General Fund	\$ 39,194	\$ 31,246
Room Tax Special Revenue Fund	50	
East Fork Fire Protection District Special Revenue Fund		1,149
Debt Financed Capital Projects Fund	634	
Non-major Governmental Funds	295,642	309,520
Zephyr Water Utility Enterprise Fund	927	
Cave Rock Water Utility Enterprise Fund	1,668	
Regional Water Utility Enterprise Fund	1,022	
Sewer Utility Enterprise Fund	2,780	132
Carson Valley Water Utility Enterprise Fund	132	14,365
Town of Minden Wholesale Water Utility Enterprise Fund	50,063	7,828
Town of Minden Water Company Enterprise Fund	9,524	50,063
Non-major Enterprise Funds	15,268	2,908
Internal Service Funds	<u>20,915</u>	<u>20,608</u>
	<u>\$ 437,819</u>	<u>\$ 437,819</u>

Advances To and From Other Funds

At June 30, 2014, amounts due to and from other funds resulting from lending or borrowing transactions, were as follows:

	Receivable	Payable
General Fund	\$ 700,000	\$
Zephyr Water Utility Enterprise Fund		600,000
Carson Valley Water Utility Enterprise Fund		<u>100,000</u>
	<u>\$ 700,000</u>	<u>\$ 700,000</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

During the year ended June 30, 2014, the County Commission passed a resolution authorizing the Zephyr water utility enterprise fund to borrow \$600,000 from the general fund to complete certain capital improvement projects. Under the terms of the note, the note is interest free and the Zephyr water utility enterprise fund is required to pay the full amount of the principal advanced on or before September 18, 2014. At June 30, 2014, no payments had been made on the note.

During the year ended June 30, 2014, the County Commission passed a resolution authorizing the Carson Valley water utility enterprise fund to borrow \$100,000 from the general fund to pay initial operating costs until water rates can be established, approved and collection of water fees begins. Under the terms of the note, the note is interest free and the Carson Valley water utility enterprise fund is required to pay the full amount of the principal advanced on or before September 4, 2014. At June 30, 2014, no payments had been made on the note.

Long-term Liabilities

Outstanding long-term debt obligations at June 30, 2014, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Governmental activities				
General obligation medium term financing bonds and notes				
Community Center Medium Term Bonds, Series 2013	March 2013 - March 2023	2.05%	\$ 7,800,000	\$ 7,800,000
East Fork Fire Protection District Medium Term Bond, Series 2010	June 2010 - April 2020	4.04%	1,115,000	808,000
Gardnerville Medium Term Note, Series 2005	August 2005 - April 2015	4.35%	900,000	117,855
Parking Garage Medium Term Bonds, Series 2005	February 2005 - February 2015	3.00 - 4.75%	3,220,000	725,000
Parking Garage Medium Term Bonds, Series 2004	October 2004 - October 2014	3.50 - 5.00%	<u>2,780,000</u>	<u>545,000</u>
Total general obligation medium term financing bonds and notes			<u>15,815,000</u>	<u>9,995,855</u>
Revenue bonds				
Highway Revenue Improvement and Refunding Bonds, Series 2003	April 2003 - December 2017	2.00 - 3.85%	<u>3,145,000</u>	<u>830,000</u>
General obligation/pledged revenue bonds				
Community Center Bonds, Series 2012	August 2012 - August 2032	3.00 - 3.25%	6,750,000	6,750,000
Transportation Refunding Bonds, Series 2012	July 2012 - May 2020	2.08%	2,009,000	1,628,000

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Solid Waste Disposal Refunding Bonds, Series 2004	September 2004 -December 2019	3.00 - 4.75%	\$ 1,670,000	\$ 830,000
Recreational Facilities Bonds, Series 1998	December 1998 - May 2014	3.70 - 4.40%	<u>2,200,000</u>	<u> </u>
Total general obligation/pledged revenue bonds			<u>12,629,000</u>	<u>9,208,000</u>
Total governmental activities			<u>31,589,000</u>	<u>20,033,855</u>
Business-type activities				
General obligation/pledged revenue bonds				
Douglas County, Nevada General Obligation Sewer Refunding Bonds Series 2014	May 2014 - August 2024	.32% - 3.28%	2,010,000	2,010,000
State Revolving Fund Water Bonds, Series 2012	July 2012 - July 2032	2.49%	1,300,000	912,071
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A	March 2012 - November 2024	2.00 - 4.00%	2,485,000	2,365,000
State Revolving Fund Water Bonds, Series 2011	April 2011 - January 2031	3.21%	1,000,000	958,192
State Revolving Fund Water Bonds, Series 2010	February 2010 - January 2030	2.84%	1,150,000	1,006,769
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C	September 2010 - December 2020	2.00 - 4.00%	2,420,000	1,920,000
Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B	September 2010 - December 2022	2.00 - 4.50%	3,970,000	3,005,000
Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A	September 2010 - December 2029	6.00%	1,570,000	1,570,000
State Revolving Fund Water Bonds, Series 2009	March 2009 - January 2029	3.27%	3,500,000	2,050,261
State Revolving Fund Water Bonds, Series 2005	December 2005 - July 2025	2.99%	674,542	492,281
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley)	May 2005 - December 2016	5.00%	1,785,000	680,000
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B	May 2005 - December 2015	3.50 - 5.00%	1,540,000	410,000

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake)	May 2005 - December 2015	3.50 - 5.00%	\$ 1,190,000	\$ 310,000
Douglas County, Nevada General Obligation Sewer Improvement Bonds Series 2004B	August 2004 - August 2014	3.50 - 4.125%	3,000,000	150,000
Douglas County, Nevada General Obligation Water Improvement Bonds Series 2004A	August 2004 - August 2014	3.25 - 4.125%	<u>2,065,000</u>	<u>105,000</u>
Total general obligation/pledged revenue bonds			<u>29,659,542</u>	<u>17,944,574</u>
Total business-type activities			<u>29,659,542</u>	<u>17,944,574</u>
Total long-term debt obligations			<u>\$ 61,248,542</u>	<u>\$ 37,978,429</u>

General Obligation Bonds and Notes

The County issues general obligation bonds and notes payable for various purposes including, but not limited to, financing the improvement, acquisition or construction of capital assets. These bonds and notes constitute general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest.

Revenue Bonds and General Obligation/Pledged Revenue Bonds

The County issues revenue bonds and general obligation/pledged revenue bonds for various purposes including, but not limited to, financing the improvement, acquisition or construction of capital assets and has pledged specific revenues to repay these bonds.

Governmental activities

Pledged revenue – Revenues generated from franchise fees and other solid waste disposal revenues.

Total revenue bond principal and interest remaining to be paid at June 30, 2014	\$ 952,250
Total revenue bond principal and interest paid during the year ended June 30, 2014	161,000
Total pledged revenue for the year ended June 30, 2014	508,950
Maturity of revenue bond issued and revenue pledge Solid Waste Disposal Refunding Bonds, Series 2004	December 2019

Pledged revenue – Revenues generated from a 1% transient occupancy tax levied in the Tahoe-Douglas Transportation District and revenues generated by projects financed with the bonds.

Total revenue bond principal and interest remaining to be paid at June 30, 2014	\$ 1,740,258
Total revenue bond principal and interest paid during the year ended June 30, 2014	286,752
Total pledged revenue for the year ended June 30, 2014	483,072
Maturity of revenue bond issued and revenue pledge Transportation Refunding Bonds, Series 2012	May 2020

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Pledged revenue – Revenues generated from intergovernmental consolidated taxes (liquor taxes, tobacco taxes, real property transfer taxes, basic governmental services tax and basic supplemental sales taxes).

Total revenue bond principal and interest remaining to be paid at June 30, 2014	\$	9,596,960
Total revenue bond principal and interest paid during the year ended June 30, 2014		206,194
Total pledged revenue for the year ended June 30, 2014		1,591,248
Maturity of revenue bond issued and revenue pledge Community Center Bonds, Series 2012		August 2032

Pledged revenue – Revenues generated from motor vehicle fuel taxes (\$0.04 per gallon levied by the County and \$0.0535 per gallon levied by the State).

Total revenue bond principal and interest remaining to be paid at June 30, 2014	\$	894,745
Total revenue bond principal and interest paid during the year ended June 30, 2014		224,533
Total pledged revenue for the year ended June 30, 2014		1,696,380
Maturity of revenue bond issued and revenue pledge Highway Revenue Improvement and Refunding Bonds, Series 2003		December 2017

Business-type activities

Pledged revenue – Revenues generated from water utility customer net revenues.

Total revenue bond principal and interest remaining to be paid at June 30, 2014	\$	17,045,444
Total revenue bond principal and interest paid during the year ended June 30, 2014		1,593,338
Total pledged revenue for the year ended June 30, 2014		2,512,805
Maturity of revenue bonds issued and revenue pledge		
State Revolving Fund Water Bonds, Series 2012		July 2032
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A		November 2024
State Revolving Fund Water Bonds, Series 2011		January 2031
State Revolving Fund Water Bonds, Series 2010		January 2030
Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B		December 2022
Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A		December 2029
State Revolving Fund Water Bonds, Series 2009		January 2029
State Revolving Fund Water Bonds, Series 2005		July 2025
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley)		December 2016
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake)		December 2015
Douglas County, Nevada General Obligation Water Improvement Bonds Series 2004A		August 2014

Pledged revenue – Revenues generated from sewer utility customer net revenues.

Total revenue bond principal and interest remaining to be paid at June 30, 2014	\$	5,060,844
Total revenue bond principal and interest paid during the year ended June 30, 2014		724,470
Total pledged revenue for the year ended June 30, 2014		1,143,171
Maturity of revenue bonds issued and revenue pledge		
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C		December 2020
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B		December 2015
Douglas County, Nevada General Obligation Sewer Improvement Bonds Series 2004B		August 2014

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Changes in Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2014, was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Governmental activities					
General obligation medium term financing bonds and notes					
Community Center Medium Term Bonds, Series 2013	\$ 7,800,000	\$	\$	\$ 7,800,000	\$
East Fork Fire Protection District Medium Term Bond	897,000		(89,000)	808,000	100,000
Gardnerville Medium Term Note, Series 2005	230,797		(112,942)	117,855	117,855
Parking Garage Medium Term Bonds, Series 2005	1,420,000		(695,000)	725,000	725,000
Parking Garage Medium Term Bonds, Series 2004	<u>1,070,000</u>		<u>(525,000)</u>	<u>545,000</u>	<u>545,000</u>
Total general obligation medium term financing bonds and notes	<u>11,417,797</u>		<u>(1,421,942)</u>	<u>9,995,855</u>	<u>1,487,855</u>
Revenue bonds					
Highway Revenue Improvement and Refunding Bonds, Series 2003	<u>1,020,000</u>		<u>(190,000)</u>	<u>830,000</u>	<u>195,000</u>
General obligation/pledged revenue bonds					
Community Center Bonds, Series 2012	6,750,000			6,750,000	100,000
Transportation Refunding Bonds, Series 2012	1,877,000		(249,000)	1,628,000	258,000
Solid Waste Disposal Refunding Bonds, Series 2004	950,000		(120,000)	830,000	120,000
Recreational Facilities Bonds, Series 1998	<u>100,000</u>		<u>(100,000)</u>		
Total general obligation/pledged revenue bonds	<u>9,677,000</u>		<u>(469,000)</u>	<u>9,208,000</u>	<u>478,000</u>
Unamortized bond premiums	59,325		(3,108)	56,217	
Unamortized deferred refunding charges	(8,569)		1,294	(7,275)	

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Compensated absences	\$ 3,567,975	\$ 2,140,685	\$ (2,002,758)	\$ 3,705,902	\$ 2,661,739
Postemployment benefits other than pensions	<u>5,305,090</u>	<u>1,666,765</u>	<u>(625,104)</u>	<u>6,346,751</u>	
Total governmental activities	<u>31,038,618</u>	<u>3,807,450</u>	<u>(4,710,618)</u>	<u>30,135,450</u>	<u>4,822,594</u>
Business-type activities					
General obligation/pledged revenue bonds					
Douglas County, Nevada General Obligation Sewer Refunding Bonds Series 2014					
		2,010,000		2,010,000	
State Revolving Fund Water Bonds, Series 2012					
	191,775	720,296		912,071	
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A					
	2,430,000		(65,000)	2,365,000	70,000
State Revolving Fund Water Bonds, Series 2011					
	1,000,000		(41,808)	958,192	43,161
State Revolving Fund Water Bonds, Series 2010					
	1,055,865		(49,096)	1,006,769	50,500
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C					
	2,155,000		(235,000)	1,920,000	245,000
Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B					
	3,335,000		(330,000)	3,005,000	340,000
Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A					
	1,570,000			1,570,000	
State Revolving Fund Water Bonds, Series 2009					
	2,154,678		(104,416)	2,050,262	111,000
State Revolving Fund Water Bonds, Series 2005					
	527,671		(35,390)	492,281	36,455
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley)					
	885,000		(205,000)	680,000	215,000
Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B					
	595,000		(185,000)	410,000	200,000
Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake)					
	455,000		(145,000)	310,000	150,000

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due Within One Year
Douglas County, Nevada General Obligation Sewer Improvement Bonds Series 2004B	\$ 2,235,000	\$	\$ (2,085,000)	\$ 150,000	\$ 150,000
Douglas County, Nevada General Obligation Water Improvement Bonds Series 2004A	<u>205,000</u>	<u> </u>	<u>(100,000)</u>	<u>105,000</u>	<u>105,000</u>
Total general obligation/pledged revenue bonds	<u>18,794,989</u>	<u>2,730,296</u>	<u>(3,580,710)</u>	<u>17,944,575</u>	<u>1,716,116</u>
Unamortized bond premiums	593,770		(90,098)	503,672	
Unamortized deferred refunding charges	(446,150)		27,526	(418,624)	
Compensated absences	209,710	141,289	(127,835)	223,164	144,643
Postemployment benefits other than pensions	<u>181,889</u>	<u>73,760</u>	<u>(27,663)</u>	<u>227,986</u>	<u> </u>
Total business-type activities	<u>19,334,208</u>	<u>2,945,345</u>	<u>(3,798,780)</u>	<u>18,480,773</u>	<u>1,860,759</u>
Total long-term liabilities	<u>\$ 50,372,826</u>	<u>\$ 6,752,795</u>	<u>\$ (8,509,398)</u>	<u>\$ 48,616,223</u>	<u>\$ 6,683,353</u>

Compensated absences and postemployment benefits other than pensions typically have been liquidated by the fund incurring the related salaries and wages.

At June 30, 2014, the annual requirements to pay principal and interest on all bonds and notes outstanding, as well as other long-term debt obligations, were as follows:

For the Year Ended June 30,	General obligation medium term financing bonds and notes		Revenue Bonds		General obligation/pledged revenue bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Governmental activities						
2015	\$ 1,487,855	\$ 240,655	\$ 195,000	\$ 27,650	\$ 478,000	\$ 272,825
2016	1,018,000	187,372	205,000	20,348	491,000	258,894
2017	1,051,000	164,133	210,000	12,513	502,000	244,553
2018	1,085,000	139,939	220,000	4,235	415,000	231,095
2019	1,121,000	114,749			431,000	218,456
2020 - 2024	4,233,000	318,410			986,000	985,947
2025 - 2029					3,035,000	683,044
2030 - 2034					<u>2,870,000</u>	<u>186,653</u>
	<u>\$ 9,995,855</u>	<u>\$ 1,165,258</u>	<u>\$ 830,000</u>	<u>\$ 64,746</u>	<u>\$ 9,208,000</u>	<u>\$ 3,081,467</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

For the Year Ended June 30,	General obligation/pledged revenue bonds	
	Principal	Interest
Business-type activities		
2015	\$ 1,733,214	\$ 611,735
2016	1,900,705	547,827
2017	1,589,469	486,936
2018	1,392,504	437,378
2019	1,436,817	389,638
2020 - 2024	5,892,146	1,243,278
2025 - 2029	3,325,703	426,810
2030 - 2034	674,016	18,112
	\$ 17,944,574	\$ 4,161,714

Refunding

In May 2014, the Series 2014, Sewer Refunding Bonds, were issued in the amount of \$2,010,000 for the purpose of refunding of \$1,940,000 of outstanding Series 2004B, Sewer Bonds, which bore interest rates from 3.9% to 4.7%. The difference between the net carrying amount of the old debt and the reacquisition price has been deferred and is being amortized as a component of interest expense over the remaining life of the new debt. The refunding decreased debt service payments for a cash flow savings of \$173,039 and an economic gain (present value savings) of \$150,632 or 7.494%.

Defeased Debt

In prior years, the County defeased certain long-term bond obligations by placing the proceeds of new bonds in irrevocable trusts to provide for all future debt service payments on the defeased bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the County's financial statements. At June 30, 2014, \$1,940,000 of defeased debt remained outstanding.

Debt Covenants and Legal Debt Margin

Certain long-term liabilities are subject to restrictive debt covenants with which management believes the County to be in compliance.

The amount of long-term general obligation debt that can be incurred by the County is limited by the NRS and the County's Charter limits total outstanding long-term liabilities (debt principal) during a year to no more than 10% of the assessed value of taxable property at the beginning of the fiscal year. Management believes the County to be in compliance with these requirements.

Arbitrage Rebate Requirement

The Federal Tax Reform Act of 1986 imposes a rebate requirement with respect to certain long-term debt obligations. Under this Act, an arbitrage amount may be required to be rebated to the United States Treasury for interest on the bonds to qualify for exclusion from gross income for federal income tax purposes. Rebateable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebateable arbitrage amount due. Future calculations might result in adjustments to this determination.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Special Assessment Debt

The County has issued various special assessment bonds, the proceeds of which have been used to fund specific infrastructure improvements. These bonds do not constitute debt of the County within the meaning of any constitutional or statutory provision or limitation, are not considered a general obligation of the County, and are considered special obligations payable solely from assessments levied in the special assessment districts. Furthermore, the County is not secondarily liable in the case of payment deficiencies. The County uses fiduciary (agency) funds to account for special assessment revenue collections and repayment of the related debt.

Outstanding special assessment debt obligations accounted for in fiduciary (agency) funds at June 30, 2014, were as follows:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Genoa Lakes Improvement District Note	March 2005 - April 2015	3.61%	\$ <u>1,682,000</u>	\$ <u>340,600</u>

Conduit Debt

The County has provided third-party borrowers conduit debt to finance the improvement, acquisition or construction of capital assets, which are deemed to be in the public interest, including, but not limited to, hospital facilities. The conduit debt obligations are secured by the pledged revenues of the third-party borrowers, and the County has no obligation with respect to the conduit debt after its issuance because the third-party services the debt. The conduit debt, issued pursuant to NRS 268, is not, and shall never become, an obligation of the County.

Outstanding conduit debt obligations at June 30, 2014, were as follows:

	<u>Issuance Date</u>	<u>Original Amount</u>	<u>Balance June 30, 2014</u>
Washoe Barton Medical Clinic Project, Hospital Revenue and Refunding Bonds, Series 2013	April 2013	\$ <u>8,700,000</u>	\$ <u>8,671,660</u>

Segment Information

The County has issued long-term debt (in some cases revenue supported) to finance the improvement, acquisition or construction of capital assets that has historically been paid from the revenues of the County's enterprise funds. The financial position, results of operations and cash flows of the enterprise funds are presented separately in the accompanying proprietary fund financial statements and no additional segment information disclosure is considered necessary.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Note 4. Other Information

Commitments

Operating Leases

The County has certain non-cancelable operating lease agreements primarily for office equipment. Such leases expire at various times through June 2019.

At year end, the County's future minimum lease payments under these non-cancelable operating leases were as follows:

<u>For the Year Ended June 30,</u>			
2015	\$	83,259	
2016		63,170	
2017		50,754	
2018		28,579	
2019		<u>8,243</u>	
	\$	<u><u>234,005</u></u>	

Construction Project Commitments

The County entered into contractual commitments for the construction and/or improvement of capital assets. At year end, such commitments were as follows:

	<u>Contract Amount</u>	<u>Amount of Work Completed as of June 30, 2014</u>	<u>Commitment Remaining at June 30, 2014</u>
Governmental activities			
General government projects	\$ 13,856,748	\$ 11,069,847	\$ 2,786,901
Airport projects	1,011,911	705,258	306,653
Erosion control projects	75,000	13,366	61,634
Judicial system projects	53,092		53,092
Public safety projects	69,749		69,749
Public works projects	<u>469,447</u>	<u>188,263</u>	<u>281,184</u>
Total governmental activities	<u>\$ 15,535,947</u>	<u>\$ 11,976,734</u>	<u>\$ 3,559,213</u>
Business-type activities			
Water system projects	\$ 4,837,248	\$ 4,167,631	\$ 669,617
Sewer system projects	<u>80,120</u>	<u>26,219</u>	<u>53,901</u>
Total business-type activities	<u>\$ 4,917,368</u>	<u>\$ 4,193,850</u>	<u>\$ 723,518</u>

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Litigation

In the ordinary course of its operations, claims are filed against the County including, but not limited to those arising from alleged improper actions by employees, police actions and negligence. County management intends to vigorously defend each claim and believes that most claims will be dismissed or settled for substantially less than the claimed amount and may be partially offset by payments from the County's liability insurance policies, discussed below under "Risk Management," and will not result in any material adverse future effect on the County's financial position, results of operation, or cash flows.

The County does not accrue for estimated future legal and defense costs, if any, to be incurred in connection with outstanding or threatened litigation and other disputed matters but rather, records such as period costs when the services are rendered.

Risk Management

The United States has experienced a widespread decline in residential real estate sales, mortgage lending and related construction activity, high unemployment, as well as weakness in the commercial and investment banking systems, which has had far-reaching effects on the economic activity in the country. In fiscal years 2013 and 2014, the economy has begun to stabilize and has helped to stabilize the County's current operations as well. However, the long-term impact of these factors on the Nevada economy and the County's future operations cannot be predicted at this time, but may be substantial.

The County is exposed to various risks of losses related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these and other risks, the County participates with other governmental entities in the Nevada Public Agency Insurance Pool (the Pool) and the Public Agency Compensation Trust (PACT) and purchases commercial insurance coverage for other risks of loss, including specific risks not covered by PACT or the Pool (airport liability and bonding coverage) and employee health and accident insurance. Settled claims have not exceeded this commercial insurance coverage in any of the past three years.

Nevada Public Agency Insurance Pool

The Pool, created under the Nevada Interlocal Cooperation Act, is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide liability coverage for its members. The deductible paid by the County for each incident is \$5,000 for property damages and crime and \$50,000 for all other incidents, with a maximum aggregate deductible of \$300,000 annually.

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

At June 30, 2014, Pool insurance coverages were as follows:

Property, crime and equipment			
Blanket Limit per schedule of locations	\$	300,000,000	Per loss
Sublimit for earthquake coverage		100,000,000	Annual aggregate
Sublimit for flood coverage		100,000,000	Annual aggregate
Sublimit for flood coverage zone A		10,000,000	Annual aggregate
Sublimit for equipment breakdown, boiler and machinery		60,000,000	Each accident
Sublimit for money and securities including dishonesty		500,000	Each loss
Casualty			
Bodily injury, property damage, personal injury			
Employment based benefits administration	\$	10,000,000	Per event
Law enforcement activities, and wrongful acts		10,000,000	Annual aggregate

Public Agency Compensation Trust

PACT, created under the Nevada Interlocal Cooperation Act, is an intergovernmental self-insured association for insurance.

The County pays PACT premiums based on payroll costs. The PACT is considered a self-sustaining pool that will provide workers compensation coverage based on established statutory limits.

Defined Benefit Pension Plan

The County's employees are covered by the State's Public Employees' Retirement System (PERS). PERS was established on July 1, 1949, by the State Legislature and is governed by the Public Employees Retirement Board whose seven members are appointed by the governor. All public employees who meet certain eligibility requirements participate in PERS, which is a cost sharing multiple-employer defined benefit retirement plan.

The County does not exercise any control over PERS. NRS 286.110 states, "Respective participating public employers are not liable for any obligation of the System."

PERS issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing or calling the following:

Public Employees' Retirement System
693 West Nye Lane
Carson City, Nevada, 89703-1599
(775) 687-4200

Benefits, as required by NRS, are determined by the number of years of accredited service at the time of retirement and the participant's highest average compensation in any 36 consecutive months. Benefit payments to which participants in PERS may be entitled include pension, disability, and death benefits.

Contribution rates are established by the NRS, are tied to the increase in taxable sales within the State each year and provide for yearly increases until such time as the actuarially determined unfunded liability of PERS is reduced to zero. The County is obligated to contribute all amounts due under PERS.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Contribution rates and amounts contributed, including approximately \$188,000 payable to PERS at June 30, 2014, were as follows:

For the Year Ended June 30,	Contribution Rate			Required Contribution and Amount Contributed
	Police and Fire Employees	Judicial Employees	Other Employees	
2012	37.00 %	27.50 %	21.50 %	\$ 9,192,832
2013	39.75 %	27.50 %	23.75 %	8,830,764
2014	40.50 %	29.00 %	25.75 %	9,423,270

Postemployment Benefits Other Than Pensions

Plan Information

In accordance with NRS, the County provides other postemployment benefits to retirees through a single-employer postemployment defined benefit healthcare plan, the Douglas County Health Benefits Plan (the County Plan) and by participating in the State's Public Employee Benefit Plan (PEBP), an agent multiple-employer defined benefit plan administered by a nine member governing board. Both plans provide healthcare, prescription, dental, vision and life insurance benefits.

Benefit provisions for the County Plan are established pursuant to NRS 287.023 and amended through negotiations between the County and the respective associations. Eligible retirees are able to participate in the plan at the same rates as active employees, thereby benefiting from an implicit subsidy. All retirees, except elected officials, are required to pay 100% of their premiums under the plan. Retired elected officials' subsidies are based on the number of complete four-year terms of office served by the elected officials.

PEBP eligibility and subsidy requirements are governed by the NRS and can only be amended through legislation. In 2008, the NRS were amended and as a result of this amendment, the number of retirees for whom the County is obligated to provide postemployment benefits is limited to eligible employees who retired from County service prior to September 1, 2008.

PEBP issues a publicly available financial report that includes financial statements and required supplemental information. This report may be obtained by writing or calling the following:

Public Employee Benefit Plan
901 South Stewart Street, Suite 101
Carson City, NV 89701
(775) 684-7000

The County Plan does not issue a separate financial report; however, additional information may be obtained by writing or calling the following:

Douglas County
P.O. Box 218
Minden, Nevada, 89423
(775) 782-9097

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Funding Policy, Annual OPEB Cost and Net OPEB Obligation

Contribution requirements to the County Plan are established by and may be amended through negotiations between the County and various employee groups. Retirees enrolled in the County Plan receive no direct subsidy from the County; however, retiree loss experience is pooled with active employee loss experience for the purpose of setting rates and the difference between the true claims cost and the blended rate creates an implicit rate subsidy from the County. For fiscal year 2014, the County's estimated implicit subsidy was \$117,190. At June 30, 2014, 458 active employees and 23 retirees were participating in the County Plan.

The County is required to provide a subsidy, based on years of service for its retirees that have enrolled in the PEBP. The subsidy is paid on a pay-as-you-go basis and is set by the State Legislature. In fiscal year 2014, this subsidy ranged from \$4 to \$627 per retiree, per month. At June 30, 2014, 143 retirees were participating in the PEBP.

Annual OPEB cost for the plan is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the net OPEB obligation:

	Public Employee Benefit Program	Douglas County Health Benefits Plan	Total
Annual required contribution (ARC)	\$ 561,621	\$ 1,208,071	\$ 1,769,692
Interest on net OPEB obligation	66,559	154,323	220,882
Adjustment to ARC	<u>(75,165)</u>	<u>(174,884)</u>	<u>(250,049)</u>
Annual OPEB cost	553,015	1,187,510	1,740,525
OPEB contributions made	<u>(501,348)</u>	<u>(151,419)</u>	<u>(652,767)</u>
Increase in net OPEB obligation	51,667	1,036,091	1,087,758
Net OPEB obligation, beginning of year	<u>1,628,831</u>	<u>3,858,148</u>	<u>5,486,979</u>
Net OPEB obligation, end of year	<u>\$ 1,680,498</u>	<u>\$ 4,894,239</u>	<u>\$ 6,574,737</u>

Annual OPEB cost, employer contributions, the percentage of annual cost contributed to the plan and the net OPEB obligation for the most current three years were as follows:

<u>For the Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>OPEB Contributions Made</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation</u>
Public Employee Benefit Program				
2012	\$ 853,969	\$ 520,921	61.0 %	\$ 1,702,162
2013	486,541	559,872	115.1 %	1,628,831
2014	553,015	501,348	90.7 %	1,680,498

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

<u>For the Year Ended June 30,</u>	<u>Annual OPEB</u>	<u>OPEB</u>	<u>Percentage</u>	<u>Net OPEB</u>
	<u>Cost</u>	<u>Contributions</u>	<u>Contributed</u>	<u>Obligation</u>
		<u>Made</u>		
Douglas County Health Benefits Plan				
2012	\$ 1,023,580	\$ 126,209	12.3 %	\$ 2,834,484
2013	1,138,234	114,570	10.1 %	3,858,148
2014	1,187,510	151,419	12.8 %	4,894,239

Funded Status and Funding Progress

The funded status of the plans as of the most recent actuarial valuation date was as follows:

<u>Valuation Date</u>	<u>Actuarial Value</u>	<u>Actuarial</u>	<u>Unfunded</u>	<u>Funded Ratio</u>	<u>Annual Covered</u>	<u>UAAL as a</u>
	<u>of Assets</u>	<u>Accrued</u>	<u>Actuarial</u>		<u>Payroll</u>	<u>Percent of</u>
		<u>Liability (AAL)</u>	<u>Liability</u>			<u>Covered Payroll</u>
			<u>(UAAL)</u>			
Public Employee Benefit Program						
July 1, 2012	N/A ¹	\$ 8,952,091	\$ 8,952,091	0.0 %	N/A ²	N/A ²
Douglas County Health Benefits Plan						
July 1, 2012	N/A ¹	9,133,012	9,113,012	0.0 %	32,886,155	27.7 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The required schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plans (the plans as understood by the employer and plan members) and include the types of benefits provided at the valuation date and the pattern of sharing benefit costs between the County and the plan members at that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant actuarial methods and assumptions as of the most recent actuarial valuation date were as follows:

	<u>Public Employee</u>	<u>Douglas County</u>
	<u>Benefit Program</u>	<u>Health Benefits</u>
		<u>Plan</u>
Actuarial valuation date	July 1, 2012	July 1, 2012
Actuarial cost method	Entry age normal, closed	Entry age normal, open

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

	Public Employee Benefit Program	Douglas County Health Benefits Plan
Amortization method	Level dollar	Level percent of pay
Amortization period	25 years	30 years
Asset valuation method	No assets in trust	No assets in trust
Actuarial assumptions		
Average retiree age	63.6	66.3
Investment rate of return	4%	4%
Projected salary increases	N/A ¹	4%
Inflation rate	3%	3%
Health cost inflation rates		
Initial	8.5%	8.5%
Ultimate	5%	5%
Health cost inflation rates for the year ending June 30,		

1. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

Subsequent Events

In July 2014, the County entered into an installment purchase agreement for \$320,000 to acquire equipment.

In October 2014, the County entered into a State Revolving Loan Contract in an amount not to exceed \$1,000,000 to provide funding for capital improvements in the Carson Valley Water Utility System. In addition to the loan, the State granted the County subsidy of \$500,000 for this project.

In December 2014, the County issued \$1.2 million in Airport Revenue Bonds to be used for airport improvements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

DOUGLAS COUNTY

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2014

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a Percent of Covered Payroll</u>
Public Employee Benefit Program						
July 1, 2008	N/A ¹ \$	22,018,772 \$	22,018,772	0.0 %	N/A ²	N/A ²
July 1, 2010	N/A ¹	14,386,911	14,386,911	0.0 %	N/A ²	N/A ²
July 1, 2012	N/A ¹	8,952,091	8,952,091	0.0 %	N/A ²	N/A ²
Douglas County Health Benefits Plan						
July 1, 2008	N/A ¹	4,571,011	4,571,011	0.0 %	27,245,247	16.8 %
July 1, 2010	N/A ¹	7,316,619	7,316,619	0.0 %	30,422,051	24.1 %
July 1, 2012	N/A ¹	9,133,012	9,113,012	0.0 %	32,886,155	27.7 %

1. No assets have been placed in trust.

2. The Public Employee Benefit Program is a closed plan; and therefore, there are no current covered employees.

GENERAL FUND

DOUGLAS COUNTY

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2014

The general fund is used to account for all financial resources not accounted for in other funds.

