

Basic Financial Statements

- Government-wide Financial Statements
 - Statement of Net Assets
 - Statement of Activities

- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds



**WASHOE COUNTY SCHOOL DISTRICT
STATEMENT OF NET ASSETS
JUNE 30, 2011**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
ASSETS			
Current assets			
Cash and investments	\$ 269,604,849	\$ 2,350,692	\$ 271,955,541
Receivables			
Property taxes	6,499,178	-	6,499,178
Interest	400,011	-	400,011
Grants	9,063,964	-	9,063,964
Miscellaneous	2,539,829	832,509	3,372,338
Due from other governments	40,460,990	-	40,460,990
Prepays	21,868	-	21,868
Inventories	1,108,844	1,061,478	2,170,322
Deferred charges	13,858,622	615	13,859,237
Total current assets	<u>343,558,155</u>	<u>4,245,294</u>	<u>347,803,449</u>
Noncurrent assets			
Restricted cash	4,363,677	-	4,363,677
Other postemployment benefits asset	17,729,683	-	17,729,683
Capital assets			
Land and construction in progress	61,931,468	-	61,931,468
Other capital assets, net of depreciation	584,839,934	551,185	585,391,119
Total noncurrent assets	<u>668,864,762</u>	<u>551,185</u>	<u>669,415,947</u>
Total assets	<u>1,012,422,917</u>	<u>4,796,479</u>	<u>1,017,219,396</u>
LIABILITIES			
Current liabilities			
Accounts payable	5,320,404	394,904	5,715,308
Accrued liabilities	46,690,529	282,868	46,973,397
Construction contracts payable	3,787,529	-	3,787,529
Interest payable	1,983,154	-	1,983,154
Due to other governments	474,444	-	474,444
Unearned revenue	3,388,900	180,154	3,569,054
Refund of Incline Village property taxes principal	12,900,000	-	12,900,000
Refund of Incline Village property taxes interest	2,100,000	-	2,100,000
Current portion of long-term obligations	51,114,584	-	51,114,584
Total current liabilities	<u>127,759,544</u>	<u>857,926</u>	<u>128,617,470</u>
Noncurrent liabilities			
General obligation bonds payable	499,265,019	-	499,265,019
Deposit on issued bonds	400,000	-	400,000
Arbitrage payable	576,635	-	576,635
Capital leases payable	16,209,523	-	16,209,523
Accrued compensated absences	28,519,594	-	28,519,594
Accrued early separation incentive stipends	337,606	-	337,606
Accrued self-insurance pending claims	14,198,736	-	14,198,736
Other postemployment benefits liability	1,068,813	-	1,068,813
Less: current portion of long-term obligations	(51,114,584)	-	(51,114,584)
Total noncurrent liabilities	<u>509,461,342</u>	<u>-</u>	<u>509,461,342</u>
Total liabilities	<u>637,220,886</u>	<u>857,926</u>	<u>638,078,812</u>
NET ASSETS			
Invested in capital assets, net of related debt	210,091,401	551,185	210,642,586
Restricted for			
Debt service	46,074,024	-	46,074,024
Capital projects	15,095,646	-	15,095,646
Self-insurance activities	47,248,170	-	47,248,170
Unrestricted (result of other postemployment benefits)	16,660,870	-	16,660,870
Unrestricted	40,031,920	3,387,368	43,419,288
Total net assets	<u>\$ 375,202,031</u>	<u>\$ 3,938,553</u>	<u>\$ 379,140,584</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS		
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
Governmental activities						
Instruction						
Regular instruction	\$ 200,910,500	\$ -	\$ 21,047,507	\$ (179,862,993)	\$ -	\$ (179,862,993)
Special instruction	66,119,459	-	36,910,150	(29,209,309)	-	(29,209,309)
Vocational instruction	8,192,784	-	1,327,226	(6,865,558)	-	(6,865,558)
