

INTERNAL SERVICE FUNDS

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

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Risk Management Fund

To account for revenues received for providing the County with property and liability insurance, workers' compensation and unemployment compensation insurance. 132

Health Benefits Fund

To account for the self-insured health plan and other contractual health insurance plans. 134

Equipment Services Fund

To account for revenues received for maintaining and purchasing automobiles and other vehicles and specialized large equipment for use by other County departments. 136

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

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Assets				
Current Assets:				
Cash and investments	\$ 22,687,167	\$ 7,229,938	\$ 2,344,658	\$ 32,261,763
Accounts receivable	36,185	3,213,742	-	3,249,927
Interest receivable	53,496	19,534	-	73,030
Inventory	-	-	297,763	297,763
Other assets	110,066	-	146,080	256,146
Total Current Assets	<u>22,886,914</u>	<u>10,463,214</u>	<u>2,788,501</u>	<u>36,138,629</u>
Noncurrent Assets:				
Restricted cash and investments	2,301,657	-	-	2,301,657
Long-term prepaids	-	-	412,882	412,882
Long-term deposits	-	-	3,451,171	3,451,171
Capital Assets:				
Construction in progress	-	-	34,344	34,344
Buildings and improvements	-	-	24,990	24,990
Equipment	-	-	24,007,576	24,007,576
Software	-	-	20,260	20,260
Less accumulated depreciation	-	-	(18,541,369)	(18,541,369)
Total Noncurrent Assets	<u>2,301,657</u>	<u>-</u>	<u>9,409,854</u>	<u>11,711,511</u>
Total Assets	<u>25,188,571</u>	<u>10,463,214</u>	<u>12,198,355</u>	<u>47,850,140</u>
Liabilities				
Current Liabilities:				
Accounts payable	41,103	795,846	169,303	1,006,252
Accrued salaries and benefits	11,881	13,746	74,418	100,045
Compensated absences	20,790	21,893	170,394	213,077
Due to other governments	-	-	238	238
Pending claims	4,180,000	2,684,000	-	6,864,000
Total Current Liabilities	<u>4,253,774</u>	<u>3,515,485</u>	<u>414,353</u>	<u>8,183,612</u>
Noncurrent Liabilities:				
Compensated absences	6,726	7,083	55,122	68,931
Pending claims	6,235,343	-	-	6,235,343
Pending claims payable from restricted cash	2,301,657	-	-	2,301,657
Total Noncurrent Liabilities	<u>8,543,726</u>	<u>7,083</u>	<u>55,122</u>	<u>8,605,931</u>
Total Liabilities	<u>12,797,500</u>	<u>3,522,568</u>	<u>469,475</u>	<u>16,789,543</u>
Net Position				
Net investment in capital assets	-	-	5,545,801	5,545,801
Restricted for future claims	12,391,071	6,940,646	-	19,331,717
Unrestricted	-	-	6,183,079	6,183,079
Total Net Position	<u>\$ 12,391,071</u>	<u>\$ 6,940,646</u>	<u>\$ 11,728,880</u>	<u>\$ 31,060,597</u>

WASHOE COUNTY, NEVADA
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Risk Management Fund	Health Benefits Fund	Equipment Services Fund	Total
Operating Revenues				
Charges for Services:				
Self insurance fees	\$ 6,498,056	\$ 40,086,526	\$ -	\$ 46,584,582
Equipment service billings	-	-	6,434,653	6,434,653
Miscellaneous	570,608	2,244,133	22,739	2,837,480
Total Operating Revenues	<u>7,068,664</u>	<u>42,330,659</u>	<u>6,457,392</u>	<u>55,856,715</u>
Operating Expenses				
Salaries and wages	220,416	219,020	1,256,182	1,695,618
Employee benefits	82,663	89,608	573,310	745,581
Services and supplies	6,640,433	43,574,402	4,489,475	54,704,310
Depreciation	-	-	1,373,800	1,373,800
Total Operating Expenses	<u>6,943,512</u>	<u>43,883,030</u>	<u>7,692,767</u>	<u>58,519,309</u>
Operating Income (Loss)	<u>125,152</u>	<u>(1,552,371)</u>	<u>(1,235,375)</u>	<u>(2,662,594)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	292,278	115,137	95,486	502,901
Net increase (decrease) in the fair value of investments	8,480	(9,016)	-	(536)
Gain (loss) on asset disposition	-	-	166,793	166,793
Federal grants	-	265,233	-	265,233
Total Nonoperating Revenues (Expenses)	<u>300,758</u>	<u>371,354</u>	<u>262,279</u>	<u>934,391</u>
Income (Loss) Before Transfers	<u>425,910</u>	<u>(1,181,017)</u>	<u>(973,096)</u>	<u>(1,728,203)</u>
Transfers				
Water Resources Fund	-	-	210,780	210,780
Change in Net Position	425,910	(1,181,017)	(762,316)	(1,517,423)
Net Position, July 1	<u>11,965,161</u>	<u>8,121,663</u>	<u>12,491,196</u>	<u>32,578,020</u>
Net Position, June 30	<u>\$ 12,391,071</u>	<u>\$ 6,940,646</u>	<u>\$ 11,728,880</u>	<u>\$ 31,060,597</u>