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 18,266,970	\$ 18,266,970	\$ 18,118,572	\$ (148,398)
Franchise fees	835,000	835,000	787,523	(47,477)
Licenses, permits and other fees	2,553,500	2,666,649	3,137,208	470,559
Charges for services	3,737,602	4,139,975	4,447,270	307,295
Intergovernmental shared revenues	12,304,225	12,484,503	12,807,981	323,478
Fines and forfeitures	1,153,750	1,158,889	806,568	(352,321)
Investment income	78,200	78,200	84,964	6,764
Change in fair value of investments			16,553	16,553
Miscellaneous	<u>177,776</u>	<u>182,771</u>	<u>231,887</u>	<u>49,116</u>
Total revenues	<u>39,107,023</u>	<u>39,812,957</u>	<u>40,438,526</u>	<u>625,569</u>
EXPENDITURES				
General government				
County commission				
Salaries and wages	139,893	140,522	141,902	(1,380)
Employee benefits	124,619	124,821	125,589	(768)
Services and supplies	<u>184,025</u>	<u>192,775</u>	<u>198,514</u>	<u>(5,739)</u>
Total county commission	<u>448,537</u>	<u>458,118</u>	<u>466,005</u>	<u>(7,887)</u>
County manager				
Salaries and wages	309,412	373,689	379,434	(5,745)
Employee benefits	120,407	149,319	146,582	2,737
Services and supplies	<u>357,925</u>	<u>362,908</u>	<u>366,728</u>	<u>(3,820)</u>
Total county manager	<u>787,744</u>	<u>885,916</u>	<u>892,744</u>	<u>(6,828)</u>
Finance and comptroller				
Salaries and wages	531,307	535,915	516,778	19,137
Employee benefits	231,602	235,183	218,149	17,034
Services and supplies	<u>136,900</u>	<u>173,131</u>	<u>216,911</u>	<u>(43,780)</u>
Total finance and comptroller	<u>899,809</u>	<u>944,229</u>	<u>951,838</u>	<u>(7,609)</u>
Treasurer				
Salaries and wages	268,387	270,504	277,268	(6,764)
Employee benefits	116,726	117,863	113,526	4,337
Services and supplies	<u>32,300</u>	<u>92,300</u>	<u>164,153</u>	<u>(71,853)</u>
Total treasurer	<u>417,413</u>	<u>480,667</u>	<u>554,947</u>	<u>(74,280)</u>
Geographic information systems				
Salaries and wages	253,115	255,408	245,232	10,176
Employee benefits	121,441	123,904	116,933	6,971
Services and supplies	100,200	100,200	60,869	39,331
Capital outlay		600		600
Total geographic information systems	<u>474,756</u>	<u>480,112</u>	<u>423,034</u>	<u>57,078</u>
Economic Development				
Salaries and wages	82,638	83,381	84,053	(672)
Employee benefits	33,585	34,574	34,372	202
Services and supplies	<u>111,000</u>	<u>170,928</u>	<u>157,712</u>	<u>13,216</u>
Total economic development	<u>227,223</u>	<u>288,883</u>	<u>276,137</u>	<u>12,746</u>
Assessor				
Salaries and wages	478,904	482,843	484,436	(1,593)
Employee benefits	240,066	244,324	246,898	(2,574)
Services and supplies	<u>39,625</u>	<u>96,125</u>	<u>86,543</u>	<u>9,582</u>
Total assessor	<u>758,595</u>	<u>823,292</u>	<u>817,877</u>	<u>5,415</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
Tahoe, general services				
Salaries and wages	\$ 172,245	\$ 173,704	\$ 206,525	\$ (32,821)
Employee benefits	74,562	75,522	77,504	(1,982)
Services and supplies	7,900	7,900	6,734	1,166
Total Tahoe, general services	<u>254,707</u>	<u>257,126</u>	<u>290,763</u>	<u>(33,637)</u>
Recorder				
Salaries and wages	270,012	271,875	264,083	7,792
Employee benefits	144,073	145,894	131,121	14,773
Services and supplies	17,450	66,747	63,450	3,297
Total recorder	<u>431,535</u>	<u>484,516</u>	<u>458,654</u>	<u>25,862</u>
Clerk				
Salaries and wages	250,114	252,385	246,804	5,581
Employee benefits	110,146	111,854	109,376	2,478
Services and supplies	16,130	16,130	6,266	9,864
Total clerk	<u>376,390</u>	<u>380,369</u>	<u>362,446</u>	<u>17,923</u>
Clerk, elections				
Salaries and wages	26,000	26,304	25,003	1,301
Employee benefits	3,900	3,938	3,981	(43)
Services and supplies	77,300	77,300	55,919	21,381
Total clerk, elections	<u>107,200</u>	<u>107,542</u>	<u>84,903</u>	<u>22,639</u>
Communications				
Salaries and wages	216,362	218,271	225,277	(7,006)
Employee benefits	93,112	93,725	95,725	(2,000)
Services and supplies	253,100	257,620	262,973	(5,353)
Capital outlay		16,090	16,090	
Total communications	<u>562,574</u>	<u>585,706</u>	<u>600,065</u>	<u>(14,359)</u>
General services				
Salaries and wages	26,829	27,126	18,611	8,515
Employee benefits	441,297	441,334	394,273	47,061
Services and supplies	1,249,424	1,252,900	1,292,480	(39,580)
Total general services	<u>1,717,550</u>	<u>1,721,360</u>	<u>1,705,364</u>	<u>15,996</u>
Information services				
Salaries and wages	569,685	574,631	524,866	49,765
Employee benefits	247,419	249,008	214,722	34,286
Services and supplies	286,061	391,881	363,035	28,846
Capital outlay		33,150		33,150
Total information services	<u>1,103,165</u>	<u>1,248,670</u>	<u>1,102,623</u>	<u>146,047</u>
Human resources				
Salaries and wages	255,294	266,326	267,152	(826)
Employee benefits	111,750	117,132	114,092	3,040
Services and supplies	149,036	151,711	124,128	27,583
Total human resources	<u>516,080</u>	<u>535,169</u>	<u>505,372</u>	<u>29,797</u>
Records management				
Salaries and wages	88,484	89,279	91,507	(2,228)
Employee benefits	38,320	39,076	39,276	(200)
Services and supplies	32,595	29,854	28,124	1,730
Total records management	<u>159,399</u>	<u>158,209</u>	<u>158,907</u>	<u>(698)</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Project management				
Salaries and wages	\$ 61,069	\$	\$	\$
Employee benefits	26,531			
Services and supplies	<u>5,350</u>	436	436	
Total project management	<u>92,950</u>	<u>436</u>	<u>436</u>	
Total general government	<u>9,335,627</u>	<u>9,840,320</u>	<u>9,652,115</u>	<u>188,205</u>
Judicial				
Court clerk				
Salaries and wages	280,649	282,874	278,776	4,098
Employee benefits	128,490	129,168	115,261	13,907
Services and supplies	<u>13,567</u>	<u>39,118</u>	<u>39,695</u>	<u>(577)</u>
Total court clerk	<u>422,706</u>	<u>451,160</u>	<u>433,732</u>	<u>17,428</u>
District court I				
Salaries and wages	150,862	154,479	159,513	(5,034)
Employee benefits	59,164	60,112	58,392	1,720
Services and supplies	<u>36,125</u>	<u>48,750</u>	<u>43,023</u>	<u>5,727</u>
Total district court I	<u>246,151</u>	<u>263,341</u>	<u>260,928</u>	<u>2,413</u>
District court II				
Salaries and wages	157,560	158,217	162,016	(3,799)
Employee benefits	61,890	62,101	61,824	277
Services and supplies	<u>45,475</u>	<u>76,031</u>	<u>70,568</u>	<u>5,463</u>
Total district court II	<u>264,925</u>	<u>296,349</u>	<u>294,408</u>	<u>1,941</u>
CASA				
Salaries and wages	81,136	81,498	81,858	(360)
Employee benefits	41,192	41,308	42,936	(1,628)
Services and supplies		<u>12,860</u>	<u>4,065</u>	<u>8,795</u>
Total CASA	<u>122,328</u>	<u>135,666</u>	<u>128,859</u>	<u>6,807</u>
SAFE				
Salaries and wages	32,000	74,808	90,008	(15,200)
Employee benefits			<u>133</u>	<u>(133)</u>
Total SAFE	<u>32,000</u>	<u>74,808</u>	<u>90,141</u>	<u>(15,333)</u>
Public guardian and administration				
Employee benefits	17,034	17,034	11,945	5,089
Services and supplies	<u>73,942</u>	<u>73,942</u>	<u>76,592</u>	<u>(2,650)</u>
Total public guardian and administration	<u>90,976</u>	<u>90,976</u>	<u>88,537</u>	<u>2,439</u>
Bailiff				
Salaries and wages	186,096	187,580	171,267	16,313
Employee benefits	<u>115,461</u>	<u>117,570</u>	<u>94,526</u>	<u>23,044</u>
Total bailiff	<u>301,557</u>	<u>305,150</u>	<u>265,793</u>	<u>39,357</u>
District attorney				
Salaries and wages	1,346,299	1,353,312	1,363,621	(10,309)
Employee benefits	561,222	570,259	567,965	2,294
Services and supplies	<u>168,030</u>	<u>175,360</u>	<u>196,278</u>	<u>(20,918)</u>
Total district attorney	<u>2,075,551</u>	<u>2,098,931</u>	<u>2,127,864</u>	<u>(28,933)</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
District attorney, child support				
Salaries and wages	\$ 241,624	\$ 242,979	\$ 232,664	\$ 10,315
Employee benefits	99,656	100,091	91,233	8,858
Services and supplies	24,581	54,581	42,174	12,407
Capital outlay			8,605	(8,605)
Total district attorney, child support	<u>365,861</u>	<u>397,651</u>	<u>374,676</u>	<u>22,975</u>
Public defender				
Services and supplies	<u>632,500</u>	<u>632,500</u>	<u>631,324</u>	<u>1,176</u>
Juvenile probation				
Salaries and wages	752,677	777,171	772,310	4,861
Employee benefits	368,029	374,067	381,476	(7,409)
Services and supplies	<u>69,573</u>	<u>82,103</u>	<u>96,843</u>	<u>(14,740)</u>
Total juvenile probation	<u>1,190,279</u>	<u>1,233,341</u>	<u>1,250,629</u>	<u>(17,288)</u>
JPO detention center				
Salaries and wages	407,339	364,570	349,091	15,479
Employee benefits	161,412	161,957	149,917	12,040
Services and supplies	<u>22,900</u>	<u>18,900</u>	<u>16,581</u>	<u>2,319</u>
Total jpo detention center	<u>591,651</u>	<u>545,427</u>	<u>515,589</u>	<u>29,838</u>
Court computer system				
Salaries and wages	95,264	95,689	96,113	(424)
Employee benefits	37,082	37,969	37,971	(2)
Services and supplies	<u>99,340</u>	<u>101,691</u>	<u>101,748</u>	<u>(57)</u>
Total court computer system	<u>231,686</u>	<u>235,349</u>	<u>235,832</u>	<u>(483)</u>
East Fork justice court				
Salaries and wages	327,497	349,938	341,169	8,769
Employee benefits	183,561	186,338	185,840	498
Services and supplies	<u>39,725</u>	<u>44,725</u>	<u>44,981</u>	<u>(256)</u>
Total East Fork justice court	<u>550,783</u>	<u>581,001</u>	<u>571,990</u>	<u>9,011</u>
Tahoe justice court				
Salaries and wages	303,932	305,795	285,623	20,172
Employee benefits	147,473	148,572	134,546	14,026
Services and supplies	<u>44,073</u>	<u>44,073</u>	<u>28,565</u>	<u>15,508</u>
Total Tahoe justice court	<u>495,478</u>	<u>498,440</u>	<u>448,734</u>	<u>49,706</u>
East Fork constable				
Salaries and wages	101,326	101,781	104,595	(2,814)
Employee benefits	37,357	37,503	37,732	(229)
Services and supplies	<u>2,425</u>	<u>2,425</u>	<u>531</u>	<u>1,894</u>
Total East Fork constable	<u>141,108</u>	<u>141,709</u>	<u>142,858</u>	<u>(1,149)</u>
Tahoe constable				
Salaries and wages	140,771	104,394	93,796	10,598
Employee benefits	19,410	19,568	13,460	6,108
Services and supplies	<u>2,360</u>	<u>2,360</u>	<u>1,448</u>	<u>912</u>
Total Tahoe constable	<u>162,541</u>	<u>126,322</u>	<u>108,704</u>	<u>17,618</u>
Alternative sentencing				
Salaries and wages	249,906	285,265	285,061	204
Employee benefits	125,750	133,200	131,925	1,275
Services and supplies	<u>169,946</u>	<u>190,085</u>	<u>174,711</u>	<u>15,374</u>
Total alternative sentencing	<u>545,602</u>	<u>608,550</u>	<u>591,697</u>	<u>16,853</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Security				
Salaries and wages	\$ 94,228	\$ 94,843	\$ 90,516	\$ 4,327
Employee benefits	26,993	27,070	25,209	1,861
Services and supplies	1,175	17,225	17,384	(159)
Total security	<u>122,396</u>	<u>139,138</u>	<u>133,109</u>	<u>6,029</u>
Other				
Services and supplies			6,679	(6,679)
Total judicial	<u>8,586,079</u>	<u>8,855,809</u>	<u>8,702,083</u>	<u>153,726</u>
Public safety				
Sheriff, administration				
Salaries and wages	393,624	395,570	379,686	15,884
Employee benefits	226,206	228,181	227,409	772
Services and supplies	326,124	326,124	370,171	(44,047)
Total sheriff, administration	<u>945,954</u>	<u>949,875</u>	<u>977,266</u>	<u>(27,391)</u>
Sheriff, administrative services				
Salaries and wages	296,689	328,555	318,575	9,980
Employee benefits	127,320	178,042	180,437	(2,395)
Services and supplies	575,800	652,881	605,377	47,504
Capital outlay		87,513	118,509	(30,996)
Total sheriff, administrative services	<u>999,809</u>	<u>1,246,991</u>	<u>1,222,898</u>	<u>24,093</u>
Sheriff, records				
Salaries and wages	304,691	309,160	308,300	860
Employee benefits	158,581	162,374	162,458	(84)
Total sheriff, records	<u>463,272</u>	<u>471,534</u>	<u>470,758</u>	<u>776</u>
Sheriff, jail				
Salaries and wages	2,206,806	2,232,894	2,260,070	(27,176)
Employee benefits	1,337,309	1,349,193	1,397,061	(47,868)
Services and supplies	502,000	480,000	469,354	10,646
Total sheriff, jail	<u>4,046,115</u>	<u>4,062,087</u>	<u>4,126,485</u>	<u>(64,398)</u>
Sheriff, COPS grant				
Salaries and wages	68,589	139,541	117,888	21,653
Employee benefits	37,535	67,981	71,727	(3,746)
Total sheriff, COPS grant	<u>106,124</u>	<u>207,522</u>	<u>189,615</u>	<u>17,907</u>
Sheriff, general investigation				
Salaries and wages	1,073,632	1,042,015	1,075,726	(33,711)
Employee benefits	591,857	598,093	584,597	13,496
Services and supplies	18,000	18,000	14,638	3,362
Total sheriff, general investigation	<u>1,683,489</u>	<u>1,658,108</u>	<u>1,674,961</u>	<u>(16,853)</u>
Sheriff, traffic patrol				
Salaries and wages	214,155	215,779	217,899	(2,120)
Employee benefits	126,359	128,120	124,761	3,359
Services and supplies	2,000	2,000	85	1,915
Total sheriff, traffic patrol	<u>342,514</u>	<u>345,899</u>	<u>342,745</u>	<u>3,154</u>
Sheriff, vehicle maintenance				
Services and supplies	663,281	694,281	705,439	(11,158)
Capital outlay	300,000	384,000	310,664	73,336
Total sheriff, vehicle maintenance	<u>963,281</u>	<u>1,078,281</u>	<u>1,016,103</u>	<u>62,178</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Sheriff, grants				
Salaries and wages	\$ 69,828	\$ 70,390	\$ 69,300	\$ 1,090
Employee benefits	44,321	44,584	45,433	(849)
Total sheriff, grants	<u>114,149</u>	<u>114,974</u>	<u>114,733</u>	<u>241</u>
Sheriff, coroner				
Services and supplies	<u>52,500</u>	<u>127,500</u>	<u>110,456</u>	<u>17,044</u>
Sheriff, patrol operations				
Salaries and wages	3,366,461	3,115,626	3,123,822	(8,196)
Employee benefits	1,952,905	1,980,657	1,909,628	71,029
Services and supplies	<u>30,000</u>	<u>30,000</u>	<u>27,193</u>	<u>2,807</u>
Total sheriff, patrol operations	<u>5,349,366</u>	<u>5,126,283</u>	<u>5,060,643</u>	<u>65,640</u>
Sheriff, tri-net				
Salaries and wages	82,026	82,638	78,571	4,067
Employee benefits	48,190	48,477	43,511	4,966
Services and supplies	<u>16,500</u>	<u>16,500</u>	<u>3,597</u>	<u>12,903</u>
Total sheriff, tri-net	<u>146,716</u>	<u>147,615</u>	<u>125,679</u>	<u>21,936</u>
Animal care and services				
Salaries and wages	176,933	173,433	173,779	(346)
Employee benefits	90,254	92,486	94,314	(1,828)
Services and supplies	23,600	62,100	58,223	3,877
Capital outlay		<u>14,948</u>	<u>14,948</u>	
Total animal care and services	<u>290,787</u>	<u>342,967</u>	<u>341,264</u>	<u>1,703</u>
Other				
Services and supplies			<u>10,190</u>	<u>(10,190)</u>
Total public safety	<u>15,504,076</u>	<u>15,879,636</u>	<u>15,783,796</u>	<u>95,840</u>
Public works				
Administration				
Salaries and wages			12,128	(12,128)
Employee benefits			<u>3,816</u>	<u>(3,816)</u>
Total administration			<u>15,944</u>	<u>(15,944)</u>
Building				
Salaries and wages	143,463	144,917	144,663	254
Employee benefits	54,730	56,197	65,231	(9,034)
Services and supplies	<u>684,250</u>	<u>684,250</u>	<u>682,117</u>	<u>2,133</u>
Total building	<u>882,443</u>	<u>885,364</u>	<u>892,011</u>	<u>(6,647)</u>
Engineering				
Salaries and wages	10,841	10,938	13,040	(2,102)
Employee benefits	<u>3,964</u>	<u>3,995</u>	<u>4,049</u>	<u>(54)</u>
Total engineering	<u>14,805</u>	<u>14,933</u>	<u>17,089</u>	<u>(2,156)</u>
Roads				
Salaries and wages			1,180	(1,180)
Employee benefits			<u>1,614</u>	<u>(1,614)</u>
Total roads			<u>2,794</u>	<u>(2,794)</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Utilities				
Salaries and wages	\$	\$	\$ (10,257)	\$ 10,257
Employee benefits			3,877	(3,877)
Total utilities			<u>(6,380)</u>	<u>6,380</u>
Total public works	<u>897,248</u>	<u>900,297</u>	<u>921,458</u>	<u>(21,161)</u>
Community development				
Administration				
Salaries and wages	257,128	216,536	215,763	773
Employee benefits	110,664	91,421	88,779	2,642
Services and supplies	<u>165,790</u>	<u>104,395</u>	<u>97,205</u>	<u>7,190</u>
Total administration	<u>533,582</u>	<u>412,352</u>	<u>401,747</u>	<u>10,605</u>
Building				
Salaries and wages	280,945	330,237	324,629	5,608
Employee benefits	129,431	155,255	139,347	15,908
Services and supplies	<u>13,400</u>	<u>8,400</u>	<u>16,982</u>	<u>(8,582)</u>
Total building	<u>423,776</u>	<u>493,892</u>	<u>480,958</u>	<u>12,934</u>
Planning				
Salaries and wages	333,363	256,428	256,015	413
Employee benefits	147,791	118,826	114,702	4,124
Services and supplies	<u>21,050</u>	<u>68,493</u>	<u>39,071</u>	<u>29,422</u>
Total planning	<u>502,204</u>	<u>443,747</u>	<u>409,788</u>	<u>33,959</u>
Engineering				
Salaries and wages	289,203	295,603	295,544	59
Employee benefits	121,809	123,144	122,512	632
Services and supplies	<u>9,700</u>	<u>67,700</u>	<u>61,080</u>	<u>6,620</u>
Total engineering	<u>420,712</u>	<u>486,447</u>	<u>479,136</u>	<u>7,311</u>
Total community development	<u>1,880,274</u>	<u>1,836,438</u>	<u>1,771,629</u>	<u>64,809</u>
Health and sanitation				
Weed control				
Salaries and wages	183,165	220,459	220,873	(414)
Employee benefits	64,775	66,756	63,027	3,729
Services and supplies	<u>298,300</u>	<u>363,300</u>	<u>352,961</u>	<u>10,339</u>
Total health and sanitation	<u>546,240</u>	<u>650,515</u>	<u>636,861</u>	<u>13,654</u>
Total expenditures	<u>36,749,544</u>	<u>37,963,015</u>	<u>37,467,942</u>	<u>495,073</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,357,479</u>	<u>1,849,942</u>	<u>2,970,584</u>	<u>1,120,642</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(791,514)	(877,873)		877,873
Transfers in	354,657	354,657	354,657	
Transfers out	<u>(2,457,754)</u>	<u>(3,029,479)</u>	<u>(2,906,239)</u>	<u>123,240</u>
Total other financing sources (uses)	<u>(2,894,611)</u>	<u>(3,552,695)</u>	<u>(2,551,582)</u>	<u>1,001,113</u>

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
CHANGE IN FUND BALANCE	\$ <u>(537,132)</u>	\$ <u>(1,702,753)</u>	\$ <u>419,002</u>	\$ <u>2,121,755</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			8,469,287	
Adjustment			<u>1,709,605</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>6,737,235</u>	<u>8,469,287</u>	<u>10,178,892</u>	<u>1,709,605</u>
FUND BALANCE, END OF YEAR	\$ <u><u>6,200,103</u></u>	\$ <u><u>6,766,534</u></u>	\$ <u><u>10,597,894</u></u>	\$ <u><u>3,831,360</u></u>

SPECIAL REVENUE FUNDS

DOUGLAS COUNTY
MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Room Tax

Room Tax Fund - Accounts for activities related to, and support of, chambers of commerce, visitor authorities, and other specific Douglas County programs, such as parks, recreation and libraries.

East Fork Fire Protection District

Accounts for the operations and activities of the East Fork Fire Protection District.

DOUGLAS COUNTY

ROOM TAX SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Room taxes	\$ 4,684,437	\$ 4,868,586	\$ 4,853,039	\$ (15,547)
Licenses, permits and other fees	2,006,653	2,070,681	2,088,895	18,214
Charges for services	1,228,900	1,113,900	1,175,466	61,566
Intergovernmental shared revenues	1,510,019	1,668,138	1,678,417	10,279
Investment income	15,000	15,000	22,227	7,227
Change in fair value of investments			(4,672)	(4,672)
Miscellaneous	<u>38,000</u>	<u>122,060</u>	<u>146,278</u>	<u>24,218</u>
Total revenues	<u>9,483,009</u>	<u>9,858,365</u>	<u>9,959,650</u>	<u>101,285</u>
EXPENDITURES				
Culture and recreation				
Administration				
Services and supplies	<u>504,841</u>	<u>504,841</u>	<u>504,841</u>	
Promotional room tax				
Services and supplies	<u>4,148,170</u>	<u>4,321,514</u>	<u>4,308,866</u>	<u>12,648</u>
Library				
Salaries and wages	730,558	737,063	696,323	40,740
Employee benefits	340,690	343,200	328,422	14,778
Services and supplies	426,117	442,608	451,414	(8,806)
Capital outlay		<u>56,669</u>	<u>56,666</u>	<u>3</u>
Total library	<u>1,497,365</u>	<u>1,579,540</u>	<u>1,532,825</u>	<u>46,715</u>
Parks operations				
Salaries and wages	343,592	341,582	341,625	(43)
Employee benefits	179,745	182,706	175,737	6,969
Services and supplies	628,550	722,150	681,487	40,663
Capital outlay	<u>340,000</u>	<u>85,780</u>	<u>48,617</u>	<u>37,163</u>
Total parks operations	<u>1,491,887</u>	<u>1,332,218</u>	<u>1,247,466</u>	<u>84,752</u>
Parks development				
Services and supplies		68,960	27,004	41,956
Capital outlay	<u>854,746</u>	<u>3,986,954</u>	<u>1,744,362</u>	<u>2,242,592</u>
Total parks development	<u>854,746</u>	<u>4,055,914</u>	<u>1,771,366</u>	<u>2,284,548</u>
Parks, temporary and seasonal				
Salaries and wages	191,421	188,074	202,193	(14,119)
Employee benefits	44,028	44,547	43,343	1,204
Services and supplies	<u>25</u>	<u>25</u>	<u>20</u>	<u>5</u>
Total parks, temporary and seasonal	<u>235,474</u>	<u>232,646</u>	<u>245,556</u>	<u>(12,910)</u>
Recreation				
Salaries and wages	403,574	422,199	419,658	2,541
Employee benefits	174,195	191,860	187,244	4,616
Services and supplies	<u>339,024</u>	<u>329,438</u>	<u>342,679</u>	<u>(13,241)</u>
Total recreation	<u>916,793</u>	<u>943,497</u>	<u>949,581</u>	<u>(6,084)</u>
Recreation, temporary and seasonal				
Salaries and wages	299,146	288,803	283,178	5,625
Employee benefits	72,430	56,040	53,302	2,738
Services and supplies	<u>60</u>	<u>60</u>	<u>41</u>	<u>19</u>
Total recreation, temporary and seasonal	<u>371,636</u>	<u>344,903</u>	<u>336,521</u>	<u>8,382</u>

(Continued)

DOUGLAS COUNTY

ROOM TAX SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
Kahle community center				
Salaries and wages	\$ 311,694	\$ 315,578	\$ 310,345	\$ 5,233
Employee benefits	83,673	84,758	76,575	8,183
Services and supplies	247,209	312,209	282,461	29,748
Capital outlay	24,000	24,000	23,457	543
Total Kahle community center	642,576	736,545	692,838	43,707
Total culture and recreation	10,663,488	14,051,618	11,589,860	2,461,758
Total expenditures	10,663,488	14,051,618	11,589,860	2,461,758
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,180,479)	(4,193,253)	(1,630,210)	2,563,043
OTHER FINANCING SOURCES (USES)				
Contingencies	(145,491)	(145,491)		145,491
Proceeds from capital asset disposal	1,000	1,000	100	(900)
Transfers in	976,128	1,035,792	1,035,792	
Transfers out	(584,500)	(784,500)	(784,019)	481
Total other financing sources (uses)	247,137	106,801	251,873	145,072
CHANGE IN FUND BALANCE	(933,342)	(4,086,452)	(1,378,337)	2,708,115
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			4,489,001	
Adjustment			474,122	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	1,335,891	4,489,001	4,963,123	474,122
FUND BALANCE, END OF YEAR	\$ 402,549	\$ 402,549	\$ 3,584,786	\$ 3,182,237

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 4,447,124	\$ 4,447,124	\$ 4,457,395	\$ 10,271
Charges for services	4,644,609	4,644,609	143,869	(4,500,740)
Intergovernmental shared revenues	1,622,783	1,911,368	1,996,958	85,590
Investment income	7,500	7,500	12,364	4,864
Change in fair value of investments			(31)	(31)
Miscellaneous	<u>30,000</u>	<u>400,233</u>	<u>404,115</u>	<u>3,882</u>
Total revenues	<u>10,752,016</u>	<u>11,410,834</u>	<u>7,014,670</u>	<u>(4,396,164)</u>
EXPENDITURES				
Public safety				
East Fork fire protection				
Salaries and wages	5,665,117	5,895,946	5,888,849	7,097
Employee benefits	3,141,541	3,217,138	3,137,104	80,034
Services and supplies	1,999,192	2,344,772	2,208,079	136,693
Capital outlay	<u>72,500</u>	<u>177,345</u>	<u>26,655</u>	<u>150,690</u>
Total east fork fire protection	<u>10,878,350</u>	<u>11,635,201</u>	<u>11,260,687</u>	<u>374,514</u>
East Fork fire protection emergency				
Services and supplies		<u>397,215</u>	<u>397,213</u>	<u>2</u>
Total expenditures	<u>10,878,350</u>	<u>12,032,416</u>	<u>11,657,900</u>	<u>374,516</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(126,334)</u>	<u>(621,582)</u>	<u>(4,643,230)</u>	<u>(4,021,648)</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(324,176)	(324,176)		324,176
Proceeds from capital asset disposal		146,985	146,986	1
Transfers in			3,974,674	3,974,674
Transfers out	<u>(154,350)</u>	<u>(145,530)</u>	<u>(145,530)</u>	
Total other financing sources (uses)	<u>(478,526)</u>	<u>(322,721)</u>	<u>3,976,130</u>	<u>4,298,851</u>
CHANGE IN FUND BALANCE	(604,860)	(944,303)	(667,100)	277,203
FUND BALANCE, BEGINNING OF YEAR	<u>2,098,163</u>	<u>2,845,258</u>	<u>2,845,258</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,493,303</u>	<u>\$ 1,900,955</u>	<u>\$ 2,178,158</u>	<u>\$ 277,203</u>

DOUGLAS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2014

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2014, no significant events occurred that would have affected; and therefore, would have changed the benefit provision, size or composition of those covered by the postemployment benefit plans, or the actuarial methods and assumptions used in the actuarial valuation reports dated July 1, 2008, July 1, 2010 and July 1, 2012.

The actuarial accrued liability and unfunded actuarial accrued liability involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. These estimates are subject to continual revision.

Additional information related to postemployment benefits other than pensions can be found in notes 1 and 4 to the basic financial statements.

Note 2. Budget Information

The accompanying required supplementary schedule of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual general fund data. The original budget was adopted on a basis consistent with financial accounting policies and with accounting principles generally accepted in the United States. All amendments made to the original budget were as prescribed by law and similarly consistent.

Additional budgetary information can be found in note 2 to the basic financial statements.

**OTHER SUPPLEMENTARY
INFORMATION**

MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECTS FUNDS

DOUGLAS COUNTY
MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Debt Financed

Accounts for the acquisition and construction of capital facilities that are financed in whole or in part by the issuance of debt.

DOUGLAS COUNTY

DEBT FINANCED CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ _____	\$ _____	\$ 7,329	\$ 7,329
EXPENDITURES				
General government				
Other				
Capital outlay	_____	12,280,119	12,224,089	56,030
CHANGE IN FUND BALANCE		(12,280,119)	(12,216,760)	63,359
FUND BALANCE, BEGINNING OF YEAR	_____	12,292,506	12,292,506	_____
FUND BALANCE, END OF YEAR	\$ _____	\$ 12,387	\$ 75,746	\$ 63,359

**NON-MAJOR
GOVERNMENTAL FUNDS**

DOUGLAS COUNTY
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2014

	Non-major Special <u>Revenue Funds</u>	Non-major Debt Service Funds	Non-major Capital Projects <u>Funds</u>	Non-major Governmental <u>Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 16,635,357	\$ 2,471,086	\$ 14,798,083	\$ 33,904,526
Accounts receivable, net	819,921		51	819,972
Taxes receivable	193,426		30,516	223,942
Interest receivable	21,781	71	20,026	41,878
Due from other governments	967,885		133,150	1,101,035
Special assessments receivable		378		378
Due from other funds	259,303		36,339	295,642
Prepaid items	95,289		200	95,489
Other assets	500		7,156	7,656
Property held for sale	<u>179,292</u>			<u>179,292</u>
Total assets	<u>\$ 19,172,754</u>	<u>\$ 2,471,535</u>	<u>\$ 15,025,521</u>	<u>\$ 36,669,810</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 730,111	\$ 157	\$ 83,149	\$ 813,417
Accrued salaries, wages and benefits	157,336		2,700	160,036
Due to other funds	291,324		18,196	309,520
Unearned revenue, current	330,520	15	2,013,290	2,343,825
Contract retentions payable	42,880			42,880
Deposits	84,426			84,426
Due to other governments	<u>8,339</u>			<u>8,339</u>
Total liabilities	<u>1,644,936</u>	<u>172</u>	<u>2,117,335</u>	<u>3,762,443</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, taxes and penalties	171,595		27,276	198,871
Unavailable revenue, special assessments		378		378
Unavailable revenue, grants	58,413			58,413
Unavailable revenue, other	<u>443,840</u>			<u>443,840</u>
Total deferred inflows of resources	<u>673,848</u>	<u>378</u>	<u>27,276</u>	<u>701,502</u>
Total liabilities and deferred inflows of resources	<u>2,318,784</u>	<u>550</u>	<u>2,144,611</u>	<u>4,463,945</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	Non-major Special <u>Revenue Funds</u>	Non-major Debt <u>Service Funds</u>	Non-major Capital Projects <u>Funds</u>	Non-major Governmental <u>Funds</u>
FUND BALANCES				
Nonspendable				
Prepaid items	\$ 95,289	\$	200	\$ 95,489
Land held for resale	179,292			179,292
Deposits	500		7,156	7,656
Restricted for				
Debt service		2,470,985		2,470,985
Capital improvement projects			12,336,431	12,336,431
General, town and district redevelopment programs	4,262,773			4,262,773
Youth and other judicial programs	2,255,248			2,255,248
Fire, police and other public safety programs	606,089			606,089
Streets and other public works programs	7,612,937			7,612,937
Cultural, community and development programs	1,025,040			1,025,040
Committed to				
Streets and other public works programs	596,344			596,344
Assigned to				
Capital improvement projects			537,741	537,741
Sanitation and other health programs	220,458			220,458
Unassigned				
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	(618)		(618)	(618)
Total fund balances	<u>16,853,970</u>	<u>2,470,985</u>	<u>12,880,910</u>	<u>32,205,865</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,172,754</u>	<u>\$ 2,471,535</u>	<u>\$ 15,025,521</u>	<u>\$ 36,669,810</u>

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	<u>Non-major Special Revenue Funds</u>	<u>Non-major Debt Service Funds</u>	<u>Non-major Capital Projects Funds</u>	<u>Non-major Governmental Funds</u>
REVENUES				
Property taxes	\$ 10,670,774	\$	\$ 1,844,955	\$ 12,515,729
County gas tax	196,869			196,869
Room taxes	561,834			561,834
Construction taxes			125,057	125,057
Franchise fees	456,950			456,950
Licenses, permits and other fees	2,000		300,000	302,000
Charges for services	3,000,763			3,000,763
Intergovernmental shared revenues	7,674,114		939,119	8,613,233
Fines and forfeitures	147,985			147,985
Investment income	75,334	7,800	58,261	141,395
Change in fair value of investments	1,111	3,364	(5,582)	(1,107)
Miscellaneous	<u>1,759,509</u>		<u>5,569</u>	<u>1,765,078</u>
Total revenues	<u>24,547,243</u>	<u>11,164</u>	<u>3,267,379</u>	<u>27,825,786</u>
EXPENDITURES				
Current				
General government	1,268,199	1,853	482,550	1,752,602
Judicial	4,436,997			4,436,997
Public safety	1,874,461		1,165	1,875,626
Public works	3,029,286		826,943	3,856,229
Community development	1,771,776			1,771,776
Culture and recreation	1,091,597			1,091,597
Health and sanitation	241,790			241,790
Welfare	<u>2,375,557</u>			<u>2,375,557</u>
Total current	<u>16,089,663</u>	<u>1,853</u>	<u>1,310,658</u>	<u>17,402,174</u>
Capital outlay				
General government			445,473	445,473
Judicial	68,070			68,070
Public safety			147,620	147,620
Public works	333,734		419,824	753,558
Community development	9,627			9,627
Culture and recreation	759,256		3,352	762,608
Welfare	<u>25,888</u>			<u>25,888</u>
Total capital outlay	<u>1,196,575</u>		<u>1,016,269</u>	<u>2,212,844</u>
Debt service				
Principal payments		2,080,942		2,080,942
Interest expense		612,987	27,415	640,402
Fiscal charges		<u>2,800</u>		<u>2,800</u>
Total debt service		<u>2,696,729</u>	<u>27,415</u>	<u>2,724,144</u>
Total expenditures	<u>17,286,238</u>	<u>2,698,582</u>	<u>2,354,342</u>	<u>22,339,162</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,261,005</u>	<u>(2,687,418)</u>	<u>913,037</u>	<u>5,486,624</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital asset disposal	115,375			115,375
Transfers in	1,333,151	2,944,493	3,057,615	7,335,259
Transfers out	<u>(7,001,404)</u>	<u>(2,231)</u>	<u>(1,955,961)</u>	<u>(8,959,596)</u>
Total other financing sources (uses)	<u>(5,552,878)</u>	<u>2,942,262</u>	<u>1,101,654</u>	<u>(1,508,962)</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	<u>Non-major Special Revenue Funds</u>	<u>Non-major Debt Service Funds</u>	<u>Non-major Capital Projects Funds</u>	<u>Non-major Governmental Funds</u>
CHANGE IN FUND BALANCE	\$ 1,708,127	\$ 254,844	\$ 2,014,691	\$ 3,977,662
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	13,781,600	2,216,141	10,079,579	26,077,320
Adjustment	<u>1,364,243</u>		<u>786,640</u>	<u>2,150,883</u>
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>15,145,843</u>	<u>2,216,141</u>	<u>10,866,219</u>	<u>28,228,203</u>
FUND BALANCE, END OF YEAR	<u>\$ 16,853,970</u>	<u>\$ 2,470,985</u>	<u>\$ 12,880,910</u>	<u>\$ 32,205,865</u>

SPECIAL REVENUE FUNDS

DOUGLAS COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Special revenue funds are used to account for financial resources that are restricted or committed to specific purposes other than debt service and capital projects.

Nevada Cooperative Extension

Accounts for community outreach education and research activities of the University of Nevada, Reno Agriculture Extension Office undertaken in, and partially funded by, Douglas County.

Airport

Accounts for the operations of the Minden-Tahoe Airport.

Douglas County Water District

Accounts for activities to to enhance water quality and to ensure adequate water resources in Douglas County.

Solid Waste Management

Accounts for activities associated with the closure of the landfill, ongoing monitoring and other waste management activities.

State Motor Vehicle Accident Indigent

Accounts for the provision of emergency hospital care to indigent persons resulting from motor vehicle accidents in Douglas County.

Medical Assistance to Indigents

Accounts for payment of unpaid charges for medical care furnished to an indigent person who falls sick in Douglas County.

Social Services

Accounts for the provision of general assistance and medical care for indigents who reside in Douglas County.

Law Library

Accounts for enhancement and maintenance of Douglas County's legal library.

Road Operating

Accounts for the maintenance of Douglas County roads.

Tahoe-Douglas Transportation District

Accounts for transportation needs in the Lake Tahoe area.

Justice Court Administrative Assessment

Accounts for the enhancement of court operations.

China Spring Youth Camp

Accounts for the juvenile correction center operations.

Western Nevada Regional Youth Center

Accounts for the provision of regional detention and drug rehabilitation services for the counties of Douglas, Carson, Churchill, Lyon, and Storey.

Erosion Control (TRPA) Mitigation

Accounts for specific erosion control projects in the Lake Tahoe Basin.

Technology Services (911)

Accounts for the provision of emergency 911 and non-emergency communications services.

911 Surcharge

Accounts for charges to telecommunication providers, which are passed through to their customers.

Senior Services Program

Accounts for the provision of nutritious meals, support services and transportation to residents 60 years of age or older.

Redevelopment Agency

Accounts for the operations and activities of the separate Redevelopment Agency.

Town of Gardnerville

Accounts for the general operations and activities of the Town of Gardnerville.

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Town of Genoa

Accounts or the general operations and activities of the Town of Genoa.

Town of Minden

Accounts or the general operations and activities of the Town of Minden.

East Fork Paramedic District

Accounts or the operations and activities of the East Fork Paramedic District.

Library Gifts

Accounts for donations from library patrons.

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Nevada Cooperative Extension	Airport	Douglas County Water District	Solid Waste Management	State Motor Vehicle Accident Indigent
ASSETS					
Cash, cash equivalents and investments	\$ 250,909	\$ 2,373,198	\$ 188,329	\$ 2,112,346	\$ 11,123
Accounts receivable, net	10	65,725	10,050	37,655	15
Taxes receivable	4,421				6,599
Interest receivable	341	3,219	255	2,866	15
Due from other governments	3	341,093			4
Due from other funds			927	4,633	
Prepaid items		38,618			
Other assets					
Property held for sale					
Total assets	\$ 255,684	\$ 2,821,853	\$ 199,561	\$ 2,157,500	\$ 17,756
LIABILITIES					
Accounts payable and accrued expenses	\$ 25,207	\$ 305,763	\$ 315	\$ 15,414	\$ 11,147
Accrued salaries, wages and benefits	2,169		882	1,061	
Due to other funds					
Unearned revenue, current		106,974			
Contract retentions payable		42,880			
Deposits		57,664			
Due to other governments					
Total liabilities	27,376	513,281	1,197	16,475	11,147
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties	3,976				5,931
Unavailable revenue, grants					
Unavailable revenue, other					
Total deferred inflows of resources	3,976				5,931
Total liabilities and deferred inflows of resources	31,352	513,281	1,197	16,475	17,078
FUND BALANCES					
Nonspendable					
Prepaid items		38,618			
Land held for resale					
Deposits					
Restricted for					
General, town and district redevelopment programs		2,269,954			
Youth and other judicial programs					
Fire, police and other public safety programs					
Streets and other public works programs			198,364	2,141,025	678
Cultural, community and development programs	224,332				
Committed to					
Streets and other public works programs					
Assigned to					
Sanitation and other health programs					
Total fund balances	224,332	2,308,572	198,364	2,141,025	678
Total liabilities, deferred inflows of resources and fund balances	\$ 255,684	\$ 2,821,853	\$ 199,561	\$ 2,157,500	\$ 17,756

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

		Medical Assistance to Indigents	Social Services	Law Library	Road Operating	Tahoe-Douglas Transportation District
ASSETS						
Cash, cash equivalents and investments	\$	4,707,179	\$ 413,332	\$ 52,526	\$ 728,924	\$ 309,129
Accounts receivable, net		102	24		13,919	48,566
Taxes receivable		31,398	13,543			
Interest receivable		6,385	562	74	988	423
Due from other governments		17	109,917		188,643	
Due from other funds			249,686			
Prepaid items			9,416			
Other assets						
Property held for sale						
Total assets	\$	<u>4,745,081</u>	<u>\$ 796,480</u>	<u>\$ 52,600</u>	<u>\$ 932,474</u>	<u>\$ 358,118</u>
LIABILITIES						
Accounts payable and accrued expenses	\$	115,972	\$ 4,641	\$ 1,595	\$ 53,833	\$ 2,500
Accrued salaries, wages and benefits			10,762		13,769	249
Due to other funds		249,692				
Unearned revenue, current						
Contract retentions payable						
Deposits						
Due to other governments		8,339				
Total liabilities		<u>374,003</u>	<u>15,403</u>	<u>1,595</u>	<u>67,602</u>	<u>2,749</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue, taxes and penalties		28,627	12,195			
Unavailable revenue, grants			52,655			
Unavailable revenue, other						
Total deferred inflows of resources		<u>28,627</u>	<u>64,850</u>			
Total liabilities and deferred inflows of resources		<u>402,630</u>	<u>80,253</u>	<u>1,595</u>	<u>67,602</u>	<u>2,749</u>
FUND BALANCES						
Nonspendable						
Prepaid items			9,416			
Land held for resale						
Deposits						
Restricted for						
General, town and district redevelopment programs						
Youth and other judicial programs						
Fire, police and other public safety programs						
Streets and other public works programs		4,342,451			268,528	355,369
Cultural, community and development programs			706,811	51,005		
Committed to						
Streets and other public works programs					596,344	
Assigned to						
Sanitation and other health programs						
Total fund balances		<u>4,342,451</u>	<u>716,227</u>	<u>51,005</u>	<u>864,872</u>	<u>355,369</u>
Total liabilities, deferred inflows of resources and fund balances	\$	<u>4,745,081</u>	<u>\$ 796,480</u>	<u>\$ 52,600</u>	<u>\$ 932,474</u>	<u>\$ 358,118</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	Justice Court Administrative Assessment	China Spring Youth Camp	Western Nevada Regional Youth Center	Erosion Control (TRPA) Mitigation	Technology Services (911)
ASSETS					
Cash, cash equivalents and investments	\$ 697,137	\$ 969,913	\$ 597,371	\$ 371,379	\$ 639,042
Accounts receivable, net		158	43		12,517
Taxes receivable		1,701	11,304		20,995
Interest receivable	963	1,320		499	870
Due from other governments		102,847	9		14
Due from other funds					
Prepaid items	2,375	1,276			6,303
Other assets					
Property held for sale				179,292	
Total assets	<u>\$ 700,475</u>	<u>\$ 1,077,215</u>	<u>\$ 608,727</u>	<u>\$ 551,170</u>	<u>\$ 679,741</u>
LIABILITIES					
Accounts payable and accrued expenses	\$ 4,297	\$ 15,505		\$ 2,952	\$ 20,801
Accrued salaries, wages and benefits		61,205			27,668
Due to other funds				20,909	
Unearned revenue, current	(7,528)	42,215		41,495	
Contract retentions payable					
Deposits					
Due to other governments					
Total liabilities	<u>(3,231)</u>	<u>118,925</u>	<u>10,294</u>	<u>65,356</u>	<u>48,469</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties		1,530	10,294		18,880
Unavailable revenue, grants					
Unavailable revenue, other					
Total deferred inflows of resources		<u>1,530</u>	<u>10,294</u>		<u>18,880</u>
Total liabilities and deferred inflows of resources	<u>(3,231)</u>	<u>120,455</u>	<u>10,294</u>	<u>65,356</u>	<u>67,349</u>
FUND BALANCES					
Nonspendable					
Prepaid items	2,375	1,276			6,303
Land held for resale				179,292	
Deposits					
Restricted for					
General, town and district redevelopment programs					
Youth and other judicial programs	701,331	955,484	598,433		
Fire, police and other public safety programs					606,089
Streets and other public works programs				306,522	
Cultural, community and development programs					
Committed to					
Streets and other public works programs					
Assigned to					
Sanitation and other health programs					
Total fund balances	<u>703,706</u>	<u>956,760</u>	<u>598,433</u>	<u>485,814</u>	<u>612,392</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 700,475</u>	<u>\$ 1,077,215</u>	<u>\$ 608,727</u>	<u>\$ 551,170</u>	<u>\$ 679,741</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	Senior Services Program	Redevelopment Agency	Town of Gardnerville	Town of Genoa	Town of Minden
ASSETS					
Cash, cash equivalents and investments	\$ 174,743	\$ 260,487	\$ 754,937	\$ 180,095	\$ 558,245
Accounts receivable, net	27		1,069	1,000	1,641
Taxes receivable		14,926	26,770	659	11,898
Interest receivable	238	353	1,024	238	760
Due from other governments	120,587		43,836	2,801	58,067
Due from other funds			2,908		
Prepaid items	430		22,472	50	12,299
Other assets				500	
Property held for sale					
Total assets	\$ 296,025	\$ 275,766	\$ 853,016	\$ 185,343	\$ 642,910
LIABILITIES					
Accounts payable and accrued expenses	\$ 44,191	\$ 309	\$ 73,125	\$ 5,441	\$ 26,095
Accrued salaries, wages and benefits	13,591		14,817	2,277	8,886
Due to other funds			11,235	4,580	4,908
Unearned revenue, current	11,597		1,682	133,685	
Contract retentions payable					
Deposits				931	25,831
Due to other governments					
Total liabilities	69,379	309	100,859	146,914	65,720
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties		14,926	22,657	515	8,125
Unavailable revenue, grants	5,758				
Unavailable revenue, other					
Total deferred inflows of resources	5,758	14,926	22,657	515	8,125
Total liabilities and deferred inflows of resources	75,137	15,235	123,516	147,429	73,845
FUND BALANCES					
Nonspendable					
Prepaid items	430		22,472	50	12,299
Land held for resale					
Deposits				500	
Restricted for					
General, town and district redevelopment programs		260,531	707,028	37,364	556,766
Youth and other judicial programs					
Fire, police and other public safety programs					
Streets and other public works programs					
Cultural, community and development programs					
Committed to					
Streets and other public works programs					
Assigned to					
Sanitation and other health programs	220,458				
Total fund balances	220,888	260,531	729,500	37,914	569,065
Total liabilities, deferred inflows of resources and fund balances	\$ 296,025	\$ 275,766	\$ 853,016	\$ 185,343	\$ 642,910

