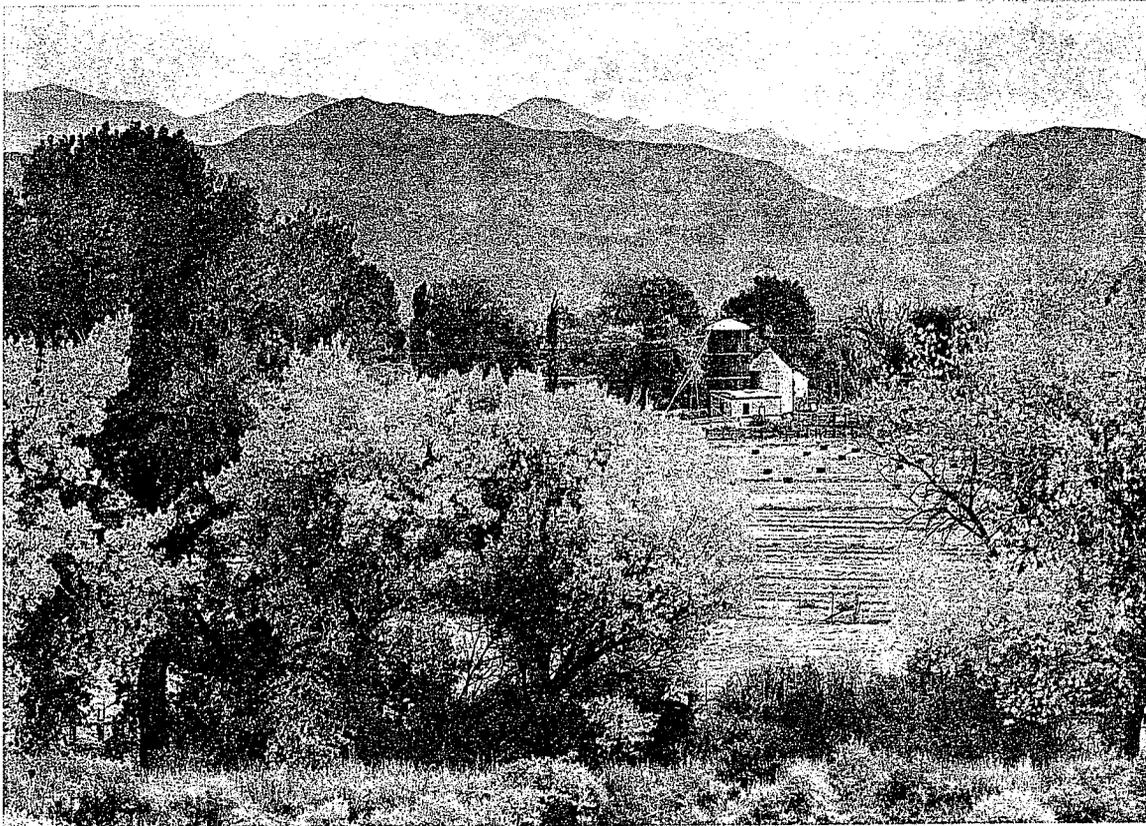


# CHURCHILL COUNTY, NEVADA



*By Kim Lamb*

## Comprehensive Annual Financial Report

*Year Ended June 30, 2006*

**CHURCHILL COUNTY, NEVADA**  
**COMPREHENSIVE ANNUAL**  
**FINANCIAL REPORT**  
**FISCAL YEAR ENDED JUNE 30, 2006**

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CHURCHILL COUNTY, NEVADA  
JUNE 30, 2006

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# Churchill County Comptroller

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January 26, 2007

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, 2006.

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 activity have been included.

This report contains a comprehensive analysis of the County's financial position and activities for the fiscal year. This report is presented in four sections:

- Introductory Section, which contains this transmittal letter, listing of County Officials and an Organizational Chart and Certificate of Achievement for Excellence in Financial Reporting;
- Financial Section, which consists of the independent auditor's report, the Management Discussion and Analysis, the basic financial statements, including the notes to the financial statements, and more detailed combining and individual fund statements and schedules;
- Statistical Section, which contains financial, demographic, and general information, generally presented for multiple years; and
- Compliance Section, which contains independent auditor's reports on compliance with laws and regulations and internal control and, which, contains Schedules of Expenditures of Federal Awards and Business License Fees.

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.

The County provides for the health, safety and welfare of its citizens through many programs. Programs for health and welfare include immunization, cancer screening and flu vaccinations at the Community Health Nurse Office, Project Food providing supplemental groceries, one-time assistance with utility bills and transportation through the social services department. Planning, zoning and building permits, tax assessment and collections, and general governmental services are also provided by the County. The County also provides for new construction and maintenance on various streets and highways, builds and maintains parks, maintains a public cemetery, operates both a library and 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, three major special revenue funds, 27 non-major special revenue funds, four major proprietary funds, two non-major proprietary funds, four non-major capital projects funds, one debt service fund, one investment trust fund, and 16 agency funds.

#### Local Economic Condition and Outlook

Churchill County's most recent population as certified by the Governor on February 15, 2006 as of July 1, 2005 is 26,585. This reflects a 1.8% increase over the prior year population of 26,106. The city of Fallon's population is 8,339 compared to the prior year of 8,398. Our citizens enjoy a unique rural lifestyle with modern services being provided. After several years of a slowing economy, which seems to have bottomed-out in the 2001 fiscal year, taxable sales have increased. In the year just ended, taxable sales demonstrated a significant increase from \$279.1 million to \$324.6 million. This increase represents an overall increase of 16.31%.

#### TAXABLE SALES

Fiscal Year Ended	Taxable Sales		Prior Year Change	Percentage Change
6/30				
1999	\$	220,504,520	\$ -	-
2000		222,296,949	1,792,429	0.81%
2001		213,005,794	(9,291,155)	-4.18%
2002		220,679,253	7,673,459	3.60%
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%

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 and food stores down approximately \$1,073,495 or 1.4%. Increases were noted in the remaining top eight business codes: wholesale trade-durable goods, general merchandise stores, automotive repairs, eating and drinking establishments, building materials and hardware, business services, home furniture and furnishings, business services, miscellaneous retail and automotive repairs. These increases accounted for over \$44.5M increase or 16.31% increase in these business classes. Higher interest rates for automobiles and big ticket items hampered taxable sales for these items. The development of new geothermal resources contributed to increases in the manufacturing and engineering components of taxable sales. Commercial developments in the community included the build out of a Super Wal-Mart, Walgreens, and a regional bank. These industrial and commercial developments contributed to one time collection of sales tax. This type of development is not anticipated to be sustained in subsequent periods. The real estate economy and housing starts increased during the year ended June 30, 2006. 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 three 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 county received a modest increase in distributions of CTX over the prior year in response to growing population and sales tax revenues. The CTX is apportioned based on statutory formula and the breakdown is as follows for fiscal year 2005-2006: County 75.19%, City of Fallon 21.90%, Carson-Truckee Water Conservancy 0.09% and Churchill Mosquito and Weed Abatement 2.83%. The CTX revenue was \$9,261,307, compared to \$7,948,888 in the prior year, which was an increase of \$1,312,419 or 16.5%. This is a record level for CTX. It exceeds the previous high in the prior fiscal year.

### CONSOLIDATED TAX DISTRIBUTION

Fiscal Year	BCCRT	SCCRT	Cigarette Tax	Liquor Tax	RPTT	MVPT	Total	% Change
1999	\$ 1,115,761	\$ 3,515,914	\$ 219,942	\$ 29,814	\$ 81,704	\$ 740,720	\$ 5,703,855	-
2000	1,142,095	3,627,378	213,232	31,291	69,690	981,230	6,064,916	6.33%
2001	1,149,677	3,625,670	219,515	30,990	68,212	945,293	6,039,357	-0.42%
2002	1,122,700	3,517,110	195,194	28,713	74,769	1,062,105	6,000,591	-0.64%
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%

The overall increase in the CTX distribution is primarily a result of sales tax based collections (BCCRT and SCCRT) being up approximately \$1,109,558 or 17.95%. In addition, the Real Property Transfer Tax (RPTT) increased \$92,228 or 37.15% due to an improved local real estate market. This increase is due in part to higher home values and greater real estate development due to favorable real estate market and development of county utilities. The increase in Motor Vehicle Privilege Tax (MVPT) of \$113,434 or 8.64% is due to the related increase in autos values and sales. MVPT is based on the vehicle value at registration or renewal of vehicle license plates. 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, Library, Parks and Recreation, Compensated Absence, Road, Water Resources, Building Reserve and Extraordinary Repairs and Maintenance funds.

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
1999	\$ 396,478,377	\$ 1,058,509,649	-
2000	398,226,147	1,126,360,420	0.44%
2001	403,920,033	1,143,200,094	1.43%
2002	409,762,377	1,161,606,791	1.45%
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%

Individual residential construction in the county continued with 264 new single-family dwelling building permits issued during the period of July 1, 2005 to June 30, 2006, at a value of \$28,651,637, an increase from the prior year of \$4,253,775. Commercial building permits issued were valued at \$3,302,870 during the year, which was down from the prior year's pace of \$14,744,769. There has been an upswing in assessed values as the assessment

replacement factors have increased as well as significant increases in land values leading to the housing market price appreciation.

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. In spite of a tax rate reduction, most taxpayers continued to see their assessments increase by the cap amount due to increase in assessed values. Their abated amount was reduced in accordance with state statutes.

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 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Budget 2007
Churchill County	1.0304	1.1006	1.1031	1.1150	1.1250	1.1250
C.C. School District	1.3700	1.3700	1.3700	1.3700	1.3700	1.3500
State of Nevada	0.1500	0.1500	0.1700	0.1700	0.1700	0.1700
Mosquito Abatement	0.0720	0.0800	0.0800	0.0800	0.0800	0.0800
Total (Excluding City Rate)	2.6224	2.7006	2.7231	2.7350	2.7450	2.7250
Percentage Increase (Decrease)	-	2.98%	0.83%	0.44%	0.37%	-0.73%

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 not been fully funded at \$.75 per acre. 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 \$1,230,360. It was apportioned to the following funds: General Fund, Road, Cooperative Extension, Library, Parks and Recreation, Compensated Absence, Water Resources and Building Reserve Funds.

MAJOR INITIATIVES

In preparing the 2006 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 Project Food 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 receive a greater amount of nutritious food into their households. Each month, an average of 70

families participates in this program. Participants volunteer at least 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 packages 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.

#### Transitional Housing

In 2003, Churchill County Social Services began serving homeless residents through the transitional housing program that is designed to assist individual 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. As of June 30, 2006, the program was operating at full capacity, (eleven families and 26 individuals). Many significant achievements have been completed including individuals obtaining a GED, starting a local moving company and another taking classes at the local community college. Two families have completed this program and have become 100% self-sufficient.

The short-term transitional housing program which is an intensive stabilization program that assists families or individuals for up to fourteen days in a motel room with housing counseling has assisted seven families since July 1, 2006. The families and individuals have maintained safe adequate housing for a minimum of 60 days, through short and long-term enhancement plans.

In January 2006, a new housing program was put into effect. Through new funds received through Western Nevada Housing Consortium two families every six months will receive reduced rents and housing counseling to better stabilize their housing situations. Through collaborations with in the community the families and individuals will learn how to address and avoid situations in the future that put them in a homeless or an at risk homeless situation.

#### 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 WNRYP 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.

#### Mario G. Recanzone Summer School Program

The Juvenile probation office has operated a successful summer school program since 1991. The 2006 Mario G. Recanzone Summer School Program had the highest number of enrollments in its fifteen year history with 165 students. Students earned high school credits in physical education, U.S. history, American government, English literature, English grammar, world history, modern biology, wilderness physical education, wilderness life skills, living on your own, living on your own lab, and creative expression.

In the fifteen years that the Churchill County Juvenile Probation Department has sponsored a summer school program, 1,616 students have completed the program and have earned 1,957 credits. Forty seven students have been awarded their high school diplomas and two students have been awarded Certificates of Attendance upon their completion of summer school.

The program was funded by the Churchill County School District, the Churchill Community Coalition and the Juvenile Probation Department's budget. In 2006, the Nevada Taxpayer's Association awarded the program the coveted Cashman Good Government Award for the state of Nevada.

