

## 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 ..... 134

#### **Health Benefits Fund**

To account for the self-insured health plan and other contractual health insurance plans ..... 136

#### **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 ..... 138

**WASHOE COUNTY, NEVADA**  
**INTERNAL SERVICE FUNDS**  
**COMBINING STATEMENT OF NET POSITION**  
**JUNE 30, 2013**

	<b>Risk Management Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Services Fund</b>	<b>Total</b>
<b>Assets</b>				
Current Assets:				
Cash and investments	\$ 21,132,111	\$ 9,194,314	\$ 4,203,865	\$ 34,530,290
Accounts receivable	-	2,419,694	-	2,419,694
Interest receivable	60,387	30,142	-	90,529
Due from other governments	-	72,044	-	72,044
Inventory	-	-	238,123	238,123
Other assets	113,383	-	1,686,859	1,800,242
Total Current Assets	21,305,881	11,716,194	6,128,847	39,150,922
Noncurrent Assets:				
Restricted cash and investments	2,172,000	-	-	2,172,000
Long-term prepaids	-	-	206,036	206,036
Long-term deposits	-	-	1,416,200	1,416,200
Capital Assets:				
Buildings and improvements	-	-	24,990	24,990
Equipment	-	-	23,486,435	23,486,435
Software	-	-	20,260	20,260
Less accumulated depreciation	-	-	(18,041,950)	(18,041,950)
Total Noncurrent Assets	2,172,000	-	7,111,971	9,283,971
Total Assets	23,477,881	11,716,194	13,240,818	48,434,893
<b>Liabilities</b>				
Current Liabilities:				
Accounts payable	71,111	871,509	462,311	1,404,931
Accrued salaries and benefits	9,325	11,392	66,665	87,382
Compensated absences	19,439	28,934	169,648	218,021
Pending claims	3,449,000	2,674,000	-	6,123,000
Total Current Liabilities	3,548,875	3,585,835	698,624	7,833,334
Noncurrent Liabilities:				
Compensated absences	5,845	8,696	50,998	65,539
Pending claims	5,786,000	-	-	5,786,000
Pending claims payable from restricted cash	2,172,000	-	-	2,172,000
Total Noncurrent Liabilities	7,963,845	8,696	50,998	8,023,539
Total Liabilities	11,512,720	3,594,531	749,622	15,856,873
<b>Net Position</b>				
Net investment in capital assets	-	-	5,489,735	5,489,735
Restricted for future claims	11,965,161	8,121,663	-	20,086,824
Unrestricted	-	-	7,001,461	7,001,461
Total Net Position	\$ 11,965,161	\$ 8,121,663	\$ 12,491,196	\$ 32,578,020

**WASHOE COUNTY, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Risk Management Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Services Fund</b>	<b>Total</b>
<b>Operating Revenues</b>				
Charges for Services:				
Self insurance fees	\$ 6,575,322	\$ 39,890,554	\$ -	\$ 46,465,876
Equipment service billings	-	-	5,755,921	5,755,921
Miscellaneous	565,711	1,178,078	22,857	1,766,646
Total Operating Revenues	7,141,033	41,068,632	5,778,778	53,988,443
<b>Operating Expenses</b>				
Salaries and wages	204,722	240,850	1,243,083	1,688,655
Employee benefits	72,715	97,201	520,261	690,177
Services and supplies	4,732,378	43,082,942	4,348,881	52,164,201
Depreciation	-	-	1,786,802	1,786,802
Total Operating Expenses	5,009,815	43,420,993	7,899,027	56,329,835
Operating Income (Loss)	2,131,218	(2,352,361)	(2,120,249)	(2,341,392)
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	336,812	157,906	118,903	613,621
Net increase (decrease) in the fair value of investments	(347,803)	(183,719)	-	(531,522)
Gain (loss) on asset disposition	-	-	192,734	192,734
Federal grants	-	273,081	-	273,081
Other nonoperating revenue	-	1,250,000	1,748	1,251,748
Total Nonoperating Revenues (Expenses)	(10,991)	1,497,268	313,385	1,799,662
Income (Loss) Before Capital Contributions and Transfers	2,120,227	(855,093)	(1,806,864)	(541,730)
<b>Capital Contributions</b>				
Contributions from other funds	-	-	95,418	95,418
<b>Transfers</b>				
General Fund	-	-	(300,000)	(300,000)
Capital Improvement Fund	-	-	(34,675)	(34,675)
Total Transfers	-	-	(334,675)	(334,675)
Change in Net Position	2,120,227	(855,093)	(2,046,121)	(780,987)
<b>Net Position, July 1, As Restated</b>	9,844,934	8,976,756	14,537,317	33,359,007
<b>Net Position, June 30</b>	\$ 11,965,161	\$ 8,121,663	\$ 12,491,196	\$ 32,578,020

