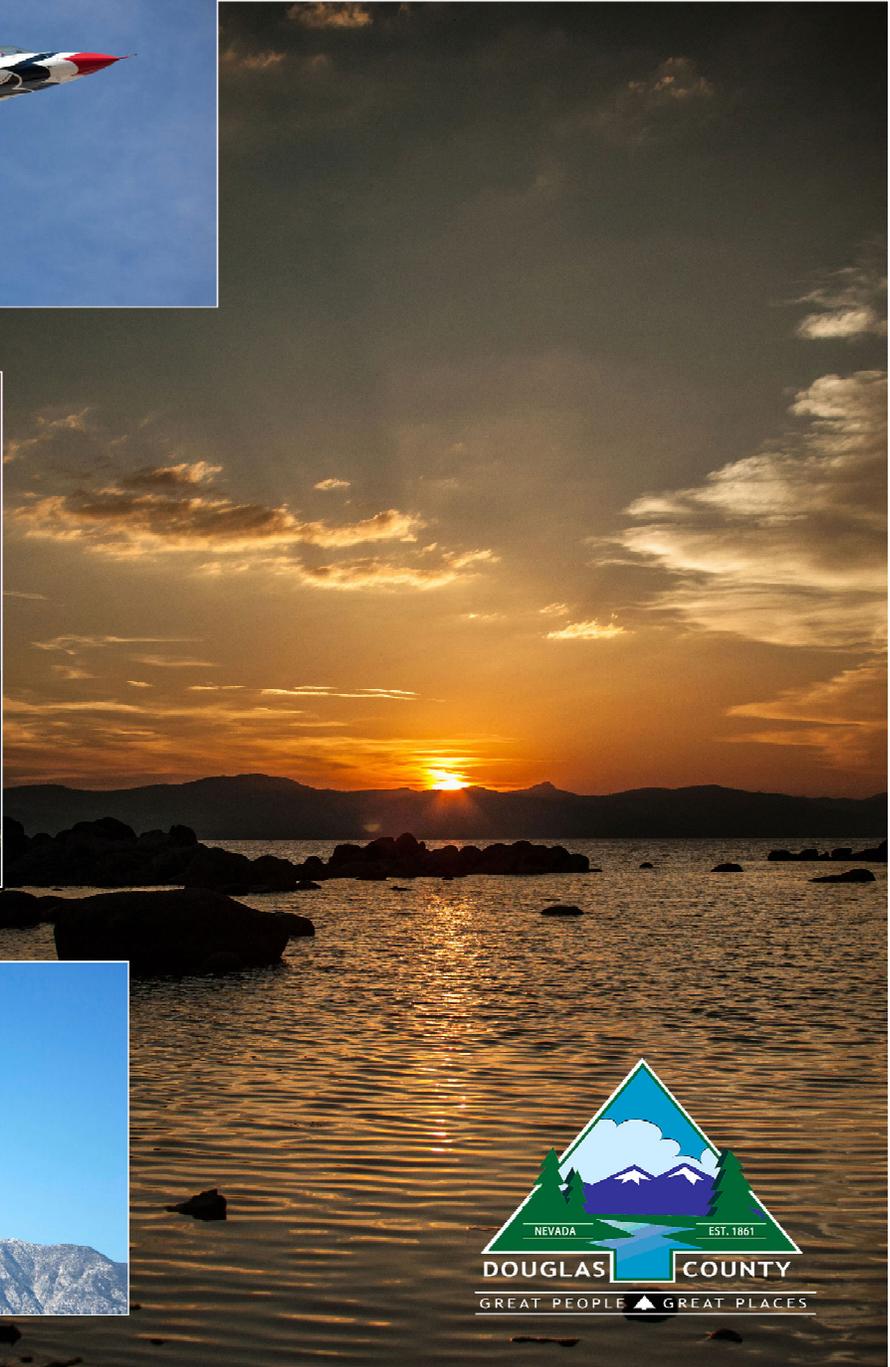


DOUGLAS COUNTY, NEVADA

Comprehensive Annual Financial Report

For the Year Ended June 30, 2016



Douglas County, Nevada

**Comprehensive Annual
Financial Report**

**For the Year Ended
June 30, 2016**

**Prepared By
Finance Division**

**Vicki Moore
Interim Chief Financial Officer**



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

Douglas County

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INTRODUCTORY SECTION



BOARD OF COMMISSIONERS

1594 Esmeralda Avenue, Minden, Nevada 89423

Lawrence A. Werner
COUNTY MANAGER
775-782-9821

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

December 8, 2016

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, 2016, 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, 2016, 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, 2016, 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), operating under provisions of Title 20 of Nevada Revised Statutes (NRS). On November 25, 1861, the County became one of the first counties established by the first Territorial Legislature, and 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. 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 State 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 750 square miles, and is located in the western portion of the State bordering the largest alpine lake in North America, 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's capital, 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. The County Commissioners also serve as the governing body for the Douglas County Redevelopment Agency and several other component units of the County. Other elected offices of the County include 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 airport, animal care, building safety, cooperative extension, code enforcement, community development services, district and justice courts, economic development, general administrative services, juvenile care, law enforcement, library, parks and recreation, senior services, social services, street construction and maintenance, water and sewer services, weed control, and zoning. Fire protection and paramedic services are provided by the East Fork Fire Protection District, a component unit of the County. The unincorporated towns of Gardnerville, Genoa, and Minden are also component units of the County.

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 economic downturn, which stagnated in the years after the Great Recession. Current data from the County Assessor's offices 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 few years. The County's unemployment rate, which increased from 4.1% in September 2004 to 14.0% by September 2010 during the economic downturn, has dropped to 4.9% as of September 2016.

Major industries in the County include tourism, research and manufacturing, government and 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 in the fields of technology, manufacturing and research. Several dozen technology entrepreneurs and advanced manufacturers are located in the Carson Valley. This sector includes Bently Nevada, a world leader in its field, and a product line of General Electric. Other major employers include a Starbucks Roasting Facility, North Sails (maker of America's Cup sails), Harrah's, Harvey's and the Hard Rock Casinos/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. The County uses a five-year financial forecast process for the general fund, and other major funds, to focus on correcting structural budget imbalances over the long range. Over the 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. The County was among the first 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 annual 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 achieve 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 four 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 through sound financial management practices and the provision of timely and accurate financial information so that the County Commissioners' 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. These policies can be viewed in full on the County's website www.douglascountynv.gov, under 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 (GAAP) 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 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 a structurally balanced budget. The County budgets and strives to maintain a 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 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 reserves.

Major Initiatives

The County's new Community and Senior Center opened to the public in December of 2014, and has quickly become a hub of the community. This 85,000 square-foot multi-generational facility includes a gymnasium, fitness facilities, multi-purpose rooms, senior center with dining facilities, community health service facility, classrooms and meeting rooms. Child care and adult day club facilities are now open at the center.

The Minden-Tahoe Airport originally built in 1942 as a military training base, 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 began in 2015, and includes 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 300 acres. The Airport has completed several planned runway and taxiway rehabilitation projects funded with grants from the Federal Aviation Administration. In the coming year, the Airport has several rehabilitation projects relating to the glider staging area and airfield lighting system as well as updating the Airport Master Plan.

Infrastructure continues to be a top priority and focus in the County. In 2017, the County will begin several major projects to rebuild and upgrade existing connector roads within the County. This will be accomplished through the issuance of Highway Revenue Bonds in November, 2016. The County also continues to evaluate funding alternatives for needed storm water and flood control measures.

The Douglas County Economic Vitality Plan 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.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Douglas County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2015. This is the second year in a row the County has been received this prestigious award.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, which 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 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,



Vicki Moore
Interim Chief Financial Officer

DOUGLAS COUNTY

COUNTY COMMISSIONERS, OTHER ELECTED OFFICIALS AND APPOINTED OFFICIALS

FOR THE YEAR ENDED JUNE 30, 2016

County Commissioners

Greg Lynn, District 1
Steve Thaler, District 2
Doug N. Johnson, Chairman, District 3
Nancy McDermid, Vice Chairwoman, District 4
Barry Penzel, District 5



Steve Thaler, Doug N. Johnson, Nancy McDermid, Greg Lynn and Barry Penzel

Other Elected Officials

Tod Young, District Judge, District Court I
Thomas W. Gregory, District Judge, District Court II
Thomas Perkins, Justice Judge, East Fork Township
Richard Glasson, Justice Judge, Tahoe Township
Paul Gilbert, Constable
Doug Sonnemann, County Assessor
Mark B. Jackson, District Attorney
Ron Pierini, Sheriff
Kathy Lewis, County Clerk-Treasurer
Karen Ellison, County Recorder
Claudette Springmeyer, Public Administrator

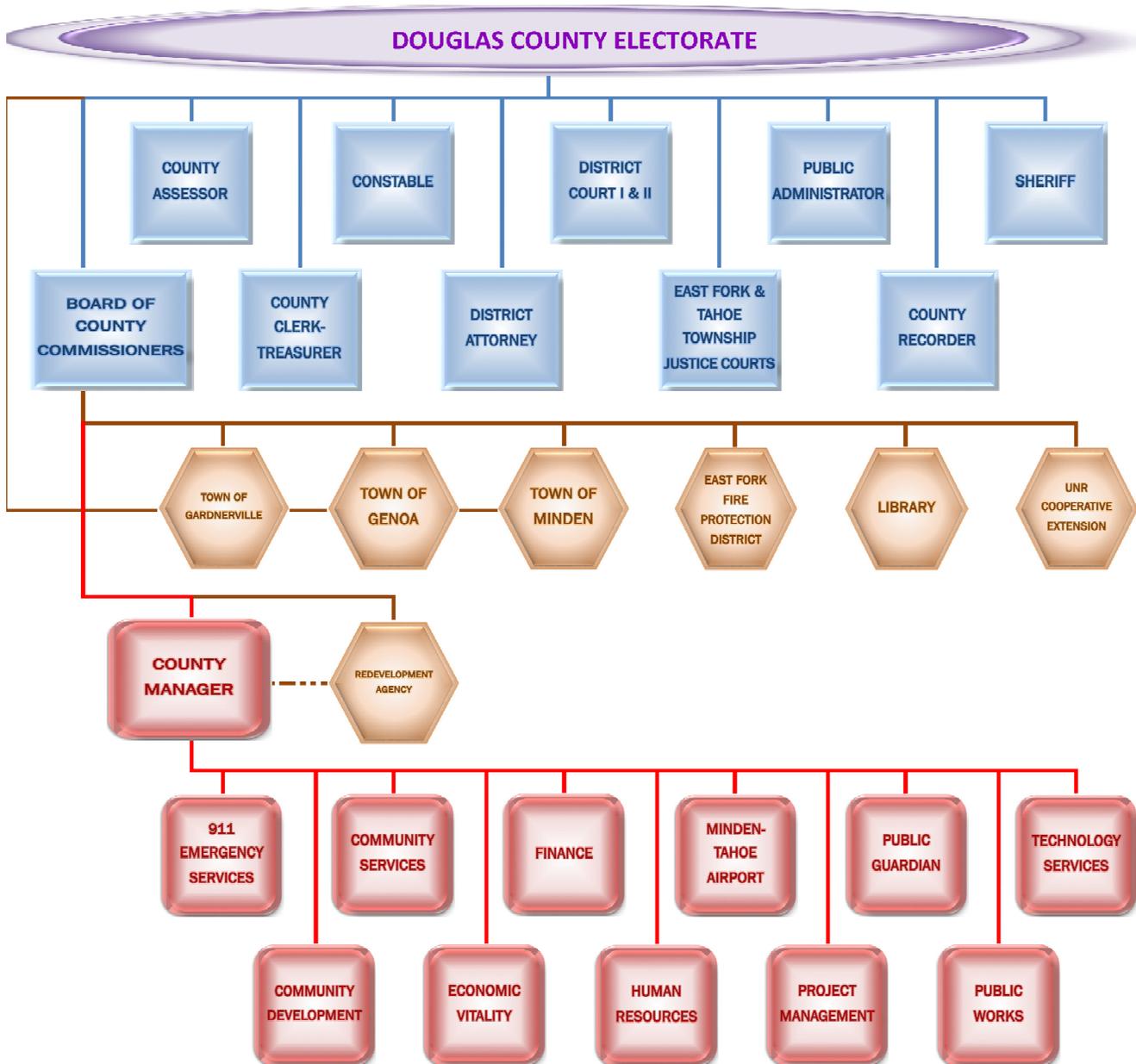
Appointed Officials

Larry Werner, County Manager
Vicki Moore, Interim Chief Financial Officer
Bobbi Thompson, Minden-Tahoe Airport Manager
Amy Dodson, Library Director
Carl Ruschmeyer, Public Works Director
Mimi Moss, Community Development Director
Scott Morgan, Community Services Director
Tod Carlini, East Fork Fire Protection District Chief
Ron Sagen, 911 Emergency Services Manager
Sherri McGee, Chief Technology Officer

DOUGLAS COUNTY

ORGANIZATION CHART

FOR THE YEAR ENDED JUNE 30, 2016





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Douglas County
Nevada**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2015

Executive Director/CEO

FINANCIAL SECTION

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, 2016, 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 June 30, 2016, 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, proportionate share of the collective net pension liability information, proportionate share of statutorily required pension contribution information, budgetary comparison information on pages 11-25 and 87-107 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 8, 2016, 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 8, 2016

MANAGEMENT'S DISCUSSION AND ANALYSIS

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED June 30, 2016

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, 2016. 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

Summary of Selected Financial Information

| | Total Primary Government | | | |
|--|--------------------------|---------------|--------------|----------|
| | 2016 | 2015 | Change | |
| Cash, cash equivalents and investments | \$ 79,028,342 | \$ 76,075,534 | \$ 2,952,808 | 3.88 % |
| Capital assets, net | 224,145,022 | 226,342,040 | (2,197,018) | (0.97)% |
| Deferred outflows of resources | 12,060,418 | 10,697,829 | 1,362,589 | 12.74 % |
| Postemployment benefits other than pensions | 7,102,765 | 6,842,603 | 260,162 | 3.80 % |
| Net pension liability | 71,742,188 | 65,006,569 | 6,735,619 | 10.36 % |
| Bonds and notes payable, net of unamortized premiums and discounts | 31,951,680 | 35,435,497 | (3,483,817) | (9.83)% |
| Deferred inflows of resources | 9,435,075 | 16,811,344 | (7,376,269) | (43.88)% |
| Total net position | 190,534,436 | 183,385,051 | 7,149,385 | 3.90 % |
| Charges for services | 26,382,213 | 25,155,999 | 1,226,214 | 4.87 % |
| Property taxes | 37,989,647 | 37,221,860 | 767,787 | 2.06 % |
| Intergovernmental consolidated taxes | 13,605,461 | 13,303,618 | 301,843 | 2.27 % |
| Total expenses | 100,042,499 | 96,627,693 | 3,414,806 | 3.53 % |
| Change in net position | 7,149,386 | 8,301,969 | (1,152,583) | (13.88)% |

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.

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 - Reports activities that are 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 development, culture and recreation, health and sanitation, and welfare.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

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 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 statements 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 for each of the major funds as defined by Governmental Accounting Standards Board (GASB) Statement No. 34, as amended. 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 – Account for activities for which a user fee is charged for the provision of goods or services. The County uses enterprise funds to account for its water, sewer and refuse service operations.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

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 non-major 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 non-major 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 government-wide 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 non-major 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, 2016

Government-wide financial analysis

Summary Statement of Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|----------------------------------|-------------------------|----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| | (Restated) | | | | (Restated) | |
| Assets | | | | | | |
| Current, restricted and other | \$ 66,050,179 | \$ 66,798,450 | \$ 25,111,242 | \$ 21,388,598 | \$ 91,161,421 | \$ 88,187,048 |
| Capital | 121,795,208 | 122,103,345 | 102,349,814 | 104,238,695 | 224,145,022 | 226,342,040 |
| Total assets | <u>187,845,387</u> | <u>188,901,795</u> | <u>127,461,056</u> | <u>125,627,293</u> | <u>315,306,443</u> | <u>314,529,088</u> |
| Deferred outflows of resources | <u>11,262,302</u> | <u>9,872,635</u> | <u>798,116</u> | <u>825,194</u> | <u>12,060,418</u> | <u>10,697,829</u> |
| Liabilities | | | | | | |
| Current | 9,416,812 | 10,695,006 | 2,811,064 | 2,870,533 | 12,227,876 | 13,565,539 |
| Long-term | <u>96,417,732</u> | <u>91,163,874</u> | <u>18,751,742</u> | <u>20,301,109</u> | <u>115,169,474</u> | <u>111,464,983</u> |
| Total liabilities | <u>105,834,544</u> | <u>101,858,880</u> | <u>21,562,806</u> | <u>23,171,642</u> | <u>127,397,350</u> | <u>125,030,522</u> |
| Deferred inflows of resources | <u>9,014,023</u> | <u>16,032,660</u> | <u>421,052</u> | <u>778,684</u> | <u>9,435,075</u> | <u>16,811,344</u> |
| Net position | | | | | | |
| Net investment in capital assets | 104,928,853 | 103,545,887 | 87,557,422 | 87,721,290 | 192,486,275 | 191,267,177 |
| Restricted | 40,482,940 | 41,170,332 | 686,457 | 684,789 | 41,169,397 | 41,855,121 |
| Unrestricted | <u>(61,152,671)</u> | <u>(63,833,329)</u> | <u>18,031,435</u> | <u>14,096,082</u> | <u>(43,121,236)</u> | <u>(49,737,247)</u> |
| Total net position | <u>\$ 84,259,122</u> | <u>\$ 80,882,890</u> | <u>\$ 106,275,314</u> | <u>\$ 102,502,161</u> | <u>\$ 190,534,436</u> | <u>\$ 183,385,051</u> |

Current assets increased \$2,974,373 from the prior year, primarily due to increases in cash as a result of cash held in the sewer utility fund to pay for the expansion of the North Valley Wastewater Treatment Plant that is in progress.

Capital assets comprised of the County's investment in land, buildings and building improvements, machinery and equipment, vehicles, and infrastructure, net of depreciation decreased \$2,197,018 from the prior year, primarily due to depreciation in excess of assets placed in service.

Current liabilities decreased \$1,337,663 from the prior year, primarily due to decreases in accounts payable as a result of a one-time settlement of \$800,000 in the airport fund, and other one-time payables of \$709,000 in the assistance to indigents fund, which were accrued in fiscal year 2015 and paid in fiscal year 2016.

Long-term liabilities comprised of long-term debt obligations, compensated absences, pension and other postemployment benefit obligations increased \$3,704,491 from the prior year, primarily due to an increase in the net pension liability of \$6,735,619 as a result of changes in actuarial valuation based on current year employment figures, which was offset by a decrease in long-term debt of approximately \$3,500,000 as a result of repayment of outstanding debt obligations.

At June 30, 2016, the County's total net position was \$190,534,436 representing an increase of \$7,149,385 over the prior year.

By far, the largest portion of the County's net position is its investment in capital assets (land, buildings and building improvements, machinery and equipment, vehicles, and infrastructure), less any related debt used to acquire these assets, which are used to provide services to citizens; consequently, these assets are not available for future expenditures. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

By far, the largest portion of the County's net position is its investment in capital assets (land, buildings and building improvements, machinery and equipment, vehicles, and infrastructure), less any related debt used to acquire these assets, which are used to provide services to citizens; consequently, these assets are not available for future expenditures. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Summary Statement of Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--|-------------------------|-------------------|--------------------------|-------------------|--------------------------|--------------------|
| | 2016 | 2015 Restated | 2016 | 2015 | 2016 | 2015 Restated |
| Revenues | | | | | | |
| Program revenues | | | | | | |
| Charges for services | \$ 14,842,089 | \$ 14,117,358 | \$ 11,540,124 | \$ 11,214,386 | \$ 26,382,213 | \$ 25,331,744 |
| Operating grants and contributions | 7,087,302 | 7,102,340 | | | 7,087,302 | 7,102,340 |
| Capital grants and contributions | 2,302,348 | 395,150 | 952,688 | 6,143,818 | 3,255,036 | 6,538,968 |
| General revenues | | | | | | |
| Property taxes | 37,989,647 | 37,221,860 | | | 37,989,647 | 37,221,860 |
| Intergovernmental consolidated taxes | 13,605,461 | 13,303,618 | | | 13,605,461 | 13,303,618 |
| Room taxes | 6,963,281 | 5,711,688 | | | 6,963,281 | 5,711,688 |
| Intergovernmental sales taxes | 1,633,836 | 1,614,104 | | | 1,633,836 | 1,614,104 |
| Construction taxes | 869,609 | 181,599 | | | 869,609 | 181,599 |
| Intergovernmental franchise and public service taxes | 8,005,583 | 7,366,250 | | | 8,005,583 | 7,366,250 |
| Investment income | 536,416 | 312,694 | 162,340 | 88,283 | 698,756 | 400,977 |
| Gain on disposal of capital assets | 35,552 | 45,235 | | 238,983 | 35,552 | 284,218 |
| Miscellaneous | 486,637 | 225,252 | 178,972 | 110,505 | 665,609 | 335,757 |
| Total revenues | 94,357,761 | 87,597,148 | 12,834,124 | 17,795,975 | 107,191,885 | 105,393,123 |
| Expenses | | | | | | |
| General government | 13,389,921 | 12,956,324 | | | 13,389,921 | 12,956,324 |
| Judicial | 14,168,982 | 13,916,002 | | | 14,168,982 | 13,916,002 |
| Public safety | 29,650,696 | 29,318,776 | | | 29,650,696 | 29,318,776 |
| Public works | 8,153,262 | 7,294,588 | | | 8,153,262 | 7,294,588 |
| Community development | 4,365,400 | 4,186,295 | | | 4,365,400 | 4,186,295 |
| Culture and recreation | 15,421,278 | 13,739,072 | | | 15,421,278 | 13,739,072 |
| Health and sanitation | 585,814 | 496,018 | | | 585,814 | 496,018 |
| Welfare | 2,669,742 | 2,425,146 | | | 2,669,742 | 2,425,146 |
| ISF elimination (net to zero) | | 800,000 | | | | 800,000 |
| Interest expense and fiscal charges | 463,933 | 616,121 | | | 463,933 | 616,121 |
| Water | | | 7,791,526 | 7,664,909 | 7,791,526 | 7,664,909 |
| Sewer | | | 1,951,823 | 1,779,765 | 1,951,823 | 1,779,765 |
| Trash | | | 1,430,122 | 1,434,677 | 1,430,122 | 1,434,677 |
| Total expenses | 88,869,028 | 85,748,342 | 11,173,471 | 10,879,351 | 100,042,499 | 96,627,693 |

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Summary Statement of Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|---------------------------------|-------------------------|----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
| | 2016 | 2015 Restated | 2016 | 2015 | 2016 | 2015 Restated |
| Transfers | \$ (2,112,500) | \$ (100,000) | \$ 2,112,500 | \$ 100,000 | \$ _____ | \$ _____ |
| Change in net position | 3,376,233 | 1,748,806 | 3,773,153 | 7,016,624 | 7,149,386 | 8,765,430 |
| Net position, beginning of year | <u>80,882,890</u> | <u>79,134,084</u> | <u>102,502,161</u> | <u>95,485,537</u> | <u>183,385,051</u> | <u>174,619,621</u> |
| Net position, end of year | <u>\$ 84,259,122</u> | <u>\$ 80,882,890</u> | <u>\$ 106,275,314</u> | <u>\$ 102,502,161</u> | <u>\$ 190,534,436</u> | <u>\$ 183,385,051</u> |

Governmental activities net position increased \$3,376,233 from the prior year. This increase was primarily due to:

Increases in property and intergovernmental consolidated taxes primarily due to growth in assessed property values net of property tax abatements that limit tax increases in residential property to 3% and for all other property to 8% and increased consumer spending (tourist and local).

Increases in charges for services, which were offset by increases in expenses as a result of normal fluctuations in day-to-day operations.

Business-type activities net position increased \$3,773,153 from the prior year. This increase was primarily due to:

A one-time transfer of \$2,000,000 from the redevelopment agency fund to the sewer utility fund to be used for the expansion of the North Valley Wastewater Treatment Plant.

Increases in charges for services, which were offset by increases in expenses as a result of normal fluctuations in day-to-day operations.

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Fund Financial Analysis

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.

Governmental Funds
Summary Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2016

| | Special Revenue Funds | | | | Total Governmental Funds |
|---|-----------------------|---------------------|--|------------------------------------|--------------------------------|
| | General Fund | Room Tax | East Fork Fire Protection District | Non-major Governmental Funds | |
| Total revenues | \$ 43,846,923 | \$ 12,328,511 | \$ 12,506,216 | \$ 28,006,308 | \$ 96,687,958 |
| Total expenditures | <u>39,953,481</u> | <u>12,305,091</u> | <u>12,374,527</u> | <u>29,435,618</u> | <u>94,068,717</u> |
| Excess (deficiency) of revenues over (under) expenditures | 3,893,442 | 23,420 | 131,689 | (1,429,310) | 2,619,241 |
| Total other financing sources (uses) | <u>(4,462,006)</u> | <u>362,959</u> | <u>(136,472)</u> | <u>2,106,848</u> | <u>(2,128,671)</u> |
| Change in fund balance | <u>(568,564)</u> | <u>386,379</u> | <u>(4,783)</u> | <u>677,538</u> | <u>490,570</u> |
| Fund balance, beginning of year, as previously reported | 12,126,232 | 1,937,701 | 2,793,516 | 33,169,707 | 50,027,156 |
| Adjustment | <u>(266,445)</u> | | | | <u>(266,445)</u> |
| Fund balance, beginning of year, as adjusted | <u>11,859,787</u> | <u>1,937,701</u> | <u>2,793,516</u> | <u>33,169,707</u> | <u>49,760,711</u> |
| Fund balance, end of year | <u>\$ 11,291,223</u> | <u>\$ 2,324,080</u> | <u>\$ 2,788,733</u> | <u>\$ 33,847,245</u> | <u>\$ 50,251,281</u> |

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

| Governmental Funds | | | | | |
|---|-----------------------|---------------------|--|------------------------------------|--------------------------------|
| Fund Balance | | | | | |
| June 30, 2016 | | | | | |
| | Special Revenue Funds | | | | |
| | General Fund | Room Tax | East Fork Fire Protection District | Non-major Governmental Funds | Total Governmental Funds |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | \$ 416,529 | \$ 6,803 | | \$ 121,273 | \$ 544,605 |
| Land held for resale | | | | 90,000 | 90,000 |
| Deposits | 13,795 | | | 7,656 | 21,451 |
| Restricted for | | | | | |
| Debt service | | | | 1,690,570 | 1,690,570 |
| Capital improvement projects | | | | 16,135,330 | 16,135,330 |
| General, town and district redevelopment programs | | | 2,788,733 | 3,545,966 | 6,334,699 |
| Youth and other judicial programs | 991,494 | | | 2,104,733 | 3,096,227 |
| Fire, police and other public safety programs | | | | 992,208 | 992,208 |
| Streets and other public works programs | | | | 3,001,265 | 3,001,265 |
| Cultural, community and development programs | | | | 4,823,669 | 4,823,669 |
| Committed to | | | | | |
| Streets and other public works programs | | | | 1,185,012 | 1,185,012 |
| Assigned to | | | | | |
| Youth and other judicial programs | 2,954 | | | | 2,954 |
| Cultural, community and development programs | | 2,317,277 | | | 2,317,277 |
| Sanitation and other health programs | | | | 161,911 | 161,911 |
| Stabilization programs | 362,101 | | | | 362,101 |
| Unassigned | <u>9,504,350</u> | | | <u>(12,348)</u> | <u>9,492,002</u> |
| Total fund balances | <u>\$ 11,291,223</u> | <u>\$ 2,324,080</u> | <u>\$ 2,788,733</u> | <u>\$ 33,847,245</u> | <u>\$ 50,251,281</u> |

Governmental funds combined fund balance increased \$490,570 (0.99%) from the prior year. Approximately 18.89% of the governmental funds combined fund balance (\$9,492,002) constitutes unassigned fund balance, which is available to meet the County's ongoing obligations.

The general fund is the chief operating fund of the County. As a measure of the general fund's liquidity, it may be useful to compare fund balance to total fund expenditures. Unassigned fund balance (\$9,504,350), which may be used to meet the County's ongoing obligations, represents 23.79% of general fund expenditures.

Fund balance in the general fund decreased \$568,564 from the prior year. This decrease was primarily due to a \$500,000 transfer from the general fund to the road operating fund to pay for repairs resulting from a July 2015 flood.

Fund balance in the room tax fund increased \$286,379 from the prior year. This increase was primarily due to:

Increases in room tax revenues of \$1,495,927 as a result of continued recovery in the local tourism industry, which was offset by increases in the promotional room tax expense of \$1,159,821 paid to local visitors authorities and agencies.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Increases in charges for services of \$247,434 as a result of the first full year of operation for the new Douglas County Community and Senior Center.

Fund balance in the East Fork fire protection district fund decreased \$4,783 from the prior year. This decrease was primarily due to normal fluctuations in day-to-day operations.

Fund balance in the non-major governmental funds increased \$677,538 from the prior year. This increase was primarily due to normal fluctuations in day-to-day operations and repayment of outstanding debt obligations.

General Fund Budget

General Fund
Summary Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
For the Year Ended June 30, 2016

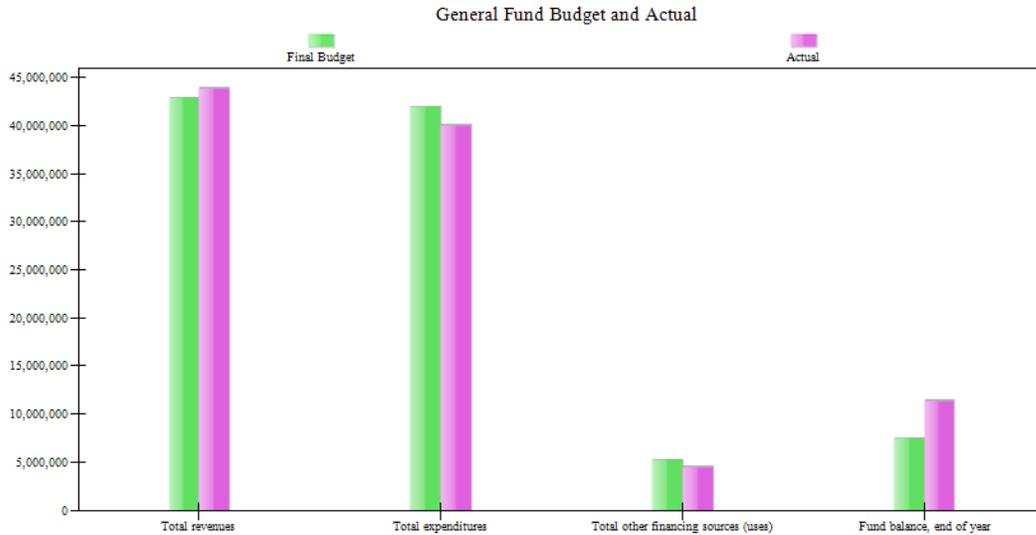
| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|----------------------|---------------------|
| Total revenues | \$ 41,721,217 | \$ 42,871,908 | \$ 43,846,923 | \$ 975,015 |
| Total expenditures | <u>38,934,946</u> | <u>41,929,196</u> | <u>39,953,481</u> | <u>1,975,715</u> |
| Excess of revenues over expenditures | 2,786,271 | 942,712 | 3,893,442 | 2,950,730 |
| Total other financing sources (uses) | <u>(3,664,598)</u> | <u>(5,229,233)</u> | <u>(4,462,006)</u> | <u>767,227</u> |
| CHANGE IN FUND BALANCE | <u>(878,327)</u> | <u>(4,286,521)</u> | <u>(568,564)</u> | <u>3,717,957</u> |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | 12,126,232 | |
| Adjustment | | | <u>(266,445)</u> | |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | <u>8,067,089</u> | <u>11,749,858</u> | <u>11,859,787</u> | <u>109,929</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 7,188,762</u> | <u>\$ 7,463,337</u> | <u>\$ 11,291,223</u> | <u>\$ 3,827,886</u> |

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016



At June 30, 2016, fund balance exceeded the final budget by \$3,827,886.

General fund revenues exceeded the final budget by \$985,015 primarily due to building permits, payments in lieu of taxes, intergovernmental consolidated taxes, property taxes, county gaming licenses, and cable television franchise fees all surpassing budgeted estimates.

General fund expenditures were less than the final budget by \$1,975,715 primarily due to budget augmentations related to the judicial function, which were not spent during the year.

During the year the original general fund budget was augmented as a result of changes in economic conditions and identification of additional revenue sources, which were used to provide additional services.

The detailed general fund budget comparison schedule can be found in the required supplementary information immediately following the notes to the basic financial statements in this report.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Proprietary Funds

Proprietary Funds
Summary Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended June 30, 2016

| | Business-type Activities | | | | |
|--|--------------------------|----------------------|----------------------|----------------------|----------------------------|
| | Regional Water | Carson Valley | | Lake Tahoe | Town of Minden |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility |
| Total operating revenues | \$ 1,024,484 | \$ 2,040,927 | \$ 2,846,705 | \$ 1,729,295 | \$ 1,044,901 |
| Total operating expenses | <u>1,436,578</u> | <u>1,872,870</u> | <u>2,138,441</u> | <u>1,373,478</u> | <u>1,359,918</u> |
| Operating income (loss) | (412,094) | 168,057 | 708,264 | 355,817 | (315,017) |
| Total nonoperating revenues (expenses) | <u>1,527</u> | <u>(280,899)</u> | <u>(19,413)</u> | <u>(48,188)</u> | <u>12,707</u> |
| Income (loss) before capital contributions and transfers | (410,567) | (112,842) | 688,851 | 307,629 | (302,310) |
| Total capital contributions | 125,000 | 192,015 | 137,901 | 191,362 | |
| Total transfers | <u>(125,000)</u> | <u>2,000,000</u> | <u>125,000</u> | <u>112,500</u> | <u>830,146</u> |
| CHANGE IN NET POSITION | (410,567) | 2,079,173 | 951,752 | 611,491 | 527,836 |
| NET POSITION, BEGINNING OF YEAR | <u>16,123,836</u> | <u>22,706,015</u> | <u>23,633,401</u> | <u>12,929,875</u> | <u>13,376,151</u> |
| NET POSITION, END OF YEAR | <u>\$ 15,713,269</u> | <u>\$ 24,785,188</u> | <u>\$ 24,585,153</u> | <u>\$ 13,541,366</u> | <u>\$ 13,903,987</u> |

| | Business-type Activities | | | Governmental |
|--|--------------------------|---------------------|---------------------------|---------------------|
| | Town of Minden | Non-major | | Internal Service |
| | Water Company | Enterprise Funds | Total Enterprise Funds | Funds |
| Total operating revenues | \$ 1,002,622 | \$ 1,720,224 | \$ 11,409,158 | \$ 4,899,275 |
| Total operating expenses | <u>808,584</u> | <u>1,430,431</u> | <u>10,420,300</u> | <u>4,841,398</u> |
| Operating income (loss) | 194,038 | 289,793 | 988,858 | 57,877 |
| Total nonoperating revenues (expenses) | <u>39,195</u> | <u>12,960</u> | <u>(282,111)</u> | <u>258,414</u> |
| Income (loss) before capital contributions and transfers | 233,233 | 302,753 | 706,747 | 316,291 |
| Total capital contributions | 306,410 | | 952,688 | |
| Total transfers | <u>(830,146)</u> | <u></u> | <u>2,112,500</u> | <u>45,000</u> |
| CHANGE IN NET POSITION | (290,503) | 302,753 | 3,771,935 | 361,291 |
| NET POSITION, BEGINNING OF YEAR | <u>12,322,580</u> | <u>1,462,138</u> | <u>102,553,996</u> | <u>4,625,511</u> |
| NET POSITION, END OF YEAR | <u>\$ 12,032,077</u> | <u>\$ 1,764,891</u> | <u>\$ 106,325,931</u> | <u>\$ 4,986,802</u> |

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Proprietary Funds
Net Position
June 30, 2016

| | Business-type Activities | | | | |
|----------------------------------|---------------------------|---------------|--------------------------------|-----------------------------|--|
| | Regional Water Utility | Sewer Utility | Carson Valley Water Utility | Lake Tahoe Water Utility | Town of Minden Wholesale Water Utility |
| NET POSITION | | | | | |
| Net investment in capital assets | \$ 15,261,848 | \$ 19,189,421 | \$ 20,275,500 | \$ 11,005,656 | \$ 13,139,383 |
| Restricted | | | | | |
| Debt service | | 424,352 | 260,438 | | |
| Insurance liabilities | | | | | |
| Unrestricted | 451,421 | 5,171,415 | 4,049,215 | 2,535,710 | 764,604 |
| Total net position | \$ 15,713,269 | \$ 24,785,188 | \$ 24,585,153 | \$ 13,541,366 | \$ 13,903,987 |

| | Business-type Activities | | | Governmental Activities |
|----------------------------------|------------------------------------|----------------------------------|---------------------------|----------------------------|
| | Town of Minden Water Company | Non-major Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| NET POSITION | | | | |
| Net investment in capital assets | \$ 7,821,661 | \$ 863,953 | \$ 87,557,422 | \$ 612,366 |
| Restricted | | | | |
| Debt service | | 1,667 | 686,457 | |
| Insurance liabilities | | | | 4,408,972 |
| Unrestricted | 4,210,416 | 899,271 | 18,082,052 | (34,536) |
| Total net position | \$ 12,032,077 | \$ 1,764,891 | \$ 106,325,931 | \$ 4,986,802 |

Net position in the regional water utility enterprise fund decreased \$410,567 from the prior year. This decrease was primarily due to normal fluctuations in day-to-day operations.

Net position in the sewer enterprise fund increased \$2,079,173 from the prior year. This increase was primarily due to a one-time transfer of \$2,000,000 from the redevelopment agency fund to the sewer utility fund to be used for the expansion of the North Valley Wastewater Treatment Plant.

Net position in the Carson Valley water utility enterprise fund increased \$951,752 from the prior year. This increase was primarily due to normal fluctuations in day-to-day operations.

Net position in the Lake Tahoe water utility enterprise fund increased \$611,491 from the prior year. This increase was primarily due to normal fluctuations in day-to-day operations.

Net position in the Town of Minden wholesale water utility enterprise fund increased \$527,836 from the prior year. This increase was primarily due to normal fluctuations in day-to-day operations and a transfer from the Town of Minden water utility fund.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Net position in the Town of Minden water utility enterprise fund decreased \$290,503 from the prior year. This decrease was primarily due to normal fluctuations in day-to-day operations and a transfer to the Town of Minden wholesale water utility fund.

Net position in the non-major enterprise funds increased \$302,753 from the prior year. This increase was primarily due to normal fluctuations in day-to-day operations.

Net position in the internal service funds increased \$316,291 from the prior year. This increase was primarily due to normal fluctuations in day-to-day operations.

Capital Assets

Capital Assets, Net of Accumulated Depreciation and Amortization

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|-------------------------------------|-------------------------|-----------------------|--------------------------|-----------------------|--------------------------|-----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Land | \$ 17,503,756 | \$ 17,503,756 | \$ 2,831,609 | \$ 2,831,609 | \$ 20,335,365 | \$ 20,335,365 |
| Construction in progress | 3,935,763 | 3,789,143 | 2,634,302 | 2,112,911 | 6,570,065 | 5,902,054 |
| Water rights | | | 5,772,013 | 5,772,013 | 5,772,013 | 5,772,013 |
| Buildings and building improvements | 55,612,414 | 57,398,938 | 1,990,905 | 2,063,407 | 57,603,319 | 59,462,345 |
| Machinery, equipment and software | 6,887,527 | 6,835,524 | 535,678 | 400,191 | 7,423,205 | 7,235,715 |
| Infrastructure | 37,855,748 | 36,575,984 | | | 37,855,748 | 36,575,984 |
| Water and sewer systems | | | 88,585,307 | 91,058,564 | 88,585,307 | 91,058,564 |
| | <u>\$ 121,795,208</u> | <u>\$ 122,103,345</u> | <u>\$ 102,349,814</u> | <u>\$ 104,238,695</u> | <u>\$ 224,145,022</u> | <u>\$ 226,342,040</u> |

Major capital asset events during the current fiscal year included, but were not limited to, the following:

Completion and capitalization of construction projects totalling \$6,847,592 including, but not limited to completion of the airport taxiway rehabilitation, Toler Lane rehabilitation, Vist Grande enhancement projects.

Purchased machinery and equipment totaling \$1,458,282.

Capital contributions were received totaling \$827,688.

Depreciation expense for the fiscal year was \$10,970,341.

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

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

Long-term Liabilities

Summary of Long-term Liabilities Outstanding

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--|-------------------------|----------------------|--------------------------|----------------------|--------------------------|-----------------------|
| | 2016 | 2015 (Restated) | 2016 | 2015 | 2016 | 2015 (Restated) |
| Bonds and notes payable, net of unamortized premiums and discounts | \$ 16,871,042 | \$ 18,563,439 | \$ 15,080,638 | \$ 16,872,058 | \$ 31,951,680 | \$ 35,435,497 |
| Net pension liability | 68,535,507 | 61,987,205 | 3,206,316 | 3,019,364 | 71,741,823 | 65,006,569 |
| Compensated absences | 4,117,149 | 3,967,624 | 209,530 | 166,528 | 4,326,679 | 4,134,152 |
| Postemployment benefits other than pensions | 6,847,507 | 6,599,444 | 255,258 | 243,159 | 7,102,765 | 6,842,603 |
| | <u>\$ 96,371,205</u> | <u>\$ 91,117,712</u> | <u>\$ 18,751,742</u> | <u>\$ 20,301,109</u> | <u>\$ 115,122,947</u> | <u>\$ 111,418,821</u> |

Long-term liabilities increased \$3,704,491 from the prior year. This increase was primarily due to:

Increases in the net pension liability as a result of increased required contribution rates and changes in the pension plans actuarial valuations.

Decreases in bonds and notes payable, net of unamortized premiums and discounts as a result of scheduled payments.

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 and of its operating and capital budgets. Throughout the year, the County monitors changes in economic trends and events. The five-year Capital Improvement Plan includes assumptions reviewed by the Board of County Commissioners and associated committees. Below are highlights of current economic indicators and assumptions used in developing the fiscal year 2017 budget.

Overall, economic conditions are improving in the County, with the County's unemployment rate continuing to trend lower. The June 2016 rate was 6.3%, as compared to 7.0% in June of 2015. As of October 2016, the County's unemployment rate had decreased to 5.0%.

Residential building permits, which are a leading indicator of economic activity, have trended higher over the last several years; however, in fiscal year 2016, building permits leveled out and reported a slight 0.1% decrease in permits issued from the prior year.

For the twelve-month period ended September 2016, residential property sales in the County are 9.3% higher than last year and the sales price of residential homes in the County is 11% higher than last year, with the median sales price at \$320,000.

Total assessed property value within the County was valued at \$2,813,965,867, a 2.9% increase over the prior year.

Inflationary trends in the County are comparable to the United States national indices.

All of these factors were considered in preparing the County's budget for the 2017 fiscal year.

(Continued)

DOUGLAS COUNTY

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

FOR THE YEAR ENDED June 30, 2016

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 the Chief Financial Officer, by writing to P.O. Box 218, Minden, Nevada, 89423.

BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS**

DOUGLAS COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2016

| | Primary Government | | |
|--|----------------------------|-----------------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total |
| ASSETS | | | |
| Cash, cash equivalents and investments, unrestricted | \$ 56,904,769 | \$ 21,268,006 | \$ 78,172,775 |
| Cash, cash equivalents and investments, restricted | 199,436 | 656,131 | 855,567 |
| Accounts receivable, net | 2,691,311 | 1,307,602 | 3,998,913 |
| Notes receivable, net | | 1,687,500 | 1,687,500 |
| Taxes and penalties receivable | 828,552 | | 828,552 |
| Interest receivable | 110,283 | 31,524 | 141,807 |
| Due from other governments | 3,670,125 | 41,802 | 3,711,927 |
| Special assessments receivable | | 5,391 | 5,391 |
| Inventories | 314,949 | 57,435 | 372,384 |
| Prepaid items | 1,212,389 | 55,851 | 1,268,240 |
| Property held for resale | 90,000 | | 90,000 |
| Other assets | 21,451 | | 21,451 |
| Internal balances * | 6,914 | | |
| Capital assets, net of accumulated depreciation and amortization | | | |
| Land | 17,503,756 | 2,831,609 | 20,335,365 |
| Construction in progress | 3,935,763 | 2,634,302 | 6,570,065 |
| Water rights | | 5,772,013 | 5,772,013 |
| Buildings and building improvements | 55,612,414 | 1,990,905 | 57,603,319 |
| Machinery, equipment and software | 6,887,527 | 535,678 | 7,423,205 |
| Infrastructure | 37,855,748 | | 37,855,748 |
| Water and sewer systems | | 88,585,307 | 88,585,307 |
| Total assets | 187,845,387 | 127,461,056 | 315,299,529 |
| DEFERRED OUTFLOWS OF RESOURCES | | | |
| Unamortized deferred refunding charges | 4,687 | 285,126 | 289,813 |
| Unamortized amounts related to pensions | 11,257,615 | 512,990 | 11,770,605 |
| Total deferred outflows of resources | 11,262,302 | 798,116 | 12,060,418 |
| LIABILITIES | | | |
| Accounts payable | 3,017,934 | 655,867 | 3,673,801 |
| Accrued salaries, wages and benefits | 3,287,014 | 76,545 | 3,363,559 |
| Unearned revenue | 1,666,240 | 1,887,418 | 3,553,658 |
| Deposits | 237,558 | 54,716 | 292,274 |
| Amounts held for others | 877,376 | | 877,376 |
| Due to other governments | 181,837 | | 181,837 |
| Interest payable | 148,853 | 129,604 | 278,457 |
| Internal balances * | | 6,914 | |
| Long-term liabilities, due within one year | | | |
| Claims and judgments, estimated | 46,162 | | 46,162 |
| Compensated absences | 2,904,438 | 209,530 | 3,113,968 |
| Bonds and notes payable | 1,736,482 | 1,604,338 | 3,340,820 |
| Long-term liabilities, due in more than one year | | | |
| Compensated absences | 1,212,711 | | 1,212,711 |
| Postemployment benefits other than pensions | 6,847,507 | 255,258 | 7,102,765 |
| Net pension liability | 68,535,872 | 3,206,316 | 71,742,188 |
| Bonds and notes payable, net of unamortized premiums and discounts | 15,134,560 | 13,476,300 | 28,610,860 |
| Total liabilities | 105,834,544 | 21,562,806 | 127,390,436 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unamortized amounts related to pensions | 9,014,023 | 421,052 | 9,435,075 |

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

STATEMENT OF NET POSITION (CONTINUED)

JUNE 30, 2016

| | Primary Government | | |
|---|----------------------------|-----------------------------|----------------|
| | Governmental Activities | Business-type Activities | Total |
| NET POSITION | | | |
| Net investment in capital assets | \$ 104,928,853 | \$ 87,557,422 | \$ 192,486,275 |
| Restricted for | | | |
| Debt service | 1,690,570 | 686,457 | 2,377,027 |
| Capital improvement projects | 16,135,330 | | 16,135,330 |
| General, town and district redevelopment programs | 6,334,699 | | 6,334,699 |
| Youth and other judicial programs | 3,096,227 | | 3,096,227 |
| Fire, police and other public safety programs | 992,208 | | 992,208 |
| Streets and other public works programs | 3,001,265 | | 3,001,265 |
| Cultural, community and development programs | 4,823,669 | | 4,823,669 |
| Insurance liabilities | 4,408,972 | | 4,408,972 |
| Unrestricted | (61,152,671) | 18,031,435 | (43,121,236) |
| Total net position | \$ 84,259,122 | \$ 106,275,314 | \$ 190,534,436 |

* 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, 2016

| 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 | \$ 13,389,921 | \$ 5,164,324 | \$ 190,561 | \$ 233,256 | \$ (7,801,780) | | \$ (7,801,780) |
| Judicial | 14,168,982 | 1,854,443 | 4,706,673 | | (7,607,866) | | (7,607,866) |
| Public safety | 29,650,696 | 3,976,474 | 645,582 | | (25,028,640) | | (25,028,640) |
| Public works | 8,153,262 | 481,821 | 41,564 | | (7,629,877) | | (7,629,877) |
| Community development | 4,365,400 | | 1,102,836 | | (3,262,564) | | (3,262,564) |
| Culture and recreation | 15,421,278 | 2,792,245 | 158,038 | 2,069,092 | (10,401,903) | | (10,401,903) |
| Health and sanitation | 585,814 | 535,309 | | | (50,505) | | (50,505) |
| Welfare | 2,669,742 | 37,473 | 242,048 | | (2,390,221) | | (2,390,221) |
| Debt service | | | | | | | |
| Interest expense and fiscal charges | 463,933 | | | | (463,933) | | (463,933) |
| Total governmental activities | <u>88,869,028</u> | <u>14,842,089</u> | <u>7,087,302</u> | <u>2,302,348</u> | <u>(64,637,289)</u> | | <u>(64,637,289)</u> |
| Business-type activities | | | | | | | |
| Water | 7,791,526 | 7,778,973 | | 760,673 | | 748,120 | 748,120 |
| Sewer | 1,951,823 | 2,040,927 | | 192,015 | | 281,119 | 281,119 |
| Trash | 1,430,122 | 1,720,224 | | | | 290,102 | 290,102 |
| Total business-type activities | <u>11,173,471</u> | <u>11,540,124</u> | | <u>952,688</u> | | <u>1,319,341</u> | <u>1,319,341</u> |
| Total function/program | <u>\$ 100,042,499</u> | <u>\$ 26,382,213</u> | <u>\$ 7,087,302</u> | <u>\$ 3,255,036</u> | <u>(64,637,289)</u> | <u>1,319,341</u> | <u>(63,317,948)</u> |

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY

STATEMENT OF ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

| | 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 (UNRESTRICTED) REVENUES | | | | | | | |
| Property taxes | | | | | 37,989,647 | | 37,989,647 |
| Intergovernmental consolidated taxes | | | | | 13,605,461 | | 13,605,461 |
| Room taxes | | | | | 6,963,281 | | 6,963,281 |
| Intergovernmental sales taxes | | | | | 1,633,836 | | 1,633,836 |
| Construction taxes | | | | | 869,609 | | 869,609 |
| Intergovernmental franchise and public service taxes | | | | | 8,005,583 | | 8,005,583 |
| Investment income | | | | | 536,416 | 162,340 | 698,756 |
| Gain on disposal of capital assets | | | | | 35,552 | | 35,552 |
| Miscellaneous | | | | | 486,637 | 178,972 | 665,609 |
| | | | | | <u>70,126,022</u> | <u>341,312</u> | <u>70,467,334</u> |
| Total general (unrestricted) revenues | | | | | | | |
| Transfers | | | | | <u>(2,112,500)</u> | <u>2,112,500</u> | <u></u> |
| CHANGE IN NET POSITION | | | | | | | |
| | | | | | <u>3,376,233</u> | <u>3,773,153</u> | <u>7,149,386</u> |
| NET POSITION, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | | | | | |
| | | | | | 81,179,584 | 102,502,161 | 183,681,745 |
| Adjustment | | | | | (296,695) | | (296,695) |
| NET POSITION BEGINNING OF YEAR, AS ADJUSTED | | | | | | | |
| | | | | | <u>80,882,889</u> | <u>102,502,161</u> | <u>183,385,050</u> |
| NET POSITION, END OF YEAR | | | | | | | |
| | | | | | <u>\$ 84,259,122</u> | <u>\$ 106,275,314</u> | <u>\$ 190,534,436</u> |

See notes to basic financial statements.

FUND FINANCIAL STATEMENTS

DOUGLAS COUNTY

GOVERNMENTAL FUNDS BALANCE SHEET JUNE 30, 2016

| | Special Revenue Funds | | | | Total Governmental Funds |
|--|-----------------------|---------------------|--|------------------------------------|--------------------------------|
| | General Fund | Room Tax | East Fork Fire Protection District | Non-major Governmental Funds | |
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 11,798,999 | \$ 2,281,230 | \$ 3,424,377 | \$ 35,007,613 | \$ 52,512,219 |
| Cash, cash equivalents and investments, restricted | 199,436 | | | | 199,436 |
| Accounts receivable, net | 670,625 | 918,029 | 846,225 | 214,017 | 2,648,896 |
| Taxes receivable | 576,216 | | 108,415 | 134,647 | 819,278 |
| Interest receivable | 22,711 | 3,573 | 4,850 | 66,348 | 97,482 |
| Due from other governments | 2,084,208 | 281,324 | 304,189 | 1,000,404 | 3,670,125 |
| Due from other funds | 324,381 | 54,440 | 154 | 111,015 | 489,990 |
| Prepaid items | 416,529 | 6,803 | | 147,329 | 570,661 |
| Other assets | 13,795 | | | 7,656 | 21,451 |
| Property held for sale | | | | 90,000 | 90,000 |
| | <u>\$ 16,106,900</u> | <u>\$ 3,545,399</u> | <u>\$ 4,688,210</u> | <u>\$ 36,779,029</u> | <u>\$ 61,119,538</u> |
| Total assets | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 1,161,383 | \$ 1,037,412 | \$ 90,981 | \$ 643,107 | \$ 2,932,883 |
| Due to others | 877,376 | | | | 877,376 |
| Accrued salaries, wages and benefits | 1,905,384 | 109,515 | 454,818 | 256,627 | 2,726,344 |
| Due to other funds | 99,461 | 21,960 | 625,706 | 179,507 | 926,634 |
| Unearned revenue, current | 101,214 | 4,115 | 78 | 1,560,833 | 1,666,240 |
| Deposits | 106,202 | 48,317 | | 83,039 | 237,558 |
| Due to other governments | 79,229 | | | 102,608 | 181,837 |
| | <u>4,330,249</u> | <u>1,221,319</u> | <u>1,171,583</u> | <u>2,825,721</u> | <u>9,548,872</u> |
| Total liabilities | | | | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | 469,759 | | 90,641 | 105,685 | 666,085 |
| Unavailable revenue, special assessments | | | | 378 | 378 |
| Unavailable revenue, grants | 15,669 | | | | 15,669 |
| Unavailable revenue, other | | | 637,253 | | 637,253 |
| | <u>485,428</u> | <u></u> | <u>727,894</u> | <u>106,063</u> | <u>1,319,385</u> |
| Total deferred inflows of resources | | | | | |
| Total liabilities and deferred inflows of resources | <u>4,815,677</u> | <u>1,221,319</u> | <u>1,899,477</u> | <u>2,931,784</u> | <u>10,868,257</u> |

(Continued)

See notes to basic financial statements.