#### Wilderness Program

In 2006, the Churchill County Juvenile Probation Department was awarded \$40,000 through the Churchill Community Coalition for the Leadership and Resiliency Program (LRP) which included an additional \$20,000 to incorporate a Youth Summer Employment Program. The LRP program is a model program that has undergone scientific evaluation that has proven it to be effective in reducing delinquent behavior. LRP is operated twice a year, each program being conducted for six months. The components of the Youth Summer Employment Program included 20 hours of employability skills training and a 150 hour aid work experience within the community. Many local businesses participated in the program.

#### Methamphetamine Prevention Program

As a Churchill Community Coalition member, Churchill County participated in a number of methamphetamine prevention forums for the community at large. The Juvenile Probation department conducted prevention classes for junior high and high school students.

#### 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 fund raisers for the building project and currently has over \$300,000 in the Library Gift and Donation Fund for the fiscal year ending June 30, 2006. 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.

#### County Museum Expansion

The Churchill County Museum in connection with the Museum Association has completed some building improvements to the main room and heating and cooling system in the addition. The Children's Discovery Room with twelve hands-on activity centers are being 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. Program expansions included "Senior College" which includes a history field trip to Fort Churchill State Park and Lahontan Dam, Teacher's In-service, publication of In Focus Volume #10 relating to ranching and rodeos, and over 1,500 new objects donated to the Museum.

#### Soda Lake Park Acquisition

Churchill County Parks and Recreation department orchestrated the purchase and the initial development of the Soda Lake area park. The land was acquired with funding from the State's Question One Open Space Grant Funding. This large park site will become a major recreational resource for the community as planning is underway for equestrian and hiking trails, fishing access, interpretive sites and wildlife habitat protection.

#### Desert and Community Clean-up Efforts

The County's Code Compliance Officer has been working with citizen volunteers and the U.S. Navy in an organized clean-up program to rid our public lands of trash and garbage. The program has continued to gain momentum over the past years and has received financial assistance from both the Bureaus of Land Management (BLM) and Reclamation (BOR). Over eight sites have been cleaned up and 66 tons of debris have been removed. Furthermore, property on the Reno Highway along the entrance to our community was cleaned up.

#### Orthophotography and GIS Upgrades

The use of orthophotography has become a very important planning tool. With participation from Naval Air Station Fallon, the city of Fallon, Fallon Tribe and Sierra Pacific Power Company, new aerial photos to capture a larger area of the County were flown in the spring of 2005 with the images and related programming completed in October 2005. The new orthophotography will provide many opportunities such as planning for roads, utilities, infrastructure and facilities, appraisal and assessment planning. Using centerline data from our GIS system, a County Road Map was developed to identify roads maintained by a public entity and roads not maintained by a public entity to fulfill a requirement of the Nevada Revised Statutes. This road map will be updated annually.

#### 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. The County received over \$1 million dollars in the fiscal year ending June 30, 2006. The revenue was apportioned to the Road Department Equipment Replacement Program, the Building Reserve as well as funding for long term liability of compensated absences.

#### Water Resource Fund and Water Right Dedication

The County has been working on a water right dedication ordinance for over ten years. The community was unsupportive of the dedication ordinance ten years ago because it was believed there was insufficient evidence to show there was an inadequate water supply serving domestic, municipal and industrial needs. Since then, USGS studies have revealed a direct link between recharge of groundwater aquifers by irrigation water. In the last five 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. 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 must now dedicate water rights or pay impact fees equal to one and one half times current cash value to develop additional properties in the County. A Water Resource Fund was established to account for the activities mandated under the water dedication ordinance. Funds are being accumulated to implement a countywide water system in accordance with our water resource plan. The first water rights were purchased during fiscal year 2003. The Board of County Commissioners adopted a fiscal plan to allocate a portion of the greater than anticipated revenues into this fund for water right purchases. During fiscal year 2005, the County purchased some surface water rights to support the future County Water System. The County purchase Wild Goose Ltd. Ranch which included 2,649 acre feet of underground water rights and 1,497 acres of land in Churchill County. 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 \$6,206,362

#### Transfer of Development Rights

The Planning Department developed a Transfer of Development Rights program. 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 Naval Air Station Fallon and Churchill County seeks to facilitate the transfer of development rights from critical agricultural land and lands adjacent to or under critical military training areas. The County approved a buffer zone agreement aimed at keeping agricultural lands near the base in production instead of being developed. By December 31, 2006, the adoption of the TDR program resulted in seven pending sites being approved, potentially preserving 171 acres of agricultural lands and 1,263 acres of water rights in perpetuity.

#### 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 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 comprises 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 a day. Phase I is

scheduled to be completed and operational by May 2007. The system will initially serve 300 water and 250 waste water customers.

#### Capital Improvement Projects

Fiscal year 2006 saw a number of capital improvement projects completed throughout the County. The County continues to develop the water and waste water facilities. These projects are recorded in the enterprise operations of the County. Construction in progress is over \$5.8 million for the water utility and \$3.2 million on the waste water project. The County acquired land at 95 North Broadway for the re-location of our Facilities and Grounds Department. The property was improved during the year for maintenance and storage purposes. The County acquired property for future expansion for the County Road Yard from the US Fish and Wildlife Department. This land located outside the city limits will be improved and facilities build in subsequent fiscal years.

The County has completed the capital improvements at the District Attorney's Child Support Division. The Child Support Division was re-located to the County Administration Annex to allow more efficient office space and allow greater public access for all residents.

Several road projects were completed with gas tax revenues. A summary of completed projects include: East Corkill Lane chip seal, Hazen area road chip seals, Bell Smith subdivision road chip seals, Mountain View, Cedar, Pine Road asphalt overlays, South Downs Lane chip seal, Miners Road asphalt overlay, South Allen Road reconstruction from Sheckler Road to St. Clair Road, St. Clair bridge replacement at Bass Road and Cress Place improvements.

The County has made a grant donation to the Churchill County Library in the amount of \$80,000 for their building fund. In addition, the County has made donations to the Museum for their expansion program.

#### CC Communications: Enterprise Operations

The County owned and operated enterprise operations of CC Communications is vital to the support of the County over the past 100 plus years of operations. CC Communication continues to provide home grown world class service for telephone, wireless, Internet, and broadband to customers within the County. During the past year, the Telephone operations implemented a new billing system that better serves the customers. New technologies and improvements have been made to provide a superior product. One such service is Fiber To The Home (FTTH). Other projects include Phase II of Highway 50 with fiber additions, and development of Controlled Environment Cabinet, CEC's, to store electronic fibers and controls to provide service to the customers. CC Communications is closely watching the regulatory and legislative issues that will affect the future of the telecommunications industry.

CC Communications-Wireless has increased capital spending to increase the number of cell sites and upgrade existing sites with new technologies. The upgrades has assisted in the competitive position and increased customer growth and roaming on the CC Communications networks.

CC Communications-Long Distance has rolled out additional calling plans and long distance bundles to meet the needs of the competitive marketplace. There has been an exceptional take rate on the new bundles. However, Long Distance sees a decrease in the number of customers as customers move to other technologies for these services such as wireless and voice over internet.

CC Communications-Broadband has seen an increase in the number of customers for the OnNow! video product. CC Communications continues to make investments in content and accessing channels to remain competitive with similar video providers. Furthermore, capital improvements have been made to the system to expand the service area in Churchill County for OnNow!

#### 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 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.

#### 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

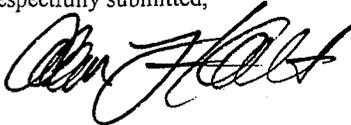
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Churchill County for its comprehensive annual financial report for the fiscal year ended June 30, 2005. This was the second year that the government 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 on could not have been accomplished without the efficient and dedicated services of the Comptroller's Office entire staff. The Comptroller's Office comprises of Sharon Chicvara, Ben Adams, and Mary Byrd. Thanks to Gloria Venturacci, 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, 2006**

ELECTED OFFICIALS

	*	
District 1: Commissioner	2009	Norman Frey
District 2: Commissioner	2007	Gwen Washburn
District 3: Commissioner	2009	Lynn Pearce
County Clerk/Treasurer	2007	Gloria Venturacci
County Recorder	2007	Trena Moretto
County Assessor	2007	Norma Green
District Attorney	2007	Arthur Mallory
Justice of the Peace	2007	Daniel Ward
Sheriff	2007	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
HR/Personnel Director	Geof Stark
Chief Juvenile Probation Officer	DeVere Karlson
Library Director	Barbara Mathews
Museum Director	Jane Pieplow
Director of Parks & Recreation / Sexton	James Moore
Planning Director	Eleanor Lockwood
Road Supervisor, Acting	Ron Rudden
Social Services Director	Shannon Ernst

APPOINTED OFFICIALS-CC COMMUNICATIONS

General Manager	Robert Adams
General Counsel	Mark Feest
Network Operations Manager	Mike Harmon
Accounting Manager	Lorrie Ford
Human Resources Manager	Jane Jenkins
Outside Plant Manager	Gary Vessels
Marketing and Customer Service Manager	Dale White
Information Technology Supervisor	Don Travis



# 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, 2005

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.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director

**FINANCIAL SECTION**

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**KAFOURY, 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, 2006, 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, 2006, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund, Road Fund, Parks and Recreation 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 January 26, 2007, 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 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.

The management's discussion and analysis on pages M-1 through M-12 is not a required part of the basic financial statements but is 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 introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County. The combining and individual nonmajor 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 respect in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Kafoury, Armstrong & Co.*

Fallon, Nevada  
January 26, 2007

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**CHURCHILL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2006**

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 \$27,038,263 are available to meet current liabilities, including debt due within one year, of \$12,479,522. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 2.2, meaning that the County has 2.2 times the unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 3.4.
- The County's current assets for governmental activities exceeded current liabilities by \$22,283,633 and the current assets for business-type activities exceeded current liabilities by \$5,201,218 which is a strong indication of the County's ability to meet current obligations.
- Government-wide net assets equal \$106,577,429. Business-type activities contributed \$43,832,472 and governmental activities contributed \$62,744,957. The Business-type activities net assets grew by \$3,437,700 or 8.5% in the current year due to net revenues and contributions over expenses in Telephone \$1,228,415, Wireless (\$82,282), Long Distance (\$83,744), Broadband (\$133,449). The governmental activities net assets increased by \$7,985,112 or 15.5% due to an increase in land associated with the purchase of Soda Lake park, property for the road department expansion, and the balance from overall operations.
- Capital assets, net of accumulated depreciation increased from \$75,047,349 to \$88,854,770. This increase of \$13,807,421 or 18.4% is due to increases of \$3,550,522 in governmental activity capital increases of which \$1,966,775 related to the purchase of Soda Lake and \$579,185 in the acquisition of water rights. The business-type activities capital assets, net of depreciation increased by \$10,691,304 primarily as a result of construction in progress for the water and waste water utilities. The CIP for the Utility fund was \$5,788,233 and \$3,013,489 in the Waste Water Fund. The CIP for the wireless was \$1,727,292 for improvements to the network.
- Total revenues increased 9.99% from \$53.3 million to \$58,582,708 million. Program revenues were \$35,731,226 million or 61.0 of the total. Program revenues increased by \$2,866,162 as a result of capital grants for the Soda Lake purchase and grants received by the County for the water utility in the amount of \$2,375,625.
- The County's primary general governmental revenue sources are ad valorem and consolidated taxes. These two revenue sources comprise 28.4% and 31.0% of countywide general revenues. Ad valorem revenues increased by \$344,369 or 5.7% due to the increase in the valuation rate applied to assessed value. The property tax rate slightly decreased for the year. The assessed value increased as a result of higher land values, higher replacement cost facts from Marshall and Swift and increased level of new residential and commercial development. The consolidated tax revenues which includes sales tax revenues (SCCRT & BCCRT), Cigarette, Liquor Taxes, Real Property Transfer Tax and Government Services Tax, increased \$977,685 or 16.2% primarily due to increases in taxable sales. Taxable sales related to residential and commercial development were up 22.1% in the current period due to growth in the housing market.
- Total expenses were \$47.2 million, an increase of approximately \$3,379,338 or 7.7% county wide over the prior year. The governmental activities expenses were \$21.7 million or 45.9% of the total expenses whereas, the business-type activities expenses were \$25.5 million or 54.1% of the total expenses. The increase in governmental activities was \$1.7 million or 8.8%. The largest functions are public safety, general government, public works, cultural and recreation and judicial. These account for 89.3% of the governmental activities. The increase in expense of the business-type activities was \$5,440,449 or 22.9% from \$23.8M to \$29.2 Telephone operations continue to be the largest business-type activity at 61.3% of the business-type activities. Wireless increased by \$1,262,595 or 27% due to capital

improvements to the network. There were increases of 28.6% and 20.4% in the Long Distance and Broadband respectively. These increases are due to the increased take rate of long distance packages and increase cost of content and access charges for Broadband.

