

CHURCHILL COUNTY, NEVADA



Snowed In By Brittany Byrd

Comprehensive Annual Financial Report

Year Ended June 30, 2010

CHURCHILL COUNTY, NEVADA
COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2010

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**CHURCHILL COUNTY, NEVADA
JUNE 30, 2010**

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INTRODUCTORY SECTION - UNAUDITED



Churchill County Comptroller

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November 30, 2010

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, 2010.

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 proving 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 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, two major special revenue funds, 28 non-

major special revenue funds, five major proprietary funds, one non-major proprietary fund, four 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, 2010, as of July 1, 2009 is 26,859. This reflects a 0.5% decrease over the prior year population of 26,981. The city of Fallon's population is 9,113 compared to the prior year of 9,258. 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 significant geothermal energy development in the prior year with only exploration activities in the current year. In the year just ended June 30, 2010, taxable sales demonstrated a decrease from \$321.4 million to \$251.3 million. This decrease represents an overall decrease of 21.9%. As noted in the chart below, this reverses last years positive increase and continues the downward trend from FY 2006.

TAXABLE SALES

| Fiscal Year Ended | Taxable Sales | Prior Year Change | Percentage Change |
|-------------------|---------------|-------------------|-------------------|
| 6/30 | | | |
| 2002 | 220,679,253 | | |
| 2003 | 226,454,294 | 5,775,041 | 2.62% |
| 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) | -21.9% |

A review of the trends in taxable sales for the top ten business codes indicates a decrease in the amount of sales in automotive dealers down \$4.1M or -14.1%, food stores down approximately \$0.2M or -1.8%, general merchandise stores down \$2.5M or -5.3%, clothing stores down \$.28M or -11.2%, home furnishing down \$.82M or -12.6%, wholesale durable goods down \$10.1M or -41.8%, building materials down \$14.3M or -16.9%, construction specialty trades down \$7.5M or -52.6%, eating and drinking establishments down \$3.65M or -12% and Geothermal development related business codes down \$25.9M or -48.2% due to increased geothermal development activities and construction of two power plants during the prior fiscal year and only exploration activities in the current year. 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 three 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 breakdown is as follows for fiscal year 2009-2010: County 74.74%, City of Fallon 21.41%, Carson-Truckee Water Conservancy 0.11% and Churchill Mosquito and Weed Abatement 3.74%. The CTX revenue was \$6,094,259 compared to \$7,991,164 in the

prior year, which was a decrease of (\$1,896,905) or (-23.7%). This is off over \$3.2M from the record level for CTX in fiscal year 2005-2006 and places us at FY 2002 levels. See the chart below:

CONSOLIDATED TAX DISTRIBUTION

| Fiscal Year | BCCRT | SCCRT | Cigarette Tax | Liquor Tax | RPTT | MVPT | Total | % Change |
|-------------|-----------|-----------|---------------|------------|---------|-----------|-----------|----------|
| 2002 | 1,122,700 | 3,517,110 | 195,194 | 28,713 | 74,769 | 1,062,105 | 6,000,591 | |
| 2003 | 1,183,078 | 3,723,804 | 200,595 | 29,194 | 100,901 | 1,163,178 | 6,400,750 | 6.67% |
| 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% |

The overall decrease in the CTX distribution is primarily a result of a significant decrease in levels of taxable sales based collections (BCCRT and SCCRT) being down approximately \$1,860,000 or -28.8%. Furthermore, the Real Property Transfer Tax (RPTT) decreased (\$8,179) or -10.0% due to lower home values, foreclosures and a sluggish local real estate market due to credit crisis. This decrease is due in part to fewer homes being sold and the high levels of sales when the real estate market peaked in FY 2005-06. The slight decrease in Motor Vehicle Privilege Tax (MVPT) of (\$17,262) or -1.2% 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, Compensated Absences, Building Reserve and Extraordinary Repairs and Maintenance funds.

During the year it became apparent the projected CTX 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 shortfalls. Within the plan, there were reductions of expenditures, personnel, implementation 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 |
|-------------|----------------|------------------------|----------|
| 2002 | 409,762,377 | 1,161,606,791 | |
| 2003 | 429,459,479 | 1,209,884,226 | 4.81% |
| 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% |

Individual residential construction in the county continued with 4 new single-family dwelling building permits issued during the period of July 1, 2009 to June 30, 2010, at a value of \$562,388, a decrease from the prior year of \$3,148,214. Commercial building permits issued were valued at \$1,644,989 during the year, which was up from the prior year's pace of \$1,016,711. Additionally 144 permits were issued for improvements valued at \$2,032,572. During the past year, the Enel's Salt Wells Geothermal Plant was brought on line. This plant has an assessed value of \$15,533,770. Furthermore, TeraGen expansion occurred at their Dixie Valley facility in the amount of \$1,521,827 new

values. The value of Net Proceeds of Mine increased from \$15M to \$31.8M. There has been an upswing in assessed values as the assessment replacement factors increased within the national costing program. 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, there was not as significant reductions related to the decline in market values. For the upcoming year, FY 2011, 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.

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 2006 | Actual 2007 | Actual 2008 | Actual 2009 | Actual 2010 | Budget 2011 |
| Churchill County | 1.1250 | 1.1250 | 1.1750 | 1.2529 | 1.2529 | 1.2529 |
| C.C. School District | 1.3700 | 1.3500 | 1.3500 | 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) | 2.7450 | 2.7250 | 2.7750 | 2.8029 | 2.8029 | 2.8029 |
| Percentage Increase (Decrease) | | -0.73% | 1.83% | 1.01% | 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 \$2,088,531 compared to the prior year amount of \$2,790,842. It was apportioned to the following funds: General Fund, Cooperative Extension, Library, Parks and Recreation, Compensated Absence, Water Resources, Building Reserve and Extraordinary Repairs & Maintenance Funds. 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 2010 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.

Project Food

The Social Services Department continues the Project Food Program in a collaborative effort with various local agencies and businesses. Project Food is a community development project in which people work together and pool their money and time in order to get a greater amount of nutritious food into needy households. Each month an average of 120 families participate in this program. Participants volunteer a minimum of two hours per month and donate \$15.00 to receive a food basket, which includes 2-3 meats from a local butcher, a \$5.00 gift card to Safeway's Supermarket and additional package items that compliment the food package. The monthly food packages have an estimated value of at least \$50 per month.

Additional community food programs include the Holiday Food Basket program that serves over 400 meals for families during the holiday season.

In 2010, the Project Food Program 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.

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.

During the 2007 Special Legislative Session Churchill County received an appropriation through AB198 of \$25,000. The funding was awarded for supportive services for transitional housing based on efforts made on a statewide effort to end homelessness. Funds assisted clients in case management to elevate their homeless situations and transition to permanent housing.

As of January 2006 a new housing program was put into effect using new funds received through Western Nevada Housing Consortium. The funding allows consumers to receive up to six months of subsidized rents and housing counseling to better stabilize their housing situations. As of January 2010 funding allowed the services to be increased from 2 families to 5 at a given time. Full case management is provided throughout a 6 month period to assist the families in developing the skills to avoid future situations that put them in the homeless status.

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. In addition 15 families were identified in need of wraparound service coordination for financial assistance / counseling and 8 individual and group counseling sessions to benefit the entire family. The program was recognized by the State as a model program and has will be operating for the third year in 2010.

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. These programs continue to be successful. The Western Regional Youth Facility has been operating at or near capacity during the fiscal year.

Truancy Program

Funds from NevadaWorks have continued to allow the Churchill County Juvenile Probation Department, in partnership with the Churchill County School District and the Juvenile Court Master, to operate a Truancy Court. 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.

Desert and Community Clean-up Efforts

Churchill County Juvenile Probation department conducted a Desert Clean-up project in 2009 and 2010 that employed at risk youth to conduct a desert clean up operation. The program increased the employability and job readiness skills of the youth, reduced their rate of delinquency and removed 200,000 pounds of trash from the desert in the last two years. This grant funded program paid for the project coordinator, the youth and for a job readiness skills correspondence class through Brigham Young University. Over sixty youth have successfully completed the program. The referral rate during the program dropped by 35% as the youth involved had little time or energy for negative behaviors.

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 40 inmates during the first seven months of operations.

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 \$575,000 in the Library Gift and Donation Fund as of the fiscal year ending June 30, 2010. 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 this last year, 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 available wireless laptop computers 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 allow for additional space in the current library. New shelving and space design was installed.

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, 2010. 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 \$3,316,220 in the fiscal year ending June 30, 2010 a decrease of \$900,390 or 21.3% from the prior year amount of \$4,216,610. The revenue was apportioned to the General Fund, Stabilization of Operations, Road Department for the Equipment Replacement Program, Social Services, Risk Management, Compensated Absences Fund, Water Resource Fund, Building Reserve 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. 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 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.

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 is expected to be fully operational by December 2010. This improvement 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 2010 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 started and is expected to be operational by December 2010. The Facilities and Grounds Department completed the remodel on the District Attorney Professional Office Complex for occupancy in April 2010. The HVAC retrofit projects on the Social Services Building and the District Attorney Building were completed. The County awarded the bid to K7 Construction for a nearly \$4M Juvenile Probation Detention Center. The project should be completed and operational by July 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 nearly \$200,000 worth of 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: Lima Lane Chip Seal, Old River Road asphalt overlay, Solias Road asphalt overlay, North Harmon 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 Short Message service (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. CC Communications-Wireless is also negotiating a contract to enable us to offer customers handset insurance for higher end phones. 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.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

In developing and evaluating the County's accounting system, consideration was given to the adequacy of internal accounting controls. Such controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition, and (2) the reliability of financial records for preparing financial statements in accordance with generally accepted accounting principles. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived and that the evaluation of such costs and benefits requires estimates and judgments by management. We believe that the County's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

In addition, the accounting system must provide sufficient information to ensure compliance with statutory budgetary controls and applicable laws, and regulations relating to federal, state, and local financial assistance. The budget is prepared on the accrual or modified accrual basis as appropriate for the fund involved, in accordance with statutory requirements. Annual operating budgets are required for all funds except agency funds. Capital transactions within proprietary funds, and debt service payments and transfers, are included in the annual budget. However, these items are not subject to statutory budget limitations.

Budgetary controls over expenditures are specified by statute at the function level. The budget is integrated into the accounting system to provide adequate budget to actual comparisons throughout the year.

As part of the County's single audit, tests were made of the government's internal control structure and of its compliance with applicable laws and regulations, including those related to federal financial assistance programs. Although this testing was not sufficient to support an opinion on the government's internal control system or its compliance with laws and regulations related to federal financial assistance programs, the audit disclosed no material internal control weaknesses or material violations of laws and regulations. The related auditor's reports are included in the compliance section of this report.

CASH MANAGEMENT

The County is authorized by statute to invest in bonds or other obligations of the United States Treasury, its agencies and instrumentalities, bonds of the State of Nevada, obligations of other local governments of the State of Nevada, certificates of deposit and bankers acceptances, and obligations of other state and local governments if they are rated "A" or better by one of the nationally recognized bond credit rating agencies.

The County internally pools its funds and invests its excess cash with the State of Nevada Local Government Investment Pool and Wells Fargo Investment Services, and Wells Fargo Custodial Money Market Agency. These investments provide liquidity, security and excellent rates of return. All interest earned is allocated back to each fund based on its monthly fund balance. See details of cash and investments in Note 3 of the financial statements.

RISK MANAGEMENT

The County funds a self-insurance program for unemployment claims. The County has a contract with State of Nevada Department of Employment Security to pay claims that have been approved. The County reimburses the State for payments made on our behalf. The ending fund balance for the Unemployment Compensation Fund as of June 30, 2010 is \$420,080. 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 an insurance pool under the Nevada Interlocal Cooperation Act for property, liability and related insurance. The Nevada Public Agency Insurance Pool is a public entity risk pool currently operating as a common risk management and insurance program for its members. The County has also entered into an agreement with PACT (Public Agency Compensation Trust), a self-insured association for worker's 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. Adequate insurance coverage is maintained for all other traditional areas for risk or concerns. See the related notes to the financial statements for more details. The ending fund balance in the Risk Management Fund as of June 30, 2010 is \$3,668,887.

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, 2009. This was the fifth 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 & Co., 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, 2010**

ELECTED OFFICIALS

| | * | |
|--------------------------|------|------------------|
| District 1: Commissioner | 2013 | Norman Frey |
| District 2: Commissioner | 2011 | Gwen Washburn |
| District 3: Commissioner | 2013 | Carl Erquiaga |
| County Clerk/Treasurer | 2011 | Kelly Helton |
| County Recorder | 2011 | Vickie Tripp |
| County Assessor | 2011 | Norma Green |
| District Attorney | 2011 | Arthur Mallory |
| Justice of the Peace | 2013 | Michael Richards |
| Sheriff | 2011 | Richard Ingram |

*Term expires first Monday in January of the year indicated

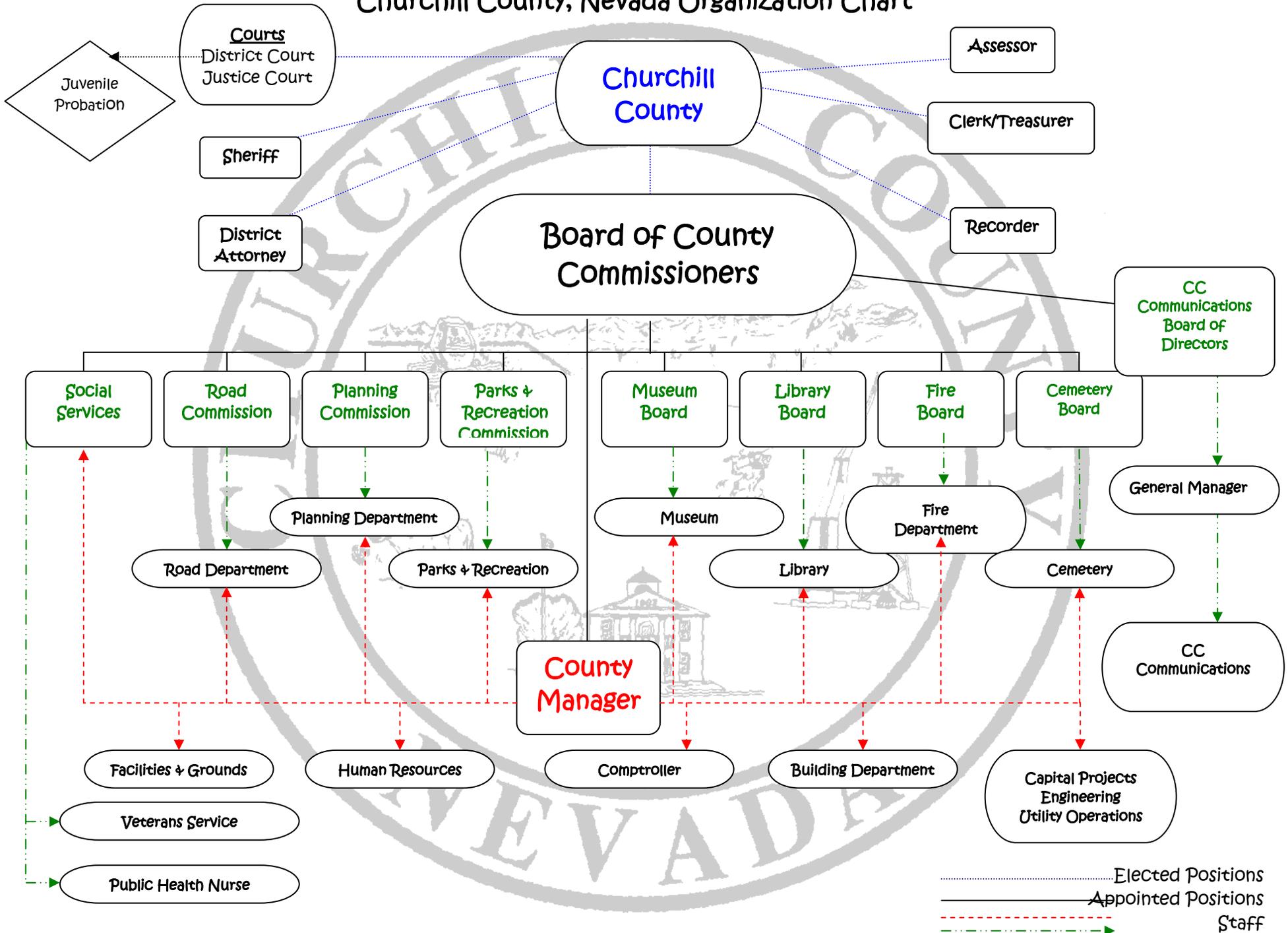
APPOINTED OFFICIALS-GENERAL COUNTY

| | |
|---|--------------------|
| 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 Director | Jane Pieplow |
| 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 |
| Human Resources Manager | Jane Jenkins |
| Marketing and Customer Service Manager | Dale White |

Churchill County, Nevada Organization Chart



..... Elected Positions
 ——— Appointed Positions
 - - - - - Staff

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, 2009

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.



President

Executive Director

FINANCIAL SECTION



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

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, 2010, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the 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, 2010, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Road Fund, and the Water Resource Fund 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 November 30, 2010, on our consideration of the County's internal control over financial reporting and 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.

Management's discussion and analysis on pages M-1 through M-12 and the schedule related to other postemployment benefits on page 46 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, combining and individual fund financial statements and schedules, the schedule of expenditures of federal awards (as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*) and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements 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.

Kafury, Armstrong & Co.

Fallon, Nevada
November 30, 2010

**CHURCHILL COUNTY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 \$48,577,039 are available to meet current liabilities, including debt due within one year, of \$5,045,792. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 9.6, meaning that the County has 9.6 times the unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 8.9.
- The County's current assets for governmental activities exceeded current liabilities by \$30,699,898 and the current assets for business-type activities exceeded current liabilities by \$21,971,378 which is a strong indication of the County's ability to meet current obligations.
- Government-wide net assets equal \$167,132,125. Business-type activities contributed \$81,080,940 or 48.5% and governmental activities contributed \$86,051,185 or 51.5% of the total net assets. The Business-type activities net assets grew by \$1,253,685 or 1.4% in the current year, due to program revenues over (under) expenses in Telephone \$2,699,419, Wireless (\$358,034), Long Distance \$490,886 and Broadband (\$500,618). The net assets of the Waste Water increased by \$837,490 and decreased by (\$305,036) in the Water Utility and transfers out to other funds of (\$1,762,937). The governmental activities net assets increased by \$3,384,656 or 4.0% due primarily to the collection of \$3,316,220 in geothermal rents and royalties and full funding of federal payment in lieu of taxes in the amount of \$2,088,531 in the current year. These revenues assisted acquiring capital assets during the year such as land and water rights associated with the purchase of conservation easements/transfer of development rights for \$3,862,221, and purchase of equipment totaling \$744,153 of which \$194,261 was in connection with the Road Equipment Replacement Plan.
- Capital assets, net of accumulated depreciation, increased from \$115,937,824 to \$123,647,256. An increase of \$7,709,432 or 6.6%. The business-type activities capital assets, net of depreciation increased by \$6,005,177 primarily as a result of the additions to the CC Communication's Central Office switch of \$2,857,690 and improvements to the outside plant of \$4,211,949 during the year as part of their on-going capital improvement plan. See Note 5 Capital Assets for more details. The capital construction for the Waste Water Fund was \$1,624,242. There was an increase of \$1,704,256 in governmental activity capital assets, including the purchase of land and easements valued at \$1,412,797. These increases were offset by current year depreciation.
- Total revenues decreased 22.2% from \$63,480,801 to \$49,537,818. Program revenues were \$26,013,851 or 52.5% of the total. Program revenues decreased by (\$7,126,134) primarily as a result of business activities charges for services decreasing \$7,238,985 during the year. Telephone revenues decreased by (\$1,763,887) or -12.3% due to a decrease in the number of subscriber lines and an overall slow down in the national and local economy. The Wireless operations had a decrease of revenue of (\$5,361,686) or -64.3% due to loss of roaming, USF revenues, and market share. The Long Distance revenues decreased by (\$141,544) or -12.6% because of a reduction in subscribers and other communications alternatives. Broadband revenues increase \$176,370 due to more subscribers and additional features purchased such as HDTV. The Waste Water revenues increased \$1,244,328 due primarily to increases in capital grants of \$1,624,242 for the Oasis Mobile Home Waste Water Interceptor enhancement project offset by lower charges for services during the year. Water revenues decreased by (\$41,772) due to lower water usage and reduction in standby fees collected from developers. General revenues decreased to \$23,5023,967 from \$30,340,816 a decrease of \$6,816,849 or -22.5%. The primary reasons for the decrease is due to reductions in Consolidated Tax collections down (\$1,372,593), reductions in Federal payment in lieu of taxes due to other federal revenues received are treated as offsets resulting in an decrease of (\$702,311) a decrease in geothermal rents and royalties of (\$900,390) a decrease in interest

income of (\$446,451) due to significantly lower interest rates and reduction of optional sales taxes of (\$386,810).

- The County's primary general governmental revenue sources are ad valorem taxes of \$9,355,013 and consolidated taxes at \$4,554,601. These two revenue sources comprise 39.8% and 19.4% of countywide general revenues. Ad valorem revenues increased by \$451,293 or 5.1% 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, decreased \$1,372,593 from \$5,927,194 to \$4,554,601 or -23.2% primarily due to decreases in taxable sales. Taxable sales related to residential and commercial development were down over 28% in the current year due to the slowdown in the economy and housing market. Nevada lead the nation in the unemployment and foreclosure rates during the fiscal year. This had a significant impact on our local economy and revenue generation. Federal payment in lieu of taxes decreased from \$2,790,842 to \$2,088,531 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 \$44,899,477, a decrease of approximately \$7,700,000 or -14.6% countywide over the prior year. This is a result of implementing a Budget Mitigation Plan to address the shortfall in revenue collections during the year. The governmental activities expenses were \$26,367,766 or 58.7% of the total expenses. Whereas, the business-type activities expenses were \$18,531,711 or 41.3% of the total expenses. The decrease in governmental activities was (\$1,219,870) or -4.4%. Budget mitigation measures included gapping of positions, furlough days, no general wage increase and expenditure reductions. The largest functions are public safety, general government, public works, cultural and recreation and judicial. These account for 90.1% of the governmental activities. The decrease in expense of the business-type activities was (\$6,442,745) or -25.8% from \$24,974,456 to \$18,531,711. Telephone operations continue to be the largest business-type activity at 53.5% of the business-type activities. Telephone expenses decreased (\$4,142,392) or -29.5% from \$14,046,402 to \$9,904,010 due to decreases in subscriber lines, poor economic conditions and a reduction in amount of capital improvements compared to the prior year. Wireless decreased by (\$2,323,539) or -41.1% 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 (\$153,706) or (24.0)% in the Long Distance due to a decrease in the number of subscribers. There was an increase of \$28,213 or 0.8% in the Broadband due to increases in the cost of content and access charges for Broadband television services.
- Current year revenues, including capital grants, interest and contributions, exceeded expenses by \$4,638,341. 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, 2010, the County's governmental funds had a fund balance of \$31,734,376. The unreserved portion of Debt Service Fund was \$836,953; reserved for notes receivable was \$991,356 and the reserved portion for revenue shortfall was \$1,562,455. The unreserved fund balance of the General Fund was \$4,102,297 of which \$2,242,464 is designated as opening fund balance in the 2010-2011 fiscal year budget. The Unreserved fund balance total reported in Special Revenue Funds was \$18,436,477 and \$5,804,838 was unreserved in the Capital Projects Funds.

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 37 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 because it qualifies as a major fund under the GASB 34 definition. Given the importance in our community of preserving and planning for our road and water resources, management believes that the activities of the Road Fund and Water Resource Fund should be classified as Major Funds in the FYE 6-30-10 CAFR as it is of importance to the readers of the financial statements and provides comparability from year to year. 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 23-45 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 47-120 of this report, with the statistical section immediately following.

Financial Statement Analysis

Government-Wide Financial Statement Analysis

Total assets as of June 30, 2010, net of accumulated depreciation of \$84,948,740, totaled \$182,327,312. Assets include cash/investments, receivables and capital assets. The majority of Churchill County's net assets, \$116,427,317 (69.7%) 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 long-term debt, totaled \$15,294,435. Liabilities also include payables and unearned revenue. A comparison of assets and liabilities for the government-wide financial statements reflect net assets of \$167,032,877 as of June 30, 2010. The following table is provided to enhance analysis.

CHURCHILL COUNTY NET ASSETS

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------|-------------------------|---------------|--------------------------|---------------|----------------|----------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Current and other assets | \$ 33,884,618 | \$ 31,896,128 | \$ 23,832,450 | \$ 29,725,119 | \$ 57,717,068 | \$ 61,621,247 |
| Noncurrent assets | 955,388 | 941,356 | 106,848 | 83,600 | 1,062,236 | 1,024,956 |
| Capital assets | 57,803,364 | 56,099,109 | 65,843,892 | 59,838,715 | 123,647,256 | 115,937,824 |
| Total Assets | \$ 92,643,370 | \$ 88,936,593 | \$ 89,783,190 | \$ 89,647,434 | \$ 182,426,560 | \$ 178,584,027 |
| Current liabilities | \$ 3,184,720 | \$ 2,941,134 | \$ 1,861,072 | \$ 2,815,815 | 5,045,792 | 5,756,949 |
| Noncurrent liabilities | 3,407,465 | 3,328,930 | 6,841,178 | 7,004,364 | 10,248,643 | 10,333,294 |
| Total Liabilities | \$ 6,592,185 | \$ 6,270,064 | \$ 8,702,250 | \$ 9,820,179 | \$ 15,294,435 | \$ 16,090,243 |
| Net Assets: | | | | | | |
| Invested in capital assets | | | | | | |
| net of related debt | \$ 56,221,970 | \$ 54,172,246 | \$ 60,205,347 | \$ 54,081,376 | 116,427,317 | 108,253,622 |
| Restricted | 12,573,847 | 11,910,396 | - | - | 12,573,847 | 11,910,396 |
| Unrestricted | 17,255,368 | 16,583,887 | 20,875,593 | 25,745,879 | 38,130,961 | 42,329,766 |
| Total Net Assets | \$ 86,051,185 | \$ 82,666,529 | \$ 81,080,940 | \$ 79,827,255 | \$ 167,132,125 | \$ 162,493,784 |

The governmental and business-type activities for fiscal year 2009-2010 are presented in the Statement of Activities. As indicated on this statement, governmental activities increased net assets of Churchill County by \$3,384,656, thereby accounting for 74.0% of the total growth in net assets. The business-type activities increased net assets by \$1,253,685, accounting for 26.0% of the total growth. 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 ASSET

| | Governmental Activities | | Business-Type Activities | | Total | |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,000,431 | \$ 2,100,441 | \$ 19,749,691 | \$ 26,888,666 | \$ 21,750,122 | \$ 28,989,107 |
| Operating grants, interest and contributions | 2,639,487 | 2,952,180 | - | - | 2,639,487 | 2,952,180 |
| Capital grants, interest and contributions | - | 641,325 | 1,624,242 | 557,373 | 1,624,242 | 1,198,698 |
| General revenues: | | | | | | |
| Ad valorem taxes | 9,355,013 | 8,903,720 | - | - | 9,355,013 | 8,903,720 |
| Consolidated taxes | 4,554,601 | 5,927,194 | - | - | 4,554,601 | 5,927,194 |
| Other taxes | 5,584,177 | 8,670,300 | - | - | 5,584,177 | 8,670,300 |
| Unrestricted investment earnings | 180,530 | 517,326 | 112,684 | 222,339 | 293,214 | 739,665 |
| Other/Transfers | 3,675,246 | 3,240,086 | 61,716 | 869,151 | 3,736,962 | 4,109,237 |
| Total Revenues | \$ 27,989,485 | \$ 32,952,572 | \$ 21,548,333 | \$ 28,537,529 | \$ 49,537,818 | \$ 61,490,101 |
| Expenses: | | | | | | |
| General government | \$ 7,002,902 | \$ 8,158,909 | \$ - | \$ - | \$ 7,002,902 | \$ 8,158,909 |
| Judicial | 3,188,923 | 3,182,250 | - | - | 3,188,923 | 3,182,250 |
| Public safety | 8,144,478 | 8,311,974 | - | - | 8,144,478 | 8,311,974 |
| Sanitation | 73,676 | 80,547 | - | - | 73,676 | 80,547 |
| Public works | 3,135,451 | 3,243,179 | - | - | 3,135,451 | 3,243,179 |
| Health | 218,326 | 208,239 | - | - | 218,326 | 208,239 |
| Welfare | 1,596,872 | 1,094,676 | - | - | 1,596,872 | 1,094,676 |
| Culture and recreation | 2,296,223 | 2,373,490 | - | - | 2,296,223 | 2,373,490 |
| Community support | 642,884 | 854,941 | - | - | 642,884 | 854,941 |
| Interest and fiscal charges | 68,031 | 79,431 | - | - | 68,031 | 79,431 |
| Telephone | - | - | 9,904,010 | 12,055,702 | 9,904,010 | 12,055,702 |
| Wireless | - | - | 3,334,552 | 5,658,091 | 3,334,552 | 5,658,091 |
| Long distance | - | - | 487,404 | 641,110 | 487,404 | 641,110 |
| Broadband | - | - | 3,239,824 | 3,211,611 | 3,239,824 | 3,211,611 |
| Waste Water | - | - | 988,500 | 843,580 | 988,500 | 843,580 |
| Utility-Water | - | - | 577,421 | 573,662 | 577,421 | 573,662 |
| Total Expenses | \$ 26,367,766 | \$ 27,587,636 | \$ 18,531,711 | \$ 22,983,756 | \$ 44,899,477 | \$ 50,571,392 |
| Increase in net assets before transfers | \$ 1,621,719 | \$ 5,364,936 | \$ 3,016,622 | \$ 5,553,773 | \$ 4,638,341 | \$ 10,918,709 |
| Transfers | \$ 1,762,937 | \$ 1,490,700 | \$ (1,762,937) | \$ (1,490,700) | \$ - | \$ - |
| Increase in net assets | 3,384,656 | 6,855,636 | 1,253,685 | 4,063,073 | 4,638,341 | 10,918,709 |
| Net Assets- July 1, 2009 | \$ 82,666,529 | \$ 75,810,893 | \$ 79,827,255 | \$ 75,764,182 | \$ 162,493,784 | \$ 151,575,075 |
| Net Assets- June 30, 2010 | \$ 86,051,185 | \$ 82,666,529 | \$ 81,080,940 | \$ 79,827,255 | \$ 167,132,125 | \$ 162,493,784 |

Revenues: Total revenues of \$49,537,818 is less than prior year revenue of \$63,480,801 by (\$13,942,983) or 22.0%. Total governmental activity revenue decreased by (\$4,690,850) or -13.6% while total business-type activity revenues decreased by (\$6,989,196) or -24.5%. General revenues, mainly comprised of various taxes and investment earnings, represents \$23,523,967 or 47.6% 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 \$26,013,851 or 52.5% of total revenues.

Expenses: Total expenses of \$44,899,477 were less than prior year expenses by \$7,662,615 or -14.6% to reflect the reduction in revenues during the year. Total governmental activity expenses decreased by \$1,219,870 or -4.4% while total business-type activity expenses decreased by \$6,442,745 or -25.8%. The largest expenses in the governmental activities were Public Safety, General Government, 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 53.5% of total business-type expenses. The reduction in Telephone expense is related in part to a reduction in capital improvements and land line usage as more and more subscribers are using wireless phones. 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.

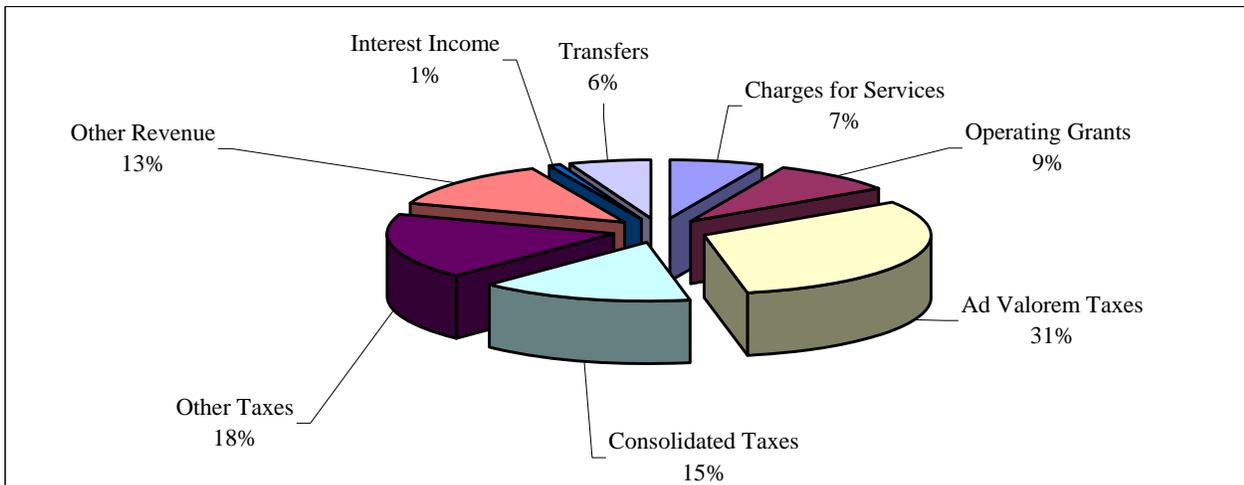
Governmental Activities

Total program revenues and expenses for governmental activities amounted to \$4,639,918 and \$26,367,766, respectively, for the 2009-2010 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 decreased by \$100,010 or -4.8% as there were a significant reduction in the number of commercial and residential building permits due to the slowdown in the real estate and construction economy in Churchill County. Operating grants decreased by \$312,693 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 year compared to \$641,325 in the prior year.

The County’s primary general revenue sources are ad valorem, consolidated taxes and other taxes. These three revenue sources respectively comprise 31.4%, 15.3% and 18.8% of countywide general revenues. Ad valorem revenues increased by \$451,293 or 5.0% 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 decreased \$1,372,593 or 23.2% due to decreases in level of taxable sales primarily from the slowdown in commercial, industrial and residential growth. The County is impacted by record unemployment and foreclosure rates in the state of Nevada. Other taxes decreased \$3,086,123, due to decreases in the Federal PILT payment by \$702,311 and reductions in optional taxes of \$386,810.

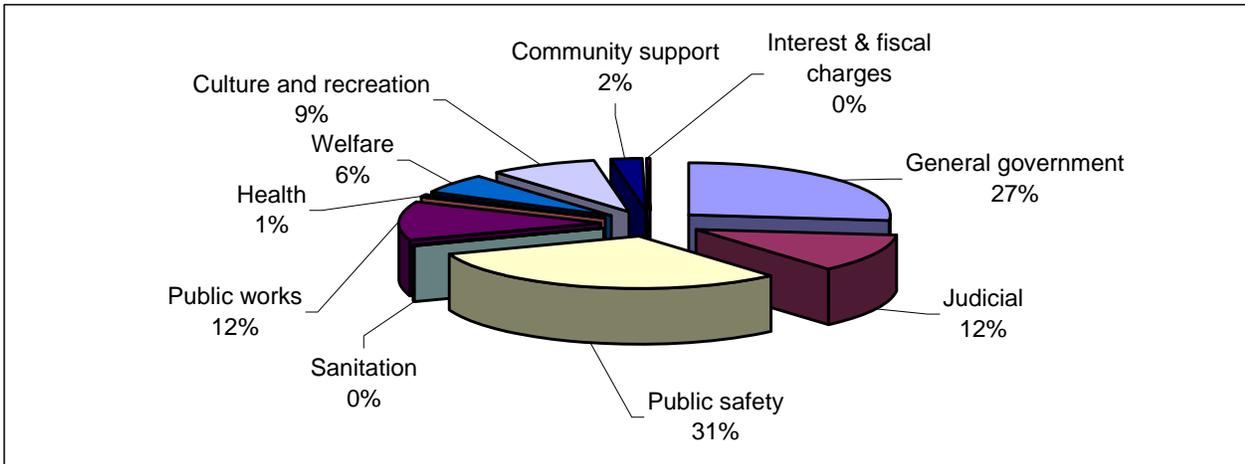
As illustrated on the following chart, ad valorem taxes are the largest revenue source at 31%, followed by other taxes at 19%, other at 18% and consolidated tax at 15%.

Revenues by Sources- Governmental-type Activities

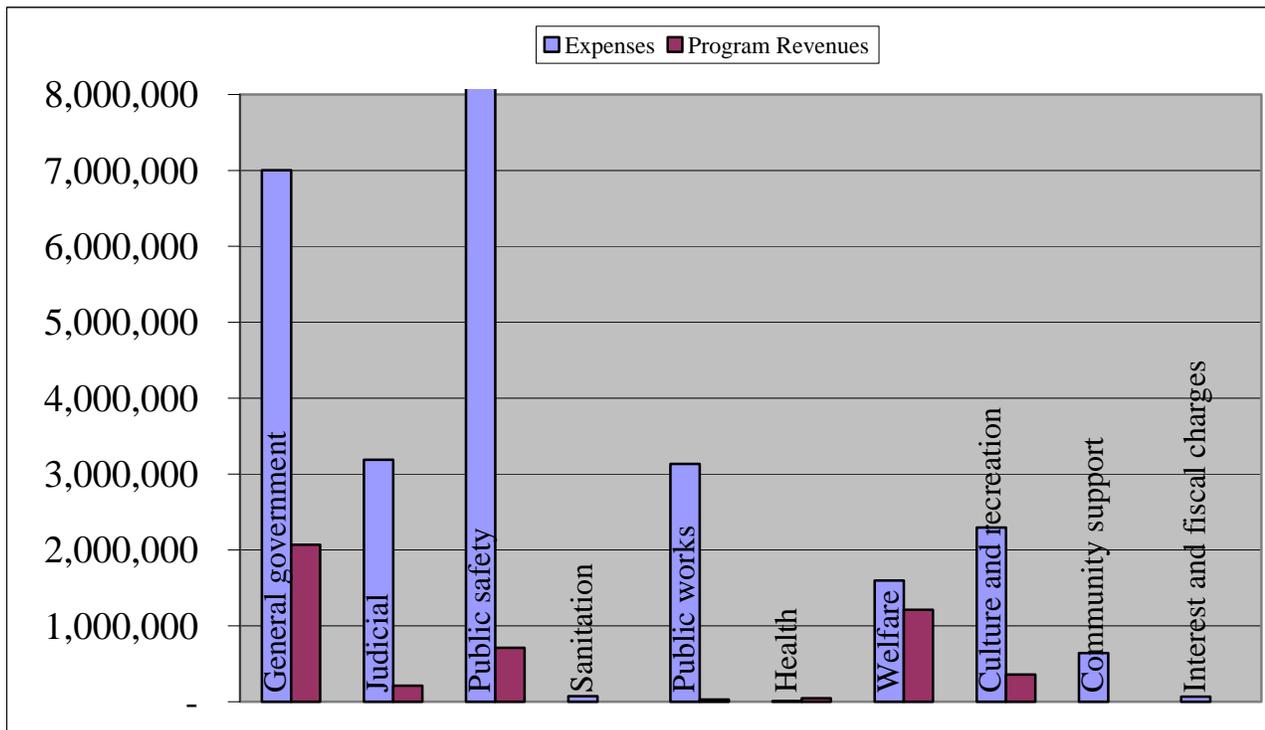


As noted, total governmental activities expenses were \$26,367,766 in the current year compared to \$27,587,636 in the prior year. Public safety, which is comprised of the Sheriff, detention facility, juvenile probation, dispatch, and fire department, constitutes the largest cost to the County at \$8,144,478 or 30.9% of the total governmental activities expenses. This is down \$167,496 or 2% from the prior year. The decrease is primarily due to budget mitigation measures such as gapping positions, furloughs and delay in capital outlay purchases. 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 \$7,002,902 or 26.6% of the total governmental activities expenses. This is a decrease of \$1,156,007 or -14.2% over the prior year as a result of implementation of budget mitigation measures. Public works had expenses of \$3,135,451 or 11.9% of the total governmental activities expenses. There was a slight decrease over the prior year due to timing of projects completed during the year and implementation of cost saving measures. The judicial function expenses were \$3,188,923 or 12.1% of the total governmental activities expenses. They increased by \$6,673 or 0.2% due to the start up of Court Services with a total expenditure of \$78,799. 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



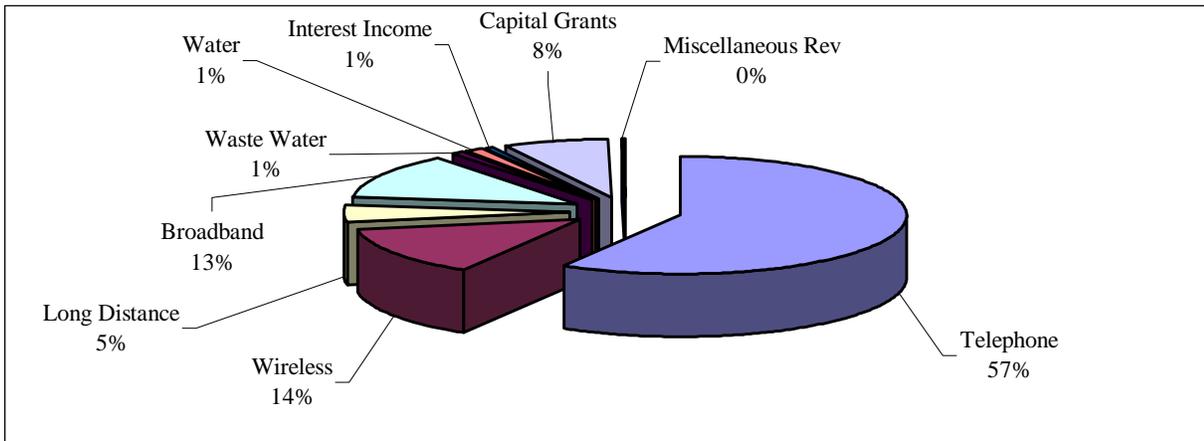
Business-Type Activities

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 \$19,275,558 and \$16,965,790, respectively, for CC Communications business-type activities for the 2009-2010 fiscal year which results in an increase in net assets of \$2,309,768. The total operating revenues for CC Communications business-type activities decreased from the 2008/2009 fiscal year by (\$7,090,747) or (26.9%). Telephone operating revenues decreased by (\$1,763,887) or (12.3%), due to a decrease in the number of subscriber lines. Operating expenses declined due to decreases 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 decreased by (\$5,361,686) or (64.3%) due to reductions in subscribers and loss of roamer minutes. Operating expenses decreased by \$2,323,539 in conjunction with decreasing wireless revenues. Long distance revenues decreased by (\$141,544) or (12.6%), 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 \$176,370 over the prior year amounts due to increased

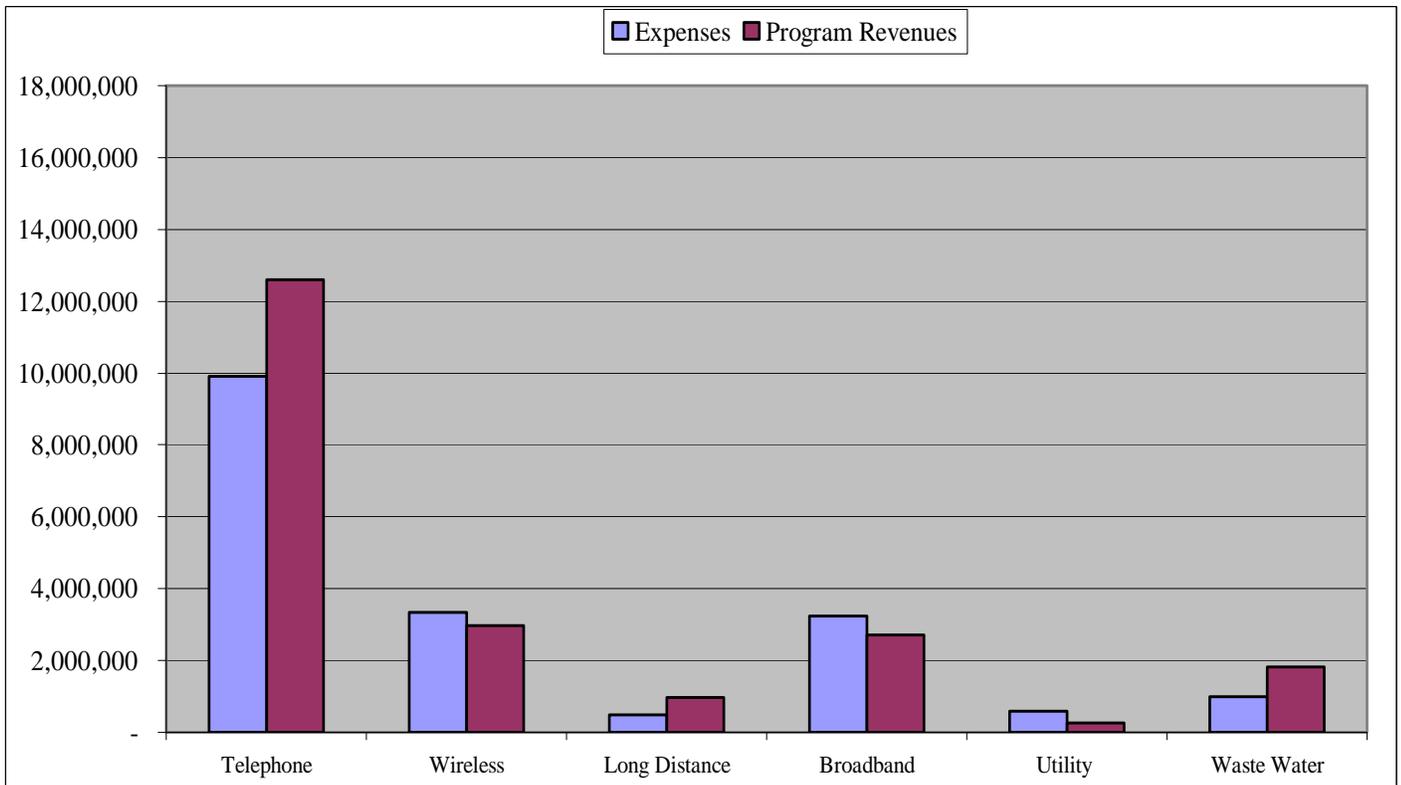
number of subscribers and the various programming packages being purchased such as HDTV. Operating expenses increased due to the increase cost of content and access charges. CC Communications continues to see substantial capital investment in Broadband as it expands the service area that is able to receive 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 \$314,157 to \$272,385 and the Waste Water charges for services revenues decreased from \$208,204 to \$201,748 due to deduction in standby fees collected.