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

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 16,877,164	\$ -	\$ 16,877,164
Cash received from other funds	6,498,056	22,486,246	6,120,229	35,104,531
Cash received from others	534,423	2,245,245	337,163	3,116,831
Cash payments for personnel costs	(298,291)	(314,928)	(1,816,870)	(2,430,089)
Cash payments for services and supplies	(5,357,124)	(43,640,065)	(4,855,921)	(53,853,110)
Net Cash Provided (Used) by Operating Activities	1,377,064	(2,346,338)	(215,399)	(1,184,673)
Cash Flows From Noncapital Financing Activities:				
Federal grants	-	265,233	-	265,233
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	114,873	114,873
Proceeds from insurance recoveries	-	-	10,368	10,368
*Acquisition of capital assets	-	-	(1,381,406)	(1,381,406)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(1,256,165)	(1,256,165)
Cash Flows From Investing Activities:				
Investment earnings (loss)	307,649	116,729	-	424,378
**Proceeds from assets held for sale	-	-	1,647,328	1,647,328
**Equipment supply deposit paid	-	-	(2,034,971)	(2,034,971)
Net Cash Provided (Used) by Investing Activities	307,649	116,729	(387,643)	36,735
Net Increase (Decrease) in Cash and Cash Equivalents	1,684,713	(1,964,376)	(1,859,207)	(2,138,870)
Cash and Cash Equivalents, July 1	23,304,111	9,194,314	4,203,865	36,702,290
Cash and Cash Equivalents, June 30	\$ 24,988,824	\$ 7,229,938	\$ 2,344,658	\$ 34,563,420

(CONTINUED)

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

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 125,152	\$ (1,552,371)	\$ (1,235,375)	\$ (2,662,594)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,373,800	1,373,800
**Imputed rental expense	-	-	95,486	95,486
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	(36,185)	(794,048)	-	(830,233)
Due from other governments	-	72,044	-	72,044
Inventory	-	-	(59,640)	(59,640)
Other assets	3,317	-	(266,385)	(263,068)
Increase (decrease) in:				
Accounts payable	(30,008)	(75,663)	(136,146)	(241,817)
Accrued salaries and benefits	2,556	2,354	7,753	12,663
Compensated absences	2,232	(8,654)	4,870	(1,552)
Due to other governments	-	-	238	238
Pending claims	1,310,000	10,000	-	1,320,000
Total Adjustments	1,251,912	(793,967)	1,019,976	1,477,921
Net Cash Provided (Used) by Operating Activities	\$ 1,377,064	\$ (2,346,338)	\$ (215,399)	\$ (1,184,673)

****Noncash investing, capital, and financing activities:**

The Equipment Services Fund lease deposits remaining at June 30 for rental agreements total \$3,451,171. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$95,486 have been imputed to give recognition to these transactions. Lease deposits totaling \$1,600,318 were forfeited to acquire the leased assets which were subsequently sold during the year at a gain of \$47,010.

