PRELIMINARY OFFICIAL STATEMENT DATED JULY 29, 2015

NEW ISSUE
BOOK-ENTRY ONLY

RATINGS: S&P: "AA"
Moody's: "Aa2"
See "RATINGS"

In the opinion of Sherman & Howard L.L.C., Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the 2015 Bonds (the "Tax Code") and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS."

$12,000,000∗
WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDICAL EXAMINER BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

Dated: Date of Delivery **Due: March 1, as shown herein**

The 2015 Bonds (defined herein) are issued as fully registered bonds, in denominations of $5,000 or any integral multiple thereof and initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the 2015 Bonds. Purchases of the 2015 Bonds are to be made in book entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2015 Bonds. See "THE 2015 BONDS--Book-Entry Only System." The 2015 Bonds bear interest at the rates set forth herein, payable semi-annually on March 1 and September 1 of each year, commencing March 1, 2016, to and including the maturity dates shown herein (unless the 2015 Bonds are redeemed earlier), to the registered owners of the 2015 Bonds (initially Cede & Co.). The principal of the 2015 Bonds will be payable upon presentation and surrender at the principal operations office of U.S. Bank National Association, or its successor as the paying agent for the 2015 Bonds. See "THE 2015 BONDS."

The maturity schedule for the 2015 Bonds appears on the inside cover page of this Official Statement.

The 2015 Bonds are subject to redemption prior to maturity at the option of the County and also are subject to mandatory sinking fund redemption as described in "THE 2015 BONDS--Redemption Provisions."

Proceeds of the 2015 Bonds will be used to (i) finance the costs of constructing a County medical examiner's facility, (ii) finance capitalized interest and (iii) pay the costs of issuing the 2015 Bonds. See "SOURCES AND USES OF FUNDS."

The 2015 Bonds constitute direct and general obligations of Washoe County, Nevada (the "County"), and the full faith and credit of the County is pledged for the payment of the principal and interest thereon, subject to the limitations imposed by the Constitution and statutes of the State of Nevada. See "SECURITY FOR THE 2015 BONDS--General Obligations." The 2015 Bonds are additionally secured by a lien on the Pledged Revenues (defined herein), which are comprised primarily of certain consolidated tax receipts, as more particularly described herein. The lien of the 2015 Bonds is on a parity with the lien thereon of certain other outstanding bonds of the County. The County may issue additional bonds with a lien on the Pledged Revenues that is on a parity with or superior to the lien of the 2015 Bonds. See "SECURITY FOR THE 2015 BONDS--Pledged Revenues."

This cover page contains certain information for quick reference only. It is *not* a summary of the issue. Investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2015 Bonds are offered when, as, and if issued by the County, subject to the approval of legality of the 2015 Bonds by Sherman & Howard L.L.C., Reno, Nevada, and the satisfaction of certain other conditions. Sherman & Howard L.L.C. also has acted as special counsel to the County in connection with the Official Statement. Hobbs, Ong & Associates, Inc., Las Vegas, Nevada, and Public Financial Management, Inc., San Francisco, California, have acted as Financial Advisors to the County. Certain legal matters will be passed upon for the County by the District Attorney. It is expected that the 2015 Bonds will be available for delivery through the facilities of DTC, on or about August 27, 2015.

∗ Preliminary; subject to change.

MATURITY SCHEDULE
(CUSIP© 6-digit issuer number: 940774)

$12,000,000∗
WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDICAL EXAMINER BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

Maturing (March 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number	Maturing (March 1)	Principal Amount	Interest Rate	Yield	CUSIP© Issue Number
2017	$415,000				2027	$640,000			
2018	425,000				2028	670,000			
2019	435,000				2029	705,000			
2020	455,000				2030	740,000			
2021	475,000				2031	775,000			
2022	500,000				2032	815,000			
2023	525,000				2033	855,000			
2024	550,000				2034	895,000			
2025	580,000				2035	940,000			
2026	605,000								

∗ Subject to change.

USE OF INFORMATION IN THIS OFFICIAL STATEMENT

This Official Statement, which includes the cover, the inside cover page and the appendices, does not constitute an offer to sell or the solicitation of an offer to buy any of the 2015 Bonds in any jurisdiction in which it is unlawful to make such offer, solicitation, or sale. No dealer, salesperson, or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement in connection with the offering of the 2015 Bonds, and if given or made, such information or representations must not be relied upon as having been authorized by the County. The County provides certain information to the public on the internet; however, the information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the 2015 Bonds.

The information set forth in this Official Statement has been obtained from the County and from the other sources referenced throughout this Official Statement, which the County believes to be reliable. No guarantee is made by the County, however, as to the accuracy or completeness of information provided from sources other than the County. This Official Statement contains, in part, estimates and matters of opinion that are not intended as statements of fact, and no representation or warranty is made as to the correctness of such estimates and opinions, or that they will be realized.

The information, estimates, and expressions of opinion contained in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale of the 2015 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the County, or in the information, estimates, or opinions set forth herein, since the date of this Official Statement.

This Official Statement has been prepared only in connection with the original offering of the 2015 Bonds and may not be reproduced or used in whole or in part for any other purpose.

The 2015 Bonds have not been registered with the Securities and Exchange Commission due to certain exemptions contained in the Securities Act of 1933, as amended. The 2015 Bonds have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

THE PRICES AT WHICH THE 2015 BONDS ARE OFFERED TO THE PUBLIC BY THE INITIAL PURCHASER (AND THE YIELDS RESULTING THEREFROM) MAY VARY FROM THE INITIAL PUBLIC OFFERING PRICES OR YIELDS APPEARING ON THE INSIDE COVER PAGE HEREOF. IN ADDITION, THE INITIAL PURCHASER MAY ALLOW CONCESSIONS OR DISCOUNTS FROM SUCH INITIAL PUBLIC OFFERING PRICES TO DEALERS AND OTHERS. IN ORDER TO FACILITATE DISTRIBUTION OF THE 2015 BONDS, THE INITIAL PURCHASER MAY ENGAGE IN TRANSACTIONS INTENDED TO STABILIZE THE PRICE OF THE 2015 BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

WASHOE COUNTY, NEVADA

WASHOE COUNTY BOARD OF COUNTY COMMISSIONERS
Marsha Berkbigler, Chair
Kitty Jung, Vice Chair
Vaughn Hartung
Jeanne Herman
Bob Lucey

COUNTY OFFICIALS
John Slaughter, County Manager
Joey Orduna Hastings, Assistant County Manager
Tammi Davis, County Treasurer
Mary Solorzano, Acting County Comptroller
Christopher Hicks, District Attorney
Nancy Parent, County Clerk

FINANCIAL ADVISORS
Hobbs, Ong & Associates, Inc.
Las Vegas, Nevada

Public Financial Management, Inc.
San Francisco, California

BOND AND SPECIAL COUNSEL
Sherman & Howard L.L.C.
Reno, Nevada

REGISTRAR AND PAYING AGENT
U.S. Bank National Association

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NOTE: Tables marked with an (*) indicate Annual Financial Information to be updated pursuant to SEC Rule 15c2-12, as amended. See Appendix D - Form of Continuing Disclosure Certificate.

OFFICIAL STATEMENT

$12,000,000*
WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDICAL EXAMINER BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

INTRODUCTION

General

This Official Statement, including the cover page, the inside cover page and the appendices, is furnished by Washoe County, Nevada (the "County" and the "State," respectively), to provide information about the County and its $12,000,000* General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015 (the "2015 Bonds"). The 2015 Bonds will be issued pursuant to an ordinance (the "Bond Ordinance") adopted by the Board of Commissioners of the County (the "Board") on July 28, 2015. Capitalized terms used herein that are otherwise not defined have the meanings ascribed to them in the Bond Ordinance. See Appendix B - Summary of Certain Provisions of the Bond Ordinance.

The offering of the 2015 Bonds is made only by way of this Official Statement, which supersedes any other information or materials used in connection with the offer or sale of the 2015 Bonds. The following introductory material is only a brief description of and is qualified by the more complete information contained throughout this Official Statement. A full review should be made of the entire Official Statement and the documents summarized or described herein. Detachment or other use of this "INTRODUCTION" without the entire Official Statement, including the cover page, the inside cover page and the appendices, is unauthorized.

The County

The County is a political subdivision of the State of Nevada (the "State") organized in 1861. The County covers an area of approximately 6,600 square miles in the northwest section of the State. The City of Reno ("Reno") is the County seat and is the third largest city in the State. According to the State Demographer, the County's population was estimated to be 436,797 as of July 1, 2014. See "THE COUNTY."

Purpose

Proceeds of the 2015 Bonds will be used to (i) finance the costs of constructing a County medical examiner's facility (the "Project"), (ii) finance capitalized interest and (iii) pay the costs of issuing the 2015 Bonds. See "SOURCES AND USES OF FUNDS."

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* Subject to change.

Authority for Issuance

The 2015 Bonds are being issued pursuant to the constitution and laws of the State, including NRS 244A.011 through 244A.065 (the "Project Act"), NRS 360.600 to 360.740, inclusive (the "Consolidated Tax Act"), NRS 350.500 through 350.720, inclusive (the "Bond Act"), Chapter 348 of NRS (the "Supplemental Bond Act") and the Bond Ordinance.

The 2015 Bonds; Prior Redemption

The 2015 Bonds will be issued as fully registered bonds in the denomination of $5,000, or any integral multiple thereof. The 2015 Bonds initially will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), the securities depository for the 2015 Bonds. Purchases of the 2015 Bonds are to be made in book-entry form only. Purchasers will not receive certificates representing their beneficial ownership interest in the 2015 Bonds. See "THE 2015 BONDS--Book-Entry Only System." The 2015 Bonds mature and bear interest (calculated based on a 360-day year consisting of twelve 30-day months) as set forth on the inside cover page of this Official Statement. The payment of principal of and interest on each series of the 2015 Bonds is described in "THE 2015 BONDS--Payment Provisions."

The 2015 Bonds are subject to redemption prior to maturity at the option of the County as described in "THE 2015 BONDS--Redemption Provisions." The 2015 Bonds also are subject to mandatory sinking fund redemption as described in "THE 2015 BONDS--Redemption Provisions."

Security

General Obligations. The 2015 Bonds are direct and general obligations of the County, payable as to principal and interest from annual general (ad valorem) taxes levied against all taxable property within the County (the "General Taxes") (except to the extent any other monies are made available therefor), subject to the State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. Generally, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation. See "SECURITY FOR THE 2015 BONDS--General Obligations" and "PROPERTY TAX INFORMATION--Property Tax Limitations."

Additional Security for 2015 Bonds - Pledged Revenues. The 2015 Bonds are additionally secured by an irrevocable pledge of and lien (but not necessarily an exclusive lien) on the Pledged Revenues. See "Lien Priority" and "Additional Bonds" below.

Pledged Revenues Generally. "Pledged Revenues" means a 15% portion of all income and revenue derived by the County and allowed to be pledged pursuant to the Consolidated Tax Act (the "Consolidated Tax," described below).

The Consolidated Tax consists of revenues from the following sources: certain sales taxes (the "Basic City/County Relief Tax" and the "Supplemental City/County Relief Tax"); excise taxes on cigarettes and liquor (the "Cigarette Tax" and the "Liquor Tax," respectively); a tax on the licensing of motor vehicles (the "Basic Governmental Services Tax"); and real property transfer taxes (the "Real Property Transfer Tax"). Pursuant to the State law, the

Consolidated Tax generally is collected by the State and then remitted monthly to the County. For a further definition of the Pledged Revenues, see "SECURITY FOR THE 2015 BONDS--Pledged Revenues," "REVENUES AVAILABLE FOR DEBT SERVICE" and Appendix B - Summary of Certain Provisions of the 2015 Bond Ordinance - Certain Definitions.

Lien Priority. The 2015 Bonds have a lien (but not necessarily an exclusive lien) on the Pledged Revenues on a parity with the lien thereon of $54,465,000 aggregate principal amount of outstanding bonds (the "Parity Lien Bonds"):

Outstanding Parity Lien Bonds[1]

Bond Series	Final Payment	Original Amount	Amount Outstanding
Library Building Bonds, Series 2004	03/01/19	$ 3,280,000	$ 790,000
Building and Parking Garage Bonds, Series 2004	01/01/18	11,900,000	1,845,000
Public Safety Bonds, Series 2006	03/01/36	12,500,000	10,210,000
Park Bonds, Series 2006	03/01/30	25,305,000	3,560,000
Building Refunding Bonds, Series 2011B	11/01/26	12,565,000	10,630,000
Refunding Bonds, Series 2012B	03/01/27	27,580,000	27,430,000
Total			$54,465,000

(1) As of July 1, 2015. All of these obligations constitute general obligations (limited tax) additionally secured by the Pledged Revenues.

Source: Compiled by the Financial Advisor.

Additional Bonds. Upon the satisfaction of certain conditions set forth in the Bond Ordinance, the County may issue additional bonds with a lien on the Pledged Revenues that is on a parity with the lien thereon of the 2015 Bonds (together with the Parity Lien bonds, the "Parity Securities"). In addition, the County may issue additional bonds with a lien on all or a portion of the Pledged Revenues that is superior to the lien thereon of the 2015 Bonds ("Superior Securities"). See "SECURITY FOR THE 2015 BONDS--Additional Bonds." Any Superior Securities will be revenue bonds that do not carry the County's general obligation pledge.

The County has no current plans to issue additional Parity Securities or Superior Securities, but reserves the right to do so whenever legal requirements are satisfied. See "SECURITY FOR THE 2015 BONDS--Additional Bonds."

Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described herein, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 for the Internal Revenue Code of 1986, as amended to the date of delivery of the 2015 Bonds (the "Tax Code") and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. See "TAX MATTERS--Federal Tax Matters."

Under the laws of the State in effect as of the date of delivery of the 2015 Bonds, the 2015 Bonds, their transfer, and the income therefrom, are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS, and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS. See "TAX MATTERS--State Tax Exemption."

Professionals

Sherman & Howard L.L.C., Reno, Nevada, has acted as Bond Counsel to the County and also has acted as Special Counsel to the County in connection with this Official Statement. The financial advisors to the County in connection with the issuance of the 2015 Bonds are Hobbs, Ong & Associates, Inc., Las Vegas, Nevada and Public Financial Management, Inc., San Francisco, California (the "Financial Advisors"). See "FINANCIAL ADVISORS." The fees of Bond Counsel, Special Counsel and the Financial Advisors will be paid only from 2015 Bond proceeds at closing. The County's audited basic financial statements, included in Appendix A of this Official Statement, include the report of Kafoury, Armstrong & Co., which merged into Eide Bailly LLP in fiscal year 2015, certified public accountants, Reno, Nevada. See "INDEPENDENT AUDITORS." U.S. Bank National Association, will act as the registrar and paying agent for the 2015 Bonds (the "Registrar" and "Paying Agent").

Continuing Disclosure Undertaking

The County will execute a continuing disclosure certificate (the "Disclosure Certificate") at the time of the closing for the 2015 Bonds. The Disclosure Certificate will be executed for the benefit of the beneficial owners of the 2015 Bonds and the County will covenant in the Bond Ordinance to comply with its terms. The Disclosure Certificate will provide that so long as the 2015 Bonds remain outstanding, the County will provide the following information to the Municipal Securities Rulemaking Board, through the Electronic Municipal Market Access system ("EMMA"): (i) annually, certain financial information and operating data; and (ii) notice of the occurrence of certain material events; each as specified in the Disclosure Certificate. The form of the Disclosure Certificate is attached hereto as Appendix D. In the last five years, the County has not failed to materially comply with any continuing disclosure undertakings entered into pursuant to Rule 15c2-12 promulgated under the Securities Exchange Act of 1934.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. The sections of this Official Statement containing forward-looking statements include, but are not limited to, all sections disclosing unaudited, estimated financial results for fiscal year 2015, and sections disclosing budgeted amounts for fiscal year 2016 County. When used in this Official Statement, the words "estimate," "forecast," "intend," "expect" and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and actual results. Those

differences could be material and could impact the availability of funds to pay debt service on the 2015 Bonds.

Secondary Market

No guarantee can be made that a secondary market for the 2015 Bonds will develop or be maintained by the initial purchaser of the 2015 Bonds (the "Initial Purchaser") or others. Thus, prospective investors should be prepared to hold their 2015 Bonds to maturity.

Additional Information

This introduction is only a brief summary of the provisions of the 2015 Bonds, the Bond Ordinance and the Project; a full review of the entire Official Statement should be made by potential investors. Brief descriptions of the County, the 2015 Bonds, the Bond Ordinance and other documents are included in this Official Statement. All references herein to the 2015 Bonds, the Bond Ordinance and other documents are qualified in their entirety by reference to such documents. *This Official Statement speaks only as of its date and the information contained herein is subject to change*.

Additional information and copies of the documents referred to herein are available from the County and the Financial Advisors:

Washoe County
1001 E. 9th Street
Reno, Nevada 89512
Attn: Director of Finance
Telephone: (775) 325-2566

Hobbs, Ong & Associates, Inc.
3900 Paradise Road, Suite 152
Las Vegas, Nevada 89169
Telephone: (702) 733-7223

Public Financial Management, Inc.
50 California Street, Suite 2300
San Francisco, CA 94111
Telephone: (415) 982-4513

THE 2015 BONDS

General

The 2015 Bonds will be issued as fully registered bonds in denominations of $5,000 or integral multiples thereof and initially will be registered in the name of "Cede & Co.," as nominee of DTC, pursuant to DTC's book-entry only system. The 2015 Bonds will be dated as of the date of delivery and will bear interest and mature at the rates and on the dates set forth on the inside cover page of this Official Statement.

Payment Provisions

Payment of interest on any 2015 Bond shall be made to the registered owner thereof by check or draft mailed by the Paying Agent on each interest payment date (or, if such interest payment date is not a business day, on the next succeeding business day), to the registered owner thereof at his address as shown on the registration records kept by the Registrar at the close of business on the 15th day of the calendar month next preceding such interest payment date (the "Regular Record Date"); but any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the registered owner thereof at the close of business on the Regular Record Date and shall be payable to the person who is the registered owner thereof at the close of business on a special record date for the payment of any such defaulted interest (a "Special Record Date"). Such Special Record Date shall be fixed by the Registrar whenever moneys become available for payment of the defaulted interest, and notice of the Special Record Date shall be given to the registered owners of the 2015 Bonds not less than ten days prior thereto by first-class mail to each such registered owner as shown on the Registrar's registration records on a date selected by the Registrar, stating the date of the Special Record Date and the date fixed for the payment of such defaulted interest. The Paying Agent may make payments of interest on any 2015 Bond by such alternative means as may be mutually agreed to between the owner of such 2015 Bond and the Paying Agent. The principal of any 2015 Bond shall be payable to the registered owner thereof as shown on the registration records kept by the Registrar upon maturity thereof and upon presentation and surrender at the office of the Paying Agent or at such other office as designated by the Paying Agent. If any 2015 Bond shall not be paid upon presentation and surrender at or after maturity, it shall continue to draw interest at the interest rate borne by said 2015 Bond until the principal thereof is paid in full. All such payments shall be made in lawful money of the United States of America.

Notwithstanding the foregoing, payments of the principal and interest on the 2015 Bonds will be made by the Registrar and Paying Agent directly to DTC or its nominee, Cede & Co., so long as DTC or Cede & Co. is the sole registered owner of the 2015 Bonds. Disbursement of such payments to DTC's Participants is the responsibility of DTC, and disbursements of such payments to the Beneficial Owners is the responsibility of DTC's Participants and the Indirect Participants, as more fully described herein. See "--Book-Entry Only System" below.

Redemption Provisions

Optional Redemption.∗ The 2015 Bonds, or portions thereof ($5,000 or any integral multiple), maturing on and after March 1, 2026, will be subject to redemption prior to their respective maturities at the option of the County on and after March 1, 2025, in whole or in part at any time, from such maturities as are selected by the County and, if less than all the 2015 Bonds of a maturity are to be redeemed, the 2015 Bonds of such maturity are to be selected by lot (giving proportionate weight to 2015 Bonds in denominations larger than $5,000), at a price equal to the principal amount of each 2015 Bond or portion thereof so redeemed, plus accrued interest thereon to the redemption date.

Mandatory Sinking Fund Redemption.* The 2015 Bonds maturing on March 1, 2026 (the "Term Bonds"), are subject to mandatory sinking fund redemption at a redemption price equal to 100% of the principal amount thereof and accrued interest to the redemption date. Term Bonds will be selected by lot in such manner as the Registrar may determine.

As and for a sinking fund for the redemption of those Term Bonds maturing on March 1, 2026, there shall be deposited into the Bond Account on or before March 1 of the years shown below, a sum which, together with other moneys available therein is sufficient to redeem the Term Bonds maturing on March 1, 2026, on the dates and in the principal amounts shown below:

Redemption Date (March 1)	Principal Amount

Not more than 60 days nor less than 30 days prior to the sinking fund payment dates for the Term Bonds, the Registrar shall proceed to select for redemption (by lot in such manner as the Registrar may determine) from all outstanding Term Bonds, a principal amount of the Term Bonds equal to the aggregate principal amount of the Term Bonds redeemable with the required sinking fund payments.

At its option, the County may (i) deliver to the Registrar for cancellation Term Bonds or portions thereof ($5,000 or any integral multiple thereof) in an aggregate principal amount desired by the County or, (ii) specify a principal amount of Term Bonds or portions thereof ($5,000 or any integral multiple thereof) which prior to said date have been redeemed (otherwise than through the operation of the sinking fund) and canceled by the Registrar and not theretofore applied as a credit against any sinking fund redemption obligation with respect to such Term Bond. Each Term Bond or portion thereof so delivered or previously redeemed shall be credited by the Registrar at 100% of the principal amount thereof against the obligation of the County on the sinking fund redemption date and any excess shall be so credited against future sinking fund redemption obligations in such manner as the County determines.

∗ Subject to change.

Notice of Redemption. Notice of prior redemption shall be given by the Registrar in the name and on behalf of the County by registered or certified mail as long as Cede & Co., or a nominee of a successor depository, is the registered owner of the 2015 Bonds and otherwise by first class, postage prepaid mail, at least 30 days but not more than 60 days prior to the Redemption Date, to the Municipal Securities Rulemaking Board ("MSRB") and the registered owner of any 2015 Bond all or a part of which is called for prior redemption at his address as it last appears on the registration records kept by the Registrar. The notice shall identify the 2015 Bonds or portions thereof to be redeemed, specify the Redemption Date, and state that on such date the principal amount thereof will become due and payable at the Paying Agent (accrued interest to the Redemption Date being payable by mail or as otherwise provided in the Bond Ordinance), and that after such Redemption Date interest will cease to accrue. The notice of prior redemption shall further state that on such date there will become and will be due and payable upon each 2015 Bond so to be redeemed at the office of the Paying Agent (designated by name) or at such other office as is designated by the Paying Agent, the principal amount thereof, accrued interest thereon to the Redemption Date, and that from and after such date interest will cease to accrue. Notice having been given in the manner described above, the 2015 Bond or 2015 Bonds so called for redemption shall become due and payable on the redemption date so designated; and upon presentation thereof at the Paying Agent or at such other office as is designated by the Paying Agent, the County will pay the 2015 Bond or 2015 Bonds so called for redemption.

Notwithstanding the foregoing, any notice of redemption may contain a statement that the redemption is conditional upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the 2015 Bonds so called for redemption, and that if such funds are not available, such redemption shall be canceled by written notice to the owners of the 2015 Bonds called for redemption in the same manner as the original redemption notice was mailed.

Tax Covenant

In the Bond Ordinance, the County covenants for the benefit of the owners of the 2015 Bonds that it will not take any action or omit to take any action with respect to the 2015 Bonds, the proceeds thereof, any other funds of the County or any facilities financed or refinanced with the proceeds of the 2015 Bonds if such action or omission (i) would cause the interest on the 2015 Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code or (ii) would cause interest on the 2015 Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code. The covenant described above shall remain in full force and effect notwithstanding the payment in full or defeasance of the 2015 Bonds until the date on which all obligations of the County in fulfilling the covenant under the Tax Code have been met.

Defeasance

When all Bond Requirements of any 2015 Bond have been duly paid, the pledge and lien and all obligations under the Bond Ordinance as to that 2015 Bond shall thereby be discharged and the 2015 Bond shall no longer be deemed to be Outstanding within the meaning of the Bond Ordinance; provided, however, that if the principal of or interest on the 2015 Bond shall be paid by any Insurer of the 2015 Bond, the pledge of the Pledged Revenues and all covenants, agreements, and other obligations of the County to the owners hereunder shall

continue to exist and such Insurer shall be subrogated to the rights of the owners. There shall be deemed to be such due payment when the County has placed in escrow or in trust with a trust bank located within or without the State, an amount sufficient (including the known minimum yield available for such purpose from Federal Securities (defined below) in which such amount wholly or in part may be initially invested) to meet all Bond Requirements of the 2015 Bond, as the same become due to the final maturity of the 2015 Bond or upon any prior redemption date as of which the County shall have exercised or shall have obligated itself to exercise its prior redemption option. The Federal Securities shall become due prior to the respective times on which the proceeds thereof shall be needed, in accordance with a schedule established and agreed upon between the County and such bank at the time of the creation of the escrow or trust, or the Federal Securities shall be subject to redemption at the option of the holders thereof to assure such availability as so needed to meet such schedule.

The Bond Ordinance defines "Federal Securities" to mean bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of or the principal and interest of which securities are unconditionally guaranteed by, the United States of America.

Book-Entry Only System

The 2015 Bonds will be available in book-entry form only. DTC will act as the initial securities depository for the 2015 Bonds. The ownership of one fully registered 2015 Bond for each maturity as set forth on the inside cover page of this Official Statement, each in the aggregate principal amount of such maturity, will be registered in the name of Cede & Co., as nominee of DTC. See Appendix C - Book-Entry Only System.

SO LONG AS CEDE & CO., AS NOMINEE OF DTC, IS THE REGISTERED OWNER OF THE 2015 BONDS, REFERENCES IN THIS OFFICIAL STATEMENT TO THE REGISTERED OWNERS OF THE 2015 BONDS WILL MEAN CEDE & CO. AND WILL NOT MEAN THE BENEFICIAL OWNERS.

None of the County, the Registrar or the Paying Agent will have any responsibility or obligation to DTC's Participants or Indirect Participants (defined in Appendix C), or the persons for whom they act as nominees, with respect to the payments to or the providing of notice for the DTC Participants, the Indirect Participants or the beneficial owners of the 2015 Bonds as further described in Appendix C to this Official Statement.

Debt Service Requirements

The following table sets forth the estimated debt service requirements for the 2015 Bonds in each fiscal year, the total debt service requirements on the Parity Lien Bonds in each fiscal year, and the estimated combined debt service payable on the 2015 Bonds and the Parity Lien Bonds in each fiscal year.

Debt Service Requirements(1)

Fiscal Year Ending June 30,	2015 Bonds* Principal	Interest (2)	Total	Total Debt Service on Parity Lien Bonds	Total Combined Debt Service
2016	$ --	$293,736(3)	293,736	$5,227,756	$5,521,492
2017	415,000	574,700	989,700	5,234,199	6,223,899
2018	425,000	566,400	991,400	5,228,017	6,219,417
2019	435,000	553,650	988,650	5,237,978	6,226,628
2020	455,000	536,250	991,250	5,233,225	6,224,475
2021	475,000	513,500	988,500	5,249,508	6,238,008
2022	500,000	489,750	989,750	5,247,179	6,236,929
2023	525,000	464,750	989,750	5,240,799	6,230,549
2024	550,000	438,500	988,500	5,252,809	6,241,309
2025	580,000	411,000	991,000	5,269,332	6,260,332
2026	605,000	382,000	987,000	4,090,219	5,077,219
2027	640,000	351,750	991,750	4,090,654	5,082,404
2028	670,000	319,750	989,750	1,922,684	2,912,434
2029	705,000	286,250	991,250	1,925,406	2,916,656
2030	740,000	251,000	991,000	1,168,206	2,159,206
2031	775,000	214,000	989,000	755,950	1,744,950
2032	815,000	175,250	990,250	759,850	1,750,100
2033	855,000	134,500	989,500	757,400	1,746,900
2034	895,000	91,750	986,750	758,825	1,745,575
2035	940,000	47,000	987,000	758,900	1,745,900
2036	--	--	--	757,625	757,625
Total	$12,000,000	$7,095,486	$19,095,486	$70,166,521	$89,262,007

(1) Totals may not add due to rounding.
(2) As estimated by the Financial Advisors; subject to change upon the public sale of the 2015 Bonds.
(3) This payment is expected to be financed with capitalized interest. See "SOURCES AND USES OF FUNDS."

Source: Financial Advisor.

* Subject to change.

SOURCES AND USES OF FUNDS

Sources and Uses of Funds

The proceeds from the sale of the 2015 Bonds are expected to be applied in the following manner:

Sources and Uses of Funds*

	Amount
SOURCE:	
Principal amount	$12,000,000
Plus: original issue premium	
Total	
USES:	
Project Fund	
Capitalized interest fund contribution	
Costs of issuance (including underwriting discount)	
Total	

The Project

The Project will consist of constructing a new facility for the Washoe County Medical Examiner and Coroner's Office. The Coroner's Office has approximately 15 employees and is responsible for providing forensic pathology services to the County and 14 other counties in Nevada and areas of Northern California. The new facility will be located adjacent to the existing Washoe County Complex at 9th Street and Wells Street in Reno, Nevada, on a 2.5 acre parcel owned by the County. The facility is planned as a one story building totaling approximately 20,830 square feet and containing administrative offices, autopsy facilities, a training room, family bereavement rooms and a secure sally-port for private delivery and pick-up. The facility is expected to open in January 2017.

* Subject to change.

SECURITY FOR THE 2015 BONDS

General Obligations

General. The 2015 Bonds are direct and general obligations of the County, and the full faith and credit of the County is pledged for the payment of principal and interest due thereon, subject to State constitutional and statutory limitations on the aggregate amount of ad valorem taxes. See "PROPERTY TAX INFORMATION--Property Tax Limitations." The 2015 Bonds are payable by the County from any source legally available at the times such payments are due, including the County's General Fund. In the event, however, that such legally available sources of funds are insufficient, the County is obligated to levy a general (ad valorem) tax on all taxable property within the County for payment of the 2015 Bonds, subject to the limitations provided in the constitution and statutes of the State. Due to the statutory process required for the levy of taxes, in any year in which the County is required to levy property taxes, there may be a delay in the availability of revenues to pay debt service on the 2015 Bonds. See "PROPERTY TAX INFORMATION--Property Tax Collections."

Property Tax Limitations. The constitution and laws of the State limit the total ad valorem property taxes that may be levied by all overlapping taxing units within each county (including the State, the County, the Washoe County School District (the "School District," any city or any special district) in each year. Generally, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation. Those limitations are described in "PROPERTY TAX INFORMATION--Property Tax Limitations." In any year in which the total property taxes levied within the County by all applicable taxing units exceed such property tax limitations, the reduction to be made by those units must be in taxes levied for purposes other than the payment of their bonded indebtedness, including interest on such indebtedness. See "PROPERTY TAX INFORMATION--Property Tax Limitations."

No Repealer. State statutes provide that no act concerning the 2015 Bonds or their security may be repealed, amended, or modified in such a manner as to impair adversely the 2015 Bonds or their security until all of the 2015 Bonds have been discharged in full or provision for their payment and redemption has been fully made.

Certain Risks Associated With Property Taxes

General. Numerous factors over which the County has no control may impact the timely receipt of ad valorem property tax revenues in the future. These include the valuation of property within the County, the number of homes which are in foreclosure, bankruptcy proceedings of property taxpayers or their lenders, and the ability or willingness of property owners to pay taxes in a timely manner.

Also see "PROPERTY TAX INFORMATION--Required Refunds and Other Actions Related to Property Taxes" for a description of court-mandated refunds and other disputes that currently, or may in the future, impact County property tax revenues.

Delays in Property Tax Collections Could Occur. Although the 2015 Bonds are general obligations of the County, the County may only levy property taxes to pay debt service on the 2015 Bonds in accordance with State law. For a description of the State laws regulating the collection of property taxes, see "PROPERTY TAX INFORMATION--Property Tax

Collections." Due to the statutory process required for the levy of taxes, in any year in which the County is required to levy property taxes, there may be a delay in the availability of property tax revenues to pay debt service on the 2015 Bonds. Accordingly, although other County revenues may be available to pay debt service on the 2015 Bonds if Pledged Revenues are insufficient, time may elapse before the County receives property taxes levied to cover any insufficiency of Pledged Revenues.

Declines in Assessed Valuation. In the recent past, economic conditions negatively impacted the County as they did the rest of the country. Due to these conditions, the County experienced a housing slump and reduced economic activity. The decline in the economy and the housing slump, together with other factors, resulted in reductions in assessed valuations through fiscal year 2013; however, assessed valuations have increased each year since fiscal year 2013. See "PROPERTY TAX INFORMATION--History of Assessed Value." It is possible that future decreases in assessed valuation could occur.

Foreclosures. Foreclosures in the County increased significantly in several of the past few years; however, to date, foreclosures have not materially impacted County property tax collections. It cannot be predicted at this time what impact future economic trends could have on property tax collections should the County be required to levy an ad valorem tax to pay debt service on the 2015 Bonds in the future.

Pledged Revenues

The 2015 Bonds are additionally secured by a lien (but not necessarily an exclusive lien) on the Pledged Revenues. The lien of the 2015 Bonds on the Pledged Revenues is on a parity with the lien of the Parity Lien Bonds and any additional Parity Securities and subordinate to the lien of any Superior Securities issued in the future.

The Pledged Revenues are comprised of a 15% portion of all income and revenue derived by the County from the Consolidated Tax distributed and imposed pursuant to State law. The Consolidated Tax generally is collected by the State and distributed monthly to the County. See "REVENUES AVAILABLE FOR DEBT SERVICE" for a detailed description of the Pledged Revenues.

Certain Risks Associated With Pledged Revenues

Consolidated Tax Collection Risks Generally. The Consolidated Tax is collected by the State and then remitted directly to the County pursuant to various statutory provisions. The County has no statutory authority to collect the Consolidated Tax itself and also has no control over the collection processes in place at the State. Receipt of the Pledged Revenues is dependent upon the ability and willingness of the State to collect the Consolidated Tax and forward the revenues to the County. If the State fails to perform its collection duties in a timely fashion, the County may not receive Pledged Revenues in time to meet scheduled debt service payments. If the State fails to collect, remit or transfer the Consolidated Tax revenues, the County's only remedy is to file suit against the nonperforming party, including an action in mandamus to compel performance. Further, the County has no control over the auditing procedures in place at the State. The County must depend upon the State to ensure that the responsible parties are collecting and remitting the required Pledged Revenues. If the State fails to do so, the County may not receive all of the moneys to which it is entitled.

County Cannot Increase Rates of Consolidated Taxes. The Consolidated Tax is imposed by the State legislature (the "Legislature") and the rate of such taxes can be increased only by action of the Legislature. Even if the Legislature were to raise the rate of such taxes, there is no guarantee that the County would be authorized to use the increased revenues to pay debt service on the 2015 Bonds.

Sales Tax Collections Subject to Fluctuation. The majority of the Consolidated Tax revenues are comprised of receipts from certain sales taxes as described in "REVENUES AVAILABLE FOR DEBT SERVICE." Sales tax collections are subject to fluctuations in spending which is affected by, among other things, general economic cycles. Sales tax revenues may increase along with the increasing prices brought about by inflation, but collections also are vulnerable to adverse economic conditions and reduced spending and may decrease as a result. Consequently, the rate of sales tax collections may be expected to correspond generally to economic cycles. See "REVENUES AVAILABLE FOR DEBT SERVICE--Consolidated Tax Revenue Data." The County has no control over general economic cycles and is unable to predict what economic factors or cycles will occur while the 2015 Bonds remain Outstanding.

The United States experienced a significant economic downturn over the last several years and the Pledged Revenues declined for several consecutive years, but have increased every year since fiscal year 2010. The County is not able to predict what impact future economic conditions will have on the Pledged Revenues, and future declines in Pledged Revenues are possible.

Bankruptcy and Foreclosure. The ability and willingness of a business owner or operator to remit sales tax revenues included in the Consolidated Tax may be adversely affected by the filing of a bankruptcy proceeding by the business owner or operator. The ability to collect delinquent sales taxes using State law remedies for non-payment of taxes may be forestalled or delayed by bankruptcy, reorganization, insolvency, or other similar proceedings of the owner or operator of a retail business, or by the holder of any liens on the business. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale proceedings, thereby delaying such proceedings, perhaps for an extended period.

Additional Bonds

Additional Parity Securities and Superior Securities. The Bond Ordinance authorizes the County to issue additional Parity Securities and also authorizes the County to issue Superior Securities. Superior Securities shall not be issued as general obligations of the County.

The following requirements must be met prior to the issuance of additional Parity Securities (except refunding bonds, which have different requirements) or Superior Securities.

A. Absence of Default. At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County must not be in default in making any debt service or rebate payments required by the Bond Ordinance with respect to any superior or parity securities. See Appendix B - Summary of Certain Provisions of the Bond Ordinance--Flow of Funds.

B. Earnings Test. Except as otherwise described in the Bond Ordinance: (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance

of the additional superior or parity securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional superior or parity securities are issued and ending on the last Bond Year in which any then Outstanding Bonds mature) of the Outstanding Bonds and any other Outstanding superior or parity securities of the County and the bonds or other securities proposed to be issued (excluding the reserves therefor); or (2) the Pledged Revenues estimated by the County Finance Director, independent feasibility consultant or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the other additional superior or parity securities proposed to be issued, shall be at least equal to such combined maximum annual principal and interest requirements to be paid during such Comparable Bond Year.

C. Adjustment of Pledged Revenues. In any computation of such earnings test as to whether or not additional superior or parity securities may be issued as described in paragraph B above, the amount of the Pledged Revenues for the next preceding Fiscal Year shall be decreased and may be increased by the amount of any loss or gain conservatively estimated by the County Finance Director, independent feasibility consultant or Independent Accountant making the computations described above, which loss or gain results from any change in the rate of the imposition of that part of the Consolidated Tax constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such superior or parity securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the County before the computation of the designated earnings test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

Certification of Revenues. A written certification or written opinion by the County Finance Director, an independent feasibility consultant or an Independent Accountant, based upon estimates as described in paragraphs B and C above, that the annual revenues when adjusted as described in paragraph C above, are sufficient to pay such amounts as described in paragraph B above, shall be conclusively presumed to be accurate in determining the right of the County to authorize, issue, sell and deliver additional bonds or additional securities superior to or on a parity with the 2015 Bonds.

Subordinate Securities Permitted. Nothing in the Bond Ordinance prevents the County from issuing additional bonds or other additional securities payable from the Pledged Revenues having a lien thereon subordinate, inferior and junior to the lien thereon of the 2015 Bonds.

Superior Securities Permitted. The County may issue Superior Securities secured by and payable from the Pledged Revenues having a lien thereon prior and superior to the lien thereon of the 2015 Bonds and the Parity Lien Bonds; however, such Superior Securities shall not be issued as general obligations of the County.

Refunding Securities. The Bond Ordinance authorizes the County to issue refunding securities upon satisfaction of the terms described in Appendix B - Summary of Certain Provisions of the Bond Ordinance--Refunding Securities.

No Pledge of Property

The payment of the 2015 Bonds is not secured by an encumbrance, mortgage or other pledge of property of the County, except the proceeds of General Taxes, the Pledged Revenues, and any other moneys pledged for the payment of the 2015 Bonds. No property of the County, subject to such exceptions, shall be liable to be forfeited or taken in payment of the 2015 Bonds.

Limitation of Remedies

Judicial Remedies. Upon the occurrence of an Event of Default under the Bond Ordinance, each owner of the 2015 Bonds is entitled to enforce the covenants and agreements of the County by mandamus, suit or other proceeding at law or in equity. Any judgment will, however, only be enforceable against the Pledged Revenues and other moneys held under the Bond Ordinance (including General Taxes, if any) and not against any other fund or properties of the County.

The enforceability of the Bond Ordinance is also subject to equitable principles affecting the enforcement of creditors' rights generally and liens securing such rights, the police powers of the State and the exercise of judicial authority by State or federal courts.

Due to the delays in obtaining judicial remedies, it should not be assumed that these remedies could be accomplished rapidly. Any delays in obtaining judicial remedies to enforce the covenants and agreements of the County under the Bond Ordinance, to the extent enforceable, could result in delays in any payment of principal of and interest on the 2015 Bonds.

Bankruptcy, Federal Lien Power and Police Power. The enforceability of the rights and remedies of the owners of the 2015 Bonds and the obligations incurred by the County in issuing the 2015 Bonds are subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the federal Constitution; the power of the federal government to impose liens in certain situations; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose. Bankruptcy proceedings or the exercise of powers by the federal or State government, if initiated, could subject the owners of the 2015 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

No Acceleration. There is no provision for acceleration of maturity of the principal of the 2015 Bonds in the event of a default in the payment of principal of or interest on the 2015 Bonds. Consequently, remedies available to the owners of the 2015 Bonds may have to be enforced from year to year.

Future Changes in Laws

Various State laws apply to the imposition, collection, and expenditure of General Taxes, the Consolidated Tax and to other County revenues as well as to the operation and finances of the County. For example, the Nevada Legislature recently approved Senate Joint Resolution 13, which, if further approved, would amend the Nevada Constitution's property tax system as explained further in "PROPERTY TAX INFORMATION—Property Tax Limitations." In addition, from time to time, proposals are made (or adopted) by the Legislature to add or remove certain types of transactions from the Consolidated Tax. The Legislature may also increase the administrative fee retained by the State for collecting the various components of the Consolidated Tax from time to time; that increase results in a decrease in Pledged Revenues. There is no assurance that there will not be any change in, interpretation of, or addition to the applicable laws, provisions, and regulations which would have a material effect, directly or indirectly, on the affairs of the County and the imposition, collection, and expenditure of revenues, including General Taxes and the Consolidated Tax.

REVENUES AVAILABLE FOR DEBT SERVICE

General Description of Consolidated Tax

The taxes comprising the Consolidated Tax are discussed generally below. The revenues generated by the Consolidated Tax are deposited into the State's Local Government Tax Distribution Account and then allocated among local governments as described below.

Sales Taxes. The Supplemental City/County Relief Tax ("SCCRT") and Basic City/County Relief Tax ("BCCRT") are each a component of the combined sales and use tax levied by the State (the tax levied on retail sales and the storage, use or other consumption of tangible property). The SCCRT is levied at a rate of 1.75% and the BCCRT is levied at a rate of 0.50%. The revenues from each of these sources are collected monthly by the State Department of Taxation ("Taxation") and, following adjustments for certain rural counties and costs of collections, are remitted to the county of origin, then divided among the local governments within each county according to a formula. In fiscal year 2014, the SCCRT and BCCRT accounted for a combined 82.6% (63.8% and 18.8%, respectively) of the Consolidated Tax distributed within the County.

Sales taxes (including the SCCRT and BCCRT) are imposed on the gross receipts of any retailer from the sale of all tangible personal property sold at retail in the County and also upon the storage, use or other consumption in the County of tangible personal property. State law exempts taxes on the gross receipts from the sale, storage or use of property that it is prohibited from taxing under the constitution or laws of the State. Included in this category are (this list is not intended to be exhaustive): personal property sold to the United States, the State or any political subdivision; personal property sold by or to religious, charitable or educational nonprofit corporations; sales to common carriers; the proceeds of mines; motor vehicle fuel; food; certain feeds and fertilizers; prosthetic devices and other medical appliances; medicines, gas, electricity and water; newspapers, manufactured homes and mobile homes; and aircraft, aircraft engines and component parts.

Basic Governmental Services Tax. The Basic Governmental Services Tax ("GST") is levied at a rate of 4 cents per dollar of valuation of motor vehicles, and is assessed at the time of annual registration. The initial valuation of the vehicle is determined at 35% of the manufacturer's suggested retail price. Vehicle value is depreciated to 95% after the first year and graduated down to 15% after 9 years. Ninety-four percent of the proceeds of the GST is distributed to local governments in the county of origin. In fiscal year 2014, the GST accounted for 13.5% of the Consolidated Tax distributed within the County.

Real Property Transfer Tax. The Real Property Transfer Tax ("RPTT") is paid by the buyer in a conveyance of real property. The rate of taxation on transfers of real property in the County is $0.65 per $500 of value of the interest in property conveyed, exclusive of any lien or encumbrance upon the property. Of the $0.65 per $500 of value, a portion (55 cents) is deposited in the Local Government Tax Distribution Account for distribution to local governments in the county of origin and the rest is retained by the State for various purposes. In fiscal year 2014, the RPTT accounted for 2.5% of the Consolidated Tax distributed within the County.

Cigarette and Liquor Tax. The Cigarette Tax and Liquor Tax are excise taxes levied upon the sale of cigarettes (and other tobacco products) and liquor, respectively. Portions of the proceeds of the Cigarette Tax and Liquor Tax are distributed to local governments, with the remainder deposited to the State general fund. The Cigarette Tax is levied at a rate of 9 cents per cigarette, which equates to $1.80 per pack. Of that amount, 10 cents per pack is deposited in the Local Government Tax Distribution Account and distributed to local governments. The Liquor Tax is levied on a per gallon basis and is in addition to the applicable sales tax. Of the $3.60 per gallon tax levied on liquor with an alcohol content in excess of 22%, 50 cents is deposited in the Local Government Tax Distribution Account and distributed to local governments. Taxes levied upon tobacco products other than cigarettes and upon liquor products with less than 22% alcohol content are retained by the State general fund. In fiscal year 2014, the Cigarette Tax and the Liquor Tax accounted for 1.1% and 0.4%, respectively, of the Consolidated Tax distributed within the County.

Collection and Enforcement of Consolidated Tax Revenues

Taxation administers the collection and enforcement of the Consolidated Taxes pursuant to State law. The taxes comprising the Consolidated Tax are collected as described below and distributions are made monthly.

Taxation collects the BCCRT, SCCRT, Cigarette and Liquor Taxes directly and deposits the revenues to the Local Government Tax Distribution Account monthly for distribution to the County. The County Treasurer collects RPTT revenues and deposits them with the State, at least quarterly, for inclusion in the Local Government Tax Distribution Account and subsequent monthly distribution to the County. The Department of Motor Vehicles collects the GST and deposits it monthly with the State for deposit in the Local Government Tax Distribution Account and subsequent monthly distribution to the County.

Because the BCCRT and the SCCRT constitute the majority of the Consolidated Tax Revenues, the State's sales tax collection and enforcement procedures are discussed briefly below. In addition to the sales tax enforcement procedure, the State may impose delinquent interest and penalties on late payments of the other taxes collected and also may seek judgments in State court for satisfaction of amounts owed.

Taxation administers all sales taxes within the State, including the BCCRT and the SCCRT. Each licensed retailer is required to remit all sales tax directly to Taxation. Pursuant to State statute, Taxation currently retains a collection fee of 1.75% (that amount is subject to change by the Legislature) of all amounts remitted by retailers. (Notwithstanding the foregoing, the increased fee cannot be applied so as to modify, directly or indirectly, any taxes levied or revenues pledged in such a manner as to impair adversely any outstanding obligations of any political subdivision of this State or other public entity). Every person desiring to conduct business as a retailer within the County must obtain a permit from Taxation. Any retailer that fails to comply with State statutes may have its license revoked by Taxation after a hearing held upon 10 days' written notice.

Sales taxes are due and payable to Taxation monthly on or before the last day of the month next succeeding the month in which such taxes are collected (i.e., sales taxes collected by retailers in April 2015 were due to Taxation no later than May 31, 2015). Retailers are allowed to deduct 0.25% of the amount due to reimburse themselves for the cost of collecting the

tax. Sales tax remittances to Taxation must be accompanied by a return form prescribed by Taxation. Taxation may require returns and payments for periods other than calendar months. Interest on deficient sales tax payments, exclusive of penalties, accrues at rates established by State law. A penalty of 10% of the amount of the deficiency also may be added.

Deficiency notices must be delivered to taxpayers within three years of any deficiency. Failure to pay sales taxes as required results in a lien against the property of the retailer failing to pay. The lien is enforced by Taxation's filing of a certificate and request for judgment with the County Clerk. Immediately upon filing of the certificate, the County Clerk is required to enter a judgment in the amount owed, including penalties and interest. The lien may be enforced through a warrant executed by the County sheriff. In addition, Taxation may seize and sell property of the delinquent payor as provided by law.

Distribution of Consolidated Tax Collections. Consolidated Taxes are distributed to local governments in accordance with a formula established by State law. State law established a "base year" during the 1997 Legislative session. After that year, each local government receives an annual percentage increase in its base amount according to increases in the prior year's Consumer Price Index. For cities and counties, additional revenues over the base allocations are determined according to a statutory formula that takes into account each local government's relative growth in population and assessed valuation in the prior year. Taxation may determine to reallocate taxes if the assessed value and population of an entity declines over three consecutive years. Over the last five years, the County has received between 51.0% and 51.5% of the Consolidated Tax collections distributed within the County, excluding revenues separately distributed to the Washoe County School District.