DOUGLAS COUNTY
GOVERNMENTAL FUNDS
BALANCE SHEET (CONTINUED)
JUNE 30, 2016

| | <u>Special Revenue Funds</u> | | | | Total Governmental Funds |
|--|------------------------------|---------------------|---|---|--------------------------------|
| | <u>General Fund</u> | <u>Room Tax</u> | <u>East Fork Fire Protection District</u> | <u>Non-major Governmental Funds</u> | |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | \$ 416,529 | \$ 6,803 | | \$ 121,273 | \$ 544,605 |
| Land held for resale | | | | 90,000 | 90,000 |
| Deposits | 13,795 | | | 7,656 | 21,451 |
| Restricted for | | | | | |
| Debt service | | | | 1,690,570 | 1,690,570 |
| Capital improvement projects | | | | 16,135,330 | 16,135,330 |
| General, town and district redevelopment programs | | | 2,788,733 | 3,545,966 | 6,334,699 |
| Youth and other judicial programs | 991,494 | | | 2,104,733 | 3,096,227 |
| Fire, police and other public safety programs | | | | 992,208 | 992,208 |
| Streets and other public works programs | | | | 3,001,265 | 3,001,265 |
| Cultural, community and development programs | | | | 4,823,669 | 4,823,669 |
| Committed to | | | | | |
| Streets and other public works programs | | | | 1,185,012 | 1,185,012 |
| Assigned to | | | | | |
| Youth and other judicial programs | 2,954 | | | | 2,954 |
| Cultural, community and development programs | | 2,317,277 | | | 2,317,277 |
| Sanitation and other health programs | | | | 161,911 | 161,911 |
| Stabilization programs | 362,101 | | | | 362,101 |
| Unassigned | <u>9,504,350</u> | | | <u>(12,348)</u> | <u>9,492,002</u> |
| Total fund balances | <u>11,291,223</u> | <u>2,324,080</u> | <u>2,788,733</u> | <u>33,847,245</u> | <u>50,251,281</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 16,106,900</u> | <u>\$ 3,545,399</u> | <u>\$ 4,688,210</u> | <u>\$ 36,779,029</u> | <u>\$ 61,119,538</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, 2016

| | | |
|--|----------------------|-----------------------------|
| FUND BALANCES, GOVERNMENTAL FUNDS | | \$ 50,251,281 |
| 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 | \$ 375,757,538 | |
| Less accumulated depreciation | <u>(254,574,696)</u> | |
| | | 121,182,842 |
| 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 | (16,821,043) | |
| Unamortized premiums and discounts | (49,999) | |
| Unamortized deferred refunding charges | 4,687 | |
| Compensated absences payable | (4,075,460) | |
| Postemployment benefits other than pensions | (6,821,306) | |
| Net pension liability | (67,843,573) | |
| Deferred outflows related to pensions | 11,146,852 | |
| Deferred inflows related to pensions | <u>(8,923,110)</u> | |
| | | (93,382,952) |
| Other liabilities are not due and payable in the current period; and therefore, are not reported in governmental funds: | | |
| Interest payable | <u>(148,853)</u> | |
| | | (148,853) |
| 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 | 666,085 | |
| Unavailable revenue, special assessments | 378 | |
| Unavailable revenue, grants | 15,669 | |
| Unavailable revenue, other | <u>637,253</u> | |
| | | 1,319,385 |
| 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 | 4,986,802 | |
| Internal service fund balance receivable from business-type activities from cumulative prior years' activity | 51,835 | |
| Internal service fund balance receivable from business-type activities from current year activity | <u>(1,218)</u> | |
| | | <u>5,037,419</u> |
| NET POSITION, GOVERNMENTAL ACTIVITIES | | \$ <u><u>84,259,122</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, 2016

| | Special Revenue Funds | | | | Total Governmental Funds |
|--|-----------------------|-------------------|--|------------------------------------|--------------------------------|
| | General Fund | Room Tax | East Fork Fire Protection District | Non-major Governmental Funds | |
| REVENUES | | | | | |
| Taxes | \$ 18,827,583 | \$ 6,230,607 | \$ 7,170,338 | \$ 12,631,519 | \$ 44,860,047 |
| Licenses, permits, franchise and other fees | 4,288,741 | 2,557,774 | | 805,236 | 7,651,751 |
| Intergovernmental shared revenues | 13,575,423 | 1,655,665 | 1,908,854 | 10,790,944 | 27,930,886 |
| Charges for services | 5,059,937 | 1,681,302 | 2,336,452 | 1,301,151 | 10,378,842 |
| Fines and forfeitures | 1,196,331 | | | 185,444 | 1,381,775 |
| Miscellaneous | 898,908 | 203,163 | 1,090,572 | 2,292,014 | 4,484,657 |
| Total revenues | 43,846,923 | 12,328,511 | 12,506,216 | 28,006,308 | 96,687,958 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | 10,317,776 | | | 1,955,105 | 12,272,881 |
| Judicial | 9,188,295 | | | 5,135,470 | 14,323,765 |
| Public safety | 16,321,854 | | 12,234,561 | 1,916,832 | 30,473,247 |
| Public works | 910,511 | | | 4,384,436 | 5,294,947 |
| Community development | 1,986,687 | | | 2,433,142 | 4,419,829 |
| Culture and recreation | | 11,698,984 | | 1,404,696 | 13,103,680 |
| Health and sanitation | 677,432 | | | 295,055 | 972,487 |
| Welfare | | | | 2,875,513 | 2,875,513 |
| Total current | 39,402,555 | 11,698,984 | 12,234,561 | 20,400,249 | 83,736,349 |
| Capital outlay | | | | | |
| General government | | | | 1,505,011 | 1,505,011 |
| Judicial | 29,647 | | | 73,550 | 103,197 |
| Public safety | 521,279 | | 139,966 | | 661,245 |
| Public works | | | | 2,733,060 | 2,733,060 |
| Community development | | | | 151,335 | 151,335 |
| Culture and recreation | | 606,107 | | 2,329,899 | 2,936,006 |
| Welfare | | | | 76,365 | 76,365 |
| Total capital outlay | 550,926 | 606,107 | 139,966 | 6,869,220 | 8,166,219 |
| Debt service | | | | | |
| Principal payments | | | | 1,689,288 | 1,689,288 |
| Interest expense | | | | 475,961 | 475,961 |
| Fiscal charges | | | | 900 | 900 |
| Total debt service | | | | 2,166,149 | 2,166,149 |
| Total expenditures | 39,953,481 | 12,305,091 | 12,374,527 | 29,435,618 | 94,068,717 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 3,893,442 | 23,420 | 131,689 | (1,429,310) | 2,619,241 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from capital asset disposal | 13,158 | 238 | 5,000 | 10,433 | 28,829 |
| Transfers in | 75,000 | 941,155 | | 8,570,027 | 9,586,182 |
| Transfers out | (4,550,164) | (578,434) | (141,472) | (6,473,612) | (11,743,682) |
| Total other financing sources (uses) | (4,462,006) | 362,959 | (136,472) | 2,106,848 | (2,128,671) |

(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, 2016**

| | <u>Special Revenue Funds</u> | | | | Total Governmental Funds |
|--|------------------------------|---------------------|---|---|--------------------------------|
| | <u>General Fund</u> | <u>Room Tax</u> | <u>East Fork Fire Protection District</u> | <u>Non-major Governmental Funds</u> | |
| CHANGE IN FUND BALANCE | \$ (568,564) | \$ 386,379 | \$ (4,783) | \$ 677,538 | \$ 490,570 |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | 12,126,232 | 1,937,701 | 2,793,516 | 33,169,707 | 50,027,156 |
| Adjustment | (266,445) | | | | (266,445) |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | <u>11,859,787</u> | <u>1,937,701</u> | <u>2,793,516</u> | <u>33,169,707</u> | <u>49,760,711</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 11,291,223</u> | <u>\$ 2,324,080</u> | <u>\$ 2,788,733</u> | <u>\$ 33,847,245</u> | <u>\$ 50,251,281</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, 2016

| | | |
|--|----|-------------------------|
| CHANGE IN FUND BALANCES, GOVERNMENTAL FUNDS | \$ | 490,570 |
| 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 | \$ | 8,166,219 |
| Less current year depreciation | | (7,236,278) |
| Disposition of capital assets | | <u>(1,352,114)</u> |
| | | (422,173) |
| 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: | | |
| Change in unavailable revenue | | (259,726) |
| Revenues from interfund transactions | | <u>(2,337,714)</u> |
| | | (2,597,440) |
| 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 repayments exceeded debt issued | | |
| Debt principal repayments | | <u>1,689,288</u> |
| | | 1,689,288 |
| 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 | | (247,126) |
| Change in compensated absences payable | | (129,370) |
| Change in net pension liability | | 1,881,769 |
| Amortization of debt premiums and discounts | | 3,109 |
| Amortization of deferred refunding charges | | (1,294) |
| Change in interest payable | | <u>11,113</u> |
| | | 1,518,201 |
| 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>2,337,714</u> |
| | | 2,337,714 |
| 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 | | 361,291 |
| The internal service funds change in net position related to business-type activities | | <u>(1,218)</u> |
| | | <u>360,073</u> |
| CHANGE IN NET POSITION, GOVERNMENTAL ACTIVITIES | \$ | <u><u>3,376,233</u></u> |

See notes to basic financial statements.

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF NET POSITION JUNE 30, 2016

| | Business-type Activities | | | | | | | Governmental | |
|---|--------------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|--------------------|------------------|
| | Regional Water | Carson Valley | | Lake Tahoe | Town of Minden | Town of Minden | Non-major | Internal Service | |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale | Water | Enterprise | Funds | |
| | | | | | | | Total Enterprise | Funds | |
| ASSETS | | | | | | | | | |
| Current assets | | | | | | | | | |
| Cash, cash equivalents and investments \$ | 396,389 | \$ 6,039,328 | \$ 4,509,306 | \$ 3,132,851 | \$ 1,030,667 | \$ 4,528,350 | \$ 1,631,115 | \$ 21,268,006 | \$ 4,392,550 |
| Accounts receivable, net | 186,825 | 217,033 | 434,179 | 35,168 | 106,096 | 163,494 | 164,807 | 1,307,602 | 42,415 |
| Notes receivable | 125,000 | | | | | | | 125,000 | |
| Taxes receivable | | | | | | | | | 9,274 |
| Interest receivable | 791 | 8,374 | 8,536 | 5,391 | 1,575 | 9,520 | 2,728 | 36,915 | 12,801 |
| Due from other governments | | | | 41,487 | 315 | | | 41,802 | |
| Due from other funds | | | 13,512 | 37,564 | 30,593 | | | 81,669 | 393,827 |
| Inventories | | | | | 26,000 | 31,435 | | 57,435 | 314,949 |
| Prepaid items | | 5,105 | 40 | | 10,748 | 10,948 | 29,010 | 55,851 | 641,728 |
| Restricted assets | | | | | | | | | |
| Cash, cash equivalents and investments | | 345,501 | 308,963 | | | | 1,667 | 656,131 | |
| Total current assets | 709,005 | 6,615,341 | 5,274,536 | 3,252,461 | 1,205,994 | 4,743,747 | 1,829,327 | 23,630,411 | 5,807,544 |
| Noncurrent assets | | | | | | | | | |
| Capital assets, net of accumulated depreciation and amortization | | | | | | | | | |
| Land | | 1,005,900 | 697,567 | 563,191 | 222,504 | 107,456 | 234,991 | 2,831,609 | |
| Construction in progress | | 292,636 | 528,004 | 264,831 | | 1,543,543 | 5,288 | 2,634,302 | 64,533 |
| Water rights | | | 5,154,594 | 117,419 | | 500,000 | | 5,772,013 | |
| Buildings and building improvements | | 189,939 | 70,076 | 613,393 | 870,664 | | 246,833 | 1,990,905 | 1,708 |
| Machinery, equipment and software | | 70,971 | 4,352 | 32,282 | 14,295 | 36,937 | 376,841 | 535,678 | 546,125 |
| Water and sewer systems | 15,261,848 | 20,892,166 | 20,685,134 | 14,080,514 | 12,031,920 | 5,633,725 | | 88,585,307 | |
| Total capital assets, net of accumulated depreciation and amortization | 15,261,848 | 22,451,612 | 27,139,727 | 15,671,630 | 13,139,383 | 7,821,661 | 863,953 | 102,349,814 | 612,366 |

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2016**

| | Business-type Activities | | | | | | | Governmental | |
|---|--------------------------|-------------------|-------------------|-------------------|----------------------------|-------------------|---------------------|---------------------|------------------|
| | Regional Water | | Carson Valley | Lake Tahoe | Town of Minden | Town of Minden | Non-major | Internal Service | |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility | Water Company | Enterprise Funds | Enterprise Funds | Funds |
| Other assets | | | | | | | | | |
| Notes receivable | \$ 1,562,500 | \$ | \$ | \$ | \$ | \$ | \$ 1,562,500 | \$ | |
| Total noncurrent assets | <u>16,824,348</u> | <u>22,451,612</u> | <u>27,139,727</u> | <u>15,671,630</u> | <u>13,139,383</u> | <u>7,821,661</u> | <u>863,953</u> | <u>103,912,314</u> | <u>612,366</u> |
| Total assets | <u>17,533,353</u> | <u>29,066,953</u> | <u>32,414,263</u> | <u>18,924,091</u> | <u>14,345,377</u> | <u>12,565,408</u> | <u>2,693,280</u> | <u>127,542,725</u> | <u>6,419,910</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | | | | | |
| Unamortized deferred refunding charges | | 96,077 | 159,912 | 29,137 | | | 285,126 | | |
| Unamortized amounts related to pensions | 2,990 | 88,310 | 121,685 | 81,398 | 54,379 | 38,729 | 125,499 | 512,990 | 110,763 |
| Total deferred outflows of resources | <u>2,990</u> | <u>184,387</u> | <u>281,597</u> | <u>110,535</u> | <u>54,379</u> | <u>38,729</u> | <u>125,499</u> | <u>798,116</u> | <u>110,763</u> |
| LIABILITIES | | | | | | | | | |
| Current liabilities | | | | | | | | | |
| Accounts payable | 108,957 | 267,463 | 47,705 | 43,231 | 65,717 | 67,924 | 54,870 | 655,867 | 85,051 |
| Accrued salaries, wages and benefits | 1,253 | 13,205 | 18,491 | 12,301 | 7,687 | 6,182 | 17,426 | 76,545 | 560,670 |
| Due to other funds | 35 | 409 | 473 | 293 | 189 | 30,737 | 5,830 | 37,966 | 886 |
| Unearned revenue, current | 125,000 | 118,552 | 23,105 | 44,051 | | 3,378 | 10,832 | 324,918 | |
| Deposits | | | 2,250 | | | 52,466 | | 54,716 | |
| Interest payable | | 20,718 | 45,436 | 63,437 | | | 13 | 129,604 | |
| Claims and judgments | | | | | | | | | 46,162 |
| Compensated absences | 3,973 | 32,664 | 60,784 | 41,501 | 20,912 | 17,618 | 32,078 | 209,530 | 41,689 |
| Bonds and notes payable | | 449,000 | 840,435 | 311,783 | | | 3,120 | 1,604,338 | |
| Total current liabilities | <u>239,218</u> | <u>902,011</u> | <u>1,038,679</u> | <u>516,597</u> | <u>94,505</u> | <u>178,305</u> | <u>124,169</u> | <u>3,093,484</u> | <u>734,458</u> |

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2016**

| | Business-type Activities | | | | | | | Governmental | |
|---|--------------------------|------------------|------------------|------------------|----------------------------|------------------|---------------------|-------------------|------------------|
| | Regional Water | | Carson Valley | Lake Tahoe | Town of Minden | Town of Minden | Non-major | Total Enterprise | Internal Service |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility | Water Company | Enterprise Funds | Funds | Funds |
| Noncurrent liabilities | | | | | | | | | |
| Unearned revenue, long-term | \$ 1,562,500 | | | | | | | \$ 1,562,500 | |
| Postemployment benefits other than pensions | 213 | 30,440 | 27,880 | 17,767 | 16,752 | 119,903 | 42,303 | 255,258 | 26,201 |
| Net pension liability | 18,688 | 551,952 | 760,567 | 508,757 | 339,879 | 242,064 | 784,409 | 3,206,316 | 692,299 |
| Bonds and notes payable, net of unamortized premiums and discounts | | <u>2,909,268</u> | <u>6,183,704</u> | <u>4,383,328</u> | | | | <u>13,476,300</u> | |
| Total noncurrent liabilities | <u>1,581,401</u> | <u>3,491,660</u> | <u>6,972,151</u> | <u>4,909,852</u> | <u>356,631</u> | <u>361,967</u> | <u>826,712</u> | <u>18,500,374</u> | <u>718,500</u> |
| Total liabilities | <u>1,820,619</u> | <u>4,393,671</u> | <u>8,010,830</u> | <u>5,426,449</u> | <u>451,136</u> | <u>540,272</u> | <u>950,881</u> | <u>21,593,858</u> | <u>1,452,958</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | | | |
| Unamortized amounts related to pensions | <u>2,455</u> | <u>72,481</u> | <u>99,877</u> | <u>66,811</u> | <u>44,633</u> | <u>31,788</u> | <u>103,007</u> | <u>421,052</u> | <u>90,913</u> |

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2016**

| | Business-type Activities | | | | | | | Governmental | |
|--|---------------------------|----------------------|--------------------------------|-----------------------------|----------------------------|----------------------|---------------------|-----------------------|---------------------|
| | | | | | Town of Minden | Town of Minden | Non-major | Total Enterprise | Internal Service |
| | Regional Water Utility | Sewer Utility | Carson Valley Water Utility | Lake Tahoe Water Utility | Wholesale Water Utility | Water Company | Enterprise Funds | Funds | Funds |
| NET POSITION | | | | | | | | | |
| Net investment in capital assets | \$ 15,261,848 | \$ 19,189,421 | \$ 20,275,500 | \$ 11,005,656 | \$ 13,139,383 | \$ 7,821,661 | \$ 863,953 | \$ 87,557,422 | \$ 612,366 |
| Restricted | | | | | | | | | |
| Debt service | | 424,352 | 260,438 | | | | 1,667 | 686,457 | |
| Insurance liabilities | | | | | | | | | 4,408,972 |
| Unrestricted | <u>451,421</u> | <u>5,171,415</u> | <u>4,049,215</u> | <u>2,535,710</u> | <u>764,604</u> | <u>4,210,416</u> | <u>899,271</u> | <u>18,082,052</u> | <u>(34,536)</u> |
| Total net position | <u>\$ 15,713,269</u> | <u>\$ 24,785,188</u> | <u>\$ 24,585,153</u> | <u>\$ 13,541,366</u> | <u>\$ 13,903,987</u> | <u>\$ 12,032,077</u> | <u>\$ 1,764,891</u> | 106,325,931 | <u>\$ 4,986,802</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>(50,617)</u> | |
| Net position of business-type activities | | | | | | | | <u>\$ 106,275,314</u> | |

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

| | Business-type Activities | | | | | | | Governmental | |
|--|--------------------------|------------------|------------------|------------------|----------------------------|------------------|---------------------|-------------------|------------------|
| | Regional Water | Carson Valley | | Lake Tahoe | Town of Minden | Town of Minden | Non-major | Total Enterprise | Internal Service |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility | Water Company | Enterprise Funds | Funds | Funds |
| OPERATING REVENUES | | | | | | | | | |
| Charges for services | \$ 1,024,484 | \$ 2,040,927 | \$ 2,846,705 | \$ 1,729,295 | \$ 1,044,901 | \$ 1,002,622 | \$ 1,720,224 | \$ 11,409,158 | \$ 4,899,275 |
| OPERATING EXPENSES | | | | | | | | | |
| Salaries and wages | 30,746 | 319,762 | 431,717 | 303,471 | 194,772 | 167,766 | 453,888 | 1,902,122 | 389,988 |
| Employee benefits | 20,924 | 147,831 | 149,263 | (6,798) | 142,556 | 24,196 | 150,653 | 628,625 | 195,170 |
| Services and supplies | 903,581 | 530,746 | 756,674 | 402,887 | 598,607 | 357,403 | 759,724 | 4,309,622 | 4,102,108 |
| Depreciation | 481,327 | 874,531 | 800,787 | 673,918 | 423,983 | 259,219 | 66,166 | 3,579,931 | 154,132 |
| Total operating expenses | <u>1,436,578</u> | <u>1,872,870</u> | <u>2,138,441</u> | <u>1,373,478</u> | <u>1,359,918</u> | <u>808,584</u> | <u>1,430,431</u> | <u>10,420,300</u> | <u>4,841,398</u> |
| Operating income (loss) | <u>(412,094)</u> | <u>168,057</u> | <u>708,264</u> | <u>355,817</u> | <u>(315,017)</u> | <u>194,038</u> | <u>289,793</u> | <u>988,858</u> | <u>57,877</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | | |
| Investment income | 1,162 | 36,586 | 39,340 | 23,849 | 9,229 | 38,995 | 13,179 | 162,340 | 46,312 |
| Interest and fiscal charges | | (132,565) | (288,942) | (145,421) | | | (219) | (567,147) | |
| Property taxes | | | | | | | | | 193,981 |
| Intergovernmental shared revenues | | | 130,976 | | | | | 130,976 | |
| Lease revenues | | | | 34,560 | | 200 | | 34,760 | |
| Gain (loss) on capital asset disposition | | (187,242) | | | | | | (187,242) | 6,723 |
| Miscellaneous | 365 | 2,322 | 99,213 | 38,824 | 3,478 | | | 144,202 | 11,398 |
| Total nonoperating revenues (expenses) | <u>1,527</u> | <u>(280,899)</u> | <u>(19,413)</u> | <u>(48,188)</u> | <u>12,707</u> | <u>39,195</u> | <u>12,960</u> | <u>(282,111)</u> | <u>258,414</u> |
| Income (loss) before capital contributions and transfers | <u>(410,567)</u> | <u>(112,842)</u> | <u>688,851</u> | <u>307,629</u> | <u>(302,310)</u> | <u>233,233</u> | <u>302,753</u> | <u>706,747</u> | <u>316,291</u> |
| CAPITAL CONTRIBUTIONS | | | | | | | | | |
| Connection charges | | 192,015 | 137,901 | 141,851 | | 306,410 | | 778,177 | |
| Capital grants | | | | 49,511 | | | | 49,511 | |
| Water capacity fees | 125,000 | | | | | | | 125,000 | |
| Total capital contributions | <u>125,000</u> | <u>192,015</u> | <u>137,901</u> | <u>191,362</u> | | <u>306,410</u> | | <u>952,688</u> | |

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

| | Business-type Activities | | | | | | | Governmental |
|--|--------------------------|----------------------|----------------------|----------------------|-------------------------|----------------------|---------------------|---------------------|
| | Regional Water | | Carson Valley | Lake Tahoe | Town of Minden | Town of Minden | Non-major | Internal Service |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility | Water Company | Enterprise Funds | Funds |
| TRANSFERS | | | | | | | | |
| Transfers in | \$ | \$ 2,000,000 | \$ 125,000 | \$ 112,500 | \$ 830,146 | \$ | \$ 3,067,646 | \$ 45,000 |
| Transfers out | <u>(125,000)</u> | | | | | <u>(830,146)</u> | <u>(955,146)</u> | |
| Total transfers | <u>(125,000)</u> | <u>2,000,000</u> | <u>125,000</u> | <u>112,500</u> | <u>830,146</u> | <u>(830,146)</u> | <u>2,112,500</u> | <u>45,000</u> |
| CHANGE IN NET POSITION | (410,567) | 2,079,173 | 951,752 | 611,491 | 527,836 | (290,503) | 302,753 | 361,291 |
| NET POSITION, BEGINNING OF YEAR | <u>16,123,836</u> | <u>22,706,015</u> | <u>23,633,401</u> | <u>12,929,875</u> | <u>13,376,151</u> | <u>12,322,580</u> | <u>1,462,138</u> | <u>4,625,511</u> |
| NET POSITION, END OF YEAR | <u>\$ 15,713,269</u> | <u>\$ 24,785,188</u> | <u>\$ 24,585,153</u> | <u>\$ 13,541,366</u> | <u>\$ 13,903,987</u> | <u>\$ 12,032,077</u> | <u>\$ 1,764,891</u> | <u>\$ 4,986,802</u> |
| Adjustment for the net effect of the current year activity between the internal service funds and the enterprise funds | | | | | | | <u>1,218</u> | |
| CHANGES IN NET POSITION, BUSINESS-TYPE ACTIVITIES | | | | | | | <u>\$ 3,773,153</u> | |

DOUGLAS COUNTY

PROPRIETARY FUNDS STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

| | Business-type Activities | | | | | | | | Governmental | | |
|--|--------------------------|------------------|--------------------|------------------|----------------------------|------------------------------------|---------------------|---------------------|----------------------------------|---------------------------|---------------------------|
| | Regional Water | | Carson Valley | | Lake Tahoe | | Town of Minden | | Non-major Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility | Town of Minden Water Company | Enterprise Funds | Enterprise Funds | | | |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | | | | | | | | |
| Cash received from customers | \$ 1,122,795 | \$ 2,049,363 | \$ 2,976,161 | \$ 1,771,484 | \$ 1,106,315 | \$ 1,209,878 | \$ 1,723,121 | \$ 11,959,117 | | | |
| Cash received from interfund services | | | | | | | | | | | 3,921,107 |
| Cash received from other sources | 125,000 | | | | | | | 125,000 | | | |
| Cash payments for goods and services | (1,075,103) | (431,168) | (782,966) | (453,968) | (571,784) | (461,711) | (793,319) | (4,570,019) | | | |
| Cash payments for interfund goods and services | | | | | | | | | | | (5,520,518) |
| Cash payments for employee services and benefits | (39,966) | (444,960) | (619,108) | (424,156) | (273,697) | (242,704) | (618,845) | (2,663,436) | | | |
| Cash payments for interfund employee services and benefits | | | | | | | | | | | 8,586 |
| Net cash provided by (used in) operating activities | <u>132,726</u> | <u>1,173,235</u> | <u>1,574,087</u> | <u>893,360</u> | <u>260,834</u> | <u>505,463</u> | <u>310,957</u> | <u>4,850,662</u> | | | <u>(1,590,825)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | | | | | | | | |
| Transfers in | | 2,000,000 | 125,000 | 112,500 | 830,146 | | | 3,067,646 | | | 45,000 |
| Transfers out | (125,000) | | | | | (830,146) | | (955,146) | | | |
| Property taxes | | | | | | | | | | | 188,678 |
| Intergovernmental shared revenues | | | 130,976 | | | | | 130,976 | | | |
| Net cash provided by (used in) noncapital financing activities | <u>(125,000)</u> | <u>2,000,000</u> | <u>255,976</u> | <u>112,500</u> | <u>830,146</u> | <u>(830,146)</u> | | <u>2,243,476</u> | | | <u>233,678</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | | | | | | | | |
| Acquisition and construction of capital assets | | (342,649) | (280,511) | (174,085) | (830,146) | (196,102) | (5,288) | (1,828,781) | | | (261,445) |
| Proceeds from debt issuance | | 53,410 | | 124,755 | | | | 178,165 | | | |
| Principal payments on debt | | (673,152) | (776,574) | (472,432) | | | (2,925) | (1,925,083) | | | |
| Interest payments on debt | | (107,812) | (304,882) | (142,310) | | | (231) | (555,235) | | | |
| Connection charges | | 192,015 | 137,901 | 141,851 | | 306,410 | | 778,177 | | | |
| Net cash provided by (used in) capital financing activities | | <u>(878,188)</u> | <u>(1,224,066)</u> | <u>(522,221)</u> | <u>(830,146)</u> | <u>110,308</u> | <u>(8,444)</u> | <u>(3,352,757)</u> | | | <u>(261,445)</u> |

(Continued)

DOUGLAS COUNTY
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

| | Business-type Activities | | | | | | | Governmental | |
|---|---------------------------|---------------------|--------------------------------|-----------------------------|--|------------------------------------|----------------------------------|---------------------------|---------------------------|
| | Regional Water Utility | Sewer Utility | Carson Valley Water Utility | Lake Tahoe Water Utility | Town of Minden Wholesale Water Utility | Town of Minden Water Company | Non-major Enterprise Funds | Total Enterprise Funds | Internal Service Funds |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | | |
| Investment income received | \$ 1,110 | \$ 36,017 | \$ 38,886 | \$ 23,502 | \$ 9,116 | \$ 38,562 | \$ 13,003 | \$ 160,196 | \$ 45,895 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 8,836 | 2,331,064 | 644,883 | 507,141 | 269,950 | (175,813) | 315,516 | 3,901,577 | (1,572,697) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>387,553</u> | <u>4,053,765</u> | <u>4,173,386</u> | <u>2,625,710</u> | <u>760,717</u> | <u>4,704,163</u> | <u>1,317,266</u> | <u>18,022,560</u> | <u>5,965,247</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 396,389</u> | <u>\$ 6,384,829</u> | <u>\$ 4,818,269</u> | <u>\$ 3,132,851</u> | <u>\$ 1,030,667</u> | <u>\$ 4,528,350</u> | <u>\$ 1,632,782</u> | <u>\$ 21,924,137</u> | <u>\$ 4,392,550</u> |

(Continued)

DOUGLAS COUNTY

**PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

| | Business-type Activities | | | | | | | Governmental Activities | |
|---|--------------------------|---------------------|---------------------|-------------------|----------------------------|-------------------|---------------------|-------------------------|-----------------------|
| | Regional Water | | Carson Valley | Lake Tahoe | Town of Minden | Town of Minden | Non-major | Total Enterprise | Internal Service |
| | Utility | Sewer Utility | Water Utility | Water Utility | Wholesale Water Utility | Water Company | Enterprise Funds | Funds | Funds |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES | | | | | | | | | |
| Operating income (loss) | \$ (412,094) | \$ 168,057 | \$ 708,264 | \$ 355,817 | \$ (315,017) | \$ 194,038 | \$ 289,793 | \$ 988,858 | \$ 57,877 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities | | | | | | | | | |
| Depreciation and amortization | 481,327 | 874,531 | 800,787 | 673,918 | 423,983 | 259,219 | 66,167 | 3,579,932 | 154,132 |
| (Increase) decrease in operating assets | | | | | | | | | |
| Accounts receivable | (32,696) | (665) | 58,803 | 72,968 | (11,031) | 15,334 | 10,788 | 113,501 | 46,241 |
| Notes receivable | 125,000 | | | | | | | 125,000 | |
| Due from other governments | 129,797 | | | | 3,267 | | | 133,064 | 1,145 |
| Due from other funds | 1,210 | 5,645 | 66,866 | (31,421) | 68,336 | 191,187 | 338 | 302,161 | (291,675) |
| Inventories | | | | | | | | | (92,151) |
| Prepaid expenses | | 3,456 | 3,787 | 642 | 842 | 735 | (8,229) | 1,233 | (641,728) |
| Increase (decrease) in operating liabilities | | | | | | | | | |
| Accounts payable and accrued expenses | 12,420 | 120,041 | (18,346) | (5,133) | 26,634 | (37,037) | (10,685) | 87,894 | (1,419,296) |
| Accrued salaries and benefits | 893 | 2,235 | 4,709 | 3,140 | 1,377 | 1,640 | 5,300 | 19,294 | 546,834 |
| Due to other funds | (58,942) | (20,391) | (6,406) | (6,427) | 189 | (68,320) | (23,760) | (184,057) | 886 |
| Unearned revenue | (125,000) | (72) | 1,210 | (39,521) | | 2,034 | 3,714 | (157,635) | |
| Contract retentions payable | | | | | | | (2,865) | (2,865) | |
| Deposits | | | (2,750) | | | (985) | | (3,735) | |
| Compensated absences | 3,209 | 14,237 | 7,140 | 9,297 | (1,133) | 1,857 | 8,395 | 43,002 | 25,136 |
| Postemployment benefits other than pensions | 17 | 1,846 | 1,914 | 1,193 | 1,160 | 3,254 | 2,715 | 12,099 | 937 |
| Net pension liability | 7,585 | 4,315 | (51,891) | (141,113) | 62,227 | (57,493) | (30,714) | (207,084) | 20,837 |
| Total adjustments | <u>544,820</u> | <u>1,005,178</u> | <u>865,823</u> | <u>537,543</u> | <u>575,851</u> | <u>311,425</u> | <u>21,164</u> | <u>3,861,804</u> | <u>(1,648,702)</u> |
| Net cash provided by (used in) operating activities | <u>\$ 132,726</u> | <u>\$ 1,173,235</u> | <u>\$ 1,574,087</u> | <u>\$ 893,360</u> | <u>\$ 260,834</u> | <u>\$ 505,463</u> | <u>\$ 310,957</u> | <u>\$ 4,850,662</u> | <u>\$ (1,590,825)</u> |

See notes to basic financial statements.

DOUGLAS COUNTY
FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016

| | <u>Agency Funds</u> |
|--|---------------------|
| ASSETS | |
| Cash, cash equivalents and investments | \$ 2,445,060 |
| Accounts receivable, net | 36,853 |
| Taxes receivable | 482,562 |
| Interest receivable | 2,021 |
| Due from other governments | 143,999 |
| Special assessments receivable | 2,481 |
| Inventories | <u>32,557</u> |
| Total assets | <u>3,145,533</u> |
| LIABILITIES | |
| Due to others | <u>3,145,533</u> |
| NET POSITION | <u>\$</u> |

**NOTES TO BASIC
FINANCIAL STATEMENTS**

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

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, as the County Commission (or members thereof in an ex officio capacity) serves as the governing body for; and therefore, has the ability to impose its will on, each of the following entities, which are presented as blended component units due to the significance of the operational and financial relationship between the County and each of the following entities:

East Fork Fire Protection District

Douglas County Redevelopment Agency

Town of Gardnerville

Town of Genoa

Town of Minden

For the year ended June 30, 2016, none of the County's component units issued stand-alone financial statements.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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 pensions and other postemployment benefits, 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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

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:

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

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

Lake Tahoe Water Utility Fund - Accounts for the operations of the Zepher, Cave Rock and Skyland water systems, three separate water systems in Douglas County.

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. 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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The County uses the same basis used in the Public Employees' Retirement System of Nevada's (PERS) Comprehensive Annual Financial Report, for reporting its proportionate share of the PERS collective net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to PERS fiduciary net position and related additions to/deductions. Benefit payments (including refunds of employee contributions) are recognized by PERS when due and payable in accordance with the benefit terms. PERS investments are reported at fair value.

Agent Multiple-Employer Defined Benefit Pension Plan

The County uses the same basis used in the Judicial Retirement System of Nevada's (JRS) Annual Financial Report, for reporting its proportionate share of the JRS net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, including information related to JRS fiduciary net position and related additions to/deductions. Benefit payments (including refunds of employee contributions) are recognized by JRS when due and payable in accordance with the benefit terms. JRS investments are reported at fair value.

Deferred Outflows and Inflows of Resources

Deferred outflows of resources, represents a consumption of net position or fund balance that applies to future periods; and therefore, will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred debt refunding charges and amounts related to pensions (Note 4) are reported as deferred outflows of resources.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenues and amounts related to pensions (Note 4) are reported as deferred inflows of resources.

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.

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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, pension and other postemployment benefits, collectability of receivables, fair value of investments 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, 2016, 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.

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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

For the year ended June 30, 2016, total expenditures exceeded appropriations for the following funds and/or functions, which are potential violations of the NRS:

| | | |
|---|----|---------|
| General fund, public safety function | \$ | 185,189 |
| Redevelopment agency capital projects fund, general government function | | 13,928 |

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

Deficit Fund Balance

At June 30, 2016, the following fund had a deficit fund balance:

| | | |
|--------------------------------------|----|-------|
| Social services special revenue fund | \$ | 6,175 |
|--------------------------------------|----|-------|

Prior Period Adjustment

Fund balance or net position as of July 1, 2015, has been retroactively adjusted as follows:

| | <u>General Fund</u> | <u>Governmental Activities</u> |
|--|----------------------|------------------------------------|
| Net position or fund balance, as previously reported | \$ <u>12,126,232</u> | \$ <u>81,179,584</u> |
| Adjustments | | |
| Adjust cash for unreconciled differences in prior years | (514,865) | (514,865) |
| Adjust revenues for amounts earned, but not collected in prior years | | 175,744 |
| Adjust unearned revenues for amounts earned in prior years | 248,420 | 248,420 |
| Adjust net pension liability and related deferred outflows and inflows of resources for pension benefits not recognized in prior years | | <u>(205,994)</u> |
| Total adjustments | <u>(266,445)</u> | <u>(296,695)</u> |
| Net position or fund balance, as adjusted | <u>\$ 11,859,787</u> | <u>\$ 80,882,889</u> |

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, effective for periods beginning after June 15, 2016. This statement addresses the usefulness of information about postemployment benefits other than pensions (OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. Management has completed its assessment of this statement and determined that it will not have a material effect on the County's financial position or changes therein.

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, effective for periods beginning after June 15, 2017. This statement addresses the accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB) and the information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. Management has not yet completed its assessment of this statement.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*, effective for periods beginning after December 15, 2015. This statement addresses the need for financial statements prepared by state and local governments in conformity with generally accepted accounting principles to provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. Management has not yet completed its assessment of this statement.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*, effective for periods beginning after December 15, 2015. This Statement addresses a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. Management has completed its assessment of this statement and determined that it will not have a material effect on the County's financial position or changes therein.

In June 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, effective for periods beginning after June 15, 2016. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. Management has completed its assessment of this statement and determined that it will not have a material effect on the County's financial position or changes therein.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*, effective for periods beginning after December 15, 2016. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. Management has completed its assessment of this statement and determined that it will not have a material effect on the County's financial position or changes therein.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective for periods beginning after June 15, 2016. This Statement addresses issues regarding 1) the presentation of payroll-related measures in required supplementary information, 2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and 3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. Management has not yet completed its assessment of this statement.

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, the County's carrying amount of deposits was \$7,004,597 and the bank balance was \$8,526,558. 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.

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, 2016, total cash, cash equivalents and investments (including restricted amounts) were presented in the County's financial statements as follows:

| | |
|--|----------------------|
| Governmental activities | \$ 57,104,205 |
| Business-type activities | 21,924,137 |
| Fiduciary funds | <u>2,445,060</u> |
| Total cash, cash equivalents and investments | <u>\$ 81,473,402</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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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 its proportionate share of the value of the pooled investments.

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.

GASB Statement No. 72, *Fair Value Measurement and Application*, defines fair value, establishes a framework for measuring fair value and provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The three levels of the fair value hierarchy are as follows:

Level 1. Inputs are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2. Inputs are other observable inputs.

Level 3. Inputs are unobservable.

The fair value measurement level within the hierarchy is based on the lowest level of any input that is deemed significant to the fair value measurement. Valuation techniques used maximize the use of observable inputs and minimize the use of unobservable inputs.

At year end, the County's Level 1 investments (comprised of U.S. Treasury obligations) were valued based on quoted market prices provided by recognized broker dealers, Level 2 investments (comprised of U.S. Agency securities) were valued, by recognized broker dealers, based on a matrix pricing model that maximizes the use of observable inputs for similar securities, and Level 3 investments (comprised of the County's position in the Local Government Investment Pool) were valued based on the County's proportionate share of the value of the pooled investments.

At June 30, 2016, 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 (Level 1) | \$ 20,106,402 | \$ | \$ 20,106,402 |
| U.S. Agency securities (Level 2) | | | |
| Federal Home Loan Bank | 5,050,470 | 3,013,010 | 2,037,460 |
| Federal Farm Credit Bank | 3,014,025 | | 3,014,025 |
| Federal Home Loan Mortgage Corporation | 5,756,912 | 1,002,340 | 4,754,572 |
| Federal National Mortgage Association | 6,042,903 | 1,001,390 | 5,041,513 |
| Local Government Investment Pool (Level 3) | <u>30,167,625</u> | <u>30,167,625</u> | |
| Total investments | 70,138,337 | \$ <u>35,184,365</u> | \$ <u>34,953,972</u> |
| Total cash and cash equivalents | <u>11,335,065</u> | | |
| Total cash, cash equivalents and investments | <u>\$ 81,473,402</u> | | |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016, the County's cash equivalents and investments were rated by Moody's Investors Service as follows:

| | Reported Amount <u>(Fair Value)</u> | <u>Quality Rating *</u> |
|--|---|-------------------------|
| U.S. Treasury obligations (Level 1) | \$ 20,106,402 | * |
| U.S. Agency securities (Level 2) | | |
| Federal Home Loan Bank | 5,050,470 | * |
| Federal Farm Credit Bank | 3,014,025 | * |
| Federal Home Loan Mortgage Corporation | 5,756,912 | * |
| Federal National Mortgage Association | 6,042,903 | * |
| Local Government Investment Pool (Level 3) | <u>30,167,625</u> | Unrated |
| Total investments | <u><u>\$ 70,138,337</u></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.

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, 2016, were as follows:

| | <u>Percentage of Portfolio</u> |
|--|------------------------------------|
| U.S. Treasury obligations | 28.35 % |
| Federal Home Loan Bank | 7.12 % |
| Federal Home Loan Mortgage Corporation | 8.12 % |
| Federal National Mortgage Association | 8.52 % |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Capital Assets

For the year ended June 30, 2016, capital asset activity was as follows:

| | Balance July 1, 2015 | Increases | Decreases | Completed Construction | Balance June 30, 2016 |
|--|-------------------------|---------------------|-----------------------|---------------------------|--------------------------|
| Governmental activities | | | | | |
| Capital assets not being depreciated or amortized | | | | | |
| Land | \$ 17,503,756 | | | | \$ 17,503,756 |
| Construction in progress | <u>3,789,143</u> | <u>7,664,784</u> | <u>(1,340,095)</u> | <u>(6,178,069)</u> | <u>3,935,763</u> |
| Total capital assets not being depreciated or amortized | <u>21,292,899</u> | <u>7,664,784</u> | <u>(1,340,095)</u> | <u>(6,178,069)</u> | <u>21,439,519</u> |
| Capital assets being depreciated or amortized | | | | | |
| Buildings and building improvements | 88,847,626 | | | 495,169 | 89,342,795 |
| Machinery, equipment and software | 32,816,882 | 770,908 | (538,073) | 929,082 | 33,978,799 |
| Infrastructure | <u>228,147,142</u> | | | <u>4,753,818</u> | <u>232,900,960</u> |
| Total capital assets being depreciated or amortized | <u>349,811,650</u> | <u>770,908</u> | <u>(538,073)</u> | <u>6,178,069</u> | <u>356,222,554</u> |
| Accumulated depreciation and amortization | | | | | |
| Buildings and building improvements | (31,448,688) | (2,281,693) | | | (33,730,381) |
| Machinery, equipment and software | (25,981,358) | (1,634,663) | 524,749 | | (27,091,272) |
| Infrastructure | <u>(191,571,158)</u> | <u>(3,474,054)</u> | | | <u>(195,045,212)</u> |
| Total accumulated depreciation and amortization | <u>(249,001,204)</u> | <u>(7,390,410)</u> | <u>524,749</u> | | <u>(255,866,865)</u> |
| Total capital assets being depreciated or amortized, net | <u>100,810,446</u> | <u>(6,619,502)</u> | <u>(13,324)</u> | <u>6,178,069</u> | <u>100,355,689</u> |
| Total governmental activities | <u>\$ 122,103,345</u> | <u>\$ 1,045,282</u> | <u>\$ (1,353,419)</u> | <u>\$</u> | <u>\$ 121,795,208</u> |
| Business-type activities | | | | | |
| Capital assets not being depreciated or amortized | | | | | |
| Land | \$ 2,831,609 | | | | \$ 2,831,609 |
| Construction in progress | 2,112,911 | 1,937,394 | (59,100) | (1,356,903) | 2,634,302 |
| Water rights | <u>5,772,013</u> | | | | <u>5,772,013</u> |
| Total capital assets not being depreciated or amortized | <u>10,716,533</u> | <u>1,937,394</u> | <u>(59,100)</u> | <u>(1,356,903)</u> | <u>11,237,924</u> |
| Capital assets being depreciated or amortized | | | | | |
| Buildings and building improvements | 2,787,650 | | | | 2,787,650 |
| Machinery, equipment and software | 2,544,670 | | | 233,870 | 2,778,540 |
| Water and sewer systems | <u>121,400,760</u> | | <u>(326,776)</u> | <u>1,123,033</u> | <u>122,197,017</u> |
| Total capital assets being depreciated or amortized | <u>126,733,080</u> | | <u>(326,776)</u> | <u>1,356,903</u> | <u>127,763,207</u> |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Increases | Decreases | Completed Construction | Balance June 30, 2016 |
|--|---------------------------------------|-----------------------|---------------------|---------------------------|--------------------------|
| Accumulated depreciation and amortization | | | | | |
| Buildings and building improvements | \$ (724,243) | \$ (72,502) | \$ | \$ | \$ (796,745) |
| Machinery, equipment and software | (2,144,479) | (98,383) | | | (2,242,862) |
| Water and sewer systems | <u>(30,342,196)</u> | <u>(3,409,048)</u> | <u>139,534</u> | | <u>(33,611,710)</u> |
| Total accumulated depreciation and amortization | <u>(33,210,918)</u> | <u>(3,579,933)</u> | <u>139,534</u> | | <u>(36,651,317)</u> |
| Total capital assets being depreciated or amortized, net | <u>93,522,162</u> | <u>(3,579,933)</u> | <u>(187,242)</u> | <u>1,356,903</u> | <u>91,111,890</u> |
| Total business-type activities | <u>\$ 104,238,695</u> | <u>\$ (1,642,539)</u> | <u>\$ (246,342)</u> | <u>\$</u> | <u>\$ 102,349,814</u> |

For the year ended June 30, 2016, charges, by function, for depreciation expense were as follows:

| | |
|--|---------------------|
| Governmental activities | |
| General government | \$ 1,380,887 |
| Judicial | 339,205 |
| Public safety | 1,079,846 |
| Public works | 2,230,562 |
| Community development | 62,921 |
| Culture and recreation | 2,062,342 |
| Health and sanitation | 79,731 |
| Welfare | <u>784</u> |
| Total depreciation expense, governmental activities | <u>\$ 7,236,278</u> |
| Business-type activities | |
| Water | \$ 2,639,234 |
| Sewer | 874,531 |
| Trash | <u>66,166</u> |
| Total depreciation expense, business-type activities | <u>\$ 3,579,931</u> |

Expenditures and transfers in the ad valorem capital projects funds for the year ended June 30, 2016, were as follows:

| | Ad Valorem Capital Projects Fund | Town of Gardnerville Ad Valorem Capital Projects Fund |
|----------------|--|--|
| Motor vehicles | \$ | \$ 115,212 |
| Transfers out | <u>1,042,500</u> | |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Interfund Balances and Activity

Due To and From Other Funds

At June 30, 2016, 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 | \$ 324,381 | \$ 99,461 |
| Room Tax Special Revenue Fund | 54,440 | 21,960 |
| East Fork Fire Protection District Special Revenue Fund | 154 | 625,706 |
| Non-major Governmental Funds | 111,015 | 179,507 |
| Regional Water Utility Enterprise Fund | | 35 |
| Sewer Utility Enterprise Fund | | 409 |
| Carson Valley Water Utility Enterprise Fund | 13,512 | 473 |
| Lake Tahoe Water Utility Enterprise Fund | 37,564 | 293 |
| Town of Minden Wholesale Water Utility Enterprise Fund | 30,593 | 189 |
| Town of Minden Water Company Enterprise Fund | | 30,737 |
| Non-major Enterprise Funds | | 5,830 |
| Internal Service Funds | 393,827 | 886 |
| | \$ 965,486 | \$ 965,486 |

Interfund Transfers

Transfers of revenues collected in various funds are used to finance various programs and expenditures accounted for in other funds in accordance with budgetary authorization or legal requirements.