*Acquisition of Capital Assets Financed by Cash	\$ -	\$ -	\$ 1,381,406	\$ 1,381,406
Capital transferred from other funds	-	-	210,780	210,780
Increase (decrease) in accounts payable	-	-	(156,862)	(156,862)
Total Acquisition of Capital Assets	\$ -	\$ -	\$ 1,435,324	\$ 1,435,324

WASHOE COUNTY, NEVADA
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Insurance premiums	\$ 6,498,054	\$ 6,498,056	\$ 2	\$ 6,575,322
Miscellaneous:				
Other	170,000	570,608	400,608	565,711
Total Operating Revenues	<u>6,668,054</u>	<u>7,068,664</u>	<u>400,610</u>	<u>7,141,033</u>
Operating Expenses				
Salaries and wages	260,083	220,416	39,667	204,722
Employee benefits	98,557	82,663	15,894	72,715
Services and supplies	8,470,040	6,640,433	1,829,607	4,732,378
Total Operating Expenses	<u>8,828,680</u>	<u>6,943,512</u>	<u>1,885,168</u>	<u>5,009,815</u>
Operating Income (Loss)	<u>(2,160,626)</u>	<u>125,152</u>	<u>2,285,778</u>	<u>2,131,218</u>
Nonoperating Revenues (Expenses)				
Investment earnings	330,650	292,278	(38,372)	336,812
Net increase (decrease) in the fair value of investments	<u>-</u>	<u>8,480</u>	<u>8,480</u>	<u>(347,803)</u>
Total Nonoperating Revenues (Expenses)	<u>330,650</u>	<u>300,758</u>	<u>(29,892)</u>	<u>(10,991)</u>
Change in Net Position	<u>\$ (1,829,976)</u>	<u>425,910</u>	<u>\$ 2,255,886</u>	<u>2,120,227</u>
Net Position, July 1		<u>11,965,161</u>		<u>9,844,934</u>
Net Position, June 30		<u>\$ 12,391,071</u>		<u>\$ 11,965,161</u>

WASHOE COUNTY, NEVADA
RISK MANAGEMENT FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 6,668,054	\$ 6,498,056	\$ (169,998)	\$ 6,575,322
Cash received from others	-	534,423	534,423	576,240
Cash payments for personnel costs	(355,140)	(298,291)	56,849	(299,375)
Cash payments for services and supplies	(6,170,040)	(5,357,124)	812,916	(6,335,497)
Net Cash Provided (Used) by Operating Activities	<u>142,874</u>	<u>1,377,064</u>	<u>1,234,190</u>	<u>516,690</u>
Cash Flows From Investing Activities:				
Investment earnings	<u>330,650</u>	<u>307,649</u>	<u>(23,001)</u>	<u>10,335</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>473,524</u>	<u>1,684,713</u>	<u>1,211,189</u>	<u>527,025</u>
Cash and Cash Equivalents, July 1	<u>25,472,018</u>	<u>23,304,111</u>	<u>(2,167,907)</u>	<u>22,777,086</u>
Cash and Cash Equivalents, June 30	<u>\$ 25,945,542</u>	<u>\$ 24,988,824</u>	<u>\$ (956,718)</u>	<u>\$ 23,304,111</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ (2,160,626)</u>	<u>\$ 125,152</u>	<u>\$ 2,285,778</u>	<u>\$ 2,131,218</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(36,185)	(36,185)	10,529
Other assets	-	3,317	3,317	(6,332)
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	(30,008)	(30,008)	2,789
Accrued salaries and benefits	-	2,556	2,556	(1,566)
Compensated absences	-	2,232	2,232	(20,372)
Due to others	-	-	-	(205,298)
Due to other governments	-	-	-	(1,673,278)
Pending claims	-	1,310,000	1,310,000	279,000
Total Adjustments	<u>-</u>	<u>1,251,912</u>	<u>1,251,912</u>	<u>(1,614,528)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (2,160,626)</u>	<u>\$ 1,377,064</u>	<u>\$ 3,537,690</u>	<u>\$ 516,690</u>

WASHOE COUNTY, NEVADA
HEALTH BENEFITS FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	2014			2013
	Budget	Actual	Variance	Actual
Operating Revenues				
Charges for Services:				
Insurance premiums	\$ 41,552,450	\$ 40,086,526	\$ (1,465,924)	\$ 39,890,554
Miscellaneous:				
Other	449,550	2,244,133	1,794,583	1,178,078
Total Operating Revenues	42,002,000	42,330,659	328,659	41,068,632
Operating Expenses				
Salaries and wages	243,717	219,020	24,697	240,850
Employee benefits	98,934	89,608	9,326	97,201
Services and supplies	44,842,033	43,574,402	1,267,631	43,082,942
Total Operating Expenses	45,184,684	43,883,030	1,301,654	43,420,993
Operating Income (Loss)	(3,182,684)	(1,552,371)	1,630,313	(2,352,361)
Nonoperating Revenues (Expenses)				
Investment earnings	105,500	115,137	9,637	157,906
Net increase (decrease) in the fair value of investments	-	(9,016)	(9,016)	(183,719)
Federal grants	300,000	265,233	(34,767)	273,081
Other nonoperating revenue	-	-	-	1,250,000
Total Nonoperating Revenues (Expenses)	405,500	371,354	(34,146)	1,497,268
Income (Loss) Before Transfers	(2,777,184)	(1,181,017)	1,596,167	(855,093)
Transfers				
General Fund	-	-	-	-
Change in Net Position	\$ (2,777,184)	(1,181,017)	\$ 1,596,167	(855,093)
Net Position, July 1		8,121,663		8,976,756
Net Position, June 30		\$ 6,940,646		\$ 8,121,663