- Current year revenues, including capital grants, interest and contributions, exceeded expenses by \$11,422,812. This indicates that current year operations did not rely on debt or reserves to provide resources for necessary services.
- At June 30, 2006, the County's governmental funds had a fund balance of \$23,199,698. The unreserved portion of Debt Service Fund was \$456,351; reserved for notes receivable was \$1,257,454 and the reserved portion for revenue shortfall was \$1,304,495. The unreserved fund balance of the General Fund was \$2,430,485 of which \$1,951,795 is designated as opening fund balance for the 2006-2007 fiscal year budget. The Unreserved fund balance total reported in Special Revenue Funds was \$13,995,186 and \$3,755,727 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 36 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 in the General Fund, Road Fund, Parks and Recreation Fund and Water Resource Fund because they qualify as major funds under the GASB 34 definition. Information for the remaining funds, which meet the definition of non-major funds, is aggregated into a single column for reporting purposes.

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

### **Proprietary Funds**

Churchill County maintains only one type of proprietary funds, that being enterprise funds. Enterprise funds are used to account for functions presented in the business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its communication business type activities and its utility business-type activity. The four proprietary funds that qualify as major funds under the GASB 34 definition are CC Communications-Telephone Fund, CC Communications-Wireless 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 over the past 100 years. CC Communications offers home grown world class services of telephone, wireless, internet, broadband and television to customers within Churchill County. CC Communications provides an annual in lieu of tax payment to the General County based on what a private company would likely pay in taxes. These payments are not program revenues as they are not restricted to specific funding or activities. These transfers are classified as other financing sources in the various financial statements. 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 25-43 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 44-121 of this report, with the statistical section immediately following.

### **Financial Statement Analysis**

#### **Government-Wide Financial Statement Analysis**

Total assets as of June 30, 2006, net of accumulated depreciation of \$70,117,822, totaled \$129,106,121. Assets include cash/investments, receivables, prepaid items, and capital assets. The majority of Churchill County's net assets, \$78,397,450 (74%) 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 \$22,528,691. Liabilities also include payables and unearned revenue. A comparison of assets and liabilities for the government-wide financial statements reflected net assets of \$106,577,429. The following table is provided to enhance analysis.

CHURCHILL COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Current and other assets	\$ 28,755,147	\$ 20,519,527	\$ 11,209,226	\$ 13,267,702	\$ 39,964,373	\$ 33,787,229
Noncurrent assets	249,322	279,711	37,655	45,953	286,977	325,664
Capital assets	43,631,204	40,515,087	45,223,566	34,532,262	88,854,770	75,047,349
<b>Total Assets</b>	<b>\$ 72,635,673</b>	<b>\$ 61,314,325</b>	<b>\$ 56,470,447</b>	<b>\$ 47,845,917</b>	<b>\$ 129,106,120</b>	<b>\$ 109,160,242</b>
Current liabilities	\$ 6,471,514	\$ 2,712,829	\$ 6,008,008	\$ 3,966,418	12,479,522	6,679,247
Noncurrent liabilities	3,419,202	3,841,651	6,629,967	3,484,728	10,049,169	7,326,379
<b>Total Liabilities</b>	<b>\$ 9,890,716</b>	<b>\$ 6,554,480</b>	<b>\$ 12,637,975</b>	<b>\$ 7,451,146</b>	<b>\$ 22,528,691</b>	<b>\$ 14,005,626</b>
<b>Net Assets:</b>						
Invested in capital assets						
net of related debt	\$ 40,304,859	\$ 40,308,390	\$ 38,092,591	\$ 30,550,434	78,397,450	70,858,824
Restricted	9,553,433	7,696,537	36,700	23,283	9,590,133	7,719,820
Unrestricted	12,886,665	6,754,918	5,703,181	9,821,054	18,589,846	16,575,972
<b>Total Net Assets</b>	<b>\$ 62,744,957</b>	<b>\$ 54,759,845</b>	<b>\$ 43,832,472</b>	<b>\$ 40,394,771</b>	<b>\$ 106,577,429</b>	<b>\$ 95,154,616</b>

The governmental and business-type activities for fiscal year 2005-2006 are presented in the Statement of Activities. As indicated on this statement, governmental activities increased net assets of Churchill County by \$7,985,112, thereby accounting for 70.0% of the total growth in net assets. The business-type activities increased net assets by \$3,437,700, accounting for 30.0% 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	
	2006	2005	2006	2005	2006	2005
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 3,063,690	\$ 2,529,582	\$ 26,175,576	\$ 25,607,810	\$ 29,239,266	\$ 28,137,392
Operating grants, interest and contributions	1,661,058	1,618,785	-	-	1,661,058	1,618,785
Capital grants, interest and contributions	2,336,339	3,108,887	2,494,563	-	4,830,902	3,108,887
General revenues:						
Ad valorem taxes	6,408,357	6,063,988	-	-	6,408,357	6,063,988
Consolidated taxes	7,013,035	6,035,350	-	-	7,013,035	6,035,350
Other taxes	7,061,757	6,038,864	-	-	7,061,757	6,038,864
Unrestricted investment earning	870,566	363,816	238,576	150,095	1,109,142	513,911
Other	1,241,191	1,734,114	18,000	63,512	1,259,191	1,797,626
<b>Total Revenues</b>	<b>\$ 29,655,993</b>	<b>\$ 27,493,386</b>	<b>\$ 28,926,715</b>	<b>\$ 25,821,417</b>	<b>\$ 58,582,708</b>	<b>\$ 53,314,803</b>
<b>Expenses:</b>						
General government	5,476,938	5,738,745	-	-	5,476,938	5,738,745
Judicial	2,707,588	2,480,177	-	-	2,707,588	2,480,177
Public safety	7,007,531	5,819,578	-	-	7,007,531	5,819,578
Sanitation	45,473	48,637	-	-	45,473	48,637
Public works	2,224,763	1,195,487	-	-	2,224,763	1,195,487
Health	187,735	182,479	-	-	187,735	182,479
Welfare	1,349,477	1,286,989	-	-	1,349,477	1,286,989
Culture and recreation	1,930,550	1,806,818	-	-	1,930,550	1,806,818
Community support	620,021	471,294	-	-	620,021	471,294
Intergovernmental	-	912,284	-	-	-	912,284
Interest and fiscal charges	120,805	39,253	-	-	120,805	39,253
Telephone	-	-	15,615,524	15,961,728	15,615,524	15,961,728
Wireless	-	-	5,902,437	4,640,842	5,902,437	4,640,842
Long distance	-	-	1,925,914	1,497,698	1,925,914	1,497,698
Broadband	-	-	2,044,667	1,698,549	2,044,667	1,698,549
Waste Water	-	-	236	-	236	-
Utility	-	-	237	-	237	-
<b>Total Expenses</b>	<b>\$ 21,670,881</b>	<b>\$ 19,981,741</b>	<b>\$ 25,489,015</b>	<b>\$ 23,798,817</b>	<b>\$ 47,159,896</b>	<b>\$ 43,780,558</b>
<b>Increase in Net Assets</b>	<b>\$ 7,985,112</b>	<b>\$ 7,511,645</b>	<b>\$ 3,437,700</b>	<b>\$ 2,022,600</b>	<b>\$ 11,422,812</b>	<b>\$ 9,534,245</b>

**Revenues:** Total revenues of \$58,582,708 exceeded prior year revenue by 9.9%. Total governmental activity revenue increased by \$2,162,577 or 7.8% while total business-type activity revenues increased by \$3,105,298 or 12.0%. General revenues, mainly comprised of various taxes and investment earnings, represent 39.0% 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 \$35,731,226 or 61% of total revenues.

**Expenses:** Total expenses of \$47,159,896 exceeded prior year expenses by 7.7%. Total governmental activity expenses increased by \$1,689,140 or 8.5% while total business-type activity expenses increased by \$1,690,198 or 7.1%. The largest expenses in the governmental activities were incurred 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 61.3% of total business-type expenses.

**Governmental Activities**

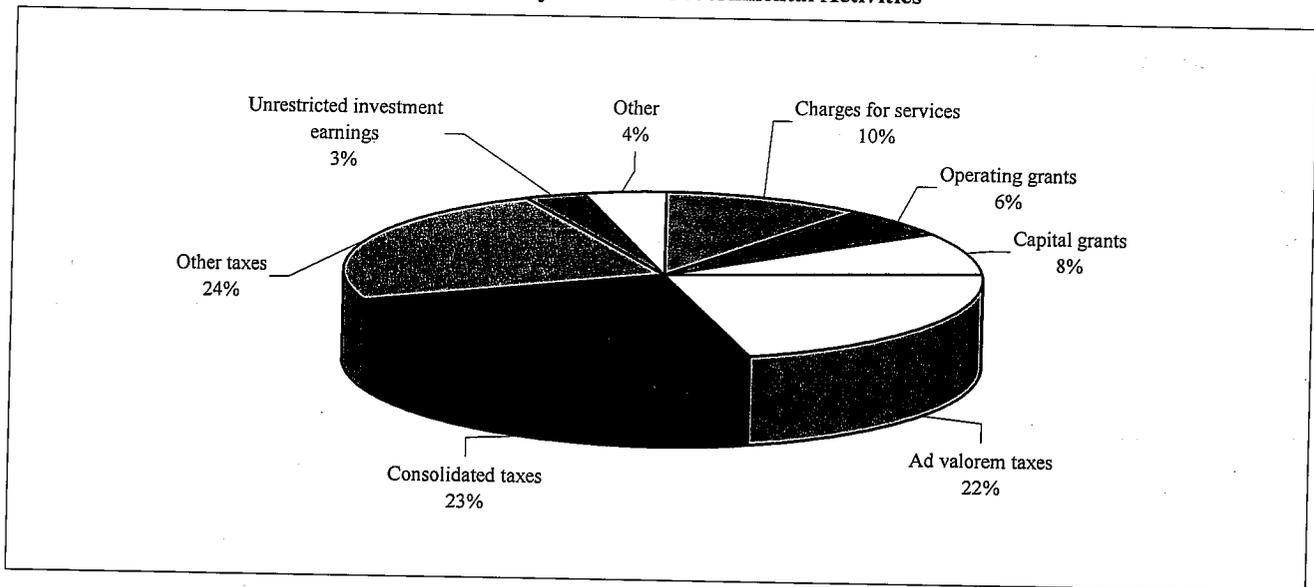
Total program revenues and expenses for governmental activities amounted to \$7,061,087 and \$21,670,881, respectively, for the 2005-2006 fiscal year. Program revenues are those revenues that derive directly from the program itself or from parties outside the County's taxpayers or citizenry. These include charges for services, operating grants and contributions, and capital grants and contributions. They reduce the net cost of the function to be financed from the County's general revenues, which include property taxes, consolidated taxes, and other resources not associated with a specific program. Charges for services increased by 21.1% as the County identified additional

charges for services and increased rates charged for services to more appropriate reflect the cost of doing business. Capital grants decreased by \$772,548 as a result of reduced grant funding for Homeland Security with our governmental activities.

The County's primary general revenue sources are ad valorem, consolidated taxes and other taxes. These three revenue sources respectively comprise 28.4%, 31.0% and 31.3% of countywide general revenues. Ad valorem revenues increased by \$344,369 or 5.7% due to the increases in the assessed values due to growth in commercial, industrial and residential activities. The property tax rate had a slight decrease from \$2.745 to \$2.725 for the year. The consolidated tax revenues increased \$977,685 or 16.2% due to increases in level of taxable sales fueled primarily from commercial, industrial and residential growth. Other taxes increased \$1,022,893 or 16.9% due to increase in level of activity.