Pending Lawsuit Pertaining to Consolidated Tax Distribution. On June 6, 2012, the City of Fernley, which is located in Lyon County, Nevada, filed a suit in federal court against the State alleging that the manner in which the revenue from certain of the Consolidated Tax is divided among local governments violates the federal and State constitutions. The Consolidated Tax system uses a complex mathematical formula to collect and distribute taxes to local governments and special entities in Nevada. At the broadest level, revenues from six different taxes are collected throughout Nevada by the Nevada Department of Taxation and deposited into a segregated State account called the Local Government Distribution Account. See NRS 360.660 *et seq*. The complaint requests monetary damages in an amount to be determined at trial. It also requests an injunction against distribution of Consolidated Taxes under the current formulas.

The respondents filed respective motions to dismiss which were denied by the district court. Respondents thereafter petitioned the Nevada Supreme Court for review of the denial of the motions to dismiss. On January 25, 2013, the Nevada Supreme Court issued its writ and order holding that Fernley's federal constitutional claims were time barred, but declined the respondent's request to dismiss Fernley's State constitutional claims and ordered the parties to complete discovery. Following completion of discovery, the respondents filed respective motions to dismiss. The district court initially dismissed all claims against the Treasurer, including claims for declaratory and injunctive relief, on the grounds of sovereign immunity. Fernley filed its own motion for summary judgment and sought reconsideration of the dismissal of all claims against the Treasurer. On October 6, 2014, the district court entered its order denying Fernley's motions for summary judgment and reconsideration and granting respondents' motions for summary judgment. Fernley appealed the portion of district court's order which

dismissed the claims against the Treasurer. This case is currently being briefed at the Nevada Supreme Court.

At this time, it is not possible to determine whether there is any merit to the matter or what the potential effects on the State or the governmental entities receiving Consolidated Tax distributions might be.

Consolidated Tax Revenue Data

Historical Consolidated Tax Revenues and Pro-Forma Debt Service Coverage. The following table sets forth: (i) a history of the County's Consolidated Tax receipts and the resulting Pledged Revenues; (ii) the estimated combined maximum annual debt service payable on the 2015 Bonds and the Parity Lien Bonds; and (iii) the associated debt service coverage, calculated by dividing the Pledged Revenues in each year by the combined maximum annual debt service.

The table includes historical Consolidated Tax collection information for fiscal years 2010 through 2014 and estimated Consolidated Tax collection information for fiscal year 2015. There is no assurance that the Pledged Revenues will continue to be realized in the amounts illustrated below. See "SECURITY FOR THE 2015 BONDS--Certain Risks Associated With Pledged Revenues" and other factors described throughout this Official Statement.

Upon issuance of the 2015 Bonds, the estimated combined maximum annual principal and interest requirements on the 2015 Bonds and the Parity Lien Bonds is $6,260,332* in fiscal year 2025. See "THE 2015 BONDS—Debt Service Requirements."

Historical Pledged Revenues and Pro Forma Debt Service Coverage

	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Estimated (1)
Consolidated Tax Receipts	$68,512,745	$69,330,862	$70,985,428	$75,489,073	$80,808,837	$86,464,723
% change	--	1.2%	2.4%	6.3%	7.0%	7.0%
Pledged Revenues (15% of Consolidated Tax Receipts)	$10,276,912	$10,399,629	$10,647,814	$11,323,361	$12,121,326	$12,969,708
Combined Maximum Annual Debt Service (2)*	$6,260,332	$6,260,332	$6,260,332	$6,260,332	$6,260,332	$6,260,332
Coverage	1.64x	1.66x	1.70x	1.81x	1.94x	2.07x

(1) Unaudited estimate; subject to change.
(2) Combined maximum annual debt service on the 2015 Bonds and the Parity Lien Bonds. See "DEBT SERVICE REQUIREMENTS."

Source: Derived from the County's audited financial statements for the fiscal years ended June 30, 2010-2014 and the County's 2015-16 budget (which contains estimated financial information for the fiscal year ended June 30, 2015).

* Subject to change.

For 2016, the County budgeted to receive Consolidated Tax revenues of $91,278,018, which would result in Pledged Revenues of $13,691,703. That budgeted figure results in estimated debt service coverage of 2.19x,* calculated using the estimated combined debt service payable on the 2015 Bonds and the Parity Lien Bonds in fiscal year 2025 ($6,260,332*). If the Pledged Revenues are insufficient to pay the combined debt service on the 2015 Bonds and any Parity Bonds, the County must use other available resources to do so.

Monthly Comparison of Consolidated Tax Collections The following table presents a comparison of monthly revenues received by the County pursuant to the Consolidated Tax Act for the twelve-month periods ending June 30, 2014 and 2015 (unaudited). *The data in the following table reflects collection of the full amount received pursuant to the Consolidated Tax Act; however, the Pledged Revenues are comprised of only 15% of that total amount. The information below is intended to illustrate collection trends only; it is not a representation of amounts available to pay the 2015 Bonds.* This table is presented on an accrual basis; accordingly, revenues are accounted for in the month of the original sales rather than the month of actual collection by the County. For example, revenues recorded for "February 2015" in the following table represent sales made by retailers in February 2015 and are recorded in that month even though retailers remitted those revenues to the State in March 2015 and the moneys were received by the County in April 2015. As of June 30, 2015, the County had experienced an increase of approximately 8.9% in Consolidated Tax collections as compared to the same twelve-month period for the previous year.

Comparison of Monthly Consolidated Tax Collections(1)

	Twelve-Month Period Ending June 30, 2015		Twelve-Month Period Ending June 30, 2014		Percent Change	
	Current Month	Cumulative	Current Month	Cumulative	Current Month	Cumulative
July	$6,990,299	$13,386,795	$6,568,453	$12,768,260	6.4%	4.8%
August	7,325,741	20,712,536	6,839,653	19,607,913	7.1	5.6
September	7,396,154	28,108,690	6,786,408	26,394,321	9.0	6.5
October	7,379,077	35,487,767	6,884,804	33,279,125	7.2	6.6
November	7,226,581	42,714,349	6,853,587	40,132,712	5.4	6.4
December	6,950,773	49,665,122	6,343,648	46,476,360	9.6	6.9
January	6,838,198	56,503,320	6,446,250	52,922,610	6.1	6.8
February	8,427,814	64,931,133	7,933,270	60,855,880	6.2	6.7
March	6,824,917	71,756,050	5,884,511	66,740,390	16.0	7.5
April	6,521,188	78,277,238	5,835,613	72,576,004	11.7	7.9
May	7,892,166	86,169,405	7,128,211	79,704,215	10.7	8.1
June	7,199,626	86,972,464	6,396,566	79,900,974	12.6	8.9

(1) Reflects collection of the full amount of amounts received pursuant to the Consolidated Tax Act; however, the Pledged Revenues pledged to payment of the 2015 Bonds are comprised of only 15% of that total amount.

Source: The County (unaudited).

PROPERTY TAX INFORMATION

Property Tax Base and Tax Roll

Taxation reports that the assessed valuation of property within the County for the fiscal year ending June 30, 2016, is $14,342,710,925 (excluding the assessed valuation attributable to the Reno RDA and the Sparks Redevelopment Agency (the "Redevelopment Agencies")). That assessed valuation represents an increase of 8.0% from the assessed valuation for fiscal year 2015.

State law requires that county assessors reappraise at least once every five years all real and secured personal property (other than certain utility owned property which is centrally appraised and assessed by the Nevada Tax Commission). While the law provides that in years in which the property is not reappraised, the county assessor is to apply a factor representing typical changes in value in the area since the preceding year, it is the policy of the Washoe County Assessor to reappraise all real and secured personal property in the County each year. State law currently requires that property be assessed at 35% of taxable value; that percentage may be adjusted upward or downward by the Legislature. Based upon the assessed valuation for fiscal year 2016 the taxable value of all taxable property within the County is $40,979,174,071 (excluding the taxable value attributable to the Redevelopment Agencies).

"Taxable value" is defined in the statutes as the full cash value in the case of land and as the replacement cost less straight-line depreciation in the case of improvements to land and in the case of taxable personal property, less depreciation in accordance with the regulations of the Nevada Tax Commission but in no case an amount in excess of the full cash value. Depreciation of improvements to real property must be calculated at 1.5% of the cost of replacement for each year of adjusted actual age up to a maximum of 50 years. Adjusted actual age is actual age adjusted for any addition or replacement made which is valued at 10% or more of the replacement cost after the addition or replacement. The maximum depreciation allowed is 75% of the cost of replacement. When a substantial addition or replacement is made to depreciable property, its "actual age" is adjusted i.e., reduced to reflect the increased useful term of the structure. The adjusted actual age has been used on appraisals for taxes since 1986-87.

In Nevada, county assessors are responsible for assessments in the counties except for certain properties centrally assessed by the State, which include railroads, airlines, and utility companies.

History of Assessed Value

The following table provides a history of the assessed valuation in the County. Due to property tax abatement laws enacted in 2005 (described in "Required Property Tax Abatements" below), the taxes collected by taxing entities within the County are capped and there is no longer a direct correlation between changes in assessed value and property tax revenue.

History of Assessed Value

Fiscal Year Ended June 30,	Assessed Valuation of Washoe County(1)	Percent Change
2012	$12,675,374,294	--
2013	12,290,109,448	(3.0)%
2014	12,317,952,550	0.2
2015	13,286,283,600	7.9
2016	14,342,710,925	8.0

(1) Includes the assessed value attributable to Net Proceeds of Minerals. Excludes the assessed valuations of the Redevelopment Agencies in the following aggregate amounts: fiscal year 2012 - $253,904,054; fiscal year 2013 - $201,510,836; fiscal year 2014 - $178,972,052; fiscal year 2015 - $201,317,152; and fiscal year 2016 - $222,756,313.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2011-12 through 2015-16.

Property Tax Collections

In Nevada, county treasurers are responsible for the collection of property taxes, and forwarding the allocable portions thereof to the overlapping taxing units within the counties.

A history of the County's tax roll collection record appears in the following table. *This table reflects all amounts collected by the County, including amounts levied by the County, the School District, the cities within the County and certain special taxing districts. The figures in the following table include property taxes that are not available to pay debt service on the 2015 Bonds.* The table below provides information with respect to the historic collection rates for the County, but may not be relied upon to depict the amounts of ad valorem property taxes available to the County in each year. There is no assurance that collection rates will be similar to the historic collection rates depicted below.

As described below in "PROPERTY TAX INFORMATION--Required Refunds and Other Actions Related to Property Taxes - Required Incline Village Tax Refunds," the County has recalculated and refunded approximately $44.8 million in property taxes (including interest) to taxpayers in the Incline Village/Crystal Bay area of the County. All of the parcels subject to refunds have been adjusted and refunds for all of the parcels have been processed. In the following table, all of the refunds associated with those adjustments are included in the "Delinquent Tax Collections" column.

Property Tax Levies, Collections and Delinquencies – Washoe County, Nevada[1]

Fiscal Year Ending June 30	Net Secured Roll Tax Levy	Current Tax Collections	% of Levy (Current) Collected	Delinquent Tax Collections (Abatements)	Total Tax Collections	Total Tax Collections as % of Current Levy[2]
2010	$503,451,077	$492,951,230	97.91%	$8,226,613	$501,177,843	99.55%
2011	459,902,246	452,301,503	98.35	8,747,048	461,048,551	100.25
2012[3]	424,893,854	416,848,553	98.11	(4,822,330)	412,026,224	96.97
2013[3]	410,445,682	405,976,784	98.91	(6,474,893)	399,501,891	97.33
2014	411,287,837	407,469,285	99.07	5,571,288	413,040,573	100.43
2015[4]	423,991,386	419,637,174	98.97	4,276,133	423,913,307	99.98

(1) Represents the real property tax roll levies and collections as of May 14, 2015. Subject to revision.
(2) Figured on collections to net levy (actual levy less stricken taxes).
(3) All previous tax year collection adjustments and refunds resulting from the Incline Village matter were completed in June 2013 and are reflected in the Delinquent Tax Collections amounts.
(4) Collections as of May 14, 2015.

Source: Washoe County Treasurer's Office.

Taxes on real property are due on the third Monday in August unless the taxpayer elects to pay in installments on or before the third Monday in August and the first Mondays in October, January, and March of each fiscal year. Penalties are assessed if any taxes are not paid within 10 days of the due date as follows: 4% of the delinquent amount if one installment is delinquent, 5% of the delinquent amount plus accumulated penalties if two installments are delinquent, 6% of the delinquent amount plus accumulated penalties if three installments are delinquent and 7% of the delinquent amount plus accumulated penalties if four installments are delinquent. In the event of nonpayment, 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 at the rate of 10% per year 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. Upon receipt of a deed, the county treasurer may sell the property to satisfy the tax lien and assessments by local governments for improvements to the property. State law provides alternative remedies for the collection of taxes in certain instances, including judicial foreclosure (which may take place before the expiration of the two-year redemption period) and the assignment of a tax lien by the County Treasurer upon payment of taxes by a third party, as authorized by the property owner through a written agreement.

Largest Taxpayers in the County

The following table represents the ten largest property-owning taxpayers in the County based on fiscal year 2014-2015 assessed valuations. The assessed valuations in this table represent both the secured tax roll (real property) and the unsecured tax roll (generally personal property). No independent investigation has been made of, and consequently there can be no representation as to, the financial conditions of the taxpayers listed, or that any such taxpayer will continue to maintain its status as a major taxpayer based on the assessed valuation of its property in the County.

Ten Largest Taxpayers in the County[1]
Fiscal Year 2014-15

Taxpayer	Type of Business	Assessed Value	% of Total Assessed Value[2]
BRE/Reno Property Owner LLC/ BRE/PAC Nevada LLC	Real Estate	$126,528,175	0.95%
Peppermill Casinos Inc.	Hotel/Casino	84,471,806	0.64
Golden Road Motor Inn Inc.	Hotel	42,589,453	0.32
MPT of Reno LLC	Developer	38,612,265	0.29
Sparks Legends Development Inc.	Hotel/Casino	36,646,542	0.28
Circus & Eldorado Joint Venture	Hotel/Casino	28,202,307	0.21
Northwestern Mutual Life Insurance	Insurance	27,489,810	0.21
International Game Technology	Manufacturing	24,850,001	0.19
Hyatt Equities LLC	Hotel/Casino	24,227,507	0.18
Nevada Pacific Development Corp.	Developer	21,977,552	0.16
Total		$455,595,418	3.43%

(1) Real property only; excludes centrally assessed property. Subject to revision.
(2) Based on the County's fiscal year 2015 total assessed valuation of $13,286,283,600 (which includes the assessed valuation of the Redevelopment Agencies).

Source: Washoe County Assessor's Office (report dated September 8, 2014).

Property Tax Limitations

Overlapping Property Tax Caps. Article X, Section 2, of the State constitution limits the total ad valorem property taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the State, and any county, city, town, school district or special district) to an amount not to exceed five cents per dollar of assessed valuation ($5 per $100 of assessed valuation) of the property being taxed. Further, the combined overlapping tax rate is limited by statute to $3.64 per $100 of assessed valuation in all counties of the State with certain exceptions that (a) permit a combined overlapping tax rate of up to $4.50 per $100 of assessed valuation in the case of certain entities that are in financial difficulties (or require a combined overlapping tax rate of $5.00 per $100 of assessed valuation in certain circumstances of severe financial emergency); and (b) require that $0.02 of the statewide property tax rate of $0.17 per $100 of assessed valuation is not included in computing compliance with this $3.64 cap. (This $0.02 is, however, counted against the $5.00 cap.) State statutes provide a priority for taxes levied for the payment of general obligation bonded indebtedness in any year in which the proposed tax rate to be levied by overlapping units within a county exceeds any rate limitation, a reduction must be made by those units for purposes other than the payment of general obligation bonded indebtedness, including interest thereon.

As shown below in the table "History of Statewide Average and Sample Overlapping Property Tax Rates," the average total tax rate in Nevada in fiscal year 2015 is $3.1232. In much of the County, the overlapping tax rate is $3.66, including the County's tax rate of $1.3917. The governmental units within the County, therefore, are collectively imposing the maximum rate possible by law.

Local Government Property Tax Revenue Limitation. State statutes limit the revenues local governments, other than school districts, may receive from ad valorem property taxes for purposes other than paying certain general obligation indebtedness which is exempt from such ad valorem revenue limits. These revenue limitations do not apply to ad valorem taxes levied to repay the 2015 Bonds, which are exempt from such ad valorem revenue limits. This rate is generally limited as follows. The assessed value of property is first differentiated between that for property existing on the assessment rolls in the prior year (old property) and new property. Second, the property tax revenue derived in the prior year is increased by no more than 6% and the tax rate to generate the increase is determined against the current assessed value of the old property. Finally, this tax rate is applied against all taxable property to produce the allowable property tax revenues. This cap operates to limit property tax revenue dependent upon changes in the value of old property and the growth and value of new property.

A local government, other than a school district, may exceed the property tax revenue limitation if the proposal is approved by its electorate at a general or special election. In addition, the Executive Director of Taxation will add, to the allowed revenue from ad valorem taxes, the amount approved by the Legislature for the costs to a local government of any substantial programs or expenses required by legislative enactment. In the event sales tax estimates from Taxation exceed actual revenues available to local governments, Nevada local governments receiving such sales tax may levy a property tax to make up the revenue shortfall. The County, Reno and Sparks are levying various tax overrides as allowed or required by State statutes. For FY 2015/16, the State Department of Taxation calculated the maximum allowed ad valorem tax rate for the County, not including legislative or voter overrides, to be $2.3887. This compares to the County's actual rate of $0.9993.

State statutes limit the revenues school districts may receive from ad valorem property taxes for operating purposes. Pursuant to NRS 387.195, each board of county commissioners shall levy a tax of $0.75 per $100 of assessed valuation for the support of the public schools within the county school district. School districts are also allowed additional levies for voter-approved debt service and voter-approved tax overrides for capital projects.

The Nevada Tax Commission monitors the impact of tax legislation on local government services.

Constitutional Amendment - Abatement of Taxes for Severe Economic Hardship. At the November 5, 2002 election, the State's voters approved an amendment to the State constitution authorizing the Legislature to enact a law providing for an abatement of the tax upon or an exemption of part of the assessed value of an owner-occupied single-family residence to the extent necessary to avoid severe economic hardship to the owner of that residence.

The legislation implementing that amendment provides that the owner of a single-family residence may file a claim with the county treasurer to postpone the payment of all or part of the property tax due against the residence if (among other requirements): the residence has an assessed value of not more than $175,000; the property owner does not own any other real property in the State with an assessed value of more than $30,000; the residence has been occupied by the owner for at least 6 months; the owner is not in bankruptcy; the owner owes no delinquent property taxes on the residence; the owner has suffered severe economic hardship caused by circumstances beyond his control (such as illness or disability expected to last for at least 12 continuous months); and the total annual income of the owner's household is at or below

the federally designated poverty level. The amount of tax that may be postponed may not exceed the amount of property tax that will accrue against the residence in the succeeding three fiscal years. Any postponed property tax (and any penalties and the interest that accrue as provided in the statue) constitutes a perpetual lien against the residence until paid. The postponed tax becomes due and payable if: the residence ceases to be occupied by the claimant or is sold; any non-postponed property tax becomes delinquent; if the claimant dies; or on the date upon which the postponement expires, as determined by the county treasurer. No taxpayers in the County have filed a claim to postpone taxes under this law.

Potential Constitutional Amendment - Senate Joint Resolution 13. Senate Joint Resolution 13 ("SJR 13"), adopted by the 2015 session of the Nevada Legislature, proposes to amend the Nevada Constitution. Under Nevada law, constitutional amendments require majority approval by each house of the Legislature in two separate legislative sessions and then majority approval by the general electorate. SJR 13, therefore, will be considered again in the 2017 Legislature. If it is approved again, it is expected that it will be placed on the ballot for the November 2018 general election.

SJR 13 would impose certain additional limitations on property taxes. It is unclear how the amendment would work with existing abatement requirements. If approved, SJR 13 is expected to require enabling legislation which has not yet been introduced. The proposed amendment itself would, among other provisions, limit taxes to 1.25% of taxable value. Property taxes for debt (including the 2015 Bonds), however, generally would be excluded from SJR 13's limit. SJR 13 only applies to real property taxes. It also requires a new "uniform and just" valuation of property for taxation and it generally limits increases in property values to the lesser of 3% per year or the rate of inflation, with certain exceptions. SJR 13 would also change the taxable value of real property upon certain transfers of the property.

Many of the provisions of SJR 13 are unclear and the amendment will require additional legislation to implement. It is not possible to predict at this time whether it will become law, or what its impact will be on the County's property tax revenue if it does become law.

Required Property Tax Abatements

General. In 2005, the Legislature approved the NRS 361.471 to 361.4735 (the "Abatement Act"), which established formulas to determine whether tax abatements are required for property owners in each year. The general impact of the Abatement Act is to limit increases in ad valorem property tax revenues owed by taxpayers to a maximum of 3% per year for primary owner-occupied residential properties (and low-income housing properties) and to 8% (or a lesser amount equal to the average annual change in taxable values over the last ten years, as determined by a formula) per year for all other properties. The Abatement Act limits do not apply to new construction. The Abatement Act formulas are applied on a parcel-by-parcel basis each year.

Generally, reductions in the amount of ad valorem property tax revenues levied in the County are required to be allocated among all of the taxing entities in the County in the same proportion as the rate of ad valorem taxes levied for that taxing entity bears to the total combined rate of all ad valorem taxes levied for that fiscal year. However, abatements caused by tax rate increases are to be allocated against the entity that would benefit from the tax increase rather

than among all entities uniformly. Revenues realized from new or increased ad valorem taxes that are required by any legislative act that was effective after April 6, 2005, generally are exempt from the abatement formulas. The Abatement Act provides for the recapture of previously abated property tax revenues in certain limited situations.

Levies for Debt Service. Revenues resulting from increases in the rate of ad valorem taxes for the payment of tax-secured obligations are exempt from the Abatement Act formulas if increased rates are necessary to pay debt service on the related obligation in any fiscal year if (1) the tax-secured obligations were issued before July 1, 2005; or (2) the governing body of the taxing entity and the County Debt Management Commission make findings that no increase in the rate of an ad valorem tax is anticipated to be necessary for payment of the obligations during their term. Ad valorem tax rate increases to pay debt service on the 2015 Bonds are exempt from the Abatement Act formulas.

General Effects of Abatement. Limitations on property tax revenues could negatively impact the finances and operations of the taxing entities in the State, including the County, to an extent that cannot be determined at this time.

Required Refunds and Other Actions Related to Property Taxes

Required Incline Village Refunds. The County has been a party to various lawsuits in state and federal courts involving property tax assessments in the Lake Tahoe area (Incline Village/Crystal Bay). The cases involve claims of unconstitutional taxation, challenges to the administrative hearings and decisions of boards of equalization and writs of mandamus.

The sole remaining case involving the Incline Village property taxes is a case that was first filed in 2003. The case was initiated by Incline Village taxpayers seeking to compel the Nevada State Board of Equalization to perform its statutory equalization function. The case was initially dismissed in its entirety. That dismissal was appealed to the Nevada Supreme Court which upheld most of the dismissals. Included among the claims being dismissed was a claim based upon the argument that the 17 plaintiffs in the prior Bakst case obtained relief from property valuation and resulting taxes and the rest of the incline Village property owners should obtain the same relief. The Nevada Supreme Court rejected that claim based on the fact that the remaining property owners had failed to exhaust their administrative remedies. The Court did return the question of statewide equalization to the District Court. Eventually, the District Court entered a writ to compel the State Board of Equalization to conduct hearings at which aggrieved taxpayers could express their concerns regarding statewide equalization issues. In the District Court's Writ, the District Court directed the State Board of Equalization to: "Take such actions as are required to notice and hold a public hearing, or hearings as may be necessary, to hear and determine the grievances of property owner taxpayers regarding the failure, or lack, of equalization of real property valuations throughout the State of Nevada for the 2003-2004 tax year and each subsequent tax year to and including the 2010-2011 tax year and to raise, lower or leave unchanged the taxable value of any property for the purpose of equalization."

In the Fall of 2012, the State Board of Equalization did as instructed and held a hearing on equalization. Incline Village/Crystal Bay property owners made the argument that they should be equalized with the 17 Bakst plaintiffs for the 2003-2004, 2004-2005, and 2005-2006 tax years. On February 1, 2013, the State Board of Equalization issued its Order in which it directed the Washoe County Assessor to revalue Incline Village and Crystal Bay properties for

the 2003-2004 tax year and, based on those values, to raise, lower or leave unchanged the amount of taxes due on those properties. The Incline Village property owners were dissatisfied with that Order of the State Board of Equalization and filed their objections to the Board's action with the District Court. In a separate action, they also petitioned for judicial review of the interim decision of the State Board of Equalization. Those cases were consolidated and on July 1, 2013, the District Court dismissed the Incline Village property owners' objections. Another appeal to the Nevada Supreme Court ensued.

Oral argument at the Nevada Supreme Court took place on November 1, 2014. The Incline Village property owners once again argued that they should be entitled to the same relief the 17 Bakst plaintiffs obtained. No decision has been rendered by the Nevada Supreme Court to date.

There are a number of possible results, which range from ordering refunds to the other property owners, which would result in approximately $30 million in refunds, to allowing the reassessment, which could potentially result in additional taxes being due. Funds do not currently exist within the General Fund to pay this potential liability. The remainder of the refund liability belongs to other property-tax collecting entities, including the Washoe County School District, the North Lake Tahoe Fire Protection District, the Incline Village General Improvement District and the State. State statutes provide that amounts refunded are to be withheld from subsequent apportionments to those other taxing entities.

Required Payment of Property Tax Moneys to Reno Redevelopment Agency. The Reno Redevelopment Agency ("Reno RDA") has challenged the methodology used to determine its 2011-12 tax increment revenues and sought the allocation of additional taxes to it based upon its interpretation of a statute. In August 2012, the County, Reno RDA, the City of Reno, Washoe County School District and the State agreed upon a settlement of the dispute. The portion of the settlement which is still relevant pertains to an agreement by the parties that Reno RDA will receive a minimum allocation of tax revenue through June 30, 2018, of approximately $2.7 million per year, less any increment amount allocated to Reno RDA through the standard tax distribution process. On June 30 of each year, the County Treasurer determines whether Reno RDA has received at least this minimum amount. If not, the Treasurer calculates the remaining amount due and allocates it among the County, the City of Reno, Washoe County School District and the State, based upon the proportion of each entity's redevelopment tax rate to the combined overlapping redevelopment tax rate.

Reno RDA has failed to receive the minimum amount in each of the last four fiscal years, requiring payments from the other taxing entities, including the County. The County's share was $591,975 in fiscal year 2012; $880,243 in fiscal year 2013; $1,082,370 in fiscal year 2014; and $945,054 in fiscal year 2015 (unaudited). For the remaining three fiscal years of the agreement (fiscal years 2016-18), the County's maximum potential liability would be approximately $1.16 million per year, a calculation which is based upon the assumptions that Reno RDA will receive $0 from the normal tax increment process and that the County's share each year is 43%, which is the average for the past four years. The actual liability is expected to be less than $1.16 million per year. The County does not expect that any amounts it may be required to pay to the Reno RDA over the next three fiscal years pursuant to the settlement will have a material adverse effect on the County's ability to pay debt service on the 2015 Bonds.

Overlapping Tax Rates and General Obligation Indebtedness

Overlapping Tax Rates. The following table sets forth a history of statewide average tax rates and a representative overlapping tax rate for taxing is located in Reno, the most populous city in the County. The overlapping rates for incorporated and unincorporated areas within the County vary depending on the rates imposed by applicable taxing jurisdictions. The highest overlapping tax rate in the County currently is $3.6600 in Reno, Sparks and in a portion of the Palomino Valley General Improvement District.

History of Statewide Average and Sample Overlapping Property Tax Rates[1]

Fiscal Year Ended June 30,	2011	2012	2013	2014	2015
Average Statewide rate	$3.1320	$3.1171	$3.1304	$3.1212	$3.1232
Washoe County	1.3917	1.3917	1.3917	1.3917	1.3917
Washoe County School District	1.1385	1.1385	1.1385	1.1385	1.1385
City of Reno	0.9456	0.9456	0.9598	0.9598	0.9598
Combined Special Districts	0.0005	0.0000	0.0000	0.0000	0.0000
State of Nevada[2]	0.1700	0.1700	0.1700	0.1700	0.1700
Total	$3.6463	$3.6458	$3.6600	$3.6600	$3.6600

(1) Per $100 of assessed valuation.
(2) $0.0200 of the State rate is exempt from the $3.64 cap. See "Property Tax Limitations" above.

Source: Property Tax Rates for Nevada Local Governments - State of Nevada, Department of Taxation, 2010-11 through 2014-15.

Estimated Overlapping General Obligation Indebtedness. In addition to the general obligation indebtedness of the County, other taxing entities are authorized to incur general obligation debt within boundaries that overlap or partially overlap the boundaries of the County. In addition to the entities listed below, other governmental entities may overlap the County but have no general obligation debt outstanding. The following chart sets forth the estimated overlapping general obligation debt (including general obligation medium-term bonds) chargeable to property owners within the County as of July 1, 2015.

Estimated Overlapping Net General Obligation Indebtedness

Entity (1)	Total General Obligation Indebtedness(2)	Presently Self-Supporting General Obligation Indebtedness	Net Direct General Obligation Indebtedness	Percent Applicable(3)	Overlapping Net General Obligation Indebtedness(4)
Washoe County School District	$476,491,732	$ 0	$476,491,732	100.00%	$476,491,732
City of Reno	130,720,561	105,315,561	25,405,000	100.00	25,405,000
City of Sparks	41,412,458	39,387,456	2,025,002	100.00	2,025,002
Incline Village GID	10,904,426	10,904,426	0	100.00	0
State of Nevada	1,817,835,000	589,920,000	1,227,915,000	14.59	179,152,799
Total	$2,466,459,751	$734,623,017	$1,731,836,734		$683,074,533

(1) Other taxing entities overlap the County and may issue general obligation debt in the future.
(2) Includes medium-term bonds and other obligations.
(3) Based on fiscal year 2015 assessed valuation in the respective jurisdiction. The percent applicable is derived by dividing the assessed valuation of the governmental entity into the assessed valuation of the County.
(4) Overlapping Net General Obligation Indebtedness equals total existing general obligation indebtedness less presently self-supporting general obligation indebtedness times the percent applicable.

Source: Debt information compiled by the Financial Advisors; percentages calculated using information from Property Tax Rates for Nevada Local Governments - State of Nevada - Department of Taxation, 2014-15 and the State Treasurer's office.

The following table sets forth the total net direct and overlapping general obligation indebtedness attributable to the County as of July 1, 2015 (after taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account).

Net Direct & Overlapping General Obligation Indebtedness

Total General Obligation Indebtedness (1)	$233,517,357*
Less: Self-supporting General Obligation Indebtedness (1)	(198,241,357)
Net Direct General Obligation Indebtedness	$35,276,000
Plus: Overlapping Net General Obligation Indebtedness	683,074,533
Net Direct & Overlapping Net General Obligation Indebtedness	$718,350,533

(1) Assumes the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds. See "COUNTY DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations."

Selected Debt Ratios

The following table sets forth selected debt ratios of the County.

* Subject to change.

Selected Direct General Obligation Debt Ratios

Fiscal Year Ended June 30	2011	2012	2013	2014	2015
Population (1)	421,593	427,704	432,324	436,797	444,008
Assessed Value (2)	$13,658,850,921	$12,675,374,294	$12,290,109,448	$12,317,952,550	$13,286,283,600
Taxable Value (2)	$39,025,288,346	$6,215,355,126	$35,114,598,423	$35,194,150,143	$37,960,810,286
Gross Direct G.O. Debt (3)	$309,522,589	$296,780,021	$281,388,366	$270,019,926	$233,517,357*
RATIO TO:					
Per Capita	$734.17	$693.89	$650.87	$618.18	$525.93
Percent of Assessed Value	2.27%	2.34%	2.29%	2.19%	1.76%
Percent of Taxable Value	0.79%	0.82%	0.80%	0.77%	0.62%
Net Direct G.O. Debt (4)	$50,195,000	$46,187,998	$41,529,000	$38,497,000	$35,276,000
RATIO TO:					
Per Capita	$119.06	$107.99	$96.06	$88.13	$79.45
Percent of Assessed Value	0.37%	0.36%	0.34%	0.31%	0.27%
Percent of Taxable Value	0.13%	0.13%	0.12%	0.11%	0.09%

(1) The 2011-14 population figures represent the State Demographer's estimates for the County as of July 1 of each year shown. The 2015 population figure represents the State Demographer's projected population as of March 1, 2015.

(2) See "Property Tax Base and Tax Roll" for an explanation of Assessed Value and Taxable Value. The assessed valuations of the Redevelopment Agencies were not included in calculating debt ratios.

(3) See "COUNTY DEBT STRUCTURE--Outstanding Indebtedness and Other Obligations." Fiscal year 2015 debt is as of July 1, 2015, after taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account.

(4) Includes general obligation bonds and medium-term bonds; does not include self-supporting general obligation bonds, revenue bonds, assessment district bonds, lease purchase agreements or contingent liabilities. Fiscal year 2015 debt is as of July 1, 2015, after taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account.

Sources: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2010-11 through 2014-15; the State Demographer; County annual continuing disclosure reports 2010-11 through 2013-14; and debt information compiled by the Financial Advisors.

* Subject to change.

THE COUNTY

General

Washoe County, a political subdivision of the State, was organized in the year 1861. The County operates under the provisions of the general laws of the State. The County covers an area of 6,600 square miles in the northwest portion of the State. The County seat and most populous city in the County is Reno. The principal components of the economy of the County are tourism (which is primarily based on legalized gaming and outdoor recreation activities), governmental activities, industry, finance and retail merchandising.

The County provides a variety of governmental services, such as those of the County recorder, assessor and treasurer, and a criminal justice system, which includes the courts, district attorney, detention center, and public defender. In addition, the County provides social and welfare services and institutional youth services. The County provides road maintenance, parks and recreation, fire protection, building inspection, law enforcement though the Sheriff's Office and other local services to its unincorporated areas. The County operates a regional animal control and shelter facility, regional public safety training center and regional operations center. Approximately 25% of the County's population resides in its unincorporated areas.

Board of County Commissioners

The Washoe County, Nevada, Board of County Commissioners is the governing body of the County. The five members are elected from County commission election districts for four-year staggered terms. County Commission terms end on the day preceding the first Monday of January in the applicable year. County Commissioners are subject to term limitations (12 years) approved by State voters in 1996.

The Board is also represented on: the Regional Planning Governing Board, Reno-Sparks Convention and Visitors Authority, Debt Management Commission, Nevada Association of Counties, National Association of Counties, Tahoe Regional Planning Agency, Regional Transportation Commission, Criminal Justice Advisory Committee, District Board of Health, Investment Committee, Joint Fire Advisory Board, Nevada Commission for the Reconstruction of the V&T Railway, NevadaWorks Board, Oversight Advisory Board, Regional Housing Task Force, Truckee Meadows Water Authority Board, Truckee River Flood Project Coordinating Committee, Internal Audit Committee, Nevada Truckee River Planning Association, Senior Services Advisory Board, Western Regional Water Commission, Open Space & Regional Park Commission, Organizational Effectiveness Committee, Truckee River Flood Management Authority, EDAWN Economic Development Council, Nevada Tahoe Conservation District, Shared Services Advisory Board, Library Board of Trustees, Citizens' Advisory Committee on the future of the Washoe County Library System, Washoe County Community Event Sponsorship Grant Advisory Committee, Washoe County Human Services Consortium Triumvirate, Washoe County School District Oversight Panel and School Facilities, and Legislative Liaison. The Board is also the ex-officio Board of the Truckee Meadows Fire Protection District and the Sierra Fire Protection District.

The current members of the Board, their years of service and their terms of office are as follows:

Commissioner	Year Took Office	Expiration of Term
Marsha Berkbigler, Chair	2013	2017
Kitty Jung, Vice Chair	2007	2019
Vaughn Hartung	2013	2017
Jeanne Herman	2015	2019
Bob Lucey	2015	2019

Administration

The County Manager is the County's chief administrative officer and serves at the pleasure of the Board.

John Slaughter, County Manager. In October 2013, the Board selected John Slaughter as the Washoe County Manager. Mr. Slaughter has been with Washoe County since 1986, working as a land use planner, the County's strategic planning manager, and as the Director of Management Services. He represented Washoe County at the Nevada Legislature from 2001-2013 and was named Acting Assistant County Manager prior to his appointment as County Manager.

As Washoe County Manager, John Slaughter serves as liaison between the the Board and elected and appointed department directors, governmental jurisdictions, community and business groups, employees, and county customers. He also oversees the Manager's Office, which facilitates presentation of issues to the Board for their consideration and ensures effective implementation of direction given by the BCC. The Manager's Office also houses the Community Relations division, Internal Audit division, and Management Services division.

Mr. Slaughter holds a Bachelor of Science degree in Sociology and Anthropology from Emporia State University, and a Master of Urban Planning degree from the University of Kansas. He has also received the Continuing Education Certificate in Public Management from the University of Nevada, Reno. He is a member of the American Institute of Certified Planners, and the International City/County Management Association.

Employee Relations, Benefits and Pension Matters

General. The County has approximately 2,532 full-time equivalent employees. Of these positions, approximately 77% are represented by six employee associations, which represent their respective employees in negotiation with the County for employee benefits including wages. The six employee associations represent nine bargaining units and are: (1) the Washoe County Employees Association, which represents both supervisory and non-supervisory employees; (2) Washoe County Nurses Association, which represents both supervisory and non-supervisory employees; (3) Washoe County District Attorney Investigators' Association, which represents both supervisory and non-supervisory employees; (4) Washoe County Sheriffs Deputies Association, (5) Washoe County Sheriff's Supervisory Deputies Association and (6) Washoe County Public Attorney's Associations. Eight of the bargaining units' contracts expire on June 30, 2015, and one unit's contract expires on June 30, 2016. These contracts are currently in negotiations.

Benefits. The County provides deferred compensation plans to its employees, as well as life insurance, health insurance, paid vacation, sick leave and holidays, and reimbursement for certain educational expenses.

Pension Benefits. The State Public Employees' Retirement System ("PERS") covers substantially all public employees of the State, its agencies and its political subdivisions, including the County. PERS, established by the Legislature effective July 1, 1948, is governed by the Public Employees' Retirement Board whose seven members are appointed by the Governor for four-year terms.

All public employees who meet certain eligibility requirements participate in the Nevada State Public Employee Retirement System (PERS), which is a cost sharing multiple-employer defined benefit plan. Benefits, as established by statute, are determined by the number of years of accredited service at the time of retirement. For a member who has an effective date of membership before January 1, 2010, a monthly service retirement allowance must be determined by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 2.5 percent for each year of service earned before July 1, 2001, and 2.67 percent for each year of service earned on or after July 1, 2001. For a member who has an effective date of membership on or after January 1, 2010, a monthly service retirement allowance must be determined by multiplying a member's average compensation, over the member's 36 consecutive months of highest compensation, by 2.5 percent for each year of service earned. A member who has an effective date of membership on or after July 1, 2015, other than a police officer or firefighter, will be determined by multiplying the member's average compensation by 2.25 percent for every year of service earned. For members with an effective date of membership on or after January 1, 2010, the limits that must be observed when calculating the member's average compensation are detailed by statute (NRS 286.551 (4) and (5)).

Regular members of PERS with an effective date of membership before January 1, 2010, are eligible to retire at age 65 if the member has at least 5 years of service, at age 60 if the member has at least 10 years of service and at any age if the member has at least 30 years of service. A regular PERS member who has an effective date of membership on or after January 1, 2010,but before July 1, 2015, is eligible to retire at age 65 if the member has at least 5 years of service, at age 62 if the member has at least 10 years of service and at any age if the member has at least 30 years of service. Regular members entering the PERS system on or after July 1, 2015, are eligible for retirement at age 65 with five years of service, age 62 with ten years of service, age 55 with thirty years of service, or any age with 33 1/3 years of service. For the purposes of this paragraph, any year or part of a year of service purchased by a member pursuant to subsection 2 or 3 of NRS 286.300 or purchased on behalf of the member pursuant to subsection 4 of NRS 286.300 or as authorized by NRS 286.3005 and subsections 1 and 2 of NRS 286.3007 must not be considered in determining the number of years of service of a member unless the member has a family medical emergency. For the purposes of this paragraph, the Board shall define by regulation "family medical emergency" and set forth by regulation the circumstances in which purchased service credit may be considered in determining the number of years of service of a member who has a family medical emergency.

A police officer or firefighter: who has an effective date of membership before January 1, 2010, is eligible to retire at age 65 if the police officer or firefighter has at least 5 years of service, at age 55 if the police officer or firefighter has at least 10 years of service, at age 50 if the police officer or firefighter has at least 20 years of service and at any age if the police officer or firefighter has at least 25 years of service; who has an effective date of membership on or after January 1, 2010 but before July 1, 2015, is eligible to retire at age 65 if the police officer or firefighter has at least 5 years of service, at age 60 if the police officer or firefighter has at

least 10 years of service and at age 50 if the police officer or firefighter has at least 20 years of service; who has an effective date of embership on or after July 1, 2015, is eligible to retire at age 65 if the police officer or firefighter has at least 5 years of service, at age 60 if the police officer or firefighter has at least 10 years of service and at age 50 if the police officer or firefighter has at least 20 years of service. For the purposes of this paragraph, the Board shall define by regulation "family medical emergency" and set forth by regulation the circumstances in which purchased service credit may be considered in determining the number of years of service of a police officer or firefighter who has a family medical emergency.

PERS has an annual actuarial valuation showing unfunded liability and the contribution rates required to fund PERS on an actuarial reserve basis; however, actual contribution rates are established by the Legislature. The most recent independent actuarial valuation report of PERS was completed as of June 30, 2014. As of June 30, 2012, PERS reported an unfunded actuarial accrued liability (UAAL) of approximately $11.21 billion, the funded ratio for all members was 71.0%, and the market value of total net assets was approximately $25.90 billion. As of June 30, 2013, PERS reported a UAAL of approximately $12.88 billion, the funded ratio for all members was 69.3%, and the market value of total net assets was approximately $28.83 billion. As of June 30, 2014, PERS reported a UAAL of approximately $12.53 billion, the funded ratio for all members was 71.5%, and the market value of total net assets was approximately $33 billion.

For the year ended June 30, 2014, PERS adopted Governmental Accounting Standards Board (GASB) Statement No. 67, Financial Reporting for Pension Plans-an amendment of GASB Statement No. 25. This GASB replaces the requirements of GASB statements 25 and 50 as they relate to pension plans that are administered through trusts or equivalent arrangements that meet certain criteria. The objective of GASB Statement No. 67 is to improve financial reporting by state and local governmental pension plans. It requires enhancement to footnote disclosure and required supplementary information for pension plans.

For funding purposes, the UAAL is amortized under the level percentage-of-payroll amortization method. The UAAL as of June 30, 2011 shall continue to be amortized over separate 30-year period amortization layers based on the valuations during which each separate layer was previously established. Any new UAAL as a result of actuarial gains or losses identified in the annual valuation or change in actuarial assumptions or methods will be amortized over a period equal to the truncated average remaining amortization period of all prior UAAL layers. This will occur until the average remaining amortization period is less than 20 years. At that point, amortization periods of 20 years will be used.

Effective with fiscal year 2015, the County will be required to apply the GASB Statement No. 68, *Accounting and Financial Reporting for Pensions-an amendment of GASB Statement No. 27* ("GASB 68"), to its audited financial statements. Among other requirements, the County will be required to report its proportionate share of the total PERS net pension liability in its financial statements. The County has not yet begun to implement GASB 68, and information as to its estimated share of the PERS net pension liability has not been determined.

Contribution rates to PERS are established in accordance with State statute. The statute allows for biennial increases or decreases of the actuarially determined rate. The Legislature can increase the contribution rate for members by any amount it determines necessary. Pursuant to statute, there is no obligation on the part of the employers to pay for their

proportionate share of the unfunded liability. The County is obligated to contribute all amounts due under PERS. A history of contribution rates is shown below.

	Fiscal Years 2008 and 2009	Fiscal Years 2010 and 2011	Fiscal Years 2012 and 2013	Fiscal Years 2014 and 2015	Fiscal Years 2015 and 2016
Regular members	20.50%	21.50%	23.75%	25.75%	28.00%
Police/fire members	33.50	37.00	39.75	40.50	40.50

The County's contributions to PERS for the years ended June 30, 2014 and 2015 (unaudited estimate) were $45,209,481 and $46,781,626, respectively; those amounts equaled the contributions required by law. The County has budgeted $51,112,169 in PERS contributions for the fiscal year ended June 30, 2016. For the year ended June 30, 2014, the County's contribution to PERS represented approximately 3.28% of total contributions to PERS, which were $1,557,415,536.

See Note 15 in the audited financial statements attached hereto as Appendix A for a summary description of PERS. In addition, copies of the most recent audited financial statements for PERS are available from the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada 89703-1599, telephone: 775-687-4200.

Other Post-Employment Benefits.

General. The County provides other postemployment benefits ("OPEB") for eligible employees hired prior to July 1, 2010, through the Retiree Health Benefit Program ("RHBP"), a single employer defined benefit OPEB plan, and participates in the State of Nevada's Public Employee Benefit Plan ("PEBP"), an agent multiple-employer benefit OPEB plan. Both plans are administered through an irrevocable trust, Washoe County, Nevada OPEB Trust, established on May 11, 2010 by the Board. Complete financial statements of the OPEB plans and the trust fund may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, P.O. Box 11130, Reno, Nevada, 89520.

Plan Descriptions.

Washoe County Retiree Health Benefit Program (RHBP). In accordance with NRS 287.010, the Board adopted the RHBP to provide postemployment benefits to eligible employees upon retirement. Retirees are offered medical, prescription, vision, life insurance, and voluntary dental for themselves and their dependents. Retirees can choose between the Self Fund Group Health Plan ("SFGHP") and an HMO Plan. The benefit formula is based upon years of service. Retiree benefits are provided under three contribution tiers based on date of hire.

Tier 1 employees will receive a County paid benefit of 50% of the retiree's health benefit premium with 10 years of service, 75% with 15 years, and 100% with 20 or more years. Retirees must pay the full premiums for dental and dependent coverage. Eligibility requirements, benefit levels, employee contributions, and employer contributions are governed by the County for their health benefits plan and can be amended through the County's collective bargaining agreements with employee groups.

Tier 2 retirees, hired before July 1, 2010, will receive a County paid a premium subsidy equal to the Non-State Retiree Subsidy Adjustment described in the State's Public

Employee Benefit Plan below. The County's monthly subsidy is reduced by 5.0% for each year of service less than 20 years.

Tier 3 retirees, hired before July 1, 2010 and are age 65 and older upon retirement receive the equivalent of the State's Medicare Exchange Retiree HRA Contribution subsidy based on years of service with the County.

State of Nevada's Public Employee Benefit Plan (PEBP). NRS 287.023 allowed County retirees to join the State's PEBP through September 1, 2008, at the County's expense. Eligibility and subsidy requirements are governed by statutes of the State of Nevada and can only be amended through legislation. PEBP is administered by a nine member governing board and provides medical, prescription, vision, life, and dental for retirees. Retirees can choose between a self-funded preferred provider organization (PPO) and a health maintenance organization (HMO) plan.

Funding Policy. The amount of contributions each year for RHBP are established by the Board and may be amended through negotiations with employee associations. The required contributions are based on projected pay-as-you-go financing requirements, with an additional amount, generally equal to the normal cost, to prefund benefits.

Additionally, the County is required to provide a subsidy for their retirees that have elected to join PEBP which is established, and may be amended, by the Legislature. The subsidy is paid on the pay-as-you-go basis, with an additional amount contributed to prefund future benefits. Contribution requirements for plan members and the participating employers are assessed by PEBP Board annually.

On May 11, 2010, the Board created the Washoe County, Nevada OPEB Trust (Trust) and authorized the payment of the remaining balance of $72,923,109 in the Pre-Funded Retiree Health Benefits Fund to the Trust that had previously been accumulated to pre-fund retiree health benefits. These contributions were allocated between the RHBP and the PEBP based on the proportionate share of each plans Unfunded Actuarial Accrued Liability to the total.

For fiscal year 2013, the County's employer contributions to the Trust under RHBP and PEBP were $17,001,626 and $388,374, respectively. For fiscal year 2014, the County's employer contributions to the Trust under RHBP and PEBP were $15,682,610 and $417,390, respectively.

Annual OPEB Cost and Net OPEB Obligation. The County annually has an actuarial valuation performed to determine the funded status of the Plans as of the actuarial date as well as the County's annual required contribution. The valuation of the ongoing plans involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. As of the valuation date of July 1, 2014, the RHBP was 43.1% funded, and the total UAAL for the RHBP was $193,159,000 (which is net of assets of $146,484,000). As of the valuation date of June 30, 2014, PEBP was 76.4% funded and the total UAAL for PEBP was $805,291.

