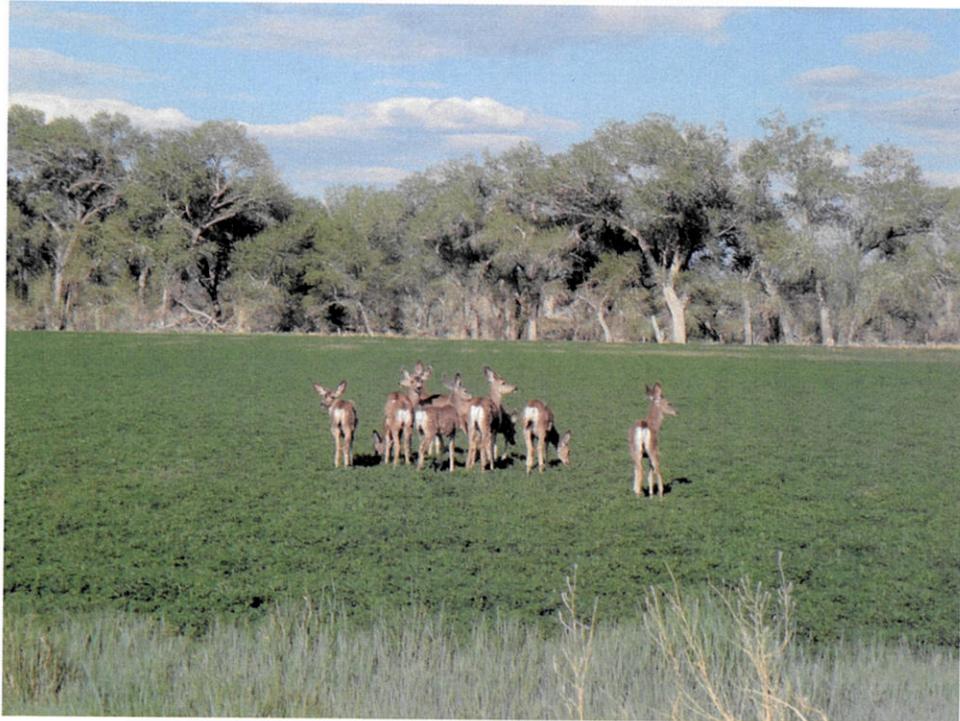


CHURCHILL COUNTY, NEVADA



Comprehensive Annual Financial Report

Year Ended June 30, 2011

CHURCHILL COUNTY, NEVADA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2011

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JUNE 30, 2011**

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INTRODUCTORY SECTION – UNAUDITED

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Churchill County Comptroller

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February 29, 2012

Residents of Churchill County
The Honorable Board of County Commissioners
Churchill County, Nevada

We are pleased to submit the Comprehensive Annual Financial Report of Churchill County, Nevada for the fiscal year ended June 30, 2011.

Nevada Revised Statutes (NRS) 354.624 requires the County to issue an annual report on its financial position and activities and that this report be audited by an independent certified public accounting firm.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with county management. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

This Comprehensive Annual Financial Report presents all funds of Churchill County, the primary government.

REPORT PRESENTATION

We are presenting Management's Discussion and Analysis as an introduction to the financial information. It immediately follows the auditor's opinion. This section provides an overview and analysis of the County's significant transactions to aid readers in understanding their financial impact and relationship to the financial statements and schedules provided. This section is presented to provide more meaningful information to our readers and to demonstrate accountability for our financial actions.

The Financial Reporting Entity and Its Services

Churchill County was incorporated in 1861 and is a political subdivision of the State of Nevada operating under the general laws of the State. The County covers an area of approximately 4,900 square miles in the north central section of the State. The county seat is in the City of Fallon. During the fiscal year, the City of Fallon has been celebrating its Centennial with many activities and functions.

The County provides for the health, safety and welfare of its citizens through many programs. Programs for health and welfare include immunization, cancer screening and flu vaccinations at the Community Health Nurse Office, Project Food providing supplemental groceries, one-time assistance with utility bills and transportation through the Social Services department. Planning, zoning and building permits, tax assessment and collections, and general governmental services are also provided by the County. The County also provides for new construction and maintenance on various streets and highways, builds and maintains parks, maintains a public cemetery, operates both a library and a museum; adjudicates various civil and criminal matters in its State and local courts; maintains the civil peace through the Sheriff's Department and its law enforcement officers; fire protection through the Insurance Services Office (ISO) 1-rated volunteer fire department; and houses adult and juvenile offenders in its detention facility.

The County has established various funds to account for these activities in compliance with legal requirements, to facilitate management control, or to satisfy the requirements of generally accepted accounting principles. Governmental, proprietary and fiduciary fund types are employed to record all financial transactions of the County. This annual report summarizes the activities of the general fund, one major special revenue fund, 27 non-

major special revenue funds, five major proprietary funds, one non-major proprietary fund, one major capital project fund, three non-major capital projects funds, one debt service fund, one investment trust fund, and 17 agency funds.

Local Economic Condition and Outlook

Churchill County’s most recent population as certified by the Governor on February 15, 2011, as of July 1, 2010 is 26,094. This reflects a 2.8% decrease over the prior year population of 26,859. The city of Fallon’s population is 8,869 compared to the prior year of 9,113. The overall decrease in population is due to the poor economic climate and high unemployment that has forced residents to relocate to look for jobs. Our citizens enjoy a unique rural lifestyle with modern services being provided. After several years of a growth economy, which seems to have topped-out in fiscal year 2006, taxable sales have decreased in current year due to decline in population, high unemployment and poor economic conditions. The increase in FY 2009 was due to a significant geothermal development plant expansion project in our county. In the year just ended June 30, 2011, taxable sales demonstrated a decrease from \$251.3 million to \$249.1 million. This decrease represents an overall decrease of 0.9%. As noted in the chart below, this continues the downward trend from FY 2006.

TAXABLE SALES

Fiscal Year Ended	Taxable Sales	Prior Year Change	Percentage Change
6/30			
2004	238,731,811	12,277,517	5.42%
2005	279,114,753	40,382,942	16.92%
2006	324,645,606	45,530,853	16.31%
2007	306,426,359	(18,219,247)	-5.61%
2008	294,410,639	(12,015,720)	-3.92%
2009	321,713,562	27,302,923	9.27%
2010	251,257,089	(70,456,473)	-21.90%
2011	249,111,479	(2,145,610)	-0.85%

A review of the trends in taxable sales for the top ten business codes indicates a decrease in five classifications. The amount of sales in automotive dealers was down \$0.4M or -1.7%, general merchandise stores down \$1.0M or -2.3%, home furnishing down \$1.5M or -25.4%, construction specialty trades down \$1.4M or -20.9%, and miscellaneous retailers down \$0.8M or -19.8%. Top ten business codes that had increases include food stores up approximately \$0.3M or +3.3%, building materials up \$0.1M or +0.7%, wholesale durable goods up \$0.5M or +3.7%, eating and drinking establishments up \$0.4M or +1.7% Geothermal development related business codes up \$1.2M or +4.0%. Increases and decreases were seen in the other business codes. Nevada has taken a significant blow to the state economy as the state leads the nation in unemployment and foreclosure rates. This has had an impact on our level of taxable sales. The credit crisis has affected housing, automobiles and big ticket items taxable sales. The development of new geothermal resources, and commercial and residential development account for a significant amount of one-time non-sustainable taxable sales. The real estate economy and housing starts decreased significantly during the past four fiscal years. The credit crunch affected the local real estate pricing and foreclosure market. The Churchill Economic Development Authority (CEDA) is working on securing additional retail and industrial businesses to the area to stabilize the tax base.

Conflicts over state distribution of intergovernmental revenues have continued to be among the main topics for review and change over the past four legislative sessions. This has required smaller counties to be active in the legislative arena as the major urban areas exercise their greater representation. The major change resulting from the 1997 session was a consolidated tax distribution (CTX) formula for combined intergovernmental revenues such as cigarette, liquor, motor vehicle privilege tax, real property transfer tax and sales tax. Under the revised formula, the City of Fallon received a modest increase in distributions of CTX over the prior year in response to growing population compared to the County. The CTX is apportioned based on statutory formula and the 2nd tier breakdown is as follows for fiscal year 2010-2011: County 74.54%, City of Fallon 21.63%, Carson-Truckee Water Conservancy 0.11% and Churchill Mosquito and Weed Abatement 3.72%. The CTX revenue was \$6,515,956 compared to \$6,094,259 in the

prior year, which was an increase of \$421,697 or 6.9%. This is off over \$2.7M from the record level for CTX in fiscal year 2005-2006 and places us near FY 2003 levels. See the chart below:

CONSOLIDATED TAX DISTRIBUTION

Fiscal Year	BCCRT	SCCRT	Cigarette Tax	Liquor Tax	RPTT	MVPT	Total	% Change
2004	1,244,634	3,958,378	174,419	31,835	158,577	1,226,213	6,794,056	6.14%
2005	1,448,994	4,731,365	176,227	31,296	248,232	1,312,773	7,948,886	17.00%
2006	1,696,276	5,593,641	171,855	32,868	340,460	1,426,207	9,261,307	16.51%
2007	1,637,619	5,297,892	165,753	33,397	152,845	1,404,095	8,691,601	-6.15%
2008	1,522,033	4,899,629	159,061	33,322	118,631	1,379,282	8,111,958	-6.67%
2009	1,503,470	4,940,101	134,114	29,478	81,286	1,302,715	7,991,164	-1.49%
2010	1,097,035	3,486,764	120,498	31,402	73,107	1,285,453	6,094,259	-23.74%
2011	1,165,048	3,733,127	116,779	32,732	368,544	1,099,726	6,515,956	6.92%

The overall increase in the CTX distribution is primarily a result of an increase in levels of taxable sales based actual collections (BCCRT and SCCRT) being up approximately \$314,376 or +6.4%. Furthermore, the Real Property Transfer Tax (RPTT) increased \$295,437 or +404.1% due to sale of a major geothermal plant for over \$100M offset by lower home values, foreclosures and a sluggish local real estate market due to credit crisis. The decrease in Motor Vehicle Privilege Tax (MVPT) of (\$185,727) or -1.4% is due to the related decrease in vehicle values and related reduction in taxable sales from auto dealers. MVPT is based on the vehicle value at registration or renewal of vehicle license plates. The slowing national, state and local economy had an impact on our CTX collections. CTX is considered general revenues as it is not restricted to a specific function or activity. In the current year, CTX revenues were apportioned to the following funds: General Fund, Social Services, Parks and Recreation, Building Reserve and Extraordinary Repairs and Maintenance funds.

During the year, it became apparent the projected general revenues and related building permit and real estate development fees were not going to reach the budgeted amounts. The County Commissioners approved a Budget Mitigation Plan that addressed the budgeted revenue shortfalls. Within the plan, there were reductions of expenditures, personnel, continuation of furlough days, and a focus on providing essential services. There were revenue enhancements and collection efforts to collect program and operational revenues. The plan was embraced and implemented by the Elected Officials and Department Heads which resulted in efficiency measures by the various departments. The collection of geothermal rents and royalties assisted in reducing the overall shortfall.

Property taxes are the second largest revenue resource for the County. The following table provides the assessed valuation in the County and the City of Fallon.

ASSESSED VALUE

Fiscal Year	Assessed Value	Estimated	
		Actual Value	% Change
2004	433,003,700	1,237,153,429	0.83%
2005	441,486,591	1,261,390,260	1.96%
2006	488,296,936	1,395,134,103	10.60%
2007	570,368,036	1,629,622,960	16.81%
2008	686,529,426	1,961,512,646	20.37%
2009	725,891,895	2,073,976,843	5.73%
2010	790,819,558	2,259,484,451	8.94%
2011	816,469,865	2,332,771,043	3.24%

Individual residential construction in the county continued with 2 new single-family dwelling building permits issued during the period of July 1, 2010 to June 30, 2011, at a value of \$343,720, a decrease from the prior year of \$218,668. Commercial building permits issued were valued at \$1,347,392 during the year, which was down from the prior year's pace of \$1,644,989. Additionally 132 permits were issued for improvements valued at \$1,497,035. The value of Net Proceeds of Mine increased from \$31.8M to \$33.0M as improvements and expansions have been made to the geothermal plants. There has been an upswing in assessed values as the assessment replacement factors increased within the national costing program due to the increase cost of raw materials. The assessed values lagged the

significant real estate market increases from FY 04-06. This increase in value is subject to tax abatement as discussed below. Since the assessed values lagged the significant market value increase during the year of the tax cap, there was not as significant reductions in assessed values related to the decline in market values. For the upcoming year, FY 2012, the assessed values for residential properties are going to receive an economic obsolescence due to declines in market values due to foreclosures and short sales which will have a negative effect on property tax revenues.

The State Constitution limits total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the county, the county school district, the State, and any other city, town or and special district) to an amount not exceeding \$5 per \$100 of assessed valuation of the property taxed. The combined overlapping tax rate is further limited, by statute, to \$3.64 per \$100 of assessed valuation in all counties of the State with certain statutory exceptions. The 2004 Legislature passed Assembly Bill 489 which caps the amount of increase in property taxes for residential housing to 3% and 8% for commercial and industrial properties in any one year. Any taxes above the cap will be abated to the taxpayer. Most taxpayers continued to see their assessments increase by the cap amount due to increases in their homes assessed value. Their abated amount was reduced in accordance with state statute.

The overlapping tax rate per \$100 of assessed valuation for Churchill County not including the City of Fallon rate is presented below:

PROPERTY TAX RATES

	Actual 2007	Actual 2008	Actual 2009	Actual 2010	Actual 2011	Budget 2012
Churchill County	1.1250	1.1750	1.2529	1.2529	1.2529	1.2529
C.C. School District	1.3500	1.3500	1.3000	1.3000	1.3000	1.3000
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Mosquito Abatement	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total (Excluding City Rate)	2.7250	2.7750	2.8029	2.8029	2.8029	2.8029
Percentage Increase (Decrease)		1.83%	1.01%	0.00%	0.00%	0.00%

Over 89% of Churchill County is public lands and not subject to property tax in the same manner as private ownership. The Federal government makes an annual appropriation to local governments in the form of a payment in lieu of taxes. This program has been fully funded at \$.75 per acre for the first time in Fiscal Year 2009 since inception. This revenue has been classified intergovernmental revenues as there is no restriction to the specific function or activities that these funds maybe use for. In the current year, the total Federal Payment In Lieu of Taxes was \$2,060,410 compared to the prior year amount of \$2,088,531. It was apportioned to the following funds: General Fund, Road Fund, Library, Parks and Recreation, Water Resources, and Building Reserve. Full funding of PILT has been approved by Congress as part of the economic stimulus package. This full funding has been assured by legislation for a period of four years and will be used in part for capital improvements.

MAJOR INITIATIVES

In preparing the 2011 budget, the County Commissioners identified a number of programs to meet the needs of our citizens. The programs include the following initiatives:

Churchill Area Regional Transportation (CART)

During the past fiscal year, Churchill County and the CART Advisory Committee had another successful year. The program continued a fixed route operation in addition to the existing Dial-A-Ride service for residents of the County. Churchill County Senior Center coordinates and cooperates with the CART Advisory Committee, Nevada Department of Transportation, Churchill County and the City of Fallon to define and implement the transportation needs of the community and to insure an efficient and effective transportation service for local residents. The program has been operational since March 2000. During the past fiscal year, the number of riders stabilized and the number of miles decreased slightly due to improved efficiency measures implemented in the face of decreased state and federal dollars. The County contributed more local dollars to support this transportation program.

Food Programs

The Social Services Department continues the Project Food Program in a collaborative effort with various local agencies and businesses. Project Food is a community developed project. On average 150, seniors, families, and individual sign-up at the beginning of the month to obtain a nutritious food packet that will be obtained at the end of the month when generally monthly household incomes are running low. If households desire to donate \$15.00 back to the program they will obtain an additional meat packet from Heck's meat market to compliment the non-perishable food items and a \$5.00 gift card from Safeway's to obtain perishable items. 10 to 20 scholarships annually are awarded to low income participants for the extra bundle based on grant funding. Each package is valued around \$50.00.

In 2010, the food programming expanded to offer Backpack for Youth Food Program. The program has been designed to assist in filling the gaps of the school district's breakfast and lunch program. The backpack program provides meals for up to 100 children per week when they are not in school or other community meal programs are not available. This program was made possible by funding through United Way of Northern Nevada and the Community Services Block Grant Program.

Additional community food programs include the Holiday Food Basket program that serves over 400 meals for families during the holiday season. All Food programs are made possible by community donations, grant funds, County support, and volunteer efforts.

Transitional Housing

In 2003, Churchill County Social Services began serving homeless residents through the transitional housing program that is designed to assist individuals and families who are homeless to become self-sufficient through short and long term transitional housing and supportive services. Participants are required to take an active role in addressing their significant life issues through the development and implementation of a Family Enhancement Plan. Many significant achievements have been completed including individuals obtaining a GED, starting a local moving company, and furthering their education by participating in classes at the local community college.

In September 2009 the HPRP (Homeless Prevention Rapid Re-housing Program) was awarded through ARRA funding. The programming was designed to fill gaps within the other housing programs offered through the Social Services Department. Through the program individuals and families that have shown stability in housing and income in the past and have shown a change in their situation, but show the resources to re stabilize through support may be eligible for the program for a max of 18 months statewide. The program can be utilized for past rent, utilities, security deposits, etc.

The program has been very successful to protect individual's credit with landlords and utility providers after they have been laid-off for short periods of time and obtained employment again. The main link is support with the case management component and providing the stabilization tools with the support provided within the community. Funding for the program has been awarded until September 2012.

Employment

Through Stimulus dollar in 2009, the Social Services Department was awarded funds to assist in the employment crisis in Churchill County. Partnerships were developed with Western Nevada College as we are now able to assist in paying for employment training. There was a need to train dislocated construction workers for the geothermal boom. Since 2010, 42 Churchill County residents have been trained as riggers and continue to be hired on to exploring geothermal companies within Churchill County and surrounding counties. Additional local residents are obtaining skills on interviewing, resume' writing skills, work ethics, C.N.A., Truck Driving, and obtaining their GED's which will make them better candidates for local employers.

The Social Services Department has taken a unique look at the employment program and partnering with the Churchill Economic Development Authority to fill the gap of assisting in developing jobs in the community. By funding a part-time Employer Coordinator through CSBG funds it allows a professional to work with the businesses to identify the personnel they are looking to hire, offer wage subsidies where needed to develop their business further, and then work with the employment organizations to obtain only the qualified individuals for those that need to obtain the employees. We want to provide direct customer services to the business, mentor the employees through the other organizations by providing support. The program has been successful by providing a full spectrum approach with community providers. Funds have been maintained from ARRA to CSBG Discretionary Funding.

Youth Mentoring

Churchill County Community Response Team is a coordinated effort by the community to assist in identifying and coordinating responses to issues in the community. The team in 2008 identified that at risk youth in elementary schools needed positive mentoring to assist them not only on an educational, but on a social level. Through a collaborative effort Churchill County Social Services, Churchill County Juvenile Probation, Churchill Community Coalition, Churchill County Parks & Recreation, and Churchill County School District with the Community Services Block Grant program for funding to implement the Students Succeeding Mentoring Program, 30 High School Youth were paired with 30 at risk 3-6 grade youth to receive positive academic and social engagement. The program was again a great success but unfortunately due to funding issues will not be operated in the 2011-12 school year.

Western Regional Youth Facility in Silver Springs

Churchill County has been an active partner in the development of a regional youth facility in Silver Springs, Nevada. Churchill, Lyon, Carson City, Storey and Douglas Counties formed a coalition to make this regional facility a reality. The facility was constructed with state funding. Operational costs are allocated between the five counties. The facility became operational August 1, 2000. During the 2001 Legislative session, the state approved funding for a female juvenile correctional facility called Aurora Pines located adjacent to the China Springs facility in Douglas County. This facility opened in July, 2002. Churchill County has access to use the facility and is required to assist in funding operations. In 2002, the Churchill County Juvenile Probation Department created the Regional Aftercare Treatment Services (RAFTS) Program to support the youth exiting the Western Regional Youth Facility program. In the RAFTS program, youths receive ten hours of aftercare services each week for a period of six months following discharge from a treatment facility. The RAFTS program also has a parent component requiring parents to attend parenting classes and meet with the RAFTS Coordinator on a weekly basis to resolve family issues and concerns. This program was modified in January of 2011 due to the termination of State funding through the Community Corrections Block grant. The position of RAFTS Coordinator has been eliminated and although the youth still receive services, the parent component has been terminated.

Truancy Program

Funds from NevadaWorks have been applied to a different program but fines from Truancy Court allow this program to continue in 2011. This program was created in January of 2009 with the goal of reducing truancy among junior high and high school students. Youth and parents were required to attend an "Education for Success" class, youth were required to attend school for the duration of the contract established and meet with their school counselor and develop an education plan. Those youth who failed the contract were then fined up to \$100 per truancy and assessed additional consequences. The program continues to be highly successful and has assisted the school district in achieving a 90% attendance rate.

The Evening Reporting Center

The Evening Reporting Center operated from January of 2011 until June of 2011 and was in response to juveniles who were in need of additional supervision and structure for a brief period of time (up to 10 weeks normally). It provided a structured after-school environment three days a week with each day focusing on a specific issue or skill. The first day was devoted to individual skill development that focused on social skills, decision making, anger management, asset development, resiliency skill development, job readiness, etc. The second day was devoted to group sessions that focus on the same type of skills as the first day but in a group setting. The third day was devoted to parent/child relationships. Although youth referred to the Evening Reporting Center were primarily youth on probation, referrals from the schools were also accepted on a case by case basis for specific programming needs.

Teurman Hall

A major development has been the planning, development and construction of the Churchill County Juvenile Justice Center and within that a 16 bed detention facility named Teurman Hall. The construction of the Juvenile Justice Center answered a need that was identified some 20 years ago; the need for a juvenile detention facility within Churchill County. Prior to its opening in August of 2011, juveniles from Churchill County who posed a risk to themselves or others had to be housed in facilities throughout Northern Nevada, and then only if a bed could be located. This placed the community and the youth at risk.

Construction began on the facility in March of 2010 and was completed in March of 2011. The juvenile probation department moved in immediately as did the Evening Reporting Center. The detention facility accepted its first juveniles on August 15th, 2011.

Within the detention facility is the Focused Intervention Training Program (FIT) which is a 45 day residential program for delinquent youth who pose a risk to themselves or others and are in need of intervention services short of a State commitment. Funds to operate this program come from the State's Room and Board grant.

Alternative Education Program

The Juvenile Justice Center also houses the alternative high school for the school district. The alternative high school, known as Wave High School, can house up to 25 high school students who work through a distance education program. Under the umbrella of Churchill County School District's Distance Education Program, the alternative education program offers on-line education for those students who have been suspended or expelled, students who are at risk, students needing credit recovery and others.

Sheriff's Office

Year 2011 has been a busy year with numerous major incidents such as the cutting down of the historic Shoe Tree, the pursuit/shooting incident on June 2nd which resulted in two fatalities and the AMTRAK disaster north of town for the Sheriff's Office. Between 2009 and mid-2011, the Sheriff's Office completed transferring to the Spillman Records Management System; a system that is being adopted by numerous agencies throughout the State of Nevada, including the State Department of Public Safety. The Sheriff's Office has been instrumental in the research and development of ideas on a new criminal justice facility through our participation in the Criminal Justice Committee. In 2011, the Sheriff's Office adopted several key policies that help cut costs related to operating our jail, such as, inmates paying for prescriptions and doctor visits and as well as purchasing a prisoner transport van out of the Jail Commissary Fund. Through time-based gapping of promotions and new hires and perpetual gapping of the Under Sheriff, a dispatcher and a part-time evidence custodian, the Sheriff's Office continues their efforts to streamline operations without cutting service.

Court Services

Through the efforts of the local Criminal Justice Committee a Court Services department was formed and operational in November 2009. Court Services provides services to the courts, detention facility, law enforcement, prosecutors, defense counsel and criminal offenders. The goal of the department is to proactively manage the jail population with monitored release programs. This innovative program has reduced our average jail population from 47 inmates to 37 inmates during the first nineteen months of operations. This department received an achievement award from the National Association of Counties "in recognition of an effective and innovative program which contributes to and enhances county government in the United States."

County Library Planning Grant for Expansion

The County was awarded a Community Development Block Grant and contracted with an architectural firm to develop a Library expansion plan. The library has held numerous fundraisers for the building project and currently has over \$545,000 in the Library Gift and Donation Fund as of the fiscal year ending June 30, 2011. The library had a record year for the number of items that were checked out as well as people using the facilities. The use of free internet access has proven to be very popular as travelers seek to catch up with their e-mail at the computer kiosks. The library added wireless internet access in 2009, and each month its usage increases. In early 2008, through a grant from the Bill & Melinda Gates Foundation and matching funds from the community, the library has made wireless laptop computers available to patrons and visitors. During fiscal year 2009, the County purchased property located at 507 South Maine to assist in the relocation of the Friends of the Library bookstore and a meeting room for Board meetings and Story Time activities. This move allowed for additional space in the current library. New shelving and space design was installed. The Churchill County Library added six new internet computers from a BTOP grant during FY 11, which increased the number of stations from four to ten. When added to the nine wireless laptops, the Library is able to provide nineteen internet workstations for the public's use. Along with the purchase of computers with the BTOP grant, the library purchased a software management program for patron reservations and printing. This has helped with better efficiency for making computer reservations, daily drop-ins, and less paper wastage for print jobs not being picked up. The final component of BTOP will be adding a coin operated printer so the patrons will no longer have to go to the front desk to retrieve and pay for their copies. The expansion plans for the new library are still continuing. The economy is rebounding at a slow pace in our community and state. Our enthusiasm has never waned and we are optimistic that a new library will be built and the plans we have envisioned will be a reality in the near future. We continue with our fundraising efforts and know this community will have the kind of library it so richly deserves.

County Museum Projects

The Churchill County Museum, in connection with the Museum Association, completed a project to renovate the museum's main room in March of 2010. This included asbestos removal, ceiling painting, and the addition of track lighting. Visitors continue to enjoy exhibits in the Dodge-Fitz Changing Exhibit Gallery and the West Annex. The Children's Discovery Room, with twelve hands-on activity centers, has been constructed so that children and families can explore fossil history, the beef industry, natural history at the microscope, weaving, agricultural history of the state, waterfowl identification, school days from the past, touch and play with artifacts and many other activities. Public programs include Hidden Cave tours, two lecture series per year, Teacher's In-service classes, and publication of our annual publication, *In Focus*. Over 2,000 new objects were donated to the Museum during the year.

Renewable Energy Geothermal Projects

Churchill County continues to see expansion of geothermal developments within our community. This "green energy" will assist the regional power suppliers to meet the mandated green energy requirements. Counties have benefited from the rents and royalties agreements included in the 2005 Energy Bill approved by the United States Congress. This legislation allows for 25% of the rents and royalties paid by the geothermal producers on public lands to be distributed to the Counties where the resources are extracted. There was federal legislation that eliminated the distribution as of September 30, 2009 but it was reversed in a subsequent federal action that allowed counties to share in this revenue through September 30, 2011. The County continues to work with the geothermal industry, congressional representatives and affect units of local governments to retain these rents and royalties for the counties that have the resource. The County received \$1,136,335 in the fiscal year ending June 30, 2011 a decrease of \$2,179,885 or 65.7% from the prior year amount of \$3,316,220. The revenue was apportioned to the General Fund, Road Fund for the Equipment Replacement Program, Social Services Fund, Water Resource Fund, Building Reserve Fund and the Extraordinary Repairs and Maintenance Fund. The current year decrease is due to reduction in values received in lease sales during the current year. In August 2008, the BLM conducted a geothermal lease sale which provided significant financial benefit to Churchill County in Fiscal Year 2009. The sales total was \$27.9M of which \$15.5M was for leases within Churchill County. In Fiscal Year 2010, BLM conducted two sales with a lower sales total. The July 2009 sale had total proceeds of \$8.5M of which \$5.6M were within Churchill County. The May 2010 sale proceeds were \$2.3M with \$1.0M in Churchill County. There was only one BLM sale in FY 2011 with proceeds of \$0.4M of which \$0.3M was in Churchill County. The County continues to work with the geothermal companies to promote the development of this renewable energy in Churchill County. The Board of County Commissioners have approved a geothermal sales and use tax abatement agreement that provides support to the industry for the entire allowed abatement after a payment in lieu of tax (PILT) agreement has been entered into with the County.

Water Resource Fund and Water Right Dedication

In November 2000, the Board of County Commissioners approved a water dedication ordinance in an effort to keep the water in the valley to recharge the groundwater aquifers. Developers have been required to dedicate water rights or pay impact fees equal to one and one half times current cash value to divide and develop land or build permanent structures. In the last ten years, upstream interests and the USFWS have been aggressively purchasing water rights under the Federal Programs authorized under PL 101-618, transferring the water to wildlife and habitat uses resulting in reduced agricultural irrigation and less groundwater recharge. As a result, there is a real possibility of the aquifers which serve as our only source of domestic water diminishing in both quality and quantity. A Water Resource Fund was established to account for the activities mandated under the water dedication ordinance. Funds are being accumulated to implement the recommendations in the water resources plan including development of a County municipal system in the urbanizing area, recharge to the aquifer through continued surface application, and recharge via injection wells. During fiscal year 2005, the County purchased surface water rights and 2,649 acre feet of underground water rights from the Wild Goose Ltd. Ranch for use in the municipal system. A subsequent sale of 1,002 equivalent dwelling units, (EDUs), or 1,122.24 acre feet of water was sold to retire a portion of the debt used to acquire the land and water. Since inception, the county has acquired by dedication or purchase, water rights valued at \$6,505,868.

Transfer of Development Rights

The Planning Department developed a Transfer of Development Rights program that was approved by the Board of County Commissioners in 2006. This program seeks to retain conservation easements on agriculture lands to preserve the open space and ground water recharge while allowing the landowners the ability to sell development rights for use on non-productive lands. An agreement with United States of America on behalf of Naval Air Station Fallon and Churchill County seeks to facilitate the placement of conservation easements on critical agricultural land and lands adjacent to or under critical military training areas. By June 30, 2007, the implementation of the TDR program resulted in eleven sending sites being approved, potentially preserving 2,000 acres of agricultural lands and 1,460 water

righted acres in perpetuity. The purchases amounted to \$1,854,685 and were made within the Water Resource Fund. During Fiscal Year 2008, the County was able acquire a conservation easement on the Rambling River Ranches valued at \$6,099,767. This easement will provide water recharge and open space within the gateway to the community. During fiscal year 2009, the County in cooperation with the United States Department of Defense continued to buy conservation easements and TDRs within the base buffer zone. There were 9 properties purchased at a total cost of \$3,424,373 with the Navy paying \$2,353,217 or nearly 75% and the County paying the balance of \$1,071,156. In Fiscal Year 2010 additional properties were purchased valued at \$3,862,221 with the Navy paying \$2,449,424 of the value. In the current fiscal year 2011, the County purchased TDRs valued at \$3,404,774 with the Navy contributing \$2,515,252 of the purchase price. This plan continues to expand the buffer zone around the Naval Air Station which will allow for base expansion and economic development within the military industry in our community.

Water and Sewer Development

In July 2003, the Board adopted the Facilities plan which is a feasibility plan for the development of a County owned and operated water and sewer system. The County immediately took steps to ensure that new development within the County would be designed to connect to the County water and sewer system or develop facilities that would eventually become a part of the capitalized county owned and operated utilities. By November 2003, the County had adopted water and sewer design standards, revisions to the County Master Plan requiring development in the urbanizing area to incorporate design and construction of water and sewer utilities and revisions to County Ordinances pertaining to subdivision standards and development.

During the period January 2004 to June 2004, the County actively sought funding from State and Federal agencies to design and construct the first phase of the County water and sewer system. By May 2004, the County had commitments from USDA Rural Development for the design and construction of the water system. In June 2004, the County was awarded a two million dollar grant through AB198 for a portion of the water system and support was also committed from USDA Rural Development to begin preliminary engineering design on the Waste Water Treatment Plant.

During fiscal year 2006, phase I of the County water and wastewater distribution system was designed and construction was well underway. Phase I comprised a new municipal well with a treatment facility and a million gallon storage tank and a package treatment plant with a capacity to treat 160,000 gallons of waste water per day. Phase I is complete and became operational in August 2007. During Fiscal Year 2007, a developer deeded their water and waste water system to the County. The system was integrated into the phase I water and waste water project upon completion. This system currently serves 257 homes.

During fiscal year 2009, the County worked diligently on the Phase II wastewater system at Moody Lane. The state of the art facility is being funded by the United States Army Corp of Engineers and developers. The plant became operational in December 2008. Currently, there are 257 waste water customers.

During fiscal year 2010, the County awarded a contract to A&K Earthmovers for the Oasis Mobile Home Waste Water project. This project will hook-up a failing septic system on to the County system protecting the ground water resources in the area. The \$2M project is funded with ARRA funds and became fully operational in December 2010. This improvement project will also allow residents along the project to voluntarily connect to the County water and waste water system. Improvements were made to various lift stations and the Moody Lane plant to improve overall operations of the systems.

Capital Improvement Projects

Fiscal year 2011 saw a number of capital improvement projects throughout the County. The County continues to develop the water and waste water facilities. The Oasis Mobile Home Park Waste Water project that connects the park to the County waste water facility was completed and operational in December 2010. The Facilities and Grounds Department completed the remodel on the District Attorney Professional Office Complex for the Child Support Division for occupancy in December 2010. The County awarded the bid to K7 Construction for a nearly \$4M Juvenile Probation Detention Center. The project was completed and operational by June 2011.

The County supported public safety by improving the Sheriff's Office communications system with Spillman Technologies and replace vehicle as part of the vehicle replacement program. The Road Department's Equipment Replacement Program procured new and used equipment necessary to build and maintain roads.

Several road projects were completed with gas tax revenues. A summary of completed projects include: East Gummow Lane, Drumm Lane and Stuart Lane double chip seal projects, Bass Road asphalt overlay, North Downs

Land and Kirm Road chip seal, North Crook Road bridge replacement, road crack sealing, gravel road upgrades, operating the gravel plant and various other road improvements.

CC Communications: Enterprise Operations

The County owned and operated enterprise operations of CC Communications have been vital to the support of the County over the past 120 plus years of operations by not only providing excellent telecommunications services to its residents but providing financial support as well. CC Communications provides telephone, long distance, wireless, broadband and digital video services to customers within the County. However, with the recent release of the National Broadband Plan by the FCC as well as the needs of our residents transitioning from telephone to broadband services CC Communications is facing a significant change of its focus. However, this transition has been anticipated and the enterprise fund has been preparing for this transition for several years. Placement of fiber optic cable directly to customer's homes has allowed the County residents to potentially receive the highest amount of bandwidth that is available anywhere within the Country and the world. Significant investments have been made to place these new facilities during the last three years and will need to continue for another three to complete the build out of these advanced facilities to 98% of the County residents. A new soft switch has been installed and new services utilizing this switch will soon be released to further enhance the services our customers will be able to receive. These new facilities will allow CC Communications to remain a positive asset for Churchill County.

CC Communications-Wireless continues to strive for a place in the market where the company can provide a competitive service with competitive handsets, while delivering both at a price point that provides value to the customer and profitability to the company. While we continue to refine SMS and Data roaming agreements, our current plans with respect to SMS and voice minutes are very competitive and in some instances priced lower than the two major carriers. Further, the data feature is currently being enhanced through our wholesale provider upgrading to 3G. Notwithstanding the positive moves made over the past year, acquiring a large inventory of the latest handsets continues to be a challenge for all carriers outside of the big two. However, we are looking for improvement in this area based on several developments: (1) Our wholesaler has joined a buying consortium that shows promise, (2) a recent court ruling calls into question a carrier's ability to lock other carriers out of the software on newer handsets, and (3) there appears to be growing concern by regulators and legislators regarding the anticompetitive impact "locking down" has on the industry.

CC Communications-Long Distance has rolled out additional calling plans and long distance bundles to meet the needs of the competitive marketplace. Long Distance continues to see and will continue to experience a decrease in the number of customers as customers move to other technologies such as wireless and voice over internet for these services.

CC Communications-Broadband has seen a small but consistent increase in the number of customers for the Digital TV video product. CC Communications continues to make investments for improvements in content, HD, DVR and VOD equipment to remain competitive with local video providers.

CC Communications-Broadband is comprised of both the Internet Service Provider (ISP) and CC Communications Digital TV. The ISP has been bolstered by the acquisition of additional capacity between Churchill County and the Internet Gateway, which provides for both higher and more consistent up and down stream speeds. We have taken the initiative to increase speeds delivered to many business customers, while maintaining or even lowering rates. Further, we continue to promote the advantages of higher upload speeds, and we continually seek to upgrade packages sold to end users.

Previous investments in CC Communications Digital TV such as additional HD channels, FTTH, changing middleware providers, and broad content acquisition are all showing dividends. Even during these trying economic times, the product continues to add subscribers, and in combination with the ISP and other services, creates a stickier offering for our customers. While the HD channels keep the service competitive with cable and satellite, FTTH provides a superior delivery mechanism to that of our competitors. Our aggressive content acquisition was highlighted in a recent Reno Gazette Journal article noting the fact that the UNR/UNLV game could be seen on CC Communications Digital TV, but not on Charter. The TV service remains an important part of our differentiation strategy as CC Communications is the only provider in Churchill County offering all four major communications services: Telephone, Broadband, Wireless and subscription television. In fact, no other provider currently offers more than two of these services. Currently, we are refining a new whole home DVR offering that will add value for subscribers, reduce costs, and provide another opportunity to meet subscriber needs.

OTHER INFORMATION

Independent Audit

Nevada Revised Statutes (NRS 354.624) require an annual audit of the affairs, transactions and financial records of the County by independent auditors. The firm of Kafoury, Armstrong & Co. was selected by the County to perform an audit that addressed statutory requirements and the requirements of federal OMB Circular A-133 and the 1996 Single Audit Act Amendments. The auditor's report on the financial statements is included in the financial section of this report. Their reports on internal controls and compliance with applicable laws and regulations are included in the compliance section.

Those who wish to obtain a true understanding of the financial condition and results of operations of Churchill County are encouraged to review this report, including the detailed notes to the financial statements, which are an integral part of the statements.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Churchill County for its comprehensive annual financial report for the fiscal year ended June 30, 2010. This was the sixth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Comptroller's Office entire staff. The Comptroller's Office comprises of Alan Kalt, Sherry Wideman, Sharon Chicvara, and Mary Byrd. Thanks to Kelly Helton, Clerk/Treasurer and Norma Green, Assessor for all their efforts. Thanks also to the dedicated professional staff from Kafoury, Armstrong & Company, Certified Public Accountants, for their contribution and support throughout the process. Special thanks to the Board of County Commissioners for their keen interest and support in the planning and conducting of the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Alan F. Kalt, C.P.A.
Comptroller

**CHURCHILL COUNTY, NEVADA
LISTING OF COUNTY OFFICIALS
AS OF JUNE 30, 2011**

ELECTED OFFICIALS

	*	
District 1: Commissioner	2013	Norman Frey
District 2: Commissioner	2015	H. Pete Olsen
District 3: Commissioner	2013	Carl Erquiaga
County Clerk/Treasurer	2015	Kelly Helton
County Recorder	2015	Joan Sims
County Assessor	2015	Norma Green
District Attorney	2015	Arthur Mallory
Justice of the Peace	2013	Michael Richards
Sheriff	2015	Ben Trotter

*Term expires first Monday in January of the year indicated

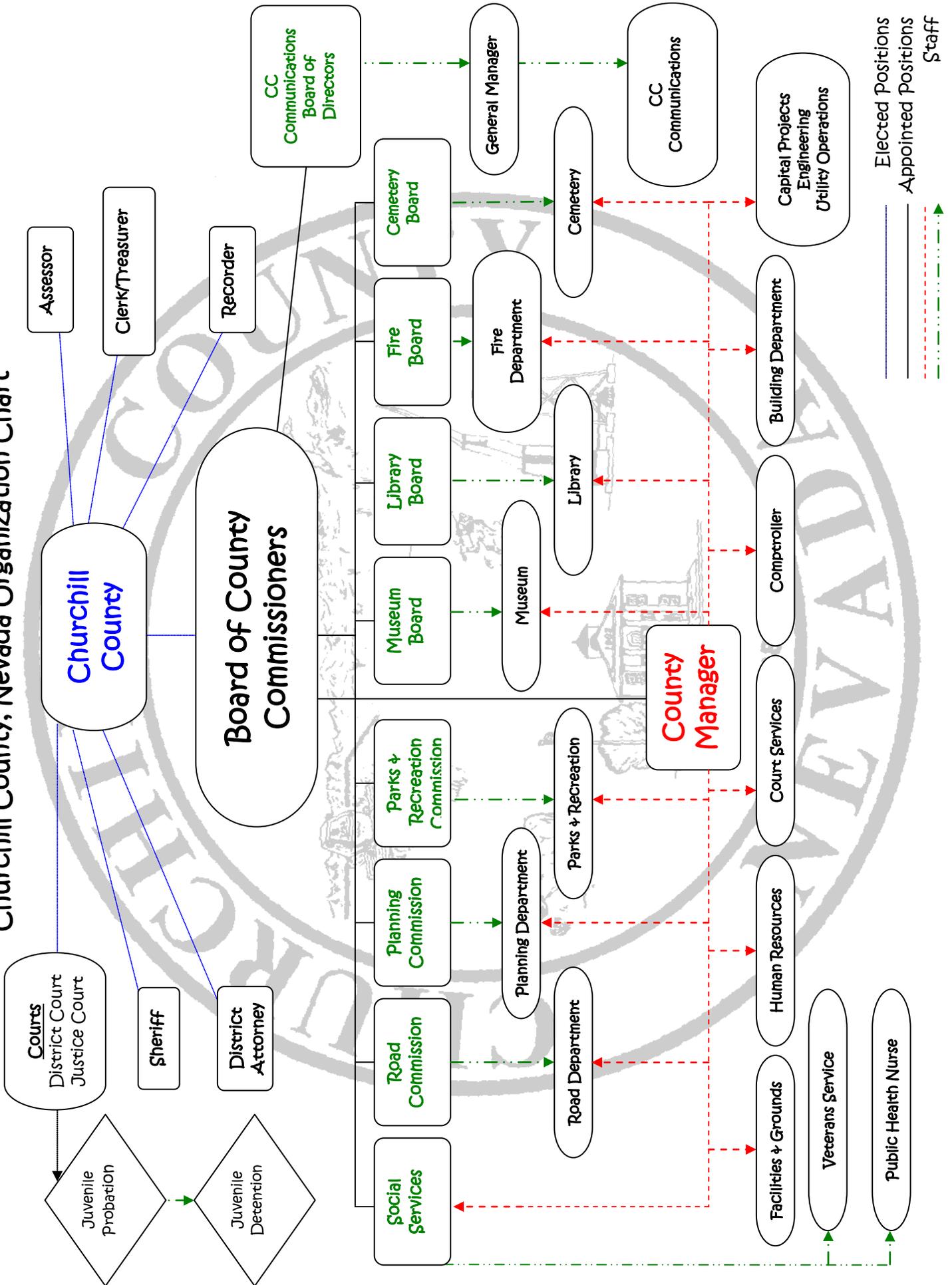
APPOINTED OFFICIALS-GENERAL COUNTY

County Manager	Brad Goetsch
Building Official	Cliff Van Woert
Facilities & Grounds Supervisor	Gary Gulden
Comptroller	Alan Kalt
Capital Projects/Engineering	Milorod Stojicevic
HR/Personnel Director	Geof Stark
Chief Juvenile Probation Officer	DeVere Karlson
Library Director	Barbara Mathews
Museum Administrator	Donna Cossette
Director of Parks & Recreation / Sexton	Jorge Guerrero
Planning Director	Eleanor Lockwood
Road Supervisor	Patti Lingenfelter
Social Services Director	Shannon Ernst

APPOINTED OFFICIALS-CC COMMUNICATIONS

General Manager	Robert Adams
General Counsel & Director of Regulatory Affairs	Mark Feest
Operations Manager	John Powell
Chief Financial Officer	Lorrie Ford
Customer Service Manager	Dale White
Marketing Manager	Chester Caulder

Churchill County, Nevada Organization Chart



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Churchill County
Nevada

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Linda C. Davison

President

Jeffrey R. Emer

Executive Director

FINANCIAL SECTION

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Independent Auditor's Report

To the Honorable Board of Commissioners of
Churchill County, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Churchill County, Nevada, (the "County"), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of County's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2011, and the respective changes in financial position, and cash flows, where applicable, thereof, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 29, 2012, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, the schedule of funding progress and the reconciliation of budgetary basis statements to GAAP basis statements on pages M-1 through M-13 and 41 through 45 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements as a whole. The accompanying introductory section, combining and individual fund statements and schedules, including budgetary comparisons, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. The combining and individual fund statements and schedules including budgetary comparisons, and the schedule of expenditures of federal awards 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. The information has been subjected to the auditing procedures applied in the audit of the 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. We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the County's basic financial statements for the year ended June 30, 2010, which are not presented with the accompanying financial statements. In our report dated November 30, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. In our opinion, the 2010 nonmajor combining and individual fund statements and schedules are fairly stated in all material respects in relation to the basic financial statements as of and for the year ended June 30, 2010, taken 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 express no opinion on them.

Kafoury, Armstrong & Co.

Reno, Nevada
February 29, 2012

**CHURCHILL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

Churchill County's discussion and analysis is designed to, (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the County's financial activities, (c) identify changes in the County's financial position (its ability to address next and subsequent years challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

We encourage readers to read this information in conjunction with the transmittal letter, financial statements and notes to gain a more complete understanding of the information presented.