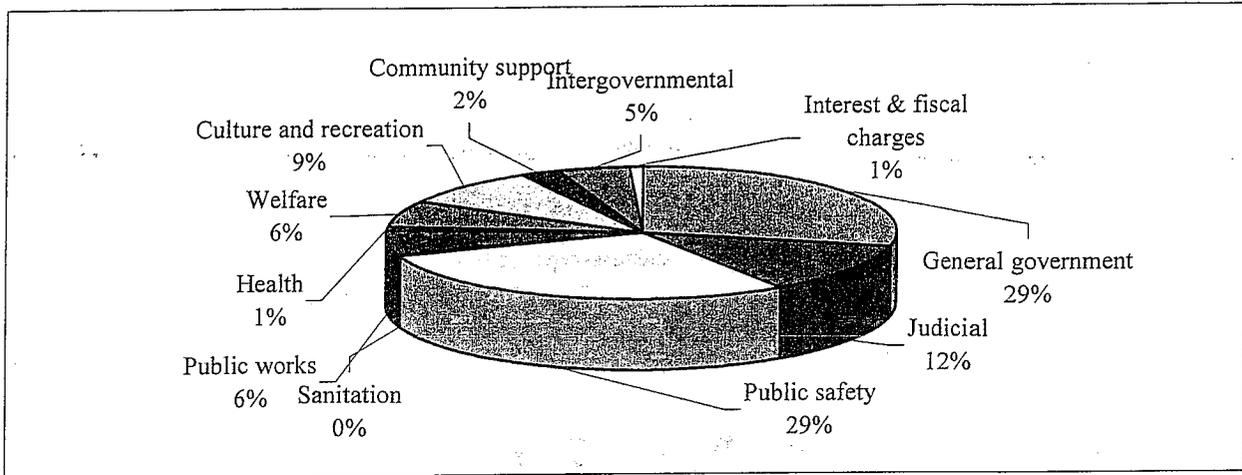
As illustrated on the following chart, other taxes are the largest revenue source at 24%, followed by consolidated taxes at 23%, ad valorem taxes at 22%, charges for services at 10% and capital grants at 8%.

**Revenues by Sources - Governmental Activities**

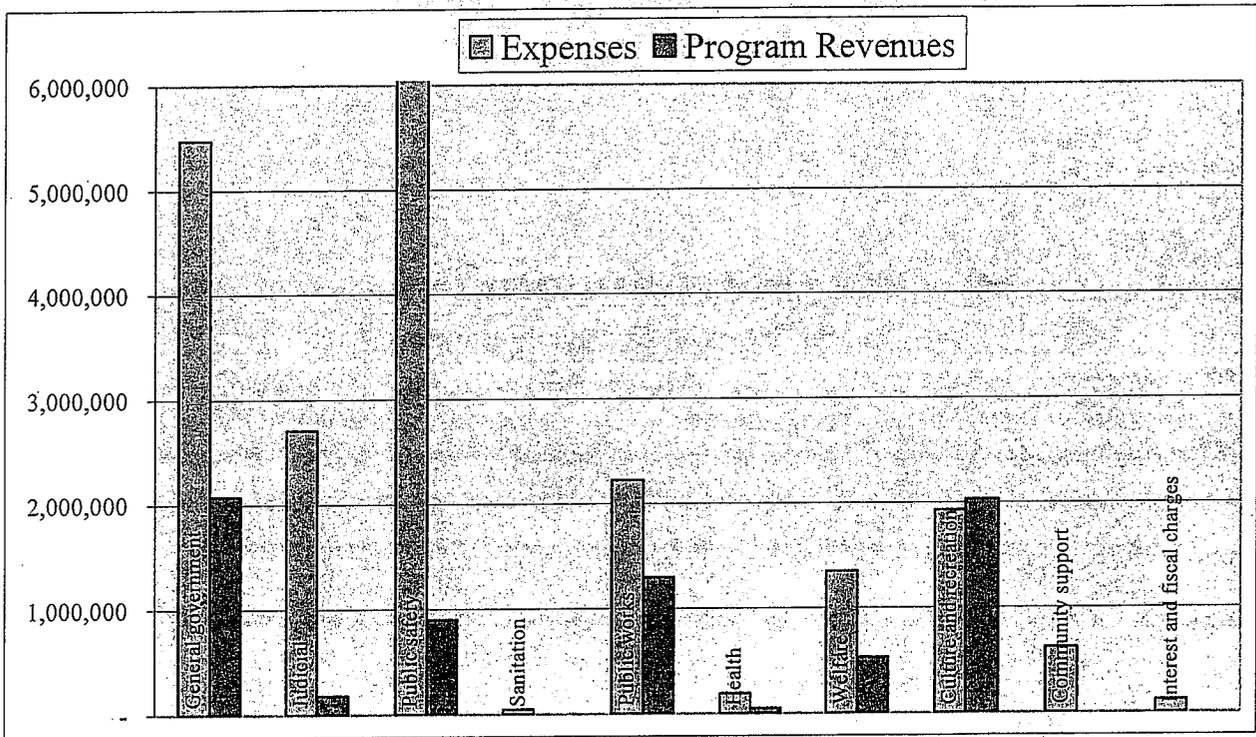


As noted, total governmental activities expenses were \$21,670,881 in the current year compared to \$19,981,741 in the prior year. Public safety, which is comprised of the Sheriff, detention facility, juvenile probation, dispatch, and fire department, constitutes the largest cost to the County at \$7,007,531 or 32.3% of the total governmental activities expenses. This is up 20.4% from the prior year. The increase is primarily due to increases in personnel and personnel cost for merit wage increases (2.5%) and a general wage adjustment of 2.5%. Increases were noted in employee benefits with the largest in the health insurance cost. Capital additions were approximately \$150,000. 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 \$5,476,938 or 25.3% of the total governmental activities expenses. This is a decrease of \$261,807 or 4.6% over the prior year, which is prior year having a significant capital addition with the purchase of the Wild Goose land and water rights. Increases were noted due to additional personnel and personnel cost increases similar to those in the public safety function. Public works had expenses of \$2,224,763 or 10.3% of the total governmental activities expenses. This increased by \$1,029,276 or 86% due to timing of projects completed during the year. In Fiscal Year 2005-2006, all projects on the five year plan were completed by fiscal year end. The judicial function expenses were \$2,707,588 or 12.5% of the total governmental activities expenses. They increased by \$227,411 or 9.2% due to increase in the number of professional and support staff serving in the District Attorney's Office as well as increases in wages, employee benefits and court related cost due to increased court case loads. 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



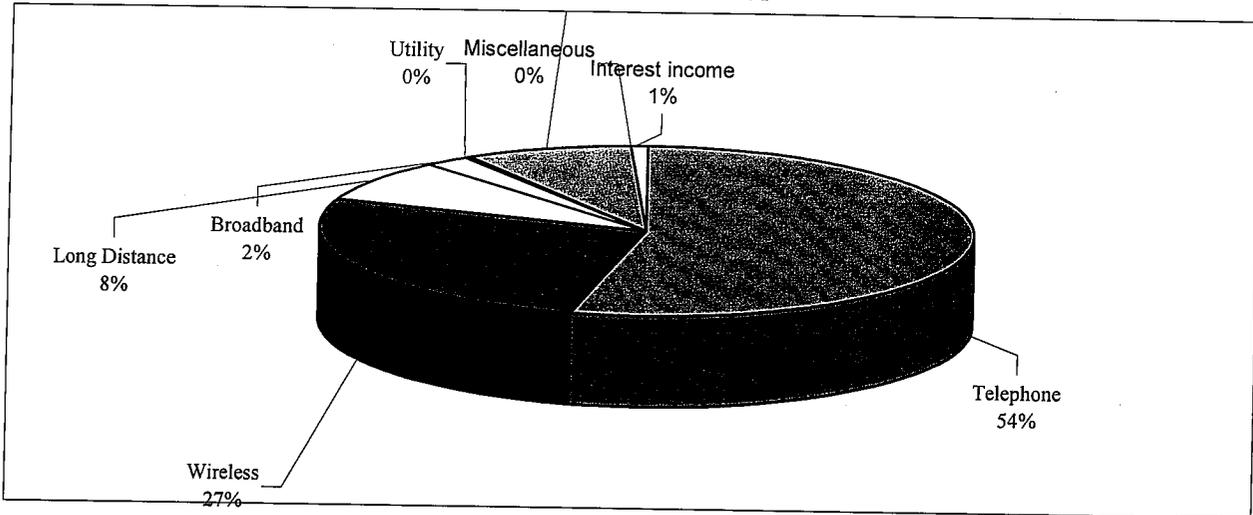
### Business-Type Activities

Business-type activities include the operations of CC Communications. There are four Business-type Activities within CC Communications: Telephone, Wireless, Long Distance and Broadband. Total revenues and expenses are \$26,432,152 and \$25,488,592, respectively, for CC Communications business-type activities for the 2005-2006 fiscal year thus an increase in net assets of \$943,610. The total revenues for CC Communications business-type activities increased slightly from the 2004/2005 fiscal year by \$610,735 or 2.4%. Telephone revenues decreased by (\$1,532,748) or (9%) due to a decrease in the number of subscriber lines and internet subscribers. Operating expenses declined due to decreases in plant specific and customer operation expenses. The new billing system has been implemented which will better serve the customers. CC Communications continues to implement new technologies and improvements to address competition. One such service is fiber to the home (FTTH). Wireless revenues increased by \$1,533,914 or 24.9% due to increased from service charges due to an increase in the customer base. The costs per minute roamer charges continue to decrease as the minutes of use continue to increase. The roamer revenue continues to increase despite the lowering of the per minute charge. Operating expenses increased in conjunction with increasing wireless revenues. The long distance revenues increased by \$529,703 or 28.8% due to increased minutes and additional calling

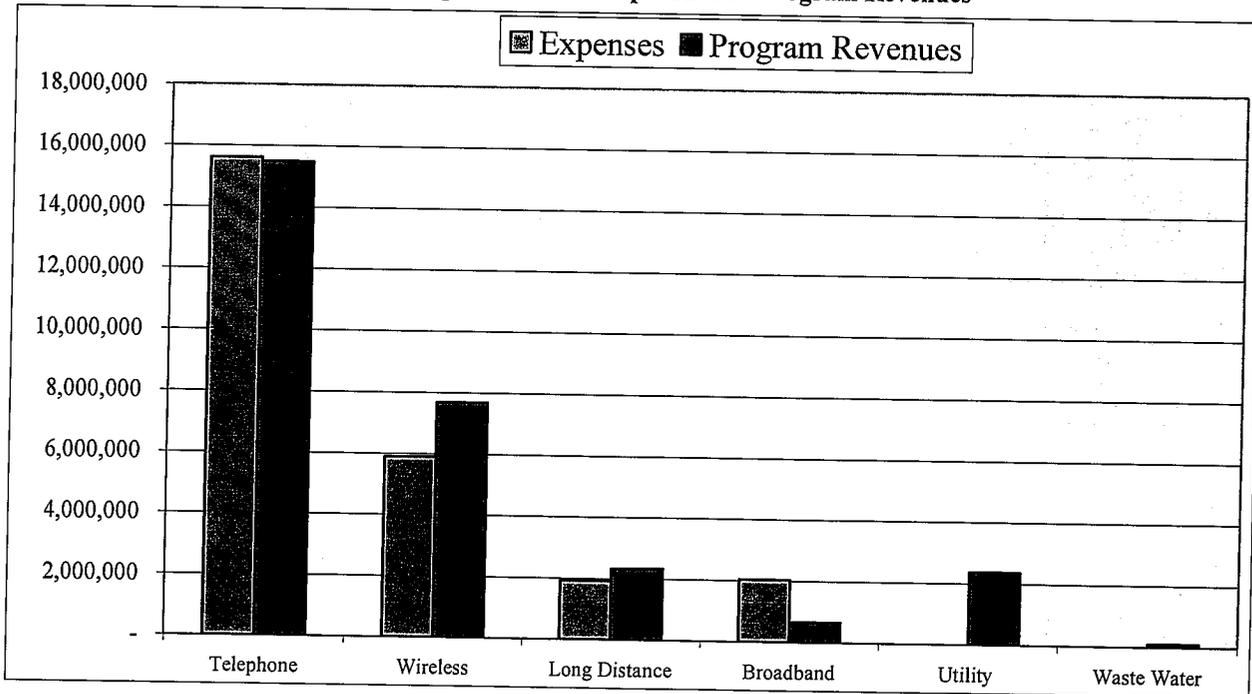
plans. In addition, CC Communications offered new plans with lower prices and more free minutes to stay competitive in the marketplace. There has been an exceptional take rate on the new bundles. Long distance continues to see a decrease in customers, as customers move to other technologies for this service, such as Wireless and Voice over Internet (VOIP). Broadband revenues increased by \$45,897 or 7.4% than prior year amounts. 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 at the Utility Fund and the Waste Water Fund were minimal as the systems were construction in progress during the fiscal year ending June 30, 2006.