The UAAL for each of the Plans is reported only in the notes to the financial statements. Effective with the 2012 actuarial valuation, the UAAL for each Plan will be amortized over 30 years from June 30, 2011 on a "closed" basis (i.e., the amortization period

remaining is 29 years as of June 30, 2012). The gross OPEB assets for the Plans reported as an asset in the County's financial statements for 2013-14 fiscal year was $146,484,000 and the net OPEB assets was $2,873,527. The liability includes the ARC, consisting of the current year's benefits (normal cost) plus a component for amortization of the UAAL accrued for prior years, and reduced by contributions made by the County. For the fiscal year ending June 30, 2014, the RHBP ARC for fiscal year is $18,689,000 and the PEBP ARC is $339,000.

See Note 15 and the Required Supplementary Information in the audited financial statements attached hereto as Appendix A for additional information on Other Postemployment Benefits.

County Investment Policy

The County has a formal investment policy that, in the opinion of management, is designed to insure conformity with NRS and seeks to limit exposure to investment risks. The County also has adopted an Investment Management Plan to assist staff in applying the investment policy in day-to-day investment operations.

- Obligations of the United States, or an agency or instrumentality of the United States, or a corporation sponsored by the government, maturing within ten (10) years from the date of purchase.

- Time certificates of deposit from commercial banks and insured savings and loan associations within the State of Nevada, and certain farm loan bonds.

- Certain securities issued by local governments of the State of Nevada and other securities expressly provided by other statutes, including repurchase agreements.

- Money market mutual funds that are registered with the Securities and Exchange Commission are AAA rated and invest only in securities of the Federal Government or fully collateralized repurchase agreements.

- Commercial Paper issued by a corporation organized and operating in the United States or by a depository institution licensed by the United States or any state operating in the United states that is rated by a nationally recognized rating service as "A-1," or "P-1" or its equivalent, or better, provided the aggregate value does not exceed 20 percent of the total portfolio.

- Notes, bonds and other unconditional obligations for the payment of money issued by corporations organized and operating in the United States that have a remaining term to maturity of no more than 5 years and are rated by a nationally recognized rating service as "A" or its equivalent, or better. Such investments are limited to no more than 20 percent of the total portfolio.

The Board has overall responsibility for investment pool of County funds in accordance with NRS 355.175. The Washoe County Chief Investment Official is the County Treasurer, under authority delegated by the Board. The Investment Committee, created by Washoe County Code Section 15.220, has been delegated the investment decision making authority in the County and serves also in an advisory capacity to the Treasurer and the Board.

The County contracts with financial management advisors to manage a significant portion of the County's investment portfolio. Investments are recorded at fair value. Interest, realized and unrealized gains and losses on investments are allocated to pool participants based on current month average cash balances.

Liability Insurance

In the early 1980's, the County implemented programs for self-funding its liability and workers' compensation losses. The County currently purchases excess liability coverage through private insurers covering losses exceeding $1.5 million per occurrence. The respective excess liability policies provide coverage of up to $5 million per occurrence, subject to a $5 million aggregate. The self-insurance amounts and the insurance coverage amounts are subject to change over time.

The County pays all claims, losses and associated costs for liability and workers' compensation insurance from its Risk Management Fund. The Risk Management Fund has an actuarial valuation performed each year. As of June 30, 2014, total pending claims were estimated at $12,717,000, of which $4,180,000 were current liabilities and $8,537,000 were noncurrent liabilities. The Risk Management Fund had total assets of $25,188,571 and a net position of $12,391,071. In the past, annual transfers were required from the General Fund to subsidize operations. The Risk Management Fund began budgeting for property and liability billing revenue from other County departments in fiscal year 2005-06, replacing transfers from the General Fund. The budget for property and liability billing revenue from departments for fiscal year 2015-16 is approximately $7.2 million. Due to a slight mismatch between revenues and expenses of this internal service fund, the fund is budgeted to incur a net loss of $253,380 in fiscal year 2015-16.

A large portion of the unfunded pending claims are attributable to workers' compensation claims based on a State law which conclusively presumes that all heart and lung conditions found in law enforcement or fire personnel who have five years of uninterrupted service are the result of such service, even if they occur after retirement. This statutory provision has resulted in increasing self-funding requirements in the availability of excess workers' compensation insurance over time. At this time, the County is unable to predict what the magnitude of its future exposure to workers' compensation claims will be. It is also not possible to predict whether adequate insurance will be available in the future or how such liabilities will be funded in the future. The County has begun pursuing various methods for limiting its future exposure for heart-related claims, including legislative changes, physical examination requirements with mandatory programs for reducing heart disease risk factors, fitness requirements, and implementation of a heart wellness program.

Capital Program

General. The Washoe County Capital Improvements Program ("CIP") is a five-year plan, approved by the Board, for maintaining existing infrastructure and building new facilities to meet demands from growth, legal mandates, and health and safety issues. This is used to link the County's physical development planning with fiscal planning. The CIP document is a policy guide that is not intended to replace future County budget decisions. Inclusion of a project in the CIP does not guarantee that it will be initiated. Projects can be dropped or added to the CIP if further analysis indicates that financing limitations make the

project unfeasible or if a better alternative becomes available. Projects return to the Board for separate action prior to implementation

Capital Improvement Projects. Capital improvements are defined as major projects requiring the expenditure of public funds, over and above annual operating expenses, for the purchase, construction, or replacement of the physical assets of the community. Major capital projects are normally non-recurring and have a cost of at least $100,000. The project requests are reviewed for prioritization and funding by the Community Services Department, Technology Services Department and Budget Office.

Summary of the 2016-2020 Program. The 2016-2020 CIP includes projects totaling $183.9 million over the five-year period; approximately $48.4 million are budgeted for fiscal year 2016. Projects in years two through five of the CIP are included in the CIP but are not yet funded. Only current-year projects are funded. The County anticipates funding a portion of the projects listed in the CIP based on a priority system and available County resources.

The 2016-2020 CIP projects are categorized as major facilities maintenance, upgrade and replacement projects, sewer and wastewater projects, building projects, major equipment, parks, open space and land acquisition, stormwater and erosion control, streets and parking lots, and technology projects. A variety of funding sources have been identified and include existing balances in capital projects funds, bond proceeds, proceeds from gas taxes, federal and state grants, ad valorem taxes, and utility fees.

COUNTY FINANCIAL INFORMATION

Annual Reports

The County Comptroller prepares a comprehensive annual financial report ("CAFR") setting forth the financial condition of the County as of June 30 of each fiscal year. The latest audited report is for the year ended June 30, 2014. The basic financial statements and related notes come from the CAFR which is the official financial report of the County. The basic financial statements were prepared following generally accepted accounting principles. See Note 1 in the audited basic financial statements attached hereto as Appendix A for a summary of the County's significant accounting policies. The County's CAFR for the year ended June 30, 2014, can currently be found at the following address on the internet: www.washoecounty.us, on the Finance Department/Comptroller page.

Certificate of Achievement and Distinguished Budget Presentation Award

The Government Finance Officer's Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the County for its CAFR for the fiscal year ended June 30, 2014. This is the 33rd consecutive year that the County has received this recognition. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR with contents conforming to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

In addition, the County also received the GFOA's Award for Distinguished Budget Presentation for the eleventh consecutive year for its annual appropriated budget for the fiscal year ended June 30, 2014. In order to qualify for the Distinguished Budget Presentation Award, the County's budget document was judged to be proficient in several categories including policy documentation, financial planning and organization.

Budgeting

Prior to April 15 of each year, the County Manager is required to submit to the State Department of Taxation the tentative budget for the next fiscal year which commences on July 1. The tentative budget contains the proposed expenditures and means of financing them. After reviewing the tentative budget, Taxation is required to notify the County upon its acceptance of the budget.

Following acceptance of the proposed budget by Taxation, the Board is required to conduct a public hearing on the third Monday in May. The Board is required to adopt the final budget on or before June 1. The Board adopted the FY 2015/16 County Budget on May 18, 2015 and submitted it to the State prior to June 1, 2015.

The County Budget Office and Comptroller's Office is authorized to transfer budgeted amounts within functions or funds, but any other transfers must be approved by the Board. Increases to a fund's budget other than by transfers are accomplished through formal action of the Board. With exception of monies appropriated for specific capital projects for Federal and State grant expenditures, all unencumbered appropriations lapse at the end of the fiscal year.

Accounting

The basic financial statements include both government-wide and fund financial statements. The reporting focus is on either the County as a whole or major individual funds and nonmajor funds in the aggregate.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 when eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus but are reported using the accrual basis of accounting.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are 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 end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred revenue account is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

In the government-wide Statement of Net Assets, both governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resources basis, which recognizes all long-term assets as well as long-term debt and obligations. The County's net assets are reported in three parts - invested in capital assets, net of related debt, restricted net assets and unrestricted net assets. The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. Functions are also supported by general revenues (property and consolidated taxes, certain intergovernmental revenues, investment earning not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues. Program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants, interest and contributions; and capital grants, interest and contributions, including special assessments and investment earning legally restricted to support specific programs. Program revenue must be directly associated with the function or business-type activity.

County Fiscal Year 2015-16 Budget

The County's FY 2015/16 budget is comprised of 21 Governmental Funds and six Proprietary Funds. Major Special Revenue Funds include the Child Protective Services Fund, Indigent Tax Levy Fund, Senior Services Fund, Health District Fund, Animal Services Fund and Library Expansion Fund. Proprietary funds consist of three enterprise funds (Building & Safety, Golf Course and Utilities) and three internal service funds (Risk Management, Health Benefits, and Equipment Services).

The combined expenditures of Governmental Funds total $475,733,931, and expenditures in the Proprietary Funds total $84,186,343. This is a slight decrease from FY 2014/15 due to the consolidation of the County's water operations (formerly in the Utilities Fund) with the Truckee Meadows Water Authority and changes in the way that capital project funds are re-appropriated in the budget. Excluding the decrease of positions for water operations that are no longer included in the County's budget, there are a total of 60.23 new positons funded in the FY 2015/16 budget: 29 new positions in the General Fund either funded through reconfiguration of departments' budgets or additional resources, and 31 positions in special revenue and enterprise funds.

The County is not raising any taxes in the FY2015/16 budget.

General Fund Information

General. The purpose of the General Fund is to finance the ordinary operations of the County (including debt service to the extent that the ad valorem tax levy is not sufficient to service outstanding general obligation debt) and to finance those operations not provided for in other funds. Included are transactions related to the approved current operating budget, its accompanying revenue, expenditures and encumbrances, and its related asset, liability, and fund balances. The General Fund budget for fiscal year 2016 includes $301,457,844 of revenue.

Revenues and Expenditures. The County relies upon property taxes, sales and use taxes, and intergovernmental revenue for the bulk of its General Fund revenues. The County's annual General Fund expenditures are dominated by the funding support of a variety of mandated functions. These include support of the court system, aid and relief to the indigent, public safety functions (i.e., police, fire protection and detention services), and several general government services (assessor, clerk, recorder, treasurer, commission/administration, etc.). Expenditures for aid and relief to the indigent are statutorily capped, while other functions are appropriated for on the basis of the demand for the service, subject to funding constraints.

Effect of GASB 54. Effective for the fiscal year ending June 30, 2011, the County is subject to Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). Under GASB 54, fund balances for governmental funds are required to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints placed on the specific purposes for which amounts in those funds can be spent. As a result, the prior "reserved, unreserved and designated" categories of fund balance have been replaced with new categories: "nonspendable," "restricted," "committed," "assigned" and "unassigned." See Note 1(E) in the audited financial statements attached hereto as Appendix A.

Effective with the fiscal year ending June 30, 2011, the GAAP application of GASB 54 requires amounts reported in special revenue funds that do not meet the definition of GASB 54 for a "Special Revenue Fund" from proceeds of specific revenue sources to be included in the General Fund. The County's Stabilization Fund, which was accounted for as a special revenue fund in prior years, no longer meets the definition of a special revenue fund under GASB 54. Fund balances in the General Fund and the Stabilization Fund were restated in fiscal year 2011 to reflect this change. The County continues to budget the Stabilization Fund separately from the General Fund.

History of County General Fund Revenues, Expenditures and Changes in Fund Balances

General. The following table presents a history of the General Fund revenues, expenditures and changes in fund balance for the fiscal years ended June 30, 2010 through 2014. The table also presents estimated year-end information for fiscal year 2015 and Final Budget information for the fiscal year ended June 30, 2016. The information for fiscal years 2010 through 2014 was derived from the County's audited financial reports for each of those years. The 2015 estimated year-end information and the 2016 Final Budget information was derived from the County's 2015-16 Final Budget. *The estimated fiscal year 2015 information was prepared by the County in conjunction with preparation of the fiscal year 2015-16 Final Budget. This information represents the County's estimate of results for fiscal year 2015 based upon information available at the time of preparation of the Final Budget for fiscal year 2016. This information is not intended to predict actual financial results for fiscal year 2015 and the actual fiscal year 2015 results will vary from the estimates shown here.*

The revenue and expenditure categories included in the table reflect those currently required for budgetary and financial reporting purposes by Taxation and as a result, the figures in each category may not be directly comparable to those reported in the CAFR for each year.

The information in this table should be read together with the County's audited financial statements for the year ended June 30, 2014, and the accompanying notes, which are included as Appendix A hereto. Financial statements for prior years can be obtained from the sources listed in "INTRODUCTION--Additional Information."

Stabilization Fund. In November 1997 the County created a Stabilization Fund pursuant to State law. Money in the fund is to be used only to stabilize the operation of County government and mitigate the effects of natural disasters. Pursuant to NRS 34.6115(2), transfers out of the Stabilization Fund may be made only with the approval of the Board under the following circumstances: (i) if the total actual revenue of the local government falls short of the total anticipated revenue in the general fund; and (ii) to cover unanticipated expenditures caused by declared emergency or natural disaster. By law, the fund balance in the Stabilization Fund must not exceed 10% of the expenditures from the General Fund for the previous fiscal year. Due to GASB Statement 54, the fund balance in the Stabilization Fund is now accounted for in the General Fund.

In May 2011, the Board approved a stabilization fund policy for the General Fund that established minimum fund balance levels of 1.5% of expenditures and other uses for the purpose of stabilization; the reserve for the Stabilization Fund at the end of fiscal year 2011 was $4.1 million.

In June 2012, the Board approved an amendment to the Stabilization Fund policy requiring the County to maintain a Stabilization Fund balance of 1.5% of expenditures and other uses for the purpose of budgetary stabilization excluding, at the discretion of the Finance Director, material one-time expenditure or uses of funds. In April 2015, the Board again amended the Stabilization Fund policy to set it at $3 million, rather than as a percentage of the General Fund. The County has rarely used the Stabilization Fund even during periods of recession or natural disasters. Since fiscal year 2004-05, the County only accessed the Stabilization Fund once, transferring $1 million out of the fund in fiscal year 2007-08.

General Fund Balance Policy. In May 2011, the Board approved a fund balance policy for the General Fund that established minimum fund balance levels of between 8% and 10% of expenditures for the purpose of working capital. For fiscal year 2015-16, the budgeted unobligated year-end fund balance, net of specific purpose constraints, is $26,085,879, or 8.3% of expenditures.

County General Fund Summary of Revenues, Expenditures and Changes in Fund Balance(1)

Fiscal Year Ended June 30,	2010	2011	2012	2013	2014	2015	2016
Revenues	(Actual)	(Actual)	(Actual)	(Actual)	(Actual)	(Estimated) (8)	(Budget)
Taxes (2)	$159,727,558	$148,599,017	$140,186,484	$136,404,617	$137,946,772	$145,427,776	$147,266,413
Consolidated tax	68,512,745	69,330,862	70,985,428	75,489,073	80,808,837	86,464,723	91,278,018
Other intergovernmental revenues (3)	22,262,219	23,369,542	17,344,351	18,902,400	19,082,928	18,453,994	18,487,671
Licenses and permits	7,553,943	8,419,828	7,945,072	8,066,347	8,264,242	8,314,500	8,544,000
Charges for services	13,571,409	14,697,692	14,809,036	22,463,887	23,797,197	24,614,882	23,930,232
Fines and forfeits	8,740,599	8,904,186	8,153,540	8,249,132	8,128,615	7,553,354	8,023,650
Miscellaneous	6,988,798	4,752,096	5,805,258	2,776,486	3,987,086	3,675,753	3,927,860
Total revenues	287,357,271	278,073,223	265,229,169	272,351,942	282,015,677	294,504,982	301,457,844
Expenditures							
General Government (3)	50,459,379	59,619,850	81,596,018	61,514,709	49,593,836	55,015,720	56,299,540
Judicial	49,533,268	48,318,670	48,472,630	48,841,392	50,358,766	52,096,127	57,271,618
Public safety	104,228,052	100,667,833	101,692,235	106,433,010	109,560,703	118,952,026	123,193,315
Public works (3)	14,419,966	13,882,687	2,777,620	2,476,474	14,021,932	15,322,396	17,002,238
Health and sanitation	1,044,955	750,000	--	--	--	--	--
Welfare	14,194,632	15,919,695	17,126,988	17,650,439	15,912,180	16,577,104	17,828,111
Culture and recreation	12,932,200	13,507,500	12,293,677	11,639,956	11,362,946	11,757,159	13,083,561
Community support	1,429,893	305,307	308,800	343,244	178,296	318,151	269,761
Intergovernmental (3)	9,127,463	8,838,641	3,353,839	3,181,027	3,213,165	3,289,070	3,360,200
Total expenditures	257,369,808	261,810,183	267,621,807	252,080,251	254,201,824	273,327,753	288,308,344
Excess (deficiency) of revenues over expenditures	29,987,463	16,263,040	(2,392,638)	20,271,691	27,813,853	21,177,229	13,149,500
Contingency	--	--	--	--	--	--	1,500,000
Other Financing Sources (Uses)							
Proceeds from asset disposition	1,558,302	6,834	172,641	41,696	31,239	2,065,000	5,000
Transfers in (4)	24,000	2,738,110	20,043,146	2,295,169	845,270	240,926	286,515
Transfers out	(31,331,421)	(14,409,796)	(20,272,007)	(19,897,433)	(21,117,545)	(26,712,872)	(25,481,985)
Total other financing sources (uses)	(29,749,119)	(11,664,852)	(56,220)	(17,560,568)	(20,241,036)	(24,406,946)	(25,190,470)
Net Change in Fund Balances	238,344	4,598,188	(2,448,858)	2,711,123	7,572,817	(3,229,717)	(13,040,970)
Fund Balances, Beginning of Year							
Nonspendable/Restricted/Committed/Assigned (5)	1,421,577	750,000	14,982,466	11,477,549	12,125,902	6,436,660	4,534,801
Unassigned (5)	30,263,376	33,423,297	23,789,019	24,845,078	26,907,848	40,169,907	38,842,049
Restatement (6)	2,250,000	--	--	--	--	--	--
Total Beginning	33,934,953	34,173,297	38,771,485	36,322,627	39,033,750	46,606,567	43,376,849
Fund Balance, End of Year							
Nonspendable/Restricted/Committed/Assigned (5)(7)	750,000	14,982,466	11,477,549	12,125,902	6,436,660	4,534,801	3,750,000
Unassigned	33,423,297	23,789,019	24,845,078	26,907,848	40,169,907	38,842,049	26,085,879
Total Ending	$34,173,297	$38,771,485	$36,322,627	$39,033,750	$46,606,567	$43,376,850	$29,835,879
Budgeted Ending Fund Balance	$24,085,660	$22,291,864	$28,129,330	$26,131,541	$25,266,445	$39,890,515	$29,835,879

Footnotes on the following page.

(1) The Revenues and Expenditure categories included in this table reflect those currently required for budgetary and financial reporting purposes by Taxation.
(2) Includes revenues received from ad valorem taxes, the County option motor vehicle fuel tax, and room tax.
(3) In fiscal year 2012, the decrease in Intergovernmental revenue and expenditures and Public Works expenditures is largely due to the July 1, 2011, reclassification of all roads-related financial activity to the new Roads Special Revenue Fund. In fiscal year 2014, the decrease in General Government expenditures included a $10.1 million move to Public Works as a result of reorganization. Additionally, fiscal year 2013 was restated, moving $10.2 million from General Government expenditures to Public Works expenditures to allow for comparability in the County's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014.
(4) The large transfer in for 2012 includes $11.1 million transferred from the Health Benefits Fund and the Risk Management Fund for the Incline Village refunds as well as $7.5 million transferred from the Health Benefits Fund to meet budgetary shortfalls.
(5) Effective for the fiscal year ending June 30, 2011, the County is subject to GASB 54, Fund Balance Reporting and Governmental Fund Type Definitions. Under GASB 54, fund balances for governmental funds are required to be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor the constraints placed on the specific purposes for which amounts in those funds can be spent. As a result, the prior "reserved, unreserved and designated" categories of fund balance have been replaced with new categories: "nonspendable," "restricted," "committed," "assigned" and "unassigned."
(6) In fiscal year 2010, activity related to grant and restricted revenue sources was moved from the General Fund to a special revenue fund. Results for fiscal year 2010 have been restated for this move and the beginning fund balance for 2009 was restated by $6.9 million. The County's Stabilization Fund, accounted for as a special revenue fund in prior years, no longer meets the definition of a special revenue fund under GASB 54. Therefore, the ending balance of the General Fund has been restated to reflect the movement of the $2,250,000 fund balance of the Stabilization Fund to the General Fund.
(7) Includes fund balance for Stabilization as described above. In fiscal year 2011, represents 1.5% of Expenditures and Other Uses for Stabilization.
(8) Unaudited estimate; subject to change.

Source: Derived from the County's CAFRs for fiscal years 2010 through 2014, and the County's 2015-16 Final Budget (for unaudited estimated fiscal year 2015 actual results and fiscal year 2016 budgeted amounts).

Economy

Over the last several years, the County's economy has rebounded from the recession that began in fiscal year 2008. Total employment in the County has increased from a low of 189,718 in January 2011 to 209,729 in March 2015, and the unemployment rate as of March 2015 has fallen from a high of 13.9% to 6.9% during that period.

Housing values have also appreciated significantly since 2011, with the median price of a single family home in the greater Reno-Sparks area increasing from less than $150,000 in the first quarter of 2012 to $265,000 in the first quarter of 2015. The median new home sales price in Washoe County has risen from less than $210,000 in mid-2010 to $321,500 in February 2015.

Due to the State and County's efforts to diversify and expand economic activity, major new developments in Northern Nevada include:

- Apple, Inc.'s new cloud computing data center located in the County in the Reno Technology Park, which opened in 2013 and is continuing to grow.

- Tesla Motors' announcement in 2014 of its plans to build a 10 million square foot "gigafactory" in the Tahoe Reno Industrial Center, located in Storey County along its border with Washoe County. The name "gigafactory" comes

from the factory's planned annual battery production capacity of 35 gigawatt-hours (GWh). The Governor's Office of Economic Development has estimated that at full build-out, this factory could produce 6,500 direct jobs and, based on an assumed employment multiplier of 2.61, a total of approximately 16,965 jobs to the region. The construction of the facility, scheduled for 2015-17, is also estimated to produce an annual average of 2,983 direct construction jobs. The construction of this facility has not yet begun, however, and there is no guarantee that it will be constructed as currently planned or according to the current timeline. There is also no guarantee that the facility, if built, will produce the estimated number of jobs described above.

- The announcement by Las Vegas-based company Switch in January 2015 that it plans to build a $1 billion data center in the Tahoe Reno Industrial Center, located in Storey County along its border with Washoe County. Switch has stated that the facility will be approximately 3 million square feet in size. The construction of this facility has not yet begun, however, and there is no guarantee that it will be constructed as currently planned or according to the current timeline.

COUNTY DEBT STRUCTURE

Debt Limitation

State statutes limit the aggregate principal amount of the County's general obligation debt to ten percent (10%) of the County's total reported assessed valuation. The following table presents a record of the County's outstanding general obligation indebtedness with respect to its statutory debt limitation.

Statutory Debt Limitation
Washoe County, Nevada

Fiscal Year Ended June 30	Assessed Valuation(1)	Debt Limit	Outstanding General Obligation Debt(2)	Additional Statutory Debt Capacity
2012	$12,675,374,294	$1,267,537,429	$296,780,021	$970,757,408
2013	12,290,109,448	1,229,010,945	281,388,366	947,622,579
2014	12,317,952,550	1,231,795,255	270,019,926	961,775,329
2015	13,286,283,600	1,328,628,360	233,517,357*(3)	1,095,111,003
2016	14,342,710,925	1,434,271,093	233,517,357*(3)	1,200,753,736

(1) Includes assessed valuation of the Redevelopment Agencies. See "PROPERTY TAX INFORMATION--History of Assessed Value." These values are included for purposes of calculating the debt limit but are not subject to County taxation for the retirement of general obligation bond debt.

(2) Includes general obligation bonds, general obligation bonds additionally secured by pledged revenues and general obligation medium-term obligations. Does not include special assessment bonds for which the County's General Fund and taxing power may be contingently liable.

(3) Outstanding as of July 1, 2015 (after taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account).

Sources: Property Tax Rates for Nevada Local Governments - State of Nevada Department of Taxation, 2011-12 through 2015-16; and the County.

Outstanding Indebtedness and Other Obligations

Outstanding Indebtedness. The following table presents the County's outstanding bonds as of July 1, 2015 (after taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account).

* Subject to change.

Washoe County, Nevada Outstanding Debt(1)

	Dated Date	Final Payment	Original Amount	Amount Outstanding
GENERAL OBLIGATION BONDS (2)				
Refunding Bonds, Series 2009B	3/31/2009	5/1/2017	$10,540,000	$2,965,000
Park and Library Refunding Bonds, Series 2011A	7/12/2011	5/1/2026	17,360,000	13,525,000
Various Purpose Refunding Bonds, Series 2012A	8/28/2012	3/1/2030	18,090,000	17,715,000
Total General Obligation Bonds				**34,205,000**
GENERAL OBLIGATION REVENUE BONDS (3)				
Sewer Bonds - Lemmon Valley (SRF), Series 1997	8/13/1997	1/1/2018	$1,249,137	$0(6)*
Convention/Visitors Authority CABS, Series 1999B	1/1/2000	7/1/2020	19,384,075	8,305,173(5)
Sewer Bonds So. Truckee Meadows (SRF), Series 2000A	6/30/2000	1/1/2020	1,675,000	0(6)*
Sewer Bonds - Horizon Hills (SRF), Series 2000B	6/30/2000	1/1/2020	635,000	0(6)*
Sewer Bonds - STMWRF (SRF), Series 2001	2/2/2001	7/1/2021	21,000,000	0(6)*
Library Building, Series 2004	3/1/2004	3/1/2025	3,280,000	790,000
Sewer Bonds - Cold Springs (SRF), Series 2004	6/11/2004	1/1/2024	3,000,000	0(6)*
Building and Parking Garage Bonds, Series 2004	12/8/2004	1/1/2025	11,900,000	1,845,000
Public Safety Bonds, Series 2006	4/12/2006	3/1/2036	12,500,000	10,210,000
Flood Bonds, Series 2006	5/18/2006	12/1/2035	21,000,000	17,589,008
Sewer Bonds - Spanish Springs (SRF), Series 2005A	8/25/2006	7/1/2026	6,500,000	0(6)*
Storm Sewer Bonds, Series 2006	11/1/2006	1/1/2026	4,600,000	0(6)*
Park Bonds, Series 2006	10/18/2006	3/1/2036	25,305,000	3,560,000
Building Refunding Bonds, Series 2011B	8/3/2011	11/1/2026	12,565,000	10,630,000
Authority Refunding Bonds, Series 2011	11/29/2011	7/1/2032	88,680,000	87,150,000
Refunding Bonds, Series 2012B	8/28/2012	3/1/2027	27,580,000	27,430,000
Sewer Refunding Bonds (SRF), Series 2015	8/18/15	7/1/2026	18,100,000	18,100,000(6)*
Medical Examiner Building, Series 2015 *(this issue)*	8/27/2015	3/1/2035	12,000,000	12,000,000*
Total General Obligation Revenue Bonds				**198,241,357**
GENERAL OBLIGATION MEDIUM-TERM BONDS (4)				
Medium-Term Bonds, Series 2007	3/28/2007	3/1/2017	4,645,000	1,071,000
TOTAL GENERAL OBLIGATION BONDS				**$233,517,357**

(1) As of July 1, 2015 (after taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account). Does not include accrued compensated absences, deferred amounts from bonds issuance, arbitrage, other post- employment benefits, remediation, and claims and judgments.

(2) General obligation bonds secured by the full faith, credit and taxing power of the County. The ad valorem tax available to pay these bonds is limited to the $3.64 statutory and the $5.00 constitutional limit.

(3) General obligation bonds additionally secured by pledged revenues; if revenues are not sufficient the County is obligated to pay the difference between such revenues and debt service requirements of the respective bonds. The ad valorem tax rate available to pay these bonds is limited to the statutory and constitutional limits discussed in note (2) above.

(4) General obligation bonds secured by the full faith, and credit and payable from all legally available funds of the County. The ad valorem tax rate available to pay these bonds is limited to the statutory and the constitutional limit as well as to the County's maximum operating levy and any legally available tax overrides.

(5) Does not include accreted value.

(6) The County is planning to issue the Sewer Refunding Bonds (SRF), Series 2015 (the "2015 Sewer Refunding Bonds"), on August 18, 2015, which is prior to the issuance date of the 2015 Bonds. The proceeds of the 2015 Sewer Refunding Bonds will be used to refund the seven outstanding bonds shown in this table.

* Subject to change.

Washoe County Outstanding Debt (Continued)

	Dated Date	Final Payment Date	Original Amount	Amount Outstanding
REVENUE BONDS				
Sales Tax Revenue Bonds, Series 1998	12/1/1998	12/1/2028	$21,915,000	$ 14,310,000(6)
Sr. Lien Car Rental Fee Rev. Bonds, Series 2008	2/26/2008	12/1/2027	18,500,000	15,554,400(7)
Subordinate Lien Car Rental Fee Rev. B. Series 2008	2/26/2008	12/1/2057	11,000,000	9,808,025(7)
Highway Rev. (MVFTax) Bonds, Series 2009	7/8/2009	2/1/2028	89,567,000	74,120,000(8)
Highway Rev. (MVFTax) Tax Exempt Bonds, Series 2010A	3/17/2010	2/1/2020	13,179,000	11,147,000(8)
Highway Revenue (MVFTax), Series 2010B (BABs)	3/17/2010	2/1/2039	66,821,000	66,821,000(8)
Highway Revenue (MVFTax), Series 2010C (T RZEDBs)	3/17/2010	2/1/2040	10,000,000	10,000,000(8)
Highway Rev. (MVFTax), Series 2010E (Taxable BABS)	12/16/2010	2/1/2040	58,775,000	58,775,000(8)
Highway Revenue (MVFTax), Series 2010F (T RZEDBs)	12/16/2010	2/1/2040	5,385,000	5,385,000(8)
Sales Tax Rev. (St.&Hwy Project), Series 2010H (Taxable BABS)	12/16/2010	2/1/2040	20,000,000	20,000,000(9)
Highway Revenue (MVFTax), Series 2013	4/16/2013	2/1/2043	165,000,000	165,000,000(8)
Total Revenue Bonds				**450,920,425**
ASSESSMENT BONDS (10)				
Local Improvement District No. 31	4/28/2006	5/1/2016	109,000	7,000
Local Improvement District No. 37	5/16/2007	5/1/2027	728,813	359,295
Local Improvement District No. 39	6/12/2009	5/1/2029	999,268	537,837
Local Improvement District No. 32	12/7/2011	11/1/2031	8,592,787	5,512,402
TOTAL ASSESSMENT BONDS				**6,416,534**
GRAND TOTAL				$**690,854,316**

(6) The sales tax revenue bonds are secured solely by the proceeds of a 1/8 of 1% sales tax levied for flood control and public safety projects.
(7) Secured solely by the levy of a 2% fee on gross charges for rental of passenger vehicles in Washoe County.
(8) Secured solely by specified Motor Vehicle Fuel Tax revenues imposed within the County.
(9) Sales tax revenue bonds secured by the proceeds of a 1/8 of 1% sales tax levied for public transportation and road maintenance.
(10) Secured by assessments against property improved; the County's General Fund and taxing power are contingently liable if collections of assessments are insufficient.

Source: The County.

Other Obligations The County also had $25,399,725 in liability associated with compensated absences as of June 30, 2014. The County also has a long-term liability for a claims and judgments liability associated with pending claims for property and liability, worker's compensation and unprocessed health benefit claims totaling $15,401,000. In addition, the County has various operating leases for equipment, office space and water rights. As of June 30, 2014, the County had $8,311,131 in operating lease obligations outstanding.

Additional Contemplated Indebtedness

The County may issue general obligation bonds by means of authority granted to it by its electorate or the State Legislature or, under certain circumstances, without an election as provided in existing statutes. The County currently does not anticipate issuing additional bonds in the foreseeable future; however, it reserves the right to do so at any time legal requirements

are met. The County reserves the ability to issue general obligation bonds for refunding purposes at any time.

County Annual Debt Service Requirements

The following table illustrates the debt service requirements for the County's outstanding general obligation bonds as of July 1, 2015, without taking the issuance of the 2015 Bonds and the 2015 Sewer Refunding Bonds into account.

County Annual Debt Service Requirements(1)

Fiscal Year Ending	General Obligation Bonds		GO/Revenue Bonds		Medium-Term GO		
June 30	Principal	Interest	Principal	Interest	Principal	Interest	Total
2016	$3,350,000	$1,283,040	$5,043,370	$4,941,068	$525,000	$41,019	$15,183,497
2017	3,490,000	1,156,090	8,200,813	10,748,512	546,000	20,912	24,162,327
2018	2,045,000	1,011,370	8,260,957	10,681,497	--	--	21,998,824
2019	2,130,000	927,420	8,261,324	10,597,753	--	--	21,916,497
2020	2,215,000	839,980	8,347,567	10,506,003	--	--	21,908,550
2021	2,305,000	749,050	8,386,589	10,398,945	--	--	21,839,584
2022	2,410,000	654,420	11,877,959	6,060,542	--	--	21,002,921
2023	2,505,000	555,480	11,562,067	5,586,187	--	--	20,208,734
2024	2,595,000	464,430	12,075,081	5,083,658	--	--	20,218,169
2025	2,700,000	370,080	12,387,556	4,569,656	--	--	20,027,292
2026	2,805,000	271,800	11,728,728	4,047,365	--	--	18,852,893
2027	1,350,000	169,650	11,675,760	3,533,056	--	--	16,728,466
2028	1,390,000	129,150	9,778,089	3,040,197	--	--	14,337,436
2029	1,435,000	87,450	10,238,228	2,579,309	--	--	14,339,987
2030	1,480,000	44,400	9,980,193	2,079,528	--	--	13,584,121
2031	--	--	10,059,067	1,587,979	--	--	11,647,046
2032	--	--	10,569,986	1,080,347	--	--	11,650,333
2033	--	--	11,097,892	546,971	--	--	11,644,863
2034	--	--	1,818,027	232,851	--	--	2,050,878
2035	--	--	1,900,443	149,037	--	--	2,049,480
2036	--	--	1,985,242	61,421	--	--	2,046,663
Total	$34,205,000	$8,713,810	$185,234,889	$98,111,872	$1,071,000	$61,931	$327,398,502

(1) Totals may not add due to rounding.

Source: The County; compiled by the Financial Advisors.

ECONOMIC AND DEMOGRAPHIC INFORMATION

This portion of the Official Statement contains general information concerning historic economic and demographic conditions in and surrounding the County. It is intended only to provide prospective investors with general information regarding the County's community. The information was obtained from the sources indicated and is limited to the time periods indicated. The information is historic in nature; it is not possible to predict whether the trends shown will continue in the future. The County makes no representation as to the accuracy or completeness of data obtained from parties other than the County.

Population and Age Distribution

Population. The table below shows the population growth of the County and the State since 1970.

Population

Year	Washoe County	Percent Change	Nevada	Percent Change
1970	121,068	--	488,738	--
1980	193,623	59.9%	800,493	63.8%
1990	254,667	31.5	1,201,833	50.1
2000	339,486	33.3	1,998,257	66.3
2010	421,407	24.1	2,700,551	35.1
2011	421,593	0.0	2,721,794	0.8
2012	427,704	1.4	2,750,217	1.0
2013	432,324	1.1	2,800,967	1.8
2014	436,797	1.0	2,843,301	1.5

Sources: United States Department of Commerce, Bureau of Census (1970-2010) and Nevada State Demographer (2011-2014 estimates).

Age Distribution. The following table sets forth a projected comparative age distribution profile for Washoe County, the State and the nation as of January 1, 2015.

Age Distribution

Age	Washoe County	Nevada	United States
0-17	22.8%	23.7%	23.1%
18-24	9.6	9.1	9.9
25-34	14.1	13.8	13.3
35-44	12.4	13.5	12.7
45-54	13.5	13.5	13.6
55-64	13.1	12.2	12.7
65-74	9.1	8.8	8.5
75 and Older	5.4	5.4	6.2

Source: © 2015 The Nielsen Company, *SiteReports*.

Income

The following two tables reflect the Median Household Effective Buying Income ("EBI"), and also the percentage of households by EBI groups. EBI is defined as "money income" (defined below) less personal tax and nontax payments. "Money income" is defined as the aggregate of wages and salaries, net farm and nonfarm self-employment income, interest, dividends, net rental and royalty income, Social Security and railroad retirement income, other retirement and disability income, public assistance income, unemployment compensation, Veterans Administration payments, alimony and child support, military family allotments, net winnings from gambling, and other periodic income. Deductions are made for personal income taxes (federal, state and local), personal contributions to social insurance (Social Security and federal retirement payroll deductions), and taxes on owner-occupied nonbusiness real estate. The resulting figure is known as "disposable" or "after-tax" income.

Median Household Effective Buying Income Estimates[1]

Year	Washoe County	Nevada	United States
2011	$46,106	$45,706	$41,368
2012	45,848	45,512	41,253
2013	38,995	40,617	41,358
2014	43,623	42,480	43,715
2015	43,766	44,110	45,448

(1) The difference between consecutive years is not an estimate of change from one year to the next; separate combinations of data are used each year to identify the estimated mean of income from which the median is computed.

Source: © The Nielsen Company, *SiteReports*, 2011-2015.

Percent of Households by Effective Buying Income Groups – 2015 Estimates

Effective Buying Income Group	Washoe County Households	Nevada Households	United States Households
Under $24,999	27.3%	24.9%	25.6%
$25,000 - 49,999	29.6	32.0	29.5
$50,000 - 74,999	18.9	20.1	19.1
$75,000 - 99,999	11.8	11.7	11.9
$100,000 - 124,999	5.7	5.0	5.6
$125,000 - 149,999	2.4	2.4	3.3
$150,000 or More	4.3	3.9	5.0

Source: © 2015 The Nielsen Company, *SiteReports*.

The following table sets forth the annual per capita personal income levels for the residents of the County, the State and the nation. Per capita personal income levels in the County have consistently exceeded state and national levels during the period shown.

Per Capita Personal Income

Year[1]	Washoe County	Nevada	United States
2009	$41,414	$36,840	$39,379
2010	41,188	36,657	40,144
2011	42,698	37,445	42,332
2012	45,157	39,229	44,200
2013	45,253	39,235	44,765
2014	n/a	40,077	46,129

(1) County figures posted November 2014; state and national figures posted March 2015. All figures are subject to periodic revisions.

Source: United States Department of Commerce, Bureau of Economic Analysis.

Employment

The Washoe County average annual labor force summary as prepared by the State's Department of Employment, Training and Rehabilitation ("DETR") is as follows:

Average Annual Labor Force Summary
Washoe County, Nevada

Calendar Year	2010	2011	2012	2013	2014	2015[4]
TOTAL LABOR FORCE[1]	220,825	221,774	221,478	221,910	222,614	224,581
Unemployment	28,536	28,020	24,435	20,850	16,554	15,799
Unemployment Rate[2]	12.9%	12.6%	11.0%	9.4%	7.4%	7.0%
Total Employment[3]	192,289	193,754	197,043	201,060	206,060	208,783

(1) Figures for 2010-2014 were revised April 2015.
(2) The U.S. unemployment rates for the years 2010 through 2014 are 9.6%, 8.9%, 8.1%, 7.4%, and 6.2%, respectively.
(3) Adjusted by census relationships to reflect number of persons by place of residence.
(4) Averaged labor force numbers through April 30, 2015.

Sources: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation; and U.S. Department of Labor, Bureau of Statistics.

The following table indicates the number of persons employed, by type of employment, in non-agricultural industrial employment in Reno, NV Metropolitan Statistical Area ("MSA") which consists of Storey and Washoe Counties.

Establishment Based Industrial Employment
Reno MSA, Nevada[1]
(Estimates in Thousands)

Calendar Year	2010	2011	2012	2013	2014	2015[2]
Natural Resources and Mining	0.3	0.3	0.3	0.2	0.2	0.2
Construction	9.1	8.8	9.0	10.1	11.4	10.4
Manufacturing	11.2	11.2	11.5	12.2	12.8	12.9
Trade, Transportation and Utilities	42.2	42.1	42.7	43.9	45.5	46.1
Information	2.3	2.2	2.0	1.9	2.0	2.0
Financial Activities	9.0	8.9	9.0	9.5	9.5	9.6
Professional and Business Services	24.0	24.5	25.7	26.5	27.0	27.6
Education and Health Services	21.9	22.0	22.1	22.7	23.6	24.1
Leisure and Hospitality (casinos excluded)	19.2	19.4	19.2	19.9	20.6	21.0
Casino Hotels	14.9	14.9	14.7	14.8	14.8	14.8
Other Services	6.7	6.1	6.1	5.9	5.9	5.8
Government	29.2	28.6	28.6	28.8	29.0	29.9
TOTAL ALL INDUSTRIES[3]	190.0	189.0	190.9	196.4	202.3	204.4

(1) Reno Metropolitan Statistical Area consists of two counties: Storey and Washoe.
(2) Averaged numbers through April 2015.
(3) Reflects employment by place of work. Does not necessarily coincide with labor force concept. Includes multiple job holders. All numbers are subject to periodic revision.
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Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The table below lists the largest fifteen employers in the County. No independent investigation has been made of and consequently no assurances can be given as to the financial condition or stability of the employers listed below or the likelihood that such entities will maintain their status as major employers in the County.

Largest Employers - Washoe County, Nevada
As of 4th Quarter - 2014

Employer	Employees	Industry
Washoe County School District	8,500-8,999	Public education
University of Nevada - Reno	4,500-4,999	University
Renown Regional Medical Center	2,500-2,999	Hospital
Washoe County	2,500-2,999	Local government
Peppermill Hotel Casino - Reno	2,000-2,499	Casino hotel
International Game Technology	1,500-1,999	Manufacturing
Silver Legacy Resort Casino	1,500-1,999	Casino hotel
Atlantis Casino Resort	1,500-1,999	Casino hotel
Grand Sierra Resort and Casino	1,500-1,999	Casino hotel
St. Mary's Regional Medical Center	1,000-1,499	Hospital
Eldorado Hotel & Casino	1,000-1,499	Casino hotel
City of Reno	1,000-1,499	Local government
VA Sierra Nevada Health Care System	1,000-1,499	Hospital
United Parcel Service	1,000-1,499	Courier
Circus Circus Casinos Inc. - Reno	1,000-1,499	Casino hotel

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

The following table lists the firm employment size breakdown for the County.

Size Class of Industries(1)
Washoe County, Nevada
(Non-Government Worksites)

CALENDAR YEAR	4th Qtr. 2014	4th Qtr. 2013	Percent Change 2014/2013	Employment Totals 4th Qtr. 2014
TOTAL NUMBER OF WORKSITES	13,843	13,558	2.1%	171,991
Less Than 10 Employees	10,414	10,247	1.6%	28,023
10-19 Employees	1,746	1,705	2.4	23,672
20-49 Employees	1,125	1,085	3.7	33,007
50-99 Employees	317	294	7.8	21,493
100-249 Employees	178	170	4.7	25,972
250-499 Employees	45	39	15.4	16,322
500-999 Employees	7	6	16.7	4,659
1000+ Employees	11	12	(8.3)	18,843

(1) Subject to revisions.

Source: Research and Analysis Bureau, Nevada Dept. of Employment, Training and Rehabilitation.

Retail Sales

Reno and Sparks are the center of a retail trade area that extends 300 miles eastward to Elko and Eureka, Nevada, 274 miles south to Goldfield, Nevada; Bishop and other Inyo County points in California, 100 miles west and northwest to Quincy, Westwood, Susanville, Truckee, Donner Summit and Lake Tahoe areas of California, and north 247 miles to Lakeview, Oregon. The following table sets forth a history of taxable sales in the County.

Taxable Sales in the County

Fiscal Year	Washoe County Total	Percent Change	State Total	Percent Change
2010	$5,176,981,699	--	$37,772,066,777	--
2011	5,282,936,232	2.0%	39,935,016,227	5.7%
2012	5,522,605,351	4.5	42,954,750,131	7.6
2013	5,824,726,136	5.5	45,203,408,413	5.2
2014	6,370,684,534	9.4	47,440,345,167	4.9
Jul-Mar 2014	4,742,599,277	--	35,133,581,826	--
Jul-Mar 2015	5,094,880,750	7.4%	37,440,473,608	6.6%

Source: State of Nevada, Department of Taxation.

Construction

The following table indicates a history of the number of building permits issued in the Cities of Reno and Sparks, and the unincorporated County, and of their valuations.

Building Permits
(Value Amounts in Thousands)

Calendar Year	City of Reno		City of Sparks		Unincorporated Washoe County		Total Washoe County	
	Permits	Value	Permits	Value	Permits	Value	Permits	Value
2010	5,149	$242,204	1,946	$ 52,432	1,259	$ 70,708	8,354	$ 365,344
2011	5,570	255,160	2,078	92,320	1,502	68,417	9,150	415,897
2012	5,454	279,716	2,415	103,146	1,457	103,724	9,326	486,586
2013	6,670	417,313	2,451	140,404	1,597	144,750	10,718	702,467
2014	7,504	662,120	2,818	127,405	1,734	258,498	12,056	1,048,023
2015[(1)]	2,541	189,800	1,289	68,823	682	27,822	4,512	286,445

(1) Permits issued through April 30, 2015.

Sources: Building Departments of Cities of Reno and Sparks, and Washoe County.

Gaming

The economy of the State is heavily dependent upon a tourist industry based on legalized casino gambling. Gaming has been legal in Nevada since 1931 and is controlled and regulated by the State. Control is vested in a five-member Gaming Commission and a three-member Gaming Control Board. All of the board and commission members are appointed by the Governor. These bodies investigate and approve all licenses, establish operating rules, and collect gaming taxes due the State.

The County's gross taxable 2014 gaming revenue represents 7.3% of the State's total 2014 gaming revenue. The following table presents a five-year record of gross taxable gaming revenues and total gaming taxes collected on a State-wide basis and in the County

Gross Taxable Gaming Revenue and Total Gaming Taxes[1]
Washoe County, Nevada

Fiscal Year Ended June 30	Gross Taxable Gaming Revenue[2]		Percent Change	Gaming Collection[3]		Percent Change
	State Total	County Total	County	State Total	County Total	County
2010	$ 9,667,833,487	$786,070,922	--	$829,289,514	$62,447,662	--
2011	9,836,451,902	749,557,470	(4.6)%	853,455,347	60,064,415	(3.8)%
2012	9,764,446,034	736,510,136	(1.7)	864,621,791	58,266,966	(3.0)
2013	10,208,528,371	743,348,616	0.9	892,106,457	61,641,555	5.8
2014	10,208,208,859	743,026,734	(0.0)	912,371,316	61,093,103	(0.9)
Jul 13-Apr 14	$8,588,548,163	$612,401,453	--	$723,166,532	$45,625,101	--
Jul 14-Apr 15	8,755,175,816	631,832,811	3.2%	709,779,376	46,854,177	2.7%

(1) The figures shown are subject to adjustments due to amended tax filings, fines and penalties.
(2) The total of all sums received as winnings less only the total of all sums paid out as losses (before operating expenses).
(3) Cash receipts of the State from all sources relating to gaming (General Fund and other revenues) including percentage license fees, quarterly flat license fees, annual license fees, casino entertainment taxes, annual slot machine taxes, penalties, advance fees, and miscellaneous collections. A portion of collections is deposited to the State funds other than the State's General Fund.

Source: State of Nevada, Gaming Control Board.

Convention Activity

The convention business is also an important factor in the area's economy. The Reno-Sparks Convention & Visitors Authority ("RSCVA") operates the Convention Center, the National Bowling Stadium (which is owned by the City of Reno and managed by RSCVA pursuant to an operating agreement), the Wildcreek Golf Course, the Livestock Events Center and the Reno Events Center. RSCVA also owns the Pioneer Center for the Performing Arts and the Incline Village Visitors Center, which are managed solely by private non-profit corporations.