Other instruction	62,794,001	1,410,373	50,706,960	(10,676,668)	-	(10,676,668)
Adult education instruction	1,951,707	-	1,990,893	39,186	-	39,186
Community services instruction	757,579	433,266	766,830	442,517	-	442,517
Co-curricular instruction	3,447,205	-	-	(3,447,205)	-	(3,447,205)
Total instruction	<u>344,173,235</u>	<u>1,843,639</u>	<u>112,749,566</u>	<u>(229,580,030)</u>	<u>-</u>	<u>(229,580,030)</u>
Support services						
Instruction	339,215	-	346,751	7,536	-	7,536
Student support	24,832,719	-	416,081	(24,416,638)	-	(24,416,638)
Instructional staff support	12,117,988	-	74,153	(12,043,835)	-	(12,043,835)
General administration	5,267,326	-	388,991	(4,878,335)	-	(4,878,335)
School administration	29,682,847	-	-	(29,682,847)	-	(29,682,847)
Central services	20,817,611	-	17,085	(20,800,526)	-	(20,800,526)
Operation and maintenance	45,840,239	-	4,373	(45,835,866)	-	(45,835,866)
Student transportation	15,173,027	-	419,795	(14,753,232)	-	(14,753,232)
Other support	2,079,234	-	-	(2,079,234)	-	(2,079,234)
Community service operations	388,674	-	-	(388,674)	-	(388,674)
Facilities	30,214,091	-	776,534	(29,437,557)	-	(29,437,557)
Interest on long-term debt	24,139,763	-	-	(24,139,763)	-	(24,139,763)
Amortization of issuance costs on debt	1,364,618	-	-	(1,364,618)	-	(1,364,618)
Total support services	<u>212,257,352</u>	<u>-</u>	<u>2,443,763</u>	<u>(209,813,589)</u>	<u>-</u>	<u>(209,813,589)</u>
Unallocated refund of Incline Village property taxes						
	<u>15,000,000</u>	<u>-</u>	<u>-</u>	<u>(15,000,000)</u>	<u>-</u>	<u>(15,000,000)</u>
Total governmental activities	<u>571,430,587</u>	<u>1,843,639</u>	<u>115,193,329</u>	<u>(454,393,619)</u>	<u>-</u>	<u>(454,393,619)</u>
Business-type activities						
Nutrition services	<u>18,937,409</u>	<u>4,933,054</u>	<u>13,616,037</u>	<u>-</u>	<u>(388,318)</u>	<u>(388,318)</u>
Total business-type activities	<u>18,937,409</u>	<u>4,933,054</u>	<u>13,616,037</u>	<u>-</u>	<u>(388,318)</u>	<u>(388,318)</u>
Total school district	<u>\$ 590,367,996</u>	<u>\$ 6,776,693</u>	<u>\$ 128,809,366</u>	<u>(454,393,619)</u>	<u>(388,318)</u>	<u>(454,781,937)</u>
General revenues						
Property taxes, levied for general purposes				100,699,519	-	100,699,519
Property taxes, levied for debt service				52,994,788	-	52,994,788
Local school support taxes				128,788,689	-	128,788,689
Government service taxes for general purposes				11,566,263	-	11,566,263
Government service taxes for capital purposes				2,994,034	-	2,994,034
Franchise taxes				365,707	-	365,707
Unrestricted investment earnings				6,630,982	-	6,630,982
Gain on the sale of assets				512,124	-	512,124
State aid not restricted to specific purposes				143,954,130	-	143,954,130
State aid special appropriations				527,290	-	527,290
Other local sources				9,857,424	-	9,857,424
Federal aid not restricted to specific purposes				218,379	-	218,379
State portion of Incline Village property taxes				2,833,333	-	2,833,333
Total general revenues				<u>461,942,662</u>	<u>-</u>	<u>461,942,662</u>
Change in net assets				7,549,043	(388,318)	7,160,725
NET ASSETS - July 1				<u>367,652,988</u>	<u>4,326,871</u>	<u>371,979,859</u>
NET ASSETS - June 30				<u>\$ 375,202,031</u>	<u>\$ 3,938,553</u>	<u>\$ 379,140,584</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