The following charts show the allocation of business-type activity revenues for the fiscal year ending June 30, 2006:

**Revenues by Sources - Business-type Activities**



**Business-type Activities - Expenses and Program Revenues**



The increases in net assets from business-type activities are as follows: Telephone activities (\$123,666), Wireless activities \$1,787,893, Long Distance \$404,256, Broadband (\$1,381,449), Water \$2,375,388 and Waste Water at \$118,702, Interest income \$238,576 and miscellaneous revenues of \$18,000. Currently, Wireless activities account for 67.8% of the net increase for all business-type activity within in CC Communications. CC Communications continues to invest in capital assets related to the network. We anticipate that the percentage of telephone revenue will decline as a percentage of all business-type activities in the

future as Wireless and Broadband business-types continue to expand and grow. 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) such as the Universal Service Fund allocation and Voice over Internet (VOIP). These issues will have a direct impact on the financial operations of CC Communications. The Utility business activities net assets increased as the construction in progress for the development of the Phase 1 Water and Waste Water systems are developed. The Water Utility increased by \$2,375,388 as it was farther along in the development stage from the Waste Water System.

### **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 at subsequent fiscal year. Since the focus in fund accounting is on current resource activity, the balance sheet does not reflect long-term assets and debt.

### **Governmental Funds**

The governmental funds of Churchill County reflect total assets and liabilities of \$35,617,715 and \$12,418,017, respectively. This resulted in a total fund balance of \$23,199,698 of which \$1,257,454 is reserved for notes receivable, \$1,304,495 of the fund balance is reserved for revenue shortfalls. The unreserved portion of this fund balance totaled \$20,637,749.

### **Major Governmental Funds**

#### **General Fund:**

The primary operating fund of Churchill County is the General Fund. For the fiscal year ended June 30, 2006, the fund balance in the General Fund was \$2,430,485 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 represents 16.9% of total fund expenditures. This represents approximately 2.03 months of expenditures.

The fund balance of the General Fund increased by \$380,771 during the fiscal year. This is a result of the levels of revenue, expenditures and transfers. Revenues of \$13,463,715 increased by \$934,680 or 7.5% over the prior year, primarily due to increases in taxes and intergovernmental revenues, which make up 84.4% of General Fund revenues. The increase in ad valorem taxes is due to the rate apportioned to the general fund as well as the increase in assessed value. The increase in intergovernmental revenues is due to increases in sales tax related revenues and additional grants received by the county. General Fund expenditures of \$14,409,257 increased by \$963,387 or 7.2%, in the current year of operations. The increase is primarily due to increases in expenditures in general government of approximately \$515,638, judicial of \$263,023, public safety of \$92,751 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. Deficiency of Revenues over Expenditures in the current year of (\$945,542) was offset by Payment in lieu of taxes by CC Communications of \$1,576,313 and net transfers out of (\$250,000). The transfers to other funds support Cemetery Beautification, Law Library, Risk Management, Compensated Absences, and Unemployment Compensation Funds. The net other financing sources were \$1,326,313. These transfers were to support subsequent year operations.

#### **Road Fund:**

The Road Fund accounts for the building and maintaining roads Churchill County. For the fiscal year ending June 30, 2006, the fund balance in the Road Fund was \$2,643,388 compared to \$1,547,044 in the prior year. The increase in fund balance of \$1,096,344 related to the funding for the equipment replacement program. The Board of County Commissioners approved an Equipment Replacement Program and provided revenues to support future equipment acquisitions. The dedicated resources included consolidated intergovernmental taxes, \$430,345, AB 104 fairshare revenues of \$41,986, Federal payment in lieu of taxes \$134,120, property sales of \$76,867, geothermal rents and royalties \$311,019. Total revenues of \$994,337 were collected during the fiscal year to support subsequent year's acquisition of equipment. The other revenues of this fund consist of various fuel taxes totaling \$1,078,069, licenses and permits, \$2,750, interest income of \$58,845, fuel reimbursement of \$217,521 and miscellaneous revenues of \$23,038. Other financing sources were transfers in from the Regional Transportation Fund in the amount of \$860,200 and the Public Transit Fund in the amount of \$679,017 to pay for qualifying projects. Expenditures of \$2,738,933 were to assist in building and maintaining County roads. In addition, a transfer to debt service was made to pay for the principal and interest on a note to obtain road equipment.

#### **Parks and Recreation Fund:**

The Parks and Recreation Fund accounts for the activities of the parks, fairgrounds, swimming pool and recreational programs for Churchill County. For the fiscal year ending June 30, 2006, the fund balance in the Parks and Recreation Fund was \$508,004 compared to \$742,868 in the prior year. The total revenues of this fund were \$2,340,954 compared to \$716,871 in the prior year. The increase of \$1,624,083 is due primarily to the \$1,592,488 state grant received to purchase the Soda Lake Park in Churchill County. The total expenditures were \$3,057,318 of which \$2,015,749 were capital improvements within the Public parks related to the Soda Lake purchase. In addition to the state grant, the issuance of medium-term financing in the amount of \$256,500 was secured for the purchase. The financing will be repaid in the subsequent year. Revenues and related program expenditures in the

other departments were comparable with the prior year. The following is an expenditure comparison from the prior year: Administration cost of \$215,008 compared to \$205,454; Recreation athletics \$179,608 compared to \$141,902; Fairgrounds \$292,916 compared to \$213,035; Swimming pool \$246,938 compared to \$219,827. The increases are due to increases in salary, wages, employee benefits and increased programming within the departments.

**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, 2006, the fund balance in the Water Resource Fund was \$3,936,411 compared to \$3,175,531 in the prior year. The revenues of this fund consist of Federal payment in lieu of taxes, \$159,120, consolidated intergovernmental taxes, \$550,345, AB 104 fairshare revenues of \$41,987, Refuge revenue sharing of \$37,912, water right dedication fees of \$421,840, interest income of \$185,187, CWSD reimbursement of \$11,506 and miscellaneous revenues of \$5,513. Expenses of \$57,745 were to assist in water resource projects. In addition, capital outlay purchase of land and water rights in the amount of \$170,566. The payment of \$750,000 to debt service to defease debt related to the purchase of water rights and proceeds from the sale of water rights of \$5,511,000. The outstanding debt will be repaid with proceeds from the Water Resource Fund.

**Proprietary Funds**

The enterprise funds of Churchill County reflect total assets and liabilities of \$65,024,030 and \$21,191,558 respectively. This resulted in a total net asset balance of \$43,832,472. Unrestricted net assets totaled \$5,739,881. Restricted net assets totaled \$38,092,591.

**Major Proprietary Funds**

CC Communications: Telephone Fund reflects total assets and liabilities of \$33,090,205 and \$5,414,934 respectively, resulting in total net assets of \$27,675,271. The increase of total net assets is 4.6% for the 2005/2006 fiscal year.

CC Communications: Wireless Fund reflects total assets and liabilities of \$11,485,877 and \$831,147 respectively, resulting in total net assets of \$10,654,730. The total net assets decreased from 2004/2005 to 2005/2006 fiscal year by \$82,282 or 0.8 %.

Waste Water Enterprise Fund reflects total assets and liabilities of \$6,670,801 and \$6,539,868 respectively, resulting in total net assets of \$130,933. This fund has been established to account for the waste water operations. The plant is currently under construction. It is anticipated that it will be completed and operational in July, 2007.

Utility Enterprise Fund reflects total assets and liabilities of \$10,748,610 and \$8,347,113 respectively, resulting in total net assets of \$2,401,497. This fund has been established to account for the water operations. The plant is currently under construction. It is anticipated that it will be completed and operational in July, 2007.

**Budgetary Highlights for the General Fund**

The General Fund total revenues in the original budget were \$12,641,925 and \$13,165,558 for the final budget. The increase in the budgeted amount was to recognize greater than anticipated revenue resources and grants received during the current year. Actual revenues were \$13,463,715 or 2.3% greater than final budgeted total revenues in the General Fund. Functions represent the legal level of budgetary control. Final budget appropriations for the General Fund expenditures totaled \$14,690,682, which is \$523,633 or 3.69% more than the original budget of \$14,167,049. Actual expenditures were \$14,409,257, which was less than the original budget and 1.92% 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. The budget augmentations were prepared in accordance with the provisions with the Nevada Revised Statutes Chapter 354 the Local Government Budget 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	\$ 4,562,372	\$ 4,824,372	\$ (262,000)
Judicial	2,480,724	2,560,724	(80,000)
Public Safety	5,987,415	6,169,048	(181,633)
Health	204,710	204,710	-
Sanitation	57,000	57,000	-
Culture and Recreation	298,563	298,563	-
Community Support	157,500	157,500	-
Intergovernmental	418,765	418,765	-
Debt Service	-	-	-
<b>Total Expenditures</b>	<b>\$ 14,167,049</b>	<b>\$ 14,690,682</b>	<b>\$ (523,633)</b>

### Capital Assets and Long-Term Debt Activity

At June 30, 2006, Churchill County had a net capital asset investment of \$43,631,204 in governmental activities and \$45,223,566 in business-type activities. This represents an increase of 8.85% and 30.96% respectively 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 2005-2006 in the governmental activities include:

- Building Improvements at the Cemetery and improvements the County Fairgrounds.
- Purchase of land and water rights to support the future County Water System.
- Land and Improvements located at 85 North Broadway for the Facilities and Ground property.
- Infrastructure improvements related to Road Department projects as approved in the County Five Year Road Plan.
- Donated roads from developers into the county system.
- Sheriff's Department Administration Office remodel.
- County Administrative Complex parking lot resurfacing.
- Enhancements to the Sheriff's Department's dispatch system.
- Replacement of five Sheriff's Department Vehicles.

#### CHURCHILL COUNTY'S CAPITAL ASSETS (net of depreciation)

	Governmental Activities	
	2006	2005
Land	\$ 6,359,463	\$ 4,392,685
Water rights	6,206,362	5,627,177
Buildings and improvements	8,046,742	8,293,998
Land improvements	530,960	362,398
Equipment and motor vehicles	2,799,989	2,839,123
Infrastructure	19,687,688	18,565,301
Net Governmental Activities Capital Assets	\$ 43,631,204	\$ 40,080,682
	Business-Type Activities	
	2006	2005
Real estate and easements	\$ 540,699	\$ 55,813
Construction in progress	11,609,644	2,602,654
Buildings and improvements	3,104,275	3,202,726
Central office switching	2,558,482	2,994,422
Outside plant	17,721,855	16,564,170
Furniture and fixtures	7,102	12,746
Computer equipment	1,579,529	556,103
Other communication equipment	1,331	-
Vehicles and work equipment	95,447	407,150
Leasehold equipment	684,913	695,699
Other equipment	1,599,378	1,977,364
Cell sites	4,645,663	5,060,937
Transport facilities	1,075,248	402,478
Net Business-Type Activities Capital Assets	\$ 45,223,566	\$ 34,532,262
Net Governmental Activities Capital Assets	\$ 43,631,204	\$ 40,080,682
Net Business-Type Activities Capital Assets	45,223,566	34,532,262
Total Net Capital Assets	\$ 88,854,770	\$ 74,612,944