**WASHOE COUNTY, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<b>Risk Management Fund</b>	<b>Health Benefits Fund</b>	<b>Equipment Services Fund</b>	<b>Total</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from customers	\$ -	\$ 17,587,734	\$ -	\$ 17,587,734
Cash received from other funds	6,575,322	22,800,433	5,415,686	34,791,441
Cash received from others	576,240	2,428,078	364,840	3,369,158
Cash payments for personnel costs	(299,375)	(335,520)	(1,715,391)	(2,350,286)
Cash payments for services and supplies	(6,335,497)	(41,912,468)	(4,389,570)	(52,637,535)
Net Cash Provided (Used) by Operating Activities	516,690	568,257	(324,435)	760,512
Cash Flows From Noncapital Financing Activities:				
Federal grants	-	273,081	-	273,081
Transfers to General Fund	-	-	(300,000)	(300,000)
Transfers to Capital Improvement Fund	-	-	(34,675)	(34,675)
Net Cash Provided (Used) by Noncapital Financing Activities	-	273,081	(334,675)	(61,594)
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	105,958	105,958
Proceeds from insurance recoveries	-	-	4,702	4,702
*Acquisition of capital assets	-	-	(1,265,383)	(1,265,383)
Net Cash Provided (Used) by Capital and Related Financing Activities	-	-	(1,154,723)	(1,154,723)
Cash Flows From Investing Activities:				
Investment earnings (loss)	10,335	(17,276)	-	(6,941)
**Proceeds from assets held for sale	-	-	1,633,000	1,633,000
**Equipment supply deposit received	-	-	83,000	83,000
**Equipment supply deposit paid	-	-	(1,416,200)	(1,416,200)
Net Cash Provided (Used) by Investing Activities	10,335	(17,276)	299,800	292,859
Net Increase (Decrease) in Cash and Cash Equivalents	527,025	824,062	(1,514,033)	(162,946)
<b>Cash and Cash Equivalents, July 1</b>	22,777,086	8,370,252	5,717,898	36,865,236
<b>Cash and Cash Equivalents, June 30</b>	\$ 23,304,111	\$ 9,194,314	\$ 4,203,865	\$ 36,702,290

(CONTINUED)

**WASHOE COUNTY, NEVADA  
INTERNAL SERVICE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Risk Management Fund</u>	<u>Health Benefits Fund</u>	<u>Equipment Services Fund</u>	<u>Total</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 2,131,218	\$ (2,352,361)	\$ (2,120,249)	\$ (2,341,392)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	-	-	1,786,802	1,786,802
Other nonoperating revenue	-	1,250,000	1,748	1,251,748
**Imputed rental expense	-	-	118,903	118,903
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	10,529	517,479	-	528,008
Due from other governments	-	(19,866)	-	(19,866)
Inventory	-	-	(58,528)	(58,528)
Other assets	(6,332)	-	(123,262)	(129,594)
Increase (decrease) in:				
Accounts payable	2,789	347,474	22,215	372,478
Accrued salaries and benefits	(1,566)	257	9,679	8,370
Compensated absences	(20,372)	2,274	38,274	20,176
Due to others	(205,298)	-	-	(205,298)
Due to other governments	(1,673,278)	-	(17)	(1,673,295)
Pending claims	279,000	823,000	-	1,102,000
Total Adjustments	(1,614,528)	2,920,618	1,795,814	3,101,904
Net Cash Provided (Used) by Operating Activities	\$ 516,690	\$ 568,257	\$ (324,435)	\$ 760,512