The following charts show the allocation of business-type activity revenues for the fiscal year ending June 30, 2010:

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 \$2,699,419, Wireless activities (\$358,034), Long Distance \$490,886, Broadband (\$522,503), Water (\$354,660) and Waste Water at \$787,866. Currently, Telephone 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 2009-10, construction in progress was made 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, unreserved 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 \$35,131,113 and \$3,396,737, respectively. This resulted in a total fund balance of \$31,734,376 of which \$991,356 is reserved for notes receivable, and \$1,562,455 of the fund balance is reserved for revenue shortfalls. The unreserved portion of this fund balance totaled \$29,180,565.

Major Governmental Funds

General Fund:

The primary operating fund of Churchill County is the General Fund. For the fiscal year ended June 30, 2010, the fund balance in the General Fund was \$4,102,297 of which all was unreserved. As a measure of the General Fund's liquidity, it is useful to compare the total fund balance to total fund expenditures. Unreserved fund balance represents 24.8% of total fund expenditures. This represents approximately 3 months of expenditures.

The General Fund balance increased by \$614,061 during the fiscal year. This is a result of the levels of revenue, expenditures and transfers. Revenues totaling \$15,453,765 decreased by (\$382,765) or -2.4% over the prior fiscal year amount of \$15,836,530. Taxes increased \$331,979 due to the rate apportioned to the General Fund as well as the increase in assessed value. Other revenue increases were noted in fines and forfeitures +\$122,872 due to additional court fees imposed, charges for services +\$84,259 and miscellaneous revenues +\$26,128 due to budget mitigation measures to increase revenue generation. The decrease in intergovernmental revenues is due to a significant decrease in sales tax related revenues due to slow down in geothermal resource development, high unemployment and foreclosure rates in the community. General Fund expenditures of \$16,571,869 increased by \$102,401 or 0.6%, in the current year of operations. The increase is primarily due to increases in judicial of \$193,318, public safety of \$101,305 and other 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. Court Services department was added to the Judicial function during the year at a cost of \$78,799. Deficiencies of Revenues over Expenditures in the current year was (\$1,118,104). Total Other Financing Sources totaled \$1,732,165. This included the transfer in from CC Communications for there PILT payment was \$1,700,000.

Road Fund:

The Road Fund accounts for the building and maintaining of roads in Churchill County. For the fiscal year ended June 30, 2010, the fund balance in the Road Fund was \$1,832,240 compared to \$1,870,924 in the prior year. The decrease in fund balance of \$38,684 related to the timing of road projects and purchasing equipment for the equipment replacement program. The Board of County Commissioners approved an Equipment Replacement Program and provided revenues to support future equipment acquisitions. The revenues of Road Fund consist of various fuel taxes totaling \$1,017,349, licenses and permits \$252, interest income of \$9,294, fuel reimbursement of \$195,994, inspection and meter fees of \$7,524, geothermal rents and royalties \$250,000 and miscellaneous revenues of \$9,166. Other financing sources were transfers in from the Regional Transportation Fund in the amount of \$371,816 and the Public Transit Fund in the amount of \$527,865 to pay for qualifying projects. Expenditures of \$2,427,944 were to assist in building and maintaining County roads and bridges.

Water Resource Fund:

The Water Resource Fund accounts for the acquisition of water resources and the development of water resources for Churchill County. For the fiscal year ending June 30, 2010, the fund balance in the Water Resource Fund was \$1,266,176 compared to \$1,479,898 in the prior year. The revenues of this fund consist of federal payment in lieu of taxes, \$148,000, federal grants for Dixie Valley Water study of \$202,233, refuge revenue sharing of \$24,737, water right dedication fees of \$21,621, interest income of \$1,671 geothermal rents and royalties of \$377,319 and sale of capital assets/conservation easements to US Navy in the amount of \$175,835. Expenditures of \$496,617 were to assist in water resource management. In addition, capital outlay purchase of land and water rights in the amount of \$252,828

during the year. Other financing sources and uses included the transfer of \$415,693 to debt service to defease debt related to the purchase of land and water rights at Wild Goose property.

Proprietary Funds

The enterprise funds of Churchill County reflect total assets and liabilities of \$90,778,709 and \$9,797,017 respectively. This resulted in a total net asset balance of \$80,981,692. Unrestricted net assets totaled \$20,776,345. Invested in capital assets net of related debt totaled \$60,205,247.

Major Proprietary Funds

CC Communications: Telephone Fund reflects total assets and liabilities of \$38,447,982 and \$3,555,414 respectively, resulting in total net assets of \$34,892,568. The increase of total net assets is \$3,691,521 or 11.8% from the 2008/2009 fiscal year.

CC Communications: Wireless Fund reflects total assets and liabilities of \$14,222,465 and \$561,110 respectively, resulting in total net assets of \$13,661,355. The total net assets decreased from 2008/2009 to 2009/2010 by (\$3,322,101) or 19.6 %.

CC Communications: Broadband Fund reflects total assets and liabilities of \$2,305,198 and \$289,440 respectively, resulting in total net assets of \$2,015,758. The total net assets increased from 2008/2009 to 2009/2010 by \$64,645 or 3.3 % .

Waste Water Enterprise Fund reflects total assets and liabilities of \$22,335,378 and \$2,885,047 respectively, resulting in total net assets of \$19,450,331. 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. In addition, work was started on the Oasis Mobile Home Park Lift Station project funded by a federal grant.

Utility Enterprise Fund reflects total assets and liabilities of \$11,149,638 and \$2,442,786 respectively, resulting in total net assets of \$8,706,852. 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 \$15,092,023 and \$15,611,971 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 \$15,453,765 or (\$158,206) 1.0% less 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 \$18,029,569, which is \$622,015 more or 3.6% more than the original budget of \$17,407,554. Actual expenditures were \$16,571,869, which was less than the original budget and 8.1% 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 | ORIGINAL | BUDGET FINAL | CHANGE |
|---|----------------------|-------------------------|-------------------|
| General Government | \$ 5,598,365 | \$ 5,672,150 | \$ 73,785 |
| Judicial | 3,154,136 | 3,332,181 | 178,045 |
| Public Safety | 7,174,366 | 7,646,796 | 472,430 |
| Health | 215,994 | 210,747 | (5,247) |
| Sanitation | 88,000 | 88,000 | - |
| Culture and Recreation | 364,928 | 367,930 | 3,002 |
| Community Support | 293,000 | 293,000 | - |
| Intergovernmental | 518,765 | 418,765 | (100,000) |
| Total Expenditures | \$ 17,407,554 | \$ 18,029,569 | \$ 622,015 |

Capital Assets and Long-Term Debt Activity

At June 30, 2010, Churchill County had a net capital asset investment of \$57,803,365 in governmental activities and \$65,843,892 in business-type activities. This represents an increase of \$1,704,256 or 3.0% in the governmental activities and a \$6,005,177 or 10.0% 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 2009-2010 in the governmental activities include:

- Enhancements to the Sheriff's Office communications system.
- Purchase of land, water rights and conservation easements to support the future County Water System.
- Land and Improvements located at 165 Ada Street for the District Attorney's Office.
- 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.

CHURCHILL COUNTY'S CAPITAL ASSETS (net of depreciation)

| | Governmental Activities | |
|---|--------------------------|----------------|
| | 2010 | 2009 |
| Land | \$ 15,906,077 | \$ 14,493,280 |
| Water rights | 6,505,868 | 6,488,723 |
| Construction in Progress | 1,538,763 | 803,756 |
| Buildings and improvements | 9,477,258 | 8,957,433 |
| Land improvements | 348,046 | 392,516 |
| Equipment and motor vehicles | 4,158,074 | 4,304,016 |
| Infrastructure | 19,869,279 | 20,659,385 |
| Net Governmental Activities Capital Assets | \$ 57,803,365 | \$ 56,099,109 |
| | | |
| | Business-Type Activities | |
| | 2010 | 2009 |
| Real estate and easements | \$ 540,699 | \$ 540,699 |
| Construction in progress | 2,921,416 | 1,934,226 |
| Buildings and improvements | 2,279,552 | 2,515,976 |
| Central office switching | 4,630,794 | 2,277,323 |
| Outside plant | 24,504,353 | 21,421,044 |
| Computer equipment | 10,612 | 373,947 |
| Vehicles and work equipment | 249,387 | 153,969 |
| Leasehold equipment | 484,742 | 535,316 |
| Other equipment | 1,473,907 | 1,056,755 |
| Waste Water infrastructure | 19,222,285 | 19,220,453 |
| Water infrastructure | 9,526,145 | 9,809,007 |
| Net Business-Type Activities Capital Assets | \$ 65,843,892 | \$ 59,838,715 |
| | | |
| Net Governmental Activities Capital Assets | \$ 57,803,365 | \$ 56,099,109 |
| Net Business-Type Activities Capital Assets | 65,843,892 | 59,838,715 |
| Total Net Capital Assets | \$ 123,647,257 | \$ 115,937,824 |

Long-term debt outstanding at June 30, 2010 totaled \$1,581,394 for governmental activities, a decrease of \$345,469 when compared to the prior year. The decrease is due to the current year principal payments. The business-type debt is \$5,638,545 or \$118,794 less than last year. The decrease is the result of current year principal payments. The total outstanding debt and compensated absences were \$8,899,932. The County's debt limit is \$113,846,715. For more information of capital assets and long-term debt activity please refer to the note 5 Capital Assets and Note 7 Long Term Obligations in the financial statements.

| | Governmental Activities | | Business-Type Activities | | Total | |
|------------------------|-------------------------|--------------|--------------------------|--------------|--------------|--------------|
| | 2010 | 2009 | 2010 | 2009 | 2010 | 2009 |
| Capital leases payable | \$ - | \$ - | \$ 1,251,741 | \$ 1,320,297 | \$ 1,251,741 | \$ 1,320,297 |
| Revenue bonds | 1,537,701 | 1,850,454 | 4,386,804 | 4,437,042 | 5,924,505 | 6,287,496 |
| Compensated absences | 1,042,752 | 941,734 | 637,241 | 602,503 | 1,679,993 | 1,544,237 |
| Notes/Contract payable | 43,693 | 76,409 | - | - | 43,693 | 76,409 |
| Total | \$ 2,624,146 | \$ 2,868,597 | \$ 6,275,786 | \$ 6,359,842 | \$ 8,899,932 | \$ 9,228,439 |

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.

CHURCHILL COUNTY, NEVADA
STATEMENT OF NET ASSETS
JUNE 30, 2010

| | <u>GOVERNMENTAL ACTIVITIES</u> | <u>BUSINESS-TYPE ACTIVITIES</u> | <u>TOTAL</u> |
|--|------------------------------------|-------------------------------------|-----------------------|
| ASSETS | | | |
| Current Assets: | | | |
| Cash and investments | \$ 29,045,793 | \$ 19,531,246 | \$ 48,577,039 |
| Receivables: | | | |
| Property taxes | 333,995 | - | 333,995 |
| Interest | 152,239 | 51,348 | 203,587 |
| Other | 204,077 | 3,244,582 | 3,448,659 |
| Current portion of notes receivable | 35,968 | - | 35,968 |
| Internal balances | 505,584 | (505,584) | - |
| Due from other governments | 3,606,962 | 301,396 | 3,908,358 |
| Inventory | - | 1,209,462 | 1,209,462 |
| Total Current Assets | <u>33,884,618</u> | <u>23,832,450</u> | <u>57,717,068</u> |
| Noncurrent Assets: | | | |
| Restricted cash | - | 106,848 | 106,848 |
| Note receivable, net of current portion | 955,388 | - | 955,388 |
| Capital assets (not being depreciated) | 23,950,707 | 3,462,115 | 27,412,822 |
| Capital assets (net of accumulated depreciation) | <u>33,852,657</u> | <u>62,381,777</u> | <u>96,234,434</u> |
| Total Noncurrent Assets | <u>58,758,752</u> | <u>65,950,740</u> | <u>124,709,492</u> |
| Total Assets | <u>92,643,370</u> | <u>89,783,190</u> | <u>182,426,560</u> |
| LIABILITIES | | | |
| Current Liabilities: | | | |
| Accounts payable | 757,970 | 1,397,022 | 2,154,992 |
| Accrued liabilities | 746,073 | 239,277 | 985,350 |
| Accrued interest | 10,360 | 15,014 | 25,374 |
| Due to other governments | 286,358 | - | 286,358 |
| Current portion of capital leases payable | - | 65,056 | 65,056 |
| Current portion of bonds payable | 312,753 | 52,343 | 365,096 |
| Current portion of accrued compensated absences | 64,919 | 50,672 | 115,591 |
| Customer deposits | 8,448 | 41,688 | 50,136 |
| Unearned revenue | <u>997,839</u> | <u>-</u> | <u>997,839</u> |
| Total Current Liabilities | <u>3,184,720</u> | <u>1,861,072</u> | <u>5,045,792</u> |
| Noncurrent Liabilities: | | | |
| Other postemployment benefits liability | 1,160,991 | 733,463 | 1,894,454 |
| Capital leases payable, net of current portion | - | 1,186,685 | 1,186,685 |
| Contract payable, net of current portion | 43,693 | - | 43,693 |
| Bonds payable, net of current portion | 1,224,948 | 4,334,461 | 5,559,409 |
| Accrued compensated absences, net of current portion | <u>977,833</u> | <u>586,569</u> | <u>1,564,402</u> |
| Total Noncurrent Liabilities | <u>3,407,465</u> | <u>6,841,178</u> | <u>10,248,643</u> |
| Total Liabilities | <u>6,592,185</u> | <u>8,702,250</u> | <u>15,294,435</u> |
| NET ASSETS | | | |
| Invested in capital assets, net of related debt | 56,221,970 | 60,205,347 | 116,427,317 |
| Restricted for: | | | |
| General government | 4,738,993 | - | 4,738,993 |
| Judicial | 69,005 | - | 69,005 |
| Public safety | 3,000,152 | - | 3,000,152 |
| Public works | 2,570,746 | - | 2,570,746 |
| Health | 38,399 | - | 38,399 |
| Welfare | 53,448 | - | 53,448 |
| Culture and recreation | 889,993 | - | 889,993 |
| Community support | 1,213,111 | - | 1,213,111 |
| Unrestricted | <u>17,255,368</u> | <u>20,875,593</u> | <u>38,130,961</u> |
| Total Net Assets | <u>\$ 86,051,185</u> | <u>\$ 81,080,940</u> | <u>\$ 167,132,125</u> |

See accompanying notes.

**CHURCHILL COUNTY, NEVADA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

| FUNCTIONS/PROGRAMS | PROGRAM REVENUES | | | | NET (EXPENSE) 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 | \$ 7,002,902 | \$ 955,251 | \$ 1,112,549 | \$ - | \$ (4,935,102) | \$ - | \$ (4,935,102) |
| Judicial | 3,188,923 | 203,327 | 8,000 | - | (2,977,596) | - | (2,977,596) |
| Public safety | 8,144,478 | 417,964 | 293,829 | - | (7,432,685) | - | (7,432,685) |
| Sanitation | 73,676 | 497 | - | - | (73,179) | - | (73,179) |
| Public works | 3,135,451 | 28,521 | - | - | (3,106,930) | - | (3,106,930) |
| Health | 218,326 | 38,420 | 8,774 | - | (171,132) | - | (171,132) |
| Welfare | 1,596,872 | 38,999 | 1,174,554 | - | (383,319) | - | (383,319) |
| Culture and recreation | 2,296,223 | 317,452 | 41,781 | - | (1,936,990) | - | (1,936,990) |
| Community support | 642,884 | - | - | - | (642,884) | - | (642,884) |
| Interest and fiscal charges | 68,031 | - | - | - | (68,031) | - | (68,031) |
| Total Governmental Activities | <u>26,367,766</u> | <u>2,000,431</u> | <u>2,639,487</u> | <u>-</u> | <u>(21,727,848)</u> | <u>-</u> | <u>(21,727,848)</u> |
| Business-type Activities: | | | | | | | |
| Telephone | 9,904,010 | 12,603,429 | - | - | - | 2,699,419 | 2,699,419 |
| Wireless | 3,334,552 | 2,976,518 | - | - | - | (358,034) | (358,034) |
| Long Distance | 487,404 | 978,290 | - | - | - | 490,886 | 490,886 |
| Broadband | 3,239,824 | 2,717,321 | - | - | - | (522,503) | (522,503) |
| Waste water | 988,500 | 201,748 | - | 1,624,242 | - | 837,490 | 837,490 |
| Water | 577,421 | 272,385 | - | - | - | (305,036) | (305,036) |
| Total Business-type Activities | <u>18,531,711</u> | <u>19,749,691</u> | <u>-</u> | <u>1,624,242</u> | <u>-</u> | <u>2,842,222</u> | <u>2,842,222</u> |
| Total County | <u>\$ 44,899,477</u> | <u>\$ 21,750,122</u> | <u>\$ 2,639,487</u> | <u>\$ 1,624,242</u> | <u>(21,727,848)</u> | <u>2,842,222</u> | <u>(18,885,626)</u> |
| General Revenues: | | | | | | | |
| Property taxes | | | | | 9,355,013 | - | 9,355,013 |
| Franchise taxes | | | | | 161,549 | - | 161,549 |
| Gaming licenses | | | | | 16,085 | - | 16,085 |
| Unrestricted intergovernmental revenues: | | | | | | | |
| Federal in lieu of taxes | | | | | 2,088,531 | - | 2,088,531 |
| AB 104 fairshare | | | | | 998,130 | - | 998,130 |
| Consolidated intergovernmental taxes | | | | | 4,554,601 | - | 4,554,601 |
| Fuel taxes | | | | | 1,017,349 | - | 1,017,349 |
| Optional county sales tax | | | | | 1,050,588 | - | 1,050,588 |
| Delinquent tax penalties | | | | | 251,945 | - | 251,945 |
| Interest income | | | | | 180,530 | 112,684 | 293,214 |
| Miscellaneous revenues | | | | | 3,675,246 | 61,716 | 3,736,962 |
| Transfers | | | | | <u>1,762,937</u> | <u>(1,762,937)</u> | <u>-</u> |
| Total General Revenues and Transfers | | | | | <u>25,112,504</u> | <u>(1,588,537)</u> | <u>23,523,967</u> |
| Change in Net Assets | | | | | 3,384,656 | 1,253,685 | 4,638,341 |
| NET ASSETS at July 1 | | | | | <u>82,666,529</u> | <u>79,827,255</u> | <u>162,493,784</u> |
| NET ASSETS at June 30 | | | | | <u>\$ 86,051,185</u> | <u>\$ 81,080,940</u> | <u>\$ 167,132,125</u> |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2010

| | <u>GENERAL FUND</u> | <u>ROAD FUND</u> | <u>WATER RESOURCE FUND</u> | <u>OTHER GOVERNMENTAL FUNDS</u> | <u>TOTAL GOVERNMENTAL FUNDS</u> |
|-------------------------------------|-------------------------|----------------------|------------------------------------|---|---|
| ASSETS | | | | | |
| Cash and investments | \$ 4,324,021 | \$ 1,238,410 | \$ - | \$ 23,483,362 | \$ 29,045,793 |
| Receivables: | | | | | |
| Property taxes | 222,620 | - | - | 111,375 | 333,995 |
| Interest | 1,990 | 572 | 138,733 | 10,943 | 152,238 |
| Other | 165,437 | 24,549 | - | 14,091 | 204,077 |
| Notes | - | - | 792,750 | 198,606 | 991,356 |
| Due from other funds | 593,517 | 202,078 | - | 1,097 | 796,692 |
| Due from other governments | 987,850 | 432,236 | 459,682 | 1,727,194 | 3,606,962 |
| | <u>\$ 6,295,435</u> | <u>\$ 1,897,845</u> | <u>\$ 1,391,165</u> | <u>\$ 25,546,668</u> | <u>\$ 35,131,113</u> |
| Total Assets | | | | | |
| LIABILITIES | | | | | |
| Accounts payable | \$ 251,884 | \$ 9,288 | \$ 25,097 | \$ 471,701 | \$ 757,970 |
| Accrued liabilities | 392,729 | 38,706 | 4,800 | 78,957 | 515,192 |
| Accrued benefits | 196,304 | 14,121 | 1,505 | 18,951 | 230,881 |
| Due to other funds | - | - | 87,933 | 203,175 | 291,108 |
| Due to other governments | 148,606 | 1,557 | 5,654 | 130,541 | 286,358 |
| Customer deposits | 3,285 | 1,933 | - | 3,230 | 8,448 |
| Deferred revenue | 1,200,330 | - | - | 106,450 | 1,306,780 |
| | <u>2,193,138</u> | <u>65,605</u> | <u>124,989</u> | <u>1,013,005</u> | <u>3,396,737</u> |
| Total Liabilities | | | | | |
| FUND BALANCES | | | | | |
| Reserved for: | | | | | |
| Notes receivable | - | - | 792,750 | 198,606 | 991,356 |
| Revenue shortfalls | - | - | - | 1,562,455 | 1,562,455 |
| Revenue bonds | - | - | 473,426 | - | 473,426 |
| Unreserved reported in: | | | | | |
| General fund | 4,102,297 | - | - | - | 4,102,297 |
| Special revenue funds | - | 1,832,240 | - | 16,130,811 | 17,963,051 |
| Debt service fund | - | - | - | 836,953 | 836,953 |
| Capital projects funds | - | - | - | 5,804,838 | 5,804,838 |
| | <u>4,102,297</u> | <u>1,832,240</u> | <u>1,266,176</u> | <u>24,533,663</u> | <u>31,734,376</u> |
| Total Fund Balances | | | | | |
| | <u>\$ 6,295,435</u> | <u>\$ 1,897,845</u> | <u>\$ 1,391,165</u> | <u>\$ 25,546,668</u> | <u>\$ 35,131,113</u> |
| Total Liabilities and Fund Balances | | | | | |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

Total Fund Balances - Governmental Funds **\$ 31,734,376**

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

Capital assets, net of the related depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds:

| | |
|--------------------------------|--------------|
| Capital assets | 98,321,953 |
| Less: Accumulated depreciation | (40,518,589) |

Certain liabilities are not reported in the governmental funds because they are not due and payable in the current period:

| | |
|---|-------------|
| Other postemployment benefits liability | (1,160,990) |
| Contract payable | (43,693) |
| Bonds payable | (1,537,701) |
| Compensated absences | (1,042,752) |
| Accrued interest | (10,360) |

Some of the County's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.

308,941

Total Net Assets - Governmental Activities **\$ 86,051,185**

See accompanying notes.

CHURCHILL COUNTY, NEVADA
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

| | GENERAL FUND | ROAD FUND | WATER RESOURCE FUND | OTHER GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|-------------------------|----------------------|------------------------------------|---|---|
| REVENUES | | | | | |
| Taxes | \$ 5,523,461 | \$ - | \$ - | \$ 4,323,300 | \$ 9,846,761 |
| Licenses and permits | 381,327 | 252 | - | 8,900 | 390,479 |
| Intergovernmental | 7,423,952 | 1,017,349 | 374,970 | 3,011,216 | 11,827,487 |
| Charges for services | 684,399 | - | 21,621 | 376,594 | 1,082,614 |
| Fines and forfeits | 586,119 | - | - | - | 586,119 |
| Miscellaneous | 854,507 | 471,978 | 378,990 | 2,709,721 | 4,415,196 |
| | <u>15,453,765</u> | <u>1,489,579</u> | <u>775,581</u> | <u>10,429,731</u> | <u>28,148,656</u> |
| Total Revenues | | | | | |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 5,201,264 | - | 749,445 | 5,786,832 | 11,737,541 |
| Judicial | 3,109,114 | - | - | 98,561 | 3,207,675 |
| Public safety | 7,017,314 | - | - | 20,148 | 7,037,462 |
| Sanitation | 73,676 | - | - | - | 73,676 |
| Public works | - | 2,427,944 | - | 85,649 | 2,513,593 |
| Health | 183,482 | - | - | 4,654 | 188,136 |
| Welfare | - | - | - | 1,663,126 | 1,663,126 |
| Culture and recreation | 342,405 | - | - | 1,766,186 | 2,108,591 |
| Community support | 229,766 | - | - | 408,513 | 638,279 |
| Intergovernmental | 414,848 | - | - | 678,404 | 1,093,252 |
| Debt service: | | | | | |
| Principal | - | - | - | 345,468 | 345,468 |
| Interest | - | - | - | 70,055 | 70,055 |
| | <u>16,571,869</u> | <u>2,427,944</u> | <u>749,445</u> | <u>10,927,596</u> | <u>30,676,854</u> |
| Total Expenditures | | | | | |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,118,104)</u> | <u>(938,365)</u> | <u>26,136</u> | <u>(497,865)</u> | <u>(2,528,198)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of capital assets | 6,325 | - | 175,835 | 2,273,590 | 2,455,750 |
| Transfers in | 1,725,840 | 899,681 | - | 940,560 | 3,566,081 |
| Transfers out | - | - | (415,693) | (1,387,451) | (1,803,144) |
| | <u>1,732,165</u> | <u>899,681</u> | <u>(239,858)</u> | <u>1,826,699</u> | <u>4,218,687</u> |
| Total Other Financing Sources (Uses) | | | | | |
| Net Change in Fund Balances | 614,061 | (38,684) | (213,722) | 1,328,834 | 1,690,489 |
| FUND BALANCE, July 1 | <u>3,488,236</u> | <u>1,870,924</u> | <u>1,479,898</u> | <u>23,204,829</u> | <u>30,043,887</u> |
| FUND BALANCE, June 30 | <u>\$ 4,102,297</u> | <u>\$ 1,832,240</u> | <u>\$ 1,266,176</u> | <u>\$ 24,533,663</u> | <u>\$ 31,734,376</u> |

See accompanying notes.

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, 2010

Net Change in Fund Balances - Governmental Funds **\$ 1,690,489**

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 | 6,370,575 |
| Less: Current year depreciation | (2,216,895) |

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. (2,449,424)

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. (101,018)

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 change in the liability, reported as an expense in the statement of activities. (287,062)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus require current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it is due. 2,023

Some of the County's property taxes will be collected after year-end, but are 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 this year. 30,499

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.

| | |
|--------------------|---------|
| Principal payments | 345,469 |
|--------------------|---------|

Change in Net Assets - Governmental Activities **\$ 3,384,656**

See accompanying notes.

CHURCHILL COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(Page 1 of 6)

| | <u>BUDGET</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> | |
|--|------------------|------------------|------------------|----------------------|------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>TO FINAL</u> | <u>FINAL TO ACTUAL</u> |
| REVENUES | | | | | |
| Property taxes: | | | | | |
| Ad valorem taxes | \$ 4,809,338 | \$ 4,809,338 | \$ 5,523,461 | \$ - | \$ 714,123 |
| Licenses and permits: | | | | | |
| Business licenses | 51,000 | 51,000 | 62,887 | - | 11,887 |
| Liquor licenses | 4,100 | 4,100 | 4,230 | - | 130 |
| Local gaming licenses | 40,500 | 40,500 | 56,400 | - | 15,900 |
| Marriage licenses | 3,000 | 3,000 | 3,354 | - | 354 |
| Other permits | 15,000 | 15,000 | 13,022 | - | (1,978) |
| Building permits | 75,000 | 75,000 | 51,359 | - | (23,641) |
| Mobile home permits | 100 | 100 | 45 | - | (55) |
| Fictitious name/notary bonds | 6,000 | 6,000 | 5,880 | - | (120) |
| Passport fees | 6,000 | 6,000 | 2,050 | - | (3,950) |
| Drug court fee | 4,000 | 4,000 | 7,280 | - | 3,280 |
| Septic fees | 5,000 | 5,000 | 4,166 | - | (834) |
| Inspection fees | 10,000 | 10,000 | - | - | (10,000) |
| Manufactured home permits | 7,000 | 7,000 | 5,000 | - | (2,000) |
| Other license/permits fees | 15,450 | 15,450 | 4,105 | - | (11,345) |
| Franchise fees | 160,000 | 160,000 | 161,549 | - | 1,549 |
| | <u>402,150</u> | <u>402,150</u> | <u>381,327</u> | <u>-</u> | <u>(20,823)</u> |
| Intergovernmental: | | | | | |
| Federal in lieu of taxes | 775,000 | 775,000 | 1,075,000 | - | 300,000 |
| State gaming license | 20,000 | 20,000 | 16,085 | - | (3,915) |
| Bi-county reimbursements | - | - | 37,586 | - | 37,586 |
| Private car tax | - | - | 1,871 | - | 1,871 |
| AB104 fairshare | 875,000 | 875,000 | 998,130 | - | 123,130 |
| Consolidated intergovernmental taxes | 5,675,000 | 5,675,000 | 4,129,601 | - | (1,545,399) |
| Jail reimbursements: | | | | | |
| Paiute | - | - | 975 | - | 975 |
| City | 40,000 | 40,000 | 64,323 | - | 24,323 |
| Task force reimbursement | 5,000 | 5,000 | 3,793 | - | (1,207) |
| Grants-in-aid: | | | | | |
| Federal grants: | | | | | |
| Title IV-D | 360,125 | 360,125 | 329,900 | - | (30,225) |
| Title IV-D incentive | - | 52,151 | 52,151 | 52,151 | - |
| Planning assistance | 457,500 | 457,500 | 271,497 | - | (186,003) |
| FEMA - emergency management | - | 28,743 | 28,743 | 28,743 | - |
| State criminal assistance program (SCAAP) | - | 7,446 | 7,446 | 7,446 | - |
| SO JAQ equipment - ARRA | - | 25,359 | 25,359 | 25,359 | - |
| Public Safety Partnership and Community Policing | - | 45,889 | 45,890 | 45,889 | 1 |
| CSBG - Students Succeed | - | 25,840 | - | 25,840 | (25,840) |
| OCJA justice assistance | - | 74,136 | 74,136 | 74,136 | - |
| OJJDP - CCBC - rafts | - | 48,429 | 48,429 | 48,429 | - |
| Homeland security | - | 16,071 | 16,071 | 16,071 | - |
| SERC - Equipment | - | 42,856 | 42,856 | 42,856 | - |
| Stinulus NV works | - | 60,056 | 60,056 | 60,056 | - |
| Nevada works summer employment | - | 71,491 | 71,491 | 71,491 | - |
| State grants: | | | | | |
| AOC state grant | - | 8,000 | 8,000 | 8,000 | - |
| JPO family management | - | 5,789 | 5,789 | 5,789 | - |
| Coalition - meth education | - | 8,774 | 8,774 | 8,774 | - |
| | <u>8,207,625</u> | <u>8,728,655</u> | <u>7,423,952</u> | <u>521,030</u> | <u>(1,304,703)</u> |

**CHURCHILL COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(Page 2 of 6)**

| | <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> |
| Charges for services: | | | | | |
| Administrative assessments: | | | | | |
| Juvenile probation | \$ 5,000 | \$ 5,000 | \$ 8,675 | \$ - | \$ 3,675 |
| Justice court | 28,750 | 28,750 | 30,357 | - | 1,607 |
| Municipal court | 1,500 | 1,500 | 1,664 | - | 164 |
| Juvenile court | 1,000 | 1,000 | 1,320 | - | 320 |
| District court | 250 | 250 | 207 | - | (43) |
| Assessor's property tax commissions | 195,000 | 195,000 | 283,870 | - | 88,870 |
| Candidate filing fees | - | - | 2,540 | - | 2,540 |
| Justice court filing fees | 65,000 | 65,000 | 68,999 | - | 3,999 |
| Justice court forensic fees | 6,000 | 6,000 | 7,851 | - | 1,851 |
| Court clerk miscellaneous | 22,000 | 21,965 | 28,552 | (35) | 6,587 |
| County court fees | 24,000 | 24,000 | 36,000 | - | 12,000 |
| Recorder RPTT collection fees | 1,750 | 1,750 | 2,107 | - | 357 |
| Recorder's fees | 85,000 | 85,000 | 99,770 | - | 14,770 |
| Public defender fees | 10,000 | 10,000 | 7,824 | - | (2,176) |
| Return check fees | 100 | 100 | 200 | - | 100 |
| Crime lab fees | 500 | 500 | - | - | (500) |
| Sheriff's fees | 38,000 | 38,000 | 33,060 | - | (4,940) |
| Sheriff's fees, fingerprint | 2,000 | 2,000 | 1,825 | - | (175) |
| Sheriff's fees, concealed weapon | 3,000 | 3,000 | 9,755 | - | 6,755 |
| Sheriff's fees, intermittent | 2,000 | 2,000 | 4,988 | - | 2,988 |
| CC Communications retainer | 12,000 | 12,000 | - | - | (12,000) |
| BLM service fee | 10,000 | 10,000 | - | - | (10,000) |
| Planning commission appeal fee | 100 | 100 | 600 | - | 500 |
| Cemetery fees | 26,000 | 26,000 | 38,420 | - | 12,420 |
| Forensic fees - task force | 500 | 500 | 1,240 | - | 740 |
| DMV - spay and neuter fee | 300 | 300 | 497 | - | 197 |
| Inmate phone revenue | 6,000 | 6,000 | 1,827 | - | (4,173) |
| Counseling reimbursement | - | 953 | 953 | 953 | - |
| Mining map fees: | | | | | |
| Map fees - mining claims | 3,000 | 3,000 | 11,233 | - | 8,233 |
| Land plot maps - copies | 100 | 100 | 65 | - | (35) |
| | <u>548,850</u> | <u>549,768</u> | <u>684,399</u> | <u>918</u> | <u>134,631</u> |
| Fines and forfeits: | | | | | |
| Forfeited bail | 195,000 | 195,000 | 188,145 | - | (6,855) |
| Fines | 52,100 | 52,100 | 68,919 | - | 16,819 |
| AB65 Additional Court Fees | - | - | 71,443 | - | 71,443 |
| Justice court bond forfeiture | 2,000 | 2,000 | 5,667 | - | 3,667 |
| Delinquent tax penalties | 115,000 | 115,000 | 251,945 | - | 136,945 |
| | <u>364,100</u> | <u>364,100</u> | <u>586,119</u> | <u>-</u> | <u>222,019</u> |
| Miscellaneous: | | | | | |
| Interest | 50,000 | 50,000 | 18,412 | - | (31,588) |
| Miscellaneous sales | 1,000 | 1,000 | 2,072 | - | 1,072 |
| Mine proceeds tax commissions | 17,000 | 17,000 | 21,219 | - | 4,219 |
| Senior citizen processing fees | - | - | 796 | - | 796 |
| Data processing | 4,800 | 4,800 | 5,400 | - | 600 |
| Buildings lease revenue | 3,000 | 3,000 | 1 | - | (2,999) |
| Justice court payment setup fee | 6,000 | 6,000 | 11,912 | - | 5,912 |
| Justice court collection fee | 10,000 | 10,000 | 9,025 | - | (975) |
| Juvenile transport reimbursements | 2,000 | 2,000 | 815 | - | (1,185) |
| Juvenile child care reimbursements | 2,500 | 2,500 | 2,430 | - | (70) |
| Juvenile substance abuse reimbursements | 1,000 | 1,000 | 3,102 | - | 2,102 |
| Juvenile instructional supervision reimbursements | 1,700 | 1,700 | 4,270 | - | 2,570 |
| Juvenile miscellaneous reimbursements | 100 | 100 | 2,610 | - | 2,510 |
| JPO Recycle Reimbursement | - | - | 5,535 | - | 5,535 |
| Vulcan Pilt Payment | - | - | 80,425 | - | 80,425 |
| Geothermal rents/royalties | 475,000 | 475,000 | 475,000 | - | - |
| Enel sales tax payments | 175,860 | 175,860 | 175,860 | - | - |
| Other miscellaneous | 10,000 | 8,000 | 35,623 | (2,000) | 27,623 |
| | <u>759,960</u> | <u>757,960</u> | <u>854,507</u> | <u>(2,000)</u> | <u>96,547</u> |
| Total Revenues | <u>15,092,023</u> | <u>15,611,971</u> | <u>15,453,765</u> | <u>519,948</u> | <u>(158,206)</u> |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