The Convention Center currently has 460,000 square feet of enclosed exhibition space and meeting rooms (approximately 381,000 square feet of exhibit space and more than 75,000 square feet of meeting rooms) plus 55,000 square feet of multi-purpose and pre-function space. The Reno-Sparks Livestock Events Center primarily hosts equestrian-livestock events. The main buildings include the 60,000 square-foot Main Arena, the Exhibit Hall and the Livestock Pavilion, facilities for livestock, an outdoor Rodeo Arena, a Cutting Arena, 660 animal stalls, several warm-up areas, and parking facilities. The Reno Events Center is a 118,000 square-foot building, including approximately 55,000 square feet of multipurpose space for concerts, sporting events, large dinners or small conventions and trade shows and approximately 5,000 square feet of flexible space for up to 10 meeting rooms/suites. In addition to the above, area hotels currently offer convention and meeting space.

Historical RSCVA Convention Facility Usage and Attendance

	Convention Center		Livestock Events Center		National Bowling Stadium[1]		Reno Events Center	
Fiscal Year	Number of Events[2]	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance	Number of Events	Estimated Attendance
2010	139	421,179	186	430,273	70	216,130	52	171,085
2011	121	310,824	168	444,553	73	204,177	49	150,748
2012	128	275,837	148	321,875	56	98,158	53	163,018
2013	102	422,042	100	282,357	80	190,791	56	147,489
2014	94	311,235	80	300,000	78	172,717	52	126,979

(1) In each year, the National Bowling Stadium hosted national tournaments, large events covering approximately four months.
(2) Includes all show activity (conventions, trade shows, public consumer shows, concerts and meetings).

Source: Reno-Sparks Convention and Visitors Authority.

Transportation

The Reno/Sparks area is located at a transportation crossroads. Interstate 80, which runs east-west, and U.S. 395, running north-south, provide adequate routes for trucking and personal transportation. The Union Pacific Railroad operates major rail lines through the County and offers connections to other major rail networks, providing both freight and Amtrak passenger service. Intermodal yards and container freight facilities are located in Sparks. Over 65 motor freight companies serve the Reno/Sparks market and approximately 25 licensed common carriers with terminals are in the Reno/Sparks area.

The Reno-Tahoe International Airport (the "Airport") is a medium hub airport owned and operated by the Reno-Tahoe Airport Authority (the "Airport Authority"). The geographical area served by the Airport primarily encompasses the seven Nevada counties of Churchill, Douglas, Humboldt, Lyon, Pershing, Storey, and Washoe and the major cities of Reno, Sparks, and Carson City. The total air trade area for the Airport also includes the Lake Tahoe area and several communities in northeastern California. The Airport generates $2 billion per year for the region according to an economic impact study released by the University of Nevada's College of Business in February 2012. In addition to the revenue, the study states that the Airport and the Reno-Stead Airport, a general aviation facility, generate 22,138 jobs in the state, making the airports a major economic driver for the region. Accordingly, the Airport Authority continues to plan and accommodate airport facility needs.

For calendar year 2014, the Airport served a total of 3.30 million passengers, a (3.9%) decrease from 2013's passenger total of 3.43 million. The Airport reported an overall 6.7% increase in air cargo pounds for the 2014 calendar year versus 2013; air cargo volume totaled 129.09 million pounds. During the first quarter of 2015, the Airport increased the number of passengers served by 1.5% over the same period last year, and handled 29.91 million pounds of air cargo which is an increase of 1.2%. In March 2015, the Airport was served by seven major airlines providing 55 peak daily departures to 15 non-stop destinations. Beginning May 28, 2015, JetBlue Airways will begin non-stop daily flights between Reno and New York City. The airline will utilize an Airbus 320 aircraft with 150 seats.

Distribution and Manufacturing

The County (Reno/Sparks) is a principal manufacturing and distribution center for the western United States. The State's Freeport Law provides tax-free warehousing of goods while in transit through the State. Coupled with the lack of taxes common in many states, such as franchise, inventory, corporate and personal income, along with geographic location have encouraged new companies to locate in the Reno/Sparks area providing continued growth to the State's and County's industrial base. The area also has a large established Foreign Trade Zone (FTZ 126).

Economic Development

The mission of the Economic Development Authority of Western Nevada is to recruit and expand quality companies that have a positive economic impact on the quality of life in the Reno/Sparks/Lake Tahoe region.

Complementing the area's emphasis on economic diversification are the numerous business incentives unique to the State of Nevada. Competitive wage rates, an expanding labor force, low cost and readily available electrical power, low out-bound freight transportation costs as compared to other prominent Western United States markets, a deferral and/or abatement of sales and use tax on new capital equipment, personal property tax abatement, grant monies for job training, and business license tax abatement programs for qualified companies combine to give business and industry an attractive advantage.

Utilities and Other Resources

Regional Resource Management. The Truckee Meadows Regional Plan was adopted by the Legislature in June 1991 and includes several major policy initiatives for the region relating to water management. Reno, Sparks and the County are currently working together to resolve the issues involved in this area, as well as to adopt a mutually acceptable annexation plan.

The County, Reno, Sparks and the Truckee River Flood Management Authority have signed an Interlocal Cooperative Agreement (Truckee River Flood Management Project), dated as of March 11, 2012, in order to effectively mitigate damage caused by significant flooding of the Truckee River and its key tributaries through coordinated flood control projects.

Regional Water Planning. In 1995 the Legislature set up a Regional Water Planning Commission for South Washoe County (excluding Lake Tahoe). The commission developed a Regional Water Management Plan that was approved by Reno, Sparks and the County and accepted by the Legislature. Any facility of "regional significance" associated with water supply, wastewater treatment and stormwater drainage must be recognized in the Regional Water Management Plan or presented for amendment to the Plan. The Board of County Commissioners, serving as the Regional Water Board, eventually approve all amendments.

Water. The primary source of water for residents and businesses of Reno and Sparks, and some areas of the County is the Truckee River, which flows from Lake Tahoe to Pyramid Lake (approximately 120 miles). Underground water and individual private wells augment the river water supply, particularly in the unincorporated areas of the County.

The Truckee Meadows Water Authority ("TMWA") purchased the water division of Sierra Power Resources ("Sierra Resources," formed in 1999 from a merger of Sierra and Nevada Power Company) in mid-2001. TMWA was formed and operates pursuant to a cooperative agreement among Reno, Sparks and the County. TMWA now provides water service to the majority of County residents, including the cities of Reno and Sparks, the major population centers in the County. The remaining areas of the County are served by special districts, private companies and/or private wells.

Wastewater Treatment and Water Reclamation. Sewage treatment within the Truckee Meadows region of the County is provided by five wastewater facilities. All the facilities are owned and operated separately or jointly by Reno, Sparks, and the County. The local governments have several comprehensive programs to improve water quality throughout the Truckee Meadows region. Effluent reuse, stormwater management, water quality monitoring and modeling, and Truckee River restoration represent efforts undertaken to insure that as the Truckee Meadows region continues to grow, water quality is protected.

Education

Elementary and secondary education is primarily provided by the Washoe County School District. Private elementary and high schools also operate within the County. All public higher education in the State is administered by the Nevada System of Higher Education (the "System"). The University of Nevada, Reno ("UNR") and Truckee Meadows Community College are part of that System and both are located in Reno. The National Judicial College, which provides continuing education for state court judges throughout the nation, is located on the UNR campus.

TAX MATTERS

Federal Tax Matters

In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described below, interest on the 2015 Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Tax Code, and interest on the 2015 Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described below.

The Tax Code imposes several requirements which must be met with respect to the 2015 Bonds in order for the interest thereon to be excluded from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations). Certain of these requirements must be met on a continuous basis throughout the term of the 2015 Bonds. These requirements include: (a) limitations as to the use of proceeds of the 2015 Bonds; (b) limitations on the extent to which proceeds of the 2015 Bonds may be invested in higher yielding investments; and (c) a provision, subject to certain limited exceptions, that requires all investment earnings on the proceeds of the 2015 Bonds above the yield on the 2015 Bonds to be paid to the United States Treasury. The County will covenant and represent in the Bond Ordinance that it will take all steps to comply with the requirements of the Tax Code to the extent necessary to maintain the exclusion of interest on the 2015 Bonds from gross income and alternative minimum taxable income (except to the extent of the aforementioned adjustment applicable to corporations) under federal income tax laws in effect when the 2015 Bonds are delivered. Bond Counsel's opinion as to the exclusion of interest on the 2015 Bonds from gross income and alternative minimum taxable income (to the extent described above) is rendered in reliance on these covenants, and assumes continuous compliance therewith. The failure or inability of the County to comply with these requirements could cause the interest on the 2015 Bonds to be included in gross income, alternative minimum taxable income or both from the date of issuance. Bond Counsel's opinion also is rendered in reliance upon certifications of the County and other certifications furnished to Bond Counsel. Bond Counsel has not undertaken to verify such certifications by independent investigation.

Section 55 of the Tax Code contains a 20% alternative minimum tax on the alternative minimum taxable income of corporations. Under the Tax Code, 75% of the excess of a corporation's "adjusted current earnings" over the corporation's alternative minimum taxable income (determined without regard to this adjustment and the alternative minimum tax net operating loss deduction) is included in the corporation's alternative minimum taxable income for purposes of the alternative minimum tax applicable to the corporation. "Adjusted current earnings" includes interest on the 2015 Bonds.

The Tax Code contains numerous provisions which may affect an investor's decision to purchase the 2015 Bonds. Owners of the 2015 Bonds should be aware that the ownership of tax-exempt obligations by particular persons and entities, including, without limitation, financial institutions, insurance companies, recipients of Social Security or Railroad Retirement benefits, taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations, foreign corporations doing business in the United States and certain "subchapter S" corporations may result in adverse federal and state tax

consequences. Under Section 3406 of the Tax Code, backup withholding may be imposed on payments on the 2015 Bonds made to any owner who fails to provide certain required information, including an accurate taxpayer identification number, to certain persons required to collect such information pursuant to the Tax Code. Backup withholding may also be applied if the owner underreports "reportable payments" (including interest and dividends) as defined in Section 3406, or fails to provide a certificate that the owner is not subject to backup withholding in circumstances where such a certificate is required by the Tax Code. With respect to any 2015 Bonds sold at a premium, representing a difference between the original offering price of those 2015 Bonds and the principal amount thereof payable at maturity. Under certain circumstances, an initial owner of such bonds (if any) may realize a taxable gain upon their disposition, even though such bonds are sold or redeemed for an amount equal to the owner's acquisition cost. Bond Counsel's opinion relates only to the exclusion of interest on the 2015 Bonds from gross income and alternative minimum taxable income as described above and will state that no opinion is expressed regarding other federal tax consequences arising from the receipt or accrual of interest on or ownership of the 2015 Bonds. Owners of the 2015 Bonds should consult their own tax advisors as to the applicability of these consequences.

The opinions expressed by Bond Counsel are based on existing law as of the delivery date of the 2015 Bonds. No opinion is expressed as of any subsequent date nor is any opinion expressed with respect to pending or proposed legislation. Amendments to the federal or state tax laws may be pending now or could be proposed in the future that, if enacted into law, could adversely affect the value of the 2015 Bonds, the exclusion of interest on the 2015 Bonds from gross income or alternative minimum taxable income or both from the date of issuance of the 2015 Bonds or any other date, the tax value of that exclusion for different classes of taxpayers from time to time, or that could result in other adverse tax consequences. In addition, future court actions or regulatory decisions could affect the tax treatment or market value of the 2015 Bonds. Owners of the 2015 Bonds are advised to consult with their own tax advisors with respect to such matters.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. No assurances can be given as to whether or not the Service will commence an audit of the 2015 Bonds. If an audit is commenced, the market value of the 2015 Bonds may be adversely affected. Under current audit procedures the Service will treat the County as the taxpayer and the 2013 Bond owners may have no right to participate in such procedures. The County has covenanted in the Bond Ordinance not to take any action that would cause the interest on the 2015 Bonds to lose its exclusion from gross income for federal income tax purposes or lose its exclusion from alternative minimum taxable income for the owners thereof for federal income tax purposes. None of the County, the Financial Advisors, the Initial Purchasers, Bond Counsel or Special Counsel is responsible for paying or reimbursing any 2013 Bond holder with respect to any audit or litigation costs relating to the 2015 Bonds.

State Tax Exemption

The 2015 Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

LEGAL MATTERS

Litigation

In the opinion of the County's legal counsel, there is no litigation or controversy of any nature now pending, or to the knowledge of the County's legal counsel, threatened, (i) restraining or enjoining the issuance, sale, execution or delivery of the 2015 Bonds or (ii) in any way contesting or affecting the validity of the 2015 Bonds or any proceedings of the County taken with respect to the issuance or sale thereof, the pledge, collection or application of any moneys or securities provided for the payment of the 2015 Bonds (including the Pledged Revenues), or the corporate existence or the powers of the County.

The County is subject to certain pending and threatened litigation regarding various matters arising in the ordinary course of the County's operations. However, it is the opinion of the County's legal counsel that the pending or threatened litigation will not result in final judgments against the County which would, individually or in the aggregate, adversely affect the County's ability to satisfy the County's obligations for the 2015 Bonds.

The County is a party to litigation in state court involving property tax assessments in the Lake Tahoe area. The cases involve claims of unconstitutional taxation, challenges to the administrative hearings and decisions of boards of equalization and writs of mandamus. The most potentially impacting case is now pending before a State appellate court and decisions adverse to Washoe County may involve making refunds of property taxes from $2 million up to $17 million in the aggregate which may adversely affect the County's financial position. See "PROPERTY TAX INFORMATION--Required Refunds and Other Actions Related to Property Taxes--Required Incline Village Refunds."

Sovereign Immunity

Pursuant to State statute (NRS Section 41.035), an award for damages in an action sounding in tort against the County may not include any amount as exemplary or punitive damages and is limited to $100,000 per cause of action. The limitation does not apply to federal actions brought under federal law such as civil rights actions under 42 U.S.C. Section 1983 and actions under The Americans with Disabilities Act of 1990 (P.L. 101-336), or to actions in other states.

Approval of Certain Legal Proceedings

The approving opinion of Sherman & Howard L.L.C., as Bond Counsel, will be delivered with the 2015 Bonds. A form of the bond counsel opinion is attached to this Official Statement as Appendix E. The opinion will include a statement that the obligations of the County are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of the powers delegated to it by the federal constitution, including bankruptcy. Sherman & Howard L.L.C. has also acted as Special Counsel to the County in connection with this Official Statement. Certain matters will be passed upon for the County by the District Attorney.

Police Power

The obligations of the County are subject to the reasonable exercise in the future by the State and its governmental bodies of the police power and powers of taxation inherent in the sovereignty of the State, and to the exercise by the United States of the powers delegated to it by the Federal Constitution.

FINANCIAL ADVISORS

Hobbs, Ong & Associates, Inc. and Public Financial Management, Inc. are serving as Financial Advisors to the County in connection with the 2015 Bonds. See "INTRODUCTION--Additional Information" for contact information for the Financial Advisors. The Financial Advisors have not audited, authenticated or otherwise verified the information set forth in the Official Statement, or any other related information available to the County, with respect to the accuracy and completeness of disclosure of such information, and no guaranty, warranty or other representation is made by the Financial Advisors respecting accuracy and completeness of the Official Statement or any other matter related to the Official Statement.

INDEPENDENT AUDITORS

The audited basic financial statements of the County as of and for the year ended June 30, 2014, included hereto as Appendix A, have been audited by Kafoury, Armstrong & Co., certified public accountants, which merged into Eide Bailly LLP in fiscal year 2015, certified public accountants, Reno, Nevada, to the extent and for the period stated in their report appearing herein.

Pursuant to State law, the audited financial statements of the County are public documents and no consent from the auditors is required to be obtained prior to inclusion of the audited financial statements in this Official Statement. Accordingly, the County has not requested consent. Kafoury, Armstrong & Co. has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Kafoury Armstrong & Co. also has not performed any procedures relating to this Official Statement.

RATINGS

Moody's Investors Service, Inc. ("Moody's") and Standard & Poor's Ratings Services, a Division of The McGraw-Hill Companies ("S&P") have assigned the 2015 Bonds the ratings shown on the cover page of this Official Statement. An explanation of the significance of any ratings given by S&P may be obtained from S&P at 55 Water Street, New York, New York 10041. An explanation of the significance of any ratings given by Moody's may be obtained from Moody's at 7 World Trade Center at 250 Greenwich Street, New York, NY 10007.

There is no assurance that such ratings will continue for any given period of time after they are received or that they will not be lowered or withdrawn entirely if, in the judgment of the rating agencies, circumstances so warrant. Other than the County's obligations under the Disclosure Certificate, neither the County nor the Financial Advisors has undertaken any responsibility either to bring to the attention of the owners of the 2015 Bonds any proposed change in or withdrawal of such ratings or to oppose any such proposed revision. Any such

change in or withdrawal of the ratings could have an adverse effect on the market price of the 2015 Bonds.

PUBLIC SALE

The County expects to offer the 2015 Bonds at public sale on August 11, 2015. See Appendix F - Official Notice of Bond Sale.

OFFICIAL STATEMENT CERTIFICATION

The undersigned official hereby confirms and certifies that the execution and delivery of this Official Statement and its use in connection with the offering and sale of the 2015 Bonds has been duly authorized by the Board.

WASHOE COUNTY, NEVADA

By:_____
County Manager

APPENDIX A

AUDITED BASIC FINANCIAL STATEMENTS OF WASHOE COUNTY, NEVADA FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE: The audited basic financial statements included in this Appendix A have been excerpted from the County's Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2014. Other information contained in the CAFR, including individual fund schedules and other statistical and compliance information, has been excluded from this Appendix A.

FINANCIAL SECTION

FINANCIAL SECTION

KAFOURY, ARMSTRONG & CO.
A PROFESSIONAL CORPORATION
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Board of Commissioners of
Washoe County, Nevada

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2014, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Child Protective Services Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-14 and schedule of funding progress-other postemployment benefits on page 70 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 opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections 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.

Prior Year Comparative Information

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the County as of and for the year ended June 30, 2013 (not presented herein), and have issued our report thereon dated October 28, 2013, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information. The combining and individual fund financial statements and schedules related to the 2013 financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2013 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2013 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements from which they have been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2014, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Kafoury, Armstrong & Co.

Reno, Nevada
October 29, 2014

As management of Washoe County (the County), we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2014. We encourage readers to read this information in conjunction with the transmittal letter, financial statements and notes to gain a more complete picture of the information presented.

FINANCIAL HIGHLIGHTS

- The County received the highest possible opinion from the independent outside auditors (unmodified opinion) on the financial statements which materially represented the financial transactions.

- The cash and investments position of $286 million improved by $20.6 million or 7.8% over prior year, as reported on page 16.

- The County's liquidity, defined as the ability to pay current obligations, remains very strong and is a positive sign of financial health. The County's liquidity of $321.4 million has improved by $12.4 million or 4.0% over prior year, as reported on page 16.

- The Statement of Net Position shows total assets of $1,275 million, which decreased by $14.8 million or a negative 1.1% from prior year, as capital assets depreciation outpaced new investments in capital assets and improving current assets as the County evaluates the economic outlook, as reported on page 16.

- The County's Statement of Net Position sheet shows total debt of $268.1 million, which decreased by $11.3 million, or a negative 4.0% from prior year, as debt service continues and new debt demands associated with capital assets reduced, as reported on page 16.

- The County's Statement of Net Position shows total net position of $964.3 million, which decreased by $5.8 million, or a negative 0.6% from prior year, as equity remains very strong, as reported on page 16.

- The County still maintains the highest bond ratings of AAA from the top bond rating agencies, as a symbol to investors that the County's financial metrics are positive and healthy.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide a broad overview of the County's finances in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference representing net position. Over time, increases or decreases in net position may serve as a useful indicator of the financial condition of the County.

The Statement of Activities presents information showing how the County's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as uncollected taxes and earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, administration of justice, public works, public safety, health and

sanitation, welfare, culture and recreation, and community support. The business-type activities of the County include enterprise activities such as water and sewer utilities, golf courses and building permits.

The government-wide financial statements can be found on pages 16 and 17 of this report.

Fund financial statements. Fund financial statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the County can be divided into one of three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the County's near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, a reconciliation is provided on page 20. This reconciliation illustrates the comparison between government-wide financial statements which present long-term transactions, such as capital assets and debt while governmental funds presentation does not.

The County maintains 20 individual governmental funds. The governmental fund financial statements provide separate details for the General Fund, the Child Protective Services Fund and the Special Assessment Debt Service Fund, which are major funds. Data from other governmental funds are combined into a single aggregated presentation. Individual fund data for each of these nonmajor funds is provided in the form of combining statements in the Nonmajor Governmental Funds Section of this report.

The County adopts an annual appropriated budget for each of its governmental funds. A budgetary comparison is provided for each of the County's governmental funds to demonstrate compliance with the budget. The budgetary comparison statement for the General Fund and Child Protective Services Fund are presented with the basic financial statements. The budgetary comparisons for all other governmental funds are included in the fund financial statements and schedules included as supplementary information.

Proprietary funds. The County maintains two different types of proprietary funds. 1) Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for water and sewer utilities, golf courses and building permits. 2) Internal service funds are an accounting grouping used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for its fleet of vehicles and for self-insurance activities including liability insurance, workers' compensation and group health insurance.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate details for the Water Resources Fund, which is a major fund. Data from the remaining 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 fund data for the remaining enterprise and internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of agencies outside the County. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to the 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 can be found beginning on page 34 of this report.

Other information. Following the notes in this report, required supplementary information is presented concerning the County's progress in funding its obligation to provide retiree health benefits. Other information, including combining and individual fund statements and schedules are presented after the basic financial statements, notes and required supplementary information. Unaudited statistical information is provided on a ten-year basis, as available, for trend analysis and to provide historical perspective.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position: Net position may serve over time as a useful indicator of a government's financial position. The County's assets and deferred outflows of resources exceeded liabilities by $964.3 million at June 30, 2014, a decrease of 0.6% from the prior year.

Government-Wide Statement of Net Position
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Assets						
Current and other assets	$ 217,697	$ 219,260	$ 145,919	$ 130,576	$ 363,616	$ 349,836
Net capital assets	554,622	579,844	356,793	360,109	911,415	939,953
Total assets	772,319	799,104	502,712	490,685	1,275,031	1,289,789
Deferred outflows of resources	452	456	-	-	452	456
Liabilities						
Current liabilities	37,154	35,783	5,049	5,051	42,203	40,834
Noncurrent liabilities due within one year	33,290	32,259	3,436	3,374	36,726	35,633
Noncurrent liabilities due in more than one year	176,815	186,330	54,551	57,402	231,366	243,732
Total liabilities	247,259	254,372	63,036	65,827	310,295	320,199
Net position						
Net investment in capital assets	437,044	455,643	299,618	300,163	736,662	755,806
Restricted	94,055	98,124	13,461	12,801	107,516	110,925
Unrestricted	(6,491)	(8,579)	126,597	111,894	120,106	103,315
Total net position	$ 524,608	$ 545,188	$ 439,676	$ 424,858	$ 964,284	$ 970,046

*For more detailed information see the Government-wide Statement of Net Position and Notes to the Financial Statements.

The largest portion of net position (76.4%) reflects investment in capital assets (e.g., land, buildings, equipment and construction in progress) less depreciation and any related outstanding debt used to acquire those assets. Net investment in capital assets declined by $19.1 million, or a negative 2.5% from the prior year, primarily due to reduced capital spending and contributions for capital acquisition falling behind asset depreciation. The County uses these capital assets to provide services to citizens; therefore, they are not generally available for future spending. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets would not generally be used to liquidate related debt.

Restricted net position is $107.5 million, or 11.1% of the County's net position, and represents resources that are subject to external restrictions (statutes, bond covenants, or granting agencies) on how they may be used. Restricted net position decreased by $3.4 million, or a negative 3.1% from the prior year, primarily due to the use of restricted resources for capital projects.

Unrestricted net position of $120.1 million, increased by $16.8 million, or 16.3% over prior year. Unrestricted net position may be used to meet the County's other ongoing obligations to citizens and creditors. It is important to note that although the total unrestricted net position is $120.1 million, the unrestricted net position of the County's business-type activities, $126.6 million, may not be used to fund governmental activities. The County has unrestricted net position related to government type activities of a negative $6.5 million. To assist in explaining the negative balance in government type, $18 million in bonds outstanding for capital assets that were contributed to the Truckee River Flood Management Authority, and $27 million in bonds outstanding for the Reno baseball stadium are classified as restricted. The County's adjusted government type unrestricted net position is $38.5 million.

Changes in Net Position. The County's net position decreased $5.9 million, or a negative 0.6%, during the fiscal year from the prior fiscal year.

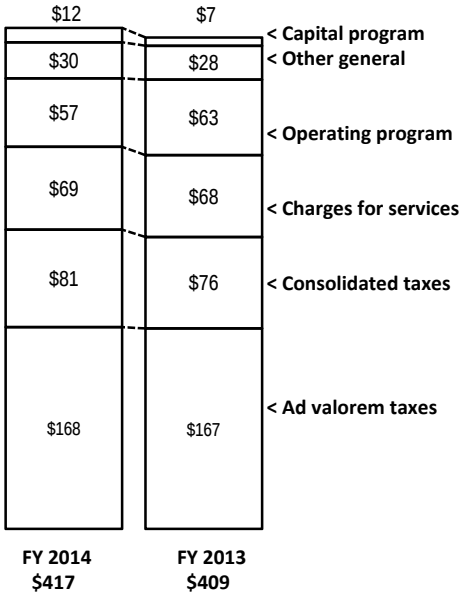
Washoe County Changes In Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 68,476	$ 67,550	$ 35,632	$ 34,300	$ 104,108	$ 101,850
Operating grants, interest and contributions	57,083	63,432	112	449	57,195	63,881
Capital grants, interest and contributions	12,245	7,413	8,107	4,448	20,352	11,861
General revenues:						
Ad valorem taxes	168,009	167,294	-	-	168,009	167,294
Consolidated taxes	80,809	75,489	-	-	80,809	75,489
Other intergovernmental	19,832	18,530	-	-	19,832	18,530
Investment earnings	1,594	174	1,591	(100)	3,185	74
Other	8,981	8,934	-	-	8,981	8,934
Total revenues	417,029	408,816	45,442	39,097	462,471	447,913
Expenses:						
General government	80,958	85,929	-	-	80,958	85,929
Judicial	59,317	57,573	-	-	59,317	57,573
Public safety	137,584	138,149	-	-	137,584	138,149
Public works	48,420	37,157	-	-	48,420	37,157
Health and sanitation	18,384	18,785	-	-	18,384	18,785
Welfare	65,651	66,370	-	-	65,651	66,370
Culture and recreation	21,803	23,614	-	-	21,803	23,614
Community support	178	343	-	-	178	343
Interest/fiscal charges	5,525	7,349	-	-	5,525	7,349
Utilities	-	-	28,300	30,844	28,300	30,844
Golf courses	-	-	952	979	952	979
Building permits	-	-	1,357	1,329	1,357	1,329
Total Expenses	437,820	435,269	30,609	33,152	468,429	468,421
Increase (decrease) in net position before transfers	(20,791)	(26,453)	14,833	5,945	(5,958)	(20,508)
Transfers	211	1,450	(211)	(1,450)	-	-
Change in net position	(20,580)	(25,003)	14,622	4,495	(5,958)	(20,508)
Net postion, July 1, as restated (Note 19)	545,188	570,191	425,054	420,559	990,358	990,358
Net postion, June 30	$ 524,608	$ 545,188	$ 439,676	$ 425,054	$ 964,284	$ 970,242

The change in net position shows the current year operations decreased by $6 million, but has improved significantly over prior year, as total revenue of $462.5 million increased by $14.6 million, or 3.3% over prior year. An increase in charges for service, capital grants, and investments all contributed to drive total revenue higher than prior year. Ad valorem taxes of $168 million, finds traction while holding level as compared to prior year. The County is encouraged by this trend and will continue to mentor the revenue mix.

Governmental Activities. Governmental activities decreased the County's net position by $20.6 million, which is an improvement of $4.4 million or 17.7% over prior year.

Governmental Activities
Revenues by Source
(in Millions)



The two largest revenue sources are ad valorem and consolidated taxes, which together comprise 59.7% of governmental activity revenue.

Ad valorem taxes were flat with a small increase of $1 million, or 0.6% compared to prior year as real and personal property assessed valuations stabilize in the County. There were no increase in the tax rate from prior year.

Consolidated sales taxes, received from the State, increased by $5.0 million, or 6.6% compared to prior year; this makes the fourth year of significant increases after several years of decline. This trend is reflective of national recovery and is encouraging.

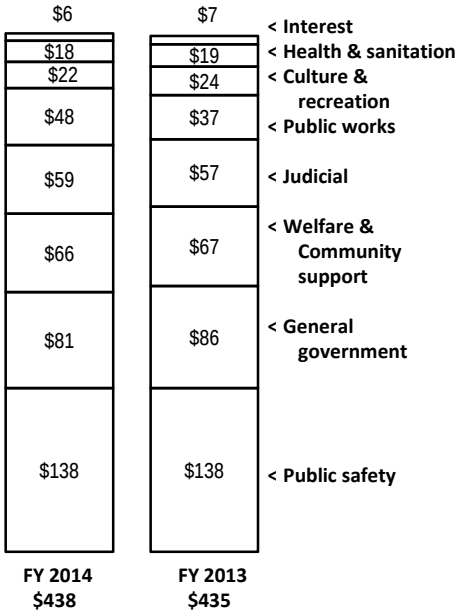
Charges for services was flat at $68 million as was prior year, marking a volume level plateau and demonstrating a consistency in services.

Operating program revenue decreased by $6 million, or 9.5% compared to the prior year, due primarily to grant activity for public safety as two major programs reach completion.

Other general revenues were relatively flat compared to the prior year, as investment income increases were offset by several smaller categories.

Capital program revenue increased by $5 million or 71.4% compared to prior year, as a new special assessment project for road improvements and several grant funded parks projects were added. This revenue is very cyclical in nature.

Governmental Activities
Expenses by Function
(in Millions)



The largest functional areas are public safety and general government, which together comprise 50% of governmental activities expenses.

Total governmental expenses increased by $3 million, or 0.7% compared to prior year, due to capital project increases were offset by general government cost reductions.

Public safety is flat, as prior years' events of the Sheriff's Office, due to wage increases and detention service cost increases, as well as payments to the Truckee River Flood Management Authority (TRFMA), have a full year of reporting.

General government expenses decreased by $5 million, or a negative 5.8% compared to prior year. This includes a $1.3 million reduction in contributions to the OPEB Trust. Combined with others, reductions across several departments were driven by budgeted cost reductions.

Welfare costs were relatively flat, decreased by $1 million, or a negative 1.5% compared to prior year, as major programs have stabilized and have found balance in service levels.

Judicial costs were relatively flat, with an increase of $2 million, or 3.5% compared to prior year, as several new projects, including software and space expansion, were funded through administrative fees restricted to Court expansion and improvement.

Public works costs increased by $11 million, or 29.7% compared to prior year, as cyclical trends in capital grant revenue increased, so will expenses.

Governmental Activities: Program Revenues
Percent of Expenses by Function

	FY 2014	FY 2013
General government	35%	36%
Judicial	22%	23%
Public safety	17%	17%
Public works	43%	40%
Health and sanitation	66%	62%
Welfare	54%	58%
Culture and recreation	25%	25%
Community support	0%	0%
Total	32%	32%

Program revenues for governmental activities provided an average of 32% towards the costs of providing program services.

General government was impacted by a lower OPEB payment than last year.

Welfare programs decreased operating program revenues, largely due to lower grant funded projects while costs for Indigent reimbursements remained level.

The increase in public works expense coverage is related to several large grant projects and timing of grant reimbursements.

Business-type Activities. Net position for business-type activities increased $14.6 million which is $10.1 million more than prior year.

Business-Type Activities: Change in Revenues
In Millions of Dollars

	FY 2014 vs FY 2013	% Change
Charges for services	$ 1	4%
Capital program revenue	4	82%
Other revenues	1	388%
Total	$ 6	16%

Total revenues for business-type activities increased from the prior year.

Utilities experienced increased capital contributions due to new development, and increased rate related revenues. Building permit activities experienced a rise in permitting activity.

Additionally, there was an increase in investment income as a result of increased rates and an increase in market values of investments.

Business-Type Activities: Program Revenues
as a Percent of Expenses

	FY 2014	FY 2013
Utilities	143%	118%
Golf courses	90%	106%
Building permits	184%	130%
Combined	143%	118%

Utilities activities favorable trend in program revenue to expense ratio was driven by increased capital contributions and rate related revenues.

The County continues to maintain the major assets at each contractually managed golf course, and revenues decreased $185,000.

Building permit activities also saw improved profitability during the year as housing permits continued to trend up.

Business-type Activities. Net position for business-type activities was $439.7 million, which is an increase of $14.6 million, or 3.4% compared to prior year; this is a significant increase compared to the prior year's positive growth. Some of the driving elements include Water Resource Fund's capital contribution of $8.1 million, related to development fees associated with the housing market showing a recovery from decade-long lows. It should be noted that this revenue source has two elements, any costs related to the fee will be incurred in the future and the Water Resource Fund, water utility activity, is proposed for transfer to Truckee Meadows Water Authority (TMWA) on December 31, 2014.

Total revenues for business-type activities were relatively flat as compared to prior year, as pricing has stabilized and customer volume has remained constant.

Operating expenses for business-types were reduced mainly through utilites by $2.5 million, or 7.7% compared to prior year. In the utilities grouping, the Water Resources Fund's nonoperating expenses were lower due to refunds for connection fees and an increase in investment earnings. The developer connection fee increase of $4, refunds decreased by $2.1 million as compared to prior year, and investment earnings increased by $1.6 million. In summary, the housing market related developer fees increased and reduced refunds totaling an estimated $10 million effect compared to prior year.

Business-type activities core operations demonstrated revenue stability as volume and pricing remained level and operating expenses experienced no changes, compared to prior year. The non-operating activity accounted for all of the significant increase in net position, compared to prior year, as investment earnings and developer related transactions shows improvement but should not be relied upon for the future growth of operations.

FINANCIAL ANALYSIS OF GOVERNMENTAL FUNDS

The County uses fund accounting and budgetary integration to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the County's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's current funding requirements.

Current year governmental fund combined ending fund balances of $139.5 million reflect an increase of $ 1.6 million, or 1.2% compared to prior year. The small increase is due to a combination of the general fund excess of $7.6 million and lower than normal capital spending of $4.5 million deficiency. The revenue was relatively flat at $406.2 million, an increase of $5.4 million or 1.3%, with contributions from intergovernmental, charges for services, and miscellaneous. The expenditures were down at $404.7 million, a decrease of $24.1 million, or 5.6%, due to reductions in capital outlay of $8.8 million, debt service (principal) of $13.7 million, general government of $12.3 million, and a mix of other groups of $1.2, were offset by an increase in public works of $10.6 million.

Governmental Fund Balance
(in Millions)

	2014
Non spendable	$ 0.1
Restricted:	
Parks and open space projects	20.5
Debt Service	11.8
County facility improvement projects	8.5
Groundwater remediation	5.7
Court programs and expansion	6.6
Other	20.2
Total restricted	73.3
Committed:	
Adult, indigent, child support services	4.1
Animal control and services	5.8
Stabilization	4.2
Other	3.7
Total committed	17.8
Assigned	
Roadway projects	7.5
Other	1.1
Total assigned	8.6
Unassigned	39.7
Total fund balances	$ 139.5

Fund balance components have been classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the fund.

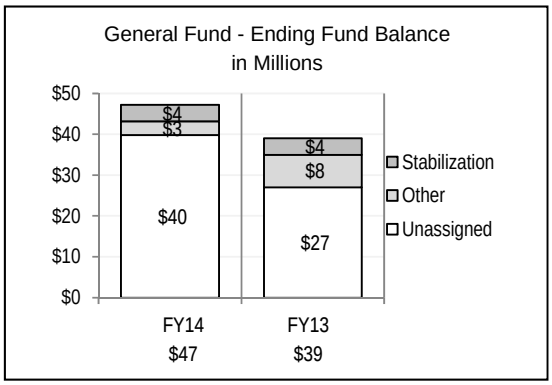
The largest component of fund balance, at 53% of total, is restricted at $73.3 million. Spending of these resources is constrained by externally imposed (statutory, bond covenant, contracts, or grantors) limitations on their use.

The major components of restricted fund balances are for capital and improvement projects for parks, open space, County facilities, as well as the resources restricted for debt service to repay financing of previous capital projects. Administrative fees restricted by the State for court programs and expansion can be used for technology, facilities and other court support programs.

Committed and assigned fund balances combined represent 25% of total fund balance with spending constrained either by the Board of County Commissioners (BCC) (for committed) or senior management (for assigned). Committed balances in the special revenue funds are primarily due to transfers or revenues directed by the BCC to those funds to support the programs.

Unassigned fund balance primarily consists of the General Fund remaining fund balance and is available to support general operations of the fund. A negative unassigned fund balance in the Other Restricted Special Revenue Fund is due to revenue deferrals on grants that have not yet been reimbursed.

General Fund: The General Fund is the County's primary operating fund. Cash and investments of $50.2 million increased $10 million, or 24.9% over prior year. The cash flow from operations were driven by the revenue side of the equation, as receivables are flat in spite of a $10 million increase in revenue. The liabilities were also flat and expenditures were level at $254.2 million, an increase of $2.2 million, or .9% over the prior year.



Total fund balance was $46.6 million at the end of this fiscal year, an increase of $7.6 million, or 19.5% compared to the prior year.

The stabilization portion represents $4.1 million committed for stabilization based upon the Board of County Commissioner's fund balance policy and State of Nevada NRS 354.6115. This amount represents 1.6% of total expenditures and transfers out, excluding material one-time itemsm and is unchanged from the prior year.

Other fund balance categories include restricted, committed and assigned. Restricted fund balance consists of $750,000 for baseball stadium debt service and ad valorem taxes restricted for indigent insurance. Of the $9.7 million needed to fund the fiscal year 2014 budgeted deficit, $4.1 million is included in committed fund balance for stabilization and $1.1 million is in assigned fund balance. The remaining balances are primarily for encumbrances for major contracts (committed) or other expenditures (assigned) that have been re-appropriated in the next fiscal year. Unassigned fund balance increased by $13.3 million, or 49.3%, compared to the prior year.

Special Assessment Debt Service Fund: The Special Assessment Debt Service Fund**,** a major fund, accounts for assessments, penalties, investment income and other resources to retire debt issued for improvements benefiting those properties against which the special assessments are levied. Ending fund balance of $1.7 million, an increase of $377,000 or 29% over the prior year fund balance, is primarily due to revenue collections exceeding the debt service.

Child Protective Services Fund: The Child Protective Services Fund, a major fund managed by the Social Services Department, accounts for resources specifically appropriated to protect against the neglect, abandonment and abuse of children in the County. The primary funding source, federal and state grants, amounted to 78% of revenue with ad valorem taxes contributing another 12% of revenue. Expenditures include personnel costs, as well as expenditures for child protection and placement, including emergency shelter, professional services, foster care and adoption subsidies.

Ending fund balance of $4.3 million was $4.5 million below the prior year as program costs exceeded the revenue sources. Restricted fund balance of $136,500 is largely due to donations and private foundation grants to support specific programs. The remaining fund balance of $4.2 million has been committed to support child protective programs by the BCC through budgeted transfers over several years.

Proprietary Funds: Proprietary fund statements provide the same type of information found in the government-wide financial statements, but in greater detail and at fund level. They are accounted for using the full accrual basis of accounting; therefore, no reconciliation is required to the government-wide statements.

The **Water Resources Fund** was established to account for county-owned and operated water and sewer systems in the unincorporated areas of the County. The County is the only organization in Nevada that provides integrated water resource services for water supply, wastewater treatment, effluent reuse, flood management, and water resource planning.

Cash and investments increased by $12.8 million during the year, driven by positive cash flow from operations and the receipt of hook-up fees from developers.

Operating revenue of $32.3 million was 101% of budget and $748,000 higher than the prior year. The increase was primarily due to growth in customers, a 1.7% increase in utility rates based on changes to the regional Consumer Price Index, and higher overhead revenue from the Western Regional Water Commission.

Operating expenses of $27.1 million were 86% of budget and $163,000 higher than the prior year. Well mitigation, repairs and maintenance, and non-capital equipment costs were all lower than anticipated while professional services, utilities, and overhead expenses were all greater than in the prior year.

Capital contributions of $8.1 million were 284% of budget and $3.7 million higher than the prior year. This increase was mainly due to higher hook-up fee revenue by $3.6 million and a rise in contributions from contractors by $90,000.

On December 9, 2009, the Washoe County Board of County Commissioners and the Truckee Meadows Water Authority (TMWA) Board of Directors approved an interlocal agreement governing the consolidation of the County's water utility into the Truckee Meadows Water Authority. The purpose of the agreement is to integrate and merge the water utility into TMWA in a strategically phased manner, with TMWA as the surviving water purveyor. The contemplated consolidation is expected to benefit the community through better stewardship of water resources and more efficient use of facilities and facility planning. Pursuant to the terms of the agreement, the parties have completed a due diligence process under the direction of the TMWA General Manager and the Director of Community Services. The parties are in the process of preparing an addendum to the interlocal agreement that is expected to be submitted to the respective governing boards for their review and approval in October 2014, with a target consolidation date of December 31, 2014.

The County's water utility staff continues to operate the South Truckee Meadows General Improvement District's (STMGID) water utility under the terms of an interlocal agreement. The STMGID has its own revenue source and reimburses the County for this support. Revenue for County services is classified as services to other agencies. The STMGID Board of Trustees has also approved an interlocal agreement governing the consolidation of the STMGID's water utility with TMWA simultaneously with the County's water utility. Once the consolidation is complete, the County will continue to operate and account for various sewer systems, a reclaimed water system, and a flood detention facility in Spanish Springs in one or more enterprise funds.

CAPITAL ASSETS

The County's investment in capital assets for its governmental and business-type activities as of June 30, 2014, is $911 million (net of accumulated depreciation), as summarized below.

Washoe County Capital Assets (Net of Depreciation)
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land,use rights	$ 143,135	$ 142,795	$ 14,033	$ 13,987	$ 157,168	$ 156,782
Plant capacity	-	-	825	825	825	825
Construction in progress	10,713	6,910	3,917	4,550	14,630	11,460
Land improvements	21,077	22,254	1,810	2,010	22,887	24,264
Building/improvements	192,061	197,914	51,861	50,288	243,922	248,202
Infrastructure	165,085	183,609	276,806	280,857	441,891	464,466
Equipment	17,918	20,349	282	171	18,200	20,520
Software	4,633	6,013	-	108	4,633	6,121
Plant capacity, depreciable	-	-	7,259	7,510	7,259	7,510
Total	$ 554,622	$ 579,844	$ 356,793	$ 360,306	$ 911,415	$ 940,150

The net decrease in investment in capital assets for the current fiscal year of $28.7 million or 3.1% was primarily due to depreciation of $49 million, which was in excess of net capital additions by $17 million. New capital investments during the year included $3.6 million for road right-of-ways and improvements, $2.9 million for vehicles and other equipment and $6.2 million for utility infrastructure. The construction in progress balance of $10.7 million in governmental activities included projects for regional public safety communications and technology, parks and open space and for water quality improvement at Lake Tahoe. Major commitments at year-end of $6.9 million

included continuation of the projects in progress as well as additional projects for technology improvements and infrastructure.

Additional information on the County's capital assets can be found in Notes 5 and 6.

DEBT ADMINISTRATION

At June 30, 2014, the County had a total outstanding bonded debt of $220.7 million. Of this amount, $171.4 million is general obligation debt backed by the full faith and credit of the County, and $8.1 million is special assessment debt for which the County is liable in the event of default by property owners subject to the assessment. The remainder of the County's debt represents revenue bonds secured solely by specified revenue sources.

Washoe County Outstanding Debt
(in Thousands)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	$ 114,217	$ 120,146	$ 57,175	$ 59,947	$ 171,392	$ 180,093
Revenue Bonds	41,222	42,419	-	-	41,222	42,419
Special Assessment Bonds	8,117	9,061	-	-	8,117	9,061
Total	$ 163,556	$ 171,626	$ 57,175	$ 59,947	$ 220,731	$ 231,573

The County's current fiscal year outstanding debt decreased $10.8 million as a result of principal payments on existing debt.

State Statute (NRS 244A.059) limits the amount of general obligation debt a government entity may issue to 10% of its total assessed valuation. The current limitation for the County is $1.2 billion, which is $963.5 million in excess of the County's outstanding general obligation debt.

Additional information regarding the County's long-term debt can be found in Notes 9, 10, and 11 to the financial statements.

REQUESTS FOR INFORMATION

This report is designed to provide a general overview of the County's finances for all interested parties. Questions concerning the information provided in this report or requests for additional financial information should be addressed to Washoe County Comptroller, P.O. Box 11130, Reno, NV 89520-0027. This report will also be available on the web site at www.washoecounty.us/finance/CAFR2014.htm. Truckee Meadows Fire Protection District (TMFPD) and Sierra Fire Protection District (SFPD) are included in this report as discretely presented component units. These entities issue separate audited financial statements that are filed at the Washoe County Clerk's Office, 1001 E. 9th Street, Room A-100, Reno, Nevada.