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

The Equipment Services Fund lease deposits remaining from prior year rental agreements total \$3,016,518. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$118,903 have been imputed to give recognition to these transactions. Lease deposits totaling \$1,407,047 were forfeited to acquire the leased assets which were subsequently sold during the year at a gain of \$225,953. Lease deposits totaling \$83,000 were forfeited to acquire assets. Lease deposits totaling \$83,000 were refunded and the equipment was returned.

*Acquisition of Capital Assets Financed by Cash	\$ -	\$ -	\$ 1,265,383	\$ 1,265,383
Capital transferred from other funds	-	-	95,418	95,418
Lease deposits capitalized	-	-	83,000	83,000
Increase (decrease) in accounts payable	-	-	40,117	40,117
Total Acquisition of Capital Assets	\$ -	\$ -	\$ 1,483,918	\$ 1,483,918

**WASHOE COUNTY, NEVADA**  
**RISK MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Operating Revenues</b>				
Charges for Services:				
Insurance premiums	\$ 6,754,057	\$ 6,575,322	\$ (178,735)	\$ 6,519,842
Miscellaneous:				
Other	-	565,711	565,711	512,897
Total Operating Revenues	<u>6,754,057</u>	<u>7,141,033</u>	<u>386,976</u>	<u>7,032,739</u>
<b>Operating Expenses</b>				
Salaries and wages	243,739	204,722	39,017	216,737
Employee benefits	87,773	72,715	15,058	79,206
Services and supplies	8,327,791	4,732,378	3,595,413	6,522,560
Total Operating Expenses	<u>8,659,303</u>	<u>5,009,815</u>	<u>3,649,488</u>	<u>6,818,503</u>
Operating Income (Loss)	<u>(1,905,246)</u>	<u>2,131,218</u>	<u>4,036,464</u>	<u>214,236</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	330,650	336,812	6,162	642,737
Net increase (decrease) in the fair value of investments	-	(347,803)	(347,803)	297,416
Total Nonoperating Revenues (Expenses)	<u>330,650</u>	<u>(10,991)</u>	<u>(341,641)</u>	<u>940,153</u>
Income (Loss) Before Transfers	<u>(1,574,596)</u>	<u>2,120,227</u>	<u>3,694,823</u>	<u>1,154,389</u>
<b>Transfers</b>				
General Fund	-	-	-	(14,500,000)
Change in Net Position	<u>\$ (1,574,596)</u>	<u>2,120,227</u>	<u>\$ 3,694,823</u>	<u>(13,345,611)</u>
<b>Net Position, July 1</b>		<u>9,844,934</u>		<u>23,190,545</u>
<b>Net Position, June 30</b>		<u>\$ 11,965,161</u>		<u>\$ 9,844,934</u>