Financial Highlights

- The financial statements are prepared in conformance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*, which presents Churchill County's financial information on a government-wide basis enhancing analysis, short and long-term, and accountability for the use of total resources.
- The auditor's report offers an unqualified opinion on the financial statements, the best opinion that can be attained.
- Cash and investments of \$42,744,159 are available to meet current liabilities, including debt due within one year, of \$4,162,228. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 10.3, meaning that the County has 10.3 times the unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 9.6.
- The County's current assets for governmental activities exceeded current liabilities by \$25,844,626 and the current assets for business-type activities exceeded current liabilities by \$18,963,700 which is a strong indication of the County's ability to meet current obligations.
- Government-wide net assets equal \$171,536,410. Business-type activities contributed \$87,710,460 or 51.1% and governmental activities contributed \$83,825,950 or 48.9% of the total net assets. The Business-type activities net assets grew by \$5,765,726 or 7.0% in the current year, due to operating revenues over (under) expenses in Telephone \$3,191,470, Wireless \$249,362, Long Distance \$294,467 and Broadband (\$9,671), Waste Water (\$426,777) and Water Fund (\$350,113). Other Business type revenues included interest income of \$43,005, miscellaneous revenues of \$75,129 and net transfers of \$2,698,854 to pay off Water and Waste Water Debt. A prior period adjustment related to recording the net values of developer agreements within the water and waste water funds added \$863,796. The governmental activities net assets decreased by \$1,852,658 or 2.2% due primarily to transfers of over \$2.7M to the Business type funds to pay off the Water and Waste Water Debt. See details of debt reduction in Note 8 Long-term Obligations for more details. The most significant additions to capital assets were the construction of the Juvenile Probation facility in the amount of \$3.8M and completing the Child Support Enforcement Offices within the District Attorney's professional office complex.
- Capital assets, net of accumulated depreciation, increased from \$123,647,256 to \$130,708,728. An increase of \$7,061,472 or 5.7%. The business-type activities capital assets, net of depreciation increased by \$4,383,578 primarily as a result of the additions to the CC Communication's Central Office switch and improvements to the outside plant during the year as part of their on-going capital improvement plan. See Note 5 Capital Assets for more details. The capital grant construction for the Waste Water Fund was \$674,592. There was an increase of \$2,677,894 + 4.6% in governmental activity capital assets, including the net purchase of land and easements valued at \$889,492 and the completion of the Juvenile Probation Detention Center of \$3.8M. These increases were offset by current year depreciation of \$2,281,705.
- Total revenues decreased by \$721,132 or 1.5% from \$49,537,821 to \$48,816,689. Program revenues were \$25,461,951 or 52.2% of the total. Program revenues decreased by (\$551,900) primarily as a reduction in Capital Grants of (\$949,650) from the prior year due to the completion of the Oasis Waste Water project completion and a reduction of (\$692,738) in operating grants due to less funding received from the Federal and State government. These reductions were offset by an increase in charges for services of \$1,090,488.
- General revenues decreased to \$23,354,738 from \$23,523,970 a decrease of \$169,232 or -0.7%. The County's primary general governmental revenue sources are ad valorem taxes of \$10,021,646 and consolidated taxes at \$4,856,743. These two revenue sources comprise 42.9% and 20.8% of countywide general revenues, respectively. Ad valorem revenues increased by \$666,633 or 7.1% due to the increase in the valuation rate applied to assessed value. The property tax rate has remained the same from the prior year at \$2.8029. The assessed value increased as a result of higher replacement cost facts from Marshall and Swift and increased values associated with the geothermal developments in the prior year. The consolidated tax revenues which includes sales tax revenues (SCCRT & BCCRT),

Cigarette, Liquor Taxes, Real Property Transfer Tax and Government Services Tax, increased \$302,142 from \$4,554,601 to \$4,856,743 or 6.6% primarily due to increases in taxable sales. This increase in taxable sales is misleading as last year's levels were down 22% due to an extremely weak economy and a high foreclosure rate. This had a significant impact on our local economy and revenue generation. Federal payment in lieu of taxes decreased from \$2,088,531 to \$2,060,410 due to the PILT offset for other federal funds received during the prior year. Full funding of PILT continues for the next two fiscal years.

- Total expenses were \$44,903,621, an increase of \$4,144 or less than 0.009% countywide over the prior year. This is a result of continuing our Budget Mitigation Plan to address the shortfall in revenue collections during the year. The governmental activities expenses were \$26,541,717 or 59.1% of the total expenses. Whereas, the business-type activities expenses were \$18,361,904 or 40.9% of the total expenses. The increase in governmental activities was \$173,951 or 0.7%. Budget mitigation measures included gapping of positions, furlough days, no general wage increase and expenditure reductions kept the increase to a minimum. The largest functions are public safety, general government, public works, cultural and recreation and judicial. These account for 90.8% of the governmental activities. The decrease in expense of the business-type activities was (\$169,807) or -0.9% from \$18,531,711 to \$18,361,904. Telephone operations continue to be the largest business-type activity at 54.3% of the business-type activities. Telephone expenses increased \$61,259 or +0.6% from \$9,904,010 to \$ 9,965,269 due to a slight increase in operating expenses. Wireless decreased by (\$539,711) or -16.2% due to reduction in roaming minutes paid to outside providers as a result of a reduction in the number of subscribers and the sale of wireless capital assets. There was a decrease of (\$19,375) or (4.0) % in the Long Distance due to a decrease in the number of subscribers and long distance minutes. There was a decrease of (\$340,856) or 10.5% in the Broadband due to decreases in the cost of content and access charges for Broadband television services. Waste Water expenses increased from \$988,500 to \$1,526,193 due primarily to the bad debt expense on developer agreements of \$536,573. Water Utility expenses increased from \$577,421 to \$708,604 due to bad debt expense of \$186,324 reduced by a reduction in interest expense of \$33,893 due to payoff of debt. These write downs are necessary given the economic conditions of the housing and construction market in Nevada.
- Current year revenues, including capital grants, interest and contributions, exceeded expenses by \$3,913,068. This indicates that current year operations did not rely on debt or reserves to provide resources for necessary services. This was possible due to the early implementation of the Budget Mitigation Plan by elected officials and appointed department heads within the organization.
- At June 30, 2011, the County's governmental funds had a fund balance of \$25,925,077. The Non-spendable portion is \$162,639, Restricted \$6,241,775, Committed \$5,751,970, Assigned \$9,624,061, and Unassigned Balance of \$4,144,632. These classifications do not appear to have a negative affect on the availability of funds for the subsequent fiscal year.

Financial Overview

The basic financial statements of Churchill County are comprised of government-wide financial statements, major fund financial statements, and notes to the financial statements. Additionally, supplemental information to the financial statements is contained in this report.

Government-wide Financial Statements

The *government-wide financial statements* are presented to provide readers with a broad overview of Churchill County that is similar to that of the private sector.

The *Statement of Net Assets* presents information on all assets and liabilities of Churchill County. The difference between the total assets and total liabilities is reported as "net assets". Over time, increases and decreases in net assets may serve as an indicator of improvement or deterioration of financial condition.

The *Statement of Activities* reflects the changes which have occurred during the year. All changes in net assets 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 only result in cash flows in future fiscal periods, such as earned, but unused, vacation leave.

Governmental activities which are supported primarily by taxes and intergovernmental revenues are distinguished from activities which are intended to recover all or a significant portion of costs through user fees and charges, as is the case with business-type functions, in the government-wide financial statements. Churchill County governmental activities include those associated with general government, judicial, public safety, sanitation, public works, health, welfare, culture and recreation, community support, and interest and fiscal charges. The business-type activities of Churchill County include the enterprise funds of CC Communications and the utility operations. The funds included in CC Communications are Telephone Fund, Wireless Fund, Long Distance Fund, and Broadband Fund. The Utility Enterprise Funds include Water Utility and Waste Water Fund.

Fund Financial Statements

A fund is a grouping of related accounts that is 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 compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially 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 inflow* 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 a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

Churchill County maintains 33 separate funds that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance for the General Fund, Infrastructure Tax Fund and the Building Reserve Fund because they qualify as a major fund under the GASB 34 definition. Information for the remaining funds, which meet the definition of non-major funds, is aggregated into a single column for reporting purposes.

Churchill County adopts an annual budget for all funds other than its fiduciary funds as a management control device. A budgetary comparison statement has been provided for each fund to demonstrate compliance with the budget.

Proprietary Funds

Churchill County maintains only one type of proprietary funds, that being enterprise funds. Enterprise funds are used to account for functions presented in the business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its communication business-type activities and its utility business-type activity. The five proprietary funds that qualify as major funds under the GASB 34 definition are CC Communications-Telephone Fund, CC Communications-Wireless Fund, CC Communications-Broadband Fund, Waste Water Fund and the Utility Enterprise Fund. Churchill County is one of the only counties in the United States that owns and operates a communications business-type activity. This enterprise fund has been in operations over 120 years. CC Communications offers home grown world class services of telephone, wireless, internet, broadband and television to customers within Churchill County. The Utility funds account for the business activities of the water and waste water operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary Funds

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

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16-40 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the combining and individual fund financial statements and schedules and statistical information. Combining and individual fund statements and schedules can be found on pages 46-122 of this report, with the statistical section immediately following.

Financial Statement Analysis

Government-Wide Financial Statement Analysis

Total assets as of June 30, 2011, net of accumulated depreciation of \$86,439,165, totaled \$181,001,743. Assets include cash/investments, receivables and capital assets. The majority of Churchill County's net assets, \$129,484,372 (75.5%) are reflected as investment in capital assets net of related debt (e.g., land, buildings, equipment and construction in progress). Churchill 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 cannot be used to liquidate these liabilities. Liabilities, which consist primarily of accrued compensated absences and other post-employment benefits, totaled \$9,465,333. Liabilities also include payables and unearned revenue. A comparison of assets and liabilities for the government-wide financial statements reflect net assets of \$171,536,410 as of June 30, 2011. The following table is provided to enhance analysis.

CHURCHILL COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current and other assets	\$ 28,585,338	\$ 33,884,623	\$ 20,176,215	\$ 23,832,450	\$ 48,761,553	\$ 57,717,073
Noncurrent assets	162,639	955,388	1,368,823	106,848	1,531,462	1,062,236
Capital assets	60,481,258	57,803,364	70,227,470	65,843,892	130,708,728	123,647,256
Total Assets	<u>\$ 89,229,235</u>	<u>\$ 92,643,375</u>	<u>\$ 91,772,508</u>	<u>\$ 89,783,190</u>	<u>\$ 181,001,743</u>	<u>\$ 182,426,565</u>
Current liabilities	\$ 2,740,712	\$ 3,184,720	\$ 1,421,516	\$ 1,861,072	\$ 4,162,228	\$ 5,045,792
Noncurrent liabilities	2,662,573	3,407,465	2,640,532	6,841,178	5,303,105	10,248,643
Total Liabilities	<u>\$ 5,403,285</u>	<u>\$ 6,592,185</u>	<u>\$ 4,062,048</u>	<u>\$ 8,702,250</u>	<u>\$ 9,465,333</u>	<u>\$ 15,294,435</u>
Net Assets:						
Invested in capital assets						
net of related debt	\$ 60,437,565	\$ 56,221,970	\$ 69,046,807	\$ 60,205,347	\$ 129,484,372	\$ 116,427,317
Restricted	6,241,774	12,573,847	37,100	-	6,278,874	12,573,847
Unrestricted	17,146,611	17,255,373	18,626,553	20,875,591	35,773,164	38,130,964
Total Net Assets	<u>\$ 83,825,950</u>	<u>\$ 86,051,190</u>	<u>\$ 87,710,460</u>	<u>\$ 81,080,938</u>	<u>\$ 171,536,410</u>	<u>\$ 167,132,128</u>

The governmental and business-type activities for fiscal year 2010--2011 are presented in the Statement of Activities. As indicated on this statement, governmental activities decreased net assets of Churchill County by (\$1,852,658). The business-type activities increased net assets by \$5,765,726 for an overall increase of net assets of \$3,913,068. These increases were the result of the excess of revenues over expenses. Key elements of the increases are noted on the following table.

CHURCHILL COUNTY CHANGE IN NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program revenues:						
Charges for services	\$ 2,204,560	\$ 2,000,431	\$ 20,636,050	\$ 19,749,691	\$ 22,840,610	\$ 21,750,122
Operating grants, interest and contributions	1,946,749	2,639,487	-	-	1,946,749	2,639,487
Capital grants, interest and contributions	-	-	674,592	1,624,242	674,592	1,624,242
General revenues:						
Ad valorem taxes	10,021,646	9,355,013	-	-	10,021,646	9,355,013
Consolidated taxes	4,856,743	4,554,601	-	-	4,856,743	4,554,601
Other taxes	5,723,712	5,584,177	-	-	5,723,712	5,584,177
Unrestricted investment earnings	132,933	180,530	43,005	112,684	175,938	293,214
Miscellaneous revenues	2,501,570	3,675,251	75,129	61,714	2,576,699	3,736,965
Total Revenues	<u>27,387,913</u>	<u>27,989,490</u>	<u>21,428,776</u>	<u>21,548,331</u>	<u>48,816,689</u>	<u>49,537,821</u>
Expenses:						
General government	6,899,761	7,002,902	-	-	6,899,761	7,002,902
Judicial	3,523,166	3,188,923	-	-	3,523,166	3,188,923
Public safety	8,319,657	8,144,478	-	-	8,319,657	8,144,478
Sanitation	70,962	73,676	-	-	70,962	73,676
Public works	3,226,784	3,135,451	-	-	3,226,784	3,135,451
Health	187,031	218,326	-	-	187,031	218,326
Welfare	1,493,043	1,596,872	-	-	1,493,043	1,596,872
Culture and recreation	2,141,169	2,296,223	-	-	2,141,169	2,296,223
Community support	648,028	642,884	-	-	648,028	642,884
Interest and fiscal charges	32,116	68,031	-	-	32,116	68,031
Telephone	-	-	9,965,269	9,904,010	9,965,269	9,904,010
Wireless	-	-	2,794,841	3,334,552	2,794,841	3,334,552
Long distance	-	-	468,029	487,404	468,029	487,404
Broadband	-	-	2,898,968	3,239,824	2,898,968	3,239,824
Waste Water	-	-	1,526,193	988,500	1,526,193	988,500
Utility-Water	-	-	708,604	577,421	708,604	577,421
Total Expenses	<u>26,541,717</u>	<u>26,367,766</u>	<u>18,361,904</u>	<u>18,531,711</u>	<u>44,903,621</u>	<u>44,899,477</u>
Increase in net assets before transfers	846,196	1,621,724	3,066,872	3,016,620	3,913,068	4,638,344
Transfers	(2,698,854)	1,762,937	2,698,854	(1,762,937)	-	-
Change in net assets	<u>(1,852,658)</u>	<u>3,384,661</u>	<u>5,765,726</u>	<u>1,253,683</u>	<u>3,913,068</u>	<u>4,638,344</u>
Net Assets- July 1, 2010, as previously reported	86,051,190	82,666,529	81,080,938	79,827,255	167,132,128	162,493,784
Prior Period Adjustment	(372,582)	-	863,796	-	491,214	-
Net Assets - July 1, 2010, as restated	<u>85,678,608</u>	<u>82,666,529</u>	<u>81,944,734</u>	<u>79,827,255</u>	<u>167,623,342</u>	<u>162,493,784</u>
Net Assets- June 30, 2011	<u>\$ 83,825,950</u>	<u>\$ 86,051,190</u>	<u>\$ 87,710,460</u>	<u>\$ 81,080,938</u>	<u>\$ 171,536,410</u>	<u>\$ 167,132,128</u>

Revenues: Total revenues of \$48,816,689 are less than prior year revenue of \$49,537,818 by (\$721,129) or -1.5%. Total governmental activity revenue decreased by (\$601,572) or -2.2% while total business-type activity revenues decreased by (\$119,557) or -0.6%. General revenues, mainly comprised of various taxes and investment earnings, represent \$23,354,738 or 47.8% of total revenue. Program revenues are directly related to service activities of a function and include charges for services, operating and capital grants and contributions, and related investment earnings when restricted for use in programs. Total program revenues were \$25,461,951 or 52.2% of total revenues.

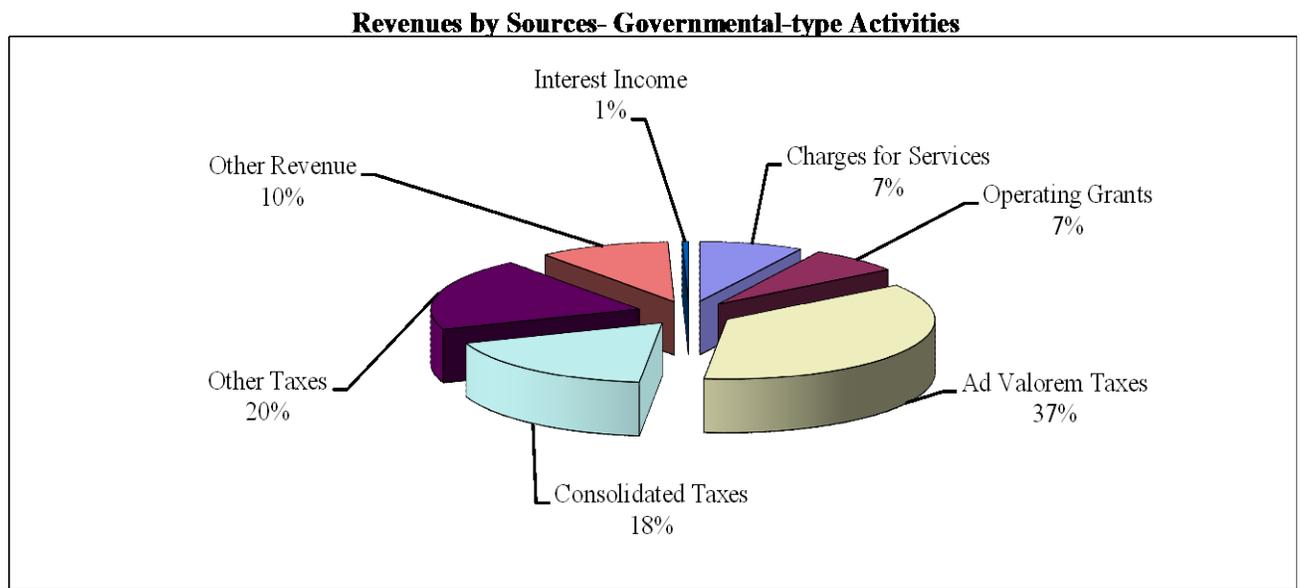
Expenses: Total expenses of \$44,903,621 were more than prior year expenses by \$4,144 to reflect increased cost during the year. Total governmental activity expenses increased by \$173,951 or 0.7% while total business-type activity expenses decreased by (\$169,807) or -0.9%. The largest expenses in the governmental activities were Public Safety, General Government, Public Works, Culture and Recreation and Judicial. The business-type activity expenses were mostly within CC Communications business operations. The Telephone activity is the largest portion at 54.3% of total business-type expenses. The Telephone expense is related in part to an increase in capital improvements to put fiber to the home. The decreases in wireless expenses are the sell of the Wireless assets effective December 30, 2008 and the corresponding changes in business operations of the wireless business as a result of the sale. The increase in Water and Waste Water Operations is due to the allowance for Bad Debt of \$186,324 and \$536,573, respectfully.

Governmental Activities

Total program revenues and expenses for governmental activities amounted to \$4,151,309 and \$26,541,717, respectively, for the 2010-2011 fiscal year. Program revenues are those revenues that derive directly from the program itself or from parties outside the County's taxpayers or citizenry. These include charges for services, operating grants and contributions, and capital grants and contributions. They reduce the net cost of the function to be financed from the County's general revenues, which include property taxes, consolidated taxes, and other resources not associated with a specific program. Charges for services increased by \$204,129 or 10.2% as there was an effort to increase charges for services to cover the cost of those services. Operating grants decreased by \$692,738 primarily as a result of a reduction in the level of Federal and State grants obtained by the county. There were no capital grants in the current or prior year.

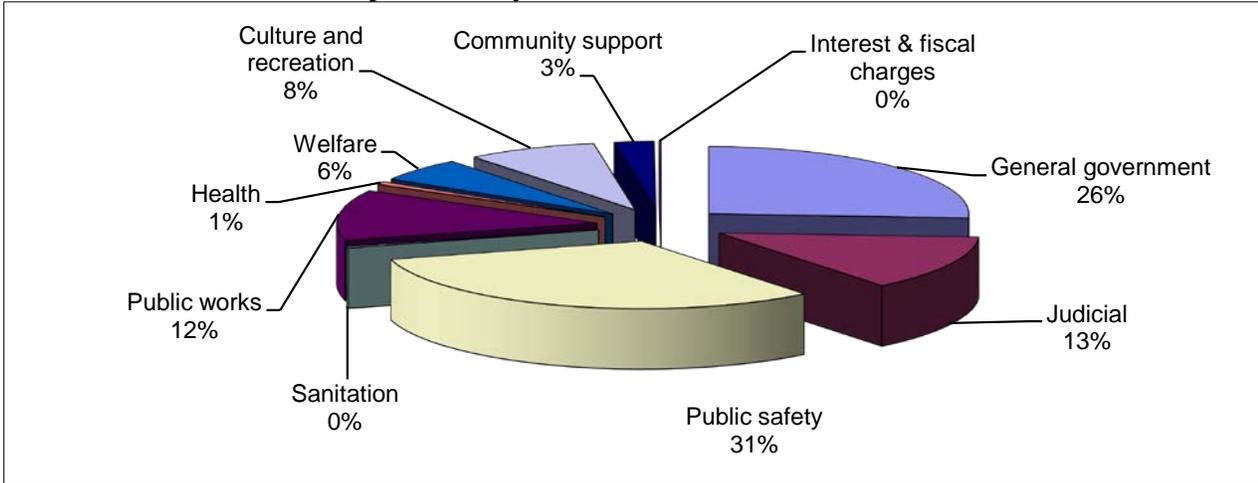
The County's primary general revenue sources are ad valorem, consolidated taxes and other taxes. These three revenue sources respectively comprise 43%, 21% and 25% of countywide general revenues. Ad valorem revenues increased by \$666,633 or 7.1% due to the increases in the assessed values due to growth in industrial activity of geothermal plants. The property tax rate remained the same at \$2.8029. The consolidated tax revenues increased \$302,142 or 6.6% due to increases in level of taxable sales primarily from the increase in geothermal developments. Other taxes increased due to increases in AB 104 revenues and the county optional sales tax related to an increase in the level of taxable sales.

As illustrated on the following chart, ad valorem taxes are the largest revenue source at 33%, followed by other taxes at 18%, other at 9% and consolidated tax at 16%.

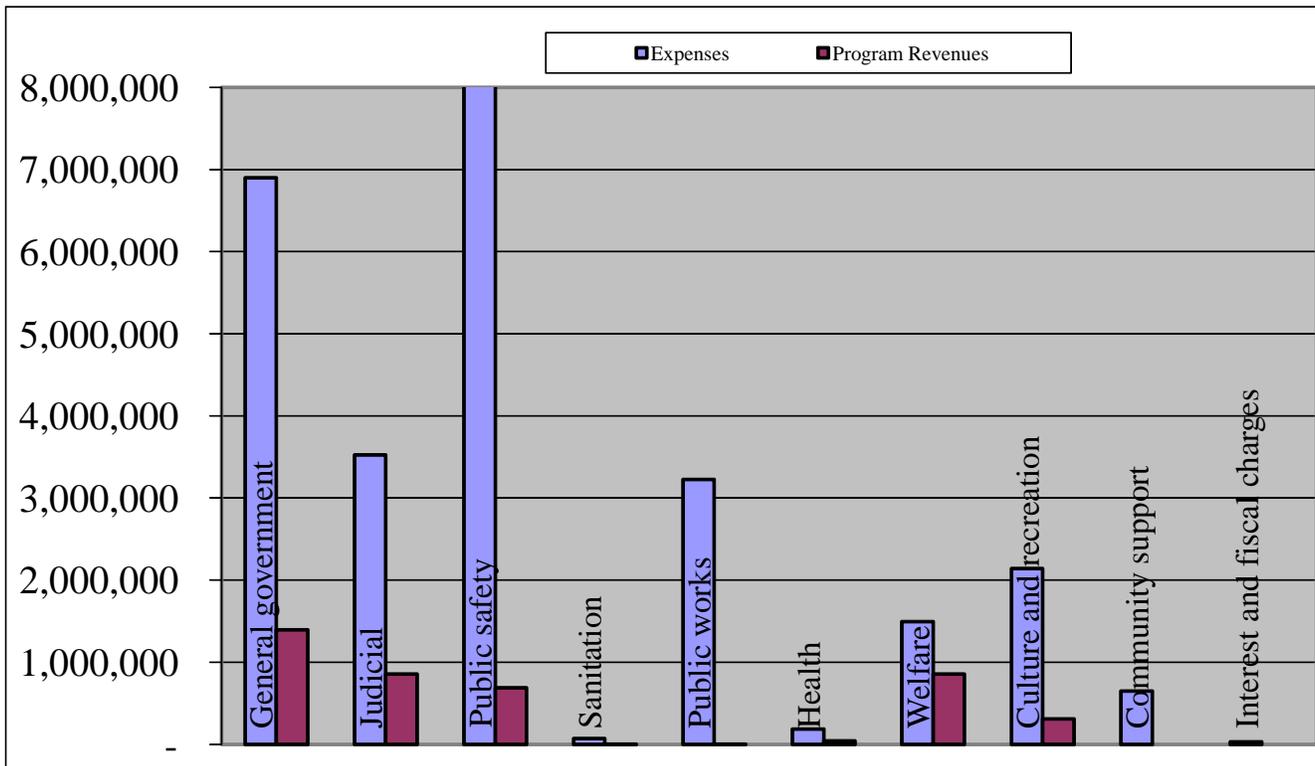


As noted, total governmental activities expenses were \$26,541,717 in the current year compared to \$26,367,766 in the prior year. Public safety, which is comprised of the Sheriff's Office, detention facility, juvenile probation, dispatch, and fire department, constitutes the largest cost to the County at \$8,319,657 or 31.3% of the total governmental activities expenses. This is up \$175,179 or 2.2% from the prior year. The increase is primarily due to filling gapped positions and costs associated with the new juvenile probation facility. General government which includes the following departments: Commissioners, Clerk/Treasurer, Assessor, Recorder, Records and Microfilming, County Manager, Elections, Personnel, Buildings, Comptroller, Data Processing, Facilities and Grounds, General Government, and Planning Department had expenses of \$6,899,761 or 26.0% of the total governmental activities compared to \$7,002,902 in the prior year. This is a decrease of \$103,141 or 1.5% over the prior year as a result of continuation of budget mitigation measures. Public works had expenses of \$3,226,784 or 12.2% of the total governmental activities expenses. There was a slight increase over the prior year due to timing of projects completed during the year and implementation of cost saving measures. The judicial function expenses were \$3,523,166 or 13.3% of the total governmental activities expenses. They increased by \$334,243 or 10.5% due to the expansion of Court Services with a total expenditure of \$149,198. In addition, during the fiscal year, the District Court employees previous under the supervision of the Clerk/Treasurer were placed under the control of the District Court. The aforementioned increases were somewhat offset by mitigation measures taken by all departments. The other functions had similar levels of program expenses during the past two fiscal years. See the detailed statements for further details.

Expenditures by Function - Governmental Activities



The following chart compares the expenses for a particular program and the revenues generated by the program to defray those expenses



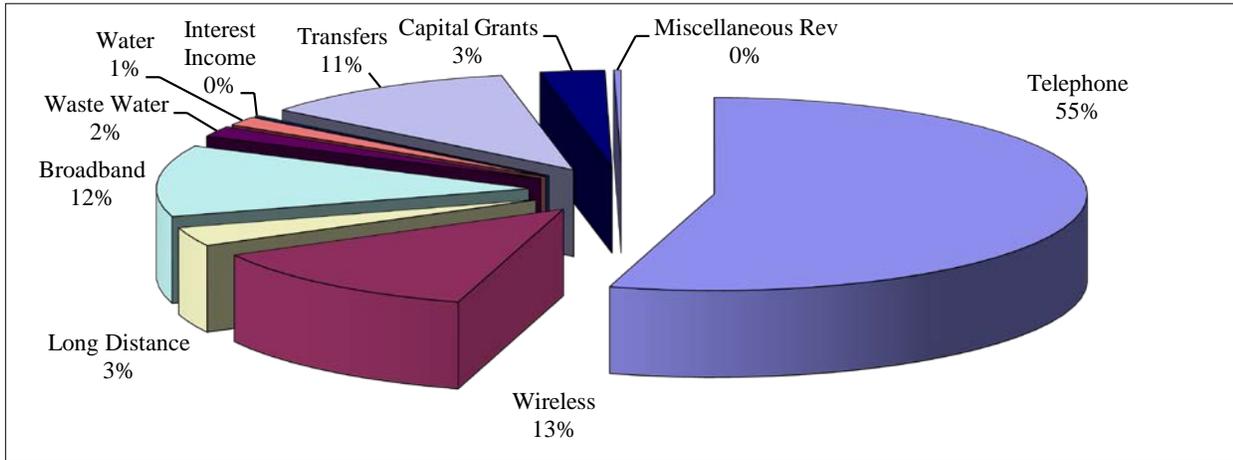
Business-Type Activities

Business-type activities include the operations of CC Communications and the water and waste water utility enterprise operations. There are four Business-type Activities within CC Communications: Telephone, Wireless, Long Distance and Broadband. Total operating revenues and expenses are \$19,852,735 and \$16,127,107, respectively, for CC Communications business-type activities for the 2010-2011 fiscal year which results in an increase in net assets of \$3,725,628. The total operating revenues for CC Communications business-type activities increased from the 2009/2010 fiscal year by \$577,177 or 3.0%. Telephone operating revenues increased by \$553,310 or 4.3%, due to an increase in the number of subscriber lines. Operating expenses increased due to increases in plant specific and customer operation expenses. CC Communications continues to implement new technologies and improvements to address competition. One such service is fiber to the home (FTTH). Wireless operating revenues increased by \$67,685 or 2.3% due to increases in subscribers revenue associated with data transmission on smart phones. Operating expenses decreased by \$539,711 in conjunction with decreasing wireless roamer charges. Long distance revenues decreased by (\$215,794) or (22.1%), due to decreased minutes and a significant reduction in the number of subscribers. Long distance continues to see a decrease in customers, as customers move to other technologies for this service,

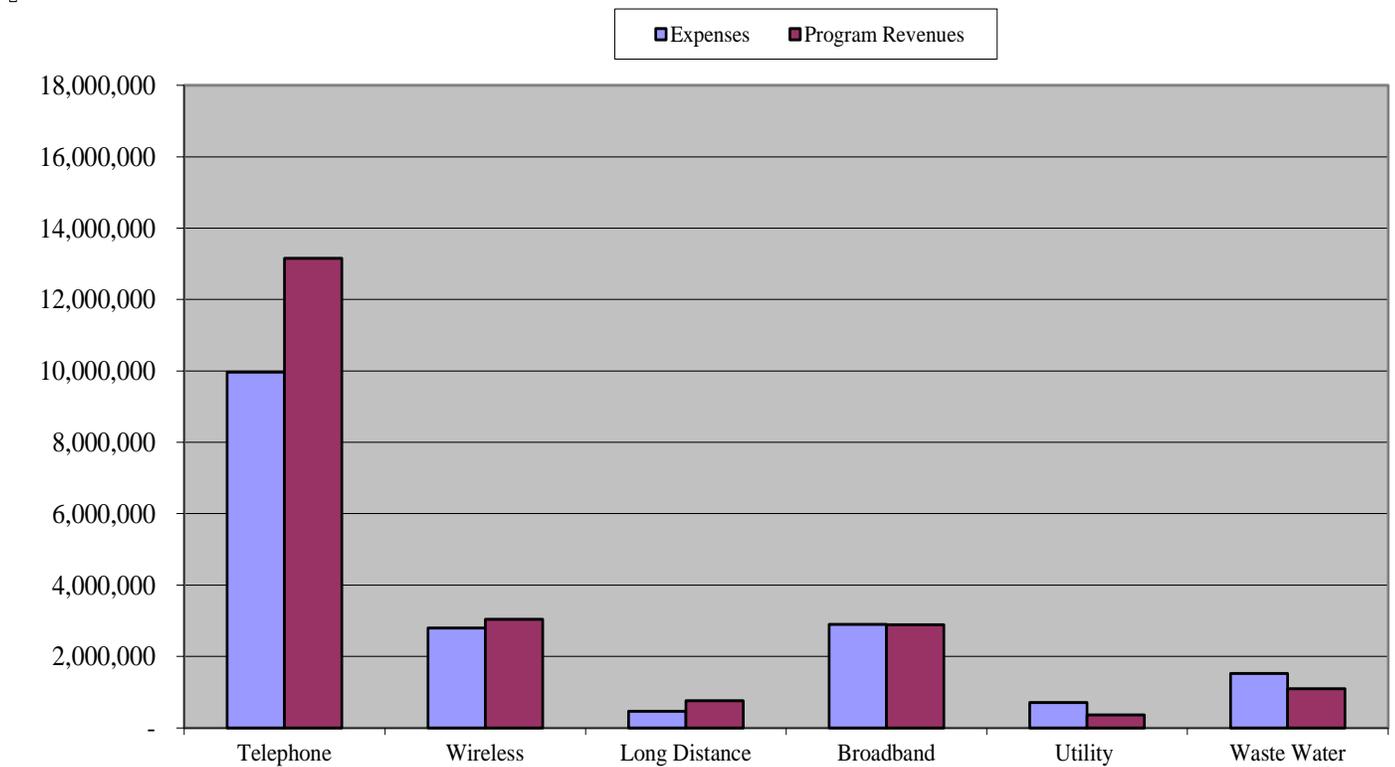
such as Wireless and Voice over Internet (VOIP). Broadband revenues increased by \$171,976 over the prior year amounts due to increased number of subscribers and the various programming packages being purchased such as HDTV. Operating expenses increased due to the increase cost of content and access charges. CC Communications continues to see substantial capital investment in Broadband as it expands the service area that is able to receive the OnNow! service. The business activities of the Water Utility Fund and the Waste Water Fund came online during the fiscal year ending June 30, 2008. The Water Utility fund charges for services revenue increased from \$272,385 to \$358,491 and the Waste Water charges for services revenues increased from \$201,748 to \$424,824 due to increase in customers with the Oasis Mobile Home Park and collection of standby fees.

The following charts show the allocation of business-type activity revenues for the fiscal year ending June 30, 2011:

Revenues by Sources- Business-type Activities



Business-type Activities - Expenses and Program Revenues



The increases (decreases) in net assets from business-type activities as noted on the statement of revenues, expenses and changes in net assets are as follows: Telephone activities \$2,984,776, Wireless activities \$249,362, Long Distance \$294,467, Broadband (\$9,671), Water (\$152,752) and Waste Water at (\$619,838). Currently, Telephone, Wireless and Long Distance activities account for the net increase respectively for all business-type activity within CC Communications. CC Communications continues to invest in capital assets related to the network. The trend in the United States indicates a movement from wire line phones to wireless phones as technology and demographics continue to change. CC Communications is closely monitoring the regulatory/legislative issues as several key topics will be debated on the national level by the Federal Communication Commission (FCC) that may have a direct impact on the financial operations of CC Communications. The second phase waste water plant at Moody Lane significantly increased the net assets for the Waste Water system in FY 2008-09. During FY 2010-11, construction was completed on the Oasis Mobile Home Park Waste Water Interceptor enhancement project through federal grant funding.

Financial Analysis of the Government's Funds

As previously discussed, the focus of fund accounting for governmental funds is to measure inflows and outflows of current resources. This serves as an important measure of working capital for service provision to the County's residents. In particular, unassigned fund balance is useful in measuring resources available for spending the subsequent fiscal year. Since the focus in fund accounting is on current resource activity, the balance sheet does not reflect long-term assets and liabilities.

Governmental Funds

The governmental funds of Churchill County reflect total assets and liabilities of \$29,041,348 and \$3,116,271, respectively. This resulted in a total fund balance of \$25,925,077 of which \$162,639 is non-spendable as it is notes receivable, \$6,241,775 is restricted, committed amount of \$5,751,970, assigned fund balance of \$9,624,061 and unassigned fund balance of \$4,144,632. See note 11 for Fund Balance information.

Major Governmental Funds

General Fund:

The primary operating fund of Churchill County is the General Fund. For the fiscal year ended June 30, 2011, the fund balance in the General Fund was \$8,186,897 of which \$92,932 was committed for general government technology projects, assigned balance of \$3,948,798 of which \$1,765,863 is assigned for Fiscal Year 2012 budgetary shortfall, \$1,171,020 is assigned to risk management and \$1,011,915 is assigned to compensated absences. The remaining fund balance of \$4,145,167 was unassigned at June 30, 2011. As a measure of the General Fund's liquidity, it is useful to compare the total fund balance to total fund expenditures. Unassigned fund balance represents 24.7% of total fund expenditures. This represents nearly 3 months of expenditures.

The General Fund balance decreased by \$1,196,133 during the fiscal year. This is a result of the levels of revenue, expenditures and transfers. Revenues totaling \$17,022,383 increased by \$757,479 or 4.7% over the prior fiscal year amount of \$16,264,904. Taxes increased \$735,611 due to the rate apportioned to the General Fund as well as the increase in assessed value. Other revenue increases were noted in licenses and permits up \$25,327 or 6.6% due to building permit issued to Enel for their 20MW solar project. Intergovernmental revenues increased \$174,066 as a result of a greater apportionment Federal PILT, consolidated taxes and AB 104 makeup revenues to the General Fund. An increase of \$118,050 in charges for services as an increase was collected in Assessor's property tax commissions as property tax collections increased. Fines and forfeitures increased \$25,997 due to additional court fees imposed. There was a decrease in miscellaneous revenues of \$321,572 primarily due to reduced geothermal rents and royalties apportioned to the general fund in the amount of \$452,319 in FY 2011. General Fund expenditures of \$16,788,377 decreased by \$212,184 or -1.2%, in the current year of operations. The decrease is primarily due to continuation of our budget mitigation plan that included furlough days, gapping of positions and reduction in overall services and supplies expenditures. There were reductions in the following General Fund functions: General Government, Sanitation, Health, Culture and Recreation and Intergovernmental. These were offset by increases in Public Safety, Judicial and Community support. These increases related to increased program and employee costs to carry out the services directed by the Board of County Commissioners. These increases in expenditures are due to increases in personnel costs related to wages and employee benefits. Overall, services and supplies increased slightly as a result of additional operating costs. Excess of Revenues over Expenditures in the current year was \$234,006. Total Other Financing Sources/(Uses) totaled (\$1,430,139) related to transfers to the Debt Service Fund, Utility Fund and Waste Water fund to pay off debt early to generate long term fiscal savings as the interest rate on the debt was significantly higher than the rate on our investments offset by transfers in from CC Communications-Telephone in the amount of \$1,865,000 for their payment equal to taxes payment to the County.

Infrastructure Tax Fund:

The Infrastructure Tax Fund, a special revenue fund, accounts for the optional quarter percent sales tax to support water and waste water infrastructure in Churchill County. For the fiscal year ended June 30, 2011, the fund balance in the Fund was \$391,752 compared to \$852,648 in the prior year. The decrease in fund balance of \$460,896 related primarily to the purchase of TDRs/Conservation Easements in the water recharge area surrounding NAS-Fallon. The revenues of the Infrastructure Tax Fund consist of the optional .25% sales tax totaling \$551,370, interest income of \$2,255 and sales of capital and other assets (conservation easements) to NAS-Fallon in the amount of \$2,515,252. Expenditures were \$3,404,773 related to the TDRs/Conservation Easement purchases. Other financing sources/(uses) were transfers to the Waste Water Fund in the amount of \$125,000 to support continued operations.

Building Reserve Fund:

The Building Reserve Fund, a capital projects fund, accounts for the acquisition and maintenance of buildings for Churchill County. For the fiscal year ending June 30, 2011, the fund balance in the Building Reserve Fund was \$861,067 compared to \$1,843,676 in the prior year. The revenues of this fund consist of federal payment in lieu of taxes, \$24,000, consolidated intergovernmental taxes of \$335,500, solar generation rebates of \$624,470 from NV Energy, geothermal rents/royalties of \$400,000 and interest income of \$2,832. Expenditures of \$3,194,411 were primarily related to the Juvenile Probation Justice Center, solar energy projects and other necessary building projects for the county. Other financing sources and uses included the transfer of \$1,250,000 from the Capital Projects Tax Fund to support the JPO building and a transfer out of \$425,000 to the Utility Enterprise Fund to defease the USDA debt related to the waste water plant.

Proprietary Funds

The enterprise funds of Churchill County reflect total assets and liabilities of \$92,288,594 and \$4,578,134, respectively. This resulted in a total net asset balance of \$87,710,460. Unrestricted net assets totaled \$18,663,653. Invested in capital assets net of related debt totaled \$69,046,807.

Major Proprietary Funds

CC Communications: Telephone Fund reflects total assets and liabilities of \$53,745,075 and \$3,692,069, respectively, resulting in total net assets of \$50,053,006. The increase of total net assets is \$15,160,438 or 43.4% from the 2009/2010 fiscal year. The increase is primarily the result of net transfers to the fund of \$11,950,927.

CC Communications: Wireless Fund reflects total assets and liabilities of \$2,360,574 and \$431,860, respectively, resulting in total net assets of \$1,928,714. The total net assets decreased from 2009/2010 by (\$11,732,641) or 85.9% due to transferring \$12,000,000 to the Telephone fund to support capital expansion.

CC Communications: Broadband Fund reflects total assets and liabilities of \$2,361,060 and \$318,362, respectively, resulting in total net assets of \$2,042,698. The total net assets increased from 2009/2010 by \$26,940 or 1.3%.

Waste Water Enterprise Fund reflects total assets and liabilities of \$22,541,901 and \$41,288, respectively, resulting in total net assets of \$22,500,613. The total net assets grew by \$2,645,941 or 13.3% due to the completion of the Oasis MHP expansion project. This fund has been established to account for the waste water operations. The county took over the Pine Grove Waste Water plant and developed a waste water treatment plant with federal and state grant funding at the Golf Course. The plant was placed into operation in fiscal year 2006/2007. During 2009-2010, the county constructed a state of the art membrane technology waste water plant at Moody Lane. The Waste Water Plant construction was completed and came on line for operations.

Utility Enterprise Fund reflects total assets and liabilities of \$10,762,414 and \$28,356, respectively, resulting in total net assets of \$10,734,058. This fund has been established to account for the water operations. The County took over Pine Grove Water operations in fiscal year 2006/2007. In addition, construction in progress has occurred on the phase I water plant that will replace five smaller water systems that were not able to meet the water quality standards. The plant came on line in fiscal year 2007/2008.

Budgetary Highlights for the General Fund

The General Fund total revenues in the original budget were \$15,178,438 and \$15,454,793 for the final budget. The increase in the budgeted amount was an increase in the amount of federal and state grants received during the year. Actual revenues were \$16,652,619 or \$1,197,826 greater than final budgeted total revenues in the General Fund. Functions represent the legal level of budgetary control. Final budget appropriations for the General Fund expenditures totaled \$18,243,041, which is \$1,419,088 more or 8.4% more than the original budget of \$16,824,953. Actual expenditures were \$16,320,816 which was less than the original budget and 11% less than final budgeted expenditures. The expenditure budget was augmented to allow for additional appropriations for projects, services and supplies approved by the Board of County Commissioners during the year based on greater than anticipated revenue resources, grants and opening fund balances. Budget augmentations were prepared in accordance with the provisions of Nevada Revised Statutes Chapter 354 the Local Government Budget and Finance Act.

The following charts provide a comparison of original budget and final budget numbers for expenditures by function.

EXPENDITURE BUDGET BY FUNCTION	BUDGET		
	ORIGINAL	FINAL	CHANGE
General Government	\$ 5,385,128	\$ 5,538,461	\$ 153,333
Judicial	2,887,348	3,273,801	386,453
Public Safety	7,155,864	8,035,166	879,302
Health	184,926	184,926	-
Sanitation	78,000	78,000	-
Culture and Recreation	357,422	357,422	-
Community Support	256,500	256,500	-
Intergovernmental	518,765	518,765	-
Total Expenditures	\$ 16,823,953	\$ 18,243,041	\$ 1,419,088

Capital Assets and Long-Term Debt Activity

At June 30, 2011, Churchill County had a net capital asset investment of \$60,481,258 in governmental activities and \$70,227,470 in business-type activities. This represents an increase of \$2,677,893 or 4.6% in the governmental activities and a \$4,383,578 or 6.7% increase in the business-type activities when compared to the prior year. This amount includes investment in land, water rights, buildings, improvements other than buildings, equipment and motor vehicles, and infrastructure.

Major capital investment activities for fiscal year 2010-2011 in the governmental activities include:

- Completion of the Juvenile Probation Justice Center.
- Purchase of land, water rights and TDRs/conservation easements to support the future County Water System.
- Building improvements located at 165 Ada Street for the District Attorney's Office Child Support division.
- Infrastructure improvements related to Road Department projects as approved in the County Five Year Road Plan.
- Purchase of Road Equipment within the Road Equipment Replacement Plan.
- Enhancements to the Sheriff's Department's communications system and communications tower.
- Purchase of equipment for the Volunteer Fire Department.
- Purchase of technology improvements for the Assessor, Recorder and Planning Departments.
- Equipment purchases for Justice Court and District Attorney's Office.
- Purchase of HVAC systems for various county buildings.
- Placement of solar panels at the Regional Park facilities.

CHURCHILL COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities	
	2011	2010
Land	\$ 16,795,599	\$ 15,906,077
Water rights	6,505,868	6,505,868
Construction in Progress	-	1,538,763
Buildings and improvements	13,528,404	9,477,258
Land improvements	326,732	348,046
Equipment and motor vehicles	4,043,448	4,158,074
Infrastructure	19,281,207	19,869,279
Net Governmental Activities Capital Assets	<u>\$ 60,481,258</u>	<u>\$ 57,803,365</u>
	Business-Type Activities	
	2011	2010
Real estate and easements	\$ 540,699	\$ 540,699
Construction in progress	2,651,162	2,921,416
Buildings and improvements	1,976,897	2,279,552
Central office switching	4,891,170	4,630,794
Outside plant	28,047,155	24,504,353
Computer equipment	-	10,612
Vehicles and work equipment	253,934	249,387
Leasehold equipment	434,167	484,742
Other equipment	1,227,102	1,473,907
Waste Water infrastructure	20,956,641	19,222,285
Water infrastructure	9,248,543	9,526,145
Net Business-Type Activities Capital Assets	<u>\$ 70,227,470</u>	<u>\$ 65,843,892</u>
Net Governmental Activities Capital Assets	\$ 60,481,258	\$ 57,803,365
Net Business-Type Activities Capital Assets	70,227,470	65,843,892
Total Net Capital Assets	<u>\$ 130,708,728</u>	<u>\$ 123,647,257</u>

Long-term debt outstanding at June 30, 2011 totaled \$43,693 for governmental activities, a decrease of \$1,537,701 when compared to the prior year. The decrease is due to the early payoff of debt. The business-type debt is \$1,180,663 or \$4,457,882 less than last year. The decrease is the result of early pay off of water and waste water notes and payment on the capital lease. The total outstanding debt and compensated absences were \$2,902,468. For more information of capital assets and long-term debt activity please refer to Note 5 Capital Assets and Note 7 Long-Term Obligations in the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Capital leases payable	\$ -	\$ -	\$ 1,180,663	\$ 1,251,741	\$ 1,180,663	\$ 1,251,741
Revenue bonds	-	1,537,701	-	4,386,804	-	5,924,505
Compensated absences	1,042,498	1,042,752	635,614	637,241	1,678,112	1,679,993
Notes/Contract payable	43,693	43,693	-	-	43,693	43,693
Total	<u>\$ 1,086,191</u>	<u>\$ 2,624,146</u>	<u>\$ 1,816,277</u>	<u>\$ 6,275,786</u>	<u>\$ 2,902,468</u>	<u>\$ 8,899,932</u>

Economic Factors

The fiscal year 2012 budget reflects an expectation of continued economic weakness that began with the collapse of the housing market and associated industries in 2007. The County relies heavily on property taxes and sales taxes as the resources necessary to provide services to the citizens of the County. With the decline in property values, the County's projected ad valorem tax revenue has declined. The downward pressure on values is the result of a high rate of home foreclosures in Churchill County and a high number of short sales. This has resulted in the Assessor's Office applying economic obsolesces to assessed values resulting in a lower budgeted property taxes within the County. The County unemployment rate remains stubbornly high at 12% which is higher than the national average. This has a

negative impact on taxable sales, which is the largest component of the consolidated taxes. Consolidated taxes have been for fiscal year 2012 as the same level as this year's amount of \$4,545,339.

Requests for Information

This financial report is designed to provide a general overview of the financial activity and condition of Churchill County to all having an interest in Churchill County. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Churchill County Comptroller's Office, 155 North Taylor Street, Suite 182, Fallon, Nevada 89406 or email at comptroller@churchillcounty.org.