For the year ended June 30, 2016, interfund transfers were as follows:

| | Transfers In | Transfers Out |
|---|---------------|---------------|
| General Fund | \$ 75,000 | \$ 4,550,164 |
| Room Tax Special Revenue Fund | 941,155 | 578,434 |
| East Fork Fire Protection District Special Revenue Fund | | 141,472 |
| Non-major Governmental Funds | 8,570,027 | 6,473,612 |
| Regional Water Utility Enterprise Fund | | 125,000 |
| Sewer Utility Enterprise Fund | 2,000,000 | |
| Carson Valley Water Utility Enterprise Fund | 125,000 | |
| Lake Tahoe Water Utility Enterprise Fund | 112,500 | |
| Town of Minden Wholesale Water Utility Enterprise Fund | 830,146 | |
| Town of Minden Water Company Enterprise Fund | | 830,146 |
| Internal Service Funds | 45,000 | |
| | \$ 12,698,828 | \$ 12,698,828 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Long-term Liabilities

Outstanding long-term debt obligations at June 30, 2016, were as follows:

| | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Original Amount</u> | <u>Balance June 30, 2016</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 | \$ 6,895,000 |
| East Fork Fire Protection District Medium Term Bond, Series 2010 | June 2010 - April 2020 | 4.04% | <u>1,115,000</u> | <u>595,000</u> |
| Total general obligation medium term financing bonds and notes | | | <u>8,915,000</u> | <u>7,490,000</u> |
| Revenue bonds | | | | |
| Airport Revenue Bonds, Series 2014 | June 2015 - June 2029 | 2.95% | 1,075,000 | 1,012,000 |
| Highway Revenue Improvement and Refunding Bonds, Series 2003 | April 2003 - December 2017 | 2.00 - 3.85% | <u>3,145,000</u> | <u>430,000</u> |
| Total revenue bonds | | | <u>4,220,000</u> | <u>1,442,000</u> |
| General obligation/pledged revenue bonds | | | | |
| Community Center Bonds, Series 2012 | August 2012 - August 2032 | 3.00 - 3.25% | 6,750,000 | 6,550,000 |
| Transportation Refunding Bonds, Series 2012 | July 2012 - May 2020 | 2.08% | <u>2,009,000</u> | <u>1,109,000</u> |
| Total general obligation/pledged revenue bonds | | | <u>8,759,000</u> | <u>7,659,000</u> |
| Capital lease | | | | |
| Vacuum truck lease | October 2014 - October 2020 | 2.82% | <u>320,000</u> | <u>230,043</u> |
| Total governmental activities | | | <u>22,214,000</u> | <u>16,821,043</u> |
| Business-type activities | | | | |
| General obligation/pledged revenue bonds | | | | |
| State Revolving Fund Water Bonds, Series 2016 | May 2016 - May 2036 | 2.05% | 5,550,000 | 53,410 |
| State Revolving Fund Water Bonds, Series 2014 | January 2015 - January 2035 | 2.56% | 1,000,000 | 113,930 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Original Amount</u> | <u>Balance June 30, 2016</u> |
|---|-----------------------------------|----------------------|------------------------|----------------------------------|
| Douglas County, Nevada General Obligation Sewer Refunding Bonds Series 2014 | May 2014 - August 2024 | .32% - 3.28% | \$ 2,010,000 | \$ 1,826,000 |
| State Revolving Fund Water Bonds, Series 2012 | July 2012 - July 2032 | 2.49% | 1,300,000 | 1,012,293 |
| Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A | March 2012 - November 2024 | 2.00 - 4.00% | 2,485,000 | 2,065,000 |
| State Revolving Fund Water Bonds, Series 2011 | April 2011 - January 2031 | 3.21% | 1,000,000 | 870,474 |
| State Revolving Fund Water Bonds, Series 2010 | February 2010 - January 2030 | 2.84% | 1,150,000 | 904,325 |
| Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C | September 2010 - December 2020 | 2.00 - 4.00% | 2,420,000 | 1,420,000 |
| Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B | September 2010 - December 2022 | 2.00 - 4.50% | 3,970,000 | 2,315,000 |
| 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 | 1,939,695 |
| State Revolving Fund Water Bonds, Series 2005 | December 2005 - July 2025 | 2.99% | 674,542 | 418,273 |
| Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley) | May 2005 - December 2016 | 5.00% | <u>1,785,000</u> | <u>240,000</u> |
| Total general obligation/pledged revenue bonds | | | <u>28,414,542</u> | <u>14,748,400</u> |
| Total business-type activities | | | <u>28,414,542</u> | <u>14,748,400</u> |
| Total long-term debt obligations | | | <u>\$ 50,628,542</u> | <u>\$ 31,569,443</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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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 the operations of the Airport system.

| | |
|--|--------------|
| Total revenue bond principal and interest remaining to be paid at June 30, 2016 | \$ 1,233,102 |
| Total revenue bond principal and interest paid during the year ended June 30, 2016 | 94,713 |
| Total pledged revenue for the year ended June 30, 2016 | 2,908,745 |
| Maturity of revenue bonds issued and revenue pledge Airport Revenue Bonds, Series 2014 ¹ | June 2029 |

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, 2016 | \$ 1,161,583 |
| Total revenue bond principal and interest paid during the year ended June 30, 2016 | 288,144 |
| Total pledged revenue for the year ended June 30, 2016 | 621,644 |
| Maturity of revenue bond issued and revenue pledge Transportation Refunding Bonds, Series 2012 | May 2020 |

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, 2016 | \$ 8,987,572 |
| Total revenue bond principal and interest paid during the year ended June 30, 2016 | 301,694 |
| Total pledged revenue for the year ended June 30, 2016 | 1,688,061 |
| 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, 2016 | \$ 446,748 |
| Total revenue bond principal and interest paid during the year ended June 30, 2016 | 225,348 |
| Total pledged revenue for the year ended June 30, 2016 | 2,220,936 |
| Maturity of revenue bond issued and revenue pledge Highway Revenue Improvement and Refunding Bonds, Series 2003 | December 2017 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016 | \$ 14,160,835 |
| Total revenue bond principal and interest paid during the year ended June 30, 2016 | 1,693,909 |
| Total pledged revenue for the year ended June 30, 2016 | 2,848,699 |
| Maturity of revenue bonds issued and revenue pledge | |
| State Revolving Fund Water Bonds, Series 2014 | January 2035 |
| 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 |
| Pledged revenue – Revenues generated from sewer utility customer net revenues. | |
| Total revenue bond principal and interest remaining to be paid at June 30, 2016 | \$ 3,659,328 |
| Total revenue bond principal and interest paid during the year ended June 30, 2016 | 781,096 |
| Total pledged revenue for the year ended June 30, 2016 | 1,318,151 |
| Maturity of revenue bonds issued and revenue pledge | |
| State Revolving Fund Water Bonds, Series 2016 | May 2036 |
| Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2014 | August 2024 |
| Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C | December 2020 |
| Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B | December 2015 |

Changes in Long-term Liabilities

Long-term liabilities activity for the year ended June 30, 2016, was as follows:

| | Balance July 1, 2015 | Increases | Decreases | Balance June 30, 2016 | Due Within One Year |
|--|-------------------------|-----------|--------------|--------------------------|------------------------|
| Governmental activities | | | | | |
| General obligation medium term financing bonds and notes | | | | | |
| Community Center Medium Term Bonds, Series 2013 | \$ 7,800,000 | \$ | \$ (905,000) | \$ 6,895,000 | \$ 925,000 |
| East Fork Fire Protection District Medium Term Bond | 708,000 | | (113,000) | 595,000 | 126,000 |
| Total general obligation medium term financing bonds and notes | 8,508,000 | | (1,018,000) | 7,490,000 | 1,051,000 |
| Revenue bonds | | | | | |
| Airport Revenue Bond, Series 2014 | 1,075,000 | | (63,000) | 1,012,000 | 65,000 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 | Increases | Decreases | Balance June 30, 2016 | Due Within One Year |
|---|-------------------------|-------------------|---------------------|--------------------------|------------------------|
| Highway Revenue Improvement and Refunding Bonds, Series 2003 | \$ 635,000 | \$ | \$ (205,000) | \$ 430,000 | \$ 210,000 |
| Total revenue bonds | <u>1,710,000</u> | <u></u> | <u>(268,000)</u> | <u>1,442,000</u> | <u>275,000</u> |
| General obligation/pledged revenue bonds | | | | | |
| Community Center Bonds, Series 2012 | 6,650,000 | | (100,000) | 6,550,000 | 100,000 |
| Transportation Refunding Bonds, Series 2012 | <u>1,370,000</u> | <u></u> | <u>(261,000)</u> | <u>1,109,000</u> | <u>267,000</u> |
| Total general obligation/pledged revenue bonds | <u>8,020,000</u> | <u></u> | <u>(361,000)</u> | <u>7,659,000</u> | <u>367,000</u> |
| Capital lease | | | | | |
| Vacuum truck lease | <u>272,331</u> | <u></u> | <u>(42,288)</u> | <u>230,043</u> | <u>43,482</u> |
| | | | | | |
| Unamortized bond premiums | 53,108 | | (3,109) | 49,999 | |
| Compensated absences | 3,967,624 | 3,312,344 | (3,162,819) | 4,117,149 | 2,904,438 |
| Postemployment benefits other than pensions | 6,599,444 | 853,368 | (605,305) | 6,847,507 | |
| Net pension liability | <u>61,810,388</u> | <u>15,993,834</u> | <u>(9,268,350)</u> | <u>68,535,872</u> | <u></u> |
| Total governmental activities | <u>90,940,895</u> | <u>20,159,546</u> | <u>(14,728,871)</u> | <u>96,371,570</u> | <u>4,640,920</u> |
| Business-type activities | | | | | |
| General obligation/pledged revenue bonds | | | | | |
| State Revolving Fund Water Bonds, Series 2016 | | 53,410 | | 53,410 | |
| State Revolving Fund Water Bonds, Series 2014 | 113,930 | | | 113,930 | |
| Douglas County, Nevada General Obligation Sewer Refunding Bonds Series 2014 | 2,010,000 | | (184,000) | 1,826,000 | 189,000 |
| State Revolving Fund Water Bonds, Series 2012 | 1,025,022 | 12,089 | (24,818) | 1,012,293 | 50,303 |
| Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2012A | 2,295,000 | | (230,000) | 2,065,000 | 240,000 |
| State Revolving Fund Water Bonds, Series 2011 | 915,031 | | (44,557) | 870,474 | 45,999 |
| State Revolving Fund Water Bonds, Series 2010 | 956,269 | | (51,944) | 904,325 | 53,430 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 | Increases | Decreases | Balance June 30, 2016 | Due Within One Year |
|---|-------------------------|----------------------|------------------------|--------------------------|------------------------|
| Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2010C | \$ 1,675,000 | | \$ (255,000) | \$ 1,420,000 | \$ 260,000 |
| Douglas County, Nevada General Obligation Water Improvement and Refunding Bonds, Series 2010B | 2,665,000 | | (350,000) | 2,315,000 | 365,000 |
| Douglas County, Nevada General Obligation Water Improvement Bonds (TRZED), Series 2010A | 1,570,000 | | | 1,570,000 | |
| State Revolving Fund Water Bonds, Series 2009 | 1,942,403 | 112,665 | (115,373) | 1,939,695 | 121,921 |
| State Revolving Fund Water Bonds, Series 2005 | 455,826 | | (37,554) | 418,272 | 38,684 |
| Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005C (Valley) | 465,000 | | (225,000) | 240,000 | 240,000 |
| Douglas County, Nevada General Obligation Sewer Refunding Bonds, Series 2005B | 210,000 | | (210,000) | | |
| Douglas County, Nevada General Obligation Water Refunding Bonds, Series 2005A (Lake) | <u>160,000</u> | | <u>(160,000)</u> | | |
| Total general obligation/pledged revenue bonds | <u>16,458,481</u> | <u>178,164</u> | <u>(1,888,246)</u> | <u>14,748,399</u> | <u>1,604,337</u> |
| Unamortized bond premiums | 413,577 | | (81,339) | 332,238 | |
| Compensated absences | 166,528 | 197,483 | (154,481) | 209,530 | 209,530 |
| Postemployment benefits other than pensions | 243,159 | 34,663 | (22,564) | 255,258 | |
| Net pension liability | <u>3,019,364</u> | <u>618,832</u> | <u>(431,880)</u> | <u>3,206,316</u> | |
| Total business-type activities | <u>20,301,109</u> | <u>1,029,142</u> | <u>(2,578,510)</u> | <u>18,751,741</u> | <u>1,813,867</u> |
| Total long-term liabilities | <u>\$ 111,242,004</u> | <u>\$ 21,188,688</u> | <u>\$ (17,307,381)</u> | <u>\$ 115,123,311</u> | <u>\$ 6,454,787</u> |

Compensated absences, net pension liability and postemployment benefits other than pensions are liquidated by the fund incurring the related salaries and wages.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

At June 30, 2016, the annual requirements to pay principal and interest on bonds and notes outstanding 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 | | | | | | |
| 2017 | \$ 1,051,000 | \$ 164,133 | \$ 275,000 | \$ 42,367 | \$ 367,000 | \$ 220,378 |
| 2018 | 1,085,000 | 139,939 | 287,000 | 32,172 | 275,000 | 213,283 |
| 2019 | 1,121,000 | 114,749 | 69,000 | 25,960 | 281,000 | 207,531 |
| 2020 | 1,158,000 | 88,502 | 71,000 | 23,925 | 286,000 | 201,666 |
| 2021 | 1,005,000 | 63,038 | 73,000 | 21,830 | 197,194 | 197,194 |
| 2022 - 2026 | 2,070,000 | 63,858 | 398,000 | 75,579 | 1,695,000 | 910,894 |
| 2027 - 2031 | | | 269,000 | 16,019 | 3,265,000 | 493,753 |
| 2032 - 2036 | | | | | 1,490,000 | 48,456 |
| | <u>\$ 7,490,000</u> | <u>\$ 634,219</u> | <u>\$ 1,442,000</u> | <u>\$ 237,852</u> | <u>\$ 7,659,000</u> | <u>\$ 2,493,155</u> |

| For the Year Ended June 30, | General obligation/pledged revenue bonds | |
|-----------------------------|---|---------------------|
| | Principal | Interest |
| Business-type activities | | |
| 2017 | \$ 1,604,337 | \$ 498,209 |
| 2018 | 1,413,033 | 448,118 |
| 2019 | 1,457,919 | 399,816 |
| 2020 | 1,525,765 | 347,664 |
| 2021 | 1,582,323 | 292,384 |
| 2022 - 2026 | 4,525,216 | 900,238 |
| 2027 - 2031 | 2,485,099 | 213,195 |
| 2032 - 2036 | 154,707 | 3,265 |
| | <u>\$ 14,748,399</u> | <u>\$ 3,102,889</u> |

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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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. Rebatable arbitrage is computed as of each installment computation date. As of the most recent date, management believes that there is no rebatable arbitrage amount due. Future calculations might result in adjustments to this determination.

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, 2016, were as follows:

| | Issuance Date | Original Amount | Balance June 30, 2016 |
|---|---------------|---------------------|--------------------------|
| Washoe Barton Medical Clinic Project, Hospital Revenue and Refunding Bonds, Series 2013 | April 2013 | \$ <u>8,700,000</u> | \$ <u>7,171,064</u> |

Capital Leases - Governmental Activities

The County entered into a capital lease agreement to finance the acquisition of capital assets used by the County and in general operations. For accounting purposes, the assets acquired under this capital lease have been recorded at the present value of the future minimum lease payments as of the lease inception date. Total capital lease payments for the year ended June 30, 2016, were \$49,979.

At June 30, 2016, the assets acquired through these capital leases were as follows:

| | |
|-----------------------------------|------------|
| Machinery, equipment and software | \$ 322,422 |
|-----------------------------------|------------|

At June 30, 2016, future minimum capital lease payments were as follows:

| For the Year Ended June 30, | | | | | |
|--|----|-----------------|--|--|--|
| 2017 | \$ | 49,979 | | | |
| 2018 | | 49,979 | | | |
| 2019 | | 49,979 | | | |
| 2020 | | 49,979 | | | |
| 2021 | | <u>49,979</u> | | | |
| Total future minimum capital lease payments | | 249,895 | | | |
| Less portion of payment representing interest | | <u>(19,852)</u> | | | |
| Present value of total future minimum capital lease payments | \$ | <u>230,043</u> | | | |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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.

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 July 2021.

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> | | |
|------------------------------------|----|-----------------------|
| 2017 | \$ | 79,275 |
| 2018 | | 59,501 |
| 2019 | | 38,742 |
| 2020 | | 30,499 |
| 2021 | | <u>21,274</u> |
| | \$ | <u><u>229,291</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, 2016</u> | <u>Commitment Remaining at June 30, 2016</u> |
|--------------------------------|----------------------------|---|--|
| Governmental activities | | | |
| General government projects | \$ 1,075,443 | \$ 460,093 | \$ 615,350 |
| Airport projects | 1,219,336 | 935,289 | 284,047 |
| Erosion control projects | 203,960 | 123,713 | 80,247 |
| Public safety projects | 25,000 | 2,645 | 22,355 |
| Public works projects | <u>3,129,951</u> | <u>1,371,137</u> | <u>1,758,814</u> |
| Total governmental activities | <u>\$ 5,653,690</u> | <u>\$ 2,892,877</u> | <u>\$ 2,760,813</u> |
| Business-type activities | | | |
| Water system projects | \$ 1,456,978 | \$ 1,310,296 | \$ 146,682 |
| Sewer system projects | <u>1,189,149</u> | <u>155,927</u> | <u>1,033,222</u> |
| Total business-type activities | <u>\$ 2,646,127</u> | <u>\$ 1,466,223</u> | <u>\$ 1,179,904</u> |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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 2014 and 2015, 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, 2016

At June 30, 2016, 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 | | 150,000,000 | Annual aggregate |
| Sublimit for flood coverage | | 150,000,000 | Annual aggregate |
| Sublimit for flood coverage zone A | | 25,000,000 | Annual aggregate |
| Sublimit for equipment breakdown, boiler and machinery | | 100,000,000 | 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 |
| Cyber Security Event | | | |
| Cyber Security Event | \$ | 2,000,000 | Per event/Annual aggregate |
| Sublimit for privacy response expense | | 500,000 | Per event |

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.

Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

The County's employees are covered by the Public Employees' Retirement System of Nevada (PERS), which was established by the Nevada Legislature in 1947, effective July 1, 1948, and is governed by the Public Employees Retirement Board (the PERS Board) whose seven members are appointed by the governor. The County does not exercise any control over PERS.

PERS is a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both regular and police/fire members. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

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

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

Post-retirement increases are provided by authority of NRS 286.575 - .579, which for members entering the system before January 1, 2010, is equal to the lesser of:

- 1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
- 2) The average percentage increase in the Consumer Price Index (or other PERS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other PERS Board approved index) for the period between retirement and the date of increase.

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering the System on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

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

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

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS. New hires, in agencies which did not elect the employer-pay contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two alternative contribution plans. Contributions are shared equally by employer and employee in which employees can take a reduced salary and have contributions made by the employer or can make contributions by a payroll deduction matched by the employer.

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

PERS receives an actuarial valuation on an annual basis for determining the prospective funding contribution rates required to fund the system on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by NRS. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450. The actuarial funding method used is the entry age normal cost method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2015, the required employer/employee matching rate was 13.25% for regular and 20.75% for police/fire members. The EPC rate was 28% for regular and 40.50% for police/fire members.

For the fiscal year ended June 30, 2016, the required employer/employee matching rate was 14.5% for regular and 20.75% for police/fire members. The EPC rate was 25.75% for regular and 40.50% for police/fire members.

PERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplemental information. This report is available on the PER's website, www.nvpers.org under publications.

PERS collective net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. For this purpose, certain actuarial valuation assumptions are stipulated by GASB and may vary from those used to determine the prospective funding contribution rates.

The total PERS pension liability was determined using the following actuarial assumptions (based on the results of an experience review completed in 2013), applied to all periods included in the measurement:

| | |
|----------------------------|---|
| Actuarial valuation date | June 30, 2015 |
| Inflation rate | 3.50% |
| Payroll growth | 5.00%, including inflation |
| Investment rate of return | 8.00%, |
| Discount rate | 8.00% |
| Productivity pay increase | 0.75% |
| Consumer price index | 3.50% |
| Actuarial cost method | Entry age normal and level percentage of payroll |
| Projected salary increases | Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.50%, depending on service Rates include inflation and productivity increases |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

At June 30, 2015, assumed mortality rates and projected life expectancies for selected ages were as follows:

| Regular Members | | | | |
|-----------------|-----------------|---------|----------------------------------|---------|
| Age | Mortality Rates | | Expected Years of Life Remaining | |
| | Males | Females | Males | Females |
| 40 | 0.10 % | 0.05 % | 41.1 | 44.4 |
| 50 | 0.17 % | 0.12 % | 31.6 | 34.7 |
| 60 | 0.55 % | 0.42 % | 22.4 | 25.4 |
| 70 | 1.82 % | 1.39 % | 14.3 | 17.0 |
| 80 | 5.65 % | 3.79 % | 7.7 | 10.1 |

| Police/Fire Members | | | | |
|---------------------|-----------------|---------|----------------------------------|---------|
| Age | Mortality Rates | | Expected Years of Life Remaining | |
| | Males | Females | Males | Females |
| 40 | 0.10 % | 0.06 % | 40.2 | 42.5 |
| 50 | 0.19 % | 0.15 % | 30.7 | 32.8 |
| 60 | 0.63 % | 0.54 % | 21.5 | 23.6 |
| 70 | 2.02 % | 1.72 % | 13.5 | 15.5 |
| 80 | 6.41 % | 4.63 % | 7.1 | 9.0 |

These mortality rates and projected life expectancies are based on the following:

For non-disabled male regular members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA

For non-disabled female regular members - RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year

For all non-disabled police/fire members - RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year

For all disabled regular members and all disabled police/fire members - RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years

PERS policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of PERS. The following target asset allocation policy was adopted as of June 30, 2015:

| Asset Class | Target Allocation | Long-term Geometric Expected Real Rate of Return * |
|-----------------------|-------------------|--|
| Domestic equity | 42 % | 5.50 % |
| International equity | 18 % | 5.75 % |
| Domestic fixed income | 30 % | 0.25 % |
| Private markets | 10 % | 6.80 % |

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015 and 2014. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified by NRS. Based on that assumption, PERS's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

The County's proportionate share of the net pension liability at June 30, 2015, calculated using the discount rate of 8.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|-----------------------|---------------------------------|---------------|---------------------------------|
| Net pension liability | \$ 108,970,798 | \$ 71,512,545 | \$ 40,363,392 |

Detailed information about PERS fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website, www.nvpers.org under publications. PERS fiduciary net position and additions to/deductions from it have been determined on the same basis used in the PERS Comprehensive Annual Financial Report. PERS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The County's proportionate share (amount) of the collective PERS net pension liability was \$71,512,545, which represents 0.62405% of the collective PERS net pension liability. Contributions for employer pay dates within the fiscal year ending June 30, 2015, were used as the basis for determining each employer's proportionate share. Each employer's proportion of the net pension liability is based on their combined employer and member contributions relative to the total combined employer and member contributions for all employers for the period ended June 30, 2015.

For the period ended June 30, 2016, the County's PERS pension expense was \$8,163,299 and its reported deferred outflows and inflows of resources related to pensions as of June 30, 2016, were as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience | \$ | \$ 5,378,981 |
| Net difference between projected and actual earnings on investments | | 3,873,594 |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 1,379,602 | 111,265 |
| Contributions made subsequent to the measurement date | 10,278,590 | |

At June 30, 2015, the average expected remaining service life is 6.70 years.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date totaling \$10,278,590 will be recognized as a reduction of the net pension liability in the year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>For the Year Ended June 30,</u> | |
|------------------------------------|----------------|
| 2017 | \$ (2,480,902) |
| 2018 | (2,480,902) |
| 2019 | (2,480,902) |
| 2020 | 466,124 |
| 2021 | (767,138) |
| Thereafter | (240,517) |

Changes in the County's net pension liability were as follows:

| | |
|--|----------------------|
| Net pension liability, beginning of year | \$ 64,829,752 |
| Pension expense | 8,163,299 |
| Employer contributions | (9,632,488) |
| Change in net deferred inflows and outflows of resources | <u>8,151,982</u> |
| Net pension liability, end of year | <u>\$ 71,512,545</u> |

At June 30, 2016, approximately \$850,000 was payable to PERS, for the June 2016 required contribution.

Agent Multiple-Employer Defined Benefit Pension Plan

The County's municipal court judges and justices of the peace may, in certain circumstances, elect to be covered by the Judicial Retirement System of Nevada (JRS), an agent multiple employer defined benefit public employees' retirement system. JRS was established by the Nevada Legislature in July 2001, effective January 1, 2003, to provide a reasonable base retirement income to justices of the Supreme Court and district judges and was amended in 2005 to allow municipal court judges and justices of the peace to participate. JRS is administered and governed by the Public Employees Retirement Board (the JRS Board) whose seven members are appointed by the governor. The County does not exercise any control over JRS.

Benefits are paid according to various options contained in the NRS, dependent upon whether a member was serving as a Supreme Court justice or district judge before November 5, 2002. Retiring members who were serving as a judge before November 5, 2002, may select among the two benefit options below. Retiring members who began serving as a justice or judge on or after November 5, 2002, are only eligible for the first option below.

2003 Benefit Plan: Benefits, as required by NRS, are computed at 3.4091% per year of accredited service at the time of retirement times the member's highest average compensation in any 36 consecutive months, to a maximum of 75%. Benefit payments to which participants may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Previous Benefit Plan: Retiring members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, may select benefit payments computed at 4.1666% for the first five years of service and 4.1666% for each year of service beyond five years, up to a total maximum of 22 years, times the member's compensation for their last year of service.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Members who retired under the Previous Benefit Plan (plan in effect before November 5, 2002) and are appointed as senior judges can earn service credit while receiving their pension payments. They are eligible to have their benefit recalculated each time they earn an additional year of service credit

JRS members become fully vested after five years of service. A member is eligible for retirement at age 65 with five years of service, at age 60 with ten years of service, or at any age with 30 years of service. For those members who were serving as a Supreme Court justice or district judge prior to November 5, 2002, and selected the second benefit option, eligibility for retirement is at age 60 with five years of service.

Post-retirement increases are provided by authority of the NRS, which for members entering the system before January 1, 2010, is equal to the lesser of:

- 1) 2% per year following the third anniversary of the commencement of benefits, 3% per year following the sixth anniversary, 3.5% per year following the ninth anniversary, 4% per year following the twelfth anniversary and 5% per year following the fourteenth anniversary, or
- 2) The average percentage increase in the Consumer Price Index (or other JRS Board approved index) for the three preceding years.

In any event, a member's benefit must be increased by the percentages in paragraph 1, above, if the benefit of a member has not been increased at a rate greater than or equal to the average of the Consumer Price Index (All Items) (or other JRS Board approved index) for the period between retirement and the date of increase

For members entering the system on or after January 1, 2010, the post-retirement increases are the same as above, except that the increases do not exceed 4% per year.

The authority for establishing and amending the obligation to make contributions and member contribution rates rests with NRS 1A.180(1). Participating employers pay JRS a contribution rate, which is actuarially determined to be sufficient to enable JRS to pay all liabilities for current benefits for their members and retirees. JRS administrative expenses are the responsibility of the participating employers and are included as a component of JRS contribution rate.

At June 30, 2015, JRS membership consisted of:

| | |
|-----------------------------------|-------------------|
| Active members | 115 |
| Inactive vested members | 4 |
| Retired members and beneficiaries | <u>69</u> |
| | <u><u>188</u></u> |

The amount of annual contribution required to fund JRS is comprised of a normal cost payment and a payment on the Unfunded Actuarial Accrued Liability (UAAL). Effective January 1, 2009, UAAL is amortized over a year-by-year closed amortization period as a level percent of pay (3% payroll growth assumed) where each amortization period will be set at 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace. The payment to amortize the UAAL is paid annually for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace.

In addition, effective with the January 1, 2009, valuation, assets are valued using five-year smoothing. The Actuarial Value of Assets (AVA) is further limited to not less than 70% or greater than 130% of market value.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

The JRS net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date using June 30, 2015, census data.

The total JRS pension liability was determined using the following actuarial assumptions (based on the results of an experience study dated September 12, 2013):

| | |
|---------------------------|--|
| Actuarial valuation date | June 30, 2015 |
| Inflation rate | 3.50% |
| Payroll growth | 3.00% to 8.00% |
| Investment rate of return | 8.00%, |
| Discount rate | 8.00% |
| Consumer price index | 3.50% |
| Asset valuation method | The actuarial value of assets is equal to the prior year's actuarial value of assets plus contributions and net transfers, less benefit payments and expenses, plus expected investment return, and 20% of each of the previous five years' gain/(loss) due to investment return greater/(less) than expected. The actuarial value of assets is further limited to not less than 70% or greater than 130% of the market value of assets. |
| Actuarial cost method | Entry age normal |
| Amortization method | Year-by-year closed, level percent of pay (3% payroll growth assumed) over a declining amortization period of 30 years for Supreme Court justices and district judges and 20 years for municipal court judges and justices of the peace |
| Mortality rates | RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set back one year for females (no age setback for males) |

JRS policies which determine the investment portfolio target asset allocation are established by the JRS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of JRS. The following target asset allocation policy was adopted as of June 30, 2015:

| Asset Class | Target Allocation | Long-term Geometric Expected Real Rate of Return * |
|-----------------------|-------------------|--|
| Domestic equity | 49 % | 5.50 % |
| International equity | 21 % | 5.75 % |
| Domestic fixed income | 30 % | 0.25 % |

* These geometric return rates are combined to produce the long-term expected rate of return by adding the long-term expected inflation rate of 3.5%.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions will be made monthly at the current contribution rate and the payment to amortize the unfunded actuarial liability is assumed to be paid annually, at the end of the year, for Supreme Court justices and district judges and monthly for municipal court judges and justices of the peace. Based on that assumption, JRS's fiduciary net position at June 30, 2015, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long term expected rate of return on pension plan investments (8%) was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2015.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

The County's proportionate share of the net pension liability at June 30, 2015, calculated using the discount rate of 8.00%, as well as what the County's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (7.00%) or 1% higher (9.00%) than the current discount rate was as follows:

| | 1% Decrease in Discount Rate | Discount Rate | 1% Increase in Discount Rate |
|-----------------------|---------------------------------|---------------|---------------------------------|
| Net pension liability | \$ 379,940 | \$ 229,640 | \$ 102,435 |

JRS issues a publicly available Annual Financial Report that includes financial statements and required supplemental information. This report is available by writing to JRS at 693 West Nye Lane, Carson City, Nevada 89703. In addition, JRS is classified as a component unit of the State of Nevada, and as such JRS financial information is included in State of Nevada's Comprehensive Annual Financial Report, which is available at http://controller.nv.gov/FinancialReports/CAFR_Download_Page.html. JRS fiduciary net position and related additions to/deductions from it have been determined on the same basis used in the JRS Annual Financial Report. JRS financial statements are prepared in accordance with accounting principles generally accepted in the United States of America applicable to governmental accounting for fiduciary funds. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The County's share (amount) of the JRS net pension liability was \$229,644, which represents 1.10059% of the JRS net pension liability. Each employer's proportion of the net pension liability is based on their contributions relative to the total contributions for all employers for the period ended June 30, 2015.

For the period ended June 30, 2016, the County's JRS pension expense was \$44,921 and its reported deferred outflows and inflows of resources related to JRS pensions as of June 30, 2016, were as follows:

| | Deferred Outflows of Resources | | Deferred Inflows of Resources |
|---|--------------------------------------|----|----------------------------------|
| Differences between expected and actual experience | \$ 10,957 | \$ | 18,097 |
| Net difference between projected and actual earnings on investments | 37,929 | | 53,136 |
| Changes in proportion and differences between actual contributions and proportionate share of contributions | 6,015 | | |
| Contributions made subsequent to the measurement date | 57,509 | | |

At June 30, 2015, the average expected remaining service life is 4.91 years.

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| For the Year Ended June 30, | | | |
|-----------------------------|--|----|---------|
| 2017 | | \$ | (8,074) |
| 2018 | | | (8,074) |
| 2019 | | | (8,074) |
| 2020 | | | 7,890 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Changes in the County's net JRS pension liability were as follows:

| | | |
|--|----|----------------|
| Net pension liability, beginning of year | \$ | 176,817 |
| Pension expense | | 44,921 |
| Employer contributions | | (67,742) |
| Change in net deferred inflows and outflows of resources | | <u>75,648</u> |
| Net pension liability, end of year | \$ | <u>229,644</u> |

At June 30, 2016, approximately \$5,000 was payable to JRS, for the June 2016 required contribution.

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, 2016

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 2016, the County's estimated implicit benefit subsidy payment was \$124,292. At June 30, 2016, 512 active employees and 34 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 2016, this subsidy ranged from \$4 to \$1,476 per retiree, per month. At June 30, 2016, 146 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) | \$ 449,272 | \$ 481,516 | \$ 930,788 |
| Interest on net OPEB obligation | 64,612 | 209,092 | 273,704 |
| Adjustment to ARC | <u>(108,725)</u> | <u>(207,737)</u> | <u>(316,462)</u> |
| Annual OPEB cost | 405,159 | 482,871 | 888,030 |
| OPEB contributions made | <u>(480,446)</u> | <u>(147,423)</u> | <u>(627,869)</u> |
| Increase (decrease) in net OPEB obligation | (75,287) | 335,448 | 260,161 |
| Net OPEB obligation, beginning of year | <u>1,615,312</u> | <u>5,227,292</u> | <u>6,842,604</u> |
| Net OPEB obligation, end of year | <u>\$ 1,540,025</u> | <u>\$ 5,562,740</u> | <u>\$ 7,102,765</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 | | | | |
| 2014 | \$ 553,015 | \$ 501,348 | 90.7 % | \$ 1,680,498 |
| 2015 | 407,766 | 472,952 | 116.0 % | 1,615,312 |
| 2016 | 405,159 | 480,446 | 118.6 % | 1,540,025 |

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

| <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> |
|-------------------------------------|-----------------------------|--|-----------------------------------|--------------------------------|
| Douglas County Health Benefits Plan | | | | |
| 2014 | \$ 1,138,234 | \$ 114,570 | 10.1 % | \$ 48,894,239 |
| 2015 | 456,733 | 123,680 | 27.1 % | 5,227,292 |
| 2016 | 482,871 | 147,423 | 30.5 % | 5,562,740 |

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 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, 2014 | N/A ¹ | \$ 6,872,797 | \$ 6,872,797 | 0.0 % | N/A ² | N/A ² |
| Douglas County Health Benefits Plan July 1, 2014 | N/A ¹ | 3,390,021 | 3,390,021 | 0.0 % | 28,360,401 | 12.0 % |

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.

(Continued)

DOUGLAS COUNTY

NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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

| | <u>Public Employee Benefit Program</u> | <u>Douglas County Health Benefits Plan</u> |
|--|--|--|
| Actuarial valuation date | July 1, 2014 | July 1, 2014 |
| Actuarial cost method | Entry age normal, closed | Entry age normal, open |
| Amortization method | Level dollar | Level percent of pay |
| Amortization period | 24 | 30 years |
| Asset valuation method | No assets in trust | No assets in trust |
| Actuarial assumptions | | |
| Average retiree age | 65.9 | 66.9 |
| Investment rate of return | 4% | 4% |
| Projected salary increases | N/A ¹ | 4% |
| Inflation rate | 2.75% | 2.75% |
| Health cost inflation rates | | |
| Initial | 7.5% | 7.5% |
| 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

On November 30, 2016, the County issued the Nevada Highway Revenue (Motor Vehicle Fuel Tax) Bonds, Series 2016 in the amount of \$11,635,000.

**REQUIRED SUPPLEMENTARY
INFORMATION**

DOUGLAS COUNTY

POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS SCHEDULE OF FUNDING PROGRESS FOR THE YEAR ENDED JUNE 30, 2016

| Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) | Unfunded Actuarial Accrued Liability (UAAL) | Funded Ratio | Annual Covered Payroll | UAAL as a Percent of Covered Payroll |
|-------------------------------------|------------------------------|---|---|--------------|---------------------------|---|
| Public Employee Benefit Program | | | | | | |
| 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 |
| July 1, 2014 | N/A ¹ | 6,872,797 | 6,872,797 | 0.0 % | N/A ² | N/A ² |
| Douglas County Health Benefits Plan | | | | | | |
| 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 % |
| July 1, 2014 | N/A ¹ | 3,390,021 | 3,390,021 | 0.0 % | 28,360,401 | 12.0 % |

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.

DOUGLAS COUNTY

**MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN
 PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY INFORMATION
 FOR THE YEAR ENDED JUNE 30, 2015 AND LAST NINE FISCAL YEARS¹**

| <u>For the Year Ended June 30,</u> | <u>Proportion of the Collective Net Pension Liability</u> | <u>Proportion of the Collective Net Pension Liability</u> | <u>Covered Employee Payroll</u> | <u>Proportion of the Collective Net Pension Liability as a Percentage of Covered Employee Payroll</u> | <u>Pension Plan Fiduciary Net Position as a Percentage of Total Pension Liability</u> |
|------------------------------------|---|---|---|---|---|
| 2014 | 0.62205 % | \$ 64,829,752 | \$ 34,306,014 | 188.97489 % | 76.31210 % |
| 2015 | 0.62405 % | 71,512,545 | 35,414,596 | 201.92958 % | 75.12611 % |

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

DOUGLAS COUNTY

MULTIPLE-EMPLOYER COST-SHARING DEFINED BENEFIT PENSION PLAN STATUTORILY REQUIRED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2016 AND LAST NINE FISCAL YEARS¹

| <u>For the Year Ended June 30,</u> | <u>Statutorily Required Contribution</u> | <u>Contributions in relation to the Statutorily Required Contribution</u> | <u>Contribution (Deficiency) Excess</u> | <u>Covered Employee Payroll</u> | <u>Contributions as a Percentage of Covered Employee Payroll</u> |
|------------------------------------|--|---|---|---|--|
| 2015 | \$ 9,697,293 | \$ 9,697,293 | \$ | \$ 35,414,596 | 27.38219 % |
| 2016 | 10,278,590 | 10,278,590 | | 36,820,020 | 27.91576 % |

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

DOUGLAS COUNTY

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN SCHEDULE OF CHANGES IN NET PENSION LIABILITY FOR THE YEAR ENDED JUNE 30, 2015 AND LAST NINE FISCAL YEARS¹

| <u>For the Year Ended June 30,</u> | <u>Net Pension Liability, Beginning of Year</u> | <u>Pension Expense</u> | <u>Employer Contributions</u> | <u>Change in Net Deferred Outflows and Inflows</u> | <u>Net Pension Liability, End of Year</u> |
|------------------------------------|---|------------------------|-----------------------------------|--|---|
| 2014 | \$ 109,800 | \$ 37,840 | \$ (62,803) | \$ 91,980 | \$ 176,817 |
| 2015 | 176,817 | 44,921 | (67,742) | 75,648 | 229,644 |

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

DOUGLAS COUNTY

**AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN
PENSION PLAN INFORMATION
FOR THE YEAR ENDED JUNE 30, 2015 AND LAST NINE FISCAL YEARS¹**

| <u>For the Year Ended June 30,</u> | <u>Total Pension Plan Liability</u> | <u>Pension Plan Fiduciary Net Position</u> | <u>Net Pension Plan Liability</u> | <u>Pension Plan Fiduciary Net Position as a Percentage of Total Pension Plan Liability</u> | <u>Pension Plan Covered Employee Payroll</u> | <u>Net Pension Plan Liability as a Percentage of Pension Plan Covered Employee Payroll</u> |
|------------------------------------|---|--|---------------------------------------|--|--|--|
| 2014 | \$ 108,630,337 | \$ 92,113,212 | \$ 16,517,125 | 84.79511 % | \$ 17,186,300 | 96.10635 % |
| 2015 | 119,810,260 | 98,944,699 | 20,865,561 | 82.58450 % | 18,933,500 | 110.20446 % |

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2014. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

DOUGLAS COUNTY

AGENT MULTIPLE-EMPLOYER DEFINED BENEFIT PENSION PLAN ACTUARIALLY DETERMINED CONTRIBUTION INFORMATION FOR THE YEAR ENDED JUNE 30, 2016 AND LAST NINE FISCAL YEARS¹

| <u>For the Year Ended June 30,</u> | <u>Actuarially Required Contribution</u> | <u>Contributions Made</u> | <u>Contribution (Deficiency) Excess</u> | <u>Covered Employee Payroll</u> | <u>Contributions Made as a Percentage of Covered Employee Payroll</u> |
|------------------------------------|--|-------------------------------|---|---|---|
| 2015 | \$ 68,015 | \$ 62,803 | \$ (5,212) | \$ 234,534 | 26.77778 % |
| 2016 | 62,315 | 57,509 | (4,806) | 249,259 | 23.07199 % |

1. Information for the multiple-employer cost-sharing defined benefit pension plan is not available for years prior to the year ended June 30, 2015. As becomes available this schedule will ultimately present information for the ten most recent fiscal years.

GENERAL FUND

DOUGLAS COUNTY
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|-----------------|---------------|---------------|--------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 18,743,700 | \$ 18,743,700 | \$ 18,085,747 | \$ (657,953) |
| Real property taxes, delinquent | | | 127,244 | 127,244 |
| Personal property taxes, current | | | 602,667 | 602,667 |
| Personal property taxes, delinquent | | | 11,925 | 11,925 |
| Business licenses, permits, franchise and other fees | | | | |
| Liquor licenses | 280,000 | 280,000 | 297,995 | 17,995 |
| Local county gaming licenses | 140,000 | 140,000 | 236,824 | 96,824 |
| Cable television franchise fees | 400,000 | 400,000 | 482,374 | 82,374 |
| Southwest gas franchise fee | 340,000 | 340,000 | 413,924 | 73,924 |
| Vacation home rental permits | 30,000 | 30,000 | 32,421 | 2,421 |
| Utility operator fees | 1,600,000 | 1,600,000 | 1,566,717 | (33,283) |
| Building permits | 800,000 | 1,057,569 | 1,211,233 | 153,664 |
| Marriage licenses | 25,000 | 25,000 | 18,774 | (6,226) |
| Animal fees | 25,000 | 26,500 | 25,253 | (1,247) |
| School construction reserve | 1,200 | 1,200 | 2,326 | 1,126 |
| Other licenses, permits and fees | | | 900 | 900 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| Traffic safety | 31,000 | 44,148 | 85,217 | 41,069 |
| COPS | 55,687 | 55,687 | | (55,687) |
| Support incentive | | 1,213 | 15,312 | 14,099 |
| Title IV, URESA | 241,468 | 251,196 | 218,659 | (32,537) |
| DOJ block grant | 55,000 | 55,000 | 56,206 | 1,206 |
| Domestic violence | 235,000 | 235,000 | 225,907 | (9,093) |
| PY grant revenue | | | 21,922 | 21,922 |
| Social Security inmate incentive | 2,500 | 2,500 | 800 | (1,700) |
| DEA | | 4,750 | 14,131 | 9,381 |
| Grant-in-aid | | | 1,569 | 1,569 |
| AOC | | 7,028 | 7,028 | |
| Tri-net | 61,800 | 61,800 | 65,435 | 3,635 |
| Nevada Law Foundation | | 3,498 | 2,011 | (1,487) |
| Specialized foster care | | 36,941 | 36,942 | 1 |
| Other grants | 11,205 | 102,289 | 115,233 | 12,944 |
| Payments in lieu of taxes | 600,000 | 600,000 | 708,197 | 108,197 |
| State gaming table taxes | 145,000 | 145,000 | 141,303 | (3,697) |
| State consolidated tax distribution | 11,135,187 | 11,135,187 | 11,253,738 | 118,551 |
| NRS county gaming licenses | 550,000 | 550,000 | 590,013 | 40,013 |
| District Attorney forfeitures | | | 1,030 | 1,030 |
| Other | | 8,293 | 14,770 | 6,477 |
| Charges for services | | | | |
| General government | | | | |
| Clerk's fees | 185,000 | 185,568 | 218,053 | 32,485 |
| Recorder's fees | 325,000 | 325,000 | 302,819 | (22,181) |
| Treasurer's fees | 7,500 | 8,283 | 3,595 | (4,688) |
| Recorder's technology fees | | 3,065 | 52,266 | 49,201 |
| Assessor's fees | 2,000 | 2,000 | 1,755 | (245) |
| Assessor's commissions | 150,000 | 150,000 | 170,022 | 20,022 |
| Assessor's technology fees | | | 56,675 | 56,675 |
| Administration and overhead | 1,756,397 | 1,849,564 | 1,858,902 | 9,338 |
| GIS services | 355,000 | 355,000 | 355,000 | |
| Radio user fees | 150,615 | 150,615 | 141,277 | (9,338) |
| Applicant license fees | 15,000 | 15,000 | 10,970 | (4,030) |
| Sale of film | 14,400 | 14,400 | 15,354 | 954 |
| Reimbursement for services | 5,000 | 5,000 | 6,732 | 1,732 |
| USFS co-op agreement | | 9,500 | 9,500 | |
| DMV 5% | 54,000 | 54,000 | 59,679 | 5,679 |
| DMV \$2 license | 20,000 | 20,000 | 22,797 | 2,797 |
| Administration, flex spending fee | 400 | 400 | 353 | (47) |

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---------------------------------------|-----------------|--------------|---------|----------|
| Administration, garnishment fee | \$ 900 | \$ 900 | \$ 450 | \$ (450) |
| Administration, RPTT fee | 18,000 | 18,000 | 17,618 | (382) |
| Allocation permits | 12,000 | 12,000 | 19,955 | 7,955 |
| Late charges | 2,000 | 2,000 | 22,840 | 20,840 |
| GIS maps | 5,000 | 5,000 | 7,634 | 2,634 |
| Professional fees | 40,000 | 60,000 | 34,353 | (25,647) |
| Code enforcement | | | 1,400 | 1,400 |
| 1/2 mobile home | | | 155 | 155 |
| Administration, child support fee | | | 863 | 863 |
| Other | 136,820 | 136,820 | 125,329 | (11,491) |
| Judicial | | | | |
| East Fork constable fees | 30,000 | 30,000 | 28,090 | (1,910) |
| JPO detention fees | 2,000 | 2,000 | 3,045 | 1,045 |
| Guardian fees | 15,000 | 15,000 | 28,099 | 13,099 |
| Tahoe constable fees | 2,500 | 2,500 | 5,530 | 3,030 |
| Support and care fees | 5,000 | 5,000 | 5,640 | 640 |
| House arrest fees | 69,000 | 69,000 | 73,840 | 4,840 |
| Probation supervision fees | 50,000 | 50,000 | 39,700 | (10,300) |
| Probation drug testing fees | 37,000 | 37,000 | 34,249 | (2,751) |
| Court fees | | 31,538 | 37,348 | 5,810 |
| Other | | 20,963 | 54,044 | 33,081 |
| Public safety | | | | |
| Sheriff's fees | 270,000 | 270,000 | 316,690 | 46,690 |
| Jail processing fees | 4,500 | 4,500 | 12,174 | 7,674 |
| Animal adoption fees | 3,000 | 3,000 | 2,000 | (1,000) |
| Public works | | | | |
| Engineering fees | 160,000 | 291,000 | 229,173 | (61,827) |
| Planning fees | 120,000 | 157,000 | 180,474 | 23,474 |
| Home occupation permits | | | 75 | 75 |
| Ditch review application fee | 1,500 | 1,500 | 2,310 | 810 |
| Health and sanitation | | | | |
| Weed spraying, private | 250,000 | 272,000 | 264,419 | (7,581) |
| Weed spraying, interlocal | 50,000 | 72,000 | 88,836 | 16,836 |
| Chemical sales | 100,000 | 137,000 | 137,855 | 855 |
| Fines and forfeitures | | | | |
| Judicial | | | | |
| East Fork Justice Court fines | 680,000 | 680,000 | 606,419 | (73,581) |
| Tahoe Justice Court fines | 400,000 | 400,000 | 370,654 | (29,346) |
| District Court fines and fees | 300 | 115,002 | 132,315 | 17,313 |
| Chemical analysis fine | 15,000 | 15,000 | 8,700 | (6,300) |
| Administration assessment JPO \$2 | 15,000 | 15,000 | 18,748 | 3,748 |
| Public Defender restitution | 5,000 | 5,000 | 3,610 | (1,390) |
| JPO fines | 25,000 | 25,000 | 24,547 | (453) |
| Reimburse counsel | 5,000 | 5,000 | 8,184 | 3,184 |
| Administration assessment JPO \$10 | 5,000 | 5,000 | 2,795 | (2,205) |
| Controlled substance | 2,500 | 2,500 | 3,429 | 929 |
| Sheriff restitution | 3,500 | 3,500 | 1,670 | (1,830) |
| Other | | | 2,774 | 2,774 |
| Public safety | | | | |
| Animal control fees | 12,000 | 13,500 | 12,486 | (1,014) |
| Miscellaneous | | | | |
| Triad donations | | 100 | 6,600 | 6,500 |
| Other donations | | 63,776 | 71,509 | 7,733 |
| Other reimbursements and restitutions | 50,000 | 144,277 | 148,841 | 4,564 |
| Other rent and lease income | 28,500 | 28,500 | 29,041 | 541 |
| Pay phone | 18,000 | 18,000 | 18,000 | |
| Proceeds from tax sale | | 13,000 | 10,437 | (2,563) |
| Rebates | 10,500 | 10,500 | 17,217 | 6,717 |
| Cash over and short | | | 1,061 | 1,061 |
| Property tax penalties and interest | 417,225 | 417,225 | 477,631 | 60,406 |

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--------------------------------------|-------------------|-------------------|-------------------|-----------------|
| Investment income | \$ 90,413 | \$ 90,413 | \$ 111,550 | \$ 21,137 |
| Other | <u>5,000</u> | <u>5,000</u> | <u>7,021</u> | <u>2,021</u> |
| Total revenues | <u>41,721,217</u> | <u>42,871,908</u> | <u>43,846,923</u> | <u>975,015</u> |
| EXPENDITURES | | | | |
| General government | | | | |
| County commission | | | | |
| Salaries and wages | 146,162 | 146,162 | 158,823 | (12,661) |
| Employee benefits | 115,119 | 115,119 | 109,144 | 5,975 |
| Services and supplies | <u>194,829</u> | <u>229,829</u> | <u>223,924</u> | <u>5,905</u> |
| Total county commission | <u>456,110</u> | <u>491,110</u> | <u>491,891</u> | <u>(781)</u> |
| County manager | | | | |
| Salaries and wages | 472,207 | 556,057 | 491,460 | 64,597 |
| Employee benefits | 200,075 | 178,594 | 164,277 | 14,317 |
| Services and supplies | <u>510,586</u> | <u>512,386</u> | <u>545,299</u> | <u>(32,913)</u> |
| Total county manager | <u>1,182,868</u> | <u>1,247,037</u> | <u>1,201,036</u> | <u>46,001</u> |
| Finance and comptroller | | | | |
| Salaries and wages | 551,698 | 512,198 | 421,527 | 90,671 |
| Employee benefits | 252,472 | 252,472 | 192,956 | 59,516 |
| Services and supplies | <u>141,900</u> | <u>159,135</u> | <u>188,102</u> | <u>(28,967)</u> |
| Total finance and comptroller | <u>946,070</u> | <u>923,805</u> | <u>802,585</u> | <u>121,220</u> |
| Treasurer | | | | |
| Salaries and wages | 308,778 | 332,871 | 352,131 | (19,260) |
| Employee benefits | 145,262 | 146,752 | 149,682 | (2,930) |
| Services and supplies | <u>74,793</u> | <u>109,491</u> | <u>128,294</u> | <u>(18,803)</u> |
| Total treasurer | <u>528,833</u> | <u>589,114</u> | <u>630,107</u> | <u>(40,993)</u> |
| Geographic information systems | | | | |
| Salaries and wages | 473,254 | 473,254 | 469,531 | 3,723 |
| Employee benefits | 227,696 | 227,696 | 216,706 | 10,990 |
| Services and supplies | <u>154,368</u> | <u>201,081</u> | <u>175,222</u> | <u>25,859</u> |
| Total geographic information systems | <u>855,318</u> | <u>902,031</u> | <u>861,459</u> | <u>40,572</u> |
| Economic Development | | | | |
| Salaries and wages | 85,945 | 85,945 | 86,218 | (273) |
| Employee benefits | 36,644 | 36,644 | 36,433 | 211 |
| Services and supplies | <u>88,000</u> | <u>173,500</u> | <u>161,054</u> | <u>12,446</u> |
| Total economic development | <u>210,589</u> | <u>296,089</u> | <u>283,705</u> | <u>12,384</u> |
| Assessor | | | | |
| Salaries and wages | 484,849 | 484,849 | 501,802 | (16,953) |
| Employee benefits | 252,057 | 252,057 | 254,634 | (2,577) |
| Services and supplies | <u>39,625</u> | <u>64,625</u> | <u>56,244</u> | <u>8,381</u> |
| Total assessor | <u>776,531</u> | <u>801,531</u> | <u>812,680</u> | <u>(11,149)</u> |
| Tahoe, general services | | | | |
| Salaries and wages | 168,700 | 170,736 | 181,685 | (10,949) |
| Employee benefits | 77,889 | 78,157 | 80,504 | (2,347) |
| Services and supplies | <u>7,900</u> | <u>22,554</u> | <u>2,654</u> | <u>19,900</u> |
| Total Tahoe, general services | <u>254,489</u> | <u>271,447</u> | <u>264,843</u> | <u>6,604</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|----------------------------|-----------------|--------------|------------|-----------|
| Recorder | | | | |
| Salaries and wages | \$ 270,036 | \$ 270,036 | \$ 251,916 | \$ 18,120 |
| Employee benefits | 145,110 | 145,110 | 137,141 | 7,969 |
| Services and supplies | 18,260 | 49,559 | 46,705 | 2,854 |
| Total recorder | 433,406 | 464,705 | 435,762 | 28,943 |
| Clerk | | | | |
| Salaries and wages | 194,346 | 256,718 | 277,669 | (20,951) |
| Employee benefits | 89,843 | 111,906 | 115,320 | (3,414) |
| Services and supplies | 16,130 | 61,293 | 37,082 | 24,211 |
| Total clerk | 300,319 | 429,917 | 430,071 | (154) |
| Clerk, elections | | | | |
| Salaries and wages | 26,000 | 26,000 | 12,513 | 13,487 |
| Employee benefits | 3,900 | 3,900 | 1,507 | 2,393 |
| Services and supplies | 77,300 | 77,519 | 54,653 | 22,866 |
| Total clerk, elections | 107,200 | 107,419 | 68,673 | 38,746 |
| Communications | | | | |
| Salaries and wages | | | 4,434 | (4,434) |
| Employee benefits | | | 2,026 | (2,026) |
| Services and supplies | 65,040 | 65,040 | 53,103 | 11,937 |
| Total communications | 65,040 | 65,040 | 59,563 | 5,477 |
| General services | | | | |
| Salaries and wages | 28,156 | 28,156 | 18,875 | 9,281 |
| Employee benefits | 374,228 | 374,228 | 409,405 | (35,177) |
| Services and supplies | 1,418,705 | 1,418,705 | 1,418,790 | (85) |
| Total general services | 1,821,089 | 1,821,089 | 1,847,070 | (25,981) |
| Information services | | | | |
| Salaries and wages | 527,255 | 527,255 | 464,943 | 62,312 |
| Employee benefits | 232,768 | 232,768 | 211,012 | 21,756 |
| Services and supplies | 501,286 | 603,482 | 654,947 | (51,465) |
| Total information services | 1,261,309 | 1,363,505 | 1,330,902 | 32,603 |
| Human resources | | | | |
| Salaries and wages | 276,253 | 276,253 | 275,070 | 1,183 |
| Employee benefits | 125,425 | 125,425 | 110,186 | 15,239 |
| Services and supplies | 200,876 | 200,876 | 123,543 | 77,333 |
| Total human resources | 602,554 | 602,554 | 508,799 | 93,755 |
| Records management | | | | |
| Salaries and wages | 92,050 | 92,050 | 89,485 | 2,565 |
| Employee benefits | 41,798 | 41,798 | 47,209 | (5,411) |
| Services and supplies | 32,595 | 32,595 | 25,022 | 7,573 |
| Total records management | 166,443 | 166,443 | 161,716 | 4,727 |
| Project management | | | | |
| Salaries and wages | 87,006 | 87,006 | 84,246 | 2,760 |
| Employee benefits | 36,964 | 36,964 | 36,153 | 811 |
| Services and supplies | 2,850 | 2,850 | 6,515 | (3,665) |
| Total project management | 126,820 | 126,820 | 126,914 | (94) |
| Other | | | | |
| Services and supplies | | 223,842 | | 223,842 |
| Total general government | 10,094,988 | 10,893,498 | 10,317,776 | 575,722 |

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|-----------------|--------------|------------|------------|
| Judicial | | | | |
| Court clerk | | | | |
| Salaries and wages | \$ 180,924 | \$ 180,924 | \$ 187,824 | \$ (6,900) |
| Employee benefits | 91,722 | 91,722 | 94,557 | (2,835) |
| Services and supplies | 13,002 | 54,665 | 54,090 | 575 |
| Total court clerk | 285,648 | 327,311 | 336,471 | (9,160) |
| District court I | | | | |
| Salaries and wages | 155,885 | 162,521 | 167,125 | (4,604) |
| Employee benefits | 63,195 | 63,668 | 64,727 | (1,059) |
| Services and supplies | 48,300 | 53,228 | 183,678 | (130,450) |
| Total District court I | 267,380 | 279,417 | 415,530 | (136,113) |
| District court II | | | | |
| Salaries and wages | 166,394 | 166,394 | 145,017 | 21,377 |
| Employee benefits | 65,003 | 65,003 | 59,735 | 5,268 |
| Services and supplies | 66,500 | 73,743 | 77,814 | (4,071) |
| Total District court II | 297,897 | 305,140 | 282,566 | 22,574 |
| CASA | | | | |
| Salaries and wages | 82,930 | 82,930 | 89,504 | (6,574) |
| Employee benefits | 44,222 | 44,222 | 33,835 | 10,387 |
| Services and supplies | 1,000 | 16,789 | 15,748 | 1,041 |
| Total CASA | 128,152 | 143,941 | 139,087 | 4,854 |
| SAFE | | | | |
| Salaries and wages | 32,000 | 104,000 | 104,000 | |
| Services and supplies | | 1,312 | 696 | 616 |
| Total SAFE | 32,000 | 105,312 | 104,696 | 616 |
| Public guardian and administration | | | | |
| Salaries and wages | | 44,678 | 44,070 | 608 |
| Employee benefits | 19,369 | 35,847 | 34,800 | 1,047 |
| Services and supplies | 108,192 | 79,858 | 81,249 | (1,391) |
| Total public guardian and administration | 127,561 | 160,383 | 160,119 | 264 |
| Bailiff | | | | |
| Salaries and wages | 189,011 | 189,326 | 196,861 | (7,535) |
| Employee benefits | 122,933 | 124,733 | 117,946 | 6,787 |
| Total bailiff | 311,944 | 314,059 | 314,807 | (748) |
| District attorney | | | | |
| Salaries and wages | 1,450,286 | 1,450,286 | 1,451,806 | (1,520) |
| Employee benefits | 644,106 | 644,106 | 635,240 | 8,866 |
| Services and supplies | 188,152 | 188,152 | 163,253 | 24,899 |
| Total district attorney | 2,282,544 | 2,282,544 | 2,250,299 | 32,245 |
| District attorney, child support | | | | |
| Salaries and wages | 198,424 | 198,424 | 197,481 | 943 |
| Employee benefits | 95,042 | 95,042 | 90,519 | 4,523 |
| Services and supplies | 24,581 | 35,522 | 37,881 | (2,359) |
| Total district attorney, child support | 318,047 | 328,988 | 325,881 | 3,107 |
| Public defender | | | | |
| Services and supplies | 828,334 | 828,334 | 802,542 | 25,792 |