**WASHOE COUNTY, NEVADA**  
**RISK MANAGEMENT FUND**  
**SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2013**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 6,754,057	\$ 6,575,322	\$ (178,735)	\$ 6,519,842
Cash received from others	-	576,240	576,240	502,695
Cash payments for personnel costs	(326,512)	(299,375)	27,137	(290,595)
Cash payments for services and supplies	(6,028,791)	(6,335,497)	(306,706)	(4,333,295)
Net Cash Provided (Used) by Operating Activities	<u>398,754</u>	<u>516,690</u>	<u>117,936</u>	<u>2,398,647</u>
Cash Flows From Noncapital Financing Activities:				
Transfer to General Fund	-	-	-	(14,500,000)
Cash Flows From Investing Activities:				
Investment earnings	<u>330,650</u>	<u>10,335</u>	<u>(320,315)</u>	<u>1,003,499</u>
Net Increase (Decrease) in Cash and Cash Equivalents	729,404	527,025	(202,379)	(11,097,854)
<b>Cash and Cash Equivalents, July 1</b>	<u>21,549,636</u>	<u>22,777,086</u>	<u>1,227,450</u>	<u>33,874,940</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 22,279,040</u>	<u>\$ 23,304,111</u>	<u>\$ 1,025,071</u>	<u>\$ 22,777,086</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (1,905,246)	\$ 2,131,218	\$ 4,036,464	\$ 214,236
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	10,529	10,529	(10,202)
Other assets	-	(6,332)	(6,332)	(3,460)
Change in liabilities:				
Increase (decrease) in:				
Accounts payable	-	2,789	2,789	43,149
Accrued salaries and benefits	-	(1,566)	(1,566)	2,464
Compensated absences	-	(20,372)	(20,372)	2,884
Due to others	-	(205,298)	(205,298)	205,298
Due to other governments	-	(1,673,278)	(1,673,278)	1,673,278
Pending claims	<u>2,304,000</u>	<u>279,000</u>	<u>(2,025,000)</u>	<u>271,000</u>
Total Adjustments	<u>2,304,000</u>	<u>(1,614,528)</u>	<u>(3,918,528)</u>	<u>2,184,411</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 398,754</u>	<u>\$ 516,690</u>	<u>\$ 117,936</u>	<u>\$ 2,398,647</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, 2013**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Operating Revenues</b>				
Charges for Services:				
Insurance premiums	\$ 44,287,000	\$ 39,890,554	\$ (4,396,446)	\$ 43,381,184
Miscellaneous:				
Other	<u>628,800</u>	<u>1,178,078</u>	<u>549,278</u>	<u>848,429</u>
Total Operating Revenues	<u>44,915,800</u>	<u>41,068,632</u>	<u>(3,847,168)</u>	<u>44,229,613</u>
<b>Operating Expenses</b>				
Salaries and wages	240,816	240,850	(34)	234,064
Employee benefits	102,352	97,201	5,151	95,226
Services and supplies	<u>44,931,402</u>	<u>43,082,942</u>	<u>1,848,460</u>	<u>40,571,879</u>
Total Operating Expenses	<u>45,274,570</u>	<u>43,420,993</u>	<u>1,853,577</u>	<u>40,901,169</u>
Operating Income (Loss)	<u>(358,770)</u>	<u>(2,352,361)</u>	<u>(1,993,591)</u>	<u>3,328,444</u>
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	70,500	157,906	87,406	218,599
Net increase (decrease) in the fair value of investments	-	(183,719)	(183,719)	70,644
Federal grants	250,000	273,081	23,081	276,073
Other nonoperating revenue	<u>-</u>	<u>1,250,000</u>	<u>1,250,000</u>	<u>-</u>
Total Nonoperating Revenues (Expenses)	<u>320,500</u>	<u>1,497,268</u>	<u>1,176,768</u>	<u>565,316</u>
Income (Loss) Before Transfers	<u>(38,270)</u>	<u>(855,093)</u>	<u>(816,823)</u>	<u>3,893,760</u>
<b>Transfers</b>				
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,081,500)</u>
Change in Net Position	<u>\$ (38,270)</u>	<u>(855,093)</u>	<u>\$ (816,823)</u>	<u>(187,740)</u>
<b>Net Position, July 1</b>		<u>8,976,756</u>		<u>9,164,496</u>
<b>Net Position, June 30</b>		<u>\$ 8,121,663</u>		<u>\$ 8,976,756</u>