BASIC FINANCIAL STATEMENTS

BASIC FINANCIAL STATEMENTS

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WASHOE COUNTY, NEVADA
STATEMENT OF NET POSITION
JUNE 30, 2014

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Truckee Meadows Fire Protection District	Sierra Fire Protection District
Assets					
Cash and investments (Note 3)	$ 174,313,481	$ 111,724,069	$ 286,037,550	$ 20,650,712	$ 1,931,682
Restricted cash and investments (Note 4)	795,406	2,527,373	3,322,779	-	-
Accounts receivable	5,213,707	4,833,210	10,046,917	625	-
Consolidated tax receivable	14,315,970	-	14,315,970	-	-
Property taxes receivable	2,852,086	-	2,852,086	165,399	57,654
Other taxes receivable	14,144,023	-	14,144,023	-	-
Interest receivable	465,343	291,443	756,786	51,547	4,976
Due from other funds	(51,269)	51,269	-	-	-
Due from other governments	9,289,243	1,732,912	11,022,155	1,481,080	289,293
Internal balances	(13,428,010)	13,428,010	-	-	-
Inventory	297,763	198,150	495,913	-	-
Deposits and other assets	317,313	72,484	389,797	1,480,776	-
Long-term restricted cash and investments (Note 4)	2,301,657	10,744,524	13,046,181	-	-
Long-term assets (Notes 5,15)	6,870,434	316,240	7,186,674	1,001,338	-
Capital Assets: (Note 6)					
Nondepreciable	153,848,812	18,774,914	172,623,726	3,528,972	121,000
Other capital assets, net of depreciation	400,773,172	338,018,299	738,791,471	12,048,495	4,530,558
Total Assets	772,319,131	502,712,897	1,275,032,028	40,408,944	6,935,163
Deferred Outflows of Resources					
Deferred charge on refunding (Note 10)	452,054	-	452,054	-	-
Liabilities					
Accounts payable	13,635,370	1,207,914	14,843,284	1,815,079	-
Accrued salaries and benefits	9,465,373	303,571	9,768,944	-	-
Contracts/retention payable	1,885,421	41	1,885,462	-	-
Tax refunds payable	1,244,390	-	1,244,390	-	-
Interest payable	1,102,140	1,127,161	2,229,301	-	-
Due to other funds	(95,660)	95,660	-	-	-
Due to other governments	3,740,234	1,337,650	5,077,884	111,315	66,593
Other liabilities (Note 7)	2,306,658	827,817	3,134,475	-	-
Unearned revenue (Note 8)	3,869,734	149,128	4,018,862	-	-
Noncurrent Liabilities: (Notes 9,10,11,15,16)					
Due within one year	33,290,118	3,436,310	36,726,428	1,170,270	-
Due in more than one year, payable from restricted assets	2,301,657	-	2,301,657	-	-
Due in more than one year	174,513,725	54,551,141	229,064,866	1,373,952	2,141,475
Total Liabilities	247,259,160	63,036,393	310,295,553	4,470,616	2,208,068
Net Position (Note 13)					
Net investment in capital assets	437,044,466	299,618,398	736,662,864	15,577,467	4,651,558
Restricted for:					
General government	4,474,780	-	4,474,780	-	-
Judicial	6,768,050	-	6,768,050	-	-
Public safety	7,643,576	1,315,993	8,959,569	771,851	870,386
Public works	113,077	-	113,077	-	-
Health and sanitation	929,951	-	929,951	-	-
Welfare	5,482,452	-	5,482,452	-	-
Culture and recreation	656,825	-	656,825	-	-
Debt service	19,260,589	12,144,736	31,405,325	-	-
Capital projects	29,394,195	-	29,394,195	3,329,172	-
Claims	19,331,717	-	19,331,717	5,254,381	-
Unrestricted	(6,491,761)	126,597,377	120,105,616	11,005,457	(794,849)
Total Net Position	$ 524,607,917	$ 439,676,504	$ 964,284,421	$ 35,938,328	$ 4,727,095

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

WASHOE COUNTY, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

			Program Revenues		
Functions/Programs	**Expenses**	**Indirect Expenses Allocation**	**Charges for Services**	**Operating Grants, Interest, Contributions**	**Capital Grants, Interest, Contributions**
Primary Government					
Governmental Activities:					
General government	$ 80,958,311	$ (8,592,643)	$ 27,105,892	$ 882,816	$ 86,794
Judicial	59,316,649	8,035	9,904,501	3,172,472	-
Public safety	137,583,548	950,879	16,204,915	5,609,336	892,448
Public works	48,419,813	1,487,034	7,121,955	3,348,657	10,540,023
Health and sanitation	18,384,226	2,956,925	4,042,935	7,854,951	151,821
Welfare	65,650,977	2,372,329	2,749,703	32,782,806	-
Culture and recreation	21,803,131	817,441	1,346,379	3,432,201	573,501
Community support	178,296	-	-	-	-
Interest on long-term debt	5,525,321	-	-	-	-
Total Governmental Activities	437,820,272	$ -	68,476,280	57,083,239	12,244,587
Business-type Activities:					
Utilities	28,299,955		32,286,439	110,733	8,107,319
Golf courses	952,041		854,192	1,005	-
Building permits	1,356,958		2,491,146	-	-
Total Business-type Activities	30,608,954		35,631,777	111,738	8,107,319
Total Primary Government	$ 468,429,226		$ 104,108,057	$ 57,194,977	$ 20,351,906
Component Units:					
Truckee Meadows Fire Protection District	$ 22,249,275		$ 6,374,245	$ 135,732	$ 750,000
Sierra Fire Protection District	8,686,631		-	-	206,043
Total Component Units	$ 30,935,906		$ 6,374,245	$ 135,732	$ 956,043

General Revenues:
- Ad valorem taxes
- Unrestricted intergovernmental revenues:
  - Consolidated taxes
  - LGTA sales taxes
  - Infrastructure sales tax
  - Other taxes and intergovernmental revenues
- Other miscellaneous
- Unrestricted investment earnings
- Gain on sales of capital assets

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, July 1, as Restated (Note 19)

Net Position, June 30

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activities	Total	Truckee Meadows Fire Protection District	Sierra Fire Protection District
$ (44,290,166)	$ -	$ (44,290,166)		
(46,247,711)	-	(46,247,711)		
(115,827,728)	-	(115,827,728)		
(28,896,212)	-	(28,896,212)		
(9,291,444)	-	(9,291,444)		
(32,490,797)	-	(32,490,797)		
(17,268,491)	-	(17,268,491)		
(178,296)	-	(178,296)		
(5,525,321)	-	(5,525,321)		
(300,016,166)	-	(300,016,166)		
-	12,204,536	12,204,536		
-	(96,844)	(96,844)		
-	1,134,188	1,134,188		
-	13,241,880	13,241,880		
(300,016,166)	13,241,880	(286,774,286)		
			$ (14,989,298)	$ -
			-	(8,480,588)
			(14,989,298)	(8,480,588)
168,009,195	-	168,009,195	10,105,769	4,830,504
80,808,838	-	80,808,838	5,206,953	1,207,498
10,228,786	-	10,228,786	654,633	248,213
7,672,379	-	7,672,379	-	-
1,931,486	-	1,931,486	402,675	1,001,241
8,957,218	-	8,957,218	405,221	42,884
1,593,742	1,591,349	3,185,091	322,274	32,973
23,769	-	23,769	-	-
210,780	(210,780)	-	-	-
279,436,193	1,380,569	280,816,762	17,097,525	7,363,313
(20,579,973)	14,622,449	(5,957,524)	2,108,227	(1,117,275)
545,187,890	425,054,055	970,241,945	33,830,101	5,844,370
$ 524,607,917	$ 439,676,504	$ 964,284,421	$ 35,938,328	$ 4,727,095

WASHOE COUNTY, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2014

	General Fund	Child Protective Services Fund	Special Assessment Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and investments (Note 3)	$ 50,233,793	$ 3,209,462	$ 1,680,910	$ 86,927,553	$ 142,051,718
Restricted cash and investments (Notes 3,4)	750,000	-	-	45,406	795,406
Accounts receivable	1,738,938	2,259	-	222,583	1,963,780
Consolidated tax receivable	14,315,970	-	-	-	14,315,970
Property taxes receivable	2,315,984	79,633	-	456,469	2,852,086
Other taxes receivable	2,718,161	-	8,470,915	2,954,947	14,144,023
Interest receivable	238,494	-	4,237	149,582	392,313
Due from other funds	378,054	24,363	-	185,803	588,220
Due from other governments	1,335,116	4,434,678	-	3,519,449	9,289,243
Deposits and prepaid items	19,043	-	-	42,124	61,167
Total Assets	$ 74,043,553	$ 7,750,395	$ 10,156,062	$ 94,503,916	$ 186,453,926
Liabilities					
Accounts payable	$ 8,621,533	$ 2,202,855	$ 1,599	$ 1,667,963	$ 12,493,950
Accrued salaries and benefits	7,418,327	756,606	-	1,190,395	9,365,328
Contracts/retention payable	612	-	-	1,884,809	1,885,421
Tax refunds payable	1,013,016	36,456	-	194,918	1,244,390
Due to other funds	166,810	2,823	-	374,195	543,828
Due to other governments	2,864,530	41,850	-	833,616	3,739,996
Deposits	-	-	-	253,776	253,776
Other liabilities (Note 7)	2,030,743	986	21,153	-	2,052,882
Unearned revenue (Note 8)	3,446,375	28,852	-	394,507	3,869,734
Total Liabilities	25,561,946	3,070,428	22,752	6,794,179	35,449,305
Deferred Inflows of Resources (Note 8)					
Unavailable revenue - grants and other revenue	-	273,522	8,470,915	414,398	9,158,835
Unavailable revenue - property taxes	1,875,040	68,325	-	393,302	2,336,667
Total Deferred Inflows of Resources	1,875,040	341,847	8,470,915	807,700	11,495,502
Fund Balances (Note 13)					
Nonspendable	19,043	-	-	39,483	58,526
Restricted	792,259	136,505	1,662,395	70,727,385	73,318,544
Committed	4,518,775	4,201,615	-	9,071,496	17,791,886
Assigned	1,106,583	-	-	7,482,168	8,588,751
Unassigned	40,169,907	-	-	(418,495)	39,751,412
Total Fund Balances	46,606,567	4,338,120	1,662,395	86,902,037	139,509,119
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 74,043,553	$ 7,750,395	$ 10,156,062	$ 94,503,916	$ 186,453,926

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

WASHOE COUNTY, NEVADA
RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET POSITION
JUNE 30, 2014

Fund Balances - Governmental Funds		$ 139,509,119
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets and long-term assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Governmental capital assets	$ 1,181,164,189	
Less accumulated depreciation	(632,088,006)	
		549,076,183
Other assets used in governmental activities are not financial resources and therefore are not reported in governmental funds.		
Prepaid bond insurance	132,854	
Net OPEB asset	2,873,527	3,006,381
Other liabilities are not due and payable in the current period and therefore are not reported in governmental funds.		
Lease payable based on the amortization of non level payments		(135,169)
Long-term liabilities and deferred outflows of resources, including bonds payable and accrued interest, are not due and payable in the current period and therefore are not reported in governmental funds.		
Governmental bonds payable	(162,512,790)	
Bond premiums, discounts and charge on refundings	(1,043,492)	
Accrued interest payable	(1,102,140)	
Remediation obligation	(7,013,183)	
Compensated absences	(24,305,081)	(195,976,686)
Revenues that were not available to fund current expenditures and therefore are not reported in governmental funds.		11,495,502
Internal service funds are used by management to charge the costs of certain activities to individual funds. Net position of internal service funds is reported with governmental activities.		
Total net position of internal service funds	31,060,597	
Internal balances receivable from business-type activities	1,561,346	32,621,943
Governmental funds report allocations of indirect expenses to enterprise funds. However, in the Statement of Activities indirect expenses are eliminated.		(14,989,356)
Total Net Position of Governmental Activities		$ 524,607,917

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

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

	General Fund	Child Protective Services Fund	Special Assessment Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Revenues					
Taxes:					
Ad valorem	$ 137,635,605	$ 4,872,964	$ -	$ 26,062,688	$ 168,571,257
Car rental fee	-	-	-	1,141,625	1,141,625
Other taxes	311,167	-	-	214,659	525,826
Special assessments	-	-	676,240	-	676,240
Licenses and permits	8,264,242	22,433	-	1,649,318	9,935,993
Intergovernmental revenues	99,891,765	32,964,193	-	35,348,586	168,204,544
Charges for services	23,797,197	2,642,498	-	9,254,637	35,694,332
Fines and forfeits	8,128,615	-	41,589	2,319,476	10,489,680
Miscellaneous	3,987,086	1,576,088	466,642	4,951,050	10,980,866
Total Revenues	282,015,677	42,078,176	1,184,471	80,942,039	406,220,363
Expenditures					
Current:					
General government	49,593,836	-	-	616,066	50,209,902
Judicial	50,358,766	-	-	5,277,753	55,636,519
Public safety	109,560,703	-	-	18,802,893	128,363,596
Public works	14,021,932	-	-	12,102,747	26,124,679
Health and sanitation	-	-	-	21,557,725	21,557,725
Welfare	15,912,180	46,146,959	-	7,305,208	69,364,347
Culture and recreation	11,362,946	-	-	6,838,624	18,201,570
Community support	178,296	-	-	-	178,296
Intergovernmental	3,213,165	-	-	5,577,137	8,790,302
Capital outlay	-	-	-	12,570,804	12,570,804
Debt Service:					
Principal	-	-	894,495	7,048,208	7,942,703
Interest	-	-	343,692	5,283,514	5,627,206
Debt service fees and other fiscal charges	-	-	45,942	45,798	91,740
Assessment refunds	-	-	6,262	-	6,262
Total Expenditures	254,201,824	46,146,959	1,290,391	103,026,477	404,665,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	27,813,853	(4,068,783)	(105,920)	(22,084,438)	1,554,712
Other Financing Sources (Uses)					
Proceeds from asset disposition	31,239	-	-	1,936	33,175
Proceeds from insurance recoveries	-	-	-	39,725	39,725
Transfers in	845,270	-	482,653	29,348,066	30,675,989
Transfers out	(21,117,545)	(445,406)	-	(9,113,038)	(30,675,989)
Total Other Financing Sources (Uses)	(20,241,036)	(445,406)	482,653	20,276,689	72,900
Net Change in Fund Balances	7,572,817	(4,514,189)	376,733	(1,807,749)	1,627,612
Fund Balances, July 1	39,033,750	8,852,309	1,285,662	88,709,786	137,881,507
Fund Balances, June 30	$ 46,606,567	$ 4,338,120	$ 1,662,395	$ 86,902,037	$ 139,509,119

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

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

Net Change in Fund Balances - Governmental Funds		$ 1,627,612
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is depreciated over their estimated useful lives.		
Expenditures for capital assets	$ 10,172,665	
Less current year depreciation/amortization	(38,712,868)	(28,540,203)
Net OPEB assets reported in governmental activities are not a current financial resource in governmental funds.		
Change in Net OPEB Asset		(838,116)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in governmental funds.		
Donated capital assets	3,334,551	
Change in unavailable revenue	(1,695,496)	1,639,055
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities and/or deferred outflows of resources in the Statement of Net Position. Repayment of bond principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which bonds issued exceeded repayments:		
Bond principal payments		7,942,703
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.		
Amortization of bond premium	134,374	
Amortization of bond discount	(3,143)	
Amortization of deferred charge on refunding	(4,253)	
Amortization of bond prepaid insurance	(40,676)	
Change in lease payable	(52,597)	
Change in termination benefits	22,769	
Change in compensated absences	(438,902)	
Change in remediation obligation	1,262,479	
Change in accrued interest payable	72,910	
Disposition of capital assets	(71,985)	880,976
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds is reported with governmental activities.		
Change in net position of internal service funds	(1,517,423)	
Internal charges reported in business activities	(1,774,577)	(3,292,000)
Change in Net Position of Governmental Activities		$ (20,579,973)

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

WASHOE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			
	Original	Final	Actual	Variance to Final Budget
Revenues				
Taxes:				
Ad valorem	$ 137,565,073	$ 137,565,073	$ 137,635,605	$ 70,532
Other taxes	280,000	280,000	311,167	31,167
Licenses and permits	8,327,050	8,327,050	8,264,242	(62,808)
Intergovernmental revenues	94,489,524	94,649,053	99,891,765	5,242,712
Charges for services	24,380,774	24,221,245	23,797,197	(424,048)
Fines and forfeits	7,418,200	7,418,200	8,128,615	710,415
Miscellaneous	4,377,672	4,412,076	3,987,086	(424,990)
Total Revenues	276,838,293	276,872,697	282,015,677	5,142,980
Expenditures by Function and Activity				
Current:				
General Government:				
Legislative	591,897	556,897	541,811	15,086
Executive	2,627,081	2,920,596	2,423,877	496,719
Elections	1,450,420	1,488,879	1,081,273	407,606
Finance	11,041,283	11,297,239	10,658,987	638,252
Other General Government	41,305,991	41,210,993	34,887,888	6,323,105
Total General Government	57,016,672	57,474,604	49,593,836	7,880,768
Judicial:				
District Courts	16,210,736	16,409,513	14,724,340	1,685,173
District Attorney	17,190,940	17,314,633	16,770,416	544,217
Public Defense	10,646,987	10,648,839	11,089,263	(440,424)
Justice Courts	7,967,809	8,075,530	7,667,927	407,603
Incline Constable	107,057	107,132	106,820	312
Total Judicial	52,123,529	52,555,647	50,358,766	2,196,881
Public Safety:				
Sheriff and Detention	89,864,077	91,872,497	91,030,408	842,089
Medical Examiner	2,011,585	2,163,263	2,116,252	47,011
Fire Suppression	852,995	902,995	695,625	207,370
Juvenile Services	13,108,411	13,108,412	12,482,218	626,194
Protective Services	3,236,755	3,279,112	3,236,200	42,912
Total Public Safety	109,073,823	111,326,279	109,560,703	1,765,576
Public Works:				
Community Services Department (CSD)	14,480,635	14,643,507	14,021,932	621,575
Welfare:				
Social Services	18,756,505	18,756,505	15,912,180	2,844,325
Culture and Recreation:				
Library	7,677,316	7,679,792	7,528,198	151,594
CSD - Regional Parks and Open Space	3,799,580	3,957,188	3,834,748	122,440
Total Culture and Recreation	11,476,896	11,636,980	11,362,946	274,034
Community Support	369,761	219,520	178,296	41,224

(CONTINUED)

WASHOE COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BY FUNCTION AND ACTIVITY
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			
	Original	**Final**	**Actual**	**Variance to Final Budget**
Intergovernmental	$ 3,216,460	$ 3,216,460	$ 3,213,165	$ 3,295
Total Expenditures	266,514,281	269,829,502	254,201,824	15,627,678
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,324,012	7,043,195	27,813,853	20,770,658
Other Financing Sources (Uses)				
Proceeds from asset disposition	5,000	5,000	31,239	26,239
Transfers in	470,375	470,375	845,270	374,895
Transfers out	(19,285,071)	(20,918,360)	(21,117,545)	(199,185)
Contingency	(1,215,000)	(367,515)	-	367,515
Total Other Financing Sources (Uses)	(20,024,696)	(20,810,500)	(20,241,036)	569,464
Net Change in Fund Balances	(9,700,684)	(13,767,305)	7,572,817	21,340,122
Fund Balances, July 1	34,967,129	39,033,750	39,033,750	-
Fund Balances, June 30	$ 25,266,445	$ 25,266,445	$ 46,606,567	$ 21,340,122

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

WASHOE COUNTY, NEVADA
CHILD PROTECTIVE SERVICES FUND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			
	Original	Final	Actual	Variance to Budget
Revenues				
Taxes:				
Ad valorem	$ 4,872,150	$ 4,872,150	$ 4,872,964	$ 814
Licenses and Permits:				
Day care licenses	22,500	22,500	22,433	(67)
Intergovernmental Revenues:				
Federal grants	20,654,650	20,654,650	17,169,589	(3,485,061)
State grants	15,859,711	15,859,711	15,794,604	(65,107)
Charges for Services:				
Service fees	2,657,000	2,657,000	2,642,498	(14,502)
Miscellaneous:				
Contributions and donations	60,080	60,080	56,330	(3,750)
Other	-	-	1,519,758	1,519,758
Total Revenues	44,126,091	44,126,091	42,078,176	(2,047,915)
Expenditures				
Welfare Function:				
Salaries and wages	14,318,787	14,318,787	13,145,404	1,173,383
Employee benefits	6,055,616	6,055,616	5,420,013	635,603
Services and supplies	28,099,376	28,099,376	25,379,676	2,719,700
Capital outlay	20,000	20,000	2,201,866	(2,181,866)
Total Expenditures	48,493,779	48,493,779	46,146,959	2,346,820
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,367,688)	(4,367,688)	(4,068,783)	298,905
Other Financing Sources (Uses)				
Transfers:				
Other Restricted Fund	-	-	(45,406)	(45,406)
Debt Service Fund	(400,000)	(400,000)	(400,000)	-
Total Other Financing Sources (Uses)	(400,000)	(400,000)	(445,406)	(45,406)
Net Change in Fund Balances	(4,767,688)	(4,767,688)	(4,514,189)	253,499
Fund Balances, July 1	9,469,281	9,469,281	8,852,309	(616,972)
Fund Balances, June 30	$ 4,701,593	$ 4,701,593	$ 4,338,120	$ (363,473)

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

WASHOE COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Resources Fund	Other Enterprise Funds	Total	Internal Service Funds
Assets				
Current Assets:				
Cash and investments (Note 3)	$ 109,243,717	$ 2,480,352	$ 111,724,069	$ 32,261,763
Restricted cash and investments (Notes 3,4)	2,527,373	-	2,527,373	-
Accounts receivable	4,689,008	144,202	4,833,210	3,249,927
Interest receivable	286,199	5,244	291,443	73,030
Due from other funds	51,269	-	51,269	-
Due from other governments	1,732,912	-	1,732,912	-
Inventory	189,870	8,280	198,150	297,763
Other assets	72,484	-	72,484	256,146
Total Current Assets	118,792,832	2,638,078	121,430,910	36,138,629
Noncurrent Assets:				
Restricted cash and investments (Notes 3,4)	10,744,524	-	10,744,524	2,301,657
Long-term receivables and other assets (Note 5)	316,240	-	316,240	3,864,053
Capital Assets: (Note 6)				
Nondepreciable:				
Land	13,860,227	173,000	14,033,227	-
Plant capacity	-	825,150	825,150	-
Construction in progress	3,916,537	-	3,916,537	34,344
Depreciable:				
Land improvements	1,425,257	3,764,945	5,190,202	-
Buildings and improvements	70,056,702	1,258,356	71,315,058	24,990
Infrastructure	361,623,046	-	361,623,046	-
Equipment	1,337,963	1,043,240	2,381,203	24,007,576
Software	1,060,942	78,183	1,139,125	20,260
Plant, well capacity	10,030,729	-	10,030,729	-
Less accumulated depreciation	(108,913,780)	(4,747,284)	(113,661,064)	(18,541,369)
Total Noncurrent Assets	365,458,387	2,395,590	367,853,977	11,711,511
Total Assets	484,251,219	5,033,668	489,284,887	47,850,140
Liabilities				
Current Liabilities:				
Accounts payable	1,173,893	34,021	1,207,914	1,006,252
Accrued salaries and benefits	234,353	69,218	303,571	100,045
Compensated absences (Notes 9,10)	490,351	123,654	614,005	213,077
Contracts/retention payable	41	-	41	-
Interest payable	1,127,161	-	1,127,161	-
Due to other funds	95,660	-	95,660	-
Due to other governments	1,327,650	10,000	1,337,650	238
Unearned revenue (Note 8)	149,128	-	149,128	-
Other liabilities (Note 7)	814,817	13,000	827,817	-
Notes, bonds, leases payable (Notes 9,10,11)	2,822,305	-	2,822,305	-
Pending claims (Note 16)	-	-	-	6,864,000
Total Current Liabilities	8,235,359	249,893	8,485,252	8,183,612

(CONTINUED)

WASHOE COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2014

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Resources Fund	Other Enterprise Funds	Total	Internal Service Funds
Noncurrent Liabilities: (Notes 9,10,11,16)				
Compensated absences	$ 158,629	$ 40,002	$ 198,631	$ 68,931
Notes, bonds, leases payable	54,352,510	-	54,352,510	-
Pending claims	-	-	-	6,235,343
Pending claims payable from restricted cash	-	-	-	2,301,657
Total Noncurrent Liabilities	54,511,139	40,002	54,551,141	8,605,931
Total Liabilities	62,746,498	289,895	63,036,393	16,789,543
Net Position (Note 13)				
Net investment in capital assets	297,222,808	2,395,590	299,618,398	5,545,801
Restricted for public safety	-	1,315,993	1,315,993	-
Restricted for debt service	12,144,736	-	12,144,736	-
Restricted for claims	-	-	-	19,331,717
Unrestricted	112,137,177	1,032,190	113,169,367	6,183,079
Total Net Position	$ 421,504,721	$ 4,743,773	426,248,494	$ 31,060,597
Indirect expenses reported in the Statement of Revenues, Expenses and Changes in Net Position are not reported in the Statement of Activities to enhance comparability between governments that allocate indirect expenses and those that do not.			14,989,356	
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			(1,561,346)	
Net Position of Business-type Activities			$ 439,676,504	

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

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Resources Fund	Other Enterprise Funds	Total	Internal Service Funds
Operating Revenues				
Charges for Services:				
Utility fees	$ 30,039,182	$ -	$ 30,039,182	$ -
Golf course fees	-	793,853	793,853	-
Building permits and fees	-	2,387,116	2,387,116	-
Services to other agencies	1,166,793	94,593	1,261,386	-
Services to other funds	209,572	-	209,572	-
Self insurance fees	-	-	-	46,584,582
Equipment service billings	-	-	-	6,434,653
Miscellaneous	870,892	69,776	940,668	2,837,480
Total Operating Revenues	32,286,439	3,345,338	35,631,777	55,856,715
Operating Expenses				
Salaries and wages	3,996,687	1,153,885	5,150,572	1,695,618
Employee benefits	1,664,925	455,305	2,120,230	745,581
Services and supplies	12,799,624	936,072	13,735,696	54,704,310
Depreciation/amortization	8,677,289	222,041	8,899,330	1,373,800
Total Operating Expenses	27,138,525	2,767,303	29,905,828	58,519,309
Operating Income (Loss)	5,147,914	578,035	5,725,949	(2,662,594)
Nonoperating Revenues (Expenses)				
Investment earnings	1,533,930	24,771	1,558,701	502,901
Net increase (decrease) in the fair value of investments	31,501	1,147	32,648	(536)
Miscellaneous	20,321	1,005	21,326	-
Federal grants	90,412	-	90,412	265,233
Gain (loss) on asset disposition	(10,000)	-	(10,000)	166,793
Interest/bond issuance costs	(2,252,074)	-	(2,252,074)	-
Connection fee refunds/credits	(215,629)	-	(215,629)	-
Total Nonoperating Revenues (Expenses)	(801,539)	26,923	(774,616)	934,391
Income (Loss) Before Capital Contributions, and Transfers	4,346,375	604,958	4,951,333	(1,728,203)
Capital Contributions				
Hookup fees	6,220,293	-	6,220,293	-
Contributions	1,879,633	-	1,879,633	-
Federal/State grants	7,393	-	7,393	-
Total Capital Contributions	8,107,319	-	8,107,319	-
Transfers				
Transfers in (out)	(210,780)	-	(210,780)	210,780
Change in Net Position	12,242,914	604,958	12,847,872	(1,517,423)
Net Position, July 1, as Restated (Note 18)	409,261,807	4,138,815		32,578,020
Net Position, June 30	$ 421,504,721	$ 4,743,773		$ 31,060,597
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.			1,774,577	
Change in Net Position of Business-type Activities			$ 14,622,449	

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

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Resources Fund	Other Enterprise Funds	Total	Internal Service Funds
Increase (Decrease) in Cash and Cash Equivalents				
Cash Flows From Operating Activities:				
Cash received from customers	$ 29,816,135	$ 3,460,736	$ 33,276,871	$ 16,877,164
Cash received from other funds	209,572	-	209,572	35,104,531
Cash received from others	2,213,058	431	2,213,489	3,116,831
Cash payments for personnel costs	(5,677,746)	(1,603,992)	(7,281,738)	(2,430,089)
Cash payments for services and supplies	(11,911,760)	(916,650)	(12,828,410)	(53,853,110)
Cash payments for refund of hookup fees	(215,629)	-	(215,629)	-
Net Cash Provided (Used) by Operating Activities	14,433,630	940,525	15,374,155	(1,184,673)
Cash Flows From Noncapital Financing Activities:				
Federal grants	110,125	-	110,125	265,233
Cash Flows From Capital and Related Financing Activities:				
Proceeds from asset disposition	-	-	-	114,873
Cash received from Federal/State grants	7,794	-	7,794	-
Contributions from others	5,401,815	-	5,401,815	-
Principal paid on financing	(2,736,142)	-	(2,736,142)	-
Interest paid on financing	(2,321,325)	-	(2,321,325)	-
Proceeds from insurance recoveries	-	-	-	10,368
*Acquisition of capital assets	(3,891,805)	(16,493)	(3,908,298)	(1,381,406)
Net Cash Provided (Used) by Capital and Related Financing Activities	(3,539,663)	(16,493)	(3,556,156)	(1,256,165)
Cash Flows From Investing Activities:				
Investment earnings (loss)	1,587,986	24,553	1,612,539	424,378
**Proceeds from assets held for sale	-	-	-	1,647,328
**Equipment supply deposit paid	-	-	-	(2,034,971)
Net Cash Provided (Used) by Investing Activities	1,587,986	24,553	1,612,539	36,735
Net Increase (Decrease) in Cash and Cash Equivalents	12,592,078	948,585	13,540,663	(2,138,870)
Cash and Cash Equivalents, July 1	109,923,536	1,531,767	111,455,303	36,702,290
Cash and Cash Equivalents, June 30	$ 122,515,614	$ 2,480,352	$ 124,995,966	$ 34,563,420

(CONTINUED)

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

	Business-type Activities - Enterprise Funds			Governmental Activities
	Water Resources Fund	Other Enterprise Funds	Total	Internal Service Funds
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	$ 5,147,914	$ 578,035	$ 5,725,949	$ (2,662,594)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation/amortization	8,677,289	222,041	8,899,330	1,373,800
Contributed inventory	92,700	-	92,700	-
Other nonoperating revenue	49,506	-	49,506	-
Hookup fee refunds	(215,629)	-	(215,629)	-
**Imputed rental expense	-	-	-	95,486
Change in assets and liabilities:				
(Increase) decrease in:				
Accounts receivable	15,951	115,829	131,780	(830,233)
Due from other funds	(51,268)	-	(51,268)	-
Due from other governments	(202,485)	-	(202,485)	72,044
Notes receivable	5,941	-	5,941	-
Inventory	7,129	(882)	6,247	(59,640)
Other assets	-	-	-	(263,068)
Increase (decrease) in:				
Accounts payable	498,238	18,540	516,778	(241,817)
Accrued salaries and benefits	3,879	2,403	6,282	12,663
Compensated absences	(20,013)	2,794	(17,219)	(1,552)
Due to other funds	162,699	-	162,699	-
Due to other governments	347,906	1,765	349,671	238
Other liabilities	(648)	-	(648)	-
Pending claims	-	-	-	1,320,000
Unearned revenue	(85,479)	-	(85,479)	-
Total Adjustments	9,285,716	362,490	9,648,206	1,477,921
Net Cash Provided (Used) by Operating Activities	$ 14,433,630	$ 940,525	$ 15,374,155	$ (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**	$ 3,891,805	$ 16,493	$ 3,908,298	$ 1,381,406
Capital contributions received	1,786,933	-	1,786,933	-
Capital transferred from other funds	-	-	-	210,780
Increase/(decrease) in liabilities	(63,882)	-	(63,882)	(156,862)
Total Acquisition of Capital Assets	$ 5,614,856	$ 16,493	$ 5,631,349	$ 1,435,324

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

WASHOE COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2014

	Investment Trust Fund	Agency Funds
Assets		
Cash and investments (Note 4)	$ 100,774,059	$ 29,596,691
Financial assurances	-	1,421,209
Accounts receivable	-	315,419
Property taxes receivable	-	5,248,017
Interest receivable	257,388	-
Due from other governments	-	2,812,269
Other deposits	-	16,709
Total Assets	101,031,447	39,410,314
Liabilities		
Due to others/governments	-	39,410,314
Net Position		
Restricted for pool participants	$ 101,031,447	$ -

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

WASHOE COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2014

	Investment Trust Fund
Additions	
Investment earnings:	
Interest	$ 1,574,299
Net increase (decrease) in the fair value of investments	182,444
Contributions to pooled investments	206,949,245
Total Additions	208,705,988
Deductions	
Distributions from pooled investments	207,445,057
Change in Net Position	1,260,931
Net Position, July 1	99,770,516
Net Position, June 30	$ 101,031,447

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

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NOTES TO THE FINANCIAL STATEMENTS /

REQUIRED SUPPLEMENTARY INFORMATION

NOTES TO THE FINANCIAL STATEMENTS
and
REQUIRED SUPPLEMENTARY INFORMATION

Page

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Washoe County (County) was incorporated in 1861 and is a municipality of the State of Nevada (State) governed by a five-member elected Board of County Commissioners (BCC). The major operations of Washoe County 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 accompanying financial statements of the County and its discretely presented component units have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of the existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

A. Reporting Entity

These financial statements present the County and its component units. Component units are legally separate organizations for which the County is financially accountable. The County currently has two discretely presented component units.

Truckee Meadows Fire Protection District (TMFPD) was formed pursuant to Chapter 474 of the Nevada Revised Statutes (NRS) and levies taxes to provide emergency medical services, structural and wildland fire suppression services, and watershed protection to the unincorporated areas of the County within TMFPD's boundaries. TMFPD also provides fire services to the Sierra Fire Protection District through an interlocal agreement.

The Sierra Fire Protection District (SFPD) was formed pursuant to Chapter 474 of the NRS. SFPD levies taxes and, through an interlocal agreement, pays TMFPD to provide fire services in the district. SFPD continues to purchase and maintain facilities and equipment supporting its District.

For each discretely presented component unit, the BCC is also the Board of Fire Commissioners and thus could impose their will on the Fire Districts. However, the County does not have a financial benefit or burden relationship with the Fire Districts and support activities between the County and the Fire Districts are reimbursed under the terms of interlocal agreements.

Separate financial statements for the two districts are filed at the Washoe County Clerk's Office, 1001 E. 9th Street Room A-115, Reno, Nevada.

B. Basic Financial Statements – Government-wide Statements

The basic financial statements include both government-wide and fund financial statements. The reporting focus is on either the County as a whole or major individual funds and nonmajor funds in the aggregate. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

The County has two discretely presented component units which are presented in separate columns in the government-wide statements.

The government-wide financial statements (Statement of Net Position and Statement of Activities) report information on all nonfiduciary activities of the County and its component units. The County maintains an overhead cost allocation that is charged to operating funds based on an indirect cost analysis. This indirect cost allocation is eliminated through a separate column on the Statement of Activities to provide full-cost information for the various functions. Interfund activities relating to services provided and used between functions are not eliminated. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on user fees and service charges for support.

In the government-wide Statement of Net Position, both governmental and business-type activities are presented on a consolidated basis by column and are reflected on a full accrual, economic resources basis, which recognizes all long-term assets as well as long-term debt and obligations. The County's net position is reported in three parts – net investment in capital assets, restricted net position and unrestricted net position. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.

The government-wide Statement of Activities reports both the gross and net cost of each of the County's functions and business-type activities. Functions are also supported by general revenues (property and consolidated taxes, certain intergovernmental revenues, investment earnings not legally restricted for specific programs, etc.). The Statement of Activities reduces gross expenses (including depreciation and amortization) by related program revenues. Program revenues include charges to customers or applicants for goods, services, or privileges provided; operating grants, interest and contributions; and capital grants, interest and contributions, including special assessments and investment earnings legally restricted to support specific programs. Program revenue must be directly associated with the function or business-type activity. Operating grants include operating-specific and discretionary grants while capital grants reflect capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue.

C. Basic Financial Statements - Fund Financial Statements

The financial transactions of the County are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

The emphasis in fund financial statements is on major funds in either governmental or business-type activity categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and business-type categories combined) for the determination of major funds. County management may electively add funds as major funds, when it is determined the funds have specific community or management focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The County's internal service funds are presented in the proprietary funds financial statements. Because principal users of internal services are the County's governmental activities, the financial statements of the internal service funds are consolidated into the governmental column when presented in the government-wide financial statements. To the extent possible, the costs of these services are reported in the appropriate functional activity.

The County's fiduciary funds are presented in the fiduciary funds financial statements by type. Since, by definition, these assets are held for the benefit of a third party and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

The County reports the following major governmental funds:

The **General Fund** is the County's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

The **Child Protective Services Fund** accounts for ad valorem taxes, grants and other revenue sources specifically appropriated to protect against the neglect, abandonment and abuse of children.

The **Special Assessment Debt Service Fund** accounts for assessments and other resources used to retire debt issued for improvements benefiting those properties against which the special assessments are levied.

The County reports the following major enterprise fund:

The **Water Resources Fund** accounts for water planning, flood control and operations of the County's water and sewer systems.

The County reports the following additional fund types:

Internal Service Funds provide for property and liability claims against the County, unemployment claims, workers' compensation claims for disability, medical and rehabilitation expenses and related costs associated with on-the-job injuries, benefits and healthcare for active and retired employees, and vehicle purchases and maintenance services provided to County departments.

Investment Trust Fund accounts for commingled pool assets held in trust for schools, special districts, and agencies, which use the County treasury as their depository.

Agency Funds are custodial in nature and do not involve measurement of results of operations. The funds account for assets held by the County as an agent for various local governments, special districts and individuals. Included are funds for apportioned property and sales taxes, shared revenues and other financial resources for schools, special districts, boards, and other state and city agencies; funds held for wards of the Public Guardian; unclaimed assets of decedents; social security, insurance and support payments for children in the welfare system; bonds posted with the District Court; social security benefits held on behalf of senior citizens; funds held for inmates housed at the County jail; employees' payroll deductions such as insurance, taxes, and credit union; unapportioned taxes for other local governments; contributions from property owners for payment of no-commitment special assessment debt; financial assurances for corrective action requirements of property owners; water planning fees collected from regional water customers; and assets held on behalf of special districts, boards and other miscellaneous agencies.

Interfund Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination for government-wide financial statement consolidation. Services provided, deemed at or near market rates, are treated as revenues and expenditures/expenses. Indirect cost allocations for support services/overhead are recorded as revenue and expense in the fund financial statements and are eliminated through a separate column in the government-wide Statement of Activities. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

During the course of operations, the County has activity between the funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column. Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The measurement focus indicates the type of resources being measured such as current financial resources or economic resources. Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized and reported in the financial statements. It relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of 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 when eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The focus is upon determination of financial position and changes in financial position (sources, uses and balances of financial resources) rather than upon net income. Revenues are recognized when they are 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 end of the current fiscal period. When revenues are due but will not be collected within 60 days after year-end, the receivable is recorded and an offsetting deferred inflow of resources is established. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the government funds. Issuance of long-term debt is reported as other financing sources.

Governmental revenues susceptible to accrual include: ad valorem taxes, interest, grant revenues, contractual service charges and other revenues collected and distributed by the State. State distributions include consolidated taxes, government services taxes, and motor vehicle fuel taxes. Construction taxes, licenses and permits, fines, and other charges for services are recognized as revenue when they are received.

Proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The focus is upon determination of operating income, changes in net position, financial position, and cash flows, similar to businesses in the private sector. 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 a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Investment Trust and Agency fund is reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting.

E. Financial Statement Amounts

Cash and Investments

The County manages a common cash and investment pool for the County, Regional Transportation Commission, Washoe County School District, the Washoe County Nevada OPEB Trust, the Truckee River Flood Management Authority and other local entities. The investment pool operates in accordance with appropriate state laws and County policy. Each fund's share in the pool is displayed in the accompanying financial statements as cash and investments. Interest is allocated to the various funds based on each fund's average cash and investment balance where it is legally required to do so. Investment earnings for all other funds are credited to the General Fund, as provided by NRS 355.170–175. In addition to the cash and investment pool, certain cash deposits and investments are held separately by several County funds and reported accordingly. Investments are reported at fair value and changes in fair value are included in investment income.

For purposes of the statement of cash flows presented for proprietary funds, cash equivalents are defined as short-term, highly liquid investments, generally with original maturities of three months or less. Since all cash in proprietary funds is pooled with the rest of the County's cash and is available upon demand, all cash and investments in those funds are considered cash equivalents.

Restricted Assets

Restricted assets consist of cash and investments that are restricted in their use by bond covenants or other external agreements. They consist of remaining bond proceeds for specific capital projects, debt service obligations, a workers' compensation deposit required by State Statute and an operating reserve required under the terms of a federal grant.

Inventories

Inventories for proprietary funds are valued at the lower of cost or market on a first-in, first-out basis. For governmental funds, the County charges consumable supplies as expenditures against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements.

Capital Assets

Capital assets, which include land, land use rights, buildings, equipment, software and other intangibles, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Contributed assets are recorded at their estimated fair market value at the date of donation. The County's capitalization level for infrastructure and intangible assets, including internally generated software, is $100,000 and $10,000 for all other classifications of capital assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. Other capital assets are generally depreciated/amortized using the straight-line method over the following estimated useful lives:

	YEARS
Buildings	5-40
Improvements	3-40
Equipment	5-20
Vehicles	2-15
Software and other intangibles	3-75
Stormwater and Wastewater Lines and Pump Stations	10-75
Other Infrastructure	10-75

However, in the proprietary funds, a per-unit of production method of depreciation may be used where it is deemed a more realistic reflection of the loss of economic value for the assets being used.

Intangible assets that are considered to have an indefinite useful life because there are no legal, contractual, regulatory, technological, or other factors limiting the useful life, are not amortized.

As used in these statements, accumulated depreciation includes amortization of intangible assets.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense/expenditure) until then. The County only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the Statement of Net Position and Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The County has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in governmental funds balance sheets. The governmental funds report unavailable revenues from several sources including: property taxes, special assessments, and grant reimbursements. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-term Obligations, Bond Discounts and Issuance Costs

In government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type in the Statement of Net Position. Bond premiums and discounts and any prepaid bond insurance, if applicable, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Prepaid bond insurance costs are reported as deferred charges and amortized over the term of the related debt. Debt issuance costs are expensed during the current period.

In fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Equity Classifications

In government-wide statements and in proprietary fund statements, equity is classified as net position and displayed in three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.

- Restricted net position – Consists of equity with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

- Unrestricted net position – All other equity that does not meet the definition of “restricted” or “net investment in capital assets.”

In governmental fund financial statements, fund balances are classified based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources in the funds as follows:

- Nonspendable fund balances – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.

- Restricted fund balances – Consist of amounts with constraints placed on their use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (b) law through constitutional provisions or enabling legislation.

- Committed fund balances – Consist of resource balances with constraints imposed by formal action of the BCC through ordinance, resolution or public meeting item approval that specifically state the revenue source and purpose of the commitment. The choice of action type taken by the BCC is frequently directed by State Statutes and procedures so that any of the three types of actions noted above are considered equally binding for the BCC. Commitments can only be modified or rescinded through the same type of BCC action used to impose the restraint. Commitments can also include resources to meet major contractual obligations required by their nature and/or size to be approved by the BCC. These generally include major construction contracts of $100,000 and over as well as other types of large contracts.

- Assigned fund balances – Consist of resource balances intended to be used for specific purposes by authorized County management that do not meet the criteria to be classified as restricted or committed. For governmental funds, excluding the General Fund, BCC approved resolutions authorizing the creation of the fund establish the specific purposes for which fund balances are assigned. In the General Fund, the assigned fund balance includes encumbrances approved by authorized County management that have been approved by the BCC for re-appropriation in the subsequent year. Authorized County management includes the County Manager, Assistant County Manager and elected or appointed department directors in accordance with County Ordinances and State Statutes. The assigned fund balance may also include amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources as approved by the BCC as part of the annual budget submitted to the State.

- Unassigned fund balances – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

Net Position and Fund Balance Flow Assumptions

When outlays for a particular purpose are funded from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources, a flow assumption must be made about the order in which the resources are considered to be applied. The County’s Fund Balance Policy states that when both restricted and unrestricted resources are available for expenditure, restricted resources should be spent first unless legal requirements disallow it. When outlays are incurred for purposes for which amounts in any unrestricted fund balance classification could be used, committed funds are to be spent first, assigned funds second, and unassigned funds last.

Budgetary Stabilization

It is the County’s policy to maintain a fund balance of 1.5% of expenditures and other financing uses, excluding material one-time items, for the purpose of budgetary stabilization. NRS 354.6115 authorizes the creation of a fund to stabilize operation of local governments and mitigate effects of natural disaster. The intent of this policy is to include a portion of the General Fund budgeted ending fund balance that will be committed to stabilization pursuant to NRS 354.6115. Fund balance that is committed to stabilization can be used only after approval by the BCC when unanticipated declines in the major revenue

sources (consolidated and property tax revenues) are sustained for at least 6 months and decline from budget by 2.5% or greater as well as when unbudgeted expenditures are incurred due to a declared emergency or natural disaster. In the case of a natural disaster, the BCC must declare the emergency and State Statutes further constrain the use of these stabilization funds to specific types of outlays.

Reclassifications

Certain amounts in the prior year statements have been reclassified for comparison purposes to conform to current year presentation.

Program Revenues

Amounts reported as 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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All County taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

All real property in the County is subject to physical reappraisal every five years. Annual adjustments are made to the assessed valuation to reflect general changes in property values. The assessed valuation of the property and its improvements is computed at 35% of "taxable value" as defined by State Statute. Taxable value is defined as full cash value for land, replacement cost less straight-line depreciation for land improvements, and statutory depreciation for personal property. The maximum depreciation allowed is 75% of replacement cost.

Tax rates are levied by the BCC immediately after the Nevada Tax Commission has certified the combined tax rate and are then submitted to the County Treasurer for collection. The tax rate levied is for the current fiscal year, July 1 to June 30, and the taxes are considered a lien against real property attaching on July 1. The tax for fiscal year 2014 was due and payable on the third Monday in August, 2013. Taxes may be paid in four installments on the third Monday in August and the first Mondays in October, January and March. No provision for uncollectible amounts has been established since management does not anticipate any material collection loss in the year assessed, in respect to delinquent balances.

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and the tax rates. The major classifications of personal property are commercial and mobile homes. In the County, taxes on motor vehicles are collected by a State agency and remitted to the County based on statutory formulas.

Compensated Absences

In proprietary funds, compensated absences are recorded when the liabilities are incurred. In governmental funds, the current portion is recorded as an expenditure. The long-term portion is accounted for in the governmental activities column of the government-wide Statement of Net Position.

The current portion of compensated absences is defined as benefits actually paid or accrued as a result of employees terminating employment by June 30. Agreements with various employee associations provide for payment of total accrued compensatory and vacation time in all cases. 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.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

Annual budgets are adopted on a basis consistent with GAAP for all funds except trust and agency funds, which do not require budgets. All annual appropriations lapse at fiscal year-end.

The County adheres to the Local Government Budget and Finance Act (NRS 354.470-.626) incorporated within State Statutes and the procedures set by the Nevada Department of Taxation (NDT) to establish the budgetary data reflected in these financial statements. The BCC adopts the budget on or before June 1 and files it with the NDT.

The legal level of budgetary control is at the function level for each of the governmental funds and by the combined operating and non-operating expenses in proprietary funds. Statutes do not require that capital outlay, debt service payments and certain other non-cash transactions normally reflected in the balance sheet of proprietary funds be limited by the budget.

All budget amounts presented in these financial statements and schedules reflect the budget as amended by legally authorized revisions during the year. Original budgets are provided for major funds, including the General Fund, in compliance with reporting requirements. The Comptroller may approve budget adjustments within a function. Budget adjustments between functions or funds may be approved by the Comptroller with BCC notification. Adjustments that affect fund balance, increase the original budget or affect the contingency account require BCC approval.

Encumbrance accounting is employed in governmental and proprietary funds. In governmental funds, encumbrances, which include purchase orders and contracts awarded for which goods and services have not been received at year-end, are reappropriated in the subsequent year and are reported as restricted, committed or assigned fund balances, as appropriate. An augmentation of $15.1 million for encumbrances and restricted resources that have multiple year budgets was reappropriated in the new fiscal year.

Augmentations from beginning fund balance or previously unbudgeted resources for governmental funds in the current fiscal year were $7.5 million. Augmentations in the current year for enterprise funds totaled $73,000.

Compliance

The County conformed to all significant statutory and administrative code constraints on its financial administration during the fiscal year.

NOTE 3 – CASH AND INVESTMENTS

In accordance with Nevada Revised Statutes (NRS), the County's cash is deposited with insured banks and insured credit unions and those deposits that are not within the limits of insurance must be secured by collateral. At year end, the County's carrying amount of deposits was $89,996,795 and the bank balance was $91,745,892. The difference between the carrying amount and bank balance results from outstanding checks and deposits not yet reflected in the banks' records.

Custodial Credit Risk – Deposits

All deposits are subject to custodial credit risk, which is the risk that the County's deposits may not be returned to it in the event of a bank failure. Bank balances were covered by Federal depository insurance, the Securities Investor Protection Corporation, collateral held by the County's agent in the County's name or by collateral held by depositories in the name of the Nevada Collateral Pool, and were not exposed to custodial credit risk. The County does not have a formal policy relating to custodial credit risk, but follows NRS. According to NRS 356.020, all monies deposited by a county treasurer that are not within the limits of insurance provided by an instrumentality of the United States must be secured by collateral composed of the same types of securities allowed for investments which are identified below. The County participates in the State of Nevada Collateral Pool which requires depositories to maintain as collateral acceptable securities having a fair market value of at least 102 percent of the amount of the uninsured balances of the public money held by the depository. Under NRS 356.360, the State Treasurer manages and monitors all collateral for all public monies deposited by members of the pool.

Investments

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

NRS 355.172 requires the County Treasurer or her agent to take physical possession of securities purchased as an investment by the County in the name of the County. If the securities purchased are subject to repurchase by the seller, the County may, in lieu of the requirement of possession, obtain a fully perfected, first-priority security interest having a fair market value equal to or greater than the repurchase price of the securities.

Investments are recorded at fair value. Earnings and/or losses on investments are allocated to certain funds based on average daily cash balances.

As of June 30, 2014, the County had the following investments and maturities:

		INVESTMENT MATURITIES (IN YEARS)			
	Fair Value	Less than 1	1 to 4	4 to 6	6 to 10
Investments:					
Money Market Mutual Funds	$ 1,360,363	$ 1,360,363	$ -	$ -	$ -
Certificates of Deposit	49,881,818	1,100,315	48,781,503	-	-
U.S. Treasury Securities	77,245,730	7,062	45,275,878	28,599,919	3,362,871
U.S. Agency Securities	166,530,060	40,509	134,405,057	17,160,932	14,923,562
Collateralized Mortgage Obligations	47,525	-	47,525	-	-
Corporate Notes	70,297,360	-	61,274,788	9,022,572	-
Total Investments	365,362,856	2,508,249	289,784,751	54,783,423	18,286,433
Total Cash	89,996,795	89,996,795	-	-	-
Total Cash and Investments[1]	$ 455,359,651	$ 92,505,044	$ 289,784,751	$ 54,783,423	$ 18,286,433

[1]Total cash and investments include restricted cash.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. This risk can be reduced by diversifying the durations of the fixed-income investments that are held at a given time. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy requires twelve to eighteen months of projected cash flow to be in investments maturing in one year or less. Investments maturing in less than one year at June 30, 2014 were .6% of the County's total cash and investments. The County's strategic investment plan seeks to obtain the desired average maturity of 2 to 4 years. The average maturity at June 30, 2014, was 2.5 years.

The County invests in the following types of securities that are considered to be highly sensitive to interest rate changes:

Investment	Value	Investments
U.S. Agency Mortgage Backed Securities and Collateralized Mortgage Obligations When interest rates fall, mortgages are refinanced and paid off early and the reduced stream of future interest payments diminish fair value.	$ 11,061,105	3.0%
Callable U.S. Agency and Corporate Note Securities On specified dates the issuer can call the security. Because they are subject to early repayment, the fair value of these securities is more sensitive in a period of declining interest rates.	23,558,692	6.4%
Total	$ 34,619,797	

Credit Risk

NRS allows investments in obligations of the U.S. Treasury and U.S. agencies, municipal bonds issued by local governments of the State, corporate bonds rated "A" or better by a nationally recognized rating service, commercial paper rated "A-1," "P-1" or better by a nationally recognized rating service, 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. County policy does not further restrict these investments.