	GENERAL FUND	SPECIAL EDUCATION FUND	DEBT SERVICE FUND	2010 WASHOE COUNTY RZEDB FUND
ASSETS				
Cash and investments	\$ 66,287,041	\$ 3,746,547	\$ 49,597,532	\$ 7,809,831
Receivables				
Property taxes	5,137,619	-	1,361,559	-
Interest	8,900	-	378,873	-
Grants	-	-	-	-
Miscellaneous	1,818,043	4,759	-	-
Due from other funds	3,995,943	-	-	-
Due from other governments	35,470,044	1,902,236	-	-
Prepays	19,382	-	-	-
Inventories	1,108,844	-	-	-
Cash and investments - restricted	-	-	4,363,677	-
Total assets	\$ 113,845,816	\$ 5,653,542	\$ 55,701,641	\$ 7,809,831
LIABILITIES				
Accounts payable	\$ 2,711,229	\$ 52,852	\$ 19,899	\$ 137,060
Accrued liabilities	35,424,286	5,600,690	18,167	254
Construction contracts payable	-	-	-	716,894
Due to other funds	-	-	-	-
Due to other governments	417,908	-	-	-
Deferred revenues	3,635,218	-	1,361,559	-
Total liabilities	42,188,641	5,653,542	1,399,625	854,208
FUND BALANCE				
Nonspendable	1,108,844	-	-	-
Restricted	-	-	54,302,016	6,955,623
Assigned	70,548,331	-	-	-
Total fund balance	71,657,175	-	54,302,016	6,955,623
	\$ 113,845,816	\$ 5,653,542	\$ 55,701,641	\$ 7,809,831
Total liabilities and fund balance				

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

<u>2009B WASHOE COUNTY RZEDB FUND</u>	<u>2009B CITY OF RENO RZEDB FUND</u>	<u>2011B BOND ROLLOVER FUND</u>	<u>2011 BOND ROLLOVER FUND</u>	<u>2010 QSCB FUND</u>	<u>2009 BOND ROLLOVER FUND</u>
\$ 10,937,490	\$ 11,115,327	\$ 400,000	\$ 5,342,009	\$ 120,570	\$ 15,590,383
-	-	-	-	-	-
-	-	13	594	30	1,684
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>10,937,490</u>	<u>11,115,327</u>	<u>400,013</u>	<u>5,342,603</u>	<u>120,600</u>	<u>15,592,067</u>
\$ 58,232	\$ 56,055	\$ 63,933	\$ -	\$ -	\$ 39,090
1,220	-	58,786	-	-	81,532
1,665,692	1,113,002	-	-	-	22,309
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>1,725,144</u>	<u>1,169,057</u>	<u>122,719</u>	<u>-</u>	<u>-</u>	<u>142,931</u>
-	-	-	-	-	-
9,212,346	9,946,270	277,294	5,342,603	120,600	15,449,136
-	-	-	-	-	-
<u>9,212,346</u>	<u>9,946,270</u>	<u>277,294</u>	<u>5,342,603</u>	<u>120,600</u>	<u>15,449,136</u>
<u>10,937,490</u>	<u>11,115,327</u>	<u>400,013</u>	<u>5,342,603</u>	<u>120,600</u>	<u>15,592,067</u>

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**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