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	<u>East Fork Paramedic District</u>	<u>Library Gifts</u>	<u>Total Non-major Special Revenue Funds</u>
ASSETS			
Cash, cash equivalents and investments	\$ 241,563	\$ 43,450	\$ 16,635,357
Accounts receivable, net	627,400		819,921
Taxes receivable	49,212		193,426
Interest receivable	329	59	21,781
Due from other governments	47		967,885
Due from other funds	1,149		259,303
Prepaid items		2,050	95,289
Other assets			500
Property held for sale			<u>179,292</u>
Total assets	<u>\$ 919,700</u>	<u>\$ 45,559</u>	<u>\$ 19,172,754</u>
LIABILITIES			
Accounts payable and accrued expenses	\$ 391	\$ 617	\$ 730,111
Accrued salaries, wages and benefits			157,336
Due to other funds			291,324
Unearned revenue, current	400		330,520
Contract retentions payable			42,880
Deposits			84,426
Due to other governments			<u>8,339</u>
Total liabilities	<u>791</u>	<u>617</u>	<u>1,644,936</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue, taxes and penalties	43,939		171,595
Unavailable revenue, grants			58,413
Unavailable revenue, other	<u>443,840</u>		<u>443,840</u>
Total deferred inflows of resources	<u>487,779</u>		<u>673,848</u>
Total liabilities and deferred inflows of resources	<u>488,570</u>	<u>617</u>	<u>2,318,784</u>
FUND BALANCES			
Nonspendable			
Prepaid items		2,050	95,289
Land held for resale			179,292
Deposits			500
Restricted for			
General, town and district redevelopment programs	431,130		4,262,773
Youth and other judicial programs			2,255,248
Fire, police and other public safety programs			606,089
Streets and other public works programs			7,612,937
Cultural, community and development programs		42,892	1,025,040
Committed to			
Streets and other public works programs			596,344
Assigned to			
Sanitation and other health programs			<u>220,458</u>
Total fund balances	<u>431,130</u>	<u>44,942</u>	<u>16,853,970</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 919,700</u>	<u>\$ 45,559</u>	<u>\$ 19,172,754</u>

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Nevada Cooperative Extension	Airport	Douglas County Water District	Solid Waste Management	State Motor Vehicle Accident Indigent	Medical Assistance to Indigents
REVENUES						
Property taxes	\$ 239,522				\$ 358,760	\$ 1,379,391
County gas tax						
Room taxes						
Franchise fees				456,950		
Licenses, permits and other fees				2,000		
Charges for services		42,775	500			
Intergovernmental shared revenues	36	629,649	15,055		54	205
Fines and forfeitures						
Investment income	1,227	10,368	840	9,334	237	21,583
Change in fair value of investments	(27)	(1,229)	(45)	(471)	15	2,646
Miscellaneous		843,217	2,544	50,000		
Total revenues	240,758	1,524,780	18,894	517,813	359,066	1,403,825
EXPENDITURES						
Current						
General government						
Judicial						
Public safety						
Public works			89,939			
Community development	244,182					
Culture and recreation		667,294				
Health and sanitation				241,790		
Welfare					360,621	757,471
Total current	244,182	667,294	89,939	241,790	360,621	757,471
Capital outlay						
Judicial						
Public works						
Community development	9,627					
Culture and recreation		716,054				
Welfare						25,888
Total capital outlay	9,627	716,054				25,888
Total expenditures	253,809	1,383,348	89,939	241,790	360,621	783,359
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(13,051)	141,432	(71,045)	276,023	(1,555)	620,466
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal		112,002				
Transfers in	792		423	693		
Transfers out				(160,550)		(419,686)
Total other financing sources (uses)	792	112,002	423	(159,857)		(419,686)
CHANGE IN FUND BALANCE	(12,259)	253,434	(70,622)	116,166	(1,555)	200,780
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	236,591	2,055,138	23,688	2,024,859	2,233	4,141,671
Adjustment			245,298			
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	236,591	2,055,138	268,986	2,024,859	2,233	4,141,671
FUND BALANCE, END OF YEAR	\$ 224,332	\$ 2,308,572	\$ 198,364	\$ 2,141,025	\$ 678	\$ 4,342,451

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Social Services	Law Library	Road Operating	Tahoe-Douglas Transportation District	Justice Court Administrative Assessment	China Spring Youth Camp
REVENUES						
Property taxes	\$ 730,623		\$		\$	\$ 92,808
County gas tax			196,869			
Room taxes			78,762	483,072		
Franchise fees						
Licenses, permits and other fees						
Charges for services	1,140	19,296	62,033		10,471	2,016
Intergovernmental shared revenues	246,501		929,084	286,911		4,075,305
Fines and forfeitures					147,985	
Investment income	2,500	238	3,489	2,099	2,975	4,155
Change in fair value of investments	230	(12)	(163)	(180)	(256)	(586)
Miscellaneous	70		4,644			65,083
	<u>981,064</u>	<u>19,522</u>	<u>1,274,718</u>	<u>771,902</u>	<u>161,175</u>	<u>4,238,781</u>
Total revenues						
EXPENDITURES						
Current						
General government						
Judicial		20,296			29,186	3,930,653
Public safety						
Public works			1,471,899	150,000		
Community development						
Culture and recreation						
Health and sanitation						
Welfare	1,257,465					
Total current	<u>1,257,465</u>	<u>20,296</u>	<u>1,471,899</u>	<u>150,000</u>	<u>29,186</u>	<u>3,930,653</u>
Capital outlay						
Judicial					57,589	10,481
Public works			40,000	149,064		
Community development						
Culture and recreation						
Welfare						
Total capital outlay	<u></u>	<u></u>	<u>40,000</u>	<u>149,064</u>	<u>57,589</u>	<u>10,481</u>
Total expenditures	<u>1,257,465</u>	<u>20,296</u>	<u>1,511,899</u>	<u>299,064</u>	<u>86,775</u>	<u>3,941,134</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(276,401)</u>	<u>(774)</u>	<u>(237,181)</u>	<u>472,838</u>	<u>74,400</u>	<u>297,647</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal						
Transfers in	257,677		221,218	183		48,119
Transfers out	(3,500)			(287,221)		
Total other financing sources (uses)	<u>254,177</u>	<u></u>	<u>221,218</u>	<u>(287,038)</u>	<u></u>	<u>48,119</u>
CHANGE IN FUND BALANCE	<u>(22,224)</u>	<u>(774)</u>	<u>(15,963)</u>	<u>185,800</u>	<u>74,400</u>	<u>345,766</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	738,451	51,779	880,835	169,569	160,529	558,479
Adjustment					468,777	52,515
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>738,451</u>	<u>51,779</u>	<u>880,835</u>	<u>169,569</u>	<u>629,306</u>	<u>610,994</u>
FUND BALANCE, END OF YEAR	<u>\$ 716,227</u>	<u>\$ 51,005</u>	<u>\$ 864,872</u>	<u>\$ 355,369</u>	<u>\$ 703,706</u>	<u>\$ 956,760</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Western Nevada Regional Youth Center	Erosion Control (TRPA) Mitigation	Technology Services (911)	911 Surcharge	Senior Services Program	Redevelopment Agency
REVENUES						
Property taxes	\$ 546,562		\$ 1,136,069			\$ 2,037,352
County gas tax						
Room taxes						
Franchise fees						
Licenses, permits and other fees						
Charges for services			713,384	62,807	134,049	
Intergovernmental shared revenues	103	199,242	170		604,156	
Fines and forfeitures						
Investment income		1,123	2,813	7	729	3,092
Change in fair value of investments	861	12	(80)		286	72
Miscellaneous					55,653	
Total revenues	547,526	200,377	1,852,356	62,814	794,873	2,040,516
EXPENDITURES						
Current						
General government						46,783
Judicial	456,862					
Public safety			1,782,039	81,026		
Public works		43,786				
Community development					1,527,594	
Culture and recreation						
Health and sanitation						
Welfare						
Total current	456,862	43,786	1,782,039	81,026	1,527,594	46,783
Capital outlay						
Judicial						
Public works		19,288				
Community development						
Culture and recreation						
Welfare						
Total capital outlay	19,288					
Total expenditures	456,862	63,074	1,782,039	81,026	1,527,594	46,783
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	90,664	137,303	70,317	(18,212)	(732,721)	1,993,733
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal						
Transfers in		47,600	10,295		680,151	
Transfers out						(1,902,304)
Total other financing sources (uses)	47,600	10,295	680,151	(1,902,304)		
CHANGE IN FUND BALANCE	90,664	184,903	80,612	(18,212)	(52,570)	91,429
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	507,769	46,619	531,780	18,212	187,661	169,102
Adjustment		254,292			85,797	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	507,769	300,911	531,780	18,212	273,458	169,102
FUND BALANCE, END OF YEAR	\$ 598,433	\$ 485,814	\$ 612,392	\$	\$ 220,888	\$ 260,531

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Town of Gardnerville	Town of Genoa	Town of Minden	East Fork Paramedic District	Library Gifts	Total Non-major Special Revenue Funds
REVENUES						
Property taxes	\$ 978,892	\$ 39,700	\$ 864,464	\$ 2,266,631		\$ 10,670,774
County gas tax						196,869
Room taxes						561,834
Franchise fees						456,950
Licenses, permits and other fees						2,000
Charges for services	6,248	18,009	59,842	1,868,193		3,000,763
Intergovernmental shared revenues	294,216	9,962	383,418	47		7,674,114
Fines and forfeitures						147,985
Investment income	3,414	712	2,352	1,828	219	75,334
Change in fair value of investments	(91)	(55)	(180)	350	14	1,111
Miscellaneous	140,605	441,811	52,331	60,364	43,187	1,759,509
Total revenues	1,423,284	510,139	1,362,227	4,197,413	43,420	24,547,243
EXPENDITURES						
Current						
General government	482,389	494,223	244,804			1,268,199
Judicial						4,436,997
Public safety				11,396		1,874,461
Public works	554,453		719,209			3,029,286
Community development						1,771,776
Culture and recreation	73,741		327,253		23,309	1,091,597
Health and sanitation						241,790
Welfare						2,375,557
Total current	1,110,583	494,223	1,291,266	11,396	23,309	16,089,663
Capital outlay						
Judicial						68,070
Public works	124,945		437			333,734
Community development						9,627
Culture and recreation	11,543				31,659	759,256
Welfare						25,888
Total capital outlay	136,488	437	437	31,659	31,659	1,196,575
Total expenditures	1,247,071	494,223	1,291,703	11,396	54,968	17,286,238
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	176,213	15,916	70,524	4,186,017	(11,548)	7,261,005
OTHER FINANCING SOURCES (USES)						
Proceeds from capital asset disposal			3,373			115,375
Transfers in			66,000			1,333,151
Transfers out	(123,469)		(130,000)	(3,974,674)		(7,001,404)
Total other financing sources (uses)	(123,469)	66,000	(60,627)	(3,974,674)	115,375	(5,552,878)
CHANGE IN FUND BALANCE	52,744	15,916	9,897	211,343	(11,548)	1,708,127
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED						
Adjustment	558,362	21,998	476,488	219,787		13,781,600
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	118,394	82,680	82,680	56,490	56,490	1,364,243
FUND BALANCE, END OF YEAR	676,756	21,998	559,168	219,787	56,490	15,145,843
FUND BALANCE, END OF YEAR	\$ 729,500	\$ 37,914	\$ 569,065	\$ 431,130	\$ 44,942	\$ 16,853,970

DOUGLAS COUNTY

NEVADA COOPERATIVE EXTENSION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 238,546	\$ 238,546	\$ 239,522	\$ 976
Intergovernmental shared revenues			36	36
Investment income	1,800	1,800	1,227	(573)
Change in fair value of investments			(27)	(27)
Total revenues	<u>240,346</u>	<u>240,346</u>	<u>240,758</u>	<u>412</u>
EXPENDITURES				
Community development				
Cooperative extension				
Salaries and wages	83,916	84,516	71,076	13,440
Employee benefits	32,951	33,143	29,541	3,602
Services and supplies	147,418	196,256	143,565	52,691
Capital outlay		9,627	9,627	
Total expenditures	<u>264,285</u>	<u>323,542</u>	<u>253,809</u>	<u>69,733</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(23,939)</u>	<u>(83,196)</u>	<u>(13,051)</u>	<u>70,145</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(7,923)	(7,923)		7,923
Transfers in		792	792	
Total other financing sources (uses)	<u>(7,923)</u>	<u>(7,131)</u>	<u>792</u>	<u>7,923</u>
CHANGE IN FUND BALANCE	(31,862)	(90,327)	(12,259)	78,068
FUND BALANCE, BEGINNING OF YEAR	<u>155,126</u>	<u>236,591</u>	<u>236,591</u>	
FUND BALANCE, END OF YEAR	<u>\$ 123,264</u>	<u>\$ 146,264</u>	<u>\$ 224,332</u>	<u>\$ 78,068</u>

DOUGLAS COUNTY

AIRPORT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 58,700	\$ 60,200	\$ 42,775	\$ (17,425)
Intergovernmental shared revenues	10,500	686,252	629,649	(56,603)
Investment income	10,000	10,000	10,368	368
Change in fair value of investments			(1,229)	(1,229)
Miscellaneous	<u>845,000</u>	<u>845,000</u>	<u>843,217</u>	<u>(1,783)</u>
Total revenues	<u>924,200</u>	<u>1,601,452</u>	<u>1,524,780</u>	<u>(76,672)</u>
EXPENDITURES				
Culture and recreation				
Airport				
Services and supplies	768,072	1,021,458	667,294	354,164
Capital outlay	<u>234,668</u>	<u>933,385</u>	<u>716,054</u>	<u>217,331</u>
Total expenditures	<u>1,002,740</u>	<u>1,954,843</u>	<u>1,383,348</u>	<u>571,495</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(78,540)</u>	<u>(353,391)</u>	<u>141,432</u>	<u>494,823</u>
OTHER FINANCING SOURCES				
Contingencies	23,042	23,042		(23,042)
Proceeds from capital asset disposal			<u>112,002</u>	<u>112,002</u>
CHANGE IN FUND BALANCE	(55,498)	(330,349)	253,434	583,783
FUND BALANCE, BEGINNING OF YEAR	<u>1,780,307</u>	<u>2,055,138</u>	<u>2,055,138</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,678,705</u>	<u>\$ 1,678,705</u>	<u>\$ 2,308,572</u>	<u>\$ 629,867</u>

DOUGLAS COUNTY

DOUGLAS COUNTY WATER DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Charges for services	\$	\$	\$ 500	\$ 500
Intergovernmental shared revenues		15,055	15,055	
Investment income	800	800	840	40
Change in fair value of investments			(45)	(45)
Miscellaneous	<u>70,942</u>	<u>60,748</u>	<u>2,544</u>	<u>(58,204)</u>
Total revenues	<u>71,742</u>	<u>76,603</u>	<u>18,894</u>	<u>(57,709)</u>
EXPENDITURES				
Public works				
Water				
Salaries and wages	29,319	29,582	29,053	529
Employee benefits	13,042	13,202	12,803	399
Services and supplies	<u>30,178</u>	<u>49,733</u>	<u>48,083</u>	<u>1,650</u>
Total expenditures	<u>72,539</u>	<u>92,517</u>	<u>89,939</u>	<u>2,578</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(797)</u>	<u>(15,914)</u>	<u>(71,045)</u>	<u>(55,131)</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(2,176)	(2,176)		2,176
Transfers in		<u>423</u>	<u>423</u>	
Total other financing sources (uses)	<u>(2,176)</u>	<u>(1,753)</u>	<u>423</u>	<u>2,176</u>
CHANGE IN FUND BALANCE	<u>(2,973)</u>	<u>(17,667)</u>	<u>(70,622)</u>	<u>(52,955)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			23,688	
Adjustment			<u>245,298</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>8,994</u>	<u>23,688</u>	<u>268,986</u>	<u>245,298</u>
FUND BALANCE, END OF YEAR	<u>\$ 6,021</u>	<u>\$ 6,021</u>	<u>\$ 198,364</u>	<u>\$ 192,343</u>

DOUGLAS COUNTY

SOLID WASTE MANAGEMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Franchise fees	\$ 431,000	\$ 431,000	\$ 456,950	\$ 25,950
Licenses, permits and other fees	2,000	2,000	2,000	
Investment income	10,000	10,000	9,334	(666)
Change in fair value of investments			(471)	(471)
Miscellaneous	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
Total revenues	<u>493,000</u>	<u>493,000</u>	<u>517,813</u>	<u>24,813</u>
EXPENDITURES				
Health and sanitation				
Joint powers authority				
Services and supplies	40,000	40,000		40,000
Capital outlay	<u>42,294</u>	<u>81,556</u>		<u>81,556</u>
Total joint powers authority	<u>82,294</u>	<u>121,556</u>		<u>121,556</u>
General				
Salaries and wages	36,052	36,368	30,529	5,839
Employee benefits	15,038	15,415	14,699	716
Services and supplies	210,608	213,808	196,562	17,246
Capital outlay	<u>1,892,180</u>	<u>1,936,763</u>		<u>1,936,763</u>
Total general	<u>2,153,878</u>	<u>2,202,354</u>	<u>241,790</u>	<u>1,960,564</u>
Total expenditures	<u>2,236,172</u>	<u>2,323,910</u>	<u>241,790</u>	<u>2,082,120</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,743,172)</u>	<u>(1,830,910)</u>	<u>276,023</u>	<u>2,106,933</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	<u>(169,601)</u>	<u>(169,601)</u>	<u>(160,550)</u>	<u>9,051</u>
Total other financing sources (uses)	<u>(169,601)</u>	<u>(168,908)</u>	<u>(159,857)</u>	<u>9,051</u>
CHANGE IN FUND BALANCE	(1,912,773)	(1,999,818)	116,166	2,115,984
FUND BALANCE, BEGINNING OF YEAR	<u>1,937,814</u>	<u>2,024,859</u>	<u>2,024,859</u>	
FUND BALANCE, END OF YEAR	<u>\$ 25,041</u>	<u>\$ 25,041</u>	<u>\$ 2,141,025</u>	<u>\$ 2,115,984</u>

DOUGLAS COUNTY

STATE MOTOR VEHICLE ACCIDENT INDIGENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 357,825	\$ 357,825	\$ 358,760	\$ 935
Intergovernmental shared revenues			54	54
Investment income			237	237
Change in fair value of investments			15	15
	<u>357,825</u>	<u>357,825</u>	<u>359,066</u>	<u>1,241</u>
Total revenues				
EXPENDITURES				
Welfare				
Vehicle accident, indigent				
Services and supplies	<u>357,825</u>	<u>360,058</u>	<u>360,621</u>	<u>(563)</u>
CHANGE IN FUND BALANCE		(2,233)	(1,555)	678
FUND BALANCE, BEGINNING OF YEAR		<u>2,233</u>	<u>2,233</u>	
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 678</u>	<u>\$ 678</u>

DOUGLAS COUNTY

MEDICAL ASSISTANCE TO INDIGENTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,388,143	\$ 1,388,143	\$ 1,379,391	\$ (8,752)
Intergovernmental shared revenues			205	205
Investment income	50,000	50,000	21,583	(28,417)
Change in fair value of investments			2,646	2,646
Total revenues	<u>1,438,143</u>	<u>1,438,143</u>	<u>1,403,825</u>	<u>(34,318)</u>
EXPENDITURES				
Welfare				
Medical assistance to indigents				
Services and supplies	1,438,143	2,318,181	757,471	1,560,710
Capital outlay		30,000	25,888	4,112
Total expenditures	<u>1,438,143</u>	<u>2,348,181</u>	<u>783,359</u>	<u>1,564,822</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES		<u>(910,038)</u>	<u>620,466</u>	<u>1,530,504</u>
OTHER FINANCING USES				
Transfers out			(419,686)	(419,686)
CHANGE IN FUND BALANCE		(910,038)	200,780	1,110,818
FUND BALANCE, BEGINNING OF YEAR	<u>3,231,633</u>	<u>4,141,671</u>	<u>4,141,671</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,231,633</u>	<u>\$ 3,231,633</u>	<u>\$ 4,342,451</u>	<u>\$ 1,110,818</u>

DOUGLAS COUNTY

SOCIAL SERVICES SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 729,200	\$ 729,200	\$ 730,623	\$ 1,423
Charges for services	682,934	706,285	1,140	(705,145)
Intergovernmental shared revenues	331,473	333,396	246,501	(86,895)
Investment income	5,000	5,000	2,500	(2,500)
Change in fair value of investments			230	230
Miscellaneous			70	70
Total revenues	<u>1,748,607</u>	<u>1,773,881</u>	<u>981,064</u>	<u>(792,817)</u>
EXPENDITURES				
Welfare				
Medical				
Services and supplies	<u>178,077</u>	<u>178,077</u>	<u>178,078</u>	<u>(1)</u>
General				
Salaries and wages	366,723	370,122	386,072	(15,950)
Employee benefits	168,612	173,204	177,885	(4,681)
Services and supplies	<u>588,047</u>	<u>588,047</u>	<u>286,926</u>	<u>301,121</u>
Total general	<u>1,123,382</u>	<u>1,131,373</u>	<u>850,883</u>	<u>280,490</u>
Community health nurse				
Services and supplies	<u>439,670</u>	<u>439,670</u>	<u>228,504</u>	<u>211,166</u>
Total expenditures	<u>1,741,129</u>	<u>1,749,120</u>	<u>1,257,465</u>	<u>491,655</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>7,478</u>	<u>24,761</u>	<u>(276,401)</u>	<u>(301,162)</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(33,689)	(33,689)		33,689
Transfers in		7,991	257,677	249,686
Transfers out	<u>(3,500)</u>	<u>(3,500)</u>	<u>(3,500)</u>	
Total other financing sources (uses)	<u>(37,189)</u>	<u>(29,198)</u>	<u>254,177</u>	<u>283,375</u>
CHANGE IN FUND BALANCE	(29,711)	(4,437)	(22,224)	(17,787)
FUND BALANCE, BEGINNING OF YEAR	<u>763,725</u>	<u>738,451</u>	<u>738,451</u>	
FUND BALANCE, END OF YEAR	<u>\$ 734,014</u>	<u>\$ 734,014</u>	<u>\$ 716,227</u>	<u>\$ (17,787)</u>

DOUGLAS COUNTY

LAW LIBRARY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 25,000	\$ 25,000	\$ 19,296	\$ (5,704)
Investment income	300	300	238	(62)
Change in fair value of investments			(12)	(12)
	<u>25,300</u>	<u>25,300</u>	<u>19,522</u>	<u>(5,778)</u>
Total revenues				
EXPENDITURES				
Judicial				
Law library				
Services and supplies	<u>24,755</u>	<u>74,281</u>	<u>20,296</u>	<u>53,985</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>545</u>	<u>(48,981)</u>	<u>(774)</u>	<u>48,207</u>
OTHER FINANCING USES				
Contingencies	<u>(743)</u>	<u>(743)</u>		<u>743</u>
CHANGE IN FUND BALANCE	(198)	(49,724)	(774)	48,950
FUND BALANCE, BEGINNING OF YEAR	<u>2,253</u>	<u>51,779</u>	<u>51,779</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,055</u>	<u>\$ 2,055</u>	<u>\$ 51,005</u>	<u>\$ 48,950</u>

DOUGLAS COUNTY

ROAD OPERATING SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
County gas tax	\$ 179,702	\$ 179,702	\$ 196,869	\$ 17,167
Room taxes	76,769	76,769	78,762	1,993
Charges for services		60,756	62,033	1,277
Intergovernmental shared revenues	878,830	895,052	929,084	34,032
Investment income	3,000	3,000	3,489	489
Change in fair value of investments			(163)	(163)
Miscellaneous		<u>4,221</u>	<u>4,644</u>	<u>423</u>
Total revenues	<u>1,138,301</u>	<u>1,219,500</u>	<u>1,274,718</u>	<u>55,218</u>
EXPENDITURES				
Public works				
Roads				
Salaries and wages	462,011	466,127	471,613	(5,486)
Employee benefits	228,661	231,420	228,728	2,692
Services and supplies	659,482	814,174	771,558	42,616
Capital outlay	<u>657,264</u>	<u>657,264</u>	<u>40,000</u>	<u>617,264</u>
Total expenditures	<u>2,007,418</u>	<u>2,168,985</u>	<u>1,511,899</u>	<u>657,086</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(869,117)</u>	<u>(949,485)</u>	<u>(237,181)</u>	<u>712,304</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(40,505)	(40,505)		40,505
Transfers in	<u>214,343</u>	<u>221,218</u>	<u>221,218</u>	
Total other financing sources (uses)	<u>173,838</u>	<u>180,713</u>	<u>221,218</u>	<u>40,505</u>
CHANGE IN FUND BALANCE	(695,279)	(768,772)	(15,963)	752,809
FUND BALANCE, BEGINNING OF YEAR	<u>807,342</u>	<u>880,835</u>	<u>880,835</u>	
FUND BALANCE, END OF YEAR	<u>\$ 112,063</u>	<u>\$ 112,063</u>	<u>\$ 864,872</u>	<u>\$ 752,809</u>

DOUGLAS COUNTY

TAHOE-DOUGLAS TRANSPORTATION DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Room taxes	\$ 464,615	\$ 464,615	\$ 483,072	\$ 18,457
Intergovernmental shared revenues		286,911	286,911	
Investment income	700	700	2,099	1,399
Change in fair value of investments			(180)	(180)
	<u>465,315</u>	<u>752,226</u>	<u>771,902</u>	<u>19,676</u>
Total revenues				
EXPENDITURES				
Public works				
Tahoe-Douglas transportation				
Salaries and wages	9,121	9,203	15,112	(5,909)
Employee benefits	3,596	3,697	4,258	(561)
Services and supplies	140,279	140,279	130,630	9,649
Capital outlay	43,172	461,565	149,064	312,501
	<u>196,168</u>	<u>614,744</u>	<u>299,064</u>	<u>315,680</u>
Total expenditures				
EXCESS OF REVENUES OVER EXPENDITURES	<u>269,147</u>	<u>137,482</u>	<u>472,838</u>	<u>335,356</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(5,313)	(5,313)		5,313
Transfers in		183	183	
Transfers out	(287,222)	(287,222)	(287,221)	1
	<u>(292,535)</u>	<u>(292,352)</u>	<u>(287,038)</u>	<u>5,314</u>
Total other financing sources (uses)				
CHANGE IN FUND BALANCE	(23,388)	(154,870)	185,800	340,670
FUND BALANCE, BEGINNING OF YEAR	<u>38,087</u>	<u>169,569</u>	<u>169,569</u>	
FUND BALANCE, END OF YEAR	<u>\$ 14,699</u>	<u>\$ 14,699</u>	<u>\$ 355,369</u>	<u>\$ 340,670</u>

DOUGLAS COUNTY

JUSTICE COURT ADMINISTRATIVE ASSESSMENT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$	\$ 9,800	\$ 10,471	\$ 671
Fines and forfeitures	48,000	63,220	147,985	84,765
Investment income	4,000	2,000	2,975	975
Change in fair value of investments			(256)	(256)
Total revenues	<u>52,000</u>	<u>75,020</u>	<u>161,175</u>	<u>86,155</u>
EXPENDITURES				
Judicial				
Administrative assessment				
Services and supplies	48,000	63,190	29,186	34,004
Capital outlay		161,643	57,589	104,054
Total expenditures	<u>48,000</u>	<u>224,833</u>	<u>86,775</u>	<u>138,058</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,000</u>	<u>(149,813)</u>	<u>74,400</u>	<u>224,213</u>
OTHER FINANCING USES				
Contingencies	<u>(1,440)</u>	<u>(1,440)</u>		<u>1,440</u>
CHANGE IN FUND BALANCE	<u>2,560</u>	<u>(151,253)</u>	<u>74,400</u>	<u>225,653</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			160,529	
Adjustment			468,777	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>6,716</u>	<u>160,529</u>	<u>629,306</u>	<u>468,777</u>
FUND BALANCE, END OF YEAR	<u>\$ 9,276</u>	<u>\$ 9,276</u>	<u>\$ 703,706</u>	<u>\$ 694,430</u>

DOUGLAS COUNTY

CHINA SPRING YOUTH CAMP SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 91,753	\$ 91,753	\$ 92,808	\$ 1,055
Charges for services	2,500	2,500	2,016	(484)
Intergovernmental shared revenues	4,005,615	4,040,215	4,075,305	35,090
Investment income	5,000	5,000	4,155	(845)
Change in fair value of investments			(586)	(586)
Miscellaneous		<u>29,426</u>	<u>65,083</u>	<u>35,657</u>
Total revenues	<u>4,104,868</u>	<u>4,168,894</u>	<u>4,238,781</u>	<u>69,887</u>
EXPENDITURES				
Judicial				
China spring youth camp				
Salaries and wages	2,184,711	2,222,929	2,021,455	201,474
Employee benefits	1,032,850	1,047,187	931,168	116,019
Services and supplies	903,536	1,010,654	977,932	32,722
Capital outlay		<u>244,722</u>	<u>10,481</u>	<u>234,241</u>
Total china spring youth camp	<u>4,121,097</u>	<u>4,525,492</u>	<u>3,941,036</u>	<u>584,456</u>
Aurora pines girls camp				
Services and supplies			98	(98)
Total expenditures	<u>4,121,097</u>	<u>4,525,492</u>	<u>3,941,134</u>	<u>584,358</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,229)</u>	<u>(356,598)</u>	<u>297,647</u>	<u>654,245</u>
OTHER FINANCING SOURCES				
Transfers in	<u>16,229</u>	<u>48,119</u>	<u>48,119</u>	
CHANGE IN FUND BALANCE		(308,479)	345,766	654,245
FUND BALANCE, BEGINNING OF YEAR	<u>250,000</u>	<u>558,479</u>	<u>610,994</u>	<u>52,515</u>
FUND BALANCE, END OF YEAR	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ 956,760</u>	<u>\$ 706,760</u>

DOUGLAS COUNTY

WESTERN NEVADA REGIONAL YOUTH CENTER SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 545,832	\$ 545,832	\$ 546,562	\$ 730
Intergovernmental shared revenues			103	103
Change in fair value of investments			861	861
Total revenues	<u>545,832</u>	<u>545,832</u>	<u>547,526</u>	<u>1,694</u>
EXPENDITURES				
Judicial				
Western Nevada regional youth center				
Services and supplies	<u>487,773</u>	<u>556,353</u>	<u>456,862</u>	<u>99,491</u>
CHANGE IN FUND BALANCE	58,059	(10,521)	90,664	101,185
FUND BALANCE, BEGINNING OF YEAR	<u>439,189</u>	<u>507,769</u>	<u>507,769</u>	
FUND BALANCE, END OF YEAR	<u>\$ 497,248</u>	<u>\$ 497,248</u>	<u>\$ 598,433</u>	<u>\$ 101,185</u>

DOUGLAS COUNTY

EROSION CONTROL (TRPA) MITIGATION SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Intergovernmental shared revenues	\$	\$ 281,167	\$ 199,242	\$ (81,925)
Investment income			1,123	1,123
Change in fair value of investments			12	12
Total revenues		<u>281,167</u>	<u>200,377</u>	<u>(80,790)</u>
EXPENDITURES				
Public works				
Erosion control (TRPA) mitigation				
Services and supplies	55,000	65,897	43,786	22,111
Capital outlay		309,489	19,288	290,201
Total expenditures	<u>55,000</u>	<u>375,386</u>	<u>63,074</u>	<u>312,312</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(55,000)</u>	<u>(94,219)</u>	<u>137,303</u>	<u>231,522</u>
OTHER FINANCING SOURCES				
Transfers in	<u>55,000</u>	<u>47,600</u>	<u>47,600</u>	
CHANGE IN FUND BALANCE		<u>(46,619)</u>	<u>184,903</u>	<u>231,522</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			46,619	
Adjustment			<u>254,292</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED		<u>46,619</u>	<u>300,911</u>	<u>254,292</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 485,814</u>	<u>\$ 485,814</u>

DOUGLAS COUNTY

TECHNOLOGY SERVICES (911) SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,133,109	\$ 1,133,109	\$ 1,136,069	\$ 2,960
Charges for services	648,770	648,770	713,384	64,614
Intergovernmental shared revenues			170	170
Investment income	5,000	5,000	2,813	(2,187)
Change in fair value of investments			(80)	(80)
Total revenues	<u>1,786,879</u>	<u>1,786,879</u>	<u>1,852,356</u>	<u>65,477</u>
EXPENDITURES				
Public safety				
Technology services (911)				
Salaries and wages	989,818	975,558	947,069	28,489
Employee benefits	456,529	459,411	412,838	46,573
Services and supplies	<u>288,487</u>	<u>288,487</u>	<u>422,132</u>	<u>(133,645)</u>
Total expenditures	<u>1,734,834</u>	<u>1,723,456</u>	<u>1,782,039</u>	<u>(58,583)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>52,045</u>	<u>63,423</u>	<u>70,317</u>	<u>6,894</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(52,045)			
Transfers in		10,295	10,295	
Transfers out	<u>(9,586)</u>	<u>(9,586)</u>		<u>9,586</u>
Total other financing sources (uses)	<u>(61,631)</u>	<u>709</u>	<u>10,295</u>	<u>9,586</u>
CHANGE IN FUND BALANCE	(9,586)	64,132	80,612	16,480
FUND BALANCE, BEGINNING OF YEAR	<u>605,498</u>	<u>531,780</u>	<u>531,780</u>	
FUND BALANCE, END OF YEAR	<u>\$ 595,912</u>	<u>\$ 595,912</u>	<u>\$ 612,392</u>	<u>\$ 16,480</u>

DOUGLAS COUNTY

911 SURCHARGE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 170,000	\$ 170,000	\$ 62,807	\$ (107,193)
Investment income	<u>750</u>	<u>750</u>	<u>7</u>	<u>(743)</u>
Total revenues	<u>170,750</u>	<u>170,750</u>	<u>62,814</u>	<u>(107,936)</u>
EXPENDITURES				
Public safety				
Technology services (911)				
Services and supplies	<u>180,336</u>	<u>180,336</u>	<u>81,026</u>	<u>99,310</u>
Total expenditures	<u>180,336</u>	<u>180,336</u>	<u>81,026</u>	<u>99,310</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(9,586)</u>	<u>(9,586)</u>	<u>(18,212)</u>	<u>(8,626)</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(5,410)	(5,410)		5,410
Transfers in	<u>9,586</u>	<u>9,586</u>		<u>(9,586)</u>
Total other financing sources (uses)	<u>4,176</u>	<u>4,176</u>		<u>(4,176)</u>
CHANGE IN FUND BALANCE	(5,410)	(5,410)	(18,212)	(12,802)
FUND BALANCE, BEGINNING OF YEAR	<u>57,226</u>	<u>18,212</u>	<u>18,212</u>	
FUND BALANCE, END OF YEAR	<u>\$ 51,816</u>	<u>\$ 12,802</u>	<u>\$</u>	<u>\$ (12,802)</u>

DOUGLAS COUNTY

SENIOR SERVICES PROGRAM SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Charges for services	\$ 267,700	\$ 294,620	\$ 134,049	\$ (160,571)
Intergovernmental shared revenues	579,384	603,476	604,156	680
Investment income	1,500	1,500	729	(771)
Change in fair value of investments			286	286
Miscellaneous	<u>15,300</u>	<u>15,300</u>	<u>55,653</u>	<u>40,353</u>
Total revenues	<u>863,884</u>	<u>914,896</u>	<u>794,873</u>	<u>(120,023)</u>
EXPENDITURES				
Community development				
Senior services				
Salaries and wages	495,763	536,464	534,851	1,613
Employee benefits	250,736	244,192	237,489	6,703
Services and supplies	<u>634,300</u>	<u>733,492</u>	<u>755,254</u>	<u>(21,762)</u>
Total expenditures	<u>1,380,799</u>	<u>1,514,148</u>	<u>1,527,594</u>	<u>(13,446)</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(516,915)</u>	<u>(599,252)</u>	<u>(732,721)</u>	<u>(133,469)</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(24,043)	(24,043)		24,043
Transfers in	<u>504,042</u>	<u>510,151</u>	<u>680,151</u>	<u>170,000</u>
Total other financing sources (uses)	<u>479,999</u>	<u>486,108</u>	<u>680,151</u>	<u>194,043</u>
CHANGE IN FUND BALANCE	<u>(36,916)</u>	<u>(113,144)</u>	<u>(52,570)</u>	<u>60,574</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			187,661	
Adjustment			<u>85,797</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>111,433</u>	<u>187,661</u>	<u>273,458</u>	<u>85,797</u>
FUND BALANCE, END OF YEAR	<u>\$ 74,517</u>	<u>\$ 74,517</u>	<u>\$ 220,888</u>	<u>\$ 146,371</u>

DOUGLAS COUNTY

REDEVELOPMENT AGENCY SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,933,082	\$ 1,933,082	\$ 2,037,352	\$ 104,270
Investment income	5,000	5,000	3,092	(1,908)
Change in fair value of investments			72	72
Total revenues	<u>1,938,082</u>	<u>1,938,082</u>	<u>2,040,516</u>	<u>102,434</u>
EXPENDITURES				
General government				
Redevelopment agency administrative				
Salaries and wages	12,006	12,006	11,080	926
Employee benefits	4,394	4,394	3,661	733
Services and supplies	<u>167,679</u>	<u>167,679</u>	<u>32,042</u>	<u>135,637</u>
Total expenditures	<u>184,079</u>	<u>184,079</u>	<u>46,783</u>	<u>137,296</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,754,003</u>	<u>1,754,003</u>	<u>1,993,733</u>	<u>239,730</u>
OTHER FINANCING USES				
Contingencies	(5,522)	(5,522)		5,522
Transfers out	<u>(1,805,272)</u>	<u>(1,902,304)</u>	<u>(1,902,304)</u>	
CHANGE IN FUND BALANCE	(56,791)	(153,823)	91,429	245,252
FUND BALANCE, BEGINNING OF YEAR	<u>72,070</u>	<u>169,102</u>	<u>169,102</u>	
FUND BALANCE, END OF YEAR	<u>\$ 15,279</u>	<u>\$ 15,279</u>	<u>\$ 260,531</u>	<u>\$ 245,252</u>