(Page 3 of 6)

| EXPENDITURES | BUDGET | | ACTUAL | VARIANCE WITH | |
|---------------------------|-----------|-----------|-----------|---------------|-----------------|
| | ORIGINAL | FINAL | | TO FINAL | FINAL TO ACTUAL |
| Current: | | | | | |
| General government: | | | | | |
| Commissioners: | | | | | |
| Salaries | \$ 86,814 | \$ 86,814 | \$ 85,509 | \$ - | \$ 1,305 |
| Benefits | 49,077 | 49,077 | 45,324 | - | 3,753 |
| Services and supplies | 13,050 | 17,475 | 16,420 | 4,425 | 1,055 |
| Capital Outlay | - | 5,795 | 5,795 | 5,795 | - |
| | 148,941 | 159,161 | 153,048 | 10,220 | 6,113 |
| Clerk/treasurer: | | | | | |
| Salaries | 396,302 | 396,303 | 366,238 | 1 | 30,065 |
| Benefits | 179,525 | 179,527 | 161,604 | 2 | 17,923 |
| Services and supplies | 49,250 | 42,750 | 35,295 | (6,500) | 7,455 |
| Capital Outlay | - | 4,000 | 3,913 | 4,000 | 87 |
| | 625,077 | 622,580 | 567,050 | (2,497) | 55,530 |
| Recorder: | | | | | |
| Salaries | 163,195 | 171,197 | 162,140 | 8,002 | 9,057 |
| Benefits | 67,740 | 67,740 | 60,243 | - | 7,497 |
| Services and supplies | 8,055 | 13,305 | 15,374 | 5,250 | (2,069) |
| | 238,990 | 252,242 | 237,757 | 13,252 | 14,485 |
| Records and microfilming: | | | | | |
| Services and supplies | 30,000 | 28,750 | 21,118 | (1,250) | 7,632 |
| Assessor: | | | | | |
| Salaries | 417,450 | 418,953 | 392,969 | 1,503 | 25,984 |
| Benefits | 179,211 | 179,211 | 161,439 | - | 17,772 |
| Services and supplies | 75,780 | 74,280 | 46,900 | (1,500) | 27,380 |
| | 672,441 | 672,444 | 601,308 | 3 | 71,136 |
| County manager: | | | | | |
| Salaries | 179,276 | 179,276 | 172,887 | - | 6,389 |
| Benefits | 56,953 | 56,954 | 54,886 | 1 | 2,068 |
| Services and supplies | 13,600 | 13,600 | 9,961 | - | 3,639 |
| | 249,829 | 249,830 | 237,734 | 1 | 12,096 |
| Buildings and grounds: | | | | | |
| Salaries | 315,688 | 334,688 | 313,794 | 19,000 | 20,894 |
| Benefits | 143,231 | 144,031 | 131,240 | 800 | 12,791 |
| Services and supplies | 293,900 | 325,400 | 310,754 | 31,500 | 14,646 |
| Capital outlay | 30,000 | - | - | (30,000) | - |
| | 782,819 | 804,119 | 755,788 | 21,300 | 48,331 |
| Elections: | | | | | |
| Salaries | - | - | 5,515 | - | (5,515) |
| Benefits | - | - | 436 | - | (436) |
| Services and supplies | 15,000 | 32,500 | 21,285 | 17,500 | 11,215 |
| | 15,000 | 32,500 | 27,236 | 17,500 | 5,264 |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(Page 4 of 6)

| | <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> |
| Personnel operations: | | | | | |
| Salaries | \$ 99,631 | \$ 99,631 | \$ 93,415 | \$ - | \$ 6,216 |
| Benefits | 33,097 | 33,098 | \$ 30,207 | 1 | 2,891 |
| Services and supplies | 4,650 | 6,400 | 4,148 | 1,750 | 2,252 |
| | <u>137,378</u> | <u>139,129</u> | <u>127,770</u> | <u>1,751</u> | <u>11,359</u> |
| Personnel - staff development: | | | | | |
| Services and supplies | 3,500 | 3,500 | 2,586 | - | 914 |
| Personnel - benefit services: | | | | | |
| Services and supplies | 16,450 | 24,950 | 22,051 | 8,500 | 2,899 |
| Comptroller: | | | | | |
| Salaries | 292,778 | 292,778 | 280,973 | - | 11,805 |
| Benefits | 109,051 | 109,051 | 98,974 | - | 10,077 |
| Services and supplies | 18,000 | 18,000 | 10,891 | - | 7,109 |
| | <u>419,829</u> | <u>419,829</u> | <u>390,838</u> | <u>-</u> | <u>28,991</u> |
| Data processing: | | | | | |
| Services and supplies | 147,700 | 152,700 | 145,501 | 5,000 | 7,199 |
| Capital outlay | 10,000 | - | - | (10,000) | - |
| | <u>157,700</u> | <u>152,700</u> | <u>145,501</u> | <u>(5,000)</u> | <u>7,199</u> |
| General government other | | | | | |
| Services and supplies | 827,400 | 962,400 | 888,079 | 135,000 | 74,321 |
| Building inspection: | | | | | |
| Salaries | 175,065 | 175,065 | 158,253 | - | 16,812 |
| Benefits | 70,477 | 70,477 | 59,352 | - | 11,125 |
| Services and supplies | 9,500 | 9,500 | 7,699 | - | 1,801 |
| | <u>255,042</u> | <u>255,042</u> | <u>225,304</u> | <u>-</u> | <u>29,738</u> |
| Yucca Mountain: | | | | | |
| Services and supplies | 457,500 | 332,500 | 271,497 | (125,000) | 61,003 |
| Planning department: | | | | | |
| Salaries | 378,533 | 378,535 | 370,776 | 2 | 7,759 |
| Benefits | 144,381 | 144,384 | 135,523 | 3 | 8,861 |
| Services and supplies | 37,555 | 37,555 | 20,300 | - | 17,255 |
| | <u>560,469</u> | <u>560,474</u> | <u>526,599</u> | <u>5</u> | <u>33,875</u> |
| Total General Government | <u>5,598,365</u> | <u>5,672,150</u> | <u>5,201,264</u> | <u>73,785</u> | <u>470,886</u> |
| Judicial: | | | | | |
| District court: | | | | | |
| Salaries | 115,450 | 115,450 | 105,034 | - | 10,416 |
| Benefits | 47,945 | 47,946 | 39,354 | 1 | 8,592 |
| Services and supplies | 439,764 | 439,765 | 438,044 | 1 | 1,721 |
| | <u>603,159</u> | <u>603,161</u> | <u>582,432</u> | <u>2</u> | <u>20,729</u> |
| Justice court: | | | | | |
| Salaries | 314,736 | 314,736 | 280,994 | - | 33,742 |
| Benefits | 123,278 | 123,280 | 101,974 | 2 | 21,306 |
| Services and supplies | 118,150 | 124,900 | 101,846 | 6,750 | 23,054 |
| Capital outlay | - | 28,500 | 28,447 | 28,500 | 53 |
| | <u>556,164</u> | <u>591,416</u> | <u>513,261</u> | <u>35,252</u> | <u>78,155</u> |

**CHURCHILL COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(Page 5 of 6)**

| | <u>BUDGET</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> | |
|-----------------------|------------------|------------------|------------------|----------------------|------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>TO FINAL</u> | <u>FINAL TO ACTUAL</u> |
| District attorney: | | | | | |
| Salaries | \$ 1,247,866 | \$ 1,247,867 | \$ 1,235,838 | \$ 1 | \$ 12,029 |
| Benefits | 525,522 | 525,525 | 455,343 | 3 | 70,182 |
| Services and supplies | 221,425 | 229,425 | 195,044 | 8,000 | 34,381 |
| Capital outlay | - | 60,651 | 48,397 | 60,651 | 12,254 |
| | <u>1,994,813</u> | <u>2,063,468</u> | <u>1,934,622</u> | <u>68,655</u> | <u>128,846</u> |
| Court services: | | | | | |
| Salaries | - | 47,225 | 47,224 | 47,225 | 1 |
| Benefits | - | 21,911 | 21,285 | 21,911 | 626 |
| Services and supplies | - | 5,000 | 10,290 | 5,000 | (5,290) |
| | <u>-</u> | <u>74,136</u> | <u>78,799</u> | <u>74,136</u> | <u>(4,663)</u> |
| Total Judicial | <u>3,154,136</u> | <u>3,332,181</u> | <u>3,109,114</u> | <u>178,045</u> | <u>223,067</u> |
| Public safety: | | | | | |
| Sheriff: | | | | | |
| Salaries | 3,023,757 | 3,022,258 | 2,848,370 | (1,499) | 173,888 |
| Benefits | 1,650,348 | 1,650,348 | 1,548,050 | - | 102,298 |
| Services and supplies | 610,575 | 691,769 | 598,543 | 81,194 | 93,226 |
| Capital outlay | 245,000 | 321,125 | 302,672 | 76,125 | 18,453 |
| | <u>5,529,680</u> | <u>5,685,500</u> | <u>5,297,635</u> | <u>155,820</u> | <u>387,865</u> |
| Fire protection: | | | | | |
| Salaries | 97,595 | 97,595 | 102,027 | - | (4,432) |
| Benefits | 168,175 | 173,175 | 169,030 | 5,000 | 4,145 |
| Services and supplies | 246,101 | 264,101 | 213,605 | 18,000 | 50,496 |
| Capital outlay | 30,000 | 9,605 | 17,473 | (20,395) | (7,868) |
| | <u>541,871</u> | <u>544,476</u> | <u>502,135</u> | <u>2,605</u> | <u>42,341</u> |
| Emergency management: | | | | | |
| Salaries | 37,553 | 57,553 | 34,545 | 20,000 | 23,008 |
| Benefits | 18,846 | 18,846 | 9,187 | - | 9,659 |
| Services and supplies | 6,000 | 78,670 | 48,796 | 72,670 | 29,874 |
| Capital outlay | - | - | 7,979 | - | (7,979) |
| | <u>62,399</u> | <u>155,069</u> | <u>100,507</u> | <u>92,670</u> | <u>54,562</u> |
| Juvenile probation: | | | | | |
| Salaries | 598,206 | 723,264 | 641,302 | 125,058 | 81,962 |
| Benefits | 266,085 | 266,086 | 256,293 | 1 | 9,793 |
| Services and supplies | 176,125 | 272,401 | 219,442 | 96,276 | 52,959 |
| | <u>1,040,416</u> | <u>1,261,751</u> | <u>1,117,037</u> | <u>221,335</u> | <u>144,714</u> |
| Total Public Safety | <u>7,174,366</u> | <u>7,646,796</u> | <u>7,017,314</u> | <u>472,430</u> | <u>629,482</u> |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(Page 6 of 6)

| | <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> |
| Sanitation: | | | | | |
| Animal control and garbage disposal: | | | | | |
| Services and supplies | \$ 88,000 | \$ 88,000 | \$ 73,676 | \$ - | \$ 14,324 |
| Health: | | | | | |
| City/County health: | | | | | |
| Services and supplies | 4,200 | 4,200 | 2,654 | - | 1,546 |
| Cemetery: | | | | | |
| Salaries | 95,693 | 99,694 | 98,331 | 4,001 | 1,363 |
| Benefits | 40,401 | 40,403 | 37,296 | 2 | 3,107 |
| Services and supplies | 50,300 | 56,050 | 45,201 | 5,750 | 10,849 |
| Capital outlay | 25,400 | 10,400 | - | (15,000) | 10,400 |
| | <u>211,794</u> | <u>206,547</u> | <u>180,828</u> | <u>(5,247)</u> | <u>25,719</u> |
| Total Health | <u>215,994</u> | <u>210,747</u> | <u>183,482</u> | <u>(5,247)</u> | <u>27,265</u> |
| Culture and recreation: | | | | | |
| Museum: | | | | | |
| Salaries | 266,305 | 266,306 | 247,001 | 1 | 19,305 |
| Benefits | 68,623 | 68,624 | 65,100 | 1 | 3,524 |
| Services and supplies | 30,000 | 33,000 | 30,304 | 3,000 | 2,696 |
| | <u>364,928</u> | <u>367,930</u> | <u>342,405</u> | <u>3,002</u> | <u>25,525</u> |
| Community support: | | | | | |
| Services and supplies | 293,000 | 293,000 | 229,766 | - | 63,234 |
| Intergovernmental: | | | | | |
| Services and supplies | 518,765 | 418,765 | 414,848 | (100,000) | 3,917 |
| Total Expenditures | <u>17,407,554</u> | <u>18,029,569</u> | <u>16,571,869</u> | <u>622,015</u> | <u>1,457,700</u> |
| Deficiency of Revenues Under Expenditures | <u>(2,315,531)</u> | <u>(2,417,598)</u> | <u>(1,118,104)</u> | <u>(102,067)</u> | <u>1,299,494</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Contingency | (100,000) | - | - | 100,000 | - |
| Sale of capital and other assets | - | 1,000 | 6,325 | 1,000 | 5,325 |
| Transfers In: | | | | | |
| CC Communications - Telephone Fund | 1,700,000 | 1,700,000 | 1,700,000 | - | - |
| Social Services Fund | - | - | 25,840 | - | 25,840 |
| Total Other Financing Sources (Uses) | <u>1,600,000</u> | <u>1,701,000</u> | <u>1,732,165</u> | <u>101,000</u> | <u>31,165</u> |
| Net Change in Fund Balances | (715,531) | (716,598) | 614,061 | (1,067) | 1,330,659 |
| FUND BALANCE, July 1 | <u>2,714,533</u> | <u>2,715,600</u> | <u>3,488,236</u> | <u>1,067</u> | <u>772,636</u> |
| FUND BALANCE, June 30 | <u>\$ 1,999,002</u> | <u>\$ 1,999,002</u> | <u>\$ 4,102,297</u> | <u>\$ -</u> | <u>\$ 2,103,295</u> |

See accompanying notes.

**CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - ROAD FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

| | <u>BUDGET</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> | |
|---|--------------------|--------------------|---------------------|------------------------------|----------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>ORIGINAL TO FINAL</u> | <u>FINAL TO ACTUAL</u> |
| REVENUES | | | | | |
| Licenses and permits: | | | | | |
| Licenses and permits | \$ 1,000 | \$ 1,000 | \$ 252 | \$ - | \$ (748) |
| Intergovernmental: | | | | | |
| Motor vehicle fuel tax (\$.0125) | 345,576 | 345,576 | 345,581 | - | 5 |
| Motor vehicle fuel tax (\$.0175) | 95,997 | 95,997 | 110,887 | - | 14,890 |
| Motor vehicle fuel tax (\$.0360) | 570,320 | 570,320 | 560,881 | - | (9,439) |
| | <u>1,011,893</u> | <u>1,011,893</u> | <u>1,017,349</u> | <u>-</u> | <u>5,456</u> |
| Miscellaneous: | | | | | |
| Interest | 25,750 | 25,750 | 9,294 | - | (16,456) |
| Miscellaneous | 1,000 | 1,000 | 9,166 | - | 8,166 |
| Inspection fees | 3,000 | 3,000 | - | - | (3,000) |
| Geothermal rents and royalties | - | - | 250,000 | - | 250,000 |
| Meter fees | 1,500 | 1,500 | 3,045 | - | 1,545 |
| Water construction | 5,000 | 5,000 | 4,479 | - | (521) |
| Equipment rental | - | 500 | - | 500 | (500) |
| Fuel reimbursements | 225,000 | 225,000 | 195,994 | - | (29,006) |
| | <u>261,250</u> | <u>261,750</u> | <u>471,978</u> | <u>500</u> | <u>210,228</u> |
| Total Revenues | <u>1,274,143</u> | <u>1,274,643</u> | <u>1,489,579</u> | <u>500</u> | <u>214,936</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| Public works: | | | | | |
| Highways and streets: | | | | | |
| Salaries | 827,020 | 827,020 | 779,586 | - | 47,434 |
| Benefits | 372,267 | 372,267 | 310,560 | - | 61,707 |
| Services and supplies | 1,405,200 | 1,405,200 | 1,143,537 | - | 261,663 |
| Capital outlay | 250,000 | 250,000 | 194,261 | - | 55,739 |
| Total Expenditures | <u>2,854,487</u> | <u>2,854,487</u> | <u>2,427,944</u> | <u>-</u> | <u>426,543</u> |
| Deficiency of Revenues Under Expenditures | <u>(1,580,344)</u> | <u>(1,579,844)</u> | <u>(938,365)</u> | <u>500</u> | <u>641,479</u> |
| OTHER FINANCING SOURCES | | | | | |
| Transfers in: | | | | | |
| Regional Street and Highway Fund | 500,000 | 500,000 | 371,816 | - | (128,184) |
| Public Transit Fund | 500,000 | 500,000 | 527,865 | - | 27,865 |
| Total Other Financing Sources | <u>1,000,000</u> | <u>1,000,000</u> | <u>899,681</u> | <u>-</u> | <u>(100,319)</u> |
| Net Change in Fund Balances | (580,344) | (579,844) | (38,684) | 500 | 541,160 |
| FUND BALANCE, July 1 | <u>1,382,745</u> | <u>1,382,745</u> | <u>1,870,924</u> | <u>-</u> | <u>488,179</u> |
| FUND BALANCE, June 30 | <u>\$ 802,401</u> | <u>\$ 802,901</u> | <u>\$ 1,832,240</u> | <u>\$ 500</u> | <u>\$ 1,029,339</u> |

See accompanying notes.

**CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

| | <u>BUDGET</u> | | <u>ACTUAL</u> | <u>VARIANCE WITH</u> | |
|--|-------------------|-------------------|---------------------|------------------------------|----------------------------|
| | <u>ORIGINAL</u> | <u>FINAL</u> | | <u>ORIGINAL TO FINAL</u> | <u>FINAL TO ACTUAL</u> |
| REVENUES | | | | | |
| Intergovernmental: | | | | | |
| Federal payments in lieu of taxes | \$ 48,000 | \$ 48,000 | \$ 148,000 | \$ - | \$ 100,000 |
| Grants-in-aid | | | | | |
| Federal | 1,250,000 | 1,250,000 | 202,233 | - | (1,047,767) |
| Refuge revenue sharing | - | - | 24,737 | - | 24,737 |
| | <u>1,298,000</u> | <u>1,298,000</u> | <u>374,970</u> | <u>-</u> | <u>(923,030)</u> |
| Charges for services: | | | | | |
| Water rights dedication fees | 15,000 | 15,000 | 21,621 | - | 6,621 |
| Miscellaneous: | | | | | |
| Interest | 15,000 | 15,000 | 1,671 | - | (13,329) |
| Geothermal rents and royalties | - | - | 377,319 | - | 377,319 |
| Other miscellaneous | 5,000 | 5,000 | - | - | (5,000) |
| | <u>20,000</u> | <u>20,000</u> | <u>378,990</u> | <u>-</u> | <u>358,990</u> |
| Total Revenues | <u>1,333,000</u> | <u>1,333,000</u> | <u>775,581</u> | <u>-</u> | <u>(557,419)</u> |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | | | | | |
| Salaries | 101,455 | 101,455 | 98,143 | - | 3,312 |
| Benefits | 34,384 | 34,384 | 31,726 | - | 2,658 |
| Services and supplies | 1,356,500 | 1,356,500 | 366,748 | - | 989,752 |
| Capital outlay | 400,000 | 400,000 | 252,828 | - | 147,172 |
| Total Expenditures | <u>1,892,339</u> | <u>1,892,339</u> | <u>749,445</u> | <u>-</u> | <u>1,142,894</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(559,339)</u> | <u>(559,339)</u> | <u>26,136</u> | <u>-</u> | <u>585,475</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of capital and other assets | - | - | 175,835 | - | 175,835 |
| Transfers out: | | | | | |
| Debt Service Fund | (415,693) | (415,693) | (415,693) | - | - |
| Total Other Financing Sources (Uses) | <u>(415,693)</u> | <u>(415,693)</u> | <u>(239,858)</u> | <u>-</u> | <u>175,835</u> |
| Net Change in Fund Balances | <u>(975,032)</u> | <u>(975,032)</u> | <u>(213,722)</u> | <u>-</u> | <u>761,310</u> |
| FUND BALANCE, July 1 | <u>1,607,287</u> | <u>1,607,287</u> | <u>1,479,898</u> | <u>-</u> | <u>(127,389)</u> |
| FUND BALANCE, June 30 | <u>\$ 632,255</u> | <u>\$ 632,255</u> | <u>\$ 1,266,176</u> | <u>\$ -</u> | <u>\$ 633,921</u> |

See accompanying notes.

**CHURCHILL COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
JUNE 30, 2010
(Page 1 of 2)**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE 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 | \$ 1,723,747 | \$ 13,700,174 | \$ 786,181 | \$ - | \$ 904,137 | \$ 2,417,007 | \$ 19,531,246 |
| Trade accounts receivable, net | 1,323,880 | 437,420 | - | 719,025 | 299,402 | - | 2,779,727 |
| Other accounts receivable, net | 333,265 | - | - | 60,303 | 71,287 | - | 464,855 |
| Interest receivable | - | 740 | - | 36,265 | 14,054 | 289 | 51,348 |
| Due from other funds | 589,183 | - | - | - | - | - | 589,183 |
| Due from other governments | - | - | - | 301,396 | - | - | 301,396 |
| Inventory | 1,071,084 | 84,131 | 54,247 | - | - | - | 1,209,462 |
| Total Current Assets | <u>5,041,159</u> | <u>14,222,465</u> | <u>840,428</u> | <u>1,116,989</u> | <u>1,288,880</u> | <u>2,417,296</u> | <u>24,927,217</u> |
| Noncurrent Assets: | | | | | | | |
| Restricted cash | - | - | - | 31,352 | 75,496 | - | 106,848 |
| Capital Assets: | | | | | | | |
| In service and depreciable | 70,844,205 | - | 4,799,968 | 20,899,770 | 10,267,985 | - | 106,811,928 |
| Under construction and not being depreciated | 1,260,022 | - | 5,337 | 1,952,113 | 244,643 | - | 3,462,115 |
| | <u>72,104,227</u> | <u>-</u> | <u>4,805,305</u> | <u>22,851,883</u> | <u>10,512,628</u> | <u>-</u> | <u>110,274,043</u> |
| Less: Accumulated depreciation | 38,697,404 | - | 3,340,535 | 1,664,846 | 727,366 | - | 44,430,151 |
| Total Capital Assets | <u>33,406,823</u> | <u>-</u> | <u>1,464,770</u> | <u>21,187,037</u> | <u>9,785,262</u> | <u>-</u> | <u>65,843,892</u> |
| Total Noncurrent Assets | <u>33,406,823</u> | <u>-</u> | <u>1,464,770</u> | <u>21,218,389</u> | <u>9,860,758</u> | <u>-</u> | <u>65,950,740</u> |
| Total Assets | <u>38,447,982</u> | <u>14,222,465</u> | <u>2,305,198</u> | <u>22,335,378</u> | <u>11,149,638</u> | <u>2,417,296</u> | <u>90,877,957</u> |
| LIABILITIES | | | | | | | |
| Current Liabilities: | | | | | | | |
| Accounts payable | 856,908 | 114,149 | 7,897 | 401,066 | 17,002 | - | 1,397,022 |
| Customer deposits | 30,460 | 8,228 | - | - | 3,000 | - | 41,688 |
| Accrued interest | - | 637 | - | 6,463 | 7,914 | - | 15,014 |
| Other accrued liabilities | 239,277 | - | - | - | - | - | 239,277 |
| Due to other funds | - | 347,231 | 198,196 | 505,584 | - | 43,756 | 1,094,767 |
| Bonds payable, current | - | - | - | 23,527 | 28,817 | - | 52,343 |
| Capital lease payable, current | 65,056 | - | - | - | - | - | 65,056 |
| Compensated absences, current | 50,672 | - | - | - | - | - | 50,672 |
| Total Current Liabilities | <u>1,242,373</u> | <u>470,245</u> | <u>206,093</u> | <u>936,640</u> | <u>56,733</u> | <u>43,756</u> | <u>2,955,839</u> |

**CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 JUNE 30, 2010
 (Page 2 of 2)**

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE 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 | |
| Noncurrent Liabilities: | | | | | | | |
| Due in more than one year: | | | | | | | |
| Bonds payable | \$ - | \$ - | \$ - | \$ 1,948,407 | \$ 2,386,053 | \$ - | \$ 4,334,461 |
| Capital lease payable | 1,186,685 | - | - | - | - | - | 1,186,685 |
| Other postemployment benefits payable | 539,787 | 90,865 | 83,347 | - | - | 19,464 | 733,463 |
| Compensated absences | 586,569 | - | - | - | - | - | 586,569 |
| Total Noncurrent Liabilities | <u>2,313,041</u> | <u>90,865</u> | <u>83,347</u> | <u>1,948,407</u> | <u>2,386,053</u> | <u>19,464</u> | <u>6,841,178</u> |
| Total Liabilities | <u>3,555,414</u> | <u>561,110</u> | <u>289,440</u> | <u>2,885,047</u> | <u>2,442,786</u> | <u>63,220</u> | <u>9,797,017</u> |
| NET ASSETS | | | | | | | |
| Invested in capital assets, net of related debt | 32,155,082 | - | 1,464,770 | 19,215,103 | 7,370,392 | - | 60,205,347 |
| Unrestricted | <u>2,737,486</u> | <u>13,661,355</u> | <u>550,988</u> | <u>235,228</u> | <u>1,336,460</u> | <u>2,354,076</u> | <u>20,875,593</u> |
| Total Net Assets | <u><u>\$ 34,892,568</u></u> | <u><u>\$ 13,661,355</u></u> | <u><u>\$ 2,015,758</u></u> | <u><u>\$ 19,450,331</u></u> | <u><u>\$ 8,706,852</u></u> | <u><u>\$ 2,354,076</u></u> | <u><u>\$ 81,080,940</u></u> |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE 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 | |
| OPERATING REVENUES | | | | | | | |
| Charges for sales and services | \$ 11,804,434 | \$ 2,976,518 | \$ 2,717,321 | \$ 201,748 | \$ 272,385 | \$ 978,290 | \$ 18,950,696 |
| OPERATING EXPENSES | | | | | | | |
| Plant specific operations | 2,141,489 | - | - | - | - | - | 2,141,489 |
| Plant nonspecific operations | 1,274,209 | - | - | - | - | - | 1,274,209 |
| Customer operations | 1,102,365 | 859,883 | 545,526 | - | - | 52,194 | 2,559,968 |
| Network operations | - | 1,763,102 | 1,234,745 | - | - | 130,207 | 3,128,054 |
| Corporate operations | 2,171,147 | 251,269 | 163,127 | - | - | 96,416 | 2,681,959 |
| Access charges | - | - | 938,602 | - | - | 200,124 | 1,138,726 |
| Equipment sales expenses | - | 460,298 | - | - | - | - | 460,298 |
| Miscellaneous operating expenses | - | - | 31,729 | 231,020 | 194,526 | 8,463 | 465,738 |
| Depreciation and amortization | 2,586,991 | - | 304,210 | 681,811 | 282,864 | - | 3,855,876 |
| Total Operating Expenses | 9,276,201 | 3,334,552 | 3,217,939 | 912,831 | 477,390 | 487,404 | 17,706,317 |
| Operating Income (Loss) | 2,528,233 | (358,034) | (500,618) | (711,083) | (205,005) | 490,886 | 1,244,379 |
| NONOPERATING REVENUE (EXPENSE) | | | | | | | |
| Interest income | 9,923 | 35,933 | - | 29,468 | 32,876 | 4,484 | 112,684 |
| Interest expense | (45,263) | - | - | (75,669) | (100,031) | - | (220,963) |
| Nonregulated income | 798,995 | - | - | - | - | - | 798,995 |
| Nonregulated expenses | (540,976) | - | - | - | - | - | (540,976) |
| Miscellaneous income | 818 | - | - | 23,750 | - | - | 24,568 |
| Rental income | - | - | 37,148 | - | - | - | 37,148 |
| Gain (loss) on sale of assets | - | - | (21,885) | - | - | - | (21,885) |
| Donation of community emergency services | (41,570) | - | - | - | - | - | (41,570) |
| Total Nonoperating Revenue (Expense) | 181,927 | 35,933 | 15,263 | (22,451) | (67,155) | 4,484 | 148,001 |
| Income (Loss) Before Contributions and Transfers | 2,710,160 | (322,101) | (485,355) | (733,534) | (272,160) | 495,370 | 1,392,380 |
| CAPITAL CONTRIBUTIONS-Federal Grant | - | - | - | 1,624,242 | - | - | 1,624,242 |
| TRANSFERS IN | 3,000,000 | - | 550,000 | 255,702 | - | - | 3,805,702 |
| TRANSFERS OUT | (2,018,639) | (3,000,000) | - | - | - | (550,000) | (5,568,639) |
| Change in Net Assets | 3,691,521 | (3,322,101) | 64,645 | 1,146,410 | (272,160) | (54,630) | 1,253,685 |
| NET ASSETS, July 1 | 31,201,047 | 16,983,456 | 1,951,113 | 18,303,921 | 8,979,012 | 2,408,706 | 79,827,255 |
| NET ASSETS, June 30 | \$ 34,892,568 | \$ 13,661,355 | \$ 2,015,758 | \$ 19,450,331 | \$ 8,706,852 | \$ 2,354,076 | \$ 81,080,940 |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(Page 1 of 2)

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE 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 | |
| CASH FLOWS FROM OPERATING ACTIVITIES: | | | | | | | |
| Cash received from customers | \$ 11,421,441 | \$ 4,725,991 | \$ 2,754,469 | \$ 705,144 | \$ 281,554 | \$ 978,290 | \$ 20,866,889 |
| Cash received from other funds for services | 1,154,660 | - | - | - | - | - | 1,154,660 |
| Cash payments to employees | (5,388,325) | (451,583) | (807,746) | - | - | (164,121) | (6,811,775) |
| Cash payments for services and supplies | (1,941,881) | (2,920,581) | (1,853,650) | (290,194) | (238,574) | (279,578) | (7,524,458) |
| Net Cash Provided (Used) by Operating Activities | 5,245,895 | 1,353,827 | 93,073 | 414,950 | 42,980 | 534,591 | 7,685,316 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | | | | | | |
| Donation of community emergency services | (41,570) | - | - | - | - | - | (41,570) |
| Transfers in | 3,000,000 | - | 550,000 | 255,702 | - | - | 3,805,702 |
| Transfers out | (2,018,639) | (3,000,000) | - | - | - | (550,000) | (5,568,639) |
| Net Cash Provided (Used) by Noncapital Financing Activities | 939,791 | (3,000,000) | 550,000 | 255,702 | - | (550,000) | (1,804,507) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | | | | | | |
| Purchase of property, plant, and equipment | (6,978,211) | - | (511,866) | (2,392,862) | - | - | (9,882,939) |
| Capital federal grants | - | - | - | 1,322,846 | - | - | 1,322,846 |
| Principal payment on long-term debt | (68,556) | - | - | (22,580) | (27,658) | - | (118,794) |
| Interest payment on long-term debt | (45,329) | (178) | - | (82,376) | (100,331) | - | (228,214) |
| Net Cash Provided (Used) for Capital and Related Financing Activities | (7,092,096) | (178) | (511,866) | (1,174,972) | (127,989) | - | (8,907,101) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | | | | | | |
| Interest received on investments | 9,957 | 37,590 | - | 29,611 | 33,274 | 4,664 | 115,096 |
| Net Increase (Decrease) in Cash and Cash Equivalents | (896,453) | (1,608,761) | 131,207 | (474,709) | (51,735) | (10,745) | (2,911,196) |
| CASH AND CASH EQUIVALENTS, July 1 | 2,620,200 | 15,308,935 | 654,974 | 506,061 | 1,031,368 | 2,427,752 | 22,549,290 |
| CASH AND CASH EQUIVALENTS, June 30 | <u>\$ 1,723,747</u> | <u>\$ 13,700,174</u> | <u>\$ 786,181</u> | <u>\$ 31,352</u> | <u>\$ 979,633</u> | <u>\$ 2,417,007</u> | <u>\$ 19,638,094</u> |

CHURCHILL COUNTY, NEVADA
 PROPRIETARY FUNDS
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 2010
 (Page 2 of 2)

| | BUSINESS-TYPE ACTIVITIES - ENTERPRISE 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 | |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | | | | | | |
| Operating income (loss) | \$ 2,528,233 | \$ (358,034) | \$ (500,618) | \$ (711,083) | \$ (205,005) | \$ 490,886 | \$ 1,244,379 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | | | |
| Depreciation | 2,586,991 | - | 304,210 | 681,811 | 282,864 | - | 3,855,876 |
| Income from nonregulated operations, net of expenses | 258,837 | - | - | 23,750 | - | - | 282,587 |
| Rental income | - | - | 37,148 | - | - | - | 37,148 |
| Changes in assets and liabilities: | | | | | | | |
| (Increase) decrease in: | | | | | | | |
| Accounts receivable | 546,880 | 1,749,473 | - | (20,968) | 2,869 | - | 2,278,254 |
| Due from other funds | (589,183) | - | - | 1,627 | 6,300 | - | (581,256) |
| Due from other governments | - | - | 53,130 | - | - | - | 53,130 |
| Inventory | 427,699 | (11,487) | - | - | - | - | 416,212 |
| Prepays | 4,326 | - | - | - | - | - | 4,326 |
| Increase (decrease) in: | | | | | | | |
| Accounts payable | (428,915) | (364,456) | 7,897 | (19,219) | 1,227 | 43,756 | (759,710) |
| Due to other funds | - | 347,231 | 198,196 | 498,987 | (1,627) | - | 1,042,787 |
| Customer deposits | 14,157 | (8,547) | - | - | (200) | - | 5,410 |
| Other accrued liabilities | (61,459) | - | - | 6,463 | - | - | (54,996) |
| Unearned revenue | - | - | - | (46,418) | (43,448) | - | (89,866) |
| Other postemployment benefits liability | (76,409) | (353) | (6,890) | - | - | (51) | (83,703) |
| Compensated absences | 34,738 | - | - | - | - | - | 34,738 |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 5,245,895</u> | <u>\$ 1,353,827</u> | <u>\$ 93,073</u> | <u>\$ 414,950</u> | <u>\$ 42,980</u> | <u>\$ 534,591</u> | <u>\$ 7,685,316</u> |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET ASSETS
JUNE 30, 2010

| | INVESTMENT TRUST FUND | AGENCY FUNDS |
|--------------------------------|----------------------------------|-------------------------|
| ASSETS | | |
| Cash and investments | \$ 4,708,975 | \$ 766,661 |
| Accounts receivable | - | 19,399 |
| Taxes receivable | - | 32,869 |
| Interest receivable | 846 | 23 |
| Due from other governments | - | 351,450 |
| | <u>4,709,821</u> | <u>1,170,402</u> |
| LIABILITIES | | |
| Due to other governments | - | 716,287 |
| Due to others | - | 454,115 |
| | <u>-</u> | <u>1,170,402</u> |
| NET ASSETS | | |
| Reserved for pool participants | <u>\$ 4,709,821</u> | <u>\$ -</u> |

See accompanying notes.

**CHURCHILL COUNTY, NEVADA
 FIDUCIARY FUNDS
 STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010**

| | <u>INVESTMENT TRUST FUND</u> |
|----------------------------|----------------------------------|
| ADDITIONS | |
| Investment income | \$ 7,053 |
| Capital share transactions | <u>2,363,138</u> |
| Change in Net Assets | 2,370,191 |
| NET ASSETS, July 1 | <u>2,339,630</u> |
| NET ASSETS, June 30 | <u><u>\$ 4,709,821</u></u> |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

Governmental 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 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.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.
- **Road Fund** - The Road Fund accounts for transactions by the County related to construction and maintenance of roads.
- **Water Resource Fund** - The Water Resource Fund accounts for transactions by the County related to the acquisition of water resources.

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.
- **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.

The government applies all applicable GASB pronouncements, as well as FASB statements and interpretations, APB opinions, and ARB's (unless those pronouncements conflict with or contradict GASB pronouncements) in accounting and reporting for its proprietary operations.

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.

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 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

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010 through December 31, 2010 are reflected in the financial statements.

Additional amounts due, based on actual business for the January 1, 2010 through December 31, 2010 in comparison to estimated payments, are determined subsequent to the 2010 calendar year. Credits for overpayments, based on actual business for the period January 1, 2010 through December 31, 2010 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, 2010 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.
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.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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.

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 CC Communications - Telephone Fund, the CC Communications – Wireless Fun, the Waste Water Enterprise Fund, and the Utility Enterprise Fund. The allowances at June 30, 2010 were \$8,477 for the Telephone Fund, \$684 for the Wireless Fund, \$510 for the Waste Water Enterprise Fund, and \$1,069 for the Utility Enterprise Fund.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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 are carried in inventory at average cost which approximates market value. Inventories of the CC Communications - Wireless Fund and the CC Communications - Broadband Fund are stated at cost (which approximates market value), with cost computed on a first-in/first-out basis.

Capital Assets:

Capital assets, which include land, 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.

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, equity is classified as net assets and displayed in three components:

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

- **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.
- **Restricted net assets** – consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or law or regulations of other governments; or 2) 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 the above two categories.

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.

Estimates:

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates based on management’s knowledge and experience. Due to their prospective nature, actual results could differ from those estimates.

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 Compensated Absences Fund when accumulated benefits are paid or accrued as the result of an actual or planned termination of service. Therefore, the Compensated Absences Fund has typically been used in prior years to liquidate the liability for compensated absences.

Subsequent Events:

Management has evaluated subsequent events through November 30, 2010, which is the date these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

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 community support function of the Senior Citizens Ad Valorem Levy Nonmajor Special Revenue Fund exceeded appropriations by \$1,259.
- Total expenditures of the general government function of the Infrastructure Tax Nonmajor Special Revenue Fund exceeded appropriations by \$365,077.
- Total expenditures of the intergovernmental function of the Building Reserve Nonmajor Capital Projects Fund exceeded appropriations by \$250,000.
- Expenses of the CC Communications Broadband Enterprise Fund exceeded appropriations by \$102,455.
- Expenses of the Waste Water Enterprise Fund exceeded appropriations by \$666,073.
- Expenses of the Utility Enterprise Fund exceeded appropriations by \$245,591.

**CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

The above are apparent violations of NRS 354.626.

- Total expenditures of the welfare function of the Indigent Hospital Care Nonmajor Special Revenue Fund exceeded appropriations by \$18,237. This appears to be an allowable exclusion under NRS 354.626(2)(k).
- Total expenditures of the intergovernmental function of the Special Ad Valorem Capital Projects Nonmajor Capital Projects fund exceeded appropriations by \$3,324. This appears to be an allowable exclusion under NRS 354.626(2)(k).

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.

These are in addition to the statutory constraints imposed by Nevada Revised Statutes 355.177 and 355.167.

A summary schedule of cash and investments for Churchill County at June 30, 2010 is as follows:

| | | |
|---------------------------------------|----|---------------|
| Cash and investment balances held by: | | |
| Governmental Funds | \$ | 29,045,793 |
| Proprietary Funds | | 19,638,094 |
| Fiduciary Funds | | 5,475,636 |
| Total | | \$ 54,159,523 |
| Balances at fair value classified by: | | |
| On hand | \$ | 4,305 |
| Bank of America checking | | 19,555 |
| Western Nevada Title Escrow Account | | 125,875 |
| Wells Fargo: | | |
| Checking | | 10,585,129 |
| Money market | | 253,922 |
| Choice IV | | 20,313,624 |
| Certificates of deposit | | 5,610,000 |
| Local Government Investment Pool | | 17,247,113 |
| Total | \$ | 54,159,523 |

As of June 30, 2010, the County had the following investments and maturities:

| Investments | Fair Value | Investment Maturity (in years) Less than 1 |
|----------------------------------|---------------|---|
| Local Government Investment Pool | \$ 17,247,113 | \$ 17,247,113 |

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, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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, 2010 meet the above requirements.