**WASHOE COUNTY, NEVADA  
HEALTH BENEFITS FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	2013			2012
	Budget	Actual	Variance	Actual
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from customers	\$ 20,201,136	\$ 17,587,734	\$ (2,613,402)	\$ 19,918,361
Cash received from other funds	24,084,364	22,800,433	(1,283,931)	23,542,714
Cash received from others	630,300	2,428,078	1,797,778	848,429
Cash payments for personnel costs	(343,168)	(335,520)	7,648	(305,585)
Cash payments for services and supplies	(44,931,402)	(41,912,468)	3,018,934	(41,281,174)
Net Cash Provided (Used) by Operating Activities	(358,770)	568,257	927,027	2,722,745
Cash Flows From Noncapital Financing Activities:				
Federal grants	250,000	273,081	23,081	276,073
Transfers to General Fund	-	-	-	(4,081,500)
Net Cash Provided (Used) by Noncapital Financing Activities	250,000	273,081	23,081	(3,805,427)
Cash Flows From Investing Activities:				
Investment earnings (loss)	70,500	(17,276)	(87,776)	288,939
Net Increase (Decrease) in Cash and Cash Equivalents	(38,270)	824,062	862,332	(793,743)
<b>Cash and Cash Equivalents, July 1</b>	982,931	8,370,252	7,387,321	9,163,995
<b>Cash and Cash Equivalents, June 30</b>	\$ 944,661	\$ 9,194,314	\$ 8,249,653	\$ 8,370,252
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (358,770)	\$ (2,352,361)	\$ (1,993,591)	\$ 3,328,444
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Settlement from State of Nevada	-	1,250,000	1,250,000	-
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	-	517,479	517,479	64,915
Due from other governments	-	(19,866)	(19,866)	42,510
Increase (decrease) in:				
Accounts payable	-	347,474	347,474	(381,829)
Accrued salaries and benefits	-	257	257	3,075
Compensated absences	-	2,274	2,274	20,630
Pending claims	-	823,000	823,000	(355,000)
Total Adjustments	-	2,920,618	2,920,618	(605,699)
Net Cash Provided (Used) by Operating Activities	\$ (358,770)	\$ 568,257	\$ 927,027	\$ 2,722,745

**WASHOE COUNTY, NEVADA  
EQUIPMENT SERVICES FUND  
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Operating Revenues</b>				
Charges for Services:				
Equipment service billings	\$ 6,408,677	\$ 5,755,921	\$ (652,756)	\$ 6,669,228
Miscellaneous:				
Other	15,000	22,857	7,857	55,392
Total Operating Revenues	6,423,677	5,778,778	(644,899)	6,724,620
<b>Operating Expenses</b>				
Salaries and wages	1,226,176	1,243,083	(16,907)	1,192,948
Employee benefits	543,138	520,261	22,877	624,393
Services and supplies	4,308,374	4,348,881	(40,507)	3,926,204
Depreciation	1,890,152	1,786,802	103,350	1,849,994
Total Operating Expenses	7,967,840	7,899,027	68,813	7,593,539
Operating Income (Loss)	(1,544,163)	(2,120,249)	(576,086)	(868,919)
<b>Nonoperating Revenues (Expenses)</b>				
Investment earnings	131,900	118,903	(12,997)	132,599
Gain (loss) on asset disposition	100,000	192,734	92,734	115,609
Other nonoperating revenue	-	1,748	1,748	13,207
Total Nonoperating Revenues (Expenses)	231,900	313,385	81,485	261,415
Income (Loss) Before Capital Contributions and Transfers	(1,312,263)	(1,806,864)	(494,601)	(607,504)
<b>Capital Contributions</b>				
Contributions from other funds	-	95,418	95,418	31,431
<b>Transfers</b>				
General Fund	(300,000)	(300,000)	-	(700,000)
Capital Improvement Fund	-	(34,675)	(34,675)	-
Building and Safety Fund	-	-	-	(45,369)
Total Transfers	(300,000)	(334,675)	(34,675)	(745,369)
Change in Net Position	\$ (1,612,263)	(2,046,121)	\$ (433,858)	(1,321,442)
<b>Net Position, July 1</b>		14,537,317		15,858,759
<b>Net Position, June 30</b>		\$ 12,491,196		\$ 14,537,317