DOUGLAS COUNTY

TOWN OF GARDNERVILLE SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 962,686	\$ 962,686	\$ 978,892	\$ 16,206
Charges for services	8,000	8,000	6,248	(1,752)
Intergovernmental shared revenues	268,918	268,918	294,216	25,298
Investment income	5,000	5,000	3,414	(1,586)
Change in fair value of investments			(91)	(91)
Miscellaneous		547	140,605	140,058
Total revenues	1,244,604	1,245,151	1,423,284	178,133
EXPENDITURES				
General government				
Town of Gardnerville				
Salaries and wages	122,652	122,652	174,064	(51,412)
Employee benefits	49,001	50,426	75,456	(25,030)
Services and supplies	146,236	198,536	232,869	(34,333)
Total general government	317,889	371,614	482,389	(110,775)
Public works				
Town of Gardnerville				
Salaries and wages	222,751	222,751	196,700	26,051
Employee benefits	100,927	101,427	85,124	16,303
Services and supplies	239,450	370,963	272,629	98,334
Capital outlay	280,172	355,530	124,945	230,585
Total public works	843,300	1,050,671	679,398	371,273
Culture and recreation				
Town of Gardnerville				
Services and supplies	66,050	79,050	73,741	5,309
Capital outlay	75,000	75,000	11,543	63,457
Total culture and recreation	141,050	154,050	85,284	68,766
Total expenditures	1,302,239	1,576,335	1,247,071	329,264
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(57,635)	(331,184)	176,213	507,397
OTHER FINANCING USES				
Contingencies	(33,250)	(33,250)		33,250
Transfers out	(122,982)	(123,469)	(123,469)	
Total other financing uses	(156,232)	(156,719)	(123,469)	33,250
CHANGE IN FUND BALANCE	(213,867)	(487,903)	52,744	540,647
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			558,362	
Adjustment			118,394	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	284,326	558,362	676,756	118,394
FUND BALANCE, END OF YEAR	\$ 70,459	\$ 70,459	\$ 729,500	\$ 659,041

DOUGLAS COUNTY

TOWN OF GENOA SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 39,360	\$ 39,360	\$ 39,700	\$ 340
Charges for services	20,000	20,000	18,009	(1,991)
Intergovernmental shared revenues	10,697	10,697	9,962	(735)
Investment income	800	800	712	(88)
Change in fair value of investments			(55)	(55)
Miscellaneous	<u>408,178</u>	<u>443,293</u>	<u>441,811</u>	<u>(1,482)</u>
Total revenues	<u>479,035</u>	<u>514,150</u>	<u>510,139</u>	<u>(4,011)</u>
EXPENDITURES				
General government				
Town of Genoa				
Salaries and wages	115,440	88,596	87,508	1,088
Employee benefits	35,820	33,113	34,355	(1,242)
Services and supplies	<u>325,564</u>	<u>360,879</u>	<u>372,360</u>	<u>(11,481)</u>
Total expenditures	<u>476,824</u>	<u>482,588</u>	<u>494,223</u>	<u>(11,635)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,211</u>	<u>31,562</u>	<u>15,916</u>	<u>(15,646)</u>
OTHER FINANCING USES				
Contingencies	<u>(13,984)</u>	<u>(13,984)</u>		<u>13,984</u>
CHANGE IN FUND BALANCE	(11,773)	17,578	15,916	(1,662)
FUND BALANCE, BEGINNING OF YEAR	<u>51,349</u>	<u>21,998</u>	<u>21,998</u>	
FUND BALANCE, END OF YEAR	<u>\$ 39,576</u>	<u>\$ 39,576</u>	<u>\$ 37,914</u>	<u>\$ (1,662)</u>

DOUGLAS COUNTY

TOWN OF MINDEN SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 860,000	\$ 860,000	\$ 864,464	\$ 4,464
Charges for services	6,000	49,000	59,842	10,842
Intergovernmental shared revenues	320,000	320,000	383,418	63,418
Investment income	500	500	2,352	1,852
Change in fair value of investments			(180)	(180)
Miscellaneous	<u>40,000</u>	<u>40,000</u>	<u>52,331</u>	<u>12,331</u>
Total revenues	<u>1,226,500</u>	<u>1,269,500</u>	<u>1,362,227</u>	<u>92,727</u>
EXPENDITURES				
General government				
Town of Minden				
Salaries and wages	58,624	69,100	59,938	9,162
Employee benefits	17,271	24,271	20,943	3,328
Services and supplies	<u>113,585</u>	<u>181,585</u>	<u>163,923</u>	<u>17,662</u>
Total general government	<u>189,480</u>	<u>274,956</u>	<u>244,804</u>	<u>30,152</u>
Public works				
Town of Minden				
Salaries and wages	28,085	31,085	28,397	2,688
Employee benefits	11,717	13,217	11,940	1,277
Services and supplies	629,600	656,100	549,769	106,331
Capital outlay		<u>5,000</u>	<u>437</u>	<u>4,563</u>
Total Town of Minden	<u>669,402</u>	<u>705,402</u>	<u>590,543</u>	<u>114,859</u>
Other				
Salaries and wages	57,952	77,952	58,611	19,341
Employee benefits	23,988	33,988	24,382	9,606
Services and supplies	<u>26,150</u>	<u>62,150</u>	<u>46,110</u>	<u>16,040</u>
Total other	<u>108,090</u>	<u>174,090</u>	<u>129,103</u>	<u>44,987</u>
Total public works	<u>777,492</u>	<u>879,492</u>	<u>719,646</u>	<u>159,846</u>
Culture and recreation				
Town of Minden				
Salaries and wages	181,682	181,682	162,654	19,028
Employee benefits	56,649	62,649	56,127	6,522
Services and supplies	<u>93,001</u>	<u>136,501</u>	<u>108,472</u>	<u>28,029</u>
Total culture and recreation	<u>331,332</u>	<u>380,832</u>	<u>327,253</u>	<u>53,579</u>
Total expenditures	<u>1,298,304</u>	<u>1,535,280</u>	<u>1,291,703</u>	<u>243,577</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(71,804)</u>	<u>(265,780)</u>	<u>70,524</u>	<u>336,304</u>
OTHER FINANCING SOURCES (USES)				
Contingencies	(38,949)	(38,949)		38,949
Proceeds from capital asset disposal			3,373	3,373
Transfers in	109,000	66,000	66,000	
Transfers out		<u>(130,000)</u>	<u>(130,000)</u>	
Total other financing sources (uses)	<u>70,051</u>	<u>(102,949)</u>	<u>(60,627)</u>	<u>42,322</u>

(Continued)

DOUGLAS COUNTY

TOWN OF MINDEN SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
CHANGE IN FUND BALANCE	\$ <u>(1,753)</u>	\$ <u>(368,729)</u>	\$ <u>9,897</u>	\$ <u>378,626</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			476,488	
Adjustment			<u>82,680</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>109,512</u>	<u>476,488</u>	<u>559,168</u>	<u>82,680</u>
FUND BALANCE, END OF YEAR	\$ <u><u>107,759</u></u>	\$ <u><u>107,759</u></u>	\$ <u><u>569,065</u></u>	\$ <u><u>461,306</u></u>

DOUGLAS COUNTY

EAST FORK PARAMEDIC DISTRICT SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 2,278,790	\$ 2,278,790	\$ 2,266,631	\$ (12,159)
Charges for services	2,204,000	2,204,000	1,868,193	(335,807)
Intergovernmental shared revenues			47	47
Investment income	2,000	2,000	1,828	(172)
Change in fair value of investments			350	350
Miscellaneous	<u>60,269</u>	<u>60,269</u>	<u>60,364</u>	<u>95</u>
Total revenues	<u>4,545,059</u>	<u>4,545,059</u>	<u>4,197,413</u>	<u>(347,646)</u>
EXPENDITURES				
Public safety				
East Fork paramedics				
Services and supplies	<u>4,544,609</u>	<u>4,544,609</u>	<u>11,396</u>	<u>4,533,213</u>
Total expenditures	<u>4,544,609</u>	<u>4,544,609</u>	<u>11,396</u>	<u>4,533,213</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>450</u>	<u>450</u>	<u>4,186,017</u>	<u>4,185,567</u>
OTHER FINANCING USES				
Contingencies	(450)	(450)		450
Transfers out			<u>(3,974,674)</u>	<u>(3,974,674)</u>
Total other financing uses	<u>(450)</u>	<u>(450)</u>	<u>(3,974,674)</u>	<u>(3,974,224)</u>
CHANGE IN FUND BALANCE			211,343	211,343
FUND BALANCE, BEGINNING OF YEAR	<u>201,245</u>	<u>219,787</u>	<u>219,787</u>	
FUND BALANCE, END OF YEAR	<u>\$ 201,245</u>	<u>\$ 219,787</u>	<u>\$ 431,130</u>	<u>\$ 211,343</u>

DOUGLAS COUNTY

LIBRARY GIFTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$	\$	\$ 219	\$ 219
Change in fair value of investments			14	14
Miscellaneous			<u>43,187</u>	<u>43,187</u>
Total revenues			<u>43,420</u>	<u>43,420</u>
EXPENDITURES				
Culture and recreation				
Library				
Services and supplies			23,309	(23,309)
Capital outlay			<u>31,659</u>	<u>(31,659)</u>
Total expenditures			<u>54,968</u>	<u>(54,968)</u>
CHANGE IN FUND BALANCE			<u>(11,548)</u>	<u>(11,548)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED				
Adjustment			<u>56,490</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED			<u>56,490</u>	<u>56,490</u>
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ 44,942</u>	<u>\$ 44,942</u>

DEBT SERVICE FUNDS

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Debt service funds are used to account for the accumulation of financial resources that are restricted, committed or assigned to the repayment of debt principal and interest.

Douglas County Operating Resources

Accounts for the accumulation of monies for and the payment of Douglas County debt obligations.

Town of Gardnerville

Accounts for the accumulation of monies for and the payment of the debt obligations of the Town of Gardnerville.

East Fork Fire Protection District

Accounts for the accumulation of monies for and the payment of the debt obligations of the East Fork Fire Protection District.

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Douglas County Operating Resources	Town of Gardnerville	East Fork Fire Protection District	Total Non-major Debt Service Funds
ASSETS				
Cash, cash equivalents and investments	\$ 2,467,930	\$ 618	\$ 2,538	\$ 2,471,086
Interest receivable	71			71
Special assessments receivable	<u>378</u>			<u>378</u>
Total assets	<u>\$ 2,468,379</u>	<u>\$ 618</u>	<u>\$ 2,538</u>	<u>\$ 2,471,535</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 157			\$ 157
Unearned revenue, current	<u>15</u>			<u>15</u>
Total liabilities	<u>172</u>			<u>172</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, special assessments	<u>378</u>			<u>378</u>
Total liabilities and deferred inflows of resources	<u>550</u>			<u>550</u>
FUND BALANCES				
Restricted for				
Debt service	<u>2,467,829</u>	<u>618</u>	<u>2,538</u>	<u>2,470,985</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 2,468,379</u>	<u>\$ 618</u>	<u>\$ 2,538</u>	<u>\$ 2,471,535</u>

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Douglas County Operating Resources	Town of Gardnerville	East Fork Fire Protection District	Total Non-major Debt Service Funds
REVENUES				
Investment income	\$ 7,629	\$ 11	\$ 160	\$ 7,800
Change in fair value of investments	<u>3,359</u>	<u>1</u>	<u>4</u>	<u>3,364</u>
Total revenues	<u>10,988</u>	<u>12</u>	<u>164</u>	<u>11,164</u>
EXPENDITURES				
Current				
General government	<u>1,853</u>			<u>1,853</u>
Debt service				
Principal payments	1,879,000	112,942	89,000	2,080,942
Interest expense	567,597	10,040	35,350	612,987
Fiscal charges	<u>2,800</u>			<u>2,800</u>
Total debt service	<u>2,449,397</u>	<u>122,982</u>	<u>124,350</u>	<u>2,696,729</u>
Total expenditures	<u>2,451,250</u>	<u>122,982</u>	<u>124,350</u>	<u>2,698,582</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,440,262)</u>	<u>(122,970)</u>	<u>(124,186)</u>	<u>(2,687,418)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,696,494	123,469	124,530	2,944,493
Transfers out	<u>(2,231)</u>			<u>(2,231)</u>
Total other financing sources (uses)	<u>2,694,263</u>	<u>123,469</u>	<u>124,530</u>	<u>2,942,262</u>
CHANGE IN FUND BALANCE	254,001	499	344	254,844
FUND BALANCE, BEGINNING OF YEAR	<u>2,213,828</u>	<u>119</u>	<u>2,194</u>	<u>2,216,141</u>
FUND BALANCE, END OF YEAR	<u>\$ 2,467,829</u>	<u>\$ 618</u>	<u>\$ 2,538</u>	<u>\$ 2,470,985</u>

DOUGLAS COUNTY

DOUGLAS COUNTY OPERATING RESOURCES DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$	\$	\$ 7,629	\$ 7,629
Change in fair value of investments			<u>3,359</u>	<u>3,359</u>
Total revenues			<u>10,988</u>	<u>10,988</u>
EXPENDITURES				
General government				
Other				
Services and supplies	<u>228,442</u>	<u>228,442</u>	<u>1,853</u>	<u>226,589</u>
Debt service				
Principal payments	1,879,000	1,879,000	1,879,000	
Interest expense	567,597	567,471	567,597	(126)
Fiscal charges	<u>3,800</u>	<u>3,800</u>	<u>2,800</u>	<u>1,000</u>
Total debt service	<u>2,450,397</u>	<u>2,450,271</u>	<u>2,449,397</u>	<u>874</u>
Total expenditures	<u>2,678,839</u>	<u>2,678,713</u>	<u>2,451,250</u>	<u>227,463</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(2,678,839)</u>	<u>(2,678,713)</u>	<u>(2,440,262)</u>	<u>238,451</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	2,496,976	2,696,976	2,696,494	(482)
Transfers out	<u>(2,231)</u>	<u>(2,231)</u>	<u>(2,231)</u>	
Total other financing sources (uses)	<u>2,494,745</u>	<u>2,694,745</u>	<u>2,694,263</u>	<u>(482)</u>
CHANGE IN FUND BALANCE	(184,094)	16,032	254,001	237,969
FUND BALANCE, BEGINNING OF YEAR	<u>2,215,778</u>	<u>2,213,828</u>	<u>2,213,828</u>	
FUND BALANCE, END OF YEAR	<u>\$ 2,031,684</u>	<u>\$ 2,229,860</u>	<u>\$ 2,467,829</u>	<u>\$ 237,969</u>

DOUGLAS COUNTY

TOWN OF GARDNERVILLE DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$	\$	\$ 11	\$ 11
Change in fair value of investments			<u>1</u>	<u>1</u>
Total revenues			<u>12</u>	<u>12</u>
EXPENDITURES				
Debt service				
Principal payments	112,942	112,942	112,942	
Interest expense	10,040	10,040	10,040	
Fiscal charges		<u>200</u>		<u>200</u>
Total expenditures	<u>122,982</u>	<u>123,182</u>	<u>122,982</u>	<u>200</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(122,982)</u>	<u>(123,182)</u>	<u>(122,970)</u>	<u>212</u>
OTHER FINANCING SOURCES				
Transfers in	<u>122,982</u>	<u>123,469</u>	<u>123,469</u>	
CHANGE IN FUND BALANCE		287	499	212
FUND BALANCE, BEGINNING OF YEAR	<u>406</u>	<u>119</u>	<u>119</u>	
FUND BALANCE, END OF YEAR	<u>\$ 406</u>	<u>\$ 406</u>	<u>\$ 618</u>	<u>\$ 212</u>

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$	\$	\$ 160	\$ 160
Change in fair value of investments			4	4
Total revenues			<u>164</u>	<u>164</u>
EXPENDITURES				
Debt service				
Principal payments	89,000	89,000	89,000	
Interest expense	<u>35,350</u>	<u>35,450</u>	<u>35,350</u>	<u>100</u>
Total expenditures	<u>124,350</u>	<u>124,450</u>	<u>124,350</u>	<u>100</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(124,350)</u>	<u>(124,450)</u>	<u>(124,186)</u>	<u>264</u>
OTHER FINANCING SOURCES				
Transfers in	<u>124,350</u>	<u>124,530</u>	<u>124,530</u>	
CHANGE IN FUND BALANCE		80	344	264
FUND BALANCE, BEGINNING OF YEAR	<u>2,274</u>	<u>2,194</u>	<u>2,194</u>	
FUND BALANCE, END OF YEAR	<u><u>\$ 2,274</u></u>	<u><u>\$ 2,274</u></u>	<u><u>\$ 2,538</u></u>	<u><u>\$ 264</u></u>

CAPITAL PROJECTS FUNDS

DOUGLAS COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Capital projects funds are used to account for financial resources that are restricted, committed or assigned to the improvement, acquisition or construction of capital assets.

Extraordinary Maintenance

Accounts for for the extraordinary maintenance, repair or improvement of County facilities.

Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Douglas County Construction

Accounts for the construction of necessary capital assets.

Park Residential Construction Tax

Accounts for construction of new park facilities within specific park districts.

Regional Transportation

Accounts for major transportation projects..

Redevelopment Agency

Accounts for capital related activities of the separate Redevelopment Agency

Town of Gardnerville Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Town of Genoa Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Town of Genoa Construction Reserve

Accounts for reserves held specifically for capital projects.

Town of Minden Ad Valorem

Accounts for specific projects, such as the purchase of land, improvements to land and facilities, or major purchases of equipment.

Town of Minden Capital Equipment Construction

Accounts for reserves held specifically for capital equipment..

East Fork Fire Protection District Equipment Reserve

Accounts for reserves held specifically for capital equipment.

East Fork Fire Protection District Construction Reserve

Accounts for reserves held specifically for capital projects.

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2014

	Extraordinary Maintenance	Ad Valorem	Douglas County Construction	Park Residential Construction Tax	Regional Transportation
ASSETS					
Cash, cash equivalents and investments	\$ 644,098	\$ 3,479,800	\$ 2,241,042	\$ 1,511,903	\$ 3,451,994
Accounts receivable, net		49			
Taxes receivable		22,102			7,516
Interest receivable	874	4,720	3,030	2,051	4,682
Due from other governments		15			133,135
Due from other funds			29,000	1,000	1,427
Prepaid items			200		
Other assets					
Total assets	<u>\$ 644,972</u>	<u>\$ 3,506,686</u>	<u>\$ 2,273,272</u>	<u>\$ 1,514,954</u>	<u>\$ 3,598,754</u>
LIABILITIES					
Accounts payable and accrued expenses	\$	\$	\$ 52,658	\$	\$ 23,813
Accrued salaries, wages and benefits					2,700
Due to other funds			18,196		
Unearned revenue, current			71,644	1,515,572	426,074
Total liabilities			<u>142,498</u>	<u>1,515,572</u>	<u>452,587</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties		19,875			6,504
Total liabilities and deferred inflows of resources		<u>19,875</u>	<u>142,498</u>	<u>1,515,572</u>	<u>459,091</u>
FUND BALANCES					
Nonspendable					
Prepaid items			200		
Deposits					
Restricted for					
Capital improvement projects	644,972	3,486,811	2,130,574		2,601,922
Assigned to					
Capital improvement projects					537,741
Unassigned				(618)	
Total fund balances	<u>644,972</u>	<u>3,486,811</u>	<u>2,130,774</u>	<u>(618)</u>	<u>3,139,663</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 644,972</u>	<u>\$ 3,506,686</u>	<u>\$ 2,273,272</u>	<u>\$ 1,514,954</u>	<u>\$ 3,598,754</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	Redevelopment Agency	Town of Gardnerville Ad Valorem	Town of Genoa Ad Valorem	Town of Genoa Construction Reserve	Town of Minden Ad Valorem
ASSETS					
Cash, cash equivalents and investments	\$ 1,024,994	\$ 111,750	\$ 9,777	\$ 32,775	\$ 53,943
Accounts receivable, net					
Taxes receivable					
Interest receivable	1,358	152	13	44	73
Due from other governments					
Due from other funds				4,580	332
Prepaid items					
Other assets				7,156	
	<u>1,026,352</u>	<u>111,902</u>	<u>9,790</u>	<u>44,555</u>	<u>54,348</u>
Total assets	<u>\$ 1,026,352</u>	<u>\$ 111,902</u>	<u>\$ 9,790</u>	<u>\$ 44,555</u>	<u>\$ 54,348</u>
LIABILITIES					
Accounts payable and accrued expenses	\$	\$ 2,028	\$	\$	\$
Accrued salaries, wages and benefits					
Due to other funds					
Unearned revenue, current					
		<u>2,028</u>			
Total liabilities		<u>2,028</u>			
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue, taxes and penalties					
		<u>2,028</u>			
Total liabilities and deferred inflows of resources		<u>2,028</u>			
FUND BALANCES					
Nonspendable					
Prepaid items					
Deposits				7,156	
Restricted for					
Capital improvement projects	1,026,352	109,874	9,790	37,399	54,348
Assigned to					
Capital improvement projects					
Unassigned					
	<u>1,026,352</u>	<u>109,874</u>	<u>9,790</u>	<u>44,555</u>	<u>54,348</u>
Total fund balances	<u>1,026,352</u>	<u>109,874</u>	<u>9,790</u>	<u>44,555</u>	<u>54,348</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,026,352</u>	<u>\$ 111,902</u>	<u>\$ 9,790</u>	<u>\$ 44,555</u>	<u>\$ 54,348</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2014

	<u>Town of Minden Capital Equipment Construction</u>	<u>East Fork Fire Protection District Equipment Reserve</u>	<u>East Fork Fire Protection District Construction Reserve</u>	<u>Total Non-major Capital Projects Funds</u>
ASSETS				
Cash, cash equivalents and investments	\$ 1,889,364	\$ 253,095	\$ 93,548	\$ 14,798,083
Accounts receivable, net			2	51
Taxes receivable		431	467	30,516
Interest receivable	2,559	343	127	20,026
Due from other governments				133,150
Due from other funds				36,339
Prepaid items				200
Other assets				7,156
Total assets	<u>\$ 1,891,923</u>	<u>\$ 253,869</u>	<u>\$ 94,144</u>	<u>\$ 15,025,521</u>
LIABILITIES				
Accounts payable and accrued expenses	\$ 3,975	\$ 675	\$	\$ 83,149
Accrued salaries, wages and benefits				2,700
Due to other funds				18,196
Unearned revenue, current				2,013,290
Total liabilities	<u>3,975</u>	<u>675</u>		<u>2,117,335</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue, taxes and penalties		431	466	27,276
Total liabilities and deferred inflows of resources	<u>3,975</u>	<u>1,106</u>	<u>466</u>	<u>2,144,611</u>
FUND BALANCES				
Nonspendable				
Prepaid items				200
Deposits				7,156
Restricted for				
Capital improvement projects	1,887,948	252,763	93,678	12,336,431
Assigned to				
Capital improvement projects				537,741
Unassigned				(618)
Total fund balances	<u>1,887,948</u>	<u>252,763</u>	<u>93,678</u>	<u>12,880,910</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,891,923</u>	<u>\$ 253,869</u>	<u>\$ 94,144</u>	<u>\$ 15,025,521</u>

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2014

	Extraordinary Maintenance	Ad Valorem	Douglas County Construction	Park Residential Construction Tax	Regional Transportation
REVENUES					
Property taxes	\$	\$ 1,110,950	\$	\$	\$ 649,144
Construction taxes				3,352	121,705
Licenses, permits and other fees			300,000		
Intergovernmental shared revenues		179	155,270		783,670
Investment income	2,879	16,123	8,925	2,003	14,811
Change in fair value of investments	(110)	(287)	(1,457)	(2,621)	(1,340)
Miscellaneous			5,569		
Total revenues	<u>2,769</u>	<u>1,126,965</u>	<u>468,307</u>	<u>2,734</u>	<u>1,567,990</u>
EXPENDITURES					
Current					
General government			461,163		
Public safety					
Public works					826,943
Total current			<u>461,163</u>		<u>826,943</u>
Capital outlay					
General government			123,823		
Public safety					
Public works					419,824
Culture and recreation				3,352	
Total capital outlay			<u>123,823</u>	<u>3,352</u>	<u>419,824</u>
Debt service					
Interest expense					
Total expenditures			<u>584,986</u>	<u>3,352</u>	<u>1,246,767</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,769</u>	<u>1,126,965</u>	<u>(116,679)</u>	<u>(618)</u>	<u>321,223</u>
OTHER FINANCING SOURCES (USES)					
Transfers in			604,815		399,496
Transfers out		(1,312,814)	(350,257)		(226,890)
Total other financing sources (uses)		<u>(1,312,814)</u>	<u>254,558</u>		<u>172,606</u>
CHANGE IN FUND BALANCE	<u>2,769</u>	<u>(185,849)</u>	<u>137,879</u>	<u>(618)</u>	<u>493,829</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
Adjustment	642,203	3,672,660	1,992,895		1,859,194
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>642,203</u>	<u>3,672,660</u>	<u>1,992,895</u>		<u>786,640</u>
FUND BALANCE, END OF YEAR	<u>\$ 644,972</u>	<u>\$ 3,486,811</u>	<u>\$ 2,130,774</u>	<u>\$ (618)</u>	<u>\$ 3,139,663</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Redevelopment Agency	Town of Gardnerville Ad Valorem	Town of Genoa Ad Valorem	Town of Genoa Construction Reserve	Town of Minden Ad Valorem
REVENUES					
Property taxes	\$	\$ 42,513	\$ 1,510	\$	\$ 40,887
Construction taxes					
Licenses, permits and other fees					
Intergovernmental shared revenues					
Investment income	2,434	496	42	181	464
Change in fair value of investments	244	(12)	(3)	(5)	142
Miscellaneous					
Total revenues	<u>2,678</u>	<u>42,997</u>	<u>1,549</u>	<u>176</u>	<u>41,493</u>
EXPENDITURES					
Current					
General government					
Public safety					
Public works					
Total current					
Capital outlay					
General government	78,143	49,643			139,437
Public safety					
Public works					
Culture and recreation					
Total capital outlay	<u>78,143</u>	<u>49,643</u>			<u>139,437</u>
Debt service					
Interest expense	27,415				
Total expenditures	<u>105,558</u>	<u>49,643</u>			<u>139,437</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(102,880)</u>	<u>(6,646)</u>	<u>1,549</u>	<u>176</u>	<u>(97,944)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	1,902,304				
Transfers out					
Total other financing sources (uses)	<u>1,902,304</u>				
CHANGE IN FUND BALANCE	<u>1,799,424</u>	<u>(6,646)</u>	<u>1,549</u>	<u>176</u>	<u>(97,944)</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	(773,072)	116,520	8,241	44,379	152,292
Adjustment					
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>(773,072)</u>	<u>116,520</u>	<u>8,241</u>	<u>44,379</u>	<u>152,292</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,026,352</u>	<u>\$ 109,874</u>	<u>\$ 9,790</u>	<u>\$ 44,555</u>	<u>\$ 54,348</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	<u>Town of Minden Capital Equipment Construction</u>	<u>East Fork Fire Protection District Equipment Reserve</u>	<u>East Fork Fire Protection District Construction Reserve</u>	<u>Total Non-major Capital Projects Funds</u>
REVENUES				
Property taxes	\$	\$ 2	\$ (51)	\$ 1,844,955
Construction taxes				125,057
Licenses, permits and other fees				300,000
Intergovernmental shared revenues				939,119
Investment income	8,156	1,270	477	58,261
Change in fair value of investments	(290)	170	(13)	(5,582)
Miscellaneous				5,569
Total revenues	<u>7,866</u>	<u>1,442</u>	<u>413</u>	<u>3,267,379</u>
EXPENDITURES				
Current				
General government	21,387			482,550
Public safety		1,165		1,165
Public works				826,943
Total current	<u>21,387</u>	<u>1,165</u>		<u>1,310,658</u>
Capital outlay				
General government	54,427			445,473
Public safety		147,620		147,620
Public works				419,824
Culture and recreation				3,352
Total capital outlay	<u>54,427</u>	<u>147,620</u>		<u>1,016,269</u>
Debt service				
Interest expense				27,415
Total expenditures	<u>75,814</u>	<u>148,785</u>		<u>2,354,342</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(67,948)</u>	<u>(147,343)</u>	<u>413</u>	<u>913,037</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	130,000	21,000		3,057,615
Transfers out	(66,000)			(1,955,961)
Total other financing sources (uses)	<u>64,000</u>	<u>21,000</u>		<u>1,101,654</u>
CHANGE IN FUND BALANCE	<u>(3,948)</u>	<u>(126,343)</u>	<u>413</u>	<u>2,014,691</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED	1,891,896	379,106	93,265	10,079,579
Adjustment				786,640
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>1,891,896</u>	<u>379,106</u>	<u>93,265</u>	<u>10,866,219</u>
FUND BALANCE, END OF YEAR	<u>\$ 1,887,948</u>	<u>\$ 252,763</u>	<u>\$ 93,678</u>	<u>\$ 12,880,910</u>

DOUGLAS COUNTY

EXTRAORDINARY MAINTENANCE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ 5,000	\$ 5,000	\$ 2,879	\$ (2,121)
Change in fair value of investments			(110)	(110)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>2,769</u>	<u>(2,231)</u>
CHANGE IN FUND BALANCE	5,000	5,000	2,769	(2,231)
FUND BALANCE, BEGINNING OF YEAR	<u>648,492</u>	<u>642,203</u>	<u>642,203</u>	
FUND BALANCE, END OF YEAR	<u>\$ 653,492</u>	<u>\$ 647,203</u>	<u>\$ 644,972</u>	<u>\$ (2,231)</u>

DOUGLAS COUNTY

AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 1,192,746	\$ 1,192,746	\$ 1,110,950	\$ (81,796)
Intergovernmental shared revenues			179	179
Investment income	20,000	20,000	16,123	(3,877)
Change in fair value of investments			(287)	(287)
Total revenues	<u>1,212,746</u>	<u>1,212,746</u>	<u>1,126,965</u>	<u>(85,781)</u>
EXPENDITURES				
General government				
Other				
Services and supplies	85,108	85,108		85,108
Capital outlay		<u>6,081</u>		<u>6,081</u>
Total expenditures	<u>85,108</u>	<u>91,189</u>		<u>91,189</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,127,638</u>	<u>1,121,557</u>	<u>1,126,965</u>	<u>5,408</u>
OTHER FINANCING USES				
Transfers out	<u>(1,312,814)</u>	<u>(1,312,814)</u>	<u>(1,312,814)</u>	
CHANGE IN FUND BALANCE	(185,176)	(191,257)	(185,849)	5,408
FUND BALANCE, BEGINNING OF YEAR	<u>3,791,069</u>	<u>3,672,660</u>	<u>3,672,660</u>	
FUND BALANCE, END OF YEAR	<u>\$ 3,605,893</u>	<u>\$ 3,481,403</u>	<u>\$ 3,486,811</u>	<u>\$ 5,408</u>

DOUGLAS COUNTY

DOUGLAS COUNTY CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Licenses, permits and other fees	\$ 300,000	\$ 300,000	\$ 300,000	\$
Intergovernmental shared revenues		20,000	155,270	135,270
Investment income	15,000	15,000	8,925	(6,075)
Change in fair value of investments			(1,457)	(1,457)
Miscellaneous			5,569	5,569
Total revenues	<u>315,000</u>	<u>335,000</u>	<u>468,307</u>	<u>133,307</u>
EXPENDITURES				
General government				
Other				
Services and supplies	315,000	960,911	461,163	499,748
Capital outlay		506,954	123,823	383,131
Total expenditures	<u>315,000</u>	<u>1,467,865</u>	<u>584,986</u>	<u>882,879</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES		<u>(1,132,865)</u>	<u>(116,679)</u>	<u>1,016,186</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	272,240	728,055	604,815	(123,240)
Transfers out	(329,657)	(350,257)	(350,257)	
Total other financing sources (uses)	<u>(57,417)</u>	<u>377,798</u>	<u>254,558</u>	<u>(123,240)</u>
CHANGE IN FUND BALANCE	(57,417)	(755,067)	137,879	892,946
FUND BALANCE, BEGINNING OF YEAR	<u>1,188,795</u>	<u>1,992,895</u>	<u>1,992,895</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,131,378</u>	<u>\$ 1,237,828</u>	<u>\$ 2,130,774</u>	<u>\$ 892,946</u>

DOUGLAS COUNTY

PARK RESIDENTIAL CONSTRUCTION TAX CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Construction taxes	\$	\$ 3,353	\$ 3,352	\$ (1)
Investment income			2,003	2,003
Change in fair value of investments			<u>(2,621)</u>	<u>(2,621)</u>
Total revenues		<u>3,353</u>	<u>2,734</u>	<u>(619)</u>
EXPENDITURES				
Culture and recreation				
Park residential construction				
Capital outlay		<u>3,353</u>	<u>3,352</u>	<u>1</u>
Total expenditures		<u>3,353</u>	<u>3,352</u>	<u>1</u>
CHANGE IN FUND BALANCE			(618)	(618)
FUND BALANCE, BEGINNING OF YEAR				
FUND BALANCE, END OF YEAR	<u>\$</u>	<u>\$</u>	<u>\$ (618)</u>	<u>\$ (618)</u>

DOUGLAS COUNTY

REGIONAL TRANSPORTATION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 655,895	\$ 655,895	\$ 649,144	\$ (6,751)
Construction taxes	40,000	111,041	121,705	10,664
Intergovernmental shared revenues	715,141	715,141	783,670	68,529
Investment income	11,000	11,000	14,811	3,811
Change in fair value of investments			(1,340)	(1,340)
Total revenues	<u>1,422,036</u>	<u>1,493,077</u>	<u>1,567,990</u>	<u>74,913</u>
EXPENDITURES				
Public works				
Regional transportation				
Salaries and wages	95,993	120,356	118,951	1,405
Employee benefits	38,844	43,234	40,575	2,659
Services and supplies	1,934,036	2,194,208	667,417	1,526,791
Capital outlay	<u>280,000</u>	<u>438,776</u>	<u>419,824</u>	<u>18,952</u>
Total expenditures	<u>2,348,873</u>	<u>2,796,574</u>	<u>1,246,767</u>	<u>1,549,807</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(926,837)</u>	<u>(1,303,497)</u>	<u>321,223</u>	<u>1,624,720</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	397,743	399,496	399,496	
Transfers out	<u>(226,890)</u>	<u>(226,890)</u>	<u>(226,890)</u>	
Total other financing sources (uses)	<u>170,853</u>	<u>172,606</u>	<u>172,606</u>	
CHANGE IN FUND BALANCE	<u>(755,984)</u>	<u>(1,130,891)</u>	<u>493,829</u>	<u>1,624,720</u>
FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			1,859,194	
Adjustment			<u>786,640</u>	
FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED	<u>1,543,063</u>	<u>1,859,194</u>	<u>2,645,834</u>	<u>786,640</u>
FUND BALANCE, END OF YEAR	<u>\$ 787,079</u>	<u>\$ 728,303</u>	<u>\$ 3,139,663</u>	<u>\$ 2,411,360</u>

DOUGLAS COUNTY

REDEVELOPMENT AGENCY CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ 10,000	\$ 10,000	\$ 2,434	\$ (7,566)
Change in fair value of investments			244	244
Total revenues	<u>10,000</u>	<u>10,000</u>	<u>2,678</u>	<u>(7,322)</u>
EXPENDITURES				
General government				
Other				
Capital outlay	<u>186,851</u>	<u>186,851</u>	<u>78,143</u>	<u>108,708</u>
Debt service				
Interest expense	<u>27,415</u>	<u>27,415</u>	<u>27,415</u>	
Total expenditures	<u>214,266</u>	<u>214,266</u>	<u>105,558</u>	<u>108,708</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(204,266)</u>	<u>(204,266)</u>	<u>(102,880)</u>	<u>101,386</u>
OTHER FINANCING SOURCES				
Transfers in	<u>1,805,272</u>	<u>1,902,304</u>	<u>1,902,304</u>	
CHANGE IN FUND BALANCE	1,601,006	1,698,038	1,799,424	101,386
FUND BALANCE, BEGINNING OF YEAR	<u>(864,165)</u>	<u>(773,072)</u>	<u>(773,072)</u>	
FUND BALANCE, END OF YEAR	<u>\$ 923,692</u>	<u>\$ 924,966</u>	<u>\$ 1,026,352</u>	<u>\$ 101,386</u>

DOUGLAS COUNTY

TOWN OF GARDNERVILLE AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 42,612	\$ 42,612	\$ 42,513	\$ (99)
Investment income	800	800	496	(304)
Change in fair value of investments			(12)	(12)
	<u>43,412</u>	<u>43,412</u>	<u>42,997</u>	<u>(415)</u>
Total revenues				
EXPENDITURES				
General government				
Other				
Capital outlay	<u>42,612</u>	<u>71,615</u>	<u>49,643</u>	<u>21,972</u>
CHANGE IN FUND BALANCE	800	(28,203)	(6,646)	21,557
FUND BALANCE, BEGINNING OF YEAR	<u>111,934</u>	<u>116,520</u>	<u>116,520</u>	
FUND BALANCE, END OF YEAR	<u>\$ 112,734</u>	<u>\$ 88,317</u>	<u>\$ 109,874</u>	<u>\$ 21,557</u>

DOUGLAS COUNTY

TOWN OF GENOA AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$ 1,600	\$ 1,600	\$ 1,510	\$ (90)
Investment income	20	20	42	22
Change in fair value of investments	_____	_____	(3)	(3)
Total revenues	1,620	1,620	1,549	(71)
CHANGE IN FUND BALANCE	1,620	1,620	1,549	(71)
FUND BALANCE, BEGINNING OF YEAR	8,347	8,241	8,241	_____
FUND BALANCE, END OF YEAR	\$ 9,967	\$ 9,861	\$ 9,790	\$ (71)

DOUGLAS COUNTY

TOWN OF GENOA CONSTRUCTION RESERVE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ 100	\$ 100	\$ 181	\$ 81
Change in fair value of investments			(5)	(5)
Total revenues	<u>100</u>	<u>100</u>	<u>176</u>	<u>76</u>
CHANGE IN FUND BALANCE	100	100	176	76
FUND BALANCE, BEGINNING OF YEAR	<u>45,315</u>	<u>44,379</u>	<u>44,379</u>	
FUND BALANCE, END OF YEAR	<u>\$ 45,415</u>	<u>\$ 44,479</u>	<u>\$ 44,555</u>	<u>\$ 76</u>

DOUGLAS COUNTY

TOWN OF MINDEN AD VALOREM CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$ 42,000	\$ 42,000	\$ 40,887	\$ (1,113)
Investment income			464	464
Change in fair value of investments			142	142
	<u>42,000</u>	<u>42,000</u>	<u>41,493</u>	<u>(507)</u>
Total revenues				
General government				
Other				
Capital outlay	<u>143,000</u>	<u>139,617</u>	<u>139,437</u>	<u>180</u>
Total expenditures	<u>143,000</u>	<u>139,617</u>	<u>139,437</u>	<u>180</u>
CHANGE IN FUND BALANCE	(101,000)	(97,617)	(97,944)	(327)
FUND BALANCE, BEGINNING OF YEAR	<u>155,675</u>	<u>152,292</u>	<u>152,292</u>	
FUND BALANCE, END OF YEAR	<u>\$ 54,675</u>	<u>\$ 54,675</u>	<u>\$ 54,348</u>	<u>\$ (327)</u>

DOUGLAS COUNTY

TOWN OF MINDEN CAPITAL EQUIPMENT CONSTRUCTION CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Investment income	\$ 3,000	\$ 3,000	\$ 8,156	\$ 5,156
Change in fair value of investments			(290)	(290)
Miscellaneous	<u>40,000</u>	<u>40,000</u>		<u>(40,000)</u>
Total revenues	<u>43,000</u>	<u>43,000</u>	<u>7,866</u>	<u>(35,134)</u>
EXPENDITURES				
General government				
Other				
Services and supplies		40,800	21,387	19,413
Capital outlay	<u>519,570</u>	<u>649,570</u>	<u>54,427</u>	<u>595,143</u>
Total expenditures	<u>519,570</u>	<u>690,370</u>	<u>75,814</u>	<u>614,556</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	<u>(476,570)</u>	<u>(647,370)</u>	<u>(67,948)</u>	<u>579,422</u>
OTHER FINANCING SOURCES (USES)				
Transfers in		130,000	130,000	
Transfers out	<u>(66,000)</u>	<u>(66,000)</u>	<u>(66,000)</u>	
Total other financing sources (uses)	<u>(66,000)</u>	<u>64,000</u>	<u>64,000</u>	
CHANGE IN FUND BALANCE	(542,570)	(583,370)	(3,948)	579,422
FUND BALANCE, BEGINNING OF YEAR	<u>1,789,078</u>	<u>1,891,896</u>	<u>1,891,896</u>	
FUND BALANCE, END OF YEAR	<u>\$ 1,246,508</u>	<u>\$ 1,308,526</u>	<u>\$ 1,887,948</u>	<u>\$ 579,422</u>

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT EQUIPMENT RESERVE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES				
Property taxes	\$	\$	\$ 2	\$ 2
Investment income			1,270	1,270
Change in fair value of investments			170	170
			<u>1,442</u>	<u>1,442</u>
Total revenues			<u>1,442</u>	<u>1,442</u>
EXPENDITURES				
Public safety				
East Fork fire protection				
Services and supplies		1,164	1,165	(1)
Capital outlay		148,908	147,620	1,288
			<u>150,072</u>	<u>1,287</u>
Total expenditures		<u>150,072</u>	<u>148,785</u>	<u>1,287</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES		<u>(150,072)</u>	<u>(147,343)</u>	<u>2,729</u>
OTHER FINANCING SOURCES				
Transfers in	20,000	21,000	21,000	
CHANGE IN FUND BALANCE	20,000	(129,072)	(126,343)	2,729
FUND BALANCE, BEGINNING OF YEAR	<u>237,034</u>	<u>379,106</u>	<u>379,106</u>	
FUND BALANCE, END OF YEAR	<u>\$ 257,034</u>	<u>\$ 250,034</u>	<u>\$ 252,763</u>	<u>\$ 2,729</u>

DOUGLAS COUNTY

EAST FORK FIRE PROTECTION DISTRICT CONSTRUCTION RESERVE CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
REVENUES				
Property taxes	\$	\$	\$ (51)	\$ (51)
Investment income			477	477
Change in fair value of investments			(13)	(13)
Total revenues			413	413
EXCESS OF REVENUES OVER EXPENDITURES			413	413
OTHER FINANCING SOURCES				
Transfers in	10,000			
CHANGE IN FUND BALANCE	10,000		413	413
FUND BALANCE, BEGINNING OF YEAR	93,223	93,265	93,265	
FUND BALANCE, END OF YEAR	\$ 103,223	\$ 93,265	\$ 93,678	\$ 413

MAJOR ENTERPRISE FUNDS

DOUGLAS COUNTY
MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Zephyr Water Utility

Accounts for the operations of the Zephyr water system, a separate water system in Douglas County.