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 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, 2010:

| Investment Type | Fair Value | Number of Shares | Interest Rate | Maturity Dates |
|--|---------------------|------------------|---------------|----------------|
| State of Nevada Local Government Investment Pool | <u>\$ 4,708,975</u> | 4,708,975 shares | Variable | 07/01/10 |

External Investment Pool financial statements:

Statement of Net Assets, June 30, 2010

Assets

Investments in securities:

| | |
|--|--------------|
| State of Nevada Local Government Investment Pool | \$ 4,708,975 |
| Interest receivable | <u>846</u> |

| | |
|--------------|------------------|
| Total Assets | <u>4,709,821</u> |
|--------------|------------------|

Net Assets

Net assets consist of:

| | |
|-----------------------|------------------|
| External participants | <u>4,709,821</u> |
|-----------------------|------------------|

| | |
|--|---------------------|
| Total Net Assets Held in Trust for Pool Participants (Participant Units Outstanding, \$1/par) | <u>\$ 4,709,821</u> |
|--|---------------------|

**CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

Statement of Changes in Net Assets, Year Ended June 30, 2010

| | | |
|---|--|---------------------|
| Net increase resulting from operations: | | |
| Investment earnings | | \$ 7,053 |
| Capital share transactions | | <u>2,363,138</u> |
| Total Increase | | 2,370,191 |
| Net assets: | | |
| Beginning of year | | <u>2,339,630</u> |
| End of year | | <u>\$ 4,709,821</u> |

NOTE 4 - Notes Receivable:

| Governmental Activities | Loan Amount | Terms | Balance June 30, 2010 | Current Portion | Remaining Balance |
|--|----------------|--|-----------------------------|--------------------|----------------------|
| 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. | \$198,606 | \$35,968 | \$ 162,638 |
| Water Resource Fund: EDU Will Serve Certificates | 1,432,750 | Balance was due by 12/31/05 including interest at prime plus 3% through 06/01/06 When it became prime plus 4%. As of August 4, 2008, a new agreement was reached returning the rate to prime plus 3% but requiring accrued interest and at least 10% of the outstanding balance be paid by June 15 th each year. The note is in delinquent status. No payments have been made. | <u>792,750</u> | <u>-</u> | <u>792,750</u> |
| | | | <u>\$991,356</u> | <u>\$35,968</u> | <u>\$ 955,388</u> |

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 - Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2010 follows:

| | Balance July 1, 2009 | Additions | Deletions | Balance June 30, 2010 |
|--|-------------------------|---------------------|---------------------|--------------------------|
| Governmental Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land and easements | \$ 14,493,280 | \$ 3,862,221 | \$2,449,424 | \$ 15,906,077 |
| Water rights | 6,488,723 | 17,145 | - | 6,505,868 |
| Under construction | 803,756 | 1,515,959 | 780,952 | 1,538,763 |
| Total Capital Assets, Not Being Depreciated | <u>21,785,759</u> | <u>5,395,325</u> | <u>3,230,376</u> | <u>23,950,708</u> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 15,745,040 | 1,012,049 | - | 16,757,089 |
| Land improvements | 1,465,267 | - | - | 1,465,267 |
| Equipment | 10,929,521 | 744,153 | 104,989 | 11,568,685 |
| Infrastructure | 44,580,205 | - | - | 44,580,205 |
| Total Capital Assets, Being Depreciated | <u>72,720,033</u> | <u>1,756,202</u> | <u>104,989</u> | <u>74,371,246</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (6,787,607) | (492,224) | - | (7,279,831) |
| Land improvements | (1,072,751) | (44,470) | - | (1,117,221) |
| Equipment | (6,625,505) | (890,095) | 104,989 | (7,410,611) |
| Infrastructure | (23,920,820) | (790,106) | - | (24,710,926) |
| Total Accumulated Depreciation | <u>(38,406,683)</u> | <u>(2,216,895)</u> | <u>104,989</u> | <u>(40,518,589)</u> |
| Total Capital Assets, Being Depreciated, Net | <u>34,313,350</u> | <u>(460,693)</u> | <u>-</u> | <u>33,852,657</u> |
| Governmental Activities Capital Assets, Net | <u>\$ 56,099,109</u> | <u>\$ 4,934,632</u> | <u>\$ 3,230,376</u> | <u>\$ 57,803,365</u> |

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

| | Balance July 1, 2009 | Additions | Deletions | Balance June 30, 2010 |
|--|-------------------------|---------------------|---------------------|--------------------------|
| Business-Type Activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Real estate and easements | \$ 540,699 | \$ - | \$ - | \$ 540,699 |
| Under construction | 1,934,224 | 3,596,395 | 2,609,203 | 2,921,416 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Capital Assets, Not Being Depreciated | 2,474,923 | 3,596,395 | 2,609,203 | 3,462,115 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 5,354,305 | 78,068 | 19,251 | 5,413,122 |
| Central office switching | 17,047,488 | 2,857,690 | - | 19,905,178 |
| Outside plant | 33,015,729 | 4,211,949 | 569,798 | 36,657,880 |
| Furniture and fixtures | 46,408 | - | 4,482 | 41,926 |
| Computer equipment | 3,259,262 | 137,438 | 142,378 | 3,254,322 |
| Other communication equipment | 336,818 | - | 20,934 | 315,884 |
| Vehicles and work equipment | 2,725,223 | 188,497 | 208,858 | 2,704,862 |
| Leasehold improvements | 758,621 | - | - | 758,621 |
| Other equipment | 6,076,799 | 734,189 | 187,551 | 6,623,437 |
| Waste water infrastructure | 20,203,488 | 683,643 | - | 20,887,131 |
| Water infrastructure | 10,249,565 | - | - | 10,249,565 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Capital Assets, Being Depreciated | 99,073,706 | 8,891,474 | 1,153,252 | 106,811,928 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (2,838,329) | (314,492) | 19,251 | (3,133,570) |
| Central office switching | (14,770,165) | (504,219) | - | (15,274,384) |
| Outside plant | (11,594,685) | (1,124,212) | 565,370 | (12,153,527) |
| Furniture and fixtures | (46,408) | - | 4,482 | (41,926) |
| Computer equipment | (2,885,315) | (500,773) | 142,378 | (3,243,710) |
| Other communication equipment | (336,818) | (241) | 21,175 | (315,884) |
| Vehicles and work equipment | (2,571,254) | (93,080) | 208,859 | (2,455,475) |
| Leasehold improvements | (223,305) | (50,574) | - | (273,879) |
| Other equipment | (5,020,044) | (304,211) | 174,725 | (5,149,530) |
| Waste water infrastructure | (983,035) | (681,811) | - | (1,664,846) |
| Water infrastructure | (440,556) | (282,864) | - | (723,420) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Accumulated Depreciation | (41,709,914) | (3,856,477) | 1,136,240 | (44,430,151) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Capital Assets, Being Depreciated, Net | 57,363,792 | 5,034,997 | 17,012 | 62,381,777 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Business-Type Activities Capital Assets, Net | <u>\$ 59,838,715</u> | <u>\$ 8,631,392</u> | <u>\$ 2,626,215</u> | <u>\$ 65,843,892</u> |

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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

| | | |
|---|----|-----------|
| Governmental Activities: | | |
| General government | \$ | 452,488 |
| Judicial | | 77,596 |
| Public safety | | 482,716 |
| Public works | | 991,651 |
| Health | | 14,583 |
| Welfare | | 2,310 |
| Culture and recreation | | 193,258 |
| Community support | | 2,293 |
| | | 2,216,895 |
| Total Depreciation Expense – Governmental Activities | \$ | 2,216,895 |
| Business-Type Activities: | | |
| Telephone | \$ | 2,586,991 |
| Broadband | | 304,210 |
| Waste Water | | 681,811 |
| Utility | | 282,864 |
| | | 3,855,876 |
| Total Depreciation Expense – Business-Type Activities | \$ | 3,855,876 |

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 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 | |
| 2009-10 | 21.50% | 37.00% | \$3,591,575 |
| 2008-09 | 20.50% | 33.50% | 3,335,129 |
| 2007-08 | 20.50% | 33.50% | 3,346,366 |

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 7 - Long-Term Obligations:

Long-term debt consists of the following at June 30, 2010:

| Governmental Activities | Date Issued | Date of Maturity | Interest Rate | Amount Issued | Balance June 30, 2010 |
|-------------------------|-------------|------------------|--|---------------|-----------------------|
| <u>Revenue Bonds</u> | | | | | |
| Bank of America | 05/05 | 2015 | Variable based on Prime, LIBOR or Treasury rate with cap of 8%. Beginning January 5, 2006, rate is locked at 3.92% until January 5, 2011. | \$ 3,300,001 | \$ 1,537,701 |
| <u>Contract Payable</u> | | | | | |
| Development rights | 05/05 | 2015 | 1.474% | 97,025 | 43,693 |
| | | | | | <u>\$ 1,581,394</u> |

The County has pledged all income and revenue received from the sale of water right shares, water right dedication fees and revenues of the County's municipal water system for payment of principal and interest on the revenue bond. For the current year, principal and interest paid for the bond totaled \$380,523 and pledge revenues totaled \$1,150,466.

| Business-Type Activities | Date Issued | Date of Maturity | Interest Rate | Amount Issued | Balance June 30, 2010 |
|------------------------------|-------------|------------------|---------------------|---------------|-----------------------|
| <u>Revenue Bonds</u> | | | | | |
| USDA | 06/07 | 2047 | 4.125% | 1,213,000 | \$ 1,170,936 |
| USDA | 06/07 | 2047 | 4.125% | 1,288,618 | 1,243,934 |
| USDA | 06/07 | 2047 | 4.125% | 2,042,758 | 1,971,934 |
| <u>Capital Lease Payable</u> | | | | | |
| Louie's Home Center, Inc. | 11/03 | 2029 | Imputed at 3.62% | 1,623,575 | 1,251,741 |
| Total | | | | | <u>\$ 5,638,545</u> |

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

| Bonds and Contract Payable Year Ending June 30 | Governmental Activities | | | Business-Type Activities | | |
|--|-------------------------|------------------|---------------------|--------------------------|---------------------|---------------------|
| | Principal | Interest | Total | Principal | Interest | Total |
| | | | Requirements | | | Requirements |
| 2011 | \$ 312,753 | \$ 55,680 | \$ 368,433 | \$ 52,343 | \$ 180,153 | \$ 232,496 |
| 2012 | 356,446 | 44,728 | 401,174 | 54,536 | 177,960 | 232,496 |
| 2013 | 312,753 | 31,161 | 343,914 | 56,821 | 175,675 | 232,496 |
| 2014 | 312,753 | 18,901 | 331,654 | 59,201 | 173,295 | 232,496 |
| 2015 | 286,689 | 6,640 | 293,329 | 61,681 | 170,815 | 232,496 |
| 2016-2020 | - | - | - | 349,398 | 813,082 | 1,162,480 |
| 2021-2025 | - | - | - | 428,978 | 733,502 | 1,162,480 |
| 2026-2030 | - | - | - | 526,684 | 635,796 | 1,162,480 |
| 2031-2035 | - | - | - | 646,643 | 515,837 | 1,162,480 |
| 2036-2040 | - | - | - | 793,924 | 368,556 | 1,162,480 |
| 2041-2045 | - | - | - | 974,751 | 187,729 | 1,162,480 |
| 2046-2047 | - | - | - | 381,844 | 15,626 | 397,470 |
| Total | <u>\$ 1,581,394</u> | <u>\$157,110</u> | <u>\$ 1,738,504</u> | <u>\$ 4,386,804</u> | <u>\$ 4,148,026</u> | <u>\$ 8,534,830</u> |

The asset acquired through the capital lease for business-type activities is a building. As of June 30, 2010, the capital asset of \$1,623,575 was offset by accumulated depreciation of \$613,350.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The following is a schedule of future minimum lease payments under capital lease obligations as of June 30, 2010:

| Year Ending June 30 | Business-Type Activities | | |
|------------------------|--------------------------|---|---|
| | Remaining Payments | Less: Amount Representing Interest | Present Value of Net Minimum Lease Payments |
| 2011 | \$ 105,600 | \$ 40,544 | \$ 65,056 |
| 2012 | 115,200 | 41,729 | 73,471 |
| 2013 | 115,200 | 39,026 | 76,174 |
| 2014 | 115,200 | 36,223 | 78,977 |
| 2015 | 87,280 | 33,700 | 53,580 |
| 2016 – 2020 | 408,480 | 140,535 | 267,945 |
| 2021 – 2025 | 408,480 | 87,483 | 320,997 |
| 2026 – 2030 | 340,400 | 24,859 | 315,541 |
| Total | \$ 1,695,840 | \$ 444,099 | \$ 1,251,741 |

Changes in Long-term Obligations:

| Governmental Activities | Balance July 1, 2009 | Additions | Reductions | Balance June 30, 2010 | Due Within One Year |
|--------------------------------|-------------------------|------------|------------|--------------------------|------------------------|
| Revenue bonds | \$ 1,850,454 | \$ - | \$ 312,753 | \$ 1,537,701 | \$ 312,753 |
| Contract payable | 76,409 | - | 32,716 | 43,693 | - |
| Other post employment benefits | 873,929 | 501,025 | 213,963 | 1,160,991 | - |
| Compensated absences | 941,734 | 145,115 | 44,097 | 1,042,752 | 64,919 |
| Total | \$ 3,742,526 | \$ 646,140 | \$ 603,529 | \$ 3,785,137 | \$ 377,672 |
| Business-Type Activities | Balance July 1, 2009 | Additions | Reductions | Balance June 30, 2010 | Due Within One Year |
| Bonds payable | \$ 4,437,042 | \$ - | \$ 50,238 | \$ 4,386,804 | \$ 52,343 |
| Capital leases payable | 1,320,297 | - | 68,556 | 1,251,741 | 65,056 |
| Other post employment benefits | 817,166 | 192,254 | 275,957 | 733,463 | - |
| Compensated absences | 602,503 | 532,396 | 497,658 | 637,241 | 50,672 |
| Total | \$ 7,177,008 | \$ 724,650 | \$ 892,409 | \$ 7,009,249 | \$ 168,071 |

Interest expense on long-term obligations for the year ended June 30, 2010 for governmental and business-type activities was \$68,031 and \$220,963 respectively.

In accordance with Nevada Revised Statutes 244A.059, the County was within the legal debit limit at June 30, 2010.

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 8 – Interfund Receivables, Payables, and Transfers:

Interfund receivable and payable balances at June 30, 2010 are as follows:

| | Due to: | | | | Total Due to Other Funds |
|---------------------------------------|--------------------|-------------------|--------------------------------|---------------------------------------|-----------------------------|
| | Governmental | | | Proprietary | |
| | Major Governmental | | Other Governmental Funds | Major Proprietary | |
| | General Fund | Road Fund | | CC Communications - Telephone Fund | |
| Due from: | | | | | |
| Governmental Activities: | | | | | |
| Major Governmental Fund: | | | | | |
| Water Resource Fund | \$ 87,933 | \$ - | \$ - | \$ - | \$ 87,933 |
| Other Governmental Funds | - | 202,078 | 1,097 | - | 203,175 |
| Business-Type Activities: | | | | | |
| Major Proprietary Funds: | | | | | |
| Funds: | | | | | |
| CC Communications - : | | | | | |
| Wireless Fund | - | - | - | 347,231 | 347,231 |
| Broadband Fund | - | - | - | 198,196 | 198,196 |
| Waste Water Enterprise Fund | 505,584 | - | - | - | 505,584 |
| Nonmajor Proprietary Fund | - | - | - | 43,756 | 43,756 |
| Total Due from Other Funds | \$ 593,517 | \$ 202,078 | \$ 1,097 | \$ 589,183 | \$ 1,385,875 |

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

Interfund transfers are shown as other financing sources or uses, as appropriate. Activity for the year ended June 30, 2010 is as follows:

| | Transfers in: | | | | | | Total Transfers Out |
|---------------------------------------|-----------------------|-------------------|--------------------------------|---------------------|-------------------|--------------------------------------|---------------------------|
| | Governmental | | | Business-Type | | | |
| | Major Governmental | | Other Governmental Funds | Major Proprietary | | | |
| | General Fund | Road Fund | | CC Communications - | | Waste Water Enterprise Fund | |
| | Telephone Fund | Broadband Fund | - | - | - | | |
| Transfers out: | | | | | | | |
| Governmental activities: | | | | | | | |
| Major governmental fund: | | | | | | | |
| Water Resource Fund | \$ - | \$ - | \$ 415,693 | \$ - | \$ - | \$ - | \$ 415,693 |
| Other governmental funds | 25,840 | 899,681 | 206,228 | - | - | 255,702 | 1,387,451 |
| Business-type Activities: | | | | | | | |
| Major proprietary funds: | | | | | | | |
| CC Communications - Telephone Fund | 1,700,000 | - | 318,639 | - | - | - | 2,018,639 |
| CC Communications - Wireless Fund | - | - | - | 3,000,000 | - | - | 3,000,000 |
| Nonmajor proprietary fund | - | - | - | - | 550,000 | - | 550,000 |
| Total Transfers In | \$ 1,725,840 | \$ 899,681 | \$ 940,560 | \$ 3,000,000 | \$ 550,000 | \$ 255,702 | \$ 7,371,783 |

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

**CHURCHILL COUNTY, NEVADA
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The Library Fund transferred funds to the Library Gift Fund to subsidize capital projects.

The Water Resource Fund transferred funds to the Debt Service Funds to be used for payments on debt.

The Infrastructure Tax Fund transferred funds to the Waste Water Enterprise Fund to assist with the construction of facilities.

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 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 – Broadband Fund to be used to subsidize operations.

NOTE 9 – Major Contracts and Other Commitments Outstanding:

| Contractor | Contract Amount | Portion Completed | Uncompleted Contract Balance at June 30, 2010 | Description |
|---------------------------|---------------------|---------------------|---|----------------------|
| A & K Earthmovers | \$ 1,660,439 | \$1,361,140 | \$ 299,299 | Churchill Oasis MHP |
| Shaw Engineering | 421,580 | 301,100 | 120,480 | Churchill Oasis MHP |
| Jensen Precast | 196,323 | 93115 | 103,208 | Churchill Oasis MHP |
| K.G. Walters | 3,364,043 | 1,060,740 | 2,303,303 | JPO Building Project |
| Lombard Conrad Architects | 189,866 | 151,466 | 38,400 | JPO Building Project |
| Earth Science Consultants | 28,000 | 12,169 | 15,831 | JPO Building Project |
| Day Engineering | 10,000 | 7,075 | 2,925 | JPO Building Project |
| | <u>\$ 5,870,251</u> | <u>\$ 1,662,240</u> | <u>\$ 2,883,446</u> | |

NOTE 10 - 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 11 - 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, 2010:

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
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| | Wireless Fund | Long Distance Fund | Broadband Fund | Total |
|-----------------------------|-------------------|-----------------------|-------------------|---------------------|
| Special access charges | \$ - | \$ - | \$ 63,241 | \$ 63,241 |
| Billing and collection | 137,028 | 126,831 | 105,876 | 369,735 |
| Rent | 14,400 | - | 6,000 | 20,400 |
| Customer services | 272,427 | 13,951 | 147,735 | 434,113 |
| Administrative costs | 44,979 | 17,672 | 68,146 | 130,797 |
| Installation | - | - | 11,554 | 11,554 |
| Engineering and maintenance | - | - | 124,820 | 124,820 |
| | <u>\$ 468,834</u> | <u>\$ 158,454</u> | <u>\$ 527,372</u> | <u>\$ 1,154,660</u> |

CC Communications - Telephone Fund paid CC Communications - Wireless Fund \$27,152 for cellular phone service fees during the year ended June 30, 2010.

CC Communications - Telephone Fund paid CC Communications - Broadband Fund \$9,127 for tower/space rent during the year ended June 30, 2009.

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, 2010 as follows:

| | |
|----------------------------------|-------------------|
| CC Communication – Wireless | \$ 347,231 |
| CC Communication – Long Distance | 43,756 |
| CC Communication – Broadband | <u>198,196</u> |
| Due from other funds | <u>\$ 589,183</u> |

NOTE 12 - 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, 2010, 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 13 - 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

CHURCHILL COUNTY, NEVADA
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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.

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 |

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.

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.

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, 2010 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 14 – Post Employment Health Care Plans:

Fiscal year 2010 is the second year of prospective implementation of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions; however, it is the first year the County's CC Communications Funds received an actuarial study separate from the other County Funds. Therefore, prior year information is unavailable. Multi-year data will be provided as it becomes available.

**CHURCHILL COUNTY, NEVADA
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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 District'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, 2010, 19 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, 2010, 78 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 District. The implicit subsidy as determined by the actuary is \$56,580. 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 retiree plan premiums in effect for fiscal year 2010 ranged from \$352 to \$1,396, 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, 2010, 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 2010, the County contributed \$157,383 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 year 2009-10 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 | June 30, 2010 | \$ 524,058 | \$ 56,580 | 11% | \$ 997,485 |
| | PEBP | June 30, 2010 | 211,542 | 74% | 163,506 |
| | | <u>\$ 735,600</u> | <u>\$ 213,963</u> | | <u>\$ 1,160,991</u> |
| CCEHBP | June 30, 2009 | \$ 873,889 | \$ 68,027 | 8% | \$ 805,862 |
| | PEBP | June 30, 2009 | 817,206 | 59% | 336,114 |
| | | <u>\$ 1,691,095</u> | <u>\$ 549,119</u> | | <u>\$ 1,141,976</u> |

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

The net OPEB obligation (NOPEBO) as of June 30, 2010, was calculated as follows:

| | <u>CCEHBP</u> | <u>PEBP</u> | <u>Total</u> |
|---|-------------------|-------------------|---------------------|
| Annual Required Contribution (ARC) | \$ 534,065 | \$ 213,606 | \$ 747,671 |
| Interest on net OPEB obligation | 21,200 | 4,374 | 25,574 |
| Adjustment to annual required contribution | <u>(31,207)</u> | <u>(6,438)</u> | <u>(37,645)</u> |
| Annual OPEB Cost | 524,058 | 211,542 | 735,600 |
| Less: contributions made | <u>56,580</u> | <u>157,383</u> | <u>213,963</u> |
| Increase in net OPEB obligation | 467,478 | 54,159 | 521,637 |
| Net OPEB obligation – beginning of the year | <u>530,007</u> | <u>109,347</u> | <u>639,354</u> |
| Net OPEB obligation – end of year | <u>\$ 997,485</u> | <u>\$ 163,506</u> | <u>\$ 1,160,991</u> |

Funded Status and Funding Progress: The funded status of the plans as of June 30, 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) | <u>-</u> | <u>-</u> | <u>-</u> |
| 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.

**CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010**

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

| | CCEHBP | PEBP |
|------------------------------------|-----------------------|-----------------------|
| 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 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, 2010, 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 sunsetted 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, 2010, 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 \$16,197. 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 2010 ranged from \$352 to \$1,396, 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

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

contributions are not available. For the plan year ended June 30, 2010, 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 2010, CC Communications contributed \$259,760 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 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, 2010 | \$ 125,353 | \$ 16,197 | 4% | \$ 385,011 |
| PEBP | June 30, 2010 | 381,445 | 259,760 | 43% | 348,452 |
| | | <u>\$ 506,798</u> | <u>\$ 275,957</u> | | <u>\$ 733,463</u> |

The net OPEB obligation (NOPEBO) as of June 30, 2010, was calculated as follows:

| | CCCEHBP | PEBP | Total |
|--|-------------------|-------------------|-------------------|
| Annual Required Contribution (ARC) | \$ 130,272 | \$ 385,488 | \$ 515,760 |
| Interest on net OPEB obligation | 11,034 | 9,071 | 20,105 |
| Adjustment to annual required contribution | (15,953) | (13,114) | (29,067) |
| Annual OPEB Cost | 125,353 | 381,445 | 506,798 |
| Less: Contributions made | 16,197 | 259,760 | 275,957 |
| Increase in net OPEB obligation | 109,156 | 121,685 | 230,841 |
| Net OPEB obligation – beginning of the year* | 275,855 | 226,767 | 502,622 |
| Net OPEB obligation – end of year | <u>\$ 385,011</u> | <u>\$ 348,452</u> | <u>\$ 733,463</u> |

*From previous combined plan.

Funded Status and Funding Progress: The funded status of the plans as of June 30, 2010, were as follows:

| | CCCEHBP | PEBP | Total |
|--|---------------------|---------------------|---------------------|
| Accrued actuarial liability (a) | \$ 971,899 | \$ 6,799,696 | \$ 7,771,595 |
| Actuarial value of plan assets (b) | - | - | - |
| Unfunded Actuarial Accrued Liability (a) – (b) | <u>\$ 971,899</u> | <u>\$ 6,799,696</u> | <u>\$ 7,771,595</u> |
| Funded Ratio (b) / (a) | <u>0%</u> | <u>0%</u> | <u>0%</u> |
| Covered payroll (c) | <u>\$ 5,190,688</u> | N/A | |
| Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ((a) – (b)) / (c) | <u>19%</u> | N/A | |

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

CHURCHILL COUNTY, NEVADA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

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:

| | CCCEHBP | PEBP |
|------------------------------------|-----------------------|-----------------------|
| 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 |
| 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 15 - Revenue Stabilization Fund:

The Revenue Stabilization Fund established in accordance with NRS 354.6115 did not have any expenditures during the 2009-2010 fiscal year.

The budgeted resource for the Revenue Stabilization Fund for the 2010-2011 fiscal year is interest income in the amount of \$7,000. There are budgeted transfers of \$300,000 to the General Fund for revenue shortfalls for the 2010-2011 fiscal year.

Churchill County plans to accumulate funds to stabilize operations in the event of shortfalls in budgeted revenues. The County has accumulated 10% of General Fund expenditures in this fund as allowed by state statutes. It is the County's intention that interest earnings will allow the fund to grow to continue to meet the thresholds allowed by NRS 354.6115.

**CHURCHILL COUNTY, NEVADA
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2010**

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 AAL (UAAL) (b - a) | FUNDED RATIO (a/b) | COVERED PAYROLL (c) | UAAL AS A PERCENTAGE OF COVERED PAYROLL ((b - a)/c) |
|---------------|---|---|--|--|-----------------------------------|------------------------------------|--|
| 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% |
| CCEHBP | January 1, 2010 | - | 3,617,413 | 3,617,413 | 0% | 9,961,270 | 36% |
| CCCEHBP | January 1, 2010 | - | 971,899 | 971,899 | 0% | 5,190,688 | 19% |
| PEBP - CCEHP | January 1, 2010 | - | 3,700,675 | 3,700,675 | 0% | - | 0% |
| PEBP - CCCEHP | January 1, 2010 | - | 6,799,696 | 6,799,696 | 0% | - | 0% |

Note: Fiscal year 2010 is the second year of prospective implementation of GASB 45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pensions, however, it is the first year the CC Communications funds received an actuarial study separate from all other Churchill County funds. Therefore, prior year information is unavailable. Multi-year data will be provided as it becomes available.

CHURCHILL COUNTY, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

| | NONMAJOR SPECIAL REVENUE FUNDS | NONMAJOR DEBT SERVICE FUND | NONMAJOR CAPITAL PROJECTS FUNDS | TOTALS | |
|-------------------------------------|---|-------------------------------------|--|----------------------|----------------------|
| | | | | 2010 | 2009 |
| ASSETS | | | | | |
| Cash and investments | \$ 16,894,047 | \$ 836,654 | \$ 5,752,661 | \$ 23,483,362 | \$ 22,914,930 |
| Receivables: | | | | | |
| Property taxes | 91,906 | - | 19,469 | 111,375 | 99,392 |
| Interest | 7,918 | 299 | 2,726 | 10,943 | 21,529 |
| Other | 14,091 | - | - | 14,091 | 12,605 |
| Notes | 198,606 | - | - | 198,606 | 166,445 |
| Due from other funds | 1,097 | - | - | 1,097 | 37,493 |
| Due from other governments | 1,337,875 | - | 389,319 | 1,727,194 | 673,076 |
| | <u>\$ 18,545,540</u> | <u>\$ 836,953</u> | <u>\$ 6,164,175</u> | <u>\$ 25,546,668</u> | <u>\$ 23,925,470</u> |
| LIABILITIES | | | | | |
| Accounts payable | \$ 138,192 | \$ - | \$ 333,509 | \$ 471,701 | \$ 148,586 |
| Accrued salaries | 78,957 | - | - | 78,957 | 56,767 |
| Accrued benefits | 18,951 | - | - | 18,951 | 17,086 |
| Deferred revenue | 88,394 | - | 18,056 | 106,450 | 95,932 |
| Due to other funds | 203,175 | - | - | 203,175 | 257,157 |
| Due to other governments | 122,769 | - | 7,772 | 130,541 | 141,973 |
| Customer deposits | 3,230 | - | - | 3,230 | 3,140 |
| | <u>653,668</u> | <u>-</u> | <u>359,337</u> | <u>1,013,005</u> | <u>720,641</u> |
| FUND BALANCES | | | | | |
| Reserved for: | | | | | |
| Notes receivable | 198,606 | - | - | 198,606 | 166,445 |
| Revenue shortfalls | 1,562,455 | - | - | 1,562,455 | 1,548,826 |
| Unreserved | 16,130,811 | 836,953 | 5,804,838 | 22,772,602 | 21,489,558 |
| | <u>17,891,872</u> | <u>836,953</u> | <u>5,804,838</u> | <u>24,533,663</u> | <u>23,204,829</u> |
| Total Liabilities and Fund Balances | <u>\$ 18,545,540</u> | <u>\$ 836,953</u> | <u>\$ 6,164,175</u> | <u>\$ 25,546,668</u> | <u>\$ 23,925,470</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | NONMAJOR SPECIAL REVENUE FUNDS | NONMAJOR DEBT SERVICE FUND | NONMAJOR CAPITAL PROJECTS FUNDS | TOTALS | |
|---|---|-------------------------------------|--|---------------|---------------|
| | | | | 2010 | 2009 |
| REVENUES | | | | | |
| Taxes | \$ 3,718,285 | \$ - | \$ 605,015 | \$ 4,323,300 | \$ 3,531,825 |
| Licenses and permits | 8,900 | - | - | 8,900 | 31,000 |
| Intergovernmental | 2,516,587 | - | 494,629 | 3,011,216 | 4,343,646 |
| Charges for services | 376,594 | - | - | 376,594 | 660,166 |
| Miscellaneous | 985,479 | 4,178 | 1,720,064 | 2,709,721 | 3,991,723 |
| Total Revenues | 7,605,845 | 4,178 | 2,819,708 | 10,429,731 | 12,558,360 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| General government | 3,619,262 | - | 2,167,570 | 5,786,832 | 2,903,451 |
| Judicial | 98,561 | - | - | 98,561 | 63,455 |
| Public safety | 20,148 | - | - | 20,148 | 5,777 |
| Public works | 85,649 | - | - | 85,649 | 40,707 |
| Health | 4,654 | - | - | 4,654 | 1,964 |
| Welfare | 1,663,126 | - | - | 1,663,126 | 1,073,827 |
| Culture and recreation | 1,766,186 | - | - | 1,766,186 | 1,777,588 |
| Community support | 408,513 | - | - | 408,513 | 700,542 |
| Intergovernmental | 341,080 | - | 337,324 | 678,404 | 460,429 |
| Debt service: | | | | | |
| Principal | - | 345,468 | - | 345,468 | 312,753 |
| Interest | - | 70,055 | - | 70,055 | 80,090 |
| Total Expenditures | 8,007,179 | 415,523 | 2,504,894 | 10,927,596 | 7,420,583 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (401,334) | (411,345) | 314,814 | (497,865) | 5,137,777 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of capital assets | 2,273,590 | - | - | 2,273,590 | 1,020,000 |
| Transfers in | 475,402 | 415,693 | 49,465 | 940,560 | 1,303,217 |
| Transfers out | (1,387,451) | - | - | (1,387,451) | (1,591,826) |
| Total Other Financing Sources (Uses) | 1,361,541 | 415,693 | 49,465 | 1,826,699 | 731,391 |
| Net Change in Fund Balances | 960,207 | 4,348 | 364,279 | 1,328,834 | 5,869,168 |
| FUND BALANCE, July 1 | 16,931,665 | 832,605 | 5,440,559 | 23,204,829 | 17,335,661 |
| FUND BALANCE, June 30 | \$ 17,891,872 | \$ 836,953 | \$ 5,804,838 | \$ 24,533,663 | \$ 23,204,829 |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

| | 2010 | 2009 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and investments | \$ 4,324,021 | \$ 3,889,650 |
| Receivables: | | |
| Property taxes | 222,620 | 204,849 |
| Interest | 1,990 | 3,929 |
| Other | 165,437 | 59,523 |
| Due from other funds | 593,517 | 341 |
| Due from other governments | 987,850 | 1,305,846 |
| Total Assets | \$ 6,295,435 | \$ 5,464,138 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 251,884 | \$ 203,903 |
| Accrued salaries | 392,729 | 371,295 |
| Accrued benefits | 196,304 | 184,981 |
| Deferred revenue | 1,200,330 | 1,104,201 |
| Due to other governments | 148,606 | 108,237 |
| Customer deposits | 3,285 | 3,285 |
| Total Liabilities | 2,193,138 | 1,975,902 |
| Fund Balance: | | |
| Unreserved | 4,102,297 | 3,488,236 |
| Total Liabilities and Fund Balance | \$ 6,295,435 | \$ 5,464,138 |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 1 of 6)

| REVENUES | BUDGET | ACTUAL | VARIANCE | 2009 |
|---|------------------|------------------|--------------------|------------------|
| Property taxes: | | | | |
| Ad valorem taxes | \$ 4,809,338 | \$ 5,523,461 | \$ 714,123 | \$ 5,191,482 |
| Licenses and permits: | | | | |
| Business licenses | 51,000 | 62,887 | 11,887 | 62,022 |
| Liquor licenses | 4,100 | 4,230 | 130 | 3,590 |
| Local gaming licenses | 40,500 | 56,400 | 15,900 | 46,825 |
| Marriage licenses | 3,000 | 3,354 | 354 | 4,347 |
| Other permits | 15,000 | 13,022 | (1,978) | 20,923 |
| Building permits | 75,000 | 51,359 | (23,641) | 70,010 |
| Mobile home permits | 100 | 45 | (55) | 60 |
| Fictitious name/notary bonds | 6,000 | 5,880 | (120) | 10,830 |
| Passport fees | 6,000 | 2,050 | (3,950) | 5,775 |
| Drug court fee | 4,000 | 7,280 | 3,280 | 5,320 |
| Septic fees | 5,000 | 4,166 | (834) | 5,750 |
| Inspection fees | 10,000 | - | (10,000) | 2,235 |
| Manufactured home permits | 7,000 | 5,000 | (2,000) | 6,425 |
| Other license/permits fees | 15,450 | 4,105 | (11,345) | 8,972 |
| Franchise fees | 160,000 | 161,549 | 1,549 | 159,439 |
| | <u>402,150</u> | <u>381,327</u> | <u>(20,823)</u> | <u>412,523</u> |
| Intergovernmental: | | | | |
| Federal in lieu of taxes | 775,000 | 1,075,000 | 300,000 | 675,000 |
| State gaming license | 20,000 | 16,085 | (3,915) | 18,850 |
| Bi-county reimbursements | - | 37,586 | 37,586 | 34,322 |
| Private car tax | - | 1,871 | 1,871 | 1,857 |
| AB104 fairshare | 875,000 | 998,130 | 123,130 | 1,059,969 |
| Consolidated intergovernmental taxes | 5,675,000 | 4,129,601 | (1,545,399) | 5,526,194 |
| Jail reimbursements: | | | | |
| Paiute | - | 975 | 975 | 1,200 |
| City | 40,000 | 64,323 | 24,323 | 49,452 |
| Task force reimbursement | 5,000 | 3,793 | (1,207) | 3,156 |
| Grants-in-aid: | | | | |
| Federal grants: | | | | |
| Title IV-D | 360,125 | 329,900 | (30,225) | 339,311 |
| Title IV-D incentive | 52,151 | 52,151 | - | 12,193 |
| Planning assistance | 457,500 | 271,497 | (186,003) | 404,643 |
| FEMA - emergency management | 28,743 | 28,743 | - | 19,185 |
| State criminal assistance program (SCAAP) | 7,446 | 7,446 | - | 7,442 |
| So Jaq Equip Grant ARRA | 25,359 | 25,359 | - | - |
| S.O. Anmti Meth Grant | 45,889 | 45,890 | 1 | - |
| AOC State Grant Justice Court | 8,000 | 8,000 | - | - |
| CSBG GrantT Students Succeed | 25,840 | - | (25,840) | - |
| OCJA Court Service Grant | 74,136 | 74,136 | - | - |
| Rural fire assistance | - | - | - | 8,958 |
| OJJDP - CCBC - rafts | 48,429 | 48,429 | - | 28,805 |
| JABG boys' council | - | - | - | 14,349 |
| Homeland security | 16,071 | 16,071 | - | - |
| SERC - Operations | - | - | - | 4,599 |
| SERC - Equipment | 42,856 | 42,856 | - | 28,531 |
| HMEP - training | - | - | - | 15,750 |
| Stimulus NV works | 60,056 | 60,056 | - | 16,638 |
| Nevada works summer employment | 71,491 | 71,491 | - | 41,875 |
| Traffic safety | - | - | - | 4,691 |
| State grants: | | | | |
| JPO family management | 5,789 | 5,789 | - | 6,289 |
| Coalition - meth education | 8,774 | 8,774 | - | 17,500 |
| | <u>8,728,655</u> | <u>7,423,952</u> | <u>(1,304,703)</u> | <u>8,340,759</u> |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 2 of 6)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|----------------|----------------|-----------------|----------------|
| Charges for services: | | | | |
| Administrative assessments: | | | | |
| Juvenile probation | \$ 5,000 | \$ 8,675 | \$ 3,675 | \$ 8,036 |
| Justice court | 28,750 | 30,357 | 1,607 | 28,106 |
| Municipal court | 1,500 | 1,664 | 164 | 1,694 |
| Juvenile court | 1,000 | 1,320 | 320 | 1,395 |
| District court | 250 | 207 | (43) | 294 |
| Assessor's property tax commissions | 195,000 | 283,870 | 88,870 | 198,939 |
| Candidate filing fees | - | 2,540 | 2,540 | 100 |
| Justice court filing fees | 65,000 | 68,999 | 3,999 | 61,618 |
| Justice court forensic fees | 6,000 | 7,851 | 1,851 | 8,646 |
| Court clerk miscellaneous | 21,965 | 28,552 | 6,587 | 30,064 |
| County court fees | 24,000 | 36,000 | 12,000 | 23,384 |
| Recorder RPTT collection fees | 1,750 | 2,107 | 357 | 1,921 |
| Recorder's fees | 85,000 | 99,770 | 14,770 | 100,147 |
| Public defender fees | 10,000 | 7,824 | (2,176) | 11,146 |
| Return check fees | 100 | 200 | 100 | 320 |
| Crime lab fees | 500 | - | (500) | 1,806 |
| Sheriff's fees | 38,000 | 33,060 | (4,940) | 34,949 |
| Sheriff's fees, fingerprint | 2,000 | 1,825 | (175) | 1,605 |
| Sheriff's fees, concealed weapon | 3,000 | 9,755 | 6,755 | 10,725 |
| Sheriff's fees, intermittent | 2,000 | 4,988 | 2,988 | 4,503 |
| CC Communications retainer | 12,000 | - | (12,000) | 13,120 |
| BLM service fee | 10,000 | - | (10,000) | - |
| Planning commission appeal fee | 100 | 600 | 500 | 120 |
| Cemetery fees | 26,000 | 38,420 | 12,420 | 37,360 |
| Forensic fees - task force | 500 | 1,240 | 740 | 970 |
| DMV - spay and neuter fee | 300 | 497 | 197 | 540 |
| Inmate phone revenue | 6,000 | 1,827 | (4,173) | 2,606 |
| Counseling reimbursement | 953 | 953 | - | 12,723 |
| Mining map fees: | | | | |
| Map fees - mining claims | 3,000 | 11,233 | 8,233 | 3,107 |
| Land plot maps - copies | 100 | 65 | (35) | 196 |
| | <u>549,768</u> | <u>684,399</u> | <u>134,631</u> | <u>600,140</u> |
| Fines and forfeits: | | | | |
| Forfeited bail | 195,000 | 188,145 | (6,855) | 185,213 |
| Fines | 52,100 | 68,919 | 16,819 | 71,106 |
| AB65 Additional Court Fees | - | 71,443 | 71,443 | - |
| Justice court bond forfeiture | 2,000 | 5,667 | 3,667 | 2,435 |
| Delinquent tax penalties | 115,000 | 251,945 | 136,945 | 204,493 |
| | <u>364,100</u> | <u>586,119</u> | <u>222,019</u> | <u>463,247</u> |
| Miscellaneous: | | | | |
| Interest | 50,000 | 18,412 | (31,588) | 58,811 |
| Miscellaneous sales | 1,000 | 2,072 | 1,072 | 7,384 |
| Mine proceeds tax commissions | 17,000 | 21,219 | 4,219 | 50,001 |
| Senior citizen processing fees | - | 796 | 796 | 780 |
| Data processing | 4,800 | 5,400 | 600 | 4,950 |
| Buildings lease revenue | 3,000 | 1 | (2,999) | 2,244 |
| Justice court payment setup fee | 6,000 | 11,912 | 5,912 | 9,775 |
| Justice court collection fee | 10,000 | 9,025 | (975) | 12,140 |
| Juvenile transport reimbursements | 2,000 | 815 | (1,185) | 1,177 |
| Juvenile child care reimbursements | 2,500 | 2,430 | (70) | 6,054 |
| Juvenile substance abuse reimbursements | 1,000 | 3,102 | 2,102 | 2,104 |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 3 of 6)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|-------------------|------------------|-------------------|
| Juvenile instructional supervision reimbursements | \$ 1,700 | \$ 4,270 | \$ 2,570 | \$ 2,869 |
| Juvenile miscellaneous reimbursements | 100 | 2,610 | 2,510 | 1,545 |
| JPO Recycle Reimbursement | - | 5,535 | 5,535 | - |
| Vulcan Pilt Payment | - | 80,425 | 80,425 | - |
| Geothermal rents/royalties | 475,000 | 475,000 | - | 475,000 |
| Enel sales tax payments | 175,860 | 175,860 | - | 175,860 |
| Other miscellaneous | 8,000 | 35,623 | 27,623 | 17,685 |
| | <u>757,960</u> | <u>854,507</u> | <u>5,507</u> | <u>828,379</u> |
| Total Revenues | <u>15,611,971</u> | <u>15,453,765</u> | <u>(249,246)</u> | <u>15,836,530</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Commissioners: | | | | |
| Salaries | 86,814 | 85,509 | (1,305) | 85,224 |
| Benefits | 49,077 | 45,324 | (3,753) | 44,478 |
| Services and supplies | 17,475 | 16,420 | (1,055) | 20,167 |
| Capital outlay | 5,795 | 5,795 | - | - |
| | <u>159,161</u> | <u>153,048</u> | <u>(6,113)</u> | <u>149,869</u> |
| Clerk/treasurer: | | | | |
| Salaries | 396,303 | 366,238 | (30,065) | 357,664 |
| Benefits | 179,527 | 161,604 | (17,923) | 155,129 |
| Services and supplies | 42,750 | 35,295 | (7,455) | 45,469 |
| Capital outlay | 4,000 | 3,913 | (87) | - |
| | <u>622,580</u> | <u>567,050</u> | <u>(55,530)</u> | <u>558,262</u> |
| Recorder: | | | | |
| Salaries | 171,197 | 162,140 | (9,057) | 150,321 |
| Benefits | 67,740 | 60,243 | (7,497) | 59,284 |
| Services and supplies | 13,305 | 15,374 | 2,069 | 18,995 |
| | <u>252,242</u> | <u>237,757</u> | <u>(14,485)</u> | <u>228,600</u> |
| Records and microfilming: | | | | |
| Services and supplies | 28,750 | 21,118 | (7,632) | 26,546 |
| Assessor: | | | | |
| Salaries | 418,953 | 392,969 | (25,984) | 394,071 |
| Benefits | 179,211 | 161,439 | (17,772) | 152,155 |
| Services and supplies | 74,280 | 46,900 | (27,380) | 54,916 |
| | <u>672,444</u> | <u>601,308</u> | <u>(71,136)</u> | <u>601,142</u> |
| County manager: | | | | |
| Salaries | 179,276 | 172,887 | (6,389) | 172,300 |
| Benefits | 56,954 | 54,886 | (2,068) | 51,344 |
| Services and supplies | 13,600 | 9,961 | (3,639) | 6,455 |
| | <u>249,830</u> | <u>237,734</u> | <u>(12,096)</u> | <u>230,099</u> |
| Buildings and grounds: | | | | |
| Salaries | 334,688 | 313,794 | (20,894) | 286,020 |
| Benefits | 144,031 | 131,240 | (12,791) | 121,725 |
| Services and supplies | 325,400 | 310,754 | (14,646) | 331,740 |
| Capital outlay | - | - | - | 54,454 |
| | <u>804,119</u> | <u>755,788</u> | <u>(48,331)</u> | <u>793,939</u> |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 4 of 6)