	<u>2008 BOND ROLLOVER FUND</u>	<u>2007 BOND ROLLOVER FUND</u>	<u>2006 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
ASSETS					
Cash and investments	\$ 8,294,287	\$ 14,901,319	\$ 1,281,921	\$ 13,251,280	\$ 208,675,537
Receivables					
Property taxes	-	-	-	-	6,499,178
Interest	936	1,710	149	857	393,746
Grants	-	-	-	9,063,964	9,063,964
Miscellaneous	-	-	-	74,027	1,896,829
Due from other funds	-	-	-	-	3,995,943
Due from other governments	-	-	-	255,377	37,627,657
Prepays	-	-	-	2,486	21,868
Inventories	-	-	-	-	1,108,844
Cash and investments - restricted	-	-	-	-	4,363,677
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 8,295,223</u>	<u>\$ 14,903,029</u>	<u>\$ 1,282,070</u>	<u>\$ 22,647,991</u>	<u>\$ 273,647,243</u>
LIABILITIES					
Accounts payable	\$ 46,526	\$ 135,526	\$ -	\$ 1,872,287	\$ 5,192,689
Accrued liabilities	11,310	441,498	140,050	5,454,907	47,232,700
Construction contracts payable	7,541	221,529	-	40,562	3,787,529
Due to other funds	-	-	-	3,995,943	3,995,943
Due to other governments	-	-	-	56,536	474,444
Deferred revenues	-	-	-	2,308,046	7,304,823
	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,308,046</u>	<u>7,304,823</u>
Total liabilities	<u>65,377</u>	<u>798,553</u>	<u>140,050</u>	<u>13,728,281</u>	<u>67,988,128</u>
FUND BALANCES					
Nonspendable	-	-	-	-	1,108,844
Restricted	8,229,846	14,104,476	1,142,020	8,919,710	134,001,940
Assigned	-	-	-	-	70,548,331
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,548,331</u>
Total fund balance	<u>8,229,846</u>	<u>14,104,476</u>	<u>1,142,020</u>	<u>8,919,710</u>	<u>205,659,115</u>
Total liabilities and fund balance	<u>\$ 8,295,223</u>	<u>\$ 14,903,029</u>	<u>\$ 1,282,070</u>	<u>\$ 22,647,991</u>	<u>\$ 273,647,243</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011**

Total Fund Balances for Governmental Funds \$ 205,659,115

Amounts reported for governmental activities in the statement of net assets are different because:

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

Land and construction in progress	\$	61,931,468	
Capital assets subject to depreciation		829,982,078	
Less accumulated depreciation		<u>(245,172,652)</u>	
			646,740,894

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

Deferred debt charges		14,672,530	
Debt issuance costs		7,375,550	
Less accumulated amortization		<u>(8,189,458)</u>	
			13,858,622

Refund of Incline Village property taxes is not a use of current resources and therefore is not reported in the governmental funds.

Principal		(12,900,000)	
Interest		(2,100,000)	
Less State portion of Incline Village property taxes		<u>2,833,333</u>	
			(12,166,667)

Other postemployment benefits net asset is not a financial resource and therefore is not reported in the governmental funds.

16,660,870

Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the governmental funds.

Governmental bonds payable		(482,900,000)	
Good faith deposit on bond issue		(400,000)	
Bond premium		(24,709,474)	
Less accumulated amortization		8,344,455	
Capital leases payable		(16,209,523)	
Compensated absences		(28,519,594)	
Early separation incentive stipends		<u>(337,606)</u>	
			(544,731,742)

Interest payable			(1,983,154)
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Deferred revenue represents amounts that were not available to fund current expenditures and therefore is not reported in the governmental funds.

3,915,923

Internal service funds are used by management to charge the costs of certain activities to individual funds. Net assets of the internal service funds are reported with governmental activities.