Cave Rock Water Utility

Accounts for the operations of the Cave Rock water system, a separate water system in Douglas County.

Regional Water Utility

Accounts for the operations of the Regional water system, a separate water system in Douglas County.

Sewer Utility

Accounts for the operations of the Douglas County sewer system.

Carson Valley Water Utility

Accounts for the operations of the Carson Valley water system, a separate water system in Douglas County.

Town of Minden Wholesale Water Utility

Accounts for the operations of the Town of Minden wholesale water system.

Town of Minden Water Company

Accounts for the operations of the Town of Minden water system, a separate water system in Douglas County

DOUGLAS COUNTY

ZEPHYR WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 513,000	\$ 513,000	\$ 530,883	\$ 17,883
OPERATING EXPENSES				
Salaries and wages	122,064	123,081	118,651	4,430
Employee benefits	49,932	50,409	50,386	23
Services and supplies	136,873	160,230	136,994	23,236
Depreciation	<u>250,000</u>	<u>256,500</u>	<u>252,746</u>	<u>3,754</u>
Total operating expenses	<u>558,869</u>	<u>590,220</u>	<u>558,777</u>	<u>31,443</u>
Operating loss	<u>(45,869)</u>	<u>(77,220)</u>	<u>(27,894)</u>	<u>49,326</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	500	500	2,911	2,411
Change in fair value of investments			(1,378)	(1,378)
Interest and fiscal charges	(78,323)	(78,323)	(44,298)	34,025
Miscellaneous			<u>305</u>	<u>305</u>
Total nonoperating revenues (expenses)	<u>(77,823)</u>	<u>(77,823)</u>	<u>(42,460)</u>	<u>35,363</u>
Loss before capital contributions and transfers	<u>(123,692)</u>	<u>(155,043)</u>	<u>(70,354)</u>	<u>84,689</u>
CAPITAL CONTRIBUTIONS				
Connection charges			<u>10,643</u>	<u>10,643</u>
TRANSFERS				
Transfers in	<u>77,760</u>	<u>77,760</u>	<u>79,254</u>	<u>1,494</u>
CHANGE IN NET POSITION	<u>\$ (45,932)</u>	<u>\$ (77,283)</u>	<u>19,543</u>	<u>\$ 96,826</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			6,151,816	
Adjustment			<u>(44,719)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>6,107,097</u>	
NET POSITION, END OF YEAR			<u>\$ 6,126,640</u>	

DOUGLAS COUNTY

CAVE ROCK WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 751,000	\$ 771,000	\$ 773,759	\$ 2,759
OPERATING EXPENSES				
Salaries and wages	137,050	138,193	133,710	4,483
Employee benefits	55,813	56,420	56,834	(414)
Services and supplies	237,822	273,938	193,529	80,409
Depreciation	180,000	267,000	266,753	247
Total operating expenses	<u>610,685</u>	<u>735,551</u>	<u>650,826</u>	<u>84,725</u>
Operating income	<u>140,315</u>	<u>35,449</u>	<u>122,933</u>	<u>87,484</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	3,000	3,000	4,118	1,118
Change in fair value of investments			(525)	(525)
Interest and fiscal charges	(111,188)	(111,188)	(89,188)	22,000
Lease revenues	31,680	31,680	31,680	
Miscellaneous			399	399
Total nonoperating revenues (expenses)	<u>(76,508)</u>	<u>(76,508)</u>	<u>(53,516)</u>	<u>22,992</u>
Income (loss) before capital contributions and transfers	<u>63,807</u>	<u>(41,059)</u>	<u>69,417</u>	<u>110,476</u>
CAPITAL CONTRIBUTIONS				
Connection charges			27,508	27,508
TRANSFERS				
Transfers in		1,750	1,750	
CHANGE IN NET POSITION	<u>\$ 63,807</u>	<u>\$ (39,309)</u>	<u>98,675</u>	<u>\$ 137,984</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			4,522,379	
Adjustment			<u>(23,724)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>4,498,655</u>	
NET POSITION, END OF YEAR			<u>\$ 4,597,330</u>	

DOUGLAS COUNTY

REGIONAL WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 614,225	\$ 644,225	\$ 746,246	\$ 102,021
OPERATING EXPENSES				
Salaries and wages	22,489	22,541	6,227	16,314
Employee benefits	10,402	10,418	2,157	8,261
Services and supplies	518,106	548,106	623,415	(75,309)
Depreciation		203,500	199,008	4,492
Total operating expenses	<u>550,997</u>	<u>784,565</u>	<u>830,807</u>	<u>(46,242)</u>
Operating income (loss)	<u>63,228</u>	<u>(140,340)</u>	<u>(84,561)</u>	<u>55,779</u>
NONOPERATING REVENUES				
Investment income	1,000	1,000	441	(559)
Change in fair value of investments			1,618	1,618
Water capacity fees			125,000	125,000
Total nonoperating revenues	<u>1,000</u>	<u>1,000</u>	<u>127,059</u>	<u>126,059</u>
Income (loss) before capital contributions and transfers	<u>64,228</u>	<u>(139,340)</u>	<u>42,498</u>	<u>181,838</u>
CAPITAL CONTRIBUTIONS				
Capital contributions	<u>1,925,000</u>	<u>2,687,776</u>	<u>1,877,683</u>	<u>(810,093)</u>
TRANSFERS				
Transfers in		68	2,860,914	2,860,846
Transfers out	<u>(125,000)</u>	<u>(125,000)</u>	<u>(125,000)</u>	
Total transfers	<u>(125,000)</u>	<u>(124,932)</u>	<u>2,735,914</u>	<u>2,860,846</u>
CHANGE IN NET POSITION	<u>\$ 1,864,228</u>	<u>\$ 2,423,504</u>	4,656,095	<u>\$ 2,232,591</u>
NET POSITION, BEGINNING OF YEAR			<u>11,589,759</u>	
NET POSITION, END OF YEAR			<u>\$ 16,245,854</u>	

DOUGLAS COUNTY

SEWER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING REVENUES				
Charges for services	\$ 1,789,000	\$ 1,789,000	\$ 1,840,161	\$ 51,161
OPERATING EXPENSES				
Salaries and wages	289,390	291,540	292,267	(727)
Employee benefits	130,812	131,652	143,877	(12,225)
Services and supplies	467,647	700,219	471,882	228,337
Depreciation	<u>820,000</u>	<u>825,000</u>	<u>812,318</u>	<u>12,682</u>
Total operating expenses	<u>1,707,849</u>	<u>1,948,411</u>	<u>1,720,344</u>	<u>228,067</u>
Operating income (loss)	<u>81,151</u>	<u>(159,411)</u>	<u>119,817</u>	<u>279,228</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	14,000	14,000	14,542	542
Change in fair value of investments			(1,500)	(1,500)
Interest and fiscal charges	(225,657)	(254,720)	(216,922)	37,798
Miscellaneous			<u>2,366</u>	<u>2,366</u>
Total nonoperating revenues (expenses)	<u>(211,657)</u>	<u>(240,720)</u>	<u>(201,514)</u>	<u>39,206</u>
Loss before capital contributions and transfers	<u>(130,506)</u>	<u>(400,131)</u>	<u>(81,697)</u>	<u>318,434</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			164,138	164,138
Connection charges			<u>192,640</u>	<u>192,640</u>
Total capital contributions			<u>356,778</u>	<u>356,778</u>
TRANSFERS				
Transfers in		<u>2,990</u>	<u>2,990</u>	
CHANGE IN NET POSITION	<u>\$ (130,506)</u>	<u>\$ (397,141)</u>	<u>278,071</u>	<u>\$ 675,212</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			19,249,019	
Adjustment			<u>(71,900)</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>19,177,119</u>	
NET POSITION, END OF YEAR			<u>\$ 19,455,190</u>	

DOUGLAS COUNTY

CARSON VALLEY WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 2,485,908	\$ 2,595,908	\$ 2,735,847	\$ 139,939
OPERATING EXPENSES				
Salaries and wages	445,386	449,018	424,640	24,378
Employee benefits	183,599	185,996	184,859	1,137
Services and supplies	758,947	876,538	852,071	24,467
Depreciation	730,000	793,000	788,048	4,952
Total operating expenses	<u>2,117,932</u>	<u>2,304,552</u>	<u>2,249,618</u>	<u>54,934</u>
Operating income (loss)	<u>367,976</u>	<u>291,356</u>	<u>486,229</u>	<u>194,873</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	16,000	16,000	17,421	1,421
Change in fair value of investments			(614)	(614)
Interest and fiscal charges	(403,497)	(403,497)	(296,962)	106,535
Intergovernmental shared revenues	42,390	67,390	64,338	(3,052)
Miscellaneous			3,831	3,831
Total nonoperating revenues (expenses)	<u>(345,107)</u>	<u>(320,107)</u>	<u>(211,986)</u>	<u>108,121</u>
Income (loss) before capital contributions and transfers	<u>22,869</u>	<u>(28,751)</u>	<u>274,243</u>	<u>302,994</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			1,467,928	1,467,928
Connection charges			72,174	72,174
Total capital contributions			<u>1,540,102</u>	<u>1,540,102</u>
TRANSFERS				
Transfers in	125,000	131,029	131,029	
Transfers out			(2,860,846)	(2,860,846)
Total transfers	<u>125,000</u>	<u>131,029</u>	<u>(2,729,817)</u>	<u>(2,860,846)</u>
CHANGE IN NET POSITION	<u>\$ 147,869</u>	<u>\$ 102,278</u>	<u>(915,472)</u>	<u>\$ (1,017,750)</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			23,404,244	
Adjustment			(294,526)	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>23,109,718</u>	
NET POSITION, END OF YEAR			<u>\$ 22,194,246</u>	

DOUGLAS COUNTY

TOWN OF MINDEN WHOLESALE WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 734,697	\$ 807,527	\$ 896,164	\$ 88,637
OPERATING EXPENSES				
Salaries and wages	160,926	175,926	158,687	17,239
Employee benefits	59,677	69,677	66,092	3,585
Services and supplies	395,083	548,583	461,480	87,103
Depreciation	<u>400,000</u>	<u>400,000</u>	<u>284,885</u>	<u>115,115</u>
Total operating expenses	<u>615,686</u>	<u>1,194,186</u>	<u>971,144</u>	<u>223,042</u>
Operating income (loss)	<u>119,011</u>	<u>(386,659)</u>	<u>(74,980)</u>	<u>311,679</u>
NONOPERATING REVENUES				
Investment income	1,000	1,000	1,939	939
Change in fair value of investments			(531)	(531)
Miscellaneous	<u>21,243</u>	<u>21,243</u>	<u>21,243</u>	<u>21,243</u>
Total nonoperating revenues	<u>1,000</u>	<u>1,000</u>	<u>22,651</u>	<u>21,651</u>
Income (loss) before transfers	<u>120,011</u>	<u>(385,659)</u>	<u>(52,329)</u>	<u>333,330</u>
TRANSFERS				
Transfers in	<u>2,877,345</u>	<u>2,877,345</u>	<u>2,877,345</u>	<u>2,877,345</u>
CHANGE IN NET POSITION	<u>\$ 120,011</u>	<u>\$ (385,659)</u>	2,825,016	<u>\$ 3,210,675</u>
NET POSITION, BEGINNING OF YEAR			<u>10,847,914</u>	
NET POSITION, END OF YEAR			<u>\$ 13,672,930</u>	

DOUGLAS COUNTY

TOWN OF MINDEN WATER COMPANY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 887,000	\$ 887,000	\$ 1,016,188	\$ 129,188
OPERATING EXPENSES				
Salaries and wages	158,518	176,518	163,795	12,723
Employee benefits	77,629	85,629	89,111	(3,482)
Services and supplies	600,853	584,853	421,505	163,348
Depreciation	<u>250,000</u>	<u>250,000</u>	<u>246,789</u>	<u>3,211</u>
Total operating expenses	<u>1,087,000</u>	<u>1,097,000</u>	<u>921,200</u>	<u>175,800</u>
Operating income (loss)	<u>(200,000)</u>	<u>(210,000)</u>	<u>94,988</u>	<u>304,988</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	12,000	12,000	20,647	8,647
Change in fair value of investments			(2,030)	(2,030)
Lease revenues			200	200
Gain (loss) on capital asset disposition		(15,000)	(9,227)	5,773
Miscellaneous			<u>5,263</u>	<u>5,263</u>
Total nonoperating revenues (expenses)	<u>12,000</u>	<u>(3,000)</u>	<u>14,853</u>	<u>17,853</u>
Income (loss) before capital contributions and transfers	<u>(188,000)</u>	<u>(213,000)</u>	<u>109,841</u>	<u>322,841</u>
CAPITAL CONTRIBUTIONS				
Capital contributions		561,500	613,346	51,846
Connection charges		<u>134,500</u>	<u>325,353</u>	<u>190,853</u>
Total capital contributions		<u>696,000</u>	<u>938,699</u>	<u>242,699</u>
TRANSFERS				
Transfers out			<u>(2,877,345)</u>	<u>(2,877,345)</u>
CHANGE IN NET POSITION	<u>\$ (188,000)</u>	<u>\$ 483,000</u>	(1,828,805)	<u>\$ (2,311,805)</u>
NET POSITION, BEGINNING OF YEAR			<u>13,702,793</u>	
NET POSITION, END OF YEAR			<u>\$ 11,873,988</u>	

NON-MAJOR ENTERPRISE FUNDS

DOUGLAS COUNTY
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

Enterprise funds are used to account for activities for which a user fee is charged for goods or services.

Ridgeview Water Utility

Accounts for the operations of Ridgeview Water System, a separate, smaller water system in Douglas County.

Skyland Water Utility

Accounts for the operations of Skyland Water System, a separate, smaller water system in Douglas County.

Town of Gardnerville Health and Sanitation

Accounts for the operations of the trash service in the Town of Gardnerville.

Town of Minden Trash

Accounts for the operations of the trash service in the Town of Minden.

DOUGLAS COUNTY
NON-MAJOR ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Ridgeview Water Utility	Skyland Water Utility	Town of Gardnerville Health and Sanitation	Town of Minden Trash	Total Non-major Enterprise Funds
ASSETS					
Current assets					
Cash, cash equivalents and investments	\$ 18,344	\$ 559,720	\$ 559,688	\$ 474,469	\$ 1,612,221
Accounts receivable, net		13,438	62,344	102,148	177,930
Interest receivable	27	758	766	646	2,197
Due from other funds		1,483	11,235	2,550	15,268
Prepaid items		82	9,425	11,441	20,948
Restricted assets					
Cash, cash equivalents and investments	<u>1,667</u>				<u>1,667</u>
Total current assets	<u>20,038</u>	<u>575,481</u>	<u>643,458</u>	<u>591,254</u>	<u>1,830,231</u>
Noncurrent assets					
Capital assets, net of accumulated depreciation and amortization					
Land		170,761	202,376	32,615	405,752
Construction in progress		4,739	240,898		245,637
Buildings and building improvements			267,728		267,728
Machinery, equipment and software		19,521	214,261	35,591	269,373
Water and sewer systems		<u>2,301,041</u>			<u>2,301,041</u>
Total noncurrent assets		<u>2,496,062</u>	<u>925,263</u>	<u>68,206</u>	<u>3,489,531</u>
Total assets	<u>20,038</u>	<u>3,071,543</u>	<u>1,568,721</u>	<u>659,460</u>	<u>5,319,762</u>
DEFERRED OUTFLOWS OF RESOURCES					
Unamortized deferred refunding charges		<u>961</u>			<u>961</u>
LIABILITIES					
Current liabilities					
Accounts payable and accrued expenses		16,452	32,001	14,443	62,896
Accrued salaries, wages and benefits		2,633	7,519	5,036	15,188
Due to other funds			2,908		2,908
Unearned revenue, current		10,893	8,264	1,550	20,707
Interest payable	37	5,796			5,833
Compensated absences		5,050	19,295	14,364	38,709
Bonds and notes payable	<u>2,795</u>	<u>40,194</u>			<u>42,989</u>
Total current liabilities	<u>2,832</u>	<u>81,018</u>	<u>69,987</u>	<u>35,393</u>	<u>189,230</u>
Noncurrent liabilities					
Compensated absences		8,653			8,653
Postemployment benefits other than pensions		9,744	11,922	8,832	30,498
Bonds and notes payable, net of unamortized premiums and discounts	<u>6,045</u>	<u>349,805</u>			<u>355,850</u>
Total noncurrent liabilities	<u>6,045</u>	<u>368,202</u>	<u>11,922</u>	<u>8,832</u>	<u>395,001</u>
Total liabilities	<u>8,877</u>	<u>449,220</u>	<u>81,909</u>	<u>44,225</u>	<u>584,231</u>
NET POSITION					
Net investment in capital assets					
Unrestricted	<u>11,161</u>	<u>516,259</u>	<u>561,550</u>	<u>547,029</u>	<u>1,635,999</u>
Total net position	<u>\$ 11,161</u>	<u>\$ 2,623,284</u>	<u>\$ 1,486,812</u>	<u>\$ 615,235</u>	<u>\$ 4,736,492</u>

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Ridgeview Water Utility	Skyland Water Utility	Town of Gardnerville Health and Sanitation	Town of Minden Trash	Total Non-major Enterprise Funds
OPERATING REVENUES					
Charges for services	\$	\$ 423,861	\$ 909,142	\$ 608,784	\$ 1,941,787
OPERATING EXPENSES					
Salaries and wages		85,265	261,663	186,314	533,242
Employee benefits		37,792	118,786	85,399	241,977
Services and supplies	2	125,620	414,443	288,023	828,088
Depreciation		116,028	50,613	23,596	190,237
Total operating expenses	<u>2</u>	<u>364,705</u>	<u>845,505</u>	<u>583,332</u>	<u>1,793,544</u>
Operating income (loss)	<u>(2)</u>	<u>59,156</u>	<u>63,637</u>	<u>25,452</u>	<u>148,243</u>
NONOPERATING REVENUES (EXPENSES)					
Investment income	104	2,165	3,114	2,273	7,656
Change in fair value of investments	6	(298)	177	(133)	(248)
Interest and fiscal charges	(498)	(13,760)			(14,258)
Miscellaneous		274	2,350		2,624
Total nonoperating revenues (expenses)	<u>(388)</u>	<u>(11,619)</u>	<u>5,641</u>	<u>2,140</u>	<u>(4,226)</u>
Income (loss) before capital contributions and transfers	<u>(390)</u>	<u>47,537</u>	<u>69,278</u>	<u>27,592</u>	<u>144,017</u>
CAPITAL CONTRIBUTIONS					
Capital contributions		<u>43,779</u>			<u>43,779</u>
TRANSFERS					
Transfers in		<u>1,245</u>			<u>1,245</u>
CHANGE IN NET POSITION	<u>(390)</u>	<u>92,561</u>	<u>69,278</u>	<u>27,592</u>	<u>189,041</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
	11,551	2,520,132	1,417,534	587,643	4,536,860
Adjustment		10,591			10,591
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED	<u>11,551</u>	<u>2,530,723</u>	<u>1,417,534</u>	<u>587,643</u>	<u>4,547,451</u>
NET POSITION, END OF YEAR	<u>\$ 11,161</u>	<u>\$ 2,623,284</u>	<u>\$ 1,486,812</u>	<u>\$ 615,235</u>	<u>\$ 4,736,492</u>

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Ridgeview Water Utility	Skyland Water Utility	Town of Gardnerville Health and Sanitation	Town of Minden Trash	Total Non-major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$	\$ 420,398	\$ 897,686	\$ 598,894	\$ 1,916,978
Cash payments for goods and services		(2)	(105,375)	(421,403)	(815,553)
Cash payments for employee services and benefits			(120,713)	(376,307)	(268,592)
Net cash provided by (used in) operating activities		<u>(2)</u>	<u>194,310</u>	<u>99,976</u>	<u>41,529</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in			1,245		1,245
Other			274	2,350	2,624
Net cash provided by noncapital financing activities		<u>1,519</u>	<u>2,350</u>		<u>3,869</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES					
Acquisition and construction of capital assets			(26,961)		(287,462)
Principal payments on debt	(2,665)		(38,282)		(40,947)
Interest payments on debt	(508)		(15,096)		(15,604)
Net cash used in capital financing activities	<u>(3,173)</u>	<u>(80,339)</u>	<u>(260,501)</u>		<u>(344,013)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income received	77	1,407	2,348	1,627	5,459
Change in fair value of cash equivalent investments	6	(298)	177	(133)	(248)
Net cash provided by investing activities	<u>83</u>	<u>1,109</u>	<u>2,525</u>	<u>1,494</u>	<u>5,211</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	<u>(3,092)</u>	<u>116,599</u>	<u>(155,650)</u>	<u>43,023</u>	<u>880</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED					
	23,103	443,121	715,338	431,446	1,613,008
Adjustment		1,063			1,063
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR, AS ADJUSTED					
	<u>23,103</u>	<u>444,184</u>	<u>715,338</u>	<u>431,446</u>	<u>1,614,071</u>
CASH AND CASH EQUIVALENTS, END OF YEAR					
	<u>\$ 20,011</u>	<u>\$ 559,720</u>	<u>\$ 559,688</u>	<u>\$ 474,469</u>	<u>\$ 1,613,888</u>

(Continued)

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Ridgeview Water Utility	Skyland Water Utility	Town of Gardnerville Health and Sanitation	Town of Minden Trash	Total Non-major Enterprise Funds
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating income (loss)	\$ (2)	\$ 59,156	\$ 63,637	\$ 25,452	\$ 148,243
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities					
Depreciation and amortization		116,028	50,613	23,596	190,237
(Increase) decrease in operating assets					
Accounts receivable		(1,913)	(1,098)	(7,697)	(10,708)
Due from other funds		(1,483)	(11,235)	(2,240)	(14,958)
Prepaid expenses		(67)	877	47	857
Increase (decrease) in operating liabilities					
Accounts payable and accrued expenses		935	2,877	(1,113)	2,699
Accrued salaries and benefits		546	1,503	1,133	3,182
Due to other funds			(10,820)		(10,820)
Unearned revenue		19,332	983	363	20,678
Contract retentions payable		(22)			(22)
Compensated absences		160	622	493	1,275
Postemployment benefits other than pensions		1,638	2,017	1,495	5,150
Total adjustments		<u>135,154</u>	<u>36,339</u>	<u>16,077</u>	<u>187,570</u>
Net cash provided by (used in) operating activities	<u>\$ (2)</u>	<u>\$ 194,310</u>	<u>\$ 99,976</u>	<u>\$ 41,529</u>	<u>\$ 335,813</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES					
Contribution of capital assets	<u>\$</u>	<u>\$ 43,779</u>	<u>\$</u>	<u>\$</u>	<u>\$ 43,779</u>

DOUGLAS COUNTY

RIDGEVIEW WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	Original Budget	Final Budget	Actual	Variance
OPERATING EXPENSES				
Services and supplies	\$ <u>20</u>	\$ <u>20</u>	\$ <u>2</u>	\$ <u>18</u>
Operating loss	<u>(20)</u>	<u>(20)</u>	<u>(2)</u>	<u>18</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	75	75	104	29
Change in fair value of investments			6	6
Interest and fiscal charges	<u>(3,174)</u>	<u>(3,174)</u>	<u>(498)</u>	<u>2,676</u>
Total nonoperating revenues (expenses)	<u>(3,099)</u>	<u>(3,099)</u>	<u>(388)</u>	<u>2,711</u>
CHANGE IN NET POSITION	<u>\$ (3,119)</u>	<u>\$ (3,119)</u>	(390)	<u>\$ 2,729</u>
NET POSITION, BEGINNING OF YEAR			<u>11,551</u>	
NET POSITION, END OF YEAR			<u>\$ 11,161</u>	

DOUGLAS COUNTY

SKYLAND WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 390,500	\$ 420,500	\$ 423,861	\$ 3,361
OPERATING EXPENSES				
Salaries and wages	89,854	90,603	85,265	5,338
Employee benefits	37,293	37,789	37,792	(3)
Services and supplies	110,608	174,653	125,620	49,033
Depreciation	<u>100,000</u>	<u>117,500</u>	<u>116,028</u>	<u>1,472</u>
Total operating expenses	<u>337,755</u>	<u>420,545</u>	<u>364,705</u>	<u>55,840</u>
Operating income (loss)	<u>52,745</u>	<u>(45)</u>	<u>59,156</u>	<u>59,201</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	1,500	1,500	2,165	665
Change in fair value of investments			(298)	(298)
Interest and fiscal charges	(21,310)	(21,300)	(13,760)	7,540
Miscellaneous			<u>274</u>	<u>274</u>
Total nonoperating revenues (expenses)	<u>(19,810)</u>	<u>(19,800)</u>	<u>(11,619)</u>	<u>8,181</u>
Income (loss) before capital contributions and transfers	<u>32,935</u>	<u>(19,845)</u>	<u>47,537</u>	<u>67,382</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			<u>43,779</u>	<u>43,779</u>
TRANSFERS				
Transfers in		<u>1,245</u>	<u>1,245</u>	
CHANGE IN NET POSITION	<u>\$ 32,935</u>	<u>\$ (18,600)</u>	<u>92,561</u>	<u>\$ 111,161</u>
NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED			2,520,132	
Adjustment			<u>10,591</u>	
NET POSITION, BEGINNING OF YEAR, AS ADJUSTED			<u>2,530,723</u>	
NET POSITION, END OF YEAR			<u>\$ 2,623,284</u>	

DOUGLAS COUNTY

TOWN OF GARDNERVILLE HEALTH AND SANITATION ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 883,000	\$ 883,000	\$ 909,142	\$ 26,142
OPERATING EXPENSES				
Salaries and wages	243,667	243,667	261,663	(17,996)
Employee benefits	108,000	109,825	118,786	(8,961)
Services and supplies	447,118	483,993	414,443	69,550
Depreciation	90,000	90,000	50,613	39,387
Total operating expenses	<u>888,785</u>	<u>927,485</u>	<u>845,505</u>	<u>81,980</u>
Operating income (loss)	<u>(5,785)</u>	<u>(44,485)</u>	<u>63,637</u>	<u>108,122</u>
NONOPERATING REVENUES				
Investment income	3,000	3,000	3,114	114
Change in fair value of investments			177	177
Miscellaneous		2,275	2,350	75
Total nonoperating revenues	<u>3,000</u>	<u>5,275</u>	<u>5,641</u>	<u>366</u>
CHANGE IN NET POSITION	<u>\$ (2,785)</u>	<u>\$ (39,210)</u>	69,278	<u>\$ 108,488</u>
NET POSITION, BEGINNING OF YEAR			<u>1,417,534</u>	
NET POSITION, END OF YEAR			<u>\$ 1,486,812</u>	

DOUGLAS COUNTY

TOWN OF MINDEN TRASH ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 609,900	\$ 609,900	\$ 608,784	\$ (1,116)
OPERATING EXPENSES				
Salaries and wages	190,756	205,756	186,314	19,442
Employee benefits	84,049	102,049	85,399	16,650
Services and supplies	267,095	315,095	288,023	27,072
Depreciation	<u>60,000</u>	<u>60,000</u>	<u>23,596</u>	<u>36,404</u>
Total operating expenses	<u>601,900</u>	<u>682,900</u>	<u>583,332</u>	<u>99,568</u>
Operating income (loss)	<u>8,000</u>	<u>(73,000)</u>	<u>25,452</u>	<u>98,452</u>
NONOPERATING REVENUES				
Investment income			2,273	2,273
Change in fair value of investments			(133)	(133)
Total nonoperating revenues			<u>2,140</u>	<u>2,140</u>
Income (loss) before transfers	<u>8,000</u>	<u>(73,000)</u>	<u>27,592</u>	<u>100,592</u>
TRANSFERS				
Transfers out	<u>(43,000)</u>			
CHANGE IN NET POSITION	<u>\$ (35,000)</u>	<u>\$ (73,000)</u>	27,592	<u>\$ 100,592</u>
NET POSITION, BEGINNING OF YEAR			<u>587,643</u>	
NET POSITION, END OF YEAR			<u>\$ 615,235</u>	

INTERNAL SERVICE FUNDS

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other governmental units, on a cost reimbursement basis.

Risk Management

Accounts for the management and funding of various insurance needs.

Self-insurance Dental

Accounts for the management and funding of the self-insurance dental program.

Motor Pool

Accounts for the provision and maintenance of County vehicles.

DOUGLAS COUNTY
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	Risk Management	Self-insurance Dental	Motor Pool	Total Internal Service Funds
ASSETS				
Current assets				
Cash, cash equivalents and investments	\$ 4,185,662	\$ 896,141	\$ 632,963	\$ 5,714,766
Accounts receivable, net	23,519		32,096	55,615
Taxes receivable	4,421			4,421
Interest receivable	5,689	1,231	858	7,778
Due from other governments	3			3
Due from other funds	20,909		6	20,915
Inventories			220,015	220,015
Total current assets	<u>4,240,203</u>	<u>897,372</u>	<u>885,938</u>	<u>6,023,513</u>
Noncurrent assets				
Capital assets, net of accumulated depreciation and amortization				
Buildings and building improvements			3,172	3,172
Machinery, equipment and software			546,384	546,384
Total noncurrent assets			<u>549,556</u>	<u>549,556</u>
Total assets	<u>4,240,203</u>	<u>897,372</u>	<u>1,435,494</u>	<u>6,573,069</u>
LIABILITIES				
Current liabilities				
Accounts payable and accrued expenses	448,896		42,072	490,968
Accrued salaries, wages and benefits	1,326		9,473	10,799
Due to other funds	20,608			20,608
Claims and judgments		46,162		46,162
Compensated absences	5,826		30,348	36,174
Total current liabilities	<u>476,656</u>	<u>46,162</u>	<u>81,893</u>	<u>604,711</u>
Noncurrent liabilities				
Postemployment benefits other than pensions	4,310		8,902	13,212
Total liabilities	<u>480,966</u>	<u>46,162</u>	<u>90,795</u>	<u>617,923</u>
NET POSITION				
Net investment in capital assets			549,555	549,555
Restricted				
Insurance liabilities	3,759,237	851,210		4,610,447
Unrestricted			795,144	795,144
Total net position	<u>\$ 3,759,237</u>	<u>\$ 851,210</u>	<u>\$ 1,344,699</u>	<u>\$ 5,955,146</u>

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2014

	Risk Management	Self-insurance Dental	Motor Pool	Total Internal Service Funds
OPERATING REVENUES				
Charges for services	\$ 3,068,348	\$ 416,361	\$ 1,195,274	\$ 4,679,983
OPERATING EXPENSES				
Salaries and wages	50,646		316,858	367,504
Employee benefits	21,268		139,885	161,153
Services and supplies	2,962,181	422,597	724,533	4,109,311
Depreciation			156,160	156,160
Total operating expenses	<u>3,034,095</u>	<u>422,597</u>	<u>1,337,436</u>	<u>4,794,128</u>
Operating income (loss)	<u>34,253</u>	<u>(6,236)</u>	<u>(142,162)</u>	<u>(114,145)</u>
NONOPERATING REVENUES				
Investment income	28,398	16,968	2,901	48,267
Change in fair value of investments	(2,132)	(967)	3	(3,096)
Property taxes	238,923			238,923
Intergovernmental shared revenues	4,036			4,036
Miscellaneous	42,328		50	42,378
Total nonoperating revenues	<u>311,553</u>	<u>16,001</u>	<u>2,954</u>	<u>330,508</u>
Income (loss) before capital contributions and transfers	<u>345,806</u>	<u>9,765</u>	<u>(139,208)</u>	<u>216,363</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			35,447	35,447
TRANSFERS				
Transfers in	461		3,205	3,666
CHANGE IN NET POSITION	346,267	9,765	(100,556)	255,476
NET POSITION, BEGINNING OF YEAR	<u>3,412,970</u>	<u>841,445</u>	<u>1,445,255</u>	<u>5,699,670</u>
NET POSITION, END OF YEAR	<u>\$ 3,759,237</u>	<u>\$ 851,210</u>	<u>\$ 1,344,699</u>	<u>\$ 5,955,146</u>

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2014

	Risk Management	Self-insurance Dental	Motor Pool	Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from interfund services	\$ 3,023,917	\$ 416,361	\$ 1,141,231	\$ 4,581,509
Cash payments for interfund goods and services	(2,923,105)	(422,597)	(728,374)	(4,074,076)
Cash payments for interfund employee services and benefits	(72,457)		(447,439)	(519,896)
Net cash provided by (used in) operating activities	<u>28,355</u>	<u>(6,236)</u>	<u>(34,582)</u>	<u>(12,463)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	461		3,205	3,666
Repayments of advances to other funds	474,750	500,000		974,750
Property taxes	239,607			239,607
Intergovernmental shared revenues	4,036			4,036
Other	42,328		50	42,378
Net cash provided by noncapital financing activities	<u>761,182</u>	<u>500,000</u>	<u>3,255</u>	<u>1,264,437</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES				
Acquisition and construction of capital assets			(48,875)	(48,875)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income received	22,709	15,737	2,043	40,489
Change in fair value of cash equivalent investments	(2,132)	(967)	3	(3,096)
Net cash provided by investing activities	<u>20,577</u>	<u>14,770</u>	<u>2,046</u>	<u>37,393</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	810,114	508,534	(78,156)	1,240,492
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>3,375,548</u>	<u>387,607</u>	<u>711,119</u>	<u>4,474,274</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 4,185,662</u>	<u>\$ 896,141</u>	<u>\$ 632,963</u>	<u>\$ 5,714,766</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ 34,253	\$ (6,236)	\$ (142,162)	\$ (114,145)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization			156,160	156,160
(Increase) decrease in operating assets				
Accounts receivable	(23,519)		1,182	(22,337)
Due from other governments	(3)		2,500	2,497
Due from other funds	(20,909)		(6)	(20,915)
Inventories			(57,719)	(57,719)
Increase (decrease) in operating liabilities				
Accounts payable and accrued expenses	18,468		(3,841)	14,627
Accrued salaries and benefits	(208)		3,251	3,043
Due to other funds	20,608			20,608
Compensated absences	(1,064)		4,636	3,572
Postemployment benefits other than pensions	729		1,417	2,146
Total adjustments	<u>(5,898)</u>		<u>107,580</u>	<u>101,682</u>
Net cash provided by (used in) operating activities	<u>\$ 28,355</u>	<u>\$ (6,236)</u>	<u>\$ (34,582)</u>	<u>\$ (12,463)</u>
NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES				
Contribution of capital assets			<u>\$ 35,477</u>	<u>\$ 35,477</u>

DOUGLAS COUNTY

RISK MANAGEMENT INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 2,796,209	\$ 2,796,209	\$ 3,068,348	\$ 272,139
OPERATING EXPENSES				
Salaries and wages	64,340	64,651	50,646	14,005
Employee benefits	26,481	26,631	21,268	5,363
Services and supplies	2,841,859	2,904,571	2,962,181	(57,610)
Total operating expenses	<u>2,932,680</u>	<u>2,995,853</u>	<u>3,034,095</u>	<u>(38,242)</u>
Operating income (loss)	<u>(136,471)</u>	<u>(199,644)</u>	<u>34,253</u>	<u>233,897</u>
NONOPERATING REVENUES				
Investment income	41,000	41,000	28,398	(12,602)
Change in fair value of investments			(2,132)	(2,132)
Property taxes	238,548	238,548	238,923	375
Intergovernmental shared revenues		4,000	4,036	36
Miscellaneous			42,328	42,328
Total nonoperating revenues	<u>279,548</u>	<u>283,548</u>	<u>311,553</u>	<u>28,005</u>
Income before transfers	<u>143,077</u>	<u>83,904</u>	<u>345,806</u>	<u>261,902</u>
TRANSFERS				
Transfers in		461	461	
CHANGE IN NET POSITION	<u>\$ 143,077</u>	<u>\$ 84,365</u>	346,267	<u>\$ 261,902</u>
NET POSITION, BEGINNING OF YEAR			<u>3,412,970</u>	
NET POSITION, END OF YEAR			<u>\$ 3,759,237</u>	

DOUGLAS COUNTY

SELF-INSURANCE DENTAL INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ <u>391,000</u>	\$ <u>461,000</u>	\$ <u>416,361</u>	\$ <u>(44,639)</u>
OPERATING EXPENSES				
Services and supplies	<u>385,000</u>	<u>455,000</u>	<u>422,597</u>	<u>32,403</u>
Operating income (loss)	<u>6,000</u>	<u>6,000</u>	<u>(6,236)</u>	<u>(12,236)</u>
NONOPERATING REVENUES				
Investment income	20,000	20,000	16,968	(3,032)
Change in fair value of investments			(967)	(967)
Total nonoperating revenues	<u>20,000</u>	<u>20,000</u>	<u>16,001</u>	<u>(3,999)</u>
CHANGE IN NET POSITION	<u>\$ 26,000</u>	<u>\$ 26,000</u>	9,765	<u>\$ (16,235)</u>
NET POSITION, BEGINNING OF YEAR			<u>841,445</u>	
NET POSITION, END OF YEAR			<u>\$ 851,210</u>	

DOUGLAS COUNTY

MOTOR POOL INTERNAL SERVICE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance</u>
OPERATING REVENUES				
Charges for services	\$ 1,250,105	\$ 1,163,440	\$ 1,195,274	\$ 31,834
OPERATING EXPENSES				
Salaries and wages	325,979	328,405	316,858	11,547
Employee benefits	149,448	150,227	139,885	10,342
Services and supplies	667,947	798,057	724,533	73,524
Capital outlay - should net to zero	119,124	109,124		109,124
Depreciation	162,000	162,000	156,160	5,840
Total operating expenses	<u>1,424,498</u>	<u>1,547,813</u>	<u>1,337,436</u>	<u>210,377</u>
Operating loss	<u>(174,393)</u>	<u>(384,373)</u>	<u>(142,162)</u>	<u>242,211</u>
NONOPERATING REVENUES				
Investment income	5,000	5,000	2,901	(2,099)
Change in fair value of investments			3	3
Miscellaneous			50	50
Total nonoperating revenues	<u>5,000</u>	<u>5,000</u>	<u>2,954</u>	<u>(2,046)</u>
Loss before capital contributions and transfers	<u>(169,393)</u>	<u>(379,373)</u>	<u>(139,208)</u>	<u>240,165</u>
CAPITAL CONTRIBUTIONS				
Capital contributions			35,447	35,447
TRANSFERS				
Transfers in	<u>11,000</u>	<u>3,205</u>	<u>3,205</u>	
CHANGE IN NET POSITION	<u>\$ (158,393)</u>	<u>\$ (376,168)</u>	(100,556)	<u>\$ 275,612</u>
NET POSITION, BEGINNING OF YEAR			<u>1,445,255</u>	
NET POSITION, END OF YEAR			<u>\$ 1,344,699</u>	

FIDUCIARY FUNDS

DOUGLAS COUNTY

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2014

Agency funds are used to account for assets held as an agent for individuals, private organizations, or other governments.