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CHURCHILL COUNTY, NEVADA
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash and investments	\$ 25,749,177	\$ 16,994,982	\$ 42,744,159
Receivables:			
Property taxes	234,899	-	234,899
Interest	12,137	13,994	26,131
Other	160,223	1,999,440	2,159,663
Due from other governments	2,428,902	21,771	2,450,673
Prepaid expenses	-	28,998	28,998
Inventory	-	1,117,030	1,117,030
Total Current Assets	<u>28,585,338</u>	<u>20,176,215</u>	<u>48,761,553</u>
Noncurrent Assets:			
Restricted cash	-	37,100	37,100
Note receivable, net of current portion	162,639	1,331,723	1,494,362
Capital assets (not being depreciated)	23,301,467	3,191,861	26,493,328
Capital assets (net of accumulated depreciation)	<u>37,179,791</u>	<u>67,035,609</u>	<u>104,215,400</u>
Total Noncurrent Assets	<u>60,643,897</u>	<u>71,596,293</u>	<u>132,240,190</u>
Total Assets	<u>89,229,235</u>	<u>91,772,508</u>	<u>181,001,743</u>
LIABILITIES			
Current Liabilities:			
Accounts payable	549,805	969,291	1,519,096
Accrued liabilities	755,033	274,715	1,029,748
Accrued interest	1,016	544	1,560
Due to other governments	363,842	-	363,842
Current portion of capital leases payable	-	67,450	67,450
Current portion of contract payable	43,693	-	43,693
Current portion of accrued compensated absences	72,000	65,635	137,635
Customer deposits	8,373	43,881	52,254
Unearned revenue	<u>946,950</u>	<u>-</u>	<u>946,950</u>
Total Current Liabilities	<u>2,740,712</u>	<u>1,421,516</u>	<u>4,162,228</u>
Noncurrent Liabilities:			
Other postemployment benefits liability	1,692,075	957,340	2,649,415
Capital leases payable, net of current portion	-	1,113,213	1,113,213
Accrued compensated absences, net of current portion	<u>970,498</u>	<u>569,979</u>	<u>1,540,477</u>
Total Noncurrent Liabilities	<u>2,662,573</u>	<u>2,640,532</u>	<u>5,303,105</u>
Total Liabilities	<u>5,403,285</u>	<u>4,062,048</u>	<u>9,465,333</u>
NET ASSETS			
Invested in capital assets, net of related debt	60,437,565	69,046,807	129,484,372
Restricted for:			
General government	1,573,027	-	1,573,027
Judicial	35,414	-	35,414
Public safety	440,041	-	440,041
Public works	1,929,486	-	1,929,486
Culture and recreation	473,329	-	473,329
Community support	1,790,477	-	1,790,477
Other	-	37,100	37,100
Unrestricted	<u>17,146,611</u>	<u>18,626,553</u>	<u>35,773,164</u>
Total Net Assets	<u>\$ 83,825,950</u>	<u>\$ 87,710,460</u>	<u>\$ 171,536,410</u>

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

CHURCHILL COUNTY, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 6,899,761	\$ 1,019,073	\$ 377,313	\$ -	\$ (5,503,375)	\$ -	\$ (5,503,375)
Judicial	3,523,166	394,629	461,602	-	(2,666,935)	-	(2,666,935)
Public safety	8,319,657	441,169	248,096	-	(7,630,392)	-	(7,630,392)
Sanitation	70,962	516	-	-	(70,446)	-	(70,446)
Public works	3,226,784	149	-	-	(3,226,635)	-	(3,226,635)
Health	187,031	42,925	-	-	(144,106)	-	(144,106)
Welfare	1,493,043	16,144	838,822	-	(638,077)	-	(638,077)
Culture and recreation	2,141,169	289,955	20,916	-	(1,830,298)	-	(1,830,298)
Community support	648,028	-	-	-	(648,028)	-	(648,028)
Interest and fiscal charges	32,116	-	-	-	(32,116)	-	(32,116)
Total Governmental Activities	26,541,717	2,204,560	1,946,749	-	(22,390,408)	-	(22,390,408)
Business-type Activities:							
Telephone	9,965,269	13,156,739	-	-	-	3,191,470	3,191,470
Wireless	2,794,841	3,044,203	-	-	-	249,362	249,362
Long Distance	468,029	762,496	-	-	-	294,467	294,467
Broadband	2,898,968	2,889,297	-	-	-	(9,671)	(9,671)
Waste water	1,526,193	424,824	674,592	-	-	(426,777)	(426,777)
Water	708,604	358,491	-	-	-	(350,113)	(350,113)
Total Business-Type Activities	18,361,904	20,636,050	674,592	-	-	2,948,738	2,948,738
Total County	\$ 44,903,621	\$ 22,840,610	\$ 1,946,749	\$ 674,592	(22,390,408)	2,948,738	(19,441,670)
General Revenues:							
Property taxes					10,021,646	-	10,021,646
Franchise taxes					153,336	-	153,336
Unrestricted intergovernmental revenues:							
Federal in lieu of taxes					2,060,410	-	2,060,410
AB 104 fairshare					1,085,263	-	1,085,263
Consolidated intergovernmental taxes					4,856,743	-	4,856,743
Fuel taxes					1,042,670	-	1,042,670
Optional county sales tax					1,102,981	-	1,102,981
Delinquent tax penalties					279,052	-	279,052
Interest income					132,933	43,005	175,938
Miscellaneous revenues					2,501,570	75,129	2,576,699
Transfers:					(2,698,854)	2,698,854	-
Total General Revenues, Special Items, and Transfers					20,537,750	2,816,988	23,354,738
Change in Net Assets					(1,852,658)	5,765,726	3,913,068
NET ASSETS at July 1 as originally reported					86,051,190	81,080,938	167,132,128
Prior Period Adjustment					(372,582)	863,796	491,214
NET ASSETS at July 1 as restated					85,678,608	81,944,734	167,623,342
NET ASSETS at June 30					\$ 83,825,950	\$ 87,710,460	\$ 171,536,410

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

**CHURCHILL COUNTY, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2011**

	General Fund	Infrastructure Tax Fund	Building Reserve Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 9,064,391	\$ 297,444	\$ 439,485	\$ 15,947,857	\$ 25,749,177
Receivables:					
Property Taxes	162,706	-	-	72,193	234,899
Interest	4,125	125	150	7,737	12,137
Other	75,921	-	60,650	23,652	160,223
Notes	-	-	-	162,639	162,639
Due from other funds	52,450	-	-	240,921	293,371
Due from other governments	1,037,869	94,183	417,477	879,373	2,428,902
Total Assets	\$ 10,397,462	\$ 391,752	\$ 917,762	\$ 17,334,372	\$ 29,041,348
LIABILITIES					
Accounts payable	\$ 290,815	\$ -	\$ 56,695	\$ 202,295	\$ 549,805
Accrued liabilities	420,980	-	-	113,004	533,984
Accrued benefits	185,991	-	-	35,058	221,049
Due to other funds	53,441	-	-	239,930	293,371
Due to other governments	176,084	-	-	187,758	363,842
Customer deposits	3,285	-	-	5,088	8,373
Deferred revenues	1,079,969	-	-	65,878	1,145,847
Total Liabilities	2,210,565	-	56,695	849,011	3,116,271
FUND BALANCES					
Non-Spendable	-	-	-	162,639	162,639
Restricted	-	391,752	-	5,850,023	6,241,775
Committed	92,932	-	-	5,659,038	5,751,970
Assigned	3,948,798	-	861,067	4,814,196	9,624,061
Unassigned	4,145,167	-	-	(535)	4,144,632
Total Fund Balances	8,186,897	391,752	861,067	16,485,361	25,925,077
Total Liabilities and Fund Balances	\$ 10,397,462	\$ 391,752	\$ 917,762	\$ 17,334,372	\$ 29,041,348

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

CHURCHILL COUNTY, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total Fund Balances - Governmental Funds	\$	25,925,077
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets, net of related depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds:</p>		
Capital assets		102,892,493
Less: Accumulated depreciation		(42,411,235)
<p>Certain liabilities are not reported in the governmental funds because they are not due and payable in the current period:</p>		
Other postemployment benefits liability		(1,692,075)
Contract payable		(43,693)
Compensated absences		(1,042,498)
Accrued interest		(1,016)
<p>Some of the County's property taxes will be collected after year-end, but not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the fund.</p>		
		198,897
Total Net Assets -Governmental Activities	\$	83,825,950

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

CHURCHILL COUNTY, NEVADA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR YEAR ENDED JUNE 30, 2011

	<u>General Fund</u>	<u>Infrastructure Tax Fund</u>	<u>Building Reserve Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$ 6,259,081	\$ -	\$ -	\$ 2,890,972	\$ 9,150,053
Licenses and permits	406,630	-	-	150	406,780
Intergovernmental	7,846,018	551,370	359,500	4,563,825	13,320,713
Charges for services	802,450	-	-	362,274	1,164,724
Fines and forfeitures	612,116	-	-	-	612,116
Miscellaneous	1,096,088	2,255	1,027,302	876,753	3,002,398
Total Revenues	<u>17,022,383</u>	<u>553,625</u>	<u>1,386,802</u>	<u>8,693,974</u>	<u>27,656,784</u>
EXPENDITURES					
Current:					
General government	5,287,379	3,404,773	3,194,411	1,196,846	13,083,409
Judicial	3,147,603	-	-	81,438	3,229,041
Public safety	7,189,168	-	-	245,513	7,434,681
Sanitation	70,962	-	-	-	70,962
Public works	-	-	-	2,373,007	2,373,007
Health	169,085	-	-	320	169,405
Welfare	-	-	-	1,481,706	1,481,706
Culture and recreation	280,094	-	-	1,665,332	1,945,426
Community support	241,223	-	-	400,154	641,377
Intergovernmental	402,863	-	-	596,792	999,655
Debt service:					
Principal	-	-	-	1,537,701	1,537,701
Interest	-	-	-	41,460	41,460
Total Expenditures	<u>16,788,377</u>	<u>3,404,773</u>	<u>3,194,411</u>	<u>9,620,269</u>	<u>33,007,830</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>234,006</u>	<u>(2,851,148)</u>	<u>(1,807,609)</u>	<u>(926,295)</u>	<u>(5,351,046)</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital and other assets	-	2,515,252	-	-	2,515,252
Transfers in	1,879,861	-	1,250,000	2,209,966	5,339,827
Transfers out	(3,310,000)	(125,000)	(425,000)	(4,080,754)	(7,940,754)
Total Other Financing Sources (Uses)	<u>(1,430,139)</u>	<u>2,390,252</u>	<u>825,000</u>	<u>(1,870,788)</u>	<u>(85,675)</u>
Net Change in Fund Balances	<u>(1,196,133)</u>	<u>(460,896)</u>	<u>(982,609)</u>	<u>(2,797,083)</u>	<u>(5,436,721)</u>
FUND BALANCE, July 1 as originally reported	9,383,030	852,648	1,843,676	19,655,026	31,734,380
Prior Period Adjustment	-	-	-	(372,582)	(372,582)
FUND BALANCE, July 1 as restated	<u>9,383,030</u>	<u>852,648</u>	<u>1,843,676</u>	<u>19,282,444</u>	<u>31,361,798</u>
FUND BALANCE, June 30	<u>\$ 8,186,897</u>	<u>\$ 391,752</u>	<u>\$ 861,067</u>	<u>\$ 16,485,361</u>	<u>\$ 25,925,077</u>

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

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CHURCHILL COUNTY, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011

Change in Fund Balances - Governmental Funds **\$ (5,436,721)**

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

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation in the statement of activities:

Expenditures for capital assets	7,411,024
Less: Accumulated depreciation	(2,281,705)

In the statement of activities, the gain or loss on the disposal of capital assets is reported. In the governmental funds, the gain or loss is not reported. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold less the balance in accumulated depreciation. (2,451,426)

The liability for compensated absences is not recorded in the governmental funds, but it is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities. 254

The liability for other postemployment benefits is not recorded in the governmental funds, but it is reported in the statement of net assets. This is the current year changes in the liability, reported as an expense in the statement of activities. (531,084)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditures in the funds when it is due and thus requires current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it is due. 9,344

Some of the County's property taxes will be collected after year-end, but not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. Deferred property tax revenues increased (decreased) this year. (110,045)

The issuance of long-term debt provides current financial resources to governmental funds, issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond and lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 1,537,701

Change in Net Assets -Governmental Activities **\$ (1,852,658)**

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

CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011
 (Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS							Total Enterprise Funds
	MAJOR				NONMAJOR			
	CC Communications Telephone Fund	CC Communications Wireless Fund	CC Communications Broadband Fund	Waste Water Enterprise Fund	Utility Enterprise Fund	CC Communications Long Distance Fund		
ASSETS								
Current assets:								
Cash	\$ 12,438,546	\$ 2,267,431	\$ 996,011	\$ 315,102	\$ 460,322	\$ 517,570	\$ 16,994,982	
Receivables:								
Trade accounts receivable, net	1,193,082	-	-	251,868	150,137	-	1,595,087	
Other accounts receivable, net	404,353	-	-	-	-	-	404,353	
Interest receivable	-	-	-	6,958	7,036	-	13,994	
Due from other funds	504,447	-	-	11,639	-	-	516,086	
Due from other governments	-	-	-	21,771	-	-	21,771	
Inventory	963,413	93,143	60,474	-	-	-	1,117,030	
Prepaid expense	28,998	-	-	-	-	-	28,998	
Total Current Assets	15,532,839	2,360,574	1,056,485	607,338	617,495	517,570	20,692,301	
Noncurrent Assets:								
Restricted cash	-	-	-	-	37,100	-	37,100	
Notes receivable, net	-	-	-	714,302	617,421	-	1,331,723	
Other Noncurrent Assets	-	-	-	714,302	654,521	-	1,368,823	
Capital Assets:								
In service and depreciable	72,564,635	-	4,835,017	23,395,902	10,267,985	-	111,063,539	
Under construction and not being depreciated	2,611,081	-	95,894	252,243	232,643	-	3,191,861	
	75,175,716	-	4,930,911	23,648,145	10,500,628	-	114,255,400	
Less:								
Accumulated depreciation	36,963,480	-	3,626,336	2,427,884	1,010,230	-	44,027,930	
Total Capital Assets	38,212,236	-	1,304,575	21,220,261	9,490,398	-	70,227,470	
Total Noncurrent Assets	38,212,236	-	1,304,575	21,934,563	10,144,919	-	71,596,293	
Total Assets	53,745,075	2,360,574	2,361,060	22,541,901	10,762,414	517,570	92,288,594	

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

CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2011
 (Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS						
	MAJOR				NONMAJOR		
	CC Communications Telephone Fund	CC Communications Wireless Fund	CC Communications Broadband Fund	Waste Water Enterprise Fund	Utility Enterprise Fund	CC Communications Long Distance Fund	Total Enterprise Funds
LIABILITIES							
Current Liabilities:							
Accounts payable	\$ 833,533	\$ 79,975	\$ 1,078	\$ 41,288	\$ 13,417	\$ -	\$ 969,291
Customer deposits	32,175	8,406	-	-	3,300	-	43,881
Accrued interest	-	544	-	-	-	-	544
Other accrued liabilities	274,715	-	-	-	-	-	274,715
Due to other funds	-	241,855	216,550	-	11,639	46,042	516,086
Capital lease payable, current	67,450	-	-	-	-	-	67,450
Compensated absences, current	65,635	-	-	-	-	-	65,635
Total Current Liabilities	1,273,508	330,780	217,628	41,288	28,356	46,042	1,937,602
Noncurrent Liabilities:							
Due in more than one year:							
Bond payable	-	-	-	-	-	-	-
Capital lease payable	1,113,213	-	-	-	-	-	1,113,213
Other post employment:							
Benefits payable	735,369	101,080	100,734	-	-	20,157	957,340
Compensated absences	569,979	-	-	-	-	-	569,979
Total Noncurrent Liabilities	2,418,561	101,080	100,734	-	-	20,157	2,640,532
Total Liabilities	3,692,069	431,860	318,362	41,288	28,356	66,199	4,578,134
NET ASSETS							
Invested in capital assets, net of related debt	37,031,573	-	1,304,575	21,220,261	9,490,398	-	69,046,807
Restricted	-	-	-	-	37,100	-	37,100
Unrestricted	13,021,433	1,928,714	738,123	1,280,352	1,206,560	451,371	18,626,553
Total Net Assets	\$ 50,053,006	\$ 1,928,714	\$ 2,042,698	\$ 22,500,613	\$ 10,734,058	\$ 451,371	\$ 87,710,460

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

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CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET ASSETS
 FOR YEAR ENDED JUNE 30, 2011

	BUSINESS-TYPE ACTIVITIES - ENTERPRISES FUNDS						
	MAJOR			NON-MAJOR			
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	CC COMMUNICATIONS BROADBAND FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	COMMUNICATIONS LONG-DISTANCE FUND	TOTAL ENTERPRISE FUNDS
OPERATING REVENUES							
Charges for sales and services	\$ 12,456,559	\$ 3,044,203	\$ 2,889,297	\$ 369,782	\$ 303,390	\$ 762,496	\$ 19,825,727
OPERATING EXPENSES							
Plant specific operations	2,276,111	-	-	-	-	-	2,276,111
Plant nonspecific operations	1,340,354	-	-	-	-	-	1,340,354
Customer operations	1,053,148	869,766	534,863	-	-	71,040	2,528,817
Network operations	-	1,472,061	838,954	-	-	132,466	2,443,481
Corporate operations	2,272,442	109,106	115,069	-	-	89,693	2,586,310
Access charges	-	-	1,032,544	-	-	172,458	1,205,002
Equipment sales expense	-	343,908	-	-	-	-	343,908
Miscellaneous operating expenses	-	-	72,170	226,582	173,278	2,372	474,402
Depreciation and amortization	2,529,728	-	305,368	763,038	282,864	-	3,880,998
Total Operating Expenses	9,471,783	2,794,841	2,898,968	989,620	456,142	468,029	17,079,383
Operating Income (Loss)	2,984,776	249,362	(9,671)	(619,838)	(152,752)	294,467	2,746,344
NONOPERATING REVENUES (EXPENSES)							
Interest income	16,673	17,997	-	641	4,866	2,828	43,005
Interest expense	(46,299)	-	-	-	(66,138)	-	(112,437)
Bad debt expense	-	-	-	(481,531)	(131,223)	-	(612,754)
Nonregulated income	700,180	-	-	-	-	-	700,180
Nonregulated expense	(408,980)	-	-	-	-	-	(408,980)
Miscellaneous income	1,368	-	644	37,150	-	-	39,162
Rental income	-	-	35,967	-	-	-	35,967
Donation of community emergency service	(38,207)	-	-	-	-	-	(38,207)
Total Nonoperating Revenues (Expenses)	224,735	17,997	36,611	(443,740)	(192,495)	2,828	(354,064)
Income (Loss) Before Contributions and Transfers	3,209,511	267,359	26,940	(1,063,578)	(345,247)	297,295	2,392,280
CAPITAL CONTRIBUTIONS							
Federal Grant	-	-	-	674,592	-	-	674,592
Social Service Fund	-	-	-	97,927	-	-	97,927
Total Capital Contributions	-	-	-	772,519	-	-	772,519
TRANSFERS IN							
TRANSFERS OUT							
Total Transfers	14,200,000	(12,000,000)	-	2,937,000	2,425,000	-	19,562,000
Change in Net Assets	(2,249,073)	(12,000,000)	-	-	(512,000)	(2,200,000)	(16,961,073)
	11,950,927	(12,000,000)	-	2,937,000	1,913,000	(2,200,000)	2,600,927
	15,160,438	(11,732,641)	26,940	2,645,941	1,567,753	(1,902,705)	5,763,726
NET ASSETS, July 1 as originally reported	34,892,568	13,661,355	2,015,758	19,450,331	8,706,850	2,354,076	81,080,938
Prior Period Adjustment	-	-	-	404,341	459,455	-	863,796
NET ASSETS, July 1 as restated	34,892,568	13,661,355	2,015,758	19,854,672	9,166,305	2,354,076	81,944,734
NET ASSETS, June 30	\$ 50,053,006	\$ 19,28,714	\$ 2,042,698	\$ 22,500,613	\$ 10,734,058	\$ 451,371	\$ 87,710,460

CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011
 (Page 1 of 2)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	MAJOR				NONMAJOR		Total Enterprise Funds
	CC Communications Telephone Fund	CC Communications Wireless Fund	CC Communications Broadband Fund	CC Communications Enterprise Fund	Utility Enterprise Fund	CC Communications Long Distance Fund	
CASH FLOWS FROM OPERATING ACTIVITIES							
Cash received from customers	\$ 12,604,582	\$ 3,481,621	\$ 2,924,150	\$ 159,466	\$ 241,546	\$ 762,496	\$ 20,173,861
Cash received from nonregulated activities	75,410	-	-	-	-	-	75,410
Cash received from other funds for services	215,790	-	-	-	-	-	215,790
Cash payments for employees	(4,463,478)	(555,770)	(739,933)	-	-	(206,488)	(5,965,669)
Cash payments for services and supplies	(2,193,855)	(2,377,240)	(1,829,214)	(1,091,944)	(164,924)	(258,562)	(7,915,739)
Net Cash Provided (Used) for Operating Activities	6,238,449	548,611	355,003	(932,478)	76,622	297,446	6,583,653
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Donation of community emergency services	(38,207)	-	-	-	-	-	(38,207)
Transfer in	14,200,000	-	-	2,925,000	2,425,000	-	19,550,000
Transfer out	(2,249,073)	(12,000,000)	-	-	(500,000)	(2,200,000)	(16,949,073)
Net Cash Provided (Used) for Non-capital Financing Activities	11,912,720	(12,000,000)	-	2,925,000	1,925,000	(2,200,000)	2,562,720
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Principal payment on long-term debt	(71,078)	-	-	(1,971,934)	(2,414,870)	-	(4,457,882)
Interest paid on long-term debt	(46,331)	-	-	(60,470)	(74,052)	-	(180,853)
Capital federal grants	-	-	-	954,217	-	-	954,217
Net proceeds from sale of capital assets	65,100	-	-	-	-	-	65,100
Demolition cost of disposing of capital assets	(27,984)	-	-	-	-	-	(27,984)
Purchase of property, plant and equipment	(7,372,257)	-	(145,173)	(632,328)	-	-	(8,149,758)
Net Cash Provided (Used) for Capital and Related Financing Activities	(7,452,550)	-	(145,173)	(1,710,515)	(2,488,922)	-	(11,797,160)
CASH FLOW FROM INVESTING ACTIVITIES							
Principal payments on notes receivable	-	-	-	1,113	-	-	1,113
Interest received on investments	16,180	18,646	-	630	5,089	3,117	43,662
Net Cash Provided (Used) for Investing Activities	16,180	18,646	-	1,743	5,089	3,117	44,775
Net Increase (Decrease) in Cash and Cash Equivalents	10,714,799	(11,432,743)	209,830	283,750	(482,211)	(1,899,437)	(2,606,012)
CASH AND CASH EQUIVALENTS, July 1	1,723,747	13,700,174	786,181	31,352	979,633	2,417,007	19,638,094
CASH AND CASH EQUIVALENTS, June 30 (including restricted cash of \$37,100)	<u>\$ 12,438,546</u>	<u>\$ 2,267,431</u>	<u>\$ 996,011</u>	<u>\$ 315,102</u>	<u>\$ 497,422</u>	<u>\$ 517,570</u>	<u>\$ 17,032,082</u>

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

CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2011
 (Page 2 of 2)

BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS

	MAJOR				NONMAJOR		Total Enterprise Funds
	CC Communications Telephone Fund	CC Communications Wireless Fund	CC Communications Broadband Fund	Waste Water Enterprise Fund	Utility Enterprise Fund	CC Communications Long Distance Fund	
Operating income (loss)	\$ 2,984,776	\$ 249,362	\$ (9,671)	\$ (619,838)	\$ (152,752)	\$ 294,467	\$ 2,746,344
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:							
Depreciation expense	2,529,728	-	305,368	763,038	282,864	-	3,880,998
Miscellaneous revenue	1,368	-	644	37,150	-	-	39,162
Rental income	-	-	35,967	-	-	-	35,967
Nonregulated nonoperating revenue	291,200	-	-	-	-	-	291,200
Changes in certain assets and liabilities:							
(Increase) decrease in:							
Accounts receivable	60,203	437,498	-	(235,827)	(61,844)	-	200,030
Accounts receivable other	-	(80)	-	-	-	-	(80)
Due from other funds	84,737	-	-	(11,639)	-	-	73,098
Inventory	107,670	(9,012)	(6,227)	-	-	-	92,431
Prepaid expenses	(28,998)	-	-	-	-	-	(28,998)
Increase (decrease) in:							
Accounts payable	(23,375)	(34,174)	(6,819)	(359,778)	(3,585)	2,286	(425,445)
Accrued liabilities	35,470	-	-	-	-	-	35,470
Deferred revenues	-	-	-	-	-	-	-
Customer deposits	1,715	178	-	-	300	-	2,193
Other postemployment benefits	195,582	10,215	17,387	-	-	693	223,877
Compensated absences	(1,627)	-	-	-	-	-	(1,627)
Due to other funds	-	(105,376)	18,354	(505,584)	11,639	-	(580,967)
Net Cash Provided (used) for Operating Activities	\$ 6,238,449	\$ 548,611	\$ 355,003	\$ (932,478)	\$ 76,622	\$ 297,446	\$ 6,583,653

NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES

Asset contributions	\$ -	\$ -	\$ -	\$ 109,927	\$ (12,000)	\$ -	\$ 97,927
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CHURCHILL COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2011

	INVESTMENT TRUST FUND	AGENCY FUNDS
ASSETS		
Cash and investments	\$ 2,879,531	\$ 932,739
Receivables:		
Interest	585	12
Other	-	116
Taxes	-	47,471
Due from other governments	-	155,290
 Total Assets	 \$ 2,880,116	 \$ 1,135,628
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ -	\$ 10,609
Due to other governments	-	738,066
Due to others	-	386,953
 Total Liabilities	 -	 1,135,628
NET ASSETS		
Held in trust for pool participants and other governments	\$ 2,880,116	\$ -

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

CHURCHILL COUNTY, NEVADA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	INVESTMENT TRUST FUND
ADDITIONS	
Investment income	\$ 11,716
DEDUCTIONS	
Capital share transactions	1,841,421
Change in Net Assets	(1,829,705)
NET ASSETS, July 1	4,709,821
NET ASSETS, June 30	\$ 2,880,116

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

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - Summary of Significant Accounting Policies:

The accompanying financial statements of Churchill County, Nevada 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 existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

Reporting Entity:

Churchill County is recognized by the State constitution as a corporate body and is governed by a three member Board of Commissioners. The County is fiscally independent of all other governmental entities.

Activities under the jurisdiction of other governing boards, elected or appointed, that are not financially accountable to the County as defined by the Governmental Accounting Standards Board are not considered to be a part of Churchill County government and are reported separately.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the County. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation:

Government-Wide Financial Statements:

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 fiduciary 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 as soon as all eligibility requirements imposed by the provider have been met. Amounts accrued or received but not yet earned are reflected as unearned revenues on the statement of net assets. Agency funds have no measurement focus but are reported using the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to the general rule are charges for services between the governmental activities and business-type activities. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements:

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within sixty days after the end of the current fiscal year. Amounts accrued or collected that are not available are reflected as deferred revenues in the governmental funds balance sheet. Expenditures generally are recorded when a

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, and other postemployment benefits, are recorded only when payment is due.

Property taxes, consolidated taxes, franchise fees, interest revenue, and charges for services associated with the current fiscal year are considered to be susceptible to accrual and have been recognized as revenues in the current year. Fines and forfeitures, as well as licenses and permits, are not susceptible to accrual as they are generally not measurable until received in cash.

The County reports the following major governmental funds:

- **General Fund** - The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Infrastructure Tax Fund** - The Infrastructure Fund accounts for the financial resources collected from a quarter percent sales tax and interest income use to support water and waste water infrastructure preservation and development.
- **Building Reserve Fund** - The Building Reserve Fund accounts for transactions by the County related to the acquisition and construction of capital facilities. Revenue resources of this fund include intergovernmental and miscellaneous revenues.

The County reports the following major proprietary funds:

- **CC Communications - Telephone Fund** - The Telephone Fund accounts for the operation of the County's telephone system.
- **CC Communications - Wireless Fund** - The Wireless Fund accounts for the operation of the County's cellular telephone service.
- **CC Communications - Broadband Fund** - The Broadband Fund accounts for the operation of the County's television and internet services.
- **Waste Water Enterprise Fund** - The Waste Water Enterprise Fund accounts for the operation of the County's waste water system.
- **Utility Enterprise Fund** - The Utility Enterprise Fund accounts for the operation of the County's water system.

Additionally, the County reports the following fiduciary funds:

- **Investment Trust Fund** - This fund accounts for the external portion of the County investment pool, as well as an individual investment account held for the Churchill County School District.
- **Agency Funds** - Agency Funds are custodial in nature and do not involve measurements 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 taxes, shared revenues and other financial resources for schools, special districts and other state agencies; funds held for inmates housed at the County jail; and assets held on behalf of special districts, boards and other miscellaneous agencies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The County has elected not to follow subsequent private-sector guidance.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Revenues and expenses not meeting these definitions are reported as nonoperating. In the case of CC Communications - Telephone fund, operating revenues are those revenues that are generated directly from the telephone service activity. Operating expenses are the necessary regulated costs incurred to provide telephone service. Regulated costs are associated with the tariff filing requirements contained in Title II of the

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Communications Act of 1934, as amended. Revenues and expenses not meeting these definitions are reported as nonoperating.

Property Taxes:

All real property in Churchill County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is computed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. In 2005, the Nevada State Legislature passed Assembly Bill 489 which provides for a partial abatement of the property tax levied on qualified property. For qualified property, the abatement will limit the increase of property taxes based on the previous year's assessed value.

Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

Taxes may be paid in four installments payable on the third Monday in August, and the first Monday in October, January, and March. Penalties are assessed if a taxpayer fails to pay an installment within ten days of the installment due date. After a two year waiting period, if the taxes remain unpaid, a tax deed is issued conveying the property to the County with a lien for back taxes and accumulated charges. Redemption may be made by the owner and such persons as described by statute by paying all back taxes and accumulated penalties, interest and costs before sale.

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years.

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 tax rates described above.

The major classifications of personal property are commercial and mobile homes.

Net Proceeds of Mines:

Net proceeds of mines are paid on an annual basis. Payments of net proceeds received on estimated business from January 1, 2011 through December 31, 2011 are reflected in the financial statements.

Additional amounts due, based on actual business for the January 1, 2011 through December 31, 2011 in comparison to estimated payments, are determined subsequent to the 2011 calendar year. Credits for overpayments, based on actual business for the period January 1, 2011 through December 31, 2011 in comparison to estimated payments, are applied to future tax payments in accordance with NRS 362.130. The overall financial impact to the County of future additional amounts due or future credits is not determinable at June 30, 2011 and are not reflected in these financial statements.

Budgets and Budgetary Accounting:

Budget Policies:

Churchill County adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada, which includes the following major procedures to establish the budgetary data reflected in these financial statements.

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation, for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means to finance them.
2. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
3. Public hearings on the tentative budget are held on the third Monday in May.
4. After all the changes have been noted and hearings closed, the Board adopts the budget on or before June 1 and files it with the Nevada Department of Taxation.
5. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

6. Budgets for all funds (except fiduciary funds, which are not required to be budgeted) are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year end.
7. Budget amounts within funds and between funds may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the Budget Officer and/or the Board of County Commissioners, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval from the Churchill County Board of Commissioners following a public hearing. The budget reflected in these financial statements has been amended from original amounts in accordance with State Statute.
8. In accordance with State Statute, actual expenditures may not exceed appropriations in the various governmental functions (excluding the debt service function) in the General Fund, Special Revenue and Capital Projects Funds, except as specifically permitted by NRS 354.626. Generally, the expenses in the Proprietary Funds also may not exceed appropriations.

Cash and Investments:

Cash balances from all funds are combined and, to the extent practicable, invested as permitted by law. The County also voluntarily participates in the State of Nevada Local Government Investment Pool (LGIP).

Investments are recorded at fair value based on quoted market prices, net of accrued interest as provided by the pool sponsors.

Pursuant to NRS 355.170 and 355.167, Churchill County may only invest in the following types of securities:

- United States bonds and debentures maturing within ten (10) years from the date of purchase.
- Certain farm loan bonds.
- Securities of the United States Treasury, United States Postal Service, or the Federal National Mortgage Association maturing within (10) years from the date of purchase.
- Negotiable certificates of deposit issued by commercial banks or insured credit unions or savings and loan associations.
- Certain securities issued by local governments of the State of Nevada.
- State of Nevada Local Government Investment Pool.
- Other securities expressly provided by the other statutes, including repurchase agreements.
- Certain bankers' acceptances, commercial paper issued by a corporation organized and operating in the United States and money market mutual funds.

Investment income is allocated to funds pursuant to the provisions of NRS 355.170-175, which allow income from investments associated with one fund to be assigned to another fund. Generally, County allocates to funds that have investments.

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, and all highly liquid debt instruments with original maturities of three months or less.

Investment Pool Investment Income:

Interest income is recorded on the accrual basis in the investment pool. The net increase (decrease) in fair value of investments in the investment pool is the difference between the cost (if purchased during the fiscal year) or the fair value of the investments at the beginning of the year and the fair value of the investments at the end of the year.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Taxes Receivable:

Secured roll property taxes receivable reflect only those taxes receivable from the delinquent roll years. No provision for uncollectible accounts has been established since management does not anticipate any material collection loss with respect to the remaining balances.

Taxes receivable on personal property and net proceeds of mines reflect only those taxes that are known to be collectible, which generally are those collected within 60 days of year end.

Allowance for Uncollectible Receivables:

The allowance method is used to provide for estimated uncollectible accounts in the Utility Enterprise Fund, Waste Water Enterprise Fund, and CC Communications - Telephone Fund.

Inventory:

For all funds, except the Proprietary Funds, Churchill County charges consumable supplies 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. New material and supplies and reusable salvaged material of the CC Communications-Telephone Fund, CC Communications-Wireless, CC Communications-Broadband Fund are carried in inventory at average cost which approximates market value.

Capital Assets:

Capital assets, which include land, easements, buildings, equipment, and infrastructure assets (i.e. roads, bridges, etc.) 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. Donated assets are recorded at their estimated fair market value on the date of donation. The County's capitalization threshold is \$3,000 except for the CC Communications enterprise funds. In accordance with the Federal Communications Commission's 47 C.F.R. Part 32 – Uniform System of Accounts for Telecommunications Companies, the CC Communications enterprise funds capitalization threshold is \$2,000 except for computer equipment which is \$500. 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.

For regulated assets in the CC Communications – Telephone Fund, in accordance with the requirements of the uniform system of accounts prescribed by the Federal Communications Commission and generally accepted accounting practices in the industry, upon retirement of telecommunications plant, related costs are removed from the plant accounts and charged to the accumulated depreciation accounts. All costs of plant removal are likewise charged to the accumulated depreciation accounts. Any salvage realized from the retirement of telecommunications plant is credited to the related accumulated depreciation accounts, and no gain or loss on the disposition of such plant is reflected in the financial statements.

All capital assets, except those held in the CC Communications' proprietary funds, are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings	40
Improvements	15-20
Vehicles	7
Machinery and equipment	3-15
Roads, bridges, etc.	15-50

Depreciation for CC Communications – Telephone Fund is provided for financial reporting purposes using straight-line composite rates which will amortize the depreciable telecommunications plant over its estimated useful lives ranging from three to forty years. Annual composite depreciation rates range from 2½% for certain outside plant facilities to 33% for certain equipment for the CC Communications - Telephone Fund. CC Communications - Broadband Fund's depreciation is provided for financial statement purposes using straight-line rates, which will amortize the depreciable assets over their estimated useful lives from five to seven years.

CHURCHILL COUNTY, NEVADA
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Water Rights:

Nevada law states that any "person" may appropriate water for beneficial use. A "person" may be an individual, group of individuals, organization, corporation, government agency, etc. Water rights in Nevada are considered real property and are protected as such. As a result, a water right can be conveyed or transferred. Water rights, however, are appurtenant to the land and are conveyed by deed with the land unless the seller specifically reserves the water right in the deed. Water rights are not depreciable or amortizable.

A water right in Nevada can be lost only by abandonment. Abandonment is determined by the intent of the water user to stop using a water right and it does not have a statutory time period. Until recently, water rights could be lost by forfeiture which occurred if a right was not used for five consecutive years. This, however, has changed and water rights can now only be lost through voluntary abandonment. Water lost through abandonment reverts back to the public and is available for future appropriation.

Equity Classifications:

In the government-wide statements, and in propriety fund statements, equity is classified as net assets and displayed in three components:

- **Invested in capital assets, net of related debt** – 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 assets** – consists of net assets with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or law or regulations of other governments; or b) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.
- **Unrestricted net assets** – All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

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 fund 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 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 of enabling legislation.
- **Committed Fund Balances-** Consist of resource balances with constraints imposed by formal action of the Board of County Commissioners through resolution or public meeting minutes that specifically state the revenue source and purpose of the commitment. Commitments can only be modified or rescinded through public meeting actions or resolutions by the Board of County Commissioners. Commitments can also include resources required to meet contractual obligations approved by the Board of County Commissioners.
- **Assigned Fund Balances-** Consist of resource balances intended to be used for specific purpose by authorized County management that do not meet the criteria to be classified as restricted or committed. In the General Fund, the assigned fund balances represents commissioner’s approved projects that have been re-appropriated in the subsequent year, and amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources.
- **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.

Based on the County’s policy regarding the fund balance classification as noted above, when both restricted and unrestricted funds are available for expenditure, restricted funds should be spent first unless legal requirements disallow it. Then committed funds are to be spent first, assigned funds second, and unassigned funds last. Beginning fund balances for the County’s governmental funds have been restated to reflect the above classifications.

CHURCHILL COUNTY, NEVADA
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During fiscal year 2011, the Board of County Commissioners adopted a minimum fund balance policy for the General Fund, Special Revenue funds and Capital Project funds. The policy seeks a benchmark of at least two months of total budgeted expenditures 16.67% for the General Fund and 25% of operating expenditures for the special revenue and capital project funds.

Reclassifications and Change in Accounting Principle:

Comparative data for the prior year have been reclassified for comparison purpose to conform with current year presentation. The County implemented Governmental Accounting Standards Board (GASB) Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which changed the classification of fund balances and clarified the definitions of the general fund and other fund types. The County's Risk Management Fund and Compensated Absences Fund were accounted for as special revenue funds in prior years, these funds no longer meet the definition of a special revenue fund under GASB Statement 54. Beginning fund balances in the General Fund and special revenue funds have been restated by \$5,280,732 to reflect this change. Additionally, beginning fund balances have been restated in nonmajor special revenue funds where funds have been combined.

Proprietary Funds Interexchanged Revenue:

The CC Communications – Telephone Fund is operating under various settlement/compensation agreements with connecting carriers and the National Exchange Carrier Association (NECA), whereby interexchanged revenues are settled between the connecting carriers and NECA based on tariffs, contracts and cost studies. The Fund receives interim monthly revenue settlements from NECA based upon cost studies performed at the end of each calendar year for this Fund and all other carriers participating in the NECA revenue pool. Interim settlements are subject to retroactive adjustment at any point in time, based upon cost and revenue data submitted to NECA by all members of the pool, on the basis of a 24 month “look back”. This means that 24 months must elapse before actual revenue settlements for any particular month are finally determined. It is the Fund's policy to record revenue accruals from NECA at the end of each fiscal year based upon the most current information available at the time and to reflect any retroactive adjustments related to prior years in the operating results of the year when such adjustments become known.

Compensated Absences:

In the government-wide and proprietary fund financial statements, compensated absences are recognized as expenses when the benefits are earned. In the governmental funds, the costs involved in vacation time, comp time and sick leave benefits are not accrued as earned, but are recorded as payroll expenditures within the individual funds and functions only when the time is actually used or in the internally reported Compensated Absences Fund when accumulated benefits are paid or accrued as the result of an actual or planned termination of service. Therefore, the internally reported Compensated Absences Fund has typically been used in prior years to liquidate the liability for compensated absences in the General Fund for reporting purpose.

NOTE 2 - Compliance with Nevada Revised Statutes and Administrative Code:

Churchill County conformed to all significant statutory constraints on its financial administration during the year, with the following possible exceptions:

- Total expenditures of the general government function of the Water Resource Special Revenue Fund exceeded appropriations by \$154,770.
- Total expenditures of the public works function of the Public Transit Special Revenue Fund exceeded appropriations by \$3,579.

The above are apparent violations of NRS 354.626.

- Operating expenses of the CC Communications Telephone Enterprise Fund exceeded appropriations by \$130,073. This appears to be an allowable exclusion under NRS 354.626(1).
- Total expenditures of the debt service function of the Debt Service Fund exceeded appropriations by \$470,557 as outstanding debt was paid off in accordance with Board of County Commissioner's directive. This appears to be an allowable exclusion under NRS 354.626(1).
- Total expenditures of the welfare function of the Indigent Hospital Care Special Revenue Fund exceeded appropriations by \$12,882. This appears to be an allowable exclusion under NRS 354.626(2)(k).

CHURCHILL COUNTY, NEVADA
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- Total expenditures of the community support function of the Senior Citizen Ad Valorem Tax Levy Special Revenue Fund exceeded appropriations by \$285. This appears to be an allowable exclusion under NRS 354.626(2)(k).
- Total expenditures of the community support function of the Hospital Support Special Revenue Fund exceeded appropriations by \$5,393. This appears to be an allowable exclusion under NRS 354.626(2)(k).
- Expenses of the Waste Water Enterprise Fund exceeded appropriations by \$255,420 as a result of actual depreciation exceeding budget by \$268,038. This appears to be an allowable exclusion under NRS 354.626.

NOTE 3 - Cash and Investments:

The County has adopted a formal investment policy. The policy stipulates that the asset selection and allocation should conform to the following restraints:

- No more than 15% of the portfolio is to be invested in any single issuer except the U.S. Government or its agencies.
- No more than 33% of the portfolio will be invested in obligations of any single Federal Agency.
- All of the securities purchased must mature or have a demand feature within three years.
- Average maturity shall not exceed eighteen months.
- Term to maturity will be selected first on the basis of the County's cash flow needs and investment objectives, then structured to maximize investment return.
- No more than 20% of the portfolio will be invested in commercial paper.

A summary schedule of cash and investments for Churchill County at June 30, 2011 is as follows:

Cash and investment balances held by:	
Governmental Funds	\$ 25,749,177
Proprietary Funds	16,994,982
Proprietary Funds-Restricted	37,100
Fiduciary Fund	3,812,270
Total	\$ 46,593,529
Balances at fair value classified by:	
On hand	\$ 4,556
Bank of America checking	7,035
Wells Fargo:	
Checking	10,752,442
Money market	702,911
Choice IV	19,745,604
Certificates of deposit	5,235,000
Local Government Investment Pool	10,145,981
Total	\$46,593,529

**CHURCHILL COUNTY, NEVADA
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As of June 30, 2011, the County had the following investments and maturities:

Investments	Fair Value	Investment Maturity (in years) Less than 1
Local Government Investment Pool	\$ 10,145,981	\$ 10,145,981

Interest Rate Risk. Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by the limitation of the length of investment maturities. Churchill County's investment policy requires all securities purchased to mature or have a demand feature within three years and requires the average maturity to not exceed eighteen months. All investments held by Churchill County as of June 30, 2011 meet the above requirements. The average duration of the LGIP was 69 days.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The County's investments in certificates of deposit and the Local Government Investment Pool are both unrated. Churchill County's policy does not specify minimum acceptable credit ratings beyond those specified in the Nevada Revised Statutes. Refer to Note 1 for further discussion of the types of investments allowed by State law.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned. The County's bank deposits and the certificates of deposit are covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Churchill County is a voluntary participant in the unrated State of Nevada Local Government Investment Pool (LGIP), which has regulatory oversight from the State of Nevada Board of Finance. The County's investment in the LGIP is equal to its original investment plus monthly allocation of interest income, and realized and unrealized gains and losses, which is the same as the value of the pool shares. The County's investment in the LGIP is reported at fair value.

Churchill County administers an external investment pool combining Churchill County money with involuntary investments from the Churchill County School District. Each participant's share is equal to their original investment plus or minus monthly allocations of interest income. The Board of Commissioners has overall responsibility for investment of County funds, including the Investment Trust Fund in accordance with NRS 355.175. The Churchill County Chief Investment Official is the Churchill County Clerk-Treasurer, under authority delegated by the Board of Commissioners. The fair value of Churchill County investments is determined annually. The County has not provided or obtained any legally binding guarantees during the period to support the value of shares. The external investment pool is not required to and is not registered with the SEC as an investment company.