As of June 30, 2014, the County's investments are rated as follows:

S&P Rating	Mutual Funds	Certificates of Deposit	U.S. Treasury Securities	U.S. Agencies	CMO	Corporate Notes	Fair Value
AAAm	$ 1,360,363	$ -	$ -	$ -	$ -	$ -	$ 1,360,363
AAA	-	-	-	-	-	1,361,785	1,361,785
AA+	-	-	77,245,730	166,530,060	47,525	21,992,515	265,815,830
AA	-	-	-	-	-	24,316,971	24,316,971
AA-	-	11,096,365	-	-	-	6,354,631	17,450,996
A+	-	10,003,300	-	-	-	3,098,110	13,101,410
A	-	-	-	-	-	10,582,178	10,582,178
A-	-	-	-	-	-	2,591,170	2,591,170
A-1+	-	18,871,788	-	-	-	-	18,871,788
A-1	-	9,910,365	-	-	-	-	9,910,365
	$ 1,360,363	$ 49,881,818	$ 77,245,730	$ 166,530,060	$ 47,525	$ 70,297,360	$ 365,362,856

Concentration of Credit Risk

The County's investment policy places no limit on amounts invested in direct obligations of the U.S. Treasury and securities backed by the full faith and credit of the U.S. Government, while placing the following limits per issuer on all other securities: Federal Agency Securities, 35%; Federal Agency Mortgage Backed Securities, 15%; Money Market Funds, 45%; Corporate bonds and notes, 4% and obligations issued by local governments of the State of Nevada, 25%.

At June 30, 2014, the following investments exceeded 5% of the County's total:

Fannie Mae	19.5%
Federal Home Loan Banks	11.4%
Freddie Mac	12.8%
U.S. Treasury Securities	21.1%

Pooled Investments

Pooled investments are carried at fair value determined by quoted market prices, net of accrued interest. All pooled investments are physically collateralized and held by Wells Fargo Bank.

The County administers an external investment pool combining County money with voluntary investments from Truckee Meadows Fire Protection District, Sierra Fire Protection District, the Washoe County School District, Regional Transportation Commission, Nevada Works, Reno-Tahoe Airport Authority, Truckee River Water Quality Settlement Agreement Joint Venture, Western Regional Water Commission, Washoe County, Nevada OPEB Trust, Truckee River Flood Management Authority, the Library Investment Fund, the Deferred Compensation Fund, the South Truckee Meadows General Improvement District and the Southwest Point Fund. The BCC has overall responsibility for investment of County funds, including the Investment Trust Fund, in accordance with NRS 355.175. The Washoe County Chief Investment Official is the Washoe County Treasurer, under authority delegated by the BCC. The Investment Committee, created by Washoe County Code Section 15.220, has been delegated the investment decision making authority in the County and serves also in an advisory capacity to the Treasurer and BCC. The external investment pool is not registered with the SEC as an investment company. Public Financial Management, LLC determines the fair value of the County investments monthly. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares.

The participants' share and redemption value are calculated using the same method. Each participant's share is equal to their investment plus or minus the monthly allocation of net income, realized and unrealized gains and losses. The determination of realized gains and losses is independent of the determination of the net change in the fair value of investments for the previous year(s) as well as the current year.

Investments held in the external investment pool at June 30, 2014 were:

	Fair Value	Principal Amount/ No. of Shares	Rate	Maturity Dates
Investment Type:				
Money Market Mutual Funds	$ 1,360,363	1,360,363	Variable	NA
Certificates of Deposit	49,881,818	49,900,000	0.4-0.7%	10/06/2014 - 06/13/2016
U.S. Treasury Securities	77,245,730	74,400,000	0.9-8.8%	12/31/2015 - 05/15/2021
U.S. Agency Securities	166,530,060	162,127,487	0.4-5.4%	07/01/2014 - 06/01/2022
Collateralized Mortgage Obligations	47,525	47,343	3.0-4.0%	01/01/2018 - 03/01/2018
Corporate Notes	70,297,360	69,940,000	0.5-2.9%	10/15/2015 - 11/01/2018
Total Investments in Pool	$ 365,362,856			

External Investment Pool
Statement of Net Position as of June 30, 2014

Assets:	
Cash	$ 73,245,104
Investments:	
Money Market Mutual Funds	1,360,363
Certificates of Deposit	49,881,818
U.S. Treasury Securities	77,245,730
U.S. Agency Securities	166,530,060
Collateralized Mortgage Obligations	47,525
Corporate Notes	70,297,360
Interest Receivable	1,068,888
Total Assets	$ 439,676,848
Net Position:	
Internal participants	$ 297,578,539
Component Units:	
Sierrra Fire Protection District	1,931,682
Truckee Meadows Fire Protection District	20,650,712
External participants	119,515,915
Total Net Position Held in Trust for Pool Participants ($1.00/par)	$ 439,676,848

External Investment Pool
Statement of Changes in Net Position for the Year Ended June 30, 2014

Additions:	
Investment earnings	$ 6,493,394
Net realized gain (loss) on investments	(450,938)
Net increase (decrease) in fair value of investments	720,028
Increase in net assets resulting from operations	6,762,484
Net capital share transactions	15,320,893
Change in Net Position	22,083,377
Net Position, July 1	417,593,471
Net Position, June 30	$ 439,676,848

NOTE 4 – RESTRICTED CASH AND INVESTMENTS

Restricted cash and investments include amounts restricted for future debt service and reserves as required by bond covenants and ordinances; reserves restricted for projects for the HUD Neighborhood Stabilization Program; and reserves restricted for workers' compensation claims pursuant to NRS 616B.300. Restricted cash and investments at June 30, 2014, were as follows:

	Debt	Projects	Claims	Total
Governmental Funds and Governmental Activities				
General Fund	$ 750,000	$ -	$ -	$ 750,000
Other Restricted Fund	-	45,406	-	45,406
Total Governmental Funds	750,000	45,406	-	795,406
Internal Service Funds:				
Risk Management Fund	-	-	2,301,657	2,301,657
Total Governmental Activities	750,000	45,406	2,301,657	3,097,063
Proprietary Funds and Business-type Activities				
Water Resources Fund	13,271,897	-	-	13,271,897
Total Restricted Cash and Investments	$ 14,021,897	$ 45,406	$ 2,301,657	$ 16,368,960

NOTE 5 – LONG-TERM ASSETS

Governmental Activities

Long-term assets in governmental activities include $132,854 in prepaid bond insurance and $2,873,527 in net other postemployment benefits assets (Note 15). Long-term assets in internal service funds include $3,451,171 in refundable lease agreement deposits and $412,882 in prepaid lease expense, all relating to leased equipment in the Equipment Services Fund.

Business-type Activities

Long-term assets in business-type activities include $187,557 in prepaid bond insurance and $128,683 in long-term receivables in the Water Resources Fund.

NOTE 6 – CAPITAL ASSETS

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Governmental Activities				
Capital assets, not being depreciated:				
Land and land use rights	$ 142,794,746	$ 390,900	50,199	$ 143,135,447
Construction in progress	6,909,818	9,148,036	5,344,489	10,713,365
Total capital assets not being depreciated	149,704,564	9,538,936	5,394,688	153,848,812
Capital assets being depreciated:				
Land improvements	57,768,315	1,092,091	-	58,860,406
Buildings/improvements	310,632,309	2,936,652	-	313,568,961
Infrastructure	584,641,612	3,482,907	378,177	587,746,342
Equipment	71,086,105	2,920,107	936,878	73,069,334
Software	17,841,167	316,337	-	18,157,504
Total capital assets being depreciated	1,041,969,508	10,748,094	1,315,055	1,051,402,547
Less accumulated depreciation for:				
Land improvements	35,514,092	2,268,871	-	37,782,963
Buildings/improvements	112,719,073	8,788,518	-	121,507,591
Infrastructure	401,032,350	21,987,047	356,391	422,663,006
Equipment	50,737,267	5,345,423	931,420	55,151,270
Software	11,827,736	1,696,809	-	13,524,545
Total accumulated depreciation	611,830,518	40,086,668	1,287,811	650,629,375
Net capital assets being depreciated	430,138,990	(29,338,574)	27,244	400,773,172
Governmental activities capital assets, net	$ 579,843,554	$ (19,799,638)	$ 5,421,932	$ 554,621,984

Depreciation expense was charged to functions/programs for the governmental activities as follows:

Governmental Activities:	
General government	$ 2,443,824
Judicial	2,527,745
Public safety	6,941,570
Public works	22,753,697
Health and sanitation	194,314
Welfare	553,879
Culture and recreation	3,297,839
Capital assets held by internal service funds charged to functions based on their usage of assets	1,373,800
Total Depreciation / Amortization Expense - Governmental Activities	$ 40,086,668

	Beginning Balances [1]	Increases	Decreases	Ending Balances
Capital Assets - Business-type Activities				
Capital assets not being depreciated:				
Land and land use rights	$ 13,987,291	$ 45,936	$ -	$ 14,033,227
Plant capacity	825,150	-	-	825,150
Construction in progress	4,550,298	3,561,472	4,195,233	3,916,537
Total capital assets not being depreciated	19,362,739	3,607,408	4,195,233	18,774,914
Capital assets being depreciated:				
Land improvements	5,168,283	21,919	-	5,190,202
Buildings/improvements	67,956,437	3,368,621	10,000	71,315,058
Infrastructure	359,208,420	2,433,026	18,400	361,623,046
Equipment	2,248,223	371,914	238,934	2,381,203
Software	1,139,125	-	-	1,139,125
Plant, well capacity	10,030,729	-	-	10,030,729
Total capital assets being depreciated	445,751,217	6,195,480	267,334	451,679,363
Less accumulated depreciation for:				
Land improvements	3,158,107	222,301	-	3,380,408
Buildings/improvements	17,669,020	1,784,925	-	19,453,945
Infrastructure	78,351,709	6,483,351	18,400	84,816,660
Equipment	2,077,215	50,633	28,154	2,099,694
Software	1,031,343	107,300	-	1,138,643
Plant, well capacity	2,520,894	250,820	-	2,771,714
Total accumulated depreciation	104,808,288	8,899,330	46,554	113,661,064
Net capital assets being depreciated	340,942,929	(2,703,850)	220,780	338,018,299
Business-type activities capital assets, net	$ 360,305,668	$ 903,558	$ 4,416,013	$ 356,793,213

[1] As Restated

Depreciation expense was charged to functions/programs for business activities as follows:

Business-Type Activities:	
Utilities	$ 8,677,289
Golf courses	222,041
Total Depreciation / Amortization Expense - Business-type Activities	$ 8,899,330

Net capital assets at June 30, 2014, for the discretely presented component units were:

	Truckee Meadow Fire Protection District	Sierra Fire Protection District
Net Capital Assets		
Capital assets not being depreciated	$ 3,528,972	$ 121,000
Capital assets being depreciated	12,048,495	4,530,558
Capital assets, net	$ 15,577,467	$ 4,651,558

NOTE 7 – COMMITMENTS, CONTINGENCIES, AND OTHER LIABILITIES

Commitments

The County utilizes encumbrance accounting to identify fund commitments. Major commitments, generally contracts in excess of $100,000, are entered into for construction projects or longer term service arrangements that can span several years.

Construction in progress and major commitments for governmental activities are:

	CIP Balance June 30, 2014	Major Commitments
Governmental Funds and Governmental Activities		
Major Governmental Funds:		
General Fund:		
Technology projects	$ -	$ 260,475
Service contracts	-	343,107
Child Protective Services Fund:		
Case management and support services	-	655,199
Study	-	432,927
Total Major Governmental Funds	-	1,691,708
Nonmajor Governmental Funds:		
Special Revenue Funds:		
Public safety communications, technology	1,154,635	-
Road infrastructure	-	292,646
Technology improvements	-	783,232
Other services	-	577,879
Total Special Revenue Funds	1,154,635	1,653,757
Capital Projects Funds:		
Parks and open space projects	4,818,156	337,942
Building infrastructure projects	242,508	247,837
Land	20,000	-
Pedestrian path & bike lane projects	81,087	500,359
Technology improvements	998,951	1,947,231
Water quality improvement projects	3,363,684	521,875
Total Capital Projects Funds	9,524,386	3,555,244
Total Governmental Funds / Governmental Activities	$ 10,679,021	$ 6,900,709

In addition, the Water Resources Fund has entered into contracts for the construction of water related projects with outstanding balances of $1,939,273.

Contingencies

The County is involved in various lawsuits. The outcome of these lawsuits is not presently determinable; however, management does not anticipate that they would materially impact the financial position of the County.

The County is currently the defendant in various lawsuits with property owners disputing the County Assessor's valuation methods used for property within the Lake Tahoe Basin. The County intends to vigorously defend the Assessor's valuations; however, the outcome of these lawsuits is not presently determinable. An adverse ruling could result in a rollback of property values and subsequent rebates to property owners. The impact on the County's financial condition cannot be reasonably estimated.

The County is contingently liable on the following Reno-Sparks Convention & Visitors Authority (RSCVA) bonds:

Series January 2000 Bonds	$	30,770,797
Series November 29, 2011 Refunding Bonds		87,925,000
Total RSCVA Bonds	$	118,695,797

Although the County is contingently liable for the general obligation bonds of RSCVA in the event of a default, it is anticipated that RSCVA resources would be reallocated to retire the bonds. Therefore, the likelihood of the County assuming the debt is remote.

Other Liabilities

Governmental Activities

Other liabilities in governmental activities consist of deposits and amounts due to others of $1,677,563 in the General Fund for deposits and bail related to pending court cases or investigations, $353,180 in the General Fund for refundable deposits for park facilities and developer performance guarantees, and $275,915 in other governmental funds for other customer and security deposits.

Business-type Activities

Other liabilities in business-type activities include $733,700 for developer deposits and $81,117 for customer deposits in the Water Resources Fund, and $13,000 in other business-type funds for developer and customer deposits.

NOTE 8 – UNEARNED REVENUE AND DEFERRED INFLOWS OF RESOURCES

Unearned revenue in connection with resources that have been received, but not yet earned is reported as a liability for governmental activities.

Deferred inflows of resources represent an acquisition of net position that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. Governmental funds reported $11.5 million in deferred inflows of resources related to unavailable revenue.

At the end of the current fiscal year, major components of unavailable and unearned revenue reported for governmental funds were as follows:

	General Fund	Child Protective Services Fund	Special Assessment Debt Service Fund	Nonmajor Governmental Funds	Total
Liabilities					
Unearned revenue:					
Federal payments in lieu of taxes	$ 3,446,375	$ -	$ -	$ -	$ 3,446,375
Other revenue	-	28,852	-	394,507	423,359
Total Unearned Revenue	$ 3,446,375	$ 28,852	$ -	$ 394,507	$ 3,869,734
Deferred Inflows of Resources					
Unavailable revenue:					
Ad valorem taxes	$ 1,875,040	$ 68,325	$ -	$ 393,302	$ 2,336,667
Special assessments	-	-	8,470,915	-	8,470,915
Grants and other revenue	-	273,522	-	414,398	687,920
Total Unavailable Revenue	$ 1,875,040	$ 341,847	$ 8,470,915	$ 807,700	$ 11,495,502

Unearned revenue in business-type activities consists of $149,128 for water rights leases and unearned utility revenue in the Water Resources Fund.

Discretely Presented Component Units

At the end of the current fiscal year, major components of unavailable revenue reported for discretely presented component units were as follows:

Truckee Meadows Fire Protection District

	TMFPD General Fund	TMFPD Emergency Fund	Total
Deferred Inflows of Resources			
Unavailable revenue:			
Ad valorem taxes	$ 132,414	$ -	$ 132,414
Grants and other revenue	336,154	6,971	343,125
Total Unavailable Revenue	$ 468,568	$ 6,971	$ 475,539

Sierra Fire Protection District

	SFPD General Fund	Total
Deferred Inflows of Resources		
Unavailable revenue:		
Ad valorem taxes	$ 46,129	$ 46,129
Total Unavailable Revenue	$ 46,129	$ 46,129

NOTE 9 – LONG-TERM OBLIGATIONS

Bond Redemptions

The County called $440,000 in special assessment bonds for early redemption as funds were made available from the early payoff of special assessments.

Defeasance/Early Extinguishment of Debt

The County defeased certain general obligation debt by placing funds from unspent bond proceeds, existing resources and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on certain previously issued bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements.

As of June 30, 2014, the following are the remaining balances of the defeased portion of bond issues:

Water and Sewer Series Revenue 2005	$ 28,805,000
Parks Revenue Series 2006	8,825,000
Total Defeased Debt	$ 37,630,000

Bonds Authorized and Unissued

On June 17, 2014, the Board of County Commissioners authorized the issuance of General Obligation (limited tax) Sewer Bonds (additionally secured by pledged revenues) Series 2014 in the maximum principal amount of $24,000,000 for the purpose of financing sewer projects by exchanging the bonds for previously issued bonds of the County.

Revenue Bonds

The County has pledged specific revenues to repay bonds in governmental and business activities.

Governmental activities

The County has pledged 15% of the consolidated tax revenue receipts for the repayment of various General Obligation Revenue bonds consisting of the Office Building Bonds Series 2002A; Library Building Bonds Series 2004; Building and Parking Garage Bonds Series 2004; Public Safety Bonds Series 2006; Parks Bonds Series 2006; Building Refunding Bonds Series 2011B; and Refunding Bonds Series 2012B, issued between fiscal years 2002 and 2012. The total principal and interest remaining to be paid on the bonds is $74,472,364, payable through fiscal year 2036. For the current year, principal and interest paid from pledged revenues for the bonds totaled $4,316,929, and pledged revenues totaled $12,121,326.

The County has pledged future infrastructure sales tax revenues to repay $42.9 million in Flood Control Series 2006 and Sales Tax Series 1998 flood control bonds. Proceeds from the bonds provided financing, for expansion of, and improvements to, the flood control system. The bonds are intended to be paid solely from infrastructure tax revenues and are payable through fiscal year 2036. Annual principal and interest payments on the bonds are expected to require as much as 33% of the pledged revenues. The total principal and interest remaining to be paid on the bonds is $45,309,368. For the current year, principal and interest paid for the bonds totaled $2,360,449, and pledged revenues totaled $7,672,378.

The County has pledged future car rental fees to repay $29.5 million in car rental fee revenue bonds issued in fiscal year 2008. Proceeds from the bonds provided financing to acquire, improve, equip, operate and maintain within the County a minor league baseball stadium project. The bonds are intended to be paid solely from car rental fee revenues and are payable through fiscal year 2058. Annual principal and interest payments on the bonds are expected to require 100% of the car rental fee revenue. The total principal and interest remaining to be paid on the bonds is $115,094,421. For the current year, principal and interest paid for the bonds totaled $1,014,428, and pledged revenues totaled $1,141,625.

Business-type activities

The County has pledged future utility customer revenues and connection fees and investment earnings, net of specified operating expenses, to repay $118.1 million in utility system revenue bonds issued between fiscal years 1998 and 2007. Proceeds from the bonds provided financing for expansion of, and improvements to, the utility system. The bonds are intended to be paid solely from utility customer net revenues and are payable through fiscal year 2035. Annual principal and interest payments on the bonds are expected to require as much as 29% of the utility's net revenues. The total principal and interest remaining to be paid on the bonds is $83,744,756. For the current year, principal and interest paid for the bonds totaled $5,054,742. Net pledged revenues totaled $20,818,078.

Special Assessment Debt

Special assessment bonds are issued to finance improvements that benefit taxpayers in the defined area. Bonds are repaid from assessments levied against these taxpayers, and are secured by their real property. In case of deficiencies, the County's General Fund and taxing power further secure all bonds. Delinquent special assessments of $345 were outstanding as of June 30, 2014.

The County has pledged future assessment revenues levied on special assessment districts throughout the County to repay $13.2 million in various local improvement bonds issued between fiscal years 2004 and 2012. Proceeds from the bonds provided financing for improvements in roads, water and sewer infrastructure in the various districts. The bonds are intended to be paid solely from assessment revenues and are payable through fiscal year 2032. Annual principal and interest payments on the bonds are expected to require as much as 99% of the assessment revenues. The total principal and interest remaining to be paid on the bonds is $11,021,836. For the current year, principal and interest paid for the bonds totaled $1,238,188 and pledged revenues totaled $1,160,621.

Conduit Debt Obligations

The County has issued several series of revenue bonds for public and private sector activity in the public interest. The public sector revenue bonds are for the cost of constructing and maintaining certain streets and highways in the County. The revenue bonds are paid solely from certain taxes on motor vehicle fuel collected in the County. Private sector revenue bonds have been used for water and gas facilities and hospital facilities. The revenue bonds are paid solely from the revenue derived from the projects for which they were issued. The public and private revenue bonds do not become liabilities of the County under any condition, and are therefore excluded from the County's financial statements.

Outstanding balances at June 30, 2014 follow:

	Date of Issue	Original Issue	Principal Outstanding
Public Sector			
Regional Transportation Commission:			
Highway Revenue Bonds Series 2009	7/8/2009	$ 89,567,000	$ 78,184,000
Highway Revenue Bonds Series 2010ABC	3/12/2010	90,000,000	90,000,000
Highway Revenue Bonds Series 2010DEF	12/16/2010	70,000,000	64,160,000
Sales Tax Improvement Bonds Series 2010H	12/16/2010	20,000,000	20,000,000
Highway Revenue Bonds Series 2013	4/16/2013	165,000,000	165,000,000
Subtotal Public Sector		434,567,000	417,344,000
Private Sector			
Renown Health (Washoe Medical Center):			
Hospital Revenue Bonds, Series 2001A	10/15/2001	33,875,000	33,875,000
Sierra Pacific Power Company d/b/a NV Energy:			
Gas and Water Facilities Refunding Revenue Bonds Series 2006A, 2006B and 2006C	11/22/2006	218,500,000	218,500,000
Water Facilities Refunding Revenue Bonds Series 2007A & 2007B	4/27/2007	80,000,000	80,000,000
Subtotal Private Sector		332,375,000	332,375,000
Total Conduit Debt		$ 766,942,000	$ 749,719,000

Operating Leases

The County leases office space, land, equipment and water rights under various operating lease agreements. Total lease payments in fiscal year 2014 were $2,220,187. Future minimum payments for these leases are:

Year Ending June 30,	Land, Space, Water Rights	Equipment	Total
2015	$ 1,152,156	$ 967,649	$ 2,119,805
2016	1,037,846	899,781	1,937,627
2017	399,722	829,859	1,229,581
2018	165,141	644,315	809,456
2019	165,141	394,478	559,619
2020-2024	577,995	1,077,048	1,655,043
Totals	$ 3,498,001	$ 4,813,130	$ 8,311,131

The County began a long-term lease on January 1, 2013 for the Sparks Justice Court which expires in fiscal year 2023. The terms of the lease allow uneven and artificially low payments. For fiscal year 2014, an adjustment of $52,597 (cumulative total of $135,169) is required to reconcile the amount of expenditures in the General Fund to the straight line expense recognized in the government-wide statements.

Compensated Absences

The liability for compensated absences is included in noncurrent liabilities on the government-wide Statement of Net Position. The liability will be liquidated primarily by the General Fund for governmental activities and by the Water Resources Fund for business-type activities. In fiscal year 2014, 79% of compensated absences for governmental activities were paid by the General Fund, and in business-type activities, 82% were paid by the Water Resources Fund.

Outstanding balances at June 30, 2014 follow:

	Governmental Activities	Business-type Activities	Total
Washoe County:			
Vacation	$ 10,796,585	$ 359,136	$ 11,155,721
Sick Leave	8,376,884	300,927	8,677,811
Compensatory Leave	5,071,915	140,958	5,212,873
Benefits	341,705	11,615	353,320
Total Compensated Absences	$ 24,587,089	$ 812,636	$ 25,399,725

Net Other Postemployment Benefits Obligation

Prior to May 11, 2010, when the County established the Washoe County, Nevada OPEB Trust (Note 15), the County financed their net other postemployment benefits on the pay-as-you-go basis with the funds accumulated in the Pre-Funded Retiree Health Benefits Fund. Currently, the OPEB Trust is funded from the General Fund.

Pollution Remediation Obligation

The pollution remediation activities of the Central Truckee Meadows Remediation District (CTMRD) are paid for through an annual charge billed directly to residents and businesses within its boundaries. Accordingly, the CTMRD's pollution remediation obligation is limited to the net position accumulated by the fund for payment of future remediation related expenditures. All of the assets of CTMRD are held for remediation and are offset by a long-term liability for remediation. As of June 30, 2014, the remediation liability for net position held in CTMRD was $6,953,183.

A soil remediation project has been identified at a County park. Three gasoline underground storage systems were removed from Rancho San Rafael Park in 1997 and petroleum impacted soils were encountered during removal activities. Assessment activities have been conducted and soil samples exceeding the action level are present. The cost, based on contractor revised estimates, increased from $450,000 to $523,241. Remediation expenditures for the current fiscal year totaled $73,120. The project is expected to be completed in calendar year 2015 with an estimated budget of $60,000 for fiscal year 2015.

Claims and Judgments

The claims and judgments liability of $15,401,000 consists of pending property and liability claims, workers' compensation claims, and unprocessed health benefits claims. These claims will be liquidated through the Risk Management and Health Benefits Internal Service Funds (Note 16). The Risk Management and Health Benefits Funds finance the payment of claims by charging other funds based on management's assessment of the relative insurance risk that should be assumed by individual funds or, as needed, through transfers from the General Fund.

Discretely Presented Component Units:

TMFPD's liability of $1,374,222 for compensated absences is included in their noncurrent liabilities on the government-wide Statement of Net Position. TMFPD compensated absences are generally liquidated from the TMFPD General Fund.

Prior to July 1, 2010, when TMFPD joined the Washoe County, Nevada OPEB Trust (Note 15), they financed their net other postemployment benefits on the pay-as-you-go basis with the funds accumulated in the TMFPD Pre-Funded Retiree Health Benefits Fund.

TMFPD claims and judgments liability of $1,170,000 consisted of workers' compensation claims. These claims will be liquidated through TMFPD Workers Compensation Fund (Note 16). The TMFPD Workers' Compensation Fund finances the payment of claims through transfers from the TMFPD General Fund.

At June 30, 2014, the net other postemployment benefit liability for SFPD was $2,141,475. SFPD provides other postemployment benefits through the Sierra Fire Protection District Retiree Group Medical Plan, a single-employer defined benefit plan, which is administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust (Note 15). Contributions to the Trust are made from SFPD General Fund and are established each year through the annual budget process by the District's Board of Fire Commissioners.

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES				
General Obligation Bonds				
Ad Valorem:				
Animal Control Shelter Series 2003A	08/2003	06/2015	3.0 - 4.625 %	$ 10,750,000
Various Purpose Refunding Series 2009B	03/2009	05/2017	3.0 - 4.2	10,540,000
Parks and Library Refunding Series 2011A	07/2011	05/2026	4.20	17,360,000
Various Purpose Refunding Series 2012A	08/2012	03/2030	3.0 - 4.0	18,090,000
Medium-Term:				
Edison Way Property Series 2007	03/2007	03/2017	3.83	4,645,000
Revenue: (Note 9)				
Office Building Series 2002A	10/2002	01/2015	3.0 - 5.0	19,260,000
Library Building Series 2004	03/2004	03/2019	3.5 - 5.0	3,280,000
Building and Parking Garage Series 2004	12/2004	01/2018	3.75 - 5.0	11,900,000
Public Safety Series 2006	04/2006	03/2036	4.0 - 4.5	12,500,000
Flood Control Series 2006 *	05/2006	12/2035	Variable	21,000,000
Parks Series 2006	10/2006	03/2030	4.0 - 5.0	25,305,000
Building Bonds Refunding Series 2011B	08/2011	11/2026	4.18	12,565,000
Refunding Bonds Series 2012B	08/2012	03/2027	1.0 - 3.0	27,580,000
Total General Obligation Bonds				
Revenue Bonds (Note 9)				
Sales Tax Series 1998	12/1998	12/2028	4.0 - 5.1	21,915,000
Senior Lien Car Rental Fee Series 2008 **	02/2008	12/2027	Variable	18,500,000
Subordinate Lien Car Rental Fee Series 2008	02/2008	12/2057	7.0	11,000,000
Total Revenue Bonds				
Special Assessment Bonds (with governmental commitment) (Note 9)				
SAD 21: Cold Springs Sewer Refunding	10/2003	07/2016	2.0 - 4.0	1,085,000
SAD 29: Mt. Rose Sewer Phase 1	11/2004	11/2024	4.55	1,281,308
SAD 35: Rhodes Road - $116,141, SAD 36: Evergreen Hills Dr-$240,587	02/2005	11/2014	3.8	356,728
SAD 31: Spearhead Way/Running Bear Drive	04/2006	05/2016	4.29	109,000
SAD 37: Spanish Spring Sewer Phase 1a	05/2007	05/2027	4.35	728,813
SAD 39: Lightning W Water System	06/2009	05/2029	7.18	999,268
SAD 32: Spanish Springs Valley Ranches Roads	12/2011	11/2031	3.48	8,592,787
Total Special Assessment Debt				
Unamortized Bond Premium	N/A	N/A	N/A	N/A
Unamortized Bond Discounts	N/A	N/A	N/A	N/A
Deferred Charge on Refundings	N/A	N/A	N/A	N/A
Total Unamortized Bond Premium, Discounts and Deferred Charge on Refundings				
Total Bonds Payable				

Principal Outstanding June 30, 2013	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2014	Principal Due in 2014-2015
$ 650,000	$ -	$ 315,000	$ 335,000	$ 335,000
5,675,000	-	1,325,000	4,350,000	1,385,000
15,425,000	-	935,000	14,490,000	965,000
17,715,000	-	-	17,715,000	-
2,064,000	-	487,000	1,577,000	506,000
1,390,000	-	680,000	710,000	710,000
1,145,000	-	175,000	970,000	180,000
2,965,000	-	550,000	2,415,000	570,000
10,790,000	-	285,000	10,505,000	295,000
18,558,562	-	474,008	18,084,554	495,546
3,560,000	-	-	3,560,000	-
11,945,000	-	645,000	11,300,000	670,000
27,430,000	-	-	27,430,000	-
119,312,562	-	5,871,008	113,441,554	6,111,546
15,655,000	-	655,000	15,000,000	690,000
16,668,700	-	522,200	16,146,500	592,100
9,808,025	-	-	9,808,025	-
42,131,725	-	1,177,200	40,954,525	1,282,100
185,000	-	185,000	-	-
780,000	-	100,000	680,000	55,000
50,765	-	38,429	12,336	12,336
26,000	-	11,000	15,000	8,000
441,638	-	40,508	401,130	21,835
647,103	-	56,000	591,103	23,266
6,880,700	-	463,558	6,417,142	274,740
9,011,206	-	894,495	8,116,711	395,177
1,684,025	-	134,374	1,549,651	-
(57,248)	-	(3,143)	(54,105)	-
(456,307)	-	(4,253)	(452,054)	-
1,170,470	-	126,978	1,043,492	-
171,625,963	-	8,069,681	163,556,282	7,788,823

(CONTINUED)

NOTE 10 – LONG-TERM OBLIGATIONS ACTIVITY	Date of Issue	Maturity Date	Interest Rate	Original Note / Issue
GOVERNMENTAL ACTIVITIES *(Continued)*				
Other Liabilities - (Notes 9, 15)				
Compensated Absences	N/A	N/A	N/A	$ N/A
Remediation Obligation	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Total Other Liabilities				
Total Governmental Activities				
BUSINESS-TYPE ACTIVITIES ***				
General Obligation Bonds				
Revenue: (Note 9)				
Water Resources Fund:				
Lemmon Valley Sewer Series 1997	08/1997	01/2018	3.33 %	1,249,137
Sewer Series 2000A	06/2000	01/2020	3.7	1,675,000
Sewer Series 2000B	06/2000	01/2020	3.7	635,000
Sewer Series 2001	02/2001	07/2021	3.125	21,000,000
Sewer Series 2004	06/2004	01/2024	3.213	3,000,000
Water Series 2005	06/2005	01/2025	2.81	14,463,000
Water and Sewer Series 2005	12/2005	01/2035	4.0 - 5.0	65,000,000
Spanish Springs Sewer Series 2005A	08/2006	07/2026	2.931	6,500,000
Storm Sewer Series 2006	11/2006	01/2026	4.224	4,600,000
Total General Obligation Bonds				
Unamortized Bond Premium	N/A	N/A	N/A	N/A
Total Bonds Payable				
Other Liabilities (Note 9)				
Compensated Absences	N/A	N/A	N/A	N/A
Total Business-Type Activities				
Total Washoe County Obligations				

* Interest on the variable-rate flood control bonds is equal to the sum of BMA (Bond Market Association) Swap Rate plus 0.70%. The remaining principal outstanding of $18,084,554 has a current interest rate of 2.527%. The interest rate on outstanding amount will be reset May 1, 2016.

** Interest on the variable-rate senior lien car rental bonds is equal to the greater of: (1) the minimum rate of 3% per annum and (2) the sum of (a) 70% of the swap rate plus (b) 2.22% for each of the reset periods. The rate maximum is 6.5% for December 1, 2012 - November 30, 2017, 7.5% December 1, 2017 - November 30, 2022 and 8% for December 1, 2022- November 30, 2027. The current interest rate is 3.0% with a reset date of December 1, 2017.

*** Business-type debt is expected to be retired primarily through operations.

DISCRETELY PRESENTED COMPONENT UNITS:				
Truckee Meadows Fire Protection District (Note 9,15)				
Compensated Absences	N/A	N/A	N/A	N/A
Claims and Judgments	N/A	N/A	N/A	N/A
Total Other Liabilities				
Sierra Fire Protection District (Note 9,15)				
Net other postemployment benefits obligations	N/A	N/A	N/A	N/A

Principal Outstanding June 30, 2013	Additions/ Issued	Reduction/ Principal Matured / Called	Principal Outstanding June 30, 2014	Principal Due in 2014-2015
$ 24,149,739	$ 18,392,264	$ 17,954,914	$ 24,587,089	$ 18,577,295
8,275,662	210,840	1,473,319	7,013,183	60,000
14,081,000	2,630,657	1,310,657	15,401,000	6,864,000
46,506,401	21,233,761	20,738,890	47,001,272	25,501,295
218,132,364	21,233,761	28,808,571	210,557,554	33,290,118
400,479	-	74,893	325,586	77,408
400,700	-	51,143	349,557	53,054
79,718	-	10,175	69,543	10,556
11,618,271	-	1,213,342	10,404,929	1,251,556
1,991,566	-	153,602	1,837,964	158,575
10,206,321	-	726,142	9,480,179	746,691
26,100,000	-	-	26,100,000	-
4,971,866	-	305,087	4,666,779	314,095
3,411,806	-	201,758	3,210,048	210,370
59,180,727	-	2,736,142	56,444,585	2,822,305
765,852	-	35,622	730,230	-
59,946,579	-	2,771,764	57,174,815	2,822,305
829,855	675,190	692,409	812,636	614,005
60,776,434	675,190	3,464,173	57,987,451	3,436,310
$ 278,908,798	$ 21,908,951	$ 32,272,744	$ 268,545,005	$ 36,726,428
$ 1,049,313	$ 962,674	$ 637,765	$ 1,374,222	$ 672,113
1,486,000	-	316,000	1,170,000	498,157
$ 2,535,313	$ 962,674	$ 953,765	$ 2,544,222	$ 1,170,270
$ 1,169,540	$ 1,516,804	$ 544,869	$ 2,141,475	$ -

NOTE 11 – DEBT SERVICE REQUIREMENTS

The annual requirements to amortize outstanding debt are as follows:

Governmental Activities – Primary Government

Year Ended June 30,	General Obligation Bonds		Revenue Bonds		Special Assessment Debt	
	Principal*	Interest**	Principal*	Interest***	Principal*	Interest
2015	$ 6,111,546	$ 3,785,185	$ 1,282,100	$ 1,212,016	$ 395,177	$ 311,640
2016	7,838,063	3,544,744	1,397,800	1,158,901	392,231	296,323
2017	8,117,604	3,295,741	1,527,800	1,101,091	401,266	280,726
2018	6,241,216	3,019,929	1,524,800	1,040,082	412,977	264,728
2019	6,466,946	2,816,307	1,689,470	1,022,178	425,392	248,357
2020-2024	35,843,548	10,797,561	10,804,795	4,188,434	2,435,294	969,074
2025-2029	28,731,831	4,762,584	14,069,105	3,434,909	2,479,617	472,275
2030-2034	10,205,115	1,461,922	2,266,880	8,670,394	1,174,757	62,001
2035-2039	3,885,685	159,525	1,881,967	10,925,548	-	-
2040-2044	-	-	1,566,274	13,395,973	-	-
2045-2049	-	-	1,295,976	16,161,764	-	-
2050-2054	-	-	1,071,626	19,290,177	-	-
2055-2059	-	-	575,932	13,931,458	-	-
Total	$ 113,441,554	$ 33,643,498	$ 40,954,525	$ 95,532,925	$ 8,116,711	$ 2,905,124

Business-type Activities – Primary Government

Year Ended June 30,	General Obligation Bonds	
	Principal*	Interest
2015	$ 2,822,305	$ 2,232,442
2016	2,911,212	2,143,531
2017	3,002,961	2,051,783
2018	3,097,642	1,957,103
2019	3,107,003	1,860,126
2020-2024	12,934,906	7,907,594
2025-2029	11,168,556	5,979,092
2030-2034	14,135,000	3,005,250
2035-2039	3,265,000	163,250
Total	$ 56,444,585	$ 27,300,171

*Principal amounts shown exclude discounts and premiums.
**Interest on the variable–rate flood control bonds is calculated at the current rate of 2.527%.
***Interest on the variable–rate senior lien car rental bonds is calculated at the current rate of 3.0%.

NOTE 12 – INTERFUND ACTIVITY

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the Debt Service Fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended June 30, 2014

Transfers from:	Transfers to:	Amount	
General Fund	Nonmajor Governmental Funds	$ 21,117,545	(a,b)
Child Protective Services	Nonmajor Governmental Funds	445,406	
Nonmajor Governmental Funds	General Fund	845,270	(c,d)
	Special Assessments Debt Funds	482,653	
	Nonmajor Governmental Funds	7,785,115	(e,f)
	Subtotal	9,113,038	
Water Resources Fund	Internal Service Funds	210,780	
Total Transfers In / Out		$ 30,886,769	

Significant transfers during the year of a non-routine nature included: (a) $519,107 from the General Fund to the Other Restricted Fund for transferring of Medicaid TCM to restricted, (b) $660,214 from General Fund to Public Works for construction of a new Court Facility (c) $298,981 from the Other Restricted Fund to the General Fund for court administrative assessment fees that were no longer restricted per State Statutes, (d) $450,000 from Other Restricted Fund to Public Works Construction Fund for Child Advocacy Center (CAC) Remodel Project, (e) $1,890,000 from the Capital Facilities Fund to the Roads Fund to support road capital improvements, (f) $634,065 from the Capital Facilities Projects Fund and $1,033,379 from Public Works Construction Fund for a total of $1,667,444 to the Regional Permits Capital Projects Fund.

NOTE 13 – FUND BALANCES / NET POSITION

Government-wide Financial Statements

The government-wide Statement of Net Position utilizes a proprietary presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Restricted resources have externally imposed (statutory, bond covenant, contract or grantor) limitations on their use. Restricted resources are classified either by function, debt service, capital projects, or claims. Resources restricted by function relate to net resources of governmental and enterprise funds whose use is legally limited by outside parties for a specific purpose. The restriction for debt service represents resources legally restricted by State Statute or bond covenants for future debt service requirements of both principal and interest. The amount restricted for capital projects consists of unspent grants, donations, and debt proceeds with third party restrictions for use on specific projects or programs. Net position restricted for claims represents the amount legally required to be held for payment of future claims in the self-insurance funds. The government-wide Statement of Net Position reports $107,515,941 of restricted net resources, all of which is externally imposed.

Unrestricted net position represents available financial resources of the County.

Fund Financial Statements

Governmental Funds

Governmental fund balances are classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the County is bound to observe constraints imposed on the use of the resources of the funds.

Fund balances classification by County function and purpose consist of the following:

	Major Governmental Funds				
Fund Balances	**General Fund**	**Child Protective Services Fund**	**Special Assessment Debt Fund**	**Nonmajor Governmental Funds**	**Total**
Nonspendable:					
Prepaid items	$ 19,043	$ -	$ -	$ 39,483	$ 58,526
Restricted for:					
Assessors, Clerk and Recorder technology	-	-	-	4,305,373	4,305,373
Administrative programs	-	-	-	117,426	117,426
Court programs and expansion	-	-	-	6,580,547	6,580,547
Other judicial programs	-	-	-	187,503	187,503
Regional flood control project	-	-	-	1,471,726	1,471,726
Sheriff's programs	-	-	-	1,598,777	1,598,777
Regional public safety communications and training	-	-	-	3,247,687	3,247,687
Other public safety programs	-	-	-	1,204,537	1,204,537
Public works programs	-	-	-	173,077	173,077
Regional health services and programs	-	-	-	2,155,799	2,155,799
Groundwater remediation	-	-	-	5,712,307	5,712,307
Parks and recreation programs	-	-	-	63,336	63,336
Library expansion	-	-	-	425,377	425,377
Programs for seniors	-	-	-	126,478	126,478
Adult, indigent and children support services	-	136,505	-	4,917,978	5,054,483
County facility improvement projects	-	-	-	8,518,175	8,518,175
Parks and open space projects	-	-	-	20,480,136	20,480,136
Intergovernmental	42,259	-	-	34,892	77,151
Debt service	750,000	-	1,662,395	9,406,254	11,818,649
Total Restricted	792,259	136,505	1,662,395	70,727,385	73,318,544
Committed to:					
Fiscal emergency / stabilization	4,143,300	-	-	-	4,143,300
Administrative programs	375,475	-	-	-	375,475
Animal control and services	-	-	-	5,751,629	5,751,629
Roadways	-	-	-	118,670	118,670
Groundwater remediation	-	-	-	1,225,846	1,225,846
Park maintenance and improvement	-	-	-	1,406,840	1,406,840
Library expansion	-	-	-	443,493	443,493
Adult, indigent and children support services	-	4,201,615	-	-	4,201,615
Programs for seniors	-	-	-	125,018	125,018
Total Committed	4,518,775	4,201,615	-	9,071,496	17,791,886
Assigned to:					
Roadways	-	-	-	7,482,168	7,482,168
General Fund encumbrances re-appropriated for various functional departments	1,106,583	-	-	-	1,106,583
Total Assigned	1,106,583	-	-	7,482,168	8,588,751
Unassigned	40,169,907	-	-	(418,495)	39,751,412
Total Fund Balances	$ 46,606,567	$ 4,338,120	$ 1,662,395	$ 86,902,037	$ 139,509,119

Proprietary Funds

The net position for business funds and internal services funds are categorized as net investment in capital assets, restricted and unrestricted as described for the government-wide financial statements.

Fiduciary Funds

Net position held in trust for pool participants in the Statement of Fiduciary Net Position represent cash and investments held in trust for other agencies participating in the County's investment pool.

NOTE 14 - PENSION PROGRAM

Plan Description

The County and two discretely presented component units, SFPD and TMFPD, contribute to the Public Employees Retirement System of the State of Nevada (PERS), a cost-sharing multiple employer defined benefit pension plan. PERS provides retirement benefits, disability benefits and death benefits, including annual cost-of-living adjustments, to plan members and beneficiaries. Chapter 286 of the NRS established the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation.

PERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, NV 89703-1599 or by calling (775) 687-4200.

Washoe County Funding Policy

Benefits for County plan members are funded under the employer pay contribution plan method. Under this method, the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of NRS and may only be amended through legislation.

The County's pension contributions for the last three years are as follows:

Contribution Rates

	Employer Pay Contribution Rate	
Fiscal Year	Regular Members	Police/ Fire
2013-14	25.75%	40.50%
2012-13	23.75%	39.75%
2011-12	23.75%	39.75%

Contribution Cost

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013-14	$ 44,940,488	100%	$ -
2012-13	41,956,283	100%	-
2011-12	41,399,820	100%	-

Discretely Presented Component Units Funding Policy

On March 27, 2012 the Board of Fire Commissioners approved an interlocal agreement transferring operations of SFPD to TMFPD. As of June 30, 2012, all SFPD employees were transferred to TMFPD and, therefore, SFPD no longer contributes to PERS. The employees remained participants of PERS and their accounts were transferred to TMFPD.

On July 1, 2012 all TMFPD employees were covered under the employer pay contribution plan method. Prior to July 1, 2012,

the benefits for TMFPD plan members are funded under one of two methods. Under the employer pay contribution plan, TMFPD is required to contribute all amounts due under the plan. The second funding mechanism for providing benefits is the employer/employee paid contribution plan. Under this method, employees are required to contribute a percentage of their compensation to the plan, while TMFPD is required to match that contribution. The contribution requirements of plan members and the District are established by Chapter 286 of NRS and may only be amended through legislation.

SFPD and TMFPD's combined pension contributions for the last three years are as follows:

Contribution Rates

	Employer Pay Contribution Rate		Employee/Employer Pay Contribution Rate	
Fiscal Year	Regular Members	Police/ Fire	Regular Members	Police/ Fire
2013-14	25.75%	40.50%	13.25%	20.75%
2012-13	23.75%	39.75%	12.25%	20.25%
2011-12	23.75%	39.75%	12.25%	20.25%

Contribution Cost

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2013-14	$ 3,109,471	100%	$ -
2012-13	2,711,873	100%	-
2011-12	1,247,737	100%	-

NOTE 15 - OTHER POSTEMPLOYMENT BENEFITS

Plan Descriptions and Eligibility

The County provides other postemployment benefits (OPEB) for eligible employees through the Retiree Health Benefit Program, a single-employer defined benefit OPEB plan, and participates in the State of Nevada's Public Employee Benefit Plan, an agent multiple-employer defined benefit OPEB plan. Both plans are administered through the Washoe County, Nevada OPEB Trust (Trust), an irrevocable trust established on May 11, 2010 by the BCC. The Trust, a multiple employer trust, was created to fund and account for the participating employers' costs of retiree healthcare benefits pursuant to NRS 287.017. Complete financial statements of the Trust may be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, P.O. Box 11130, Reno, Nevada, 89520.

Additionally, TMFPD and SFPD, discretely presented component units, provide OPEB for eligible employees through the Truckee Meadows Fire Protection District Retiree Group Medical Plan and Sierra Fire Protection District Retiree Group Medical Plan, both single-employer defined benefit plans. As of July 1, 2010 both plans are also administered through the Trust.

Washoe County Retiree Health Benefit Program (RHBP)

In accordance with NRS 287.010, the BCC adopted the RHBP to provide postemployment benefits to eligible employees upon retirement. Retirees are offered medical, prescription, vision, life, and dental insurance for themselves and their dependents. Retirees can choose between the Self Funded Group Health Plan (SFGHP) and an HMO Plan.

As of June 30, 2014, all employees hired before July 1, 2010 who retire from County employment and receive monthly payments under PERS are eligible to participate in the RHBP. In addition, employees hired before this date who have terminated employment prior to retirement may enroll in the RHBP upon commencing retirement if the County is that individual's last public employer.

For eligible retirees, the County pays a portion of the retiree's premium based on years of County service. Benefits are provided under two contribution "tiers": Tier 1 includes employees hired prior to various exclusion dates between 1997 and 1999, as stipulated in employee association contracts, and Tier 2 includes all employees hired after the Tier 1 exclusion dates. Retired plan members and beneficiaries currently receiving benefits are required to contribute specified amounts monthly toward the

cost of health insurance premiums depending on their respective tier. Retirees pay 100% of the premium for dependent coverage.

For Tier 1 retirees, the retiree's contribution is determined as follows, except for the cost of dental benefits which is 100% paid for by the retiree, regardless of service:

Years of Service	Tier 1 Retiree Contribution
Less than 10	100%
10 but less than 15	50%
15 but less than 20	25%
20 or more	0%

For Tier 2 retirees, the retiree's contribution is the monthly premium amount less a County-paid premium subsidy equal to the Non-State Retiree Subsidy Adjustment set annually by the State of Nevada's Public Employee Benefit Plan. The County's monthly subsidy for fiscal year 2014 depends on years of full-time service and ranges from a minimum of $114 for five years to a maximum of $627 for 20 or more years.

State of Nevada's Public Employee Benefit Plan (PEBP)

NRS 287.023 allowed County retirees to join the State's PEBP through September 1, 2008, at the County's expense. Eligibility and subsidy requirements are governed by statutes of the State and can only be amended through legislation. PEBP is administered by a nine member governing board and provides medical, dental, prescription, vision, life and accident insurance for retirees.

Through collective bargaining agreements, the County is required to provide a subsidy for their eligible retirees that have elected to join PEBP. Contribution requirements are assessed by the PEBP Board annually. The subsidy for this plan is based on years of service and in 2014 ranged from a minimum of $114 for five years of service to a maximum of $627 for 20 or more years of service. Retirees age 65 and over are required to enroll in a Medicare Advantage Plan at their own expense and receive monthly Health Reimbursement Account contributions of between $55 and $220 based on years of service.