Douglas County School District

Accounts for the collection and distribution of apportioned property taxes.

Douglas County School District Debt

Accounts for the collection and distribution of apportioned property taxes dedicated to the retirement of long-term debt principal and interest.

Carson Water Sub-conservancy District

Accounts for the collection and distribution of apportioned property taxes.

Cave Rock General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Douglas County Sewer Improvement District

Accounts for the collection and distribution of charges for services.

Elk Point Sanitation District

Accounts for the collection and distribution of apportioned property taxes.

Gardnerville Ranchos General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Genoa Lakes Assessment District

Accounts for the collection and distribution of special assessment levies dedicated to the retirement of long-term debt principal and interest.

Indian Hills General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Kingsbury General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Lakeridge General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Logan Creek General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Minden-Gardnerville Sanitation District

Accounts for the collection and distribution of apportioned property taxes.

Oliver Park General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Sierra Estates General Improvement District

Accounts for the collection and distribution of charges for services.

Skyland General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Tahoe-Douglas Sanitation District

Accounts for the collection and distribution of apportioned property taxes.

Tahoe-Douglas Fire Protection District

Accounts for the collection and distribution of apportioned property taxes.

Topaz Ranch Estates General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Zephyr Cove General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

DOUGLAS COUNTY
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

Zephyr Heights General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

Zephyr Knolls General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

East Fork Swimming Pool District

Accounts for the collection and distribution of apportioned property taxes.

East Fork Swimming Pool Debt

Accounts for the collection and distribution of special assessment levies dedicated to the retirement of long-term debt principal and interest.

Inmate Commissary

Accounts for inmate commissary funds administered by the Sheriff Department.

Douglas County Mosquito Abatement District

Accounts for the collection and distribution of apportioned property taxes.

State of Nevada

Accounts for the collection and distribution of apportioned property taxes, District and Justice Court fees, marriage fees, and other fees mandated by State of Nevada statutes.

Department of Wildlife

Accounts for the collection and payment of monies from the State of Nevada, general fund, wildlife account.

Range Improvements

Accounts for the collection and payment of grazing fees from the U. S. Government.

Sierra Forest Fire Protection District

Accounts for the collection and distribution of apportioned property taxes.

Inmates Trust

Accounts for inmate funds held by the Sheriff Department.

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2014

	Douglas County School District	Douglas County School District Debt	Carson Water Sub- conservancy District	Cave Rock General Improvement District	Douglas County Sewer Improvement District	Gardnerville Ranchos General Improvement District	Genoa Lakes Assessment District	Indian Hills General Improvement District
ASSETS								
Cash, cash equivalents and investments	\$ 299,380	\$ 31,166	\$ 6,569	\$ 275	\$ 1,850	\$ 7,134	\$ 406,954	\$ 8,333
Accounts receivable, net	36,335	98	29					
Taxes receivable	331,522	42,643	8,177	232		12,677		11,278
Interest receivable	400	42					552	
Due from other governments	223	30	9					
Special assessments receivable							2,481	
Inventories								
Prepaid items								
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 667,860</u>	<u>\$ 73,979</u>	<u>\$ 14,784</u>	<u>\$ 507</u>	<u>\$ 1,850</u>	<u>\$ 19,811</u>	<u>\$ 409,987</u>	<u>\$ 19,611</u>
LIABILITIES								
Due to others	<u>\$ 667,860</u>	<u>\$ 73,979</u>	<u>\$ 14,784</u>	<u>\$ 507</u>	<u>\$ 1,850</u>	<u>\$ 19,811</u>	<u>\$ 409,987</u>	<u>\$ 19,611</u>

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2014**

	Kingsbury General Improvement District	Lakeridge General Improvement District	Logan Creek General Improvement District	Minden- Gardnerville Sanitation District	Oliver Park General Improvement District	Skyland General Improvement District	Tahoe-Douglas Sanitation District	Tahoe-Douglas Fire Protection District
ASSETS								
Cash, cash equivalents and investments	\$ 6,013	\$ 1,265	\$ 200	\$ 3,805	\$ 446	\$ 193	\$ 1,219	\$ 43,916
Accounts receivable, net								
Taxes receivable	9,663	408	302	7,185	8,146	113	1,442	77,097
Interest receivable								59
Due from other governments								
Special assessments receivable								
Inventories								
Prepaid items								
Total assets	<u>\$ 15,676</u>	<u>\$ 1,673</u>	<u>\$ 502</u>	<u>\$ 10,990</u>	<u>\$ 8,592</u>	<u>\$ 306</u>	<u>\$ 2,661</u>	<u>\$ 121,072</u>
LIABILITIES								
Due to others	<u>\$ 15,676</u>	<u>\$ 1,673</u>	<u>\$ 502</u>	<u>\$ 10,990</u>	<u>\$ 8,592</u>	<u>\$ 306</u>	<u>\$ 2,661</u>	<u>\$ 121,072</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)

JUNE 30, 2014

	Topaz Ranch Estates General Improvement District	Zephyr Cove General Improvement District	Zephyr Heights General Improvement District	Zephyr Knolls General Improvement District	East Fork Swimming Pool District	East Fork Swimming Pool Debt	Inmate Commissary	Douglas County Mosquito Abatement District
ASSETS								
Cash, cash equivalents and investments	\$ 7,180	\$ 48	\$ 331	\$ 795	\$ 30,439	\$ 34	\$ 60,938	\$ 858,499
Accounts receivable, net					160		934	30
Taxes receivable	9,331	10	792	685	43,502			7,421
Interest receivable								1,165
Due from other governments					73			21,940
Special assessments receivable								
Inventories								32,557
Prepaid items								10,785
	<u>16,511</u>	<u>58</u>	<u>1,123</u>	<u>1,480</u>	<u>74,174</u>	<u>34</u>	<u>61,872</u>	<u>932,397</u>
Total assets	<u>\$ 16,511</u>	<u>\$ 58</u>	<u>\$ 1,123</u>	<u>\$ 1,480</u>	<u>\$ 74,174</u>	<u>\$ 34</u>	<u>\$ 61,872</u>	<u>\$ 932,397</u>
LIABILITIES								
Due to others	<u>\$ 16,511</u>	<u>\$ 58</u>	<u>\$ 1,123</u>	<u>\$ 1,480</u>	<u>\$ 74,174</u>	<u>\$ 34</u>	<u>\$ 61,872</u>	<u>\$ 932,397</u>

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2014**

	<u>State of Nevada</u>	<u>Department of Wildlife</u>	<u>Sierra Forest Fire Protection District</u>	<u>Inmates Trust</u>	<u>Total Agency Funds</u>
ASSETS					
Cash, cash equivalents and investments	\$ 898,250	\$ 5,517	\$ 1,645	\$ 7,803	\$ 2,690,197
Accounts receivable, net	23,687				61,273
Taxes receivable	75,077				647,703
Interest receivable					2,218
Due from other governments	24,993				47,268
Special assessments receivable					2,481
Inventories					32,557
Prepaid items					10,785
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 1,022,007</u>	<u>\$ 5,517</u>	<u>\$ 1,645</u>	<u>\$ 7,803</u>	<u>\$ 3,494,482</u>
LIABILITIES					
Due to others	<u>\$ 1,022,007</u>	<u>\$ 5,517</u>	<u>\$ 1,645</u>	<u>\$ 7,803</u>	<u>\$ 3,494,482</u>

DOUGLAS COUNTY

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
DOUGLAS COUNTY SCHOOL DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 207,170	\$ 18,317,405	\$ 18,225,195	\$ 299,380
Accounts receivable, net	52,515	36,335	52,515	36,335
Taxes receivable	382,856		51,334	331,522
Interest receivable		400		400
Due from other governments		223		223
Total assets	<u>\$ 642,541</u>	<u>\$ 18,354,363</u>	<u>\$ 18,329,044</u>	<u>\$ 667,860</u>
LIABILITIES				
Due to others	<u>\$ 642,541</u>	<u>\$ 18,354,363</u>	<u>\$ 18,329,044</u>	<u>\$ 667,860</u>
DOUGLAS COUNTY SCHOOL DISTRICT DEBT				
ASSETS				
Cash, cash equivalents and investments	\$ 23,418	\$ 2,469,325	\$ 2,461,577	\$ 31,166
Accounts receivable, net		98		98
Taxes receivable	49,852		7,209	42,643
Interest receivable		42		42
Due from other governments		30		30
Total assets	<u>\$ 73,270</u>	<u>\$ 2,469,495</u>	<u>\$ 2,468,786</u>	<u>\$ 73,979</u>
LIABILITIES				
Due to others	<u>\$ 73,270</u>	<u>\$ 2,469,495</u>	<u>\$ 2,468,786</u>	<u>\$ 73,979</u>
CARSON WATER SUB-CONSERVANCY DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 5,618	\$ 445,465	\$ 444,514	\$ 6,569
Accounts receivable, net		29		29
Taxes receivable	10,007		1,830	8,177
Due from other governments		9		9
Total assets	<u>\$ 15,625</u>	<u>\$ 445,503</u>	<u>\$ 446,344</u>	<u>\$ 14,784</u>
LIABILITIES				
Due to others	<u>\$ 15,625</u>	<u>\$ 445,503</u>	<u>\$ 446,344</u>	<u>\$ 14,784</u>
CAVE ROCK GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 70	\$ 74,883	\$ 74,678	\$ 275
Taxes receivable		232		232
Total assets	<u>\$ 70</u>	<u>\$ 75,115</u>	<u>\$ 74,678</u>	<u>\$ 507</u>
LIABILITIES				
Due to others	<u>\$ 70</u>	<u>\$ 75,115</u>	<u>\$ 74,678</u>	<u>\$ 507</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
DOUGLAS COUNTY SEWER IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 4,854	\$ 2,318,520	\$ 2,321,524	\$ 1,850
LIABILITIES				
Due to others	\$ 4,854	\$ 2,318,520	\$ 2,321,524	\$ 1,850
ELK POINT SANITATION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 12	\$ 2,645	\$ 2,657	\$
Taxes receivable	38		38	
Total assets	\$ 50	\$ 2,645	\$ 2,695	\$
LIABILITIES				
Due to others	\$ 50	\$ 2,645	\$ 2,695	\$
GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 3,327	\$ 679,140	\$ 675,333	\$ 7,134
Taxes receivable	14,187	81	1,591	12,677
Total assets	\$ 17,514	\$ 679,221	\$ 676,924	\$ 19,811
LIABILITIES				
Due to others	\$ 17,514	\$ 679,221	\$ 676,924	\$ 19,811
GENOA LAKES ASSESSMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 451,995	\$ 142,705	\$ 187,746	\$ 406,954
Interest receivable		552		552
Special assessments receivable	2,481			2,481
Total assets	\$ 454,476	\$ 143,257	\$ 187,746	\$ 409,987
LIABILITIES				
Due to others	\$ 454,476	\$ 143,257	\$ 187,746	\$ 409,987
INDIAN HILLS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,501	\$ 730,777	\$ 723,945	\$ 8,333
Taxes receivable	9,528	1,750		11,278
Total assets	\$ 11,029	\$ 732,527	\$ 723,945	\$ 19,611
LIABILITIES				
Due to others	\$ 11,029	\$ 732,527	\$ 723,945	\$ 19,611

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
KINGSBURY GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 3,015	\$ 718,027	\$ 715,029	\$ 6,013
Taxes receivable	<u>7,498</u>	<u>2,165</u>	<u> </u>	<u>9,663</u>
Total assets	<u>\$ 10,513</u>	<u>\$ 720,192</u>	<u>\$ 715,029</u>	<u>\$ 15,676</u>
LIABILITIES				
Due to others	<u>\$ 10,513</u>	<u>\$ 720,192</u>	<u>\$ 715,029</u>	<u>\$ 15,676</u>
LAKERIDGE GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 185	\$ 25,594	\$ 24,514	\$ 1,265
Taxes receivable	<u>888</u>	<u> </u>	<u>480</u>	<u>408</u>
Total assets	<u>\$ 1,073</u>	<u>\$ 25,594</u>	<u>\$ 24,994</u>	<u>\$ 1,673</u>
LIABILITIES				
Due to others	<u>\$ 1,073</u>	<u>\$ 25,594</u>	<u>\$ 24,994</u>	<u>\$ 1,673</u>
LOGAN CREEK GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,367	\$ 77,236	\$ 78,403	\$ 200
Taxes receivable	<u> </u>	<u>302</u>	<u> </u>	<u>302</u>
Total assets	<u>\$ 1,367</u>	<u>\$ 77,538</u>	<u>\$ 78,403</u>	<u>\$ 502</u>
LIABILITIES				
Due to others	<u>\$ 1,367</u>	<u>\$ 77,538</u>	<u>\$ 78,403</u>	<u>\$ 502</u>
MINDEN-GARDNERVILLE SANITATION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 1,570	\$ 340,921	\$ 338,686	\$ 3,805
Taxes receivable	<u>8,402</u>	<u> </u>	<u>1,217</u>	<u>7,185</u>
Total assets	<u>\$ 9,972</u>	<u>\$ 340,921</u>	<u>\$ 339,903</u>	<u>\$ 10,990</u>
LIABILITIES				
Due to others	<u>\$ 9,972</u>	<u>\$ 340,919</u>	<u>\$ 339,901</u>	<u>\$ 10,990</u>
OLIVER PARK GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 372	\$ 37,356	\$ 37,282	\$ 446
Taxes receivable	<u>5,111</u>	<u>3,035</u>	<u> </u>	<u>8,146</u>
Total assets	<u>\$ 5,483</u>	<u>\$ 40,391</u>	<u>\$ 37,282</u>	<u>\$ 8,592</u>
LIABILITIES				
Due to others	<u>\$ 5,483</u>	<u>\$ 40,391</u>	<u>\$ 37,282</u>	<u>\$ 8,592</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
SIERRA ESTATES GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 201	\$ 27,939	\$ 28,140	\$
LIABILITIES				
Due to others	\$ 201	\$ 27,939	\$ 28,140	\$
SKYLAND GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 209	\$ 47,451	\$ 47,467	\$ 193
Taxes receivable	25	90	2	113
Total assets	\$ 234	\$ 47,541	\$ 47,469	\$ 306
LIABILITIES				
Due to others	\$ 234	\$ 47,538	\$ 47,466	\$ 306
TAHOE-DOUGLAS SANITATION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 751	\$ 156,385	\$ 155,917	\$ 1,219
Taxes receivable	2,116		674	1,442
Total assets	\$ 2,867	\$ 156,385	\$ 156,591	\$ 2,661
LIABILITIES				
Due to others	\$ 2,867	\$ 156,385	\$ 156,591	\$ 2,661
TAHOE-DOUGLAS FIRE PROTECTION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 22,704	\$ 5,461,465	\$ 5,440,253	\$ 43,916
Taxes receivable	68,866	8,597	366	77,097
Interest receivable		59		59
Total assets	\$ 91,570	\$ 5,470,121	\$ 5,440,619	\$ 121,072
LIABILITIES				
Due to others	\$ 91,570	\$ 5,466,682	\$ 5,437,180	\$ 121,072
TOPAZ RANCH ESTATES GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 3,059	\$ 150,341	\$ 146,220	\$ 7,180
Taxes receivable	11,924		2,593	9,331
Total assets	\$ 14,983	\$ 150,341	\$ 148,813	\$ 16,511
LIABILITIES				
Due to others	\$ 14,983	\$ 150,340	\$ 148,812	\$ 16,511

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
ZEPHYR COVE GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 12	\$ 15,623	\$ 15,587	\$ 48
Taxes receivable	<u>132</u>	<u>10</u>	<u>132</u>	<u>10</u>
Total assets	<u>\$ 144</u>	<u>\$ 15,633</u>	<u>\$ 15,719</u>	<u>\$ 58</u>
LIABILITIES				
Due to others	<u>\$ 144</u>	<u>\$ 15,623</u>	<u>\$ 15,709</u>	<u>\$ 58</u>
ZEPHYR HEIGHTS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 215	\$ 82,229	\$ 82,113	\$ 331
Taxes receivable	<u>1,917</u>	<u></u>	<u>1,125</u>	<u>792</u>
Total assets	<u>\$ 2,132</u>	<u>\$ 82,229</u>	<u>\$ 83,238</u>	<u>\$ 1,123</u>
LIABILITIES				
Due to others	<u>\$ 2,132</u>	<u>\$ 82,229</u>	<u>\$ 83,238</u>	<u>\$ 1,123</u>
ZEPHYR KNOLLS GENERAL IMPROVEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 45	\$ 36,679	\$ 35,929	\$ 795
Taxes receivable	<u>302</u>	<u>383</u>	<u></u>	<u>685</u>
Total assets	<u>\$ 347</u>	<u>\$ 37,062</u>	<u>\$ 35,929</u>	<u>\$ 1,480</u>
LIABILITIES				
Due to others	<u>\$ 347</u>	<u>\$ 37,062</u>	<u>\$ 35,929</u>	<u>\$ 1,480</u>
EAST FORK SWIMMING POOL DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 27,957	\$ 1,764,112	\$ 1,761,630	\$ 30,439
Accounts receivable, net		160		160
Taxes receivable	50,892	6,296	13,686	43,502
Due from other governments	<u></u>	<u>73</u>	<u></u>	<u>73</u>
Total assets	<u>\$ 78,849</u>	<u>\$ 1,770,641</u>	<u>\$ 1,775,316</u>	<u>\$ 74,174</u>
LIABILITIES				
Due to others	<u>\$ 78,849</u>	<u>\$ 1,764,101</u>	<u>\$ 1,768,776</u>	<u>\$ 74,174</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
EAST FORK SWIMMING POOL DEBT				
ASSETS				
Cash, cash equivalents and investments	\$ 18	\$ 16	\$	\$ 34
Taxes receivable	<u>8,103</u>	<u></u>	<u>8,103</u>	<u></u>
Total assets	<u>\$ 8,121</u>	<u>\$ 16</u>	<u>\$ 8,103</u>	<u>\$ 34</u>
LIABILITIES				
Due to others	<u>\$ 8,121</u>	<u>\$ 34</u>	<u>\$ 8,121</u>	<u>\$ 34</u>
INMATE COMMISSARY				
ASSETS				
Cash, cash equivalents and investments	\$ 58,065	\$ 45,510	\$ 42,637	\$ 60,938
Accounts receivable, net	<u>885</u>	<u>934</u>	<u>885</u>	<u>934</u>
Total assets	<u>\$ 58,950</u>	<u>\$ 46,444</u>	<u>\$ 43,522</u>	<u>\$ 61,872</u>
LIABILITIES				
Due to others	<u>\$ 58,950</u>	<u>\$ 45,559</u>	<u>\$ 42,637</u>	<u>\$ 61,872</u>
DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ 893,356	\$ 589,402	\$ 624,259	\$ 858,499
Accounts receivable, net		30		30
Taxes receivable	8,659		1,238	7,421
Interest receivable		1,165		1,165
Due from other governments	21,071	21,940	21,071	21,940
Inventories	32,557			32,557
Prepaid items		<u>10,785</u>		<u>10,785</u>
Total assets	<u>\$ 955,643</u>	<u>\$ 623,322</u>	<u>\$ 646,568</u>	<u>\$ 932,397</u>
LIABILITIES				
Due to others	<u>\$ 955,643</u>	<u>\$ 505,500</u>	<u>\$ 528,746</u>	<u>\$ 932,397</u>
STATE OF NEVADA				
ASSETS				
Cash, cash equivalents and investments	\$ 789,658	\$ 7,371,619	\$ 7,263,027	\$ 898,250
Accounts receivable, net	62,074	25,477	63,864	23,687
Taxes receivable	86,687		11,610	75,077
Due from other governments		<u>24,993</u>		<u>24,993</u>
Total assets	<u>\$ 938,419</u>	<u>\$ 7,422,089</u>	<u>\$ 7,338,501</u>	<u>\$ 1,022,007</u>
LIABILITIES				
Due to others	<u>\$ 938,419</u>	<u>\$ 7,327,215</u>	<u>\$ 7,243,627</u>	<u>\$ 1,022,007</u>

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

	Balance July 1, 2013 (Restated)	Additions	Deductions	Balance June 30, 2014
DEPARTMENT OF WILDLIFE				
ASSETS				
Cash, cash equivalents and investments	\$ <u>7,864</u>	\$ <u>264</u>	\$ <u>2,611</u>	\$ <u>5,517</u>
LIABILITIES				
Due to others	\$ <u>7,864</u>	\$ <u>727</u>	\$ <u>3,074</u>	\$ <u>5,517</u>
RANGE IMPROVEMENTS				
ASSETS				
Cash, cash equivalents and investments	\$ <u> </u>	\$ <u>298</u>	\$ <u>298</u>	\$ <u> </u>
LIABILITIES				
Due to others	\$ <u> </u>	\$ <u>298</u>	\$ <u>298</u>	\$ <u> </u>
SIERRA FOREST FIRE PROTECTION DISTRICT				
ASSETS				
Cash, cash equivalents and investments	\$ <u>1,646</u>	\$ <u>2</u>	\$ <u>3</u>	\$ <u>1,645</u>
Interest receivable	\$ <u> </u>	\$ <u>2</u>	\$ <u>2</u>	\$ <u> </u>
LIABILITIES				
Due to others	\$ <u>1,646</u>	\$ <u> </u>	\$ <u>1</u>	\$ <u>1,645</u>
INMATES TRUST				
ASSETS				
Cash, cash equivalents and investments	\$ <u>6,256</u>	\$ <u>765,325</u>	\$ <u>763,778</u>	\$ <u>7,803</u>
LIABILITIES				
Due to others	\$ <u>6,256</u>	\$ <u>765,325</u>	\$ <u>763,778</u>	\$ <u>7,803</u>
TOTAL AGENCY FUNDS				
ASSETS				
Cash, cash equivalents and investments	\$ <u>2,516,490</u>	\$ <u>42,894,659</u>	\$ <u>42,720,952</u>	\$ <u>2,690,197</u>
Accounts receivable, net	115,474	63,063	117,264	61,273
Taxes receivable	727,990	22,941	103,228	647,703
Interest receivable		2,220	2	2,218
Due from other governments	21,071	47,268	21,071	47,268
Special assessments receivable	2,481			2,481
Inventories	32,557			32,557
Prepaid items		10,785		10,785
Total assets	\$ <u>3,416,063</u>	\$ <u>43,040,936</u>	\$ <u>42,962,517</u>	\$ <u>3,494,482</u>
LIABILITIES				
Due to others	\$ <u>3,416,063</u>	\$ <u>42,817,837</u>	\$ <u>42,739,418</u>	\$ <u>3,494,482</u>

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

**INDEPENDENT AUDITORS' 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**

Members of the County Commission
Douglas 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 Douglas County (the County) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents, and have issued our report thereon dated December 15, 2014.

Internal Control over Financial Reporting. In planning and performing our audit of the basic financial statements, we considered the County'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 basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies; and therefore, material weaknesses or significant deficiencies may exist that have not been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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 County's basic financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014 - 001 through 2014 - 007, to be material weaknesses.

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. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items 2014 - 008 through 2014 - 016 to be significant deficiencies.

Compliance and Other Matters. As part of obtaining reasonable assurance about whether the County's basic 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 basic financial statement amounts, including whether the funds established by the County, as listed in Nevada Revised Statutes (NRS) 354.624 (5)(a)(1 through 5), complied with the express purposes required by NRS 354.6241. 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 County's Responses to Findings. The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's responses were not subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

We noted certain matters that we reported to management of the County in a separate letter dated December 15, 2014.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink that reads "Perry Bowler Taylor & Kern". The signature is written in a cursive style with a small flourish at the end.

Las Vegas, Nevada
December 15, 2014

STATISTICAL SECTION

DOUGLAS COUNTY
STATISTICAL INFORMATION
FOR THE YEAR ENDED JUNE 30, 2014

Financial Trends

The following tables contain financial trend information to enable the reader to understand how financial performance has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balance, Governmental Funds
- Changes in Fund Balance, Governmental Funds

Revenue Capacity

The following tables contain revenue capacity information to enable the reader to assess the most significant local revenue source.

- Assessed and Estimated Actual Value of Taxable Property
- Property Tax Rates - Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Collections

Debt Capacity

The following tables contain debt capacity information to enable the reader to assess the affordability the current level of outstanding debt and the ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Ratios of General Bonded Debt Outstanding
- Direct and Overlapping Governmental Activities Debt
- Legal Debt Margin Information
- Pledged Revenue Bond Coverage

Demographic and Economic Information

The following tables contain demographic and economic information to enable the reader to understand the environment within which financial activities take place.

- Demographic and Economic Statistics
- Principal Employers

Operating Information

The following tables contain operating information to enable the reader to understand how the information contained in the comprehensive annual financial report relates to services provided and activities performed.

- Full-time Equivalent County Government Employees by Function/Program
- Operating indicators by Function/Program
- Capital Asset Statistics by Function/Program

DOUGLAS COUNTY

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities										
Net investment in capital assets	\$ 75,604,922	\$ 78,310,357	\$ 143,029,306	\$ 138,411,778	\$ 130,339,290	\$ 124,719,545	\$ 118,950,227	\$ 114,307,598	\$ 97,260,853	\$ 103,681,416
Restricted	29,750,210	32,415,562	34,914,006	34,763,858	35,871,856	34,737,365	28,137,701	31,497,861	41,549,199	38,473,264
Unrestricted	11,239,244	11,992,093	8,006,378	7,236,624	7,921,772	5,126,619	9,410,929	6,020,274	10,379,283	7,044,229
Total governmental activities	<u>116,594,376</u>	<u>122,718,012</u>	<u>185,949,690</u>	<u>180,412,260</u>	<u>174,132,918</u>	<u>164,583,529</u>	<u>156,498,857</u>	<u>151,825,733</u>	<u>149,189,335</u>	<u>149,198,909</u>
Business-type activities										
Net investment in capital assets	29,991,055	36,259,053	41,075,923	46,737,483	51,023,769	53,113,523	60,009,289	68,716,591	77,024,668	82,994,996
Restricted	21,151,784	19,534,247	20,225,206	16,731,785	6,621	83,689	9,175,026	5,815,718	6,720,290	716,905
Unrestricted	(79,581)	(70,304)	(60,802)		12,328,987	11,113,077	10,715,465	10,628,958	10,215,473	15,144,474
Total business-type activities	<u>51,063,258</u>	<u>55,722,996</u>	<u>61,240,327</u>	<u>63,469,268</u>	<u>63,359,377</u>	<u>64,310,289</u>	<u>79,899,780</u>	<u>85,161,267</u>	<u>93,960,431</u>	<u>98,856,375</u>
Primary government										
Net investment in capital assets	105,595,977	114,569,410	184,105,229	185,149,261	181,363,059	177,833,068	178,959,516	183,024,189	174,285,521	186,676,412
Restricted	50,901,994	51,949,809	55,139,212	51,495,643	35,878,477	34,821,054	37,312,727	37,313,579	48,269,489	39,190,169
Unrestricted	11,159,663	11,921,789	7,945,576	7,236,624	20,250,759	16,239,696	20,126,394	16,649,232	20,594,756	22,188,703
Total primary government	<u>\$ 167,657,634</u>	<u>\$ 178,441,008</u>	<u>\$ 247,190,017</u>	<u>\$ 243,881,528</u>	<u>\$ 237,492,295</u>	<u>\$ 228,893,818</u>	<u>\$ 236,398,637</u>	<u>\$ 236,987,000</u>	<u>\$ 243,149,766</u>	<u>\$ 248,055,284</u>

DOUGLAS COUNTY

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Expenses										
Governmental activities										
General government	\$ 11,634,746	\$ 13,252,515	\$ 15,630,639	\$ 13,750,103	\$ 14,933,431	\$ 20,332,452	\$ 13,462,632	\$ 14,143,289	\$ 12,759,577	\$ 13,920,640
Judicial	9,648,563	10,125,337	10,946,586	12,261,155	12,913,402	12,591,688	12,514,301	12,226,899	12,226,063	13,425,448
Public safety	20,826,700	23,919,240	26,707,218	27,478,421	28,665,303	34,885,866	28,972,348	29,076,749	28,378,343	29,498,459
Public works	4,786,836	5,992,313	8,052,443	14,864,805	15,006,057	6,087,636	15,049,600	14,917,989	16,452,157	13,034,974
Community development	1,513,852	1,413,430	1,623,120	1,725,197	1,543,640	1,656,154	1,649,980	1,596,554	1,557,705	3,605,357
Culture and recreation	12,622,208	12,220,580	12,760,436	12,027,767	10,658,583	9,736,713	11,255,130	12,078,470	11,742,073	11,803,428
Health and sanitation	515,082	441,989	480,220	578,163	744,968	687,494	759,172	851,264	906,878	953,423
Welfare	2,221,331	2,523,213	2,782,986	2,650,909	2,483,429	2,785,155	2,716,557	2,743,465	2,369,403	2,267,169
Interest on long-term debt	7,399,656	3,104,735	3,104,351	1,062,971	988,093	550,951	535,861	441,282	567,522	600,564
Total governmental activities	<u>71,168,974</u>	<u>72,993,352</u>	<u>82,087,999</u>	<u>86,399,491</u>	<u>87,936,906</u>	<u>89,314,109</u>	<u>86,915,581</u>	<u>88,075,961</u>	<u>86,959,721</u>	<u>89,109,462</u>
Business-type activities										
Water	3,346,117	3,292,958	3,921,224	4,297,600	4,914,857	5,410,559	5,620,789	5,856,011	6,616,855	6,959,476
Sewer	1,438,353	1,480,325	1,928,635	2,038,757	1,725,307	2,123,329	1,947,813	1,853,004	1,972,400	1,937,546
Trash service	1,216,101	1,357,534	1,461,558	1,557,103	1,522,602	1,438,802	1,242,470	1,255,222	1,375,266	1,462,808
Total business-type activities	<u>6,000,571</u>	<u>6,130,817</u>	<u>7,311,417</u>	<u>7,893,460</u>	<u>8,162,766</u>	<u>8,972,690</u>	<u>8,811,072</u>	<u>8,964,237</u>	<u>9,964,521</u>	<u>10,359,830</u>
Total primary government expenses	<u>\$ 77,169,545</u>	<u>\$ 79,124,169</u>	<u>\$ 89,399,416</u>	<u>\$ 94,292,951</u>	<u>\$ 96,099,672</u>	<u>\$ 98,286,799</u>	<u>\$ 95,726,653</u>	<u>\$ 97,040,198</u>	<u>\$ 96,924,242</u>	<u>\$ 99,469,292</u>
Program revenues										
Governmental activities										
Charges for services	\$ 13,937,497	\$ 14,806,225	\$ 15,119,952	\$ 14,704,543	\$ 14,467,242	\$ 12,838,861	\$ 11,211,501	\$ 12,164,170	\$ 11,675,481	\$ 12,035,744
Operating grants and contributions	5,132,017	5,724,192	5,768,343	5,606,286	6,011,301	6,819,142	5,885,782	5,846,475	6,386,270	6,819,224
Capital grants and contributions	2,836,473	3,162,949	3,332,282	2,695,821	1,467,357	1,070,919	2,139,500	4,861,835	4,277,630	2,135,366
Total governmental activities	<u>21,905,987</u>	<u>23,693,366</u>	<u>24,220,577</u>	<u>23,006,650</u>	<u>21,945,900</u>	<u>20,728,922</u>	<u>19,236,783</u>	<u>22,872,480</u>	<u>22,339,381</u>	<u>20,990,334</u>
Business-type activities										
Charges for services	7,786,867	8,698,802	10,555,805	6,264,516	6,298,078	7,324,692	7,971,480	9,018,394	9,712,890	10,506,035
Operating grants and contributions	59,076	150,511	48,927	63,470		175,906				
Capital grants and contributions	861,998	1,131,150	775,041	3,082,213	1,379,084	1,286,485	5,701,941	5,474,311	8,903,653	4,920,192
Total business-type activities	<u>8,707,941</u>	<u>9,980,463</u>	<u>11,379,773</u>	<u>9,410,199</u>	<u>7,677,162</u>	<u>8,787,083</u>	<u>13,673,421</u>	<u>14,492,705</u>	<u>18,616,543</u>	<u>15,426,227</u>
Total primary government program revenues	<u>\$ 30,613,928</u>	<u>\$ 33,673,829</u>	<u>\$ 35,600,350</u>	<u>\$ 32,416,849</u>	<u>\$ 29,623,062</u>	<u>\$ 29,516,005</u>	<u>\$ 32,910,204</u>	<u>\$ 37,365,185</u>	<u>\$ 40,955,924</u>	<u>\$ 36,416,561</u>
Net (expenses) program revenues										
Governmental activities	\$ (49,262,987)	\$ (49,299,986)	\$ (57,867,422)	\$ (63,392,841)	\$ (65,991,006)	\$ (68,585,187)	\$ (67,678,798)	\$ (65,203,481)	\$ (64,620,340)	\$ (68,119,128)
Business-type activities	2,707,370	3,849,646	4,068,356	1,516,739	(485,604)	(185,607)	4,862,349	5,528,468	8,652,022	5,066,397
Primary government	<u>\$ (46,555,617)</u>	<u>\$ (45,450,340)</u>	<u>\$ (53,799,066)</u>	<u>\$ (61,876,102)</u>	<u>\$ (66,476,610)</u>	<u>\$ (68,770,794)</u>	<u>\$ (62,816,449)</u>	<u>\$ (59,675,013)</u>	<u>\$ (55,968,318)</u>	<u>\$ (63,052,731)</u>

(Continued)

DOUGLAS COUNTY

CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General revenues and other changes in net position										
Governmental activities										
Property taxes	\$ 18,785,493	\$ 20,064,029	\$ 25,168,814	\$ 27,612,573	\$ 31,231,745	\$ 32,173,807	\$ 35,072,843	\$ 34,769,957	\$ 35,708,589	\$ 35,969,749
Intergovernmental consolidated taxes	11,953,936	12,508,270	15,200,055	15,332,393	15,012,808	14,091,197	12,587,763	13,101,548	13,807,613	12,824,547
Intergovernmental franchise and public service taxes	16,133,238	15,060,478	12,462,305	12,367,268	11,547,741	11,272,514	11,303,740	11,402,128	12,196,317	13,922,258
Investment income	1,087,507	2,207,922	3,131,629	2,219,410	1,275,728	933,558	469,488	381,394	(79,959)	296,778
Gain on disposal of capital assets							44,400	25,231	31,100	262,461
Miscellaneous	10,022,430	5,249,297	2,418,566	241,998	581,317	201,690	517,316	283,224	362,782	269,635
Transfers	<u>122,523</u>	<u>333,626</u>	<u>(415,000)</u>	<u>81,769</u>	<u>62,325</u>	<u>363,032</u>	<u>(401,424)</u>	<u>566,875</u>	<u>(42,500)</u>	<u>(91,336)</u>
Total governmental activities	<u>58,105,127</u>	<u>55,423,622</u>	<u>57,966,369</u>	<u>57,855,411</u>	<u>59,711,664</u>	<u>59,035,798</u>	<u>59,594,126</u>	<u>60,530,357</u>	<u>61,983,942</u>	<u>63,454,092</u>
Business-type activities										
Investment income	382,297	762,320	1,023,562	665,859	346,413	935,834	189,116	128,513	(15,250)	64,467
Gain on disposal of capital assets								2,720	475	(9,227)
Gain on disposal of water rights							10,066,948	35,475	6,450	
Miscellaneous	837	381,398	10,413	128,112	91,625	563,717	69,654	133,186	112,967	107,249
Transfers	<u>(122,523)</u>	<u>(333,626)</u>	<u>415,000</u>	<u>(81,769)</u>	<u>(62,325)</u>	<u>(363,032)</u>	<u>401,424</u>	<u>(566,875)</u>	<u>42,500</u>	<u>91,336</u>
Total business-type activities	<u>260,611</u>	<u>810,092</u>	<u>1,448,975</u>	<u>712,202</u>	<u>375,713</u>	<u>1,136,519</u>	<u>10,727,142</u>	<u>(266,981)</u>	<u>147,142</u>	<u>253,825</u>
Total primary government general revenues and other changes in net position	<u>\$ 58,365,738</u>	<u>\$ 56,233,714</u>	<u>\$ 59,415,344</u>	<u>\$ 58,567,613</u>	<u>\$ 60,087,377</u>	<u>\$ 60,172,317</u>	<u>\$ 70,321,268</u>	<u>\$ 60,263,376</u>	<u>\$ 62,131,084</u>	<u>\$ 63,707,917</u>
Change in net position										
Governmental activities	\$ 8,842,140	\$ 6,123,636	\$ 98,947	\$ (5,537,430)	\$ (6,279,342)	\$ (9,549,389)	\$ (8,084,672)	\$ (4,673,124)	\$ (2,636,398)	\$ (4,665,036)
Business-type activities	<u>2,967,981</u>	<u>4,659,738</u>	<u>5,517,331</u>	<u>2,228,941</u>	<u>(109,891)</u>	<u>950,912</u>	<u>15,589,491</u>	<u>5,261,487</u>	<u>8,799,164</u>	<u>5,320,222</u>
Primary government	<u>\$ 11,810,121</u>	<u>\$ 10,783,374</u>	<u>\$ 5,616,278</u>	<u>\$ (3,308,489)</u>	<u>\$ (6,389,233)</u>	<u>\$ (8,598,477)</u>	<u>\$ 7,504,819</u>	<u>\$ 588,363</u>	<u>\$ 6,162,766</u>	<u>\$ 655,186</u>