47,248,170

Total Net Assets of Governmental Activities \$ 375,202,031

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>GENERAL FUND</u>	<u>SPECIAL EDUCATION FUND</u>	<u>DEBT SERVICE FUND</u>	<u>2010 WASHOE COUNTY RZEDB FUND</u>
REVENUES				
Local sources	\$ 252,806,275	\$ -	\$ 56,362,709	\$ 21,204
State sources	144,481,420	22,911,657	-	-
Federal sources	2,347,778	-	-	-
Other sources	50,630	-	-	-
Total revenues	<u>399,686,103</u>	<u>22,911,657</u>	<u>56,362,709</u>	<u>21,204</u>
EXPENDITURES				
Current				
Regular programs	189,197,013	-	-	-
Special programs	2,546,984	52,310,052	-	-
Vocational programs	6,993,595	-	-	-
Other instructional programs	13,366,855	-	-	-
Adult education programs	-	-	-	-
Community services programs	-	-	-	-
Co-curricular programs	3,501,320	-	-	-
Undistributed expenditures				
Instruction	-	-	-	-
Student support	24,807,906	-	-	-
Instructional staff support	12,200,391	-	-	-
General administration	4,987,502	-	-	-
School administration	30,116,636	-	-	-
Central services	18,529,431	-	-	-
Operation and maintenance	46,251,310	-	-	-
Student transportation	16,484,167	-	-	-
Community service operations	394,001	-	-	-
Capital outlay	-	-	-	3,030,223
Debt service				
Principal	-	-	47,411,206	-
Interest	-	-	24,351,047	-
Bond issuance costs	-	-	338,027	-
Other	-	-	2,078,371	-
Total expenditures	<u>369,377,111</u>	<u>52,310,052</u>	<u>74,178,651</u>	<u>3,030,223</u>
Excess (deficiency) of revenues over expenditures	<u>30,308,992</u>	<u>(29,398,395)</u>	<u>(17,815,942)</u>	<u>(3,009,019)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	2,192,000	-	-	-
Bonds issued	-	-	-	-
Refunding bonds issued	-	-	41,515,000	-
Bond premiums	-	-	4,954,986	-
Payments to refunded bonds escrow agent	-	-	(46,104,110)	-
Transfers in	6,499,827	29,398,395	3,591,016	-
Transfers out	(34,615,635)	-	-	-
Total other financing sources (uses)	<u>(25,923,808)</u>	<u>29,398,395</u>	<u>3,956,892</u>	<u>-</u>
Net change in fund balance	4,385,184	-	(13,859,050)	(3,009,019)
FUND BALANCE, July 1	<u>67,271,991</u>	<u>-</u>	<u>68,161,066</u>	<u>9,964,642</u>
FUND BALANCE, June 30	<u>\$ 71,657,175</u>	<u>\$ -</u>	<u>\$ 54,302,016</u>	<u>\$ 6,955,623</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>2007 BOND ROLLOVER FUND</u>	<u>2006 BOND ROLLOVER FUND</u>	<u>OTHER GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
REVENUES				
Local sources	\$ 35,224	\$ 176,626	\$ 9,260,815	\$ 318,889,279
State sources	-	-	36,302,502	203,695,579
Federal sources	-	-	50,775,537	53,123,315
Other sources	-	-	-	50,630
Total revenues	<u>35,224</u>	<u>176,626</u>	<u>96,338,854</u>	<u>575,758,803</u>
EXPENDITURES				
Current				
Regular programs	-	-	14,519,200	203,716,213
Special programs	-	-	12,288,812	67,145,848
Vocational programs	-	-	1,327,226	8,320,821
Other instructional programs	-	-	50,706,960	64,073,815
Adult education programs	-	-	1,990,893	1,990,893
Community services programs	-	-	766,830	766,830
Co-curricular programs	-	-	-	3,501,320
Undistributed expenditures				
Instruction	-	-	346,751	346,751
Student support	-	-	401,244	25,209,150
Instructional staff support	-	-	76,982	12,277,373
General administration	-	-	328,880	5,316,382
School administration	-	-	-	30,116,636
Central services	1,664,746	52,089	17,085	21,679,439
Operation and maintenance	-	-	16,381	46,267,691
Student transportation	-	-	-	16,484,167
Community service operations	-	-	-	394,001
Capital outlay	3,500,052	1,338,673	8,863,459	41,168,418
Debt service				
Principal	-	-	-	47,411,206
Interest	-	-	-	24,351,047
Bond issuance costs	-	-	-	540,294
Other	-	-	-	2,078,371
Total expenditures	<u>5,164,798</u>	<u>1,390,762</u>	<u>91,650,703</u>	<u>623,156,666</u>
Excess (deficiency) of revenues over expenditures	<u>(5,129,574)</u>	<u>(1,214,136)</u>	<u>4,688,151</u>	<u>(47,397,863)</u>
OTHER FINANCING SOURCES (USES)				
Capital leases	-	-	-	2,192,000