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|--------------------------------|------------------|------------------|------------------|------------------|
| Elections: | | | | |
| Salaries | \$ - | \$ 5,515 | \$ 5,515 | \$ 7,418 |
| Benefits | - | 436 | 436 | 1,100 |
| Services and supplies | 32,500 | 21,285 | (11,215) | 68,273 |
| | <u>32,500</u> | <u>27,236</u> | <u>(5,264)</u> | <u>76,791</u> |
| Personnel operations: | | | | |
| Salaries | 99,631 | 93,415 | (6,216) | 89,972 |
| Benefits | 33,098 | 30,207 | (2,891) | 28,619 |
| Services and supplies | 6,400 | 4,148 | (2,252) | 3,550 |
| | <u>139,129</u> | <u>127,770</u> | <u>(11,359)</u> | <u>122,141</u> |
| Personnel - staff development: | | | | |
| Benefits | - | - | - | 209 |
| Services and supplies | 3,500 | 2,586 | (914) | 3,883 |
| Personnel - benefit services: | | | | |
| Services and supplies | 24,950 | 22,051 | (2,899) | 13,542 |
| Comptroller: | | | | |
| Salaries | 292,778 | 280,973 | (11,805) | 276,589 |
| Benefits | 109,051 | 98,974 | (10,077) | 95,732 |
| Services and supplies | 18,000 | 10,891 | (7,109) | 11,916 |
| | <u>419,829</u> | <u>390,838</u> | <u>(28,991)</u> | <u>384,237</u> |
| Data processing: | | | | |
| Services and supplies | 152,700 | 145,501 | (7,199) | 148,565 |
| General government other: | | | | |
| Services and supplies | 962,400 | 888,079 | (74,321) | 985,922 |
| Building inspection: | | | | |
| Salaries | 175,065 | 158,253 | (16,812) | 163,121 |
| Benefits | 70,477 | 59,352 | (11,125) | 62,951 |
| Services and supplies | 9,500 | 7,699 | (1,801) | 6,435 |
| | <u>255,042</u> | <u>225,304</u> | <u>(29,738)</u> | <u>232,507</u> |
| Yucca Mountain: | | | | |
| Services and supplies | 332,500 | 271,497 | (61,003) | 404,642 |
| Planning department: | | | | |
| Salaries | 378,535 | 370,776 | (7,759) | 358,304 |
| Benefits | 144,384 | 135,523 | (8,861) | 129,703 |
| Services and supplies | 37,555 | 20,300 | (17,255) | 22,155 |
| | <u>560,474</u> | <u>526,599</u> | <u>(33,875)</u> | <u>510,162</u> |
| Total General Government | <u>5,672,150</u> | <u>5,201,264</u> | <u>(470,886)</u> | <u>5,471,058</u> |
| Judicial: | | | | |
| District court: | | | | |
| Salaries | 115,450 | 105,034 | (10,416) | 110,925 |
| Benefits | 47,946 | 39,354 | (8,592) | 41,507 |
| Services and supplies | 439,765 | 438,044 | (1,721) | 419,183 |
| | <u>603,161</u> | <u>582,432</u> | <u>(20,729)</u> | <u>571,615</u> |

**CHURCHILL COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 5 of 6)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|-----------------------|------------------|------------------|------------------|------------------|
| Justice court: | | | | |
| Salaries | \$ 314,736 | \$ 280,994 | \$ (33,742) | \$ 298,190 |
| Benefits | 123,280 | 101,974 | (21,306) | 107,991 |
| Services and supplies | 124,900 | 101,846 | (23,054) | 103,212 |
| Capital outlay | 28,500 | 28,447 | (53) | - |
| | <u>591,416</u> | <u>513,261</u> | <u>(78,155)</u> | <u>509,393</u> |
| District attorney: | | | | |
| Salaries | 1,247,867 | 1,235,838 | (12,029) | 1,180,472 |
| Benefits | 525,525 | 455,343 | (70,182) | 425,735 |
| Services and supplies | 229,425 | 195,044 | (34,381) | 218,815 |
| Capital outlay | 60,651 | 48,397 | (12,254) | 9,766 |
| | <u>2,063,468</u> | <u>1,934,622</u> | <u>(128,846)</u> | <u>1,834,788</u> |
| Court services: | | | | |
| Salaries | 47,225 | 47,224 | (1) | - |
| Benefits | 21,911 | 21,285 | (626) | - |
| Services and supplies | 5,000 | 10,290 | 5,290 | - |
| | <u>74,136</u> | <u>78,799</u> | <u>4,663</u> | <u>-</u> |
| Total Judicial | <u>3,332,181</u> | <u>3,109,114</u> | <u>(223,067)</u> | <u>2,915,796</u> |
| Public safety: | | | | |
| Sheriff: | | | | |
| Salaries | 3,022,258 | 2,848,370 | (173,888) | 2,816,390 |
| Benefits | 1,650,348 | 1,548,050 | (102,298) | 1,443,927 |
| Services and supplies | 691,769 | 598,543 | (93,226) | 588,937 |
| Capital outlay | 321,125 | 302,672 | (18,453) | - |
| | <u>5,685,500</u> | <u>5,297,635</u> | <u>(387,865)</u> | <u>4,849,254</u> |
| Fire protection: | | | | |
| Salaries | 97,595 | 102,027 | 4,432 | 101,836 |
| Benefits | 173,175 | 169,030 | (4,145) | 144,807 |
| Services and supplies | 264,101 | 213,605 | (50,496) | 263,866 |
| Capital outlay | 9,605 | 17,473 | 7,868 | 328,517 |
| | <u>544,476</u> | <u>502,135</u> | <u>(42,341)</u> | <u>839,026</u> |
| Emergency management: | | | | |
| Salaries | 57,553 | 34,545 | (23,008) | 9,219 |
| Benefits | 18,846 | 9,187 | (9,659) | 2,239 |
| Services and supplies | 78,670 | 48,796 | (29,874) | 63,577 |
| Capital outlay | - | 7,979 | 7,979 | - |
| | <u>155,069</u> | <u>100,507</u> | <u>(54,562)</u> | <u>75,035</u> |
| Juvenile probation: | | | | |
| Salaries | 723,264 | 641,302 | (81,962) | 585,940 |
| Benefits | 266,086 | 256,293 | (9,793) | 232,459 |
| Services and supplies | 272,401 | 219,442 | (52,959) | 326,295 |
| Capital outlay | - | - | - | 8,000 |
| | <u>1,261,751</u> | <u>1,117,037</u> | <u>(144,714)</u> | <u>1,152,694</u> |
| Total Public Safety | <u>7,646,796</u> | <u>7,017,314</u> | <u>(629,482)</u> | <u>6,916,009</u> |

CHURCHILL COUNTY, NEVADA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 6 of 6)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|---------------------|---------------------|---------------------|---------------------|
| Sanitation: | | | | |
| Animal control and garbage disposal: | | | | |
| Services and supplies | \$ 88,000 | \$ 73,676 | \$ (14,324) | \$ 80,547 |
| Health: | | | | |
| City/County health: | | | | |
| Services and supplies | 4,200 | 2,654 | (1,546) | 703 |
| Cemetery: | | | | |
| Salaries | 99,694 | 98,331 | (1,363) | 98,087 |
| Benefits | 40,403 | 37,296 | (3,107) | 35,050 |
| Services and supplies | 56,050 | 45,201 | (10,849) | 41,808 |
| Capital outlay | 10,400 | - | (10,400) | 3,178 |
| | <u>206,547</u> | <u>180,828</u> | <u>(25,719)</u> | <u>178,123</u> |
| Total Health | 210,747 | 183,482 | (27,265) | 178,826 |
| Culture and recreation: | | | | |
| Museum: | | | | |
| Salaries | 266,306 | 247,001 | (19,305) | 239,541 |
| Benefits | 68,624 | 65,100 | (3,524) | 60,541 |
| Services and supplies | 33,000 | 30,304 | (2,696) | 30,094 |
| Total Culture and Recreation | <u>367,930</u> | <u>342,405</u> | <u>(25,525)</u> | <u>330,176</u> |
| Community support: | | | | |
| Services and supplies | 293,000 | 229,766 | (63,234) | 148,038 |
| Intergovernmental: | | | | |
| Payments to other governments | 418,765 | 414,848 | (3,917) | 429,018 |
| Total Expenditures | <u>18,029,569</u> | <u>16,571,869</u> | <u>(1,457,700)</u> | <u>16,469,468</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,417,598)</u> | <u>(1,118,104)</u> | <u>1,299,494</u> | <u>(632,938)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital and other assets | 1,000 | 6,325 | 5,325 | 89,683 |
| Transfers in: | | | | |
| CC Communications - Telephone Fund | 1,700,000 | 1,700,000 | - | 1,700,000 |
| Social Services Fund | - | 25,840 | 25,840 | - |
| Transfers out: | | | | |
| Parks and Recreation Fund | - | - | - | (200,000) |
| Cemetery Beautification Fund | - | - | - | (5,000) |
| Law Library Fund | - | - | - | (25,000) |
| Risk Management Fund | - | - | - | (50,000) |
| Compensated Absences Fund | - | - | - | (400,000) |
| Unemployment Compensation Fund | - | - | - | (25,000) |
| Total Other Financing Sources (Uses) | <u>1,701,000</u> | <u>1,732,165</u> | <u>31,165</u> | <u>1,084,683</u> |
| Net Change in Fund Balances | (716,598) | 614,061 | 1,330,659 | 451,745 |
| FUND BALANCE, July 1 | <u>2,715,600</u> | <u>3,488,236</u> | <u>772,636</u> | <u>3,036,491</u> |
| FUND BALANCE, June 30 | <u>\$ 1,999,002</u> | <u>\$ 4,102,297</u> | <u>\$ 2,103,295</u> | <u>\$ 3,488,236</u> |

CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - ROAD FUND
BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

| | 2010 | 2009 |
|-------------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and investments | 1,238,410 | \$ 1,637,239 |
| Receivables: | | |
| Interest | 572 | 1,615 |
| Other | 24,549 | 105,738 |
| Due from other funds | 202,078 | 194,664 |
| Due from other governments | 432,236 | 176,121 |
| Total Assets | \$ 1,897,845 | \$ 2,115,377 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 9,288 | \$ 189,025 |
| Accrued salaries | 38,706 | 35,028 |
| Accrued benefits | 14,121 | 12,177 |
| Customer deposits | 1,933 | 1,933 |
| Due to other governments | 1,557 | 6,290 |
| Total Liabilities | 65,605 | 244,453 |
| Fund Balance: | | |
| Unreserved | 1,832,240 | 1,870,924 |
| Total Liabilities and Fund Balance | \$ 1,897,845 | \$ 2,115,377 |

CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - ROAD FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|--------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| Licenses and permits: | | | | |
| Licenses and permits | \$ 1,000 | \$ 252 | \$ (748) | \$ 350 |
| Intergovernmental: | | | | |
| Motor vehicle fuel tax (\$.0125) | 345,576 | 345,581 | 5 | 345,581 |
| Motor vehicle fuel tax (\$.0175) | 95,997 | 110,887 | 14,890 | 94,785 |
| Motor vehicle fuel tax (\$.0360) | <u>570,320</u> | <u>560,881</u> | <u>(9,439)</u> | <u>568,243</u> |
| | <u>1,011,893</u> | <u>1,017,349</u> | <u>5,456</u> | <u>1,008,609</u> |
| Miscellaneous: | | | | |
| Interest | 25,750 | 9,294 | (16,456) | 38,189 |
| Miscellaneous | 1,000 | 9,166 | 8,166 | 7,803 |
| Inspection fees | 3,000 | - | (3,000) | 2,452 |
| Geothermal rents and royalties | - | 250,000 | 250,000 | - |
| Fuel reimbursements | 225,000 | 195,994 | (29,006) | 210,994 |
| Road reimbursements | - | - | - | 90,000 |
| Water construction | 5,000 | 4,479 | (521) | 11,204 |
| Equipment rental | 500 | - | (500) | 549 |
| Meter fees | <u>1,500</u> | <u>3,045</u> | <u>1,545</u> | <u>1,500</u> |
| | <u>261,750</u> | <u>471,978</u> | <u>210,228</u> | <u>362,691</u> |
| Total Revenues | <u>1,274,643</u> | <u>1,489,579</u> | <u>214,936</u> | <u>1,371,650</u> |
| EXPENDITURES | | | | |
| Public works: | | | | |
| Highways and streets: | | | | |
| Salaries | 827,020 | 779,586 | 47,434 | 750,051 |
| Benefits | 372,267 | 310,560 | 61,707 | 289,209 |
| Services and supplies | 1,405,200 | 1,143,537 | 261,663 | 1,328,894 |
| Capital outlay | <u>250,000</u> | <u>194,261</u> | <u>55,739</u> | <u>351,915</u> |
| Total Expenditures | <u>2,854,487</u> | <u>2,427,944</u> | <u>426,543</u> | <u>2,720,069</u> |
| Deficiency of Revenues Under Expenditures | <u>(1,579,844)</u> | <u>(938,365)</u> | <u>641,479</u> | <u>(1,348,419)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in: | | | | |
| Regional Transportation Fund | 500,000 | 371,816 | (128,184) | 349,325 |
| Public Transit Fund | <u>500,000</u> | <u>527,865</u> | <u>27,865</u> | <u>587,501</u> |
| Total Other Financing Sources (Uses) | <u>1,000,000</u> | <u>899,681</u> | <u>(100,319)</u> | <u>936,826</u> |
| Net Change in Fund Balances | (579,844) | (38,684) | 541,160 | (411,593) |
| FUND BALANCE, July 1 | <u>1,382,745</u> | <u>1,870,924</u> | <u>488,179</u> | <u>2,282,517</u> |
| FUND BALANCE, June 30 | <u>\$ 802,901</u> | <u>\$ 1,832,240</u> | <u>\$ 1,029,339</u> | <u>\$ 1,870,924</u> |

CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND
BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

| | 2010 | 2009 |
|-------------------------------------|---------------------|---------------------|
| ASSETS | | |
| Cash and investments | \$ - | \$ 321,589 |
| Receivables: | | |
| Interest | 138,733 | 138,971 |
| Notes | 792,750 | 792,750 |
| Due from other funds | - | 25,000 |
| Due from other governments | 459,682 | 311,390 |
| | <u>1,391,165</u> | <u>1,589,700</u> |
| Total Assets | <u>\$ 1,391,165</u> | <u>\$ 1,589,700</u> |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 25,097 | \$ 41,664 |
| Accrued salaries | 4,800 | 4,399 |
| Accrued benefits | 1,505 | 1,265 |
| Due to other funds | 87,933 | 44 |
| Due to other governments | 5,654 | 62,430 |
| | <u>124,989</u> | <u>109,802</u> |
| Total Liabilities | <u>124,989</u> | <u>109,802</u> |
| Fund Balance: | | |
| Reserved for notes receivable | 792,750 | 792,750 |
| Reserved for revenue bonds | 473,426 | 687,148 |
| | <u>1,266,176</u> | <u>1,479,898</u> |
| Total Fund Balance | <u>1,266,176</u> | <u>1,479,898</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,391,165</u> | <u>\$ 1,589,700</u> |

CHURCHILL COUNTY, NEVADA
MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | \$ 48,000 | \$ 148,000 | \$ 100,000 | \$ 148,000 |
| Grants-in-aid: | | | | |
| Federal | 1,250,000 | 202,233 | (1,047,767) | 265,384 |
| Refuge revenue sharing | - | 24,737 | 24,737 | 26,508 |
| | <u>1,298,000</u> | <u>374,970</u> | <u>(923,030)</u> | <u>439,892</u> |
| Charges for services: | | | | |
| Water rights dedication fees | 15,000 | 21,621 | 6,621 | 49,341 |
| Miscellaneous: | | | | |
| Interest | 15,000 | 1,671 | (13,329) | 13,937 |
| Geothermal rents and royalties | - | 377,319 | 377,319 | 715,685 |
| Other miscellaneous | 5,000 | - | (5,000) | - |
| | <u>20,000</u> | <u>378,990</u> | <u>358,990</u> | <u>729,622</u> |
| Total Revenues | <u>1,333,000</u> | <u>775,581</u> | <u>(557,419)</u> | <u>1,218,855</u> |
| EXPENDITURES | | | | |
| General government | | | | |
| Salaries | 101,455 | 98,143 | 3,312 | 94,541 |
| Benefits | 34,384 | 31,726 | 2,658 | 29,808 |
| Services and supplies | 1,356,500 | 366,748 | 989,752 | 414,551 |
| Capital outlay | 400,000 | 252,828 | 147,172 | 1,422,095 |
| Total Expenditures | <u>1,892,339</u> | <u>749,445</u> | <u>1,142,894</u> | <u>1,960,995</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(559,339)</u> | <u>26,136</u> | <u>585,475</u> | <u>(742,140)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | - | 175,835 | 175,835 | 965,410 |
| Transfers out: | | | | |
| Debt Service Fund | (415,693) | (415,693) | - | (443,217) |
| Total Other Financing Sources (Uses) | <u>(415,693)</u> | <u>(239,858)</u> | <u>175,835</u> | <u>522,193</u> |
| Net Change in Fund Balances | <u>(975,032)</u> | <u>(213,722)</u> | <u>761,310</u> | <u>(219,947)</u> |
| FUND BALANCE, July 1 | <u>1,607,287</u> | <u>1,479,898</u> | <u>(127,389)</u> | <u>1,699,845</u> |
| FUND BALANCE, June 30 | <u>\$ 632,255</u> | <u>\$ 1,266,176</u> | <u>\$ 633,921</u> | <u>\$ 1,479,898</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)
(Page 1 of 4)

| | <u>REVENUE STABILIZATION FUND</u> | <u>SOCIAL SERVICES FUND</u> | <u>COOPERATIVE EXTENSION FUND</u> | <u>PUBLIC LIBRARY FUND</u> | <u>PARKS AND RECREATION FUND</u> | <u>CEMETERY BEAUTIFICATION FUND</u> | <u>INDIGENT DONATIONS AND GIFTS FUND</u> | <u>LAW LIBRARY FUND</u> | <u>REGIONAL TRANSPORTATION FUND</u> |
|-------------------------------------|---|-------------------------------------|---|------------------------------------|--|---|--|---------------------------------|---|
| ASSETS | | | | | | | | | |
| Cash and investments | \$ 1,558,291 | \$ 1,592,010 | \$ 320,580 | \$ 897,550 | \$ 887,538 | \$ 34,377 | \$ 53,094 | \$ 154,934 | \$ 908,083 |
| Receivables: | | | | | | | | | |
| Property taxes | - | 23,790 | 8,756 | 26,970 | - | - | - | - | - |
| Interest | 740 | 713 | 152 | 424 | 345 | 17 | 25 | 74 | 463 |
| Other | - | - | - | 2,982 | 1,246 | - | - | - | - |
| Notes | - | - | - | - | - | - | - | - | - |
| Due from other funds | - | 1,097 | - | - | - | - | - | - | - |
| Due from other governments | 3,424 | 242,990 | - | 649 | 37,577 | - | 150 | - | 159,261 |
| | <u>3,424</u> | <u>242,990</u> | <u>-</u> | <u>649</u> | <u>37,577</u> | <u>-</u> | <u>150</u> | <u>-</u> | <u>159,261</u> |
| Total Assets | <u>\$ 1,562,455</u> | <u>\$ 1,860,600</u> | <u>\$ 329,488</u> | <u>\$ 928,575</u> | <u>\$ 926,706</u> | <u>\$ 34,394</u> | <u>\$ 53,269</u> | <u>\$ 155,008</u> | <u>\$ 1,067,807</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ 63,021 | \$ 10,441 | \$ 4,647 | \$ 37,208 | \$ 413 | \$ - | \$ 2,760 | \$ - |
| Accrued salaries | - | 9,695 | 2,522 | 14,926 | 34,199 | - | - | - | - |
| Accrued benefits | - | 3,418 | 875 | 5,397 | 8,843 | - | 90 | - | - |
| Deferred revenue | - | 22,270 | 8,180 | 25,214 | 2,487 | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - | - | 101,039 |
| Due to other governments | - | 7,367 | 983 | 1,851 | 3,566 | - | - | - | - |
| Customer deposits | - | - | - | - | 3,230 | - | - | - | - |
| | <u>-</u> | <u>105,771</u> | <u>23,001</u> | <u>52,035</u> | <u>89,533</u> | <u>413</u> | <u>90</u> | <u>2,760</u> | <u>101,039</u> |
| Total Liabilities | <u>-</u> | <u>105,771</u> | <u>23,001</u> | <u>52,035</u> | <u>89,533</u> | <u>413</u> | <u>90</u> | <u>2,760</u> | <u>101,039</u> |
| Fund Balance: | | | | | | | | | |
| Reserved for notes receivable | - | - | - | - | - | - | - | - | - |
| Reserved for revenue shortfalls | 1,562,455 | - | - | - | - | - | - | - | - |
| Unreserved | <u>-</u> | <u>1,754,829</u> | <u>306,487</u> | <u>876,540</u> | <u>837,173</u> | <u>33,981</u> | <u>53,179</u> | <u>152,248</u> | <u>966,768</u> |
| Total Fund Balance | <u>1,562,455</u> | <u>1,754,829</u> | <u>306,487</u> | <u>876,540</u> | <u>837,173</u> | <u>33,981</u> | <u>53,179</u> | <u>152,248</u> | <u>966,768</u> |
| Total Liabilities and Fund Balance | <u>\$ 1,562,455</u> | <u>\$ 1,860,600</u> | <u>\$ 329,488</u> | <u>\$ 928,575</u> | <u>\$ 926,706</u> | <u>\$ 34,394</u> | <u>\$ 53,269</u> | <u>\$ 155,008</u> | <u>\$ 1,067,807</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)
(Page 2 of 4)

| | LIBRARY GIFT FUND | RISK MANAGEMENT FUND | COMPENSATED ABSENCES FUND | UNEMPLOYMENT COMPENSATION FUND | FORFEITURES/ SEIZED ASSETS FUND | GRAFFITI REWARD AND ABATEMENT FUND | ADMINISTRATIVE ASSESSMENT FUND |
|-------------------------------------|----------------------------------|-------------------------------------|--|---|--|---|---|
| ASSETS | | | | | | | |
| Cash and investments | \$ 541,711 | \$ 3,280,184 | \$ 1,520,570 | \$ 425,784 | \$ 107,929 | \$ 57,105 | \$ 12,503 |
| Receivables: | | | | | | | |
| Property taxes | - | - | - | - | - | - | - |
| Interest | 250 | 1,551 | 682 | 202 | 52 | 27 | - |
| Other | - | 9,833 | - | - | - | 30 | - |
| Notes | - | - | - | - | - | - | - |
| Due from other funds | - | - | - | - | - | - | - |
| Due from other governments | - | 377,319 | 108,536 | - | - | - | - |
| | <u>541,961</u> | <u>3,668,887</u> | <u>1,629,788</u> | <u>425,986</u> | <u>107,981</u> | <u>57,162</u> | <u>12,503</u> |
| Total Assets | <u>\$ 541,961</u> | <u>\$ 3,668,887</u> | <u>\$ 1,629,788</u> | <u>\$ 425,986</u> | <u>\$ 107,981</u> | <u>\$ 57,162</u> | <u>\$ 12,503</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ 3,687 | \$ 660 | \$ - |
| Accrued salaries | - | - | 17,615 | - | - | - | - |
| Accrued benefits | - | - | 328 | - | - | - | - |
| Deferred revenue | - | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - | - |
| Due to other governments | - | - | - | 5,905 | - | - | - |
| Customer deposits | - | - | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>17,943</u> | <u>5,905</u> | <u>3,687</u> | <u>660</u> | <u>-</u> |
| Total Liabilities | <u>-</u> | <u>-</u> | <u>17,943</u> | <u>5,905</u> | <u>3,687</u> | <u>660</u> | <u>-</u> |
| Fund Balance: | | | | | | | |
| Reserved for notes receivable | - | - | - | - | - | - | - |
| Reserved for revenue shortfalls | - | - | - | - | - | - | - |
| Unreserved | 541,961 | 3,668,887 | 1,611,845 | 420,081 | 104,294 | 56,502 | 12,503 |
| | <u>541,961</u> | <u>3,668,887</u> | <u>1,611,845</u> | <u>420,081</u> | <u>104,294</u> | <u>56,502</u> | <u>12,503</u> |
| Total Fund Balance | <u>541,961</u> | <u>3,668,887</u> | <u>1,611,845</u> | <u>420,081</u> | <u>104,294</u> | <u>56,502</u> | <u>12,503</u> |
| Total Liabilities and Fund Balance | <u>\$ 541,961</u> | <u>\$ 3,668,887</u> | <u>\$ 1,629,788</u> | <u>\$ 425,986</u> | <u>\$ 107,981</u> | <u>\$ 57,162</u> | <u>\$ 12,503</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)
(Page 3 of 4)

| | RECREATION DONATION FUND | INDIGENT HOSPITAL CARE FUND | INDIGENT MEDICAL CARE FUND | 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 |
|-------------------------------------|--------------------------------|--------------------------------------|-------------------------------------|---------------------------|---|---|---|-----------------------------|---------------------------|
| ASSETS | | | | | | | | | |
| Cash and investments | \$ 73,661 | \$ 20,649 | \$ 1,024,356 | \$ 943,510 | \$ 1,114 | \$ 98,064 | \$ 520,163 | \$ 5,393 | \$ 363,496 |
| Receivables: | | | | | | | | | |
| Property taxes | - | 4,031 | 24,899 | - | 3,229 | - | - | - | 231 |
| Interest | 35 | - | 513 | 485 | - | 45 | 247 | - | 168 |
| Other | - | - | - | - | - | - | - | - | - |
| Notes | - | - | - | - | - | - | 198,606 | - | - |
| Due from other funds | - | - | - | - | - | - | - | - | - |
| Due from other governments | - | - | 258,729 | 68,802 | - | 11,682 | - | - | - |
| | <u>\$ 73,696</u> | <u>\$ 24,680</u> | <u>\$ 1,308,497</u> | <u>\$ 1,012,797</u> | <u>\$ 4,343</u> | <u>\$ 109,791</u> | <u>\$ 719,016</u> | <u>\$ 5,393</u> | <u>\$ 363,895</u> |
| Total Assets | | | | | | | | | |
| | <u>\$ 73,696</u> | <u>\$ 24,680</u> | <u>\$ 1,308,497</u> | <u>\$ 1,012,797</u> | <u>\$ 4,343</u> | <u>\$ 109,791</u> | <u>\$ 719,016</u> | <u>\$ 5,393</u> | <u>\$ 363,895</u> |
| LIABILITIES AND FUND BALANCE | | | | | | | | | |
| Liabilities: | | | | | | | | | |
| Accounts payable | \$ - | \$ - | \$ 4,700 | \$ 266 | \$ 1,114 | \$ 5,904 | \$ - | \$ - | \$ 2,133 |
| Accrued salaries | - | - | - | - | - | - | - | - | - |
| Accrued benefits | - | - | - | - | - | - | - | - | - |
| Deferred revenue | - | 3,762 | 23,298 | - | 3,183 | - | - | - | - |
| Due to other funds | - | - | 1,097 | 101,039 | - | - | - | - | - |
| Due to other governments | - | 20,649 | 66,337 | 16,111 | - | - | - | - | - |
| Customer deposits | - | - | - | - | - | - | - | - | - |
| | <u>-</u> | <u>24,411</u> | <u>95,432</u> | <u>117,416</u> | <u>4,297</u> | <u>5,904</u> | <u>-</u> | <u>-</u> | <u>2,133</u> |
| Total Liabilities | | | | | | | | | |
| | <u>-</u> | <u>24,411</u> | <u>95,432</u> | <u>117,416</u> | <u>4,297</u> | <u>5,904</u> | <u>-</u> | <u>-</u> | <u>2,133</u> |
| Fund Balance: | | | | | | | | | |
| Reserved for notes receivable | - | - | - | - | - | - | 198,606 | - | - |
| Reserved for revenue shortfalls | - | - | - | - | - | - | - | - | - |
| Unreserved | 73,696 | 269 | 1,213,065 | 895,381 | 46 | 103,887 | 520,410 | 5,393 | 361,762 |
| | <u>73,696</u> | <u>269</u> | <u>1,213,065</u> | <u>895,381</u> | <u>46</u> | <u>103,887</u> | <u>520,410</u> | <u>5,393</u> | <u>361,762</u> |
| Total Fund Balance | | | | | | | | | |
| | <u>73,696</u> | <u>269</u> | <u>1,213,065</u> | <u>895,381</u> | <u>46</u> | <u>103,887</u> | <u>719,016</u> | <u>5,393</u> | <u>361,762</u> |
| Total Liabilities and Fund Balance | <u>\$ 73,696</u> | <u>\$ 24,680</u> | <u>\$ 1,308,497</u> | <u>\$ 1,012,797</u> | <u>\$ 4,343</u> | <u>\$ 109,791</u> | <u>\$ 719,016</u> | <u>\$ 5,393</u> | <u>\$ 363,895</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)
(Page 4 of 4)

| | ROAD IMPACT FEE FUND | RESIDENTIAL CONSTRUCTION TAX FUND | INFRASTRUCTURE TAX FUND | TOTALS | |
|-------------------------------------|---|--|--|----------------------|----------------------|
| | | | | 2010 | 2009 |
| ASSETS | | | | | |
| Cash and investments | \$ 442,653 | \$ 265,225 | \$ 783,520 | \$ 16,894,047 | \$ 16,649,941 |
| Receivables: | | | | | |
| Property taxes | - | - | - | 91,906 | 86,838 |
| Interest | 210 | 126 | 372 | 7,918 | 15,272 |
| Other | - | - | - | 14,091 | 12,575 |
| Notes | - | - | - | 198,606 | 166,445 |
| Due from other funds | - | - | - | 1,097 | 37,493 |
| Due from other governments | - | - | 68,756 | 1,337,875 | 573,066 |
| | <u>-</u> | <u>-</u> | <u>68,756</u> | <u>1,337,875</u> | <u>573,066</u> |
| Total Assets | <u>\$ 442,863</u> | <u>\$ 265,351</u> | <u>\$ 852,648</u> | <u>\$ 18,545,540</u> | <u>\$ 17,541,630</u> |
| LIABILITIES AND FUND BALANCE | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ 1,238 | \$ - | \$ 138,192 | \$ 84,938 |
| Accrued salaries | - | - | - | 78,957 | 56,767 |
| Accrued benefits | - | - | - | 18,951 | 17,086 |
| Deferred revenue | - | - | - | 88,394 | 84,363 |
| Due to other funds | - | - | - | 203,175 | 232,157 |
| Due to other governments | - | - | - | 122,769 | 131,514 |
| Customer deposits | - | - | - | 3,230 | 3,140 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>653,668</u> | <u>609,965</u> |
| Total Liabilities | <u>-</u> | <u>1,238</u> | <u>-</u> | <u>653,668</u> | <u>609,965</u> |
| Fund Balance: | | | | | |
| Reserved for notes receivable | - | - | - | 198,606 | 166,445 |
| Reserved for revenue shortfalls | - | - | - | 1,562,455 | 1,548,826 |
| Unreserved | 442,863 | 264,113 | 852,648 | 16,130,811 | 15,216,394 |
| | <u>442,863</u> | <u>264,113</u> | <u>852,648</u> | <u>17,891,872</u> | <u>16,931,665</u> |
| Total Fund Balance | <u>442,863</u> | <u>264,113</u> | <u>852,648</u> | <u>17,891,872</u> | <u>16,931,665</u> |
| Total Liabilities and Fund Balance | <u>\$ 442,863</u> | <u>\$ 265,351</u> | <u>\$ 852,648</u> | <u>\$ 18,545,540</u> | <u>\$ 17,541,630</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 1 of 4)

| | REVENUE STABILIZATION 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 | \$ - | \$ 603,919 | \$ 237,942 | \$ 713,922 | \$ 4,770 | \$ - | \$ - | \$ - | \$ 817,314 |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | 1,144,638 | 8,081 | 46,145 | 544,040 | - | - | - | - |
| Charges for services | - | - | - | - | 317,462 | - | - | 10,694 | - |
| Miscellaneous | 13,629 | 60,802 | 1,741 | 15,042 | 28,738 | 236 | 13,512 | 1,080 | 5,695 |
| Total Revenues | 13,629 | 1,809,359 | 247,764 | 775,109 | 895,010 | 236 | 13,512 | 11,774 | 823,009 |
| EXPENDITURES | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | - |
| Judicial | - | - | - | - | - | - | - | 30,341 | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Public works | - | - | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | 4,654 | - | - | - |
| Welfare | - | 1,540,945 | - | - | - | - | 12,331 | - | - |
| Culture and recreation | - | - | - | 549,653 | 1,128,681 | - | - | - | - |
| Community support | - | - | 157,386 | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - | 300,000 |
| Total Expenditures | - | 1,540,945 | 157,386 | 549,653 | 1,128,681 | 4,654 | 12,331 | 30,341 | 300,000 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 13,629 | 268,414 | 90,378 | 225,456 | (233,671) | (4,418) | 1,181 | (18,567) | 523,009 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Sale of capital and other assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | 125,000 | - | - | 318,639 | - | - | - | - |
| Transfers out | - | (25,840) | - | (31,763) | - | - | - | - | (371,816) |
| Total Other Financing Sources (Uses) | - | 99,160 | - | (31,763) | 318,639 | - | - | - | (371,816) |
| Net Change in Fund Balances | 13,629 | 367,574 | 90,378 | 193,693 | 84,968 | (4,418) | 1,181 | (18,567) | 151,193 |
| FUND BALANCE, July 1 | 1,548,826 | 1,387,255 | 216,109 | 682,847 | 752,205 | 38,399 | 51,998 | 170,815 | 815,575 |
| FUND BALANCE, June 30 | \$ 1,562,455 | \$ 1,754,829 | \$ 306,487 | \$ 876,540 | \$ 837,173 | \$ 33,981 | \$ 53,179 | \$ 152,248 | \$ 966,768 |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)
 (Page 2 of 4)

| | LIBRARY GIFT FUND | RISK MANAGEMENT FUND | COMPENSATED ABSENCES FUND | UNEMPLOYMENT COMPENSATION FUND | FORFEITURES/ SEIZED ASSETS FUND | GRAFFITI REWARD AND ABATEMENT FUND | ADMINISTRATIVE ASSESSMENT FUND |
|--|----------------------------------|-------------------------------------|--|---|--|---|---|
| REVENUES | | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 75,000 | 173,000 | - | - | - | - |
| Charges for services | - | - | - | - | - | 5,131 | 43,307 |
| Miscellaneous | 6,963 | 403,896 | 159,258 | 2,904 | 7,472 | 69,808 | - |
| Total Revenues | <u>6,963</u> | <u>478,896</u> | <u>332,258</u> | <u>2,904</u> | <u>7,472</u> | <u>74,939</u> | <u>43,307</u> |
| EXPENDITURES | | | | | | | |
| General government | - | 153,743 | 274,943 | 31,473 | - | - | - |
| Judicial | - | - | - | - | - | 68,220 | - |
| Public safety | - | - | - | - | 20,148 | - | - |
| Public works | - | - | - | - | - | - | - |
| Health | - | - | - | - | - | - | - |
| Welfare | - | - | - | - | - | - | - |
| Culture and recreation | 73,860 | - | - | - | - | - | - |
| Community support | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Total Expenditures | <u>73,860</u> | <u>153,743</u> | <u>274,943</u> | <u>31,473</u> | <u>20,148</u> | <u>68,220</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(66,897)</u> | <u>325,153</u> | <u>57,315</u> | <u>(28,569)</u> | <u>(12,676)</u> | <u>6,719</u> | <u>43,307</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | | |
| Sale of capital and other assets | - | - | - | - | - | - | - |
| Transfers in | 31,763 | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - | (49,465) |
| Total Other Financing Sources (Uses) | <u>31,763</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(49,465)</u> |
| Net Change in Fund Balances | (35,134) | 325,153 | 57,315 | (28,569) | (12,676) | 6,719 | (6,158) |
| FUND BALANCE, July 1 | <u>577,095</u> | <u>3,343,734</u> | <u>1,554,530</u> | <u>448,649</u> | <u>116,970</u> | <u>49,783</u> | <u>18,661</u> |
| FUND BALANCE, June 30 | <u>\$ 541,961</u> | <u>\$ 3,668,887</u> | <u>\$ 1,611,845</u> | <u>\$ 420,080</u> | <u>\$ 104,294</u> | <u>\$ 56,502</u> | <u>\$ 12,503</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 3 of 4)

| | RECREATION DONATION FUND | INDIGENT HOSPITAL CARE FUND | INDIGENT MEDICAL CARE FUND | 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 |
|--|--------------------------------|--------------------------------------|-------------------------------------|---------------------------|---|---|---|-----------------------------|---------------------------|
| REVENUES | | | | | | | | | |
| Taxes | \$ - | \$ 109,803 | \$ 639,421 | \$ - | \$ 6,047 | \$ 59,954 | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - | - |
| Intergovernmental | - | 37 | 249 | 525,396 | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - | - | - |
| Miscellaneous | 18,528 | - | 7,547 | 6,168 | - | 514 | 7,698 | - | 144,310 |
| Total Revenues | 18,528 | 109,840 | 647,217 | 531,564 | 6,047 | 60,468 | 7,698 | - | 144,310 |
| EXPENDITURES | | | | | | | | | |
| General government | - | - | - | - | - | - | - | - | 116,307 |
| Judicial | - | - | - | - | - | - | - | - | - |
| Public safety | - | - | - | - | - | - | - | - | - |
| Public works | - | - | - | 3,212 | - | 82,437 | - | - | - |
| Health | - | - | - | - | - | - | - | - | - |
| Welfare | - | 109,850 | - | - | - | - | - | - | - |
| Culture and recreation | 4,705 | - | - | - | - | - | - | - | - |
| Community support | - | - | 244,447 | - | 6,680 | - | - | - | - |
| Intergovernmental | - | - | - | 41,080 | - | - | - | - | - |
| Total Expenditures | 4,705 | 109,850 | 244,447 | 44,292 | 6,680 | 82,437 | - | - | 116,307 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 13,823 | (10) | 402,770 | 487,272 | (633) | (21,969) | 7,698 | - | 28,003 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| Sale of capital and other assets | - | - | - | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - | - | - | - |
| Transfers out | - | - | (125,000) | (527,865) | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | (125,000) | (527,865) | - | - | - | - | - |
| Net Change in Fund Balances | 13,823 | (10) | 277,770 | (40,593) | (633) | (21,969) | 7,698 | - | 28,003 |
| FUND BALANCE, July 1 | 59,873 | 279 | 935,295 | 935,974 | 679 | 125,856 | 711,318 | 5,393 | 333,759 |
| FUND BALANCE, June 30 | \$ 73,696 | \$ 269 | \$ 1,213,065 | \$ 895,381 | \$ 46 | \$ 103,887 | \$ 719,016 | \$ 5,393 | \$ 361,762 |

CHURCHILL COUNTY, NEVADA
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 4 of 4)

| | ROAD IMPACT FEE FUND | RESIDENTIAL CONSTRUCTION TAX FUND | INFRASTRUCTURE TAX FUND | TOTALS | |
|--|-------------------------------|--|-------------------------------|----------------------|----------------------|
| | | | | 2010 | 2009 |
| REVENUES | | | | | |
| Taxes | \$ - | \$ - | \$ 525,193 | \$ 3,718,285 | \$ 3,184,572 |
| Licenses and permits | 6,900 | 2,000 | - | 8,900 | 31,000 |
| Intergovernmental | - | - | - | 2,516,587 | 3,925,675 |
| Charges for services | - | - | - | 376,594 | 369,466 |
| Miscellaneous | 2,879 | 1,779 | 5,280 | 985,479 | 1,985,643 |
| Total Revenues | <u>9,779</u> | <u>3,779</u> | <u>530,473</u> | <u>7,605,845</u> | <u>9,496,356</u> |
| EXPENDITURES | | | | | |
| General government | - | - | 3,042,796 | 3,619,262 | 365,212 |
| Judicial | - | - | - | 98,561 | 63,455 |
| Public safety | - | - | - | 20,148 | 5,777 |
| Public works | - | - | - | 85,649 | 40,707 |
| Health | - | - | - | 4,654 | 1,964 |
| Welfare | - | - | - | 1,663,126 | 1,073,827 |
| Culture and recreation | - | 9,287 | - | 1,766,186 | 1,777,588 |
| Community support | - | - | - | 408,513 | 700,542 |
| Intergovernmental | - | - | - | 341,080 | 375,000 |
| Total Expenditures | <u>-</u> | <u>9,287</u> | <u>3,042,796</u> | <u>8,007,179</u> | <u>4,404,072</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>9,779</u> | <u>(5,508)</u> | <u>(2,512,323)</u> | <u>(401,334)</u> | <u>5,092,284</u> |
| OTHER FINANCING SOURCES (USES) | | | | | |
| Sale of capital and other assets | - | - | 2,273,590 | 2,273,590 | - |
| Transfers in | - | - | - | 475,402 | 1,120,700 |
| Transfers out | - | - | (255,702) | (1,387,451) | (1,591,826) |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>-</u> | <u>2,017,888</u> | <u>1,361,541</u> | <u>(471,126)</u> |
| Net Change in Fund Balances | 9,779 | (5,508) | (494,435) | 960,207 | 4,621,158 |
| FUND BALANCE, July 1 | <u>433,084</u> | <u>269,621</u> | <u>1,347,083</u> | <u>16,931,665</u> | <u>12,310,507</u> |
| FUND BALANCE, June 30 | <u>\$ 442,863</u> | <u>\$ 264,113</u> | <u>\$ 852,648</u> | <u>\$ 17,891,872</u> | <u>\$ 16,931,665</u> |