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------|------------------------|---------------------|------------------|-----------------|
| Juvenile probation | | | | |
| Salaries and wages | \$ 710,404 | \$ 697,704 | \$ 604,434 | \$ 93,270 |
| Employee benefits | 365,343 | 365,343 | 299,067 | 66,276 |
| Services and supplies | 146,949 | 180,102 | 147,583 | 32,519 |
| Total juvenile probation | <u>1,222,696</u> | <u>1,243,149</u> | <u>1,051,084</u> | <u>192,065</u> |
| JPO detention center | | | | |
| Salaries and wages | 321,898 | 321,898 | 286,772 | 35,126 |
| Employee benefits | 130,275 | 130,275 | 129,993 | 282 |
| Services and supplies | 18,950 | 18,950 | 14,137 | 4,813 |
| Total JPO detention center | <u>471,123</u> | <u>471,123</u> | <u>430,902</u> | <u>40,221</u> |
| Court computer system | | | | |
| Salaries and wages | 97,375 | 97,375 | 98,426 | (1,051) |
| Employee benefits | 40,884 | 40,884 | 42,462 | (1,578) |
| Services and supplies | 114,242 | 154,248 | 152,501 | 1,747 |
| Total court computer system | <u>252,501</u> | <u>292,507</u> | <u>293,389</u> | <u>(882)</u> |
| East Fork justice court | | | | |
| Salaries and wages | 353,859 | 353,859 | 357,746 | (3,887) |
| Employee benefits | 178,745 | 178,745 | 178,005 | 740 |
| Services and supplies | 37,925 | 55,003 | 43,582 | 11,421 |
| Total East Fork justice court | <u>570,529</u> | <u>587,607</u> | <u>579,333</u> | <u>8,274</u> |
| Tahoe justice court | | | | |
| Salaries and wages | 305,508 | 305,508 | 321,932 | (16,424) |
| Employee benefits | 149,768 | 149,768 | 154,742 | (4,974) |
| Services and supplies | 33,175 | 33,375 | 25,102 | 8,273 |
| Total Tahoe justice court | <u>488,451</u> | <u>488,651</u> | <u>501,776</u> | <u>(13,125)</u> |
| East Fork constable | | | | |
| Salaries and wages | 103,480 | 108,150 | 110,254 | (2,104) |
| Employee benefits | 43,661 | 45,059 | 42,743 | 2,316 |
| Services and supplies | 2,425 | 3,915 | 1,758 | 2,157 |
| Total East Fork constable | <u>149,566</u> | <u>157,124</u> | <u>154,755</u> | <u>2,369</u> |
| Tahoe constable | | | | |
| Salaries and wages | 145,499 | 142,494 | 102,212 | 40,282 |
| Employee benefits | 21,062 | 19,664 | 16,699 | 2,965 |
| Services and supplies | 2,360 | 2,360 | 988 | 1,372 |
| Total Tahoe constable | <u>168,921</u> | <u>164,518</u> | <u>119,899</u> | <u>44,619</u> |
| Alternative sentencing | | | | |
| Salaries and wages | 279,797 | 286,797 | 276,833 | 9,964 |
| Employee benefits | 129,906 | 129,906 | 133,455 | (3,549) |
| Services and supplies | 176,292 | 181,292 | 153,786 | 27,506 |
| Capital outlay | 27,527 | 27,527 | 29,647 | (2,120) |
| Total alternative sentencing | <u>585,995</u> | <u>625,522</u> | <u>593,721</u> | <u>31,801</u> |
| Security | | | | |
| Salaries and wages | 100,360 | 100,360 | 90,786 | 9,574 |
| Employee benefits | 30,756 | 30,756 | 26,624 | 4,132 |
| Services and supplies | 1,175 | 1,175 | 1,339 | (164) |
| Total security | <u>132,291</u> | <u>132,291</u> | <u>118,749</u> | <u>13,542</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|------------------|-------------------|------------------|------------------|
| Other | | | | |
| Salaries and wages | \$ 167,534 | \$ 167,534 | \$ 169,830 | \$ (2,296) |
| Employee benefits | 71,057 | 71,057 | 70,868 | 189 |
| Services and supplies | 1,965 | 1,160,360 | 1,638 | 1,158,722 |
| Total other | <u>240,556</u> | <u>1,398,951</u> | <u>242,336</u> | <u>1,156,615</u> |
| Total judicial | <u>9,162,136</u> | <u>10,636,872</u> | <u>9,217,942</u> | <u>1,418,930</u> |
| Public safety | | | | |
| Sheriff, administration | | | | |
| Salaries and wages | 397,262 | 398,777 | 429,808 | (31,031) |
| Employee benefits | 227,936 | 229,136 | 231,693 | (2,557) |
| Services and supplies | 453,942 | 457,265 | 464,706 | (7,441) |
| Total sheriff, administration | <u>1,079,140</u> | <u>1,085,178</u> | <u>1,126,207</u> | <u>(41,029)</u> |
| Sheriff, administrative services | | | | |
| Salaries and wages | 311,364 | 316,364 | 372,089 | (55,725) |
| Employee benefits | 171,600 | 172,800 | 182,155 | (9,355) |
| Services and supplies | 612,244 | 822,832 | 789,580 | 33,252 |
| Total sheriff, administrative services | <u>1,095,208</u> | <u>1,311,996</u> | <u>1,343,824</u> | <u>(31,828)</u> |
| Sheriff, records | | | | |
| Salaries and wages | 315,853 | 316,103 | 302,906 | 13,197 |
| Employee benefits | 165,656 | 165,656 | 153,907 | 11,749 |
| Total sheriff, records | <u>481,509</u> | <u>481,759</u> | <u>456,813</u> | <u>24,946</u> |
| Sheriff, jail | | | | |
| Salaries and wages | 2,164,415 | 2,184,638 | 2,324,762 | (140,124) |
| Employee benefits | 1,375,603 | 1,391,203 | 1,480,563 | (89,360) |
| Services and supplies | 477,000 | 477,000 | 519,543 | (42,543) |
| Total sheriff, jail | <u>4,017,018</u> | <u>4,052,841</u> | <u>4,324,868</u> | <u>(272,027)</u> |
| Sheriff, COPS grant | | | | |
| Salaries and wages | 133,255 | 142,406 | 142,984 | (578) |
| Employee benefits | 77,136 | 78,336 | 83,925 | (5,589) |
| Total sheriff, COPS grant | <u>210,391</u> | <u>220,742</u> | <u>226,909</u> | <u>(6,167)</u> |
| Sheriff, general investigation | | | | |
| Salaries and wages | 1,045,203 | 1,068,711 | 1,082,698 | (13,987) |
| Employee benefits | 593,246 | 598,046 | 586,164 | 11,882 |
| Services and supplies | 18,000 | 18,000 | 24,176 | (6,176) |
| Total sheriff, general investigation | <u>1,656,449</u> | <u>1,684,757</u> | <u>1,693,038</u> | <u>(8,281)</u> |
| Sheriff, traffic patrol | | | | |
| Salaries and wages | 389,348 | 393,596 | 414,243 | (20,647) |
| Employee benefits | 242,907 | 246,507 | 238,392 | 8,115 |
| Services and supplies | 2,000 | 2,000 | 2,181 | (181) |
| Total sheriff, traffic patrol | <u>634,255</u> | <u>642,103</u> | <u>654,816</u> | <u>(12,713)</u> |
| Sheriff, vehicle maintenance | | | | |
| Services and supplies | 625,538 | 625,538 | 592,878 | 32,660 |
| Capital outlay | 305,000 | 468,315 | 521,279 | (52,964) |
| Total sheriff, vehicle maintenance | <u>930,538</u> | <u>1,093,853</u> | <u>1,114,157</u> | <u>(20,304)</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|----------------------------------|-----------------|--------------|------------|-----------|
| Sheriff, grants | | | | |
| Salaries and wages | \$ 71,030 | \$ 71,030 | \$ 62,912 | \$ 8,118 |
| Employee benefits | 46,341 | 46,941 | 41,244 | 5,697 |
| Total sheriff, grants | 117,371 | 117,971 | 104,156 | 13,815 |
| Sheriff, coroner | | | | |
| Salaries and wages | | | 2,937 | (2,937) |
| Services and supplies | 102,500 | 102,500 | 80,242 | 22,258 |
| Total sheriff, coroner | 102,500 | 102,500 | 83,179 | 19,321 |
| Sheriff, patrol operations | | | | |
| Salaries and wages | 3,248,450 | 3,320,240 | 3,199,166 | 121,074 |
| Employee benefits | 1,957,215 | 1,980,615 | 1,975,828 | 4,787 |
| Services and supplies | 30,000 | 30,000 | 87,379 | (57,379) |
| Total sheriff, patrol operations | 5,235,665 | 5,330,855 | 5,262,373 | 68,482 |
| Sheriff, tri-net | | | | |
| Salaries and wages | 77,182 | 77,182 | 72,399 | 4,783 |
| Employee benefits | 44,073 | 44,673 | 42,618 | 2,055 |
| Services and supplies | 12,000 | 12,000 | 8,345 | 3,655 |
| Total sheriff, tri-net | 133,255 | 133,855 | 123,362 | 10,493 |
| Animal care and services | | | | |
| Salaries and wages | 187,620 | 182,620 | 181,326 | 1,294 |
| Employee benefits | 95,937 | 95,937 | 90,958 | 4,979 |
| Services and supplies | 23,600 | 51,600 | 57,147 | (5,547) |
| Total animal care and services | 307,157 | 330,157 | 329,431 | 726 |
| Other | | | | |
| Services and supplies | | 69,377 | | 69,377 |
| Total public safety | 16,000,456 | 16,657,944 | 16,843,133 | (185,189) |
| Public works | | | | |
| Building | | | | |
| Salaries and wages | 153,689 | 153,689 | 164,488 | (10,799) |
| Employee benefits | 65,969 | 65,969 | 71,485 | (5,516) |
| Services and supplies | 685,750 | 689,123 | 655,301 | 33,822 |
| Total building | 905,408 | 908,781 | 891,274 | 17,507 |
| Engineering | | | | |
| Salaries and wages | 11,274 | 11,274 | 11,413 | (139) |
| Employee benefits | 4,474 | 4,474 | 4,591 | (117) |
| Total engineering | 15,748 | 15,748 | 16,004 | (256) |
| Roads | | | | |
| Salaries and wages | | | 2,243 | (2,243) |
| Employee benefits | | | 789 | (789) |
| Total roads | | | 3,032 | (3,032) |
| Utilities | | | | |
| Salaries and wages | | | 92 | (92) |
| Employee benefits | | | 109 | (109) |
| Total utilities | | | 201 | (201) |
| Total public works | 921,156 | 924,529 | 910,511 | 14,018 |

(Continued)

DOUGLAS COUNTY

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-----------------|--------------|---------------|--------------|
| Community development | | | | |
| Administration | | | | |
| Salaries and wages | \$ 258,006 | \$ 258,006 | \$ 241,069 | \$ 16,937 |
| Employee benefits | 118,100 | 118,100 | 90,029 | 28,071 |
| Services and supplies | 56,854 | 79,763 | 86,976 | (7,213) |
| Total administration | 432,960 | 455,869 | 418,074 | 37,795 |
| Building | | | | |
| Salaries and wages | 394,722 | 394,722 | 400,065 | (5,343) |
| Employee benefits | 186,514 | 186,514 | 187,994 | (1,480) |
| Services and supplies | 13,400 | 13,400 | 11,538 | 1,862 |
| Total building | 594,636 | 594,636 | 599,597 | (4,961) |
| Planning | | | | |
| Salaries and wages | 367,978 | 302,978 | 271,831 | 31,147 |
| Employee benefits | 170,992 | 145,992 | 123,501 | 22,491 |
| Services and supplies | 21,050 | 34,015 | 19,477 | 14,538 |
| Total planning | 560,020 | 482,985 | 414,809 | 68,176 |
| Engineering | | | | |
| Salaries and wages | 373,657 | 365,085 | 366,255 | (1,170) |
| Employee benefits | 166,430 | 163,271 | 158,897 | 4,374 |
| Services and supplies | 17,700 | 62,700 | 29,055 | 33,645 |
| Total engineering | 557,787 | 591,056 | 554,207 | 36,849 |
| Total community development | 2,145,403 | 2,124,546 | 1,986,687 | 137,859 |
| Health and sanitation | | | | |
| Weed control | | | | |
| Salaries and wages | 218,055 | 243,055 | 249,158 | (6,103) |
| Employee benefits | 74,952 | 70,452 | 67,385 | 3,067 |
| Services and supplies | 317,800 | 378,300 | 360,889 | 17,411 |
| Total health and sanitation | 610,807 | 691,807 | 677,432 | 14,375 |
| Total expenditures | 38,934,946 | 41,929,196 | 39,953,481 | 1,975,715 |
| EXCESS OF REVENUES OVER EXPENDITURES | 2,786,271 | 942,712 | 3,893,442 | 2,950,730 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (753,669) | (754,069) | | 754,069 |
| Proceeds from capital asset disposal | | | 13,158 | 13,158 |
| Transfers in | 75,000 | 75,000 | 75,000 | |
| Transfers out | (2,985,929) | (4,550,164) | (4,550,164) | |
| Total other financing sources (uses) | (3,664,598) | (5,229,233) | (4,462,006) | 767,227 |
| CHANGE IN FUND BALANCE | (878,327) | (4,286,521) | (568,564) | 3,717,957 |
| FUND BALANCE, BEGINNING OF YEAR, AS PREVIOUSLY REPORTED | | | 12,126,232 | |
| Adjustment | | | (266,445) | |
| FUND BALANCE, BEGINNING OF YEAR, AS ADJUSTED | 8,067,089 | 11,749,858 | 11,859,787 | 109,929 |
| FUND BALANCE, END OF YEAR | \$ 7,188,762 | \$ 7,463,337 | \$ 11,291,223 | \$ 3,827,886 |

SPECIAL REVENUE FUNDS

DOUGLAS COUNTY
MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|-----------------|--------------|------------|------------|
| REVENUES | | | | |
| Taxes | | | | |
| TOT-Valley 5% | \$ 390,575 | \$ 390,575 | \$ 503,179 | \$ 112,604 |
| TOT-Valley 3% | 228,506 | 228,506 | 296,943 | 68,437 |
| TOT-Lake 7/8 of 8% | 3,521,937 | 3,521,937 | 4,308,095 | 786,158 |
| TOT-Valley 5/8 of 1% | 48,822 | 48,822 | 62,864 | 14,042 |
| TOT-Lake 5/8 of 1% | 317,635 | 317,635 | 388,529 | 70,894 |
| TOT-Lake 1/8 of 8% | 503,134 | 503,134 | 615,432 | 112,298 |
| TOT-Lake 1% Admin | 40,657 | 40,657 | 49,726 | 9,069 |
| Other | 5,839 | 5,839 | 5,839 | |
| Business licenses, permits, franchise and other fees | | | | |
| Utility operator fees | 400,000 | 400,000 | 391,679 | (8,321) |
| TLLT-Valley 2% | 156,230 | 156,230 | 200,771 | 44,541 |
| TLLT-Valley 1% | 78,115 | 78,115 | 100,386 | 22,271 |
| TLLT-Lake 2% | 1,016,432 | 1,016,432 | 1,243,296 | 226,864 |
| TLLT-Lake 1% | 508,216 | 508,216 | 621,642 | 113,426 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| LSTA | | 2,900 | 2,900 | |
| Grant-in-aid | | 5,299 | 5,299 | |
| Other grants | | 13,630 | 13,630 | |
| State optional sales taxes | 1,671,846 | 1,671,846 | 1,633,836 | (38,010) |
| Charges for services | | | | |
| Culture and recreation | | | | |
| Teen programs | 1,000 | 1,000 | | (1,000) |
| Park fees | 60,000 | 60,000 | 74,579 | 14,579 |
| Tennis court lights | 500 | 500 | 53 | (447) |
| Recreation fees | 100,000 | 100,000 | 118,030 | 18,030 |
| Softball, lake | 2,500 | 2,500 | 2,375 | (125) |
| Softball, valley | 22,000 | 22,000 | 18,325 | (3,675) |
| Basketball, lake | 9,000 | 9,000 | 7,020 | (1,980) |
| Youth sports, lake | 9,000 | 9,000 | 15,960 | 6,960 |
| Youth basketball, valley | 32,000 | 32,000 | 41,184 | 9,184 |
| Topaz park | 115,000 | 115,000 | 155,437 | 40,437 |
| Shooting range fees | 13,000 | 13,000 | 13,054 | 54 |
| Kids club | 300,000 | 300,000 | 281,360 | (18,640) |
| Recreation contract classes | 45,000 | 45,000 | 12,429 | (32,571) |
| Kahle programs | 60,000 | 60,000 | 80,454 | 20,454 |
| Kahle drop-ins | 50,000 | 50,000 | 42,886 | (7,114) |
| Kahle rentals | 13,000 | 13,000 | 11,866 | (1,134) |
| Kahle concessions | 17,000 | 17,000 | 16,928 | (72) |
| Volleyball, valley | 30,000 | 30,000 | 22,815 | (7,185) |
| Fairground fees | 12,000 | 12,000 | 6,089 | (5,911) |
| Kahle passes | 180,000 | 180,000 | 150,674 | (29,326) |
| Football, lake | | | 1,214 | 1,214 |
| Football, valley | 25,000 | 25,000 | 24,350 | (650) |
| Kahle preschool | 55,000 | 55,000 | 58,421 | 3,421 |
| Kahle kids club | 15,000 | 15,000 | 10,174 | (4,826) |
| Kahle contract class | 24,000 | 24,000 | 37,597 | 13,597 |
| Preschool | 30,000 | 15,000 | 10,165 | (4,835) |
| DCCSC Fees | 354,000 | 374,000 | 462,893 | 88,893 |
| Other | | | 4,970 | 4,970 |
| Miscellaneous | | | | |
| Other donations | | 54,784 | 55,026 | 242 |
| Other reimbursements and restitutions | | 41,914 | 72,512 | 30,598 |
| Other rent and lease income | 38,000 | 38,000 | 41,267 | 3,267 |
| Cash over and short | | | 4,400 | 4,400 |

(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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|-------------------|-------------------|-------------------|--------------------|
| Room tax penalties and interest | \$ 30,000 | \$ 30,000 | \$ 10,293 | \$ (19,707) |
| Investment income | 3,000 | 3,000 | 19,187 | 16,187 |
| Other | <u> </u> | <u> </u> | 478 | 478 |
| Total revenues | <u>10,532,944</u> | <u>10,656,471</u> | <u>12,328,511</u> | <u>1,672,040</u> |
| EXPENDITURES | | | | |
| Culture and recreation | | | | |
| Administration | | | | |
| Services and supplies | <u>560,338</u> | <u>1,130,458</u> | <u>535,338</u> | <u>595,120</u> |
| Promotional room tax | | | | |
| Services and supplies | <u>4,560,018</u> | <u>4,560,018</u> | <u>5,674,449</u> | <u>(1,114,431)</u> |
| Library | | | | |
| Salaries and wages | 701,823 | 701,823 | 703,241 | (1,418) |
| Employee benefits | 348,481 | 348,481 | 345,042 | 3,439 |
| Services and supplies | 426,317 | 449,149 | 445,024 | 4,125 |
| Capital outlay | <u> </u> | <u>48,551</u> | <u> </u> | <u>48,551</u> |
| Total library | <u>1,476,621</u> | <u>1,548,004</u> | <u>1,493,307</u> | <u>54,697</u> |
| Parks operations | | | | |
| Salaries and wages | 404,860 | 404,860 | 395,835 | 9,025 |
| Employee benefits | 202,786 | 202,786 | 183,804 | 18,982 |
| Services and supplies | 636,485 | 670,485 | 638,694 | 31,791 |
| Capital outlay | <u>249,088</u> | <u>219,871</u> | <u>109,523</u> | <u>110,348</u> |
| Total parks operations | <u>1,493,219</u> | <u>1,498,002</u> | <u>1,327,856</u> | <u>170,146</u> |
| Parks development | | | | |
| Capital outlay | <u> </u> | <u>546,340</u> | <u>485,467</u> | <u>60,873</u> |
| Parks, temporary and seasonal | | | | |
| Salaries and wages | 197,587 | 197,587 | 178,765 | 18,822 |
| Employee benefits | 44,205 | 44,205 | 41,534 | 2,671 |
| Services and supplies | <u>18</u> | <u>18</u> | <u> </u> | <u>18</u> |
| Total parks, temporary and seasonal | <u>241,810</u> | <u>241,810</u> | <u>220,299</u> | <u>21,511</u> |
| Recreation | | | | |
| Salaries and wages | 263,567 | 273,567 | 269,883 | 3,684 |
| Employee benefits | 125,372 | 137,372 | 133,879 | 3,493 |
| Services and supplies | <u>296,987</u> | <u>352,547</u> | <u>346,505</u> | <u>6,042</u> |
| Total recreation | <u>685,926</u> | <u>763,486</u> | <u>750,267</u> | <u>13,219</u> |
| Recreation, temporary and seasonal | | | | |
| Salaries and wages | 315,531 | 325,531 | 317,066 | 8,465 |
| Employee benefits | 77,778 | 72,778 | 69,321 | 3,457 |
| Services and supplies | <u> </u> | <u> </u> | <u>378</u> | <u>(378)</u> |
| Total recreation, temporary and seasonal | <u>393,309</u> | <u>398,309</u> | <u>386,765</u> | <u>11,544</u> |
| Kahle community center | | | | |
| Salaries and wages | 319,485 | 339,485 | 331,262 | 8,223 |
| Employee benefits | 88,173 | 88,173 | 85,387 | 2,786 |
| Services and supplies | 242,749 | 300,438 | 224,779 | 75,659 |
| Capital outlay | <u> </u> | <u> </u> | <u>11,117</u> | <u>(11,117)</u> |
| Total Kahle community center | <u>650,407</u> | <u>728,096</u> | <u>652,545</u> | <u>75,551</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|---------------------|
| Other | | | | |
| Salaries and wages | \$ 422,944 | \$ 375,944 | \$ 335,923 | \$ 40,021 |
| Employee benefits | 158,895 | 158,895 | 127,879 | 31,016 |
| Services and supplies | 388,178 | 378,178 | 314,996 | 63,182 |
| Total other | <u>970,017</u> | <u>913,017</u> | <u>778,798</u> | <u>134,219</u> |
| Total expenditures | <u>11,031,665</u> | <u>12,327,540</u> | <u>12,305,091</u> | <u>22,449</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(498,721)</u> | <u>(1,671,069)</u> | <u>23,420</u> | <u>1,694,489</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (141,581) | (141,581) | | 141,581 |
| Proceeds from capital asset disposal | | | 238 | 238 |
| Transfers in | 941,155 | 941,155 | 941,155 | |
| Transfers out | <u>(442,434)</u> | <u>(578,434)</u> | <u>(578,434)</u> | |
| Total other financing sources (uses) | <u>357,140</u> | <u>221,140</u> | <u>362,959</u> | <u>141,819</u> |
| CHANGE IN FUND BALANCE | (141,581) | (1,449,929) | 386,379 | 1,836,308 |
| FUND BALANCE, BEGINNING OF YEAR | <u>629,353</u> | <u>1,937,701</u> | <u>1,937,701</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 487,772</u> | <u>\$ 487,772</u> | <u>\$ 2,324,080</u> | <u>\$ 1,836,308</u> |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|---------------------|---------------------|---------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 7,219,050 | \$ 7,219,050 | \$ 6,829,539 | \$ (389,511) |
| Real property taxes, delinquent | | | 65,510 | 65,510 |
| Personal property taxes, current | | | 270,110 | 270,110 |
| Personal property taxes, delinquent | | | 5,179 | 5,179 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| SERC | 4,000 | 32,361 | 33,117 | 756 |
| PY grant revenue | | 5,480 | 48,410 | 42,930 |
| Homeland Security | | 11,303 | 17,777 | 6,474 |
| Emergency management | 52,000 | 67,295 | 29,605 | (37,690) |
| Other grants | | 58,475 | 67,321 | 8,846 |
| State consolidated tax distribution | 1,694,442 | 1,694,442 | 1,712,624 | 18,182 |
| Charges for services | | | | |
| General government | | | | |
| Administration and overhead | 110,000 | 110,000 | 110,030 | 30 |
| Other | 27,500 | 27,500 | 33,220 | 5,720 |
| Public safety | | | | |
| Fire plan check and inspection fees | 100,000 | 125,000 | 133,233 | 8,233 |
| Other | 1,900,000 | 2,000,000 | 2,059,969 | 59,969 |
| Miscellaneous | | | | |
| Other donations | | 30,550 | 30,750 | 200 |
| Other reimbursements and restitutions | | 958,409 | 961,244 | 2,835 |
| Other rent and lease income | 5,435 | 5,435 | 4,928 | (507) |
| Investment income | 3,600 | 3,600 | 24,486 | 20,886 |
| Other | 67,500 | 68,710 | 69,164 | 454 |
| Total revenues | 11,183,527 | 12,417,610 | 12,506,216 | 88,606 |
| EXPENDITURES | | | | |
| Public safety | | | | |
| East Fork fire protection | | | | |
| Salaries and wages | 6,096,738 | 6,673,563 | 6,694,209 | (20,646) |
| Employee benefits | 3,380,509 | 3,421,882 | 3,464,506 | (42,624) |
| Services and supplies | 2,004,982 | 2,202,523 | 1,985,844 | 216,679 |
| Capital outlay | 99,794 | 342,789 | 139,966 | 202,823 |
| Total East Fork fire protection | 11,582,023 | 12,640,757 | 12,284,525 | 356,232 |
| East Fork fire protection emergency | | | | |
| Services and supplies | 317,690 | 314,022 | 90,002 | 224,020 |
| Total expenditures | 11,899,713 | 12,954,779 | 12,374,527 | 580,252 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (716,186) | (537,169) | 131,689 | 668,858 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (172,233) | (172,233) | | 172,233 |
| Proceeds from capital asset disposal | | 5,000 | 5,000 | |
| Transfers out | (141,472) | (141,472) | (141,472) | |
| Total other financing sources (uses) | (313,705) | (308,705) | (136,472) | 172,233 |
| CHANGE IN FUND BALANCE | (1,029,891) | (845,874) | (4,783) | 841,091 |
| FUND BALANCE, BEGINNING OF YEAR | 2,092,916 | 2,793,516 | 2,793,516 | |
| FUND BALANCE, END OF YEAR | \$ 1,063,025 | \$ 1,947,642 | \$ 2,788,733 | \$ 841,091 |

DOUGLAS COUNTY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

Note 1. Postemployment Benefits Other Than Pensions

For the year ended June 30, 2016, 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. Multiple-Employer Cost-Sharing Defined Benefit Pension Plan

For the year ended June 30, 2016, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2015 and 2014.

The actuarial valuation reports dated June 30, 2015 and 2014, are the only valuations to date of the multiple-employer cost-sharing defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Notes 1 and 4 to the basic financial statements.

Note 3. Agent Multiple-Employer Defined Benefit Pension Plan

For the year ended June 30, 2016, there were no changes in the pension benefit plan terms or the actuarial methods and assumptions used in the actuarial valuation reports dated June 30, 2015 and 2014.

The actuarial valuation reports dated June 30, 2015 and 2014, are the only valuations to date of the agent multiple-employer defined benefit pension plan. As additional actuarial valuations are obtained these schedules will ultimately present information from the ten most recent valuations.

Additional pension plan information can be found in Notes 1 and 4 to the basic financial statements.

Note 4. Budget Information

The accompanying required supplementary schedules of revenues, expenditures and changes in fund balance presents the original adopted budget, the final amended budget, and actual general and major special revenue fund data. The original budgets were 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 budgets 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**

**NON-MAJOR
GOVERNMENTAL FUNDS**

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

| | <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> |
|---|--|---|---|---|
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 16,117,436 | \$ 1,670,915 | \$ 17,219,262 | \$ 35,007,613 |
| Accounts receivable, net | 212,297 | | 1,720 | 214,017 |
| Taxes receivable | 94,572 | | 40,075 | 134,647 |
| Interest receivable | 31,356 | 288 | 34,704 | 66,348 |
| Due from other governments | 667,288 | | 333,116 | 1,000,404 |
| Due from other funds | 52,898 | 19,760 | 38,357 | 111,015 |
| Prepaid items | 147,329 | | | 147,329 |
| Other assets | 500 | | 7,156 | 7,656 |
| Property held for sale | 90,000 | | | 90,000 |
| Total assets | <u>\$ 17,413,676</u> | <u>\$ 1,690,963</u> | <u>\$ 17,674,390</u> | <u>\$ 36,779,029</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 475,413 | | \$ 167,694 | \$ 643,107 |
| Accrued salaries, wages and benefits | 251,297 | | 5,330 | 256,627 |
| Due to other funds | 159,175 | | 20,332 | 179,507 |
| Unearned revenue, current | 258,170 | 15 | 1,302,648 | 1,560,833 |
| Deposits | 83,039 | | | 83,039 |
| Due to other governments | 100,444 | | 2,164 | 102,608 |
| Total liabilities | <u>1,327,538</u> | <u>15</u> | <u>1,498,168</u> | <u>2,825,721</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unavailable revenue, taxes and penalties | 71,949 | | 33,736 | 105,685 |
| Unavailable revenue, special assessments | | 378 | | 378 |
| Total deferred inflows of resources | <u>71,949</u> | <u>378</u> | <u>33,736</u> | <u>106,063</u> |
| Total liabilities and deferred inflows of resources | <u>1,399,487</u> | <u>393</u> | <u>1,531,904</u> | <u>2,931,784</u> |
| FUND BALANCES | | | | |
| Nonspendable | | | | |
| Prepaid items | 121,273 | | | 121,273 |
| Land held for resale | 90,000 | | | 90,000 |
| Deposits | 500 | | 7,156 | 7,656 |
| Restricted for | | | | |
| Debt service | | 1,690,570 | | 1,690,570 |
| Capital improvement projects | | | 16,135,330 | 16,135,330 |
| General, town and district redevelopment programs | 3,545,966 | | | 3,545,966 |
| Youth and other judicial programs | 2,104,733 | | | 2,104,733 |
| Fire, police and other public safety programs | 992,208 | | | 992,208 |
| Streets and other public works programs | 3,001,265 | | | 3,001,265 |
| Cultural, community and development programs | 4,823,669 | | | 4,823,669 |
| Committed to | | | | |
| Streets and other public works programs | 1,185,012 | | | 1,185,012 |
| Assigned to | | | | |
| Sanitation and other health programs | 161,911 | | | 161,911 |
| Unassigned | (12,348) | | | (12,348) |
| Total fund balances | <u>16,014,189</u> | <u>1,690,570</u> | <u>16,142,486</u> | <u>33,847,245</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 17,413,676</u> | <u>\$ 1,690,963</u> | <u>\$ 17,674,390</u> | <u>\$ 36,779,029</u> |

DOUGLAS COUNTY

NON-MAJOR GOVERNMENTAL FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

| | Non-major Special Revenue Funds | Non-major Debt Service Funds | Non-major Capital Projects Funds | Non-major Governmental Funds |
|---|---------------------------------------|---------------------------------|--|------------------------------------|
| REVENUES | | | | |
| Taxes | \$ 9,575,122 | | \$ 3,056,397 | \$ 12,631,519 |
| Licenses, permits, franchise and other fees | 505,236 | | 300,000 | 805,236 |
| Intergovernmental shared revenues | 9,452,759 | | 1,338,185 | 10,790,944 |
| Charges for services | 1,301,151 | | | 1,301,151 |
| Fines and forfeitures | 185,444 | | | 185,444 |
| Miscellaneous | <u>2,035,176</u> | <u>2,658</u> | <u>254,180</u> | <u>2,292,014</u> |
| Total revenues | <u>23,054,888</u> | <u>2,658</u> | <u>4,948,762</u> | <u>28,006,308</u> |
| EXPENDITURES | | | | |
| Current | | | | |
| General government | 1,341,549 | | 613,556 | 1,955,105 |
| Judicial | 5,135,470 | | | 5,135,470 |
| Public safety | 1,916,832 | | | 1,916,832 |
| Public works | 3,284,352 | | 1,100,084 | 4,384,436 |
| Community development | 2,433,142 | | | 2,433,142 |
| Culture and recreation | 1,401,841 | | 2,855 | 1,404,696 |
| Health and sanitation | 295,055 | | | 295,055 |
| Welfare | <u>2,875,513</u> | | | <u>2,875,513</u> |
| Total current | <u>18,683,754</u> | | <u>1,716,495</u> | <u>20,400,249</u> |
| Capital outlay | | | | |
| General government | | | 1,505,011 | 1,505,011 |
| Judicial | 73,550 | | | 73,550 |
| Public works | 922,315 | | 1,810,745 | 2,733,060 |
| Community development | 151,335 | | | 151,335 |
| Culture and recreation | 1,881,291 | | 448,608 | 2,329,899 |
| Welfare | <u>76,365</u> | | | <u>76,365</u> |
| Total capital outlay | <u>3,104,856</u> | | <u>3,764,364</u> | <u>6,869,220</u> |
| Debt service | | | | |
| Principal payments | | 1,689,288 | | 1,689,288 |
| Interest expense | | 475,961 | | 475,961 |
| Fiscal charges | | <u>900</u> | | <u>900</u> |
| Total debt service | | <u>2,166,149</u> | | <u>2,166,149</u> |
| Total expenditures | <u>21,788,610</u> | <u>2,166,149</u> | <u>5,480,859</u> | <u>29,435,618</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,266,278</u> | <u>(2,163,491)</u> | <u>(532,097)</u> | <u>(1,429,310)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from capital asset disposal | 10,433 | | | 10,433 |
| Transfers in | 2,415,406 | 1,926,583 | 4,228,038 | 8,570,027 |
| Transfers out | <u>(2,735,595)</u> | <u>(792)</u> | <u>(3,737,225)</u> | <u>(6,473,612)</u> |
| Total other financing sources (uses) | <u>(309,756)</u> | <u>1,925,791</u> | <u>490,813</u> | <u>2,106,848</u> |
| CHANGE IN FUND BALANCE | 956,522 | (237,700) | (41,284) | 677,538 |
| FUND BALANCE, BEGINNING OF YEAR | <u>15,057,667</u> | <u>1,928,270</u> | <u>16,183,770</u> | <u>33,169,707</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 16,014,189</u> | <u>\$ 1,690,570</u> | <u>\$ 16,142,486</u> | <u>\$ 33,847,245</u> |

SPECIAL REVENUE FUNDS

DOUGLAS COUNTY
NON-MAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

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.

Landscape Maintenance Districts

Accounts for the landscape maintenance of specified areas within Douglas County.

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 the 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 the enhancement and maintenance of Douglas County's legal library.

Road Operating

Accounts for the maintenance of Douglas County roads.

Library Gifts

Accounts for donations from library patrons.

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.

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.

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Town of Gardnerville

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

Town of Genoa

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

Town of Minden

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

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

| | Nevada Cooperative Extension | Airport | Douglas County Water District | Solid Waste Management | Landscape Maintenance Districts |
|---|------------------------------------|---------------------|----------------------------------|---------------------------|---------------------------------------|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 245,694 | \$ 1,723,514 | \$ 195,892 | \$ 1,951,325 | \$ 10,008 |
| Accounts receivable, net | | 68,761 | | 52,064 | |
| Taxes receivable | 3,386 | | | | |
| Interest receivable | 498 | 4,755 | 321 | 3,388 | 12 |
| Due from other governments | | 2,784 | | | |
| Due from other funds | | | | | |
| Prepaid items | 426 | 37,517 | 120 | | |
| Other assets | | | | | |
| Property held for sale | | | | | |
| Total assets | \$ 250,004 | \$ 1,837,331 | \$ 196,333 | \$ 2,006,777 | \$ 10,020 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 25,806 | \$ 8,771 | | \$ 15,575 | |
| Accrued salaries, wages and benefits | 3,665 | | | 2,195 | |
| Due to other funds | 163 | 368 | 51,076 | 18 | |
| Unearned revenue, current | | 89,334 | | | |
| Deposits | | 60,357 | | | |
| Due to other governments | | | | | |
| Total liabilities | 29,634 | 158,830 | 51,076 | 17,788 | |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | 2,700 | | | | |
| Total liabilities and deferred inflows of resources | 32,334 | 158,830 | 51,076 | 17,788 | |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 426 | 37,517 | 120 | | |
| Land held for resale | | | | | |
| Deposits | | | | | |
| Restricted for | | | | | |
| General, town and district redevelopment programs | | 1,640,984 | | | |
| Youth and other judicial programs | | | | | |
| Fire, police and other public safety programs | | | | | |
| Streets and other public works programs | | | 145,137 | 1,988,989 | 10,020 |
| Cultural, community and development programs | 217,244 | | | | |
| Committed to | | | | | |
| Streets and other public works programs | | | | | |
| Assigned to | | | | | |
| Sanitation and other health programs | | | | | |
| Unassigned | | | | | |
| Total fund balances | 217,670 | 1,678,501 | 145,257 | 1,988,989 | 10,020 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 250,004 | \$ 1,837,331 | \$ 196,333 | \$ 2,006,777 | \$ 10,020 |

(Continued)

DOUGLAS COUNTY

**NON-MAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 2016**

| | State Motor Vehicle Accident Indigent | Medical Assistance to Indigents | Social Services | Law Library | Road Operating |
|---|--|---------------------------------------|-------------------|------------------|---------------------|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 7,870 | \$ 4,560,090 | \$ 175,476 | \$ 51,764 | \$ 1,256,271 |
| Accounts receivable, net | | | | | 11,483 |
| Taxes receivable | 5,056 | 11,891 | 10,545 | | |
| Interest receivable | | 9,786 | 532 | 109 | 1,776 |
| Due from other governments | | | 17,193 | | 203,827 |
| Due from other funds | | | 12,662 | | |
| Prepaid items | | | 6,173 | | |
| Other assets | | | | | |
| Property held for sale | | | | | |
| Total assets | <u>\$ 12,926</u> | <u>\$ 4,581,767</u> | <u>\$ 222,581</u> | <u>\$ 51,873</u> | <u>\$ 1,473,357</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 17 | \$ 10,175 | \$ 172,911 | \$ 1,806 | \$ 34,202 |
| Accrued salaries, wages and benefits | | | 12,005 | | 19,886 |
| Due to other funds | | 12,662 | 35,461 | | 721 |
| Unearned revenue, current | | | | | |
| Deposits | | | | | |
| Due to other governments | <u>7,870</u> | <u>62,681</u> | | | |
| Total liabilities | <u>7,887</u> | <u>85,518</u> | <u>220,377</u> | <u>1,806</u> | <u>54,809</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | <u>4,026</u> | <u>8,206</u> | <u>8,379</u> | | |
| Total liabilities and deferred inflows of resources | <u>11,913</u> | <u>93,724</u> | <u>228,756</u> | <u>1,806</u> | <u>54,809</u> |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | | | 6,173 | | |
| 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 | 1,013 | | | | 233,536 |
| Cultural, community and development programs | | 4,488,043 | | 50,067 | |
| Committed to | | | | | |
| Streets and other public works programs | | | | | 1,185,012 |
| Assigned to | | | | | |
| Sanitation and other health programs | | | | | |
| Unassigned | | | <u>(12,348)</u> | | |
| Total fund balances | <u>1,013</u> | <u>4,488,043</u> | <u>(6,175)</u> | <u>50,067</u> | <u>1,418,548</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 12,926</u> | <u>\$ 4,581,767</u> | <u>\$ 222,581</u> | <u>\$ 51,873</u> | <u>\$ 1,473,357</u> |

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2016

| | Library Gifts | Tahoe-Douglas Transportation District | Justice Court Administrative Assessment | China Spring Youth Camp | Western Nevada Regional Youth Center |
|---|------------------|---|---|----------------------------|--|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 68,491 | \$ 339,788 | \$ 831,990 | \$ 733,770 | \$ 626,404 |
| Accounts receivable, net | | 62,225 | | | |
| Taxes receivable | | | | 1,268 | 7,026 |
| Interest receivable | 83 | 773 | 1,433 | 1,617 | 116 |
| Due from other governments | | | | 45,915 | |
| Due from other funds | | | | 210 | |
| Prepaid items | 15,753 | | | 26,056 | |
| Other assets | | | | | |
| Property held for sale | | | | | |
| Total assets | \$ 84,327 | \$ 402,786 | \$ 833,423 | \$ 808,836 | \$ 633,546 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 259 | \$ 2,500 | \$ 4,976 | \$ 18,575 | \$ 23 |
| Accrued salaries, wages and benefits | | 443 | | 98,581 | |
| Due to other funds | | 4 | | 42,177 | |
| Unearned revenue, current | | | | | |
| Deposits | | | | | |
| Due to other governments | | | | | |
| Total liabilities | 259 | 2,947 | 4,976 | 159,333 | 23 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | | | | 1,011 | 5,729 |
| Total liabilities and deferred inflows of resources | 259 | 2,947 | 4,976 | 160,344 | 5,752 |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 15,753 | | | | |
| Land held for resale | | | | | |
| Deposits | | | | | |
| Restricted for | | | | | |
| General, town and district redevelopment programs | | | | | |
| Youth and other judicial programs | | | 828,447 | 648,492 | 627,794 |
| Fire, police and other public safety programs | | | | | |
| Streets and other public works programs | | 399,839 | | | |
| Cultural, community and development programs | 68,315 | | | | |
| Committed to | | | | | |
| Streets and other public works programs | | | | | |
| Assigned to | | | | | |
| Sanitation and other health programs | | | | | |
| Unassigned | | | | | |
| Total fund balances | 84,068 | 399,839 | 828,447 | 648,492 | 627,794 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 84,327 | \$ 402,786 | \$ 833,423 | \$ 808,836 | \$ 633,546 |

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2016

| | Erosion Control (TRPA) Mitigation | Technology Services (911) | Senior Services Program | Redevelopment Agency | Town of Gardnerville |
|---|---|------------------------------|----------------------------|-------------------------|-------------------------|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 227,676 | \$ 978,556 | \$ 1,238 | \$ 280,537 | \$ 776,642 |
| Accounts receivable, net | | 11,591 | 231 | | |
| Taxes receivable | | 16,537 | | 4,562 | 18,284 |
| Interest receivable | 572 | 1,674 | 89 | 488 | 1,255 |
| Due from other governments | | 57,215 | 229,797 | | 46,761 |
| Due from other funds | | | 22,500 | | 17,229 |
| Prepaid items | 200 | 17,804 | 50 | | 22,635 |
| Other assets | | | | | |
| Property held for sale | 90,000 | | | | |
| Total assets | \$ 318,448 | \$ 1,083,377 | \$ 253,905 | \$ 285,587 | \$ 882,806 |
| LIABILITIES | | | | | |
| Accounts payable | \$ 5,517 | \$ 16,906 | \$ 27,556 | \$ | \$ 68,026 |
| Accrued salaries, wages and benefits | | 41,714 | 32,472 | 800 | 19,458 |
| Due to other funds | | 1,468 | 2,023 | 3 | 12,417 |
| Unearned revenue, current | | | | | 6,266 |
| Deposits | | | | | |
| Due to other governments | | | 29,893 | | |
| Total liabilities | 5,517 | 60,088 | 91,944 | 803 | 106,167 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | | 13,277 | | 4,562 | 15,182 |
| Total liabilities and deferred inflows of resources | 5,517 | 73,365 | 91,944 | 5,365 | 121,349 |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Prepaid items | 200 | 17,804 | 50 | | 22,635 |
| Land held for resale | 90,000 | | | | |
| Deposits | | | | | |
| Restricted for | | | | | |
| General, town and district redevelopment programs | | | | 280,222 | 738,822 |
| Youth and other judicial programs | | | | | |
| Fire, police and other public safety programs | | 992,208 | | | |
| Streets and other public works programs | 222,731 | | | | |
| Cultural, community and development programs | | | | | |
| Committed to | | | | | |
| Streets and other public works programs | | | | | |
| Assigned to | | | | | |
| Sanitation and other health programs | | | 161,911 | | |
| Unassigned | | | | | |
| Total fund balances | 312,931 | 1,010,012 | 161,961 | 280,222 | 761,457 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 318,448 | \$ 1,083,377 | \$ 253,905 | \$ 285,587 | \$ 882,806 |

(Continued)

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2016

| | <u>Town of Genoa</u> | <u>Town of Minden</u> | <u>Total Non-major Special Revenue Funds</u> |
|--|-----------------------------|-----------------------------|--|
| ASSETS | | | |
| Cash, cash equivalents and investments | \$ 254,148 | \$ 820,292 | \$ 16,117,436 |
| Accounts receivable, net | 5,842 | 100 | 212,297 |
| Taxes receivable | 271 | 15,746 | 94,572 |
| Interest receivable | 417 | 1,662 | 31,356 |
| Due from other governments | 1,917 | 61,879 | 667,288 |
| Due from other funds | | 297 | 52,898 |
| Prepaid items | 9,465 | 11,130 | 147,329 |
| Other assets | 500 | | 500 |
| Property held for sale | | | 90,000 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total assets | <u>\$ 272,560</u> | <u>\$ 911,106</u> | <u>\$ 17,413,676</u> |
| LIABILITIES | | | |
| Accounts payable | \$ 9,238 | \$ 52,574 | \$ 475,413 |
| Accrued salaries, wages and benefits | 4,338 | 15,740 | 251,297 |
| Due to other funds | 141 | 473 | 159,175 |
| Unearned revenue, current | 141,352 | 21,218 | 258,170 |
| Deposits | 4,157 | 18,525 | 83,039 |
| Due to other governments | | | 100,444 |
| | <u> </u> | <u> </u> | <u> </u> |
| Total liabilities | <u>159,226</u> | <u>108,530</u> | <u>1,327,538</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue, taxes and penalties | <u>139</u> | <u>8,738</u> | <u>71,949</u> |
| Total liabilities and deferred inflows of resources | <u>159,365</u> | <u>117,268</u> | <u>1,399,487</u> |
| FUND BALANCES | | | |
| Nonspendable | | | |
| Prepaid items | 9,465 | 11,130 | 121,273 |
| Land held for resale | | | 90,000 |
| Deposits | 500 | | 500 |
| Restricted for | | | |
| General, town and district redevelopment programs | 103,230 | 782,708 | 3,545,966 |
| Youth and other judicial programs | | | 2,104,733 |
| Fire, police and other public safety programs | | | 992,208 |
| Streets and other public works programs | | | 3,001,265 |
| Cultural, community and development programs | | | 4,823,669 |
| Committed to | | | |
| Streets and other public works programs | | | 1,185,012 |
| Assigned to | | | |
| Sanitation and other health programs | | | 161,911 |
| Unassigned | | | (12,348) |
| | <u> </u> | <u> </u> | <u> </u> |
| Total fund balances | <u>113,195</u> | <u>793,838</u> | <u>16,014,189</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 272,560</u> | <u>\$ 911,106</u> | <u>\$ 17,413,676</u> |

DOUGLAS COUNTY

NON-MAJOR SPECIAL REVENUE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

| | Nevada Cooperative Extension | Airport | Douglas County Water District | Solid Waste Management | Landscape Maintenance Districts |
|--|------------------------------------|---------------------|----------------------------------|---------------------------|---------------------------------------|
| REVENUES | | | | | |
| Taxes | \$ 250,824 | | | | |
| Licenses, permits, franchise and other fees | | | | \$ 505,236 | |
| Intergovernmental shared revenues | | 1,839,729 | | | |
| Charges for services | | 41,448 | | | |
| Fines and forfeitures | | | | | |
| Miscellaneous | 10,789 | 1,032,675 | 37,092 | 65,716 | 20,377 |
| <u>Total revenues</u> | <u>261,613</u> | <u>2,913,852</u> | <u>37,092</u> | <u>570,952</u> | <u>20,377</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | | | | | |
| Judicial | | | | | |
| Public safety | | | | | |
| Public works | | | 10,460 | | |
| Community development | 266,697 | | | | |
| Culture and recreation | | 836,730 | | | 15,559 |
| Health and sanitation | | | | 295,055 | |
| Welfare | | | | | |
| <u>Total current</u> | <u>266,697</u> | <u>836,730</u> | <u>10,460</u> | <u>295,055</u> | <u>15,559</u> |
| Capital outlay | | | | | |
| Judicial | | | | | |
| Public works | | | | | |
| Community development | | | | | |
| Culture and recreation | | 1,881,291 | | | |
| Welfare | | | | | |
| <u>Total capital outlay</u> | | <u>1,881,291</u> | | | |
| <u>Total expenditures</u> | <u>266,697</u> | <u>2,718,021</u> | <u>10,460</u> | <u>295,055</u> | <u>15,559</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (5,084) | 195,831 | 26,632 | 275,897 | 4,818 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from capital asset disposal | | | | | |
| Transfers in | | | | 792 | |
| Transfers out | | (77,739) | | | |
| <u>Total other financing sources (uses)</u> | | <u>(77,739)</u> | | <u>792</u> | |
| CHANGE IN FUND BALANCE | (5,084) | 118,092 | 26,632 | 276,689 | 4,818 |
| FUND BALANCE, BEGINNING OF YEAR | 222,754 | 1,560,409 | 118,625 | 1,712,300 | 5,202 |
| FUND BALANCE, END OF YEAR | <u>\$ 217,670</u> | <u>\$ 1,678,501</u> | <u>\$ 145,257</u> | <u>\$ 1,988,989</u> | <u>\$ 10,020</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, 2016

| | <u>State Motor</u> | <u>Vehicle</u> | <u>Medical</u> | <u>Social Services</u> | <u>Law Library</u> | <u>Road Operating</u> |
|--|--------------------|---------------------|----------------------|------------------------|--------------------|-----------------------|
| | <u>Accident</u> | <u>Indigent</u> | <u>Assistance to</u> | | | |
| | <u>Indigent</u> | <u>Indigents</u> | <u>Indigents</u> | | | |
| REVENUES | | | | | | |
| Taxes | \$ 376,235 | \$ 1,318,566 | \$ 771,853 | \$ | \$ | \$ 310,405 |
| Licenses, permits, franchise and other fees | | | | 242,048 | | 975,269 |
| Intergovernmental shared revenues | | | 60 | 430 | 19,828 | 39,773 |
| Charges for services | | | 40,583 | 2,787 | 449 | 10,223 |
| Fines and forfeitures | | | | | | |
| Miscellaneous | | | | | | |
| Total revenues | <u>376,235</u> | <u>1,359,209</u> | <u>1,017,118</u> | <u>20,277</u> | | <u>1,335,670</u> |
| EXPENDITURES | | | | | | |
| Current | | | | | | |
| General government | | | | | | |
| Judicial | | | | | 22,806 | |
| Public safety | | | | | | |
| Public works | | | | | | 1,708,702 |
| Community development | | | | | | |
| Culture and recreation | | | | | | |
| Health and sanitation | | | | | | |
| Welfare | 378,974 | 694,930 | 1,801,609 | | | |
| Total current | <u>378,974</u> | <u>694,930</u> | <u>1,801,609</u> | <u>22,806</u> | | <u>1,708,702</u> |
| Capital outlay | | | | | | |
| Judicial | | | | | | |
| Public works | | | | | | |
| Community development | | | | | | |
| Culture and recreation | | | | | | |
| Welfare | | 76,365 | | | | |
| Total capital outlay | | <u>76,365</u> | | | | |
| Total expenditures | <u>378,974</u> | <u>771,295</u> | <u>1,801,609</u> | <u>22,806</u> | | <u>1,708,702</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(2,739)</u> | <u>587,914</u> | <u>(784,491)</u> | <u>(2,529)</u> | | <u>(373,032)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Proceeds from capital asset disposal | | | | | | 1,408 |
| Transfers in | | | | 15,085 | | 914,343 |
| Transfers out | | (265,085) | (3,500) | | | (49,979) |
| Total other financing sources (uses) | | <u>(265,085)</u> | <u>11,585</u> | | | <u>865,772</u> |
| CHANGE IN FUND BALANCE | (2,739) | 322,829 | (772,906) | (2,529) | | 492,740 |
| FUND BALANCE, BEGINNING OF YEAR | <u>3,752</u> | <u>4,165,214</u> | <u>766,731</u> | <u>52,596</u> | | <u>925,808</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 1,013</u> | <u>\$ 4,488,043</u> | <u>\$ (6,175)</u> | <u>\$ 50,067</u> | | <u>\$ 1,418,548</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, 2016

| | Library Gifts | Tahoe-Douglas Transportation District | Justice Court Administrative Assessment | China Spring Youth Camp | Western Nevada Regional Youth Center |
|--|------------------|---|---|----------------------------|--|
| REVENUES | | | | | |
| Taxes | \$ | \$ 621,646 | \$ | \$ 92,182 | \$ 439,385 |
| Licenses, permits, franchise and other fees | | | | 4,360,673 | |
| Intergovernmental shared revenues | | | | 22,993 | |
| Charges for services | | | 37,191 | | |
| Fines and forfeitures | | | 185,444 | | |
| Miscellaneous | 61,407 | 3,420 | 6,448 | 90,245 | 5,343 |
| Total revenues | 61,407 | 625,066 | 229,083 | 4,566,093 | 444,728 |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | | | | | |
| Judicial | | | 111,058 | 4,568,606 | 433,000 |
| Public safety | | | | | |
| Public works | | 146,771 | | | |
| Community development | | | | | |
| Culture and recreation | 14,619 | | | | |
| Health and sanitation | | | | | |
| Welfare | | | | | |
| Total current | 14,619 | 146,771 | 111,058 | 4,568,606 | 433,000 |
| Capital outlay | | | | | |
| Judicial | | | 10,154 | 63,396 | |
| Public works | | 206,552 | | | |
| Community development | | | | | |
| Culture and recreation | | | | | |
| Welfare | | | | | |
| Total capital outlay | | 206,552 | 10,154 | 63,396 | |
| Total expenditures | 14,619 | 353,323 | 121,212 | 4,632,002 | 433,000 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 46,788 | 271,743 | 107,871 | (65,909) | 11,728 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from capital asset disposal | | | | 12,926 | |
| Transfers in | | | | | |
| Transfers out | | (317,218) | | | |
| Total other financing sources (uses) | | (317,218) | | 12,926 | |
| CHANGE IN FUND BALANCE | 46,788 | (45,475) | 107,871 | (52,983) | 11,728 |
| FUND BALANCE, BEGINNING OF YEAR | 37,280 | 445,314 | 720,576 | 701,475 | 616,066 |
| FUND BALANCE, END OF YEAR | \$ 84,068 | \$ 399,839 | \$ 828,447 | \$ 648,492 | \$ 627,794 |