WASHOE COUNTY, NEVADA
HEALTH BENEFITS FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 17,721,091	\$ 16,877,164	\$ (843,927)	\$ 17,587,734
Cash received from other funds	23,831,359	22,486,246	(1,345,113)	22,800,433
Cash received from others	449,550	2,245,245	1,795,695	2,428,078
Cash payments for personnel costs	(339,651)	(314,928)	24,723	(335,520)
Cash payments for services and supplies	(44,724,033)	(43,640,065)	1,083,968	(41,912,468)
Net Cash Provided (Used) by Operating Activities	(3,061,684)	(2,346,338)	715,346	568,257
Cash Flows From Noncapital Financing Activities:				
Federal grants	300,000	265,233	(34,767)	273,081
Cash Flows From Investing Activities:				
Investment earnings (loss)	105,500	116,729	11,229	(17,276)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,656,184)	(1,964,376)	691,808	824,062
Cash and Cash Equivalents, July 1	9,536,141	9,194,314	(341,827)	8,370,252
Cash and Cash Equivalents, June 30	\$ 6,879,957	\$ 7,229,938	\$ 349,981	\$ 9,194,314
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (3,182,684)	(1,552,371)	\$ 1,630,313	\$ (2,352,361)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Settlement from State of Nevada	-	-	-	1,250,000
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	(794,048)	(794,048)	517,479
Due from other governments	-	72,044	72,044	(19,866)
Increase (decrease) in:				
Accounts payable	-	(75,663)	(75,663)	347,474
Accrued salaries and benefits	-	2,354	2,354	257
Compensated absences	3,000	(8,654)	(11,654)	2,274
Pending claims	118,000	10,000	(108,000)	823,000
Total Adjustments	121,000	(793,967)	(914,967)	2,920,618
Net Cash Provided (Used) by Operating Activities	\$ (3,061,684)	\$ (2,346,338)	\$ 715,346	\$ 568,257

WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Operating Revenues				
Charges for Services:				
Equipment service billings	\$ 6,784,035	\$ 6,434,653	\$ (349,382)	\$ 5,755,921
Miscellaneous:				
Other	15,000	22,739	7,739	22,857
Total Operating Revenues	<u>6,799,035</u>	<u>6,457,392</u>	<u>(341,643)</u>	<u>5,778,778</u>
Operating Expenses				
Salaries and wages	1,267,685	1,256,182	11,503	1,243,083
Employee benefits	569,107	573,310	(4,203)	520,261
Services and supplies	4,547,395	4,489,475	57,920	4,348,881
Depreciation	1,420,235	1,373,800	46,435	1,786,802
Total Operating Expenses	<u>7,804,422</u>	<u>7,692,767</u>	<u>111,655</u>	<u>7,899,027</u>
Operating Income (Loss)	<u>(1,005,387)</u>	<u>(1,235,375)</u>	<u>(229,988)</u>	<u>(2,120,249)</u>
Nonoperating Revenues (Expenses)				
Investment earnings	131,900	95,486	(36,414)	118,903
Gain (loss) on asset disposition	100,000	166,793	66,793	192,734
Other nonoperating revenue	-	-	-	1,748
Total Nonoperating Revenues (Expenses)	<u>231,900</u>	<u>262,279</u>	<u>30,379</u>	<u>313,385</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(773,487)</u>	<u>(973,096)</u>	<u>(199,609)</u>	<u>(1,806,864)</u>
Capital Contributions				
Contributions from other funds	-	-	-	95,418
Transfers				
General Fund	-	-	-	(300,000)
Capital Improvement Fund	-	-	-	(34,675)
Water Resources Fund	-	210,780	210,780	-
Total Transfers	<u>-</u>	<u>210,780</u>	<u>210,780</u>	<u>(334,675)</u>
Change in Net Position	<u>\$ (773,487)</u>	<u>(762,316)</u>	<u>\$ 11,171</u>	<u>(2,046,121)</u>
Net Position, July 1		<u>12,491,196</u>		<u>14,537,317</u>
Net Position, June 30		<u>\$ 11,728,880</u>		<u>\$ 12,491,196</u>

**WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 6,410,337	\$ 6,120,229	\$ (290,108)	\$ 5,415,686
Cash received from others	388,698	337,163	(51,535)	364,840
Cash payments for personnel costs	(1,836,792)	(1,816,870)	19,922	(1,715,391)
Cash payments for services and supplies	(4,220,892)	(4,855,921)	(635,029)	(4,389,570)
Net Cash Provided (Used) by Operating Activities	<u>741,351</u>	<u>(215,399)</u>	<u>(956,750)</u>	<u>(324,435)</u>
Cash Flows from Noncapital Financing Activities:				
Transfer to General Fund	-	-	-	(300,000)
Transfer to Capital Improvement Fund	-	-	-	(34,675)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(334,675)</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	100,000	114,873	14,873	105,958
Proceeds from insurance recoveries	-	10,368	10,368	4,702
*Acquisition of capital assets	(2,019,288)	(1,381,406)	637,882	(1,265,383)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,919,288)</u>	<u>(1,256,165)</u>	<u>663,123</u>	<u>(1,154,723)</u>
Cash Flows From Investing Activities:				
**Proceeds from assets held for sale	-	1,647,328	1,647,328	1,633,000
**Equipment supply deposit received	1,600,000	-	(1,600,000)	83,000
**Equipment supply deposit paid	(2,500,000)	(2,034,971)	465,029	(1,416,200)
Net Cash Provided (Used) by Investing Activities	<u>(900,000)</u>	<u>(387,643)</u>	<u>512,357</u>	<u>299,800</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(2,077,937)</u>	<u>(1,859,207)</u>	<u>218,730</u>	<u>(1,514,033)</u>
Cash and Cash Equivalents, July 1	<u>4,105,770</u>	<u>4,203,865</u>	<u>98,095</u>	<u>5,717,898</u>
Cash and Cash Equivalents, June 30	<u>\$ 2,027,833</u>	<u>\$ 2,344,658</u>	<u>\$ 316,825</u>	<u>\$ 4,203,865</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA
EQUIPMENT SERVICES FUND
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2013)**

	<u>2014</u>			<u>2013</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ (1,005,387)	\$ (1,235,375)	\$ (229,988)	\$ (2,120,249)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,420,235	1,373,800	(46,435)	1,786,802
Other nonoperating revenue	-	-	-	1,748
**Imputed rental expense	-	95,486	95,486	118,903
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	(59,640)	(59,640)	(58,528)
Prepaid lease expense	326,503	(266,385)	(592,888)	(123,262)
Increase (decrease) in:				
Accounts payable	-	(136,146)	(136,146)	22,215
Accrued salaries and benefits	-	7,753	7,753	9,679
Compensated absences	-	4,870	4,870	38,274
Due to other governments	-	238	238	(17)
Total Adjustments	<u>1,746,738</u>	<u>1,019,976</u>	<u>(726,762)</u>	<u>1,795,814</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 741,351</u>	<u>\$ (215,399)</u>	<u>\$ (956,750)</u>	<u>\$ (324,435)</u>

****Noncash investing, capital, and financing activities:**

The Equipment Services Fund lease deposits remaining at June 30 for rental agreements total \$3,451,171. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$95,486 have been imputed to give recognition to these transactions. Lease deposits totaling \$1,600,318 were forfeited to acquire the leased assets which were subsequently sold during the year at a gain of \$47,010.

*Acquisition of Capital Assets Financed by Cash	\$ 2,019,288	\$ 1,381,406	\$ 637,882	\$ 1,265,383
Capital transferred from other funds	-	210,780	(210,780)	95,418
Lease deposits capitalized	-	-	-	83,000
Increase (decrease) in accounts payable	-	(156,862)	156,862	40,117
Total Acquisition of Capital Assets	<u>\$ 2,019,288</u>	<u>\$ 1,435,324</u>	<u>\$ 583,964</u>	<u>\$ 1,483,918</u>