Bonds issued	-	-	-	5,815,000
Refunding bonds issued	-	-	-	41,515,000
Bond premiums	-	-	-	4,954,986
Payments to refunded bonds escrow agent	-	-	-	(46,104,110)
Transfers in	-	-	-	39,489,238
Transfers out	-	-	(6,499,827)	(41,115,462)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(6,499,827)</u>	<u>6,746,652</u>
Net change in fund balance	(5,129,574)	(1,214,136)	(1,811,676)	(40,651,211)
FUND BALANCE, July 1	<u>19,234,050</u>	<u>2,356,156</u>	<u>10,731,386</u>	<u>246,310,326</u>
FUND BALANCE, June 30	<u>\$ 14,104,476</u>	<u>\$ 1,142,020</u>	<u>\$ 8,919,710</u>	<u>\$ 205,659,115</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net Change in Fund Balances - Governmental Funds		\$ (40,651,211)
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities.		
Expenditures for capital assets	\$ 34,688,316	
Less current year depreciation	<u>(22,783,440)</u>	11,904,876
Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net assets and does not affect the statement of activities.		
		47,411,206
Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus requires current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		
		211,284
Because some property taxes will not be collected in time to pay for obligations of the current period, they are not considered available revenues in the governmental funds and are instead reported as deferred revenues. The changes in deferred revenue are accounted for as revenue in the statement of activities.		
		(960,719)
Some of the capital assets acquired this year were financed with capital leases. The amount financed by the leases is reported in the governmental funds as a source of financing. On the other hand, the capital leases are not revenues in the statement of activities, but rather constitute long-term liabilities in the statement of net assets.		
		(2,192,000)
In the statement of activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the entire proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balances by the net book value of the assets sold.		
		(11,533)
Issuance of long-term debt (e.g. refunding debt) provides current financial resources to the governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. The net effect of these transactions are deferred and amortized in the statement of activities.		
Bonds issued	(41,115,000)	
Good faith deposit on bond issue	(400,000)	
Refunding bonds issued	(5,815,000)	
Payment of refunded bonds	44,015,000	
Deferred debt charges on refunding bonds	<u>2,089,110</u>	(1,225,890)
Costs associated with the issuance of long-term debt and any discount or premium realized at the time of incurring debt are recognized as an expenditure and other financing source or use respectively in the governmental funds. These items are accrued and deferred in the statement of activities and amortized over the life of the new debt.		
Debt issuance costs	540,294	
Current year amortization of debt issuance costs and charges	<u>(1,364,618)</u>	(824,324)
Current year bond premiums	(4,954,986)	
Current year amortization of bond premiums	<u>1,348,213</u>	(3,606,773)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in long-term early separation incentive stipends	331,483	
Change in long-term compensated absences	(1,587,153)	
Change in other postemployment benefits net asset	4,443,438	
Refund of Incline Village property taxes principal	(12,900,000)	
Refund of Incline Village property taxes interest	(2,100,000)	
State portion of Incline Village property taxes	<u>2,833,333</u>	(8,978,899)
Internal service funds are used by management to charge the costs of certain insurance activities to individual funds. The change in net assets of the internal service funds is reported with governmental activities.		
		<u>6,473,026</u>
Change in Net Assets of Governmental Activities		<u>\$ 7,549,043</u>