Summary of investments held in the external investment pool at June 30, 2011:

**External Investment Pool
Statement of Net Assets as of June 30, 2011**

Assets:	
Cash	\$ 36,447,548
Investments:	
Local Government Investment Pool	7,393,481
Interest Receivable	13,676
Total Assets	\$ 43,854,705
 Net Assets:	
Internal participants	\$ 43,727,089
External participants	127,616
Total Net Assets Held in Trust from Pool Participants (\$1.00/par)	\$ 43,854,705

CHURCHILL COUNTY, NEVADA
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Additions:

Investment earnings including realized		
gain/loss on investments	\$	151,552
Increase in net assets resulting from operations		151,552
Net Capital share transactions		(5,779,705)
Change in Net Assets		(5,628,153)
Net Assets, July 1		49,482,858
Net Assets, June 30	\$	43,854,705

NOTE 4 - Receivables:

The accounts receivable balances in the Utility Enterprise Fund, Waste Water Enterprise Fund and the CC Communications – Telephone Fund are presented net of an estimated allowance for uncollectible accounts totaling \$45,958, \$100,324, and \$9,161, respectively at June 30, 2011. In addition, interest receivable in the Waste Water Enterprise Fund is presented net of an estimated allowance for uncollectible accounts totaling \$6,803 at June 30, 2011. The County’s notes receivable balances at June 30, 2011 are as follows:

Governmental Activities	Loan Amount	Terms	Balance June 30, 2011	Current Portion	Remaining Balance
Nonmajor Governmental Fund Fairgrounds Sale Proceeds Fund: Motor Sports Safety, Inc.	\$ 309,983	Bi-annual payments of \$22,000 including interest at 5% per annum for seven years.	<u>\$162,639</u>	<u>\$ -</u>	<u>\$ 162,639</u>
Business type Activities	Loan Amount	Terms	Balance June 30, 2011	Current Portion	Remaining Balance
Utility Fund Developer Agreements	\$1,468,702	Multiple agreements with various terms	\$1,468,702	\$ -	\$1,468,702
Less: Allowance for uncollectibles			851,281	-	851,281
Net notes receivable			617,421	-	617,421
Waste Water Fund Developer Agreements	1,710,902	Multiple agreements with various terms	1,710,902	-	1,710,902
Less: Allowance for uncollectibles			996,600	-	996,600
Net notes receivable			714,302	-	714,302
Total Business-Type Activities	\$3,179,604		\$1,331,723	\$ -	\$1,331,723

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 - Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2011 follows:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Governmental Activities:				
Capital assets, not being depreciated:				
Land and easements	\$ 15,906,017	\$ 3,404,774	\$ 2,515,252	\$ 16,795,599
Water rights	6,505,928	-	-	6,505,928
Under construction	1,538,763	-	1,538,763	-
Total Capital Assets, Not Being Depreciated	23,950,708	3,404,774	4,054,015	23,301,467
Capital assets, being depreciated:				
Buildings and improvements	16,757,089	4,694,829	339,975	21,111,943
Land improvements	1,465,267	22,862	-	1,488,129
Equipment	11,568,685	787,992	148,428	12,208,249
Infrastructure	44,580,205	300,427	97,927	44,782,705
Total Capital Assets, Being Depreciated	74,371,246	5,806,110	586,330	79,591,026
Less accumulated depreciation for:				
Buildings and improvements	(7,279,831)	(573,615)	269,907	(7,583,539)
Land improvements	(1,117,221)	(44,176)	-	(1,161,397)
Equipment	(7,410,611)	(873,342)	119,152	(8,164,801)
Infrastructure	(24,710,926)	(790,572)	-	(25,501,498)
Total Accumulated Depreciation	(40,518,589)	(2,281,705)	389,059	(42,411,235)
Total Capital Assets, Being Depreciated, Net	33,852,657	3,524,405	197,271	37,179,791
Governmental Activities Capital Assets, Net	\$ 57,803,365	\$ 6,929,179	\$ 4,251,286	\$ 60,481,258
Business-Type Activities:				
Capital assets, not being depreciated:				
Real estate and easements	\$ 540,699	\$ -	\$ -	\$ 540,699
Under construction	2,921,416	3,337,496	3,607,750	2,651,162
Total Capital Assets, Not Being Depreciated	3,462,115	3,337,496	3,607,750	3,191,861
Capital assets, being depreciated:				
Buildings and improvements	5,413,122	14,767	-	5,427,889
Central office switching	19,905,178	1,055,173	4,132,283	16,828,068
Outside plant	36,657,880	4,809,178	35,191	41,431,867
Furniture and fixtures	41,926	-	-	41,926
Computer equipment	3,254,322	55,817	-	3,310,139
Other communication equipment	315,884	-	-	315,884
Vehicles and work equipment	2,704,862	86,265	112,784	2,678,343
Leasehold improvements	758,621	-	-	758,621
Other equipment	6,623,437	54,616	40,078	6,637,975
Waste water infrastructure	20,887,131	2,496,131	-	23,383,262
Water infrastructure	10,249,565	-	-	10,249,565
Total Capital Assets, Being Depreciated	106,811,928	8,571,947	4,320,336	111,063,539

CHURCHILL COUNTY, NEVADA
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	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Less accumulated depreciation for:				
Buildings and improvements	\$ (3,133,990)	\$ (317,002)	\$ -	\$ (3,450,992)
Central office switching	(15,274,384)	(744,165)	4,081,650	(11,936,899)
Outside plant	(12,153,527)	(1,279,890)	48,705	(13,384,712)
Furniture and fixtures	(41,926)	-	-	(41,926)
Computer equipment	(3,243,710)	(66,429)	-	(3,310,139)
Other communication equipment	(315,884)	-	-	(315,884)
Vehicles and work equipment	(2,462,052)	(75,141)	112,784	(2,424,409)
Leasehold improvements	(273,879)	(50,575)	-	(324,454)
Other equipment	(5,145,584)	(305,368)	40,080	(5,410,872)
Waste water infrastructure	(1,664,426)	(762,195)	-	(2,426,621)
Water infrastructure	(720,789)	(280,233)	-	(1,001,022)
Total Accumulated Depreciation	(44,430,151)	(3,880,998)	4,283,219	(44,027,930)
Total Capital Assets, Being Depreciated, Net	62,381,777	4,690,949	37,117	67,035,609
Business-Type Activities Capital Assets, Net	\$ 65,843,892	\$ 8,028,445	\$3,644,867	\$ 70,227,470

Depreciation expense was charged to functions of the County as follows:

Governmental Activities:	
General government	\$ 496,012
Judicial	97,659
Public safety	452,431
Public works	1,004,518
Health	13,132
Welfare	643
Culture and recreation	214,750
Community support	2,560
	<hr/>
Total Depreciation Expense – Governmental Activities	\$ 2,281,705
Business-Type Activities:	
Telephone	\$ 2,529,728
Broadband	305,368
Waste Water	763,038
Utility	282,864
	<hr/>
Total Depreciation Expense – Business-Type Activities	\$ 3,880,998

NOTE 6 - Defined Benefit Pension Plan:

Plan Description: Churchill County contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada 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, Nevada 89703-1599 or by calling (775)687-4200.

Funding Policy: Plan members are funded under the employer paid contribution plan: 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 the Nevada Revised Statutes. Funding provisions may only be amended

CHURCHILL COUNTY, NEVADA
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through legislation. The County's contribution rates and amounts contributed (which equaled the required contributions) for the last three years are as follows:

Fiscal Year	Contribution Rate		Total Contribution
	Regular Member	Police/ Fire	
2010-11	21.50%	37.00%	\$3,127,110
2009-10	21.50%	37.00%	3,591,575
2008-09	20.50%	33.50%	3,335,129

NOTE 7 - Long-Term Obligations:

Long-term debt consists of the following at June 30, 2011:

Governmental Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2011
<u>Contract Payable</u>					
Development rights	05/05	2012	1.474%	\$ 97,025	43,693
					\$ 43,693
Business-Type Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2011
<u>Capital Lease Payable</u>			Imputed at		
Louie's Home Center, Inc.	11/03	2029	3.62%	\$1,623,575	\$1,180,663
Total					\$1,224,356

Summary of debt service requirements to maturity for the bonds, notes and contract payable:

Bonds, Notes and Contract Payable Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2012	\$ 43,693	\$ 1,307	\$ 45,000	\$ -	\$ -	\$ -

The asset acquired through the capital lease for business-type activities is a building. As of June 30, 2011, the capital asset of \$1,623,575 was offset by accumulated depreciation of \$721,589.

The following is a schedule of future minimum lease payments under capital lease obligations as of June 30, 2011:

Year Ending June 30	Business-Type Activities		
	Remaining Payments	Less: Amount Representing Interest	Present Value of Net Minimum Lease Payments
2012	\$ 105,600	\$ 38,150	\$ 67,450
2013	115,200	39,026	76,174
2014	115,200	36,223	78,977
2015	87,280	33,700	53,580
2016	81,696	31,908	49,788
2017 – 2021	408,480	130,677	277,803
2022 – 2026	408,480	75,674	332,806
2027 – 2030	258,704	14,619	244,085
Total	\$ 1,580,640	\$ 399,977	\$ 1,180,663

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Changes in Long-Term Obligations:

Governmental Activities	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Revenue bonds	\$ 1,537,701	\$ -	\$ 1,537,701	\$ -	\$ -
Contract payable	43,693	-	-	43,693	43,693
Compensated absences	1,042,752	116,702	116,956	1,042,498	72,000
Total	<u>\$ 2,624,146</u>	<u>\$ 116,702</u>	<u>\$ 1,654,657</u>	<u>\$ 1,086,191</u>	<u>\$ 115,693</u>

Business-Type Activities	Balance July 1, 2010	Additions	Reductions	Balance June 30, 2011	Due Within One Year
Bonds payable	\$ 4,386,804	\$ -	\$ 4,386,804	\$ -	\$ -
Capital leases payable	1,251,741	-	71,078	1,180,663	67,450
Compensated absences	637,241	550,727	552,354	635,614	65,635
Total	<u>\$ 6,275,786</u>	<u>\$ 550,727</u>	<u>\$ 5,010,236</u>	<u>\$ 1,816,277</u>	<u>\$ 133,085</u>

Interest expense on long-term obligations for the year ended June 30, 2011 for governmental and business-type activities was \$32,116 and \$112,437 respectively.

In accordance with Nevada Revised Statutes 244A.059, the County was within the legal debit limit at June 30, 2011.

NOTE 8 – Interfund Receivables, Payables, and Transfers:

Interfund receivable and payable balances at June 30, 2011 are as follows:

	Due to:				Total Due To Other Funds
	Governmental		Proprietary		
	Major General Fund	Other Governmental Funds	Major CC Communications- Telephone Fund	Major Utility Fund	
Due from:					
Governmental Activities:					
Major Governmental Fund:					
General Fund	\$ -	\$ 53,441	\$ -	\$ -	\$ 53,441
Other Governmental Funds	52,450	187,480	-	-	239,930
Business-Type Activities:					
Major Proprietary Funds:					
CC Communications:					
Wireless Fund	-	-	241,855	-	241,855
Broadband Fund	-	-	216,550	-	216,550
Waste Water Enterprise Fund	-	-	-	11,639	11,639
Nonmajor Proprietary Fund	-	-	46,042	-	46,042
Total Due from Other Funds	<u>\$52,450</u>	<u>\$240,921</u>	<u>\$504,447</u>	<u>\$11,639</u>	<u>\$809,457</u>

The above are the result of entries to allocate either revenues or expenditures to the appropriate funds.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

Interfund transfers are shown as other financing sources or uses, as appropriate. Activity for the year ended June 30, 2011 is as follows:

	Transfers in:						Total Transfers Out
	Governmental			Business-Type			
	Major Governmental			Major Proprietary			
	General Fund	Building Reserve Fund	Other Governmental Funds	Telephone Fund	Utility Fund	Waste Water Enterprise Fund	
Transfers out:							
Governmental activities:							
Major governmental fund:							
General Fund	\$ -	\$ -	\$ 510,000	\$ -	\$ 1,250,000	\$ 1,550,000	\$ 3,310,000
Infrastructure Tax Fund	-	-	-	-	-	125,000	125,000
Building Reserve Fund	-	-	-	-	425,000	-	425,000
Other governmental funds	14,861	1,250,000	1,315,893	-	750,000	750,000	4,080,754
Business-type Activities:							
Major proprietary funds:							
CC Communications - Telephone Fund	1,865,000	-	384,073	-	-	-	2,249,073
CC Communications - Wireless Fund	-	-	-	12,000,000	-	-	12,000,000
Utility Fund	-	-	-	-	-	512,000	512,000
Nonmajor proprietary Fund	-	-	-	2,200,000	-	-	2,200,000
Total Transfers In	\$1,879,861	\$1,250,000	\$2,209,966	\$14,200,000	\$ 2,425,000	\$2,937,000	\$24,901,827

The Social Services transferred funds to the general fund to be used for juvenile probation.

The General Fund transferred funds to the Law Library Fund to subsidize operations.

The General Fund, Water Resource Fund and Fairground Sale Proceeds Fund transferred funds to the Debt Service Fund to be used for retirement of debt.

The General Fund, Infrastructure Tax Fund, Extraordinary Repairs & Maintenance Fund, and Utility Enterprise Fund transferred funds to the Waste Water Enterprise Fund to assist with the construction of facilities and to retire the outstanding debt.

The General Fund, Building Reserve Fund, and Extraordinary Repairs & Maintenance Fund transferred funds to the Utility Enterprise Fund to assist with the construction of facilities and to retire the outstanding debt.

The Indigent Medical Care Fund transferred funds to the Social Services Fund to be used for medical care.

The Regional Transportation and the Public Transit Funds transferred funds to the Road Fund for qualified road construction and maintenance.

The Special Ad Valorem Capital Projects Fund transferred funds to the Building Reserve Fund to be used for the construction of facilities.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
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The Administrative Assessment Fund transferred funds to the Extraordinary Repairs and Maintenance Fund so the assessment fees are expended in accordance with statute requirements.

The CC Communications – Telephone Fund transferred funds to the General Fund and the Parks and Recreation Fund to be used to subsidize operations.

The CC Communications - Wireless Fund transferred funds to the CC Communications – Telephone Fund to be used to subsidize operations.

The CC Communications – Long Distance Fund transferred funds to the CC Communications – Telephone Fund to be used to subsidize operations.

NOTE 9 - Operating Leases:

CC Communications - Telephone Fund is party to various right-of-way grants and rental agreements for transmittal site locations. The lease payments on these agreements are determined annually. CC Communications - Telephone Fund subleases a portion of these facilities to other entities. All operating leases are cancelable.

NOTE 10 - Interfund Transactions:

CC Communications - Wireless Fund, CC Communications Long Distance Fund, and CC Communications - Broadband Fund rent office space and other facility space on a month-to-month basis. Following is a schedule of payments from these funds to CC Communications - Telephone Fund for the year ended June 30, 2011:

	Wireless Fund	Long Distance Fund	Broadband Fund	Total
Special access charges	\$ -	\$ -	\$ 23,676	\$ 23,676
Billing and collection	119,755	130,022	111,990	361,767
Rent	14,400	-	6,000	20,400
Customer services	71,450	39,210	193,707	304,367
Administrative costs	360,987	19,153	55,671	435,811
Installation	-	-	29,764	29,764
Engineering and maintenance	-	-	186,593	186,593
	<u>\$ 566,592</u>	<u>\$ 188,385</u>	<u>\$ 607,401</u>	<u>\$ 1,362,378</u>

CC Communications - Telephone Fund paid CC Communications - Wireless Fund \$33,274 for cellular phone service fees during the year ended June 30, 2011.

CC Communications - Telephone Fund paid CC Communications - Broadband Fund \$10,261 for tower/space rent during the year ended June 30, 2011.

CC Communications – Wireless, Long Distance, and Broadband Funds revenues are billed in conjunction with CC Communications – Telephone Fund’s customers. At the time the revenue is earned the Telephone Fund transfers cash to the Wireless, Long Distance, and Broadband Funds for the amount of the earnings, therefore the Wireless, Long Distance, and Broadband Funds do not record any accounts receivable on their financial statements. In addition, the Telephone Fund processes and pays all Wireless, Long Distance, and Broadband Funds accounts payable and payroll expenses. The Wireless, Long Distance, and Broadband Funds transfer cash to the Telephone Fund at the time the expense is incurred, therefore no payables or accruals are recorded on the Wireless, Long Distance, and Broadband Fund’s financial statements, except for the accrual for *Net Other Post Employment Benefits Obligation* which is recorded by the Wireless, Long Distance, and Broadband Fund due to the fact the liability is not anticipated to be liquidated within the current period. The above transactions resulted in a due from other funds at June 30, 2011 as follows:

CC Communication – Wireless	\$ 241,855
CC Communication – Long Distance	46,042
CC Communication – Broadband	216,550
Due from other funds	<u>\$ 504,447</u>

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 11 – Fund Balances/Net Assets

Government-wide Financial Statements

The government-wide Statement of Net Assets utilizes a net asset presentation. Net assets are categorized as invested in capital assets, net of related debt, restricted and unrestricted. Related debt is the debt outstanding that relates to the acquisition, construction, or improvement of capital assets.

Restricted assets are assets which have externally imposed (statutory, contract or grantor) limitations on their use. Restricted assets are classified either by function, debt service, capital projects, or claims. Assets restricted by function relate to net assets of governmental and enterprise funds whose use is legally limited by outside parties for specific purpose. Of the County's \$6,278,874 reflected as restricted net assets, \$6,023,476 is restricted by enabling legislation.

Fund Financial Statements

Governmental Funds

Governmental fund balance is 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.

Fund balance classifications by County function by the following:

	<u>General Fund</u>	<u>Infrastructure Tax Fund</u>	<u>Building Reserve Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<u>Fund Balances</u>					
<i>Nonspendable:</i>					
Long-term Notes Receivable	\$ -	\$ -	\$ -	\$ 162,639	\$ 162,639
<i>Restricted for:</i>					
Water and Waste Water system enhancements	-	391,752	-	-	391,752
Street improvements and rehabilitation	-	-	-	1,835,572	1,835,572
Road surface repairs	-	-	-	93,914	93,914
Drug Task Force equipment	-	-	-	88,057	88,057
Cooperative Extension programs	-	-	-	113,911	113,911
Park expansion projects	-	-	-	275,215	275,215
Technology improvements	-	-	-	456,270	456,270
Library expansion and literacy projects	-	-	-	198,115	198,115
Justice Court improvements/technology	-	-	-	35,414	35,414
Long term Indigent hospital care	-	-	-	1,676,511	1,676,511
Senior Citizen Center activities	-	-	-	55	55
Court and Public Safety Capital Projects	-	-	-	725,005	725,005
Fire Equipment and apparatus purchases	-	-	-	351,984	351,984
<i>Total Restricted</i>	-	391,752	-	5,850,023	6,241,775

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
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	<u>General Fund</u>	<u>Infrastructure Tax Fund</u>	<u>Building Reserve Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<i>Committed to:</i>					
Stabilization of Operations	\$ -	\$ -	\$ -	\$ 1,569,805	\$ 1,569,805
Technology Improvements	92,932	-	-	37,671	130,603
Road Equipment Replacement Program	-	-	-	1,178,404	1,178,404
Street Improvements and rehabilitation	-	-	-	723,804	723,804
Welfare and Social Services	-	-	-	1,525,462	1,525,462
Cooperative Extension programs	-	-	-	38,554	38,554
Public Library and Literacy programs	-	-	-	142,836	142,836
Park and Recreation projects	-	-	-	57,139	57,139
Judicial programs and projects	-	-	-	47,091	47,091
Economic development	-	-	-	338,272	338,272
Total Committed	<u>92,932</u>	<u>-</u>	<u>-</u>	<u>5,659,038</u>	<u>5,751,970</u>
<i>Assigned to:</i>					
FY 12 Budget Shortfall	1,765,863	-	-	-	1,765,863
Risk Management	1,171,020	-	-	-	1,171,020
Payment of Compensated Absences	1,011,915	-	-	-	1,011,915
Community recreation center improvements	-	-	275,000	-	275,000
Land and water right acquisitions	-	-	250,000	406,404	656,404
Building Improvements/repairs	-	-	336,067	480,627	816,694
Social Services and Indigent programs	-	-	-	517,887	517,887
Cooperative Extension programs	-	-	-	159,500	159,500
Public Library and Literacy programs	-	-	-	1,252,764	1,252,764
Park and Recreation projects	-	-	-	873,828	873,828
Cemetery Landscape Improvements	-	-	-	33,822	33,822
Law Library	-	-	-	136,961	136,961
Unemployment Compensation	-	-	-	396,183	396,183
Street Improvements	-	-	-	556,220	556,220
Total Assigned	<u>3,948,798</u>	<u>-</u>	<u>861,067</u>	<u>4,814,196</u>	<u>9,624,061</u>
Unassigned	<u>4,145,167</u>	<u>-</u>	<u>-</u>	<u>(535)</u>	<u>4,144,632</u>
Total Fund Balances	<u>\$ 8,186,897</u>	<u>\$ -</u>	<u>\$ 861,067</u>	<u>\$ 16,485,357</u>	<u>\$ 25,925,077</u>

Deficit Fund Balances:

The Indigent Hospital Care Special Revenue Fund had a negative fund balance of \$535 as of fiscal year end. The negative balance is the result of the refund of taxes due to a stipulated agreement for fiscal year 2011.

**CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

NOTE 12 - Stabilization Arrangements:

On June 15, 2011, the Board of County Commissioners adopted Resolution 12-11 which created a fiscal policy, under which greater than anticipated intergovernmental revenues are committed to the Special Revenue Fund known as the Stabilization of Operations Fund.

The Stabilization of Operations Special Revenue Fund may only be used if the following conditions exist:
(a) If total actual revenues of the General Fund falls at least 10 percent or more short of total anticipated revenues. (b) To pay expenditures incurred to mitigate the effects of a natural disaster upon formal declaration by the Board of County Commissioners. The transfer is limited to bringing the ending fund balance to 8.3% of prior year total expenditures.

NOTE 13 - Contingencies:

Claims and Lawsuits Involving Churchill County:

Several lawsuits are presently pending against Churchill County and/or some of its elected and appointed officials. The financial impact of these actions is not determinable at June 30, 2011, but in the opinion of management and legal counsel, any resulting uninsured liability will not materially affect the financial position or results of operations of the County.

NOTE 14 - Risk Management and Concentration of Credit Risk:

Nevada Public Agency Insurance Pool:

The County is exposed to various risks of loss related to torts; theft to, damage to, and destruction of assets; errors and omissions; injuries of employees; and natural disasters as are all entities.

The County has joined together with similar public agencies (cities, counties, school districts, county-owned hospitals and special districts) throughout the State of Nevada to create a pool under the Nevada Interlocal Cooperation Act. The Nevada Public Agency Insurance Pool (the "Pool") is a public entity risk pool currently operating as a common risk management and insurance program for its members.

The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide liability coverage for its members up to \$10,000,000 per event and a \$13,000,000 general aggregate per member. Property crime and equipment breakdown coverage is provided to its members up to \$300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

The County pays premiums based on payroll costs to the PACT. The PACT is considered a self-sustaining pool that will provide coverage based on established statutory limits.

Maximum coverage is as follows:

Property/Crime/Equipment:		
Blanket limit per schedule of		
Locations	\$300,000,000	Per loss
Sub-limit for earthquake coverage	100,000,000	Annual aggregate
Sub-limit for flood coverage	100,000,000	Annual aggregate
Sub-limit for equipment breakdown, boiler, and machinery	60,000,000	Each accident
Sub-limit for money and securities	500,000	Each loss
Casualty:		
General liability, law enforcement, automobile liability and wrongful Acts	10,000,000	Each and every event
General liability	13,000,000	General annual aggregate
Products/completed operations	13,000,000	Annual aggregate
Law enforcement liability	13,000,000	Annual aggregate
Wrongful acts	10,000,000	Annual aggregate
	50,000,000	Annual aggregate all members

CHURCHILL COUNTY, NEVADA
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The County continues to carry commercial insurance for other risks of loss, including specific risks of loss not covered by the Pool and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Public Agency Compensation Trust:

The County has entered into an agreement with PACT (Public Agency Compensation Trust), a self-insured association for workers' compensation coverage. The purpose of the County's participation is to enhance its ability to control costs and to better serve and protect its employees.

PACT is bound by statute as defined in NRS 616A-616D. The County pays an annual assessment to PACT based on a percentage of its annual remuneration. There is a pooled self-insured retention of \$500,000 for each and every loss and/or claim. The indemnity above and beyond the retention amount for each accident or each employee for disease is covered by excess insurance. There is no deductible amount paid by the County for each accident/loss.

Proprietary Funds Concentration of Credit Risk:

Most of CC Communications - Telephone Fund's customers are located in Churchill County, Nevada. CC Communications - Telephone Fund's billings to one customer, the Naval Air Station - Fallon for the year ended June 30, 2011 represented 5.8% of total revenue.

CC Communications - Wireless Fund's customers are located in Northern Nevada.

CC Communications - Long Distance Fund's customers are located in Northern Nevada.

CC Communications - Broadband Fund's customers are located in Northern Nevada.

NOTE 15 - Post Employment Health Care Plans:

County Plans Excluding CC Communications Funds:

Plan Descriptions: The County administers a single-employer defined benefit healthcare plan, Churchill County Employee Health Benefits Plan (CCEHBP). Additionally, the County contributes to an agent multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired County employees and beneficiaries.

Benefit provisions for the CCEHBP are established pursuant to NRS 287.023 and amended through negotiations between the County and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the County's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2011, 13 retirees were using this plan. The CCEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. County employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for County employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2011, 75 County retirees were utilizing this benefit.

Funding Policy: For CCEHBP, contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The County's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the County. The implicit subsidy as determined by the actuary is \$74,597. The County did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired County employees. The contribution requirements of plan members and the County may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate

CHURCHILL COUNTY, NEVADA
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retiree plan premiums in effect for fiscal year 2011 ranged from \$321 to \$846, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2011, retirees qualified for a subsidy of \$79 at five years of service and \$436 at twenty years of service, with incremental increases for years of service in between. As a participating employer, the County is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2011, the County contributed \$164,049 to the plan, equal to required contributions. The County did not prefund future benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) for the plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations, by plan, for fiscal years 2009, 2010 and 2011 were as follows:

	Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCEHBP PEBP	June 30, 2011	\$ 555,835	\$ 74,597	13%	\$ 1,478,723
	June 30, 2011	213,895	164,049	77%	213,352
		<u>\$ 769,730</u>	<u>\$ 238,646</u>		<u>\$ 1,692,075</u>
CCEHBP PEBP	June 30, 2010	\$ 524,058	\$ 56,580	11%	\$ 997,485
	June 30, 2010	211,542	157,383	74%	163,506
		<u>\$ 735,600</u>	<u>\$ 213,963</u>		<u>\$ 1,160,991</u>
CCEHBP PEBP	June 30, 2009	\$ 873,889	\$ 68,027	8%	\$ 805,862
	June 30, 2009	817,206	481,092	59%	336,114
		<u>\$ 1,691,095</u>	<u>\$ 549,119</u>		<u>\$ 1,141,976</u>

The net OPEB obligation (NOPEBO) as of June 30, 2011 was calculated as follows:

	CCEHBP	PEBP	Total
Annual required Contribution (ARC)	\$ 575,798	\$217,167	\$ 792,965
Interest on net OPEB obligation	39,899	6,540	46,439
Adjustment to annual required contribution	(59,862)	(9,812)	(69,674)
Annual OPEB Cost	555,835	213,895	769,730
Less: Contributions made	74,597	164,049	238,646
Increase in net OPEB obligation	481,238	49,846	531,084
Net OPEB obligation - beginning of year	997,485	163,506	1,160,991
Net OPEB obligation - end of year	<u>\$1,478,723</u>	<u>\$213,352</u>	<u>\$1,692,075</u>

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Funded Status and Funding Progress: The funded status of the plans as of the latest actuarial valuation date (January 1, 2010) were as follows:

	<u>CCEHBP</u>	<u>PEBP</u>	<u>Total</u>
Accrued actuarial liability (a)	\$ 3,617,413	\$ 3,700,675	\$ 7,318,088
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a) – (b)	<u>\$ 3,617,413</u>	<u>\$ 3,700,675</u>	<u>\$ 7,318,088</u>
Funded Ratio (b) / (a)	<u>0%</u>	<u>0%</u>	<u>0%</u>
Covered payroll (c)	<u>\$ 9,961,270</u>	<u>N/A</u>	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c)	<u>36%</u>	<u>N/A</u>	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the 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 information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multiyear information will be provided as it becomes available.

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 County and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2010 actuarial valuation were as follows:

	<u>CCEHBP</u>	<u>PEBP</u>
Actuarial valuation date	January 1, 2010	January 1, 2010
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar	Level Dollar
Amortization period (closed)	29 years	29 years
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	4%	4%
Projected overall salary increase	4%	4%
Medical Healthcare inflation rate*	9%	9%
PEBP Subsidy inflation rate**	-	9%

* Decreasing 1% each year until ultimate trend rate of 5% is reached in 2014.

**Decreasing 1% each year until ultimate trend rate of 5% is reached in 2014.

CC Communications Funds' Plans Excluding All Other Churchill County Funds:

Plan Descriptions: CC Communications administers a single-employer defined benefit healthcare plan, CC Communications' Employee Health Benefits Plan (CCCEHBP). Additionally, the County contributes to an agent

**CHURCHILL COUNTY, NEVADA
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multiple-employer defined benefit postemployment healthcare plan, Public Employees' Benefits Plan (PEBP). Each plan provides medical, vision, dental, and life insurance benefits to eligible retired CC Communications' employees and beneficiaries.

Benefit provisions for the CCCEHBP are established pursuant to NRS 287.023 and amended through negotiations between CC Communications and their employee association. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees and their beneficiaries through CC Communications' group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2011, 14 retirees were using this plan. The CCCEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. CC Communications' employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunset the option to join PEBP for CC Communications' employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2011, 60 CC Communications' retirees were utilizing this benefit.

Funding Policy: For CCCEHBP, contribution requirements of the plan members and CC Communications are established and may be amended through negotiations between CC Communications and the association. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. CC Communications contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by CC Communications. The implicit subsidy as determined by the actuary is \$14,550. CC Communications did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired CC Communications' employees. The contribution requirements of plan members and CC Communications may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2011 ranged from \$321 to \$846, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2011, retirees qualified for a subsidy of \$79 at five years of service and \$436 at twenty years of service, with incremental increases for years of service in between. As a participating employer, CC Communication is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2011, CC Communications contributed \$273,588 to the plan, equal to the required contributions. CC Communications did not prefund future benefits.

Annual OPEB Cost and Net OPEB Obligation. CC Communications' annual other postemployment benefit (OPEB) cost (expense) for the plans is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

CC Communications' annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations, by plan, for fiscal year 2011 and 2010 were as follows:

	Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCCEHBP	June 30, 2011	\$ 132,047	\$ 14,550	11%	\$ 502,508
	June 30, 2011	379,967	273,588	72%	454,831
		<u>\$ 512,014</u>	<u>\$ 288,138</u>		<u>\$ 957,339</u>
CCCEHBP PEBP	June 30, 2010	\$ 125,353	\$ 16,197	13%	\$ 385,011
	June 30, 2010	381,445	259,760	68%	348,452
		<u>\$ 506,798</u>	<u>\$ 275,957</u>		<u>\$ 733,463</u>

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011

The net OPEB obligation (NOPEBO) as of June 30, 2011, was calculated as follows:

	<u>CCCEHBP</u>	<u>PEBP</u>	<u>Total</u>
Annual Required Contribution (ARC)	\$ 138,912	\$ 386,181	\$ 525,093
Interest on net OPEB obligation	15,400	13,937	29,337
Adjustment to annual required contribution	<u>(22,265)</u>	<u>(20,151)</u>	<u>(42,416)</u>
Annual OPEB Cost	132,047	379,967	512,014
Less: Contributions made	<u>14,550</u>	<u>273,588</u>	<u>288,138</u>
Increase in net OPEB obligation	117,497	106,379	223,876
Net OPEB obligation – beginning of the year*	<u>385,011</u>	<u>348,452</u>	<u>733,463</u>
Net OPEB obligation – end of year	<u>\$ 502,508</u>	<u>\$ 454,831</u>	<u>\$ 957,339</u>

*From previous combined plan.

Funded Status and Funding Progress: The funded status of the plans as of the latest actuarial valuation date (January 1, 2010) were as follows:

	<u>CCCEHBP</u>	<u>PEBP</u>	<u>Total</u>
Accrued actuarial liability (a)	\$ 1,071,261	\$ 6,811,924	\$ 7,883,185
Actuarial value of plan assets (b)	<u>-</u>	<u>-</u>	<u>-</u>
Unfunded Actuarial Accrued Liability (a) – (b)	<u>\$ 1,071,261</u>	<u>\$ 6,811,924</u>	<u>\$ 7,883,185</u>
Funded Ratio (b) / (a)	<u>0%</u>	<u>0%</u>	<u>0%</u>
Covered payroll (c)	<u>\$ 5,113,079</u>	<u>N/A</u>	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c)	<u>21%</u>	<u>N/A</u>	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the 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 information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits. Multiyear information will be provided as it becomes available.

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 CC Communications and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2010 actuarial valuation were as follows:

	<u>CCCEHBP</u>	<u>PEBP</u>
Actuarial valuation date	January 1, 2010	January 1, 2010
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar Amount	Level Dollar Amount

**CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

	CCCEHBP	PEBP
Amortization period (open)	30 years	30 years
Amortization period (open)	30 years	30 years
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	4%	4%
Projected overall salary increase	4%	4%
Medical Healthcare inflation rate*	9%	9%

* Decreasing 1% each year until ultimate trend rate of 5% is reached in 2014.

NOTE 16 – Prior Period Adjustment:

During the current year, it was determined that certain prior year developer agreements and corresponding bad debt expense were not recorded in three funds. The prior period adjustment in the Utility Enterprise Fund was in the amount of \$1,169,300 as water hook-up fees, bad debt expense of \$709,845 resulting in an increase in fund balance of \$459,455. The impact on the Waste Water Enterprise Fund for these agreements was \$1,411,500 in waste water connection fees, bad debt expense of \$1,007,159 resulting in an increase in fund balance of \$404,341. The Water Resource Special Revenue Fund did not account for bad debt expenditures for developer agreements in the amount of \$372,582 which reduced the fund balance by \$372,582 in the prior year.

NOTE 17 – Subsequent Events:

On October 19, 2011, the Board of County Commissioners approved the Second Developer Financial Restructure Agreement with Fallon River Park, LLC. The developer forfeited 180 equivalent dwelling units (EDU's) for non-payment on the Will Serve Agreement. The corresponding note and interest receivables were written off in Fiscal Year 2011. Furthermore, the developer forfeited 187 sewer connections for non-payment on the Restructure Agreement. The corresponding note and interest receivables were written off in Fiscal Year 2011. The Developer does not have any rights or obligations towards the EDUs and sewer connections forfeited.

On February 2, 2012, Enel Stillwater, LLC and Enel Salt Wells, LLC requested the Commissioners to direct the County Treasurer to refund overpaid property taxes paid by Enel for the 2011 tax year in accordance with NRS 354.220-250 totaling approximately \$1,600,000, of which \$700,000 would be the amount apportioned to the County. The overpayment is due to errors in filing their Real and Personal Property Affidavits. The Commissioners approved to continue this request until such time that the State Department of Taxation can complete an assessment review to assure an accurate property listing, valuation and the amount of overpayment .

CHURCHILL COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

SCHEDULE OF FUNDING PROGRESS-OTHER POSTEMPLOYMENT BENEFIT PLANS

	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF PLAN ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL)- ENTRY AGE NORMAL COST (b)	UNFUNDED ALL (UAAL) (b-a)	FUNDED RATIO (a/b)	COVERED PAYROLL (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b-a)/c)
<i>FYE 6-30-09</i>							
CCEHBP	January 1, 2008	\$ -	\$ 13,342,973	\$ 13,342,973	0%	\$ 13,299,360	100%
PEBP	January 1, 2008		14,696,394	14,696,394	0%	-	0%
<i>FYE 6-30-10</i>							
CCEHBP	January 1, 2010		3,617,413	3,617,413	0%	9,961,270	36%
CCCEHBP	January 1, 2010		1,071,261	1,071,261	0%	5,113,079	21%
PEBP-CCEHP	January 1, 2010		3,700,675	3,700,675	0%	-	0%
PEBP-CCCEHP	January 1, 2010		6,811,924	6,811,924	0%	-	0%

CHURCHILL COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR YEAR ENDED JUNE 30, 2011

	<u>BUDGET</u>			<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ORIGINAL TO FINAL</u>	<u>FINAL TO ACTUAL</u>
REVENUES					
Taxes	\$ 5,285,618	\$ 5,285,618	\$ 6,259,081	\$ -	\$ 973,463
Licenses and permits	344,670	344,670	406,630	-	61,960
Intergovernmental	7,551,365	7,827,720	7,547,018	276,355	(280,702)
Charges for services	611,225	611,225	802,450	-	191,225
Fines and forfeitures	466,700	466,700	612,116	-	145,416
Miscellaneous	918,860	918,860	1,025,324	-	106,464
	<u>15,178,438</u>	<u>15,454,793</u>	<u>16,652,619</u>	<u>276,355</u>	<u>1,197,826</u>
EXPENDITURES					
General government	5,385,128	5,538,461	4,819,818	(153,333)	718,643
Judicial	2,887,348	3,273,801	3,147,603	(386,453)	126,198
Public safety	7,155,864	8,035,166	7,189,168	(879,302)	845,998
Sanitation	78,000	78,000	70,962	-	7,038
Health	184,926	184,926	169,085	-	15,841
Culture and recreation	357,422	357,422	280,094	-	77,328
Community support	256,500	256,500	241,223	-	15,277
Intergovernmental	518,765	518,765	402,863	-	115,902
	<u>16,823,953</u>	<u>18,243,041</u>	<u>16,320,816</u>	<u>(1,419,088)</u>	<u>1,922,225</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,645,515)</u>	<u>(2,788,248)</u>	<u>331,803</u>	<u>(1,142,733)</u>	<u>3,120,051</u>
OTHER FINANCING SOURCES (USES)					
Contingency	(480,000)	(5,000)	-	475,000	5,000
Transfers in	2,100,000	2,100,000	1,879,861	-	(220,139)
Transfers out	-	(192,100)	(310,000)	(192,100)	(117,900)
	<u>1,620,000</u>	<u>1,902,900</u>	<u>1,569,861</u>	<u>282,900</u>	<u>(333,039)</u>
Net Change in Fund Balances	(25,515)	(885,348)	1,901,664	(859,833)	2,787,012
FUND BALANCE, July 1	<u>2,242,464</u>	<u>3,102,297</u>	<u>4,102,298</u>	<u>859,833</u>	<u>1,000,001</u>
FUND BALANCE, June 30	<u><u>\$ 2,216,949</u></u>	<u><u>\$ 2,216,949</u></u>	<u><u>\$ 6,003,962</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,787,013</u></u>

The notes to the required supplementary information are an integral part of this statement.

CHURCHILL COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
RECONCILIATION OF THE GENERAL FUND (BUDGETARY BASIS) TO THE
GENERAL FUND (GAAP BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR YEAR ENDED JUNE 30, 2011

	General Fund (Budgetary Basis)	Internally Reported Funds	General Fund Total (GAAP Basis)
REVENUES			
Taxes	\$ 6,259,081	\$ -	\$ 6,259,081
Licenses and permits	406,630	-	406,630
Intergovernmental	7,547,018	299,000	7,846,018
Charges for services	802,450	-	802,450
Fines and forfeitures	612,116	-	612,116
Miscellaneous	1,025,324	70,764	1,096,088
Total Revenues	16,652,619	369,764	17,022,383
EXPENDITURES			
Current:			
General government	4,819,818	467,561	5,287,379
Judicial	3,147,603	-	3,147,603
Public safety	7,189,168	-	7,189,168
Sanitation	70,962	-	70,962
Health	169,085	-	169,085
Culture and recreation	280,094	-	280,094
Community support	241,223	-	241,223
Intergovernmental	402,863	-	402,863
Total Expenditures	16,320,816	467,561	16,788,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	331,803	(97,797)	234,006
OTHER FINANCING SOURCES (USES)			
Transfers in	1,879,861	-	1,879,861
Transfers out	(310,000)	(3,000,000)	(3,310,000)
Total Other Financing Sources (Uses)	1,569,861	(3,000,000)	(1,430,139)
Net Change in Fund Balances	1,901,664	(3,097,797)	(1,196,133)
FUND BALANCE, July 1	4,102,298	5,280,732	9,383,030
FUND BALANCE, June 30	\$ 6,003,962	\$ 2,182,935	\$ 8,186,897

The notes to the required supplementary information are an integral part of this statement.

CHURCHILL COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
SPECIAL REVENUE FUND - INFRASTRUCTURE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011

	<u>BUDGET</u>			<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ORIGINAL TO FINAL</u>	<u>FINAL TO ACTUAL</u>
REVENUES					
Intergovernmental:					
Optional county sales tax (\$.0025)	\$ 545,125	\$ 545,125	\$ 551,370	\$ -	\$ 6,245
Miscellaneous:					
Interest	4,250	4,250	2,255	-	(1,995)
Total Revenues	549,375	549,375	553,625	-	4,250
EXPENDITURES					
General government:					
Infrastructure development:					
Services and supplies	10,000	10,000	-	-	10,000
Capital outlay	1,025,000	3,565,199	3,404,773	(2,540,199)	160,426
Total Expenditures	1,035,000	3,575,199	3,404,773	(2,540,199)	170,426
Excess (Deficiency) of Revenues Over (Under) Expenditures	(485,625)	(3,025,824)	(2,851,148)	(2,540,199)	174,676
OTHER FINANCING					
SOURCES (USES)					
Sales of capital and other assets	-	2,515,252	2,515,252	2,515,252	-
Transfers out:					
Waste Water Enterprise Fund	(125,000)	(125,000)	(125,000)	-	-
Total Other Financing Sources (Uses)	(125,000)	2,390,252	2,390,252	2,515,252	-
Net Change in Fund Balance	(610,625)	(635,572)	(460,896)	(24,947)	174,676
FUND BALANCE, July 1	827,701	852,648	852,648	24,947	-
FUND BALANCE, June 30	<u>\$ 217,076</u>	<u>\$ 217,076</u>	<u>\$ 391,752</u>	<u>\$ -</u>	<u>\$ 174,676</u>

The notes to the required supplementary information are an integral part of this statement.

CHURCHILL COUNTY, NEVADA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

The accompanying Reconciliation of the General Fund (Budgetary Basis) to the General Fund (GAAP Basis) presents balances combined for external reporting purposes.

Budget to actual comparisons are presented for all funds of the County, except for Fiduciary Funds, as required by Nevada Revised Statutes. Such budget comparisons are required to be presented using the budget as adopted, and approved by the State of Nevada Department of Taxation. However, guidance provided in governmental accounting standards specify that two of these internally reported funds of Churchill County, not meeting the definition of special revenue funds, do not qualify to be separately presented for external reporting purposes.

These internally reported funds of Churchill County (Risk Management Fund and Compensated Absences Fund) are combined with the General Fund for external reporting purposes.

CHURCHILL COUNTY, NEVADA
GENERAL FUND (GAAP BASIS)
BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and investments	\$ 9,064,391	\$ 9,124,775
Receivables:		
Property Taxes	162,706	222,620
Interest	4,125	4,223
Other	75,921	175,270
Due from other funds	52,450	593,652
Due from other governments	<u>1,037,869</u>	<u>1,473,706</u>
 Total Assets	 <u>\$ 10,397,462</u>	 <u>\$ 11,594,245</u>
LIABILITIES		
Accounts payable	\$ 290,815	\$ 251,884
Accrued salaries	420,980	410,344
Accrued benefits	185,991	196,632
Due to other funds	53,441	135
Due to other governments	176,084	148,606
Customer deposits	3,285	3,285
Deferred revenues	<u>1,079,969</u>	<u>1,200,330</u>
 Total Liabilities	 <u>2,210,565</u>	 <u>2,211,216</u>
FUND BALANCES		
Committed	92,932	5,280,732
Assigned	3,948,798	25,489
Unassigned	<u>4,145,167</u>	<u>4,076,809</u>
	<u>8,186,897</u>	<u>9,383,030</u>
 Total Liabilities and Fund Balances	 <u>\$ 10,397,462</u>	 <u>\$ 11,594,246</u>

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

(Page 1 of 7)

REVENUES	BUDGET	ACTUAL	VARIANCE	2010
Property taxes:				
Ad valorem taxes	\$ 5,285,618	\$ 6,259,081	\$ 973,463	\$ 5,523,470
Licenses and permits:				
Business licenses	51,175	64,938	13,763	62,888
Liquor licenses	3,225	4,100	875	4,230
Local gaming license	44,595	47,445	2,850	56,400
Marriage licenses	3,100	4,095	995	3,354
Other permits	12,500	14,236	1,736	13,022
Building permits	55,000	93,967	38,967	51,359
Mobile home permits	100	92	(8)	45
Fictitious name/notary bonds	5,750	5,520	(230)	5,880
Passport fees	-	-	-	2,050
Drug court fee	5,175	7,480	2,305	7,280
Septic fees	3,750	4,358	608	4,166
Inspection fees	7,000	-	(7,000)	-
Manufactured home permits	5,000	3,000	(2,000)	5,000
Other license/permits fees	3,300	4,063	763	4,080
Franchise fees	145,000	153,336	8,336	161,549
	<u>344,670</u>	<u>406,630</u>	<u>61,960</u>	<u>381,303</u>
Intergovernmental:				
Federal in lieu of taxes	1,575,000	1,171,410	(403,590)	1,075,000
State gaming license	15,000	13,287	(1,713)	16,085
Bi-county reimbursements	30,000	72,495	42,495	37,586
Private car tax	1,851	1,675	(176)	1,871
AB104 fairshare	850,000	1,085,000	235,000	998,130
Consolidated intergovernmental taxes	4,237,339	4,237,243	(96)	4,177,601
Jail reimbursement:				
Paiute	-	4,125	4,125	975
City	100,000	70,950	(29,050)	64,323
Task force reimbursement	4,000	8,275	4,275	3,793
Grants-in-aid:				
Federal grants:				
Title IV-D	355,175	317,261	(37,914)	329,900
Title IV-D incentive	-	18,477	18,477	52,151
Planning assistance	400,000	198,950	(201,050)	271,497
FEMA - emergency management	5,734	24,726	18,992	28,743
State criminal assistance program (SCAAP)	7,000	-	(7,000)	7,446
S.O. JAG equipment - ARRA	-	-	-	25,359
Public Safety Partnership and Community policing	-	10,982	10,982	45,890
Community Facilities Grant	18,970	27,274	8,304	-
CSBG - Students Succeed	14,861	-	(14,861)	-
OCJA justice assistance	-	125,864	125,864	74,136
OJJDP - CCBC - rafts	48,428	48,429	1	48,429
Homeland security	-	-	-	16,071
SERC - Equipment	52,106	52,106	-	42,856
Stimulus NV works	60,056	-	(60,056)	60,056
Nevada works summer employment	70,600	70,600	-	71,491
State grants:				
AOC state grant justice court	-	-	-	8,000
JPO family management	-	6,289	6,289	5,789
Coalition - meth education	5,600	5,600	-	8,774
	<u>7,827,720</u>	<u>7,547,018</u>	<u>(280,702)</u>	<u>7,423,952</u>

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)
(Page 2 of 7)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Charges for services:				
Administrative assessments:				
Juvenile probation	\$ 6,000	\$ 9,552	\$ 3,552	\$ 8,675
Justice court	27,175	33,425	6,250	30,357
Municipal court	1,400	1,485	85	1,664
Juvenile court	1,000	1,316	316	1,320
District court	250	298	48	207
Assessor's property tax commissions	255,175	411,052	155,877	283,870
Candidate filing fees	-	-	-	2,540
Justice court filing fees	67,000	59,755	(7,245)	68,999
Justice court forensic fees	6,200	8,048	1,848	7,851
Court clerk miscellaneous	22,000	37,466	15,466	28,553
County court fees	24,000	33,830	9,830	36,000
Recorder RPTT collection fees	1,750	9,389	7,639	2,107
Recorder's fees	97,125	83,479	(13,646)	99,770
Public defender fees	12,000	8,564	(3,436)	7,824
Return check fees	1,000	220	(780)	200
Crime lab fees	500	1,016	516	-
Sheriff's fees	34,750	28,987	(5,763)	33,060
Sheriff's fees, fingerprint	2,000	2,110	110	1,825
Sheriff's fees, concealed weapon	6,500	9,705	3,205	9,755
Sheriff's fees, intermittent	5,000	7,695	2,695	4,988
Planning commission appeal fee	100	500	400	600
Cemetery fees	32,000	42,925	10,925	38,420
Forensic fee - task force	800	1,722	922	1,240
DMV - spay and neuter fee	400	516	116	497
Inmate phone revenue	2,000	724	(1,276)	1,827
Counseling reimbursement	-	444	444	953
Transcript Fees	-	241	241	578
Court Services Fees	-	22	22	-
Mining map fees:				
Map fees - mining claims	5,000	7,905	2,905	10,655
Land plot maps - copies	100	59	(41)	65
	<u>611,225</u>	<u>802,450</u>	<u>191,225</u>	<u>684,400</u>
Fines and forfeits:				
Forfeited bail	187,000	189,747	2,747	188,145
Fines	52,700	66,723	14,023	68,919
AB65 Additional Court Fees	58,000	74,855	16,855	71,443
Justice court bond forfeiture	4,000	1,739	(2,261)	5,667
Delinquent tax penalties	165,000	279,052	114,052	251,945
	<u>466,700</u>	<u>612,116</u>	<u>145,416</u>	<u>586,119</u>
Miscellaneous:				
Miscellaneous sales	4,000	1,600	(2,400)	2,072
Mine proceeds tax commissions	15,000	16,474	1,474	21,219
Senior citizen processing fees	-	772	772	796
Data proceeds tax commissions	4,500	5,025	525	5,400
Building lease revenue	-	4	4	1
Justice court payment setup fee	7,000	10,146	3,146	11,912
Justice court collection fee	10,000	5,836	(4,164)	9,025
Juvenile transport reimbursements	2,000	435	(1,565)	815
Juvenile child care reimbursements	2,000	2,905	905	2,430
Juvenile substance abuse reimbursements	2,000	2,569	569	3,102
Juvenile instructional supervision reimbursement	2,000	4,583	2,583	4,270