Long-term debt outstanding at June 30, 2006 totaled \$3,326,345 for the governmental activities, a decrease of \$969,771 when compared to the prior year. The decrease is due to the current year principal payments. The business-type debt is \$7,130,975 or \$3,149,147 more than last year. The increase is the result of the issuance of \$4,000,000 in revenue interim debenture for the utility and waste water facilities construction offset by current year principal payments. The total outstanding debt and compensated absences is \$11,654,796. The County's debt limit is \$46,943,119. For more information of capital assets and long-term debt activity please refer to the notes in the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2006	2005	2006	2005	2006	2005
Capital leases payable	\$ 140,254	\$ 206,697	\$ 1,511,709	\$ 1,575,888	\$ 1,651,963	\$ 1,782,585
Revenue bonds	2,832,566	3,218,853	4,000,000	-	6,832,566	3,218,853
Compensated absences	801,090	773,541	396,386	379,642	1,197,476	1,153,183
Notes/Contract payable	353,525	97,025	1,619,266	2,405,940	1,972,791	2,502,965
Total	\$ 4,127,435	\$ 4,296,116	\$ 7,527,361	\$ 4,361,470	\$ 11,654,796	\$ 8,657,586

**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](mailto:comptroller@churchillcounty.org).

**CHURCHILL COUNTY, NEVADA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**

	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 20,140,474	\$ 6,897,789	\$ 27,038,263
Receivables:			
Property taxes	76,395	-	76,395
Interest	202,991	22,800	225,791
Other	58,626	3,346,542	3,405,168
Current portion of notes receivable	1,008,132	-	1,008,132
Internal balances	4,009,726	(4,009,726)	-
Due from other governments	3,258,803	2,494,563	5,753,366
Inventory	-	2,457,258	2,457,258
Total Current Assets	<u>28,755,147</u>	<u>11,209,226</u>	<u>39,964,373</u>
Noncurrent Assets:			
Goodwill	-	34,020	34,020
Debt issuance costs, net of accumulated amortization	-	3,635	3,635
Note receivable, net of current portion	249,322	-	249,322
Capital assets (not being depreciated)	12,565,825	12,150,343	24,716,168
Capital assets (net of accumulated depreciation)	<u>31,065,379</u>	<u>33,073,223</u>	<u>64,138,602</u>
Total Noncurrent Assets	<u>43,880,526</u>	<u>45,261,221</u>	<u>89,141,747</u>
Total Assets	<u>72,635,673</u>	<u>56,470,447</u>	<u>129,106,120</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	4,110,491	2,235,731	6,346,222
Accrued liabilities	475,872	649,488	1,125,360
Accrued interest	21,923	4,042	25,965
Due to other governments	428,594	-	428,594
Current portion of capital leases payable	68,870	56,302	125,172
Current portion of notes and contract payable	256,500	801,990	1,058,490
Current portion of bonds payable	317,671	-	317,671
Current portion of accrued compensated absences	65,192	39,102	104,294
Customer deposits	4,640	36,700	41,340
Unearned revenue	<u>721,761</u>	<u>2,184,653</u>	<u>2,906,414</u>
Total Current Liabilities	<u>6,471,514</u>	<u>6,008,008</u>	<u>12,479,522</u>
Noncurrent Liabilities:			
Capital leases payable, net of current portion	71,384	1,455,407	1,526,791
Note and contract payable, net of current portion	97,025	817,276	914,301
Bonds payable, net of current portion	2,514,895	4,000,000	6,514,895
Accrued compensated absences, net of current portion	<u>735,898</u>	<u>357,284</u>	<u>1,093,182</u>
Total Noncurrent Liabilities	<u>3,419,202</u>	<u>6,629,967</u>	<u>10,049,169</u>
Total Liabilities	<u>9,890,716</u>	<u>12,637,975</u>	<u>22,528,691</u>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	40,304,859	38,092,591	78,397,450
Restricted for:			
General government	2,646,949	-	2,646,949
Judicial	81,939	-	81,939
Public safety	1,775,366	-	1,775,366
Public works	3,404,249	-	3,404,249
Health	32,407	-	32,407
Welfare	46,852	-	46,852
Culture and recreation	527,633	-	527,633
Community support	763,186	-	763,186
Customer deposits	4,640	36,700	41,340
Unrestricted	<u>13,156,877</u>	<u>5,703,181</u>	<u>18,860,058</u>
Total Net Assets	<u>\$ 62,744,957</u>	<u>\$ 43,832,472</u>	<u>\$ 106,577,429</u>

See accompanying notes.

CHURCHILL COUNTY, NEVADA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2006

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
<b>Governmental Activities:</b>							
General government	\$ 5,476,938	\$ 1,540,428	\$ 526,156	\$ 10,971	\$ (3,399,383)	\$ -	\$ (3,399,383)
Judicial	2,707,588	178,691	-	-	(2,528,897)	-	(2,528,897)
Public safety	7,007,531	378,439	520,583	-	(6,108,509)	-	(6,108,509)
Sanitation	45,473	-	-	-	(45,473)	-	(45,473)
Public works	2,224,763	573,640	-	722,880	(928,243)	-	(928,243)
Health	187,735	49,385	564	-	(137,786)	-	(137,786)
Welfare	1,349,477	34,772	494,200	-	(820,505)	-	(820,505)
Culture and recreation	1,930,550	308,335	119,555	1,602,488	99,828	-	99,828
Community support	620,020	-	-	-	(620,020)	-	(620,020)
Interest and fiscal charges	120,806	-	-	-	(120,806)	-	(120,806)
<b>Total Governmental Activities</b>	<b>21,670,881</b>	<b>3,063,690</b>	<b>1,661,058</b>	<b>2,336,339</b>	<b>(14,609,794)</b>	<b>-</b>	<b>(14,609,794)</b>
<b>Business-type Activities:</b>							
Telephone	15,615,524	15,491,858	-	-	(123,666)	(123,666)	(123,666)
Wireless	5,902,437	7,690,330	-	-	1,787,893	1,787,893	1,787,893
Long Distance	1,925,914	2,330,170	-	-	404,256	404,256	404,256
Broadband	2,044,667	663,218	-	-	(1,381,449)	(1,381,449)	(1,381,449)
Waste water	236	-	-	118,938	118,702	118,702	118,702
Utility	237	-	-	2,375,625	2,375,388	2,375,388	2,375,388
<b>Total Business-type Activities</b>	<b>25,489,015</b>	<b>26,175,576</b>	<b>-</b>	<b>2,494,563</b>	<b>3,181,124</b>	<b>3,181,124</b>	<b>3,181,124</b>
<b>Total County</b>	<b>\$ 47,159,896</b>	<b>\$ 29,239,266</b>	<b>\$ 1,661,058</b>	<b>\$ 4,830,902</b>	<b>(14,609,794)</b>	<b>3,181,124</b>	<b>(11,428,670)</b>
<b>General Revenues:</b>							
Property taxes					6,408,357	-	6,408,357
Franchise taxes					166,914	-	166,914
Gaming licenses					28,300	-	28,300
Unrestricted intergovernmental revenues:							
Federal in lieu of taxes					1,230,360	-	1,230,360
CC Communications in lieu of taxes					1,801,313	-	1,801,313
AB 104 fairshare					1,241,371	-	1,241,371
Consolidated intergovernmental taxes					7,013,035	-	7,013,035
Fuel taxes					1,078,069	-	1,078,069
Optional county sales tax					1,398,142	-	1,398,142
Delinquent tax penalties					117,288	-	117,288
Interest income					870,566	238,576	1,109,142
Gain on sale of assets					48,161	-	48,161
Miscellaneous revenues					1,193,030	18,000	1,211,030
<b>Total General Revenues</b>					<b>22,594,906</b>	<b>256,576</b>	<b>22,851,482</b>
Change in Net Assets					7,985,112	3,437,700	11,422,812
<b>NET ASSETS, July 1, as originally reported</b>					<b>54,325,440</b>	<b>40,394,772</b>	<b>94,720,212</b>
Prior period adjustment for water rights					434,405	-	434,405
<b>NET ASSETS, July 1, as adjusted</b>					<b>54,759,845</b>	<b>40,394,772</b>	<b>95,154,617</b>
<b>NET ASSETS, June 30</b>					<b>\$ 62,744,957</b>	<b>\$ 43,832,472</b>	<b>\$ 106,577,429</b>

See accompanying notes.

CHURCHILL COUNTY, NEVADA  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 JUNE 30, 2006

	GENERAL FUND	ROAD FUND	PARKS AND RECREATION FUND	WATER RESOURCE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash and investments	\$ 3,673,327	\$ 1,223,806	\$ 509,263	\$ 1,658,544	\$ 13,075,534	\$ 20,140,474
Receivables:						
Property taxes	52,903	-	-	-	23,492	76,395
Interest	10,661	4,525	1,570	141,454	44,781	202,991
Other	8,602	29,061	3,695	4,411	12,857	58,626
Notes	-	-	-	992,750	264,704	1,257,454
Due from other funds	66,381	1,227,485	-	8,609,952	719,154	10,622,972
Due from other governments	1,958,638	275,179	56,270	112,588	856,128	3,258,803
<b>Total Assets</b>	<b>\$ 5,770,512</b>	<b>\$ 2,760,056</b>	<b>\$ 570,798</b>	<b>\$ 11,519,699</b>	<b>\$ 14,996,650</b>	<b>\$ 35,617,715</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 374,337	\$ 77,025	\$ 28,569	\$ 3,478,305	\$ 152,255	\$ 4,110,491
Accrued liabilities	386,009	35,528	30,368	1,483	22,484	475,872
Due to other funds	1,623,461	-	-	4,103,500	886,285	6,613,246
Due to other governments	187,103	4,115	2,502	-	234,874	428,594
Customer deposits	3,285	-	1,355	-	-	4,640
Deferred revenue	765,832	-	-	-	19,342	785,174
<b>Total Liabilities</b>	<b>3,340,027</b>	<b>116,668</b>	<b>62,794</b>	<b>7,583,288</b>	<b>1,315,240</b>	<b>12,418,017</b>
<b>FUND BALANCES</b>						
Reserved for:						
Notes receivable	-	-	-	992,750	264,704	1,257,454
Revenue shortfalls	-	-	-	-	1,304,495	1,304,495
Unreserved reported in:						
General fund	2,430,485	-	-	-	-	2,430,485
Special revenue funds	-	2,643,388	508,004	2,943,661	7,900,133	13,995,186
Debt service fund	-	-	-	-	456,351	456,351
Capital projects funds	-	-	-	-	3,755,727	3,755,727
<b>Total Fund Balances</b>	<b>2,430,485</b>	<b>2,643,388</b>	<b>508,004</b>	<b>3,936,411</b>	<b>13,681,410</b>	<b>23,199,698</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 5,770,512</b>	<b>\$ 2,760,056</b>	<b>\$ 570,798</b>	<b>\$ 11,519,699</b>	<b>\$ 14,996,650</b>	<b>\$ 35,617,715</b>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2006**