DOUGLAS COUNTY

FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General fund										
Reserved	\$ 2,174,674	\$ 2,991,604	\$ 3,029,683	\$ 2,905,766	\$ 2,850,000	\$ 550,000				
Unreserved	6,744,436	6,604,293	6,185,819	7,236,624	5,071,772	6,813,720				
Nonspendable							200,695	218,660	343,265	274,825
Restricted										1,218,189
Committed							1,400,000	600,000	1,294,633	700,000
Assigned							356,353	359,129	358,767	372,803
Unassigned							5,048,153	6,222,138	6,472,622	8,032,077
Total general fund	<u>\$ 8,919,110</u>	<u>\$ 9,595,897</u>	<u>\$ 9,215,502</u>	<u>\$ 10,142,390</u>	<u>\$ 7,921,772</u>	<u>\$ 7,363,720</u>	<u>\$ 7,005,201</u>	<u>\$ 7,399,927</u>	<u>\$ 8,469,287</u>	<u>\$ 10,597,894</u>
Other governmental funds										
Reserved	\$ 4,815,672	\$ 4,437,343	\$ 6,505,085	\$ 3,947,151	\$ 3,254,800	\$ 1,750,000				
Unreserved	31,895,462	35,166,180	32,961,695	31,951,398	27,594,979	29,503,642				
Nonspendable							1,785,489	1,925,518	142,515	471,571
Restricted							27,467,556	29,947,380	39,036,750	32,644,628
Committed							998,280			596,344
Assigned							3,178,409	3,564,728	7,499,570	4,332,627
Unassigned							(2,702,143)	(2,717,138)	(974,750)	(618)
Total other governmental funds	<u>\$ 36,711,134</u>	<u>\$ 39,603,523</u>	<u>\$ 39,466,780</u>	<u>\$ 35,898,549</u>	<u>\$ 30,849,779</u>	<u>\$ 31,253,642</u>	<u>\$ 30,727,591</u>	<u>\$ 32,720,488</u>	<u>\$ 45,704,085</u>	<u>\$ 38,044,552</u>

DOUGLAS COUNTY

CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
REVENUES										
Taxes	\$ 26,580,044	\$ 28,227,395	\$ 32,634,563	\$ 34,481,033	\$ 37,076,514	\$ 38,062,804	\$ 37,447,577	\$ 38,789,371	\$ 40,245,485	\$ 40,828,495
Licenses, permits and other fees	3,733,055	3,943,069	3,651,443	3,928,904	3,989,598	4,195,489	5,635,224	5,840,692	6,398,025	6,772,576
Charges for services	8,968,349	9,470,521	10,535,626	10,591,598	9,863,571	7,627,342	7,562,033	12,689,359	12,855,547	8,767,368
Intergovernmental shared revenues	27,086,797	27,861,177	28,680,030	26,883,113	26,037,653	25,267,945	24,543,016	25,866,294	25,985,608	25,096,589
Fines and forfeitures	795,618	1,381,555	1,163,752	1,135,975	1,375,971	1,380,188	1,154,998	1,263,195	1,280,851	954,553
Investment income	4,172,904	4,419,256	5,909,243	2,017,482	1,275,728	935,836	507,834	422,376	3,103,066	279,022
Miscellaneous	2,754,836	2,511,423	2,540,855	3,174,247	2,540,855	3,174,247	2,732,545	2,732,545	3,103,066	2,547,358
Total revenues	71,336,767	75,302,973	82,574,657	81,792,941	82,130,458	80,010,459	80,024,929	87,603,832	89,868,582	85,245,961
EXPENDITURES										
Current										
General government	10,536,593	11,859,178	13,291,165	15,728,435	12,287,666	16,496,432	11,133,656	10,927,419	11,632,355	11,388,627
Judicial	9,505,815	10,125,337	10,946,583	12,183,104	12,746,268	12,775,254	12,375,369	12,203,225	12,395,999	13,130,475
Public safety	21,216,205	22,461,430	25,612,612	29,209,561	27,417,784	27,170,907	28,542,200	32,491,517	32,969,504	28,846,546
Public works	6,258,712	5,992,313	8,052,444	7,223,201	5,756,364	5,136,797	6,930,431	6,901,817	7,545,142	4,777,687
Community development	1,322,715	1,413,430	1,623,121	1,697,970	1,562,077	1,656,154	1,521,888	1,456,138	1,568,298	3,543,405
Culture and recreation	13,009,952	12,220,580	12,760,434	12,213,033	9,467,045	9,100,537	10,010,385	10,883,499	12,951,128	10,808,355
Health and sanitation	388,376	441,989	480,221	498,213	670,930	687,493	676,597	789,334	830,716	878,651
Welfare	2,221,331	2,523,213	2,782,984	2,654,917	2,534,479	2,766,844	3,049,754	3,189,580	2,843,146	2,375,557
Total current	64,459,699	67,037,470	75,549,564	81,408,434	72,442,613	75,790,418	74,240,280	78,842,529	82,736,288	75,749,303
Capital outlay	2,434,473	2,831,933	3,832,452	7,365,089	3,113,518	5,092,843	4,091,928	5,125,081	16,805,506	16,805,506
Debt service										
Principal payments	2,126,510	1,949,313	2,000,445	2,173,400	2,005,661	2,074,867	2,124,187	2,028,222	4,022,234	2,080,942
Interest expense	1,025,941	1,139,361	1,091,074	1,053,160	975,383	847,271	646,184	546,522	540,593	640,402
Debt issuance costs	190,175	22,939	12,833	9,811	12,710	8,899	30,682	9,132	5,788	2,800
Fiscal charges	58,425	12,336	9,811	12,710	8,899	30,682	9,132	5,788	2,800	2,800
Total debt service	3,401,051	3,123,949	3,104,352	3,236,371	2,993,754	2,931,037	2,801,053	2,583,876	4,916,478	2,724,144
Total expenditures	70,295,223	72,993,352	82,486,368	84,644,805	82,801,456	81,834,973	82,134,176	85,518,333	92,777,847	95,278,953
DEFICIENCY OF REVENUES UNDER EXPENDITURES	1,041,544	2,309,621	88,289	(2,851,864)	(670,998)	(1,824,514)	(2,109,247)	2,085,499	(2,909,265)	(10,032,992)
OTHER FINANCING SOURCES (USES)										
Proceeds from capital asset disposal	149,383	55,629	59,563	78,227	1,238,029	17,051	50,521	44,388	22,916	262,461
Debt issuance proceeds	10,493,129	900,000	900,000	900,000	900,000	1,115,000	1,115,000	1,115,000	16,559,000	16,559,000
Payment to advance refunding bond agent	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)	(4,110,788)
Proceeds from tax sales	45,761	112,192	62,175	62,175	62,175	62,175	62,175	62,175	62,175	62,175
Transfers in	5,449,620	7,275,687	7,929,276	6,625,351	9,162,882	16,001,907	16,156,183	9,838,917	10,443,313	12,700,382
Transfers out	(5,205,286)	(6,933,893)	(8,594,266)	(6,538,818)	(10,461,493)	(15,463,633)	(14,982,027)	(9,581,181)	(10,125,182)	(12,795,384)
Total other financing sources (uses)	6,776,058	1,297,423	(605,427)	210,521	51,610	1,670,325	1,224,677	302,124	16,962,222	167,459
CHANGE IN FUND BALANCE	\$ 7,817,602	\$ 3,607,044	\$ (517,138)	\$ (2,641,343)	\$ (619,388)	\$ (154,189)	\$ (884,570)	\$ 2,387,623	\$ 14,052,957	\$ (9,865,533)

DOUGLAS COUNTY

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE REAL PROPERTY¹ LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Vacant Land	Residential Property	Commercial Property	Industrial Property	Agriculture Property	Other	Total Taxable Assessed Value	Direct Tax Rate	Estimated Actual Value	Ratio of Total Taxable Assessed to Total Estimated Actual Value ²
2005	\$ 119,374,426	\$ 1,471,566,838	\$ 182,297,081	\$ 145,773,819	\$ 20,469,689	\$ 101,761,275	\$ 2,041,243,128	0.6030	\$ 5,832,123,223	35.00 %
2006	150,681,433	1,851,301,355	178,708,403	157,617,142	23,945,181	108,342,039	2,470,595,553	1.0276	7,058,844,437	35.00 %
2007	208,128,409	2,435,319,267	161,326,704	196,751,164	27,843,532	106,340,220	3,135,709,296	1.0276	8,959,169,417	35.00 %
2008	260,673,674	2,685,456,473	164,848,791	218,374,619	31,846,468	109,338,205	3,470,538,230	1.0867	9,915,823,514	35.00 %
2009	281,699,610	2,745,947,562	169,925,034	237,304,292	34,895,344	123,824,535	3,593,596,377	1.0730	10,267,418,220	35.00 %
2010	242,265,608	2,659,317,453	170,147,126	235,332,287	34,851,324	122,034,526	3,463,948,324	1.0827	9,896,995,211	35.00 %
2011	185,955,529	2,378,591,324	136,171,618	204,823,542	35,448,331	121,504,502	3,062,494,846	1.1335	8,749,985,274	35.00 %
2012	157,536,347	2,202,222,206	131,726,676	192,432,930	34,078,346	119,671,379	2,837,667,884	1.1680	8,107,622,526	35.00 %
2013	140,511,652	2,073,189,096	125,413,683	190,292,488	33,250,086	119,244,496	2,681,901,501	1.1680	7,662,575,717	35.00 %
2014	128,323,217	1,998,798,888	123,443,892	183,979,101	33,064,929	123,828,366	2,591,438,393	1.1680	7,404,109,694	35.00 %

1. Source - Douglas County Assessor's Office
2. Pursuant to State statute, all property is assessed at 35% of its estimated value.

DOUGLAS COUNTY

PROPERTY TAX RATES¹ - DIRECT AND OVERLAPPING GOVERNMENTS (PER \$100 OF ASSESSED VALUE²) LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Douglas County, Direct Rates			Overlapping Rates				
	General Fund	Other Funds	Total Direct Tax Rate	State of Nevada	Douglas County School District	Town of Minden	Town of Gardnerville	Town of Genoa
2005	0.3666	0.2364	0.6030	0.1700	0.9280	0.6141	0.6141	0.2165
2006	0.7586	0.2690	1.0276	0.1700	0.8500	0.6141	0.6141	0.2165
2007	0.7569	0.2707	1.0276	0.1700	0.8500	0.6608	0.6141	0.2165
2008	0.7776	0.3091	1.0867	0.1700	0.8500	0.6951	0.6248	0.3530
2009	0.7619	0.3111	1.0730	0.1700	0.8500	0.7002	0.5935	0.3704
2010	0.7666	0.3161	1.0827	0.1700	0.8500	0.7114	0.5847	0.4053
2011	0.8332	0.3003	1.1335	0.1700	0.8500	0.7126	0.6699	0.3929
2012	0.8690	0.2990	1.1680	0.1700	0.8500	0.6677	0.6677	0.3929
2013	0.8687	0.2993	1.1680	0.1700	0.8500	0.6677	0.6677	0.5133
2014	0.8687	0.2993	1.1680	0.1700	0.8500	0.6677	0.6677	0.5133

For the Year Ended June 30,	Overlapping Rates						Total Direct and Overlapping Rates
	East Fork Fire Protection District	East Fork Fire Paramedic District	Improvement Districts within Douglas County	Other Districts within Douglas County	Total Overlapping Rates		
2005	0.1833	0.1580	4.6730	0.9096	8.4666	9.0696	
2006	0.1833	0.1580	4.6730	0.9056	8.3846	9.4122	
2007	0.3038	0.1580	4.8142	1.3928	9.1802	10.2078	
2008	0.3038	0.1580	4.8745	1.3938	9.4230	10.5097	
2009	0.3113	0.1580	4.9411	0.9837	9.0782	10.1512	
2010	0.3316	0.1580	5.0409	1.0328	9.2847	10.3674	
2011	0.3329	0.1592	5.2997	1.0340	9.6212	10.7547	
2012	0.3282	0.1592	4.9725	1.0340	9.2422	10.4102	
2013	0.3282	0.1592	5.0966	0.9995	9.4522	10.6202	
2014	0.3282	0.1592	5.1072	0.9495	9.4128	10.5808	

1. Source - Douglas County Assessor's Office

DOUGLAS COUNTY
PRINCIPAL PROPERTY TAXPAYERS^{1, 2}
CURRENT AND NINE YEARS AGO
(UNAUDITED)

Taxpayer	2014			2005		
	Taxable Assessed Value ³	Rank	Percentage of Taxable Assess Value ⁴	Taxable Assessed Value ³	Rank	Percentage of Taxable Assess Value ⁴
Caesar's Entertainment	\$ 75,523,064	1	2.91 %	\$		%
Park Cattle Company	33,327,046	2	1.29 %	60,889,766	1	2.98 %
Harich Tahoe Development	17,442,479	3	0.67 %	20,432,292	4	1.00 %
Starbucks	15,616,404	4	0.60 %	8,145,164	8	0.40 %
Bently Nevada LLC (GE)	13,040,663	5	0.50 %			%
AIG	10,891,168	6	0.42 %	7,514,203	9	0.37 %
Sierra Sunset	10,419,435	7	0.40 %			%
Lee Trust	8,751,137	8	0.34 %			%
Khashoggi, Essam	8,574,582	9	0.33 %			%
Horowitz, Joel & Ann	8,524,449	10	0.33 %			%
Harrah's and Harvey's ⁵				90,589,715	2/3	4.44 %
Sierra Pacific Power				18,202,056	5	0.89 %
Bently Family Ltd Partnership				12,056,782	6	0.59 %
Frontier Communications				10,962,347	7	0.54 %
Mulreany Associates				7,196,614	10	0.35 %
	<u>\$ 202,110,427</u>		<u>7.79 %</u>	<u>\$ 235,988,939</u>		<u>11.56 %</u>

1. Located in Douglas County, Nevada
2. Source - Douglas County Assessor's Office
3. Taxable assessed value is 35% of appraised value.
4. See the "Assessed and Estimated Actual Value of Taxable Property" table for assessed property value data.
5. In fiscal year 2006, Harrah's and Harvey's merged into a single tax paying entity.

DOUGLAS COUNTY
PROPERTY TAX LEVIES AND COLLECTIONS¹
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>For the Year Ended June 30,</u>	<u>Tax Levy</u>	<u>Current Tax Levy Collections</u>	<u>Percent of Tax Levy Collected</u>	<u>Delinquent Tax Levy Collections</u>	<u>Total Tax Levy Collected</u>	<u>Percent of Total Tax Levy Collected to Tax Levy</u>
2005	\$ 48,465,652	\$ 48,241,364	99.5372 %	\$ 219,048	\$ 48,460,412	99.9892 %
2006	51,954,311	51,749,526	99.6058 %	109,896	51,859,422	99.8174 %
2007	58,312,147	57,948,527	99.3764 %	257,957	58,206,484	99.8188 %
2008	63,239,905	62,474,935	98.7904 %	298,855	62,773,790	99.2629 %
2009	67,271,364	65,978,528	98.0782 %	547,950	66,526,478	98.8927 %
2010	67,801,594	66,423,941	97.9681 %	956,345	67,380,286	99.3786 %
2011	67,842,609	66,492,160	98.0094 %	1,167,647	67,659,807	99.7305 %
2012	67,849,984	66,994,035	98.7385 %	1,043,384	68,037,419	100.2762 %
2013	68,107,802	67,414,716	98.9824 %	382,004	67,796,720	99.5433 %
2014	70,290,700	67,038,862	95.3737 %	630,415	67,669,277	96.2706 %

1. Source - Douglas County Finance Division

DOUGLAS COUNTY

RATIOS OF OUTSTANDING DEBT¹ BY TYPE LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Douglas County Personal Income ²	Douglas County Per Capita ²
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	General		Obligation/Pledged Revenue Bonds	Total Primary Government			
				Obligation/Pledged Revenue Bonds	Other					
2005	\$ 10,750,000	\$ 471,000	\$ 2,960,300	\$ 6,638,000	\$ 73,394	\$ 18,575,000	\$ 39,467,694	1.66 %	\$ 788	
2006	9,850,000	367,277	2,530,000	6,343,000	30,139	19,215,835	38,336,251	1.54 %	741	
2007	8,915,000	271,954	2,295,000	5,938,000		18,605,771	36,025,725	1.38 %	688	
2008	7,945,000	165,834	2,055,000	5,504,000		17,803,542	33,473,376	1.27 %	642	
2009	6,935,000	118,399	1,805,000	4,986,000		16,933,304	30,777,703	1.31 %	599	
2010	5,890,000	71,079	1,550,000	4,446,000		16,699,218	28,656,297	1.21 %	610	
2011	4,805,000		1,380,000	3,914,000		20,354,011	30,453,011	1.24 %	639	
2012	3,670,000		1,205,000	3,389,000		19,429,026	27,693,026	1.09 %	577	
2013	11,417,797		1,020,000	9,677,000		18,794,989	40,909,786	1.45 %	868	
2014	9,995,855		830,000	9,208,000		17,944,574	37,978,429	% ³	³	

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.
2. See the "Demographic and Economic Statistics" table for the County's population and personal income data.
3. Information was not available at the time of printing.

DOUGLAS COUNTY

RATIOS OF GENERAL BONDED DEBT¹ OUTSTANDING LAST TEN FISCAL YEARS (UNAUDITED)

For the Year Ended June 30,	General Obligation Bonds	General Obligation/Pledged Revenue Bonds	Total General Bonded Debt	Percentage of Estimated Actual Property Value ²	Douglas County Per Capita ³	Amounts Available to Repay General Bonded Debt	Net General Bonded Debt
2005	\$ 10,750,000	\$ 25,213,000	\$ 35,963,000	0.62 %	\$ 718	\$ 787,036	\$ 35,175,964
2006	9,850,000	25,558,835	35,408,835	0.50 %	684	893,008	34,515,827
2007	8,915,000	24,543,771	33,458,771	0.37 %	639	910,108	32,548,663
2008	7,945,000	23,307,542	31,252,542	0.32 %	600	1,001,530	30,251,012
2009	6,935,000	21,919,304	28,854,304	0.28 %	561	1,201,597	27,652,707
2010	5,890,000	21,145,218	27,035,218	0.27 %	575	1,071,067	25,964,151
2011	4,805,000	24,268,011	29,073,011	0.33 %	610	1,234,672	27,838,339
2012	3,670,000	22,818,026	26,488,026	0.33 %	552	1,249,572	25,238,454
2013	11,417,797	28,471,989	39,889,786	0.52 %	847	1,124,544	38,765,242
2014	9,995,855	27,152,574	37,148,429	0.50 %		1,166,791	35,981,638

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.
2. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
3. See the "Demographic and Economic Statistics" table for the County's population data.

DOUGLAS COUNTY

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT^{1, 2}

JUNE 30, 2014

IN THOUSANDS

(UNAUDITED)

	General Obligation Debt	Percent Applicable	Applicable General Obligation Debt
Douglas County	\$ 20,033,855	100.00 %	\$ <u>20,033,855</u>
Overlapping governments			
Gardnerville	117,855	5.85 %	6,895
Indian Hills GID	3,095,740	3.76 %	116,400
Kingsbury GID	8,785,972	8.44 %	741,536
Round Hill GID	1,214,050	4.07 %	49,412
Sierra Estates GID	201,550	0.15 %	302
Topaz Ranch Estates GID	103,084	0.73 %	753
Douglas County School District	37,110,000	100.00 %	37,110,000
East Fork Fire Protection District	<u>808,000</u>	57.77 %	<u>466,782</u>
Total overlapping governments	<u>51,436,251</u>		<u>38,492,080</u>
Total direct and overlapping debt	<u><u>71,470,106</u></u>		<u><u>\$ 58,525,935</u></u>

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.
2. Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses 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. Debt amounts for overlapping entities in the various governments were provided by State of Nevada, Department of Taxation, "Annual Local Government Indebtedness Report " as of June 30, 2014.

DOUGLAS COUNTY

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Total taxable assessed property value	1 <u>\$ 2,041,243,128</u>	<u>\$ 2,470,595,553</u>	<u>\$ 3,135,709,296</u>	<u>\$ 3,470,538,230</u>	<u>\$ 3,593,596,377</u>	<u>\$ 3,463,948,324</u>	<u>\$ 3,062,494,846</u>	<u>\$ 2,837,667,884</u>	<u>\$ 2,681,901,501</u>	<u>\$ 2,591,438,393</u>
Legal debt Margin										
Legal debt limit (10% of taxable assessed property value)	\$ 204,124,313	\$ 247,059,555	\$ 313,570,930	\$ 347,053,823	\$ 359,359,638	\$ 346,394,832	\$ 306,249,485	\$ 283,766,788	\$ 268,190,150	\$ 259,143,839
Debt applicable to debt limit										
Net general bonded debt	2 <u>35,175,964</u>	<u>34,515,827</u>	<u>32,548,663</u>	<u>30,251,012</u>	<u>27,652,707</u>	<u>25,964,151</u>	<u>27,838,339</u>	<u>25,238,454</u>	<u>38,765,242</u>	<u>35,981,638</u>
Legal debt margin	<u>\$ 168,948,349</u>	<u>\$ 212,543,728</u>	<u>\$ 281,022,267</u>	<u>\$ 316,802,811</u>	<u>\$ 331,706,931</u>	<u>\$ 320,430,681</u>	<u>\$ 278,411,146</u>	<u>\$ 258,528,334</u>	<u>\$ 229,424,908</u>	<u>\$ 223,162,201</u>
Total debt applicable to debt limit as a percentage of debt limit	<u>17.23 %</u>	<u>13.97 %</u>	<u>10.38 %</u>	<u>8.72 %</u>	<u>7.69 %</u>	<u>7.50 %</u>	<u>9.09 %</u>	<u>8.89 %</u>	<u>14.45 %</u>	<u>13.88 %</u>

1. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
2. See the "Ratios of General Bonded Debt Outstanding" table for the calculation of net general bonded debt.

DOUGLAS COUNTY
PLEDGED REVENUE BOND¹ COVERAGE
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Gross Pledged		Debt Service		Coverage
	Revenue	²	Principal	Interest	
2005	\$ 1,985,801	\$	230,000	\$ 89,168	6.22 %
2006	1,921,592		230,000	84,568	6.11 %
2007	1,838,189		235,000	79,624	5.84 %
2008	1,818,365		240,000	73,980	5.79 %
2009	1,936,614		250,000	67,543	6.10 %
2010	1,792,104		255,000	60,280	5.68 %
2011	1,701,268		170,000	53,480	7.61 %
2012	1,608,845		175,000	47,443	7.23 %
2013	1,632,609		185,000	41,143	7.22 %
2014	1,696,380		190,000	34,533	7.56 %

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.

2. Pledged revenues include a tax currently levied at the rate of four cents per gallon by the County and the County's interest in taxes equal in the aggregate to 5.35 cents per gallon, levied by the State of Nevada on certain motor vehicles.

DOUGLAS COUNTY
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(UNAUDITED)

For the Year Ended June 30,	Population		Per Capita		Labor Force	Unemployment
	¹	Personal Income ²	Personal Income	³		
2005	50,108	\$ 2,371,267,000	\$ 47,323	\$ 22,086	\$	5.8 %
2006	51,770	2,492,665,000	48,149	22,122		5.4 %
2007	52,386	2,618,551,000	49,986	22,190		5.0 %
2008	52,131	2,640,296,000	50,647	22,406		7.8 %
2009	51,390	2,345,455,000	45,640	22,666		12.0 %
2010	46,997	2,366,788,000	50,360	22,672		14.6 %
2011	47,661	2,450,553,000	51,416	22,533		14.0 %
2012	48,015	2,547,137,000	53,049	21,634		12.0 %
2013	47,118	2,818,888,000	59,826	21,247		10.6 %
2014				21,200		8.5 %

1. Nevada Department of Taxation Publications, Population Statistics and Reports
2. U.S. Department of Commerce, Bureau of Economic Analysis, fiscal year 2013 and prior
3. State of Nevada - Nevada Department of Employment, Training and Rehabilitation- <http://www.nevadaworkforce.com>
4. Information was not available at the time of printing.

DOUGLAS COUNTY
PRINCIPAL EMPLOYERS¹
CURRENT AND NINE YEARS AGO
(UNAUDITED)

Clark County Employer	2014			2005		
	Employees	Rank	Percentage of Total Clark County Employment	Employees	Rank	Percentage of Total Clark County Employment
Harrah's	1,000 - 1,499	1	5.90 %	1,800 - 1,899	1	8.38 %
Douglas County School District	1,000 - 1,499	2	5.90 %	900 - 999	4	4.30 %
Montblue Resort/Caesar's Tahoe	700 - 799	3	3.54 %	1,400 - 1,499	3	6.57 %
Bentley, NV	600 - 699	4	3.07 %	600 - 699	6	2.94 %
Douglas County	600 - 699	5	3.07 %	500 - 599	8	2.49 %
Harvey's	600 - 699	6	3.07 %	1,500 - 1,599	2	7.02 %
Walmart	300 - 399	7	1.65 %			%
Carson Valley Inn	300 - 399	8	1.65 %	500 - 599	7	2.49 %
Lakeside Inn & Casino	300 - 399	9	1.65 %	300 - 399	9	1.58 %
Heavenly Valley LTD	200 - 299	10	1.18 %	200 - 299	10	1.13 %
Horizon Casino Resort				700 - 799	5	3.40 %

1. Source - State of Nevada, Department of Employment, Training & Rehabilitation, Employment Security Department.

DOUGLAS COUNTY

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Governmental activities										
General government	71	71	73	74	69	66	65	66	69	68
Judicial	111	112	116	115	116	113	109	104	109	113
Public safety	139	143	147	146	149	139	143	145	141	138
Public works	54	58	61	61	55	45	42	39	38	39
Community development	2	2	2	2	2	2	2	2	2	2
Culture and recreation	97	97	98	100	94	80	75	68	68	70
Health and sanitation	3	3	4	4	4	5	4	4	5	5
Welfare	5	6	9	7	7	7	7	7	8	8
Total governmental activities	<u>482</u>	<u>492</u>	<u>510</u>	<u>509</u>	<u>496</u>	<u>457</u>	<u>447</u>	<u>435</u>	<u>440</u>	<u>443</u>
Business-type activities										
Water	11	8	9	8	10	12	13	13	13	13
Sewer	3	3	4	5	6	4	4	4	5	5
Total business-type activities	<u>14</u>	<u>11</u>	<u>13</u>	<u>13</u>	<u>16</u>	<u>16</u>	<u>17</u>	<u>17</u>	<u>18</u>	<u>18</u>
Total full-time equivalent employees	<u><u>496</u></u>	<u><u>503</u></u>	<u><u>523</u></u>	<u><u>522</u></u>	<u><u>512</u></u>	<u><u>473</u></u>	<u><u>464</u></u>	<u><u>452</u></u>	<u><u>458</u></u>	<u><u>461</u></u>

1. Source - Douglas County Finance Department

DOUGLAS COUNTY

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Assessor	2									
Real Estate Trends - Tahoe Township										
Number of Sales	155	102	85	77	86	92	94	121	142	3
Median Sales Price	\$ 825,000	\$ 870,000	\$ 1,000,000	\$ 600,000	\$ 500,000	\$ 555,000	\$ 553,000	\$ 474,900	\$ 632,500	\$ 3
Average Sales Price	\$ 1,287,113	\$ 1,233,199	\$ 1,763,815	\$ 1,033,974	\$ 838,105	\$ 913,510	\$ 1,120,720	\$ 744,327	\$ 1,058,530	\$ 3
Average Residential Square Foot	2,547	2,550	2,987	2,388	2,399	2,789	2,724	2,532	2,627	3
Real Estate Trends - East Fork Township										
Number of Sales	1,153	776	606	492	578	595	697	806	805	3
Median Sales Price	\$ 382,500	\$ 398,000	\$ 369,900	\$ 290,000	\$ 240,000	\$ 216,770	\$ 189,900	\$ 195,000	\$ 254,125	\$ 3
Average Sales Price	\$ 430,585	\$ 467,252	\$ 437,519	\$ 355,507	\$ 302,185	\$ 261,821	\$ 233,695	\$ 239,647	\$ 291,407	\$ 3
Average Residential Square Foot	1,933	1,966	1,988	1,946	2,006	1,940	1,928	1,970	1,901	3
Real Estate Trends - Combined Douglas County										
Number of Sales	1,306	878	690	569	664	687	791	927	947	3
Median Sales Price	\$ 402,000	\$ 416,173	\$ 398,000	\$ 325,000	\$ 260,000	\$ 240,000	\$ 200,000	\$ 217,000	\$ 272,900	\$ 3
Average Sales Price	\$ 530,590	\$ 556,234	\$ 600,904	\$ 447,321	\$ 371,576	\$ 349,092	\$ 339,106	\$ 305,522	\$ 401,480	\$ 3
Average Residential Square Foot	2,007	2,035	2,112	2,006	2,056	2,054	2,022	2,044	2,034	3
Sales of Houses in Same Year as Built										
Number of Sales	158	195	61	20	17	5	3	28	60	3
Median Sales Price	\$ 457,258	\$ 453,006	\$ 460,083	\$ 767,000	\$ 389,500	\$ 425,000	\$ 512,757	\$ 306,950	\$ 299,500	\$ 3
Average Sales Price	\$ 519,560	\$ 515,969	\$ 493,567	\$ 1,001,356	\$ 371,576	\$ 462,725	\$ 527,586	\$ 396,664	\$ 389,546	\$ 3
Average Residential Square Foot	2,432	2,363	2,194	3,088	2,337	2,943	2,926	2,558	2,329	3
Number of Deeds Filed Listed as										
Trustee's	6	14	66	233	250	276	224	92	31	3
Single Family Dwelling Permits Issued	515	528	169	163	38	39	36	38	72	3
Machinery, Equipment, and Fixtures										
Unsecured	\$ 57,972,650	\$ 60,924,849	\$ 58,896,436	\$ 48,156,194	\$ 60,567,351	\$ 56,488,516	\$ 53,531,340	\$ 50,635,867	\$ 48,688,411	\$ 3
Secured	\$ 14,320,487	\$ 14,834,375	\$ 15,501,975	\$ 14,615,794	\$ 14,088,063	\$ 12,895,854	\$ 11,535,319	\$ 9,252,531	\$ 8,922,291	\$ 3
Recorder										
Marriages	3,727	3,077	2,523	2,126	1,839	1,385	1,270	1,171	1,125	906
Recorded Documents	30,730	30,230	25,630	21,865	20,277	19,954	19,496	19,156	21,444	19,047
Recording Fees	\$ 589,208	\$ 569,576	\$ 479,523	\$ 403,397	\$ 367,166	\$ 451,602	\$ 565,376	\$ 424,804	\$ 467,433	\$ 383,306
Transfers	8,255	8,673	7,244	6,765	5,734	6,100	5,512	6,497	6,268	6,524
Exempt Transfers	3,293	3,070	2,766	2,490	2,272	2,096	2,120	2,106	2,325	1,921
Real Property Transfer Tax	\$ 5,138,732	\$ 4,549,811	\$ 3,064,227	\$ 2,401,438	\$ 1,695,929	\$ 1,714,878	\$ 1,780,600	\$ 1,574,651	\$ 2,237,118	\$ 2,508,009
Water Rights Deeds	98	42	37	62	108	33	28	40	40	43
Notices of Default	380	542	638	662	1,030	932	938	797	312	183
Records Management										
Number of files delivered	708	862	1,342	1,631	1,476	1,178	863	733	834	754
Number of boxes received	276	325	359	333	234	254	283	178	474	189
Number of boxes destroyed	565	74	222	217	583	349	930	642	1,019	1,165
Number of boxes scanned	54	26	18	27	33	141	157	114	180	230
Number of film rolls processed	45	60	259	266	187	207	186	437	467	175
Number of sealings processed					177	572	678	243	203	129

(Continued)

DOUGLAS COUNTY

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
China Spring Youth Camp										
Number of Residents	145	162	159	187	175	153	146	149	138	131
Successful Releases	119	128	121	156	128	123	123	121	1,007	109
Medical Releases	5	2	5	3	5	7	7	4	4	4
Failure of Program	21	32	33	28	42	23	16	24	27	18
Committing Offense Type										
Drugs and Alcohol	69	76	68	87	66	65	76	80	77	79
Crime Against Property	50	54	57	62	56	48	33	34	38	25
Crime Against Person	16	22	23	24	33	27	34	30	21	21
Other	10	10	11	14	20	13	10	5	2	6
Sheriff	2									
Calls for service				35,561	37,574	40,374	42,557	42,155	36,164	3
Number of Arrests				2,428	2,462	2,426	2,462	2,663	2,495	3
Number of Permits				3,282	3,251	2,752	2,808	3,128	3,443	3
Coroner				249	268	240	264	239	299	3
Number of Citations				4,469	5,588	5,036	5,944	5,966	5,717	3
Number of Releases from Jail				2,778	2,888	2,602	2,482	2,711	2,557	3
Average Daily Jail Population				77	84	81	60	63	63	3
Number of Investigator Assigned Cases				745	753	635	722	577	550	3
Judicial, Court Appointed Special Advocates										
Number of Cases as of January 1st	27	28	29	27	35	33	46	44	34	39
Number of Children as of January 1st	44	50	57	44	46	49	72	75	65	66
New Cases	39	21	22	36	40	50	57	55	51	33
New Children	47	36	32	45	61	78	98	97	61	56
Closed Cases	38	20	51	26	39	34	67	64	46	44
Closed Children	59	29	27	40	58	50	92	105	88	75
Library										
Circulation of Materials	198,506	154,771	174,265	190,264	195,064	190,519	188,363	176,204	177,514	181,406
Library Patrons	25,837	20,597	22,122	24,665	26,623	31,913	33,915	35,556	37,112	38,286
Library Visits	153,370	148,016	153,816	154,794	142,962	143,555	147,207	147,571	148,834	153,699
Program Attendance	11,059	13,217	14,226	12,834	10,759	9,427	11,068	8,542	8,171	8,634
Summer Reading Participants	415	591	803	976	1,180	772	1,096	933	1,039	947
Public Safety, 911	2									
Calls For Service	74,853	77,913	61,595	63,556	63,171	66,266	70,435	73,602	75,768	3
Total Case Numbers Issued										
Douglas County Sheriff Office	8,618	8,487		36,627	38,657	41,008	43,134	42,899	36,673	3
Washoe Tribe Police Department	621	701		2,889	2,766	1,895	1,940	1,761	2,100	3
East Fork Fire Protection District	4,355	4,593		4,897	4,903	4,767	5,209	5,510	5,452	3
Tahoe-Douglas Fire District	1,960	1,975		1,907	1,748	1,677	1,813	1,769	1,982	3

(Continued)

DOUGLAS COUNTY

OPERATING INDICATORS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Community Development and Support										
Single Family Dwelling Permits	537	418	145	48	43	35	35	49	107	³
Single Family Dwelling Valuation	\$ 118,022,693	\$ 104,896,384	\$ 50,814,964	\$ 22,377,950	\$ 17,204,657	\$ 16,207,102	\$ 11,106,794	\$ 16,042,805	\$ 38,094,761	\$ ³
New Commercial Building Permits	42	39	16	19	8	8	8	10	7	³
New Commercial Building Valuation	\$ 17,403,322	\$ 23,308,488	\$ 7,732,733	\$ 17,453,391	\$ 2,904,777	\$ 3,434,208	\$ 2,142,620	\$ 6,564,732	\$ 1,858,308	\$ ³
Multi-Family Residential Permits	16		5	3		2		2	2	³
Multi-Family Residential Valuation	\$ 4,096,230	\$	\$ 19,445,650	\$ 967,363	\$	\$ 3,401,936	\$	\$	\$ 3,765,620	\$ ³
Manufactured Homes Permits	11	4	2	1	3	1	1		1	³
Health and Sanitation, Landfill Tonnages										
Douglas Disposal	4,017	3,548	2,971	3,222	2,619	1,539	306	156	186	405
Bently Agrowdynamics	201	240	223	241	317	338	311	350	373	365
Carson City	721	1,457	1,851	1,681	1,721	2,626	3,825	3,677	3,608	3,405
Social Services										
Number of households seeking assistance with rent, utilities and/or food			1,579	1,938	2,040	2,128	2,049	2,219		4
Number of households seeking assistance (includes rent, utilities, food, medical, transitional housing and/or other services)			2,132	2,518	2,496	2,496	2,846	3,172	4	4
Number of households seeking assistance from Social Services for the first time.			391	473	426	462	455	434	4	4
Animal Care										
Calls for Service			1,429	1,682	1,409	1,780	1,771	1,763	1,422	1,430
Cases Submitted to the District Attorney for Prosecution			74	34	60	65	58	56	40	57
Bite Reports	132	112	137	101	120	155	111	110	106	110

1. Source - Various Douglas County departments.
2. Information is based on a calendar year.
3. Information was not available at the time of printing.
4. Information is no longer tracked.

DOUGLAS COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹ LAST TEN FISCAL YEARS (UNAUDITED)

Function/program	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
General Government										
Information Technology										
Business applications	68	68	68	68	69	69	69	71	71	76
Networked buildings	21	21	21	21	21	21	21	21	21	21
Networked computers	375	375	375	375	375	375	375	375	375	375
Microwave linear mileage	63	63	63	63	63	63	63	63	63	63
GIS mapped (square miles)	786	786	786	1,860	1,860	1,860	4,308	4,308	4,308	4,308
Equipment Services										
Ambulance/emergency vehicles	4	4	6	6	7	8	8	8	8	9
County vehicles	60	71	92	111	129	146	157	165	177	185
Town vehicles	3	6	7	8	8	8	8	8	8	10
East Fork Fire & Paramedic District vehicles	14	14	14	15	17	17	17	17	17	18
Judicial										
District courts/justice courts	4	4	4	4	4	4	4	4	4	4
District courts/justice courts locations	2	2	2	2	2	2	2	2	2	2
Public Safety										
Sheriff's detention center	2	2	2	2	2	2	2	2	2	2
Sheriff's substations	4	4	4	4	4	4	4	4	4	4
Sheriff's patrol/search and rescue boats	1	1	1	1	1	1	1	1	1	1
Regional emergency operations/training center						1	1	1	1	1
Public Works										
Paved roads (miles)		166	167	168	169	171	171	171	171	171
Grinding roads (miles)		40	43	43	43	43	43	43	43	43
Unpaved roads (miles)		13	17	17	17	17	17	17	17	17
Traffic Signals		16	17	17	17	17	17	17	18	18
Bridges		12	12	13	13	13	13	13	13	14
Utilities										
Water mains (miles)		104	107	107	109	109	114	114	117	117
Sewer forcemains (miles)		15	15	15	15	15	15	15	15	15
Sewer mains (miles)		50	51	51	51	51	51	51	51	51
Developed park acreage	177	177	177	177	177	177	177	177	177	177
Storm drains (miles)		4	4	4	4	4	4	4	4	4

(Continued)

DOUGLAS COUNTY

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM¹ (CONTINUED) LAST TEN FISCAL YEARS² (UNAUDITED)

	June 30, 2005	June 30, 2006	June 30, 2007	June 30, 2008	June 30, 2009	June 30, 2010	June 30, 2011	June 30, 2012	June 30, 2013	June 30, 2014
Culture and Recreation										
Libraries	1	1	1	1	1	1	1	1	1	1
Recreation building	4	4	4	4	4	4	4	4	4	4
Gross park acreage	760	760	760	760	760	760	760	760	760	760
Undeveloped park acreage	578	578	578	578	578	578	578	578	578	578
Concession stands	8	8	8	8	8	8	8	8	8	8
Playgrounds	15	15	15	15	15	15	15	15	15	15
Swimming pools/waterpark	1	1	1	1	1	1	1	1	1	1
Picnic tables	187	187	187	187	187	187	187	187	187	187
Gazebo/group area	10	10	10	10	10	10	10	10	10	10
Baseball fields	19	19	19	19	19	19	19	19	19	19
Soccer fields	15	15	15	15	15	15	15	15	15	15
Tennis courts	14	14	14	14	14	14	14	14	14	14
Basketball courts	7	7	7	7	7	7	7	7	7	7
Volleyball courts	7	7	7	7	7	7	7	7	7	7
Shooting range	1	1	1	1	1	1	1	1	1	1
Horseshoe pits	16	16	16	16	16	16	16	16	16	16
Skateboard parks	1	1	1	1	1	1	1	1	1	1

1. Source - Various Douglas County departments.

SINGLE AUDIT INFORMATION

P B T K

PIERCY BOWLER
TAYLOR & KERN

Certified Public Accountants
Business Advisors

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Members of the County Commission
Douglas County, Nevada

We have audited the compliance of Douglas County (the County) with the types of compliance requirements described in the Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014. The County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility. The County's management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility. Our responsibility is to express an opinion on compliance for each of the County'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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County'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 County's compliance.