**CHURCHILL COUNTY, NEVADA
REVENUE STABILIZATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|---------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 25,000 | \$ 10,204 | \$ (14,796) | \$ 31,506 |
| Geothermal rents/royalties | - | 3,425 | \$ 3,425 | 69,866 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Revenues | 25,000 | 13,629 | (11,371) | 101,372 |
| FUND BALANCE, July 1 | <hr/> | <hr/> | <hr/> | <hr/> |
| | 1,542,320 | 1,548,826 | 6,506 | 1,447,454 |
| FUND BALANCE, June 30 | <hr/> | <hr/> | <hr/> | <hr/> |
| | <u>\$ 1,567,320</u> | <u>\$ 1,562,455</u> | <u>\$ (4,865)</u> | <u>\$ 1,548,826</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 505,576 | \$ 603,919 | \$ 98,343 | \$ 554,427 |
| Intergovernmental: | | | | |
| Social Security reimbursements | 10,000 | 13,046 | 3,046 | 11,468 |
| Private car tax | 100 | 244 | 144 | 252 |
| City utility assistance | 10,000 | 25,000 | 15,000 | 25,000 |
| Consolidated intergovernmental taxes | 80,000 | 80,000 | - | 80,000 |
| Grants-in-aid: | | | | |
| Federal | 595,545 | 699,809 | 104,264 | 419,272 |
| State | 56,701 | 326,539 | 269,838 | 71,888 |
| | <u>752,346</u> | <u>1,144,638</u> | <u>392,292</u> | <u>607,880</u> |
| Miscellaneous: | | | | |
| Welfare reimbursements | 200 | 848 | 648 | 2,529 |
| Geothermal rents/royalties | 50,000 | 50,000 | - | 75,000 |
| Miscellaneous | - | 1,816 | 1,816 | 1,658 |
| Interest | 15,000 | 8,138 | (6,862) | 20,453 |
| | <u>65,200</u> | <u>60,802</u> | <u>(4,398)</u> | <u>99,640</u> |
| Total Revenues | <u>1,323,122</u> | <u>1,809,359</u> | <u>486,237</u> | <u>1,261,947</u> |
| EXPENDITURES | | | | |
| Welfare: | | | | |
| Grant assistance: | | | | |
| Services and supplies | 1,078,754 | 939,864 | 138,890 | 468,453 |
| Assistance in cash or goods: | | | | |
| Services and supplies | 35,000 | 26,568 | 8,432 | 26,164 |
| Medical assistance-direct: | | | | |
| Services and supplies | 114,116 | 114,116 | - | 109,203 |
| Welfare operations: | | | | |
| Salaries | 163,385 | 136,812 | 26,573 | 102,427 |
| Benefits | 64,412 | 59,478 | 4,934 | 39,826 |
| Services and supplies | 37,605 | 35,357 | 2,248 | 13,363 |
| Capital outlay | 4,500 | 4,500 | - | - |
| | <u>269,902</u> | <u>236,147</u> | <u>33,755</u> | <u>155,616</u> |
| Public health nurse: | | | | |
| Services and supplies | 105,750 | 110,524 | (4,774) | 101,772 |
| Transitional housing: | | | | |
| Salaries | 44,076 | 42,667 | 1,409 | 41,074 |
| Benefits | 20,537 | 18,837 | 1,700 | 18,089 |
| Services and supplies | 99,000 | 44,157 | 54,843 | 37,692 |
| | <u>163,613</u> | <u>105,661</u> | <u>57,952</u> | <u>96,855</u> |
| Public Guardian | | | | |
| Services and supplies | 15,000 | 8,065 | 6,935 | 1,404 |
| Total Expenditures | <u>1,782,135</u> | <u>1,540,945</u> | <u>241,190</u> | <u>959,467</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(459,013)</u> | <u>268,414</u> | <u>727,427</u> | <u>302,480</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in: | | | | |
| Indigent Medical Care Fund | 125,000 | 125,000 | - | 125,000 |
| Transfers out: | | | | |
| General Fund | - | (25,840) | (25,840) | - |
| Total Other Financing Sources (Uses) | <u>125,000</u> | <u>99,160</u> | <u>(25,840)</u> | <u>125,000</u> |
| Net Change in Fund Balances | <u>(334,013)</u> | <u>367,574</u> | <u>701,587</u> | <u>427,480</u> |
| FUND BALANCE, July 1 | <u>1,117,314</u> | <u>1,387,255</u> | <u>269,941</u> | <u>959,775</u> |
| FUND BALANCE, June 30 | <u>\$ 783,301</u> | <u>\$ 1,754,829</u> | <u>\$ 971,528</u> | <u>\$ 1,387,255</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|-----------------------------------|---------------|---------------|-----------------|-------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 201,649 | \$ 237,942 | \$ 36,293 | \$ 224,395 |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | 8,000 | 8,000 | - | 8,000 |
| Private car tax | - | 81 | 81 | 84 |
| | 8,000 | 8,081 | 81 | 8,084 |
| Miscellaneous: | | | | |
| Interest | 2,000 | 1,741 | (259) | 3,876 |
| Total Revenues | 211,649 | 247,764 | 36,115 | 236,355 |
| EXPENDITURES | | | | |
| Community support: | | | | |
| Salaries | 54,540 | 51,489 | 3,051 | 50,753 |
| Benefits | 22,492 | 19,744 | 2,748 | 19,126 |
| Services and supplies | 87,805 | 86,153 | 1,652 | 92,616 |
| Total Expenditures | 164,837 | 157,386 | 7,451 | 162,495 |
| Net Change in Fund Balances | 46,812 | 90,378 | 43,566 | 73,860 |
| FUND BALANCE, July 1 | 157,073 | 216,109 | 59,036 | 142,249 |
| FUND BALANCE, June 30 | \$ 203,885 | \$ 306,487 | \$ 102,602 | \$ 216,109 |

**CHURCHILL COUNTY, NEVADA
PUBLIC LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 602,646 | \$ 713,922 | \$ 111,276 | \$ 665,047 |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | 40,000 | 40,000 | - | 40,000 |
| Private car tax | - | 259 | 259 | 268 |
| Grants-in-aid: | | | | |
| State | 5,886 | 5,886 | - | 8,672 |
| | <u>45,886</u> | <u>46,145</u> | <u>259</u> | <u>48,940</u> |
| Miscellaneous: | | | | |
| Sales and rentals | 8,000 | 10,086 | 2,086 | 14,167 |
| Donations | - | - | - | 9,459 |
| Interest | 10,250 | 4,956 | (5,294) | 12,064 |
| | <u>18,250</u> | <u>15,042</u> | <u>(3,208)</u> | <u>35,690</u> |
| Total Revenues | <u>666,782</u> | <u>775,109</u> | <u>108,327</u> | <u>749,677</u> |
| EXPENDITURES | | | | |
| Culture and recreation: | | | | |
| Salaries | 311,012 | 300,689 | 10,323 | 297,145 |
| Benefits | 122,983 | 111,942 | 11,041 | 107,757 |
| Services and supplies | 168,566 | 137,022 | 31,544 | 181,335 |
| Total Expenditures | <u>602,561</u> | <u>549,653</u> | <u>52,908</u> | <u>586,237</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 64,221 | 225,456 | 161,235 | 163,440 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out: | | | | |
| Library Gift Fund | - | (31,763) | (31,763) | - |
| Net Change in Fund Balances | 64,221 | 193,693 | 129,472 | 163,440 |
| FUND BALANCE, July 1 | <u>491,053</u> | <u>682,847</u> | <u>191,794</u> | <u>519,407</u> |
| FUND BALANCE, June 30 | <u>\$ 555,274</u> | <u>\$ 876,540</u> | <u>\$ 321,266</u> | <u>\$ 682,847</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 1 of 2)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--------------------------------------|----------------|----------------|-----------------|----------------|
| REVENUES | | | | |
| Taxes: | | | | |
| County lodging tax | \$ 4,000 | \$ 4,770 | \$ 770 | \$ 4,677 |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | 200,000 | 300,000 | 100,000 | 400,000 |
| Consolidated intergovernmental taxes | 225,000 | 225,000 | - | 225,000 |
| Grants-in-aid: | | | | |
| State | - | 19,040 | 19,040 | - |
| | <u>425,000</u> | <u>544,040</u> | <u>119,040</u> | <u>625,000</u> |
| Charges for services: | | | | |
| Contract clean-up | 3,000 | 1,879 | (1,121) | 4,954 |
| Concession stand | 7,000 | 6,312 | (688) | 9,209 |
| Recreation charges | 150,000 | 151,988 | 1,988 | 160,930 |
| Swimming pool receipts | 55,000 | 60,706 | 5,706 | 68,495 |
| Fairgrounds rentals | 65,000 | 93,956 | 28,956 | 71,493 |
| Flag football fees | 5,000 | - | (5,000) | - |
| Miscellaneous | - | 10 | 10 | 689 |
| Pro-shop sales | 2,000 | 2,611 | 611 | 2,282 |
| | <u>287,000</u> | <u>317,462</u> | <u>30,462</u> | <u>318,052</u> |
| Miscellaneous: | | | | |
| Interest | 4,000 | 4,190 | 190 | 7,603 |
| Miscellaneous | 4,000 | 24,548 | 20,548 | 19,256 |
| | <u>8,000</u> | <u>28,738</u> | <u>20,738</u> | <u>26,859</u> |
| Total Revenues | <u>724,000</u> | <u>895,010</u> | <u>171,010</u> | <u>974,588</u> |
| EXPENDITURES | | | | |
| Culture and recreation: | | | | |
| Administration: | | | | |
| Salaries | 162,114 | 156,113 | 6,001 | 152,522 |
| Benefits | 68,206 | 62,811 | 5,395 | 60,479 |
| Services and supplies | 25,410 | 23,233 | 2,177 | 19,736 |
| | <u>255,730</u> | <u>242,157</u> | <u>13,573</u> | <u>232,737</u> |
| Public parks: | | | | |
| Salaries | 56,756 | 50,292 | 6,464 | 45,843 |
| Benefits | 20,438 | 18,790 | 1,648 | 17,769 |
| Services and supplies | 47,900 | 48,556 | (656) | 43,644 |
| Capital outlay | 13,500 | 9,220 | 4,280 | 19,040 |
| | <u>138,594</u> | <u>126,858</u> | <u>11,736</u> | <u>126,296</u> |
| Recreation athletics: | | | | |
| Salaries | 101,011 | 92,317 | 8,694 | 89,565 |
| Benefits | 25,729 | 23,927 | 1,802 | 20,971 |
| Services and supplies | 86,200 | 81,609 | 4,591 | 93,493 |
| | <u>212,940</u> | <u>197,853</u> | <u>15,087</u> | <u>204,029</u> |
| Fairgrounds: | | | | |
| Salaries | 100,629 | 94,598 | 6,031 | 90,595 |
| Benefits | 30,265 | 27,371 | 2,894 | 26,331 |
| Services and supplies | 115,350 | 119,274 | (3,924) | 118,790 |
| Capital outlay | 9,300 | 14,149 | (4,849) | 17,126 |
| | <u>255,544</u> | <u>255,392</u> | <u>152</u> | <u>252,842</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)
(Page 2 of 2)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Swimming pool: | | | | |
| Salaries | \$ 144,196 | \$ 143,746 | \$ 450 | \$ 143,034 |
| Benefits | 30,052 | 29,202 | 850 | 28,322 |
| Services and supplies | 124,430 | 127,688 | (3,258) | 107,251 |
| Capital outlay | - | 5,785 | (5,785) | - |
| | <u>298,678</u> | <u>306,421</u> | <u>(7,743)</u> | <u>278,607</u> |
| Total Expenditures | <u>1,161,486</u> | <u>1,128,681</u> | <u>32,805</u> | <u>1,094,511</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(437,486)</u> | <u>(233,671)</u> | <u>203,815</u> | <u>(119,923)</u> |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| CC Communications - Telephone Fund | 318,639 | 318,639 | - | 290,700 |
| General Fund | - | - | - | 200,000 |
| Total Other Financing Sources (Uses) | <u>318,639</u> | <u>318,639</u> | <u>-</u> | <u>490,700</u> |
| Net Change in Fund Balances | (118,847) | 84,968 | 203,815 | 370,777 |
| FUND BALANCE, July 1 | <u>370,840</u> | <u>752,205</u> | <u>381,365</u> | <u>381,428</u> |
| FUND BALANCE, June 30 | <u><u>\$ 251,993</u></u> | <u><u>\$ 837,173</u></u> | <u><u>\$ 585,180</u></u> | <u><u>\$ 752,205</u></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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|------------------|------------------|-----------------|------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 500 | \$ 236 | \$ (264) | \$ 741 |
| Gifts and donations | 500 | - | (500) | - |
| | <u>1,000</u> | <u>236</u> | <u>(764)</u> | <u>741</u> |
| Total Revenues | | | | |
| | 1,000 | 236 | (764) | 741 |
| EXPENDITURES | | | | |
| Health: | | | | |
| Services and supplies | 6,000 | 4,654 | 1,346 | 1,964 |
| | <u>6,000</u> | <u>4,654</u> | <u>1,346</u> | <u>1,964</u> |
| Deficiency of Revenues Under Expenditures | (5,000) | (4,418) | 582 | (1,223) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | - | - | - | 5,000 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>5,000</u> |
| Net Change in Fund Balances | (5,000) | (4,418) | 582 | 3,777 |
| FUND BALANCE, July 1 | <u>35,622</u> | <u>38,399</u> | <u>2,777</u> | <u>34,622</u> |
| FUND BALANCE, June 30 | <u>\$ 30,622</u> | <u>\$ 33,981</u> | <u>\$ 3,359</u> | <u>\$ 38,399</u> |

**CHURCHILL COUNTY, NEVADA
INDIGENT DONATIONS AND GIFTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|------------------|------------------|------------------|------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 750 | \$ 346 | \$ (404) | \$ 1,120 |
| Project Food revenue | 7,500 | 12,166 | 4,666 | 5,974 |
| Gifts and donations | 1,000 | 1,000 | - | 3,377 |
| | <u>9,250</u> | <u>13,512</u> | <u>4,262</u> | <u>10,471</u> |
| Total Revenues | | | | |
| | 9,250 | 13,512 | 4,262 | 10,471 |
| EXPENDITURES | | | | |
| Welfare: | | | | |
| Services and supplies | 30,000 | 12,331 | 17,669 | 10,861 |
| | <u>30,000</u> | <u>12,331</u> | <u>17,669</u> | <u>10,861</u> |
| Net Change in Fund Balances | | | | |
| | (20,750) | 1,181 | 21,931 | (390) |
| FUND BALANCE, July 1 | <u>32,040</u> | <u>51,998</u> | <u>19,958</u> | <u>52,388</u> |
| FUND BALANCE, June 30 | <u>\$ 11,290</u> | <u>\$ 53,179</u> | <u>\$ 41,889</u> | <u>\$ 51,998</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|--------------------------|--------------------------|-------------------------|--------------------------|
| REVENUES | | | | |
| Charges for services: | | | | |
| Law library fees | \$ 7,000 | \$ 10,694 | \$ 3,694 | \$ 7,980 |
| Miscellaneous: | | | | |
| Interest | <u>2,000</u> | <u>1,080</u> | <u>(920)</u> | <u>3,382</u> |
| Total Revenues | 9,000 | 11,774 | 2,774 | 11,362 |
| EXPENDITURES | | | | |
| Judicial: | | | | |
| Services and supplies | <u>30,391</u> | <u>30,341</u> | <u>50</u> | <u>28,800</u> |
| Deficiency of Revenues Under Expenditures | (21,391) | (18,567) | 2,824 | (17,438) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>25,000</u> |
| Net Change in Fund Balances | (21,391) | (18,567) | 2,824 | 7,562 |
| FUND BALANCE, July 1 | <u>147,003</u> | <u>170,815</u> | <u>23,812</u> | <u>163,253</u> |
| FUND BALANCE, June 30 | <u><u>\$ 125,612</u></u> | <u><u>\$ 152,248</u></u> | <u><u>\$ 26,636</u></u> | <u><u>\$ 170,815</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| County option motor vehicle fuel | \$ 700,000 | \$ 817,314 | \$ 117,314 | \$ 748,668 |
| Miscellaneous: | | | | |
| Interest | <u>10,000</u> | <u>5,695</u> | <u>(4,305)</u> | <u>20,091</u> |
| Total Revenues | 710,000 | 823,009 | 113,009 | 768,759 |
| EXPENDITURES | | | | |
| Intergovernmental: | | | | |
| City of Fallon | <u>400,000</u> | <u>300,000</u> | <u>100,000</u> | <u>375,000</u> |
| Excess of Revenues Over Expenditures | 310,000 | 523,009 | 213,009 | 393,759 |
| OTHER FINANCING USES | | | | |
| Transfers out: | | | | |
| Road Fund | <u>(500,000)</u> | <u>(371,816)</u> | <u>128,184</u> | <u>(349,325)</u> |
| Net Change in Fund Balances | (190,000) | 151,193 | 341,193 | 44,434 |
| FUND BALANCE, July 1 | <u>591,318</u> | <u>815,575</u> | <u>224,257</u> | <u>771,141</u> |
| FUND BALANCE, June 30 | <u>\$ 401,318</u> | <u>\$ 966,768</u> | <u>\$ 565,450</u> | <u>\$ 815,575</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--------------------------------------|-------------------|-------------------|--------------------|-------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 5,000 | \$ 3,491 | \$ (1,509) | \$ 9,419 |
| Gifts and donations | 43,000 | 3,472 | (39,528) | 234,677 |
| Total Revenues | <u>48,000</u> | <u>6,963</u> | <u>(41,037)</u> | <u>244,096</u> |
| EXPENDITURES | | | | |
| Culture and recreation: | | | | |
| Services and supplies | 25,000 | 9,785 | 15,215 | - |
| Capital outlay | 100,000 | 64,075 | 35,925 | 88,726 |
| Total Expenditures | <u>125,000</u> | <u>73,860</u> | <u>51,140</u> | <u>88,726</u> |
| Excess of Revenues Over Expenditures | (77,000) | (66,897) | 10,103 | 155,370 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| Library Fund | 31,763 | 31,763 | - | - |
| Net Change in Fund Balances | (45,237) | (35,134) | 10,103 | 155,370 |
| FUND BALANCE, July 1 | <u>610,940</u> | <u>577,095</u> | <u>(33,845)</u> | <u>421,725</u> |
| FUND BALANCE, June 30 | <u>\$ 565,703</u> | <u>\$ 541,961</u> | <u>\$ (23,742)</u> | <u>\$ 577,095</u> |

**CHURCHILL COUNTY, NEVADA
RISK MANAGEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|----------------------------|----------------------------|----------------------------|----------------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | \$ 75,000 | \$ 75,000 | \$ - | \$ 1,075,000 |
| Miscellaneous: | | | | |
| Interest | 25,000 | 21,740 | (3,260) | 31,386 |
| Geothermal rents/royalties | - | 377,319 | 377,319 | 1,000,000 |
| Insurance reimbursement | 10,000 | 4,837 | (5,163) | 95,826 |
| | <u>35,000</u> | <u>403,896</u> | <u>368,896</u> | <u>1,127,212</u> |
| Total Revenues | 110,000 | 478,896 | 368,896 | 2,202,212 |
| EXPENDITURES | | | | |
| General government: | | | | |
| Services and supplies | 175,000 | 153,743 | 21,257 | 29,756 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (65,000) | 325,153 | 390,153 | 2,172,456 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | - | - | - | 50,000 |
| Net Change in Fund Balances | (65,000) | 325,153 | 390,153 | 2,222,456 |
| FUND BALANCE, July 1 | <u>2,227,119</u> | <u>3,343,734</u> | <u>1,116,615</u> | <u>1,121,278</u> |
| FUND BALANCE, June 30 | <u><u>\$ 2,162,119</u></u> | <u><u>\$ 3,668,887</u></u> | <u><u>\$ 1,506,768</u></u> | <u><u>\$ 3,343,734</u></u> |

**CHURCHILL COUNTY, NEVADA
 COMPENSATED ABSENCES FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | \$ 75,000 | \$ 125,000 | \$ 50,000 | \$ 75,000 |
| Consolidated intergovernmental taxes | 48,000 | 48,000 | - | 48,000 |
| | <u>123,000</u> | <u>173,000</u> | <u>50,000</u> | <u>123,000</u> |
| Miscellaneous: | | | | |
| Interest | 30,000 | 9,608 | (20,392) | 25,882 |
| Geothermal Rents/Royalties | - | 100,000 | 100,000 | - |
| Other | - | 49,650 | 49,650 | - |
| | <u>30,000</u> | <u>159,258</u> | <u>129,258</u> | <u>25,882</u> |
| Total Revenues | <u>153,000</u> | <u>332,258</u> | <u>179,258</u> | <u>148,882</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Benefits | 300,000 | 197,152 | 102,848 | 189,130 |
| Services and supplies | 125,000 | 77,791 | 47,209 | 103,446 |
| Total Expenditures | <u>425,000</u> | <u>274,943</u> | <u>150,057</u> | <u>292,576</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (272,000) | 57,315 | 329,315 | (143,694) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | - | - | - | 400,000 |
| Net Change in Fund Balances | (272,000) | 57,315 | 329,315 | 256,306 |
| FUND BALANCE, July 1 | <u>1,104,223</u> | <u>1,554,530</u> | <u>450,307</u> | <u>1,298,224</u> |
| FUND BALANCE, June 30 | <u>\$ 832,223</u> | <u>\$ 1,611,845</u> | <u>\$ 779,622</u> | <u>\$ 1,554,530</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|---|---------------|---------------|-----------------|-------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 12,175 | \$ 2,904 | \$ (9,271) | \$ 9,119 |
| EXPENDITURES | | | | |
| General government: | | | | |
| Benefits | 54,749 | 31,473 | 23,276 | 11,340 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (42,574) | (28,569) | 14,005 | (2,221) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| General Fund | - | - | - | 25,000 |
| Net Change in Fund Balances | (42,574) | (28,569) | 14,005 | 22,779 |
| FUND BALANCE, July 1 | 448,649 | 448,649 | - | 425,870 |
| FUND BALANCE, June 30 | \$ 406,075 | \$ 420,080 | \$ 14,005 | \$ 448,649 |

**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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|-------------------------|--------------------------|-------------------------|--------------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 1,000 | \$ 792 | \$ (208) | \$ 2,386 |
| Drug stamp act | - | - | - | 7,500 |
| Forfeitures of seized assets | <u>60,000</u> | <u>6,680</u> | <u>(53,320)</u> | <u>8,943</u> |
| Total Revenues | <u>61,000</u> | <u>7,472</u> | <u>(53,528)</u> | <u>18,829</u> |
| EXPENDITURES | | | | |
| Public safety: | | | | |
| Services and supplies | 91,000 | 16,525 | 74,475 | 5,777 |
| Capital outlay | <u>-</u> | <u>3,623</u> | <u>(3,623)</u> | <u>-</u> |
| Total Expenditures | <u>91,000</u> | <u>20,148</u> | <u>70,852</u> | <u>5,777</u> |
| Net Change in Fund Balances | (30,000) | (12,676) | 17,324 | 13,052 |
| FUND BALANCE, July 1 | <u>42,731</u> | <u>116,970</u> | <u>74,239</u> | <u>103,918</u> |
| FUND BALANCE, June 30 | <u><u>\$ 12,731</u></u> | <u><u>\$ 104,294</u></u> | <u><u>\$ 91,563</u></u> | <u><u>\$ 116,970</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--|------------------|------------------|--------------------|------------------|
| REVENUES | | | | |
| Charges for services: | | | | |
| Graffiti collections | \$ 1,000 | \$ - | \$ (1,000) | \$ - |
| Truancy fees | - | 3,706 | 3,706 | 3,125 |
| Restitution processing | 2,000 | 1,425 | (575) | 844 |
| | <u>3,000</u> | <u>5,131</u> | <u>2,131</u> | <u>3,969</u> |
| Miscellaneous: | | | | |
| District Attorney restitution collections | 50,000 | 64,543 | 14,543 | 30,765 |
| Juvenile probation restitution collections | 20,000 | 3,608 | (16,392) | 2,758 |
| Sheriff's office evidence | 1,500 | 1,294 | (206) | 535 |
| Interest | 2,000 | 363 | (1,637) | 1,218 |
| | <u>73,500</u> | <u>69,808</u> | <u>(3,692)</u> | <u>35,276</u> |
| Total Revenues | <u>76,500</u> | <u>74,939</u> | <u>(1,561)</u> | <u>39,245</u> |
| EXPENDITURES | | | | |
| Judicial: | | | | |
| Services and supplies | 70,000 | 68,220 | 1,780 | 34,655 |
| Net Change in Fund Balances | 6,500 | 6,719 | 219 | 4,590 |
| FUND BALANCE, July 1 | <u>63,193</u> | <u>49,783</u> | <u>(13,410)</u> | <u>45,193</u> |
| FUND BALANCE, June 30 | <u>\$ 69,693</u> | <u>\$ 56,502</u> | <u>\$ (13,191)</u> | <u>\$ 49,783</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|---|---------------|---------------|-----------------|-------------|
| REVENUES | | | | |
| Charges for services: | | | | |
| Administrative assessments | \$ 40,000 | \$ 43,307 | \$ 3,307 | \$ 39,465 |
| OTHER FINANCING USES | | | | |
| Transfers out: | | | | |
| Extraordinary Repairs and Maintenance Fund | (49,465) | (49,465) | - | (30,000) |
| Net Change in Fund Balances | (9,465) | (6,158) | 3,307 | 9,465 |
| FUND BALANCE, July 1 | 9,196 | 18,661 | 9,465 | 9,196 |
| FUND BALANCE, June 30 | \$ (269) | \$ 12,503 | \$ 12,772 | \$ 18,661 |

**CHURCHILL COUNTY, NEVADA
RECREATION DONATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|--|---------------|---------------|-----------------|-------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 1,000 | \$ 449 | \$ (551) | \$ 1,177 |
| Gifts and donations | 9,000 | 18,079 | 9,079 | 11,040 |
| Total Revenues | 10,000 | 18,528 | 8,528 | 12,217 |
| EXPENDITURES | | | | |
| Culture and recreation: | | | | |
| Services and supplies | 30,000 | 4,705 | 25,295 | 3,029 |
| Excess (Deficiency)of Revenues Over (Under) Expenditures | (20,000) | 13,823 | 33,823 | 9,188 |
| FUND BALANCE, July 1 | 32,040 | 59,873 | 27,833 | 50,685 |
| FUND BALANCE, June 30 | \$ 12,040 | \$ 73,696 | \$ 61,656 | \$ 59,873 |

**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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|----------------------------------|---------------|---------------|-----------------|-------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 110,897 | \$ 109,803 | \$ (1,094) | \$ 103,559 |
| Intergovernmental: | | | | |
| Private car tax | - | 37 | 37 | 39 |
| Total Revenues | 110,897 | 109,840 | (1,057) | 103,598 |
| EXPENDITURES | | | | |
| Welfare: | | | | |
| Payments to State of Nevada | 91,613 | 109,850 | (18,237) | 103,499 |
| Net Change in Fund Balances | 19,284 | (10) | (19,294) | 99 |
| FUND BALANCE, July 1 | 5,180 | 279 | (4,901) | 180 |
| FUND BALANCE, June 30 | \$ 24,464 | \$ 269 | \$ (24,195) | \$ 279 |

**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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|---------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 537,535 | \$ 639,421 | \$ 101,886 | \$ 591,542 |
| Intergovernmental: | | | | |
| Private car tax | - | 249 | 249 | 257 |
| Miscellaneous: | | | | |
| Interest | <u>15,000</u> | <u>7,547</u> | <u>(7,453)</u> | <u>21,561</u> |
| Total Revenues | 552,535 | 647,217 | 94,682 | 613,360 |
| EXPENDITURES | | | | |
| Community support: | | | | |
| Services and supplies | <u>646,560</u> | <u>244,447</u> | <u>402,113</u> | <u>303,600</u> |
| Excess (Deficiency) of Revenues Over Expenditures | (94,025) | 402,770 | 496,795 | 309,760 |
| OTHER FINANCING USES | | | | |
| Transfers out: | | | | |
| Social Services Fund | <u>(125,000)</u> | <u>(125,000)</u> | <u>-</u> | <u>(125,000)</u> |
| Net Change in Fund Balances | (219,025) | 277,770 | 496,795 | 184,760 |
| FUND BALANCE, July 1 | <u>773,735</u> | <u>935,295</u> | <u>161,560</u> | <u>750,535</u> |
| FUND BALANCE, June 30 | <u>\$ 554,710</u> | <u>\$ 1,213,065</u> | <u>\$ 658,355</u> | <u>\$ 935,295</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--------------------------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Optional county sales tax (\$.0025) | \$ 650,000 | \$ 525,396 | \$ (124,604) | \$ 719,057 |
| Miscellaneous: | | | | |
| Interest | <u>8,975</u> | <u>6,168</u> | <u>(2,807)</u> | <u>14,114</u> |
| Total Revenues | <u>658,975</u> | <u>531,564</u> | <u>(127,411)</u> | <u>733,171</u> |
| EXPENDITURES | | | | |
| Public works: | | | | |
| Highways and streets: | | | | |
| Services and supplies | 5,000 | 3,212 | 1,788 | 3,118 |
| Intergovernmental: | | | | |
| City of Fallon | <u>300,000</u> | <u>41,080</u> | <u>258,920</u> | <u>-</u> |
| Total Expenditures | <u>305,000</u> | <u>44,292</u> | <u>260,708</u> | <u>3,118</u> |
| Excess of Revenues Over Expenditures | 353,975 | 487,272 | 133,297 | 730,053 |
| OTHER FINANCING USES | | | | |
| Transfers out: | | | | |
| Road Fund | <u>(500,000)</u> | <u>(527,865)</u> | <u>(27,865)</u> | <u>(587,501)</u> |
| Net Change in Fund Balances | (146,025) | (40,593) | 105,432 | 142,552 |
| FUND BALANCE, July 1 | <u>493,868</u> | <u>935,974</u> | <u>442,106</u> | <u>793,422</u> |
| FUND BALANCE, June 30 | <u>\$ 347,843</u> | <u>\$ 895,381</u> | <u>\$ 547,538</u> | <u>\$ 935,974</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, 2010
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|-----------------|---------------|-------------------|---------------|
| REVENUES | | | | |
| Taxes | | | | |
| Ad valorem taxes | \$ 5,421 | \$ 6,047 | \$ 626 | \$ 234,639 |
| Intergovernmental | | | | |
| Private car tax | - | - | - | 77 |
| Total Revenues | 5,421 | 6,047 | 626 | 234,716 |
| EXPENDITURES | | | | |
| Community support: | | | | |
| Services and supplies | 5,421 | 6,680 | (1,259) | 234,447 |
| Net Change in Fund Balances | - | (633) | (633) | 269 |
| FUND BALANCE, July 1 | <u>3,121</u> | <u>679</u> | <u>(2,442)</u> | <u>410</u> |
| FUND BALANCE, June 30 | <u>\$ 3,121</u> | <u>\$ 46</u> | <u>\$ (3,075)</u> | <u>\$ 679</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|--|---------------|---------------|-----------------|-------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Optional county motor vehicle fuel tax | \$ 52,332 | \$ 59,954 | \$ 7,622 | \$ 57,618 |
| Miscellaneous: | | | | |
| Interest | 1,000 | 514 | (486) | 2,132 |
| Total Revenues | 53,332 | 60,468 | 7,136 | 59,750 |
| EXPENDITURES | | | | |
| Public works: | | | | |
| Highways and streets: | | | | |
| Services and supplies | 93,016 | 82,437 | 10,579 | 37,589 |
| Net Change in Fund Balances | (39,684) | (21,969) | 17,715 | 22,161 |
| FUND BALANCE, July 1 | 125,856 | 125,856 | - | 103,695 |
| FUND BALANCE, June 30 | \$ 86,172 | \$ 103,887 | \$ 17,715 | \$ 125,856 |

**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, 2010
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 15,617 | \$ 7,698 | \$ (7,919) | \$ 20,310 |
| EXPENDITURES | | | | |
| Community support: | | | | |
| Capital outlay | 100,000 | - | 100,000 | - |
| Net Change in Fund Balances | (84,383) | 7,698 | 92,081 | 20,310 |
| FUND BALANCE, July 1 | <u>700,213</u> | <u>711,318</u> | <u>11,105</u> | <u>691,008</u> |
| FUND BALANCE, June 30 | <u>\$ 615,830</u> | <u>\$ 719,016</u> | <u>\$ 103,186</u> | <u>\$ 711,318</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|---------------|---------------|-----------------|-------------|
| REVENUES | \$ - | \$ - | \$ - | \$ - |
| EXPENDITURES | - | - | - | - |
| Net Change in Fund Balances | - | - | - | - |
| FUND BALANCE, July 1 | 5,393 | 5,393 | - | 5,393 |
| FUND BALANCE, June 30 | \$ 5,393 | \$ 5,393 | \$ - | \$ 5,393 |

**CHURCHILL COUNTY, NEVADA
TECHNOLOGY FEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 2,400 | \$ 2,276 | \$ (124) | \$ 5,901 |
| Technology fees | <u>107,000</u> | <u>142,034</u> | <u>35,034</u> | <u>105,638</u> |
| Total Revenues | <u>109,400</u> | <u>144,310</u> | <u>34,910</u> | <u>111,539</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Services and supplies | 100,000 | 60,061 | 39,939 | 10,044 |
| Capital outlay | <u>53,365</u> | <u>56,246</u> | <u>(2,881)</u> | <u>21,496</u> |
| Total Expenditures | <u>153,365</u> | <u>116,307</u> | <u>37,058</u> | <u>31,540</u> |
| Net Change in Fund Balances | (43,965) | 28,003 | 71,968 | 79,999 |
| FUND BALANCE, July 1 | <u>263,551</u> | <u>333,759</u> | <u>70,208</u> | <u>253,760</u> |
| FUND BALANCE, June 30 | <u><u>\$ 219,586</u></u> | <u><u>\$ 361,762</u></u> | <u><u>\$ 142,176</u></u> | <u><u>\$ 333,759</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|-------------------|-------------------|--------------------|-------------------|
| REVENUES | | | | |
| Licenses and permits: | | | | |
| Area A road impact fee | \$ 10,000 | \$ 4,600 | \$ (5,400) | \$ 4,600 |
| Area B road impact fee | <u>25,000</u> | <u>2,300</u> | <u>\$ (22,700)</u> | <u>18,400</u> |
| | 35,000 | 6,900 | (28,100) | 23,000 |
| Miscellaneous: | | | | |
| Interest | <u>5,000</u> | <u>2,879</u> | <u>(2,121)</u> | <u>8,860</u> |
| Total Revenues | 40,000 | 9,779 | (30,221) | 31,860 |
| EXPENDITURES | | | | |
| Public works: | | | | |
| Highways and streets: | | | | |
| Services and supplies | <u>100,000</u> | <u>-</u> | <u>100,000</u> | <u>-</u> |
| Net Change in Fund Balances | (60,000) | 9,779 | 69,779 | 31,860 |
| FUND BALANCE, July 1 | <u>426,224</u> | <u>433,084</u> | <u>6,860</u> | <u>401,224</u> |
| FUND BALANCE, June 30 | <u>\$ 366,224</u> | <u>\$ 442,863</u> | <u>\$ 76,639</u> | <u>\$ 433,084</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|--------------------------|--------------------------|-------------------------|--------------------------|
| REVENUES | | | | |
| Licenses and permits: | | | | |
| Park tax fee | \$ 25,000 | \$ 2,000 | \$ (23,000) | \$ 8,000 |
| Miscellaneous: | | | | |
| Interest | <u>5,000</u> | <u>1,779</u> | <u>(3,221)</u> | <u>5,669</u> |
| Total Revenues | 30,000 | 3,779 | (26,221) | 13,669 |
| EXPENDITURES | | | | |
| Culture and recreation: | | | | |
| Public parks: | | | | |
| Services and supplies | <u>30,000</u> | <u>9,287</u> | <u>20,713</u> | <u>5,085</u> |
| Net Change in Fund Balances | - | (5,508) | (5,508) | 8,584 |
| FUND BALANCE, July 1 | <u>243,537</u> | <u>269,621</u> | <u>26,084</u> | <u>261,037</u> |
| FUND BALANCE, June 30 | <u><u>\$ 243,537</u></u> | <u><u>\$ 264,113</u></u> | <u><u>\$ 20,576</u></u> | <u><u>\$ 269,621</u></u> |

**CHURCHILL COUNTY, NEVADA
 INFRASTRUCTURE TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2010
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|--------------------|--------------------|-------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Optional county sales tax (\$.0025) | \$ 624,125 | \$ 525,193 | \$ (98,932) | \$ 718,341 |
| Miscellaneous: | | | | |
| Interest | 22,150 | 5,280 | (16,870) | 26,705 |
| Total Revenues | <u>646,275</u> | <u>530,473</u> | <u>(115,802)</u> | <u>745,046</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Infrastructure development: | | | | |
| Services and supplies | 25,000 | - | 25,000 | - |
| Capital outlay | 2,652,719 | 3,042,796 | (390,077) | - |
| Total Expenditures | <u>2,677,719</u> | <u>3,042,796</u> | <u>(365,077)</u> | <u>-</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,031,444)</u> | <u>(2,512,323)</u> | <u>(480,879)</u> | <u>745,046</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital and other assets | 2,052,719 | 2,273,590 | 220,871 | - |
| Transfers out: | | | | |
| Utility Enterprise Fund | (605,702) | - | 605,702 | (250,000) |
| Waste Water Enterprise Fund | (250,000) | (255,702) | (5,702) | (250,000) |
| Other Financing Sources (Uses) | <u>1,197,017</u> | <u>2,017,888</u> | <u>820,871</u> | <u>(500,000)</u> |
| Net Change in Fund Balances | (834,427) | (494,435) | 339,992 | 245,046 |
| FUND BALANCE, July 1 | <u>1,347,083</u> | <u>1,347,083</u> | <u>-</u> | <u>1,102,037</u> |
| FUND BALANCE, June 30 | <u>\$ 512,656</u> | <u>\$ 852,648</u> | <u>\$ 339,992</u> | <u>\$ 1,347,083</u> |

CHURCHILL COUNTY, NEVADA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

| | 2010 | 2009 |
|---|-------------|-------------|
| ASSETS | | |
| Cash and investments | \$ 836,654 | \$ 856,785 |
| Receivables: | | |
| Interest | 299 | 820 |
| Total Assets | \$ 836,953 | \$ 857,605 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Due to other funds | \$ - | \$ 25,000 |
| Fund Balance | | |
| Unreserved | 836,953 | 832,605 |
| Total Liabilities and Fund Balance | \$ 836,953 | \$ 857,605 |

CHURCHILL COUNTY, NEVADA
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|-------------------|-----------------|-------------------|
| REVENUES | | | | |
| Miscellaneous: | | | | |
| Interest | \$ 6,000 | \$ 4,178 | \$ (1,822) | \$ 13,669 |
| EXPENDITURES | | | | |
| Debt service: | | | | |
| Principal | 347,753 | 345,468 | 2,285 | 312,753 |
| Interest | 67,940 | 70,055 | (2,115) | 80,090 |
| Total Expenditures | <u>415,693</u> | <u>415,523</u> | <u>170</u> | <u>392,843</u> |
| Deficiency of Revenues Under Expenditures | (409,693) | (411,345) | (1,652) | (379,174) |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| Water Resource Fund | 415,693 | 415,693 | - | 443,217 |
| Net Change in Fund Balances | 6,000 | 4,348 | (1,652) | 64,043 |
| FUND BALANCE, July 1 | <u>827,573</u> | <u>832,605</u> | <u>5,032</u> | <u>768,562</u> |
| FUND BALANCE, June 30 | <u>\$ 833,573</u> | <u>\$ 836,953</u> | <u>\$ 3,380</u> | <u>\$ 832,605</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2009)

| | BUILDING RESERVE FUND | SPECIAL AD VALOREM CAPITAL PROJECTS FUND | EXTRAORDINARY REPAIRS AND MAINTENANCE FUND | FIRE EQUIPMENT APPARATUS FUND | TOTALS | |
|---|--------------------------------------|---|---|--|---------------------|---------------------|
| | | | | | 2010 | 2009 |
| ASSETS | | | | | | |
| Cash and investments | \$ 1,794,976 | \$ 1,695,763 | \$ 1,921,338 | \$ 340,584 | \$ 5,752,661 | \$ 5,408,204 |
| Receivables: | | | | | | |
| Property taxes | - | 13,483 | - | 5,986 | 19,469 | 12,554 |
| Interest | 889 | 801 | 877 | 159 | 2,726 | 5,437 |
| Other | - | - | - | - | - | 30 |
| Due from other governments | 381,319 | - | 8,000 | - | 389,319 | 100,010 |
| Total Assets | <u>\$ 2,177,184</u> | <u>\$ 1,710,047</u> | <u>\$ 1,930,215</u> | <u>\$ 346,729</u> | <u>\$ 6,164,175</u> | <u>\$ 5,526,235</u> |
| LIABILITIES AND FUND BALANCE | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ 333,509 | \$ - | \$ - | \$ - | \$ 333,509 | \$ 63,648 |
| Due to other governments | - | 7,772 | - | - | 7,772 | 10,459 |
| Deferred revenue | - | 12,594 | - | 5,462 | 18,056 | 11,569 |
| Total Liabilities | 333,509 | 20,366 | - | 5,462 | 359,337 | 85,676 |
| Fund Balance | | | | | | |
| Unreserved | 1,843,675 | 1,689,681 | 1,930,215 | 341,267 | 5,804,838 | 5,440,559 |
| Total Liabilities and Fund Balance | <u>\$ 2,177,184</u> | <u>\$ 1,710,047</u> | <u>\$ 1,930,215</u> | <u>\$ 346,729</u> | <u>\$ 6,164,175</u> | <u>\$ 5,526,235</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | BUILDING RESERVE FUND | SPECIAL AD VALOREM CAPITAL PROJECTS FUND | EXTRAORDINARY REPAIRS AND MAINTENANCE FUND | FIRE EQUIPMENT APPARATUS FUND | TOTALS | |
|---|--------------------------------------|---|---|--|---------------|--------------|
| | | | | | 2010 | 2009 |
| REVENUES | | | | | | |
| Taxes | \$ - | \$ 366,065 | \$ - | \$ 238,950 | \$ 605,015 | \$ 347,253 |
| Intergovernmental | 352,900 | 124 | 141,531 | 74 | 494,629 | 417,971 |
| Miscellaneous | 1,447,546 | 10,178 | 260,922 | 1,418 | 1,720,064 | 1,992,411 |
| Total Revenues | 1,800,446 | 376,367 | 402,453 | 240,442 | 2,819,708 | 2,757,635 |
| EXPENDITURES | | | | | | |
| General government | 2,107,806 | - | 59,764 | - | 2,167,570 | 2,538,239 |
| Intergovernmental | 250,000 | 87,324 | - | - | 337,324 | 85,429 |
| Total Expenditures | 2,357,806 | 87,324 | 59,764 | - | 2,504,894 | 2,623,668 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (557,360) | 289,043 | 342,689 | 240,442 | 314,814 | 133,967 |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Property sales | - | - | - | - | - | 1,020,000 |
| Transfers in | - | - | 49,465 | - | 49,465 | 30,000 |
| Total Other Financing Sources (Uses) | - | - | 49,465 | - | 49,465 | 1,050,000 |
| Net Change in Fund Balances | (557,360) | 289,043 | 392,154 | 240,442 | 364,279 | 1,183,967 |
| FUND BALANCE, July 1 | 2,401,035 | 1,400,638 | 1,538,061 | 100,825 | 5,440,559 | 4,256,592 |
| FUND BALANCE, June 30 | \$ 1,843,675 | \$ 1,689,681 | \$ 1,930,215 | \$ 341,267 | \$ 5,804,838 | \$ 5,440,559 |