(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, 2016

| | Erosion Control (TRPA) Mitigation | Technology Services (911) | Senior Services Program | Redevelopment Agency | Town of Gardnerville |
|--|---|------------------------------|----------------------------|-------------------------|-------------------------|
| REVENUES | | | | | |
| Taxes | \$ | \$ 1,191,421 | \$ | \$ 2,113,932 | \$ 1,100,829 |
| Licenses, permits, franchise and other fees | | | 832,151 | | 747,208 |
| Intergovernmental shared revenues | | | 185,924 | | 4,949 |
| Charges for services | | 935,309 | | | |
| Fines and forfeitures | | | 81,776 | 6,578 | 84,585 |
| Miscellaneous | 2,260 | 8,879 | 81,776 | 6,578 | 84,585 |
| Total revenues | <u>2,260</u> | <u>2,135,609</u> | <u>1,099,851</u> | <u>2,120,510</u> | <u>1,937,571</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | | | | 59,514 | 421,083 |
| Judicial | | | | | |
| Public safety | | 1,916,832 | | | |
| Public works | 188,327 | | | | 583,413 |
| Community development | | | 2,166,445 | | |
| Culture and recreation | | | | | 78,217 |
| Health and sanitation | | | | | |
| Welfare | | | | | |
| Total current | <u>188,327</u> | <u>1,916,832</u> | <u>2,166,445</u> | <u>59,514</u> | <u>1,082,713</u> |
| Capital outlay | | | | | |
| Judicial | | | | | |
| Public works | 10,466 | | | | 705,297 |
| Community development | | | 151,335 | | |
| Culture and recreation | | | | | |
| Welfare | | | | | |
| Total capital outlay | <u>10,466</u> | <u></u> | <u>151,335</u> | <u></u> | <u>705,297</u> |
| Total expenditures | <u>198,793</u> | <u>1,916,832</u> | <u>2,317,780</u> | <u>59,514</u> | <u>1,788,010</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(196,533)</u> | <u>218,777</u> | <u>(1,217,929)</u> | <u>2,060,996</u> | <u>149,561</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Proceeds from capital asset disposal | | | 1,805 | | |
| Transfers in | 52,050 | | 1,220,210 | | |
| Transfers out | | | | (2,022,074) | |
| Total other financing sources (uses) | <u>52,050</u> | <u></u> | <u>1,222,015</u> | <u>(2,022,074)</u> | <u></u> |
| CHANGE IN FUND BALANCE | (144,483) | 218,777 | 4,086 | 38,922 | 149,561 |
| FUND BALANCE, BEGINNING OF YEAR | <u>457,414</u> | <u>791,235</u> | <u>157,875</u> | <u>241,300</u> | <u>611,896</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 312,931</u> | <u>\$ 1,010,012</u> | <u>\$ 161,961</u> | <u>\$ 280,222</u> | <u>\$ 761,457</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, 2016

| | <u>Town of Genoa</u> | <u>Town of Minden</u> | <u>Total Non-major Special Revenue Funds</u> |
|--|----------------------|-----------------------|--|
| REVENUES | | | |
| Taxes | \$ 41,784 | \$ 946,060 | \$ 9,575,122 |
| Licenses, permits, franchise and other fees | | | 505,236 |
| Intergovernmental shared revenues | 11,619 | 444,062 | 9,452,759 |
| Charges for services | 13,246 | | 1,301,151 |
| Fines and forfeitures | | | 185,444 |
| Miscellaneous | <u>416,696</u> | <u>46,848</u> | <u>2,035,176</u> |
| Total revenues | <u>483,345</u> | <u>1,436,970</u> | <u>23,054,888</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | 458,027 | 402,925 | 1,341,549 |
| Judicial | | | 5,135,470 |
| Public safety | | | 1,916,832 |
| Public works | | 646,679 | 3,284,352 |
| Community development | | | 2,433,142 |
| Culture and recreation | | 456,716 | 1,401,841 |
| Health and sanitation | | | 295,055 |
| Welfare | | | <u>2,875,513</u> |
| Total current | <u>458,027</u> | <u>1,506,320</u> | <u>18,683,754</u> |
| Capital outlay | | | |
| Judicial | | | 73,550 |
| Public works | | | 922,315 |
| Community development | | | 151,335 |
| Culture and recreation | | | 1,881,291 |
| Welfare | | | <u>76,365</u> |
| Total capital outlay | | | <u>3,104,856</u> |
| Total expenditures | <u>458,027</u> | <u>1,506,320</u> | <u>21,788,610</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>25,318</u> | <u>(69,350)</u> | <u>1,266,278</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Proceeds from capital asset disposal | | 7,220 | 10,433 |
| Transfers in | | 200,000 | 2,415,406 |
| Transfers out | | | <u>(2,735,595)</u> |
| Total other financing sources (uses) | | <u>207,220</u> | <u>(309,756)</u> |
| CHANGE IN FUND BALANCE | 25,318 | 137,870 | 956,522 |
| FUND BALANCE, BEGINNING OF YEAR | <u>87,877</u> | <u>655,968</u> | <u>15,057,667</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 113,195</u> | <u>\$ 793,838</u> | <u>\$ 16,014,189</u> |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 250,721 | \$ 250,721 | \$ 242,036 | \$ (8,685) |
| Real property taxes, delinquent | | | 1,660 | 1,660 |
| Personal property taxes, current | 5,698 | 5,698 | 6,985 | 1,287 |
| Personal property taxes, delinquent | | | 143 | 143 |
| Miscellaneous | | | | |
| Other reimbursements and restitutions | | | 8,469 | 8,469 |
| Investment income | 300 | 300 | 2,320 | 2,020 |
| Total revenues | <u>256,719</u> | <u>256,719</u> | <u>261,613</u> | <u>4,894</u> |
| EXPENDITURES | | | | |
| Community development | | | | |
| Cooperative extension | | | | |
| Salaries and wages | 69,543 | 81,543 | 74,029 | 7,514 |
| Employee benefits | 31,861 | 34,861 | 32,999 | 1,862 |
| Services and supplies | 147,421 | 195,172 | 159,669 | 35,503 |
| Capital outlay | 137,753 | 127,253 | | 127,253 |
| Total expenditures | <u>386,578</u> | <u>438,829</u> | <u>266,697</u> | <u>172,132</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(129,859)</u> | <u>(182,110)</u> | <u>(5,084)</u> | <u>177,026</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | <u>(7,465)</u> | <u>(12,465)</u> | | <u>12,465</u> |
| CHANGE IN FUND BALANCE | (137,324) | (194,575) | (5,084) | 189,491 |
| FUND BALANCE, BEGINNING OF YEAR | <u>165,503</u> | <u>222,754</u> | <u>222,754</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 28,179</u> | <u>\$ 28,179</u> | <u>\$ 217,670</u> | <u>\$ 189,491</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|---------------------|---------------------|---------------------|-------------------|
| REVENUES | | | | |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| DOT | \$ | \$ 1,761,843 | \$ 1,761,842 | \$ (1) |
| Other grants | | 26,936 | 26,936 | |
| Aviation fuel taxes | 7,000 | 7,000 | 8,514 | 1,514 |
| Jet fuel taxes | 3,000 | 42,911 | 42,437 | (474) |
| Charges for services | | | | |
| General government | | | | |
| Late charges | 1,500 | 2,050 | 2,400 | 350 |
| Hutt aviation 1% | 4,000 | 4,000 | 1,173 | (2,827) |
| Airport Tie Downs | 20,000 | 20,000 | 18,815 | (1,185) |
| Commercial operator | 1,500 | 1,500 | 1,200 | (300) |
| Fuel flowage fees | 13,000 | 13,000 | 13,190 | 190 |
| Airport administration fee | | 3,750 | 3,750 | |
| Telephone fees | 650 | 650 | 800 | 150 |
| Camping fees | | | 120 | 120 |
| Other | 100 | 100 | | (100) |
| Miscellaneous | | | | |
| Building rental income | 75,000 | 80,800 | 105,234 | 24,434 |
| Land lease income | 470,000 | 470,000 | 492,625 | 22,625 |
| Other rent and lease income | 280,000 | 280,000 | 279,370 | (630) |
| Investment income | 5,000 | 6,025 | 17,153 | 11,128 |
| Other | 112,500 | 159,375 | 138,293 | (21,082) |
| Total revenues | 993,250 | 2,879,940 | 2,913,852 | 33,912 |
| EXPENDITURES | | | | |
| Culture and recreation | | | | |
| Airport | | | | |
| Services and supplies | 826,372 | 1,151,917 | 836,730 | 315,187 |
| Capital outlay | 1,146,264 | 2,034,341 | 1,881,291 | 153,050 |
| Total expenditures | 1,972,636 | 3,186,258 | 2,718,021 | 468,237 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (979,386) | (306,318) | 195,831 | 502,149 |
| OTHER FINANCING USES | | | | |
| Contingencies | (24,476) | (24,476) | | 24,476 |
| Transfers out | (77,739) | (77,739) | (77,739) | |
| Total other financing uses | (102,215) | (102,215) | (77,739) | 24,476 |
| CHANGE IN FUND BALANCE | (1,081,601) | (408,533) | 118,092 | 526,625 |
| FUND BALANCE, BEGINNING OF YEAR | 2,233,477 | 1,560,409 | 1,560,409 | |
| FUND BALANCE, END OF YEAR | \$ 1,151,876 | \$ 1,151,876 | \$ 1,678,501 | \$ 526,625 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|-------------------|-------------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Water rights | \$ | \$ | \$ 35,346 | \$ 35,346 |
| Investment income | | | 1,746 | 1,746 |
| Total revenues | | | <u>37,092</u> | <u>37,092</u> |
| EXPENDITURES | | | | |
| Public works | | | | |
| Water | | | | |
| Services and supplies | 36,743 | 63,743 | 10,460 | 53,283 |
| Capital outlay | 74,327 | 50,730 | | 50,730 |
| Total expenditures | <u>111,070</u> | <u>114,473</u> | <u>10,460</u> | <u>104,013</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(111,070)</u> | <u>(114,473)</u> | <u>26,632</u> | <u>141,105</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | <u>(1,102)</u> | <u>(1,102)</u> | | <u>1,102</u> |
| CHANGE IN FUND BALANCE | (112,172) | (115,575) | 26,632 | 142,207 |
| FUND BALANCE, BEGINNING OF YEAR | <u>115,222</u> | <u>118,625</u> | <u>118,625</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 3,050</u> | <u>\$ 3,050</u> | <u>\$ 145,257</u> | <u>\$ 142,207</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|--------------------|--------------------|---------------------|---------------------|
| REVENUES | | | | |
| Business licenses, permits, franchise and other fees | | | | |
| DDI franchise fees | \$ 383,000 | \$ 383,000 | \$ 425,438 | \$ 42,438 |
| STR franchise fees | 75,300 | 75,300 | 77,798 | 2,498 |
| Alpine Co. annual fee | 2,000 | 2,000 | 2,000 | |
| Miscellaneous | | | | |
| Other rent and lease income | 50,000 | 50,000 | 50,000 | |
| Investment income | <u>5,000</u> | <u>5,000</u> | <u>15,716</u> | <u>10,716</u> |
| Total revenues | <u>515,300</u> | <u>515,300</u> | <u>570,952</u> | <u>55,652</u> |
| EXPENDITURES | | | | |
| Health and sanitation | | | | |
| Joint powers authority | | | | |
| Services and supplies | 40,000 | 40,000 | | 40,000 |
| Capital outlay | <u>40,806</u> | <u>80,806</u> | | <u>80,806</u> |
| Total joint powers authority | <u>80,806</u> | <u>120,806</u> | | <u>120,806</u> |
| General | | | | |
| Salaries and wages | 51,239 | 51,239 | 49,690 | 1,549 |
| Employee benefits | 21,198 | 21,198 | 20,480 | 718 |
| Services and supplies | <u>1,936,617</u> | <u>1,993,685</u> | <u>224,885</u> | <u>1,768,800</u> |
| Total general | <u>2,009,054</u> | <u>2,066,122</u> | <u>295,055</u> | <u>1,771,067</u> |
| Total expenditures | <u>2,089,860</u> | <u>2,186,928</u> | <u>295,055</u> | <u>1,891,873</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(1,574,560)</u> | <u>(1,671,628)</u> | <u>275,897</u> | <u>1,947,525</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (9,787) | (9,787) | | 9,787 |
| Transfers in | | <u>792</u> | <u>792</u> | |
| Total other financing sources (uses) | <u>(9,787)</u> | <u>(8,995)</u> | <u>792</u> | <u>9,787</u> |
| CHANGE IN FUND BALANCE | (1,584,347) | (1,680,623) | 276,689 | 1,957,312 |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,616,024</u> | <u>1,712,300</u> | <u>1,712,300</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 31,677</u> | <u>\$ 31,677</u> | <u>\$ 1,988,989</u> | <u>\$ 1,957,312</u> |

DOUGLAS COUNTY

LANDSCAPE MAINTENANCE DISTRICTS SPECIAL REVENUE FUND SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|------------------|------------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Special assessments | \$ 20,324 | \$ 20,324 | \$ 20,323 | \$ (1) |
| Investment income | | | 54 | 54 |
| | <u>20,324</u> | <u>20,324</u> | <u>20,377</u> | <u>53</u> |
| Total revenues | | | | |
| EXPENDITURES | | | | |
| Culture and recreation | | | | |
| Parks operations | | | | |
| Salaries and wages | 20,324 | 25,526 | 7,539 | 17,987 |
| Services and supplies | | | 8,020 | (8,020) |
| | <u>20,324</u> | <u>25,526</u> | <u>15,559</u> | <u>9,967</u> |
| Total expenditures | | | | |
| CHANGE IN FUND BALANCE | | (5,202) | 4,818 | 10,020 |
| FUND BALANCE, BEGINNING OF YEAR | | <u>5,202</u> | <u>5,202</u> | |
| FUND BALANCE, END OF YEAR | <u>\$</u> | <u>\$</u> | <u>\$ 10,020</u> | <u>\$ 10,020</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|-------------------------------------|------------------------|---------------------|-----------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 376,091 | \$ 376,091 | \$ 363,060 | \$ (13,031) |
| Real property taxes, delinquent | | | 2,483 | 2,483 |
| Personal property taxes, current | | | 10,478 | 10,478 |
| Personal property taxes, delinquent | | | 214 | 214 |
| Total revenues | <u>376,091</u> | <u>376,091</u> | <u>376,235</u> | <u>144</u> |
| EXPENDITURES | | | | |
| Welfare | | | | |
| Vehicle accident, indigent | | | | |
| Services and supplies | <u>376,091</u> | <u>379,843</u> | <u>378,974</u> | <u>869</u> |
| Total expenditures | <u>376,091</u> | <u>379,843</u> | <u>378,974</u> | <u>869</u> |
| CHANGE IN FUND BALANCE | | (3,752) | (2,739) | 1,013 |
| FUND BALANCE, BEGINNING OF YEAR | <u> </u> | <u>3,752</u> | <u>3,752</u> | <u> </u> |
| FUND BALANCE, END OF YEAR | <u>\$ </u> | <u>\$ </u> | <u>\$ 1,013</u> | <u>\$ 1,013</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-----------------|--------------|--------------|--------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 1,316,308 | \$ 1,316,308 | \$ 1,270,695 | \$ (45,613) |
| Real property taxes, delinquent | | | 10,245 | 10,245 |
| Personal property taxes, current | | | 36,653 | 36,653 |
| Personal property taxes, delinquent | | | 973 | 973 |
| Intergovernmental shared revenues | | | | |
| Indigent repay | | | 60 | 60 |
| Miscellaneous | | | | |
| Investment income | 4,000 | 12,000 | 40,583 | 28,583 |
| Total revenues | 1,320,308 | 1,328,308 | 1,359,209 | 30,901 |
| EXPENDITURES | | | | |
| Welfare | | | | |
| Medical assistance to indigents | | | | |
| Services and supplies | 1,320,308 | 1,300,308 | 694,930 | 605,378 |
| Capital outlay | | 946,496 | 76,365 | 870,131 |
| Total expenditures | 1,320,308 | 2,246,804 | 771,295 | 1,475,509 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | | (918,496) | 587,914 | 1,506,410 |
| OTHER FINANCING USES | | | | |
| Transfers out | | (15,085) | (265,085) | (250,000) |
| CHANGE IN FUND BALANCE | | (933,581) | 322,829 | 1,256,410 |
| FUND BALANCE, BEGINNING OF YEAR | 3,231,633 | 4,165,214 | 4,165,214 | |
| FUND BALANCE, END OF YEAR | \$ 3,231,633 | \$ 3,231,633 | \$ 4,488,043 | \$ 1,256,410 |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-------------------|-------------------|-------------------|---------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 772,065 | \$ 772,065 | \$ 742,820 | \$ (29,245) |
| Real property taxes, delinquent | | | 5,173 | 5,173 |
| Personal property taxes, current | | | 23,406 | 23,406 |
| Personal property taxes, delinquent | | | 454 | 454 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| PY grant revenue | | 10,412 | 5,206 | (5,206) |
| CSBG | 144,898 | 144,898 | 85,538 | (59,360) |
| USDA | | | 1,500 | 1,500 |
| HUD | 142,800 | 142,800 | 101,002 | (41,798) |
| United Way | 10,411 | (1) | 5,206 | 5,207 |
| Other grants | 59,500 | 59,500 | 43,596 | (15,904) |
| Charges for services | | | | |
| Community support | | | | |
| Indigent repay | 1,063,894 | 1,063,894 | 430 | (1,063,464) |
| Miscellaneous | | | | |
| Investment income | <u>1,000</u> | <u>1,000</u> | <u>2,787</u> | <u>1,787</u> |
| Total revenues | <u>2,194,568</u> | <u>2,194,568</u> | <u>1,017,118</u> | <u>(1,177,450)</u> |
| EXPENDITURES | | | | |
| Welfare | | | | |
| Medical | | | | |
| Services and supplies | <u>194,464</u> | <u>194,464</u> | <u>193,005</u> | <u>1,459</u> |
| General | | | | |
| Salaries and wages | 438,880 | 438,880 | 355,911 | 82,969 |
| Employee benefits | 234,360 | 234,360 | 183,455 | 50,905 |
| Services and supplies | <u>648,362</u> | <u>648,117</u> | <u>513,351</u> | <u>134,766</u> |
| Total general | <u>1,321,602</u> | <u>1,321,357</u> | <u>1,052,717</u> | <u>268,640</u> |
| Community health nurse | | | | |
| Services and supplies | <u>666,914</u> | <u>666,914</u> | <u>555,887</u> | <u>111,027</u> |
| Total expenditures | <u>2,182,980</u> | <u>2,182,735</u> | <u>1,801,609</u> | <u>381,126</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>11,588</u> | <u>11,833</u> | <u>(784,491)</u> | <u>(796,324)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (39,648) | (39,648) | | 39,648 |
| Transfers in | | 15,085 | 15,085 | |
| Transfers out | <u>(3,500)</u> | <u>(3,500)</u> | <u>(3,500)</u> | |
| Total other financing sources (uses) | <u>(43,148)</u> | <u>(28,063)</u> | <u>11,585</u> | <u>39,648</u> |
| CHANGE IN FUND BALANCE | (31,560) | (16,230) | (772,906) | (756,676) |
| FUND BALANCE, BEGINNING OF YEAR | <u>782,061</u> | <u>766,731</u> | <u>766,731</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 750,501</u> | <u>\$ 750,501</u> | <u>\$ (6,175)</u> | <u>\$ (756,676)</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|------------------------|------------------------|-------------------------|-------------------------|
| REVENUES | | | | |
| Charges for services | | | | |
| General government | | | | |
| Clerk's fees | \$ 22,000 | \$ 22,000 | \$ 19,828 | \$ (2,172) |
| Miscellaneous | | | | |
| Investment income | <u>50</u> | <u>50</u> | <u>449</u> | <u>399</u> |
| Total revenues | <u>22,050</u> | <u>22,050</u> | <u>20,277</u> | <u>(1,773)</u> |
| EXPENDITURES | | | | |
| Judicial | | | | |
| Law library | | | | |
| Services and supplies | <u>21,840</u> | <u>71,913</u> | <u>22,806</u> | <u>49,107</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>210</u> | <u>(49,863)</u> | <u>(2,529)</u> | <u>47,334</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | <u>(655)</u> | <u>(655)</u> | | <u>655</u> |
| CHANGE IN FUND BALANCE | (445) | (50,518) | (2,529) | 47,989 |
| FUND BALANCE, BEGINNING OF YEAR | <u>2,523</u> | <u>52,596</u> | <u>52,596</u> | |
| FUND BALANCE, END OF YEAR | <u><u>\$ 2,078</u></u> | <u><u>\$ 2,078</u></u> | <u><u>\$ 50,067</u></u> | <u><u>\$ 47,989</u></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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-----------------|--------------|--------------|--------------|
| REVENUES | | | | |
| Taxes | | | | |
| County gas tax | \$ 195,527 | \$ 195,527 | \$ 209,670 | \$ 14,143 |
| 1% Valley Rm Tx (Rd) | 78,115 | 88,115 | 100,735 | 12,620 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | 14,628 | 14,628 |
| Other grants | | | 14,628 | 14,628 |
| Motor vehicle fuel taxes | 914,355 | 914,355 | 960,641 | 46,286 |
| Charges for services | | | | |
| Public works | | | | |
| Repay for road work | | 44,533 | 39,773 | (4,760) |
| Miscellaneous | | | | |
| Investment income | 2,000 | 2,000 | 8,319 | 6,319 |
| Other | | 905 | 1,904 | 999 |
| Total revenues | 1,189,997 | 1,245,435 | 1,335,670 | 90,235 |
| EXPENDITURES | | | | |
| Public works | | | | |
| Roads | | | | |
| Salaries and wages | 531,323 | 531,323 | 533,864 | (2,541) |
| Employee benefits | 270,465 | 270,465 | 256,008 | 14,457 |
| Services and supplies | 771,258 | 1,024,631 | 918,830 | 105,801 |
| Capital outlay | 617,244 | 1,032,842 | | 1,032,842 |
| Total expenditures | 2,190,290 | 2,859,261 | 1,708,702 | 1,150,559 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (1,000,293) | (1,613,826) | (373,032) | 1,240,794 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (47,191) | (47,191) | | 47,191 |
| Proceeds from capital asset disposal | | 1,408 | 1,408 | |
| Transfers in | 414,343 | 914,343 | 914,343 | |
| Transfers out | (49,979) | (49,979) | (49,979) | |
| Total other financing sources (uses) | 317,173 | 818,581 | 865,772 | 47,191 |
| CHANGE IN FUND BALANCE | (683,120) | (795,245) | 492,740 | 1,287,985 |
| FUND BALANCE, BEGINNING OF YEAR | 813,683 | 925,808 | 925,808 | |
| FUND BALANCE, END OF YEAR | \$ 130,563 | \$ 130,563 | \$ 1,418,548 | \$ 1,287,985 |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---------------------------------|-----------------|--------------|-----------|-----------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Other donations | \$ | \$ 53,742 | \$ 60,860 | \$ 7,118 |
| Investment income | | | 547 | 547 |
| | | | | |
| Total revenues | | 53,742 | 61,407 | 7,665 |
| EXPENDITURES | | | | |
| Culture and recreation | | | | |
| Library | | | | |
| Services and supplies | | 91,022 | 14,619 | 76,403 |
| | | | | |
| CHANGE IN FUND BALANCE | | (37,280) | 46,788 | 84,068 |
| FUND BALANCE, BEGINNING OF YEAR | | 37,280 | 37,280 | |
| FUND BALANCE, END OF YEAR | \$ | \$ | \$ 84,068 | \$ 84,068 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| 1% Lake Rm Tx (Rd) | \$ 505,769 | \$ 505,769 | \$ 621,646 | \$ 115,877 |
| Miscellaneous | | | | |
| Investment income | <u>1,000</u> | <u>1,000</u> | <u>3,420</u> | <u>2,420</u> |
| Total revenues | <u>506,769</u> | <u>506,769</u> | <u>625,066</u> | <u>118,297</u> |
| EXPENDITURES | | | | |
| Public works | | | | |
| Tahoe-Douglas transportation | | | | |
| Salaries and wages | 11,067 | 11,067 | 10,136 | 931 |
| Employee benefits | 4,763 | 4,763 | 4,270 | 493 |
| Services and supplies | 140,913 | 140,913 | 132,365 | 8,548 |
| Capital outlay | <u>407,453</u> | <u>460,410</u> | <u>206,552</u> | <u>253,858</u> |
| Total expenditures | <u>564,196</u> | <u>617,153</u> | <u>353,323</u> | <u>263,830</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(57,427)</u> | <u>(110,384)</u> | <u>271,743</u> | <u>382,127</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | (4,702) | (4,702) | | 4,702 |
| Transfers out | <u>(317,218)</u> | <u>(317,218)</u> | <u>(317,218)</u> | |
| Total other financing uses | <u>(321,920)</u> | <u>(321,920)</u> | <u>(317,218)</u> | <u>4,702</u> |
| CHANGE IN FUND BALANCE | (379,347) | (432,304) | (45,475) | 386,829 |
| FUND BALANCE, BEGINNING OF YEAR | <u>392,357</u> | <u>445,314</u> | <u>445,314</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 13,010</u> | <u>\$ 13,010</u> | <u>\$ 399,839</u> | <u>\$ 386,829</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|------------------|------------------|-------------------|-------------------|
| REVENUES | | | | |
| Charges for services | | | | |
| Judicial | | | | |
| Other | \$ | \$ 34,218 | \$ 37,191 | \$ 2,973 |
| Fines and forfeitures | | | | |
| Judicial | | | | |
| East Fork Justice Court fines | 34,000 | 89,588 | 114,609 | 25,021 |
| Tahoe Justice Court fines | 19,000 | 57,495 | 70,835 | 13,340 |
| Miscellaneous | | | | |
| Investment income | <u>1,000</u> | <u>1,000</u> | <u>6,448</u> | <u>5,448</u> |
| Total revenues | <u>54,000</u> | <u>182,301</u> | <u>229,083</u> | <u>46,782</u> |
| EXPENDITURES | | | | |
| Judicial | | | | |
| East Fork justice court | | | | |
| Services and supplies | | 539,294 | 77,564 | 461,730 |
| Capital outlay | | <u>10,154</u> | <u>10,154</u> | |
| Total East Fork justice court | | <u>549,448</u> | <u>87,718</u> | <u>461,730</u> |
| Tahoe justice court | | | | |
| Services and supplies | | <u>340,161</u> | <u>32,545</u> | <u>307,616</u> |
| Administrative assessment | | | | |
| Services and supplies | <u>53,000</u> | <u>952</u> | <u>949</u> | <u>3</u> |
| Total expenditures | <u>53,000</u> | <u>890,561</u> | <u>121,212</u> | <u>769,349</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,000</u> | <u>(708,260)</u> | <u>107,871</u> | <u>816,131</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | <u>(1,590)</u> | <u>(1,590)</u> | | <u>1,590</u> |
| CHANGE IN FUND BALANCE | (590) | (709,850) | 107,871 | 817,721 |
| FUND BALANCE, BEGINNING OF YEAR | <u>11,316</u> | <u>720,576</u> | <u>720,576</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 10,726</u> | <u>\$ 10,726</u> | <u>\$ 828,447</u> | <u>\$ 817,721</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 92,197 | \$ 92,197 | \$ 88,777 | \$ (3,420) |
| Real property taxes, delinquent | | | 635 | 635 |
| Personal property taxes, current | | | 2,715 | 2,715 |
| Personal property taxes, delinquent | | | 55 | 55 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| SAPTA | 330,417 | 464,238 | 512,198 | 47,960 |
| USDA | | | 22,877 | 22,877 |
| Child nutrition | 90,124 | 90,124 | 96,990 | 6,866 |
| Other grants | | 24,393 | 24,393 | |
| Interim funding | 3,704,215 | 3,704,215 | 3,704,215 | |
| Charges for services | | | | |
| Judicial | | | | |
| Support and care fees | 2,500 | 2,500 | 22,993 | 20,493 |
| Miscellaneous | | | | |
| Other donations | | 48,981 | 83,149 | 34,168 |
| Investment income | 5,000 | 5,000 | 7,096 | 2,096 |
| Total revenues | 4,224,453 | 4,431,648 | 4,566,093 | 134,445 |
| EXPENDITURES | | | | |
| Judicial | | | | |
| China Spring youth camp | | | | |
| Salaries and wages | 2,185,094 | 2,358,103 | 2,291,949 | 66,154 |
| Employee benefits | 1,098,340 | 1,153,864 | 1,042,791 | 111,073 |
| Services and supplies | 953,945 | 1,188,564 | 1,233,866 | (45,302) |
| Capital outlay | | 195,518 | 63,396 | 132,122 |
| Total expenditures | 4,237,379 | 4,896,049 | 4,632,002 | 264,047 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (12,926) | (464,401) | (65,909) | 398,492 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | | | | |
| | 12,926 | 12,926 | 12,926 | |
| CHANGE IN FUND BALANCE | | (451,475) | (52,983) | 398,492 |
| FUND BALANCE, BEGINNING OF YEAR | 250,000 | 701,475 | 701,475 | |
| FUND BALANCE, END OF YEAR | \$ 250,000 | \$ 250,000 | \$ 648,492 | \$ 398,492 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|--------------------------|--------------------------|--------------------------|------------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 438,937 | \$ 438,937 | \$ 421,512 | \$ (17,425) |
| Real property taxes, delinquent | | | 3,621 | 3,621 |
| Personal property taxes, current | | | 13,862 | 13,862 |
| Personal property taxes, delinquent | | | 390 | 390 |
| Intergovernmental shared revenues | | | | |
| Investment income | | | 5,343 | 5,343 |
| Total revenues | <u>438,937</u> | <u>438,937</u> | <u>444,728</u> | <u>5,791</u> |
| EXPENDITURES | | | | |
| Judicial | | | | |
| Western Nevada regional youth center | | | | |
| Services and supplies | <u>433,000</u> | <u>433,000</u> | <u>433,000</u> | |
| Total expenditures | <u>433,000</u> | <u>433,000</u> | <u>433,000</u> | |
| CHANGE IN FUND BALANCE | 5,937 | 5,937 | 11,728 | 5,791 |
| FUND BALANCE, BEGINNING OF YEAR | <u>563,174</u> | <u>616,066</u> | <u>616,066</u> | |
| FUND BALANCE, END OF YEAR | <u><u>\$ 569,111</u></u> | <u><u>\$ 622,003</u></u> | <u><u>\$ 627,794</u></u> | <u><u>\$ 5,791</u></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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-----------------|--------------|------------|------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ _____ | \$ _____ | \$ 2,260 | \$ 2,260 |
| EXPENDITURES | | | | |
| Public works | | | | |
| Erosion control (TRPA) mitigation | | | | |
| Services and supplies | 5,000 | 311,594 | 188,327 | 123,267 |
| Capital outlay | _____ | 18,578 | 10,466 | 8,112 |
| Total expenditures | 5,000 | 330,172 | 198,793 | 131,379 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (5,000) | (330,172) | (196,533) | 133,639 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | 5,000 | 52,050 | 52,050 | _____ |
| CHANGE IN FUND BALANCE | | (278,122) | (144,483) | 133,639 |
| FUND BALANCE, BEGINNING OF YEAR | _____ | 457,414 | 457,414 | _____ |
| FUND BALANCE, END OF YEAR | \$ _____ | \$ 179,292 | \$ 312,931 | \$ 133,639 |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-------------------|-------------------|---------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 1,190,943 | \$ 1,190,943 | \$ 1,149,680 | \$ (41,263) |
| Real property taxes, delinquent | | | 7,883 | 7,883 |
| Personal property taxes, current | | | 33,179 | 33,179 |
| Personal property taxes, delinquent | | | 679 | 679 |
| Charges for services | | | | |
| Public safety | | | | |
| Other | 943,081 | 943,081 | 935,309 | (7,772) |
| Miscellaneous | | | | |
| Investment income | <u>500</u> | <u>500</u> | <u>8,879</u> | <u>8,379</u> |
| Total revenues | <u>2,134,524</u> | <u>2,134,524</u> | <u>2,135,609</u> | <u>1,085</u> |
| EXPENDITURES | | | | |
| Public safety | | | | |
| Technology services (911) | | | | |
| Salaries and wages | 1,029,520 | 1,029,520 | 968,976 | 60,544 |
| Employee benefits | 495,765 | 495,765 | 436,687 | 59,078 |
| Services and supplies | 528,572 | 648,463 | 511,169 | 137,294 |
| Capital outlay | <u>22,951</u> | <u>22,951</u> | <u></u> | <u>22,951</u> |
| Total expenditures | <u>2,076,808</u> | <u>2,196,699</u> | <u>1,916,832</u> | <u>279,867</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>57,716</u> | <u>(62,175)</u> | <u>218,777</u> | <u>280,952</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | <u>(54,993)</u> | <u>(54,993)</u> | <u></u> | <u>54,993</u> |
| CHANGE IN FUND BALANCE | 2,723 | (117,168) | 218,777 | 335,945 |
| FUND BALANCE, BEGINNING OF YEAR | <u>501,344</u> | <u>791,235</u> | <u>791,235</u> | <u></u> |
| FUND BALANCE, END OF YEAR | <u>\$ 504,067</u> | <u>\$ 674,067</u> | <u>\$ 1,010,012</u> | <u>\$ 335,945</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|--------------------|------------------|
| REVENUES | | | | |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| USDOT | \$ 391,231 | \$ 480,524 | \$ 465,827 | \$ (14,697) |
| PY grant revenue | | 10,138 | 10,138 | |
| CSBG | 67,611 | 74,552 | 74,552 | |
| USDA | 16,230 | 42,962 | 42,962 | |
| IIIc1 | 73,172 | 78,404 | 78,404 | |
| IIIc2 | 87,162 | 73,015 | 73,015 | |
| IIIb | 53,044 | | | |
| IIIb, homemaker | 34,875 | 34,875 | 34,209 | (666) |
| Grant-in-aid | 7,690 | 53,044 | 53,044 | |
| Charges for services | | | | |
| Community support | | | | |
| Client fees | 10,500 | 10,500 | 10,524 | 24 |
| Transit fees | 11,500 | 11,500 | 12,107 | 607 |
| Program income | 116,000 | 116,000 | 126,742 | 10,742 |
| Indigent repay | 250,000 | 250,000 | | (250,000) |
| Culture and recreation | | | | |
| Recreation fees | 30,000 | 34,000 | 36,551 | 2,551 |
| Miscellaneous | | | | |
| Yah donations | 18,000 | 31,000 | 33,091 | 2,091 |
| Other donations | 25,000 | 25,000 | 42,981 | 17,981 |
| Other reimbursements and restitutions | | | 5,638 | 5,638 |
| Investment income | 500 | 500 | 66 | (434) |
| Total revenues | <u>1,192,515</u> | <u>1,326,014</u> | <u>1,099,851</u> | <u>(226,163)</u> |
| EXPENDITURES | | | | |
| Community development | | | | |
| Senior services | | | | |
| Salaries and wages | 715,955 | 824,155 | 809,924 | 14,231 |
| Employee benefits | 367,442 | 370,442 | 362,062 | 8,380 |
| Services and supplies | 939,061 | 980,765 | 994,459 | (13,694) |
| Capital outlay | | 156,734 | 151,335 | 5,399 |
| Total expenditures | <u>2,022,458</u> | <u>2,332,096</u> | <u>2,317,780</u> | <u>14,316</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(829,943)</u> | <u>(1,006,082)</u> | <u>(1,217,929)</u> | <u>(211,847)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (22,633) | (22,633) | | 22,633 |
| Proceeds from capital asset disposal | | 1,800 | 1,805 | 5 |
| Transfers in | 834,210 | 970,210 | 1,220,210 | 250,000 |
| Total other financing sources (uses) | <u>811,577</u> | <u>949,377</u> | <u>1,222,015</u> | <u>272,638</u> |
| CHANGE IN FUND BALANCE | (18,366) | (56,705) | 4,086 | 60,791 |
| FUND BALANCE, BEGINNING OF YEAR | <u>119,536</u> | <u>157,875</u> | <u>157,875</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 101,170</u> | <u>\$ 101,170</u> | <u>\$ 161,961</u> | <u>\$ 60,791</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|------------------------|---------------------|--------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 1,940,483 | \$ 1,940,483 | \$ 2,016,966 | \$ 76,483 |
| Real property taxes, delinquent | | | 21,865 | 21,865 |
| Personal property taxes, current | | | 75,101 | 75,101 |
| Miscellaneous | | | | |
| Investment income | <u>2,000</u> | <u>2,000</u> | <u>6,578</u> | <u>4,578</u> |
| Total revenues | <u>1,942,483</u> | <u>1,942,483</u> | <u>2,120,510</u> | <u>178,027</u> |
| EXPENDITURES | | | | |
| General government | | | | |
| Redevelopment agency administrative | | | | |
| Salaries and wages | 34,885 | 34,885 | 27,476 | 7,409 |
| Employee benefits | 13,812 | 13,812 | 11,176 | 2,636 |
| Services and supplies | <u>88,910</u> | <u>88,910</u> | <u>20,862</u> | <u>68,048</u> |
| Total expenditures | <u>137,607</u> | <u>137,607</u> | <u>59,514</u> | <u>78,093</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>1,804,876</u> | <u>1,804,876</u> | <u>2,060,996</u> | <u>256,120</u> |
| OTHER FINANCING USES | | | | |
| Contingencies | (4,128) | (4,128) | | 4,128 |
| Transfers out | <u>(1,804,876)</u> | <u>(2,022,074)</u> | <u>(2,022,074)</u> | |
| Total other financing uses | <u>(1,809,004)</u> | <u>(2,026,202)</u> | <u>(2,022,074)</u> | <u>4,128</u> |
| CHANGE IN FUND BALANCE | (4,128) | (221,326) | 38,922 | 260,248 |
| FUND BALANCE, BEGINNING OF YEAR | <u>24,102</u> | <u>241,300</u> | <u>241,300</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 19,974</u> | <u>\$ 19,974</u> | <u>\$ 280,222</u> | <u>\$ 260,248</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|------------------|------------------|------------------|-----------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 1,102,393 | \$ 1,102,393 | \$ 1,020,551 | \$ (81,842) |
| Real property taxes, delinquent | | | 19,323 | 19,323 |
| Personal property taxes, current | | | 60,205 | 60,205 |
| Personal property taxes, delinquent | | | 750 | 750 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| USDOT | | 20,482 | 20,482 | |
| USDA | | | 365 | 365 |
| Grant-in-aid | | 123,500 | | (123,500) |
| Other grants | | 420,060 | 428,043 | 7,983 |
| State consolidated tax distribution | 265,723 | 265,723 | 270,381 | 4,658 |
| NRS county gaming licenses | 18,000 | 18,000 | 27,937 | 9,937 |
| Charges for services | | | | |
| General government | | | | |
| Applicant license fees | 5,000 | 5,000 | 4,949 | (51) |
| Miscellaneous | | | | |
| Other donations | 60,000 | 13,831 | 24,962 | 11,131 |
| Other festivals and events | 20,000 | 20,000 | 27,752 | 7,752 |
| Other reimbursements and restitutions | | | 962 | 962 |
| Other rent and lease income | | | 1,913 | 1,913 |
| Investment income | | | 6,588 | 6,588 |
| Other | 11,300 | 11,461 | 22,408 | 10,947 |
| Total revenues | 1,482,416 | 2,000,450 | 1,937,571 | (62,879) |
| EXPENDITURES | | | | |
| General government | | | | |
| Town of Gardnerville | | | | |
| Salaries and wages | 172,216 | 172,765 | 194,548 | (21,783) |
| Employee benefits | 71,624 | 71,624 | 88,647 | (17,023) |
| Services and supplies | 253,320 | 205,264 | 137,888 | 67,376 |
| Total general government | 497,160 | 449,653 | 421,083 | 28,570 |
| Public works | | | | |
| Town of Gardnerville | | | | |
| Salaries and wages | 237,943 | 237,943 | 228,853 | 9,090 |
| Employee benefits | 119,233 | 119,233 | 105,795 | 13,438 |
| Services and supplies | 488,350 | 499,891 | 248,765 | 251,126 |
| Capital outlay | 356,406 | 1,006,213 | 705,297 | 300,916 |
| Total public works | 1,201,932 | 1,863,280 | 1,288,710 | 574,570 |
| Culture and recreation | | | | |
| Town of Gardnerville | | | | |
| Services and supplies | 85,250 | 91,999 | 78,217 | 13,782 |
| Total expenditures | 1,784,342 | 2,404,932 | 1,788,010 | 616,922 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (301,926) | (404,482) | 149,561 | 554,043 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (38,715) | (38,715) | | 38,715 |

(Continued)

DOUGLAS COUNTY

TOWN OF GARDNERVILLE SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-------------------|-------------------|
| CHANGE IN FUND BALANCE | \$ (340,641) | \$ (443,197) | \$ 149,561 | \$ 592,758 |
| FUND BALANCE, BEGINNING OF YEAR | <u>449,367</u> | <u>551,923</u> | <u>611,896</u> | <u>59,973</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 108,726</u> | <u>\$ 108,726</u> | <u>\$ 761,457</u> | <u>\$ 652,731</u> |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|------------------|------------------|-------------------|------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 40,298 | \$ 40,298 | \$ 40,164 | \$ (134) |
| Real property taxes, delinquent | | | 991 | 991 |
| Personal property taxes, current | 400 | 400 | 603 | 203 |
| Personal property taxes, delinquent | | | 26 | 26 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| State consolidated tax distribution | 10,000 | 10,000 | 11,079 | 1,079 |
| NRS county gaming licenses | 540 | 540 | 540 | |
| Charges for services | | | | |
| Culture and recreation | | | | |
| Recreation fees | 20,000 | 20,000 | 13,246 | (6,754) |
| Miscellaneous | | | | |
| Other donations | | | 650 | 650 |
| Candy dance | 262,000 | 262,000 | 272,739 | 10,739 |
| Cowboy poetry and music festival | 98,000 | 98,000 | 94,014 | (3,986) |
| Other reimbursements and restitutions | | 18,000 | 20,000 | 2,000 |
| Church rent | | | 234 | 234 |
| Other rent and lease income | 19,000 | 19,000 | 24,368 | 5,368 |
| Investment income | 400 | 400 | 2,043 | 1,643 |
| Other | | | 2,648 | 2,648 |
| Total revenues | 450,638 | 468,638 | 483,345 | 14,707 |
| EXPENDITURES | | | | |
| General government | | | | |
| Town of Genoa | | | | |
| Salaries and wages | 88,590 | 96,907 | 101,023 | (4,116) |
| Employee benefits | 42,462 | 42,462 | 42,015 | 447 |
| Services and supplies | 322,770 | 366,770 | 314,989 | 51,781 |
| Total expenditures | 453,822 | 506,139 | 458,027 | 48,112 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | (3,184) | (37,501) | 25,318 | 62,819 |
| OTHER FINANCING USES | | | | |
| Contingencies | (12,708) | (12,708) | | 12,708 |
| CHANGE IN FUND BALANCE | (15,892) | (50,209) | 25,318 | 75,527 |
| FUND BALANCE, BEGINNING OF YEAR | 53,560 | 87,877 | 87,877 | |
| FUND BALANCE, END OF YEAR | \$ 37,668 | \$ 37,668 | \$ 113,195 | \$ 75,527 |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 881,280 | \$ 881,280 | \$ 913,357 | \$ 32,077 |
| Real property taxes, delinquent | | | 5,081 | 5,081 |
| Personal property taxes, current | | | 26,482 | 26,482 |
| Personal property taxes, delinquent | | | 1,140 | 1,140 |
| Intergovernmental shared revenues | | | | |
| State consolidated tax distribution | 300,000 | 300,000 | 357,639 | 57,639 |
| NRS county gaming licenses | 50,000 | 50,000 | 86,423 | 36,423 |
| Miscellaneous | | | | |
| Other donations | | | 2,000 | 2,000 |
| Other rent and lease income | 33,000 | 33,000 | 38,533 | 5,533 |
| Investment income | | | 6,315 | 6,315 |
| Total revenues | 1,264,280 | 1,264,280 | 1,436,970 | 172,690 |
| EXPENDITURES | | | | |
| General government | | | | |
| Town of Minden | | | | |
| Salaries and wages | 75,968 | 120,968 | 85,725 | 35,243 |
| Employee benefits | 25,611 | 25,611 | 33,855 | (8,244) |
| Services and supplies | 227,864 | 317,938 | 283,345 | 34,593 |
| Total general government | 329,443 | 464,517 | 402,925 | 61,592 |
| Public works | | | | |
| Town of Minden | | | | |
| Salaries and wages | 80,156 | 60,156 | 50,779 | 9,377 |
| Employee benefits | 37,653 | 37,653 | 20,036 | 17,617 |
| Services and supplies | 579,089 | 886,217 | 575,864 | 310,353 |
| Total public works | 696,898 | 984,026 | 646,679 | 337,347 |
| Culture and recreation | | | | |
| Town of Minden | | | | |
| Salaries and wages | 186,881 | 216,881 | 191,230 | 25,651 |
| Employee benefits | 89,062 | 89,062 | 78,805 | 10,257 |
| Services and supplies | 142,500 | 202,500 | 186,681 | 15,819 |
| Total culture and recreation | 418,443 | 508,443 | 456,716 | 51,727 |
| Total expenditures | 1,444,784 | 1,956,986 | 1,506,320 | 450,666 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (180,504) | (692,706) | (69,350) | 623,356 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Contingencies | (43,343) | (43,343) | | 43,343 |
| Proceeds from capital asset disposal | | | 7,220 | 7,220 |
| Transfers in | 200,000 | 200,000 | 200,000 | |
| Total other financing sources (uses) | 156,657 | 156,657 | 207,220 | 50,563 |
| CHANGE IN FUND BALANCE | (23,847) | (536,049) | 137,870 | 673,919 |
| FUND BALANCE, BEGINNING OF YEAR | 143,764 | 655,966 | 655,968 | 2 |
| FUND BALANCE, END OF YEAR | \$ 119,917 | \$ 119,917 | \$ 793,838 | \$ 673,921 |

DEBT SERVICE FUNDS

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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.

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, 2016

| | Douglas County Operating Resources | East Fork Fire Protection District | Total Non-major Debt Service Funds |
|--|--|--|--|
| ASSETS | | | |
| Cash, cash equivalents and investments | \$ 1,668,625 | \$ 2,290 | \$ 1,670,915 |
| Interest receivable | 288 | | 288 |
| Due from other funds | <u>19,760</u> | | <u>19,760</u> |
| Total assets | <u>\$ 1,688,673</u> | <u>\$ 2,290</u> | <u>\$ 1,690,963</u> |
| LIABILITIES | | | |
| Unearned revenue, current | \$ <u>15</u> | \$ <u></u> | \$ <u>15</u> |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue, special assessments | <u>378</u> | | <u>378</u> |
| Total liabilities and deferred inflows of resources | <u>393</u> | | <u>393</u> |
| FUND BALANCES | | | |
| Restricted for Debt service | <u>1,688,280</u> | <u>2,290</u> | <u>1,690,570</u> |
| Total fund balances | <u>1,688,280</u> | <u>2,290</u> | <u>1,690,570</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 1,688,673</u> | <u>\$ 2,290</u> | <u>\$ 1,690,963</u> |

DOUGLAS COUNTY

NON-MAJOR DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

| | Douglas County Operating Resources | East Fork Fire Protection District | Total Non-major Debt Service Funds |
|---|--|--|--|
| REVENUES | | | |
| Miscellaneous | \$ 2,638 | \$ 20 | \$ 2,658 |
| EXPENDITURES | | | |
| Debt service | | | |
| Principal payments | 1,576,288 | 113,000 | 1,689,288 |
| Interest expense | 448,489 | 27,472 | 475,961 |
| Fiscal charges | 900 | | 900 |
| Total expenditures | 2,025,677 | 140,472 | 2,166,149 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (2,023,039) | (140,452) | (2,163,491) |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 1,785,111 | 141,472 | 1,926,583 |
| Transfers out | (792) | | (792) |
| Total other financing sources (uses) | 1,784,319 | 141,472 | 1,925,791 |
| CHANGE IN FUND BALANCE | (238,720) | 1,020 | (237,700) |
| FUND BALANCE, BEGINNING OF YEAR | 1,927,000 | 1,270 | 1,928,270 |
| FUND BALANCE, END OF YEAR | \$ 1,688,280 | \$ 2,290 | \$ 1,690,570 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|-------------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ _____ | \$ _____ | \$ 2,638 | \$ 2,638 |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Services and supplies | _____ | 223,392 | _____ | 223,392 |
| Debt service | | | | |
| Principal payments | 1,576,288 | 1,576,288 | 1,576,288 | |
| Interest expense | 448,490 | 448,490 | 448,489 | 1 |
| Fiscal charges | 1,400 | 1,400 | 900 | 500 |
| Total debt service | <u>2,026,178</u> | <u>2,026,178</u> | <u>2,025,677</u> | <u>501</u> |
| Total expenditures | <u>2,026,178</u> | <u>2,249,570</u> | <u>2,025,677</u> | <u>223,893</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(2,026,178)</u> | <u>(2,249,570)</u> | <u>(2,023,039)</u> | <u>226,531</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,765,351 | 1,765,351 | 1,785,111 | 19,760 |
| Transfers out | _____ | (792) | (792) | _____ |
| Total other financing sources (uses) | <u>1,765,351</u> | <u>1,764,559</u> | <u>1,784,319</u> | <u>19,760</u> |
| CHANGE IN FUND BALANCE | (260,827) | (485,011) | (238,720) | 246,291 |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,701,451</u> | <u>1,927,000</u> | <u>1,927,000</u> | _____ |
| FUND BALANCE, END OF YEAR | <u>\$ 1,440,624</u> | <u>\$ 1,441,989</u> | <u>\$ 1,688,280</u> | <u>\$ 246,291</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|-----------------------|-----------------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ _____ | \$ _____ | \$ _____ 20 | \$ _____ 20 |
| EXPENDITURES | | | | |
| Debt service | | | | |
| Principal payments | 113,000 | 113,000 | 113,000 | |
| Interest expense | 27,472 | 27,472 | 27,472 | |
| Fiscal charges | <u>1,000</u> | <u>2,270</u> | <u> </u> | <u>2,270</u> |
| Total expenditures | <u>141,472</u> | <u>142,742</u> | <u>140,472</u> | <u>2,270</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(141,472)</u> | <u>(142,742)</u> | <u>(140,452)</u> | <u>2,290</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | <u>141,472</u> | <u>141,472</u> | <u>141,472</u> | <u> </u> |
| CHANGE IN FUND BALANCE | | (1,270) | 1,020 | 2,290 |
| FUND BALANCE, BEGINNING OF YEAR | <u> </u> | <u>1,270</u> | <u>1,270</u> | <u> </u> |
| FUND BALANCE, END OF YEAR | <u>\$ _____</u> | <u>\$ _____</u> | <u>\$ _____ 2,290</u> | <u>\$ _____ 2,290</u> |

CAPITAL PROJECTS FUNDS

DOUGLAS COUNTY
NON-MAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

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 the construction of new park facilities within specified park districts.

Regional Transportation

Accounts for major transportation projects.

Debt Financed

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

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.