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

**WASHOE COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011**

	BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
ASSETS		
Current assets		
Cash and investments	\$ 2,350,692	\$ 60,929,312
Accounts receivable	832,509	643,000
Interest receivable	-	6,265
Inventories	1,061,478	-
Prepays	615	-
	4,245,294	61,578,577
Total current assets		
Capital assets		
Machinery and equipment	1,921,736	39,843
Less: Allowance for depreciation	(1,370,551)	(9,335)
	551,185	30,508
Total capital assets		
Total assets	4,796,479	61,609,085
LIABILITIES		
Current liabilities		
Accounts payable	394,904	127,715
Accrued liabilities	282,868	34,464
Pending claims	-	9,479,526
Unearned revenue	180,154	-
	857,926	9,641,705
Total current liabilities		
Noncurrent liabilities		
Pending claims	-	4,719,210
	857,926	14,360,915
Total liabilities		
NET ASSETS		
Invested in capital assets	551,185	30,508
Unrestricted	3,387,368	47,217,662
	3,938,553	47,248,170
Total net assets	\$ 3,938,553	\$ 47,248,170

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

**WASHOE COUNTY SCHOOL DISTRICT
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011**

	BUSINESS-TYPE ACTIVITIES NUTRITION SERVICES ENTERPRISE FUND	GOVERNMENTAL ACTIVITIES INTERNAL SERVICE FUNDS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
Cash flows from operating activities		
Cash received for services	\$ 4,896,640	\$ 60,559,089
Cash paid for salaries and benefits	(8,711,381)	(197,259)
Cash payments for employee benefits	-	(49,322,897)
Cash payments for claims and services	-	(5,317,662)
Cash paid for food and supplies	(8,139,056)	-
Cash payments for purchased services	(1,220,220)	-
Cash payments for other	(449,770)	-
Net cash provided (used) by operating activities	(13,623,787)	5,721,271
Cash flows from capital and related financing activities		
Purchase of equipment	(15,864)	(29,048)
Cash flows from noncapital financing activities		
Federal reimbursements	12,772,293	-
State matching funds	77,872	-
Transfer from General Fund	-	1,626,224
Net cash provided by noncapital financing activities	12,850,165	1,626,224
Cash flows from investing activities		
Interest received on investments	-	102,214
Net increase (decrease) in cash and cash equivalents	(789,486)	7,420,661
Cash and investments, beginning of year	3,140,178	53,508,651
Cash and investments, end of year	\$ 2,350,692	\$ 60,929,312
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATIONS		
Operating income (loss)	\$ (14,004,355)	\$ 4,744,588
Adjustments to reconcile operating income (loss) to net cash provided (used) by operations		
Depreciation	91,455	2,511
Commodity revenue	772,820	-
Changes in assets and liabilities		
Accounts receivable	(31,995)	42,684
Inventories	(545,207)	-
Prepays	50	-
Accounts payable	120,157	(1,688)
Accrued liabilities	(22,293)	13,561
Pending claims	-	919,615
Unearned revenue	(4,419)	-
Total adjustments	380,568	976,683
Net cash provided (used) by operations	\$ (13,623,787)	\$ 5,721,271

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

**WASHOE COUNTY SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011**

	PRIVATE- PURPOSE SCHOLARSHIP TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	AGENCY FUNDS
ASSETS			
Cash and investments	\$ 1,082,783	\$ 30,206,657	\$ 8,181,660
Accounts receivable	-	-	59,575
Total assets	1,082,783	30,206,657	8,241,235
LIABILITIES			
Accrued liabilities	-	-	133,969
Due to student groups	-	-	8,107,266
Total liabilities	-	-	8,241,235
NET ASSETS			
Assets held in trust	\$ 1,082,783	\$ 30,206,657	\$ -

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