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 23,199,698</b>
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	78,083,260
Less: Accumulated depreciation	(34,452,056)
Certain liabilities are not reported in the governmental funds because they are not due and payable in the current period:	
Capital lease payable	(140,254)
Promissory note	(256,500)
Contract payable	(97,025)
Bonds payable	(2,832,566)
Compensated absences	(801,090)
Accrued interest	(21,923)
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.	<u>63,413</u>
<b>Total Net Assets - Governmental Activities</b>	<b><u>\$ 62,744,957</u></b>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	GENERAL FUND	ROAD FUND	PARKS AND RECREATION FUND	WATER RESOURCE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>						
Taxes	\$ 3,559,637	\$ 2,750	\$ 6,685	\$ -	\$ 2,844,014	\$ 6,413,086
Licenses and permits	798,484	-	-	-	297,794	1,096,278
Intergovernmental	7,807,173	1,684,520	1,971,675	789,364	3,046,783	15,299,515
Charges for services	710,480	-	309,559	421,840	59,144	1,501,023
Fines and forfeits	385,831	-	-	-	-	385,831
Miscellaneous	202,110	688,790	53,035	513,225	1,241,674	2,698,834
<b>Total Revenues</b>	<b>13,463,715</b>	<b>2,376,060</b>	<b>2,340,954</b>	<b>1,724,429</b>	<b>7,489,409</b>	<b>27,394,567</b>
<b>EXPENDITURES</b>						
Current:						
General government	4,785,454	-	-	228,311	909,057	5,922,822
Judicial	2,548,529	-	-	-	89,174	2,637,703
Public safety	6,008,672	-	-	-	10,206	6,018,878
Sanitation	45,473	-	-	-	-	45,473
Public works	-	2,738,933	-	-	149,676	2,888,609
Health	204,673	-	-	-	1,922	206,595
Welfare	-	-	-	-	1,355,305	1,355,305
Culture and recreation	284,151	-	3,057,318	-	535,878	3,877,347
Community support	149,741	-	-	-	477,361	627,102
Intergovernmental	382,564	-	-	-	227,089	609,653
Debt service:						
Principal	-	-	-	-	452,730	452,730
Interest	-	-	-	-	115,845	115,845
<b>Total Expenditures</b>	<b>14,409,257</b>	<b>2,738,933</b>	<b>3,057,318</b>	<b>228,311</b>	<b>4,324,243</b>	<b>24,758,062</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>(945,542)</b>	<b>(362,873)</b>	<b>(716,364)</b>	<b>1,496,118</b>	<b>3,165,166</b>	<b>2,636,505</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Payments in lieu of taxes:						
CC Communications - Telephone Fund	1,576,313	-	225,000	-	-	1,801,313
Sales of water rights	-	-	-	14,762	-	14,762
Issuance of medium-term financing	-	-	256,500	-	-	256,500
Transfers in	-	1,539,217	-	-	1,275,000	2,814,217
Transfers out	(250,000)	(80,000)	-	(750,000)	(1,734,217)	(2,814,217)
<b>Total Other Financing Sources (Uses)</b>	<b>1,326,313</b>	<b>1,459,217</b>	<b>481,500</b>	<b>(735,238)</b>	<b>(459,217)</b>	<b>2,072,575</b>
Net Change in Fund Balances	380,771	1,096,344	(234,864)	760,880	2,705,949	4,709,080
<b>FUND BALANCE, July 1</b>	<b>2,049,714</b>	<b>1,547,044</b>	<b>742,868</b>	<b>3,175,531</b>	<b>10,975,461</b>	<b>18,490,618</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 2,430,485</b>	<b>\$ 2,643,388</b>	<b>\$ 508,004</b>	<b>\$ 3,936,411</b>	<b>\$ 13,681,410</b>	<b>\$ 23,199,698</b>

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, 2006**

**Net Change in Fund Balances - Governmental Funds** **\$ 4,709,080**

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	4,329,421
Less: Current year depreciation	(1,879,962)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental fund statements:

Donated capital assets	717,131
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In the statement of activities, the gain on the disposal of capital assets is reported. In the governmental funds, the gain 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.

(50,473)

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.

(27,549)

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.

(4,961)

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.

(3,805)

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.

Promissory note issued	(256,500)
Principal payments	452,730

**Change in Net Assets - Governmental Activities**

**\$ 7,985,112**

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, 2006  
(Page 1 of 6)

	BUDGET		ACTUAL	VARIANCE WITH	
	ORIGINAL	FINAL		TO FINAL	FINAL TO ACTUAL
<b>REVENUES</b>					
Property taxes:					
Ad valorem taxes	\$ 3,536,492	\$3,536,492	\$3,559,637	\$ -	\$ 23,145
Licenses and permits:					
Business licenses	56,175	56,175	40,370	-	(15,805)
Liquor licenses	7,200	7,200	5,390	-	(1,810)
Local gaming licenses	48,000	48,000	45,762	-	(2,238)
Marriage licenses	5,350	5,350	4,836	-	(514)
Other permits	46,150	46,150	27,067	-	(19,083)
Building permits	415,175	415,175	381,297	-	(33,878)
Mobile home permits	300	300	152	-	(148)
Drug court fee	5,000	5,000	5,136	-	136
Septic fees	35,000	35,000	30,100	-	(4,900)
Manufactured home permits	-	-	34,900	-	34,900
Other license/permits fees	47,200	47,200	56,560	-	9,360
Franchise fees	103,000	103,000	166,914	-	63,914
	<u>768,550</u>	<u>768,550</u>	<u>798,484</u>	<u>-</u>	<u>29,934</u>
Intergovernmental:					
Federal in lieu of taxes	425,000	425,000	425,000	-	-
State gaming license	29,100	29,100	28,300	-	(800)
Bi-county reimbursements	-	-	31,710	-	31,710
Private car tax	-	-	1,827	-	1,827
AB104 fairshare	1,000,000	1,000,000	1,000,000	-	-
Consolidated intergovernmental taxes	5,216,000	5,216,000	5,216,000	-	-
Jail reimbursements, City of Fallon	72,000	72,000	28,463	-	(43,537)
Task force reimbursement	10,000	10,000	3,514	-	(6,486)
Grants-in-aid:					
Federal grants:					
Title IV-D	265,000	317,000	317,193	52,000	193
Title IV-D incentive	15,000	15,000	35,094	-	20,094
Wilderness program	-	-	370	-	370
Rural fire assistance	-	3,700	3,700	3,700	-
Planning assistance	185,000	185,000	172,769	-	(12,231)
FEMA - emergency management	-	4,755	4,756	4,755	1
Title V mentor link	-	9,975	9,975	9,975	-
State criminal assistance program (SCAAP)	-	11,816	11,816	11,816	-
Wilderness	-	20,588	20,594	20,588	6
OJJDP - CCBC - rafts	-	30,917	30,917	30,917	-
COPS grant	-	62,833	62,833	62,833	-
OJJDP drug free school	-	17,372	17,372	17,372	-
OJJDP girl's circle	-	8,700	8,700	8,700	-
Homeland security	-	176,390	176,390	176,390	-
Coalition - mentor link	-	30,429	30,429	30,429	-
Traffic safety	-	-	24,330	-	24,330
SERC - Equipment	-	-	15,563	-	15,563
Drug free schools	-	65,653	74,332	65,653	8,679
State grants:					
CCSD summer school	-	10,000	10,000	10,000	-
SB 62 water grant	-	-	26,720	-	26,720
Rafts	-	18,505	18,506	18,505	1
	<u>7,217,100</u>	<u>7,740,733</u>	<u>7,807,173</u>	<u>523,633</u>	<u>66,440</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
(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>
<b>Charges for services:</b>					
<b>Administrative assessments:</b>					
Juvenile probation	\$ 9,250	\$ 9,250	\$ 10,045	\$ -	\$ 795
Justice court	38,175	38,175	35,185	-	(2,990)
Municipal court	2,400	2,400	1,390	-	(1,010)
Juvenile court	2,000	2,000	850	-	(1,150)
District court	400	400	397	-	(3)
Assessor's property tax commissions	165,750	165,750	181,249	-	15,499
Assessor's department fee	2,000	2,000	2,148	-	148
Candidate filing fees	-	-	1,950	-	1,950
Justice court filing fees	51,175	51,175	62,755	-	11,580
Justice court forensic fees	9,275	9,275	8,790	-	(485)
Court clerk miscellaneous	12,175	12,175	16,129	-	3,954
County court fees	24,100	24,100	22,477	-	(1,623)
Recorder's fees	147,650	147,650	214,160	-	66,510
Public defender fees	12,000	12,000	6,172	-	(5,828)
Return check fees	-	-	60	-	60
Crime lab fees	1,000	1,000	1,051	-	51
Sheriff's fees	33,175	33,175	38,035	-	4,860
Sheriff's fees, fingerprint	3,600	3,600	1,999	-	(1,601)
Sheriff's fees, concealed weapon	2,700	2,700	7,465	-	4,765
Sheriff's fees, intermittent	3,100	3,100	1,550	-	(1,550)
CC Communications retainer	7,600	7,600	12,350	-	4,750
BLM service fee	-	-	2,500	-	2,500
Planning commission appeal fee	-	-	300	-	300
Child support withheld fee	-	-	1,658	-	1,658
Cemetery fees	49,175	49,175	49,385	-	210
Other	-	-	21,226	-	21,226
<b>Mining map fees:</b>					
Map fees - mining claims	7,500	7,500	8,999	-	1,499
Land plot maps - copies	1,000	1,000	205	-	(795)
	<u>585,200</u>	<u>585,200</u>	<u>710,480</u>	<u>-</u>	<u>125,280</u>
<b>Fines and forfeits:</b>					
Forfeited bail	175,175	175,175	189,109	-	13,934
Fines	96,600	96,600	76,308	-	(20,292)
Justice court bond forfeiture	2,100	2,100	3,126	-	1,026
Delinquent tax penalties	149,175	149,175	117,288	-	(31,887)
	<u>423,050</u>	<u>423,050</u>	<u>385,831</u>	<u>-</u>	<u>(37,219)</u>
<b>Miscellaneous:</b>					
Interest	26,000	26,000	63,187	-	37,187
Property sales	12,000	12,000	1,600	-	(10,400)
Miscellaneous sales	4,000	4,000	14,642	-	10,642
Oil and gas leases	3,033	3,033	-	-	(3,033)
Mine proceeds tax commissions	-	-	14,023	-	14,023
Senior citizen processing fees	-	-	872	-	872
Data processing	3,400	3,400	8,587	-	5,187
Juvenile miscellaneous reimbursements	100	100	-	-	(100)
Juvenile transport reimbursements	4,500	4,500	10,068	-	5,568
Juvenile child care reimbursements	7,500	7,500	799	-	(6,701)
Juvenile substance abuse reimbursements	3,000	3,000	1,155	-	(1,845)
Juvenile instructional supervision reimbursements	2,000	2,000	1,299	-	(701)
Gifts and donations	-	-	20,100	-	20,100
CWSD reimbursements	40,000	40,000	-	-	(40,000)
Mathew Homes Hazen project	-	-	32,242	-	32,242
Other miscellaneous	6,000	6,000	33,536	-	27,536
	<u>111,533</u>	<u>111,533</u>	<u>202,110</u>	<u>-</u>	<u>90,577</u>
<b>Total Revenues</b>	<u>12,641,925</u>	<u>13,165,558</u>	<u>13,463,715</u>	<u>523,633</u>	<u>298,157</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
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EXPENDITURES	BUDGET			VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	ORIGINAL TO FINAL	FINAL TO ACTUAL
General government:					
Commissioners:					
Salaries	\$ 79,930	\$ 79,930	\$ 78,714	\$ -	\$ 1,216
Benefits	39,095	39,095	38,040	-	1,055
Services and supplies	10,600	10,600	7,512	-	3,088
	<u>129,625</u>	<u>129,625</u>	<u>124,266</u>	<u>-</u>	<u>5,359</u>
Clerk/treasurer:					
Salaries	411,731	411,731	355,996	-	55,735
Benefits	170,029	170,029	141,887	-	28,142
Services and supplies	46,900	46,900	35,263	-	11,637
	<u>628,660</u>	<u>628,660</u>	<u>533,146</u>	<u>-</u>	<u>95,514</u>
Recorder:					
Salaries	186,496	186,496	172,321	-	14,175
Benefits	63,143	63,143	57,810	-	5,333
Services and supplies	10,800	10,800	10,358	-	442
	<u>260,439</u>	<u>260,439</u>	<u>240,489</u>	<u>-</u>	<u>19,950</u>
Records and microfilming:					
Services and supplies	14,000	14,000	46,649	-	(32,649)
Assessor:					
Salaries	357,187	357,187	361,656	-	(4,469)
Benefits	138,310	138,310	140,643	-	(2,333)
Services and supplies	116,963	116,963	89,784	-	27,179
	<u>612,460</u>	<u>612,460</u>	<u>592,083</u>	<u>-</u>	<u>20,377</u>
County manager:					
Salaries	158,040	158,040	154,903	-	3,137
Benefits	47,957	47,957	46,400	-	1,557
Services and supplies	11,650	11,650	11,261	-	389
	<u>217,647</u>	<u>217,647</u>	<u>212,564</u>	<u>-</u>	<u>5,083</u>
Buildings and grounds:					
Salaries	184,075	184,075	183,471	-	604
Benefits	79,077	79,077	77,670	-	1,407
Services and supplies	301,270	301,270	311,196	-	(9,926)
Capital outlay	-	-	9,500	-	(9,500)
	<u>564,422</u>	<u>564,422</u>	<u>581,837</u>	<u>-</u>	<u>(17,415)</u>
Elections:					
Services and supplies	20,000	20,000	7,280	-	12,720
Personnel operations:					
Salaries	91,871	91,871	87,546	-	4,325
Benefits	25,414	25,414	26,881	-	(1,467)
Services and supplies	9,800	9,800	9,205	-	595
	<u>127,085</u>	<u>127,085</u>	<u>123,632</u>	<u>-</u>	<u>3,453</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
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	<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 - staff development:					
Services and supplies	\$ 4,500	\$ 4,500	\$ 4,140	\$ -	\$ 360
Personnel - benefit services:					
Services and supplies	16,800	16,800	16,675	-	125
Comptroller:					
Salaries	223,888	223,888	212,593	-	11,295
Benefits	79,171	79,171	74,447	-	4,724
Services and supplies	17,990	17,990	12,781	-	5,209
	<u>321,049</u>	<u>321,049</u>	<u>299,821</u>	<u>-</u>	<u>21,228</u>
Data processing:					
Services and supplies	115,850	115,850	122,157	-	(6,307)
General government other:					
Services and supplies	857,200	1,107,200	1,147,153	(250,000)	(39,953)
Contingency:					
Services and supplies	75,000	-	-	75,000	-
Building inspection:					
Salaries	104,766	104,766	100,225	-	4,541
Benefits	36,926	36,926	36,050	-	876
Services and supplies	23,265	23,265	14,793	-	8,472
Capital outlay	3,500	3,500	-	-	3,500
	<u>168,457</u>	<u>168,457</u>	<u>151,068</u>	<u>-</u>	<u>17,389</u>
Yucca Mountain:					
Services and supplies	-	87,000	172,769	(87,000)	(85,769)
Planning department:					
Salaries	289,790	289,790	275,887	-	13,903
Benefits	108,386	108,386	102,508	-	5,878
Services and supplies	31,002	31,002	31,330	-	(328)
	<u>429,178</u>	<u>429,178</u>	<u>409,725</u>	<u>-</u>	<u>19,453</u>
Total General Government	<u>4,562,372</u>	<u>4,824,372</u>	<u>4,785,454</u>	<u>(262,000)</u>	<u>38,918</u>
Judicial:					
District court:					
Salaries	102,617	102,617	101,360	-	1,257
Benefits	37,355	37,355	37,034	-	321
Services and supplies	386,800	406,800	439,398	(20,000)	(32,598)
	<u>526,772</u>	<u>546,772</u>	<u>577,792</u>	<u>(20,000)</u>	<u>(31,020)</u>
Justice court:					
Salaries	288,366	288,366	275,108	-	13,258
Benefits	96,044	96,044	89,775	-	6,269
Services and supplies	115,120	115,120	113,530	-	1,590
Capital outlay	-	-	5,566	-	(5,566)
	<u>499,530</u>	<u>499,530</u>	<u>483,979</u>	<u>-</u>	<u>15,551</u>
District attorney:					
Salaries	932,422	984,422	925,290	(52,000)	59,132
Benefits	339,790	339,790	328,956	-	10,834
Services and supplies	175,710	183,710	232,512	(8,000)	(48,802)
Capital outlay	6,500	6,500	-	-	6,500
	<u>1,454,422</u>	<u>1,514,422</u>	<u>1,486,758</u>	<u>(60,000)</u>	<u>27,664</u>
Total Judicial	<u>2,480,724</u>	<u>2,560,724</u>	<u>2,548,529</u>	<u>(80,000)</u>	<u>12,195</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
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	BUDGET			VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	ORIGINAL TO FINAL	FINAL TO ACTUAL
Public safety:					
Sheriff:					
Salaries	\$ 2,632,151	\$2,487,151	\$2,475,180	\$ 145,000	\$ 11,971
Benefits	1,288,349	1,223,349	1,210,846	65,000	12,503
Services and supplies	645,390	667,312	537,919	(21,922)	129,393
Capital outlay	27,000	53,427	89,862	(26,427)	(36,435)
	<u>4,592,890</u>	<u>4,431,239</u>	<u>4,313,807</u>	<u>161,651</u>	<u>117,432</u>
Fire protection:					
Salaries	100,595	100,595	75,242	-	25,353
Benefits	85,745	85,745	137,692	-	(51,947)
Services and supplies	152,250	152,250	150,234	-	2,016
Capital outlay	100,000	100,000	58,977	-	41,023
	<u>438,590</u>	<u>438,590</u>	<u>422,145</u>	<u>-</u>	<u>16,445</u>
Emergency management:					
Services and supplies	10,500	191,645	201,036	(181,145)	(9,391)
Juvenile probation:					
Salaries	585,849	682,186	598,965	(96,337)	83,221
Benefits	225,361	230,950	227,276	(5,589)	3,674
Services and supplies	134,225	194,438	245,443	(60,213)	(51,005)
	<u>945,435</u>	<u>1,107,574</u>	<u>1,071,684</u>	<u>(162,139)</u>	<u>35,890</u>
Total Public Safety	<u>5,987,415</u>	<u>6,169,048</u>	<u>6,008,672</u>	<u>(181,633)</u>	<u>160,376</u>
Sanitation:					
Animal control and garbage disposal:					
Services and supplies	57,000	57,000	45,473	-	11,527
Health:					
City/County health:					
Services and supplies	3,000	3,000	-	-	3,000
Cemetery:					
Salaries	87,698	87,698	87,331	-	367
Benefits	32,997	32,997	31,878	-	1,119
Services and supplies	49,015	49,015	55,189	-	(6,174)
Capital outlay	32,000	32,000	30,275	-	1,725
	<u>201,710</u>	<u>201,710</u>	<u>204,673</u>	<u>-</u>	<u>(2,963)</u>
Total Health	<u>204,710</u>	<u>204,710</u>	<u>204,673</u>	<u>-</u>	<u>37</u>
Culture and recreation:					
Museum:					
Salaries	215,842	215,842	198,393	-	17,449
Benefits	52,296	52,296	47,823	-	4,473
Services and supplies	30,425	30,425	37,935	-	(7,510)
Total Culture and Recreation	<u>298,563</u>	<u>298,563</u>	<u>284,151</u>	<u>-</u>	<u>14,412</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
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	<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>
Community support:					
Services and supplies	\$ 157,500	\$ 157,500	\$ 149,741	\$ -	\$ 7,759
Intergovernmental:					
Services and supplies	418,765	418,765	382,564	-	36,201
Total Expenditures	<u>14,167,049</u>	<u>14,690,682</u>	<u>14,409,257</u>	<u>(523,633)</u>	<u>281,425</u>
Deficiency of Revenues Under Expenditures	<u>(1,525,124)</u>	<u>(1,525,124)</u>	<u>(945,542)</u>	<u>-</u>	<u>579,582</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Payments in lieu of taxes:					
CC Communications - Telephone Fund	1,576,312	1,576,312	1,576,313	-	1
Transfers out:					
Library Gift Fund	(30,000)	(30,000)	(80,000)	-	(50,000)
Cemetery Beautification Fund	-	-	(25,000)	-	(25,000)
Law Library Fund	(20,000)	(20,000)	(20,000)	-	-
Risk Management Fund	-	-	(50,000)	-	(50,000)
Compensated Absences Fund	-	-	(50,000)	-	(50,000)
Unemployment Compensation Fund	-	-	(25,000)	-	(25,000)
Total Other Financing Sources (Uses)	<u>1,526,312</u>	<u>1,526,312</u>	<u>1,326,313</u>	<u>-</u>	<u>(199,999)</u>
Net Change in Fund Balances	1,188	1,188	380,771	-	379,583
<b>FUND BALANCE, July 1</b>	<u>1,067,137</u>	<u>1,067,137</u>	<u>2,049,714</u>	<u>-</u>	<u>982,577</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,068,325</u>	<u>\$ 1,068,325</u>	<u>\$ 2,430,485</u>	<u>\$ -</u>	<u>\$ 1,362,160</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, 2006**