TMFPD Retiree Group Medical Plan (TMFPD RGMP)

Prior to July 1, 2000, TMFPD provided health insurance benefits to retired employees through a single-employer defined benefit plan. At June 30, 2000, ten retirees were participating in the TMFPD RGMP. On July 1, 2000, pursuant to an Interlocal Agreement for Fire Services and Consolidation, TMFPD operations were transferred to the City of Reno (City) and the City accepted liability for the ten retirees under this plan. TMFPD pays a proportionate share of employees' retiree health benefit costs based on service earned prior to July 1, 2000, for those employees who transferred employment to the City and retired during the term of the Interlocal Agreement. Benefits under the City's plan include medical, dental, prescription, vision and life insurance.

The Interlocal Agreement was terminated on June 30, 2012, and TMFPD assumed responsibility for its own fire district operations as of July 1, 2012. As of June 30, 2012, to prepare for standing up the new fire operations, 11 former Reno firefighters had transferred to TMFPD with the provision that TMFPD would provide retiree health benefits for those 11 employees. No other new employees hired by TMFPD are eligible for retiree health benefits. Any former TMFPD employee remaining employed by the City as of July 1, 2012, retained retiree health benefits with the City and the City retained the liability for those employees. Benefits under the new TMFPD RGMP, a single-employer defined benefit plan, include health, dental, vision and prescription insurance coverage. Eligible retirees who retire from the District will be required to pay for 50% of the retirees' health insurance premium and 100% of the cost of coverage for their spouses. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the TMFPD and the TMFPD Fire Fighters Association.

SFPD Retiree Group Medical Plans (SFPD RGMP)

SFPD provides health insurance benefits to eligible retired employees who transferred from State service on July 1, 2006 or transferred from SFPD service to the TMFPD in fiscal year 2012. As of April 1, 2012, all SFPD employees transferred to TMFPD under the terms of an Interlocal Agreement for Fire Services and Consolidation between the two districts. Health insurance benefits are through the TMFPD RGMP; however, the liability for the payment for these retiree health benefits is retained by each district. The plan is a single-employer defined benefit OPEB plan. As June 30, 2014, there were five employees participating in the plan who had retired from SFPD.

In accordance with NRS, the Board of Fire Commissioners for SFPD entered into an agreement with the Sierra Firefighters Association for retiree health insurance. This employee agreement was assumed by TMFPD as of April 1, 2012; however, the payment of the monthly benefits continues to be paid from SFPD's portion of the Trust. Eligible employees who retire from TMFPD employment and receive monthly payments from PERS of Nevada are allowed coverage in the TMFPD RGMP. Benefits include medical, vision, dental and prescription insurance coverage. SFPD pays 50% of the cost of health premiums of retirees who transferred to SFPD as of July 1, 2006 or from SFPD to TMFPD in fiscal year 2012 and retire directly from TMFPD with 10 or more years of combined service with the Nevada Division of Forestry or the Districts. Retirees are responsible for the remaining 50% of the retirees' health premiums and 100% of the cost of coverage for their eligible dependents. Eligibility requirements, benefit levels, employee contributions, and employer contributions may be amended by the mutual agreement of the SFPD and the TMFPD Fire Fighters Association.

Funding Policy and Annual OPEB Cost

The amount of contributions each year for RHPB, TMFPD RGHP and SFPD RGHP are established through the annual budget process by the Board of County Commissioners and the TMFPD and SFPD Boards of Fire Commissioners, respectively, and may be amended through negotiations with their respective employee associations. The required contributions are based on projected pay-as-you-go financing requirements, with an additional amount, generally equal to the normal cost, to prefund benefits.

Additionally, the County is required to provide a subsidy for their retirees that have elected to join PEBP which is established and may be amended by the State of Nevada Legislature. The subsidy is paid on the pay-as-you-go basis, with an additional amount contributed to prefund future benefits. Contribution requirements for plan members and the participating employers are assessed by the PEBP Board annually.

The County, TMFPD and SFPD fund the OPEB costs from their respective General Funds. During the current fiscal year the County transferred $16.1 million to the Trust to fund future retiree health benefits for both the RHBP and PEBP. These contributions were allocated between the RHBP and the PEBP based on the proportionate share of each plan's Unfunded Actuarial Accrued Liability to the total. SFPD transferred $544,869 to the Trust during the current fiscal year. TMFPD did not make any transfers to the Trust during the current fiscal year.

The annual OPEB cost and related information for each plan for the fiscal year ended June 30, 2014 are as follows:

	RHBP	PEBP	TMFPD RGMP	SFPD RGMP
Determination of Annual Required Contribution:				
Normal cost	$ 7,881,000	$ -	$ 144,970	$ 493,457
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	10,858,000	335,000	50,387	1,050,140
Annual Required Contribution (ARC)	$ 18,739,000	$ 335,000	$ 195,357	$ 1,543,597
Determination of Net OPEB Obligation:				
Annual Required Contribution	$ 18,739,000	$ 335,000	$ 195,357	$ 1,543,597
Interest on Net OPEB Obligation	(220,000)	(39,000)	(85,733)	81,868
Adjustment to ARC	170,000	43,000	113,791	(108,661)
Annual OPEB Cost	18,689,000	339,000	223,415	1,516,804
Retiree Benefit Payments Paid by Employer	(2,089,884)	-	-	-
Contributions Made to Trust	(15,682,610)	(417,390)	-	(544,869)
Increase (Decrease) in Net OPEB Obligation	916,506	(78,390)	223,415	971,935
Net OPEB Obligation (Asset), Beginning of Year	(3,147,469)	(564,174)	(1,224,753)	1,169,540
Net OPEB Obligation (Asset), End of Year	$ (2,230,963)	$ (642,564)	$ (1,001,338)	$ 2,141,475

The annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation at June 30, 2014 and the two preceding years for each of the plans were as follows:

Plan	Fiscal Year Ended June 30,	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation / (Asset)
RHBP	2012	$ 23,765,000	$ 19,776,106	83.22%	$ (2,523,758)
	2013	18,403,000	19,026,711	103.39%	(3,147,469)
	2014	18,689,000	17,772,494	95.10%	(2,230,963)
PEBP	2012	495,206	623,894	125.99%	(543,813)
	2013	367,639	388,000	105.54%	(564,174)
	2014	339,000	417,390	123.12%	(642,564)
TMFPD RGMP	2012	47,558	-	0.00%	(1,295,031)
	2013	70,278	-	0.00%	(1,224,753)
	2014	223,415	-	0.00%	(1,001,338)
SFPD RGMP	2012	302,893	-	0.00%	832,181
	2013	337,359	-	0.00%	1,169,540
	2014	1,516,804	544,869	35.92%	2,141,475

Listed below is the funded status of each plan, as of their most recent actuarial valuations:

	RHBP	PEBP	TMFPD RGMP	SFPD RGMP
Valuation date	7/1/2012	6/30/2014	7/1/2013	7/1/2013
Actuarial Accrued Liability (AAL)	$ 287,185,000	$ 3,412,494	$ 4,079,936	$ 11,148,737
Actuarial Value of Plan Assets	91,263,000	2,607,203	3,573,083	585,289
Unfunded Actuarial Accrued Liability (UAAL)	$ 195,922,000	$ 805,291	$ 506,853	$ 10,563,448
Funded Ratio (Actual Value of Plan Assets/AAL)	31.78%	76.40%	87.58%	5.25%
Covered Payroll (Active Plan Members) *	$ 146,848,513	n/a	$ 797,886	$ 3,221,020
UAAL as a Percentage of Covered Payroll *	133.42%	n/a	63.52%	327.95%

* The covered payroll for active plan members for the TMFPD RGMP reported above represents salaries and wages for the 10 former Reno firefighters who transferred from the City to TMFPD in June 2012 and who were still employed by the District at June 30, 2014. The UAAL shown for TMFPD also includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the 45 employees who transferred employment to the City and retired during the term of the Interlocal agreement.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far in the future. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear 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 for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations. Mortality demographic assumptions used for the County and PEBP plans were based on the RP 2000 Combined Mortality Table – Male and Female. Mortality demographic

assumptions for TMFPD and SFPD plans were based on the RP 2000 Combined Mortality Table – Male and Female for healthy life, and the 1977 Railroad Retirement Board for disabled life.

Significant methods and assumptions were as follows:

	RHBP	PEBP	TMFPD RGMP	SFPD RGMP
Valuation date	7/1/2012	6/30/2014	7/1/2013	7/1/2013
Actuarial cost method	Projected unit credit	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage of pay, closed	Level dollar amount, closed	Level dollar amount, closed	Level dollar amount, closed
Remaining amortization period	28 years	27 years	18 years	18 years
Asset valuation method	Market Value	Market Value	Market Value	Market Value
Actuarial assumptions:				
Investment rate of return	7%	7%	7%	7%
Healthcare cost trend rate	7% initial 4.75% ultimate	6% initial 4.5% ultimate	8% initial 4.5% ultimate	8% initial 4.5% ultimate

NOTE 16 - RISK MANAGEMENT

The County currently self-funds its fiscal responsibility related to exposures of loss from torts; theft of, damage to, or destruction of assets; and errors or omissions. Since 1981, when County started self-funding its workers' compensation obligation, it has increased the number of programs where self-funding is practiced and the proportion of the loss exposure which it self-funds.

Two internal service funds were established to account for these programs. The Risk Management Fund accounts for costs related to general liability, auto liability, workers' compensation, property coverage and unemployment compensation. The property program combines self-funding with insurance purchased from outside carriers. The Health Benefits Fund accounts for life, medical, prescription, dental and vision insurance programs. The plans contained within the Health Benefits Fund are handled through contracts with an external claims administrator, a preferred provider organization for medical services and through the purchase of various insurance plans.

Annually, there are a number of lawsuits and unresolved disputes involving the County, which are administered by the Risk Management Division. These items are reviewed by the Risk Manager, with input from the District Attorney's Office and the appropriate third party administrator, to set values to the extent a value is determinable. Claims liabilities are reevaluated periodically to take into consideration recently settled claims, including the effects of specific incremental claim adjustment expenses, salvage and subrogation. Allocated claim adjustment expenses are included. Annually, an aggregate value is placed on all claims through the performance of an actuarial study.

The values set by the actuary for both short and long-term liabilities are as follows:

	Current	Long-Term	Total
Pending Claims:			
Property and liability claims	$ 1,090,000	$ 2,371,000	$ 3,461,000
Workers' compensation claims	3,090,000	6,166,000	9,256,000
Unprocessed Health Benefits Fund claims	2,684,000	-	2,684,000
Total Pending Claims	$ 6,864,000	$ 8,537,000	$ 15,401,000

Many items involving the Risk Management Fund do not specifically fall within the criteria used by the actuaries for evaluation. Such items include contract disputes and noninsurance items. In the 1980's, management declared their intention to have a net position of $1,000,000 in the Risk Management Fund available for claims that fall into areas not recognized in the actuarial studies, or for possible catastrophic losses that exceed parameters of the actuarial studies. Currently, there is a net position of $12,391,071 in the Risk Management Fund.

The level of insurance coverage purchased by the County for property related claims ranges from $500,000 to a policy limit of $300 million depending on the incident. Deductibles generally range from $10,000 to $100,000. There were no settled claims in

excess of insurance coverage in the three prior fiscal years.

Claims liability and activity for the Risk Management and the Health Benefits Funds for the fiscal years ending June 30 were as follows:

	Risk Management Fund	Health Benefits Fund
Claims Liability/Activity:		
Claims Liability, June 30, 2012	$ 11,128,000	$ 1,851,000
Claims and changes in estimates	3,433,809	21,413,941
Claim payments	(3,154,809)	(20,590,941)
Claims Liability, June 30, 2013	11,407,000	2,674,000
Claims and changes in estimates	5,170,971	21,063,900
Claim payments	(3,860,971)	(21,053,900)
Claims Liability, June 30, 2014	$ 12,717,000	$ 2,684,000

The non-discounted carrying amount of unpaid claims in the Risk Management Fund at June 30 is $14,144,000. The interest rate used for discounting was 2.5%.

Discretely Presented Component Units

South Truckee Meadows General Improvement District, a former component unit, is a participant in the County's property insurance program and self-insurance program for general liability under the terms of an interlocal operating agreement for operations and support. The TMFPD and SFPD, discretely presented component units, do not participate in the Washoe County Risk Management or Health Benefits Funds.

TMFPD and SFPD are exposed, as are all entities, to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. TMFPD and SFPD have joined together with similar public agencies throughout the State to create a pool, Nevada Public Agency Insurance Pool (NPAIP), under the Nevada Interlocal Cooperation Act. Property and liability is fully insured with NPAIP. Each District pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The NPAIP is considered a self-sustaining risk pool that provides coverage for its members up to $10 million per event and a $13 million general aggregate per member. Property, crime and equipment breakdown coverage is provided to its members up to $300 million per loss with various sub-limits established for earthquake, flood, equipment breakdown, and money and securities.

As of April 1, 2012, TMFPD and SPFD entered an Interlocal Agreement to consolidate fire department administration and operations. Under that Interlocal Agreement, all SFPD employees became TMFPD employees. Health insurance and workers' compensation benefits are paid by the TMFPD through their consolidated budget.

In fiscal year 2012-13, TMFPD self-funded its health benefits until June 1, 2013. The TMFPD Health Benefits Fund was established to account for life insurance, medical, prescription, dental and vision programs. The self-funded plans contained within the TMFPD Health Benefits Fund were handled through contracts with an external claims administrator and through the purchase of various insurance plans. As of June 1, 2013, the District purchased a guaranteed health benefit plan and is no longer self-funded. The SFPD health plan ceased with the transition of SFPD employees to TMFPD during the fiscal year ended June 30, 2012.

During the term of the City of Reno/Truckee Meadows Fire Protection District Interlocal Agreement, workers' compensation was fully insured with the City's self-funded workers' compensation plan. Due to the termination of the Interlocal Agreement as of July 1, 2012, TMFPD is no longer self-funded with the City but has purchased a guaranteed workers' compensation insurance plan. However, TMFPD is still required to pay workers' compensation claims costs to the City for those years the District was self funded through the City's workers' compensation plan.

During the fiscal year ended June 30, 2004, the City instituted a "pay as you go" system for workers' compensation claims. TMFPD shared the combined losses with the Reno Fire Department (RFD). Each year, TMFPD was assigned the portion of paid losses corresponding to the ratio of employees originally transferred from TMFPD to the total number of current RFD employees. The ratio applied to TMFPD for the fiscal year ended June 30, 2012, which was the last fiscal year of the Interlocal

Agreement, was 25%. TMFPD established the Workers' Compensation Fund to account for this program. During the fiscal year ended June 30, 2014, the District paid the City $149,361 for the purpose of buying out its workers' compensation liability for fiscal year 2009.

The liability for workers' compensation was determined through an actuarial valuation performed for TMFPD as of December 31, 2011. Using a 70% probability level set by its actuary, claims of $2,424,922 were determined to be long-term in nature. The non-discounted carrying amount of unpaid claims was $2,903,000. The interest rate used for discount was 3%. Allocated loss adjustment expense is included in the actuarial calculation. Under the City's workers' compensation plan, TMFPD and the City self-insure up to a maximum of $2.5 million for each workers' compensation claim. Claims incurred prior to fiscal year 2004 remain the liability of the City under the guaranteed payment plan in effect prior to July 1, 2003.

Claims liability and activity for the fiscal years ending June 30 were as follows:

		TMFPD Workers' Compensation Fund
Claims Liability/Activity:		
Claims Liability, June 30, 2011	$	2,424,922
Claims and changes in estimates		118,938
Claims payments		(549,860)
Claims Liability, June 30, 2012		1,994,000
Claims and changes in estimates		16,731
Claims payments		(524,731)
Claims Liability, June 30, 2013		1,486,000
Claims and changes in estimates		97,734
Claims payments		(413,734)
Claims Liability, June 30, 2014	$	1,170,000

NOTE 17 – JOINT VENTURES

Local Government Oversight Committee Joint Venture (Truckee River Water Quality Settlement Agreement)

The County and the Cities of Reno and Sparks have entered into a joint venture for the purchase of water rights pursuant to the Truckee River Water Quality Settlement Agreement (TRWQSA) dated October 10, 1996. Parties to the TRWQSA are Washoe County, City of Reno, City of Sparks, United States Department of the Interior (DOI), U.S. Department of Justice, U.S. Environmental Protection Agency, Nevada Division of Environmental Protection and the Pyramid Lake Paiute Tribe of Indians (Tribe).

The agreement settled and dismissed pending litigation by the Tribe relating to the expansion of the Truckee Meadows Water Reclamation Facility, which is operated by the Cities of Reno and Sparks. It allows Reno and Sparks to use the sewage plant's full capacity in exchange for the expenditure of $24,000,000 ($12,000,000 by DOI and $12,000,000 by the joint venture) for the acquisition of Truckee River water rights. Proceeds received from the resale of land acquired incidentally, or from the retirement of challenged water rights have been netted against expenditures when received. As of June 30, 2014, the joint venture has fulfilled its spending requirements, with net program expenditures of $12,033,002.

The County is responsible for administration of the joint venture. Water rights will be jointly managed by the County, Reno, Sparks and DOI. The arrangement is considered a joint venture with no equity interest because no explicit and measurable equity interest is deemed to exist. All equity is reserved for purchase of water rights and is therefore unavailable to the entities. Each entity (Washoe County, Reno and Sparks) will own an undivided and equal interest in the property and water rights purchased. The County's proportionate share of the water rights and related property purchases are included in capital assets when purchased. Assets of $3,970,718 have been recorded as of June 30, 2014.

Separate audited financial statements and information for the joint venture are available by contacting the Washoe County Department of Water Resources, 4930 Energy Way, Reno, NV 89502.

Truckee Meadows Water Authority

The Truckee Meadows Water Authority (Authority) is a joint powers authority formed in November 2000, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (Members). The Authority was formed in

order to purchase water assets and undertake water utility operations of Sierra Pacific Power Company, a Nevada corporation, and to develop, manage and maintain supplies of water for the ongoing benefit of the Truckee Meadows community. The Authority issued bonds that do not constitute an obligation of Reno, Sparks, the County or the State.

Under the terms of the Cooperative Agreement, the Authority's Board of Directors has the power to periodically assess the Members directly for budgets and for the satisfaction of any liabilities imposed against the Authority. No such assessments have been made since the Authority's formation. The arrangement is considered a joint venture with no equity interest recorded on the County's balance sheet as of June 30, 2014, because no explicit and measurable equity interest is deemed to exist. The County appoints two directors of a seven-member governing body.

On December 9, 2009, the BCC and the Truckee Meadows Water Authority Board of Directors approved an interlocal agreement governing the merger of the Washoe County Department of Water Resources Water Utility into the Authority, which is intended to be the surviving water purveyor. On December 11, 2013, South Truckee Meadows General Improvement District (STMGID) and Truckee Meadows Water Authority entered into an interlocal agreement approving the merger of the STMGID water system into TMWA concurrent with the merger of Washoe County water system into TMWA. The implementation of the merger will proceed with an anticipated closing date of December 2014.

Separate audited financial statements and information for the joint venture are available by contacting the Authority's Chief Financial Officer at P.O. Box 30013, Reno, NV 89520-3013.

Truckee River Flood Management Authority

The Truckee River Flood Management Authority (TRFMA) is a joint powers authority formed in March, 2011, pursuant to a Cooperative Agreement among the Cities of Reno and Sparks and Washoe County (Members). The governing body of each Member appoints two directors who must be elected officials of the Member's governing body. The TRFMA was formed in order to regulate and control waters of the Truckee River that flow through their territories to reduce or mitigate flooding for the ongoing benefit of the Truckee Meadows community.

The primary source of revenue for the TRFMA consists of the net revenues of the Infrastructure Tax pledged by the County to support the TRFMA. The Infrastructure Tax is collected by the State of Nevada Department of Taxation and remitted to the County pursuant to procedures established in NRS Chapter 377B that restricts spending of these proceeds to projects for the management of floodplains, the prevention of floods or facilities relating to public safety. Net revenues consist of the balance remaining after paying or reserving for County obligations for existing flood project related debt obligations.

Under the terms of the Cooperative Agreement, the TRFMA Board of Directors has the power to periodically impose, assess, levy, collect and enforce fees, rates and charges in an amount sufficient for services or facilities, or both services or facilities and also to discharge any debt instruments or financing agreements. No such assessments have been made since the TRFMA's formation. The arrangement is considered a joint venture with no equity interest recorded on the County's balance sheet as of June 30, 2014, because no explicit and measurable equity interest is deemed to exist.

NOTE 18 – SUBSEQUENT EVENT

On October 14, 2014, the BCC approved a resolution directing the defeasance and redemption of the Washoe County, Nevada, General Obligation (limited tax) Water and Sewer Bonds (additionally secured by pledged revenues) Series 2005 in the amount of $26.1 million. The debt will no longer be an obligation of the County pursuant to the merger of the Water Utility Division of Community Services with Truckee Meadows Water Authority (TMWA). The debt will be assumed by TMWA. Additional County debt of $9.5 million, the Water Series 2005 Bonds, will also be restructured and assumed by TMWA by the planned merger date of December 31, 2014.

NOTE 19 – PRIOR PERIOD ADJUSTMENT

The beginning net position of the Water Resources Fund, an enterprise fund, has been restated due to incorrect capitalization of capital assets in fiscal years 2011 and 2012.

Water Resources Fund	
Net position as previously reported, June 30, 2013	$ 409,065,451
Capital asset reclassification	196,356
Net position, restated	$ 409,261,807

WASHOE COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2014

SCHEDULE OF FUNDING PROGRESS – OTHER POSTEMPLOYMENT BENEFITS

Actuarial Valuation Date	(a) Actuarial Value of Assets	(b) Actuarial Accrued Liability (AAL)	(a / b) Funded Ratio	(b - a) Unfunded Actuarial Accrued Liability (UAAL)	(c) Covered Payroll	[(b - a) / c] UAAL as a Percent of Covered Payroll
RHBP						
July 1, 2008	$ -	$ 276,684,000	0.00%	$ 276,684,000	$ 181,854,743	152.15%
July 1, 2010	70,887,000	273,801,000	25.89%	202,914,000	150,313,509	134.99%
July 1, 2012	91,263,000	287,185,000	31.78%	195,922,000	146,848,513	133.42%
PEBP						
June 30, 2010	1,925,471	7,437,111	25.89%	5,511,640	n/a	n/a
June 30, 2012	1,635,802	6,108,685	26.78%	4,472,883	n/a	n/a
June 30, 2014	2,607,203	3,412,494	76.40%	805,291	n/a	n/a
TMFPD RGMP						
July 1, 2009	-	4,472,236	0.00%	4,472,236	n/a	n/a
July 1, 2011	3,533,063	3,361,331	105.11%	(171,732)	793,352	-21.65%
July 1, 2013	3,573,083	4,079,936	87.58%	506,853	797,886	63.52%
SFPD RGMP						
July 1, 2009	-	1,769,515	0.00%	1,769,515	2,306,835	76.71%
July 1, 2011	530,895	2,472,793	21.47%	1,941,898	3,087,570	62.89%
July 1, 2013	585,289	11,148,737	5.25%	10,563,448	3,221,020	327.95%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

NOTE 1 – SCHEDULE OF FUNDING PROGRESS

The County and its component units implemented GASB Statement No. 45 prospectively for the fiscal year ended June 30, 2008. Information in the Schedule of Funding Progress for prior years is not available.

NOTE 2 – EMPLOYER CONTRIBUTIONS

The County funds the RHBP and the PEBP via contributions to the Washoe County, Nevada OPEB Trust (Trust). TMFPD and SFPD also fund their retiree group medical plans through the Trust. Information on employer contributions can be found in the Trust's separately issued financial statements, a copy of which can be obtained by writing to: OPEB Trust, c/o Washoe County Comptroller's Office, PO Box 11130, Reno, NV 89520.

NOTE 3 – TMFPD COVERED PAYROLL

The covered payroll for active plan members for the TMFPD RGMP reported above represents salaries and wages for the former City firefighters who transferred from the City to TMFPD in June 2012 and who were still employed by the District at June 30, 2014. The UAAL shown for TMFPD also includes the District's proportionate share of the liability, based on service earned prior to July 1, 2000 for the 45 employees who transferred employment to the City and retired during the term of the Interlocal Agreement.

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The following statements are summaries of certain provisions of the Bond Ordinance. Such statements do not purport to be complete and are qualified in their entirety by the provisions of and reference to the Bond Ordinance, copies of which are on file and available for examination at the principal office of the County. See "INTRODUCTION--Additional Information."

APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND ORDINANCE

The following is a brief summary of certain provisions of the Bond Ordinance and is qualified in its entirety by the provisions of the Bond Ordinance itself.

Definitions

As used in the Bond Ordinance, the following terms shall, for all purposes, have the following meanings unless the context clearly requires otherwise.

"Acquisition Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Project Construction and Other Acquisition Account" created in the Bond Ordinance.

"annual principal and interest requirements" means the sum of the principal of and interest on the Outstanding Bonds and any other Outstanding designated securities payable from the Pledged Revenues having a lien thereon superior to or on a parity with the lien thereon of the Bonds, to be paid during any Bond Year, but excluding any reserve requirements to secure such payments unless otherwise expressly provided and excluding any amount payable from capitalized interest. In calculating this amount, the principal amount of bonds required to be redeemed prior to maturity pursuant to a mandatory redemption schedule contained in the ordinance or other instrument authorizing the issuance of such bonds (e.g., the schedule, if any, set forth in the Certificate of the County chief financial officer) shall be treated as maturing in the Bond Year in which such bonds are so required to be redeemed, rather than in the Bond Year in which the stated maturity of such bonds occurs.

"Board" means the Board of County Commissioners of Washoe County, in the State of Nevada, including any successor of the County.

"Bond Act" means NRS 350.500 through 350.720, and all laws amendatory thereof, designated in NRS 350.500 as the Local Government Securities Law.

"Bond Fund" means the special accounts designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Principal Account," and "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Interest Account," created herein, and required to be accumulated and maintained in Section 604 hereof which shall be held separate and apart from the Income Account.

"Bond Requirements" means the principal of, any prior redemption premiums due in connection with, and the interest on the 2012B Bonds, and if the context requires, the Parity Lien Bonds and any additional bonds or other additional securities payable from the Pledged Revenues and hereafter issued, or such part of such securities or such other securities as may be designated, as such principal, premiums and interest become due at maturity or on a Redemption Date designated in a mandatory redemption schedule, in a notice of prior redemption, or otherwise.

"Bonds" or "2015 Bonds" means the securities issued pursuant to the Bond Ordinance and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues), Series 2015."

"2012B Bonds" means the securities issued pursuant to the Bond Ordinance and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2012B."

"2011 Bonds" means the securities issued and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2011B."

"2006 Park Bonds" means the securities issued and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Park Bonds (Additionally Secured by Pledged Revenues), Series 2006."

"2006 Public Safety Bonds" means the securities issued and designated as the "Washoe County, Nevada, General Obligation (Limited Tax Public Safety Bonds (Additionally Secured by Pledged Revenues), Series 2006."

"2004 Parking Bonds" means the securities issued and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Building and Parking Garage Bonds (Additionally Secured by Pledged Revenues), Series 2004."

"2004 Bonds" means the securities issued and designated as the "Washoe County, Nevada, General Obligation (Limited Tax) Library Building Bonds (Additionally Secured by Pledged Revenues), Series 2004."

"Bond Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year.

"Capitalized Interest Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Capitalized Interest Account" created in the 2015 Bond Ordinance.

"combined maximum annual principal and interest requirements" means the greatest of the annual principal and interest requirements to be paid during any Bond Year for the period beginning with the Bond Year in which such computation is made and ending with the Bond Year in which any bond last becomes due at maturity or on a Redemption Date on which any bond thereafter maturing is called for prior redemption. If any outstanding bonds are subject to variable interest rates, for the purpose of such computation, such interest rates shall be determined by an Independent Accountant, an independent feasibility consultant or the County chief financial officer. Any such computation shall be adjusted as provided in Section 803C of the Bond Ordinance, and shall be made by an Independent Accountant, an independent feasibility consultant or the County chief financial officer if expressly so required.

"Comparable Bond Year" means, in connection with any Fiscal Year, the Bond Year which ends in the Fiscal Year.

"Consolidated Tax Act" means, collectively, NRS 360.600 to 360.740, inclusive, as amended from time to time, as implemented by the County pursuant to the Washoe County Code, as amended from time to time.

"Cost of Issuance Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds, Series 2012, Cost of Issuance Account" (the "Cost of Issuance Account") created in Section 401 of the Bond Ordinance.

"Cost of the Project" means all or any part designated by the County of the cost of the Project, which cost, at the option of the County, except as limited by law, may include all or any part of the incidental costs relating to the Project, including, without limitation:

a. Preliminary expenses advanced by the County from funds available for use therefor or from any other source, or advanced with the approval of the County from funds available therefor or from any other source by the State, the Federal Government, or by any other Person with the approval of the County (or any combination thereof);

b. The costs in the making of surveys, audits, preliminary plans, other plans, specifications, estimates of costs, and other preliminaries;

c. The costs of premiums on builders' risk insurance and performance bonds, or a reasonably allocable share thereof;

d. The costs of appraising, printing, estimates, advice, services of engineers, architects, accountants, financial consultants, attorneys at law, clerical help, or other agents or employees;

e. The costs of making, publishing, posting, mailing and otherwise giving any notice in connection with the Project, the filing or recordation of instruments, the taking of options, the issuance of the Bonds and any other securities relating to the Project, and bank fees and expenses;

f. The costs of contingencies;

g. The costs of the capitalization with the proceeds of the Bonds of any interest on the bonds or other securities for any period not exceeding the period estimated by the County to effect the Project plus one year, of any discount on the bonds or other securities, and of any reserves for the payment of the principal of and interest on the Bonds or other securities, of any replacement expenses, and of any other cost of the issuance of the Bonds or other securities relating to the Project;

h. The costs of amending any ordinance, resolution or other instrument authorizing the issuance of or otherwise relating to the Outstanding Bonds or other securities relating to the Project;

i. The costs of funding any medium-term obligations, emergency loans, construction loans and other temporary loans not exceeding 10 years relating to the Project and of the incidental expenses incurred in connection with such loans;

j. The costs of any properties, rights, easements or other interests in properties, or any licenses, privileges, agreements and franchises;

k. The costs of demolishing, removing or relocating any buildings, structures or other facilities on land acquired for the Project, and of acquiring lands to which such buildings, structures or other facilities may be moved or relocated; and

l. All other expenses necessary or desirable and relating to the Project, as estimated or otherwise ascertained by the County. The Board hereby determines that the costs of issuance of the Bonds are necessary or desirable and related to the Project.

"County" means the County of Washoe in the State, and constituting a political subdivision thereof, or any successor municipal corporation.

"County chief financial officer" means the Assistant County Manager or any other officer designated by the County as the de jure or de facto chief financial officer of the County.

"Events of Default" means the events stated in Section 1103 of the Bond Ordinance.

"Federal Securities" means bills, certificates of indebtedness, notes, bonds or similar securities which are direct obligations of, or the principal and interest of which securities are unconditionally guaranteed by, the United States.

"Fiscal Year" means the 12 months commencing on July 1 of any calendar year and ending on June 30 of the next succeeding calendar year; but if the Nevada legislature changes the statutory fiscal year relating to the County, the Fiscal Year shall conform to such modified statutory fiscal year from the time of each such modification, if any.

"Interest Account" "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Interest Account," created in the Bond Ordinance.

"General Taxes" or "Taxes" means general (ad valorem) taxes levied by the County against all taxable property within the boundaries of the County (unless otherwise qualified).

"Income Account" means the special account designated as the "Washoe County, Nevada, Consolidated Tax Pledged Revenues Income Account" continued in Section 602 of the ordinances authorizing the issuance of the Parity Lien Bonds and continued in the Bond Ordinance, which shall be held separate and apart from the Bond Fund.

"Independent Accountant" means any certified public accountant, or any firm of certified public accountants, duly licensed to practice and practicing as such under the laws of the State, as from time to time appointed and compensated by the County:

a. Who or which is, in fact, independent and not under the domination of the County;

b. Who or which does not have any substantial interest, direct or indirect, with the County, and

c. Who or which is not connected with the County as an officer or employee thereof, but who may be regularly retained to make annual or similar audits of any books or records of the County.

"Interest Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Interest Account," created in the Bond Ordinance.

"Outstanding" when used with reference to the Bonds or any other designated securities and as of any particular date means all the Bonds or any such other securities payable from the Pledged Revenues, as the case may be, in any manner theretofore and thereupon being executed and delivered:

a. Except any Bond or other security canceled by the County, by the Paying Agent or otherwise on the County's behalf, at or before such date;

b. Except any Bond or other security the payment of which is then due or past due and moneys fully sufficient to pay the same are on deposit with the Paying Agent;

c. Except any Bond or other security for the payment or the redemption of which moneys at least equal to the County's Bond Requirements to the date of maturity or to any Redemption Date, shall have heretofore been deposited with a trust bank in escrow or in trust for that purpose, as provided in Section 1001 of the Bond Ordinance; and

d. Except any Bond or other security in lieu of or in substitution for which another bond or other security shall have been executed and delivered pursuant to Sections 306 or 1209 of the Bond Ordinance.

"owner" or any similar term, when used in conjunction with any Bonds, or any other designated securities, means the registered owner of any Bonds or other security which is registrable for payment if it shall at the time be registered for payment otherwise than to bearer.

"Parity Securities" means the Parity Lien Bonds and bonds or securities hereafter issued which have a lien on the Pledged Revenues that is on a parity with the lien thereon of the Bonds.

"Parity Lien Bonds" means the Outstanding 2004 Bonds, the 2004 Parking Bonds, the 2006 Public Safety Bonds, the 2006 Park Bonds, the 2011 Bonds and the 2012 Bonds.

"Paying Agent" means U. S. Bank, National Association, or any successor which may be appointed from time to time as paying agent for the Bonds.

"Pledged Revenues" means a 15% portion of all income and revenue derived by the County from the imposition and collection of the Consolidated Tax and distributed to the County pursuant to the Consolidated Tax Act. The Pledged Revenues means all or a portion of the Pledged Revenues. The designated term indicates sources of revenues and does not necessarily indicate all or any portion or other part of such revenues in the absence of further qualification. "Pledged Revenues" includes income derived from any additional Consolidated Tax imposed by the County if the Board is authorized to include and specifically elects to include the additional tax in "Pledged Revenues" for the remaining term of the Bonds.

"Principal Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Principal Account," created in the Bond Ordinance.

"Project" means the acquisition, construction, improvement and equipping of building projects as provided in NRS 244A.019, including, but not limited to, structures, fixtures, furniture and equipment therefore, and all appurtenances and incidentals necessary, useful or desirable for any such facilities.

"Project Act" means NRS 244A.011 through 244.065, as amended from time to time.

"Rebate Account" means the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Rebate Account" created in the Bond Ordinance.

"Redemption Date" means a date fixed for the redemption prior to their respective maturities of any Bonds or other designated securities payable from any Pledged Revenues in any mandatory redemption schedules, or in any notice of prior redemption or otherwise fixed and designated by the County.

"Redemption Price" means, when used with respect to a Bond or other designated security payable from any Pledged Revenues, the principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof prior to the stated maturity date of such Bond or other security on a Redemption Date in the manner contemplated in accordance with the security's terms.

"Registrar" means U. S. Bank, National Association, or any successor which may be appointed from time to time as registrar for the Bonds.

"Regular Record Date" means the 15th day of the calendar month next preceding each interest payment date.

"Special Record Date" means a special date fixed by the Paying Agent to determine the names and addresses of owners of the Bonds for the payment of any defaulted interest on any of the Bonds, as further provided in Section 302 of the Bond Ordinance. At least 10 days' notice will be given by the Paying Agent by first-class regular mail to each owner of a Bond as stated on the Registrar's registration list at the close of business on a date fixed by the Paying Agent, stating the date of the Special Record Date and the due date fixed for the payment of such defaulted interest

"State" means the State of Nevada, in the United States.

"Subordinate Securities" means bonds or securities which have a lien on the Pledged Revenues that is subordinate and junior to the lien thereon of the Bonds authorized in the Bond Ordinance.

"Superior Securities" means bonds or securities which have a lien on the Pledged Revenues that is superior to the lien thereon of the Bonds authorized in the Bond Ordinance.

"Tax Code" means the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds.

Disposition of Bond Proceeds

The proceeds of the Bonds upon the receipt thereof at any time or from time to time, shall be accounted for in the following manner and priority and are hereby pledged therefor:

First, shall be credited to a separate account hereby created and to be known as the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Capitalized Interest Account" to be held by the County in an amount fully sufficient to pay capitalized interest on the Bonds to March 1, 2016. Amounts on deposit in the Capitalized Interest Account shall be transferred to the Bond Fund to pay interest on the Bonds to March 1, 2016 at such times as are required by this Ordinance to pay interest on the Bonds.

Second, shall be credited to a separate account hereby created and to be known as the Acquisition Account to be held by the County and used to pay the Cost of the Project, including but not limited to, the costs of issuing the Bonds.

Flow of Funds

So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the entire Pledged Revenues shall be set aside and credited immediately to the Income Account.

So long as any of the Bonds shall be Outstanding, as to any Bond Requirements, the Income Account shall be administered, and the moneys on deposit therein shall be applied in the following order of priority:

(a) First, from the Pledged Revenues, there will be credited to any bond fund created to pay the principal of, interest on and prior redemption premiums due on any Superior Securities, including any rebate and reasonable reserve requirements therefor, issued in accordance with the provisions of the Bond Ordinance:

(i) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next maturing installment of interest on the Superior Securities then outstanding.

(ii) Monthly, an amount in equal monthly installments necessary, together with any other moneys from time to time available therefor from whatever source, to pay the next installment of principal of the Superior Securities coming due at maturity, and an amount sufficient to pay the principal of, interest on and any prior redemption premiums due on the outstanding Superior Securities.

(b) Second, the following transfers will be concurrently credited to the Bond Fund with the transfers to the bond funds for the Parity Lien Bonds and any bond funds for Parity Securities hereafter issued, the following transfers shall be credited to the Bond Fund:

(i) Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys available therefor, to pay the next maturing installment of interest on the Bonds, then Outstanding.

(ii) Monthly, commencing on the first of the month following the date of delivery of the Bonds, an amount in equal monthly installments necessary, together with any other moneys available therefor, including the Capitalized Interest Account, to pay the next installment of principal of the Bonds coming due at maturity, and monthly thereafter, commencing on each principal payment date, one-twelfth of the amount necessary, together with any other moneys from time to time available therefore and on deposit therein, to pay the next installment of mandatory sinking fund requirements, if any.

No payment need be made into the Bond Fund, if the amounts in the Bond Fund total a sum at least equal to the entire amount of the Outstanding Bonds, as to all Bond Requirements, both accrued and not accrued, to their respective maturities, in which case moneys in that account in an amount at least equal to such Bond Requirements will be used solely to pay such Bond Requirements as the same become due; and any moneys in excess thereof in the Bond Fund, and any other moneys derived from the Pledged Revenues will be applied as provided in the Bond Ordinance.

(c) Third, either concurrently with or subsequent to the payments required above, any moneys remaining in the Income Account may be used by the County for the payment of Bond Requirements of additional bonds or other additional securities payable from the Pledged Revenues and hereafter authorized to be issued. The lien of such additional bonds or other additional securities on the Pledged Revenues and the pledge thereof for the payment of such additional securities will be superior to, on a parity with or subordinate to the lien and pledge of the Bonds. Payments for bond and reserve funds for any Superior Securities will be made concurrently with the payments for Superior Securities required above. Payments for bond and reserve funds for additional Parity Securities will be made concurrently with the payments for the Bonds required above, but payments for bond and reserve funds for additional Subordinate Securities will be made after the payments required above for Superior or Parity Securities.

(d) Fourth, and subject to the above provisions but prior to the transfer of any Pledged Revenues to the payment of Subordinate Securities, there will be transferred into the Rebate Account such amounts as are required to be deposited therein to meet the County's obligations under "Tax Covenant" below with respect to the Bonds and any Parity Securities issued in accordance with the provisions of the Bond Ordinance and in accordance with Section 148(f) of the Tax Code. Amounts in the Rebate Account will be used for the purpose of making the payments to the United

States required by such covenant and Section 148(f) of the Tax Code. Any amounts in the Rebate Account in excess of those required to be on deposit therein by such covenant and Section 148(f) of the Tax Code may be withdrawn therefrom and used for any lawful purpose.

(e) Fifth, any Pledged Revenues thereafter remaining in the Income Account may be used at any time during any Fiscal Year whenever in the Fiscal Year there shall have been credited to Bond Fund, to the Rebate Account and to each other bond fund, rebate account and reserve fund, if any, for the payment of any other securities payable from the Pledged Revenues, all amounts required to be deposited in those special accounts for such portion of the Fiscal Year, for any one or any combination of lawful purposes, or otherwise, as the County may from time to time determine.

Lien on the Bonds

The Bonds constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Pledged Revenues on a parity with Parity Lien Bonds and any Parity Securities hereafter issued, subject to and after any superior liens upon such Pledged Revenues of any Superior Securities hereafter issued.

The Bonds, the Parity Lien Bonds and any Parity Securities hereafter authorized to be issued and from time to time Outstanding are equally and ratably secured by a lien on the Pledged Revenues and shall not be entitled to any priority one over the other in the application of the Pledged Revenues, regardless of the time or times of the issuance of the Bonds and any other such securities, it being the intention of the County that there shall be no priority among the Bonds, the Parity Lien Bonds, and any such Parity Securities, regardless of the fact that they may be actually issued and delivered at different times.

Superior or Parity Securities

The County may issue additional securities payable from the Pledged Revenues and constituting a lien thereon superior to or on a parity with, the lien thereon of the Bonds. The County may issue securities refunding all or a part of the Bonds (or funding or refunding any other then Outstanding securities payable from Pledged Revenues), as provided in "Refunding Securities" below; but before any such additional Superior or Parity Securities are authorized or actually issued (excluding any Superior or Parity refunding Securities other than any securities refunding Subordinate Securities):

(a) At the time of the adoption of the supplemental instrument authorizing the issuance of the additional securities, the County shall not be in default in making any required payments described at subsections (a), (b), (c), or (d) of the section entitled "Flow of Funds" above, with respect to any Superior or Parity Securities.

(b) Except as hereinafter otherwise provided: (1) the Pledged Revenues derived in the Fiscal Year immediately preceding the date of the issuance of the additional Superior or Parity Securities shall have been at least sufficient to pay an amount equal to the combined maximum annual principal and interest requirements (to be paid during any one Bond Year, commencing with the Bond Year in which the additional Superior or Parity Securities are issued and ending on the last Bond Year in which any then Outstanding Bonds last mature) of the Outstanding Bonds and any other Outstanding Superior or Parity Securities of the County and the bonds or other securities proposed to be issued (excluding the reserves therefor); or, (2) the Pledged Revenues estimated by the County chief financial officer, an independent feasibility consultant or an Independent Accountant to be derived in the first five Fiscal Years immediately succeeding the issuance of the other additional Superior or Parity Securities proposed to be issued, shall be at least equal to maximum annual principal and interest requirements to be paid during such Comparable Bond Year (the "Earnings Test").

(c) In the computation of the Earnings Test, the amount of the Pledged Revenues for the next preceding Fiscal Year must be decreased and may be increased by the amount of any loss or gain conservatively estimated by the County chief financial officer, independent feasibility consultant or Independent Accountant making the computation, which loss or gain results from any change in the rate of the levy of that part of the Consolidated Tax constituting a part of the Pledged Revenues which change took effect during the next preceding Fiscal Year or thereafter prior to the issuance of such Superior or Parity Securities, as if such modified rate shall have been in effect during the entire next preceding Fiscal Year, if such change shall have been made by the County before the computation of the designated Earnings Test but made in the same Fiscal Year as the computation is made or in the next preceding Fiscal Year.

Subordinate Securities

Subject to the requirements in the Bond Ordinance, the County may issue Superior Securities secured by and payable from the Pledged Revenues having a lien thereon prior and superior to the lien thereon of the Bonds and the Parity Lien Securities; however such Superior Securities shall not be issued as general obligations of the County.

Refunding Securities

Refunding bonds or other refunding securities issued, unless issued as Subordinate Securities, will enjoy complete equality of lien with the portion of any securities of the same issue which is not refunded, if there is any; and the owner or owners of the refunding securities will be subrogated to all of the rights and privileges enjoyed by the owner or owners of the unrefunded securities of the same issue partially refunded by the refunding securities.

If only a part of the Outstanding Bonds and other Outstanding securities of any issue or issues payable from the Pledged Revenues is refunded, then such securities may not be refunded without the consent of the owner or owners of the unrefunded portion of such securities:

(a) Unless the refunding securities do not increase for any Bond Year the annual principal and interest requirements evidenced by the refunding securities and by the Outstanding securities not refunded on and before the last maturity date or last Redemption Date, if any, whichever is later, of the unrefunded securities, and unless the lien of any refunding bonds or other refunding securities on the Pledged Revenues is not raised to a higher priority than the lien thereon of the bonds or other securities thereby refunded; or

(b) Unless the lien on any Pledged Revenues for the payment of the refunding securities is subordinate to each such lien for the payment of any securities not refunded; or

(c) Unless the refunding bonds or other refunding securities are issued in compliance with the requirements listed above under "Superior or Parity Securities".

Adequacy of Consolidated Tax

The County covenants in the Bond Ordinance to impose and collect the Consolidated Tax, of which 15% is expected to generate an amount sufficient to produce Pledged Revenues to pay in each Fiscal Year:

(a) An amount equal to the sum of the annual principal and interest requirements on the Bonds and any other securities payable from the Pledged Revenues in the Comparable Bond Year and any amounts required to be accumulated from the Pledged Revenues in such Bond Year into any reserves for such securities;

(b) Any amounts required to meet then existing deficiencies relating to any account relating to the Pledged Revenues or any securities payable therefrom (the "Consolidated Tax Covenant").

The Consolidated Tax Covenant is subject to compliance by the County with any legislation, regulation or other action of the United States or the State in the exercise of the police power thereof for the public welfare, which legislation, regulation or action limits or otherwise inhibits the amounts of fees, rates and other charges due to the County as a result of the imposition of the Consolidated Tax, including increases in the amounts of such charges. All of the Pledged Revenues are subject to distribution to the payment of the Bond Requirements of all securities payable from the Pledged Revenues, including reasonable reserves therefor, as provided in the Bond Ordinance and the payment of expenses of the Project.

Subject to the foregoing, the Board has covenanted in the Bond Ordinance to cause the Pledged Revenues to be collected as soon as reasonable and to prescribe and enforce rules and regulations or impose contractual obligations for the payment thereof, including the imposition of penalties for any defaults, to the end that the Pledged Revenues will be adequate to meet the requirements of the Bond Ordinance and any other supplemental instrument.

Bondowner's Remedies

Each owner of any Bond shall be entitled to all of the privileges, rights and remedies provided or permitted in the Project Act and the Bond Act, and as otherwise provided or permitted by law or in equity or by other statutes, except as provided in Sections 207 through 211 of the Bond Ordinance, through but subject to the provisions in the Bond Ordinance concerning the pledge of and the covenants and the other contractual provisions concerning the Pledged Revenues and the proceeds of the Bonds.

Events of Default

Each of the following events is an "event of default" under the Bond Ordinance:

(a) Payment of the principal of any of the Bonds, or any prior redemption premium due in connection therewith, or both, is not made when the same becomes due and payable, at maturity, on the mandatory redemption dates specified in the Bond Ordinance, or by proceedings for optional prior redemption, or otherwise;

(b) Payment of any installment of interest on the Bonds is not made when the same becomes due and payable;

(c) The County for any reason is rendered incapable of fulfilling its obligations hereunder;

(d) The County fails to carry out and to perform (or in good faith to begin the performance of) all acts and things lawfully required to be carried out or to be performed by it under any contract relating to the Pledged Revenues, or otherwise, including, without limitation, the Bond Ordinance, and such failure continues for 60 days after receipt of notice from the owners of 10% in principal amount of the Bonds then Outstanding;

(e) An order or decree is entered by a court of competent jurisdiction with the consent or acquiescence of the County appointing a receiver or receivers for the Pledged Revenues and any other moneys subject to the lien to secure the payment of the Bonds, or if an order or decree having been entered without the consent or acquiescence of the County is not vacated or discharged or stayed on appeal within 60 days after entry; and

(f) The County makes any default in the due and punctual performance of any other of the representations, covenants, conditions, agreements and other provisions contained in the Bonds or in the Bond Ordinance on its part to be performed, and if the default continues for 60 days after written notice specifying the default and requiring the same to be remedied is given to the County by the owners of 10% in principal amount of the Bonds then Outstanding.

Remedies for Default

Upon the happening and continuance of any of the events of default described in (a) through (f) above, then and in every case the owner or owners or not less than 10% in principal amount of the Bonds then Outstanding, including, without limitation, a trustee or trustees therefor, may proceed against the County and its agents, officers and employees to protect and to enforce the rights of any owner of Bonds under the Bond Ordinance by mandamus or by other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, either for the appointment of a receiver or for the specific performance of any covenant or agreement contained in the Bond Ordinance or in an award of execution of any power granted in the Bond Ordinance for the enforcement of any proper, legal or equitable remedy as the owner or owners may deem most effectual to protect and to enforce the rights, or thereby to enjoin any act or thing which may be unlawful or in violation of any right of any owner of any Bond, or to require the County to act as it if were the trustee of an express trust, or any combination of such remedies. All proceedings at law or in equity shall be instituted, had and maintained for the equal benefit of all owners of the Bonds and any Parity Securities then Outstanding.