CHURCHILL COUNTY, NEVADA
BUILDING RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|---------------------|---------------------|-------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | \$ 24,000 | \$ 224,000 | \$ 200,000 | \$ 224,000 |
| Consolidated intergovernmental taxes | 24,000 | 24,000 | - | 24,000 |
| Operating Grants | 104,900 | 104,900 | - | - |
| | <u>152,900</u> | <u>352,900</u> | <u>200,000</u> | <u>248,000</u> |
| Miscellaneous: | | | | |
| Interest | 60,000 | 14,388 | (45,612) | 55,201 |
| Geothermal rents/royalties | 1,000,000 | 1,433,158 | 433,158 | 965,685 |
| Miscellaneous | - | - | - | 5,000 |
| | <u>1,060,000</u> | <u>1,447,546</u> | <u>387,546</u> | <u>1,025,886</u> |
| Total Revenues | <u>1,212,900</u> | <u>1,800,446</u> | <u>587,546</u> | <u>1,273,886</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Capital outlay | 2,279,900 | 2,107,806 | (172,094) | 2,366,945 |
| Intergovernmental: | | | | |
| City of Fallon | - | 250,000 | 250,000 | - |
| Total Expenditures | <u>2,279,900</u> | <u>2,357,806</u> | <u>77,906</u> | <u>2,366,945</u> |
| Deficiency of Revenues Under Expenditures | (1,067,000) | (557,360) | 509,640 | (1,093,059) |
| OTHER FINANCING SOURCES | | | | |
| Property sales | - | - | - | 1,020,000 |
| Net Change in Fund Balances | (1,067,000) | (557,360) | 509,640 | (73,059) |
| FUND BALANCE, July 1 | <u>2,806,075</u> | <u>2,401,035</u> | <u>(405,040)</u> | <u>2,474,094</u> |
| FUND BALANCE, June 30 | <u>\$ 1,739,075</u> | <u>\$ 1,843,675</u> | <u>\$ 104,600</u> | <u>\$ 2,401,035</u> |

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | BUDGET | ACTUAL | VARIANCE | 2009 |
|------------------------------|---------------|---------------|-----------------|--------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 310,234 | \$ 366,065 | \$ 55,831 | \$ 345,220 |
| Intergovernmental: | | | | |
| Private car tax | - | 124 | 124 | 129 |
| Miscellaneous: | | | | |
| Interest | 24,000 | 10,178 | (13,822) | 26,451 |
| Total Revenues | 334,234 | 376,367 | 42,133 | 371,800 |
| EXPENDITURES | | | | |
| General government: | | | | |
| Capital projects | 103,000 | - | 103,000 | - |
| Intergovernmental: | | | | |
| City of Fallon | 84,000 | 87,324 | (3,324) | 85,429 |
| Total Expenditures | 187,000 | 87,324 | 99,676 | 85,429 |
| Net Change in Fund Balances | 147,234 | 289,043 | 141,809 | 286,371 |
| FUND BALANCE, July 1 | 1,309,725 | 1,400,638 | 90,913 | 1,114,267 |
| FUND BALANCE, June 30 | \$ 1,456,959 | \$ 1,689,681 | \$ 232,722 | \$ 1,400,638 |

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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---|-------------------|---------------------|---------------------|---------------------|
| REVENUES | | | | |
| Intergovernmental: | | | | |
| Federal payments in lieu of taxes | \$ - | \$ 93,531 | \$ 93,531 | \$ 145,842 |
| Consolidated intergovernmental taxes | 48,000 | 48,000 | - | 24,000 |
| | <u>48,000</u> | <u>141,531</u> | <u>93,531</u> | <u>169,842</u> |
| Miscellaneous: | | | | |
| Geothermal rents/royalties | 250,000 | 250,000 | - | 915,685 |
| Interest | 10,000 | 10,922 | 922 | 22,294 |
| | <u>260,000</u> | <u>260,922</u> | <u>922</u> | <u>937,979</u> |
| Total Revenues | <u>308,000</u> | <u>402,453</u> | <u>94,453</u> | <u>1,107,821</u> |
| EXPENDITURES | | | | |
| General government: | | | | |
| Services and supplies | - | - | - | 103,461 |
| Capital outlay | 525,000 | 59,764 | 465,236 | 67,833 |
| Total Expenditures | <u>525,000</u> | <u>59,764</u> | <u>465,236</u> | <u>171,294</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (217,000) | 342,689 | 559,689 | 936,527 |
| OTHER FINANCING SOURCES | | | | |
| Transfers in: | | | | |
| Administrative Assessment Fund | 40,000 | 49,465 | 9,465 | 30,000 |
| Net Change in Fund Balances | (177,000) | 392,154 | 569,154 | 966,527 |
| FUND BALANCE, July 1 | <u>1,049,273</u> | <u>1,538,061</u> | <u>488,788</u> | <u>571,534</u> |
| FUND BALANCE, June 30 | <u>\$ 872,273</u> | <u>\$ 1,930,215</u> | <u>\$ 1,057,942</u> | <u>\$ 1,538,061</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, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)**

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| REVENUES | | | | |
| Taxes: | | | | |
| Ad valorem taxes | \$ 208,941 | \$ 238,950 | \$ 30,009 | \$ 2,033 |
| Intergovernmental: | | | | |
| Private car tax | - | 74 | 74 | - |
| Miscellaneous: | | | | |
| Interest | 500 | 1,418 | 918 | 2,095 |
| Total Revenues | 209,441 | 240,442 | 31,001 | 4,128 |
| EXPENDITURES | | | | |
| Public safety: | | | | |
| Capital outlay | 200,000 | - | 200,000 | - |
| Net Change in Fund Balances | 9,441 | 240,442 | 231,001 | 4,128 |
| FUND BALANCE, July 1 | <u>100,007</u> | <u>100,825</u> | <u>818</u> | <u>96,697</u> |
| FUND BALANCE, June 30 | <u>\$ 109,448</u> | <u>\$ 341,267</u> | <u>\$ 231,819</u> | <u>\$ 100,825</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - TELEPHONE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--|-------------------|----------------------|---------------------|----------------------|
| OPERATING REVENUE | | | | |
| Local network services | \$ 3,244,500 | \$ 3,414,730 | \$ 170,230 | \$ 3,494,031 |
| Network access services | 5,801,500 | 5,287,149 | (514,351) | 5,750,181 |
| Interstate pooling revenue | 3,500,000 | 2,249,654 | (1,250,346) | 3,109,645 |
| Miscellaneous revenue | 895,000 | 875,125 | (19,875) | 959,234 |
| Uncollectible revenue | (15,000) | (22,224) | (7,224) | (45,569) |
| | <u>13,426,000</u> | <u>11,804,434</u> | <u>(1,621,566)</u> | <u>13,267,522</u> |
| OPERATING EXPENSES | | | | |
| Plant specific operations | 2,603,848 | 2,141,489 | 462,359 | 2,372,768 |
| Plant nonspecific operations | 1,358,650 | 1,274,209 | 84,441 | 1,715,901 |
| Customer operations | 1,399,633 | 1,102,365 | 297,268 | 1,463,171 |
| Corporate operations | 2,507,947 | 2,171,147 | 336,800 | 2,643,305 |
| Payments to County in lieu of taxes | 3,101,894 | - | 3,101,894 | - |
| Depreciation and amortization | 1,306,763 | 2,586,991 | (1,280,228) | 3,276,030 |
| | <u>12,278,735</u> | <u>9,276,201</u> | <u>3,002,534</u> | <u>11,471,175</u> |
| Operating Income (Loss) | <u>1,147,265</u> | <u>2,528,233</u> | <u>1,380,968</u> | <u>1,796,347</u> |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest income | 66,000 | 9,923 | (56,077) | 40,625 |
| Interest expense | (48,050) | (45,263) | 2,787 | (49,190) |
| Nonregulated income | 810,600 | 798,995 | (11,605) | 1,099,794 |
| Nonregulated expenses | (445,060) | (540,976) | (95,916) | (486,817) |
| Miscellaneous income | - | 818 | 818 | - |
| Payments to County in lieu of taxes | (711,876) | - | 711,876 | - |
| Donation of community emergency services | (48,600) | (41,570) | 7,030 | (48,520) |
| | <u>(376,986)</u> | <u>181,927</u> | <u>558,913</u> | <u>555,892</u> |
| Income Before Transfers | 770,279 | 2,710,160 | 1,939,881 | 2,352,239 |
| TRANSFERS | | | | |
| CC Communications - Wireless | - | 3,000,000 | 3,000,000 | 2,001,803 |
| General Fund | - | (1,700,000) | (1,700,000) | (1,700,000) |
| Parks & Recreation Fund | - | (318,639) | (318,639) | (290,700) |
| | <u>770,279</u> | <u>3,691,521</u> | <u>\$ 2,921,242</u> | <u>2,363,342</u> |
| Change in Net Assets | | | | |
| NET ASSETS, July 1 | | <u>31,201,047</u> | | <u>28,837,705</u> |
| NET ASSETS, June 30 | | <u>\$ 34,892,568</u> | | <u>\$ 31,201,047</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - TELEPHONE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>2010</u> | <u>2009</u> |
|--|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 11,421,441 | \$ 14,849,545 |
| Cash received from other funds for services | 1,154,660 | - |
| Cash payments to employees | (5,388,325) | (3,527,352) |
| Cash payments for services and supplies | (1,941,881) | (5,990,312) |
| | <u>5,245,895</u> | <u>5,331,881</u> |
| Net Cash Provided by Operating Activities | | |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Donation of community emergency services | (41,570) | (48,520) |
| Transfers from CC Communications - Wireless Fund | 3,000,000 | 2,000,000 |
| Transfers to Churchill County | (2,018,639) | (1,990,700) |
| | <u>939,791</u> | <u>(39,220)</u> |
| Net Cash Provided by Noncapital Financing Activities | | |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Purchase of property, plant and equipment | (6,978,211) | (6,918,133) |
| Sale of other intangibles | - | 293,797 |
| Principal payment on long-term debt | (68,556) | (66,122) |
| Interest payment on long-term debt | (45,329) | (49,302) |
| | <u>(7,092,096)</u> | <u>(6,739,760)</u> |
| Net Cash Used by Capital and Related Financing Activities | | |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received on investments | 9,957 | 46,988 |
| | <u>(896,453)</u> | <u>(1,400,111)</u> |
| Net Increase in Cash and Cash Equivalents | | |
| CASH AND CASH EQUIVALENTS, July 1 | <u>2,620,200</u> | <u>4,020,311</u> |
| CASH AND CASH EQUIVALENTS, June 30 | <u>\$ 1,723,747</u> | <u>\$ 2,620,200</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating income (loss) | \$ 2,528,233 | \$ 1,796,347 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation - regulated plant | 2,586,991 | 3,296,029 |
| Income from nonregulated operations, net of expenses | 258,837 | 612,977 |
| Changes in certain assets and liabilities: | | |
| (Increase) decrease in: | | |
| Receivables | 546,880 | (137,718) |
| Due from other funds | (589,183) | - |
| Prepaid expenses | 4,326 | (4,326) |
| Inventory of materials and supplies | 427,699 | (497,391) |
| Increase (decrease) in: | | |
| Accounts payable | (428,915) | (336,474) |
| Customer deposits | 14,157 | 6,970 |
| Other accrued liabilities | (61,459) | 242 |
| Other postemployment benefits liability | (76,409) | 616,196 |
| Compensated absences | 34,738 | (20,971) |
| | <u>\$ 5,245,895</u> | <u>\$ 5,331,881</u> |
| Net Cash Provided by Operating Activities | | |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - WIRELESS FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---------------------------------------|-------------------|----------------------|-----------------------|----------------------|
| OPERATING REVENUE | | | | |
| Initiation fees | \$ 75,000 | \$ 53,598 | \$ (21,402) | \$ 80,632 |
| Service charges | 2,967,500 | 2,502,701 | (464,799) | 2,888,975 |
| Local air time | 162,000 | 99,291 | (62,709) | 154,742 |
| Roamer air time | 500,000 | 127,041 | (372,959) | 3,862,440 |
| Interconnection revenue | - | - | - | 10,587 |
| USF revenue | - | - | - | 998,152 |
| Miscellaneous revenue | 121,000 | 215,854 | 94,854 | 122,791 |
| Equipment sales/installation | 350,000 | 285,361 | (64,639) | 329,880 |
| Uncollectible revenue | (135,000) | (307,328) | (172,328) | (109,995) |
| | <u>4,040,500</u> | <u>2,976,518</u> | <u>(1,063,982)</u> | <u>8,338,204</u> |
| OPERATING EXPENSES | | | | |
| Customer operations | 502,759 | 859,883 | (357,124) | 841,760 |
| Network operations | 1,800,000 | 1,763,102 | 36,898 | 3,178,699 |
| Corporate operations | 272,091 | 251,269 | 20,822 | 562,052 |
| Equipment sales expenses | - | 460,298 | (460,298) | 542,298 |
| Miscellaneous operating expenses | 707,000 | - | 707,000 | - |
| Depreciation | 429,081 | - | 429,081 | 533,028 |
| | <u>3,710,931</u> | <u>3,334,552</u> | <u>376,379</u> | <u>5,657,837</u> |
| Operating Income | <u>329,569</u> | <u>(358,034)</u> | <u>(687,603)</u> | <u>2,680,367</u> |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest income | 120,000 | 35,933 | (84,067) | 109,329 |
| Gain on sale of assets | - | - | - | 810,043 |
| Interest expense | - | - | - | (254) |
| | <u>120,000</u> | <u>35,933</u> | <u>(84,067)</u> | <u>919,118</u> |
| Total Nonoperating Revenue (Expense) | <u>120,000</u> | <u>35,933</u> | <u>(84,067)</u> | <u>919,118</u> |
| Income Before Transfers | <u>449,569</u> | <u>(322,101)</u> | <u>(771,670)</u> | <u>3,599,485</u> |
| TRANSFERS | | | | |
| CC Communications - Telephone Fund | - | (3,000,000) | (3,000,000) | (2,001,803) |
| CC Communications - Broadband Fund | - | - | - | (600,000) |
| | <u>-</u> | <u>(3,000,000)</u> | <u>(3,000,000)</u> | <u>(2,601,803)</u> |
| Total Transfers | <u>-</u> | <u>(3,000,000)</u> | <u>(3,000,000)</u> | <u>(2,601,803)</u> |
| Change in Net Assets | <u>\$ 449,569</u> | <u>(3,322,101)</u> | <u>\$ (3,771,670)</u> | <u>997,682</u> |
| NET ASSETS, July 1 | | <u>16,983,456</u> | | <u>15,985,774</u> |
| NET ASSETS, June 30 | | <u>\$ 13,661,355</u> | | <u>\$ 16,983,456</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - WIRELESS FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>2010</u> | <u>2009</u> |
|--|----------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 4,725,991 | \$ 9,588,981 |
| Cash payments to employees | (451,583) | (522,170) |
| Cash payments for services and supplies | <u>(2,920,581)</u> | <u>(4,454,004)</u> |
| Net Cash Provided by Operating Activities | <u>1,353,827</u> | <u>4,612,807</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Transfers to: | | |
| CC Communications - Telephone Fund | (3,000,000) | (2,000,000) |
| CC Communications - Broadband Fund | <u>-</u> | <u>(600,000)</u> |
| Net Cash Used by Noncapital Financing Activities | <u>(3,000,000)</u> | <u>(2,600,000)</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Interest paid on long-term debt | (178) | - |
| Interest paid on subscriber deposits | - | (502) |
| Purchase of other intangibles | - | (293,797) |
| Sale of capital assets | <u>-</u> | <u>6,504,314</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | <u>(178)</u> | <u>6,210,015</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received on investments | <u>37,590</u> | <u>116,994</u> |
| Net Increase in Cash and Cash Equivalents | (1,608,761) | 8,339,816 |
| CASH AND CASH EQUIVALENTS, July 1 | <u>15,308,935</u> | <u>6,969,119</u> |
| CASH AND CASH EQUIVALENTS, June 30 | <u>\$ 13,700,174</u> | <u>\$ 15,308,935</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating income | \$ (358,034) | \$ 2,680,367 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation | - | 533,028 |
| Changes in certain assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 1,749,473 | 776,372 |
| Inventory | (11,487) | 57,417 |
| Increase (decrease) in: | | |
| Accounts payable | (364,456) | 478,605 |
| Customer deposits | (8,547) | (4,200) |
| Due to other funds | 347,231 | - |
| Other postemployment benefits liability | <u>(353)</u> | <u>91,218</u> |
| Net Cash Provided by Operating Activities | <u>\$ 1,353,827</u> | <u>\$ 4,612,807</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - BROADBAND FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|-----------------------------------|---------------------|---------------------|-------------------|---------------------|
| OPERATING REVENUE | | | | |
| Service charges | | | | |
| OnNow! | \$ 1,185,600 | \$ 1,367,487 | \$ 181,887 | \$ 1,189,150 |
| Internet | 1,375,200 | 1,354,342 | \$ (20,858) | 1,361,885 |
| Uncollectible revenue | 15,780 | (4,508) | (20,288) | (10,084) |
| | <u>2,576,580</u> | <u>2,717,321</u> | <u>140,741</u> | <u>2,540,951</u> |
| OPERATING EXPENSES | | | | |
| Customer operations | | | | |
| OnNow! | 266,906 | 188,540 | (78,366) | 213,457 |
| Internet | 244,250 | 356,986 | 112,736 | 460,246 |
| Network operations | | | | |
| OnNow! | 605,311 | 1,160,412 | 555,101 | 1,063,404 |
| Internet | 349,200 | 74,333 | (274,867) | 79,105 |
| Corporate operations | 139,311 | 163,127 | 23,816 | 146,179 |
| Access charges | 890,014 | 938,602 | 48,588 | 842,036 |
| Miscellaneous operating expenses | | | | |
| OnNow! | 95,528 | 15,935 | (79,593) | 613 |
| Internet | 12,000 | 15,794 | 3,794 | 16,148 |
| Depreciation | | | | |
| OnNow! | 446,459 | 273,065 | (173,394) | 332,820 |
| Internet | 66,515 | 31,145 | (35,370) | 57,603 |
| | <u>3,115,494</u> | <u>3,217,939</u> | <u>102,445</u> | <u>3,211,611</u> |
| Operating Loss | <u>(538,914)</u> | <u>(500,618)</u> | <u>38,296</u> | <u>(670,660)</u> |
| NONOPERATING REVENUE | | | | |
| Miscellaneous income | - | - | - | 16 |
| Rental income | 15,840 | 37,148 | 21,308 | 24,035 |
| Gain (loss) on sale of assets | - | (21,885) | (21,885) | - |
| | <u>15,840</u> | <u>15,263</u> | <u>(577)</u> | <u>24,051</u> |
| Loss Before Transfers | (523,074) | (485,355) | 37,719 | (646,609) |
| TRANSFERS | | | | |
| CC Communications - Wireless Fund | - | 550,000 | 550,000 | 600,000 |
| Change in Net Assets | <u>\$ (523,074)</u> | <u>64,645</u> | <u>\$ 587,719</u> | <u>(46,609)</u> |
| NET ASSETS, July 1 | | <u>1,951,113</u> | | <u>1,997,722</u> |
| NET ASSETS, June 30 | | <u>\$ 2,015,758</u> | | <u>\$ 1,951,113</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - BROADBAND FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>2010</u> | <u>2009</u> |
|--|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers and others | \$ 2,754,469 | \$ 2,565,002 |
| Cash payments to employees | (807,746) | (516,552) |
| Cash payments for services and supplies | <u>(1,853,650)</u> | <u>(2,165,281)</u> |
| Net Cash Provided (Used) by Operating Activities | 93,073 | (116,831) |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from: | | |
| CC Communications - Long Distance Fund | 550,000 | 600,000 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Purchase of property, plant and equipment | <u>(511,866)</u> | <u>(581,947)</u> |
| Net Increase in Cash and Cash Equivalents | 131,207 | (98,778) |
| CASH AND CASH EQUIVALENTS, July 1 | <u>654,974</u> | <u>753,752</u> |
| CASH AND CASH EQUIVALENTS, June 30 | <u>\$ 786,181</u> | <u>\$ 654,974</u> |
| RECONCILIATION OF OPERATING LOSS TO NET CASH USED | | |
| BY OPERATING ACTIVITIES: | | |
| Operating loss | \$ (500,618) | \$ (670,660) |
| Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities: | | |
| Depreciation | 304,210 | 390,423 |
| Miscellaneous income | - | 16 |
| Rental income | 37,148 | 24,035 |
| Changes in assets and liabilities: | | |
| (Increase) decrease: | | |
| Inventory | 53,130 | 49,118 |
| Increase (decrease): | | |
| Accounts payable | 7,897 | - |
| Due to other funds | 198,196 | - |
| Other postemployment benefits liability | <u>(6,890)</u> | <u>90,237</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ 93,073</u> | <u>\$ (116,831)</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - WASTE WATER ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|--|---------------------|----------------------|---------------------|----------------------|
| OPERATING REVENUE | | | | |
| Service charges | \$ 228,000 | \$ 201,748 | \$ (26,252) | \$ 208,204 |
| OPERATING EXPENSES | | | | |
| Telephone | 4,000 | 2,682 | 1,318 | 2,162 |
| Contracted services | 176,000 | 171,574 | 4,426 | 250,333 |
| Operating supplies | 7,500 | 4,407 | 3,093 | 9,579 |
| Repairs and maintenance | 11,000 | 10,779 | 221 | 10,890 |
| Utilities | 42,000 | 41,273 | 727 | 47,780 |
| Bad debt | - | - | - | 407 |
| Miscellaneous | - | 305 | (305) | 601 |
| Depreciation | - | 681,811 | (681,811) | 494,496 |
| Total Operating Expenses | <u>240,500</u> | <u>912,831</u> | <u>(672,331)</u> | <u>816,248</u> |
| Operating Loss | <u>(12,500)</u> | <u>(711,083)</u> | <u>(698,583)</u> | <u>(608,044)</u> |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest income | 1,000 | 29,468 | 28,468 | 20,908 |
| Tap fees | - | - | - | 17,530 |
| Miscellaneous | - | 23,750 | 23,750 | - |
| Interest expense | <u>(81,927)</u> | <u>(75,669)</u> | <u>6,258</u> | <u>(27,332)</u> |
| Total Nonoperating Revenue (Expense) | <u>(80,927)</u> | <u>(22,451)</u> | <u>58,476</u> | <u>11,106</u> |
| Income (Loss) Before Contributions and Transfers | <u>(93,427)</u> | <u>(733,534)</u> | <u>(640,107)</u> | <u>(596,938)</u> |
| CAPITAL CONTRIBUTIONS - Federal Grant | - | 1,624,242 | 1,624,242 | 373,458 |
| TRANSFERS | | | | |
| Infrastructure Tax Fund | <u>(100,000)</u> | <u>255,702</u> | <u>355,702</u> | <u>250,000</u> |
| Change in Net Assets | <u>\$ (193,427)</u> | 1,146,410 | <u>\$ 1,339,837</u> | 26,520 |
| NET ASSETS, July 1 | | <u>18,303,921</u> | | <u>18,277,401</u> |
| NET ASSETS, June 30 | | <u>\$ 19,450,331</u> | | <u>\$ 18,303,921</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - WASTE WATER ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>2010</u> | <u>2009</u> |
|---|--------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 705,144 | \$ 1,359,392 |
| Cash payments for services and supplies | (290,194) | (788,466) |
| Net Cash Provided (Used) for Operating Activities | <u>414,950</u> | <u>570,926</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfers from: | | |
| Infrastructure Tax Fund | <u>255,702</u> | <u>250,000</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Principal payment on long-term debt | (22,580) | (21,672) |
| Interest paid on long-term debt | (82,376) | (27,179) |
| Capital federal grants | 1,322,846 | 373,458 |
| Tap fees | - | 17,530 |
| Purchase of property, plant and equipment | <u>(2,392,862)</u> | <u>(672,016)</u> |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>(1,174,972)</u> | <u>(329,879)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received on investments | <u>29,611</u> | <u>4,563</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (474,709) | 495,610 |
| CASH AND CASH EQUIVALENTS, July 1 | <u>506,061</u> | <u>10,451</u> |
| CASH AND CASH EQUIVALENTS, June 30 | <u>\$ 31,352</u> | <u>\$ 506,061</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES: | | |
| Operating loss | \$ (711,083) | \$ (608,044) |
| Adjustments to reconcile operating loss to net cash provided by operating activities: | | |
| Depreciation | 681,811 | 494,496 |
| Miscellaneous revenue | 23,750 | - |
| Changes in certain assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | (20,968) | (5,139) |
| Due from other governments | - | 1,110,722 |
| Due from other funds | 1,627 | (813) |
| Increase (decrease) in: | | |
| Accounts payable | (19,219) | (455,821) |
| Accrued liabilities | 6,463 | - |
| Deferred revenue | (46,418) | 46,418 |
| Due to other funds | <u>498,987</u> | <u>(10,893)</u> |
| Net Cash Provided (Used) for Operating Activities | <u>\$ 414,950</u> | <u>\$ 570,926</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - UTILITY ENTERPRISE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---------------------------------------|-------------------|---------------------|---------------------|---------------------|
| OPERATING REVENUE | | | | |
| Service charges | \$ 355,000 | \$ 272,385 | \$ (82,615) | \$ 331,684 |
| OPERATING EXPENSES | | | | |
| Telephone | 3,000 | 4,503 | (1,503) | 3,715 |
| Contracted services | 143,500 | 146,757 | (3,257) | 148,151 |
| Operating supplies | 30,000 | 10,166 | 19,834 | 4,857 |
| Repairs and maintenance | 16,000 | 3,707 | 12,293 | 3,229 |
| Utilities | 39,000 | 29,393 | 9,607 | 29,379 |
| Bad debt | - | - | - | 800 |
| Depreciation | - | 282,864 | (282,864) | 281,903 |
| Total Operating Expenses | <u>231,500</u> | <u>477,390</u> | <u>(245,890)</u> | <u>472,034</u> |
| Operating Income (Loss) | <u>123,500</u> | <u>(205,005)</u> | <u>(328,505)</u> | <u>(140,350)</u> |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest income | 7,000 | 32,876 | 25,876 | 31,529 |
| Capital state grants | - | - | - | 183,916 |
| Capital contributions | 300,000 | - | (300,000) | - |
| Interest expense | <u>(100,330)</u> | <u>(100,031)</u> | <u>299</u> | <u>(101,630)</u> |
| Total Nonoperating Revenue (Expense) | <u>206,670</u> | <u>(67,155)</u> | <u>(273,825)</u> | <u>113,815</u> |
| Income (Loss) Before Transfers | 330,170 | (272,160) | (602,330) | (26,535) |
| TRANSFERS IN | | | | |
| Infrastructure Tax Fund | <u>-</u> | <u>-</u> | <u>-</u> | <u>250,000</u> |
| Change in Net Assets | <u>\$ 330,170</u> | <u>(272,160)</u> | <u>\$ (602,330)</u> | <u>223,465</u> |
| NET ASSETS, July 1 | | <u>8,979,012</u> | | <u>8,755,547</u> |
| NET ASSETS, June 30 | | <u>\$ 8,706,852</u> | | <u>\$ 8,979,012</u> |

CHURCHILL COUNTY, NEVADA
MAJOR PROPRIETARY FUND - UTILITY ENTERPRISE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>2010</u> | <u>2009</u> |
|---|-------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash received from customers | \$ 281,554 | \$ 435,117 |
| Cash payments for services and supplies | (238,574) | (194,302) |
| Net Cash Provided (Used) for Operating Activities | <u>42,980</u> | <u>240,815</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Principal payment on long-term debt | (27,658) | (26,547) |
| Interest paid on long-term debt | (100,331) | (101,442) |
| Transfers in | - | 250,000 |
| Capital state grants | - | 183,915 |
| Purchase of property, plant and equipment | - | (24,625) |
| Net Cash Provided by Capital and Related Financing Activities | <u>(127,989)</u> | <u>281,301</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received on investments | <u>33,274</u> | <u>17,801</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (51,735) | 539,917 |
| CASH AND CASH EQUIVALENTS, July 1 | <u>1,031,368</u> | <u>491,451</u> |
| CASH AND CASH EQUIVALENTS, June 30 | <u>\$ 979,633</u> | <u>\$ 1,031,368</u> |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating income (loss) | \$ (205,005) | \$ (140,348) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation | 282,864 | 281,903 |
| Changes in certain assets and liabilities: | | |
| (Increase) decrease in: | | |
| Accounts receivable | 2,869 | (7,620) |
| Due from other governments | - | 55,665 |
| Due from other funds | 6,300 | 11,190 |
| Increase (decrease) in: | | |
| Accounts payable | 1,227 | (4,986) |
| Deferred revenue | (43,448) | 43,448 |
| Customer deposits | (200) | 750 |
| Due to other funds | (1,627) | 813 |
| Net Cash Provided (Used) for Operating Activities | <u>\$ 42,980</u> | <u>\$ 240,815</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR PROPRIETARY FUND - CC COMMUNICATIONS - LONG DISTANCE FUND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET ASSETS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2009)

| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>2009</u> |
|---------------------------------------|-------------------|---------------------|---------------------|---------------------|
| OPERATING REVENUE | | | | |
| Service charges | \$ 1,088,800 | \$ 970,351 | \$ (118,449) | \$ 1,120,215 |
| Uncollectible revenue | - | 7,939 | 7,939 | (381) |
| | <u>1,088,800</u> | <u>978,290</u> | <u>(110,510)</u> | <u>1,119,834</u> |
| Total Operating Revenue | | | | |
| OPERATING EXPENSES | | | | |
| Customer operations | 98,000 | 52,194 | 45,806 | 100,610 |
| Network operations | 207,401 | 130,207 | 77,194 | 206,973 |
| Corporate operations | 92,500 | 96,416 | (3,916) | 100,976 |
| Access charges | 243,500 | 200,124 | 43,376 | 225,300 |
| Miscellaneous operating expenses | 14,000 | 8,463 | 5,537 | 7,251 |
| | <u>655,401</u> | <u>487,404</u> | <u>167,997</u> | <u>641,110</u> |
| Total Operating Expenses | | | | |
| Operating Income | <u>433,399</u> | <u>490,886</u> | <u>57,487</u> | <u>478,724</u> |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest income | 15,000 | 4,484 | (10,516) | 19,948 |
| | <u>448,399</u> | <u>495,370</u> | <u>46,971</u> | <u>498,672</u> |
| Income Before Transfers | | | | |
| TRANSFERS | | | | |
| CC Communications - Broadband | - | (550,000) | (550,000) | - |
| | <u>\$ 448,399</u> | <u>(54,630)</u> | <u>\$ (503,029)</u> | <u>498,672</u> |
| Change in Net Assets | | | | |
| NET ASSETS, July 1 | | <u>2,408,706</u> | | <u>1,910,034</u> |
| NET ASSETS, June 30 | | <u>\$ 2,354,076</u> | | <u>\$ 2,408,706</u> |

CHURCHILL COUNTY, NEVADA
NONMAJOR PROPRIETARY FUND - CC COMMUNICATIONS - LONG DISTANCE FUND
SCHEDULE OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2010
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2008)

| | 2010 | 2009 |
|---|---------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash received from customers | \$ 978,290 | \$ 1,119,834 |
| Cash payments to employees | (164,121) | (111,708) |
| Cash payments for services and supplies | (279,578) | (509,887) |
| Net Cash Provided by Operating Activities | 534,591 | 498,239 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| CC Communications - Broadband | (550,000) | - |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest received on investments | 4,664 | 21,430 |
| Net Increase in Cash and Cash Equivalents | (10,745) | 519,669 |
| CASH AND CASH EQUIVALENTS, July 1 | 2,427,752 | 1,908,083 |
| CASH AND CASH EQUIVALENTS, June 30 | \$ 2,417,007 | \$ 2,427,752 |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating income | \$ 490,886 | \$ 478,724 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Changes in certain assets and liabilities: | | |
| Increase (decrease) in: | | |
| Accounts payable | 43,756 | - |
| Other postemployment benefits liability | (51) | 19,515 |
| Net Cash Provided by Operating Activities | \$ 534,591 | \$ 498,239 |

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010
(Page 1 of 4)

| | <u>BALANCE</u> <u>JULY 1, 2009</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2010</u> |
|---|---------------------------------------|---------------------|---------------------|--|
| State of Nevada | | | | |
| ASSETS | | | | |
| Cash | \$ 108,455 | \$ 1,619,575 | \$ 1,571,667 | \$ 156,363 |
| Accounts receivable | 320 | - | 320 | - |
| Taxes receivable | 3,227 | - | 193 | 3,034 |
| | <u>\$ 112,002</u> | <u>\$ 1,619,575</u> | <u>\$ 1,572,180</u> | <u>\$ 159,397</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 3,586 | \$ - | \$ 3,586 | \$ - |
| Due to other governments | 108,416 | 1,619,575 | 1,568,594 | 159,397 |
| | <u>\$ 112,002</u> | <u>\$ 1,619,575</u> | <u>\$ 1,572,180</u> | <u>\$ 159,397</u> |
| City of Fallon | | | | |
| ASSETS | | | | |
| Cash | \$ 30,032 | \$ 2,018,477 | \$ 1,990,639 | \$ 57,870 |
| Taxes receivable | 4,923 | 246 | - | 5,169 |
| | <u>\$ 34,955</u> | <u>\$ 2,018,723</u> | <u>\$ 1,990,639</u> | <u>\$ 63,039</u> |
| LIABILITIES | | | | |
| Due to other funds | \$ - | \$ 135 | \$ - | \$ 135 |
| Due to other governments | 34,955 | 2,018,588 | 1,990,639 | 62,904 |
| | <u>\$ 34,955</u> | <u>\$ 2,018,723</u> | <u>\$ 1,990,639</u> | <u>\$ 63,039</u> |
| Range Improvement Districts Number 2, Number 3, and Number 6 | | | | |
| ASSETS | | | | |
| Cash | \$ 6,985 | \$ 8,296 | \$ 4,902 | \$ 10,379 |
| LIABILITIES | | | | |
| Due to other governments | \$ 6,985 | \$ 8,296 | \$ 4,902 | \$ 10,379 |
| Truckee-Carson Irrigation District | | | | |
| ASSETS | | | | |
| Cash | \$ 4,629 | \$ 2,115,925 | \$ 2,111,046 | \$ 9,508 |
| Taxes receivable | - | - | - | - |
| | <u>\$ 4,629</u> | <u>\$ 2,115,925</u> | <u>\$ 2,111,046</u> | <u>\$ 9,508</u> |
| LIABILITIES | | | | |
| Due to other governments | \$ 4,629 | \$ 2,115,925 | \$ 2,111,046 | \$ 9,508 |
| State of Nevada Department of Wildlife | | | | |
| ASSETS | | | | |
| Cash | \$ 2,587 | \$ - | \$ 508 | \$ 2,079 |
| LIABILITIES | | | | |
| Due to other governments | \$ 2,587 | \$ - | \$ 508 | \$ 2,079 |
| Churchill County School District Operating | | | | |
| ASSETS | | | | |
| Cash | \$ 41,335 | \$ 5,512,266 | \$ 5,509,627 | \$ 43,974 |
| Accounts receivable | 19,508 | - | 109 | 19,399 |
| Taxes receivable | 14,237 | - | 850 | 13,387 |
| Due from other governments | - | 303,999 | - | 303,999 |
| | <u>\$ 75,080</u> | <u>\$ 5,816,265</u> | <u>\$ 5,510,586</u> | <u>\$ 380,759</u> |
| LIABILITIES | | | | |
| Due to other governments | \$ 75,080 | \$ 5,816,265 | \$ 5,510,586 | \$ 380,759 |

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010
(Page 2 of 4)

| | <u>BALANCE</u> <u>JULY 1, 2009</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2010</u> |
|---|---------------------------------------|---------------------|---------------------|--|
| Churchill County School District | | | | |
| Debt Service | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ - | \$ 4,037,663 | \$ 4,037,663 | \$ - |
| Taxes receivable | 10,679 | - | 824 | 9,855 |
| | <u>\$ 10,679</u> | <u>\$ 4,037,663</u> | <u>\$ 4,038,487</u> | <u>\$ 9,855</u> |
| LIABILITIES | | | | |
| Due to other governments | <u>\$ 10,679</u> | <u>\$ 4,037,663</u> | <u>\$ 4,038,487</u> | <u>\$ 9,855</u> |
| <hr/> | | | | |
| Churchill County Mosquito | | | | |
| Abatement District | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ 30,188 | \$ 884,339 | \$ 885,505 | \$ 29,022 |
| Taxes receivable | 1,515 | - | 91 | 1,424 |
| Due from other governments | 56,268 | - | 8,817 | 47,451 |
| | <u>\$ 87,971</u> | <u>\$ 884,339</u> | <u>\$ 894,413</u> | <u>\$ 77,897</u> |
| LIABILITIES | | | | |
| Due to other governments | <u>\$ 87,971</u> | <u>\$ 884,339</u> | <u>\$ 894,413</u> | <u>\$ 77,897</u> |
| <hr/> | | | | |
| Scholarship Trust | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ 13,175 | \$ 1,092 | \$ - | \$ 14,267 |
| Interest receivable | 7 | - | - | 7 |
| | <u>\$ 13,182</u> | <u>\$ 1,092</u> | <u>\$ -</u> | <u>\$ 14,274</u> |
| LIABILITIES | | | | |
| Funds held in trust for others | <u>\$ 13,182</u> | <u>\$ 1,092</u> | <u>\$ -</u> | <u>\$ 14,274</u> |
| <hr/> | | | | |
| Court Clerk Trust | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | <u>\$ 333,063</u> | <u>\$ 61,672</u> | <u>\$ 16,284</u> | <u>\$ 378,451</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 333,063</u> | <u>\$ 61,672</u> | <u>\$ 16,284</u> | <u>\$ 378,451</u> |
| <hr/> | | | | |
| Justice Court Trust | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | <u>\$ (2,142)</u> | <u>\$ 48,895</u> | <u>\$ 41,248</u> | <u>\$ 5,505</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ (2,142)</u> | <u>\$ 48,895</u> | <u>\$ 41,248</u> | <u>\$ 5,505</u> |
| <hr/> | | | | |
| Miscellaneous Trust | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | <u>\$ 1,655</u> | <u>\$ 303</u> | <u>\$ 217</u> | <u>\$ 1,741</u> |
| LIABILITIES | | | | |
| Due to others | <u>\$ 1,655</u> | <u>\$ 303</u> | <u>\$ 217</u> | <u>\$ 1,741</u> |

CHURCHILL COUNTY, NEVADA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2010
(Page 3 of 4)

| | <u>BALANCE</u> <u>JULY 1, 2009</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2010</u> |
|--|---------------------------------------|-------------------|-------------------|--|
| Assistance to Victims of Domestic Violence Fund | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ 655 | \$ 5,140 | \$ 4,725 | \$ 1,070 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| LIABILITIES | | | | |
| Due to other governments | \$ 655 | \$ 5,140 | \$ 4,725 | \$ 1,070 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <hr/> | | | | |
| Excess Proceeds | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ - | \$ 34,573 | \$ - | \$ 34,573 |
| Interest receivable | 4 | 12 | - | 16 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | \$ 4 | \$ 34,585 | \$ - | \$ 34,589 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| LIABILITIES | | | | |
| Due to others | \$ 4 | \$ 34,585 | \$ - | \$ 34,589 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <hr/> | | | | |
| Jail Commissary | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ 14,463 | \$ 5,092 | \$ - | \$ 19,555 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| LIABILITIES | | | | |
| Due to others | \$ 14,463 | \$ 5,092 | \$ - | \$ 19,555 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <hr/> | | | | |
| Recorder Trust | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ 7,361 | \$ - | \$ 5,057 | \$ 2,304 |
| Due from other funds | - | 135 | - | 135 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | \$ 7,361 | \$ 135 | \$ 5,057 | \$ 2,439 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| LIABILITIES | | | | |
| Due to other governments | \$ 7,361 | \$ 135 | \$ 5,057 | \$ 2,439 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| <hr/> | | | | |
| Churchill County School District Residential Construction Tax | | | | |
| <hr/> | | | | |
| ASSETS | | | | |
| Cash | \$ 4,455 | \$ 1,782 | \$ 6,237 | \$ - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| LIABILITIES | | | | |
| Due to other governments | \$ 4,455 | \$ 1,782 | \$ 6,237 | \$ - |
| | <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, 2010
(Page 4 of 4)

| <u>Totals</u> | <u>BALANCE</u> <u>JULY 1, 2009</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30, 2010</u> |
|----------------------------|---------------------------------------|----------------------|----------------------|--|
| ASSETS | | | | |
| Cash | \$ 596,896 | \$ 16,355,090 | \$ 16,185,325 | \$ 766,661 |
| Accounts receivable | 19,828 | - | 429 | 19,399 |
| Taxes receivable | 34,581 | 246 | 1,958 | 32,869 |
| Interest receivable | 11 | 12 | - | 23 |
| Due from other governments | <u>56,268</u> | <u>303,999</u> | <u>8,817</u> | <u>351,450</u> |
| | <u>\$ 707,584</u> | <u>\$ 16,659,347</u> | <u>\$ 16,196,529</u> | <u>\$ 1,170,402</u> |
| LIABILITIES | | | | |
| Accounts payable | \$ 3,586 | \$ - | \$ 3,586 | \$ - |
| Due to other governments | 343,773 | 16,507,708 | 16,135,194 | 716,287 |
| Due to others | <u>360,225</u> | <u>151,639</u> | <u>57,749</u> | <u>454,115</u> |
| | <u>\$ 707,584</u> | <u>\$ 16,659,347</u> | <u>\$ 16,196,529</u> | <u>\$ 1,170,402</u> |

STATISTICAL SECTION - UNAUDITED

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.