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Juvenile miscellaneous reimbursements	\$ 1,500	\$ -	\$ (1,500)	\$ 2,610
JPO recycle reimbursements	-	-	-	5,535
Vulcan PILT payment	140,000	241,276	101,276	80,425
Geothermal rents/royalties	500,000	500,000	-	952,319
Enel sales tax payments	175,860	175,860	-	175,860
Other miscellaneous	12,000	36,546	24,546	35,623
Interest	41,000	21,293	(19,707)	18,412
	<u>918,860</u>	<u>1,025,324</u>	<u>106,464</u>	<u>854,507</u>
Total Revenue	<u>15,454,793</u>	<u>16,652,619</u>	<u>1,197,826</u>	<u>15,453,751</u>

EXPENDITURES

General government:

Commissioners:

Salaries	83,780	85,489	(1,709)	85,509
Benefits	47,330	43,011	4,319	45,324
Services and supplies	15,050	15,872	(822)	16,416
Capital outlay	-	-	-	5,795
	<u>146,160</u>	<u>144,372</u>	<u>1,788</u>	<u>153,044</u>

Clerk/treasurer:

Salaries	380,685	299,728	80,957	366,238
Benefits	176,651	130,100	46,551	161,604
Services and supplies	52,650	49,174	3,476	35,295
Capital outlay	-	-	-	3,913
	<u>609,986</u>	<u>479,002</u>	<u>130,984</u>	<u>567,050</u>

Recorder:

Salaries	156,456	153,845	2,611	162,140
Benefits	66,191	58,255	7,936	60,243
Services and supplies	11,160	12,195	(1,035)	15,373
	<u>233,807</u>	<u>224,295</u>	<u>9,512</u>	<u>237,756</u>

Records and microfilming:

Services and supplies	34,825	26,363	8,462	21,118
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Assessor:

Salaries	393,354	376,760	16,594	392,969
Benefits	173,736	161,800	11,936	161,439
Services and supplies	63,955	38,343	25,612	46,900
	<u>631,045</u>	<u>576,903</u>	<u>54,142</u>	<u>601,308</u>

County manager:

Salaries	174,332	171,839	2,493	172,887
Benefits	57,419	55,763	1,656	54,886
Services and supplies	12,800	6,938	5,862	9,961
	<u>244,551</u>	<u>234,540</u>	<u>10,011</u>	<u>237,734</u>

Buildings and grounds:

Salaries	315,032	280,908	34,124	313,794
Benefits	141,736	124,463	17,273	131,240
Services and supplies	337,800	273,361	64,439	310,753
	<u>794,568</u>	<u>678,732</u>	<u>115,836</u>	<u>755,787</u>

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Elections:				
Salaries	\$ 12,500	\$ 10,641	\$ 1,859	\$ 5,515
Benefits	1,270	990	280	436
Services and supplies	<u>60,400</u>	<u>30,147</u>	<u>30,253</u>	<u>21,285</u>
	<u>74,170</u>	<u>41,778</u>	<u>32,392</u>	<u>27,236</u>
Personnel operations:				
Salaries	93,888	93,182	706	93,415
Benefits	33,807	30,648	3,159	30,207
Services and supplies	<u>4,350</u>	<u>2,630</u>	<u>1,720</u>	<u>4,148</u>
	<u>132,045</u>	<u>126,460</u>	<u>5,585</u>	<u>127,770</u>
Personnel - staff development:				
Services and supplies	<u>13,500</u>	<u>6,653</u>	<u>6,847</u>	<u>2,586</u>
Personnel - benefit services:				
Services and supplies	<u>17,800</u>	<u>7,811</u>	<u>9,989</u>	<u>22,051</u>
Comptroller:				
Salaries	303,887	281,882	22,005	280,973
Benefits	104,156	102,232	1,924	98,974
Services and supplies	<u>12,950</u>	<u>9,884</u>	<u>3,066</u>	<u>10,890</u>
	<u>420,993</u>	<u>393,998</u>	<u>26,995</u>	<u>390,837</u>
Data processing:				
Services and supplies	<u>188,200</u>	<u>165,100</u>	<u>23,100</u>	<u>145,500</u>
General government other:				
Services and supplies	<u>930,133</u>	<u>804,772</u>	<u>125,361</u>	<u>888,098</u>
Building inspection:				
Salaries	131,970	130,729	1,241	158,253
Benefits	52,258	49,544	2,714	59,352
Services and supplies	<u>9,500</u>	<u>6,989</u>	<u>2,511</u>	<u>7,699</u>
	<u>193,728</u>	<u>187,262</u>	<u>6,466</u>	<u>225,304</u>
Yucca Mountain:				
Services and supplies	<u>328,500</u>	<u>198,950</u>	<u>129,550</u>	<u>271,497</u>
Planning department:				
Salaries	375,902	366,929	8,973	370,776
Benefits	146,913	139,624	7,289	135,523
Services and supplies	<u>22,135</u>	<u>16,274</u>	<u>5,861</u>	<u>20,300</u>
	<u>544,950</u>	<u>522,827</u>	<u>22,123</u>	<u>526,599</u>
Total General Government	<u>5,538,461</u>	<u>4,819,818</u>	<u>718,643</u>	<u>5,201,275</u>

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Judicial:				
District court:				
Benefits	\$ 66,917	\$ 58,483	\$ 8,434	\$ 39,354
Services and supplies	450,595	440,091	10,504	438,043
Capital outlay	132,553	101,459	31,094	-
	<u>794,271</u>	<u>738,947</u>	<u>55,324</u>	<u>582,431</u>
Justice court:				
Salaries	249,366	275,184	(25,818)	280,994
Benefits	114,721	107,992	6,729	101,974
Services and supplies	123,700	104,291	19,409	101,846
Capital outlay	-	-	-	28,447
	<u>487,787</u>	<u>487,467</u>	<u>320</u>	<u>513,261</u>
District attorney:				
Salaries	1,153,208	1,150,417	2,791	1,235,838
Benefits	503,910	442,459	61,451	455,343
Services and supplies	181,725	179,115	2,610	195,044
Capital outlay	-	-	-	48,397
	<u>1,838,843</u>	<u>1,771,991</u>	<u>66,852</u>	<u>1,934,622</u>
Court services:				
Salaries	103,000	99,256	3,744	47,224
Benefits	43,000	43,055	(55)	19,997
Services and supplies	6,900	6,887	13	11,578
	<u>152,900</u>	<u>149,198</u>	<u>3,702</u>	<u>78,799</u>
Total Judicial	<u>3,273,801</u>	<u>3,147,603</u>	<u>126,198</u>	<u>3,109,113</u>
Public safety:				
Sheriff:				
Salaries	3,074,924	2,778,393	296,531	2,848,370
Benefits	1,682,245	1,546,675	135,570	1,548,050
Services and supplies	693,075	667,729	25,346	598,542
Capital outlay	434,947	395,391	39,556	302,672
	<u>5,885,191</u>	<u>5,388,188</u>	<u>497,003</u>	<u>5,297,634</u>
Fire protection:				
Salaries	102,595	99,314	3,281	102,027
Benefits	180,475	163,794	16,681	169,030
Services and supplies	256,401	224,674	31,727	213,604
Capital outlay	25,000	14,482	10,518	17,473
	<u>564,471</u>	<u>502,264</u>	<u>62,207</u>	<u>502,134</u>
Emergency management				
Salaries	33,554	31,773	1,781	34,545
Benefits	8,958	8,410	548	9,187
Services and supplies	84,810	76,899	7,911	48,796
Capital outlay	-	-	-	7,979
	<u>127,322</u>	<u>117,082</u>	<u>10,240</u>	<u>100,507</u>

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Juvenile probation:				
Salaries	\$ 651,196	\$ 589,760	\$ 61,436	\$ 641,302
Benefits	283,488	259,563	23,925	256,293
Services and supplies	326,270	244,867	81,403	219,442
Capital outlay	-	6,377	(6,377)	-
	<u>1,260,954</u>	<u>1,100,567</u>	<u>160,387</u>	<u>1,117,037</u>
Juvenile Justice Center:				
Salaries	63,491	2,899	60,592	-
Benefits	26,287	929	25,358	-
Services and supplies	107,450	77,239	30,211	-
	<u>197,228</u>	<u>81,067</u>	<u>116,161</u>	<u>-</u>
Total Public Safety	<u>8,035,166</u>	<u>7,189,168</u>	<u>845,998</u>	<u>7,017,312</u>
Sanitation:				
Animal control and garbage disposal:				
Services and supplies	<u>78,000</u>	<u>70,962</u>	<u>7,038</u>	<u>73,676</u>
Health:				
City/County health:				
Services and supplies	<u>3,800</u>	<u>685</u>	<u>3,115</u>	<u>2,654</u>
Cemetery:				
Salaries	92,958	94,336	(1,378)	98,331
Benefits	39,668	38,244	1,424	37,296
Services and supplies	48,500	35,820	12,680	45,201
	<u>181,126</u>	<u>168,400</u>	<u>12,726</u>	<u>180,828</u>
Total Health	<u>184,926</u>	<u>169,085</u>	<u>15,841</u>	<u>183,482</u>
Culture and recreation:				
Museum:				
Salaries	257,261	199,069	58,192	247,001
Benefits	70,161	53,666	16,495	65,100
Services and supplies	30,000	27,359	2,641	30,304
	<u>357,422</u>	<u>280,094</u>	<u>77,328</u>	<u>342,405</u>
Total Culture and Recreation	<u>357,422</u>	<u>280,094</u>	<u>77,328</u>	<u>342,405</u>
Community support:				
Services and supplies	<u>256,500</u>	<u>241,223</u>	<u>15,277</u>	<u>229,766</u>
Intergovernmental:				
Payments to other governments	<u>518,765</u>	<u>402,863</u>	<u>115,902</u>	<u>414,848</u>
Total Expenditures	<u>18,243,041</u>	<u>16,320,816</u>	<u>1,922,225</u>	<u>16,571,877</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(2,788,248)</u>	<u>331,803</u>	<u>3,120,051</u>	<u>(1,118,126)</u>

CHURCHILL COUNTY, NEVADA
GENERAL FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OTHER FINANCING SOURCES (USES)				
Contingency	\$ (5,000)	\$ -	\$ 5,000	\$ -
Sale of capital and other assets	-	-	-	6,325
Transfers in:				
CC Communications - Telephone Fund	1,800,000	1,865,000	65,000	1,700,000
Social Services Fund	-	14,861	14,861	25,840
Stabilization of Operations Fund	300,000	-	(300,000)	-
Transfers out:				
Law Library Fund	-	(10,000)	(10,000)	-
Wastewater Fund	(192,100)	(300,000)	(107,900)	-
Total Other Financing Sources (Uses)	<u>1,902,900</u>	<u>1,569,861</u>	<u>(333,039)</u>	<u>1,732,165</u>
Net Change in Fund Balance	(885,348)	1,901,664	2,787,012	614,039
FUND BALANCE, July 1	<u>3,102,297</u>	<u>4,102,298</u>	<u>1,000,001</u>	<u>3,488,258</u>
FUND BALANCE, June 30	<u>\$ 2,216,949</u>	<u>\$ 6,003,962</u>	<u>\$ 3,787,013</u>	<u>\$ 4,102,297</u>

CHURCHILL COUNTY, NEVADA
RECONCILIATION OF GENERAL FUND (BUDGETARY BASIS) TO THE
GENERAL FUND (GAAP BASIS)
BALANCE SHEET
JUNE 30, 2011

	<u>General Fund (Budgetary Basis)</u>	<u>Internally Reported Funds</u>	<u>General Fund Total (GAAP Basis)</u>
ASSETS			
Cash and investments	\$ 6,934,415	\$ 2,129,976	\$ 9,064,391
Receivables:			
Property Taxes	162,706	-	162,706
Interest	3,123	1,002	4,125
Other	68,237	7,684	75,921
Due from other funds	-	52,450	52,450
Due from other governments	1,033,288	4,581	1,037,869
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u><u>\$ 8,201,769</u></u>	<u><u>\$ 2,195,693</u></u>	<u><u>\$ 10,397,462</u></u>
LIABILITIES			
Accounts payable	\$ 290,815	\$ -	\$ 290,815
Accrued liabilities	420,643	337	420,980
Accrued benefits	183,570	2,421	185,991
Due to other funds	53,441	-	53,441
Due to other governments	166,084	10,000	176,084
Customer deposits	3,285	-	3,285
Deferred revenues	1,079,969	-	1,079,969
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>2,197,807</u>	<u>12,758</u>	<u>2,210,565</u>
FUND BALANCES			
Committed	92,932	-	92,932
Assigned	1,765,863	2,182,935	3,948,798
Unassigned	4,145,167	-	4,145,167
	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>6,003,962</u>	<u>2,182,935</u>	<u>8,186,897</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u><u>\$ 8,201,769</u></u>	<u><u>\$ 2,195,693</u></u>	<u><u>\$ 10,397,462</u></u>

CHURCHILL COUNTY, NEVADA
INTERNALLY REPORTED (BUDGETARY BASIS) SPECIAL REVENUE FUNDS REPORTED
AS PART OF THE GENERAL FUND FOR EXTERNAL REPORTING PURPOSES
COMBINING BALANCE SHEET
JUNE 30, 2011

	Risk Management Fund	Compensated Absences Fund	Total
ASSETS			
Cash and investments	\$ 1,172,768	\$ 957,208	\$ 2,129,976
Receivables:			
Interest	568	434	1,002
Other	7,684	-	7,684
Due from other funds	-	52,450	52,450
Due from other governments	-	4,581	4,581
	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,181,020</u>	<u>\$ 1,014,673</u>	<u>\$ 2,195,693</u>
LIABILITIES			
Accrued liabilities	\$ -	\$ 337	\$ 337
Accrued benefits	-	2,421	2,421
Due to other governments	10,000	-	10,000
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>10,000</u>	<u>2,758</u>	<u>12,758</u>
FUND BALANCES			
Assigned	<u>1,171,020</u>	<u>1,011,915</u>	<u>2,182,935</u>
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 1,181,020</u>	<u>\$ 1,014,673</u>	<u>\$ 2,195,693</u>

CHURCHILL COUNTY, NEVADA
INTERNALLY REPORTED (BUDGETARY BASIS) SPECIAL REVENUE FUNDS REPORTED
AS PART OF THE GENERAL FUND FOR EXTERNAL REPORTING PURPOSES
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011

	Risk Management Fund	Compensated Absences Fund	Total
REVENUES			
Intergovernmental	\$ 75,000	\$ 224,000	\$ 299,000
Miscellaneous	12,398	58,366	70,764
Total Revenues	87,398	282,366	369,764
EXPENDITURES			
General government	85,265	382,296	467,561
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,133	(99,930)	(97,797)
OTHER FINANCING SOURCES (USES)			
Transfers out	(2,500,000)	(500,000)	(3,000,000)
Net Change in Fund Balances	(2,497,867)	(599,930)	(3,097,797)
FUND BALANCE, July 1	3,668,887	1,611,845	5,280,732
FUND BALANCE, June 30	\$ 1,171,020	\$ 1,011,915	\$ 2,182,935

CHURCHILL COUNTY, NEVADA
RISK MANAGEMENT FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 75,000	\$ 75,000	\$ -	\$ 75,000
Miscellaneous:				
Geothermal rents/royalties	-	-	-	377,319
Insurance reimbursement	10,000	-	(10,000)	4,838
Interest	15,175	12,398	(2,777)	21,738
	<u>25,175</u>	<u>12,398</u>	<u>(12,777)</u>	<u>403,895</u>
Total Revenues	<u>100,175</u>	<u>87,398</u>	<u>(12,777)</u>	<u>478,895</u>
EXPENDITURES				
General government:				
Services and supplies	150,000	85,265	64,735	153,742
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(49,825)</u>	<u>2,133</u>	<u>51,958</u>	<u>325,153</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Utility Fund	-	(1,250,000)	(1,250,000)	-
Wastewater Fund	-	(1,250,000)	(1,250,000)	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,500,000)</u>	<u>(2,500,000)</u>	<u>-</u>
Net Change in Fund Balance	(49,825)	(2,497,867)	(2,448,042)	325,153
FUND BALANCE, July 1	<u>3,278,734</u>	<u>3,668,887</u>	<u>390,153</u>	<u>3,343,734</u>
FUND BALANCE, June 30	<u><u>\$ 3,228,909</u></u>	<u><u>\$ 1,171,020</u></u>	<u><u>\$ (2,057,889)</u></u>	<u><u>\$ 3,668,887</u></u>

CHURCHILL COUNTY, NEVADA
COMPENSATED ABSENCES FUND (BUDGETARY BASIS)
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 275,000	\$ 200,000	\$ (75,000)	\$ 125,000
Consolidated intergovernmental taxes	24,000	24,000	-	48,000
	<u>299,000</u>	<u>224,000</u>	<u>(75,000)</u>	<u>173,000</u>
Miscellaneous:				
Geothermal rents/royalties	-	-	-	100,000
Interest	12,500	5,916	(6,584)	9,608
Miscellaneous	-	52,450	52,450	49,650
	<u>12,500</u>	<u>58,366</u>	<u>45,866</u>	<u>159,258</u>
Total Revenues	<u>311,500</u>	<u>282,366</u>	<u>(29,134)</u>	<u>332,258</u>
EXPENDITURES				
General government:				
Benefits	306,000	282,248	23,752	197,151
Services and supplies	175,000	100,048	74,952	77,791
Total Expenditures	<u>481,000</u>	<u>382,296</u>	<u>98,704</u>	<u>274,942</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(169,500)</u>	<u>(99,930)</u>	<u>69,570</u>	<u>57,316</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
County Debt Service	-	(500,000)	(500,000)	-
Net Change in Fund Balance	(169,500)	(599,930)	(430,430)	57,316
FUND BALANCE, July 1	<u>1,482,530</u>	<u>1,611,845</u>	<u>129,315</u>	<u>1,554,529</u>
FUND BALANCE, June 30	<u><u>\$ 1,313,030</u></u>	<u><u>\$ 1,011,915</u></u>	<u><u>\$ (301,115)</u></u>	<u><u>\$ 1,611,845</u></u>

CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - INFRASTRUCTURE TAX FUND
BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	2011	2010
ASSETS		
Cash and investments	\$ 297,444	\$ 783,520
Receivables:		
Interest	125	372
Other	-	-
Due from other governments	94,183	68,756
Total Assets	\$ 391,752	\$ 852,648
 FUND BALANCES		
Restricted	\$ 391,752	\$ 852,648
Total Liabilities and Fund Balances	\$ 391,752	\$ 852,648

CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - INFRASTRUCTURE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Optional county sales tax (\$.0025)	\$ 545,125	\$ 551,370	\$ 6,245	\$ 525,193
Miscellaneous:				
Interest	4,250	2,255	(1,995)	5,280
Total Revenues	<u>549,375</u>	<u>553,625</u>	<u>4,250</u>	<u>530,473</u>
EXPENDITURES				
General government:				
Infrastructure development:				
Services and supplies	10,000	-	10,000	-
Capital outlay	3,565,199	3,404,773	160,426	3,042,796
Total Expenditures	<u>3,575,199</u>	<u>3,404,773</u>	<u>170,426</u>	<u>3,042,796</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,025,824)</u>	<u>(2,851,148)</u>	<u>174,676</u>	<u>(2,512,323)</u>
OTHER FINANCING SOURCES (USES)				
Sales of capital and other assets	2,515,252	2,515,252	-	2,273,590
Transfers out:				
Waste Water Enterprise Fund	(125,000)	(125,000)	-	(255,702)
Total Other Financing Sources (Uses)	<u>2,390,252</u>	<u>2,390,252</u>	<u>-</u>	<u>2,017,888</u>
Net Change in Fund Balance	(635,572)	(460,896)	174,676	(494,435)
FUND BALANCE, July 1	<u>852,648</u>	<u>852,648</u>	<u>-</u>	<u>1,347,083</u>
FUND BALANCE, June 30	<u><u>\$ 217,076</u></u>	<u><u>\$ 391,752</u></u>	<u><u>\$ 174,676</u></u>	<u><u>\$ 852,648</u></u>

CHURCHILL COUNTY, NEVADA
MAJOR CAPITAL PROJECT FUND - BUILDING RESERVE FUND
BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	2011	2010
ASSETS		
Cash and investments	\$ 439,485	\$ 1,794,976
Receivables:		
Interest	150	890
Other	60,650	-
Due from other governments	417,477	381,319
Total Assets	\$ 917,762	\$ 2,177,185
LIABILITIES		
Accounts payable	\$ 56,695	\$ 333,509
FUND BALANCES		
Assigned	861,067	1,843,676
Total Liabilities and Fund Balances	\$ 917,762	\$ 2,177,185

CHURCHILL COUNTY, NEVADA
MAJOR CAPITAL PROJECT FUND - BUILDING RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 24,000	\$ 24,000	\$ -	\$ 224,000
Consolidated intergovernmental taxes	24,000	335,500	311,500	24,000
Capital Grants	-	-	-	104,900
	<u>48,000</u>	<u>359,500</u>	<u>311,500</u>	<u>352,900</u>
Miscellaneous:				
Solar Generation Rebate	-	624,470	624,470	-
Geothermal rents/royalties	400,000	400,000	-	1,433,158
Interest	12,500	2,832	(9,668)	14,388
	<u>412,500</u>	<u>1,027,302</u>	<u>614,802</u>	<u>1,447,546</u>
 Total Revenues	 <u>460,500</u>	 <u>1,386,802</u>	 <u>926,302</u>	 <u>1,800,446</u>
EXPENDITURES				
General government:				
Capital outlay	4,025,000	3,194,411	830,589	2,107,806
Intergovernmental:				
City of Fallon	-	-	-	250,000
	<u>4,025,000</u>	<u>3,194,411</u>	<u>830,589</u>	<u>2,357,806</u>
 Total Expenditures	 <u>4,025,000</u>	 <u>3,194,411</u>	 <u>830,589</u>	 <u>2,357,806</u>
 Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(3,564,500)</u>	<u>(1,807,609)</u>	<u>1,756,891</u>	<u>(557,360)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Special Ad Valorem Capital Projects Fund	1,000,000	1,250,000	250,000	-
Transfers out:				
Utility Enterprise Fund	-	(425,000)	(425,000)	-
	<u>1,000,000</u>	<u>825,000</u>	<u>(175,000)</u>	<u>-</u>
 Total Other Financing Sources (Uses)	 <u>1,000,000</u>	 <u>825,000</u>	 <u>(175,000)</u>	 <u>-</u>
 Net Change in Fund Balance	 (2,564,500)	 (982,609)	 1,581,891	 (557,360)
 FUND BALANCE, July 1	 <u>2,090,838</u>	 <u>1,843,676</u>	 <u>(247,162)</u>	 <u>2,401,036</u>
 FUND BALANCE, June 30	 <u><u>\$ (473,662)</u></u>	 <u><u>\$ 861,067</u></u>	 <u><u>\$ 1,334,729</u></u>	 <u><u>\$ 1,843,676</u></u>

CHURCHILL COUNTY, NEVADA
NONMAJOR GOVERNMENT FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR DEBT SERVICE FUND	NONMAJOR CAPITAL PROJECTS FUNDS	TOTALS	
				2011	2010
ASSETS					
Cash and investments	\$ 14,356,547	\$ -	\$ 1,591,310	\$ 15,947,857	\$ 17,342,522
Receivables:					
Property taxes	56,691	-	15,502	72,193	111,375
Interest	6,947	-	790	7,737	146,754
Other	23,652	-	-	23,652	28,807
Notes	162,639	-	-	162,639	991,356
Due from other funds	240,921	-	-	240,921	203,175
Due from other governments	867,007	-	12,366	879,373	1,683,186
	<u>867,007</u>	<u>-</u>	<u>12,366</u>	<u>879,373</u>	<u>1,683,186</u>
Total Assets	<u><u>\$ 15,714,404</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,619,968</u></u>	<u><u>\$ 17,334,372</u></u>	<u><u>\$ 20,507,175</u></u>
LIABILITIES					
Accounts payable	\$ 175,706	\$ -	\$ 26,589	\$ 202,295	\$ 172,578
Accrued salaries	113,004	-	-	113,004	104,848
Accrued benefits	35,058	-	-	35,058	34,250
Deferred revenue	52,460	-	13,418	65,878	106,450
Due to other funds	222,233	-	17,697	239,930	291,108
Due to other governments	183,110	-	4,648	187,758	137,752
Customer deposits	5,088	-	-	5,088	5,163
	<u>5,088</u>	<u>-</u>	<u>-</u>	<u>5,088</u>	<u>5,163</u>
Total Liabilities	<u>786,659</u>	<u>-</u>	<u>62,352</u>	<u>849,011</u>	<u>852,149</u>
FUND BALANCES					
Non-Spendable	162,639	-	-	162,639	569,188
Restricted	4,773,034	-	1,076,989	5,850,023	7,053,154
Committed	5,659,038	-	-	5,659,038	5,614,522
Assigned	4,333,569	-	480,627	4,814,196	6,418,162
Unassigned	(535)	-	-	(535)	-
	<u>(535)</u>	<u>-</u>	<u>-</u>	<u>(535)</u>	<u>-</u>
Total Fund Balances	<u>14,927,745</u>	<u>-</u>	<u>1,557,616</u>	<u>16,485,361</u>	<u>19,655,026</u>
	<u><u>\$ 15,714,404</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,619,968</u></u>	<u><u>\$ 17,334,372</u></u>	<u><u>\$ 20,507,175</u></u>

CHURCHILL COUNTY, NEVADA
NONMAJOR GOVERNMENT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR DEBT SERVICE FUND	NONMAJOR CAPITAL PROJECTS FUNDS	TOTALS	
				2011	2010
REVENUES					
Taxes	\$ 2,268,435	\$ -	\$ 622,537	\$ 2,890,972	\$ 2,920,833
Licenses and permits	150	-	-	150	9,150
Intergovernmental	4,539,639	-	24,186	4,563,825	4,679,904
Charges for services	362,274	-	-	362,274	398,215
Miscellaneous	809,528	2,038	65,187	876,753	1,544,707
Total Revenues	<u>7,980,026</u>	<u>2,038</u>	<u>711,910</u>	<u>8,693,974</u>	<u>9,552,809</u>
EXPENDITURES					
Current:					
General government	1,109,050	-	87,796	1,196,846	956,991
Judicial	81,438	-	-	81,438	98,561
Public safety	17,457	-	228,056	245,513	20,150
Public works	2,373,007	-	-	2,373,007	2,513,589
Health	320	-	-	320	4,653
Welfare	1,481,706	-	-	1,481,706	1,663,124
Culture and recreation	1,665,332	-	-	1,665,332	1,766,186
Community support	400,154	-	-	400,154	408,516
Intergovernmental	507,185	-	89,607	596,792	428,405
Debt service:					
Principal	-	1,537,701	-	1,537,701	345,468
Interest	-	41,460	-	41,460	70,054
Total Expenditures	<u>7,635,649</u>	<u>1,579,161</u>	<u>405,459</u>	<u>9,620,269</u>	<u>8,275,697</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	<u>344,377</u>	<u>(1,577,123)</u>	<u>306,451</u>	<u>(926,295)</u>	<u>1,277,112</u>
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	-	-	-	175,835
Transfers in	1,429,796	740,170	40,000	2,209,966	1,840,241
Transfers out	(1,330,754)	-	(2,750,000)	(4,080,754)	(1,547,442)
Total Other Financing Sources (Uses)	<u>99,042</u>	<u>740,170</u>	<u>(2,710,000)</u>	<u>(1,870,788)</u>	<u>468,634</u>
Net Change in Fund Balance	<u>443,419</u>	<u>(836,953)</u>	<u>(2,403,549)</u>	<u>(2,797,083)</u>	<u>1,745,746</u>
FUND BALANCE, July 1 at July 1 as originally reported	14,856,908	836,953	3,961,165	19,655,026	17,909,280
Prior Period Adjustment	<u>(372,582)</u>	<u>-</u>	<u>-</u>	<u>(372,582)</u>	<u>-</u>
FUND BALANCE, July 1 at July 1 as restated	<u>14,484,326</u>	<u>836,953</u>	<u>3,961,165</u>	<u>19,282,444</u>	<u>17,909,280</u>
FUND BALANCE, June 30	<u>\$ 14,927,745</u>	<u>\$ -</u>	<u>\$ 1,557,616</u>	<u>\$ 16,485,361</u>	<u>\$ 19,655,026</u>

**CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2011

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

(Page 1 of 3)

	Stabilization of Operations Fund	Road Fund	Social Services Fund	Cooperative Extension Fund	Public Library Fund	Parks and Recreation Fund	Cemetery Beautification Fund	Indigent Donations and Gifts Fund	Law Library Fund	Regional Transportation Fund
ASSETS										
Cash and investments	\$ 1,569,021	\$ 1,536,682	\$ 1,900,459	\$ 334,191	\$ 1,079,896	\$ 913,482	\$ 33,805	\$ 51,243	\$ 138,974	\$ 1,136,596
Receivables:										
Property taxes	-	-	14,850	4,424	16,596	-	-	-	-	-
Interest	784	715	938	169	533	389	17	26	70	572
Other	-	20,443	270	-	239	2,050	-	-	-	-
Notes	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	229,883	297	-	-	-	-	-	-	-
Due from other governments	-	250,212	194,789	-	-	33,333	-	-	-	153,205
Total Assets	\$ 1,569,805	\$ 2,037,935	\$ 2,111,603	\$ 338,784	\$ 1,097,264	\$ 949,254	\$ 33,822	\$ 51,269	\$ 139,044	\$ 1,290,373
LIABILITIES										
Accounts payable	\$ -	\$ 4,715	\$ 83,095	\$ 10,126	\$ 11,482	\$ 15,585	\$ -	\$ 380	\$ 2,083	\$ -
Accrued salaries	-	43,160	9,416	2,932	14,689	37,813	-	-	-	-
Accrued benefits	-	14,683	3,000	911	5,116	9,673	-	82	-	-
Deferred revenue	-	-	12,735	3,798	14,250	3,979	-	-	-	-
Due to other funds	-	5,000	1,000	250	1,750	1,750	-	-	-	97,354
Due to other governments	-	1,275	9,815	8,802	2,087	3,471	-	-	-	60,000
Customer deposit	-	1,933	-	-	-	3,155	-	-	-	-
Total Liabilities	-	70,766	119,061	26,819	49,374	75,426	-	462	2,083	157,354
FUND BALANCES										
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	113,911	-	-	-	-	-	1,133,019
Committed	1,569,805	1,410,949	1,525,462	38,554	66,889	-	-	-	-	-
Assigned	-	556,220	467,080	159,500	981,001	873,828	33,822	50,807	136,961	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total Fund Balances	1,569,805	1,967,169	1,992,542	311,965	1,047,890	873,828	33,822	50,807	136,961	1,133,019
Total Liabilities and Fund Balances	\$ 1,569,805	\$ 2,037,935	\$ 2,111,603	\$ 338,784	\$ 1,097,264	\$ 949,254	\$ 33,822	\$ 51,269	\$ 139,044	\$ 1,290,373

**CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)
(Page 2 of 3)

	Library Gift Fund	Water Resource Fund	Unemployment Compensation Fund	Forfeitures/Seized Assets Fund	Graffiti Reward and Abatement Fund	Administrative Assessment Fund	Recreation Donation Fund	Indigent Hospital Care Fund	Indigent Medical Care Fund
ASSETS									
Cash and investments	\$ 545,553	\$ 322,969	\$ 400,436	\$ 88,010	\$ 63,182	\$ 19,655	\$ 79,798	\$ 16,051	\$ 1,739,355
Receivables:									
Property taxes	-	-	-	-	-	-	-	2,808	17,823
Interest	272	96	202	47	31	-	40	-	864
Other	-	-	-	-	650	-	-	-	-
Notes	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	129,979	-	-	-	-	-	-	-
Total Assets	\$ 545,825	\$ 453,044	\$ 400,638	\$ 88,057	\$ 63,863	\$ 19,655	\$ 79,838	\$ 18,859	\$ 1,758,042
LIABILITIES									
Accounts payable	\$ -	\$ 36,681	\$ -	\$ -	\$ 1,013	\$ -	\$ -	\$ 929	\$ 7,168
Accrued salaries	-	4,994	-	-	-	-	-	-	-
Accrued benefits	-	1,593	-	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-	2,414	15,284
Due to other funds	-	-	-	-	-	-	-	-	297
Due to other governments	-	3,372	4,455	-	-	-	-	16,051	58,782
Customer deposit	-	-	-	-	-	-	-	-	-
Total Liabilities	-	46,640	4,455	-	1,013	-	-	19,394	81,531
FUND BALANCES									
Non-Spendable	-	-	-	-	-	-	-	-	-
Restricted	198,115	-	-	88,057	15,759	19,655	57,283	-	1,676,511
Committed	75,947	-	-	-	47,091	-	22,555	-	-
Assigned	271,763	406,404	396,183	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-	(535)	-
Total Fund Balances	545,825	406,404	396,183	88,057	62,850	19,655	79,838	(535)	1,676,511
Total Liabilities and Fund Balances	\$ 545,825	\$ 453,044	\$ 400,638	\$ 88,057	\$ 63,863	\$ 19,655	\$ 79,838	\$ 18,859	\$ 1,758,042

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)
(Page 3 of 3)

	Public Transit Fund	Senior Citizens Ad Valorem Levy Fund	One Cent Fuel Excise Tax Fund	Fairgrounds Sale Proceeds Fund	Technology Fee Fund	Road Impact Fee Fund	Residential Construction Tax Fund	2011	2010
ASSETS									
Cash and investments	\$ 739,659	\$ 137	\$ 127,581	\$ 338,103	\$ 482,826	\$ 444,724	\$ 254,159	\$ 14,356,547	\$ 12,548,183
Receivables:									
Property taxes	-	55	-	-	135	-	-	56,691	91,906
Interest	363	-	62	169	239	222	127	6,947	144,618
Other	-	-	-	-	-	-	-	23,652	28,807
Notes	-	-	-	162,639	-	-	-	162,639	991,356
Due from other funds	-	-	-	-	10,741	-	-	240,921	203,175
Due from other governments	94,185	-	11,304	-	-	-	-	867,007	1,675,184
	<u>\$ 834,207</u>	<u>\$ 192</u>	<u>\$ 138,947</u>	<u>\$ 500,911</u>	<u>\$ 493,941</u>	<u>\$ 444,946</u>	<u>\$ 254,286</u>	<u>\$ 15,714,404</u>	<u>\$ 15,683,229</u>
Total Assets									
	\$ 222	\$ 137	\$ 320	\$ -	\$ -	\$ -	\$ 1,770	\$ 175,706	\$ 172,578
LIABILITIES									
Accounts payable	-	-	-	-	-	-	-	113,004	104,848
Accrued salaries	-	-	-	-	-	-	-	35,058	34,250
Accrued benefits	-	-	-	-	-	-	-	52,460	88,394
Deferred revenue	-	-	-	-	-	-	-	222,233	291,108
Due to other funds	114,832	-	-	-	-	-	-	183,110	129,980
Due to other governments	15,000	-	-	-	-	-	-	5,088	-
Customer deposit	-	-	-	-	-	-	-	-	-
	<u>130,054</u>	<u>137</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,770</u>	<u>786,659</u>	<u>826,321</u>
Total Liabilities									
	-	-	-	162,639	-	-	-	162,639	569,188
FUND BALANCES									
Non-Spendable	-	-	-	-	-	-	-	4,773,034	4,185,251
Restricted	304,654	55	93,914	-	456,270	397,899	217,932	5,659,038	5,614,522
Committed	399,499	-	44,713	338,272	37,671	47,047	34,584	4,333,569	4,487,947
Assigned	-	-	-	-	-	-	-	(535)	-
Unassigned	-	-	-	-	-	-	-	-	-
	<u>704,153</u>	<u>55</u>	<u>138,627</u>	<u>500,911</u>	<u>493,941</u>	<u>444,946</u>	<u>252,516</u>	<u>14,927,745</u>	<u>14,856,908</u>
Total Fund Balances									
	<u>\$ 834,207</u>	<u>\$ 192</u>	<u>\$ 138,947</u>	<u>\$ 500,911</u>	<u>\$ 493,941</u>	<u>\$ 444,946</u>	<u>\$ 254,286</u>	<u>\$ 15,714,404</u>	<u>\$ 15,683,229</u>
Total Liabilities and Fund Balances									

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)
(Page 1 of 3)

	Stabilization of Operations Fund	Road Fund	Social Services Fund	Cooperative Extension Fund	Public Library Fund	Parks and Recreation Fund	Cemetery Beautification Fund	Indigent Donations and Gifts Fund	Law Library Fund	Regional Transportation Fund
REVENUES										
Taxes	\$ -	\$ -	\$ 591,995	\$ 156,688	\$ 651,462	\$ 4,336	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	150	-	-	-	-	-	-	-	-
Intergovernmental	-	1,142,670	894,127	75	46,173	450,000	-	-	-	911,943
Charges for services	-	-	-	-	-	289,956	-	-	10,830	-
Miscellaneous	7,350	342,770	62,976	1,517	14,007	12,630	161	16,340	666	4,396
Total Revenues	7,350	1,485,590	1,549,098	158,280	711,642	756,922	161	16,340	11,496	916,339
EXPENDITURES										
General government	-	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	36,783	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	2,336,383	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	320	-	-	-
Welfare	-	-	1,346,525	-	-	-	-	18,712	-	-
Culture and recreation	-	-	-	-	540,293	1,104,340	-	-	-	-
Community support	-	-	-	152,802	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	261,185
Total Expenditures	-	2,336,383	1,346,525	152,802	540,293	1,104,340	320	18,712	36,783	261,185
Excess (Deficiency) of Revenues Over (Under) Expenditures	7,350	(850,793)	202,573	5,478	171,349	(347,418)	(159)	(2,372)	(25,287)	655,154
OTHER FINANCING SOURCES (USES)										
Sale of capital and other asset	-	-	-	-	-	-	-	-	-	-
Transfers in	-	985,723	50,000	-	-	384,073	-	-	10,000	-
Transfers out	-	-	(14,861)	-	-	-	-	-	-	(488,903)
Total Other Financing Sources (Uses)	-	985,723	35,139	-	-	384,073	-	-	10,000	(488,903)
Net Change in Fund Balance	7,350	134,930	237,712	5,478	171,349	36,655	(159)	(2,372)	(15,287)	166,251
FUND BALANCE at July 1 as originally reported	1,562,455	1,832,239	1,754,830	306,487	876,541	837,173	33,981	53,179	152,248	966,768
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
FUND BALANCE at July 1 as restated	1,562,455	1,832,239	1,754,830	306,487	876,541	837,173	33,981	53,179	152,248	966,768
FUND BALANCE, June 30	\$ 1,569,805	\$ 1,967,169	\$ 1,992,542	\$ 311,965	\$ 1,047,890	\$ 873,828	\$ 33,822	\$ 50,807	\$ 136,961	\$ 1,133,019

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)
(Page 2 of 3)

	Library Gift Fund	Water Resource Fund	Unemployment Compensation Fund	Forfeitures/ Seized Assets Fund	Graffiti Reward and Abatement Fund	Administrative Assessment Fund	Recreation Donation Fund	Indigent Hospital Care Fund	Indigent Medical Care Fund
REVENUES									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,631	\$ 745,535
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	475,487	-	-	-	-	-	35	232
Charges for services	-	8,052	-	-	6,284	47,152	-	-	-
Miscellaneous	3,864	72,500	1,952	1,221	44,720	-	14,035	-	6,857
Total Revenues	3,864	556,039	1,952	1,221	51,004	47,152	14,035	115,666	752,624
EXPENDITURES									
General government	-	1,032,864	25,850	-	-	-	-	-	-
Judicial	-	-	-	-	44,655	-	-	-	-
Public safety	-	-	-	17,457	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	116,469	-
Culture and recreation	-	-	-	-	-	-	7,893	-	-
Community support	-	-	-	-	-	-	-	-	239,180
Intergovernmental	-	-	-	-	-	-	-	-	-
Total Expenditures	-	1,032,864	25,850	17,457	44,655	-	7,893	116,469	239,180
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,864	(476,825)	(23,898)	(16,236)	6,349	47,152	6,142	(803)	513,444
OTHER FINANCING SOURCES (USES)									
Sale of capital and other asset	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	(10,365)	-	-	-	(40,000)	-	-	(50,000)
Total Other Financing Sources (Uses)	-	(10,365)	-	-	-	(40,000)	-	-	(50,000)
Net Change in Fund Balance	3,864	(487,190)	(23,898)	(16,236)	6,349	7,152	6,142	(803)	463,444
FUND BALANCE at July 1 as originally reported	541,961	1,266,176	420,081	104,293	56,501	12,503	73,696	268	1,213,067
Prior Period Adjustment	-	(372,582)	-	-	-	-	-	-	-
FUND BALANCE at July 1 as restated	541,961	893,594	420,081	104,293	56,501	12,503	73,696	268	1,213,067
FUND BALANCE, June 30	\$ 545,825	\$ 406,404	\$ 396,183	\$ 88,057	\$ 62,850	\$ 19,655	\$ 79,838	\$ (535)	\$ 1,676,511

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)
(Page 3 of 3)

	Public Transit Fund	Senior Citizens AD Valorem Levy Fund	One Cent Fuel Excise Tax Fund	Fairgrounds Sale Proceeds Fund	Hospital Support Fund	Technology Fee Fund	Road Impact Fee Fund	Residential Construction Tax Fund	2011	2010
REVENUES										
Taxes	\$ -	\$ 2,788	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,268,435	\$ 2,315,820
Licenses and permits	-	-	-	-	-	-	-	-	150	9,150
Intergovernmental	551,611	-	67,286	-	-	-	-	-	4,539,639	4,538,174
Charges for services	-	-	-	-	-	-	-	-	362,274	398,215
Miscellaneous	3,560	-	499	11,700	-	182,515	2,083	1,209	809,528	1,268,013
Total Revenues	555,171	2,788	67,785	11,700	-	182,515	2,083	1,209	7,980,026	8,529,372
EXPENDITURES										
General government	-	-	-	-	-	50,336	-	-	1,109,050	897,226
Judicial	-	-	-	-	-	-	-	-	81,438	98,561
Public safety	-	-	-	-	-	-	-	-	17,457	20,150
Public works	3,579	-	33,045	-	-	-	-	-	2,373,007	2,513,589
Health	-	-	-	-	-	-	-	-	320	4,653
Welfare	-	-	-	-	-	-	-	-	1,481,706	1,663,124
Culture and recreation	-	-	-	-	-	-	-	12,806	1,665,332	1,766,186
Community support	-	2,779	-	-	5,393	-	-	-	400,154	408,516
Intergovernmental	246,000	-	-	-	-	-	-	-	507,185	341,081
Total Expenditures	249,579	2,779	33,045	-	5,393	50,336	-	12,806	7,635,649	7,713,086
Excess (Deficiency) of Revenues Over (Under) Expenditures	305,592	9	34,740	11,700	(5,393)	132,179	2,083	(11,597)	344,377	816,286
OTHER FINANCING SOURCES (USES)										
Sale of capital and other asset	-	-	-	-	-	-	-	-	-	175,835
Transfers in	-	-	-	-	-	-	-	-	1,429,796	1,375,083
Transfers out	(496,820)	-	-	(229,805)	-	-	-	-	(1,330,754)	(1,547,442)
Total Other Financing Sources (Uses)	(496,820)	-	-	(229,805)	-	-	-	-	99,042	3,476
Net Change in Fund Balance	(191,228)	9	34,740	(218,105)	(5,393)	132,179	2,083	(11,597)	443,419	819,762
FUND BALANCE at July 1 as originally reported	895,381	46	103,887	719,016	5,393	361,762	442,863	264,113	14,856,908	14,037,146
Prior Period Adjustment	-	-	-	-	-	-	-	-	(372,582)	-
FUND BALANCE at July 1 as restated	895,381	46	103,887	719,016	5,393	361,762	442,863	264,113	14,484,326	14,037,146
FUND BALANCE, June 30	\$ 704,153	\$ 55	\$ 138,627	\$ 500,911	\$ -	\$ 493,941	\$ 444,946	\$ 252,516	\$ 14,927,745	\$ 14,856,908

**CHURCHILL COUNTY, NEVADA
STABILIZATION OF OPERATIONS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Interest	\$ 7,000	\$ 7,350	\$ 350	\$ 10,204
Geothermal rents/royalties	-	-	-	3,424
 Total Revenues	<u>7,000</u>	<u>7,350</u>	<u>350</u>	<u>13,628</u>
 OTHER FINANCING SOURCES (USES)				
 Transfers out	<u>(300,000)</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
 Net Change in Fund Balance	(293,000)	7,350	300,350	13,628
 FUND BALANCE, July 1	<u>1,573,826</u>	<u>1,562,455</u>	<u>(11,371)</u>	<u>1,548,827</u>
 FUND BALANCE, June 30	<u><u>\$ 1,280,826</u></u>	<u><u>\$ 1,569,805</u></u>	<u><u>\$ 288,979</u></u>	<u><u>\$ 1,562,455</u></u>

CHURCHILL COUNTY, NEVADA
ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Licenses and permits:				
Licenses and permits	\$ 500	\$ 150	\$ (350)	\$ 250
Intergovernmental:				
Federal in lieu of taxes	200,000	100,000	(100,000)	-
Motor vehicle fuel tax (\$.0125)	345,576	345,581	5	345,581
Motor vehicle fuel tax (\$.0175)	95,639	130,697	35,058	110,887
Motor vehicle fuel tax (\$.0360)	570,320	566,392	(3,928)	560,881
	<u>1,211,535</u>	<u>1,142,670</u>	<u>(68,865)</u>	<u>1,017,349</u>
Miscellaneous:				
Interest	6,750	6,571	(179)	9,294
Miscellaneous	1,000	38,047	37,047	9,166
Inspection fess	1,000	-	(1,000)	-
Geothermal rents and royalties	-	68,167	68,167	250,000
Meter fees	1,500	-	(1,500)	3,045
Water construction	4,000	7,333	3,333	4,479
Equipment rental	500	-	(500)	-
Fuel reimbursements	197,500	222,652	25,152	195,994
	<u>212,250</u>	<u>342,770</u>	<u>130,520</u>	<u>471,978</u>
Total Revenues	<u>1,424,285</u>	<u>1,485,590</u>	<u>61,305</u>	<u>1,489,577</u>
EXPENDITURES				
Public works:				
Highways and streets:				
Salaries	793,542	783,859	9,683	779,587
Benefits	344,538	322,701	21,837	310,560
Services and supplies	1,340,700	1,211,743	128,957	1,143,535
Capital outlay	280,000	18,080	261,920	194,261
Total Expenditures	<u>2,758,780</u>	<u>2,336,383</u>	<u>422,397</u>	<u>2,427,943</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,334,495)</u>	<u>(850,793)</u>	<u>483,702</u>	<u>(938,366)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Regional Street and Highway Fund	400,000	488,903	88,903	371,816
Public Transit Fund	500,000	496,820	(3,180)	527,865
Total Other Financing Sources	<u>900,000</u>	<u>985,723</u>	<u>85,723</u>	<u>899,681</u>
Net Change in Fund Balances	(434,495)	134,930	569,425	(38,685)
FUND BALANCE , July 1	<u>1,494,130</u>	<u>1,832,239</u>	<u>338,109</u>	<u>1,870,924</u>
FUND BALANCE, June 30	<u>\$ 1,059,635</u>	<u>\$ 1,967,169</u>	<u>\$ 907,534</u>	<u>\$ 1,832,239</u>