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET JUNE 30, 2016

| | Extraordinary Maintenance | Ad Valorem | Douglas County Construction | Park Residential Construction Tax | Regional Transportation |
|---|------------------------------|---------------------|--------------------------------|---|----------------------------|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 656,217 | \$ 3,482,912 | \$ 2,226,747 | \$ 1,314,565 | \$ 5,167,794 |
| Accounts receivable, net | | | 720 | | 1,000 |
| Taxes receivable | | 27,725 | | | 12,350 |
| Interest receivable | 858 | 6,821 | 3,916 | 3,246 | 10,176 |
| Due from other governments | | | 56 | | 330,896 |
| Due from other funds | | | 38,350 | | |
| Other assets | | | | | |
| Total assets | \$ 657,075 | \$ 3,517,458 | \$ 2,269,789 | \$ 1,317,811 | \$ 5,522,216 |
| LIABILITIES | | | | | |
| Accounts payable | | \$ 57 | \$ 118,507 | \$ 5,870 | \$ 7,248 |
| Accrued salaries, wages and benefits | | | | | 5,330 |
| Due to other funds | | | 210 | | 65 |
| Unearned revenue, current | | | 41,364 | 1,119,624 | 141,660 |
| Due to other governments | | 2,164 | | | |
| Total liabilities | | 2,221 | 160,081 | 1,125,494 | 154,303 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | | 24,294 | | | 9,442 |
| Total liabilities and deferred inflows of resources | | 26,515 | 160,081 | 1,125,494 | 163,745 |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Deposits | | | | | |
| Restricted for | | | | | |
| Capital improvement projects | 657,075 | 3,490,943 | 2,109,708 | 192,317 | 5,358,471 |
| Total fund balances | 657,075 | 3,490,943 | 2,109,708 | 192,317 | 5,358,471 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 657,075 | \$ 3,517,458 | \$ 2,269,789 | \$ 1,317,811 | \$ 5,522,216 |

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2016

| | <u>Debt Financed</u> | <u>Redevelopment Agency</u> | <u>Town of Gardnerville Ad Valorem</u> | <u>Town of Genoa Ad Valorem</u> | <u>Town of Genoa Construction Reserve</u> |
|---|----------------------|---------------------------------|--|-------------------------------------|---|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 1,061,548 | \$ 1,731,321 | \$ 117,940 | \$ 13,108 | \$ 37,832 |
| Accounts receivable, net | | | | | |
| Taxes receivable | | | | | |
| Interest receivable | 186 | 5,921 | 273 | 22 | 76 |
| Due from other governments | | | 1,084 | 38 | |
| Due from other funds | | | | | |
| Other assets | | | | | 7,156 |
| Total assets | <u>\$ 1,061,734</u> | <u>\$ 1,737,242</u> | <u>\$ 119,297</u> | <u>\$ 13,168</u> | <u>\$ 45,064</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ | \$ | \$ 34,780 | \$ | \$ |
| Accrued salaries, wages and benefits | | | | | |
| Due to other funds | 19,760 | | | | |
| Unearned revenue, current | | | | | |
| Due to other governments | | | | | |
| Total liabilities | <u>19,760</u> | | <u>34,780</u> | | |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Unavailable revenue, taxes and penalties | | | | | |
| Total liabilities and deferred inflows of resources | <u>19,760</u> | | <u>34,780</u> | | |
| FUND BALANCES | | | | | |
| Nonspendable | | | | | |
| Deposits | | | | | 7,156 |
| Restricted for | | | | | |
| Capital improvement projects | <u>1,041,974</u> | <u>1,737,242</u> | <u>84,517</u> | <u>13,168</u> | <u>37,908</u> |
| Total fund balances | <u>1,041,974</u> | <u>1,737,242</u> | <u>84,517</u> | <u>13,168</u> | <u>45,064</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 1,061,734</u> | <u>\$ 1,737,242</u> | <u>\$ 119,297</u> | <u>\$ 13,168</u> | <u>\$ 45,064</u> |

(Continued)

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING BALANCE SHEET (CONTINUED) JUNE 30, 2016

| | Town of Minden Ad Valorem | Town of Minden Capital Equipment Construction | Total Non-major Capital Projects Funds |
|---|------------------------------|--|--|
| ASSETS | | | |
| Cash, cash equivalents and investments | \$ 116,246 | \$ 1,293,032 | \$ 17,219,262 |
| Accounts receivable, net | | | 1,720 |
| Taxes receivable | | | 40,075 |
| Interest receivable | 171 | 3,038 | 34,704 |
| Due from other governments | 1,042 | | 333,116 |
| Due from other funds | 7 | | 38,357 |
| Other assets | | | 7,156 |
| | <u>117,466</u> | <u>1,296,070</u> | <u>17,674,390</u> |
| Total assets | \$ 117,466 | \$ 1,296,070 | \$ 17,674,390 |
| LIABILITIES | | | |
| Accounts payable | | \$ 1,232 | \$ 167,694 |
| Accrued salaries, wages and benefits | | | 5,330 |
| Due to other funds | | 297 | 20,332 |
| Unearned revenue, current | | | 1,302,648 |
| Due to other governments | | | 2,164 |
| | | <u>1,529</u> | <u>1,498,168</u> |
| Total liabilities | | 1,529 | 1,498,168 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue, taxes and penalties | | | 33,736 |
| | | | <u>33,736</u> |
| Total liabilities and deferred inflows of resources | | 1,529 | 1,531,904 |
| FUND BALANCES | | | |
| Nonspendable | | | |
| Deposits | | | 7,156 |
| Restricted for | | | |
| Capital improvement projects | 117,466 | 1,294,541 | 16,135,330 |
| | <u>117,466</u> | <u>1,294,541</u> | <u>16,142,486</u> |
| Total fund balances | 117,466 | 1,294,541 | 16,142,486 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 117,466 | \$ 1,296,070 | \$ 17,674,390 |

DOUGLAS COUNTY

NON-MAJOR CAPITAL PROJECTS FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Extraordinary Maintenance</u> | <u>Ad Valorem</u> | <u>Douglas County Construction</u> | <u>Park Residential Construction Tax</u> | <u>Regional Transportation</u> |
|--|--------------------------------------|---------------------|--|--|------------------------------------|
| REVENUES | | | | | |
| Taxes | \$ | \$ 1,162,450 | \$ | \$ 650,699 | \$ 1,151,571 |
| Licenses, permits, franchise and other fees | | | 300,000 | | |
| Intergovernmental shared revenues | | | 33,072 | | 1,261,587 |
| Miscellaneous | <u>4,381</u> | <u>29,914</u> | <u>84,262</u> | <u>3,786</u> | <u>109,212</u> |
| Total revenues | <u>4,381</u> | <u>1,192,364</u> | <u>417,334</u> | <u>654,485</u> | <u>2,522,370</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | | | 593,466 | | |
| Public works | | | | | 1,100,084 |
| Culture and recreation | | | | 2,855 | |
| Total current | | | <u>593,466</u> | <u>2,855</u> | <u>1,100,084</u> |
| Capital outlay | | | | | |
| General government | | | 294,286 | | |
| Public works | | | | | 1,810,745 |
| Culture and recreation | | | | 448,608 | |
| Total capital outlay | | | <u>294,286</u> | <u>448,608</u> | <u>1,810,745</u> |
| Total expenditures | | | <u>887,752</u> | <u>451,463</u> | <u>2,910,829</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>4,381</u> | <u>1,192,364</u> | <u>(470,418)</u> | <u>203,022</u> | <u>(388,459)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | 250,000 | | 819,235 | | 1,136,729 |
| Transfers out | | <u>(1,042,500)</u> | <u>(47,050)</u> | | <u>(427,915)</u> |
| Total other financing sources (uses) | <u>250,000</u> | <u>(1,042,500)</u> | <u>772,185</u> | | <u>708,814</u> |
| CHANGE IN FUND BALANCE | 254,381 | 149,864 | 301,767 | 203,022 | 320,355 |
| FUND BALANCE, BEGINNING OF YEAR | <u>402,694</u> | <u>3,341,079</u> | <u>1,807,941</u> | <u>(10,705)</u> | <u>5,038,116</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 657,075</u> | <u>\$ 3,490,943</u> | <u>\$ 2,109,708</u> | <u>\$ 192,317</u> | <u>\$ 5,358,471</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, 2016

| | Debt Financed | Redevelopment Agency | Town of Gardnerville Ad Valorem | Town of Genoa Ad Valorem | Town of Genoa Construction Reserve |
|--|---------------------|-------------------------|---------------------------------------|-----------------------------|--|
| REVENUES | | | | | |
| Taxes | \$ | \$ | \$ 45,902 | \$ 1,630 | \$ |
| Licenses, permits, franchise and other fees | | | | | |
| Intergovernmental shared revenues | | | | | |
| Miscellaneous | <u>1,559</u> | <u>6,447</u> | <u>1,103</u> | <u>104</u> | <u>324</u> |
| Total revenues | <u>1,559</u> | <u>6,447</u> | <u>47,005</u> | <u>1,734</u> | <u>324</u> |
| EXPENDITURES | | | | | |
| Current | | | | | |
| General government | | 20,090 | | | |
| Public works | | | | | |
| Culture and recreation | | | | | |
| Total current | | <u>20,090</u> | | | |
| Capital outlay | | | | | |
| General government | 121,455 | 905,041 | 115,212 | | |
| Public works | | | | | |
| Culture and recreation | | | | | |
| Total capital outlay | <u>121,455</u> | <u>905,041</u> | <u>115,212</u> | | |
| Total expenditures | <u>121,455</u> | <u>925,131</u> | <u>115,212</u> | | |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(119,896)</u> | <u>(918,684)</u> | <u>(68,207)</u> | <u>1,734</u> | <u>324</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Transfers in | | 2,022,074 | | | |
| Transfers out | <u>(19,760)</u> | <u>(2,000,000)</u> | | | |
| Total other financing sources (uses) | <u>(19,760)</u> | <u>22,074</u> | | | |
| CHANGE IN FUND BALANCE | (139,656) | (896,610) | (68,207) | 1,734 | 324 |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,181,630</u> | <u>2,633,852</u> | <u>152,724</u> | <u>11,434</u> | <u>44,740</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 1,041,974</u> | <u>\$ 1,737,242</u> | <u>\$ 84,517</u> | <u>\$ 13,168</u> | <u>\$ 45,064</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, 2016

| | Town of Minden Ad Valorem | Town of Minden Capital Equipment Construction | Total Non-major Capital Projects Funds |
|--|------------------------------|--|--|
| REVENUES | | | |
| Taxes | \$ 44,145 | | \$ 3,056,397 |
| Licenses, permits, franchise and other fees | | | 300,000 |
| Intergovernmental shared revenues | | 43,526 | 1,338,185 |
| Miscellaneous | <u>807</u> | <u>12,281</u> | <u>254,180</u> |
| Total revenues | <u>44,952</u> | <u>55,807</u> | <u>4,948,762</u> |
| EXPENDITURES | | | |
| Current | | | |
| General government | | | 613,556 |
| Public works | | | 1,100,084 |
| Culture and recreation | | | <u>2,855</u> |
| Total current | | | <u>1,716,495</u> |
| Capital outlay | | | |
| General government | | 69,017 | 1,505,011 |
| Public works | | | 1,810,745 |
| Culture and recreation | | | <u>448,608</u> |
| Total capital outlay | | <u>69,017</u> | <u>3,764,364</u> |
| Total expenditures | | <u>69,017</u> | <u>5,480,859</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>44,952</u> | <u>(13,210)</u> | <u>(532,097)</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | | | 4,228,038 |
| Transfers out | | <u>(200,000)</u> | <u>(3,737,225)</u> |
| Total other financing sources (uses) | | <u>(200,000)</u> | <u>490,813</u> |
| CHANGE IN FUND BALANCE | 44,952 | (213,210) | (41,284) |
| FUND BALANCE, BEGINNING OF YEAR | <u>72,514</u> | <u>1,507,751</u> | <u>16,183,770</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 117,466</u> | <u>\$ 1,294,541</u> | <u>\$ 16,142,486</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|------------------------|---------------------|-------------------|-----------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ <u>700</u> | \$ <u>700</u> | \$ <u>4,381</u> | \$ <u>3,681</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>700</u> | <u>700</u> | <u>4,381</u> | <u>3,681</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in | | <u>250,000</u> | <u>250,000</u> | |
| CHANGE IN FUND BALANCE | 700 | 250,700 | 254,381 | 3,681 |
| FUND BALANCE, BEGINNING OF YEAR | <u>645,572</u> | <u>402,694</u> | <u>402,694</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 646,272</u> | <u>\$ 653,394</u> | <u>\$ 657,075</u> | <u>\$ 3,681</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--------------------------------------|------------------------|---------------------|---------------------|------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 1,161,984 | \$ 1,161,984 | \$ 1,118,513 | \$ (43,471) |
| Real property taxes, delinquent | | | 8,298 | 8,298 |
| Personal property taxes, current | | | 34,925 | 34,925 |
| Personal property taxes, delinquent | | | 714 | 714 |
| Miscellaneous | | | | |
| Investment income | <u>10,000</u> | <u>10,000</u> | <u>29,914</u> | <u>19,914</u> |
| Total revenues | <u>1,171,984</u> | <u>1,171,984</u> | <u>1,192,364</u> | <u>20,380</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>1,171,984</u> | <u>1,171,984</u> | <u>1,192,364</u> | <u>20,380</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(1,042,500)</u> | <u>(1,042,500)</u> | <u>(1,042,500)</u> | |
| CHANGE IN FUND BALANCE | 129,484 | 129,484 | 149,864 | 20,380 |
| FUND BALANCE, BEGINNING OF YEAR | <u>3,323,317</u> | <u>3,341,079</u> | <u>3,341,079</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 3,452,801</u> | <u>\$ 3,470,563</u> | <u>\$ 3,490,943</u> | <u>\$ 20,380</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| Business licenses, permits, franchise and other fees | | | | |
| Local county gaming licenses | \$ 300,000 | \$ 300,000 | \$ 300,000 | \$ |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| FEMA | | 33,017 | 33,072 | 55 |
| Miscellaneous | | | | |
| Other reimbursements and restitutions | | 68,096 | 68,817 | 721 |
| Investment income | 2,000 | 2,000 | 15,445 | 13,445 |
| Total revenues | <u>302,000</u> | <u>403,113</u> | <u>417,334</u> | <u>14,221</u> |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Services and supplies | 252,000 | 1,417,212 | 593,466 | 823,746 |
| Capital outlay | 50,000 | 568,947 | 294,286 | 274,661 |
| Total expenditures | <u>302,000</u> | <u>1,986,159</u> | <u>887,752</u> | <u>1,098,407</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | | <u>(1,583,046)</u> | <u>(470,418)</u> | <u>1,112,628</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 50,000 | 819,235 | 819,235 | |
| Transfers out | | (47,050) | (47,050) | |
| Total other financing sources (uses) | <u>50,000</u> | <u>772,185</u> | <u>772,185</u> | |
| CHANGE IN FUND BALANCE | 50,000 | (810,861) | 301,767 | 1,112,628 |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,514,589</u> | <u>1,807,941</u> | <u>1,807,941</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 1,564,589</u> | <u>\$ 997,080</u> | <u>\$ 2,109,708</u> | <u>\$ 1,112,628</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---------------------------------|-----------------|--------------|------------|------------|
| REVENUES | | | | |
| Taxes | | | | |
| Construction taxes | \$ 3,473 | \$ 654,172 | \$ 650,699 | \$ (3,473) |
| Miscellaneous | | | 3,786 | 3,786 |
| Investment income | | | | |
| Total revenues | 3,473 | 654,172 | 654,485 | 313 |
| EXPENDITURES | | | | |
| Culture and recreation | | | | |
| Park residential construction | | | | |
| Services and supplies | 2,855 | 2,855 | 2,855 | |
| Capital outlay | | 640,612 | 448,608 | 192,004 |
| Total expenditures | 2,855 | 643,467 | 451,463 | 192,004 |
| CHANGE IN FUND BALANCE | 618 | 10,705 | 203,022 | 192,317 |
| FUND BALANCE, BEGINNING OF YEAR | (618) | (10,705) | (10,705) | |
| FUND BALANCE, END OF YEAR | \$ | \$ | \$ 192,317 | \$ 192,317 |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|--|---------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 936,097 | \$ 936,097 | \$ 888,835 | \$ (47,262) |
| Real property taxes, delinquent | | | 5,037 | 5,037 |
| Personal property taxes, current | | | 38,280 | 38,280 |
| Personal property taxes, delinquent | | | 509 | 509 |
| Construction taxes | 100,000 | 177,900 | 218,910 | 41,010 |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| USDOT | 600,000 | 600,000 | | (600,000) |
| Other grants | | | 1,291 | 1,291 |
| Motor vehicle fuel taxes | 778,118 | 778,118 | 1,260,296 | 482,178 |
| Miscellaneous | | | | |
| Other donations | | | 66,667 | 66,667 |
| Investment income | 10,000 | 10,000 | 42,545 | 32,545 |
| Total revenues | 2,424,215 | 2,502,115 | 2,522,370 | 20,255 |
| EXPENDITURES | | | | |
| Public works | | | | |
| Regional transportation | | | | |
| Salaries and wages | 119,632 | 119,632 | 119,535 | 97 |
| Employee benefits | 50,511 | 50,511 | 50,001 | 510 |
| Services and supplies | 888,421 | 1,198,567 | 930,548 | 268,019 |
| Capital outlay | 4,432,860 | 4,514,520 | 1,810,745 | 2,703,775 |
| Total expenditures | 5,491,424 | 5,883,230 | 2,910,829 | 2,972,401 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | (3,067,209) | (3,381,115) | (388,459) | 2,992,656 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,136,729 | 1,136,729 | 1,136,729 | |
| Transfers out | (427,915) | (427,915) | (427,915) | |
| Total other financing sources (uses) | 708,814 | 708,814 | 708,814 | |
| CHANGE IN FUND BALANCE | (2,358,395) | (2,672,301) | 320,355 | 2,992,656 |
| FUND BALANCE, BEGINNING OF YEAR | 3,757,119 | 5,038,116 | 5,038,116 | |
| FUND BALANCE, END OF YEAR | \$ 1,398,724 | \$ 2,365,815 | \$ 5,358,471 | \$ 2,992,656 |

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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---|-----------------|--------------|--------------|--------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ _____ | \$ _____ | \$ 1,559 | \$ 1,559 |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Capital outlay | _____ | 1,161,914 | 121,455 | 1,040,459 |
| Total expenditures | _____ | 1,161,914 | 121,455 | 1,040,459 |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | _____ | (1,161,914) | (119,896) | 1,042,018 |
| OTHER FINANCING USES | | | | |
| Transfers out | _____ | _____ | (19,760) | (19,760) |
| CHANGE IN FUND BALANCE | | (1,161,914) | (139,656) | 1,022,258 |
| FUND BALANCE, BEGINNING OF YEAR | _____ | 1,181,630 | 1,181,630 | _____ |
| FUND BALANCE, END OF YEAR | \$ _____ | \$ 19,716 | \$ 1,041,974 | \$ 1,022,258 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|-------------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ 2,000 | \$ 2,000 | \$ 6,447 | \$ 4,447 |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Services and supplies | 91 | 91 | 20,090 | (19,999) |
| Capital outlay | | 911,112 | 905,041 | 6,071 |
| Total expenditures | <u>91</u> | <u>911,203</u> | <u>925,131</u> | <u>(13,928)</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>1,909</u> | <u>(909,203)</u> | <u>(918,684)</u> | <u>(9,481)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,804,876 | 2,022,074 | 2,022,074 | |
| Transfers out | | (2,000,000) | (2,000,000) | |
| Total other financing sources (uses) | <u>1,804,876</u> | <u>22,074</u> | <u>22,074</u> | |
| CHANGE IN FUND BALANCE | 1,806,785 | (887,129) | (896,610) | (9,481) |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,688,362</u> | <u>2,633,852</u> | <u>2,633,852</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 3,495,147</u> | <u>\$ 1,746,723</u> | <u>\$ 1,737,242</u> | <u>\$ (9,481)</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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---------------------------------|-----------------|--------------|-----------|-----------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 45,883 | \$ 45,883 | \$ 45,902 | \$ 19 |
| Miscellaneous | | | | |
| Investment income | | | 1,103 | 1,103 |
| Total revenues | 45,883 | 45,883 | 47,005 | 1,122 |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Capital outlay | 85,000 | 126,463 | 115,212 | 11,251 |
| Total expenditures | 85,000 | 126,463 | 115,212 | 11,251 |
| CHANGE IN FUND BALANCE | (39,117) | (80,580) | (68,207) | 12,373 |
| FUND BALANCE, BEGINNING OF YEAR | 111,261 | 152,724 | 152,724 | |
| FUND BALANCE, END OF YEAR | \$ 72,144 | \$ 72,144 | \$ 84,517 | \$ 12,373 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|------------------|-----------------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 1,630 | \$ 1,630 | \$ 1,630 | \$ |
| Miscellaneous | | | | |
| Investment income | | | 104 | 104 |
| Total revenues | <u>1,630</u> | <u>1,630</u> | <u>1,734</u> | <u>104</u> |
| CHANGE IN FUND BALANCE | 1,630 | 1,630 | 1,734 | 104 |
| FUND BALANCE, BEGINNING OF YEAR | <u>11,405</u> | <u>11,434</u> | <u>11,434</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 13,035</u> | <u>\$ 13,064</u> | <u>\$ 13,168</u> | <u>\$ 104</u> |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|-------------------------|-------------------------|-------------------------|----------------------|
| REVENUES | | | | |
| Miscellaneous | | | | |
| Investment income | \$ 100 | \$ 100 | \$ 324 | \$ 224 |
| | | | | |
| CHANGE IN FUND BALANCE | 100 | 100 | 324 | 224 |
| | | | | |
| FUND BALANCE, BEGINNING OF YEAR | <u>44,655</u> | <u>44,740</u> | <u>44,740</u> | <u> </u> |
| | | | | |
| FUND BALANCE, END OF YEAR | <u><u>\$ 44,755</u></u> | <u><u>\$ 44,840</u></u> | <u><u>\$ 45,064</u></u> | <u><u>\$ 224</u></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, 2016

| | Original Budget | Final Budget | Actual | Variance |
|---------------------------------|-----------------|--------------|------------|----------|
| REVENUES | | | | |
| Taxes | | | | |
| Real property taxes, current | \$ 43,170 | \$ 43,170 | \$ 44,145 | \$ 975 |
| Miscellaneous | | | 807 | 807 |
| Investment income | | | | |
| Total revenues | 43,170 | 43,170 | 44,952 | 1,782 |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Capital outlay | | 4,669 | | 4,669 |
| CHANGE IN FUND BALANCE | 43,170 | 38,501 | 44,952 | 6,451 |
| FUND BALANCE, BEGINNING OF YEAR | 67,845 | 72,514 | 72,514 | |
| FUND BALANCE, END OF YEAR | \$ 111,015 | \$ 111,015 | \$ 117,466 | \$ 6,451 |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|---------------------|-------------------|
| REVENUES | | | | |
| Intergovernmental shared revenues | | | | |
| Federal, state and local grants | | | | |
| Other grants | \$ 314,199 | \$ 314,199 | \$ 43,526 | \$ (270,673) |
| Miscellaneous | | | | |
| Investment income | <u>3,000</u> | <u>3,000</u> | <u>12,281</u> | <u>9,281</u> |
| Total revenues | <u>317,199</u> | <u>317,199</u> | <u>55,807</u> | <u>(261,392)</u> |
| EXPENDITURES | | | | |
| General government | | | | |
| Other | | | | |
| Services and supplies | 70,000 | 70,000 | | 70,000 |
| Capital outlay | <u>390,199</u> | <u>390,199</u> | <u>69,017</u> | <u>321,182</u> |
| Total expenditures | <u>460,199</u> | <u>460,199</u> | <u>69,017</u> | <u>391,182</u> |
| DEFICIENCY OF REVENUES UNDER EXPENDITURES | <u>(143,000)</u> | <u>(143,000)</u> | <u>(13,210)</u> | <u>129,790</u> |
| OTHER FINANCING USES | | | | |
| Transfers out | <u>(200,000)</u> | <u>(200,000)</u> | <u>(200,000)</u> | |
| CHANGE IN FUND BALANCE | (343,000) | (343,000) | (213,210) | 129,790 |
| FUND BALANCE, BEGINNING OF YEAR | <u>846,878</u> | <u>1,507,751</u> | <u>1,507,751</u> | |
| FUND BALANCE, END OF YEAR | <u>\$ 503,878</u> | <u>\$ 1,164,751</u> | <u>\$ 1,294,541</u> | <u>\$ 129,790</u> |

MAJOR ENTERPRISE FUNDS

DOUGLAS COUNTY
MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

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

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.

Lake Tahoe Water Utility

Accounts for the operations of the Zepher, Cave Rock and Skyland water systems, three separate water systems 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

REGIONAL WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|----------------------|--------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,151,537 | \$ 1,151,537 | \$ 1,024,484 | \$ (127,053) |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 26,959 | 26,959 | 30,746 | (3,787) |
| Employee benefits | 13,578 | 13,578 | 20,924 | (7,346) |
| Services and supplies | 966,558 | 1,007,857 | 903,581 | 104,276 |
| Depreciation | 465,000 | 482,000 | 481,327 | 673 |
| Total operating expenses | <u>1,472,095</u> | <u>1,530,394</u> | <u>1,436,578</u> | <u>93,816</u> |
| Operating loss | <u>(320,558)</u> | <u>(378,857)</u> | <u>(412,094)</u> | <u>(33,237)</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | 500 | 500 | 1,162 | 662 |
| Miscellaneous | <u> </u> | <u> </u> | <u>365</u> | <u>365</u> |
| Total nonoperating revenues | <u>500</u> | <u>500</u> | <u>1,527</u> | <u>1,027</u> |
| Loss before capital contributions and transfers | <u>(320,058)</u> | <u>(378,357)</u> | <u>(410,567)</u> | <u>(32,210)</u> |
| CAPITAL CONTRIBUTIONS | | | | |
| Capital contributions | 125,000 | | | |
| Water capacity fees | <u> </u> | <u>125,000</u> | <u>125,000</u> | <u> </u> |
| TRANSFERS | | | | |
| Transfers out | <u>(125,000)</u> | <u>(125,000)</u> | <u>(125,000)</u> | <u> </u> |
| CHANGE IN NET POSITION | <u>\$ (320,058)</u> | <u>\$ (378,357)</u> | (410,567) | <u>\$ (32,210)</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>16,123,836</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 15,713,269</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---|------------------------|---------------------|----------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,952,392 | \$ 1,952,392 | \$ 2,040,927 | \$ 88,535 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 309,924 | 309,924 | 319,762 | (9,838) |
| Employee benefits | 136,856 | 136,856 | 147,831 | (10,975) |
| Services and supplies | 863,323 | 873,029 | 530,746 | 342,283 |
| Depreciation | 800,000 | 800,000 | 874,531 | (74,531) |
| Total operating expenses | <u>2,110,103</u> | <u>2,119,809</u> | <u>1,872,870</u> | <u>246,939</u> |
| Operating income (loss) | <u>(157,711)</u> | <u>(167,417)</u> | <u>168,057</u> | <u>335,474</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 7,000 | 7,000 | 36,586 | 29,586 |
| Interest and fiscal charges | (128,833) | (178,833) | (132,565) | 46,268 |
| Gain (loss) on capital asset disposition | | | (187,242) | (187,242) |
| Miscellaneous | | | 2,322 | 2,322 |
| Total nonoperating revenues (expenses) | <u>(121,833)</u> | <u>(171,833)</u> | <u>(280,899)</u> | <u>(109,066)</u> |
| Loss before capital contributions and transfers | <u>(279,544)</u> | <u>(339,250)</u> | <u>(112,842)</u> | <u>226,408</u> |
| CAPITAL CONTRIBUTIONS | | | | |
| Connection charges | | | 192,015 | 192,015 |
| TRANSFERS | | | | |
| Transfers in | | 2,000,000 | 2,000,000 | |
| CHANGE IN NET POSITION | <u>\$ (279,544)</u> | <u>\$ 1,660,750</u> | 2,079,173 | <u>\$ 418,423</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>22,706,015</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 24,785,188</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|----------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 3,038,863 | \$ 3,038,863 | \$ 2,846,705 | \$ (192,158) |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 468,763 | 468,763 | 431,717 | 37,046 |
| Employee benefits | 218,263 | 218,263 | 149,263 | 69,000 |
| Services and supplies | 865,925 | 879,617 | 756,674 | 122,943 |
| Depreciation | 815,000 | 870,000 | 800,787 | 69,213 |
| Total operating expenses | <u>2,367,951</u> | <u>2,436,643</u> | <u>2,138,441</u> | <u>298,202</u> |
| Operating income (loss) | <u>670,912</u> | <u>602,220</u> | <u>708,264</u> | <u>106,044</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 10,000 | 10,000 | 39,340 | 29,340 |
| Interest and fiscal charges | (331,804) | (334,564) | (288,942) | 45,622 |
| Intergovernmental shared revenues | 42,390 | 42,390 | 130,976 | 88,586 |
| Miscellaneous | <u> </u> | <u> </u> | 99,213 | 99,213 |
| Total nonoperating revenues (expenses) | <u>(279,414)</u> | <u>(282,174)</u> | <u>(19,413)</u> | <u>262,761</u> |
| Income (loss) before capital contributions and transfers | <u>391,498</u> | <u>320,046</u> | <u>688,851</u> | <u>368,805</u> |
| CAPITAL CONTRIBUTIONS | | | | |
| Connection charges | <u> </u> | <u> </u> | 137,901 | 137,901 |
| TRANSFERS | | | | |
| Transfers in | <u>125,000</u> | <u>125,000</u> | 125,000 | <u> </u> |
| CHANGE IN NET POSITION | <u>\$ 516,498</u> | <u>\$ 445,046</u> | 951,752 | <u>\$ 506,706</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>23,633,401</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 24,585,153</u> | |

DOUGLAS COUNTY

LAKE TAHOE WATER UTILITY ENTERPRISE FUND SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|----------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,656,652 | \$ 1,656,652 | \$ 1,729,295 | \$ 72,643 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 317,372 | 317,372 | 303,471 | 13,901 |
| Employee benefits | 140,434 | 140,434 | (6,798) | 147,232 |
| Services and supplies | 570,222 | 571,542 | 402,887 | 168,655 |
| Depreciation | 700,000 | 700,000 | 673,918 | 26,082 |
| Total operating expenses | <u>1,728,028</u> | <u>1,729,348</u> | <u>1,373,478</u> | <u>355,870</u> |
| Operating income | <u>(71,376)</u> | <u>(72,696)</u> | <u>355,817</u> | <u>428,513</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 1,700 | 1,700 | 23,849 | 22,149 |
| Interest and fiscal charges | (164,307) | (164,307) | (145,421) | 18,886 |
| Lease revenues | 31,680 | 31,680 | 34,560 | 2,880 |
| Miscellaneous | <u> </u> | <u> </u> | 38,824 | 38,824 |
| Total nonoperating revenues (expenses) | <u>(130,927)</u> | <u>(130,927)</u> | <u>(48,188)</u> | <u>82,739</u> |
| Income (loss) before capital contributions and transfers | <u>(202,303)</u> | <u>(203,623)</u> | <u>307,629</u> | <u>511,252</u> |
| CAPITAL CONTRIBUTIONS | | | | |
| Connection charges | <u> </u> | <u> </u> | 141,851 | 141,851 |
| Capital grants | <u> </u> | <u> </u> | 49,511 | 49,511 |
| Total capital contributions | <u> </u> | <u> </u> | <u>191,362</u> | <u>191,362</u> |
| TRANSFERS | | | | |
| Transfers in | <u>112,500</u> | <u>112,500</u> | <u>112,500</u> | <u> </u> |
| CHANGE IN NET POSITION | <u>\$ (89,803)</u> | <u>\$ (91,123)</u> | 611,491 | <u>\$ 702,614</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>12,929,875</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 13,541,366</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ <u>1,250,622</u> | \$ <u>1,250,622</u> | \$ <u>1,044,901</u> | \$ <u>(205,721)</u> |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 231,427 | 231,427 | 194,772 | 36,655 |
| Employee benefits | 99,283 | 99,283 | 142,556 | (43,273) |
| Services and supplies | 588,389 | 618,719 | 598,607 | 20,112 |
| Depreciation | <u>200,000</u> | <u>550,000</u> | <u>423,983</u> | <u>126,017</u> |
| Total operating expenses | <u>1,119,099</u> | <u>1,499,429</u> | <u>1,359,918</u> | <u>139,511</u> |
| Operating income (loss) | <u>131,523</u> | <u>(248,807)</u> | <u>(315,017)</u> | <u>(66,210)</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | 1,000 | 1,000 | 9,229 | 8,229 |
| Miscellaneous | <u>1,000</u> | <u>1,000</u> | <u>3,478</u> | <u>3,478</u> |
| Total nonoperating revenues | <u>1,000</u> | <u>1,000</u> | <u>12,707</u> | <u>11,707</u> |
| Income (loss) before transfers | <u>132,523</u> | <u>(247,807)</u> | <u>(302,310)</u> | <u>(54,503)</u> |
| TRANSFERS | | | | |
| Transfers in | <u> </u> | <u> </u> | <u>830,146</u> | <u>830,146</u> |
| CHANGE IN NET POSITION | <u>\$ <u>132,523</u></u> | <u>\$ <u>(247,807)</u></u> | <u>527,836</u> | <u>\$ <u>775,643</u></u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>13,376,151</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ <u>13,903,987</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|----------------------|------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 893,000 | \$ 893,000 | \$ 1,002,622 | \$ 109,622 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 183,084 | 183,084 | 167,766 | 15,318 |
| Employee benefits | 94,063 | 94,063 | 24,196 | 69,867 |
| Services and supplies | 519,084 | 519,084 | 357,403 | 161,681 |
| Depreciation | <u>250,000</u> | <u>450,000</u> | <u>259,219</u> | <u>190,781</u> |
| Total operating expenses | <u>1,046,231</u> | <u>1,246,231</u> | <u>808,584</u> | <u>437,647</u> |
| Operating income (loss) | <u>(153,231)</u> | <u>(353,231)</u> | <u>194,038</u> | <u>547,269</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | 12,000 | 12,000 | 38,995 | 26,995 |
| Lease revenues | <u> </u> | <u> </u> | <u>200</u> | <u>200</u> |
| Total nonoperating revenues | <u>12,000</u> | <u>12,000</u> | <u>39,195</u> | <u>27,195</u> |
| Income (loss) before capital contributions and transfers | <u>(141,231)</u> | <u>(341,231)</u> | <u>233,233</u> | <u>574,464</u> |
| CAPITAL CONTRIBUTIONS | | | | |
| Connection charges | <u> </u> | <u> </u> | <u>306,410</u> | <u>306,410</u> |
| TRANSFERS | | | | |
| Transfers out | <u> </u> | <u> </u> | <u>(830,146)</u> | <u>(830,146)</u> |
| CHANGE IN NET POSITION | <u>\$ (141,231)</u> | <u>\$ (341,231)</u> | <u>(290,503)</u> | <u>\$ 50,728</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>12,322,580</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 12,032,077</u> | |

NON-MAJOR ENTERPRISE FUNDS

DOUGLAS COUNTY
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2016

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 the Ridgeview 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, 2016

| | Ridgeview 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 | \$ 12,245 | \$ 829,641 | \$ 789,229 | \$ 1,631,115 |
| Accounts receivable, net | | 68,451 | 96,356 | 164,807 |
| Interest receivable | 34 | 1,459 | 1,235 | 2,728 |
| Prepaid items | | 18,262 | 10,748 | 29,010 |
| Restricted assets | | | | |
| Cash, cash equivalents and investments | <u>1,667</u> | | | <u>1,667</u> |
| Total current assets | <u>13,946</u> | <u>917,813</u> | <u>897,568</u> | <u>1,829,327</u> |
| Noncurrent assets | | | | |
| Capital assets, net of accumulated depreciation and amortization | | | | |
| Land | | 202,376 | 32,615 | 234,991 |
| Construction in progress | | 5,288 | | 5,288 |
| Buildings and building improvements | | 246,833 | | 246,833 |
| Machinery, equipment and software | | <u>376,841</u> | | <u>376,841</u> |
| Total noncurrent assets | | <u>831,338</u> | <u>32,615</u> | <u>863,953</u> |
| Total assets | <u>13,946</u> | <u>1,749,151</u> | <u>930,183</u> | <u>2,693,280</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized amounts related to pensions | | <u>78,731</u> | <u>46,768</u> | <u>125,499</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | | 30,328 | 24,542 | 54,870 |
| Accrued salaries, wages and benefits | | 13,025 | 4,401 | 17,426 |
| Due to other funds | | 5,692 | 138 | 5,830 |
| Unearned revenue, current | | 8,741 | 2,091 | 10,832 |
| Interest payable | 13 | | | 13 |
| Compensated absences | | 24,115 | 7,963 | 32,078 |
| Bonds and notes payable | <u>3,120</u> | | | <u>3,120</u> |
| Total current liabilities | <u>3,133</u> | <u>81,901</u> | <u>39,135</u> | <u>124,169</u> |
| Noncurrent liabilities | | | | |
| Postemployment benefits other than pensions | | 26,945 | 15,358 | 42,303 |
| Net pension liability | | <u>492,096</u> | <u>292,313</u> | <u>784,409</u> |
| Total noncurrent liabilities | | <u>519,041</u> | <u>307,671</u> | <u>826,712</u> |
| Total liabilities | <u>3,133</u> | <u>600,942</u> | <u>346,806</u> | <u>950,881</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unamortized amounts related to pensions | | <u>64,621</u> | <u>38,386</u> | <u>103,007</u> |
| NET POSITION | | | | |
| Net investment in capital assets | | 831,338 | 32,615 | 863,953 |
| Debt service | 1,667 | | | 1,667 |
| Unrestricted | <u>9,146</u> | <u>330,981</u> | <u>559,144</u> | <u>899,271</u> |
| Total net position | <u>\$ 10,813</u> | <u>\$ 1,162,319</u> | <u>\$ 591,759</u> | <u>\$ 1,764,891</u> |

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

| | <u>Ridgeview Water Utility</u> | <u>Town of Gardnerville Health and Sanitation</u> | <u>Town of Minden Trash</u> | <u>Total Non-major Enterprise Funds</u> |
|--|------------------------------------|---|---------------------------------|---|
| OPERATING REVENUES | | | | |
| Charges for services | \$ _____ | \$ 1,072,457 | \$ 647,767 | \$ 1,720,224 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | | 338,070 | 115,818 | 453,888 |
| Employee benefits | | 148,600 | 2,053 | 150,653 |
| Services and supplies | | 479,115 | 280,609 | 759,724 |
| Depreciation | | 53,054 | 13,112 | 66,166 |
| Total operating expenses | | <u>1,018,839</u> | <u>411,592</u> | <u>1,430,431</u> |
| Operating income | | <u>53,618</u> | <u>236,175</u> | <u>289,793</u> |
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | 133 | 6,965 | 6,081 | 13,179 |
| Interest and fiscal charges | (219) | | | (219) |
| Total nonoperating revenues (expenses) | <u>(86)</u> | <u>6,965</u> | <u>6,081</u> | <u>12,960</u> |
| CHANGE IN NET POSITION | (86) | 60,583 | 242,256 | 302,753 |
| NET POSITION, BEGINNING OF YEAR | <u>10,899</u> | <u>1,101,736</u> | <u>349,503</u> | <u>1,462,138</u> |
| NET POSITION, END OF YEAR | <u>\$ 10,813</u> | <u>\$ 1,162,319</u> | <u>\$ 591,759</u> | <u>\$ 1,764,891</u> |

DOUGLAS COUNTY

NON-MAJOR ENTERPRISE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

| | Ridgeview 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 | \$ | \$ 1,067,784 | \$ 655,337 | \$ 1,723,121 |
| Cash payments for goods and services | | (493,686) | (299,633) | (793,319) |
| Cash payments for employee services and benefits | | (453,715) | (165,130) | (618,845) |
| Net cash provided by operating activities | | <u>120,383</u> | <u>190,574</u> | <u>310,957</u> |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | | (5,288) | | (5,288) |
| Principal payments on debt | (2,925) | | | (2,925) |
| Interest payments on debt | (231) | | | (231) |
| Net cash used in capital financing activities | <u>(3,156)</u> | <u>(5,288)</u> | | <u>(8,444)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment income received | <u>132</u> | <u>6,872</u> | <u>5,999</u> | <u>13,003</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (3,024) | 121,967 | 196,573 | 315,516 |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | <u>16,936</u> | <u>707,674</u> | <u>592,656</u> | <u>1,317,266</u> |
| CASH AND CASH EQUIVALENTS, END OF YEAR | <u>\$ 13,912</u> | <u>\$ 829,641</u> | <u>\$ 789,229</u> | <u>\$ 1,632,782</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | | |
| Operating income | \$ | \$ 53,618 | \$ 236,175 | \$ 289,793 |
| Adjustments to reconcile operating income to net cash provided by operating activities | | | | |
| Depreciation and amortization | | 53,054 | 13,113 | 66,167 |
| (Increase) decrease in operating assets | | | | |
| Accounts receivable | | 4,281 | 6,507 | 10,788 |
| Due from other funds | | 210 | 128 | 338 |
| Prepaid expenses | | (9,164) | 935 | (8,229) |
| Increase (decrease) in operating liabilities | | | | |
| Accounts payable and accrued expenses | | (13,974) | 3,289 | (10,685) |
| Accrued salaries and benefits | | 4,402 | 898 | 5,300 |
| Due to other funds | | | (23,760) | (23,760) |
| Unearned revenue | | 2,268 | 1,446 | 3,714 |
| Contract retentions payable | | (2,865) | | (2,865) |
| Compensated absences | | 10,155 | (1,760) | 8,395 |
| Postemployment benefits other than pensions | | 1,650 | 1,065 | 2,715 |
| Net pension liability | | 16,748 | (47,462) | (30,714) |
| Total adjustments | | <u>66,765</u> | <u>(45,601)</u> | <u>21,164</u> |
| Net cash provided by operating activities | \$ | <u>\$ 120,383</u> | <u>\$ 190,574</u> | <u>\$ 310,957</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|------------------|-----------------|
| NONOPERATING REVENUES (EXPENSES) | | | | |
| Investment income | \$ 20 | \$ 20 | \$ 133 | \$ 113 |
| Interest and fiscal charges | <u>(237)</u> | <u>(237)</u> | <u>(219)</u> | <u>18</u> |
| Total nonoperating revenues (expenses) | <u>(217)</u> | <u>(217)</u> | <u>(86)</u> | <u>131</u> |
| CHANGE IN NET POSITION | <u>\$ (217)</u> | <u>\$ (217)</u> | <u>(86)</u> | <u>\$ 131</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>10,899</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 10,813</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|---------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 924,000 | \$ 924,000 | \$ 1,072,457 | \$ 148,457 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 295,505 | 295,505 | 338,070 | (42,565) |
| Employee benefits | 134,040 | 134,040 | 148,600 | (14,560) |
| Services and supplies | 418,288 | 493,852 | 479,115 | 14,737 |
| Depreciation | 50,000 | 50,000 | 53,054 | (3,054) |
| Total operating expenses | <u>897,833</u> | <u>973,397</u> | <u>1,018,839</u> | <u>(45,442)</u> |
| Operating income (loss) | <u>26,167</u> | <u>(49,397)</u> | <u>53,618</u> | <u>103,015</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | | | 6,965 | 6,965 |
| CHANGE IN NET POSITION | <u>\$ 26,167</u> | <u>\$ (49,397)</u> | 60,583 | <u>\$ 109,980</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>1,101,736</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 1,162,319</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|-------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ <u>628,000</u> | \$ <u>628,000</u> | \$ <u>647,767</u> | \$ <u>19,767</u> |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 210,077 | 210,077 | 115,818 | 94,259 |
| Employee benefits | 107,367 | 107,367 | 2,053 | 105,314 |
| Services and supplies | 304,050 | 304,050 | 280,609 | 23,441 |
| Depreciation | <u>60,000</u> | <u>60,000</u> | <u>13,112</u> | <u>46,888</u> |
| Total operating expenses | <u>681,494</u> | <u>681,494</u> | <u>411,592</u> | <u>269,902</u> |
| Operating income (loss) | <u>(53,494)</u> | <u>(53,494)</u> | <u>236,175</u> | <u>289,669</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | | | <u>6,081</u> | <u>6,081</u> |
| CHANGE IN NET POSITION | \$ <u>(53,494)</u> | \$ <u>(53,494)</u> | <u>242,256</u> | \$ <u>295,750</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>349,503</u> | |
| NET POSITION, END OF YEAR | | | \$ <u>591,759</u> | |

INTERNAL SERVICE FUNDS

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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, 2016

| | Risk Management | Self-insurance Dental | Motor Pool | Total Internal Service Funds |
|--|---------------------|--------------------------|-------------------|---------------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash, cash equivalents and investments | \$ 3,286,382 | \$ 828,295 | \$ 277,873 | \$ 4,392,550 |
| Accounts receivable, net | | 104 | 42,311 | 42,415 |
| Taxes receivable | 9,274 | | | 9,274 |
| Interest receivable | 10,119 | 1,683 | 999 | 12,801 |
| Due from other funds | 393,827 | | | 393,827 |
| Inventories | | | 314,949 | 314,949 |
| Prepaid items | <u>641,728</u> | | | <u>641,728</u> |
| Total current assets | <u>4,341,330</u> | <u>830,082</u> | <u>636,132</u> | <u>5,807,544</u> |
| Noncurrent assets | | | | |
| Capital assets, net of accumulated depreciation and amortization | | | | |
| Construction in progress | | | 64,533 | 64,533 |
| Buildings and building improvements | | | 1,708 | 1,708 |
| Machinery, equipment and software | | | <u>546,125</u> | <u>546,125</u> |
| Total noncurrent assets | | | <u>612,366</u> | <u>612,366</u> |
| Total assets | <u>4,341,330</u> | <u>830,082</u> | <u>1,248,498</u> | <u>6,419,910</u> |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Unamortized amounts related to pensions | <u>20,178</u> | | <u>90,585</u> | <u>110,763</u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Accounts payable | 15,775 | 19,049 | 50,227 | 85,051 |
| Accrued salaries, wages and benefits | 547,749 | | 12,921 | 560,670 |
| Due to other funds | 26 | 337 | 523 | 886 |
| Claims and judgments | | 46,162 | | 46,162 |
| Compensated absences | <u>8,045</u> | | <u>33,644</u> | <u>41,689</u> |
| Total current liabilities | <u>571,595</u> | <u>65,548</u> | <u>97,315</u> | <u>734,458</u> |
| Noncurrent liabilities | | | | |
| Postemployment benefits other than pensions | 2,793 | | 23,408 | 26,201 |
| Net pension liability | <u>126,119</u> | | <u>566,180</u> | <u>692,299</u> |
| Total noncurrent liabilities | <u>128,912</u> | | <u>589,588</u> | <u>718,500</u> |
| Total liabilities | <u>700,507</u> | <u>65,548</u> | <u>686,903</u> | <u>1,452,958</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Unamortized amounts related to pensions | <u>16,563</u> | | <u>74,350</u> | <u>90,913</u> |
| NET POSITION | | | | |
| Net investment in capital assets | | | 612,366 | 612,366 |
| Restricted | | | | |
| Insurance liabilities | 3,644,438 | 764,534 | | 4,408,972 |
| Unrestricted | | | <u>(34,536)</u> | <u>(34,536)</u> |
| Total net position | <u>\$ 3,644,438</u> | <u>\$ 764,534</u> | <u>\$ 577,830</u> | <u>\$ 4,986,802</u> |

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION FOR THE YEAR ENDED JUNE 30, 2016

| | Risk Management | Self-insurance Dental | Motor Pool | Total Internal Service Funds |
|--|---------------------|--------------------------|-------------------|---------------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 3,080,118 | \$ 340,726 | \$ 1,478,431 | \$ 4,899,275 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 50,988 | | 339,000 | 389,988 |
| Employee benefits | 45,751 | | 149,419 | 195,170 |
| Services and supplies | 2,737,434 | 395,815 | 968,859 | 4,102,108 |
| Depreciation | | | 154,132 | 154,132 |
| Total operating expenses | <u>2,834,173</u> | <u>395,815</u> | <u>1,611,410</u> | <u>4,841,398</u> |
| Operating income (loss) | <u>245,945</u> | <u>(55,089)</u> | <u>(132,979)</u> | <u>57,877</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | 36,215 | 6,731 | 3,366 | 46,312 |
| Property taxes | 193,981 | | | 193,981 |
| Gain (loss) on capital asset disposition | | | 6,723 | 6,723 |
| Miscellaneous | 11,386 | | 12 | 11,398 |
| Total nonoperating revenues | <u>241,582</u> | <u>6,731</u> | <u>10,101</u> | <u>258,414</u> |
| Income (loss) before transfers | <u>487,527</u> | <u>(48,358)</u> | <u>(122,878)</u> | <u>316,291</u> |
| TRANSFERS | | | | |
| Transfers in | | | 45,000 | 45,000 |
| CHANGE IN NET POSITION | 487,527 | (48,358) | (77,878) | 361,291 |
| NET POSITION, BEGINNING OF YEAR | <u>3,156,911</u> | <u>812,892</u> | <u>655,708</u> | <u>4,625,511</u> |
| NET POSITION, END OF YEAR | <u>\$ 3,644,438</u> | <u>\$ 764,534</u> | <u>\$ 577,830</u> | <u>\$ 4,986,802</u> |

DOUGLAS COUNTY

INTERNAL SERVICE FUNDS COMBINING STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2016

| | Risk Management | Self-insurance Dental | Motor Pool | Total Internal Service Funds |
|---|--------------------|--------------------------|--------------|---------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash received from interfund services | \$ 2,151,967 | \$ 367,792 | \$ 1,401,348 | \$ 3,921,107 |
| Cash payments for interfund goods and services | (4,178,803) | (378,704) | (963,011) | (5,520,518) |
| Cash payments for interfund employee services and benefits | 474,018 | | (465,432) | 8,586 |
| Net cash used in operating activities | (1,552,818) | (10,912) | (27,095) | (1,590,825) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in | | | 45,000 | 45,000 |
| Property taxes | 188,678 | | | 188,678 |
| Net cash provided by noncapital financing activities | 188,678 | | 45,000 | 233,678 |
| CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES | | | | |
| Acquisition and construction of capital assets | | | (261,445) | (261,445) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Investment income received | 35,895 | 6,641 | 3,359 | 45,895 |
| NET DECREASE IN CASH AND CASH EQUIVALENTS | (1,328,245) | (4,271) | (240,181) | (1,572,697) |
| CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR | 4,614,627 | 832,566 | 518,054 | 5,965,247 |
| CASH AND CASH EQUIVALENTS, END OF YEAR | \$ 3,286,382 | \$ 828,295 | \$ 277,873 | \$ 4,392,550 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES | | | | |
| Operating income (loss) | \$ 245,945 | \$ (55,089) | \$ (132,979) | \$ 57,877 |
| Adjustments to reconcile operating income (loss) to net cash used in operating activities | | | | |
| Depreciation and amortization | | | 154,132 | 154,132 |
| (Increase) decrease in operating assets | | | | |
| Accounts receivable | 30,410 | 763 | 15,068 | 46,241 |
| Due from other governments | 1,145 | | | 1,145 |
| Due from other funds | (317,978) | 26,303 | | (291,675) |
| Inventories | | | (92,151) | (92,151) |
| Prepaid expenses | (641,728) | | | (641,728) |
| Increase (decrease) in operating liabilities | | | | |
| Accounts payable and accrued expenses | (1,441,395) | 16,774 | 5,325 | (1,419,296) |
| Accrued salaries and benefits | 545,418 | | 1,416 | 546,834 |
| Due to other funds | 26 | 337 | 523 | 886 |
| Compensated absences | 580 | | 24,556 | 25,136 |
| Postemployment benefits other than pensions | 218 | | 719 | 937 |
| Net pension liability | 24,541 | | (3,704) | 20,837 |
| Total adjustments | (1,798,763) | 44,177 | 105,884 | (1,648,702) |
| Net cash used in operating activities | \$ (1,552,818) | \$ (10,912) | \$ (27,095) | \$ (1,590,825) |

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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|---------------------|---------------------|-------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 2,801,209 | \$ 2,801,209 | \$ 3,080,118 | \$ 278,909 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 71,521 | 71,521 | 50,988 | 20,533 |
| Employee benefits | 29,828 | 29,828 | 45,751 | (15,923) |
| Services and supplies | <u>2,887,322</u> | <u>2,890,655</u> | <u>2,737,434</u> | <u>153,221</u> |
| Total operating expenses | <u>2,988,671</u> | <u>2,992,004</u> | <u>2,834,173</u> | <u>157,831</u> |
| Operating income (loss) | <u>(187,462)</u> | <u>(190,795)</u> | <u>245,945</u> | <u>436,740</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | 3,000 | 3,000 | 36,215 | 33,215 |
| Property taxes | 192,725 | 192,725 | 193,981 | 1,256 |
| Miscellaneous | <u>11,386</u> | <u>11,386</u> | <u>11,386</u> | <u>11,386</u> |
| Total nonoperating revenues | <u>195,725</u> | <u>195,725</u> | <u>241,582</u> | <u>45,857</u> |
| CHANGE IN NET POSITION | <u>\$ 8,263</u> | <u>\$ 4,930</u> | 487,527 | <u>\$ 482,597</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>3,156,911</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 3,644,438</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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------------|------------------------|------------------------|--------------------------|---------------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ <u>424,000</u> | \$ <u>424,000</u> | \$ <u>340,726</u> | \$ <u>(83,274)</u> |
| OPERATING EXPENSES | | | | |
| Services and supplies | <u>436,051</u> | <u>436,051</u> | <u>395,815</u> | <u>40,236</u> |
| Operating loss | <u>(12,051)</u> | <u>(12,051)</u> | <u>(55,089)</u> | <u>(43,038)</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | <u>15,000</u> | <u>15,000</u> | <u>6,731</u> | <u>(8,269)</u> |
| CHANGE IN NET POSITION | \$ <u><u>2,949</u></u> | \$ <u><u>2,949</u></u> | <u>(48,358)</u> | \$ <u><u>(51,307)</u></u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>812,892</u> | |
| NET POSITION, END OF YEAR | | | \$ <u><u>764,534</u></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, 2016

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|------------------------|---------------------|-------------------|------------------|
| OPERATING REVENUES | | | | |
| Charges for services | \$ 1,361,826 | \$ 1,421,826 | \$ 1,478,431 | \$ 56,605 |
| OPERATING EXPENSES | | | | |
| Salaries and wages | 339,319 | 339,319 | 339,000 | 319 |
| Employee benefits | 165,725 | 165,725 | 149,419 | 16,306 |
| Services and supplies | 717,666 | 997,666 | 968,859 | 28,807 |
| Depreciation | <u>166,000</u> | <u>166,000</u> | <u>154,132</u> | <u>11,868</u> |
| Total operating expenses | <u>1,388,710</u> | <u>1,668,710</u> | <u>1,611,410</u> | <u>57,300</u> |
| Operating loss | <u>(26,884)</u> | <u>(246,884)</u> | <u>(132,979)</u> | <u>113,905</u> |
| NONOPERATING REVENUES | | | | |
| Investment income | | | 3,366 | 3,366 |
| Gain (loss) on capital asset disposition | 25,000 | 25,000 | 6,723 | (18,277) |
| Miscellaneous | | | <u>12</u> | <u>12</u> |
| Total nonoperating revenues | <u>25,000</u> | <u>25,000</u> | <u>10,101</u> | <u>(14,899)</u> |
| Loss before transfers | <u>(1,884)</u> | <u>(221,884)</u> | <u>(122,878)</u> | <u>99,006</u> |
| TRANSFERS | | | | |
| Transfers in | | <u>45,000</u> | <u>45,000</u> | |
| CHANGE IN NET POSITION | <u>\$ (1,884)</u> | <u>\$ (176,884)</u> | <u>(77,878)</u> | <u>\$ 99,006</u> |
| NET POSITION, BEGINNING OF YEAR | | | <u>655,708</u> | |
| NET POSITION, END OF YEAR | | | <u>\$ 577,830</u> | |

FIDUCIARY FUNDS

DOUGLAS COUNTY

AGENCY FUNDS

FOR THE YEAR ENDED JUNE 30, 2016

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 apportioned property taxes.

Elk Point Sanitation District

Accounts for the collection and distribution of charges for services.

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.

Round Hill 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 apportioned property taxes.

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 charges for services.

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.

DOUGLAS COUNTY
AGENCY FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

Zephyr Cove General Improvement District

Accounts for the collection and distribution of apportioned property taxes.

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.

Inmate Commissary

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

Inmates Trust

Accounts for inmate commissary funds administered by the Sheriff Department.

Douglas County Mosquito Abatement District

Accounts for the inmate funds held by the Sheriff Department.

State of Nevada

Accounts for the collection and distribution of apportioned property taxes.

Department of Wildlife

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.