**WASHOE COUNTY, NEVADA  
EQUIPMENT SERVICES FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>				
Cash Flows From Operating Activities:				
Cash received from other funds	\$ 6,033,377	\$ 5,415,686	\$ (617,691)	\$ 6,669,228
Cash received from others	390,300	364,840	(25,460)	55,392
Cash payments for personnel costs	(1,769,314)	(1,715,391)	53,923	(1,849,314)
Cash payments for services and supplies	<u>(3,936,335)</u>	<u>(4,389,570)</u>	<u>(453,235)</u>	<u>(3,446,900)</u>
Net Cash Provided (Used) by Operating Activities	<u>718,028</u>	<u>(324,435)</u>	<u>(1,042,463)</u>	<u>1,428,406</u>
Cash Flows from Noncapital Financing Activities:				
Transfer to General Fund	(300,000)	(300,000)	-	(700,000)
Transfer to Capital Improvement Fund	-	(34,675)	(34,675)	-
Transfer to Building and Safety Fund	-	-	-	(45,369)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(300,000)</u>	<u>(334,675)</u>	<u>(34,675)</u>	<u>(745,369)</u>
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	100,000	105,958	5,958	209,020
Proceeds from insurance recoveries	-	4,702	4,702	13,207
*Acquisition of capital assets	<u>(1,400,000)</u>	<u>(1,265,383)</u>	<u>134,617</u>	<u>(943,609)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,300,000)</u>	<u>(1,154,723)</u>	<u>145,277</u>	<u>(721,382)</u>
Cash Flows From Investing Activities:				
**Proceeds from assets held for sale	-	1,633,000	1,633,000	-
**Equipment supply deposit received	1,633,000	83,000	(1,550,000)	-
**Equipment supply deposit paid	<u>(1,786,500)</u>	<u>(1,416,200)</u>	<u>370,300</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(153,500)</u>	<u>299,800</u>	<u>453,300</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(1,035,472)</u>	<u>(1,514,033)</u>	<u>(478,561)</u>	<u>(38,345)</u>
<b>Cash and Cash Equivalents, July 1</b>	<u>5,815,878</u>	<u>5,717,898</u>	<u>(97,980)</u>	<u>5,756,243</u>
<b>Cash and Cash Equivalents, June 30</b>	<u>\$ 4,780,406</u>	<u>\$ 4,203,865</u>	<u>\$ (576,541)</u>	<u>\$ 5,717,898</u>

(CONTINUED)

**WASHOE COUNTY, NEVADA  
EQUIPMENT SERVICES FUND  
SCHEDULE OF CASH FLOWS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2013  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2012)**

	<u>2013</u>			<u>2012</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ (1,544,163)	\$ (2,120,249)	\$ (576,086)	\$ (868,919)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	1,890,152	1,786,802	(103,350)	1,849,994
Other nonoperating revenue	-	1,748	1,748	-
**Imputed rental expense	-	118,903	118,903	132,599
Change in assets and liabilities:				
(Increase) decrease in:				
Inventory	-	(58,528)	(58,528)	17,094
Prepaid lease expense	372,039	(123,262)	(495,301)	246,912
Increase (decrease) in:				
Accounts payable	-	22,215	22,215	82,682
Accrued salaries and benefits	-	9,679	9,679	2,032
Compensated absences	-	38,274	38,274	(34,005)
Due to other governments	-	(17)	(17)	17
Total Adjustments	2,262,191	1,795,814	(466,377)	2,297,325
Net Cash Provided (Used) by Operating Activities	\$ 718,028	\$ (324,435)	\$ (1,042,463)	\$ 1,428,406

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

The Equipment Services Fund lease deposits remaining from prior year rental agreements total \$3,016,518. These deposits are considered to be equivalent to noninterest bearing loans. Interest income and rental expense of \$118,903 have been imputed to give recognition to these transactions. Lease deposits totaling \$1,407,047 were forfeited to acquire the leased assets which were subsequently sold during the year at a gain of \$225,953. Lease deposits totaling \$83,000 were forfeited to acquire assets. Lease deposits totaling \$83,000 were refunded and the equipment was returned.

<b>*Acquisition of Capital Assets Financed by Cash</b>	\$ 1,400,000	\$ 1,265,383	\$ 134,617	\$ 943,609
Capital transferred from other funds	-	95,418	(95,418)	31,431
Lease deposits capitalized	-	83,000	(83,000)	-
Increase (decrease) in accounts payable	-	40,117	(40,117)	112,217
Total Acquisition of Capital Assets	\$ 1,400,000	\$ 1,483,918	\$ (83,918)	\$ 1,087,257