Amendment of the Bond Ordinance

The Bond Ordinance may be amended or supplemented by instruments adopted by the County in accordance with the laws of the State, without receipt by the County of any additional consideration, but with the written consent of the insurer of the Bonds, if any, or the owners of a majority in aggregate principal amount of the Bonds authorized by the Bond Ordinance and Outstanding at the time of the adoption of the amendatory or supplemental instrument, excluding any Bonds which may then be held or owned for the account of the County, but including such refunding securities as may be issued for the purpose of refunding any of the Bonds if the refunding securities are not owned by the County. No such instrument shall permit without the written consent of the insurer of the Bonds, if any, and all owners of the Bonds adversely and materially affected thereby:

(a) A change in the maturity or in the terms of redemption of the principal of any Outstanding Bond or any installment of interest thereon; or

(b) A reduction in the principal amount of any Bond, the rate of interest thereon, or any prior redemption premium payable in connection therewith; or

(c) A reduction of the percentages or otherwise affecting the description of Bonds the consent of the owners of which is required for any modification or amendment; or

(d) The establishment of priorities as between Bonds issued and Outstanding under the provisions of the Bond Ordinance; or

(e) The modifications of or otherwise materially and prejudicially affecting the rights or privileges of the owners of less than all of the Bonds then Outstanding.

Whenever the County proposes to amend or modify the Bond Ordinance, it will cause notice of the proposed amendment to be given not later than 30 days prior to the date of the proposed enactment of the amendment by mailing to the insurer of the Bonds, if any, the Paying Agent, the Registrar, and the owner of each of the Bonds Outstanding. The notice will briefly set forth the nature of the proposed amendment and will state that a copy of the proposed amendatory instrument is on file in the office of the Clerk for public inspection.

Whenever at any time within one year from the date of such notice, there shall be filed in the office of the Clerk an instrument or instruments executed by the insurer of the Bonds, if any, or the owners of at least a majority in aggregate principal amount of the Bonds then Outstanding, which instrument or instruments shall refer to the proposed amendatory instrument described in the notice and shall specifically consent to and approve the adoption of the instrument; thereupon, but not otherwise, the County may adopt the amendatory instrument and the instrument shall become effective.

If the insurer of the Bonds, if any, or the owners of at least a majority in aggregate principal amount of the Bonds Outstanding, at the time of the adoption of the amendatory instrument, or the predecessors in title of such owners shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond, whether or not the owner shall have consented to or shall have revoked any consent as provided in the Bond Ordinance, shall have any right or interest to object to the adoption of the amendatory instrument or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin the County from taking any action pursuant to the provisions thereof.

Any consent to an amendment to the Bond Ordinance given by the owner of a Bond shall be irrevocable for a period of 6 months from the date of the notice as described above, and shall be conclusive and binding upon all future owners of the same Bond during that period. The consent may be revoked at any time after 6 months from the date of the above-described notice by the owner who gave the consent or by a successor in title by filing notice of the revocation with the Clerk, but the revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds Outstanding, before the attempted revocation, consented to and approved the amendatory instrument referred to in the revocation.

If the insurer of the Bonds, if any, or the owners of all the then Outstanding Bonds consent, the terms and the provisions of the Bond Ordinance or of any instrument amendatory thereof or supplemental thereto and the rights and the obligations of the County and of the owners of the Bonds thereunder may be modified or amended in any respect upon the adoption by the County and upon the filing with the Clerk of an instrument to that effect, and no notice to the insurer of the Bonds, if any, or the owners of Bonds shall be required, nor shall the time of consent be limited except as may be provided in the consent.

Tax Covenant

The County covenants in the Bond Ordinance for the benefit of the owners of the Bonds that it will not take any action or omit to take any action with respect to the Bonds, the proceeds thereof, any other funds of the County or any project refinanced with the proceeds of the Bonds if such action or omission (i) would cause the interest on the Bonds to lose its exclusion from gross income for federal income tax purposes under Section 103 of the Tax Code, or (ii) would cause interest on the Bonds to lose its exclusion from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Tax Code in calculating corporate alternative minimum taxable income. The foregoing covenant will remain in full force and effect notwithstanding the payment in full or defeasance of the Bonds until the date on which all obligations of the County in fulfilling the above covenant under the Tax Code have been met.

APPENDIX C

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the 2015 Bonds. The 2015 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 2015 Bond certificate will be issued for each maturity of the 2015 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2015 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2015 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2015 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2015 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in 2015 Bonds, except in the event that use of the book-entry system for the 2015 Bonds is discontinued.

To facilitate subsequent transfers, all 2015 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2015 Bonds

with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2015 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 2015 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of 2015 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the 2015 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the 2015 Bond documents. For example, Beneficial Owners of 2015 Bonds may wish to ascertain that the nominee holding the 2015 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the 2015 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2015 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 2015 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, interest and redemption proceeds on the 2015 Bonds will be made to Cede& Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest or redemption proceeds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2015 Bonds at any time by giving reasonable notice to the County or the Registrar and Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, 2015 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, 2015 Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by Washoe County, Nevada (the "Issuer") in connection with the issuance of the Issuer's Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, in the aggregate principal amount of $_____ (the "Bonds"). The Bonds are being issued pursuant to the Ordinance adopted by the Board of County Commissioners of the Issuer on July 28, 2015 (the "Ordinance"). The Issuer covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "SEC").

SECTION 2. Definitions. In addition to the definitions set forth in the Ordinances or parenthetically defined herein, which apply to any capitalized terms used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Dissemination Agent" shall mean, initially, the Issuer, or any successor Dissemination Agent designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

"Material Events" shall mean any of the events listed in Section 5 of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The MSRB's required method of filing is electronically via its Electronic Municipal Market Access (EMMA) system available on the Internet at http://emma.msrb.org.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with an offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

(a) The Issuer shall, or shall cause the Dissemination Agent to, not later than March 31 following the end of the Issuer's fiscal year of each year, commencing March 31 following the end of the Issuer's fiscal year ending June 30, 2016, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report which is consistent with the

requirements of Section 4 of this Disclosure Certificate. Not later than five (5) business days prior to said date, the Issuer shall provide the Annual Report to the Dissemination Agent (if other than the Issuer). The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report.

(b) If the Issuer is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send or cause to be sent a notice in substantially the form attached as Exhibit A to the MSRB.

(c) The Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the appropriate electronic format prescribed by the MSRB;

(ii) if the Dissemination Agent is other than the Issuer, send written notice to the Issuer at least 45 days prior to the date the Annual Report is due stating that the Annual Report is due as provided in Section 3(a) hereof; and

(iii) if the Dissemination Agent is other than the Issuer, file a report with the Issuer certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided and listing all the entities to which it was provided.

SECTION 4. Content of Annual Reports. The Issuer's Annual Report shall contain or incorporate by reference the following:

(a) A copy of its annual financial statements prepared in accordance with generally accepted accounting principles audited by a firm of certified public accountants. If audited annual financial statements are not available by the time specified in Section 3(a) above, unaudited financial statements will be provided as part of the Annual Report and audited financial statements will be provided when and if available.

(b) An update of the type of information identified in Exhibit B hereto, which is contained in the tables in the Official Statement with respect to the Bonds.

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet Web Site or filed with the SEC. The Issuer shall clearly identify each such document incorporated by reference.

SECTION 5. Reporting of Material Events. The Issuer shall file or cause to be filed with the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed below with respect to the Bonds:

(a) Principal and interest payment delinquencies;

(b) Non-payment related defaults, if material;

(c) Unscheduled draws on debt service reserves reflecting financial difficulties;

(d) Unscheduled draws on credit enhancements reflecting financial difficulties;

(e) Substitution of credit or liquidity providers, or their failure to perform;

(f) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(g) Modifications to rights of bondholders, if material;

(h) Bond calls, if material, and tender offers;

(i) Defeasances;

(j) Release, substitution or sale of property securing repayment of the Bonds, if material;

(k) Rating changes;

(l) Bankruptcy, insolvency, receivership or similar event of the obligated person[1];

(m) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and

(n) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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[1] For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

SECTION 6. Format; Identifying Information. All documents provided to the MSRB pursuant to this Disclosure Certificate shall be in the format prescribed by the MSRB and accompanied by identifying information as prescribed by the MSRB.

As of the date of this Disclosure Certificate, all documents submitted to the MSRB must be in portable document format (PDF) files configured to permit documents to be saved, viewed, printed and retransmitted by electronic means. In addition, such PDF files must be word-searchable, provided that diagrams, images and other non-textual elements are not required to be word-searchable.

SECTION 7. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the earliest of: (i) the date of legal defeasance, prior redemption or payment in full of all of the Bonds; (ii) the date that the Issuer shall no longer constitute an "obligated person" within the meaning of the Rule; or (iii) the date on which those portions of the Rule which require this written undertaking are held to be invalid by a court of competent jurisdiction in a non-appealable action, have been repealed retroactively or otherwise do not apply to the Bonds.

SECTION 8. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist the Issuer in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

SECTION 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and may waive any provision of this Disclosure Certificate, without the consent of the holders and beneficial owners of the Bonds, if such amendment or waiver does not, in and of itself, cause the undertakings herein (or action of any Participating Underwriter in reliance on the undertakings herein) to violate the Rule, but taking into account any subsequent change in or official interpretation of the Rule. The Issuer will provide notice of such amendment or waiver to the MSRB.

SECTION 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Material Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Material Event.

SECTION 11. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. A

default under this Disclosure Certificate shall not be deemed an event of default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriter, and the holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

DATE: August __, 2015.

WASHOE COUNTY, NEVADA

_____

Assistant County Manager

EXHIBIT A

NOTICE TO MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Washoe County, Nevada

Name of Bond Issue: General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015

Date of Issuance: August __, 2015

NOTICE IS HEREBY GIVEN that the Issuer has not provided an Annual Report with respect to the above-named Bonds as required by the Ordinances adopted on July __, 2015 and the Continuing Disclosure Certificate executed on _____, 2015 by the Issuer. The Issuer anticipates that the Annual Report will be filed by _____.

Dated: _____

WASHOE COUNTY, NEVADA

By:_____

Title:_____

EXHIBIT B

INDEX OF OFFICIAL STATEMENT TABLES TO BE UPDATED

(See page -iv- of the Official Statement)

APPENDIX E

FORM OF APPROVING OPINION OF BOND COUNSEL

[closing date]

Washoe County, Nevada
County Administration Complex
1001 East Ninth Street
Reno, Nevada 89512

$_____
Washoe County, Nevada
General Obligation (Limited Tax) Medical Examiner Building Bonds
(Additionally Secured by Pledged Revenues)
Series 2015

Ladies and Gentlemen:

We have acted as bond counsel to Washoe County, Nevada (the "County" and the "State," respectively), in connection with its issuance of the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues), Series 2015" (the "Bonds"), pursuant to an authorizing ordinance adopted and approved by the Board of County Commissioners on July 28, 2015 (the "Bond Ordinance"). In such capacity, we have examined the County's certified proceedings and such other documents and such law of the State and of the United States of America as we have deemed necessary to render this opinion letter. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Bond Ordinance.

Regarding questions of fact material to our opinions, we have relied upon the County's certified proceedings and other representations and certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

Based upon such examination, it is our opinion as bond counsel that:

1. The Bonds constitute the valid and binding limited tax general obligations of the County.

2. All of the taxable property in the County is subject to the levy of annual general (ad valorem) taxes to pay the Bonds, subject to the limitations imposed by the Constitution and laws of the State.

3. As provided in the Bond Ordinance and in accordance with the provisions of NRS 361.463, taxes levied for the payment of the bonded indebtedness (including the Bonds) of all overlapping units within the boundaries of the County (i.e., the State, the County, and any other political subdivision therein) and for the payment of interest on such indebtedness enjoy a priority over taxes levied by each such unit (including, without limitation, the State and the

County) for all other purposes (subject to any exception implied by law for the exercise of the police power) where reduction is necessary in order to comply with NRS 361.453.

4. The Bonds are additionally secured by and payable from the Pledged Revenues. The Bond Ordinance creates a valid lien on the Pledged Revenues and the Bond Fund pledged therein for the security of the Bonds on a parity with the lien thereon of the Outstanding Parity Securities and superior and prior to the lien thereon of any Outstanding Subordinate Securities hereafter issued. Except as described in this paragraph, we express no opinion regarding the priority of the lien on the Pledged Revenues or on the Bond Fund created by the Bond Ordinance.

5. Interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code, except that such interest is required to be included in calculating the adjusted current earnings adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations. The opinions expressed in this paragraph assume continuous compliance with the covenants and continued accuracy of the representations contained in the County's certified proceedings and in certain other documents and certain other certifications furnished to us.

6. Under the laws of the State in effect as of the date hereof, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation-skipping transfers imposed pursuant to Chapter 375B of NRS.

The opinions expressed in this opinion letter are subject to the following:

The obligations of the County pursuant to the Bonds and the Bond Ordinance are subject to the application of equitable principles, to the reasonable exercise in the future by the State and its governmental bodies of the police power inherent in the sovereignty of the State and to the exercise by the United States of America of the powers delegated to it by the Federal Constitution, including without limitation, bankruptcy powers.

In this opinion letter rendered in our capacity as bond counsel, we are opining only upon those matters set forth herein, and we are not passing upon the accuracy, adequacy or completeness of the Official Statement or any other statements made in connection with any offer or sale of the Bonds or upon any state or federal tax consequences arising from the receipt or accrual of interest on or ownership or disposition of the Bonds, except those specifically addressed herein.

This opinion letter is rendered as of the date hereof and we assume no obligation to revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

OFFICIAL NOTICE OF BOND SALE

OFFICIAL NOTICE OF BOND SALE

$12,000,000*
WASHOE COUNTY, NEVADA
GENERAL OBLIGATION (LIMITED TAX)
MEDICAL EXAMINER BUILDING BONDS
(ADDITIONALLY SECURED BY PLEDGED REVENUES)
SERIES 2015

PUBLIC NOTICE IS HEREBY GIVEN that the Board of County Commissioners of Washoe County, Nevada (the "Board," the "County," and the "State," respectively), on

Tuesday, August 11, 2015

at the hour of

8:30 a.m.

local time, the County will receive and cause to be publicly opened sealed bids for the purchase of the bonds of the County particularly described below (collectively, the "Bonds") electronically via the PARITY System as described under "BID PROPOSALS" below. Bids delivered via the PARITY SYSTEM must be received by the time listed above or at such other date and time as is announced via Thomson Municipal News ("Munifacts") or Bloomberg Financial Markets ("Bloomberg"), on such day of sale. No bids will be received by mail.

BOND PROVISIONS

THE BONDS: Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues), Series 2015, in the aggregate principal amount of $12,000,000* (the "Bonds") will be dated as of the date of delivery, and will be issued in fully registered, book entry form in denominations of $5,000 or any integral multiple thereof. The Bonds will be issued by means of a book entry system with no physical distribution of bonds to the public. See "BOOK ENTRY/TRANSFER AND EXCHANGE" below.

* Preliminary, subject to change.

MATURITY SCHEDULE: The Bonds are expected to mature on the dates (subject to adjustment as described below) as set forth below in the maturity schedule (the "2015 Maturity Schedule"):

Maturity Date	Principal Amount*
3/1/2017	$ 415,000
3/1/2018	425,000
3/1/2019	435,000
3/1/2020	455,000
3/1/2021	475,000
3/1/2022	500,000
3/1/2023	525,000
3/1/2024	550,000
3/1/2025	580,000
3/1/2026	605,000
3/1/2027	640,000
3/1/2028	670,000
3/1/2029	705,000
3/1/2030	740,000
3/1/2031	775,000
3/1/2032	815,000
3/1/2033	855,000
3/1/2034	895,000
3/1/2035	940,000

Any changes to the 2015 Maturity Schedule prior to the date of sale will be available electronically via Munifacts or Bloomberg.

NO DISCOUNT PERMITTED; PREMIUM PERMITTED: A bidder may not offer to purchase the Bonds at a discount. A bidder may offer to purchase the Bonds at par or at a premium.

ADJUSTMENTS OF MATURITIES AFTER DETERMINATION OF BEST BID: The aggregate principal amount and the principal amount of each maturity of Bonds to include mandatory sinking fund payments of the Bonds are subject to adjustment by the County, after the determination of the best bid. Changes to be made will be communicated to the successful bidder of the Bonds by time of award of the Bonds to the successful bidder; these changes will not reduce or increase the aggregate principal amount of the Bonds by more than 15% from the amount shown in 2015 Maturity Schedule. Adjustments to any principal amount in excess of 15% of the aggregate principal amount, may be made with approval of the successful bidder. The successful bidder may not withdraw its bid as a result of any changes made within these limits.

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* Preliminary, subject to change.

The dollar amount of the price bid (i.e., par plus any premium bid) by a successful bidder may be changed as described below, but the interest rates specified by the successful bidder for all maturities will not change. A successful bidder may not withdraw its bid as a result of any changes made within these limits. The dollar amount of the price bid will be changed so that the percentage compensation to the successful bidder (i.e., the percentage resulting from dividing (i) the aggregate difference between the offering price of the Bonds to the public and the price to be paid to the County (excluding accrued interest), less any bond insurance premium to be paid by the bidder, by (ii) the principal amount of the Bonds) does not increase or decrease from what it would have been if no adjustment was made to the principal amounts shown in the Maturity Schedule.

To facilitate any adjustment in the principal amounts, the successful bidder is required to indicate by e-mail transmission to the County's Financial Advisors at Kathy@hobbsong.com and hollenbecks@pfm.com within ½ hour of the time of bid opening, (1) the initial offering price for each maturity of the Bonds, (2) the amount received from the Sale of the Bonds to the public that will be retained by the successful bidder as its compensation, and (3) in the case of a bid submitted with bond insurance, the cost of the insurance premium. A bidder who intends to insure the Bonds shall also state, in that e-mail transmission, whether the amount of the insurance premium will change as a result of changes in the principal amount of the Bonds or the amount of principal maturing in any year, and the method used to calculate any such change in the insurance premium. The bids may not be conditioned upon qualification for or the receipt of bond insurance.

OPTIONAL PRIOR REDEMPTION: The Bonds, or portions thereof ($5,000 or any integral multiple), maturing on and after March 1, 2026, will be subject to redemption prior to their respective maturities at the option of the County on and after March 1, 2025, in whole or in part at any time, from such maturities as are selected by the County as directed by the County Manager and if less than all the Bonds of a maturity are to be redeemed, the Bonds of such maturity are to be selected by lot (giving proportionate weight to Bonds in denominations larger than $5,000), at a price equal to the principal amount of each Bond or portion thereof so redeemed plus accrued interest thereon to the redemption date.

Redemption will be made in the manner and upon the conditions to be provided in the Bond Ordinance.

MANDATORY SINKING FUND REDEMPTION: A bidder may request that the Bonds maturing on or after March 1, 2026, be included in a term bond or term bonds (the "Term Bonds"). Amounts included as a Term Bond must consist of consecutive maturities of the Bonds, must bear the same rate of interest and must include the entire principal amount for any maturity included in the Term Bond (i.e., the principal amount maturing in any year may not be divided between a serial maturity and a mandatory sinking fund redemption). After the bidder has created Term Bond(s), no more serial Bonds may be structured. Any such Term Bond will be subject to mandatory sinking fund redemption in installments in the same amounts and on the same dates as the Bonds would have matured if they were not included in a Term Bond or Term Bonds. Bonds redeemed pursuant to the mandatory sinking fund redemption provisions will be redeemed at a

redemption price equal to the principal amount of the Bonds to be redeemed plus accrued interest to the redemption date in the manner and as otherwise provided in the Bond Ordinance. Any election to designate the Bonds as being included in a Term Bond must be made at the time of submitting a bid (see "TERMS OF SALE-BID PROPOSALS" below).

INTEREST RATES AND LIMITATIONS: The following interest limitations are applicable to the Bonds:

(a) Interest on the Bonds will be payable on March 1 and September 1 of each year commencing on March 1, 2016.

(b) The interest rate specified for any maturity of the Bonds and the True Interest Cost (see "Basis of Award" below) of the Bonds may not exceed by more than 3% the "Index of Twenty Bonds" which is most recently published in The Bond Buyer before the bids are received.

(c) Only one interest rate can be stated for any maturity of the Bonds, i.e., all Bonds with the same maturity date must bear the same rate of interest.

(d) Each interest rate specified must be stated in a multiple of 1/8th or 1/20th of 1% per annum.

(e) Each Bond as initially issued will bear interest from its date to its stated maturity date at the interest rate stated in the bid. A zero rate of interest may not be named.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations. If any Bond is not paid upon presentation at maturity, it will draw interest at the same rate until principal is paid in full.

BOOK ENTRY/TRANSFER AND EXCHANGE: The Bonds will be issued as fully registered book entry bonds in the denomination of $5,000 or any integral multiple thereof. The Bonds will be issued in registered form and one bond certificate for each maturity of the Bonds will be issued to The Depository Trust Company, New York, New York ("DTC"), registered in the name of its nominee, Cede & Co., and immobilized in their custody. A book entry system will be employed, evidencing ownership of the Bonds in principal amounts of $5,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The successful bidders, as a condition to delivery of the Bonds, will be required to deposit the Bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Paying Agent by wire transfer or in clearing house funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the

responsibility of DTC. Transfer of principal and interest payments to the beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. Neither the County nor the Paying Agent will be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

It is permissible to bid different interest rates for the Bonds, but only as stated in the bid and subject to the above limitations.

PAYMENT: The principal of the Bonds shall be payable at the office of U. S. Bank, National Association, as Paying Agent, to the registered owner thereof (i.e. Cede & Co.) as shown on the registration records of U.S. Bank National Association, as Registrar, upon maturity thereof, upon presentation and surrender of such Bond at such Paying Agent, or any other office as designated by the Paying Agent. Payment of interest on any Bond shall be made to the registered owner thereof (i.e. Cede & Co.) by check or draft mailed by the Paying Agent, on or before each interest payment date (or if such date is not a business day, on or before the next succeeding business date), to the registered owner thereof at the address as it appears on the registration records of the Registrar as of the close of business on the fifteenth day of the calendar month next preceding each interest payment date (other than a special interest payment date hereafter fixed for payment of defaulted interest) (the "Regular Record Date"). If any Bond is not paid upon presentation at maturity, it will draw interest at the same rate until the principal is paid in full. Alternative arrangements for the payment of interest may be made upon agreement between the Paying Agent and any registered owner. All such payments shall be made in lawful money of the United States of America without deduction for any service charges of the Paying Agent or Registrar.

BOND INSURANCE, RATING LETTERS: The Bonds may be insured at the bidder's option and expense. Regardless of whether any of the Bonds are insured, the County will pay the rating fees for Moody's Investors Service and Standard & Poor's Rating Group.

ENABLING ACTS: The County is operating as a County pursuant to NRS 243.340, as amended, and pursuant to NRS Chapter 244.

The Bonds are authorized to be issued pursuant to NRS Chapter 350, including the provisions of NRS 350.500 through 350.720, inclusive (the "Bond Act"). The Bonds are also authorized to be issued pursuant to Chapter 360 of NRS.

SECURITY AND PAYMENT: The Bonds will, in the opinion of Sherman & Howard L.L.C., the County's bond counsel (the "Bond Counsel"), be direct general obligations of the County, payable as to principal, interest and any redemption premiums (the "Bond Requirements") from annual general (ad valorem) taxes (herein "General Taxes") levied against all taxable property within the County (except to the extent certain pledged revenues and other moneys are available therefor) subject to the limitations imposed by the statutes and the Constitution of the State (see "CONSTITUTIONAL TAX LIMITATION", "STATUTORY TAX LIMITATION" and "LEGAL

OPINION, BONDS AND TRANSCRIPTS" below). The Bonds will be a debt of the County, and the Board shall pledge the full faith and credit of the County for their payment.

ADDITIONAL SECURITY FOR THE BONDS: The Bond Requirements of the Bonds will be additionally secured with revenues derived from a 15 percent portion of the proceeds of certain liquor taxes, tobacco taxes, real property transfer taxes, governmental services taxes and basic and supplemental sales taxes distributed to and imposed within the County (the "Consolidated Tax Pledged Revenues").

SPECIAL ACCOUNT FOR THE BONDS: As security for the payment of the Bond Requirements of the Bonds there will be irrevocably pledged, pursuant to the Bond Ordinance, special accounts, identified as the "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues) Series 2015, Principal Account" and "Washoe County, Nevada, General Obligation (Limited Tax) Medical Examiner Building Bonds (Additionally Secured by Pledged Revenues), Interest Account" (collectively, the "Bond Fund") into which account the County covenants to pay from the Consolidated Tax Pledged Revenues sums sufficient to pay when due the Bond Requirements of the Bonds, except to the extent other monies are available therefor.

BOND LIENS ON CONSOLIDATED TAX PLEDGED REVENUES: The Bonds will be equitably and ratably secured by a lien on the Consolidated Tax Pledged Revenues, and the Bonds will constitute an irrevocable lien (but not necessarily an exclusive lien) upon the Consolidated Tax Pledged Revenues, on a parity with the liens of the Washoe County, Nevada, General Obligation (Limited Tax) Library Building Bonds (Additionally Secured by Pledged Revenues), Series 2004 (the "2004 Bonds"), the Washoe County, Nevada, General Obligation (Limited Tax) Building and Parking Garage Bonds (Additionally Secured by Pledged Revenues), Series 2004 (the "2004 Parking Bonds"), the Washoe County, Nevada, General Obligation (Limited Tax) Public Safety Bonds (Additionally Secured by Pledged Revenues), Series 2006 (the "2006 Public Safety Bonds"), the Washoe County, Nevada, General Obligation (Limited Tax) Park Bonds (Additionally Secured by Pledged Revenues), Series 2006 (the "2006 Park Bonds"), the Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2011B (the "2011 Bonds"), the Washoe County, Nevada, General Obligation (Limited Tax) Refunding Bonds (Additionally Secured by Pledged Revenues), Series 2012B in the original aggregate principal amount of $27,580,000 (the "2012 Bonds") and any parity bonds or parity securities hereafter issued, subject to and after any superior liens upon such Consolidated Tax Pledged Revenues of any future superior bonds or superior securities (see Appendix B, "Summary of Certain Provisions of the Bond Ordinance"). The County has issued no superior bonds or superior securities which are now outstanding and to which any Consolidated Tax Pledged Revenues are pledged.

ADDITIONAL SECURITIES PAYABLE OR SECURED BY CONSOLIDATED TAX PLEDGED REVENUES: Bonds and other securities, in addition to the Bonds may be issued and made payable from the Consolidated Tax Pledged Revenues having a lien

thereon subordinate and junior to the lien or, subject to additional expressed conditions, having a lien thereon superior to or on a parity with the lien of the Bonds.

BOND ORDINANCE: The ordinance authorizing the issuance of the Bonds (the "Bond Ordinance" adopted July 28, 2015 set forth, among other matters, the form, terms and conditions of the Bonds, the manner and terms of their issuance, the manner of their execution, the method of their payment, the security therefor, and other details concerning the Bonds and the County, including, without limitation, covenants and agreements in connection therewith. A copy of the Bond Ordinances is on file with the County Clerk and will be available for public inspection at her office at the Washoe County Courthouse, 1001 East 9th Street, Reno, Nevada.

ISSUANCE OF ADDITIONAL SECURITIES: The Board reserves the privilege of issuing additional general obligation bonds at any time and from time to time for any lawful purpose.

FEDERAL TAX EXEMPTION: In the opinion of Bond Counsel, assuming continuous compliance with certain covenants described in the Preliminary Official Statement for the Bonds (the "Preliminary Official Statement"), interest on the Bonds is excluded from gross income under federal income tax laws pursuant to Section 103 of the Internal Revenue Code of 1986, as amended to the date of delivery of the Bonds (the "Tax Code"), and interest on the Bonds is excluded from alternative minimum taxable income as defined in Section 55(b)(2) of the Tax Code except that such interest is required to be included in calculating the "adjusted current earnings" adjustment applicable to corporations for purposes of computing the alternative minimum taxable income of corporations as described in the Official Statement. See "TAX MATTERS" in the Official Statement.

STATE TAX EXEMPTION: In the opinion of Bond Counsel, under present laws of the State, the Bonds, their transfer, and the income therefrom are free and exempt from taxation by the State or any subdivision thereof, except for the tax on estates imposed pursuant to Chapter 375A of NRS and the tax on generation - skipping transfers imposed pursuant to Chapter 375B of NRS.

CONSTITUTIONAL TAX LIMITATION: Section 2, article 10, State Constitution, provides:

> The total tax levy for all public purposes including levies for bonds, within the state, or any subdivision thereof, shall not exceed five cents on one dollar of assessed valuation.

STATUTORY TAX LIMITATION: NRS 361.453 provides:

> Except as otherwise provided in NRS 354.705, the total ad valorem tax levy for all public purposes must not exceed $3.64 on each $100 of assessed valuation, or a lesser or greater amount fixed

by the state board of examiners if the state board of examiners is directed by law to fix a lesser or greater amount for that fiscal year.

STATUTORY PRIORITY FOR BONDS: NRS 361.463:

1. In any year in which the total taxes levied by all overlapping units within the boundaries of the state exceed the limitation imposed by NRS 361.453, and it becomes necessary for that reason to reduce the levies made by any of those units, the reduction so made must be in taxes levied by those units (including the state) for purposes other than the payment of bonded indebtedness, including interest thereon.

2. The taxes levied for the payment of bonded indebtedness and the interest thereon enjoy a priority over taxes levied by each such unit (including the state) for all other purposes where reduction is necessary to comply with the limitation imposed by NRS 361.453.

STATUTORY PROVISION FOR TAX LEVIES: NRS 350.592 provides in relevant part:

1. There must be levied annually in due season a special tax on all property, both real and personal, subject to taxation within the boundaries of the municipality, fully sufficient together with the revenue which will result from application of the rate to the net proceeds of minerals, without regard to any statutory or charter tax limitations other than the limitation set forth in NRS 361.453, to pay the interest on the general obligation municipal securities and to pay and retire the securities as provided in the Local Government Securities Law and in any act supplemental hereto. The amount of money to be raised by the tax must be included in the annual estimate or budget for each county within the state for each year for which the tax is hereby required to be levied. The tax must be levied and collected in the same manner and at the same time as other taxes are levied and collected.

2. The proceeds thereof levied to pay interest on the securities must be kept by the treasurer in a special fund, separate and apart from all other funds, and the proceeds of the tax levied to pay the principal of the securities must be kept by the treasurer in a special fund, separate and apart from all other funds. The two special funds must be used for no other purpose than the payment of the

interest on the securities and the principal thereof, respectively, when due; . . . .

TIMES OF LEVIES: NRS 350.594 provides:

Such tax shall be levied immediately after the issuance of any general obligation securities issued in accordance with the provisions of the Local Government Securities Law, and annually thereafter, at the times and in the manner provided by law, until all of the securities, and the interest thereon, have been fully discharged. Such tax may be first levied after the municipality has contracted to sell any securities but before their issuance.

USE OF GENERAL FUND: NRS 350.596 provides:

Any sums coming due on any general obligation municipal securities at any time when there are not on hand from such tax levy or levies sufficient funds to pay the same shall be promptly paid when due from the general fund of the municipality, reimbursement to be made to such general fund in the sums thus advanced when the taxes herein provided for have been collected.

USE OF OTHER FUNDS: NRS 350.598 provides:

Nothing contained in the Local Government Securities Law shall be so construed as to prevent the municipality from applying any funds (other than taxes) that may be available for that purpose to the payment of the interest on or the principal of any general obligation municipal securities as the same respectively mature, and regardless of whether the payment of the general obligation municipal securities is additionally secured by a pledge of revenues, and upon such payments, the levy or levies of taxes provided in the Local Government Securities Law may thereupon to that extent be diminished.

STATUTORY APPROPRIATIONS: NRS 350.602 provides:

There is by the Local Government Securities Law, and there shall be by ordinance authorizing the issuance of any indebtedness contracted in accordance with the provisions of the Local Government Securities Law, specially appropriated the proceeds of such taxes to the payment of such principal and interest; and such appropriations shall not be repealed nor the taxes postponed or diminished (except as herein

> otherwise expressly provided) until the principal of and interest on the municipal securities evidencing such debt have been wholly paid.

NO PLEDGE OF PROPERTY: The payment of the Bonds will not be secured by an encumbrance, mortgage or other pledge of property of the County, and no County property (other than the Consolidated Tax Pledged Revenues) is liable to be forfeited or taken in payment of the Bonds.

IMMUNITY OF INDIVIDUALS: NRS 350.606 provides:

> No recourse shall be had for the payment of the principal of, any interest on, and any prior redemption premiums due in connection with any bonds or other municipal securities or for any claim based thereon or otherwise upon the ordinance authorizing their issuance or other instrument appertaining thereto, against any individual member of the governing body or any officer or other agent of the municipality, past, present or future, either directly or indirectly through the governing body or the municipality, or otherwise, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any penalty or otherwise, all such liability, if any, being by the acceptance of the securities and as a part of the consideration of their issuance specially waived and released.

ACTS IRREPEALABLE: NRS 350.610 provides:

> The faith of the state is hereby pledged that the Local Government Securities Law, any law supplemental or otherwise appertaining thereto, and any other act concerning the bonds or other municipal securities, taxes or the pledged revenues or any combination of such securities, such taxes and such revenues shall not be repealed nor amended or otherwise directly or indirectly modified in such a manner as to impair adversely any outstanding municipal securities, until all such securities have been discharged in full or provision for their payment and redemption has been fully made, including without limitation the known minimum yield from the investment or reinvestment of moneys pledged therefor in federal securities.

TERMS OF SALE

BID PROPOSALS: Except as otherwise provided below, each bidder must use the PARITY SYSTEM. Any bid in any other form may be disregarded. A bidder is required to submit an unconditional bid for the Bonds specifying:

(1) The lowest rate or rates of interest and any premium or discount at which the bidder will purchase the Bonds.

It is also requested for informational purposes only, but is not required, that each bid disclose:

(2) The True Interest Cost (i.e, actuarial yield) on the Bonds expressed as a nominal annual percentage rate. (See "BASIS OF AWARD", below); and

(3) The municipal bond insurer, if any; the premium to be paid by the bidder for insuring the Bonds; and which maturities of the Bonds, if any, are being insured.

By utilizing PARITY, a prospective electronic bidder represents and warrants to the County that such bidder's bid for the purchase the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder to a legal, valid and enforceable contract for the purchase the Bonds. Once the bids are communicated electronically via PARITY, each bid will constitute an irrevocable offer to purchase the Bonds on the terms therein provided.

Each prospective electronic bidder shall be solely responsible to register to bid via PARITY as described above. Each qualified prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for purposes of submitting its bid in a timely manner and in compliance with the requirements of this Official Notice of Bond Sale. Neither the County nor the Financial Advisors shall have any duty or be obligated to provide or assure such access to any qualified prospective bidder, and neither the County nor the Financial Advisors shall be responsible for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by PARITY. The County is allowing bidders to use PARITY as a communication mechanism to transmit electronic bids for the Bonds. PARITY is not the County's agent.

Each bidder is required to submit an unconditional bid specifying the lowest rate or rates of interest and the premium, or discount, as applicable, at which the bidder will purchase the Bonds. Each bid must be for all of the Bonds herein offered for sale. If any provision in this Official Notice of Bond Sale conflicts with information or terms provided or represented by PARITY, the Official Notice of Bond Sale, including any amendments issued by public wire shall control. No bid will be received after the time for receiving such bids specified above.

GOOD FAITH DEPOSIT: Except as otherwise provided below, a good faith deposit ("Deposit") in the form of a certified, treasurer's or cashier's check drawn on a solvent commercial bank or trust company in the United States of America or a Financial Surety Bond issued by an insurance company licensed to issue such surety bond in the State of Nevada, made payable to

in the amount of:

$120,000

is required for any bid to be accepted. If a check is used, it must accompany each bid. If a Financial Surety Bond is used, such surety bond must be submitted to the County or its Financial Advisors prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose Deposit is guaranteed by such Financial Surety Bond. If the winning bidder is determined to be a bidder utilizing a Financial Surety Bond, then that bidder is required to submit its Deposit to the County in the form of a cashier's check (or wire transfer such amount as instructed by the County or its Financial Advisors) not later than 10:00 a.m. (County's local time) on the next business day following the bid opening. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the County to satisfy the Deposit requirement. If the apparent winning bidder on the Bonds is determined to be a bidder who has not submitted a Deposit in the form of a Financial Surety Bond or check, as provided above, the Financial Advisors will request the apparent winning bidder to immediately wire the Deposit and provide the Federal wire reference number of such Deposit to the Financial Advisors within 90 minutes of such request by the Financial Advisors. The Bonds will not be officially awarded to a bidder who has not submitted a Deposit in the form of a Financial Surety Bond or check, as provided above, until such time as the bidder has provided a Federal wire reference number for the Deposit to the Financial Advisors.

No interest on the Deposit will accrue to any bidder. The County will deposit the Deposit of the winning bidder. The Deposit (without accruing interest) of the winning bidder will be applied to the purchase price of the Bonds. In the event the winning bidder fails to honor its accepted bid, the Deposit plus any interest accrued on the Deposit will be retained by the County. Any investment income earned on the good faith deposit will be paid to the successful bidder in the event the County is unable to deliver the Bonds as provided under "MANNER AND TIME OF DELIVERY", below. Deposits accompanying bids other than the bid which is accepted will be returned promptly upon the determination of the best bidder.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the purchaser to accept delivery of any payment for the Bonds in accordance with the terms of the purchase contract. All expenses relating to printing the CUSIP numbers on the Bonds will be paid by the County; but the CUSIP Service Bureau charge for the assignment of the numbers will be the responsibility of and must be paid by the purchaser.

SALE RESERVATIONS: The Board reserves the privilege of waiving any irregularity or informality in any bid; of rejecting any and all bids; and of reoffering any of the Bonds for sale, as provided by law.

In addition, the Board reserves the privilege of changing the date and/or time of sale of the Bonds. Any change in the date and/or time of sale of the Bonds will be communicated via Munifacts and/or Bloomberg. If the Board changes the sale date and/or time, this Official Notice of Bond Sale shall remain effective, except as amended by such Munifacts or Bloomberg communication or other amendment communicated to potential bidders.

If bids are not taken on August 11, 2015 or if all bids for the Bonds are rejected on August 11, 2015, the County may reoffer the Bonds for sale at any time thereafter. The time and date of any subsequent Bond sale will be announced via Munifacts and Bloomberg wire service before the time of the sale.

BASIS OF AWARD: The Bonds, subject to such sale reservations, will be sold by the County to the responsible bidder making the best bid for the Bonds based upon the 2015 Maturity Schedule.

The best bid will be determined by computing the actuarial yield on the Bonds (i.e., using an actuarial or true interest cost method) for each bid received. An award on the Bonds will be made (if any is made) to the responsible bidder submitting the bid which results in the lowest true interest cost on the Bonds. "True interest cost" on the Bonds, as used herein, means that yield which if used to compute the present worth as of the date of the Bonds of all payments of principal and interest to be made on the Bonds from their date to their respective maturity dates (or any mandatory sinking fund redemption dates) using the interest rates specified in the bid and the principal amounts maturing as shown in the 2015 Maturity Schedule stated herein, produces an amount equal to the principal amount of the Bonds, plus any premium or less any discount bid. No adjustment shall be made in such calculation for accrued interest on the Bonds from their date to the date of delivery thereof. Such calculation shall be based on a 360 day year and a semiannual compounding interval. If there are two or more equal bids and such equal bids are the best bids received, the County Finance Director, or in her absence the County Manager, will determine which bid will be accepted.

REOFFERING PRICES: Within one-half hour of the bid opening, the successful bidder (or manager of the purchasing account) for the Bonds shall notify the County by email transmission to Kathy@hobbsong.com and hollenbecks@pfm.com of the initial offering prices of such Bonds to the public. The information about the initial offering prices shall be based on the successful bidder's expectations as of the date of sale. The facsimile notification must be confirmed in a written certificate in form and substance satisfactory to Bond Counsel prior to the delivery of the Bonds, which shall be in substantially the following form: "A bona fide public offering was made for all of the Bonds on the sale date at the initial public offering prices (or yields) shown on the cover page of the Official Statement. As of such sale date (i) based upon our assessment of market conditions, investor demand, sale and offering prices for comparable bonds, and the recent behavior of interest rates, we reasonably expected that the first prices (or yields) at which at least 10 percent of each maturity of the Bonds would be sold to the public (excluding such bond houses, brokers or similar persons or organizations acting in the capacity of underwriters or wholesalers) would be those prices (or yields) and that none of the Bonds would be sold to the public at prices higher than

or at yields less than those prices (or yields), and (ii) such initial offering prices (or yields) represented a fair market value for the Bonds."

PLACE AND TIME OF AWARD: Bids will be opened on behalf of the County at the time and place stated herein. The Finance Director of the County, or in her absence the County Manager, intends to take action, upon the determination of the best bid, awarding the Bonds or rejecting all bids for the Bonds. In any event, the County will take such action not later than 36 hours after the time stated for opening bids. An award may be made after the 36-hour period herein designated if the bidder shall not have given to the County Finance Director (see "INFORMATION" below) notice in writing of the withdrawal of its bid. Notice of withdrawal of a bid may not be given during the 36-hour period following the bid opening.

MANNER AND TIME OF DELIVERY: The applicable Deposit will be credited to the purchaser at the time of delivery of the Bonds (without accruing interest). If the successful bidder for the Bonds fails, neglects, or refuses to complete the purchase of the Bonds on the date on which the Bonds are made ready and are tendered by the County for delivery, the amount of its Deposit will be forfeited (as liquidated damages for noncompliance with the bid) to the County. In that event, the County may reoffer the Bonds for sale, as provided by law. The Bonds (registered in the name of Cede & Co.) will be made available for delivery by the County to the purchaser as soon as reasonably possible after the date of the sale, and the Board contemplates delivering them on or about August 27, 2015. The purchaser of the Bonds will be given 72 hours' notice of the time fixed by the Board for tendering the Bonds for delivery.

PAYMENT AT AND PLACE OF DELIVERY: The successful bidder will be required to accept delivery of the Bonds at the Paying Agent to be held on behalf of DTC in New York, New York, pursuant to the FAST System. Payment of the balance of the purchase price due for the Bonds at the time of their delivery must be made in Federal Reserve Bank funds or other funds acceptable to the Board for immediate and unconditional credit to the account of the County, as directed by the Board, at a bank designated by the County Treasurer, so that such bond proceeds may be deposited or invested, as the County Treasurer may determine, simultaneously with the delivery of the Bonds. The balance of the purchase price must be paid in such funds and not by any waiver of interest, and not by any other concession as a substitution for such funds.

INFORMATION: This Official Notice of Bond Sale, the Preliminary Official Statement, the Bond Ordinances and financial and other information concerning the County and the Bonds may be obtained prior to the sale from:

The County's Financial Advisors:

Hobbs, Ong & Associates
3900 Paradise Rd., Suite 152
Las Vegas, NV 89169
702-733-7223

Public Financial Management, Inc.
50 California Street, Suite 2300
San Francisco, CA 94111
(415) 982-5544

COUNTY REPRESENTED BY INDEPENDENT REGISTERED MUNICIPAL ADVISORS. The County has engaged, is represented by and will rely on the advice of the County's Financial Advisors, independent registered municipal advisors, to advise it on the issuance of the Bonds and other aspects of the financing for which the Bonds are being issued. The County intends that this statement constitutes the "required representation" for purposes of the independent registered municipal advisor exemption set forth in SEC Rule 15Ba1-1(d)(3) and prospective bidders and other market participants may rely on this written statement and receive and use it for purposes of that exemption. Each bidder should consult with its own advisors in determining whether the exemption is available to that bidder and other requirements applicable for the exemption to be available to that bidder.

LEGAL OPINIONS, BONDS AND TRANSCRIPT: The validity and enforceability of the Bonds will be approved by:

Sherman & Howard L.L.C.
50 West Liberty Street, Suite 1000
Reno, Nevada 89501
775-323-1980

whose unqualified, final, approving opinion, together with the printed Bonds, a certified transcript of the legal proceedings, including a certificate stating that there is no litigation pending affecting the validity of the Bonds as of the date of their delivery (the "Closing Date"), and other closing documents, will be furnished to the purchasers of the Bonds without charge by the County. The form of the approving opinion will be substantially in the form set forth in Appendix E to the Preliminary Official Statement.

OFFICIAL STATEMENT: The County has prepared a preliminary official statement (the "Preliminary Official Statement") relating to the Bonds which is deemed by the County to be final as of its date for purposes of allowing bidders to comply with Rule 15c2-12(b) of the Securities Exchange Commission (the "Rule"), except for the omission of certain information as permitted by the Rule. The Preliminary Official Statement is subject to revision, amendment and completion in a "Final Official Statement."

The County will prepare a final official statement (the "Final Official Statement"), dated as of the date of its delivery to the winning bidder as soon as practicable after the date of the award to the winning bidder. The County will provide to the winning bidder of the Bonds up to 25 copies, of the Final Official Statement on or before seven business days following the date of the award to the winning bidder. The Final Official Statement shall be delivered to the winning bidder(s) at the office of Hobbs, Ong & Associates, Inc. If a winning bidder fails to pick-up the Final

Official Statement, the Final Official Statement will be forwarded to the winning bidder by mail or another delivery service mutually agreed to between the winning bidder and Hobbs, Ong & Associates, Inc. A winning bidder may obtain additional copies of the Final Official Statement at the expense of the winning bidder.

The County authorizes the winning bidder to distribute the Final Official Statement in connection with the offering of the Bonds.

For a period beginning on the date of the Final Official Statement and ending twenty five days following the date the winning bidder shall no longer hold for sale any of the Bonds (such date shall be the Closing Date unless the winning bidder advises the County in writing of another date), if any event concerning the affairs, properties or financial condition of the County shall occur as a result of which it is necessary to supplement the Official Statement in order to make the statements therein, in light of the circumstances existing at such time, not misleading, at the request of the winning bidder, the County shall forthwith notify the winning bidder of any such event of which it has knowledge and shall cooperate fully in the preparation and furnishing of any supplement to the Official Statement necessary, in the reasonable opinion of the County and the winning bidder, so that the statements therein as so supplemented will not be misleading in the light of the circumstances existing at such time.

CONTINUING DISCLOSURE UNDERTAKING Pursuant to the Rule, the County will undertake in a continuing disclosure certificate which is authorized in each Bond Ordinance to provide certain ongoing disclosure, including annual operating data and financial information, audited financial statements and notices of the occurrences of certain material events. A copy of the continuing disclosure certificate is included as Appendix D to the Preliminary Official Statement.

DISCLOSURE CERTIFICATES: The final certificates included in the transcript of legal proceedings will include:

1. A certificate, dated as of the Closing Date, and signed by the Chairman of the Board, the Treasurer of the County, the County Manager and the Assistant District Attorney for the County, in which each of them states, after reasonable investigation, that to the best of his or her knowledge (a) no action, suit, proceeding, inquiry, or investigation, at law or in equity, before or by any court, public board, or body, is pending, or, to the best of the knowledge of each of them, threatened, in any way contesting the completeness or accuracy of the Final Official Statement, (b) the Final Official Statement as it pertains to the County and the Bonds does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (c) no event affecting the County has occurred since the date of the Final Official Statement which should be disclosed therein for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any respect; provided, however, that the County does not make any representations concerning pricing information contained in the Final Official Statement; and

2. A certificate, dated as of the Closing Date, and signed by the Treasurer of the County, stating after reasonable investigation, that, to the best of such officer's knowledge, as of the date of the official statement and on the date of such certificate, the information contained in the Final Official Statement relating to revenues and expenditures of the County is true and correct and does not contain any untrue statement of a material fact or omit any information necessary to be included therein in order that the Final Official Statement be not misleading for the purpose for which it is to be used.

CONSENT TO JURISDICTION: A bid submitted by electronic bidding, if accepted by the Assistant County Manager or the County Manager on behalf of the County, forms a contract between the winning bidder and the County subject to the terms of this Official Notice of Bond Sale. By submitting a bid, the bidder consents to the exclusive jurisdiction of any court of the State of Nevada located in Washoe County or the United States District Court for the State of Nevada for the purpose of any suit, action or other proceeding arising as a result of the submittal of the bid, and the bidder irrevocably agrees that all claims in respect to any such suit, action or proceeding may be heard and determined by such court. The bidder further agrees that service of process in any such action commenced in such State or Federal court shall be effective on such bidder by deposit of the same as registered mail addressed to the bidder at the address set forth in the bid.

By order of the Board of County Commissioners of the Washoe County, Nevada, this July 29, 2015.

/s/ John Slaughter
Washoe County County Manager