Range Improvements

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

Sierra Forest Fire Protection District

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

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
JUNE 30, 2016**

| | Douglas County School District | Douglas County School District Debt | Carson Water Sub- conservancy District | Cave Rock General Improvement District | Douglas County Sewer Improvement District | Elk Point Sanitation District | Gardnerville Ranchos General Improvement District | Genoa Lakes Assessment District |
|--|-----------------------------------|---|---|---|--|-------------------------------------|---|---------------------------------------|
| ASSETS | | | | | | | | |
| Cash, cash equivalents and investments | \$ 55,918 | \$ 5,386 | \$ 1,257 | \$ 353 | \$ 1,340 | | \$ 1,626 | \$ 242,984 |
| Accounts receivable, net | 9,107 | | | | | | | |
| Taxes receivable | 253,930 | 35,171 | 7,093 | 4 | | 1 | 6,878 | |
| Interest receivable | | | | | | | | 42 |
| Due from other governments | 116,686 | | | | | | | |
| Special assessments receivable | | | | | | | | 2,481 |
| Inventories | | | | | | | | |
| Total assets | <u>\$ 435,641</u> | <u>\$ 40,557</u> | <u>\$ 8,350</u> | <u>\$ 357</u> | <u>\$ 1,340</u> | <u>\$ 1</u> | <u>\$ 8,504</u> | <u>\$ 245,507</u> |
| LIABILITIES | | | | | | | | |
| Due to others | <u>\$ 435,641</u> | <u>\$ 40,557</u> | <u>\$ 8,350</u> | <u>\$ 357</u> | <u>\$ 1,340</u> | <u>\$ 1</u> | <u>\$ 8,504</u> | <u>\$ 245,507</u> |

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2016**

| | Indian Hills General Improvement District | Kingsbury General Improvement District | Lakeridge General Improvement District | Minden- Gardnerville Sanitation District | Oliver Park General Improvement District | Round Hill General Improvement District | Skyland General Improvement District | Tahoe-Douglas Sanitation District |
|--|--|---|---|---|---|--|--|---|
| ASSETS | | | | | | | | |
| Cash, cash equivalents and investments | \$ 1,022 | \$ 651 | \$ | \$ 1,828 | \$ 295 | \$ 75 | \$ | \$ (8) |
| Accounts receivable, net | | | | | | | | |
| Taxes receivable | 6,719 | 10,572 | 1 | 6,302 | 1,221 | 626 | 49 | 1,065 |
| Interest receivable | | | | | | | | |
| Due from other governments | | | | | | | | |
| Special assessments receivable | | | | | | | | |
| Inventories | | | | | | | | |
| Total assets | <u>\$ 7,741</u> | <u>\$ 11,223</u> | <u>\$ 1</u> | <u>\$ 8,130</u> | <u>\$ 1,516</u> | <u>\$ 701</u> | <u>\$ 49</u> | <u>\$ 1,057</u> |
| LIABILITIES | | | | | | | | |
| Due to others | <u>\$ 7,741</u> | <u>\$ 11,223</u> | <u>\$ 1</u> | <u>\$ 8,130</u> | <u>\$ 1,516</u> | <u>\$ 701</u> | <u>\$ 49</u> | <u>\$ 1,057</u> |

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2016**

| | Tahoe-Douglas Fire Protection District | 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 | Inmate Commissary | Inmates Trust |
|--|--|---|---|--|---|--|----------------------|-----------------|
| ASSETS | | | | | | | | |
| Cash, cash equivalents and investments | \$ 3,077 | \$ 1,147 | \$ | \$ (57) | \$ 555 | \$ 5,792 | \$ 69,504 | \$ 2,798 |
| Accounts receivable, net | | | | | | | | 229 |
| Taxes receivable | 47,825 | 6,470 | 71 | 2,108 | 89 | 32,333 | | |
| Interest receivable | | | | | | | | |
| Due from other governments | | | | | | | | |
| Special assessments receivable | | | | | | | | |
| Inventories | | | | | | | | |
| Total assets | <u>\$ 50,902</u> | <u>\$ 7,617</u> | <u>\$ 71</u> | <u>\$ 2,051</u> | <u>\$ 644</u> | <u>\$ 38,125</u> | <u>\$ 69,504</u> | <u>\$ 3,027</u> |
| LIABILITIES | | | | | | | | |
| Due to others | <u>\$ 50,902</u> | <u>\$ 7,617</u> | <u>\$ 71</u> | <u>\$ 2,051</u> | <u>\$ 644</u> | <u>\$ 38,125</u> | <u>\$ 69,504</u> | <u>\$ 3,027</u> |

(Continued)

DOUGLAS COUNTY

**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES (CONTINUED)
JUNE 30, 2016**

| | Douglas County Mosquito Abatement District | State of Nevada | Department of Wildlife | Range Improvements | Total Agency Funds |
|--|---|---------------------|---------------------------|-----------------------|-----------------------|
| ASSETS | | | | | |
| Cash, cash equivalents and investments | \$ 1,092,527 | \$ 955,660 | \$ 1,165 | \$ 165 | \$ 2,445,060 |
| Accounts receivable, net | | 27,517 | | | 36,853 |
| Taxes receivable | 6,599 | 57,435 | | | 482,562 |
| Interest receivable | 1,979 | | | | 2,021 |
| Due from other governments | 23,430 | 191 | 3,692 | | 143,999 |
| Special assessments receivable | | | | | 2,481 |
| Inventories | <u>32,557</u> | | | | <u>32,557</u> |
| Total assets | <u>\$ 1,157,092</u> | <u>\$ 1,040,803</u> | <u>\$ 4,857</u> | <u>\$ 165</u> | <u>\$ 3,145,533</u> |
| LIABILITIES | | | | | |
| Due to others | <u>\$ 1,157,092</u> | <u>\$ 1,040,803</u> | <u>\$ 4,857</u> | <u>\$ 165</u> | <u>\$ 3,145,533</u> |

DOUGLAS COUNTY

AGENCY FUNDS COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|--|---------------------------------------|----------------------|----------------------|--------------------------|
| DOUGLAS COUNTY SCHOOL DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 180,422 | \$ 19,630,839 | \$ 19,755,343 | \$ 55,918 |
| Accounts receivable, net | 98,262 | 9,107 | 98,262 | 9,107 |
| Taxes receivable | 297,859 | 2,594 | 46,523 | 253,930 |
| Interest receivable | 3 | | 3 | |
| Due from other governments | 153,176 | 197,525 | 234,015 | 116,686 |
| | <u>729,722</u> | <u>19,840,065</u> | <u>20,134,146</u> | <u>435,641</u> |
| Total assets | \$ <u>729,722</u> | \$ <u>19,840,065</u> | \$ <u>20,134,146</u> | \$ <u>435,641</u> |
| LIABILITIES | | | | |
| Due to others | \$ <u>729,722</u> | \$ <u>19,840,065</u> | \$ <u>20,134,146</u> | \$ <u>435,641</u> |
| DOUGLAS COUNTY SCHOOL DISTRICT DEBT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 16,271 | \$ 2,644,967 | \$ 2,655,852 | \$ 5,386 |
| Accounts receivable, net | 740 | 1,544 | 2,284 | |
| Taxes receivable | 38,506 | 296 | 3,631 | 35,171 |
| Due from other governments | 20,423 | 10,779 | 31,202 | |
| | <u>75,940</u> | <u>2,657,586</u> | <u>2,692,969</u> | <u>40,557</u> |
| Total assets | \$ <u>75,940</u> | \$ <u>2,657,586</u> | \$ <u>2,692,969</u> | \$ <u>40,557</u> |
| LIABILITIES | | | | |
| Due to others | \$ <u>75,940</u> | \$ <u>2,657,586</u> | \$ <u>2,692,969</u> | \$ <u>40,557</u> |
| CARSON WATER SUB-CONSERVANCY DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 3,403 | \$ 485,205 | \$ 487,351 | \$ 1,257 |
| Accounts receivable, net | 207 | | 207 | |
| Taxes receivable | 8,479 | 131 | 1,517 | 7,093 |
| Due from other governments | 4,423 | 2,285 | 6,708 | |
| | <u>16,512</u> | <u>487,621</u> | <u>495,783</u> | <u>8,350</u> |
| Total assets | \$ <u>16,512</u> | \$ <u>487,621</u> | \$ <u>495,783</u> | \$ <u>8,350</u> |
| LIABILITIES | | | | |
| Due to others | \$ <u>16,512</u> | \$ <u>487,621</u> | \$ <u>495,783</u> | \$ <u>8,350</u> |
| CAVE ROCK GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 116 | \$ 81,552 | \$ 81,315 | \$ 353 |
| Taxes receivable | | 4 | | 4 |
| Due from other governments | 242 | 116 | 358 | |
| | <u>358</u> | <u>81,672</u> | <u>81,673</u> | <u>357</u> |
| Total assets | \$ <u>358</u> | \$ <u>81,672</u> | \$ <u>81,673</u> | \$ <u>357</u> |
| LIABILITIES | | | | |
| Due to others | \$ <u>358</u> | \$ <u>81,672</u> | \$ <u>81,673</u> | \$ <u>357</u> |
| DOUGLAS COUNTY SEWER IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ <u>1,130</u> | \$ <u>2,376,571</u> | \$ <u>2,376,361</u> | \$ <u>1,340</u> |
| LIABILITIES | | | | |
| Due to others | \$ <u>1,130</u> | \$ <u>2,376,571</u> | \$ <u>2,376,361</u> | \$ <u>1,340</u> |

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|--|---------------------------------------|------------|------------|--------------------------|
| ELK POINT SANITATION DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ | \$ 3,351 | \$ 3,351 | \$ |
| Taxes receivable | | 1 | | 1 |
| Due from other governments | 540 | | 540 | |
| Total assets | \$ 540 | \$ 3,352 | \$ 3,891 | \$ 1 |
| LIABILITIES | | | | |
| Due to others | \$ 540 | \$ 3,352 | \$ 3,891 | \$ 1 |
| GARDNERVILLE RANCHOS GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 5,001 | \$ 762,006 | \$ 765,381 | \$ 1,626 |
| Accounts receivable, net | 588 | | 588 | |
| Taxes receivable | 12,001 | | 5,123 | 6,878 |
| Due from other governments | 4,682 | 2,250 | 6,932 | |
| Total assets | \$ 22,272 | \$ 764,256 | \$ 778,024 | \$ 8,504 |
| LIABILITIES | | | | |
| Due to others | \$ 22,272 | \$ 764,256 | \$ 778,024 | \$ 8,504 |
| GENOA LAKES ASSESSMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 242,672 | \$ 312 | | \$ 242,984 |
| Interest receivable | 18 | 42 | 18 | 42 |
| Special assessments receivable | 2,481 | | | 2,481 |
| Total assets | \$ 245,171 | \$ 354 | \$ 18 | \$ 245,507 |
| LIABILITIES | | | | |
| Due to others | \$ 245,171 | \$ 354 | \$ 18 | \$ 245,507 |
| INDIAN HILLS GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 3,000 | \$ 787,671 | \$ 789,649 | \$ 1,022 |
| Accounts receivable, net | 716 | | 716 | |
| Taxes receivable | 10,028 | | 3,309 | 6,719 |
| Due from other governments | 4,371 | 2,554 | 6,925 | |
| Total assets | \$ 18,115 | \$ 790,225 | \$ 800,599 | \$ 7,741 |
| LIABILITIES | | | | |
| Due to others | \$ 18,115 | \$ 790,225 | \$ 800,599 | \$ 7,741 |

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|---|---------------------------------------|-------------------|-------------------|--------------------------|
| KINGSBURY GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 6,004 | \$ 769,944 | \$ 775,297 | \$ 651 |
| Accounts receivable, net | 146 | | 146 | |
| Taxes receivable | 8,652 | 1,920 | | 10,572 |
| Due from other governments | <u>1,859</u> | <u>1,063</u> | <u>2,922</u> | |
| Total assets | <u>\$ 16,661</u> | <u>\$ 772,927</u> | <u>\$ 778,365</u> | <u>\$ 11,223</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 16,661</u> | <u>\$ 772,927</u> | <u>\$ 778,365</u> | <u>\$ 11,223</u> |
| LAKERIDGE GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 321 | \$ 28,678 | \$ 28,999 | \$ |
| Taxes receivable | | 1 | | 1 |
| Due from other governments | <u>606</u> | | <u>606</u> | |
| Total assets | <u>\$ 927</u> | <u>\$ 28,679</u> | <u>\$ 29,605</u> | <u>\$ 1</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 927</u> | <u>\$ 28,679</u> | <u>\$ 29,605</u> | <u>\$ 1</u> |
| LOGAN CREEK GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 84 | \$ 87,128 | \$ 87,212 | \$ |
| Due from other governments | <u>351</u> | <u>84</u> | <u>435</u> | |
| Total assets | <u>\$ 435</u> | <u>\$ 87,212</u> | <u>\$ 87,647</u> | <u>\$</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 435</u> | <u>\$ 87,212</u> | <u>\$ 87,647</u> | <u>\$</u> |
| MINDEN-GARDNERVILLE SANITATION DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 1,145 | \$ 380,997 | \$ 380,314 | \$ 1,828 |
| Accounts receivable, net | 277 | | 277 | |
| Taxes receivable | 9,622 | 68 | 3,388 | 6,302 |
| Due from other governments | <u>1,505</u> | <u>814</u> | <u>2,319</u> | |
| Total assets | <u>\$ 12,549</u> | <u>\$ 381,879</u> | <u>\$ 386,298</u> | <u>\$ 8,130</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 12,549</u> | <u>\$ 381,879</u> | <u>\$ 386,298</u> | <u>\$ 8,130</u> |

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|--|---------------------------------------|-------------------|-------------------|--------------------------|
| OLIVER PARK GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 105 | \$ 44,859 | \$ 44,669 | \$ 295 |
| Accounts receivable, net | 10 | | 10 | |
| Taxes receivable | 1,804 | 91 | 674 | 1,221 |
| Due from other governments | <u>204</u> | | <u>204</u> | |
| Total assets | <u>\$ 2,123</u> | <u>\$ 44,950</u> | <u>\$ 45,557</u> | <u>\$ 1,516</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 2,123</u> | <u>\$ 44,950</u> | <u>\$ 45,557</u> | <u>\$ 1,516</u> |
| ROUND HILL GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 1 | \$ 40,053 | \$ 39,979 | \$ 75 |
| Taxes receivable | | <u>626</u> | | <u>626</u> |
| Total assets | <u>\$ 1</u> | <u>\$ 40,679</u> | <u>\$ 39,979</u> | <u>\$ 701</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 1</u> | <u>\$ 40,679</u> | <u>\$ 39,979</u> | <u>\$ 701</u> |
| SIERRA ESTATES GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | <u>\$</u> | <u>\$ 28,743</u> | <u>\$ 28,743</u> | <u>\$</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$</u> | <u>\$ 28,743</u> | <u>\$ 28,743</u> | <u>\$</u> |
| SKYLAND GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 47 | \$ 51,623 | \$ 51,670 | \$ |
| Taxes receivable | 120 | | 71 | 49 |
| Due from other governments | <u>1,733</u> | <u>47</u> | <u>1,780</u> | |
| Total assets | <u>\$ 1,900</u> | <u>\$ 51,670</u> | <u>\$ 53,521</u> | <u>\$ 49</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 1,900</u> | <u>\$ 51,670</u> | <u>\$ 53,521</u> | <u>\$ 49</u> |
| TAHOE-DOUGLAS SANITATION DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 389 | \$ 166,405 | \$ 166,802 | \$ (8) |
| Taxes receivable | 787 | 278 | | 1,065 |
| Due from other governments | <u>908</u> | <u>241</u> | <u>1,149</u> | |
| Total assets | <u>\$ 2,084</u> | <u>\$ 166,924</u> | <u>\$ 167,951</u> | <u>\$ 1,057</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 2,084</u> | <u>\$ 166,924</u> | <u>\$ 167,951</u> | <u>\$ 1,057</u> |

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|---|---------------------------------------|---------------------|---------------------|--------------------------|
| TAHOE-DOUGLAS FIRE PROTECTION DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 22,637 | \$ 5,603,757 | \$ 5,623,317 | \$ 3,077 |
| Accounts receivable, net | 284 | | 284 | |
| Taxes receivable | 42,143 | 5,991 | 309 | 47,825 |
| Due from other governments | <u>17,496</u> | <u>11,743</u> | <u>29,239</u> | |
| Total assets | <u>\$ 82,560</u> | <u>\$ 5,621,491</u> | <u>\$ 5,653,149</u> | <u>\$ 50,902</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 82,560</u> | <u>\$ 5,621,491</u> | <u>\$ 5,653,149</u> | <u>\$ 50,902</u> |
| TOPAZ RANCH ESTATES GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 4,768 | \$ 167,034 | \$ 170,655 | \$ 1,147 |
| Accounts receivable, net | 202 | | 202 | |
| Taxes receivable | 8,772 | | 2,302 | 6,470 |
| Due from other governments | <u>3,630</u> | | <u>3,630</u> | |
| Total assets | <u>\$ 17,372</u> | <u>\$ 167,034</u> | <u>\$ 176,789</u> | <u>\$ 7,617</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 17,372</u> | <u>\$ 167,034</u> | <u>\$ 176,789</u> | <u>\$ 7,617</u> |
| ZEPHYR COVE GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 20 | \$ 16,633 | \$ 16,653 | \$ |
| Taxes receivable | 45 | 26 | | 71 |
| Due from other governments | <u>69</u> | | <u>69</u> | |
| Total assets | <u>\$ 134</u> | <u>\$ 16,659</u> | <u>\$ 16,722</u> | <u>\$ 71</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 134</u> | <u>\$ 16,659</u> | <u>\$ 16,722</u> | <u>\$ 71</u> |
| ZEPHYR HEIGHTS GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 138 | \$ 86,500 | \$ 86,695 | \$ (57) |
| Taxes receivable | 910 | 1,220 | 22 | 2,108 |
| Due from other governments | <u>267</u> | | <u>267</u> | |
| Total assets | <u>\$ 1,315</u> | <u>\$ 87,720</u> | <u>\$ 86,984</u> | <u>\$ 2,051</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 1,315</u> | <u>\$ 87,720</u> | <u>\$ 86,984</u> | <u>\$ 2,051</u> |

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|---|---------------------------------------|---------------------|---------------------|--------------------------|
| ZEPHYR KNOLLS GENERAL IMPROVEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 76 | \$ 39,814 | \$ 39,335 | \$ 555 |
| Taxes receivable | 234 | | 145 | 89 |
| Due from other governments | <u>138</u> | <u>76</u> | <u>214</u> | <u></u> |
| Total assets | <u>\$ 448</u> | <u>\$ 39,890</u> | <u>\$ 39,694</u> | <u>\$ 644</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 448</u> | <u>\$ 39,890</u> | <u>\$ 39,694</u> | <u>\$ 644</u> |
| EAST FORK SWIMMING POOL DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 11,321 | \$ 1,914,881 | \$ 1,920,410 | \$ 5,792 |
| Accounts receivable, net | 904 | | 904 | |
| Taxes receivable | 45,107 | | 12,774 | 32,333 |
| Due from other governments | <u>13,479</u> | <u>6,930</u> | <u>20,409</u> | <u></u> |
| Total assets | <u>\$ 70,811</u> | <u>\$ 1,921,811</u> | <u>\$ 1,954,497</u> | <u>\$ 38,125</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 70,811</u> | <u>\$ 1,921,811</u> | <u>\$ 1,954,497</u> | <u>\$ 38,125</u> |
| INMATE COMMISSARY | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | <u>\$ 66,500</u> | <u>\$ 39,368</u> | <u>\$ 36,364</u> | <u>\$ 69,504</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 66,500</u> | <u>\$ 39,368</u> | <u>\$ 36,364</u> | <u>\$ 69,504</u> |
| INMATES TRUST | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 3,816 | | \$ 1,018 | \$ 2,798 |
| Accounts receivable, net | <u>229</u> | | | <u>229</u> |
| Total assets | <u>\$ 4,045</u> | <u>\$</u> | <u>\$ 1,018</u> | <u>\$ 3,027</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 4,045</u> | <u>\$</u> | <u>\$ 1,018</u> | <u>\$ 3,027</u> |
| DOUGLAS COUNTY MOSQUITO ABATEMENT DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 963,266 | \$ 635,876 | \$ 506,615 | \$ 1,092,527 |
| Accounts receivable, net | 228 | | 228 | |
| Taxes receivable | 7,915 | 149 | 1,465 | 6,599 |
| Interest receivable | 1,860 | 708 | 589 | 1,979 |
| Due from other governments | 23,530 | 23,430 | 23,530 | 23,430 |
| Inventories | 32,557 | | | 32,557 |
| Prepaid items | <u>10,530</u> | | <u>10,530</u> | <u></u> |
| Total assets | <u>\$ 1,039,886</u> | <u>\$ 660,163</u> | <u>\$ 542,957</u> | <u>\$ 1,157,092</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 1,039,886</u> | <u>\$ 660,163</u> | <u>\$ 542,957</u> | <u>\$ 1,157,092</u> |

(Continued)

DOUGLAS COUNTY

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| | Balance July 1, 2015 (Restated) | Additions | Deductions | Balance June 30, 2016 |
|---|---------------------------------------|-------------------------------|-------------------------------|-------------------------------|
| STATE OF NEVADA | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 874,013 | \$ 7,844,230 | \$ 7,762,583 | \$ 955,660 |
| Accounts receivable, net | 29,545 | 74,618 | 76,646 | 27,517 |
| Taxes receivable | 67,505 | 584 | 10,654 | 57,435 |
| Due from other governments | <u>25,467</u> | <u>907</u> | <u>26,183</u> | <u>191</u> |
| Total assets | <u>\$ 996,530</u> | <u>\$ 7,920,339</u> | <u>\$ 7,876,066</u> | <u>\$ 1,040,803</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 996,530</u> | <u>\$ 7,920,339</u> | <u>\$ 7,876,066</u> | <u>\$ 1,040,803</u> |
| DEPARTMENT OF WILDLIFE | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 2,553 | \$ 840 | \$ 2,228 | \$ 1,165 |
| Due from other governments | <u> </u> | <u>3,692</u> | <u> </u> | <u>3,692</u> |
| Total assets | <u>\$ 2,553</u> | <u>\$ 4,532</u> | <u>\$ 2,228</u> | <u>\$ 4,857</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 2,553</u> | <u>\$ 4,532</u> | <u>\$ 2,228</u> | <u>\$ 4,857</u> |
| RANGE IMPROVEMENTS | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | <u>\$ </u> | <u>\$ 165</u> | <u>\$ </u> | <u>\$ 165</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ </u> | <u>\$ 165</u> | <u>\$ </u> | <u>\$ 165</u> |
| SIERRA FOREST FIRE PROTECTION DISTRICT | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | <u>\$ 1,648</u> | <u>\$ </u> | <u>\$ 1,648</u> | <u>\$ </u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 1,648</u> | <u>\$ </u> | <u>\$ 1,648</u> | <u>\$ </u> |
| TOTAL AGENCY FUNDS | | | | |
| ASSETS | | | | |
| Cash, cash equivalents and investments | \$ 2,410,867 | \$ 44,720,002 | \$ 44,685,809 | \$ 2,445,060 |
| Accounts receivable, net | 132,338 | 85,269 | 180,754 | 36,853 |
| Taxes receivable | 560,489 | 13,980 | 91,907 | 482,562 |
| Interest receivable | 1,881 | 750 | 610 | 2,021 |
| Due from other governments | 279,099 | 264,536 | 399,636 | 143,999 |
| Special assessments receivable | 2,481 | | | 2,481 |
| Inventories | 32,557 | | | 32,557 |
| Prepaid items | <u>10,530</u> | <u> </u> | <u>10,530</u> | <u> </u> |
| Total assets | <u>\$ 3,430,242</u> | <u>\$ 45,084,537</u> | <u>\$ 45,369,246</u> | <u>\$ 3,145,533</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 3,430,242</u> | <u>\$ 45,084,537</u> | <u>\$ 45,369,246</u> | <u>\$ 3,145,533</u> |

**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, 2016, 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 8, 2016.

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 described in the accompanying schedule of findings and questioned costs, 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 2016 - 001 and 2016 - 002, 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 2016 - 003 through 2016 - 012 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 the County in a separate letter dated December 8, 2016.

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.



Las Vegas, Nevada
December 8, 2016

STATISTICAL SECTION

DOUGLAS COUNTY

STATISTICAL INFORMATION

FOR THE YEAR ENDED JUNE 30, 2016

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, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|----------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 143,029,306 | \$ 138,411,778 | \$ 130,339,290 | \$ 124,719,545 | \$ 118,950,227 | \$ 114,307,598 | \$ 97,260,853 | \$ 103,681,416 | \$ 103,545,887 | \$ 104,928,853 |
| Restricted | 34,914,006 | 34,763,858 | 35,871,856 | 34,737,365 | 28,137,701 | 31,497,861 | 41,549,199 | 38,473,264 | 41,170,332 | 40,481,940 |
| Unrestricted | 8,006,378 | 7,236,624 | 7,921,772 | 5,126,619 | 9,410,929 | 6,020,274 | 10,379,283 | 7,044,229 | (63,536,635) | (61,152,671) |
| Total governmental activities | <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> | <u>81,179,584</u> | <u>84,258,122</u> |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | 41,075,923 | 46,737,483 | 51,023,769 | 53,113,523 | 60,009,289 | 68,716,591 | 77,024,668 | 82,994,996 | 87,721,290 | 87,557,422 |
| Restricted | 20,225,206 | 16,731,785 | 6,621 | 83,689 | 9,175,026 | 5,815,718 | 6,720,290 | 716,905 | 684,789 | 686,457 |
| Unrestricted | (60,802) | | 12,328,987 | 11,113,077 | 10,715,465 | 10,628,958 | 10,215,473 | 15,144,474 | 14,096,082 | 18,031,435 |
| Total business-type activities | <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> | <u>102,502,161</u> | <u>106,275,314</u> |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | 184,105,229 | 185,149,261 | 181,363,059 | 177,833,068 | 178,959,516 | 183,024,189 | 174,285,521 | 186,676,412 | 191,267,177 | 192,486,275 |
| Restricted | 55,139,212 | 51,495,643 | 35,878,477 | 34,821,054 | 37,312,727 | 37,313,579 | 48,269,489 | 39,190,169 | 41,855,121 | 41,168,397 |
| Unrestricted | 7,945,576 | 7,236,624 | 20,250,759 | 16,239,696 | 20,126,394 | 16,649,232 | 20,594,756 | 22,188,703 | (49,440,553) | (43,121,236) |
| Total primary government | <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> | <u>\$ 183,681,745</u> | <u>\$ 190,533,436</u> |

DOUGLAS COUNTY

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 15,630,639 | \$ 13,750,103 | \$ 14,933,431 | \$ 20,332,452 | \$ 13,462,632 | \$ 14,143,289 | \$ 12,759,577 | \$ 13,920,640 | \$ 12,956,802 | \$ 13,389,921 |
| Judicial | 10,946,586 | 12,261,155 | 12,913,402 | 12,591,688 | 12,514,301 | 12,226,899 | 12,226,063 | 13,425,448 | 13,915,522 | 14,168,982 |
| Public safety | 26,707,218 | 27,478,421 | 28,665,303 | 34,885,866 | 28,972,348 | 29,076,749 | 28,378,343 | 29,498,459 | 29,112,782 | 29,650,696 |
| Public works | 8,052,443 | 14,864,805 | 15,006,057 | 6,087,636 | 15,049,600 | 14,917,989 | 16,452,157 | 13,034,974 | 7,294,588 | 8,153,262 |
| Community development | 1,623,120 | 1,725,197 | 1,543,640 | 1,656,154 | 1,649,980 | 1,596,554 | 1,557,705 | 3,605,357 | 4,186,295 | 4,365,400 |
| Culture and recreation | 12,760,436 | 12,027,767 | 10,658,583 | 9,736,713 | 11,255,130 | 12,078,470 | 11,742,073 | 11,803,428 | 14,539,072 | 15,421,278 |
| Health and sanitation | 480,220 | 578,163 | 744,968 | 687,494 | 759,172 | 851,264 | 906,878 | 953,423 | 496,018 | 585,814 |
| Welfare | 2,782,986 | 2,650,909 | 2,483,429 | 2,785,155 | 2,716,557 | 2,743,465 | 2,369,403 | 2,267,169 | 2,425,146 | 2,669,742 |
| Interest on long-term debt | 3,104,351 | 1,062,971 | 988,093 | 550,951 | 535,861 | 441,282 | 567,522 | 600,564 | 616,123 | 463,933 |
| Total governmental activities | <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> | <u>85,542,348</u> | <u>88,869,028</u> |
| Business-type activities | | | | | | | | | | |
| Water | 3,921,224 | 4,297,600 | 4,914,857 | 5,410,559 | 5,620,789 | 5,856,011 | 6,616,855 | 6,959,476 | 7,613,179 | 7,791,526 |
| Sewer | 1,928,635 | 2,038,757 | 1,725,307 | 2,123,329 | 1,947,813 | 1,853,004 | 1,972,400 | 1,937,546 | 1,779,765 | 1,951,823 |
| Trash | 1,461,558 | 1,557,103 | 1,522,602 | 1,438,802 | 1,242,470 | 1,255,222 | 1,375,266 | 1,462,808 | 1,486,407 | 1,430,122 |
| Total business-type activities | <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> | <u>10,879,351</u> | <u>11,173,471</u> |
| Total primary government expenses | <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> | <u>\$ 96,421,699</u> | <u>\$ 100,042,499</u> |
| Program revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | \$ 15,119,952 | \$ 14,704,543 | \$ 14,467,242 | \$ 12,838,861 | \$ 11,211,501 | \$ 12,164,170 | \$ 11,675,481 | \$ 12,035,744 | \$ 13,941,613 | \$ 14,842,089 |
| Operating grants and contributions | 5,768,343 | 5,606,286 | 6,011,301 | 6,819,142 | 5,885,782 | 5,846,475 | 6,386,270 | 6,819,224 | 6,853,920 | 7,087,302 |
| Capital grants and contributions | 3,332,282 | 2,695,821 | 1,467,357 | 1,070,919 | 2,139,500 | 4,861,835 | 4,277,630 | 2,135,366 | 395,150 | 2,302,348 |
| Total governmental activities | <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> | <u>21,190,683</u> | <u>24,231,739</u> |
| Business-type activities | | | | | | | | | | |
| Charges for services | 10,555,805 | 6,264,516 | 6,298,078 | 7,324,692 | 7,971,480 | 9,018,394 | 9,712,890 | 10,506,035 | 11,214,386 | 11,540,124 |
| Operating grants and contributions | 48,927 | 63,470 | 175,906 | 175,906 | 175,906 | 175,906 | 175,906 | 175,906 | 175,906 | 175,906 |
| Capital grants and contributions | 775,041 | 3,082,213 | 1,379,084 | 1,286,485 | 5,701,941 | 5,474,311 | 8,903,653 | 4,920,192 | 6,143,818 | 952,688 |
| Total business-type activities | <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> | <u>17,358,204</u> | <u>12,492,812</u> |
| Total primary government program revenues | <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> | <u>\$ 38,548,887</u> | <u>\$ 36,724,551</u> |
| Net (expenses) program revenues | | | | | | | | | | |
| Governmental activities | \$ (57,867,422) | \$ (63,392,841) | \$ (65,991,006) | \$ (68,585,187) | \$ (67,678,798) | \$ (65,203,481) | \$ (64,620,340) | \$ (68,119,128) | \$ (64,351,665) | \$ (64,637,289) |
| Business-type activities | 4,068,356 | 1,516,739 | (485,604) | (185,607) | 4,862,349 | 5,528,468 | 8,652,022 | 5,066,397 | 6,478,853 | 1,319,341 |
| Primary government | <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> | <u>\$ (57,872,812)</u> | <u>\$ (63,317,948)</u> |

(Continued)

DOUGLAS COUNTY

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

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|---|----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General revenues and other changes in net position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes | \$ 25,168,814 | \$ 27,612,573 | \$ 31,231,745 | \$ 32,173,807 | \$ 35,072,843 | \$ 34,769,957 | \$ 35,708,589 | \$ 35,969,749 | \$ 37,221,860 | \$ 37,898,647 |
| Intergovernmental consolidated taxes | 15,200,055 | 15,332,393 | 15,012,808 | 14,091,197 | 12,587,763 | 13,101,548 | 13,807,613 | 12,824,547 | 13,303,618 | 13,605,461 |
| Intergovernmental franchise and public service taxes | 12,462,305 | 12,367,268 | 11,547,741 | 11,272,514 | 11,303,740 | 11,402,128 | 12,196,317 | 13,922,258 | 14,873,641 | 18,049,946 |
| Investment income | 3,131,629 | 2,219,410 | 1,275,728 | 933,558 | 469,488 | 381,394 | (79,959) | 296,778 | 312,694 | 536,416 |
| Gain on disposal of capital assets | | | | | 44,400 | 25,231 | 31,100 | 262,461 | 45,235 | |
| Miscellaneous | 2,418,566 | 241,998 | 581,317 | 201,690 | 517,316 | 283,224 | 362,782 | 269,635 | 740,117 | 35,552 |
| Transfers | (415,000) | 81,769 | 62,325 | 363,032 | (401,424) | 566,875 | (42,500) | 91,336 | (100,000) | (2,112,500) |
| Total governmental activities | <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>63,636,764</u> | <u>66,397,165</u> | <u>68,013,522</u> |
| Business-type activities | | | | | | | | | | |
| Investment income | 1,023,562 | 665,859 | 346,413 | 935,834 | 189,116 | 128,513 | (15,250) | 64,467 | 88,283 | 162,340 |
| Gain on disposal of capital assets | | | | | | 2,720 | 475 | (9,227) | 238,983 | |
| Gain on disposal of water rights | | | | | 10,066,948 | 35,475 | 6,450 | | | |
| Miscellaneous | 10,413 | 128,112 | 91,625 | 563,717 | 69,654 | 133,186 | 112,967 | 107,249 | 110,505 | 178,972 |
| Transfers | 415,000 | (81,769) | (62,325) | (363,032) | 401,424 | (566,875) | 42,500 | 91,336 | 100,000 | 2,112,500 |
| Total business-type activities | <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> | <u>537,771</u> | <u>2,453,812</u> |
| Total primary government general revenues and other changes in net position | <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>\$ 63,890,589</u> | <u>\$ 66,934,936</u> | <u>\$ 70,467,334</u> |
| Change in net position | | | | | | | | | | |
| Governmental activities | \$ 98,947 | \$ (5,537,430) | \$ (6,279,342) | \$ (9,549,389) | \$ (8,084,672) | \$ (4,673,124) | \$ (2,636,398) | \$ (4,482,364) | \$ 2,045,500 | \$ 3,376,233 |
| Business-type activities | 5,517,331 | 2,228,941 | (109,891) | 950,912 | 15,589,491 | 5,261,487 | 8,799,164 | 5,320,222 | 7,016,624 | 3,773,153 |
| Primary government | <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>\$ 837,858</u> | <u>\$ 9,062,124</u> | <u>\$ 7,149,386</u> |

DOUGLAS COUNTY

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

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 ¹ | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|-------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General fund | | | | | | | | | | |
| Reserved | \$ 3,029,683 | \$ 2,905,766 | \$ 2,850,000 | \$ 550,000 | \$ | \$ | \$ | \$ | \$ | \$ |
| Unreserved | 6,185,819 | 7,236,624 | 5,071,772 | 6,813,720 | | | | | | |
| Nonspendable | | | | | 200,695 | 218,660 | 343,265 | 274,825 | 207,410 | 430,324 |
| Restricted | | | | | | | | 1,218,189 | 2,532,913 | 991,494 |
| Committed | | | | | 1,400,000 | 600,000 | 1,294,633 | 700,000 | | |
| Assigned | | | | | 356,353 | 359,129 | 358,767 | 372,803 | 741,428 | 365,055 |
| Unassigned | | | | | 5,048,153 | 6,222,138 | 6,472,622 | 8,032,077 | 8,644,481 | 9,504,350 |
| Total general fund | <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> | <u>\$ 12,126,232</u> | <u>\$ 11,291,223</u> |
| Other governmental funds | | | | | | | | | | |
| Reserved | \$ 6,505,085 | \$ 3,947,151 | \$ 3,254,800 | \$ 1,750,000 | \$ | \$ | \$ | \$ | \$ | \$ |
| Unreserved | 32,961,695 | 31,951,398 | 27,594,979 | 29,503,642 | | | | | | |
| Nonspendable | | | | | 1,785,489 | 1,925,518 | 142,515 | 471,571 | 491,191 | 225,732 |
| Restricted | | | | | 27,467,556 | 29,947,380 | 39,036,750 | 32,644,628 | 34,667,616 | 35,082,474 |
| Committed | | | | | 998,280 | | | 596,344 | 657,280 | 1,185,012 |
| Assigned | | | | | 3,178,409 | 3,564,728 | 7,499,570 | 4,333,245 | 2,084,837 | 2,479,188 |
| Unassigned | | | | | (2,702,143) | (2,717,138) | (974,750) | | | (12,348) |
| Total other governmental funds | <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>\$ 38,045,788</u> | <u>\$ 37,900,924</u> | <u>\$ 38,960,058</u> |

1. Fund balance classifications changed as a result of adopting GASB Statement No. 54.

DOUGLAS COUNTY

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

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|--|---------------------|-----------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|---------------------|--------------------|
| REVENUES | | | | | | | | | | |
| Taxes | \$ 32,634,563 | \$ 34,481,033 | \$ 37,076,514 | \$ 38,062,804 | \$ 37,447,577 | \$ 38,789,371 | \$ 40,245,485 | \$ 40,828,495 | \$ 42,077,709 | \$ 44,860,047 |
| Licenses, permits, franchise and other fees | 3,651,443 | 3,928,904 | 3,989,598 | 4,195,489 | 5,635,224 | 5,840,692 | 6,398,025 | 6,772,576 | 7,509,105 | 7,651,751 |
| Intergovernmental shared revenues | 28,680,030 | 26,883,113 | 26,037,653 | 25,267,945 | 24,543,016 | 25,866,294 | 25,985,608 | 25,096,589 | 24,858,501 | 27,930,886 |
| Charges for services | 10,535,626 | 10,591,598 | 9,863,571 | 7,627,342 | 7,562,033 | 12,689,359 | 12,855,547 | 8,767,368 | 9,748,495 | 10,378,842 |
| Fines and forfeitures | 1,163,752 | 1,135,975 | 1,375,971 | 1,380,188 | 1,154,998 | 1,263,195 | 1,280,851 | 954,553 | 1,305,047 | 1,381,775 |
| Miscellaneous | 5,909,243 | 4,772,318 | 3,787,151 | 3,476,691 | 3,682,081 | 3,154,921 | 3,103,066 | 2,826,380 | 3,977,509 | 4,484,657 |
| Total revenues | 82,574,657 | 81,792,941 | 82,130,458 | 80,010,459 | 80,024,929 | 87,603,832 | 89,868,582 | 85,245,961 | 89,476,366 | 96,687,958 |
| EXPENDITURES | | | | | | | | | | |
| Current | | | | | | | | | | |
| General government | 13,291,165 | 15,728,435 | 12,287,666 | 16,496,432 | 11,133,656 | 10,927,419 | 11,632,355 | 11,388,627 | 11,736,808 | 12,272,881 |
| Judicial | 10,946,583 | 12,183,104 | 12,746,268 | 12,775,254 | 12,375,369 | 12,203,225 | 12,395,999 | 13,130,475 | 13,794,787 | 14,323,765 |
| Public safety | 25,612,612 | 29,209,561 | 27,417,784 | 27,170,907 | 28,542,200 | 32,491,517 | 32,969,504 | 28,846,546 | 29,058,272 | 30,473,247 |
| Public works | 8,052,444 | 7,223,201 | 5,756,364 | 5,136,797 | 6,930,431 | 6,901,817 | 7,545,142 | 4,777,687 | 5,040,254 | 5,294,947 |
| Community development | 1,623,121 | 1,697,970 | 1,562,077 | 1,656,154 | 1,521,888 | 1,456,138 | 1,568,298 | 3,543,405 | 4,122,507 | 4,419,829 |
| Culture and recreation | 12,760,434 | 12,213,033 | 9,467,045 | 9,100,537 | 10,010,385 | 10,883,499 | 12,951,128 | 10,808,355 | 11,294,221 | 13,103,680 |
| Health and sanitation | 480,221 | 498,213 | 670,930 | 687,493 | 676,597 | 789,334 | 830,716 | 878,651 | 967,484 | 972,487 |
| Welfare | 2,782,984 | 2,654,917 | 2,534,479 | 2,766,844 | 3,049,754 | 3,189,580 | 2,843,146 | 2,375,557 | 2,567,844 | 2,875,513 |
| Total current | 75,549,564 | 81,408,434 | 72,442,613 | 75,790,418 | 74,240,280 | 78,842,529 | 82,736,288 | 75,749,303 | 78,582,177 | 83,736,349 |
| Capital outlay | 3,832,452 | | 7,365,089 | 3,113,518 | 5,092,843 | 4,091,928 | 5,125,081 | 16,805,506 | 7,503,169 | 8,166,219 |
| Debt service | | | | | | | | | | |
| Principal payments | 2,000,445 | 2,173,400 | 2,005,661 | 2,074,867 | 2,124,187 | 2,028,222 | 4,022,234 | 2,080,942 | 2,918,524 | 1,689,288 |
| Interest expense | 1,091,074 | 1,053,160 | 975,383 | 847,271 | 646,184 | 546,522 | 540,593 | 640,402 | 561,859 | 475,961 |
| Debt issuance costs | | | | | | | 347,863 | | 74,019 | |
| Fiscal charges | 12,833 | 9,811 | 12,710 | 8,899 | 30,682 | 9,132 | 5,788 | 2,800 | 1,300 | 900 |
| Total debt service | 3,104,352 | 3,236,371 | 2,993,754 | 2,931,037 | 2,801,053 | 2,583,876 | 4,916,478 | 2,724,144 | 3,555,702 | 2,166,149 |
| Total expenditures | 82,486,368 | 84,644,805 | 82,801,456 | 81,834,973 | 82,134,176 | 85,518,333 | 92,777,847 | 95,278,953 | 89,641,048 | 94,068,717 |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | 88,289 | (2,851,864) | (670,998) | (1,824,514) | (2,109,247) | 2,085,499 | (2,909,265) | (10,032,992) | (164,682) | 2,619,241 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Proceeds from capital asset disposal | 59,563 | 78,227 | 1,238,029 | 17,051 | 50,521 | 44,388 | 22,916 | 262,461 | 41,530 | 28,829 |
| Issuance of debt | | | | 1,115,000 | | | 16,559,000 | | 1,395,000 | |
| Proceeds from tax sales | | 45,761 | 112,192 | | | | 62,175 | | | |
| Transfers in | 7,929,276 | 6,625,351 | 9,162,882 | 16,001,907 | 16,156,183 | 9,838,917 | 10,443,313 | 12,700,382 | 15,777,949 | 9,586,182 |
| Transfers out | (8,594,266) | (6,538,818) | (10,461,493) | (15,463,633) | (14,982,027) | (9,581,181) | (10,125,182) | 12,795,384 | (15,877,949) | (11,743,682) |
| Total other financing sources (uses) | (605,427) | 210,521 | 51,610 | 1,670,325 | 1,224,677 | 302,124 | 16,962,222 | 25,758,227 | 1,336,530 | (2,128,671) |
| CHANGE IN FUND BALANCE | \$ (517,138) | \$ (2,641,343) | \$ (619,388) | \$ (154,189) | \$ (884,570) | \$ 2,387,623 | \$ 14,052,957 | \$ 15,725,235 | \$ 1,171,848 | \$ 490,570 |
| Debt service as a percentage of noncapital expenditures | <u>3.93 %</u> | <u>3.81 %</u> | <u>3.95 %</u> | <u>3.71 %</u> | <u>3.60 %</u> | <u>3.16 %</u> | <u>5.21 %</u> | <u>3.47 %</u> | <u>4.24 %</u> | <u>2.52 %</u> |

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 |
|--------------------------------|----------------|-------------------------|------------------------|------------------------|-------------------------|----------------|---------------------------------|-----------------|---------------------------|---|
| 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 % |
| 2015 | 121,972,775 | 2,126,479,166 | 131,840,709 | 189,315,812 | 34,487,384 | 129,350,505 | 2,733,446,351 | 1.1680 | 7,809,846,717 | 35.00 % |
| 2016 | 92,358,338 | 2,259,819,065 | 105,742,640 | 176,975,581 | 38,144,639 | 140,925,604 | 2,813,965,867 | 1.1680 | 8,039,902,477 | 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 |
| 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 |
| 2015 | 0.8690 | 0.2990 | 1.1680 | 0.1700 | 0.8500 | 0.6677 | 0.6677 | 0.5548 |
| 2016 | 0.8716 | 0.2964 | 1.1680 | 0.1700 | 0.8500 | 0.6677 | 0.6677 | 0.5856 |

| 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 | | |
| 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 | |
| 2015 | 0.3282 | 0.1592 | 5.5726 | 0.9495 | 9.9197 | 11.0877 | |
| 2016 | 0.3282 | 0.1592 | 5.1805 | 0.9495 | 9.5584 | 10.7264 | |

1. Source - Douglas County Assessor's Office

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

| Taxpayer | 2016 | | | 2007 | | |
|---------------------------------|-------------------------------------|------|---|-------------------------------------|------|---|
| | 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 | \$ 70,788,476 | 1 | 2.52 % | \$ | | % |
| Edgewood Companies | 43,932,797 | 2 | 1.56 % | | | % |
| Harich Tahoe Development | 18,198,942 | 3 | 0.65 % | 26,986,464 | 3 | 0.86 % |
| Bently Nevada LLC (GE) | 13,272,833 | 4 | 0.47 % | | | % |
| Starbucks | 12,603,957 | 5 | 0.45 % | 9,207,248 | 9 | 0.29 % |
| Bently Family Ltd Partnership | 12,597,530 | 6 | 0.45 % | | | % |
| Wal-Mart Real Estate Bus. Trust | 10,816,542 | 7 | 0.38 % | | | % |
| Carson Valley Center LLC/ AIG | 9,945,472 | 8 | 0.35 % | 12,580,916 | 5 | 0.40 % |
| Tranquil Investments | 9,424,849 | 9 | 0.33 % | | | % |
| Sierra Sunset LLC | 8,888,781 | 10 | 0.32 % | 10,208,207 | 8 | 0.33 % |
| Harrah's and Harvey's | | | | 90,212,169 | 1 | 2.88 % |
| NV Energy/Sierra Pacific Power | | | | 17,896,681 | 4 | 0.57 % |
| Syncon Homes | | | | 12,003,631 | 6 | 0.38 % |
| Frontier Communications/Verizon | | | | 11,018,955 | 7 | 0.35 % |
| Park Cattle Compnay | | | | 51,588,016 | 2 | 1.65 % |
| Horowitz, Joel & Ann | | | | 9,095,357 | 10 | 0.29 % |
| | <u>\$ 210,470,179</u> | | <u>7.48 %</u> | <u>\$ 250,797,644</u> | | <u>8.00 %</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.

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> |
|------------------------------------|-----------------|---|--|--|-------------------------------------|--|
| 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 % | 1,056,345 | 67,480,286 | 99.5261 % |
| 2011 | 67,842,609 | 66,492,160 | 98.0094 % | 1,267,647 | 67,759,807 | 99.8779 % |
| 2012 | 67,849,984 | 66,994,035 | 98.7385 % | 843,384 | 67,837,419 | 99.9815 % |
| 2013 | 68,107,802 | 67,414,716 | 98.9824 % | 482,004 | 67,896,720 | 99.6901 % |
| 2014 | 67,656,118 | 67,038,862 | 99.0877 % | 530,415 | 67,569,277 | 99.8716 % |
| 2015 | 70,290,700 | 69,398,098 | 98.7301 % | 690,933 | 70,089,031 | 99.7131 % |
| 2016 | 71,095,242 | 70,592,469 | 99.2928 % | | 70,592,469 | 99.2928 % |

1. Source - Douglas County Treasurer-Clerk and 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 | | Percentage of Douglas County Personal Income ² | Douglas County Per Capita ² |
|-----------------------------|--------------------------|--------------------------|----------------|---------------|----------------------------------|-------|----------------------------------|--------------------------|---|--|
| | General Obligation Bonds | Special Assessment Bonds | Capital Leases | General | | | Obligation/Pledged Revenue Bonds | Total Primary Government | | |
| | | | | Revenue Bonds | Obligation/Pledged Revenue Bonds | Other | | | | |
| 2007 | \$ 8,915,000 | \$ 271,954 | \$ | \$ 2,295,000 | \$ 5,938,000 | \$ | \$ 18,605,771 | \$ 36,025,725 | 1.37 % | \$ 688 |
| 2008 | 7,945,000 | 165,834 | | 2,055,000 | 5,504,000 | | 17,803,542 | 33,473,376 | 1.32 % | 642 |
| 2009 | 6,935,000 | 118,399 | | 1,805,000 | 4,986,000 | | 16,933,304 | 30,777,703 | 1.33 % | 599 |
| 2010 | 5,890,000 | 71,079 | | 1,550,000 | 4,446,000 | | 16,699,218 | 28,656,297 | 1.23 % | 610 |
| 2011 | 4,805,000 | | | 1,380,000 | 3,914,000 | | 20,354,011 | 30,453,011 | 1.26 % | 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 | 1.58 % | 844 |
| 2014 | 9,995,855 | | | 830,000 | 9,264,217 | | 18,448,247 | 38,538,319 | 1.42 % | 794 |
| 2015 | 8,508,000 | | 272,331 | 1,710,000 | 8,073,108 | | 16,872,058 | 35,435,497 | % ³ | 735 |
| 2016 | 7,490,000 | | 230,043 | 1,442,000 | 7,659,000 | | 14,748,400 | 31,569,443 | % 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 ² | Percentage of Estimated Actual Property Value ³ | Douglas County Per Capita ⁴ | Amounts Available to Repay General Bonded Debt | Net General Bonded Debt |
|-----------------------------|-----------------------------|--|---|--|---|--|----------------------------|
| 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 % | 823 | 1,124,544 | 38,765,242 |
| 2014 | 9,995,855 | 27,712,464 | 37,708,319 | 0.51 % | 777 | 1,166,791 | 36,541,528 |
| 2015 | 8,508,000 | 24,945,166 | 33,453,166 | 0.43 % | 694 | 1,548,057 | 31,905,109 |
| 2016 | 7,490,000 | 22,407,400 | 29,897,400 | 0.37 % | 5 ⁵ | 1,341,421 | 28,555,979 |

1. Details regarding the County's outstanding debt can be found in the notes to the basic financial statements.
2. No resources have been restricted for the payment of debt principal; therefore, net and total general bonded debt are the same.
3. See the "Assessed and Estimated Actual Value of Taxable Property" table for estimated actual property value data.
4. See the "Demographic and Economic Statistics" table for the County's population data.
5. Information was not available at the time of printing.

DOUGLAS COUNTY

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

JUNE 30, 2016

IN THOUSANDS

(UNAUDITED)

| | General Obligation Debt | Percent Applicable | Applicable General Obligation Debt |
|------------------------------------|----------------------------|--------------------|---------------------------------------|
| Douglas County | \$ 29,302,400 | 100.00 % | \$ <u>29,302,400</u> |
| Overlapping governments | | | |
| Indian Hills GID | 2,629,974 | 3.76 % | 98,887 |
| Kingsbury GID | 23,311,671 | 8.44 % | 1,967,505 |
| Round Hill GID | 1,112,878 | 4.07 % | 45,294 |
| Sierra Estates GID | 159,142 | 0.15 % | 239 |
| Topaz Ranch Estates GID | 443,094 | 0.73 % | 3,235 |
| Douglas County School District | 43,377,000 | 100.00 % | 43,377,000 |
| East Fork Fire Protection District | 595,000 | 57.77 % | 343,732 |
| Total overlapping governments | <u>71,628,759</u> | | <u>45,835,892</u> |
| Total direct and overlapping debt | <u>100,931,159</u> | | <u>\$ 75,138,292</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, 2016.

DOUGLAS COUNTY

LEGAL DEBT MARGIN INFORMATION LAST TEN FISCAL YEARS (UNAUDITED)

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|---|---------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Total taxable assessed property value | 1 <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> | <u>\$ 2,733,446,351</u> | <u>\$ 2,813,965,867</u> |
| Legal debt Margin | | | | | | | | | | |
| Legal debt limit (10% of taxable assessed property value) | \$ 313,570,930 | \$ 347,053,823 | \$ 359,359,638 | \$ 346,394,832 | \$ 306,249,485 | \$ 283,766,788 | \$ 268,190,150 | \$ 259,143,839 | \$ 273,344,635 | \$ 281,396,587 |
| Debt applicable to debt limit Net general bonded debt | 2 <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>36,541,528</u> | <u>31,905,109</u> | <u>28,555,979</u> |
| Legal debt margin | <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>\$ 222,602,311</u> | <u>\$ 241,439,526</u> | <u>\$ 252,840,608</u> |
| Total debt applicable to debt limit as a percentage of debt limit | <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>14.10 %</u> | <u>11.67 %</u> | <u>10.15 %</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 Revenue ² | Debt Service | | Coverage |
|-----------------------------|---------------------------------------|--------------|-----------|----------|
| | | Principal | Interest | |
| 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 % |
| 2015 | 1,739,363 | 195,000 | 27,650 | 7.81 % |
| 2016 | 2,220,936 | 205,000 | 20,348 | 9.86 % |

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 vehicle fuel sold in the County and the State.