CHURCHILL COUNTY, NEVADA
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

(Page 1 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 484,049	\$ 591,995	\$ 107,946	\$ 603,919
Intergovernmental:				
Social Security reimbursements	10,000	12,660	2,660	13,046
Private car tax	-	227	227	244
City utility assistance	15,000	-	(15,000)	25,000
Consolidated intergovernmental taxes	60,000	60,000	-	80,000
Grants-in-aid:				
Federal	300,000	778,453	478,453	990,839
State	18,000	42,787	24,787	35,509
	<u>403,000</u>	<u>894,127</u>	<u>491,127</u>	<u>1,144,638</u>
Miscellaneous:				
Welfare reimbursements	-	4,970	4,970	848
Geothermal rents/royalties	50,000	50,000	-	50,000
Miscellaneous	-	-	-	1,816
Interest	5,000	8,006	3,006	8,138
	<u>55,000</u>	<u>62,976</u>	<u>7,976</u>	<u>60,802</u>
Total Revenues	<u>942,049</u>	<u>1,549,098</u>	<u>607,049</u>	<u>1,809,359</u>
EXPENDITURES				
Welfare:				
Grant assistance:				
Services and supplies	953,166	752,372	200,794	939,864
Assistance in cash or goods:				
Services and supplies	39,500	21,954	17,546	26,568
Medical assistance-direct:				
Services and supplies	119,251	119,251	-	114,116
Welfare operations:				
Salaries	191,362	149,141	42,221	156,160
Benefits	93,781	60,697	33,084	59,478
Services and supplies	17,605	12,386	5,219	16,009
Capital outlay	-	-	-	4,500
	<u>302,748</u>	<u>222,224</u>	<u>80,524</u>	<u>236,147</u>

CHURCHILL COUNTY, NEVADA
SOCIAL SERVICES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Public health nurse:				
Services and supplies	\$ 110,524	\$ 110,524	\$ -	\$ 110,524
Transitional housing:				
Salaries	43,099	43,437	(338)	42,667
Benefits	20,326	19,498	828	18,837
Services and supplies	50,000	49,215	785	44,157
	<u>113,425</u>	<u>112,150</u>	<u>1,275</u>	<u>105,661</u>
Public Guardian:				
Services and supplies	15,000	8,050	6,950	8,065
	<u>1,653,614</u>	<u>1,346,525</u>	<u>307,089</u>	<u>1,540,945</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(711,565)</u>	<u>202,573</u>	<u>914,138</u>	<u>268,414</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Indigent Medical Care Fund	50,000	50,000	-	125,000
Transfer out:				
General fund	-	(14,861)	(14,861)	(25,840)
Total Other Financing Sources (Uses)	<u>50,000</u>	<u>35,139</u>	<u>(14,861)</u>	<u>99,160</u>
Net Change in Fund Balance	(661,565)	237,712	899,277	367,574
FUND BALANCE, July 1	<u>1,561,393</u>	<u>1,754,830</u>	<u>193,437</u>	<u>1,387,256</u>
FUND BALANCE, June 30	<u><u>\$ 899,828</u></u>	<u><u>\$ 1,992,542</u></u>	<u><u>\$ 1,092,714</u></u>	<u><u>\$ 1,754,830</u></u>

**CHURCHILL COUNTY, NEVADA
COOPERATIVE EXTENSION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 126,648	\$ 156,688	\$ 30,040	\$ 237,940
Intergovernmental:				
Federal payments in lieu of taxes	-	-	-	8,000
Private car tax	-	75	75	81
	-	75	75	8,081
Miscellaneous:				
Interest	1,250	1,517	267	1,741
Total Revenues	<u>127,898</u>	<u>158,280</u>	<u>30,382</u>	<u>247,762</u>
EXPENDITURES				
Community support:				
Salaries	50,818	50,365	453	51,486
Benefits	21,555	20,242	1,313	19,744
Services and supplies	87,780	82,195	5,585	86,151
Total Expenditures	<u>160,153</u>	<u>152,802</u>	<u>7,351</u>	<u>157,381</u>
Net Change in Fund Balance	(32,255)	5,478	37,733	90,381
FUND BALANCE, July 1	<u>262,924</u>	<u>306,487</u>	<u>43,563</u>	<u>216,106</u>
FUND BALANCE, June 30	<u><u>\$ 230,669</u></u>	<u><u>\$ 311,965</u></u>	<u><u>\$ 81,296</u></u>	<u><u>\$ 306,487</u></u>

CHURCHILL COUNTY, NEVADA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 532,544	\$ 651,462	\$ 118,918	\$ 713,922
Intergovernmental:				
Federal payments in lieu of taxes	40,000	40,000	-	40,000
Private car tax	-	242	242	259
Grants-in-aid:				
State	-	5,931	5,931	5,886
	<u>40,000</u>	<u>46,173</u>	<u>6,173</u>	<u>46,145</u>
Miscellaneous:				
Sales and rentals	8,000	9,552	1,552	10,086
Interest	6,125	4,455	(1,670)	4,956
	<u>14,125</u>	<u>14,007</u>	<u>(118)</u>	<u>15,042</u>
Total Revenues	<u>586,669</u>	<u>711,642</u>	<u>124,973</u>	<u>775,109</u>
EXPENDITURES				
Culture and recreation:				
Salaries	296,783	295,257	1,526	300,690
Benefits	121,458	113,686	7,772	111,942
Services and supplies	154,370	131,350	23,020	137,021
Total Expenditures	<u>572,611</u>	<u>540,293</u>	<u>32,318</u>	<u>549,653</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,058</u>	<u>171,349</u>	<u>157,291</u>	<u>225,456</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Library Gift Fund	-	-	-	(31,763)
Net Change in Fund Balance	14,058	171,349	157,291	193,693
FUND BALANCE, July 1	<u>750,271</u>	<u>876,541</u>	<u>126,270</u>	<u>682,848</u>
FUND BALANCE, June 30	<u>\$ 764,329</u>	<u>\$ 1,047,890</u>	<u>\$ 283,561</u>	<u>\$ 876,541</u>

CHURCHILL COUNTY, NEVADA
PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
County lodging tax	\$ 4,000	\$ 4,336	\$ 336	\$ 4,768
Intergovernmental:				
Federal payments in lieu of taxes	250,000	250,000	-	300,000
Consolidated intergovernmental taxes	200,000	200,000	-	225,000
Grants-in-aid:				
State	-	-	-	19,040
	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>544,040</u>
Charges for services:				
Contract clean-up	3,000	-	(3,000)	1,879
Concession stand	7,000	5,164	(1,836)	6,312
Recreation charges	140,000	135,492	(4,508)	151,988
Swimming pool receipts	45,000	65,959	20,959	60,706
Fairgrounds rentals	75,000	80,464	5,464	93,956
Pro-shop sales	1,500	1,794	294	2,611
Miscellaneous	-	1,083	1,083	10
	<u>271,500</u>	<u>289,956</u>	<u>18,456</u>	<u>317,462</u>
Miscellaneous:				
Interest	3,250	3,481	231	4,190
Miscellaneous	5,000	9,149	4,149	24,548
	<u>8,250</u>	<u>12,630</u>	<u>4,380</u>	<u>28,738</u>
 Total Revenues	 <u>733,750</u>	 <u>756,922</u>	 <u>23,172</u>	 <u>895,008</u>
EXPENDITURES				
Culture and recreation:				
Administration:				
Salaries	158,147	155,301	2,846	156,113
Benefits	67,854	64,778	3,076	62,811
Services and supplies	29,410	24,022	5,388	23,231
	<u>255,411</u>	<u>244,101</u>	<u>11,310</u>	<u>242,155</u>

CHURCHILL COUNTY, NEVADA
PARKS AND RECREATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

(Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
Public parks:				
Salaries	\$ 56,170	\$ 52,491	\$ 3,679	\$ 50,292
Benefits	19,437	19,624	(187)	18,790
Services and supplies	42,900	41,469	1,431	48,556
Capital outlay	25,000	5,000	20,000	9,220
	<u>143,507</u>	<u>118,584</u>	<u>24,923</u>	<u>126,858</u>
Recreation athletics:				
Salaries	97,216	92,134	5,082	92,317
Benefits	25,916	24,485	1,431	23,927
Services and supplies	111,200	80,322	30,878	81,609
	<u>234,332</u>	<u>196,941</u>	<u>37,391</u>	<u>197,853</u>
Fairgrounds:				
Salaries	106,000	99,914	6,086	94,598
Benefits	29,983	28,527	1,456	27,371
Services and supplies	115,850	106,352	9,498	119,274
Capital outlay	60,000	36,362	23,638	14,149
	<u>311,833</u>	<u>271,155</u>	<u>40,678</u>	<u>255,392</u>
Swimming Pool:				
Salaries	141,566	135,288	6,278	143,746
Benefits	28,871	28,646	225	29,202
Services and supplies	140,861	108,775	32,086	127,688
Capital outlay	15,000	850	14,150	5,785
	<u>326,298</u>	<u>273,559</u>	<u>52,739</u>	<u>306,421</u>
Total Expenditures	<u>1,271,381</u>	<u>1,104,340</u>	<u>167,041</u>	<u>1,128,679</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(537,631)	(347,418)	190,213	(233,671)
OTHER FINANCING				
SOURCES (USES)				
Transfers in:				
CC Communications Telephone	<u>318,639</u>	<u>384,073</u>	<u>65,434</u>	<u>318,639</u>
Net Change in Fund Balance	(218,992)	36,655	255,647	84,968
FUND BALANCE, July 1	<u>837,173</u>	<u>837,173</u>	<u>-</u>	<u>752,205</u>
FUND BALANCE, June 30	<u>\$ 618,181</u>	<u>\$ 873,828</u>	<u>\$ 255,647</u>	<u>\$ 837,173</u>

CHURCHILL COUNTY, NEVADA
CEMETERY BEAUTIFICATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Gifts and Donations	\$ 500	\$ -	\$ (500)	\$ -
Interest	175	161	(14)	235
	<u>675</u>	<u>161</u>	<u>(514)</u>	<u>235</u>
Total Revenues				
	<u>675</u>	<u>161</u>	<u>(514)</u>	<u>235</u>
EXPENDITURES				
Health:				
Services and supplies	6,000	320	5,680	4,653
	<u>6,000</u>	<u>320</u>	<u>5,680</u>	<u>4,653</u>
Net Change in Fund Balance	(5,325)	(159)	5,166	(4,418)
	<u>(5,325)</u>	<u>(159)</u>	<u>5,166</u>	<u>(4,418)</u>
FUND BALANCE, July 1	<u>33,399</u>	<u>33,981</u>	<u>582</u>	<u>38,399</u>
FUND BALANCE, June 30	<u>\$ 28,074</u>	<u>\$ 33,822</u>	<u>\$ 5,748</u>	<u>\$ 33,981</u>

CHURCHILL COUNTY, NEVADA
INDIGENT DONATIONS AND GIFT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Project Food revenue	\$ 6,000	\$ 9,020	\$ 3,020	\$ 12,166
Gifts and donations	1,000	7,076	6,076	1,000
Interest	200	244	44	345
	<u>7,200</u>	<u>16,340</u>	<u>9,140</u>	<u>13,511</u>
EXPENDITURES				
Welfare:				
Services and supplies	39,431	18,712	20,719	12,330
	<u>(32,231)</u>	<u>(2,372)</u>	<u>29,859</u>	<u>1,181</u>
FUND BALANCE, July 1	<u>53,179</u>	<u>53,179</u>	<u>-</u>	<u>51,998</u>
FUND BALANCE, June 30	<u><u>\$ 20,948</u></u>	<u><u>\$ 50,807</u></u>	<u><u>\$ 29,859</u></u>	<u><u>\$ 53,179</u></u>

CHURCHILL COUNTY, NEVADA
LAW LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Charges for services:				
Law library fees	\$ 8,000	\$ 10,830	\$ 2,830	\$ 10,695
Miscellaneous:				
Interest	1,000	666	(334)	1,080
Total Revenues	<u>9,000</u>	<u>11,496</u>	<u>2,496</u>	<u>11,775</u>
EXPENDITURES				
Judicial:				
Services and supplies	41,000	36,783	4,217	30,342
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(32,000)</u>	<u>(25,287)</u>	<u>6,713</u>	<u>(18,567)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in:				
General Fund	10,000	10,000	-	-
Net Change in Fund Balance	(22,000)	(15,287)	6,713	(18,567)
FUND BALANCE, July 1	<u>149,425</u>	<u>152,248</u>	<u>2,823</u>	<u>170,815</u>
FUND BALANCE, June 30	<u><u>\$ 127,425</u></u>	<u><u>\$ 136,961</u></u>	<u><u>\$ 9,536</u></u>	<u><u>\$ 152,248</u></u>

CHURCHILL COUNTY, NEVADA
REGIONAL TRANSPORTATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
County optional motor vehicle fuel	\$ 680,670	\$ 911,943	\$ 231,273	\$ 817,315
Miscellaneous:				
Interest	4,200	4,396	196	5,695
Total Revenues	<u>684,870</u>	<u>916,339</u>	<u>231,469</u>	<u>823,010</u>
EXPENDITURES				
Intergovernmental:				
City of Fallon	<u>400,000</u>	<u>261,185</u>	<u>138,815</u>	<u>300,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>284,870</u>	<u>655,154</u>	<u>370,284</u>	<u>523,009</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Road Fund	<u>(400,000)</u>	<u>(488,903)</u>	<u>(88,903)</u>	<u>(371,816)</u>
Net Change in Fund Balance	(115,130)	166,251	281,381	151,193
FUND BALANCE, July 1	<u>625,575</u>	<u>966,768</u>	<u>341,193</u>	<u>815,575</u>
FUND BALANCE, June 30	<u><u>\$ 510,445</u></u>	<u><u>\$ 1,133,019</u></u>	<u><u>\$ 622,574</u></u>	<u><u>\$ 966,768</u></u>

CHURCHILL COUNTY, NEVADA
LIBRARY GIFT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Gifts and Donations	\$ 11,000	\$ 1,312	\$ (9,688)	\$ 3,472
Interest	2,250	2,552	302	3,492
	<u>13,250</u>	<u>3,864</u>	<u>(9,386)</u>	<u>6,964</u>
EXPENDITURES				
Culture and recreation:				
Services and supplies	37,000	-	37,000	9,787
Capital outlay	75,000	-	75,000	64,075
	<u>112,000</u>	<u>-</u>	<u>112,000</u>	<u>73,862</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(98,750)</u>	<u>3,864</u>	<u>102,614</u>	<u>(66,898)</u>
OTHER FINANCING				
SOURCES (USES)				
Transfers in:				
Library Fund	-	-	-	31,763
Net Change in Fund Balance	(98,750)	3,864	102,614	(35,135)
FUND BALANCE, July 1	<u>500,095</u>	<u>541,961</u>	<u>41,866</u>	<u>577,096</u>
FUND BALANCE, June 30	<u><u>\$ 401,345</u></u>	<u><u>\$ 545,825</u></u>	<u><u>\$ 144,480</u></u>	<u><u>\$ 541,961</u></u>

CHURCHILL COUNTY, NEVADA
WATER RESOURCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 300,000	\$ 200,000	\$ (100,000)	\$ 148,000
CWSD Reimbursements	-	79,694	79,694	-
Grants-in-aid:				
Federal	250,000	178,363	(71,637)	202,234
Refuge revenue sharing	20,000	17,430	(2,570)	24,737
	<u>570,000</u>	<u>475,487</u>	<u>(94,513)</u>	<u>374,971</u>
Charges for services:				
Water right dedication fees	10,000	8,052	(1,948)	21,621
Miscellaneous:				
Interest	1,750	707	(1,043)	1,671
Geothermal rents and royalties	-	68,167	68,167	377,319
Other miscellaneous	-	3,626	3,626	-
	<u>1,750</u>	<u>72,500</u>	<u>70,750</u>	<u>378,990</u>
 Total Revenues	 <u>581,750</u>	 <u>556,039</u>	 <u>(25,711)</u>	 <u>775,582</u>
EXPENDITURES				
General government:				
Salaries	98,635	98,585	50	98,145
Benefits	34,159	32,288	1,871	31,726
Services and supplies	345,300	901,991	(556,691)	366,748
Capital outlay	400,000	-	400,000	252,828
	<u>878,094</u>	<u>1,032,864</u>	<u>(154,770)</u>	<u>749,447</u>
 Total Expenditures	 <u>878,094</u>	 <u>1,032,864</u>	 <u>(154,770)</u>	 <u>749,447</u>
 Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(296,344)</u>	<u>(476,825)</u>	<u>(180,481)</u>	<u>26,135</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital and other assets	-	-	-	175,835
Transfers out:				
Debt Service Fund	-	(10,365)	(10,365)	(415,693)
	<u>-</u>	<u>(10,365)</u>	<u>(10,365)</u>	<u>(239,858)</u>
Total Other Financing Sources	<u>-</u>	<u>(10,365)</u>	<u>(10,365)</u>	<u>(239,858)</u>
 Net Change in Fund Balances	 <u>(296,344)</u>	 <u>(487,190)</u>	 <u>(190,846)</u>	 <u>(213,723)</u>
 FUND BALANCE at July 1 as originally reported	 <u>1,180,701</u>	 <u>1,266,176</u>	 <u>85,475</u>	 <u>1,479,899</u>
Prior Period Adjustment	<u>-</u>	<u>(372,582)</u>	<u>(372,582)</u>	<u>-</u>
FUND BALANCE at July 1 as restated	<u>1,180,701</u>	<u>893,594</u>	<u>(287,107)</u>	<u>1,479,899</u>
FUND BALANCE, June 30	<u>\$ 884,357</u>	<u>\$ 406,404</u>	<u>\$ (477,953)</u>	<u>\$ 1,266,176</u>

**CHURCHILL COUNTY, NEVADA
 UNEMPLOYMENT COMPENSATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Interest	\$ 4,125	\$ 1,952	\$ (2,173)	\$ 2,904
EXPENDITURES				
General government:				
Benefits	<u>30,000</u>	<u>25,850</u>	<u>4,150</u>	<u>31,472</u>
Net Change in Fund Balance	(25,875)	(23,898)	1,977	(28,568)
FUND BALANCE, July 1	<u>435,824</u>	<u>420,081</u>	<u>(15,743)</u>	<u>448,649</u>
FUND BALANCE, June 30	<u>\$ 409,949</u>	<u>\$ 396,183</u>	<u>\$ (13,766)</u>	<u>\$ 420,081</u>

**CHURCHILL COUNTY, NEVADA
FORFEITURES/SEIZED ASSETS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Forfeitures of seized assets	\$ 50,000	\$ 744	\$ (49,256)	\$ 6,681
Interest	500	477	(23)	791
Total Revenues	<u>50,500</u>	<u>1,221</u>	<u>(49,279)</u>	<u>7,472</u>
EXPENDITURES				
Public safety:				
Services and supplies	91,000	17,457	73,543	16,528
Capital outlay	-	-	-	3,622
Total Expenditures	<u>91,000</u>	<u>17,457</u>	<u>73,543</u>	<u>20,150</u>
Net Change in Fund Balance	(40,500)	(16,236)	24,264	(12,678)
FUND BALANCE, July 1	<u>86,970</u>	<u>104,293</u>	<u>17,323</u>	<u>116,971</u>
FUND BALANCE, June 30	<u><u>\$ 46,470</u></u>	<u><u>\$ 88,057</u></u>	<u><u>\$ 41,587</u></u>	<u><u>\$ 104,293</u></u>

CHURCHILL COUNTY, NEVADA
GRAFFITI REWARD AND ABATEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Charges for services:				
Truancy fees	\$ 1,000	\$ 5,234	\$ 4,234	\$ 3,706
Restitution processing	1,250	1,050	(200)	1,425
	<u>2,250</u>	<u>6,284</u>	<u>4,034</u>	<u>5,131</u>
Miscellaneous:				
District Attorney restitution collections	60,000	39,611	(20,389)	64,543
Juvenile probation restitution collections	10,000	4,246	(5,754)	3,608
Sheriff's office evidence	1,500	576	(924)	1,294
Interest	300	287	(13)	363
	<u>71,800</u>	<u>44,720</u>	<u>(27,080)</u>	<u>69,808</u>
 Total Revenues	 74,050	 51,004	 (23,046)	 74,939
EXPENDITURES				
Judicial:				
Services and supplies	80,000	44,655	35,345	68,220
 Net Change in Fund Balance	 (5,950)	 6,349	 12,299	 6,719
 FUND BALANCE, July 1	 <u>57,973</u>	 <u>56,501</u>	 <u>(1,472)</u>	 <u>49,782</u>
 FUND BALANCE, June 30	 <u><u>\$ 52,023</u></u>	 <u><u>\$ 62,850</u></u>	 <u><u>\$ 10,827</u></u>	 <u><u>\$ 56,501</u></u>

**CHURCHILL COUNTY, NEVADA
ADMINISTRATIVE ASSESSMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Charges for services:				
Administrative assessments	\$ 37,500	\$ 47,152	\$ 9,652	\$ 43,307
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Extraordinary Repairs and Maintenance Fund	<u>(40,000)</u>	<u>(40,000)</u>	<u>-</u>	<u>(49,465)</u>
Net Change in Fund Balance	(2,500)	7,152	9,652	(6,158)
FUND BALANCE, July 1	<u>18,661</u>	<u>12,503</u>	<u>(6,158)</u>	<u>18,661</u>
FUND BALANCE, June 30	<u><u>\$ 16,161</u></u>	<u><u>\$ 19,655</u></u>	<u><u>\$ 3,494</u></u>	<u><u>\$ 12,503</u></u>

**CHURCHILL COUNTY, NEVADA
RECREATION DONATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Gifts and donations	\$ 8,500	\$ 13,673	\$ 5,173	\$ 18,080
Interest	400	362	(38)	449
	<u>8,900</u>	<u>14,035</u>	<u>5,135</u>	<u>18,529</u>
Total Revenues				
	<u>8,900</u>	<u>14,035</u>	<u>5,135</u>	<u>18,529</u>
EXPENDITURES				
Culture and recreation:				
Services and supplies	30,000	7,893	22,107	4,705
	<u>30,000</u>	<u>7,893</u>	<u>22,107</u>	<u>4,705</u>
Net Change in Fund Balance	(21,100)	6,142	27,242	13,824
	<u>(21,100)</u>	<u>6,142</u>	<u>27,242</u>	<u>13,824</u>
FUND BALANCE, July 1	<u>51,998</u>	<u>73,696</u>	<u>21,698</u>	<u>59,872</u>
FUND BALANCE, June 30	<u><u>\$ 30,898</u></u>	<u><u>\$ 79,838</u></u>	<u><u>\$ 48,940</u></u>	<u><u>\$ 73,696</u></u>

**CHURCHILL COUNTY, NEVADA
INDIGENT HOSPITAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 112,571	\$ 115,631	\$ 3,060	\$ 109,803
Intergovernmental:				
Private car tax	-	35	35	37
Total Revenues	<u>112,571</u>	<u>115,666</u>	<u>3,095</u>	<u>109,840</u>
EXPENDITURES				
Welfare:				
Payments to State of Nevada	<u>103,587</u>	<u>116,469</u>	<u>(12,882)</u>	<u>109,850</u>
Net Change in Fund Balance	8,984	(803)	(9,787)	(10)
FUND BALANCE, July 1	<u>29,600</u>	<u>268</u>	<u>(29,332)</u>	<u>278</u>
FUND BALANCE, June 30	<u><u>\$ 38,584</u></u>	<u><u>\$ (535)</u></u>	<u><u>\$ (39,119)</u></u>	<u><u>\$ 268</u></u>

CHURCHILL COUNTY, NEVADA
INDIGENT MEDICAL CARE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 612,416	\$ 745,535	\$ 133,119	\$ 639,424
Intergovernmental:				
Private car tax	-	232	232	249
Miscellaneous:				
Interest	4,125	6,857	2,732	7,547
Total Revenues	<u>616,541</u>	<u>752,624</u>	<u>136,083</u>	<u>647,220</u>
EXPENDITURES				
Community support:				
Services and supplies	<u>525,000</u>	<u>239,180</u>	<u>285,820</u>	<u>244,451</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>91,541</u>	<u>513,444</u>	<u>421,903</u>	<u>402,769</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Social Services Fund	<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(125,000)</u>
Net Change in Fund Balance	41,541	463,444	421,903	277,769
FUND BALANCE, July 1	<u>938,076</u>	<u>1,213,067</u>	<u>274,991</u>	<u>935,298</u>
FUND BALANCE, June 30	<u>\$ 979,617</u>	<u>\$ 1,676,511</u>	<u>\$ 696,894</u>	<u>\$ 1,213,067</u>

**CHURCHILL COUNTY, NEVADA
PUBLIC TRANSIT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Optional county sales tax (\$.0025)	\$ 500,506	\$ 551,611	\$ 51,105	\$ 525,395
Miscellaneous:				
Interest	<u>4,750</u>	<u>3,560</u>	<u>(1,190)</u>	<u>6,168</u>
Total Revenues	<u>505,256</u>	<u>555,171</u>	<u>49,915</u>	<u>531,563</u>
EXPENDITURES				
Public works:				
Highways and streets:				
Services and supplies	-	3,579	(3,579)	3,209
Intergovernmental:				
City of Fallon	<u>300,000</u>	<u>246,000</u>	<u>54,000</u>	<u>41,080</u>
Total Expenditures	<u>300,000</u>	<u>249,579</u>	<u>50,421</u>	<u>44,289</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	205,256	305,592	100,336	487,274
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Road Fund	<u>(500,000)</u>	<u>(496,820)</u>	<u>3,180</u>	<u>(527,865)</u>
Net Change in Fund Balance	(294,744)	(191,228)	103,516	(40,591)
FUND BALANCE, July 1	<u>614,949</u>	<u>895,381</u>	<u>280,432</u>	<u>935,972</u>
FUND BALANCE, June 30	<u><u>\$ 320,205</u></u>	<u><u>\$ 704,153</u></u>	<u><u>\$ 383,948</u></u>	<u><u>\$ 895,381</u></u>

**CHURCHILL COUNTY, NEVADA
 SENIOR CITIZENS AD VALOREM LEVY FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 2,494	\$ 2,788	\$ 294	\$ 6,048
EXPENDITURES				
Community support:				
Services and supplies	<u>2,494</u>	<u>2,779</u>	<u>(285)</u>	<u>6,683</u>
Net Change in Fund Balance	-	9	9	(635)
FUND BALANCE, July 1	<u>3,668</u>	<u>46</u>	<u>(3,622)</u>	<u>681</u>
FUND BALANCE, June 30	<u><u>\$ 3,668</u></u>	<u><u>\$ 55</u></u>	<u><u>\$ (3,613)</u></u>	<u><u>\$ 46</u></u>

CHURCHILL COUNTY, NEVADA
ONE CENT FUEL EXCISE TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Optional county motor vehicle fuel tax	\$ 51,277	\$ 67,286	\$ 16,009	\$ 59,954
Miscellaneous:				
Interest	<u>500</u>	<u>499</u>	<u>(1)</u>	<u>514</u>
Total Revenues	51,777	67,785	16,008	60,468
EXPENDITURES				
Public works:				
Highway and streets:				
Services and supplies	<u>80,000</u>	<u>33,045</u>	<u>46,955</u>	<u>82,437</u>
Net Change in Fund Balance	(28,223)	34,740	62,963	(21,969)
FUND BALANCE, July 1	<u>89,188</u>	<u>103,887</u>	<u>14,699</u>	<u>125,856</u>
FUND BALANCE, June 30	<u><u>\$ 60,965</u></u>	<u><u>\$ 138,627</u></u>	<u><u>\$ 77,662</u></u>	<u><u>\$ 103,887</u></u>

**CHURCHILL COUNTY, NEVADA
 FAIRGROUNDS SALE PROCEEDS FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Interest	\$ 8,250	\$ 11,700	\$ 3,450	\$ 7,698
EXPENDITURES				
Community support:				
Capital outlay	<u>100,000</u>	<u>-</u>	<u>100,000</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,750)	11,700	103,450	7,697
OTHER FINANCING SOURCES (USES)				
Transfers out:				
County Debt Service	<u>-</u>	<u>(229,805)</u>	<u>(229,805)</u>	<u>-</u>
Net Change in Fund Balance	(91,750)	(218,105)	(126,355)	7,697
FUND BALANCE, July 1	<u>726,935</u>	<u>719,016</u>	<u>(7,919)</u>	<u>711,319</u>
FUND BALANCE, June 30	<u><u>\$ 635,185</u></u>	<u><u>\$ 500,911</u></u>	<u><u>\$ (134,274)</u></u>	<u><u>\$ 719,016</u></u>

CHURCHILL COUNTY, NEVADA
HOSPITAL SUPPORT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Community support:				
Services and supplies	-	5,393	(5,393)	-
Net Change in Fund Balance	-	(5,393)	(5,393)	-
FUND BALANCE, July 1	5,393	5,393	-	5,393
FUND BALANCE, June 30	<u>\$ 5,393</u>	<u>\$ -</u>	<u>\$ (5,393)</u>	<u>\$ 5,393</u>

**CHURCHILL COUNTY, NEVADA
 TECHNOLOGY FEE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2011
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Technology fees	\$ 110,750	\$ 180,595	\$ 69,845	\$ 142,034
Interest	1,250	1,920	670	2,276
	<u>112,000</u>	<u>182,515</u>	<u>70,515</u>	<u>144,310</u>
Total Revenues				
EXPENDITURES				
General government:				
Services and supplies	145,000	50,336	94,664	60,061
Capital outlay	70,000	-	70,000	56,246
	<u>215,000</u>	<u>50,336</u>	<u>164,664</u>	<u>116,307</u>
Total Expenditures				
Net Change in Fund Balance	(103,000)	132,179	235,179	28,003
FUND BALANCE, July 1	<u>312,794</u>	<u>361,762</u>	<u>48,968</u>	<u>333,759</u>
FUND BALANCE, June 30	<u><u>\$ 209,794</u></u>	<u><u>\$ 493,941</u></u>	<u><u>\$ 284,147</u></u>	<u><u>\$ 361,762</u></u>

**CHURCHILL COUNTY, NEVADA
ROAD IMPACT FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Licenses and permits:				
Area A road impact fee	\$ 10,000	\$ -	\$ (10,000)	\$ 4,600
Area B road impact fee	15,000	-	(15,000)	2,300
	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>6,900</u>
Miscellaneous:				
Interest	2,000	2,083	83	2,879
	<u>2,000</u>	<u>2,083</u>	<u>83</u>	<u>2,879</u>
Total Revenues	<u>27,000</u>	<u>2,083</u>	<u>(24,917)</u>	<u>9,779</u>
EXPENDITURES				
Public works:				
Highways and street:				
Services and supplies	25,000	-	25,000	-
	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>-</u>
Net Change in Fund Balance	2,000	2,083	83	9,779
FUND BALANCE, July 1	<u>448,084</u>	<u>442,863</u>	<u>(5,221)</u>	<u>433,084</u>
FUND BALANCE, June 30	<u><u>\$ 450,084</u></u>	<u><u>\$ 444,946</u></u>	<u><u>\$ (5,138)</u></u>	<u><u>\$ 442,863</u></u>

**CHURCHILL COUNTY, NEVADA
RESIDENTIAL CONSTRUCTION TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Licenses and permits:				
Park tax fee	\$ 10,000	\$ -	\$ (10,000)	\$ 2,000
Miscellaneous:				
Interest	<u>1,750</u>	<u>1,209</u>	<u>(541)</u>	<u>1,779</u>
Total Revenues	11,750	1,209	(10,541)	3,779
EXPENDITURES				
Culture and recreation:				
Public parks:				
Services and supplies	<u>30,000</u>	<u>12,806</u>	<u>17,194</u>	<u>9,287</u>
Net Change in Fund Balance	(18,250)	(11,597)	6,653	(5,508)
FUND BALANCE, July 1	<u>269,621</u>	<u>264,113</u>	<u>(5,508)</u>	<u>269,621</u>
FUND BALANCE, June 30	<u><u>\$ 251,371</u></u>	<u><u>\$ 252,516</u></u>	<u><u>\$ 1,145</u></u>	<u><u>\$ 264,113</u></u>

CHURCHILL COUNTY, NEVADA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	2011	2010
ASSETS		
Cash and investments	\$ -	\$ 836,654
Receivables:		
Interest	-	299
Total Assets	\$ -	\$ 836,953
 LIABILITIES AND FUND BALANCES		
FUND BALANCES		
Fund balance:		
Restricted	\$ -	\$ 836,953
Total Liabilities and Fund Balances	\$ -	\$ 836,953

CHURCHILL COUNTY, NEVADA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Miscellaneous:				
Interest	\$ 3,100	\$ 2,038	\$ (1,062)	\$ 4,177
EXPENDITURES				
Debt service:				
Principal	1,052,924	1,537,701	(484,777)	345,468
Interest	55,680	41,460	14,220	70,054
Total Expenditures	<u>1,108,604</u>	<u>1,579,161</u>	<u>(470,557)</u>	<u>415,522</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(1,105,504)</u>	<u>(1,577,123)</u>	<u>(471,619)</u>	<u>(411,345)</u>
OTHER FINANCING				
SOURCES (USES)				
Transfers in:				
Fairground Proceeds	229,805	229,805	-	-
Compensated Absences	500,000	500,000	-	-
Water Resource Fund	10,366	10,365	(1)	415,693
Total Other Financing Sources (Uses)	<u>740,171</u>	<u>740,170</u>	<u>(1)</u>	<u>415,693</u>
Net Change in Fund Balance	(365,333)	(836,953)	(471,620)	4,348
FUND BALANCE, July 1	<u>838,605</u>	<u>836,953</u>	<u>(1,652)</u>	<u>832,605</u>
FUND BALANCE, June 30	<u>\$ 473,272</u>	<u>\$ -</u>	<u>\$ (473,272)</u>	<u>\$ 836,953</u>

CHURCHILL COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2010)

	Special Ad Valorem Capital Projects Fund	Extraordinary Repairs and Maintenance Fund	Fire Equipment Apparatus	TOTALS	
				2011	2010
ASSETS					
Cash and investments	\$ 748,787	\$ 489,651	\$ 352,872	\$ 1,591,310	\$ 3,957,685
Receivables:					
Property Taxes	9,373	-	6,129	15,502	19,471
Interest	371	244	175	790	1,837
Due from other governments	-	12,366	-	12,366	8,000
Total Assets	\$ 758,531	\$ 502,261	\$ 359,176	\$ 1,619,968	\$ 3,986,993
LIABILITIES					
Accounts payable	\$ 3,097	\$ 21,634	\$ 1,858	\$ 26,589	\$ -
Due to other funds	17,697	-	-	17,697	-
Due to other governments	4,648	-	-	4,648	7,772
Deferred revenues	8,084	-	5,334	13,418	18,056
Total Liabilities	33,526	21,634	7,192	62,352	25,828
FUND BALANCES					
Restricted	725,005	-	351,984	1,076,989	2,030,950
Assigned	-	480,627	-	480,627	1,930,215
Total Fund Balance	725,005	480,627	351,984	1,557,616	3,961,165
Total Liabilities and Fund Balances	\$ 758,531	\$ 502,261	\$ 359,176	\$ 1,619,968	\$ 3,986,993

CHURCHILL COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	Special Ad Valorem Capital Project Fund	Extraordinary Repair and Maintenance Fund	Fire Equipment Apparatus Fund	TOTALS	
				2011	2010
REVENUES					
Taxes	\$ 385,437	\$ -	\$ 237,100	\$ 622,537	\$ 605,013
Intergovernmental	116	24,000	70	24,186	141,730
Miscellaneous	7,075	56,509	1,603	65,187	272,517
Total Revenues	392,628	80,509	238,773	711,910	1,019,260
EXPENDITURES					
General government	17,699	70,097	-	87,796	59,765
Public safety	-	-	228,056	228,056	-
Intergovernmental	89,607	-	-	89,607	87,324
Total Expenditures	107,306	70,097	228,056	405,459	147,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	285,322	10,412	10,717	306,451	872,171
OTHER FINANCING					
SOURCES (USES)					
Transfers in	-	40,000	-	40,000	49,465
Transfers out	(1,250,000)	(1,500,000)	-	(2,750,000)	-
Total Other Financing Sources (Uses)	(1,250,000)	(1,460,000)	-	(2,710,000)	49,465
Net Change in Fund Balance	(964,678)	(1,449,588)	10,717	(2,403,549)	921,636
FUND BALANCE, July 1	1,689,683	1,930,215	341,267	3,961,165	3,039,529
FUND BALANCE, June 30	\$ 725,005	\$ 480,627	\$ 351,984	\$ 1,557,616	\$ 3,961,165

CHURCHILL COUNTY, NEVADA
SPECIAL AD VALOREM CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 375,138	\$ 385,437	\$ 10,299	\$ 366,064
Intergovernmental:				
Private car tax	-	116	116	124
Miscellaneous:				
Interest	6,250	7,075	825	10,178
Total Revenues	<u>381,388</u>	<u>392,628</u>	<u>11,240</u>	<u>376,366</u>
EXPENDITURES				
General government:				
Capital outlay	50,000	17,699	32,301	-
Intergovernmental:				
City of Fallon	121,522	89,607	31,915	87,324
Total Expenditures	<u>171,522</u>	<u>107,306</u>	<u>64,216</u>	<u>87,324</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>209,866</u>	<u>285,322</u>	<u>75,456</u>	<u>289,042</u>
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Building Reserve	(1,000,000)	(1,250,000)	(250,000)	-
Net Change in Fund Balance	(790,134)	(964,678)	(174,544)	289,042
FUND BALANCE, July 1	<u>1,672,995</u>	<u>1,689,683</u>	<u>16,688</u>	<u>1,400,641</u>
FUND BALANCE, June 30	<u><u>\$ 882,861</u></u>	<u><u>\$ 725,005</u></u>	<u><u>\$ (157,856)</u></u>	<u><u>\$ 1,689,683</u></u>

CHURCHILL COUNTY, NEVADA
EXTRAORDINARY REPAIRS AND MAINTENANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Intergovernmental:				
Federal payments in lieu of taxes	\$ -	\$ -	\$ -	\$ 93,531
Consolidated intergovernmental taxes	24,000	24,000	-	48,000
	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>141,531</u>
Miscellaneous:				
Geothermal rents/royalties	50,000	50,000	-	250,000
Interest	7,250	6,509	(741)	10,922
	<u>57,250</u>	<u>56,509</u>	<u>(741)</u>	<u>260,922</u>
 Total Revenues	 81,250	 80,509	 (741)	 402,453
EXPENDITURES				
General government:				
Capital outlay	300,000	70,097	229,903	59,765
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 (218,750)	 10,412	 229,162	 342,688
OTHER FINANCING SOURCES (USES)				
Transfers in:				
Administrative Assessment Fund	40,000	40,000	-	49,465
Transfers out:				
Utility Enterprise Fund	-	(750,000)	(750,000)	-
Waste Water Enterprise Fund	-	(750,000)	(750,000)	-
 Total Other Financing Sources (Uses)	 40,000	 (1,460,000)	 (1,500,000)	 49,465
 Net Change in Fund Balance	 (178,750)	 (1,449,588)	 (1,270,838)	 392,153
 FUND BALANCE, July 1	 <u>1,586,061</u>	 <u>1,930,215</u>	 <u>344,154</u>	 <u>1,538,062</u>
 FUND BALANCE, June 30	 <u><u>\$ 1,407,311</u></u>	 <u><u>\$ 480,627</u></u>	 <u><u>\$ (926,684)</u></u>	 <u><u>\$ 1,930,215</u></u>

**CHURCHILL COUNTY, NEVADA
FIRE EQUIPMENT APPARATUS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
REVENUES				
Taxes:				
Ad valorem taxes	\$ 196,118	\$ 237,100	\$ 40,982	\$ 238,949
Intergovernmental:				
Private car tax	-	70	70	75
Miscellaneous:				
Interest	575	1,603	1,028	1,417
Total Revenues	<u>196,693</u>	<u>238,773</u>	<u>42,080</u>	<u>240,441</u>
EXPENDITURES				
Public safety:				
Services and supplies	-	9,392	(9,392)	-
Capital outlay	340,000	218,664	121,336	-
Total Expenditures	<u>340,000</u>	<u>228,056</u>	<u>111,944</u>	<u>-</u>
Net Change in Fund Balance	(143,307)	10,717	154,024	240,441
FUND BALANCE, July 1	<u>310,340</u>	<u>341,267</u>	<u>30,927</u>	<u>100,826</u>
FUND BALANCE, June 30	<u><u>\$ 167,033</u></u>	<u><u>\$ 351,984</u></u>	<u><u>\$ 184,951</u></u>	<u><u>\$ 341,267</u></u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - CC COMMUNICATIONS - TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OPERATING REVENUES				
Charges for services:				
Local network services	\$ 3,386,000	\$ 3,217,035	\$ (168,965)	\$ 3,414,730
Network access services	5,562,000	5,023,974	(538,026)	5,287,149
Interstate pooling revenue	3,000,000	3,325,872	325,872	2,249,654
Miscellaneous revenue	770,500	906,850	136,350	875,125
Uncollectible revenue	(25,000)	(17,172)	7,828	(22,224)
Total Operating Revenues	<u>12,693,500</u>	<u>12,456,559</u>	<u>(236,941)</u>	<u>11,804,434</u>
OPERATING EXPENSES				
Plant specific operations	2,094,532	2,276,111	(181,579)	2,141,489
Plant nonspecific operations	925,205	1,340,354	(415,149)	1,274,209
Customer operations	1,141,657	1,053,148	88,509	1,102,365
Corporate operations	2,433,136	2,272,442	160,694	2,171,147
Depreciation and amortization	2,747,180	2,529,728	217,452	2,586,991
Total Operating Expenses	<u>9,341,710</u>	<u>9,471,783</u>	<u>(130,073)</u>	<u>9,276,201</u>
Operating Income (Loss)	<u>3,351,790</u>	<u>2,984,776</u>	<u>(367,014)</u>	<u>2,528,233</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	8,840	16,673	7,833	9,923
Interest expense	(45,250)	(46,299)	(1,049)	(45,263)
Nonregulated income	742,000	700,180	(41,820)	798,995
Nonregulated expense	(459,441)	(408,980)	50,461	(540,976)
Miscellaneous income	-	1,368	1,368	818
Donation of community emergency services	(40,500)	(38,207)	2,293	(41,570)
Total Nonoperating Revenues (Expenses)	<u>205,649</u>	<u>224,735</u>	<u>19,086</u>	<u>181,927</u>
Income (Loss) Before Contributions and Transfers	<u>3,557,439</u>	<u>3,209,511</u>	<u>(347,928)</u>	<u>2,710,160</u>
TRANSFERS				
Transfers in:				
CC Communications - Wireless	-	12,000,000	12,000,000	3,000,000
CC Communications - Long Distance	-	2,200,000	2,200,000	-
Transfers out:				
General Fund	(1,800,000)	(1,865,000)	(65,000)	(1,700,000)
Parks & Recreation Fund	(384,073)	(384,073)	-	(318,639)
Total Transfers	<u>(2,184,073)</u>	<u>11,950,927</u>	<u>14,135,000</u>	<u>981,361</u>
Net Change in Net Assets	<u>\$ 1,373,366</u>	<u>15,160,438</u>	<u>\$ 13,787,072</u>	<u>3,691,521</u>
NET ASSETS, July 1		<u>34,892,568</u>		<u>31,201,047</u>
NET ASSETS, June 30		<u>\$ 50,053,006</u>		<u>\$ 34,892,568</u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - CC COMMUNICATIONS - TELEPHONE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 12,604,582	\$ 11,421,441
Cash payments for employees	(4,463,478)	(5,388,325)
Cash payments for services and supplies	(2,193,855)	(1,941,881)
Cash payments from nonregulated activities	75,410	-
Cash payments from other funds for services	215,790	1,154,660
Net Cash Provided (Used) for Operating Activities	<u>6,238,449</u>	<u>5,245,895</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Donation of community emergency services	(38,207)	(41,570)
Transfer from CC Communications - Wireless Fund	12,000,000	3,000,000
Transfer from CC Communications - Long Distance Fund	2,200,000	-
Transfer to General Fund	(1,865,000)	(1,700,000)
Transfer to Parks & Recreation Fund	(384,073)	(318,639)
Net Cash provided (Used) for Non-capital Financing Activities	<u>11,912,720</u>	<u>939,791</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of property, plant and equipment	(7,372,257)	(6,978,211)
Proceeds from sale of capital assets	65,100	-
Demolition cost of disposing of capital assets	(27,984)	-
Principal payment on long-term debt	(71,078)	(68,556)
Interest paid on long-term debt	(46,331)	(45,329)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(7,452,550)</u>	<u>(7,092,096)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on investments	16,180	9,957
Net Increase (Decrease) in Cash and Cash Equivalents	10,714,799	(896,453)
CASH AND CASH EQUIVALENTS, July 1	<u>1,723,747</u>	<u>2,620,200</u>
CASH AND CASH EQUIVALENTS, June 30	<u>\$ 12,438,546</u>	<u>\$ 1,723,747</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 2,984,776	\$ 2,528,233
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense - regulated plant	2,529,728	2,586,991
Income from nonregulated operations, net of expenses	291,200	258,837
Miscellaneous income	1,368	-
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	60,203	546,880
Due from other funds	84,737	(589,183)
Prepaid expenses	(28,998)	4,326
Inventory of materials and supplies	107,670	427,699
Increase (decrease) in:		
Accounts payable	(23,375)	(428,915)
Customer deposits	1,715	14,157
Other accrued liabilities	35,470	(61,459)
Other postemployment benefits liability	195,582	(76,409)
Compensated absences	(1,627)	34,738
Net Cash Provided (used) for Operating Activities	<u>\$ 6,238,449</u>	<u>\$ 5,245,895</u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - CC COMMUNICATIONS - WIRELESS FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OPERATING REVENUES				
Charges for services:				
Initiation fees	\$ 60,000	\$ 24,061	\$ (35,939)	\$ 53,598
Service charges	2,650,000	2,165,973	(484,027)	2,502,701
Local air time	100,000	75,683	(24,317)	99,291
Roamer air time	100,000	96,171	(3,829)	127,041
Miscellaneous revenue	205,000	487,832	282,832	215,854
Equipment sales/installation	300,000	210,262	(89,738)	285,361
Uncollectible revenue	(60,000)	(15,779)	44,221	(307,328)
Total Operating Revenues	<u>3,355,000</u>	<u>3,044,203</u>	<u>(310,797)</u>	<u>2,976,518</u>
OPERATING EXPENSES				
Customer operations	590,696	869,766	(279,070)	859,883
Network operations	1,886,000	1,472,061	413,939	1,763,102
Corporate operations	291,228	109,106	182,122	251,269
Equipment sales expense	423,000	343,908	79,092	460,298
Total Operating Expenses	<u>3,190,924</u>	<u>2,794,841</u>	<u>396,083</u>	<u>3,334,552</u>
Operating Income (Loss)	<u>164,076</u>	<u>249,362</u>	<u>85,286</u>	<u>(358,034)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	<u>30,000</u>	<u>17,997</u>	<u>(12,003)</u>	<u>35,933</u>
Income (Loss) Before Contributions and Transfers	194,076	267,359	73,283	(322,101)
TRANSFERS				
Transfers out:				
CC Communications - Telephone Fund	<u>-</u>	<u>(12,000,000)</u>	<u>(12,000,000)</u>	<u>(3,000,000)</u>
Net Change in Net Assets	<u>\$ 194,076</u>	<u>(11,732,641)</u>	<u>\$ (11,926,717)</u>	<u>(3,322,101)</u>
NET ASSETS, July 1		<u>13,661,355</u>		<u>16,983,456</u>
NET ASSETS, June 30		<u>\$ 1,928,714</u>		<u>\$ 13,661,355</u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - CC COMMUNICATIONS - WIRELESS FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 3,481,621	\$ 4,725,991
Cash payments for employees	(555,770)	(451,583)
Cash payments for services and supplies	(2,377,240)	(2,920,581)
Net Cash Provided (Used) for Operating Activities	<u>548,611</u>	<u>1,353,827</u>
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to CC Communications - Telephone	<u>(12,000,000)</u>	<u>(3,000,000)</u>
 CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interest paid on long-term debt	<u>-</u>	<u>(178)</u>
 CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on investments	<u>18,646</u>	<u>37,590</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(11,432,743)	(1,608,761)
 CASH AND CASH EQUIVALENTS, July 1	<u>13,700,174</u>	<u>15,308,935</u>
CASH AND CASH EQUIVALENTS, June 30	<u><u>\$ 2,267,431</u></u>	<u><u>\$ 13,700,174</u></u>
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ 249,362	\$ (358,034)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	437,498	1,681,253
Accounts receivable other	(80)	68,220
Inventory	(9,012)	(11,487)
Increase (decrease) in:		
Accounts payable	(34,174)	(364,456)
Customer deposits	178	(8,547)
Due to other funds	(105,376)	347,231
Other postemployment benefits liability	10,215	(353)
Net Cash Provided (used) for Operating Activities	<u><u>\$ 548,611</u></u>	<u><u>\$ 1,353,827</u></u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - CC COMMUNICATIONS - BROADBAND FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OPERATING REVENUES				
Charges for services:				
OnNow!	\$ 1,435,500	\$ 1,587,433	\$ 151,933	\$ 1,389,372
Internet	1,360,000	1,305,730	(54,270)	1,332,457
Uncollectible revenue	(10,000)	(3,866)	6,134	(4,508)
Total Operating Revenues	<u>2,785,500</u>	<u>2,889,297</u>	<u>103,797</u>	<u>2,717,321</u>
OPERATING EXPENSES				
Customer operations:				
OnNow!	44,774	140,382	(95,608)	188,540
Internet	416,479	394,481	21,998	356,986
Network operations:				
OnNow!	589,590	759,464	(169,874)	1,160,412
Internet	352,405	79,490	272,915	74,333
Corporate operations	147,148	115,069	32,079	163,127
Access charges	1,015,402	1,032,544	(17,142)	938,602
Miscellaneous operating expense:				
OnNow!	87,646	56,894	30,752	15,935
Internet	9,000	15,276	(6,276)	15,794
Depreciation:				
OnNow!	262,359	281,650	(19,291)	273,065
Internet	34,109	23,718	10,391	31,145
Total Operating Expenses	<u>2,958,912</u>	<u>2,898,968</u>	<u>59,944</u>	<u>3,217,939</u>
Operating Income (Loss)	<u>(173,412)</u>	<u>(9,671)</u>	<u>163,741</u>	<u>(500,618)</u>
NONOPERATING REVENUES (EXPENSES)				
Miscellaneous income	-	644	644	-
Rental income	36,000	35,967	(33)	37,148
Gain (Loss) on sale of assets	-	-	-	(21,885)
Total Nonoperating Revenues (Expenses)	<u>36,000</u>	<u>36,611</u>	<u>611</u>	<u>15,263</u>
Income (Loss) Before Contributions and Transfers	<u>(137,412)</u>	<u>26,940</u>	<u>164,352</u>	<u>(485,355)</u>
TRANSFERS				
Transfers in:				
CC Communications - Long Distance Fund	-	-	-	550,000
Net Change in Net Assets	<u>\$ (137,412)</u>	<u>26,940</u>	<u>\$ 164,352</u>	<u>64,645</u>
NET ASSETS, July 1		<u>2,015,758</u>		<u>1,951,113</u>
NET ASSETS, June 30		<u><u>\$ 2,042,698</u></u>		<u><u>\$ 2,015,758</u></u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - CC COMMUNICATIONS - BROADBAND FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers and others	\$ 2,924,150	\$ 2,754,469
Cash payments for employees	(739,933)	(724,782)
Cash payments for services and supplies	(1,829,214)	(1,936,614)
Net Cash Provided (Used) for Operating Activities	355,003	93,073
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from CC Communications - Long Distance	-	550,000
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of equipment	(145,173)	(511,866)
Net Increase (Decrease) in Cash and Cash Equivalents	209,830	131,207
CASH AND CASH EQUIVALENTS, July 1	786,181	654,974
CASH AND CASH EQUIVALENTS, June 30	\$ 996,011	\$ 786,181
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (9,671)	\$ (500,618)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	305,368	304,210
Miscellaneous revenue	644	-
Rental income	35,967	37,148
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Inventory	(6,227)	53,130
Increase (decrease) in:		
Accounts payable	(6,819)	7,897
Due to other funds	18,354	198,196
Other postemployment benefits liability	17,387	(6,890)
Net Cash Provided (used) for Operating Activities	\$ 355,003	\$ 93,073