Opinion on Each Major Federal Program. In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2014.

Other Matters. The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as item 2014 - 017. Our opinion on each major federal program is not modified with respect to this matter.

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

Report on Internal Control Over Compliance. The County's management 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 the County'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 OMB Circular A-133, 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 County'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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133. We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 15, 2014, which contained an unmodified opinion on those basic financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Las Vegas, Nevada
December 15, 2014

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
U.S. Department of Agriculture			
Lake Tahoe Erosion Control Grant Program	10.690		\$ 3,002
Passed through State of Nevada, Department of Administration Senior Farmers Market Nutrition Program	10.576	N/A	2,010
Passed through State of Nevada, Controller Schools and Roads - Grants to States	10.665	N/A	32,444
Passed through State of Nevada, Department of Education Child Nutrition Cluster School Breakfast Program and National School Lunch Program	10.553, 10.555	R-305-11	<u>98,404</u>
Total U.S. Department of Agriculture			<u>135,860</u>
U.S. Department of Health and Human Services			
Passed through State of Nevada, Department of Health and Human Services Block Grants for Prevention and Treatment of Substance Abuse	93.959	14093TX	201,322
Emergency Medical Services for Children	93.127	9312714	500
Child Support Enforcement	93.563 *	Acc No 3238, Acc No 3239, Acc No 3239, Acc No 3239	256,800
Community Services Block Grant Aging Cluster	93.569	N/A	86,708
Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers, Special Programs for the Aging Title III, Part C Nutrition Services and Nutrition Services Incentive Program	93.044, 93.045, 93.053	04-000-07-13-13, 04-000-04-24- 13, 04-000-07-13-14, 04-000-04- 24-14, 04-000-02-BC-14, 04- 000-16-BX-13, 04-000-58-BX- 11, 04-000-57-NX-13, 04-000- 57-NX-10	253,853
Passed through State of Nevada Department of Administration Aging Cluster Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers, Special Programs for the Aging Title III, Part C Nutrition Services and Nutrition Services Incentive Program	93.044, 93.045, 93.053	A037	<u>6,484</u>
Total U.S. Department of Health and Human Services			<u>805,667</u>
U.S. Department of Homeland Security			
Emergency Food and Shelter National Board Program	97.024		7,968
Passed through State of Nevada, Department of Public Safety, Division of Emergency Management Emergency Management Performance Grants	97.042	9704213, 9704214	60,658
Pre-disaster Mitigation	97.047	9704712-3000, 970479-3100, 970479-3000	110,923
Homeland Security Grant Program	97.067	97067HL1, 97067.11-HL1, 97067HL1 #2, 97067HL2	<u>127,710</u>
Total U.S. Department of Homeland Security			<u>307,259</u>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal or Pass-through Grantor Number	Expenditures
U.S. Department of Housing and Urban Development			
Supportive Housing Program	14.235		148,118
Passed through State of Nevada, Business and Industry, Housing Division Emergency Solutions Grant Program	14.231	2011-13, 2012-14	<u>28,922</u>
Total U.S. Department of Housing and Urban Development			<u>177,040</u>
U.S. Department of Interior			
Distribution of Receipts to State and Local Governments	15.227		298
Passed through State of Nevada, Bureau of Land Management National Fire Plan - Wildland Urban Interface Community Fire Assistance	15.228	L09AC15805	<u>7,024</u>
Total U.S. Department of Interior			<u>7,322</u>
U.S. Department of Justice			
Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program	16.589		198,590
State Criminal Alien Assistance Program	16.606		2,588
Passed through State of Nevada, Office of Attorney General Violence Against Women Formula Grants	16.588	2012-VAWA-07, 2013-VAWA-07	26,181
Passed through State of Nevada, Department of Health and Human Services Enforcing Underage Drinking Laws Program	16.727	EDUL14	6,420
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	2013-MU-FX-0052	25,000
Passed through State of Nevada, Department of Motor Vehicles and Public Safety JAG Program Cluster Edward Byrne Memorial Justice Assistance Grant Program	16.738	13-JAG-09, 13-JAG-04	<u>135,670</u>
Total U.S. Department of Justice			<u>394,449</u>
U.S. Department of Transportation			
Department of Transportation Federal Aviation Administration (FAA)	20.106		620,499
Passed through State of Nevada, Department of Transportation Formula Grants for Rural Areas Highway Planning and Construction Cluster	20.509 *	PR454-12-802, PR414-13-802	341,639
Highway Planning and Construction	20.205 *	PR-439-07-063	286,911
Passed through State of Nevada, Department of Motor Vehicles and Public Safety Highway Safety Cluster State and Community Highway Safety, Alcohol Impaired Driving Countermeasures Incentive Grants	20.600, 20.601	23-JF-1.04, JF-2014-DCSO- 00013, TS 2014, 23-AL-2 2013	110,322
Passed through State of Nevada, Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	14-HMEP-04-01, 13-HMEP-04- 02	<u>28,087</u>
Total U.S. Department of Transportation			<u>1,387,458</u>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2014

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Federal or Pass-through Grantor Number</u>	<u>Expenditures</u>
U.S. Environmental Protection Agency			
Passed through State of Nevada, Department of Environmental Protection Drinking Water State Revolving Fund Cluster Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW12085, DEP-S 11-039	<u>36,614</u>
U.S. Institute of Museum and Library Services			
Passed through State of Nevada, Library and Archives Grants to States	45.310	LSTA 2013-20	<u>3,500</u>
U.S. Social Security Administration			
Disability Insurance/SSI Cluster Social Security Disability Insurance	96.001		<u>4,600</u>
Total federal expenditures			<u>\$ 3,259,769</u>

* A major program

DOUGLAS COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2014

Note 1. Reporting Entity

The accompanying supplementary schedule of expenditures of federal awards presents the activity of all federal financial assistance programs of Douglas County (the County). The reporting entity is defined in Note 1 to the basic financial statements.

Note 2. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes all of the County's federal grant activity (federal financial assistance received directly from federal agencies and passed through other entities or government agencies) and is presented on the accrual basis of accounting.

The information in this schedule is presented in accordance with the requirements of U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

DOUGLAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2014

Section I - Summary of Auditors' Results

Financial Statements	
Type of auditors' report issued	Unmodified
Internal control over financial reporting	
Material weaknesses identified	Yes
Significant deficiencies identified that are not considered to be material weaknesses	Yes
Noncompliance material to financial statements	No
Federal Awards	
Internal control over major programs	
Material weaknesses identified	No
Significant deficiencies identified that are not considered to be material weaknesses	None reported
Type of auditors' report issued on compliance for major programs	Unmodified
Audit findings required to be reported in accordance with Circular A-133, Section .510(a)	Yes
Identification of major programs	
CFDA number	93.563
Name of federal program or cluster	U.S. Department of Health and Human Services, Child Support Enforcement
CFDA number	20.205
Name of federal program or cluster	U.S. Department of Transportation, Highway Planning and Construction
CFDA number	20.509
Name of federal program or cluster	U.S. Department of Transportation, Formula Grants for Rural Areas
Dollar threshold used to distinguish between Type A and Type B programs	\$300,000
Auditee qualified as low-risk auditee	Yes

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*

2014 - 001

Criteria

Duties should be segregated to prevent an inappropriate concentration and minimize opportunities for misappropriation of assets and/or fraudulent financial reporting. In a highly decentralized entity, effective communication, cooperation and independent oversight (review and approval of critical duties) is necessary.

Condition

The Clerk/Treasurer Office has historically been a small office consisting of 3 key people (an elected Clerk/Treasurer, a Deputy Clerk with primary responsibility for elections and related county clerk duties, and a Deputy Treasurer with primary responsibility for the Treasury) and a few staff employees. Subsequent to year end, the elected Clerk/Treasurer resigned and the Deputy Clerk retired leaving the Deputy Treasurer with sole responsibility for all Treasury duties.

The Treasury, among other duties:

- ◆ Maintains a "Treasurer's general ledger" separate from the County's official general ledger, which is not reconciled to the official general ledger
- ◆ Collects and processes all revenue collections for the County
- ◆ Processes all wire transfers for debt and other individually large payables and investment purposes
- ◆ Reconciles the bank and investment accounts to the "Treasurer's general ledger" (these reconciliations were not independently reviewed and approved by anyone outside of the Treasury)
- ◆ Processes property tax bills (one of the County's major revenue sources)
- ◆ Initiates, authorizes and distributes property tax refunds
- ◆ During fiscal year 2014 processed water and sewer bills (one of the County's major revenue sources)

For many years and during fiscal year 2014, the Treasury did not reconcile the "Treasurer's general ledger" to the County's official general ledger (from which external financial statements are prepared) and did not prepare a complete and accurate reconciliation of bank and investment accounts to the County's official general ledger. Beginning in early 2014, the Finance Division was granted access by the Treasury to bank and investment account data and began independently attempting to reconcile the bank and investment accounts to the County's official general ledger.

Effect

An inappropriate concentration of duties could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

The Treasurer's office insisted on keeping a separate set of books (the "Treasurer's general ledger") and was not willing to cooperate with the Finance Division to ensure an accurate reconciliation of "Treasurer's general ledger" and cash, cash equivalents and investments to the County's official general ledger was completed.

Recommendation

An overall assessment of duty assignments (for the entire County, not individual offices, departments or divisions) should be performed and duties segregated (reassigned) to prevent an inappropriate concentration and minimize opportunities for misappropriation of assets and/or fraudulent financial reporting.

Management's response

Management informed us that they agree with the recommendation, and will assess duty assignments County-wide to ensure that proper segregation of duties and independent oversight is in place for all areas collecting, processing and accounting for revenue transactions.

Over the last year, the Finance Division has worked to provide an independent review and reconciliation of the Treasurer's bank records to the general ledger, after the Treasurer's Office began providing the Finance Division the monthly bank statements and access to the necessary software. However, Finance was unable to complete the reconciliation of the bank records to the general ledger due to long-standing variances in the Treasurer's cash dating prior to 1999, a portion of which was not reconcilable due to a lack of documentation. The Finance Division will continue to assist the Treasurer's Office to reconcile any outstanding variances on a regular basis.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 002

Criteria

Internal control over cash shall be sufficient to provide reasonable assurance that cash is safeguarded against misappropriation and that transactions are executed in accordance with management's authorization.

Bank and investment account reconciliations and supporting documentation should be complete. Transactions, relating to cash and investments, should be recorded promptly in the County's official general ledger. There should be an independent review of bank and investment account reconciliations to provide reasonable assurance of the prompt and accurate recording of cash and investment related transactions.

Condition

Due to the County's decentralized operational structure, there are numerous independent revenue collection sites within the County that summarize their collection activity by type (*i.e.*, cash, checks and credit cards) and make a "batch" deposit with the Treasury. Although many of the independent cash collection sites are making daily deposits, some are weekly and others are "as needed," which significantly complicates the reconciliation process as credit card transactions are reflected immediately by the bank, but may not be deposited with the Treasury until a later date.

In addition, we noted the following information related to the County's 3 investment and 12 bank accounts:

- ◆ The main reconciliation combines 2 bank and all 3 investment accounts and included an unknown variance of approximately \$90,000, of which approximately \$65,000 related to pre-1999 transactions, which were written off
- ◆ 10 of the 12 bank accounts are not reflected in the County's official general ledger from which external financial statements are prepared
- ◆ 2 bank accounts were discovered that were previously unknown to the Finance Division
- ◆ 3 reconciliations prepared by, independent revenue collection sites, included improper reconciling items, that should have been recorded in the general ledger, not added back to the bank balance (*i.e.*, interest income, bank, check order and credit card fees, and lease payments)
- ◆ 2 deposits in transit listed on a June reconciliation did not clear the bank until 2 weeks after month end
- ◆ 2 deposits in transit listed on a June reconciliation were from a prior month
- ◆ None of the reconciliations were reviewed and approved someone independent of the reconciliation preparation
- ◆ As a result of the decentralized operational structure (discussed above), approximately \$171,000. related to bank accounts that are not reflected in the County's official general ledger, was double counted

Effect

Failure to reconcile all bank and investment accounts appropriately and to record all cash and investment related transactions in the County's official general ledger could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

Historically, a culture existed within the County where the necessity of a cohesive, effective system of internal controls over financial reporting was not implemented or discussed resulting in the creation of many decentralized control systems designed to meet the needs of specific user groups, with little or no segregation of duties or independent oversight.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Recommendation	<p>A procedure should be designed and implemented to ensure all County bank and investment accounts are known to the Finance Division and are included in the County's official general ledger from which external financial statements are prepared.</p> <p>All bank and investment account reconciliations should be prepared monthly, with all reconciling items identified and, if applicable, recorded in the County's official general ledger. Such reconciliations should be reviewed and approved by someone independent of the reconciliation preparation, with such review and approval documented.</p> <p>A policy should be created and enforced requiring each of the numerous independent revenue collection sites to make, when applicable, daily deposits with the Treasury.</p>
Management's response	<p>Management informed us that they agree with this recommendation, and will work with the County's decentralized cash collection sites to develop procedures for monthly bank reconciliations, including the identification of reconciling items, and if applicable, recordation in the general ledger. The Finance Division will provide an independent review of these reconciliations. In addition, Finance will work with the Treasurer's Office and the cash collection sites to facilitate the daily bank deposit of cash, and procedures for the opening of bank accounts and establishing those accounts in the general ledger.</p>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 003

Criteria

Collection and recording of revenue transactions should be such that identification and tracking (verification) of individual transactions can be performed to ensure appropriate accounting recognition and financial statement reporting.

Condition

There are numerous independent revenue collection sites within the County that are using various independent accounting systems (*i.e.*, a ledger pad, Excel, QuickBooks, Core and New World Systems). These independent revenue collection sites summarize their collection activity by type (*i.e.*, cash, checks and credit cards) and make a "batch" deposit with the Treasury. Some of the independent cash collection sites do not make daily deposits (weekly or "as needed"), which further complicates the identification and tracking (verification) of individual transactions and as discussed in finding 2014-002, makes the bank reconciliation process unduly complex.

Furthermore, we were unable to trace certain individual cash receipts from the billing documents through the collection and deposit records (maintained by the Treasury) to the County's official general ledger.

Effect

The inability to identify and verify the accounting recognition of truncations could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

For many years, many of the independent revenue collection sites have been allowed to create and use different accounting systems and procedures for revenue collection with little or no segregation of duties or independent oversight.

Recommendation

A cohesive, effective accounting and financial reporting system should be implemented and used by all revenue collection sites within the County and daily deposits should be made by all revenue collection sites within the County.

Management's response

Management informed us that they agree with this recommendation. The Finance Division will work with the Treasurer's Office to standardize systems used to account for revenue transactions by the independent revenue collection sites within the County, and to facilitate the daily bank deposit of revenues.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 004	
Criteria	Appropriate supporting documentation should be attached to refund disbursement requests and be reviewed and approved by someone independent of the disbursement request initiation process. Refunds should be made payable to appropriate payees and distributed by someone independent of the request initiation process.
Condition	We examined 28 property tax refund disbursements requests made during fiscal year 2014 and noted the following: <ul style="list-style-type: none">◆ All disbursement requests were initiated by the same individual◆ None had appropriate supporting documentation attached◆ None were reviewed and approved by someone independent of the disbursement request initiation process◆ All were returned for distribution to the same person who initiated the disbursement request◆ 5 disbursements were not made payable to the property owners as listed in the ownership records
Effect	A lack of appropriate documentation, review and approval, and appropriate payees could result in misappropriation of assets and/or fraudulent financial reporting.
Cause	For many years the tax refund process has been controlled by the Treasurer's office with no segregation of duties or independent oversight.
Recommendation	All refund disbursement requests should include appropriate supporting documentation, be independently reviewed, approved and distributed. In addition, refund disbursements should be made payable to appropriate payees.
Management's response	Management informed us that they agree with this recommendation. The Finance Division will work with the Treasurer's Office to ensure that all proper documentation is submitted by the Treasurer's Office along with requests for disbursement. Finance will review and verify payees, and distribute the disbursements.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 005

Criteria

Funds should be classified and reported in accordance with the requirements and definitions issued by the Governmental Accounting Standards Board.

Condition

An evaluation of the County's previously reported 46 agency funds resulted in the identification of 15 improperly classified funds, which when reclassified as part of the County's funds, resulted in a \$1,323,851 prior period fund balance adjustment.

Effect

Improper classification of fund types could result in misappropriation of assets and/or fraudulent financial reporting.

Cause

Procedures to review fund classification were not in place to ensure appropriate classification.

Recommendation

All funds should be evaluated for proper classification upon creation and at least annually. Such evaluations should be documented and retained.

Management's response

Management informed us that they agree with this recommendation. The Finance Division already evaluates new funds for proper classification when created, and will develop an annual process to evaluate and document all funds on an ongoing basis.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 006

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Configuration management and hardening ensures that existing and new instances of the servers and connected infrastructure, such as routers, switches, server operating systems, and databases are consistently configured and protected.

Changes to the hardware, software applications and the server operating systems must be understood and verified to minimize risk to data integrity and downtime to the application. In addition, program vendors regularly discover vulnerabilities in both the applications and the server operating systems, which should be evaluated timely.

Condition

Core, New World and Infinium Systems:

There is no documentation for the configuration of the existing systems and potentially unnecessary services that can be eliminated have not been identified.

Core system:

Hardware changes, program updates and patches to the application and the server operating system have not been made to the Core system since its installation over a decade ago and a patch management process does not exist. In addition, the version of Core that is currently in use requires the use of Windows XP, which is no longer supported (and patched) by Microsoft.

New World and Infinium Systems:

A formal, written change and patch management process does not exist. Changes are made to the New World and Infinium systems as necessary and occur directly on the production systems without a documented back-out (recovery) plan or an understanding of the potential impact. We were unable to determine if, or when, any patches had been applied to the New World and Infinium software applications or server operating systems.

Effect

The lack of configuration management and hardening leads to increased vulnerability of the systems. Any unnecessary services that are running increases the potential risk that the systems may be compromised.

Obsolete hardware and vulnerabilities in both the applications and the server operating systems could have unexpected consequences that may include downtime, questionable data integrity, decreased performance, full or partial loss of functionality, and provide an opportunity for unauthorized access.

Cause

There is no cohesive policy for the configuration management, hardening, updating and patching of the servers and connected infrastructure, other hardware, software applications and server operating systems that ensures timely updating, replacement and patching occurs.

Recommendation

Either significantly upgrade or replace the Core system and related hardware. Both are severely outdated and represent a significant risk to the County. Based on other Core system related findings, we recommend that the Core system be replaced with the New World integrated cash receipt system, which the County already owns, but does not use.

Review and document the required services and configuration setting for each of the systems including the servers and connected infrastructure, other hardware, software applications and server operating systems. Identify and remove all unnecessary or unused services.

Develop and implement a change and patch management process that includes the documentation of all changes to the servers and connected infrastructure, other hardware, software applications and server operating systems.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Management's response

Management informed us that they agree with the recommendation and will work with the Treasurer's Office to either upgrade the application to a current release that meets control requirements or convert to the New World System module mentioned in the finding. In either solution, the infrastructure will be refreshed and hardware will be evaluated to ensure configurations are optimized and unnecessary services removed.

Management will also develop and implement change management and patching procedures to document all changes applied to the environments and ensure that systems are patched on a regular basis with the latest updates.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 007

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Passwords for financial applications should meet minimum standards to decrease the likelihood that critical systems are compromised. Generic, multi-user accounts should be eliminated. All users should login in using their own identifying credentials. Best practice for password configuration is:

- ◆ Minimum 8 characters
- ◆ Complexity - 3 out of 4 of the following required – Upper or Lower case, Numeric, Symbols
- ◆ Forced password change at least quarterly
- ◆ Can not reuse last 10 passwords
- ◆ Lockout after 3 attempts

Condition

Core system:

The Core system does not have the capability to modify the password configuration of the users. In addition, review of the Core system authorized user list revealed 5 generic, multi-user accounts, which provides all users access to the Core inquiry program and has Core system administrator rights.

New World system:

The New World system has its own set of password configuration rules, but does not enforce typical length and complexity rules. The security works in conjunction with the County's active directory password configuration, which is also not set to enforce length or complexity. There is no requirement to periodically change user passwords and we were unable to determine if any user passwords had been changed subsequent to initial set up.

Infinium system:

The Infinium system relies on the password settings of the underlying AS/400 system, which is currently set at a minimum of 5 characters, but does not enforce typical length and complexity rules. These passwords must be changed every 90 days.

Effect

Ineffectual passwords and generic, multi-user accounts increase the risk of the system being compromised by a unauthorized user, allows anonymous changes to be made and provides an opportunity for malicious users to easily and anonymously gain unauthorized access possibly resulting in inappropriate modifications or loss of financial data, materially misstated financial statements and disruption of County operations.

Cause

A County-wide policy for the configuration and use of minimum password standards (including password changes) was not developed and implemented.

Recommendation

Review the Core, New World and Infinium systems authorized user lists and remove all generic multi-user accounts. Define, document and implement a standardized password policy based on the best practices listed in the criteria above.

In the case of the Core system, this will require either an significant upgrade or a replacement of the system. Based on other Core system related findings, we recommend that the Core system be replaced with the New World integrated cash receipt system, which the County already owns, but does not use.

Management's response

Management informed us that they agree with the recommendation and will review individual user lists and remove all multi-user accounts from the Core, New World, and Infinium systems. In conjunction with 2014-006, management will work in partnership with the Treasurer's Office to evaluate and implement an upgrade or replacement of the CORE system.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 008

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Data backup is a critical component of system management. All data should be backed up using a medium that provides for restoration at a future date and such restoration ability should be periodically tested to verify data integrity. A copy of the backed-up data should be stored offsite.

Condition

Core system:

It was represented that Core system data backups were occurring; however, we were unable to determine if, in fact, they were being done, how often they were done, if they were successfully completed, what medium was used, and where they were stored. No restoration testing has been performed on the backed-up data to determine if data can be recovered.

New World system:

The New World system resides on three servers that are backed-up using Commvault software with a disk-to-disk process. The system writes the backups to a Direct Attached Storage (DAS), which then copies to another DAS at the East Fork Fire Protection District. No restoration testing has been performed on the backed-up data, but weekly requests for data helps verify that the backed-up data can be read.

Infinium system:

The Infinium system currently runs on an AS/400 system, which is backed up each night (a full backup on Friday night and an incremental backup on all other nights). Four weeks of backup tapes are retained in the tape rotation. Tapes are stored onsite for up to one week, then relocated to the Emergency Management building every Wednesday. No restoration testing has been performed on the backed-up data to determine if data can be recovered. In the event of a system failure, the AS/400 system will send an error message to an IT service and support vendor, who in turn calls the IT Division.

Effect

If system data is being backed-up and is recoverable (in the case of the Core system, using an unknown process and location), it could take considerable time and effort to find and restore the data. However, if system data is not being backed-up or is unrecoverable, all system data would be lost. Either scenario could result in a considerable disruption to County operations.

Cause

There is no fully documented and verified data back up process and restoration from backed-up data has not been tested.

Recommendation

Determine (or create and implement) and document the Core system data backup process, and test it to ensure that it meets County's needs and expectations.

Develop a procedure to check the daily success of the back up process and that a quarterly restoration test is performed and documented for all systems..

Management's response

Management informed us that they agree with the recommendation and will work with the Treasurer's Office to review the backup and restore procedures, and will document and test the procedures to confirm they are working sufficiently. If the procedure is not working sufficiently, a new backup and restore process will be created that meets general computing control requirements, which will include daily monitoring for successful backups and testing on a regular basis.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 009

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Physical access to the servers, databases, and backup media containing financial information are to be kept secure, with access only provided to those who require it to perform their duties.

Condition

Core system:

The server room, in which the servers for the Core system are located, is separated from the IT server room and is not under the control of IT staff. The room is in a public part of the building and the door can be opened with a physical key or a single 4 digit access code. We were unable to determine who has access to the 4 digit code, or who has a key to the door.

New World and Infinium Systems:

The server room, in which the servers for New World and Infinium systems are located, is not secured from the IT working area. The IT working area itself has restricted access by electronic card key and physical key.

A review of the electronic card key application showed 85 people with electronic card reader access to the IT working area. It was determined that only 11 of the 85 people were authorized to have access to the IT working area.

In the initial interviews, it was understood that physical keys had been recently changed. Upon inspection, the keys to the server closets had been rekeyed and the keys had been appropriately controlled and distributed. However, the key that provides access to the IT working area remained the same, and an unknown number of people have this physical key.

Effect

Access to the actual servers and databases is not adequately controlled and an unknown number of individuals have access to the servers and databases, representing a risk to the accountability and integrity of the financial data.

Cause

The lack of policies and procedures, along with no access review and control process, allowed access to the servers and databases to a significantly large number of employees, program vendors, outside consultants, and potentially others.

Recommendation

All of the Core system servers should be placed under the control of the IT Division and be moved to the IT data center where access can be controlled.

All servers and databases should be secured in server closets that are within the IT data center and access to the server closets should be restricted with the distribution of both physical and electronic card keys controlled and documented.

Management's response

Management informed us that they agree with this recommendation and will work with the Treasurer's Office to relocate the CORE servers to the IT server room and will review physical security to ensure access to the IT server room is adequately restricted and that distribution of keys and keycards is documented.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 010

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Granting of system access rights to new employees, updating such rights for an employee status change, and removing (deactivating) such rights upon employee separation from County employment (commonly referred to as "employee on/off boarding") is a critical control in ensuring only authorized users have systems access.

Condition

The current process for employee on/off boarding for the Core, New World and Infinium systems is informal, with no standardized time frame for removing (deactivating) access rights upon employee separation from County employment.

Effect

Failure to timely remove the access of terminated employees could result in unauthorized network access, inappropriate modifications or loss of financial data and materially misstated financial statements.

Cause

A policy governing the employee on/off boarding has not been established.

Recommendation

A County-wide policy to manage employee on/off boarding should be developed, documented and implemented.

Management's response

Management informed us that they agree with this recommendation and that an updated policy is needed for administering on/off boarding of County employees. A cross-functional policy team has been established to address the security requirements when on/off- boarding employees.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 011

Criteria

Core, New World and Infinium Systems, General Computing Controls:

Policies and procedures (*i.e.*, how to operate and manage the system) are necessary for the proper systems management, oversight, and operations.

In addition, identification of defined roles and decision makers are required to manage daily operations adequately and efficiently manage the daily operations

Condition

Core, New World and Infinium Systems:

A review of policies and procedures determined that there is no defined documentation. In addition documentation of roles and user group definitions (using a RACI (Responsible, Accountable, Consult, Inform) chart, segregation of duties matrix, *etc.*) could not be produced.

Core system:

We were unable to identify a specific person or persons with administration responsibility (ownership) of the Core system. Specifically, the Clerk/Treasurer Office informed us that the IT Division managed the system and the IT Division informed us that the Clerk/Treasurer Office managed the system.

New World and Infinium Systems:

While we were able to identify a specific person or persons with administration responsibility (ownership) of the New World and Infinium systems systems, there is no documentation of such administration responsibility (ownership).

Effect

The lack of documented policies and procedures leaves current operations vulnerable to errors or omissions and does not allow for any formal review and improvement over the management of the systems.

Furthermore, insufficient accountability of users and administrators of the systems could result in impairment of the functionality and stability of the County's financial accounting process.

Cause

Historically a culture existed where the necessity of cohesive, effective general computing controls were not understood, implemented, or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties or independent oversight.

Recommendation

Perform and document an assessment of policies and procedures that identifies those policies and procedures that need to be created in support of general computing controls. The resulting overall plan should include a priority of events, timeline, and documentation standards by which all other policies and procedures will be created.

Review and document the roles and responsibilities for both the front end business users and back end technology administration and support. This documentation should identify a specific person or persons with administration responsibility (ownership) of the New World and Infinium systems and a subject matter expert and include at a minimum, information related to application support and a segregation of duties matrix.

Management's response

Management informed us that agree with this recommendation and will develop a plan to identify needed policies and procedures in support of general computing controls. In addition, roles and responsibilities will be documented for business application users, subject matter experts and technology administration and support. The approach of establishing a cross-functional policy team will be followed to review and recommend changes to other policies as needed.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 012

Criteria

Core, New World and Infinium Systems, General Computing Controls:

IT service and support vendor oversight and management is critical to provide assurances that such vendors only have the minimal required access that is restricted to times when their assistance is required.

Automated service accounts are required for daily operations and autonomous communications between applications and the server operating systems. Due to the significantly elevated user rights of automated service accounts, the distribution of these passwords should be tightly controlled, and where feasible, the password should be periodically changed.

Condition

IT service and support vendors are not fully documented and access to the systems is not fully controlled. Specifically, some IT service and support vendors have administrator rights to the systems that should be reviewed and possibly modified and at least one has untethered, unrestricted access into the entire County network through an open fiber connection.

Automated service accounts are not fully documented or well understood. We noted some obsolete service accounts that should have been removed and others for which the password has been distributed to individuals that do not require access.

Effect

The use of untethered, unrestricted IT service and support vendors and automated service accounts allows anonymous, and possibly unauthorized or malicious, access to significantly elevated user rights to critical systems and processes and could result in impairment of the functionality and stability of the County's financial accounting process and disruption of County operations.

Cause

The previous IT administration fostered a culture where cohesive, effective general computing controls were not implemented, or discussed resulting in the creation of shadow IT Divisions designed to meet the needs of specific user groups, with little or no segregation of duties and independent oversight. As a result, some user groups have forged a relationship with IT service and support vendors (whose operations are basic and do not comply with current industry standards) and have granted such vendors untethered, unrestricted access into the entire network through an open fiber connection.

Furthermore the lack of policies and procedures, along with no review process for access, allowed a situation to grow where access to automated service accounts was provided to a number of individuals that do not require access to appropriately perform assigned duties.

Recommendation

Develop, document and implement an IT service and support vendor oversight and management policies and procedures to ensure appropriate internal controls over vendor access and to minimize the County's risk.

Develop and document a service account process to control the distribution of access of automated service accounts to authorized users. Document the use of each account on all servers or applications. Determine when and if the password can be regularly changed. Evaluate each automated service account for actual required permissions and where possible turn off users, services and access such as "log on locally". Only allow automated service accounts in the administrator user group when absolutely necessary.

Management's response

Management informed us that they agree with this recommendation and will establish policies and procedures in the administration of vendor accounts with access to the County's systems. Management will also perform a review of service accounts and document their use on all servers and applications and evaluate the permissions required for service account operation and will modify permissions as necessary. For service accounts passwords that can be changed, they will be reset on a regularly scheduled basis.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 013

Criteria

Core, New World and Infinium Systems, General Computing Controls:

The IT Division provides Disaster Recovery (DR) of technology to support the County's Business Continuity Plan (BCP). This includes the ability to recover data, by system or server, in a specified amount of time allowing County operations to continue.

Condition

Formal, written DR and BCP plans to recover IT systems and servers do not exist. Although, the East Fork Fire Protection District has prepared an emergency preparedness manual for the County ("COOP") the County's ability to recover data from a disaster is nearly non-existent.

Effect

In the event of a disaster, the IT Division will be required to acquire new equipment and attempt the recovery of systems and data from backups. This recovery process would disrupt County operations for an extended period.

Cause

Formal, written DR and BCP plans have not been designed, documented or tested.

Recommendation

No significant effort on DR or BCP plan for the Core system should take place until the system is significantly upgraded or replaced, as discussed in other Core related findings. DR for the Core system in the current state represent a significant challenge and only would increase the risk to the County.

Once the Core system is upgraded or replaced, perform and document a formal DR and BCP assessment and implement necessary changes. The results of this assessment should be integrated with the East Fork Fire Protection District emergency preparedness manual ("COOP").

Management's response

Management informed us that they agree with the recommendation and will review current DR and BCP planning. The DR and BCP planning will be tested periodically and documentation updated. The plans will be integrated into the COOP emergency preparedness manual.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 014

Criteria

Core, New World and Infinium Systems, General Computing Controls:

System logs on hardware, software applications and server operating systems creates an investigative path to determine the nature and extent of a system breach or failure. In addition, systems should be reviewed, every 30-90 days, to ensure that:

- ◆ Terminated users have been removed
- ◆ User role changes have been implemented
- ◆ Group access rights are appropriate
- ◆ Group membership is appropriate

Condition

System logs have not been established and no system reviews are being performed.

Effect

The lack of system logs during an investigation makes determining the source of a system breach or failure nearly impossible. Failure to periodically review system logs may result in unnoticed system breaches and access by unauthorized users. In addition, failure to control and restrict system access appropriately increases the risk of compromised to the system by a unauthorized user, allows anonymous changes to be made and provides an opportunity for malicious users to gain unauthorized access easily and anonymously possibly resulting in inappropriate modifications or loss of financial data and materially misstated financial statements.

Cause

The lack system logs, along with no review process for access, allowed access to servers and databases a significantly large number of employees, program vendors, outside consultants, and potentially the others.

Recommendation

Establish system logs for hardware, software applications and server operating systems. Implement a procedure to ensure such logs are periodically reviewed and any unusual or unexecuted activities are investigated and documented. In addition, design, document and implement a process to periodically review (at least quarterly) and update user access rights in the Core, New World and Infinium systems.

Management's response

Management informed us that they agree with the recommendation to create system logs for the Core, New World, and Infinium systems. The IT Division will work with the vendors of these systems to implement system logging with reporting and will establish a procedure to review them internally on a regular basis.

Management will also have user access reviews performed on a regular basis. The IT Division will work with application administrators to develop and implement procedures to review all access controls on a regular basis for the CORE, New World, and Infinium systems.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 015	
Criteria	General Computing Controls: Best practices dictate that each PC or terminal screen should be locked after 5-10 minutes of non-use.
Condition	Group policy settings that control screen timeouts have not been configured.
Effect	The public nature of the County's buildings presents significant risk that an unauthorized individual may gain access to the financial systems through an unlocked account possibly resulting in inappropriate modifications, misuse or loss of financial data.
Cause	Configurations and implementation of group policy settings that control screen timeouts has not been completed.
Recommendation	Configure and implement group policy settings to enforce screen timeout after 10 minutes of non-use.
Management's response	Management informed us that they agree with the recommendation to have a screen timeout setting for all PC's. The Technology Services Department is currently testing a GPO setting for 10-minute timeouts. Upon completion of the test, a County-wide implementation of the 10-minute timeout will be pushed to all County PC's.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section II – Findings relating to the financial statements, which are required to be reported in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards* (continued)

2014 - 016
Criteria

Payment Card Industry (PCI), Network Security:

All systems must be protected from unauthorized access from untrusted networks, whether entering the system via the internet as e-commerce, employee internet access through desktop browsers, employee e-mail access, dedicated connections such as business-to-business connections, wireless networks, or other sources. A strong security policy sets the security tone for the whole entity and informs personnel what is expected of them. All personnel should be aware of the sensitivity of data and their responsibilities for protecting it.

Firewalls are devices that control computer traffic allowed between the County's internal, trusted networks and external, untrusted networks, as well as traffic into and out of more sensitive areas within the County's internal trusted networks. The card holder data environment is an example of a more sensitive area within the County's trusted network.

Sensitive information must be encrypted during transmission over networks that are easily accessed by malicious individuals. Misconfigured wireless networks and vulnerabilities in legacy encryption and authentication protocols continue to be targets of malicious individuals who exploit these vulnerabilities to gain privileged access to cardholder data environments.

Malicious software, commonly referred to as "malware" (including viruses, worms, and Trojans) enters the network during many business-approved activities including employee e-mail and use of the internet, mobile computers, and storage devices, resulting in the exploitation of system vulnerabilities. Anti-virus software must be used on all systems commonly affected by malware to protect systems from current and evolving malicious software threats. Additional anti-malware solutions may be considered as a supplement to the anti-virus software; however, such additional solutions do not replace the need for anti-virus software to be in place.

Assigning a unique identification code or password to each person with access ensures that each individual is uniquely accountable for their actions. When such accountability is in place, actions taken on critical data and systems are performed by, and can be traced to, known and authorized users and processes. The effectiveness of a password is largely determined by the design and implementation of the authentication system, particularly how frequently password attempts can be made and the security methods to protect user passwords at the point of entry, during transmission, and while in storage.

Any physical access to data or systems that houses cardholder data provides the opportunity for individuals to access devices or data and to remove systems or hardcopy, and should be appropriately restricted.

Logging mechanisms and the ability to track user activities are critical in preventing, detecting, or minimizing the impact of a card holder data compromise.

Vulnerabilities are being discovered continually by malicious individuals and researchers, and may be introduced by new software. System components, processes, and custom software should be tested frequently to ensure security controls continue to reflect a changing environment.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Condition	<p>Some County locations, system and networks are more secure than others; however, certain vendors have uncontrolled and unmonitored network access. Given the current level of general computing controls, the overall security of the network can not be ascertained.</p> <p>Most connections to credit card devices run across open networks. It is not currently understood or documented how PCI data flows through the County's network, where the endpoints are located, and how best to manage the transmission of card holder data.</p> <p>The malware protection program currently used by the County does not fully cover all necessary devices and may not be updating all installed devices with current definitions. In addition, there are some systems, such as the Core system (previously discussed), that can run only on Windows XP, which is no longer supported and can no longer receive vulnerability updates.</p> <p>As discussed in prior findings:</p> <ul style="list-style-type: none">◆ Password complexity, user accounts (including the use of generic, multi-user accounts), vendor access and system monitoring processes do not meet current industry best practices◆ Physical access to the actual servers and databases is not adequately controlled and an unknown number of individuals have access to the servers and databases. In addition, not all endpoints for data entry are adequately controlled after hours◆ System logs have not been established◆ A formal, written change and patch management process does not exist
Effect	<p>Unauthorized access to, and uncontrolled, servers and connected infrastructure, other hardware, software applications, server operating systems, and networks can lead to a compromise of card holder data for both the County and any individuals with information saved in County's network.</p>
Cause	<p>PCI compliance has not been addressed in Douglas County.</p>
Recommendation	<p>In addition to addressing the general computing control issues identified in other findings, conduct a County-wide:</p> <ul style="list-style-type: none">◆ Review of all revenue collection sites that includes all vendor access points, data closet protection, wireless process, and business to business data transfers to determine areas where the County's network may not be secure◆ PCI analysis to determine where credit card data is read, how it is transmitted, and where it is stored to determine the relative security around the collection, transmission and storage of the card holder data <p>Develop, document and implement a plan to address identified security issues and bring the County in to compliance with the most recent PCI standards.</p>
Management's response	<p>Management informed us that they agree with the recommendation to conduct a County-wide PCI analysis to determine its level of compliance to PCI standards. Upon completion of the analysis, management will develop and implement a plan to address identified security issues and bring the County into compliance with the latest PCI standards.</p>

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2014

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a)

2014 - 017	
Program	CFDA # 20.509, Department of Transportation, Formula Grants for Rural Areas
Specific requirements	Reimbursement requests: Invoices must be submitted within 45 calendar days from the end of each 30 day billing cycle. Invoices received after 45 calendar days will be evaluated on a case-by-case basis for payment. To be allowable under Federal awards, costs must meet be adequately documented.
Condition and context	Of the 13 reimbursements examined, 6 were not submitted within 45 days; however, the grantor did not disallow any costs. Of the 38 grant disbursements tested, one was requested twice resulting in an over reimbursement of \$20, and one was "miskeyed" resulting in an over reimbursement of \$81.
Questioned costs	\$101
Effect	Program costs may be disallowed due to failure to submit reimbursement requests timely. Unallowable costs may be reimbursed and later may be required to be returned to the grantor.
Cause	Failure to ensure that reimbursement requests only include allowable costs and are submitted timely.
Recommendation	A procedure should be developed, documented and monitored to ensure that reimbursement requests are complete, accurate and submitted timely.
Management's response	Management informed us that they agree with this recommendation and will work with the Senior Services Division to improve the timeliness of monthly submission for reimbursement of project costs. The Finance Division will review submitted expenditures and work with the grantor to correct the errors that were found.