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

| For the Year Ended June 30, | Population | | Personal Income | | Per Capita Personal Income | | Labor Force | | Unemployment Rate | |
|-----------------------------|------------|--------------|------------------|--------------|----------------------------|--------------|-------------|--------------|-------------------|--------------|
| | | ¹ | | ² | | | | ³ | | ³ |
| 2007 | 52,386 | | \$ 2,623,464,000 | | \$ 50,079 | | \$ 22,190 | | 5.0 % | |
| 2008 | 52,131 | | 2,538,135,000 | | 48,688 | | 22,406 | | 7.8 % | |
| 2009 | 51,390 | | 2,312,208,000 | | 44,993 | | 22,666 | | 12.0 % | |
| 2010 | 46,997 | | 2,334,086,000 | | 49,665 | | 22,672 | | 14.6 % | |
| 2011 | 47,661 | | 2,412,207,000 | | 50,612 | | 22,533 | | 14.0 % | |
| 2012 | 48,015 | | 2,544,673,000 | | 52,997 | | 21,634 | | 12.0 % | |
| 2013 | 48,478 | | 2,586,748,000 | | 53,359 | | 21,247 | | 10.6 % | |
| 2014 | 48,553 | | 2,714,921,000 | | 55,917 | | 21,200 | | 8.5 % | |
| 2015 | 48,223 | | | | | | 22,406 | | 7.0 % | |
| 2016 | | ⁴ | | ⁴ | | ⁴ | 22,962 | | 6.3 % | |

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 | 2016 | | | 2007 | | |
|--------------------------------|------------------------|------|---|------------------------|------|---|
| | Employees ¹ | Rank | Percentage of Total Douglas County Employment | Employees ¹ | Rank | Percentage of Total Douglas County Employment |
| Harrah's | 1,000 - 1,499 | 1 | 5.53 % | 1,800 - 1,899 | 1 | 8.19 % |
| Douglas County School District | 1,000 - 1,499 | 2 | 5.53 % | 900 - 999 | 4 | 4.20 % |
| Montblue Resort/Caesar's Tahoe | 500 - 599 | 3 | 2.43 % | 1,400 - 1,499 | 3 | 6.42 % |
| Bentley, NV | 500 - 599 | 4 | 2.43 % | 600 - 699 | 6 | 2.88 % |
| Douglas County | 500 - 599 | 5 | 2.43 % | 500 - 599 | 8 | 2.43 % |
| Harvey's | 500 - 599 | 6 | 2.43 % | 1,500 - 1,599 | 2 | 6.86 % |
| Hard Rock Hotel & Casino | 400 - 499 | 7 | 1.99 % | | | % |
| Carson Valley Inn | 300 - 399 | 8 | 1.11 % | 500 - 599 | 7 | 2.43 % |
| Lakeside Inn & Casino | 200 - 299 | 9 | 1.11 % | 300 - 399 | 9 | 1.55 % |
| Heavenly Valley LTD | 200 - 299 | 10 | 1.11 % | 200 - 299 | 10 | 1.11 % |
| Horizon Casino Resort | | | | 700 - 799 | 5 | 3.32 % |

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, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental activities | | | | | | | | | | |
| General government | 73 | 74 | 69 | 66 | 65 | 66 | 69 | 68 | 79 | 80 |
| Judicial | 116 | 115 | 116 | 113 | 109 | 104 | 109 | 113 | 123 | 129 |
| Public safety | 147 | 146 | 149 | 139 | 143 | 145 | 141 | 138 | 143 | 143 |
| Public works | 61 | 61 | 55 | 45 | 42 | 39 | 38 | 39 | 36 | 39 |
| Community development | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 21 | 24 |
| Culture and recreation | 98 | 100 | 94 | 80 | 75 | 68 | 68 | 70 | 62 | 67 |
| Health and sanitation | 4 | 4 | 4 | 5 | 4 | 4 | 5 | 5 | 6 | 6 |
| Welfare | 9 | 7 | 7 | 7 | 7 | 7 | 8 | 8 | 9 | 9 |
| Total governmental activities | <u>510</u> | <u>509</u> | <u>496</u> | <u>457</u> | <u>447</u> | <u>435</u> | <u>440</u> | <u>443</u> | <u>479</u> | <u>497</u> |
| Business-type activities | | | | | | | | | | |
| Water | 9 | 8 | 10 | 12 | 13 | 13 | 13 | 13 | 15 | 15 |
| Sewer | 4 | 5 | 6 | 4 | 4 | 4 | 5 | 5 | 5 | 5 |
| Total business-type activities | <u>13</u> | <u>13</u> | <u>16</u> | <u>16</u> | <u>17</u> | <u>17</u> | <u>18</u> | <u>18</u> | <u>20</u> | <u>20</u> |
| Total full-time equivalent employees | <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> | <u><u>499</u></u> | <u><u>517</u></u> |

1. Source - Douglas County Finance Department

DOUGLAS COUNTY

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

| Function/program | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Assessor | | | | | | | | | | |
| Real Estate Trends - Tahoe Township | | | | | | | | | | |
| Number of Sales | 85 | 77 | 86 | 92 | 94 | 121 | 142 | 136 | 104 | 3 |
| Median Sales Price | \$ 1,000,000 | \$ 600,000 | \$ 500,000 | \$ 555,000 | \$ 553,000 | \$ 474,900 | \$ 632,500 | \$ 635,750 | \$ 650,000 | \$ 3 |
| Average Sales Price | \$ 1,763,815 | \$ 1,033,974 | \$ 838,105 | \$ 913,510 | \$ 1,120,720 | \$ 744,327 | \$ 1,058,530 | \$ 1,123,556 | \$ 923,774 | \$ 3 |
| Average Residential Square Foot | 2,987 | 2,388 | 2,399 | 2,789 | 2,724 | 2,532 | 2,627 | 2,476 | 2,455 | 3 |
| Real Estate Trends - East Fork Township | | | | | | | | | | |
| Number of Sales | 606 | 492 | 578 | 595 | 697 | 806 | 805 | 778 | 881 | 3 |
| Median Sales Price | \$ 369,900 | \$ 290,000 | \$ 240,000 | \$ 216,770 | \$ 189,900 | \$ 195,000 | \$ 254,125 | \$ 270,000 | \$ 302,000 | \$ 3 |
| Average Sales Price | \$ 437,519 | \$ 355,507 | \$ 302,185 | \$ 261,821 | \$ 233,695 | \$ 239,647 | \$ 291,407 | \$ 305,718 | \$ 332,951 | \$ 3 |
| Average Residential Square Foot | 1,988 | 1,946 | 2,006 | 1,940 | 1,928 | 1,970 | 1,901 | 1,943 | 1,953 | 3 |
| Real Estate Trends - Combined Douglas County | | | | | | | | | | |
| Number of Sales | 690 | 569 | 664 | 687 | 791 | 927 | 947 | 914 | 985 | 3 |
| Median Sales Price | \$ 398,000 | \$ 325,000 | \$ 260,000 | \$ 240,000 | \$ 200,000 | \$ 217,000 | \$ 272,900 | \$ 293,750 | \$ 320,000 | \$ 3 |
| Average Sales Price | \$ 600,904 | \$ 447,321 | \$ 371,576 | \$ 349,092 | \$ 339,106 | \$ 305,522 | \$ 401,480 | \$ 427,825 | \$ 395,332 | \$ 3 |
| Average Residential Square Foot | 2,112 | 2,006 | 2,056 | 2,054 | 2,022 | 2,044 | 2,034 | 2,023 | 2,004 | 3 |
| Sales of Houses in Same Year as Built | | | | | | | | | | |
| Number of Sales | 61 | 20 | 17 | 5 | 3 | 28 | 60 | 63 | 78 | 3 |
| Median Sales Price | \$ 460,083 | \$ 767,000 | \$ 389,500 | \$ 425,000 | \$ 512,757 | \$ 306,950 | \$ 299,500 | \$ 364,000 | \$ 380,166 | \$ 3 |
| Average Sales Price | \$ 493,567 | \$ 1,001,356 | \$ 371,576 | \$ 462,725 | \$ 527,586 | \$ 396,664 | \$ 389,546 | \$ 387,889 | \$ 426,251 | \$ 3 |
| Average Residential Square Foot | 2,194 | 3,088 | 2,337 | 2,943 | 2,926 | 2,558 | 2,329 | 2,308 | 2,301 | 3 |
| Number of Deeds Filed Listed as | | | | | | | | | | |
| Trustee's | 66 | 233 | 250 | 276 | 224 | 92 | 31 | 64 | 71 | 3 |
| Single Family Dwelling Permits Issued | 169 | 163 | 38 | 39 | 36 | 38 | 72 | 70 | 71 | 3 |
| Machinery, Equipment, and Fixtures | | | | | | | | | | |
| Unsecured | \$ 58,896,436 | \$ 48,156,194 | \$ 60,567,351 | \$ 56,488,516 | \$ 53,531,340 | \$ 50,635,867 | \$ 48,688,411 | \$ 51,925,113 | \$ 52,391,821 | \$ 59,739,538 |
| Secured | \$ 15,501,975 | \$ 14,615,794 | \$ 14,088,063 | \$ 12,895,854 | \$ 11,535,319 | \$ 9,252,531 | \$ 8,922,291 | \$ 8,411,099 | \$ 8,194,263 | \$ 8,870,393 |
| Recorder | | | | | | | | | | |
| Marriages | 2,523 | 2,126 | 1,839 | 1,385 | 1,270 | 1,171 | 1,125 | 906 | 1,002 | 959 |
| Recorded Documents | 25,630 | 21,865 | 20,277 | 19,954 | 19,496 | 19,156 | 21,444 | 19,047 | 20,103 | 18,074 |
| Recording Fees | \$ 479,523 | \$ 403,397 | \$ 367,166 | \$ 451,602 | \$ 565,376 | \$ 424,804 | \$ 467,433 | \$ 383,306 | \$ 341,435 | \$ 350,366 |
| Transfers | 7,244 | 6,765 | 5,734 | 6,100 | 5,512 | 6,497 | 6,268 | 6,524 | 6,268 | 5,801 |
| Exempt Transfers | 2,766 | 2,490 | 2,272 | 2,096 | 2,120 | 2,106 | 2,325 | 1,921 | 2,068 | 1,934 |
| Real Property Transfer Tax | \$ 3,064,227 | \$ 2,401,438 | \$ 1,695,929 | \$ 1,714,878 | \$ 1,780,600 | \$ 1,574,651 | \$ 2,237,118 | \$ 2,508,009 | \$ 2,507,452 | \$ 2,650,770 |
| Water Rights Deeds | 37 | 62 | 108 | 33 | 28 | 40 | 40 | 43 | 36 | 38 |
| Notices of Default | 638 | 662 | 1,030 | 932 | 938 | 797 | 312 | 183 | 194 | 172 |
| Records Management | | | | | | | | | | |
| Number of files delivered | 1,342 | 1,631 | 1,476 | 1,178 | 863 | 733 | 834 | 754 | 872 | 819 |
| Number of boxes received | 359 | 333 | 234 | 254 | 283 | 178 | 474 | 189 | 159 | 295 |
| Number of boxes destroyed | 222 | 217 | 583 | 349 | 930 | 642 | 1,019 | 1,165 | 1,326 | 883 |
| Number of boxes scanned | 18 | 27 | 33 | 141 | 157 | 114 | 180 | 230 | | |
| Number of images scanned | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Number of film rolls processed | 259 | 266 | 187 | 207 | 186 | 437 | 467 | 175 | 191,087 | 115,234 |
| Number of sealing's processed | | | 177 | 572 | 678 | 243 | 203 | 129 | 183 | 123 |

(Continued)

DOUGLAS COUNTY

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

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| China Spring Youth Camp | | | | | | | | | | |
| Number of Residents | 159 | 187 | 175 | 153 | 146 | 149 | 138 | 131 | 193 | 169 |
| Successful Releases | 121 | 156 | 128 | 123 | 123 | 121 | 1,007 | 109 | 106 | 128 |
| Medical Releases | 5 | 3 | 5 | 7 | 7 | 4 | 4 | 4 | 3 | 30 |
| Failure of Program | 33 | 28 | 42 | 23 | 16 | 24 | 27 | 18 | 28 | 1 |
| Committing Offense Type | | | | | | | | | | |
| Drugs and Alcohol | 68 | 87 | 66 | 65 | 76 | 80 | 77 | 79 | 54 | 41 |
| Crime Against Property | 57 | 62 | 56 | 48 | 33 | 34 | 38 | 25 | 38 | 51 |
| Crime Against Person | 23 | 24 | 33 | 27 | 34 | 30 | 21 | 21 | 32 | 77 |
| Other | 11 | 14 | 20 | 13 | 10 | 5 | 2 | 6 | 18 | |
| Sheriff | 2 | | | | | | | | | |
| Calls for service | | 35,561 | 37,574 | 40,374 | 42,557 | 42,155 | 36,164 | 35,753 | 36,825 | 3 |
| Number of Arrests | | 2,428 | 2,462 | 2,426 | 2,462 | 2,663 | 2,495 | 3,007 | 2,090 | 3 |
| Number of Permits | | 3,282 | 3,251 | 2,752 | 2,808 | 3,128 | 3,443 | 3,512 | 3,444 | 3 |
| Coroner | | 249 | 268 | 240 | 264 | 239 | 299 | 295 | 305 | 3 |
| Number of Citations | | 4,469 | 5,588 | 5,036 | 5,944 | 5,966 | 5,717 | 5,577 | 5,879 | 3 |
| Number of Releases from Jail | | 2,778 | 2,888 | 2,602 | 2,482 | 2,711 | 2,557 | 2,583 | 2,586 | 3 |
| Average Daily Jail Population | | 77 | 84 | 81 | 60 | 63 | 63 | 76 | 62 | 3 |
| Number of Investigator Assigned Cases | | 745 | 753 | 635 | 722 | 577 | 550 | 638 | 733 | 3 |
| Judicial, Court Appointed Special Advocates | | | | | | | | | | |
| Number of Cases as of January 1st | 29 | 27 | 35 | 33 | 46 | 44 | 34 | 39 | 32 | 52 |
| Number of Children as of January 1st | 57 | 44 | 46 | 49 | 72 | 75 | 65 | 66 | 54 | 89 |
| New Cases | 22 | 36 | 40 | 50 | 57 | 55 | 51 | 33 | 25 | 22 |
| New Children | 32 | 45 | 61 | 78 | 98 | 97 | 61 | 56 | 44 | 36 |
| Closed Cases | 51 | 26 | 39 | 34 | 67 | 64 | 46 | 44 | 29 | 30 |
| Closed Children | 27 | 40 | 58 | 50 | 92 | 105 | 88 | 75 | 49 | 53 |
| Library | | | | | | | | | | |
| Circulation of Materials | 174,265 | 190,264 | 195,064 | 190,519 | 188,363 | 176,204 | 177,514 | 181,406 | 171,022 | 179,129 |
| Library Patrons | 22,122 | 24,665 | 26,623 | 31,913 | 33,915 | 35,556 | 37,112 | 38,286 | 35,216 | 32,652 |
| Library Visits | 153,816 | 154,794 | 142,962 | 143,555 | 147,207 | 147,571 | 148,834 | 153,699 | 120,193 | 117,677 |
| Program Attendance | 14,226 | 12,834 | 10,759 | 9,427 | 11,068 | 8,542 | 8,171 | 8,634 | 7,495 | 8,671 |
| Summer Reading Participants | 803 | 976 | 1,180 | 772 | 1,096 | 933 | 1,039 | 947 | 829 | 922 |
| Public Safety, 911 | 2 | | | | | | | | | |
| Calls For Service | 61,595 | 63,556 | 63,171 | 66,266 | 70,435 | 73,602 | 75,768 | 76,218 | 75,512 | 3 |
| Total Case Numbers Issued | | | | | | | | | | |
| Douglas County Sheriff Office | | 36,627 | 38,657 | 41,008 | 43,134 | 42,899 | 36,673 | 37,188 | 37,589 | 3 |
| Washoe Tribe Police Department | | 2,889 | 2,766 | 1,895 | 1,940 | 1,761 | 2,100 | 2,161 | 2,033 | 3 |
| East Fork Fire Protection District | | 4,897 | 4,903 | 4,767 | 5,209 | 5,510 | 5,452 | 6,266 | 6,033 | 3 |
| Tahoe-Douglas Fire District | | 1,907 | 1,748 | 1,677 | 1,813 | 1,769 | 1,982 | 2,050 | 2,069 | 3 |

(Continued)

DOUGLAS COUNTY

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

| | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Community Development and Support | | | | | | | | | | |
| Single Family Dwelling Permits | 145 | 48 | 43 | 35 | 35 | 49 | 107 | 151 | 137 | ³ |
| Single Family Dwelling Valuation | \$ 50,814,964 | \$ 22,377,950 | \$ 17,204,657 | \$ 16,207,102 | \$ 11,106,794 | \$ 16,042,805 | \$ 38,094,761 | \$ 56,185,007 | \$ 54,779,818 | \$ ³ |
| New Commercial Building Permits | 16 | 19 | 8 | 8 | 8 | 10 | 7 | 6 | 16 | ³ |
| New Commercial Building Valuation | \$ 7,732,733 | \$ 17,453,391 | \$ 2,904,777 | \$ 3,434,208 | \$ 2,142,620 | \$ 6,564,732 | \$ 1,858,308 | \$ 1,589,077 | \$ 26,335,779 | \$ ³ |
| Multi-Family Residential Permits | 5 | 3 | | 2 | | | 2 | | | ³ |
| Multi-Family Residential Valuation | \$ 19,445,650 | \$ 967,363 | \$ | \$ 3,401,936 | \$ | \$ | \$ 3,765,620 | \$ | \$ | \$ ³ |
| Manufactured Homes Permits | 2 | 1 | 3 | 1 | 1 | | 1 | 2 | 2 | ³ |
| Health and Sanitation, Landfill Tonnages | | | | | | | | | | |
| Douglas Disposal | 2,971 | 3,222 | 2,619 | 1,539 | 306 | 156 | 186 | 405 | 536 | 478 |
| Bently Agrowdynamics | 223 | 241 | 317 | 338 | 311 | 350 | 373 | 365 | 408 | 355 |
| Carson City | 1,851 | 1,681 | 1,721 | 2,626 | 3,825 | 3,677 | 3,608 | 3,405 | 3,456 | 3,676 |
| 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 | 4 | 4 | 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 | 4 | 4 |
| Number of households seeking assistance from Social Services for the first time. | 391 | 473 | 426 | 462 | 455 | 434 | 4 | 4 | 4 | 4 |
| Animal Care | | | | | | | | | | |
| Calls for Service | 1,429 | 1,682 | 1,409 | 1,780 | 1,771 | 1,763 | 1,422 | 1,430 | 1,462 | 1,507 |
| Cases Submitted to the District Attorney for Prosecution | 74 | 34 | 60 | 65 | 58 | 56 | 40 | 57 | 67 | 52 |
| Bite Reports | 137 | 101 | 120 | 155 | 111 | 110 | 106 | 110 | 115 | 147 |
| Adoptions | ⁵ | ⁵ | ⁵ | ⁵ | ⁵ | ⁵ | 315 | 328 | 320 | 312 |
| Impounds | ⁵ | ⁵ | ⁵ | ⁵ | ⁵ | ⁵ | 676 | 711 | 677 | 522 |

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.
5. Information was not tracked in these years.

DOUGLAS COUNTY

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

| Function/program | June 30, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Government | | | | | | | | | | |
| Information technology | | | | | | | | | | |
| Business applications | 68 | 68 | 69 | 69 | 69 | 71 | 71 | 76 | 76 | 59 |
| Networked buildings | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 | 21 |
| Networked computers | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 375 | 400 | 412 |
| Microwave linear mileage | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 | 63 |
| GIS mapped (square miles) | 786 | 1,860 | 1,860 | 1,860 | 4,308 | 4,308 | 4,308 | 4,308 | 4,308 | 4,308 |
| Equipment services | | | | | | | | | | |
| Ambulance/emergency vehicles | 6 | 6 | 7 | 8 | 8 | 8 | 8 | 9 | 10 | 10 |
| County vehicles | 92 | 111 | 129 | 146 | 157 | 165 | 177 | 185 | 196 | 209 |
| Town vehicles | 7 | 8 | 8 | 8 | 8 | 8 | 8 | 10 | 13 | 16 |
| East Fork Fire & Paramedic District vehicles | 14 | 15 | 17 | 17 | 17 | 17 | 17 | 18 | 18 | 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 | | | | | | | | | | |
| Sheriffs detention center | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sheriffs substations | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Sheriffs 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 | 1 | 1 |
| Public Works | | | | | | | | | | |
| Paved roads (miles) | 167 | 168 | 169 | 171 | 171 | 171 | 171 | 171 | 177 | 178 |
| Grinding roads (miles) | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 43 | 44 | 46 |
| Unpaved roads (miles) | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 17 | 14 | 12 |
| Traffic Signals | 17 | 17 | 17 | 17 | 17 | 17 | 18 | 18 | 18 | 18 |
| Bridges | 12 | 13 | 13 | 13 | 13 | 13 | 13 | 14 | 14 | 14 |
| Utilities | | | | | | | | | | |
| Water mains (miles) | 107 | 107 | 109 | 109 | 114 | 114 | 117 | 117 | 117 | 117 |
| Sewer forcemains (miles) | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 | 15 |
| Sewer mains (miles) | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 | 51 |
| Developed park acreage | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 177 | 196 | 197 |
| Storm drains (miles) | 4 | 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, 2007 | June 30, 2008 | June 30, 2009 | June 30, 2010 | June 30, 2011 | June 30, 2012 | June 30, 2013 | June 30, 2014 | June 30, 2015 | June 30, 2016 |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Culture and Recreation | | | | | | | | | | |
| Libraries | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| 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 | 559 | 558 |
| 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 | 193 |
| Gazebo/group area | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 11 |
| 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 | 16 |
| 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

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR
EACH MAJOR PROGRAM; REPORT ON INTERNAL CONTROL
OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

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) *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, 2016. 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 the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about 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, 2016.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance. 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, 2016, and the related notes to the financial statements, which collectively comprise the County's basic financial statements. We issued our report thereon dated December 8, 2016, 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 the Uniform Guidance 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 8, 2016

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED JUNE 30, 2016

| Federal Grantor/Pass-through Entity/Cluster or Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|--|------------------------|---|--|-------------------------------|
| U.S. Department of Agriculture | | | | |
| Passed-through South Tahoe Public Utility District Cooperative Forestry Assistance | 10.664 | 15-DG-11052012-128 | \$ | \$ 28,588 |
| School and Roads Cluster Passed-through State of Nevada, Controller Schools and Roads - Grants to States | 10.665 | N/A | | 29,256 |
| Passed-through State of Nevada, Department of Administration Senior Farmers Market Nutrition Program | 10.576 | N/A | | 3,000 |
| Passed-through State of Nevada, Department of Administration Specialty Crop Block Grant Program | 10.170 | 12-25-B-1683 | | 365 |
| Child Nutrition Cluster Passed-through State of Nevada, Department of Administration | | | | |
| School Breakfast Program | 10.553 | R-305-11 | | 34,986 |
| National School Lunch Program | 10.555 | R-305-11 | | 62,004 |
| National School Lunch Program - Commodities | 10.555 | E066 | | 22,877 |
| National School Lunch Program - Equipment Grant | 10.579 | N/A | | 24,393 |
| Subtotal Child Nutrition Cluster | | | _____ | _____ 144,260 |
| Total U.S. Department of Agriculture | | | _____ | _____ 205,469 |
| 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 | 15094TX, 15078, 15158, 15226 | | 467,181 |
| Child Support Enforcement | 93.563 | Acc No 3238, Acc No 3239 | | 243,584 |
| Aging Cluster Passed-through State of Nevada, Department of Health and Human Services | | | | |
| Special Programs for the Aging Title III, Part B Grants for Supportive Services and Senior Centers | 93.044 | 04-000-02-BC-16 | | 25,540 |
| Special Programs for the Aging Title III, Part C Nutrition Services | 93.045 | 04-000-07-13-15, 04-000- 07-13-16, 04-000-04-24- 15, 04-000-4-24-16 | 7,924 | 237,815 |
| Nutrition Services Incentive Program | 93.053 | 04-000-57-NX-15 | | 41,462 |
| Subtotal Aging Cluster | | | _____ 7,924 | _____ 304,817 |
| CSBG Cluster Passed-through State of Nevada Office of Community Services | | | | |
| Community Services Block Grant | 93.569 | N/A | | 160,090 |
| Total U.S Department of Health and Human Services | | | _____ 7,924 | _____ 1,175,672 |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| Federal Grantor/Pass-through Entity/Cluster or Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|---|------------------------|--|--|-------------------------------|
| U.S. Department of Homeland Security | | | | |
| Emergency Food and Shelter National Board Program | 97.024 | | | 5,206 |
| Passed-through State of Nevada, Department of Public Safety Emergency Management Performance Grants | 97.042 | 9704214, 9704215, 9704216 | | 72,534 |
| Pre-disaster Mitigation | 97.047 | 970479-3000, 970479- 3100, 9704710-3200 | 67,321 | 100,594 |
| Homeland Security Grant Program | 97.067 | 97067HL3, 97067HL4, 97067HL5 | | 17,777 |
| Total U.S. Department of Homeland Security | | | <u>67,321</u> | <u>196,111</u> |
| U.S Department of Housing and Urban Development | | | | |
| Supportive Housing Program | 14.235 | | | 101,001 |
| Passed-through State of Nevada, Governor's Office of Economic Development Community Development Block Grant | 14.228 | 14/PF/03, 15/ED/17, 15/PCB/15 | 11,874 | 100,574 |
| Passed-through State of Nevada, Department of Business and Industry Emergency Solutions Grant Program | 14.231 | E15-DC-32-001 | | 8,000 |
| Total U.S Department of Housing and Urban Development | | | <u>11,874</u> | <u>209,575</u> |
| U.S. Department of Interior | | | | |
| National Wildlife Refuge Fund | 15.659 | | | 840 |
| Passed-through State of Nevada, Division of State Parks Outdoor Recreation Acquisition, Development and Planning | 15.916 | 32-00326 | | 13,218 |
| Total U.S. Department of Interior | | | <u>14,058</u> | |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| Federal Grantor/Pass-through Entity/Cluster or Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|---|------------------------|--|--|-------------------------------|
| U.S. Department of Justice | | | | |
| Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program | 16.589 * | | | 195,112 |
| Passed-through State of Nevada, Office of Attorney General Violence Against Women Formula Grants | 16.588 | 2014-VAWA-07, 2015- VAWA-07 | | 23,361 |
| Support for Adam Walsh Act Implementation Grant Program | 16.750 | 2014-AW-BX-0048 | | 5,910 |
| Passed-through State of Nevada, Department of Motor Vehicle and Public Safety Edward Byrne Memorial Justice Assistance Grant Program | 16.738 | 14-JAG-02, 14-JAG-05, 15- JAG-04, 15-JAG-06 | | 120,157 |
| Total U.S. Department of Justice | | | <u> </u> | <u>344,540</u> |
| U.S. Department of Transportation | | | | |
| Airport Improvement Program | 20.106 * | | | 1,761,842 |
| Passed-through State of Nevada, Department of Transportation Formula Grants for Rural Areas | 20.509 * | PR422-14-802, PR491-15- 802, PR583-15-802 | | 438,429 |
| Highway Planning and Construction Cluster Passed-through State of Nevada, Department of Transportation Highway Planning and Construction | 20.205 | | | 64,008 |
| Federal Transit Cluster Passed-through State of Nevada, Department of Transportation Bus and Bus Facilities Formula Program | 20.526 | PR583-15-802 | | 61,197 |
| Passed-through State of Nevada, Department of Public Safety Interagency Hazardous Materials Public Sector Training and Planning Grants | 20.703 | 15-HMEP-04-02, 15- HMEP-04-03 | | 6,762 |
| Highway Safety Cluster Passed-through State of Nevada, Department of Motor Vehicle and Public Safety State and Community Highway Safety | 20.600 | JF-2015-DCSO, JF-2016- DCSO | | 58,399 |
| State Traffic Safety Information System Improvements Grants | 20.610 | TS 2015-DCSO-00131 | | 10,000 |
| National Priority Safety Programs | 20.616 | TS 2015 | | 31,000 |
| Subtotal Highway Safety Cluster | | | <u> </u> | <u>99,399</u> |
| Total U.S. Department of Transportation | | | <u> </u> | <u>2,431,637</u> |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED) FOR THE YEAR ENDED JUNE 30, 2016

| Federal Grantor/Pass-through Entity/Cluster or Program Title | Federal CFDA Number | Pass-through Entity Identifying Number | Amount Passed Through to Subrecipients | Total Federal Expenditures |
|--|------------------------|---|--|-------------------------------|
| U.S Environmental Protection Agency | | | | |
| Passed-through State of Nevada, Department of Environmental Protection Capitalization Grants for Drinking Water State Revolving Funds | 66.468 | DW1502 | | 91,469 |
| Total U.S Environmental Protection Agency | | | <u>91,469</u> | <u>91,469</u> |
| U.S. Institute of Museum and Library Services | | | | |
| Passed-through State of Nevada, Library and Archives Grants to States | 45.310 | LSTA 2015-20 | | 2,900 |
| Total U.S. Institute of Museum and Library Services | | | <u>2,900</u> | <u>2,900</u> |
| U.S. Social Security Administration | | | | |
| Social Security Disability Insurance | 96.001 | | | 800 |
| Total U.S. Social Security Administration | | | <u>800</u> | <u>800</u> |
| Total federal expenditures | | | <u>\$ 87,119</u> | <u>\$ 4,672,231</u> |

* A major program

DOUGLAS COUNTY

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED JUNE 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of Douglas County (the County) under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes in net position, or cash flows of the County.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

Note 3. Indirect Cost Rate

The County has not elected to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2016

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 2 CFR 200.516(a) | No |

Identification of major programs

| | |
|------------------------------------|---|
| CFDA number | 16.589 |
| Name of federal program or cluster | U.S. Department of Justice, Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program |
| CFDA number | 20.106 |
| Name of federal program or cluster | U.S. Department of Transportation, Airport Improvement Program |
| 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 | \$750,000 |
| Auditee qualified as low-risk auditee | No |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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*

2016 - 001

Criteria or specific requirement Internal controls 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, accurate and timely. 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 and context

We noted the following information related to the County's 3 investment and 18 bank accounts:

The main reconciliation combines 2 bank and all 3 investment accounts and included an unknown variance of approximately \$138,000 at year end.

Some bank and investment account reconciliations (including, specifically, the main reconciliation) for the month of June 2016, were not completed by the Treasurer's office and shared with the Finance Division until mid-October 2016.

Most bank and investment account reconciliations, which were shared with the Finance Division for the month of June 2016, did not indicate who the preparer was or bear evidence of independent review and approval; however, such documentation was retained by the Treasurer's office and shared with the Finance Division in early-December 2016.

Effect

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

Cause

Failure to reconcile all bank and investment accounts timely and to identify and record the related cash and investment related transactions promptly in the County's official general ledger.

Recommendation

All bank and investment account reconciliations should be prepared by the Treasurer's office and shared with the Finance Division monthly (within 30 days of month end), with all reconciling items identified and, if applicable, promptly recorded in the County's official general ledger.

Reconciliations should indicate who the preparer was and be reviewed and approved by someone independent of the reconciliation preparation, with such review and approval dated and documented.

Management's response

Management informed us that in reconciling the main cash account in the County's financial system Treasurer's staff have been working diligently researching available past records to try to determine the sources of the variance between the general ledger and the bank reconciliation that has been ongoing for a number of years past. Treasurer's staff provided the Finance Division the final amount of the undetermined variance in October for recording in the general ledger. Treasurer office management believes that the reason this variance was ongoing for a number of years past was due in part to an unfilled vacancy in the accountant position in the Treasurer's office that was integral to the timely reconciliation of bank and investment accounts to the County general ledger. In fiscal year 2016, the Treasurer's office requested the Board of County Commissioners and was granted authority to reinstate the position of accountant in the Treasurer's office for fiscal year 2017 and this position was filled in mid-July. Among the chief duties of this position is the timely reconciliation of all bank and investment accounts, which will allow for timely review by Treasurer office management and submittal to the Finance Division.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 002

Criteria or specific requirement

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 and context

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. Furthermore, the Core system can run only on Windows XP, which is no longer supported and can no longer receive vulnerability updates.

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, allow anonymous changes to be made and provide 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

Complete and document a review of the authorized user lists for the Core, New World and Infinium Systems and remove all generic multi-user accounts.

The password policy approved by the Board of County Commissioners on January 7, 2016, should be implemented for all users and procedures developed to monitor and enforce uniform compliance with the policy.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

Management's response

Management informed us that with the exception of current Core station users, that multi-user accounts have been eliminated from active directory and will not be used moving forward. The continued use of multi-use accounts for Core machines is a necessary temporary condition that will be appropriately managed until Core is replaced, beginning in the spring of 2017. Management also informed us that with the replacement of Core, a new password policy will be implemented for all users in fiscal year 2018.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 003

Criteria or specific requirement

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 and context

Core, New World and Infinium Systems:

A backup system has been implemented that backs up each server at a minimum of daily with the backed up information stored offsite. However, no restoration testing has been performed to ensure that data and systems can be recovered from backup.

Effect

If system data is being backed-up and is recoverable it could take considerable time and effort to find and restore the data. However, if system data is not being completely and accurately backed-up or is unrecoverable, all system data would be lost. Either scenario could result in a considerable disruption to County operations.

Cause

Data restoration from backed-up data has not been tested.

Recommendation

Develop and implement a quarterly restoration test that validates that data backups can be successfully restored. Where possible, rotate the test through the critical systems.

Management's response

Management informed us that a data verification and restoration process to meet general computing controls will be tested and implemented in fiscal year 2017.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 004

| | |
|----------------------------------|---|
| Criteria or specific requirement | General Computing Controls: Physical access to the servers, databases, and backup media containing financial information are to be kept secure, with access limited to those required to perform their duties. |
| Condition and context | Server closets and other sensitive IT working areas may be accessed using electronic card keys and/or physical keys. The distribution of physical keys to such areas has not been appropriately controlled; and therefore, an unknown number of people have physical keys and unrestricted access to the server closets and other sensitive IT working areas. |
| 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, exposed the servers and databases to a significantly large number of employees, program vendors, outside consultants, and potentially others. |
| Recommendation | The physical key locks to server closets and other sensitive IT working areas should be changed and the distribution and use of both physical keys and key cards should be controlled, documented and monitored. For all server closets and other sensitive IT working areas where access can not be fully restricted, other control procedures should be implemented to improve the security of these areas. |
| Management's response | Management informed us that server closets and other sensitive IT working areas have been evaluated for proper restricted access with key-cards, and a new tracking system has now been funded and is being implemented. The remaining server closets and other sensitive IT working areas will be re-keyed with physical keys or otherwise secured. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 005

Criteria or specific requirement

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 and context

Core, New World and Infinium Systems:

Although a written employee on/off boarding policy has been created and approved by the Board of County Commissioners requiring all terminated employee rights must be deactivated within 24 hours and have implemented a process to control both assigning rights to new users and promptly turning off terminated users, there is inconsistency in communication between individual departments/divisions, human resources and information technology. As a result, terminated employee rights are not being deactivated within the 24 hour period.

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 and enforced.

Recommendation

The County divisions and departments must continue to work together to uniformly implement the approved employee on/off boarding policy to ensure the off boarding process is completed timely, including the removal of user access.

Management's response

Management informed us that IT processes related to employee on/off boarding have been documented and controlled and that management will be working with human resources to document and automate workflow between supervisors, human resources and technology services.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 006

Criteria or specific requirement

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 and context

Core, New World and Infinium Systems:

There is no documentation of roles and user group definitions using, for example, a RACI (Responsible, Accountable, Consult, Inform) chart or segregation of duties matrix.

Core System:

We were unable to identify a specific person with administration responsibility (ownership) of the Core system.

New World and Infinium Systems:

While we were able to identify a specific person with administration responsibility (ownership) of the New World and Infinium systems, there is no documentation of such administration responsibility.

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 to identify critical policies and procedures to be created over 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 Core, 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 they will perform an assessment of policies and procedures to identify critical policies and procedures that should be addressed to ensure proper computing controls. The Technology Services Department has been, and will continue to work closely with departments to identify and document the roles and responsibilities of business users, subject matter experts and technology administration and application support, in addressing policies and procedures to implement and maintain proper computing controls.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 007

Criteria or specific requirement

General Computing Controls:

IT service and support vendor oversight and management is critical to provide assurances that such vendors only have the minimum required access that is restricted to times when their assistance is required.

Condition and context

Although vendor oversight has drastically improved, 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 continue to have access rights to systems that should be reviewed and modified.

Effect

The use of untethered, unrestricted IT service and support vendor 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 relationships 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.

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.

Management's response

Management informed us that the Technology Services Department will continue to evaluate the need for vendor access accounts to ensure appropriate monitoring when vendor access is necessary. Requests for such access will require specific terms and conditions.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 008

Criteria or specific requirement

General Computing Controls:

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 and context

Automated service accounts are not fully documented or 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 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, the lack of policies and procedures, along with no review process for access, allowed a situation to grow where access to automated service accounts were provided to a number of individuals that do not require access to appropriately perform assigned duties.

Recommendation

Develop and document a service account process to limit 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 remove 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 the Technology Services Department has evaluated existing service accounts, future administrator accounts will be limited to only those systems where required, and all service accounts will be documented.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 009

| | |
|----------------------------------|---|
| Criteria or specific requirement | 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 and context | 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, the County's ability to recover data and restore critical operations following 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 | Develop an IT centric DR plan, which includes options to recover in the event of a disaster, whether limited (water dripping on a single server rack) or catastrophic (fire in the IT working area). Once complete, develop a process to review the DR plan once a year to ensure continued completeness, accuracy, and ability to execute. Upon completion of the IT centric DR plan, work with other County divisions and departments to develop a BCP to ensure that critical County operations could continue in the event of various local or catastrophic disasters. |
| Management's response | Management informed us that they are evaluating BCP and DR requirements and that formal DR and BCP plans will be developed. The need for additional back-up hardware has also been identified in this process and included in the County's capital improvement plan. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 010

Criteria or specific requirement

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 and group membership is appropriate

Condition and context

A log server was installed in July 2015 and tested, but has not been fully implemented. Although the log server is capable of exception reporting, it is currently configured to only gather data for investigative purposes and there is no documentation supporting the periodic review of the system log data.

Effect

The lack of exception reporting and failure to periodically review system logs may result in unnoticed system breaches, unauthorized access, anonymous changes and malicious user access resulting in inappropriate modifications or loss of financial data and materially misstated financial statements.

Cause

The lack of exception reporting and system log reviews allowed unauthorized access to servers and databases by a large number of employees, program vendors, outside consultants, and potentially others.

Recommendation

Establish system logs for all hardware, software applications and server operating systems. Implement a procedure to ensure logs are periodically reviewed and any unusual or unexecuted activities (exception reporting) are promptly 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 while logs are being generated there are no systems in place to report on event management. The Technology Services Department will be requesting funding in fiscal year 2017 for a consolidated logging and event management system.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 011

| | |
|----------------------------------|---|
| Criteria or specific requirement | General Computing Controls: Best practices dictate that each PC or terminal screen should be locked after 5-10 minutes of non-use. |
| Condition and context | Group policy settings that control screen timeouts have been configured and implemented in a few of the organizational units of the active directory, but has not been implement County-wide |
| 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 | Implement group policy settings to enforce, County-wide, a screen timeout after 10 minutes of non-use. |
| Management's response | Management informed us that the ten minute screen lock has been implemented County-wide and is being enforced as of December 9, 2016. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2016

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)

2016 - 012

Criteria or specific requirement

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, 2016

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|-----------------------|---|
| Condition and context | <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 practicesPhysical 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 hoursSystem logs and exception reporting have not been fully established and implementedA 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 the County's network.</p> |
| Cause | <p>Procedures to ensure PCI compliance have not been developed.</p> |
| Recommendation | <p>Develop, document and implement a plan to address identified security issues to ensure compliance with the most recent PCI standards. This plan should include all 40 findings noted in the June 2015 PCI assessment and not be limited to the following significant findings:</p> <ul style="list-style-type: none">Security around credentials varies from lax to nonexistent. The use of shared or generic accounts creates a significant risk.Credit card information is being written down and/or manually stored. Card holder data, including the credit card number must be stored securely. All written credit card data must be managed appropriately and should have policies and procedures that guide the storage and destruction of that data.Network and infrastructure documentation is in the very beginning stage of development. Additional documentation of policies and procedures is required including creation of a Security Program, Risk Assessment, and an Incident Response Plan.Critical systems are either not in place or outdated putting PCI data at risk. These include the continued use of computers using Windows XP, a severely outdated treasury system (CORE) and lack of formal patch management.Insecure systems contain and/or transmit data in a non-PCI compliant format. Data is currently transmitted insecurely either on systems with weak encryption such as SSL (Secure Socket Layer) or processed on insecure website servers. |
| Management's response | <p>Management informed us that they are in the process of implementing the identified recommendations to strengthen security and ensure compliance with current PCI standards.</p> |

(Continued)

DOUGLAS COUNTY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016

Section III – Findings and questioned costs for federal awards, including audit findings required by 2 CFR 200.516(a)

None reported

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED JUNE 30, 2015

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*

2015 - 001

Criteria or specific requirement

Internal controls 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, accurate and timely. 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 and context

We noted the following information related to the County's 3 investment and 14 bank accounts:

The main reconciliation combines 2 bank and all 3 investment accounts and included an unknown variance of approximately \$110,000 and \$272,000 (including \$70,000 from a prior year) of bank deposits that had not been identified and recorded in the County's official general ledger.

All bank and investment account reconciliations for the month of June 2015, were completed by the Treasury and provided to the Finance Division in November 2015.

Due to the County's decentralized operational structure, there are numerous independent revenue collection sites within the County. 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 and wire transfers (such as grant funds and other reimbursements) are reflected immediately by the bank, but may not be deposited with or identified by the Treasury until a significantly later date.

Current status

Effective with the appointment of a new Clerk/Treasurer in February 2015, significant progress was made to improve internal controls over cash to ensure that all bank accounts are included in the County's official general ledger and complete and accurate reconciliations are prepared and reviewed timely.

However, some bank and investment account reconciliations for the month of June 2016, were not completed by the Treasury and shared with the Finance Division until October 2016, and the main reconciliation continued to include an unknown variance of approximately \$138,000. See finding 2016-001.

Reasons for this finding's recurrence

Treasurer office management believes that the reason this variance was ongoing for a number of years past was due in part to an unfilled vacancy in the accountant position in the Treasurer's office that was integral to the timely reconciliation of bank and investment accounts to the County general ledger.

Partial corrective action taken

In fiscal year 2016, the Treasurer's office requested the Board of County Commissioners and was granted authority to reinstate the position of accountant in the Treasurer's office for fiscal year 2017 and this position was filled in mid-July. Among the chief duties of this position is the timely reconciliation of all bank and investment accounts, which will allow for timely review by Treasurer office management and submittal to the Finance Division.

Planned corrective action

Contact person: Kathy Lewis, Clerk/Treasurer (klewis@co.douglas.nv.us)

Implementation date: June 30, 2017

In fiscal year 2016, the Treasurer's office requested the Board of County Commissioners and was granted authority to reinstate the position of accountant in the Treasurer's office for fiscal year 2017 and this position was filled in mid-July. Among the chief duties of this position is the timely reconciliation of all bank and investment accounts, which will allow for timely review by Treasurer office management and submittal to the Finance Division.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 002

| | |
|----------------------------------|---|
| Criteria or specific requirement | Collection and recording of revenue transactions should be identifiable, tracked and verified by individual transactions to ensure appropriate accounting recognition and financial statement reporting. |
| Condition and context | There are numerous independent revenue collection sites within the County that are using various independent accounting systems (<i>i.e.</i> , a ledger pad, Excel, QuickBooks, Core and New World Systems). These independent revenue collection sites summarize their collection activity by type (<i>i.e.</i> , cash, checks and credit cards) and make a "batch" deposit with the Treasury; and although, some of the independent cash collection sites do make daily deposits, many are made weekly or "as needed." In addition, these independent revenue collection sites and other departments/divisions within the County periodically request grant funds and other reimbursements without notifying the Treasury of such requests. All of which further complicates the identification and tracking (verification) of individual transactions and, as discussed in finding 2015-001, makes the bank reconciliation process unduly complex. |
| Current status | Although the numerous independent revenue collection sites within the County continue to use various different accounting systems (<i>i.e.</i> , a ledger pad, Excel, QuickBooks, Core and New World Systems), these sites are now making timely deposits with the Treasury and are notifying the Treasury of pending deposits resulting from grant funds and other reimbursement requests. Therefore, this finding appears to have been substantially corrected. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 003

Criteria or specific requirement

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 and context

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.

Current status

Although the the Core system has not yet upgraded, it has been moved from an obsolete physical server to a virtual server running in a more stable VMWare system, but continues to represent a significant vulnerability. However, a "change managment" policy was approved, implemented and is being followed. In addition, a patch management process was approved, implemented and is used for patching both desktops and servers. Therefore, this finding appears to have been corrected.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 004

Criteria or specific requirement

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 and context

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.

Current status

A password policy was approved by the Board of County Commissioners in January 2016. The new policy requires a minimum of 10 characters with complexity for any password that accesses the Douglas County network or systems. This policy has been applied to the active directory profiles, but not to the Core, New World or Infinium systems. In addition, the Core system continues to use generic, multi-user accounts, which provides all users access to the Core inquiry program and has Core system administrator rights. See finding 2016-002.

Reasons for this finding's recurrence

The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely.

Partial corrective action taken

A password policy was approved by the Board of County Commissioners in January 2016. The new policy requires a minimum of 10 characters with complexity for any password that accesses the Douglas County network and/or systems. This policy has been applied to the active directory profiles.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Planned corrective action

Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us)

Implementation date: June 30, 2018

With the exception of current Core system users, multi-user accounts have been eliminated from the active directory and will not be used moving forward. The continued use of multi-use accounts for Core machines is a necessary temporary condition that will be appropriately managed until Core is replaced, beginning in the spring of 2017. With the replacement of Core, a new password policy will be implemented for all users in fiscal year 2018.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 005

Criteria or specific requirement

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 and context

Core System:

A backup process for the Core system was implemented, in November 2014, using local agents to backup data using Comm Vault software. No verification or 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 Comm Vault 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 verification or 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 was upgraded with new hardware and backs up all data to a tape that is rotated offsite weekly. No verification or restoration testing has been performed on the backed-up data to determine if data can be recovered.

Current status

A backup system has been implemented for each server providing minimum daily backup with the information stored offsite. However, no verification or restoration testing has been performed to ensure that data and systems can be recovered from backup. See finding 2016-003.

Reasons for this finding's recurrence

The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely.

Partial corrective action taken

A backup system has been implemented that backs up each server at a minimum of daily with the backed up information stored offsite.

Planned corrective action

Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us)

Implementation date: June 30, 2017

A data verification and restoration process to meet general computing controls will be tested and implemented in fiscal year 2017.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 006

Criteria or specific requirement

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 limited to those required to perform their duties.

Condition and context

Core, New World and Infinium Systems:

The server room is not secured from the IT working area. The IT working area itself is has restricted access by electronic card key and physical key.

A review of the electronic card key application showed numerous people with electronic card reader access to the IT working area; and therefore, a significantly large number of employees, program vendors, outside consultants, and potentially others continue to have access to the servers and databases.

The physical keys to the server closets have been appropriately controlled and distributed. However, distribution of the physical key that provides access to the IT working area has not been controlled; and therefore, an unknown number of people have this physical key and unrestricted access to the IT working area.

Current status

Access to the data centers is now appropriately controlled and the key card access/termination process is properly maintained. However, access to data closets has not yet been corrected as many of them are open to the interior of various buildings or used as a storage rooms. See finding 2016-004.

Reasons for this finding's recurrence

The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely.

Partial corrective action taken

Access to server closets and other sensitive IT working areas have been evaluated for proper restricted access with key-cards, and a new tracking system has now been funded and is being implemented.

Planned corrective action

Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us)

Implementation date: June 30, 2017

Access to server closets and other sensitive IT working areas have been evaluated for proper restricted access with key-cards, and a new tracking system has now been funded and is being implemented. The remaining server closets and other sensitive IT working areas will be re-keyed with physical keys or otherwise secured.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 007

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| Criteria or specific requirement | 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 and context | 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 access rights upon employee separation from County employment. |
| Current status | Although a written employee on/off boarding policy has been created and approved by the Board of County Commissioners requiring that all terminated employee rights must be deactivated within 24 hours and a process has been implemented to control both assigning rights to new users and promptly turning off terminated users, there is inconsistency in communication between individual departments/divisions, human resources and information technology. As a result, terminated employee rights are not being deactivated within the required 24 hour period. See finding 2016-005. |
| Reasons for this finding's recurrence | The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely. |
| Partial corrective action taken | A written employee on/off boarding policy has been created and approved by the Board of County Commissioners requiring all terminated employee rights must be deactivated within 24 hours and a process has implemented to control both assigning rights to new users and promptly turning off terminated user. |
| Planned corrective action | Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us) Implementation date: June 30, 2017 Management will be working with human resources to document and automate workflow between supervisors, human resources and technology services. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 008

Criteria or specific requirement

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 and context

Core, New World and Infinium Systems:

There is no documentation of roles and user group definitions using, for example, a RACI (Responsible, Accountable, Consult, Inform) chart or segregation of duties matrix.

Core System:

We were unable to identify a specific person with administration responsibility (ownership) of the Core system.

New World and Infinium Systems:

While we were able to identify a specific person with administration responsibility (ownership) of the New World and Infinium systems systems, there is no documentation of such administration responsibility.

Current status

The conditions, discussed above, have not been corrected. See finding 2016-006.

Reasons for this finding's recurrence

The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to resolve this finding timely.

Partial corrective action taken

None.

Planned corrective action

Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us)

Implementation date: June 30, 2017

Management will perform an assessment of policies and procedures to identify critical policies and procedures that should be addressed to ensure proper computing controls. The Technology Services Department has been, and will continue to work closely with departments to identify and document the roles and responsibilities of business users, subject matter experts and technology administration and application support, in addressing policies and procedures to implement and maintain proper computing controls.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 009

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| Criteria or specific requirement | 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 minimum required access that is restricted to times when their assistance is required. |
| Condition and context | 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 modified. |
| Current status | Although vendor oversight has dramatically improved, including the removal of untethered, unrestricted access into the entire County network through an open fiber connection, not all vendors are known, documented and controlled when accessing the network. See finding 2016-007. |
| Reasons for this finding's recurrence | The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely. |
| Partial corrective action taken | Vendor oversight has dramatically improved, including the removal of untethered, unrestricted access into the entire County network through an open fiber connection. |
| Planned corrective action | Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us) Implementation date: June 30, 2017 The Technology Services Department will continue to evaluate the need for vendor access accounts to ensure appropriate monitoring when vendor access is necessary. Requests for such access will require specific terms and conditions. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 010

| | |
|---------------------------------------|---|
| Criteria or specific requirement | Core, New World and Infinium Systems, General Computing Controls: Automated service accounts are required for daily operations and autonomous communications between applications and the server operating systems. Due 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 and context | Automated service accounts are not fully documented or 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. |
| Current status | Although the use and documentation for automated service accounts has significantly improved, a full listing of services accounts has not been created, and some services account functions are still unknown. See finding 2016-008. |
| Reasons for this finding's recurrence | The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely. |
| Partial corrective action taken | The use and documentation for automated service accounts has significantly improved. |
| Planned corrective action | Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us) Implementation date: June 30, 2017 The Technology Services Department has evaluated existing service accounts, future administrator accounts will be limited to only those systems where required, and all service accounts will be documented. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 011

| | |
|---------------------------------------|--|
| Criteria or specific requirement | 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 and context | 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, the County's ability to recover data and restore critical operations following a disaster is nearly non-existent. |
| Current status | The conditions, discussed above, have not been corrected. See finding 2016-009. |
| Reasons for this finding's recurrence | The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to resolve this finding timely. |
| Partial corrective action taken | None. |
| Planned corrective action | Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us) Implementation date: June 30, 2017 Management is evaluating BCP and DR requirements and that formal DR and BCP plans will be developed. The need for additional back-up hardware has also been identified in this process and included in the County's capital improvement plan. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 012

Criteria or specific requirement

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 and context

A log server was installed in July 2015 and is currently in the testing/configuration stage covering a few domain controllers, print servers, and switches. Although the log server is capable of exception reporting, it is currently configured to only gather data for investigative purposes and there is no documentation supporting the periodic review of the system log data.

Current status

A log server was installed in July 2015 and tested, but has not been fully implemented. Although the log server is capable of exception reporting, it is currently configured to only gather data for investigative purposes and there is no documentation supporting the periodic review of the system log data. See finding 2016-010.

Reasons for this finding's recurrence

The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely.

Partial corrective action taken

A log server was installed in July 2015 and tested, but has not been fully implemented.

Planned corrective action

Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us)

Implementation date: June 30, 2017

While logs are being generated there are no systems in place to report on event management. The Technology Services Department will be requesting funding in fiscal year 2017 for a consolidated logging and event management system.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 013

| | |
|---------------------------------------|--|
| Criteria or specific requirement | General Computing Controls: Best practices dictate that each PC or terminal screen should be locked after 5-10 minutes of non-use. |
| Condition and context | Group policy settings that control screen timeouts have not been configured. |
| Current status | Group policy settings that control screen timeouts have been configured and implemented in a few of the organizational units of the active directory, but have not been implemented County-wide. See finding 2016-011. |
| Reasons for this finding's recurrence | The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely. |
| Partial corrective action taken | Group policy settings that control screen timeouts have been configured and implemented in a few of the organizational units of the active directory. |
| Planned corrective action | Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us) Implementation date: December 31, 2016 Management informed us that the ten minute screen lock has been implemented County-wide and is being enforced as of December 9, 2016. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

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)

2015 - 014

Criteria or specific requirement

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 PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

| | |
|---------------------------------------|---|
| Condition and context | <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 practicesPhysical 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 hoursSystem logs and exception reporting have not been fully established and implementedA formal, written change and patch management process does not exist |
| Current status | <p>A 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 and a 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 has been completed. However, a plan to address identified security issues and bring the County into compliance with the most current PCI standards has not been developed. See finding 2016-012.</p> |
| Reasons for this finding's recurrence | <p>The position Chief Technology Officer was vacant for approximately 18 months prior to March 2016, which in combination with a lack of budgeted resources, contributed to the failure to completely resolve this finding timely.</p> |
| Partial corrective action taken | <p>A 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 and a 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 has been completed.</p> |
| Planned corrective action | <p>Contact person: Sherri McGee, Chief Technology Officer (slmcgee@douglasnv.us)</p> <p>Implementation date: June 30, 2017</p> <p>Management is in the process of implementing the identified recommendations to strengthen security and ensure compliance with current PCI standards.</p> |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) and/or findings required by 2 CFR 200.516(a)

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| 2015 - 015 | |
| Federal program | U.S. Department of Justice, Rural Domestic Violence, Dating Violence, Sexual Assault, and Stalking Assistance Program (CFDA # 16.589) |
| Criteria or specific requirement | To be allowable under federal awards, costs must be adequately documented and costs must be incurred prior to requesting reimbursement. |
| Condition and context | Of the 4 reimbursement requests examined, 3 included personnel costs in excess of the actual costs incurred and 1 requested reimbursement for costs that had not been incurred. |
| Current status | No exceptions were noted in the current year; and therefore, this finding appears to have been corrected. |

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) and/or findings required by 2 CFR 200.516(a) (continued)

2015 - 016

Federal program

U.S. Department of Health and Human Services, Ageing Cluster (CFDA # 93.044, 93.045, 93.053)

Criteria or specific requirement

Allowable costs:

To be allowable under federal awards, costs must be adequately and accurately documented.

Eligibility:

Determination of program participant eligibility must be documented and retained.

Reporting:

Grant reports must be based on and agree to appropriate supporting documentation.

Condition and context

Allowable costs:

Congregate dining program:

Participants are required to sign in on a pre-printed list of eligible participants, which becomes the source documentation for requesting reimbursements.

Of the 15 participants receiving 131 meals (reimbursement units) tested, one was missing a required daily signature.

Home delivered program:

Route sheets are prepared for each day indicating the participant and number of meals to be delivered. Upon completing the delivery, the driver is required to certify the total number of actual meals delivered. These certified route sheets become the source documentation for requesting reimbursements.

Of the 22 participants receiving 629 meals (reimbursement units) tested, 10 meals to one participant were not delivered and was not certified by the driver, but were included in the number of units for which reimbursement was requested. In addition, of the 22 route sheets examined, 5 were not certified by the driver.

Homemaker program:

A "homemaker/visit record" is to be completed indicating the type and number of hours of service provided, which becomes the source documentation for requesting reimbursements.

Of the 7 participants receiving 51.5 hours of service (reimbursement units) tested, reimbursement was requested for 1 hour more than the "homemaker/visit record" indicated.

Eligibility:

Home delivered program:

Each participant is required to be evaluated and re-certified as eligible for home delivered meals every six months.

Of the 22 participants tested, documentation for 4 of the participants could not be located and 15 participants were not evaluated and re-certified as eligible for home delivered meals within the most recent six-month period.

(Continued)

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Reporting:

The number of units for which reimbursement was requested for the congregate dining, home delivered and homemaker programs did not agree with, and in some instances, exceeded the number of units listed on the supporting documents. However, for the period of July 1, 2014 through June 30, 2015, the total number of units provided exceeded the total for which reimbursement was requested.

In addition, we noted that the total number of units for which reimbursement was requested did not agree to the quarterly financial report for the quarter ended September 30, 2014.

Current status

No exceptions were noted in the current year; and therefore, this finding appears to have been corrected.

DOUGLAS COUNTY

SCHEDULE OF PRIOR FINDINGS AND QUESTIONED COSTS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2015

Section III – Findings and questioned costs for federal awards, including audit findings as defined in Circular A-133 Section .510(a) and/or findings required by 2 CFR 200.516(a) (continued)

2015 - 017

Federal program

U.S. Department of Transportation, Formula Grants for Rural Areas (CFDA # 20.509)

Criteria or specific requirement

Allocable costs:

A cost is allocable to a particular cost objective if the goods or services involved are chargeable or assignable to such cost objective in accordance with relative benefits received and all activities which benefit from the indirect cost, including unallowable activities and services donated to the governmental unit by third parties, will receive an appropriate allocation of indirect costs.

Program income:

To the extent available, program income, rebates, refunds, and other income and receipts were disbursed before requesting additional cash payments as required by the A-102 Common Rule (§_21) and OMB Circular A-110.

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.

Special reports:

Quarterly written Agency Information Reports will be submitted describing the trips made by the Douglas County Rural Transit (DART) Public Transportation System, which include and identify the number of trips, miles and hours driven.

Quarterly written Project Progress Reports will be submitted detailing any changes or additions to the project.

Condition and context

Allocable costs:

Overhead costs, (such as insurance and utilities) are allocated to the program at varying percentages ranging from 25%, to 70% of the senior services center costs based on undocumented calculations made several years ago.

Program income:

Of the 13 reimbursements examined, 2 included overstated monthly program income amounts (1 included the year-to-date program income amount \$2,182 rather than the monthly amount of \$1,254 and 1 included program income of \$882 rather than the correct amount \$822).

Reimbursement requests:

Of the 13 reimbursements examined, 5 were not submitted within 45 days; however, the grantor did not disallow any costs.

Special reports:

None of the required Agency Information and Project Progress reports were submitted quarterly, rather all were prepared and submitted in November 2015 as a result of our audit inquires.

Current status

No exceptions were noted in the current year; and therefore, this finding appears to have been corrected.