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - WASTE WATER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OPERATING REVENUES				
Charges for services:				
Service charges	\$ 150,000	\$ 424,824	\$ 274,824	\$ 201,746
Uncollectible revenue	-	(55,042)	(55,042)	-
Total Operating Revenues	<u>150,000</u>	<u>369,782</u>	<u>219,782</u>	<u>201,746</u>
OPERATING EXPENSES				
Telephone	3,000	3,098	(98)	2,682
Contracted services	176,000	171,765	4,235	171,574
Operating supplies	6,200	13,505	(7,305)	4,406
Repairs and maintenance	15,500	8,798	6,702	10,778
Utilities	38,000	29,416	8,584	41,273
Miscellaneous	500	-	500	305
Depreciation	495,000	763,038	(268,038)	681,811
Total Operating Expenses	<u>734,200</u>	<u>989,620</u>	<u>(255,420)</u>	<u>912,829</u>
Operating Income (Loss)	<u>(584,200)</u>	<u>(619,838)</u>	<u>(35,638)</u>	<u>(711,083)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	1,000	641	(359)	29,468
Bad debt	-	(481,531)	(481,531)	-
Miscellaneous	-	37,150	37,150	23,750
Interest expense	(80,981)	-	80,981	(75,669)
Total Nonoperating Revenues (Expenses)	<u>(79,981)</u>	<u>(443,740)</u>	<u>(363,759)</u>	<u>(22,451)</u>
Income (Loss) Before Contributions and Transfers	<u>(664,181)</u>	<u>(1,063,578)</u>	<u>(399,397)</u>	<u>(733,534)</u>
CAPITAL CONTRIBUTIONS				
Federal grants	-	674,592	674,592	1,624,242
Social Service Fund	-	97,927	97,927	-
Total Capital Contributions	<u>-</u>	<u>772,519</u>	<u>772,519</u>	<u>1,624,242</u>
TRANSFERS				
Transfers in:				
General	-	1,550,000	1,550,000	-
Infrastructure Tax	125,000	125,000	-	255,702
Utility Enterprise	-	512,000	512,000	-
Extra Ordinary Repairs	-	750,000	750,000	-
Total Transfers	<u>125,000</u>	<u>2,937,000</u>	<u>2,812,000</u>	<u>255,702</u>
Net Change in Net Assets	<u>\$ (539,181)</u>	<u>2,645,941</u>	<u>\$ 3,185,122</u>	<u>1,146,410</u>
NET ASSETS, July 1 as originally reported		19,450,331		18,303,921
Prior Period Adjustment		<u>404,341</u>		<u>-</u>
NET ASSETS, July 1 as restated		<u>19,854,672</u>		<u>18,303,921</u>
NET ASSETS, June 30		<u>\$ 22,500,613</u>		<u>\$ 19,450,331</u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - WASTE WATER ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 159,466	\$ 705,144
Cash payments for services and supplies	(1,091,944)	(290,194)
Net Cash Provided (Used) for Operating Activities	(932,478)	414,950
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from:		
General	1,550,000	-
Infrastructure Tax	125,000	255,702
Utility Enterprise	500,000	-
Extra Ordinary Repairs	750,000	-
Net Cash provided (Used) for Non-capital Financing Activities	2,925,000	255,702
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on long-term debt	(1,971,934)	(22,580)
Interest paid on long-term debt	(60,470)	(82,376)
Capital federal grants	954,217	1,322,846
Purchase of property, plant and equipment	(632,328)	(2,392,862)
Net Cash Provided (Used) for Capital and Related Financing Activities	(1,710,515)	(1,174,972)
CASH FLOW FROM INVESTING ACTIVITIES		
Principal payments on notes receivable	1,113	-
Interest received on investments	630	29,611
Net Cash Provided (Used) for Investing Activities	1,743	29,611
Net Increase (Decrease) in Cash and Cash Equivalents	283,750	(474,709)
CASH AND CASH EQUIVALENTS, July 1	31,352	506,061
CASH AND CASH EQUIVALENTS, June 30	\$ 315,102	\$ 31,352
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating income (loss)	\$ (619,838)	\$ (711,083)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	763,038	681,811
Miscellaneous revenue	37,150	23,750
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(235,827)	(20,968)
Due from other funds	(11,639)	1,627
Increase (decrease) in:		
Accounts payable	(359,778)	(19,219)
Accrued liabilities	-	6,463
Deferred revenues	-	(46,418)
Due to other funds	(505,584)	498,987
Net Cash Provided (used) for Operating Activities	\$ (932,478)	\$ 414,950
NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES		
Asset contributions	\$ 109,927	\$ -

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - UTILITY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OPERATING REVENUES				
Charges for services:				
Service charges	\$ 300,000	\$ 358,491	\$ 58,491	\$ 272,383
Uncollectible revenue	-	(55,101)	(55,101)	-
Total Operating Revenues	<u>300,000</u>	<u>303,390</u>	<u>3,390</u>	<u>272,383</u>
OPERATING EXPENSES				
Telephone	4,000	5,096	(1,096)	4,503
Contracted services	153,000	132,681	20,319	146,757
Operating supplies	6,000	6,773	(773)	10,166
Repairs and maintenance	13,500	3,340	10,160	3,707
Utilities	39,100	25,388	13,712	29,393
Depreciation	280,000	282,864	(2,864)	282,864
Total Operating Expenses	<u>495,600</u>	<u>456,142</u>	<u>39,458</u>	<u>477,390</u>
Operating Income (Loss)	<u>(195,600)</u>	<u>(152,752)</u>	<u>42,848</u>	<u>(205,007)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	4,750	4,866	116	32,876
Bad debt	-	(131,223)	(131,223)	-
Interest expense	(99,172)	(66,138)	33,034	(100,031)
Total Nonoperating Revenues (Expenses)	<u>(94,422)</u>	<u>(192,495)</u>	<u>(98,073)</u>	<u>(67,155)</u>
Income (Loss) Before Contributions and Transfers	<u>(290,022)</u>	<u>(345,247)</u>	<u>(55,225)</u>	<u>(272,162)</u>
TRANSFERS				
Transfers in:				
General Fund	-	1,250,000	1,250,000	-
Building Reserve	-	425,000	425,000	-
Extra Ordinary Repairs	-	750,000	750,000	-
Transfers out:				
Waste Water Enterprise	-	(512,000)	(512,000)	-
Total Transfers	<u>-</u>	<u>1,913,000</u>	<u>1,913,000</u>	<u>-</u>
Net Change in Net Assets	<u>\$ (290,022)</u>	<u>1,567,753</u>	<u>\$ 1,857,775</u>	<u>(272,162)</u>
NET ASSETS, July 1 as originally reported		8,706,850		8,979,012
Prior Period Adjustment		<u>459,455</u>		<u>-</u>
NET ASSETS, July 1 as restated		<u>9,166,305</u>		<u>8,979,012</u>
NET ASSETS, June 30		<u>\$ 10,734,058</u>		<u>\$ 8,706,850</u>

CHURCHILL COUNTY, NEVADA
MAJOR ENTERPRISE FUND - UTILITY ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 241,546	\$ 281,554
Cash payments for services and supplies	(164,924)	(238,574)
Net Cash Provided (Used) for Operating Activities	<u>76,622</u>	<u>42,980</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer from:		
General Fund	1,250,000	-
Building Reserve	425,000	-
Extra Ordinary Repairs	750,000	-
Transfer out:		
Waste Water Enterprise	(500,000)	-
Net Cash provided (Used) for Non-capital Financing Activities	<u>1,925,000</u>	<u>-</u>
CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Principal payment on long-term debt	(2,414,870)	(27,658)
Interest paid on long-term debt	(74,052)	(100,331)
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>(2,488,922)</u>	<u>(127,989)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on investments	5,089	33,274
Net Increase (Decrease) in Cash and Cash Equivalents	(482,211)	(51,735)
CASH AND CASH EQUIVALENTS, July 1	<u>979,633</u>	<u>1,031,368</u>
CASH AND CASH EQUIVALENTS, June 30 (including restricted cash of \$37,100)	<u>\$ 497,422</u>	<u>\$ 979,633</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ (152,752)	\$ (205,005)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	282,864	282,864
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(61,844)	2,869
Due from other funds	-	6,300
Increase (decrease) in:		
Accounts payable	(3,585)	1,227
Deferred revenues	-	(43,448)
Customer deposits	300	(200)
Due to other funds	11,639	(1,627)
Net Cash Provided (used) for Operating Activities	<u>\$ 76,622</u>	<u>\$ 42,980</u>
NONCASH INVESTING AND CAPITAL AND RELATED FINANCING ACTIVITIES		
Asset contributions	<u>\$ (12,000)</u>	<u>\$ -</u>

CHURCHILL COUNTY, NEVADA
CC COMMUNICATIONS - LONG DISTANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2010</u>
OPERATING REVENUES				
Charges for services:				
Service charges	\$ 814,500	\$ 763,134	\$ (51,366)	\$ 978,290
Uncollectible revenue	-	(638)	(638)	-
Total Operating Revenues	<u>814,500</u>	<u>762,496</u>	<u>(52,004)</u>	<u>978,290</u>
OPERATING EXPENSES				
Customer operations	60,933	71,040	(10,107)	52,194
Network operations	132,687	132,466	221	130,207
Corporate operations	102,506	89,693	12,813	96,416
Access charges	184,800	172,458	12,342	200,124
Miscellaneous operating expense	13,500	2,372	11,128	8,463
Total Operating Expenses	<u>494,426</u>	<u>468,029</u>	<u>26,397</u>	<u>487,404</u>
Operating Income (Loss)	<u>320,074</u>	<u>294,467</u>	<u>(25,607)</u>	<u>490,886</u>
NONOPERATING REVENUES (EXPENSES)				
Interest income	3,600	2,828	(772)	4,484
Income (Loss) Before Contributions and Transfers	<u>323,674</u>	<u>297,295</u>	<u>(26,379)</u>	<u>495,370</u>
TRANSFERS				
Transfers out:				
CC Communications - Broadband Fund	-	-	-	(550,000)
CC Communications - Telephone	-	(2,200,000)	(2,200,000)	-
Total Transfers	<u>-</u>	<u>(2,200,000)</u>	<u>(2,200,000)</u>	<u>(550,000)</u>
Net Change in Net Assets	<u>\$ 323,674</u>	<u>(1,902,705)</u>	<u>\$ (2,226,379)</u>	<u>(54,630)</u>
NET ASSETS, July 1		<u>2,354,076</u>		<u>2,408,706</u>
NET ASSETS, June 30		<u>\$ 451,371</u>		<u>\$ 2,354,076</u>

CHURCHILL COUNTY, NEVADA
CC COMMUNICATIONS - LONG DISTANCE FUND
SCHEDULE OF CASH FLOWS
FOR YEAR ENDED JUNE 30, 2011
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2010)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 762,496	\$ 978,290
Cash payments for employees	(206,488)	(164,121)
Cash payments for services and supplies	(258,562)	(279,578)
Net Cash Provided (Used) for Operating Activities	297,446	534,591
 CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Transfer to CC Communications - Broadband	-	(550,000)
Transfer to CC Communications - Telephone	(2,200,000)	-
Net Cash provided (Used) for Non-capital Financing Activities	(2,200,000)	(550,000)
 CASH FLOW FROM INVESTING ACTIVITIES		
Interest received on investments	3,117	4,664
Net Increase (Decrease) in Cash and Cash Equivalents	(1,899,437)	(10,745)
 CASH AND CASH EQUIVALENTS, July 1	2,417,007	2,427,752
CASH AND CASH EQUIVALENTS, June 30	\$ 517,570	\$ 2,417,007
 RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	\$ 294,467	\$ 490,886
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Changes in certain assets and liabilities:		
Increase (decrease) in:		
Accounts payable	2,286	43,756
Other postemployment benefits liability	693	(51)
Net Cash Provided (used) for Operating Activities	\$ 297,446	\$ 534,591

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011
(Page 1 of 4)

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
State of Nevada				
ASSETS				
Cash	\$ 156,363	\$ 2,676,474	\$ 2,648,892	\$ 183,945
Accounts receivable	-	116	-	116
Taxes receivable	3,034	1,433	-	4,467
	<u>\$ 159,397</u>	<u>\$ 2,678,023</u>	<u>\$ 2,648,892</u>	<u>\$ 188,528</u>
LIABILITIES				
Accounts payable	\$ -	\$ 10,609	\$ -	\$ 10,609
Due to other governments	159,397	2,667,414	2,648,892	177,919
	<u>\$ 159,397</u>	<u>\$ 2,678,023</u>	<u>\$ 2,648,892</u>	<u>\$ 188,528</u>
City of Fallon				
ASSETS				
Cash	\$ 57,870	\$ 1,832,522	\$ 1,860,080	\$ 30,312
Taxes receivable	5,169	1,389	-	6,558
	<u>\$ 63,039</u>	<u>\$ 1,833,911</u>	<u>\$ 1,860,080</u>	<u>\$ 36,870</u>
LIABILITIES				
Due to other funds	\$ 135	\$ -	\$ 135	\$ -
Due to other governments	62,904	1,833,911	1,859,945	36,870
	<u>\$ 63,039</u>	<u>\$ 1,833,911</u>	<u>\$ 1,860,080</u>	<u>\$ 36,870</u>
Range Improvement Districts Number 2, Number 3, and Number 6				
ASSETS				
Cash	\$ 10,379	\$ 7,076	\$ 10,108	\$ 7,347
LIABILITIES				
Due to other governments	\$ 10,379	\$ 7,076	\$ 10,108	\$ 7,347
Truckee-Carson Irrigation District				
ASSETS				
Cash	\$ 9,508	\$ 2,740,597	\$ 2,739,343	\$ 10,762
Taxes receivable	-	-	-	-
	<u>\$ 9,508</u>	<u>\$ 2,740,597</u>	<u>\$ 2,739,343</u>	<u>\$ 10,762</u>
LIABILITIES				
Due to other governments	\$ 9,508	\$ 2,740,597	\$ 2,739,343	\$ 10,762
State of Nevada Department of Wildlife				
ASSETS				
Cash	\$ 2,079	\$ 2,860	\$ 605	\$ 4,334
LIABILITIES				
Due to other governments	\$ 2,079	\$ 2,860	\$ 605	\$ 4,334
Churchill County School District Operating				
ASSETS				
Cash	\$ 43,974	\$ 6,125,005	\$ 5,971,797	\$ 197,182
Accounts receivable	19,399	-	19,399	-
Taxes receivable	13,387	6,414	-	19,801
Due from other governments	303,999	-	201,851	102,148
	<u>\$ 380,759</u>	<u>\$ 6,131,419</u>	<u>\$ 6,193,047</u>	<u>\$ 319,131</u>
LIABILITIES				
Due to other governments	\$ 380,759	\$ 6,131,419	\$ 6,193,047	\$ 319,131

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011
(Page 2 of 4)

	<u>BALANCE</u> <u>JUNE 30, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2010</u>
Churchill County School District				
Debt Service				
ASSETS				
Cash	\$ -	\$ 4,258,580	\$ 4,258,580	\$ -
Taxes receivable	9,855	4,678	-	14,533
	<u>\$ 9,855</u>	<u>\$ 4,263,258</u>	<u>\$ 4,258,580</u>	<u>\$ 14,533</u>
LIABILITIES				
Due to other governments	<u>\$ 9,855</u>	<u>\$ 4,263,258</u>	<u>\$ 4,258,580</u>	<u>\$ 14,533</u>
Churchill County Mosquito				
Abatement District				
ASSETS				
Cash	\$ 29,022	\$ 936,733	\$ 901,484	\$ 64,271
Taxes receivable	1,424	688	-	2,112
Due from other governments	47,451	5,691	-	53,142
	<u>\$ 77,897</u>	<u>\$ 943,112</u>	<u>\$ 901,484</u>	<u>\$ 119,525</u>
LIABILITIES				
Due to other governments	<u>\$ 77,897</u>	<u>\$ 943,112</u>	<u>\$ 901,484</u>	<u>\$ 119,525</u>
Scholarship Trust				
ASSETS				
Cash	\$ 14,267	\$ 55	\$ 3,000	\$ 11,322
Interest receivable	7	-	1	6
	<u>\$ 14,274</u>	<u>\$ 55</u>	<u>\$ 3,001</u>	<u>\$ 11,328</u>
LIABILITIES				
Funds held in trust for others	<u>\$ 14,274</u>	<u>\$ 55</u>	<u>\$ 3,001</u>	<u>\$ 11,328</u>
Court Clerk Trust				
ASSETS				
Cash	\$ 378,451	\$ 232,749	\$ 299,847	\$ 311,353
LIABILITIES				
Due to others	<u>\$ 378,451</u>	<u>\$ 232,749</u>	<u>\$ 299,847</u>	<u>\$ 311,353</u>
Justice Court Trust				
ASSETS				
Cash	\$ 5,505	\$ 74,337	\$ 59,025	\$ 20,817
LIABILITIES				
Due to others	<u>\$ 5,505</u>	<u>\$ 74,337</u>	<u>\$ 59,025</u>	<u>\$ 20,817</u>
Miscellaneous Trust				
ASSETS				
Cash	\$ 1,741	\$ 982	\$ 982	\$ 1,741
LIABILITIES				
Due to others	<u>\$ 1,741</u>	<u>\$ 982</u>	<u>\$ 982</u>	<u>\$ 1,741</u>

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011
(Page 3 of 4)

	<u>BALANCE</u> <u>JULY 1, 2010</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2011</u>
Assistance to Victims of Domestic Violence Fund				
<hr/>				
ASSETS				
Cash	\$ 1,070	\$ 6,080	\$ 5,865	\$ 1,285
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to other governments	\$ 1,070	\$ 6,080	\$ 5,865	\$ 1,285
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Excess Proceeds				
<hr/>				
ASSETS				
Cash	\$ 34,573	\$ 100	\$ -	\$ 34,673
Interest receivable	16	-	10	6
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 34,589</u>	<u>\$ 100</u>	<u>\$ 10</u>	<u>\$ 34,679</u>
LIABILITIES				
Due to others	\$ 34,589	\$ 100	\$ 10	\$ 34,679
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Jail Commissary				
<hr/>				
ASSETS				
Cash	\$ 19,555	\$ -	\$ 12,520	\$ 7,035
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Due to others	\$ 19,555	\$ -	\$ 12,520	\$ 7,035
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Recorder Trust				
<hr/>				
ASSETS				
Cash	\$ 2,304	\$ 44,056	\$ -	\$ 46,360
Due from other funds	135	-	135	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	<u>\$ 2,439</u>	<u>\$ 44,056</u>	<u>\$ 135</u>	<u>\$ 46,360</u>
LIABILITIES				
Due to other governments	\$ 2,439	\$ 44,056	\$ 135	\$ 46,360
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2011
(Page 4 of 4)

Totals	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2011
ASSETS				
Cash	\$ 766,661	\$ 18,938,206	\$ 18,772,128	\$ 932,739
Accounts receivable	19,399	116	19,399	116
Taxes receivable	32,869	14,602	-	47,471
Due from other funds	135	-	135	-
Interest receivable	23	-	11	12
Due from other governments	351,450	5,691	201,851	155,290
	<u>\$ 1,170,537</u>	<u>\$ 18,958,615</u>	<u>\$ 18,993,524</u>	<u>\$ 1,135,628</u>
LIABILITIES				
Accounts payable	\$ -	\$ 10,609	\$ -	\$ 10,609
Due to other governments	716,287	18,639,783	18,618,004	738,066
Due to other funds	135	-	135	-
Held in trust for others	14,274	55	3,001	11,328
Due to others	439,841	308,168	372,384	375,625
	<u>\$ 1,170,537</u>	<u>\$ 18,958,615</u>	<u>\$ 18,993,524</u>	<u>\$ 1,135,628</u>

STATISTICAL SECTION – UNAUDITED

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STATISTICAL SECTION

This part of Churchill County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health.

Contents

Page

Financial Trends

S-1 to S-7

These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity

S-8 to S-12

These schedules contain information to help the reader assess the county's two most significant local revenue sources, property tax and sales tax.

Debt Capacity

S-13 to S-17

These schedules present information to help the reader assess the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Demographic and Economic Information

S-18 to S-21

These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information

S-22 to S-24

These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The county implemented GASB Statement 34 in 2003; schedules presenting government-wide information include information beginning in that year.

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CHURCHILL COUNTY, NEVADA

Net Assets by Component
Last Nine Fiscal Years
(accrual basis of accounting)

	2003	2004	2005	2006	2007	2008	2009	2010	2011
<i>Governmental Activities:</i>									
Invested in capital assets, net of related debt	\$ 29,443,134	\$ 30,526,736	\$ 39,873,985	\$ 40,304,859	\$ 45,563,408	\$ 53,107,597	\$ 54,172,246	\$ 56,221,970	\$ 60,437,565
Restricted	-	6,974,262	7,696,537	9,283,221	11,546,731	10,002,950	11,910,396	12,573,847	6,241,774
Unrestricted	14,873,916	9,312,796	6,754,918	13,156,877	11,143,420	13,565,346	16,583,887	17,255,368	17,146,611
Total governmental activities net assets	44,317,050	46,813,794	54,325,440	62,744,957	68,253,559	76,675,893	82,666,529	86,051,185	83,825,950
<i>Business-type Activities:</i>									
Invested in capital assets, net of related debt	25,897,900	29,336,590	30,550,434	38,092,591	44,973,324	58,015,534	54,081,376	60,205,347	69,046,807
Restricted	-	-	23,283	36,700	-	-	-	-	37,100
Unrestricted	10,825,954	9,035,581	9,821,054	5,703,181	13,832,323	17,748,647	25,745,879	20,875,593	18,626,553
Total business-type activities net assets	36,723,854	38,372,171	40,394,771	43,832,472	58,805,647	75,764,181	79,827,255	81,080,940	87,710,460
<i>Primary Government:</i>									
Invested in capital assets, net of related debt	55,341,034	59,863,326	70,424,419	78,397,450	90,536,732	111,123,131	108,253,622	116,427,317	129,484,372
Restricted	-	6,974,262	7,719,820	9,319,921	11,546,731	10,002,950	11,910,396	12,573,847	6,278,874
Unrestricted	25,699,870	18,348,377	16,575,972	18,860,058	24,975,743	31,313,993	42,329,766	38,130,961	35,773,164
Total primary government net assets	\$ 81,040,904	\$ 85,185,965	\$ 94,720,211	\$ 106,577,429	\$ 127,059,206	\$ 152,440,074	\$ 162,493,784	\$ 167,132,125	\$ 171,536,410

Churchill County implemented GASB 34 in Fiscal Year 2003, which requires the Government-wide Statement of Activities.

CHURCHILL COUNTY, NEVADA

Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Page 1 of 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Expenses									
<i>Governmental activities:</i>									
General Government	\$ 4,764,913	\$ 4,816,466	\$ 5,738,745	\$ 5,476,938	\$ 6,023,426	\$ 6,215,096	\$ 8,158,909	\$ 7,002,902	\$ 6,899,761
Judicial	1,824,443	2,249,588	2,480,177	2,707,588	2,908,455	2,971,738	3,182,250	3,188,923	3,523,166
Public Safety	4,829,737	5,199,687	5,819,578	7,007,531	7,603,614	7,603,614	8,311,974	8,144,478	8,319,657
Public Works	2,237,184	2,388,526	1,195,487	2,224,763	2,210,246	3,180,901	3,243,179	3,135,451	3,226,784
Health & Sanitation	194,704	178,623	231,116	233,208	257,076	277,864	288,786	292,002	257,993
Welfare	1,301,822	1,182,556	1,286,989	1,349,477	1,085,025	1,086,643	1,094,676	1,596,872	1,493,043
Culture & Recreation	1,354,439	1,383,404	1,806,818	1,930,550	2,042,404	2,117,578	2,373,490	2,296,223	2,141,169
Community Support	487,889	456,695	471,294	620,020	704,482	960,707	854,941	642,884	648,028
Intergovernmental	550,720	675,029	912,284	-	-	-	-	-	-
Interest & Fiscal Charges	2,941	11,960	39,253	120,806	127,337	69,876	79,431	68,031	32,116
Total governmental activities expenses	\$ 17,548,792	\$ 18,692,714	\$ 19,981,741	\$ 21,670,881	\$ 23,162,057	\$ 24,484,017	\$ 27,587,656	\$ 26,367,766	\$ 26,541,717
<i>Business-type Activities:</i>									
Telephone	13,664,678	15,068,102	14,242,827	13,814,211	12,843,114	12,559,331	12,055,702	9,904,010	9,965,269
Wireless	4,056,765	4,713,632	4,640,842	5,902,437	7,543,354	8,021,572	5,658,091	3,334,552	2,794,841
Long Distance	1,989,913	1,498,543	1,497,698	1,925,914	1,189,024	692,538	641,110	487,404	468,029
Broadband	1,031,808	1,413,234	1,698,549	2,044,667	2,694,643	2,683,668	3,211,611	3,239,824	2,898,968
Waste Water	-	-	-	236	269,812	787,079	843,580	988,500	1,526,193
Water Utility	-	-	-	237	98,970	391,487	573,662	577,421	708,604
Total business-type activities expenses	\$ 20,743,162	\$ 22,693,511	\$ 22,079,916	\$ 23,687,702	\$ 24,638,917	\$ 25,135,675	\$ 22,983,756	\$ 18,531,711	\$ 18,361,904
Total primary government expenses	\$ 38,291,954	\$ 41,386,225	\$ 42,061,657	\$ 45,358,583	\$ 47,800,974	\$ 49,619,692	\$ 50,571,392	\$ 44,899,477	\$ 44,903,621
Program Revenues									
<i>Governmental activities:</i>									
Charges for services	\$ 949,886	\$ 1,222,132	\$ 1,360,663,000	\$ 1,568,728,000	\$ 1,270,461,000	\$ 1,108,433,000	\$ 960,116,000	\$ 971,336,000	\$ 1,019,073,000
General government	139,152	155,895	170,398	178,691	202,141	197,129	177,975	203,327	394,629
Judicial	439,651	472,693	451,241	378,439	369,360	404,246	399,964	417,964	441,169
Public safety	89,424	129,899	238,655	573,640	376,899	178,005	169,841	28,521	149
Culture and recreation	216,228	232,072	254,889	308,335	276,771	286,047	323,269	317,452	289,955
Other activities	68,168	86,796	80,846	84,157	72,212	47,957	88,126	77,916	59,585
Operating grants and contributions	1,271,975	1,538,337	1,618,785	1,661,058	2,367,856	2,120,345	2,952,180	2,639,487	1,946,749
Capital grants and contributions	109,389	735,000	3,108,887	2,336,339	804,170	7,724,013	641,325	-	-
Total governmental activities program revenues	\$ 3,283,873	\$ 4,572,824	\$ 7,284,364	\$ 7,089,387	\$ 5,739,870	\$ 12,066,175	\$ 5,712,796	\$ 4,656,003	\$ 4,151,309
<i>Business-type activities:</i>									
Charges for services	\$ 17,620,445	\$ 17,774,825	\$ 17,024,606	\$ 15,491,858	\$ 15,312,192	\$ 14,620,235	\$ 14,367,316	\$ 12,603,429	\$ 13,156,739
Telephone	5,323,073	4,907,496	6,156,416	7,690,330	9,773,140	10,824,637	8,338,204	2,976,518	3,044,203
Wireless	2,103,009	1,766,700	1,809,467	2,330,170	1,315,277	1,240,090	1,119,834	978,290	762,496
Long Distance	232,183	688,923	617,321	663,218	1,965,755	2,123,518	2,540,951	2,717,321	2,889,297
Broadband	-	-	-	-	5,212,583	2,557,791	2,252,732	201,748	424,824
Waste Water (1)	-	-	-	-	2,760,811	1,163,622	331,686	272,385	358,491
Water Utility (1)	-	-	-	-	-	689,688	-	-	-
Operating grants and contributions	-	725,000	-	2,494,563	4,765,816	7,604,534	557,373	1,624,242	674,592
Capital grants and contributions	25,278,710	25,862,944	25,607,810	28,670,139	41,105,574	40,824,115	27,481,096	21,373,933	21,310,642
Total business-type activities program revenues	\$ 28,562,583	\$ 30,435,768	\$ 32,892,174	\$ 35,759,526	\$ 46,845,444	\$ 52,890,290	\$ 33,193,892	\$ 26,029,936	\$ 25,461,951

(1) In 2007 and 2008, tap fees were charged for connections to the Water Utilities, \$7,846,014 and \$3,318,971, respectively.

Churchill County implemented GASB 34 in Fiscal Year 2003, which requires the Government-wide Statement of Activities.

CHURCHILL COUNTY, NEVADA

Changes in Net Assets
Last Nine Fiscal Years
(accrual basis of accounting)
Page 2 of 2

	2003	2004	2005	2006	2007	2008	2009	2010	2011
Government activities									
Net (Expense)/Revenue									
Government activities	\$ (14,264,919)	\$ (14,119,890)	\$ (12,697,377)	\$ (14,581,494)	\$ (17,422,187)	\$ (12,417,842)	\$ (21,874,840)	\$ (21,711,763)	\$ (22,390,408)
Business-type activities	4,535,548	3,169,433	3,527,894	4,982,437	16,466,657	15,688,440	4,497,340	2,842,222	2,948,738
Total primary government net expense	\$ (9,729,371)	\$ (10,950,457)	\$ (9,169,483)	\$ (9,599,057)	\$ (955,530)	\$ 3,270,598	\$ (17,377,500)	\$ (18,869,541)	\$ (19,441,670)

General Revenues and Other Changes in Net Assets

Governmental activities:

Property taxes	\$ 5,689,424	\$ 5,577,083	\$ 6,063,988	\$ 6,408,357	\$ 6,877,814	\$ 7,309,259	\$ 8,903,720	\$ 9,355,013	\$ 10,021,646
Franchise fees	100,357	160,863	134,709	166,914	179,593	171,130	159,439	161,549	153,336
Federal in lieu of taxes	1,151,139	1,183,436	1,236,886	1,230,360	1,157,509	1,237,704	2,790,842	2,088,531	2,060,410
AB104 fairshare	891,290	978,651	1,095,451	1,241,371	1,179,848	1,093,539	1,059,969	998,130	1,085,263
Consolidated intergovernmental taxes	4,790,166	5,083,657	6,035,350	7,013,035	6,555,570	6,016,895	5,927,194	4,554,601	4,856,743
Unrestricted fuel taxes	1,050,537	1,041,120	1,022,808	1,078,069	1,045,577	1,025,893	1,008,609	1,017,349	1,042,670
Optional county sales tax	546,182	588,281	678,796	1,398,142	1,508,527	1,413,203	1,437,398	1,050,588	1,102,981
Delinquent tax penalties	161,851	163,213	124,203	117,288	129,376	140,273	204,493	251,945	279,052
Interest income	195,779	177,714	363,816	870,566	1,166,080	996,366	517,326	180,530	132,933
Gain on sale of assets (1)	-	-	1,543,366	48,161	377,714	(250,365)	611,380	-	-
Miscellaneous revenues	156,622	61,706	190,748	1,193,030	901,901	2,499,010	4,619,406	3,675,246	2,501,570
Transfers	1,576,767	1,600,910	1,718,901	1,801,313	1,851,280	(812,731)	1,490,700	1,762,937	(2,698,854)
Total governmental activities	16,310,114	16,616,634	20,209,022	22,566,606	22,930,789	20,840,176	28,730,476	25,096,419	20,537,750

Business-type activities:

Interest income	118,270	79,794	150,095	238,576	339,420	414,903	222,339	112,684	43,005
Gain on sale of assets	-	-	-	-	-	-	810,043	-	-
Miscellaneous income	-	-	63,512	18,000	18,378	42,460	24,051	61,716	75,129
Transfers	(1,576,767)	(1,600,910)	(1,718,901)	(1,801,313)	(1,851,280)	812,731	(1,490,700)	(1,762,937)	2,698,854
Total business-type activities	(1,458,497)	(1,521,116)	(1,505,294)	(1,544,737)	(1,493,482)	1,270,094	(434,267)	(1,588,537)	2,816,988
Total primary government	14,851,617	15,095,518	18,703,728	21,021,869	21,437,307	22,110,270	28,296,209	23,507,882	23,354,738

Change in Net Assets

Government activities	2,045,195	2,496,744	7,511,645	7,985,112	5,508,602	8,422,334	6,855,636	3,384,656	(1,852,658)
Business-type activities	3,077,051	1,648,317	2,022,600	3,437,700	14,973,175	16,958,534	4,063,073	1,253,685	5,765,726
Total primary government	\$ 5,122,246	\$ 4,145,061	\$ 9,534,245	\$ 11,422,812	\$ 20,481,777	\$ 25,380,868	\$ 10,918,709	\$ 4,638,341	\$ 3,913,068

(1) The County sold water rights in fiscal year 2005 for a gain of \$1.5 million.

Churchill County implemented GASB 34 in Fiscal Year 2003, which requires the Government-wide Statement of Activities.

CHURCHILL COUNTY, NEVADA
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
General Fund										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,761,165	2,212,723	1,686,549	2,049,714	2,430,485	2,722,384	3,036,491	3,488,236	4,102,297	-
Non-Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	92,932
Assigned	-	-	-	-	-	-	-	-	-	3,948,798
Unassigned	-	-	-	-	-	-	-	-	-	4,145,167
Total general fund	1,761,165	2,212,723	1,686,549	2,049,714	2,430,485	2,722,384	3,036,491	3,488,236	4,102,297	8,186,897
All Other Governmental Funds										
Reserved	316,154	248,342	187,535	1,712,461	2,561,949	2,412,262	2,441,032	2,508,021	3,027,237	-
Unreserved reported in:										
Special revenue funds	9,580,211	11,204,208	12,133,186	11,215,047	13,995,186	14,247,770	13,851,837	17,774,466	17,963,051	-
Debt service fund	2,871	83,059	130,461	186,442	456,351	740,323	768,562	832,605	836,953	-
Capital projects funds	1,604,310	1,669,088	2,768,940	3,326,954	3,753,727	3,346,137	4,256,592	5,440,559	5,804,838	-
Non-Spendable	-	-	-	-	-	-	-	-	-	162,639
Restricted	-	-	-	-	-	-	-	-	-	6,241,775
Committed	-	-	-	-	-	-	-	-	-	5,659,038
Assigned	-	-	-	-	-	-	-	-	-	5,675,263
Unassigned	-	-	-	-	-	-	-	-	-	(535)
Total all other governmental funds	11,503,546	13,204,697	15,220,122	16,440,904	20,769,213	20,746,492	21,318,023	26,555,651	27,632,079	17,738,180
Total governmental funds	\$ 13,264,711	\$ 15,417,420	\$ 16,906,671	\$ 18,490,618	\$ 23,199,698	\$ 23,468,876	\$ 24,354,514	\$ 30,043,887	\$ 31,734,376	\$ 25,925,077

CHURCHILL COUNTY, NEVADA
General Government Revenues By Source
For Government Fund Types
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Taxes	Licenses and Permits	Intergovernmental Revenues	Charges for Services	Fines and Forfeits	Interest and Miscellaneous	Total
2002	\$ 4,163,819	\$ 379,254	\$ 11,323,082	\$ 713,717	\$ 325,755	\$ 2,388,444	\$ 19,294,071
2003	4,758,042	399,855	10,981,473	865,389	398,637	2,349,901	19,753,297
2004	4,713,992	527,787	11,506,299	1,020,576	428,266	2,431,242	20,628,162
2005	5,305,274	736,126	12,690,865	1,144,284	380,590	2,822,223	23,079,362
2006	5,325,114	1,096,278	16,387,487	1,501,023	385,831	4,500,147	29,195,880
2007	5,959,835	840,656	15,179,797	1,179,522	376,078	4,491,991	28,027,879
2008	6,481,581	678,522	18,988,269	1,057,580	427,578	7,018,974	34,652,504
2009	7,974,989	443,523	14,881,574	1,309,647	463,247	8,577,825	33,650,805
2010	9,029,447	390,479	12,644,801	1,082,614	586,119	4,415,196	28,148,656
2011	9,150,053	406,780	13,320,713	1,164,724	612,116	3,002,398	27,656,784

Includes: General, Special Revenue, Capital Projects and Debt Service Funds.

CHURCHILL COUNTY, NEVADA
 Governmental Expenditures by Function
 Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health & Sanitation	Welfare	Culture & Recreation	Community Support	Intergovernmental	Capital Outlay	Debt Service		Totals
											Principal	Interest	
2002	\$ 3,694,491	\$ 1,896,780	\$ 4,330,850	\$ 1,389,763	\$ 182,475	\$ 1,234,840	\$ 1,362,444	\$ 465,787	\$ 890,568	\$ 2,188,784	\$ 427,755	\$ 17,440	\$ 18,081,977
2003	3,855,012	2,000,113	4,727,244	1,219,459	188,516	1,297,303	1,419,499	484,783	550,720	2,289,794	69,228	-	18,101,671
2004	4,455,696	2,192,355	4,971,306	1,471,284	200,512	1,175,267	1,515,064	439,347	675,208	1,868,523	161,050	13,499	19,138,911
2005	5,541,113	2,414,781	5,357,489	1,539,338	216,103	1,294,209	1,651,557	465,538	912,284	10,842,082	145,254	23,693	30,403,441
2006	5,913,322	2,632,137	5,870,039	2,713,820	221,793	1,355,305	1,802,157	618,486	609,653	2,452,775	452,730	115,845	24,758,062
2007	6,641,330	2,830,348	5,788,960	740,749	244,917	1,085,511	1,833,003	701,676	1,428,863	6,269,425	753,334	109,240	28,427,355
2008	6,931,905	2,903,773	6,453,987	2,497,706	267,488	1,080,457	1,921,372	958,878	672,951	6,951,121	333,369	96,879	31,069,886
2009	7,589,203	2,969,485	6,585,269	2,408,861	258,159	1,073,827	1,982,872	848,581	889,447	3,572,568	312,753	80,090	28,571,115
2010	6,208,393	3,130,831	6,705,715	2,319,332	261,812	1,658,626	2,015,362	638,279	1,093,252	6,229,729	345,468	70,055	30,676,854
2011	6,429,031	3,127,582	7,004,019	2,354,927	240,367	1,481,706	1,903,214	641,377	999,655	7,246,791	1,537,701	41,460	33,007,830

*In Fiscal Year 2002, the District Attorney's Office changed functions from General to Judicial.
 In Fiscal Year 2005, the County purchased the "Wild Goose" property (\$8.8 mil).*

The following governmental fund types are included above:
 General, Special Revenue, Debt Service and Capital Projects.

CHURCHILL COUNTY, NEVADA
 Changes in Fund Balance - Governmental Funds
 Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total revenues (S-5)	\$ 19,294,071	\$ 19,753,297	\$ 20,628,162	\$ 23,079,362	\$ 29,195,880	\$ 28,027,879	\$ 34,652,504	\$ 33,650,805	\$ 28,148,656	\$ 27,656,784
Total expenditures (S-6)	(18,081,977)	(18,101,671)	(19,138,911)	(30,403,441)	(24,758,062)	(28,427,355)	(31,069,886)	(28,571,115)	(30,676,854)	(33,007,830)
Excess of revenues over (under) expenditures	1,212,094	1,651,626	1,489,251	(7,324,079)	4,437,818	(399,476)	3,582,618	5,079,690	(2,528,198)	(5,351,046)
Other Financing Sources (Uses)										
Proceeds - medium-term financing	-	501,083	-	3,300,001	256,500	-	-	-	-	-
Proceeds from capital lease	-	-	-	97,025	-	-	-	-	-	-
Principal received	-	-	-	-	-	-	-	-	-	-
Proceeds from sales	-	-	-	5,511,000	14,762	668,654	53,020	1,109,683	2,455,750	2,515,252
Transfer in	1,800,064	1,574,183	1,965,662	2,561,891	2,814,217	2,581,799	1,993,101	2,240,043	3,566,081	5,339,827
Transfer out	(1,800,064)	(1,574,183)	(1,965,662)	(2,561,891)	(2,814,217)	(2,581,799)	(4,743,101)	(2,740,043)	(1,803,144)	(7,940,754)
Total other financing sources (uses)	-	501,083	-	8,908,026	271,262	668,654	(2,696,980)	609,683	4,218,687	(85,675)
Net Change in fund balances	\$ 1,212,094	\$ 2,152,709	\$ 1,489,251	\$ 1,583,947	\$ 4,709,080	\$ 269,178	\$ 885,638	\$ 5,689,373	\$ 1,690,489	\$ (5,436,721)
Debt service as a percentage of noncapital expenditures	2.80%	0.44%	1.01%	0.86%	2.55%	3.89%	1.78%	1.57%	1.70%	6.13%

CHURCHILL COUNTY, NEVADA

Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property			Personal Property			Total Taxable Assessed Value	Estimated Actual Taxable Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Assessed Value	Less: Tax Exempt	Total Assessed Value	Assessed Value	Less: Tax Exempt	Total Assessed Value				
2002	\$ 344,483,398	\$ 64,236,094	\$ 280,247,304	\$ 65,278,979	\$ 241,910	\$ 65,037,069	\$ 345,284,373	\$ 986,526,780	35%	1.0004
2003	364,062,320	66,523,159	297,539,161	65,397,159	245,205	65,151,954	362,691,115	1,036,260,329	35%	1.0706
2004	366,449,903	67,116,197	299,333,706	66,553,797	289,461	66,264,336	365,598,042	1,044,565,834	35%	1.0731
2005	364,014,786	75,427,477	288,587,309	77,471,806	262,534	77,209,272	365,796,580	1,045,133,086	35%	1.0850
2006	417,819,803	82,687,755	335,132,048	70,477,133	269,625	70,207,508	405,339,556	1,158,113,017	35%	1.0950
2007	494,132,674	100,808,265	393,324,409	76,235,362	315,324	75,920,038	469,244,447	1,340,698,420	35%	1.0950
2008	596,832,131	107,466,746	489,365,385	89,697,295	546,482	89,150,813	578,516,198	1,652,903,423	35%	1.1450
2009	616,935,264	114,197,275	502,737,989	108,956,631	623,718	108,332,913	611,070,902	1,745,916,863	35%	1.2229
2010	626,060,135	110,649,310	515,410,825	164,759,423	5,049,812	159,709,611	675,120,436	1,928,915,531	35%	1.2229
2011	636,746,092	105,999,370	530,746,722	176,484,520	4,731,529	171,752,991	702,499,713	2,007,142,037	35%	1.2229

Source: Churchill County Assessor's Office

Note: Property in Churchill County is reassessed once every four years on average. The county assesses property at approximately 35 percent of actual value. Estimated actual value is calculated by dividing the assessed value by the assessed ratio. Tax rates are per \$100 of assessed value.