CHURCHILL COUNTY, NEVADA

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

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <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 |
| Restricted | - | 6,974,262 | 7,696,537 | 9,283,221 | 11,546,731 | 10,002,950 | 11,910,396 | 12,573,847 |
| 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 |
| Total governmental activities net assets | <u>44,317,050</u> | <u>46,813,794</u> | <u>54,325,440</u> | <u>62,744,957</u> | <u>68,253,559</u> | <u>76,675,893</u> | <u>82,666,529</u> | <u>86,051,185</u> |
| <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 |
| Restricted | - | - | 23,283 | 36,700 | - | - | - | - |
| 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 |
| Total business-type activities net assets | <u>36,723,854</u> | <u>38,372,171</u> | <u>40,394,771</u> | <u>43,832,472</u> | <u>58,805,647</u> | <u>75,764,181</u> | <u>79,827,255</u> | <u>81,080,940</u> |
| <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 |
| Restricted | - | 6,974,262 | 7,719,820 | 9,319,921 | 11,546,731 | 10,002,950 | 11,910,396 | 12,573,847 |
| 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 |
| Total primary government net assets | <u>\$ 81,040,904</u> | <u>\$ 85,185,965</u> | <u>\$ 94,720,211</u> | <u>\$ 106,577,429</u> | <u>\$ 127,059,206</u> | <u>\$ 152,440,074</u> | <u>\$ 162,493,784</u> | <u>\$ 167,132,125</u> |

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 Eight Fiscal Years
(accrual basis of accounting)

Page 1 of 2

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 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 |
| 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 |
| Public Safety | 4,829,737 | 5,199,687 | 5,819,578 | 7,007,531 | 7,803,606 | 7,603,614 | 8,311,974 | 8,144,478 |
| Public Works | 2,237,184 | 2,358,526 | 1,195,487 | 2,224,763 | 2,210,246 | 3,180,901 | 3,243,179 | 3,135,451 |
| Health & Sanitation | 194,704 | 178,623 | 231,116 | 233,208 | 257,076 | 277,864 | 288,786 | 292,002 |
| 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 |
| Culture & Recreation | 1,354,439 | 1,583,404 | 1,806,818 | 1,930,550 | 2,042,404 | 2,117,578 | 2,373,490 | 2,296,223 |
| Community Support | 487,889 | 436,695 | 471,294 | 620,020 | 704,482 | 960,707 | 854,941 | 642,884 |
| Intergovernmental | 550,720 | 675,209 | 912,284 | - | - | - | - | - |
| Interest & Fiscal Charges | 2,941 | 11,960 | 39,253 | 120,806 | 127,337 | 69,876 | 79,431 | 68,031 |
| Total governmental activities expenses | <u>17,548,792</u> | <u>18,692,714</u> | <u>19,981,741</u> | <u>21,670,881</u> | <u>23,162,057</u> | <u>24,484,017</u> | <u>27,587,636</u> | <u>26,367,766</u> |
| <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 |
| Wireless | 4,056,763 | 4,713,632 | 4,640,842 | 5,902,437 | 7,543,354 | 8,021,572 | 5,658,091 | 3,334,552 |
| Long Distance | 1,989,913 | 1,498,543 | 1,497,698 | 1,925,914 | 1,189,024 | 692,538 | 641,110 | 487,404 |
| 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 |
| Waste Water | - | - | - | 236 | 269,812 | 787,079 | 843,580 | 988,500 |
| Water Utility | - | - | - | 237 | 98,970 | 391,487 | 573,662 | 577,421 |
| Total business-type activities expenses | <u>20,743,162</u> | <u>22,693,511</u> | <u>22,079,916</u> | <u>23,687,702</u> | <u>24,638,917</u> | <u>25,135,675</u> | <u>22,983,756</u> | <u>18,531,711</u> |
| Total primary government expenses | <u>\$ 38,291,954</u> | <u>\$ 41,386,225</u> | <u>\$ 42,061,657</u> | <u>\$ 45,358,583</u> | <u>\$ 47,800,974</u> | <u>\$ 49,619,692</u> | <u>\$ 50,571,392</u> | <u>\$ 44,899,477</u> |
| Program Revenues | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | |
| Charges for services | | | | | | | | |
| General government | 923,274 | 1,192,230 | 1,333,553 | 1,540,428 | 1,243,305 | 1,085,982 | 941,266 | 955,251 |
| Judicial | 139,152 | 155,895 | 170,398 | 178,691 | 202,141 | 197,129 | 177,975 | 203,327 |
| Public safety | 439,651 | 472,693 | 451,241 | 378,439 | 369,360 | 404,246 | 399,964 | 417,964 |
| Public works | 89,424 | 129,899 | 238,655 | 573,640 | 376,899 | 178,005 | 169,841 | 28,521 |
| Culture and recreation | 216,228 | 232,072 | 254,889 | 308,335 | 276,771 | 286,047 | 323,269 | 317,452 |
| Other activities | 68,168 | 86,796 | 80,846 | 84,157 | 72,212 | 47,957 | 88,126 | 77,916 |
| 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 |
| 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 | <u>3,257,261</u> | <u>4,542,922</u> | <u>7,257,254</u> | <u>7,061,087</u> | <u>5,712,714</u> | <u>12,043,724</u> | <u>5,693,946</u> | <u>4,639,918</u> |
| <i>Business-type activities:</i> | | | | | | | | |
| Charges for services | | | | | | | | |
| Telephone | 17,620,445 | 17,774,825 | 17,024,606 | 15,491,858 | 15,312,192 | 14,620,235 | 14,367,316 | 12,603,429 |
| Wireless | 5,323,073 | 4,907,496 | 6,156,416 | 7,690,330 | 9,773,140 | 10,824,637 | 8,338,204 | 2,976,518 |
| Long Distance | 2,103,009 | 1,766,700 | 1,809,467 | 2,330,170 | 1,315,277 | 1,240,090 | 1,119,834 | 978,290 |
| Broadband | 232,183 | 688,923 | 617,321 | 663,218 | 1,965,755 | 2,123,518 | 2,540,951 | 2,717,321 |
| Waste Water (1) | - | - | - | - | 5,212,583 | 2,557,791 | 225,732 | 201,748 |
| Water Utility (1) | - | - | - | - | 2,760,811 | 1,163,622 | 331,686 | 272,385 |
| Operating grants and contributions | - | - | - | - | - | 689,688 | - | - |
| Capital grants and contributions | - | 725,000 | - | 2,494,563 | 4,765,816 | 7,604,534 | 557,373 | 1,624,242 |
| Total business-type activities program revenues | <u>25,278,710</u> | <u>25,862,944</u> | <u>25,607,810</u> | <u>28,670,139</u> | <u>41,105,574</u> | <u>40,824,115</u> | <u>27,481,096</u> | <u>21,373,933</u> |
| Total primary government program revenues | <u>\$ 28,535,971</u> | <u>\$ 30,405,866</u> | <u>\$ 32,865,064</u> | <u>\$ 35,731,226</u> | <u>\$ 46,818,288</u> | <u>\$ 52,867,839</u> | <u>\$ 33,175,042</u> | <u>\$ 26,013,851</u> |

(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 Eight Fiscal Years
(accrual basis of accounting)

Page 2 of 2

| Government activities | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|-----------------------|------------------------|-----------------------|-----------------------|----------------------|----------------------|------------------------|------------------------|
| Net (Expense)/Revenue | | | | | | | | |
| Government activities | \$ (14,291,531) | \$ (14,149,792) | \$ (12,724,487) | \$ (14,609,794) | \$ (17,449,343) | \$ (12,440,293) | \$ (21,893,690) | \$ (21,727,848) |
| 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 |
| Total primary government net expense | \$ (9,755,983) | \$ (10,980,359) | \$ (9,196,593) | \$ (9,627,357) | \$ (982,686) | \$ 3,248,147 | \$ (17,396,350) | \$ (18,885,626) |
| General Revenues and Other Changes in Net Assets | | | | | | | | |
| <i>Governmental activities:</i> | | | | | | | | |
| 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 |
| Franchise fees | 100,357 | 160,863 | 134,709 | 166,914 | 179,593 | 171,130 | 159,439 | 161,549 |
| 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 |
| Gaming licenses | 26,612 | 29,902 | 27,110 | 28,300 | 27,156 | 22,451 | 18,850 | 16,085 |
| AB104 fairshare | 891,290 | 978,651 | 1,095,451 | 1,241,371 | 1,179,848 | 1,093,539 | 1,059,969 | 998,130 |
| 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 |
| 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 |
| 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 |
| Delinquent tax penalties | 161,851 | 163,213 | 124,203 | 117,288 | 129,376 | 140,273 | 204,493 | 251,945 |
| Interest income | 195,779 | 177,714 | 363,816 | 870,566 | 1,166,080 | 996,366 | 517,326 | 180,530 |
| 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 |
| Transfers | 1,576,767 | 1,600,910 | 1,718,901 | 1,801,313 | 1,851,280 | (812,731) | 1,490,700 | 1,762,937 |
| Total governmental activities | 16,336,726 | 16,646,536 | 20,236,132 | 22,594,906 | 22,957,945 | 20,862,627 | 28,749,326 | 25,112,504 |
| <i>Business-type activities:</i> | | | | | | | | |
| Interest income | 118,270 | 79,794 | 150,095 | 238,576 | 339,420 | 414,903 | 222,339 | 112,684 |
| Gain on sale of assets | - | - | - | - | - | - | 810,043 | - |
| Miscellaneous income | - | - | 63,512 | 18,000 | 18,378 | 42,460 | 24,051 | 61,716 |
| Transfers | (1,576,767) | (1,600,910) | (1,718,901) | (1,801,313) | (1,851,280) | 812,731 | (1,490,700) | (1,762,937) |
| 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) |
| Total primary government | 14,878,229 | 15,125,420 | 18,730,838 | 21,050,169 | 21,464,463 | 22,132,721 | 28,315,059 | 23,523,967 |
| 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 |
| 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 |
| 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 |

(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)

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General Fund | | | | | | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 1,704,306 | 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 |
| Total general fund | 1,704,306 | 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 |
| All Other Governmental Funds | | | | | | | | | | |
| Reserved | 308,854 | 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 | 8,010,751 | 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 | 278,655 | 2,871 | 83,059 | 130,461 | 186,442 | 456,351 | 740,323 | 768,562 | 832,605 | 836,953 |
| Capital projects funds | 1,790,051 | 1,604,310 | 1,669,088 | 2,768,940 | 3,326,954 | 3,755,727 | 3,346,137 | 4,256,592 | 5,440,559 | 5,804,838 |
| Total all other governmental funds | 10,388,311 | 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 |
| Total governmental funds | \$ 12,092,617 | \$ 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 |

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 |
|-------------------------------|-----------|-------------------------|-------------------------------|-------------------------|-----------------------|-------------------------------|------------|
| 2001 | 4,926,646 | 355,822 | 8,883,199 | 659,210 | 289,376 | 2,957,294 | 18,071,547 |
| 2002 | 5,132,580 | 379,254 | 10,354,321 | 713,717 | 325,755 | 2,388,444 | 19,294,071 |
| 2003 | 5,708,390 | 399,855 | 10,031,125 | 865,389 | 398,637 | 2,349,901 | 19,753,297 |
| 2004 | 5,609,961 | 527,787 | 10,610,330 | 1,020,576 | 428,266 | 2,431,242 | 20,628,162 |
| 2005 | 6,071,418 | 736,126 | 11,924,721 | 1,144,284 | 380,590 | 2,822,223 | 23,079,362 |
| 2006 | 6,413,086 | 1,096,278 | 15,299,515 | 1,501,023 | 385,831 | 4,500,147 | 29,195,880 |
| 2007 | 6,847,938 | 840,656 | 14,291,694 | 1,179,522 | 376,078 | 4,491,991 | 28,027,879 |
| 2008 | 7,298,947 | 678,522 | 18,170,903 | 1,057,580 | 427,578 | 7,018,974 | 34,652,504 |
| 2009 | 8,723,657 | 443,523 | 14,132,906 | 1,309,647 | 463,247 | 8,577,825 | 33,650,805 |
| 2010 | 9,846,761 | 390,479 | 11,827,487 | 1,082,614 | 586,119 | 4,415,196 | 28,148,656 |

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 | |
| 2001 | 4,226,153 | 755,341 | 4,180,440 | 1,226,978 | 199,278 | 1,112,232 | 1,271,574 | 855,133 | 889,588 | 3,810,214 | 169,998 | 17,278 | 18,714,207 |
| 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 | 1,868,323 | 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 |

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

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Total revenues (S-5) | \$ 18,071,547 | \$ 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 |
| Total expenditures (S-6) | (18,714,207) | (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) |
| Excess of revenues over (under) expenditures | (642,660) | 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) |
| Other Financing Sources (Uses) | | | | | | | | | | |
| Proceeds - medium-term financing | 393,930 | - | 501,083 | - | 3,300,001 | 256,500 | - | - | - | - |
| Proceeds from capital lease | - | - | - | - | 97,025 | - | - | - | - | - |
| Principal received | 3,717 | - | - | - | - | - | - | - | - | - |
| Proceeds from sales | - | - | - | - | 5,511,000 | 14,762 | 668,654 | 53,020 | 1,109,683 | 2,455,750 |
| Transfer in | 1,293,271 | 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 |
| Transfer out | (1,293,271) | (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) |
| Total other financing sources (uses) | 397,647 | - | 501,083 | - | 8,908,026 | 271,262 | 668,654 | (2,696,980) | 609,683 | 4,218,687 |
| Net Change in fund balances | (245,013) | 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 |
| Debt service as a percentage of noncapital expenditures | 1.26% | 2.80% | 0.44% | 1.01% | 0.86% | 2.55% | 3.89% | 1.78% | 1.57% | 1.70% |

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 | | | | |
| 2001 | 332,929,739 | 62,134,376 | 270,795,363 | 70,990,294 | 239,415 | 70,750,879 | 341,546,242 | 975,846,406 | 35% | 0.9577 |
| 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 |

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> | | | | | Total | County Assessed Valuation |
|--------------------------------|---------------------------|----------------------------------|--------------------|-----------------------|--------------------------------|-------------------|--------|---------------------------------|
| | | Churchill Co. School District | State of Nevada | Mosquito Abatement | Carson Water Subconservancy | City of Fallon | | |
| 2000-01 | 0.9577 | 1.3700 | 0.1500 | 0.0600 | 0.0300 | 0.7837 | 3.3514 | 403,920,033 |
| 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 |

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 Nine Years Ago

| Taxpayer | Type of Business | Fiscal Year 2010 | | | 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 | Geothermal | 1 | \$ 198,115,543 | \$ 69,340,440 | 11.24% | | | | |
| Sierra Pacific Power Company | Utility | 2 | 75,411,634 | 26,394,072 | 4.28% | 1 | \$ 67,766,234 | \$ 23,718,182 | 6.89% |
| Terra-Gen Dixie Valley LLC (Caithness) | Geothermal | 3 | 56,856,286 | 19,899,700 | 3.23% | 2 | 55,438,657 | 19,403,530 | 5.63% |
| Ormat Nevada, Inc | Geothermal | 4 | 40,545,829 | 14,191,040 | 2.30% | 4 | 15,749,286 | 5,512,250 | 1.60% |
| Northrop Grumman | Base Contractor | 5 | 26,645,934 | 9,326,077 | 1.51% | | | | |
| Southwest Gas Corp | Utility | 6 | 23,472,260 | 8,215,291 | 1.33% | 3 | 20,849,094 | 7,297,183 | 2.12% |
| Rocket Drill Co, LLC -Vulcan | Geothermal | 7 | 21,659,137 | 7,580,698 | 1.23% | | | | |
| Wal Mart Stores | Retail | 8 | 19,106,649 | 6,687,327 | 1.08% | | | | |
| Union Pacific System | Railroad | 9 | 17,342,694 | 6,069,943 | 0.98% | 5 | 11,054,406 | 3,869,042 | 1.12% |
| AT&T Communications, Inc. | Communications | 10 | 15,649,646 | 5,477,376 | 0.89% | 8 | 6,883,831 | 2,409,341 | 0.70% |
| 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 implemented GASB 34 in Fiscal Year 2003, which requires the Government-wide Statement of Activities.

CHURCHILL COUNTY, NEVADA

Property Tax Collections

Last Ten Fiscal Years

| <u>Fiscal Year Ending June 30,</u> | <u>Total Tax Levy</u> | <u>Current Tax Collections</u> | <u>Percentage of Current Tax Collected</u> | <u>Delinquent Tax Collections</u> | <u>Total Tax Collection</u> | <u>Total Tax Collections to Total Tax Levy</u> | <u>Outstanding Delinquent Taxes</u> | <u>Ratio of Delinquent Taxes to Total Tax Levy</u> |
|--|---------------------------|------------------------------------|--|---------------------------------------|---------------------------------|--|---|--|
| 2001 | 8,160,947 | 7,926,072 | 97.122% | 234,875 | 8,160,947 | 100.000% | - | 0.000% |
| 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% |

Source: Churchill County Clerk/Treasurer's Office

CHURCHILL COUNTY, NEVADA

Taxable Sales by Category

Last Ten Fiscal Years

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Wholesale trade - durable goods | \$ 7,835,817 | \$ 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 |
| Building merchandise, hardware | 17,792,294 | 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 |
| General merchandise stores | 36,979,951 | 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 |
| Food stores(1) | 12,050,635 | 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 |
| Automotive dealers & gasoline | 44,440,309 | 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 |
| Home furniture & fixtures | 7,442,088 | 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 |
| Eating and drinking places | 19,599,442 | 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 |
| Miscellaneous retail | 19,767,961 | 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 |
| Business services | 7,926,607 | 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 |
| Automotive repairs & services | 6,705,802 | 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 |
| All other categories | 32,464,888 | 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 |
| Total | \$213,005,794 | \$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 |
| 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% | 0.00% | 0.25% | 0.25% | 0.25% | 0.25% | 0.25% |
| | 2.75% | 2.75% | 2.75% | 2.75% | 2.75% | 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 | | | |
| 2001 | 89,375 | 80,623 | - | - | 4,320,791 | - | 4,490,789 | 0.70% | 180.15 |
| 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 | Unavailable | 286.09 |
| 2010 | - | 43,693 | 1,537,701 | 1,251,741 | - | 4,386,804 | 7,219,939 | 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 | | |
| 2001 | 169,998 | 278,655 | (108,657) | -0.03% | (4.36) |
| 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% | 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 2010

| | |
|------------------------------------|------------------------------|
| Assessed Value | \$ 790,819,558 |
| Debt limit (15% of assessed value) | 118,622,934 |
| Debt applicable to limit: | |
| General obligation debt | 1,581,394 |
| CC Communications debt | 1,251,741 |
| Utility Bond Debt | <u>4,386,804</u> |
| Total debt applicable to limit | <u>7,219,939</u> |
| Legal debt margin | <u><u>\$ 111,402,995</u></u> |

| | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| Debt limit | \$ 60,588,005 | \$ 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 |
| Total debt applicable to limit | 4,490,789 | 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 |
| Legal debt margin | \$ 56,097,216 | \$ 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 |
| Total debt applicable to the limit as a percentage of debt limit | 7.41% | 6.02% | 6.73% | 7.81% | 11.33% | 14.28% | 10.97% | 7.88% | 7.06% | 6.09% |

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, 2010

| <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 | \$ 1,374,695,000 | 6.1% | \$ 83,377,270 |
| City of Fallon | 14,206,146 | 100.0% | 14,206,146 |
| Churchill County School District | 19,683,016 | 100.0% | <u>19,683,016</u> |
| Subtotal, overlapping debt | | | 117,266,432 |
| County direct debt (S-13) | | | <u>1,581,394</u> |
| Total direct and overlapping debt | | | <u><u>\$ 118,847,826</u></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 |
| 2001 | 17,517,144 | 13,938,233 | 3,578,911 | 576,554 | 196,510 | 4.63 |
| 2002 | 19,624,555 | 14,455,354 | 5,169,201 | 614,516 | 201,686 | 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 |

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> |
|---------------------------------------|-----------------------|-------------------------------|---|----------------------------------|----------------------------------|
| 2001 | 24,928 | 642,315,000 | 26,247 | 4,678 | 8.6% |
| 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 | Unavailable | Unavailable | 4,352 | 8.7% |
| 2010 | Unavailable | Unavailable | Unavailable | 4,206 | 11.4% |

(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 Nine Years Ago

| 2010 | | | | | 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 | 1,124 | 9.44% | 1 | NAS-Fallon Military Personnel | U.S. Navy | 1,164 | 15.07% |
| 2 | Churchill County School District | Education | 600 to 699 | 5.46% | 2 | Churchill County School District | Education | 561 | 7.26% |
| 3 | Banner Churchill Community Hospital | Health Care | 300 to 399 | 2.94% | 3 | Day & Zimmerman | Various | 423 | 5.48% |
| 4 | Wal-Mart Supercenter | Retail | 200 to 299 | 2.10% | 4 | NAS-Fallon - Civil Service | Various | 377 | 4.88% |
| 5 | Churchill County | Local Government | 200 to 299 | 2.10% | 5 | SMI Joist | Manufacturing | 325 | 4.21% |
| 6 | L-3 Comm/Vertex Aerospace, LCC | Aviation | 200 to 299 | 2.10% | 6 | Boeing Aerospace | Aviation | 280 | 3.62% |
| 7 | Department of Defense | Federal Government | 200 to 299 | 2.10% | 7 | Churchill Community Hospital | Health Care | 280 | 3.62% |
| 8 | A & K Earthmovers | Construction | 100 to 199 | 1.26% | 8 | Non-appropriated Fund Instrumentality (NAFI) | Retail | 240 | 3.11% |
| 9 | Chugach Support Services, Inc. | Various | 100 to 199 | 1.26% | 9 | Wal-Mart | Retail | 190 | 2.46% |
| 10 | Del-Jen Inc. | Various | 100 to 199 | 1.26% | 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 implemented GASB 34 in Fiscal Year 2003, which requires the Government-wide Statement of Activities.

CHURCHILL COUNTY, NEVADA
Property Value and Construction
June 30, 2010

| Fiscal Year Ended June 30, | Commercial Construction | | Residential Construction | |
|----------------------------------|-------------------------|------------|--------------------------|------------|
| | Number of Permits | Value | Number of Permits | Value |
| 2001 | 30 | 5,629,670 | 134 | 10,268,561 |
| 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 |

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, 2010

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

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 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-----------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Commissioners | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Clerk/Treasurer | 8 | 8 | 9 | 9 | 9 | 8 | 8 | 8 | 9 | 9 |
| Recorder | 3 | 3 | 3 | 3 | 3 | 3 | 4 | 3 | 3 | 3 |
| Assessor | 7 | 7 | 7 | 7 | 8 | 9 | 8 | 8 | 8 | 8 |
| County Manager | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Facilities & Grounds | 3 | 5 | 5 | 5 | 5 | 5 | 6 | 6 | 7 | 7 |
| Human Resources | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Comptroller | 4 | 4 | 4 | 4 | 4 | 4 | 5 | 4 | 4 | 4 |
| Sheriff | 44 | 43 | 44 | 44 | 44 | 44 | 47 | 47 | 49 | 48 |
| Fire | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Emergency Management | - | - | - | - | - | - | - | - | 1 | 1 |
| District Court | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| District Attorney | 17 | 17 | 17 | 18 | 19 | 18 | 19 | 18 | 21 | 21 |
| Justice Court | 5 | 5 | 5 | 5 | 5 | 6 | 7 | 6 | 6 | 6 |
| Juvenile Probation | 9 | 8 | 10 | 11 | 12 | 14 | 12 | 11 | 10 | 10 |
| Court Services | - | - | - | - | - | - | - | - | - | 2 |
| Parks & Recreation | 17 | 17 | 16 | 16 | 15 | 15 | 16 | 19 | 19 | 19 |
| Museum | 10 | 10 | 10 | 9 | 9 | 10 | 5 | 5 | 5 | 5 |
| Building | - | - | - | - | 2 | 3 | 3 | 3 | 3 | 2 |
| Planning | 6 | 7 | 7 | 8 | 7 | 7 | 6 | 7 | 7 | 7 |
| Cemetery | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 2 | 3 | 3 |
| Water Resource | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Welfare | 5 | 5 | 5 | 5 | 4 | 4 | 2 | 3 | 3 | 5 |
| Road | 20 | 20 | 20 | 17 | 17 | 16 | 17 | 15 | 15 | 17 |
| Cooperative Extension | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 |
| Library | 8 | 8 | 8 | 7 | 7 | 6 | 7 | 7 | 7 | 7 |
| CC Communications | 100 | 100 | 102 | 105 | 107 | 105 | 96 | 97 | 83 | 77 |
| Total FTE | 280 | 281 | 286 | 287 | 291 | 290 | 281 | 280 | 274 | 273 |

Source: Churchill County Comptroller's Office

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

| Department/Program | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Museum | | | | | | | | | | |
| Number of visitors | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 12,000 | 10,000 | 10,582 | 11,627 | 8,624 |
| Items in collection | NA | NA | NA | NA | 47,752 | 50,000 | 48,588 | 50,500 | 53,145 | 54,000 |
| Bus tours | 66 | 57 | 56 | 48 | 26 | 61 | 69 | 50 | 56 | 36 |
| Public Library | | | | | | | | | | |
| Items owned by library | 71,629 | 88,387 | 92,613 | 91,312 | 93,855 | 101,445 | 101,300 | 101,931 | 103,676 | 103,647 |
| Circulation | 145,156 | 149,684 | 154,911 | 168,603 | 159,914 | 169,903 | 168,878 | 170,137 | 173,578 | 177,862 |
| Justice Court | | | | | | | | | | |
| Criminal filings | 3,626 | 3,503 | 4,556 | 6,283 | 6,380 | 5,615 | 4,932 | 4,344 | 4,717 | 4,923 |
| Civil filings | 1,036 | 1,078 | 1,065 | 1,185 | 1,371 | 1,624 | 1,488 | 1,655 | 1,305 | 1,254 |
| Parks & Recreation | | | | | | | | | | |
| Programs/Events | 37 | 32 | 34 | 33 | 35 | 30 | 68 | 35 | 35 | 37 |
| Event attendance | 5,000 | 5,761 | 8,120 | 7,008 | 8,638 | 8,145 | 3,795 | 7,823 | 7,833 | 7,276 |
| Fairground attendance | 73,000 | 71,850 | 80,000 | 84,000 | 72,346 | 70,597 | 82,702 | 96,502 | 84,285 | 89,883 |
| Fairground event days | 212 | 222 | 221 | 234 | 207 | 178 | 149 | 177 | 186 | 197 |
| Cemetery | | | | | | | | | | |
| Full burials | 52 | 64 | 65 | 55 | 45 | 55 | 50 | 49 | 42 | 42 |
| Cremations | 33 | 31 | 47 | 47 | 33 | 41 | 37 | 52 | 39 | 42 |
| Sheriff | | | | | | | | | | |
| Reports by patrol | 8,314 | 8,244 | 9,802 | 11,468 | 11,467 | 12,477 | 16,127 | 19,102 | 17,715 | 15,446 |
| Civil papers received | 4,363 | 4,147 | 4,222 | 4,541 | 4,858 | 6,122 | 4,168 | 4,879 | 4,227 | 3,744 |
| Average inmate population | 46.41 | 49.20 | 44.27 | 40.32 | 44.40 | 48.23 | 52.00 | 44.50 | 45.00 | 42.50 |
| Fire | | | | | | | | | | |
| Rescue calls | 9 | 17 | 15 | 12 | 16 | 18 | 7 | 10 | 11 | 17 |
| Fire calls | 157 | 174 | 133 | 147 | 129 | 220 | 363 | 230 | 185 | 181 |
| CC Communications (1) | | | | | | | | | | |
| Subscriber lines | 14,939 | 14,318 | 13,886 | 13,509 | 13,397 | 12,849 | 12,249 | 12,082 | 11,423 | 10,507 |

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 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 |
|--|-------|-------|-------|-------|-------|----------|----------|----------|----------|----------|
| <u>Public safety</u> | | | | | | | | | | |
| Sheriff | | | | | | | | | | |
| Office locations | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Vehicles | 14 | 17 | 19 | 14 | 19 | 18 | 24 | 19 | 18 | 19 |
| All-terrain vehicles | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Command trailer | - | - | - | 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) | 140.4 | 144.0 | 146.4 | 165.4 | 166.9 | 170.8 | 186.12 | 193.69 | 194.4 | 194.4 |
| Unpaved roads (miles) | 402.6 | 402.6 | 402.6 | 402.6 | 402.6 | 321.89 | 275.01 | 273.49 | 273.49 | 273.49 |
| Major bridges (over 26 feet) | 19 | 20 | 20 | 20 | 21 | 21 | 21 | 21 | 21 | 21 |
| <u>Culture and recreation</u> | | | | | | | | | | |
| Library | | | | | | | | | | |
| Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 |
| Museum | | | | | | | | | | |
| Building | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Parks and Recreation | | | | | | | | | | |
| Acreage (2) | 108 | 108 | 108 | 108 | 108 | 1,134.19 | 1,136.45 | 1,136.45 | 1,136.45 | 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 | 28 | 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 |
| <u>Water utility</u> | | | | | | | | | | |
| Maximum daily capacity (thousands of gallons) | - | - | - | - | - | - | - | 1650 | 1650 | 1650 |
| <u>Waste water utility</u> | | | | | | | | | | |
| Maximum daily capacity (thousands of gallons) | - | - | - | - | - | - | 345 | 345 | 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



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

**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, 2010, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 30, 2010. 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.

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 an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding 10-1.

We noted certain matters that we reported to the management of Churchill County in a separate letter dated November 30, 2010.

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

This report is intended solely for the information and use of management, Board of Commissioners, 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.

Fallon, Nevada
November 30, 2010



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

**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, 2010. 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 program 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, 2010. However, the results of our auditing procedures disclosed an instance of non-compliance with those requirements, which is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as finding 10-1.

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, 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 a deficiency in internal control over compliance that we

consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as finding 10-1. 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 response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on the response.

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.

Kajoury, Armstrong & Co.

Fallon, Nevada
November 30, 2010

CHURCHILL COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
 (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 Housing and Urban Development:</u> | | | |
| Direct Program: | | | |
| Shelter Plus Care | 14.238 | NV01B702003 | \$ 53,647 |
| Passed through State of Nevada: | | | |
| Commission on Economic Development | | | |
| CDGB - State-Administered Small Cities Program Cluster | | | |
| CDBG - Community Assessment | 14.228 | CDBG/09/PCB/002 | 8,790 |
| CDBG - Oasis MHP Wastewater Project | 14.228 | CDBG/09/PF/001 | 97,500 |
| CDBG - AED Safety Program | 14.228 | CDBG/09/PS/025 | 21,860 |
| CDBG - ADA Accessibility Project | 14.228 | CDBG/08/AD/001 | 139,650 |
| | | | <u>267,800</u> |
| State Housing Division: | | | |
| Emergency Shelter Grants Program | 14.231 | PATHI | 17,087 |
| Department of Business and Industry - Housing Division: | | | |
| ARRA Homeless Prevention and Rapid Re-Housing Program | 14.257 | CSBG-Community Action-DETR ARRA | 11,192 |
| Total Department of Housing and Urban Development | | | <u>349,726</u> |
| <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 | 202,233 |
| <u>Department of Justice:</u> | | | |
| Passed through State of Nevada: | | | |
| Department of Health and Human Services: | | | |
| Division of Child and Family Services: | | | |
| OJJDP - CCBC - RAFT Grant | 16.540 | CCPBG SYF 09/10 | 48,429 |
| Department of Public Safety: | | | |
| Public Safety Partnership and Community Policing Grants | 16.710 | 08-METH-03 | 45,890 |
| ARRA OCJA Justice Assistance | 16.803 | 09-ARRA-05 | 74,136 |
| Direct Program: | | | |
| Bureau of Justice Assistance: | | | |
| State Criminal Alien Assistance Program (SCAAP) | 16.606 | 2009-G5965-NV-AP | 7,446 |
| ARRA SO JAG Equipmnet | 16.804 | 2009-SB-B9-1895 | 25,359 |
| Total Department of Justice | | | <u>201,260</u> |
| <u>Department of Labor:</u> | | | |
| WIA Cluster: | | | |
| Passed through State of Nevada: | | | |
| Nevada Works Summer Employment | | | |
| WIA Youth Activities | 17.259 | YIA-09-CCJPO | 71,491 |
| ARRA WIA Youth Activities | 17.259 | YIA-09-CCJPO | 60,056 |
| Department of Employment, Training, and Rehabilitation: | | | |
| ARRA Governor's Reserve | 17.259 | PY 09-GR/ARRA(08)- DHHSChurchill | 22,820 |
| | | | <u>154,367</u> |

CHURCHILL COUNTY, NEVADA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010
(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 Nonurbanized Area Formula Program: | | | |
| Area 49 USC 5311 | 20.509 | NV-18-X026 PR410-09-802 | \$ 111,514 |
| ARRA Area 49 USC 5311 | 20.509 | NV-86-X001 PR409-09-802 | 19,326 |
| ARRA Area 49 USC 5311 - vehicles | 20.509 | NV-86-X001 PR429-09-802 | 116,013 |
| | | | <u>246,853</u> |
| Transit Services Programs Cluster: | | | |
| Capital Assistance Program for Elderly and Persons With Disabilities Program | 20.513 | NV-16-0034 PR295-08-802 | 109,300 |
| | | | <u>356,153</u> |
| <u>Environmental Protection Agency:</u> | | | |
| Passed through State of Nevada: | | | |
| Department of Environmental Protection: | | | |
| ARRA Capitalization Grant for Clean Water State Revolving Fund | 66.458 | CS32-092855 | 1,624,242 |
| <u>Department of Energy:</u> | | | |
| Direct Program: | | | |
| Nuclear Waste Disposal Siting | 81.065 | 89-5227-0-2-271 | 271,497 |
| ARRA Energy Efficiency and Conservation Block Grant | 81.128 | DE-RW00C0169 | 104,900 |
| | | | <u>376,397</u> |
| <u>Department of Health and Human Services:</u> | | | |
| Passed through State of Nevada: | | | |
| Nevada State Welfare Division: | | | |
| Title IV-D Child Support Enforcement | 93.563 | T81032440F | 329,900 |
| Title IV-D Child Support Enforcement, Incentive | 93.563 | T81032440F | 52,151 |
| | | | <u>382,051</u> |
| Department of Health and Human Services: | | | |
| CSBG Cluster: | | | |
| CSBG, Discretionary | 93.569 | T81032440-Community Action | 98,941 |
| CSBG, Emergency Assistance | 93.569 | T81032440-Community Action | 92,817 |
| ARRA CSBG, Employment | 93.710 | T81032440-CSBG-Employment | 55,436 |
| | | | <u>247,194</u> |
| | | | <u>629,245</u> |
| <u>Department of Homeland Security:</u> | | | |
| Direct Program: | | | |
| Emergency Food and Shelter Program Cluster: | | | |
| ARRA Emergency Food and Shelter National Board Program | 97.024 | LRO ID: 586500-022 | 14,946 |
| Passed through State of Nevada: | | | |
| Department of Motor Vehicles and Public Safety: | | | |
| Division of Emergency Management: | | | |
| Emergency Management Performance | 97.042 | 9704210 | 28,743 |
| Homeland Security Grant Program | 97.067 | 97067HLS | 16,071 |
| SERC - Equipment | 97.055 | 10-SERC-02-01 | 42,856 |
| | | | <u>102,616</u> |
| Total Department of Homeland Security | | | <u>102,616</u> |
| Total Expenditures of Federal Awards | | | <u>\$ 3,996,239</u> |

See accompanying notes.

CHURCHILL COUNTY, NEVADA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2010

A. REPORTING ENTITY:

The accompanying schedule of expenditures of federal awards presents the expenditure activity of all federal awards programs of Churchill County, Nevada, ("the County"), for the year ended June 30, 2010. 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 | \$ 1,074,025 |
| Water Resource Fund | 202,233 |
| Other Governmental Funds: | |
| Social Service Fund | 990,839 |
| Building Reserve Fund | 104,900 |
| Business-Type Activities: | |
| Major Business-Type Funds: | |
| Waste Water Enterprise Fund | <u>1,624,242</u> |
| | <u><u>3,996,239</u></u> |

D. SUBRECIPIENTS:

All grants from the Department of Transportation are passed through to Churchill County Senior Citizens.

**CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010**

A. SUMMARY OF AUDIT RESULTS:

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Churchill County, Nevada for the year ended June 30, 2010.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Churchill County, Nevada were disclosed during the audit.
4. The audit disclosed a significant deficiency in internal control over the major programs that was not considered to be a material weakness.
5. The auditor's report on compliance with the requirements applicable to each major federal award program for Churchill County, Nevada expresses an unqualified opinion.
6. An audit finding required to be reported in accordance with Section 510(a) of OMB Circular A-133 is reported in Part C of this Schedule.
7. The programs tested as major programs were:

Formula Grants for Nonurbanized Area Formula Program, CFDA 20.509
Capitalization Grant for Clean Water State Revolving Fund, CFDA 66.458
Title IV-D Child Support Enforcement, CFDA 93.563
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Churchill County, Nevada was not determined to be a low-risk auditee.

B: FINDINGS – FINANCIAL STATEMENT AUDIT:

None.

C: FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT:

Finding 10-1:

Grant award number: Department of Health and Human Services, passed through the State of Nevada, Title IV-D 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.

CHURCHILL COUNTY, NEVADA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2010

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.

Client response: Policies and procedures are being developed to prepare a cost allocation plan to be reviewed and approved by the State of Nevada Child Support Enforcement. The plan will be audited and updated periodically to ensure that costs are reasonable, allocable and determined in accordance with generally accepted accounting principles. Furthermore, the Comptroller's Office will work with the State to determine if any repayment is required.

**CHURCHILL COUNTY, NEVADA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2010**

Finding 09-1:

Grant award number: Title IV-D Child Support, CFDA 93.563

Condition: Requests for reimbursement for one part-time employee's wages are done at a flat ten percent (10%) with no personnel activity reports to support the percentage of time spent on the Program by the employee.

Criteria: Per Circular A-87, personnel activity reports must be kept by all employees that work on more than one activity.

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

Effect: Requests for reimbursement of funds expended are being requested for expenditures that do not have the proper supporting documentation.

Cause: Erroneous indirect cost principle was being applied to the wages of one part-time employee.

Recommendation: Have all indirect employees complete personnel activity reports.

Client response: The District Attorney's office will have all personnel, including student interns, complete time sheets to support all time spent on child support activities.

Current status: Time sheets were found for all employees tested in the current year.

Finding 09-2:

Grant award number: Title IV-D Child Support 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 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: Errors in the monthly requests were found in the current year. See finding 10-1.



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

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 reserved fund balances/restricted net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2010 (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, 2010 (except as noted under statute compliance),
- 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.

Fallon, Nevada
November 30, 2010

**CHURCHILL COUNTY, NEVADA
 SCHEDULE OF FEES IMPOSED SUBJECT TO THE
 PROVISIONS OF NRS 354.5989
 LIMITATION OF FEES FOR BUSINESS LICENSES
 FOR THE YEAR ENDED JUNE 30, 2010**

Flat Fixed Fees:

| | |
|------------------------------|-----------|
| Adjusted base, June 30, 2009 | \$ 73,040 |
|------------------------------|-----------|

Adjustment to Base:

Base year

- | | | | | |
|----|---|---------|------|--|
| 1. | Percentage increase in population of the local government. | (.77) % | | |
| 2. | Percentage increase in Consumer Price index for the year ending on December 31 next preceding year for which the limit is being calculated. | 1.10 % | .33% | |

241

| | |
|------------------------------|--------|
| Adjusted base, June 30, 2010 | 73,281 |
|------------------------------|--------|

| | |
|--|--------|
| Actual business license revenue, 2009-10 | 62,887 |
|--|--------|

| | |
|--|-------------|
| Amount over (under) adjusted base amount | \$ (10,394) |
|--|-------------|

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 in three instances. Although attempts were made to monitor expenditures during the year, expenditures/expenses in excess of budget were again noted in eight instances as disclosed in Note 2 to the financial statements.

PRIOR YEAR'S AUDIT RECOMMENDATIONS

We identified compliance weaknesses that were reported as significant deficiencies. The current status of these findings can be found on the Summary Schedule of Prior Audit Findings.

CURRENT YEAR'S AUDIT RECOMMENDATIONS

Our audit disclosed no recommendations for the current year.

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 \$87,324 worth of expenditures for the function of intergovernmental.

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.