CHURCHILL COUNTY, NEVADA
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years

Collected in Fiscal Year	County Direct Tax Rate	<i>Overlapping Rates#</i>						County Assessed Valuation
		Churchill Co. School District	State of Nevada	Mosquito Abatement	Carson Water Subconservancy	City of Fallon	Total	
2001-02	\$ 1.0004	\$ 1.3700	\$ 0.1500	\$ 0.0720	\$ 0.0300	\$ 0.8471	\$ 3.4695	\$ 409,762,377
2002-03	1.0706	1.3700	0.1500	0.0800	0.0300	0.8471	3.5477	429,459,479
2003-04	1.0731	1.3700	0.1700	0.0800	0.0300	0.8471	3.5702	433,003,700
2004-05	1.0850	1.3700	0.1700	0.0800	0.0300	0.8171	3.5521	441,486,591
2005-06	1.0950	1.3700	0.1700	0.0800	0.0300	0.8171	3.5621	488,296,936
2006-07	1.0950	1.3500	0.1700	0.0800	0.0300	0.8271	3.5521	570,368,036
2007-08	1.1450	1.3500	0.1700	0.0800	0.0300	0.8371	3.6121	686,529,426
2008-09	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	725,891,895
2009-10	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	790,819,558
2010-11	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	813,230,612

Source: Churchill County Clerk/Treasurer's Office

Note: The County's basic property tax rate may be increased only by a majority vote of the county's residents.

#All of the above listed overlapping rates apply to the property owners of Churchill County, with the exception of the City of Fallon rate. The additional City of Fallon rate is only applicable to the property owners within the city limits.

CHURCHILL COUNTY, NEVADA
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	Type of Business	Fiscal Year 2011				Fiscal Year 2002			
		Rank	Taxable Estimated Appraised Value (1)	Approximate Taxable Assessed Value	% of Taxable Assessed Valuation	Rank	Taxable Estimated Appraised Value (1)	Approximate Taxable Assessed Value	% of Taxable Assessed Valuation
ENEL Stillwater Geothermal Plant	Geothermal	1	\$ 267,382,574	\$ 93,583,901	15.17%				
ENEL Salt Wells Geothermal Plant	Geothermal	2	104,298,591	36,504,507	5.92%				
Sierra Pacific Power Company	Utility	3	85,360,803	29,876,281	4.84%	1	\$ 67,766,234	\$ 23,718,182	6.89%
Terra-Gen Dixie Valley LLC (Caithness)	Geothermal	4	55,472,269	19,415,294	3.15%	2	55,438,657	19,403,530	5.63%
AT&T Communications, Inc.	Communications	5	27,581,626	9,653,569	1.56%	8	6,883,831	2,409,341	0.70%
Northrop Grumman	Base Contractor	6	26,838,237	9,393,383	1.52%				
Southwest Gas Corp	Utility	7	26,796,703	9,378,846	1.52%	3	20,849,094	7,297,183	2.12%
Union Pacific System	Railroad	8	24,943,143	8,730,100	1.42%	5	11,054,406	3,869,042	1.12%
Ormat Nevada, Inc	Geothermal	9	24,148,571	8,452,000	1.37%	4	15,749,286	5,512,250	1.60%
Rocket Drill Co., LLC -Vulcan	Geothermal	10	19,701,611	6,895,564	1.12%				
Magma Energy (Constellation Power)	Geothermal					6	9,810,000	3,433,500	1.00%
Kennametal, Inc.	Manufacturing					7	8,869,840	3,104,444	0.90%
United Airlines, Inc.	Airline					9	6,644,694	2,325,643	0.68%
Peters, Jim (Stockmans)	Casino					10	6,547,831	2,291,741	0.67%

Source: Churchill County Tax Assessor's Office

(1) Estimated appraised value assumes that assessed value is 35% of appraised value.

CHURCHILL COUNTY, NEVADA

Property Tax Collections
Last Ten Fiscal Years

Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collected	Delinquent Tax Collections	Total Tax Collection	Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
2002	\$ 8,635,011	\$ 8,342,968	96.618%	\$ 292,043	\$ 8,635,011	100.000%	\$ -	0.000%
2003	9,120,824	8,904,601	97.629%	216,223	9,120,824	100.000%	-	0.000%
2004	9,331,950	9,140,581	97.949%	191,355	9,331,936	100.000%	14	0.000%
2005	9,845,411	9,697,516	98.498%	147,321	9,844,837	99.994%	574	0.006%
2006	10,711,267	10,564,755	98.632%	144,845	10,709,600	99.984%	1,667	0.016%
2007	12,329,997	12,078,595	97.961%	246,981	12,325,576	99.964%	4,421	0.036%
2008	13,897,422	13,419,092	96.558%	431,120	13,850,212	99.660%	47,210	0.340%
2009	14,914,689	14,284,217	95.773%	347,107	14,631,324	98.100%	283,365	1.900%
2010	15,707,402	15,183,754	96.666%	24,107	15,207,861	96.820%	499,541	3.180%
2011	14,938,415	14,524,846	97.232%	6,781	14,531,627	97.277%	406,788	2.723%

Source: Churchill County Clerk/Treasurer's Office

CHURCHILL COUNTY, NEVADA

Taxable Sales by Category
Last Ten Fiscal Years

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Wholesale trade - durable goods	\$ 9,391,045	\$ 11,535,049	\$ 12,398,313	\$ 15,685,515	\$ 22,660,724	\$ 16,119,291	\$ 22,263,594	\$ 25,254,866	\$ 14,508,333	\$ 14,469,943
Building merchandise, hardware	17,891,507	17,640,309	20,232,336	28,020,278	33,173,959	25,941,813	20,177,778	22,694,208	19,204,306	19,337,205
General merchandise stores	38,548,913	40,937,038	43,028,716	47,634,499	56,442,958	60,910,456	56,438,228	47,821,345	43,777,822	42,771,768
Food stores(1)	12,761,045	12,482,687	12,540,170	13,190,554	12,617,952	13,336,226	11,597,634	10,057,349	9,864,765	10,188,992
Automotive dealers & gasoline	46,832,165	51,080,003	53,920,392	64,791,467	64,290,574	53,288,419	44,336,953	29,160,740	25,040,453	25,509,259
Home furniture & fixtures	10,494,981	7,243,908	9,271,098	9,349,861	11,482,066	6,742,159	6,916,754	6,863,055	6,051,143	4,530,561
Eating and drinking places	19,166,629	20,857,034	21,270,821	23,144,099	28,723,713	30,959,935	29,568,371	30,491,176	26,840,492	27,296,189
Miscellaneous retail	17,440,784	18,815,834	17,575,407	23,883,610	26,967,481	30,218,763	28,343,952	26,902,665	21,561,191	21,401,112
Business services	5,188,351	4,312,436	4,363,705	4,311,275	6,323,478	4,692,929	2,543,325	2,148,401	1,615,818	1,285,107
Automotive repairs & services	6,057,195	7,203,971	6,663,898	6,499,354	6,990,272	5,036,129	5,044,368	5,416,434	4,723,421	5,229,914
All other categories	36,906,638	34,346,025	37,466,955	42,604,241	54,972,429	59,180,239	67,179,682	114,903,323	78,059,345	77,091,429
Total	\$220,679,253	\$226,454,294	\$238,731,811	\$279,114,753	\$324,645,606	\$306,426,359	\$294,410,639	\$321,713,562	\$251,247,089	\$249,111,479

County direct sales tax rate

Basic City-County Relief Tax	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Supplemental City-County Relief Tax	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Public Mass Transportation & Construction of Roads	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Local Government Tax Act	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Infrastructure Development	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Source: Nevada Department of Taxation

(1) General grocery items are not taxable; the sales tax applies only to prepared food items and nonfood items.

CHURCHILL COUNTY, NEVADA
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income (1)	Per Capita (1)
	Capital Leases	Contract/Note Payable	Revenue Bond	Capital Leases	Telecommunications Equipment Payable	Utility Bond Payable			
2002	\$ -	\$ -	\$ -	\$ -	\$ 3,699,414	\$ -	\$ 3,699,414	0.55%	147.29
2003	431,856	-	-	-	3,904,940	-	4,336,796	0.61%	168.04
2004	270,806	-	-	1,623,575	3,177,128	-	5,071,509	0.65%	194.27
2005	206,697	97,025	3,218,853	1,575,888	2,405,940	-	7,504,403	0.90%	282.28
2006	140,254	353,525	2,832,566	1,511,709	1,619,266	4,000,000	10,457,320	1.17%	382.06
2007	-	97,025	2,475,986	1,450,196	817,024	4,544,376	9,384,607	1.03%	345.15
2008	-	76,409	2,163,207	1,386,419	-	4,485,261	8,111,296	0.81%	300.63
2009	-	76,409	1,850,454	1,320,297	-	4,437,042	7,684,202	0.81%	286.09
2010	-	43,693	1,537,701	1,251,741	-	4,386,804	7,219,939	Unavailable	290.23
2011	-	43,693	-	1,180,663	-	-	1,224,356	Unavailable	Unavailable

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See S-18 for personal income and population data.

CHURCHILL COUNTY, NEVADA
Ratio of General Obligation Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Debt Outstanding			Percentage of Assessed Value of Property (1)	Per Capita (2)
	General Obligation Debt	Less: Amounts Available in Debt Service Fund	Total		
2002	\$ -	\$ 2,871	\$ (2,871)	0.00%	(0.11)
2003	431,856	83,059	348,797	0.08%	13.52
2004	270,806	130,461	140,345	0.03%	5.38
2005	3,522,575	186,442	3,336,133	0.76%	125.49
2006	3,326,345	456,351	2,869,994	0.59%	104.86
2007	2,573,011	740,323	1,832,688	0.32%	67.40
2008	2,239,616	768,562	1,471,054	0.21%	54.52
2009	1,926,863	832,605	1,094,258	0.15%	40.74
2010	1,581,394	836,953	744,441	0.09%	29.92
2011	43,693	-	43,693	0.01%	Unavailable

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See S-8 for property value data.

(2) See S-18 for personal income and population data.

CHURCHILL COUNTY, NEVADA
 Legal Debt Margin Information
 Last Ten Fiscal Years

Legal Debt Margin Calculation for Fiscal Year 2011

Assessed Value	\$ 813,230,612
Debt limit (15% of assessed value)	121,984,592
Debt applicable to limit:	
General obligation debt	43,693
CC Communications debt	1,180,663
Utility Bond Debt	-
Total debt applicable to limit	1,224,356
Legal debt margin	\$ 120,760,236

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Debt limit	\$ 61,464,357	\$ 64,418,922	\$ 64,950,555	\$ 66,222,989	\$ 73,244,540	\$ 85,555,205	\$ 102,979,414	\$ 108,883,784	\$ 118,622,934	\$ 121,984,592
Total debt applicable to limit	3,699,414	4,336,796	5,071,509	7,504,403	10,457,320	9,384,607	8,111,296	7,684,202	7,219,939	1,224,356
Legal debt margin	\$ 57,764,943	\$ 60,082,126	\$ 59,879,046	\$ 58,718,586	\$ 62,787,221	\$ 76,170,598	\$ 94,868,118	\$ 101,199,582	\$ 111,402,995	\$ 120,760,236

Total debt applicable to the limit as a percentage of debt limit	6.02%	6.73%	7.81%	11.33%	14.28%	10.97%	7.88%	7.06%	6.09%	1.00%
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The statutory county debt limit is 15% of the assessed value of all taxable property in the County, as set forth in Chapter 244A.059 of the Nevada Revised Statutes.

CHURCHILL COUNTY, NEVADA
Direct and Overlapping Governmental Activities Debt
As of June 30, 2011

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>Estimated Share of Overlapping Debt</u>
State of Nevada	\$ 1,311,690,000	6.1%	\$ 79,555,924
City of Fallon	13,503,893	100.0%	13,503,893
Churchill County School District	23,697,931	100.0%	<u>23,697,931</u>
Subtotal, overlapping debt			116,757,748
County direct debt (S-13)			<u>43,693</u>
Total direct and overlapping debt			<u>\$ 116,801,441</u>

Sources: Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the county. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Churchill County. This process recognizes that, when considering the county's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

(1) Estimated percentage applicable was based upon the percentage of State tax rate to County direct tax rate (\$.1700/\$2.8029)

CHURCHILL COUNTY, NEVADA
Pledged Revenue Coverage
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Business-Type Activities - Bond, Note Payable & Capital Lease					
	Business-Type Activities Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2002	\$ 19,624,555.00	\$ 14,455,354.00	\$ 5,169,201.00	\$ 614,516.00	\$ 201,686.00	6.33
2003	19,393,439	15,820,414	3,573,025	649,776	166,426	4.38
2004	18,774,202	17,300,690	1,473,512	804,454	90,603	1.65
2005	20,214,084	17,548,844	2,665,240	845,611	97,947	2.82
2006	23,772,292	23,157,556	614,736	858,292	253,365	0.55
2007	27,100,541	24,538,123	2,562,418	934,513	230,634	2.20
2008	27,751,265	24,901,165	2,850,100	108,739	229,357	8.43
2009	25,788,872	23,638,054	2,150,818	112,985	225,111	6.36
2010	18,950,696	17,706,317	1,244,379	117,399	220,697	3.68
2011	19,825,727	17,079,383	2,746,344	67,450	38,150	26.01

Note: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

CHURCHILL COUNTY, NEVADA
Demographic and Economic Statistics
Last Ten Fiscal Years

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income(2)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment rate (4)</u>
2002	25,116	\$ 666,725,000	27,494	4,610	6.1%
2003	25,808	706,554,000	29,164	4,544	5.8%
2004	26,106	785,839,000	32,347	4,500	5.0%
2005	26,585	831,247,000	33,681	4,507	4.0%
2006	27,371	895,816,000	36,305	4,462	3.8%
2007	27,190	912,198,000	36,806	4,410	4.1%
2008	26,981	1,002,013,000	40,361	4,409	5.7%
2009	26,859	946,875,000	38,032	4,352	8.7%
2010	24,877	Unavailable	Unavailable	4,206	11.4%
2011	Unavailable	Unavailable	Unavailable	4,169	10.9%

(1) Source: Nevada State Demographer's Office

(2) Source: U.S. Dept. of Commerce, Bureau of Economic Analysis

(3) Source: Nevada Department of Education

(4) Source: Nevada State Employment Training and Rehabilitation

CHURCHILL COUNTY, NEVADA

Principal Employers

Current Year and Ten Years Ago

2011		2002							
Rank	Employer	Product/Service	Number of Employees	Percentage of Total County Employment	Rank	Employer	Product/Service	Number of Employees	Percentage of Total County Employment
1	NAS-Fallon Military Personnel (1)	U.S. Navy	1,025	8.89%	1	NAS-Fallon Military Personnel	U.S. Navy	1,164	15.07%
2	Churchill County School District	Education	600 to 699	5.64%	2	Churchill County School District	Education	561	7.26%
3	Banner Churchill Community Hospital	Health Care	300 to 399	3.04%	3	Day & Zimmerman	Various	423	5.48%
4	Wal-Mart Supercenter	Retail	200 to 299	2.17%	4	NAS-Fallon - Civil Service	Various	377	4.88%
5	Churchill County	Local Government	200 to 299	2.17%	5	SMI Joist	Manufacturing	325	4.21%
6	L-3 Comm/Vertex Aerospace, LCC	Aviation	200 to 299	2.17%	6	Boeing Aerospace	Aviation	280	3.62%
7	Department of Defense	Federal Government	200 to 299	2.17%	7	Churchill Community Hospital	Health Care	280	3.62%
8	A & K Earthmovers	Construction	100 to 199	1.30%	8	Non-appropriated Fund Instrumentality (NAFI)	Retail	240	3.11%
9	Chugach Support Services, Inc.	Various	100 to 199	1.30%	9	Wal-Mart	Retail	190	2.46%
10	Northrop Grumman Technical	Various	100 to 199	1.30%	10	Lockheed Martin Systems Support	Aviation	178	2.30%

Source: Nevada Department of Employment, Training and Rehabilitation (Specific number of employees not available for current year)
 (1) NAS-Fallon

CHURCHILL COUNTY, NEVADA
Property Value and Construction
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Commercial Construction		Residential Construction	
	Number of Permits	Value	Number of Permits	Value
2002	34	\$ 3,104,538	165	\$ 13,820,520
2003	15	3,189,790	132	12,341,108
2004	23	6,716,325	223	23,017,541
2005	22	14,744,769	330	32,905,412
2006	20	3,302,870	264	28,651,637
2007	25	4,272,306	165	18,971,522
2008	26	14,327,226	107	10,961,026
2009	19	6,665,507	60	4,701,661
2010	1	79,292	4	173,250
2011	5	500,417	3	338,806

Note: Fencing, roofing, garages and other small jobs are not included.

Source: Churchill County Tax Assessor's Office

CHURCHILL COUNTY, NEVADA

Miscellaneous Statistical Data

June 30, 2011

DATE COUNTY CREATED: 1864

FORM OF GOVERNMENT:

Type: County Commission
Commission composed of three elected members

TERMS OF OFFICE:

Commissioners - 4 year terms

AREA: 4,929 square miles

CLIMATE:

Elevation: 3,965 ft.
Avg. Temp: 51.3 F
Jan Avg. Temp: 31.7 F
Jul Avg. Temp: 72.8 F
Annual Precip: 4.88"
Avg. Growing Season: 120 days



ECONOMY:

Farming: Alfalfa, Corn & "Hearts of Gold" cantaloupes
Ranching: Cattle, sheep, hogs, horses & dairy cows
Over 180 million pounds of milk produced each year
Military: Fallon Naval Air Station employs approximately 3,000 residents
Home of "Top Gun" fighter pilot training
Geothermal: Over 300 megawatts of geothermal power produced annually by seven power plants

EDUCATION:

Elementary Schools	5
Junior High School (grades 7-8)	1
High School (grades 9-12)	1
Parochial/Christian	2
Academy/Charter School	1
Western Nevada Community College	
Embry-Riddle Aeronautical University	
Sierra Nevada College	

MEDICAL AND HEALTH SERVICES:

Banner Churchill Community Hospital - This 40-bed facility provides emergency rooms, designated trauma center, surgery, maternity and intensive care services, as well as full service out patient diagnostics. The hospital also offers regular clinics in cardiology, gastroenterology, neurology, orthopedics, oncology, ophthalmology and urology.

CHURCHILL COUNTY, NEVADA
 Full-time Equivalent County Government Employees by Department
 Last Ten Fiscal Years

Department	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Commissioners	3	3	3	3	3	3	3	3	3	3
Clerk/Treasurer	8	9	9	9	8	8	8	9	9	6
Recorder	3	3	3	3	3	4	3	3	3	3
Assessor	7	7	7	8	9	8	8	8	8	8
County Manager	2	2	2	2	2	2	2	2	2	2
Facilities & Grounds	5	5	5	5	5	6	6	7	7	7
Human Resources	2	2	2	2	1	1	1	1	1	1
Comptroller	4	4	4	4	4	5	4	4	4	4
Sheriff	43	44	44	44	44	47	47	49	48	46
Fire	1	1	1	1	1	1	1	1	1	1
Emergency Management	-	-	-	-	-	-	-	1	1	1
District Court	2	2	2	2	2	2	2	2	2	5
District Attorney	17	17	18	19	18	19	18	21	21	20
Justice Court	5	5	5	5	6	7	6	6	6	6
Juvenile Probation	8	10	11	12	14	12	11	10	10	11
Juvenile Justice Center	-	-	-	-	-	-	-	-	-	1
Court Services	-	-	-	-	-	-	-	-	2	2
Parks & Recreation	17	16	16	15	15	16	19	19	19	17
Museum	10	10	9	9	10	5	5	5	5	3
Building	-	-	-	2	3	3	3	3	2	2
Planning	7	7	8	7	7	6	7	7	7	7
Cemetery	3	3	3	3	3	2	2	3	3	3
Water Resource	0	0	0	0	0	1	1	1	1	1
Welfare	5	5	5	4	4	2	3	3	5	4
Road	20	20	17	17	16	17	15	15	17	17
Cooperative Extension	1	1	1	1	1	1	1	1	2	2
Library	8	8	7	7	6	7	7	7	7	6
CC Communications	100	102	105	107	105	96	97	83	77	74
Total FTE	281	286	287	291	290	281	280	274	273	263

Source: Churchill County Comptroller's Office

CHURCHILL COUNTY, NEVADA
Operating Indicators by Department/Program
Last Ten Fiscal Years

Department/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Museum										
Number of visitors	12,000	12,000	12,000	12,000	12,000	10,000	10,582	11,627	8,624	9,458
Items in collection	NA	NA	NA	47,752	50,000	48,588	50,500	53,145	54,000	55,261
Bus tours	57	56	48	26	61	69	50	56	36	30
Public Library										
Items owned by library	88,387	92,613	91,312	93,855	101,445	101,300	101,931	103,676	103,647	104,997
Circulation	149,684	154,911	168,603	159,914	169,903	168,878	170,137	173,578	177,862	172,697
Justice Court										
Criminal filings	3,503	4,556	6,283	6,380	5,615	4,932	4,344	4,717	4,923	5,429
Civil filings	1,078	1,065	1,185	1,371	1,624	1,488	1,655	1,305	1,254	1,369
Parks & Recreation										
Programs/Events	32	34	33	35	30	68	35	35	37	35
Event attendance	5,761	8,120	7,008	8,638	8,145	3,795	7,823	7,833	7,276	7,430
Fairground attendance	71,850	80,000	84,000	72,346	70,597	82,702	96,502	84,285	89,883	89,282
Fairground event days	222	221	234	207	178	149	177	186	197	200
Cemetery										
Full burials	64	65	55	45	55	50	49	42	42	38
Cremations	31	47	47	33	41	37	52	39	42	30
Sheriff										
Reports by patrol	8,244	9,802	11,468	11,467	12,477	16,127	19,102	17,715	15,446	7,604
Civil papers received	4,147	4,222	4,541	4,858	6,122	4,168	4,879	4,227	3,744	3,084
Average inmate population	49.20	44.27	40.32	44.40	48.23	52.00	44.50	45.00	42.50	36.00
Fire										
Rescue calls	17	15	12	16	18	7	10	11	17	22
Fire calls	174	133	147	129	220	363	230	185	181	243
CC Communications (1)										
Subscriber lines	14,318	13,886	13,509	13,397	12,849	12,249	12,082	11,423	10,507	9,878

Sources: Various county departments.

Note: Indicators not available for the general government function.

(1) Due to the competitive nature of the telecommunications industry, management has elected to limit the information available for this schedule.

CHURCHILL COUNTY, NEVADA
 Capital Asset Statisticals by Department
 Last Ten Fiscal Years

Function	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Public Safety</u>										
Sheriff										
Office locations	2	2	2	3	3	3	3	3	3	3
Vehicles	17	19	14	19	18	24	19	18	19	23
All-terrain vehicles	4	4	4	4	4	4	4	4	4	4
Command trailer	-	-	1	1	1	1	1	1	1	1
Detention facility	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
<u>Public Works</u>										
Road										
Paved roads (miles)	144.0	146.4	165.4	166.9	170.8	186.12	193.69	194.4	194.4	194.82
Unpaved roads (miles)	402.6	402.6	402.6	402.6	321.89	275.01	273.49	273.49	273.49	273.49
Major bridges (over 26 feet)	20	20	20	21	21	21	21	21	21	21
<u>Culture and Recreation</u>										
Library										
Building	1	1	1	1	1	1	1	2	2	2
Museum										
Building	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Acreage (2)	108	108	108	108	1,134.19	1,136.45	1,136.45	1,136.45	1,173.51	1,173.51
Swimming pool (indoor)	1	1	1	1	1	1	1	1	1	1
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	2	2	2	2	2	2	2	2	2	2
<u>Health</u>										
Cemetery										
Acreage	28	28	28	28	63.5	63.5	63.5	63.5	63.5	63.5
<u>General Government</u>										
Water Resources										
Water rights (acre feet) (1)	-	-	51	2,819	3,604	3,604	3,614	3,624	3,624	3,624
<u>Water Utility</u>										
Maximum daily capacity (thousands of gallons)	-	-	-	-	-	-	1650	1650	1650	1650
<u>Waste Water Utility</u>										
Maximum daily capacity (thousands of gallons)	-	-	-	-	-	345	345	900	900	900

Sources: Various county departments.

(1) Wild Goose property purchased in Fiscal Year 2005.

(2) Soda Lake property purchased in Fiscal Year 2006.

COMPLIANCE SECTION

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**Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

To the Honorable Board of Commissioners of
Churchill County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Churchill County, Nevada, (the "County"), as of and for the year ended June 30, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated February 29, 2012. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 11-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the

determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
February 29, 2012



**Independent Auditor’s Report on Compliance With Requirements That Could Have a Direct
and Material Effect on Each Major Program and on Internal Control
Over Compliance in Accordance With OMB Circular A-133**

To the Honorable Board of Commissioners of
Churchill County, Nevada

Compliance

We have audited Churchill County, Nevada’s, (the “County”), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County’s major federal programs for the year ended June 30, 2011. Churchill County’s major federal programs are identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the County’s management. Our responsibility is to express an opinion on the County’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the County’s compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. However, the results of our auditing procedures disclosed instances of non-compliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 11-2, 11-3, 11-4, and 11-5.

Internal Control Over Compliance

Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County’s internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of

expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying schedule of findings and questioned costs as items 11-2, 11-3, 11-4, and 11-5. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Kafoury, Armstrong & Co.

Reno, Nevada
February 29, 2012

CHURCHILL COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011
(Page 1 of 2)

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROJECT/ PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>Department of Agriculture:</u>			
Direct Program:			
Community Facilities Loans and Grants	10.766		\$ 27,274
<u>Department of Housing and Urban Development:</u>			
Passed through State of Nevada:			
Commission on Economic Development:			
CDBG - State-Administered Small Cities Program Cluster:			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - Community Assessment	14.228	CDBG/09/PCB/002	1,210
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - RNDC Comm Mass Rural	14.228	CDBG/10/PCB/006	20,550
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - NSBDC Business Counseling	14.228	CDBG/10/ED/004	75,000
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - Rural Nevada Continuum of Care	14.228	CDBG/10/PCB/003	42,524
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - NSBDC Entrepreneurial Training	14.228	CDBG/10/PCB/005	55,440
Total CDBG - State-Administered Small Cities Program Cluster:			194,724
State Housing Division:			
Emergency Shelter Grants Program	14.231	PATH I & II	15,566
Direct Program:			
Supportive Housing Program - Primary Assistance and Transitional Housing (PATH)	14.235	NV01B702003	48,826
Passed through State of Nevada:			
Department of Business and Industry - Housing Division:			
ARRA Homelessness Prevention and Rapid Re-Housing Program	14.257	HPRP-2009-0001	61,490
Total Department of Housing and Urban Development			320,606
<u>Department of Interior:</u>			
Direct Program:			
Bureau of Reclamation:			
Providing Water to At-Risk Natural Desert Terminal Lakes	15.508	09-FC-81-1472	178,363
<u>Department of Justice:</u>			
Passed through State of Nevada:			
Department of Health and Human Services:			
Division of Child and Family Services:			
Juvenile Justice and Delinquency Prevention_Allocation to States - CCBC RAFT Grant	16.540	CCPBG SYF 10/11	48,429
Department of Public Safety:			
Public Safety Partnership and Community Policing Grants	16.710	08-METH-03	10,982
JAG Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	10-JAG-06	100,000
ARRA Edward Byrne Memorial Justice Assistance Grant (JAG) Program/Grants to States and Territories	16.803	09-ARRA-05	25,864
Total JAG Cluster:			125,864
Total Department of Justice			185,275
<u>Department of Labor:</u>			
WIA Cluster:			
Passed through State of Nevada:			
Nevada Works Summer Employment: WIA Youth Activities	17.259	YIA-09-CCJPO	70,600

See accompanying notes.

CHURCHILL COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011
(Page 2 of 2)

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PROJECT/ PASS-THROUGH GRANTOR'S NUMBER</u>	<u>EXPENDITURES</u>
<u>Department of Transportation:</u>			
Passed through State of Nevada:			
Department of Transportation:			
Formula Grants for Other Than Urbanized Areas - Area 49 USC 5311	20.509	NV-18-X026 PR410-09-802	\$ 35,748
Formula Grants for Other Than Urbanized Areas - Area 49 USC 5311	20.509	NV-18-X026 PR163-10-802	60,545
ARRA Formula Grants for Other Than Urbanized Areas - Area 49 USC 5311 Vehicles	20.509	NV-86-X001 PR275-10-802	<u>100,594</u>
			<u>196,887</u>
Transit Services Programs Cluster:			
Capital Assistance Program for Elderly Persons and Persons With Disabilities	20.513	NV-16-0036 PR157-10-802	<u>100,160</u>
Total Department of Transportation			<u>297,047</u>
<u>Environmental Protection Agency:</u>			
Passed through State of Nevada:			
Department of Environmental Protection:			
ARRA Capitalization Grants for Clean Water State Revolving Funds	66.458	CS32-092855	<u>674,592</u>
<u>Department of Energy:</u>			
Direct Program:			
Nuclear Waste Disposal Siting	81.065	89-5227-0-2-271	<u>198,950</u>
<u>Department of Health and Human Services:</u>			
Passed through State of Nevada:			
Division of Welfare and Supportive Services:			
Child Support Enforcement	93.563	T81032440F	317,261
Child Support Enforcement - Incentive	93.563	T81032440F	6,282
ARRA Child Support Enforcement - Incentive	93.563	T81032440F	<u>12,195</u>
			<u>335,738</u>
Department of Health and Human Services:			
CSBG Cluster:			
Community Services Block Grant - Discretionary	93.569	T81032440-Community Action	20,346
Community Services Block Grant - Emergency Assistance	93.569	T81032440-Community Action	93,245
ARRA Community Services Block Grant - Employment	93.710	T81032440-CSBG Employment	<u>42,309</u>
Total CSBG Cluster:			<u>155,900</u>
Total Department of Health and Human Services			<u>491,638</u>
<u>Department of Homeland Security:</u>			
Direct Program:			
Emergency Food and Shelter Program Cluster:			
Emergency Food and Shelter National Board Program - Phase 28	97.024	LRO ID: 586500-022	<u>4,900</u>
Passed through State of Nevada:			
Department of Public Safety:			
Division of Emergency Management:			
Emergency Management Performance Grants	97.042	9704210	<u>18,991</u>
Interoperable Emergency Communications - SERC Equipment	97.055	11-SERC-02-01	24,558
Interoperable Emergency Communications - SERC Equipment	97.055	11-UWS-02-01	<u>27,548</u>
			<u>52,106</u>
Homeland Security Cluster:			
Homeland Security Grant Program - DHS/FFY08	97.067	97067HL8	<u>5,735</u>
Total Department of Homeland Security			<u>81,732</u>
Total Expenditures of Federal Awards			<u>\$ 2,526,077</u>

See accompanying notes.

CHURCHILL COUNTY, NEVADA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2011

A. REPORTING ENTITY

The accompanying schedule of expenditures of federal awards presents the expenditure activity of all federal award programs of Churchill County, Nevada, (“the County”), for the year ended June 30, 2011. The County’s reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

B. BASIS OF ACCOUNTING

The accompanying schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting.

C. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Expenditures of federal awards have been included in the individual funds of the County as follows:

Governmental Activities:	
Major Governmental Fund:	
General Fund	\$ 894,669
Other Governmental Funds:	
Social Service Fund	778,453
Water Resource Fund	178,363
Business-Type Activities:	
Major Business-Type Funds:	
Waste Water Enterprise Fund	<u>674,592</u>
	<u>\$ 2,526,077</u>

D. SUBRECIPIENTS

All grants from the Department of Transportation are passed through to Churchill Area Regional Transportation, Inc. (CART), a Nevada non-profit corporation.

**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued:	Unqualified		
Internal control over financial reporting:			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies)?	_____ <u>X</u> _____	Yes	_____ _____ None reported
Noncompliance material to financial statements noted?	_____	Yes	_____ <u>X</u> _____ No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiency(ies)?	_____ <u>X</u> _____	Yes	_____ _____ None reported
Type of auditor’s report issued on compliance for major programs:	Unqualified		
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	_____ <u>X</u> _____	Yes	_____ _____ No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
CFDA 66.458	ARRA Capitalization Grants for Clean Water State Revolving Funds
CFDA 93.563	Child Support Enforcement

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?	_____ <u>X</u> _____	Yes	_____ _____	No
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**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

SECTION II – FINANCIAL STATEMENT FINDING:

Significant Deficiency:

Finding 11-1:

Financial Statement Preparation and Application of Generally Accepted Accounting Principles:

- Criteria:* Given the continual change in accounting standards and the compliance requirements for financial reporting, preparing a Comprehensive Annual Financial Report (CAFR) is a complex and time consuming process. As such, management is responsible for establishing and maintaining an effective system of internal control over financial reporting. Key components of an effective system of internal control over financial reporting are sufficiently trained staff with adequate time and knowledge to prepare full disclosure financial statements in accordance with generally accepted accounting principles (GAAP).
- Condition and Context:* It appears the County's current internal controls over the financial reporting process are not operating effectively given the following deficiencies noted during our audit:
- Adjustments to the County's general ledger were required to correct transactions that were not processed and/or posted in accordance with GAAP. These adjustments affected the beginning net assets/fund balance and total revenues in three of the County's funds.
 - There were inaccurate and/or incomplete disclosures in the footnotes to the County's financial statements. Significant changes and additions were necessary to reflect required disclosures in accordance with GAAP. Instances included, but were not limited to, inaccurate notes receivable, cash, interfund transactions and fund balance disclosures.
 - There were instances where the presentation and/or classification of account balances and transactions in the County's financial statements were inaccurate. Such inaccuracies included, but were not limited to, supplementary information included as basic financial statements, misclassification of government wide net assets and errors in presentation of the statements of cash flows.
- Effect:* The County's general ledger was misstated. In addition, the County's financial statements and related footnotes provided to Kafoury, Armstrong & Co. for audit were not prepared in accordance with GAAP. As such, without the assistance of Kafoury, Armstrong & Co. the County's financial statements would not have been fairly presented, in all material respects, in accordance with GAAP.
- Cause:* The County has not implemented sufficient controls to ensure personnel responsible for the County's financial reporting 1) possess adequate knowledge of governmental financial reporting, and 2) are afforded sufficient time necessary to gain such knowledge and to prepare the County's financial statements and footnote disclosures in accordance with GAAP.
- Recommendation:* We recommend the County implement procedures to provide training to personnel responsible for the County's financial reporting, in the unique aspects of governmental accounting, including the preparation of governmental financial statements in accordance with GAAP. We recommend enhancing the County's detective control via secondary review of the financial statements and related footnote disclosures. We also recommend the County determine whether it has dedicated a sufficient number of personnel to the financial reporting process in order to accurately prepare the County's CAFR in a timely manner (to meet NRS and GFOA submission requirements).

CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Management's Response:

This was the first year that the Comptroller's Office prepared the Comprehensive Annual Financial Report. This process was slowed with the implementation of a new financial statement reporting software and the implementation of Governmental Accounting Standards Board Statement number 54. Additional staffing and training request will be addressed in the fiscal year 2013 budget process. An audit preparation calendar and a strict year-end close will be adopted to ensure timely completion of workflow for the preparation and review of the financial statements and related footnote disclosures.

**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Department of Health and Human Services; passed through the Nevada Division of Welfare and Supportive Services:

Finding 11-2:

Child Support Enforcement, CFDA 93.563:

<i>Grant Award Number:</i>	Affects the non-incentive grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	As noted in <i>OMB Circular A-87 Cost Principles for State, Local, and Indian Tribal Governments</i> , amounts charged to Federal programs must be for allowable costs. To be allowable under Federal awards, the cost must be necessary and reasonable, allocable, and be determined in accordance with generally accepted accounting principles.
<i>Condition and Context:</i>	<p>In response to prior year finding 10-1, Churchill County represented that a cost allocation plan to be reviewed and approved by the pass-through entity, Nevada Division of Welfare and Supportive Services (DWSS), would be prepared.</p> <p>Our testing of the corrective action implemented in response to prior year finding 10-1 included obtaining the new cost allocation plan and determining if the new plan was utilized during the fiscal year ended June 30, 2011. Although we noted a revised cost allocation plan was submitted to and approved by DWSS during the fiscal year, the new plan was not implemented during the fiscal year. As a result, claims for reimbursement were not supported by a cost allocation plan that was based on current costs and accurate building locations.</p>
<i>Questioned Costs:</i>	Undetermined.
<i>Effect:</i>	Unallowable costs could be charged to the Federal program.
<i>Cause:</i>	Churchill County utilized a cost allocation plan based on fiscal year 2008 costs. In addition, the costs were associated with buildings that the County District Attorney's Office, Child Support Division, no longer occupied during the current fiscal year.
<i>Recommendation:</i>	We recommend that Churchill County implement a cost allocation plan based on current costs and accurate building locations.
<i>Management's Response:</i>	Policies and procedures are being adopted to prepare and submit an annual cost allocation plan to the DWSS to be approved in a timely manner to be implemented during the fiscal year for reimbursement. Staff will be meeting with DWSS to obtain concurrence on proposed policies and procedures.

**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Finding 11-3:

Child Support Enforcement, CFDA 93.563:

<i>Grant Award Number:</i>	Affects the non-incentive grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	<i>OMB Circular A-133</i> requires that reports for Federal awards include all activity of the reporting period, be supported by applicable accounting records, and be fairly presented in accordance with governing requirements.
<i>Condition and Context:</i>	We tested two monthly claims for reimbursement submitted to the Nevada Division of Welfare and Supportive Services during the fiscal year. During our testing over the January 2011 claim, we noted that amounts submitted for direct fringe, travel, and supplies reimbursement did not reconcile to the supporting documentation.
<i>Questioned Costs:</i>	None.
<i>Effect:</i>	Unallowable costs could be charged to the Federal program.
<i>Cause:</i>	Churchill County did not have adequate review procedures in place to identify errors in the report.
<i>Recommendation:</i>	We recommend that Churchill County enhance the reimbursement request procedures to include tracing all amounts to the appropriate supporting documentation to ensure amounts requested are prepared accurately.
<i>Management's Response:</i>	Policies and procedures are being adopted that provide a review of the monthly reports by another individual within the Child Support Office prior to submittal to the Comptroller's Office for review and submittal. Training will be provided to improve the review process.

**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Finding 11-4:

Child Support Enforcement, CFDA 93.563:
ARRA Child Support Enforcement, CFDA 93.563:

<i>Grant Award Number:</i>	Affects the incentive grant awards included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	As noted in the <i>OMB Circular A-133 Compliance Supplement</i> , certain special tests and provisions apply to programs with expenditures of ARRA awards, including the provision to maintain separate accountability for ARRA funding and to provide separate identification of ARRA expenditures on the Schedule of Expenditures of Federal Awards (Schedule).
<i>Condition and Context:</i>	During our testing of the Incentive grant award, we noted that separate accounts were not established for Incentive expenditures reimbursed with ARRA funds and consequently, those expenditures were not separately identified on the Schedule.
<i>Questioned Costs:</i>	None.
<i>Effect:</i>	ARRA funds were not properly identified and reported on the Schedule.
<i>Cause:</i>	The County District Attorney's Office, Child Support Division, initiating the grant funding, did not communicate the ARRA award and expenditure information to the County Comptroller's Office.
<i>Recommendation:</i>	We recommend that Churchill County enhance grant controls and procedures to ensure all pertinent grant information is communicated to the Comptroller's Office.
<i>Management's Response:</i>	County grant control procedures have been reviewed with Child Support staff. The training included the importance of determining the sources of grant funding and specifically note if ARRA funds are received in the grant packet of information submitted to the Comptroller's Office.

**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011**

Finding 11-5:

Child Support Enforcement, CFDA 93.563:

<i>Grant Award Number:</i>	Affects the non-incentive grant award included under CFDA 93.563 on the Schedule of Expenditures of Federal Awards.
<i>Criteria:</i>	For enforcement of support obligations, the <i>OMB A-133 Compliance Supplement</i> requires a State IV-D agency to initiate income withholding in accordance with 45 CFR section 303.100, "Procedures for Income Withholding." The State IV-D agency must issue the notice to the employer to initiate income withholding within two business days of the date the State's computerized support enforcement system receives notice of income and income source (45 CFR 303.100(e)(2)). In addition, the <i>OMB A-133 Compliance Supplement</i> requires the State IV-D agency (the County) to attempt to secure medical support information, and establish and enforce medical support obligations for all individuals eligible for services under 45 CFR section 302.33.
<i>Condition and Context:</i>	As part of our testing over Special Tests and Provisions, we tested a sample of cases for conformance with the criteria contained in 45 CFR section 303.100 (Enforcement of Support Obligations) to ascertain if the County made a determination that health insurance was not available at a reasonable cost or took action to enforce and obtain other medical support (Securing and Enforcing Medical Support Obligations). We noted in one of the cases tested, the notice to initiate income withholding was not mailed to the employer within the required time frame of two business days. In another case tested, the support agreement ordered both the custodial parent and the non-custodial parent to provide health insurance coverage. We noted that the County documented that the non-custodial parent was not able to provide health insurance at a reasonable cost. However, with regard to the custodial parent, the County did not make a determination that health insurance was not available at a reasonable cost or take action to enforce and obtain the medical support.
<i>Questioned Costs:</i>	None.
<i>Effect:</i>	Income withholding was not initiated timely and enforcement of a medical support obligation did not occur.
<i>Cause:</i>	Churchill County did not have procedures in place to ensure enforcement of support obligations were performed timely and medical support obligations were enforced.
<i>Recommendation:</i>	We recommend that Churchill County enhance procedures to ensure enforcement of support obligations is completed within the required time frame and medical support obligations are enforced.
<i>Management's Response:</i>	Child Support staff is participating in cross-training and developing a partner system to ensure that case files are processed timely and accurately. Monthly tracking lists are being developed to identify cases that may not be in compliance to ensure the cases are being fully enforced per the court orders.

CHURCHILL COUNTY, NEVADA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 10-1:

Grant award number: Department of Health and Human Services; passed through the Nevada Division of Welfare and Supportive Services, Child Support Enforcement, CFDA 93.563.

Condition: During our testing of the monthly financial reports submitted to the pass-through entity, charges were included based on a cost allocation plan for certain overhead expenses prepared in 2007. Selected items included in the overhead allocation were not calculated on current rates and the applied allocation rates could not be substantiated through supporting documentation.

Criteria: 2 CFR Part 225 (OMB Circular A-87) prescribes cost principles to be used in determining allowable costs that may be charged to a federal program. Costs allocated to a federal program must be reasonable, allocable, and determined in accordance with generally accepted accounting principles. Appendix C to Part 225 specifies that local governments should maintain the plan and related supporting documentation for audit.

Questioned costs: Undetermined.

Effect: Cost reimbursements submitted to the pass-through entity may contain costs that are not allowed under 2 CFR Part 225 (OMB Circular A-87).

Cause: Management has not updated their cost allocation plan since 2007. It appears adequate controls were not in place to ensure the accuracy of the calculations as clerical errors were identified in the 2007 overhead allocation plan.

Recommendation: We recommend the County revises the Child Support Enforcement overhead allocation plan to ensure the plan is based on current costs and allocated on a reasonable basis and all documentation supporting such allocations be retained for audit.

Current status: A revised overhead allocation plan was not implemented during the year ended June 30, 2011. See current year finding 11-1.

Finding 09-2:

Grant award number: Department of Health and Human Services; passed through the Nevada Division of Welfare and Supportive Services, Child Support Enforcement, CFDA 93.563.

Condition: Monthly requests for reimbursement had miscellaneous errors. The errors were all small in nature. In November, 2008, an employee's personnel activity report was entered incorrectly. .5 hours were entered as 5 hours resulting in an overcharge of 4.5 hours to the program. In February, 2009, indirect employees percentage of time spent on the program was calculated using the total hours from January, 2009 resulting in an under

CHURCHILL COUNTY, NEVADA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2011

request for reimbursement of wages for the month. In February, 2009, an invoice was picked up twice on the request for reimbursement.

Criteria: Reports are to be prepared and submitted with accurate information.

Questioned costs: None (below OMB Circular A-133 designated \$10,000).

Effect: Reports submitted were inaccurate.

Cause: Requests for reimbursement are reviewed on a summary level but the detail is not reviewed by a second person.

Recommendation: We recommend having a second person check reports for accuracy before submission.

Client response: The District Attorney's office will have a second person review supporting documentation for the expenditures included in the Request for Reimbursement prior to submission.

Current status: Reimbursement requests submitted during the year ended June 30, 2011 did not agree to the supporting documentation. See current year finding 11-2.



Independent Accountant's Report on Nevada Revised Statute 354.6241

To the Honorable Board of Commissioners of
Churchill County, Nevada

We have reviewed the assertion provided by management in accordance with Nevada Revised Statute 354.624(5)(a):

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2011 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for funds are as noted in the financial statements,
- The funds conformed to significant statutory and regulatory constraints on their financial administration during the year ended June 30, 2011 (except as noted under statute compliance in Note 2 to the financial statements).
- The fund balance and net assets of the funds are as noted in the financial statements.

This assertion is the responsibility of the management of Churchill County, Nevada.

Our review was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. A review is substantially less in scope than an examination, the objective of which is the expression of an opinion on the assertion. Accordingly, we do not express such an opinion.

Based on our review, nothing came to our attention that caused us to believe that the assertion provided by management referred to above is not fairly stated in all material respects.

Kafoury, Armstrong & Co.

Reno, Nevada
February 29, 2012

CHURCHILL COUNTY, NEVADA
SCHEDULE OF FEES IMPOSED SUBJECT TO THE
PROVISIONS OF NRS 354.5989
LIMITATION OF FEES FOR BUSINESS LICENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

Flat Fixed Fees:

Adjusted base, June 30, 2010	\$ 73,281
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Adjustment to Base:

Base Year

- | | |
|------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1. Percentage increase in population of the local government | -2.85% |
| 2. Percentage increase in Consumer Price index for the year ending on December 31 next preceding year for which the limit is being calculated. | 1.70% |

	-1.15%
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	<u>(843)</u>
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Adjusted base, June 20, 2011	72,438
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Actual business license revenue, 2010-2011	<u>64,938</u>
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Amount over (under) adjusted base amount	<u><u>\$ (7,500)</u></u>
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AUDITOR'S COMMENTS

STATUTE COMPLIANCE

The required disclosure on compliance with Nevada Revised Statutes and the Nevada Administrative Code is contained in Note 2 to the financial statements.

PRIOR YEAR'S STATUTE COMPLIANCE

An apparent violation of NRS 354.626 for expenditures in excess of budgetary authority was noted. Although attempts were made to monitor expenditures during the year, expenditures/expenses in excess of budget were again noted as disclosed in Note 2 to the financial statements.

PRIOR YEAR'S AUDIT RECOMMENDATIONS

See the Summary Schedule of Prior Audit Findings on pages C-15 to C-16.

CURRENT YEAR'S AUDIT RECOMMENDATIONS

Our current year recommendations are included in the Schedule of Findings and Questioned Costs.

NEVADA REVISED STATUTE 244.186 (1)(a) & (b)

Churchill County is authorized pursuant to NRS 711.175 to sell video service to the general public over a video service network. As such, NRS 244.186 prohibits the County from (a) selling such video service at a price that is less than the actual cost of the video service or sell a bundle of services containing such video service at a price that is less than the actual cost of the bundle of services or; (b) use any money from the county general fund for the provision of such video service over its video service network. No evidence was discovered to indicate the County was selling its services in violation of paragraph (a), and no general fund monies were used in support of providing such video services.

NEVADA REVISED STATUTE 354.598155

The Special Ad Valorem Capital Projects Fund made \$107,303 worth of expenditures for the general government and intergovernmental functions.

NEVADA REVISED STATUTES 710.140 AND 710.145

Churchill County provides wireless services outside its territorial boundaries and is therefore subject to the provisions of NRS 710.140 and NRS 710.145. No evidence was discovered to indicate the County was not in compliance with the provisions of those sections with regard to the facilities and property it maintains and the services it provides outside its territorial boundaries.

NRS 354.6115

The financial statements of the Revenue Stabilization Fund are located in this report. As noted above, compliance with Nevada Revised Statutes is contained in Note 2 to the financial statements.