	<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>
<b>REVENUES</b>					
Licenses and permits:					
Licenses and permits	\$ 3,000	\$ 3,000	\$ 2,750	\$ -	\$ (250)
Intergovernmental:					
Federal in lieu of taxes	-	-	134,120	-	134,120
AB104 fairshare	-	-	41,986	-	41,986
Consolidated intergovernmental taxes	-	-	430,345	-	430,345
Motor vehicle fuel tax (\$.0125)	345,576	345,576	345,629	-	53
Motor vehicle fuel tax (\$.0175)	117,329	117,329	164,217	-	46,888
Motor vehicle fuel tax (\$.0360)	570,624	570,624	568,223	-	(2,401)
Other licenses and permits	250	250	-	-	(250)
	<u>1,033,779</u>	<u>1,033,779</u>	<u>1,684,520</u>	<u>-</u>	<u>650,741</u>
Miscellaneous:					
Interest	6,750	6,750	58,845	-	52,095
Miscellaneous	40,000	40,000	23,038	-	(16,962)
Property sales	750	750	76,867	-	76,117
Other sales	750	750	-	-	(750)
Inspection fees	-	-	1,500	-	1,500
Geothermal rents and royalties	-	-	311,019	-	311,019
Fuel reimbursements	127,000	127,000	217,521	-	90,521
	<u>175,250</u>	<u>175,250</u>	<u>688,790</u>	<u>-</u>	<u>513,540</u>
Total Revenues	<u>1,212,029</u>	<u>1,212,029</u>	<u>2,376,060</u>	<u>-</u>	<u>1,164,031</u>
<b>EXPENDITURES</b>					
Public works:					
Highways and streets:					
Salaries	753,890	769,390	702,644	(15,500)	66,746
Benefits	302,480	302,480	268,663	-	33,817
Services and supplies	1,562,975	2,021,921	1,763,403	(458,946)	258,518
Capital outlay	7,000	7,000	4,223	-	2,777
Total Expenditures	<u>2,626,345</u>	<u>3,100,791</u>	<u>2,738,933</u>	<u>(474,446)</u>	<u>361,858</u>
Deficiency of Revenues Over Expenditures	<u>(1,414,316)</u>	<u>(1,888,762)</u>	<u>(362,873)</u>	<u>(474,446)</u>	<u>1,525,889</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in:					
Regional Street and Highway Fund	600,000	600,000	860,200	-	260,200
Public Transit Fund	400,000	400,000	679,017	-	279,017
Transfers out:					
Debt Service Fund	(80,000)	(80,000)	(80,000)	-	-
Total Other Financing Sources (Uses)	<u>920,000</u>	<u>920,000</u>	<u>1,459,217</u>	<u>-</u>	<u>539,217</u>
Net Change in Fund Balances	<u>(494,316)</u>	<u>(968,762)</u>	<u>1,096,344</u>	<u>(474,446)</u>	<u>2,065,106</u>
FUND BALANCE, July 1	<u>772,598</u>	<u>1,247,044</u>	<u>1,547,044</u>	<u>474,446</u>	<u>300,000</u>
FUND BALANCE, June 30	<u>\$ 278,282</u>	<u>\$ 278,282</u>	<u>\$2,643,388</u>	<u>\$ -</u>	<u>\$ 2,365,106</u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - PARKS AND RECREATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
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REVENUES	BUDGET		ACTUAL	VARIANCE WITH	
	ORIGINAL	FINAL		ORIGINAL TO FINAL	FINAL TO ACTUAL
Taxes:					
County lodging tax	\$ 7,100	\$ 7,100	\$ 6,685	\$ -	\$ (415)
Intergovernmental:					
Federal payments in lieu of taxes	175,000	175,000	175,000	-	-
Consolidated intergovernmental taxes	200,000	200,000	200,000	-	-
Grants-in-aid:					
Federal	-	-	4,187	-	4,187
State	-	1,592,488	1,592,488	1,592,488	-
	<u>375,000</u>	<u>1,967,488</u>	<u>1,971,675</u>	<u>1,592,488</u>	<u>4,187</u>
Charges for services:					
Contract clean-up	6,000	6,000	7,409	-	1,409
Concession stand	9,000	9,000	12,717	-	3,717
Recreation charges	100,000	100,000	148,745	-	48,745
Swimming pool receipts	53,000	53,000	67,729	-	14,729
Fairgrounds rentals	56,175	56,175	68,572	-	12,397
Public parks miscellaneous	-	-	361	-	361
Utilities reimbursements	-	-	863	-	863
Pro-shop sales	2,000	2,000	3,163	-	1,163
	<u>226,175</u>	<u>226,175</u>	<u>309,559</u>	<u>-</u>	<u>83,384</u>
Miscellaneous:					
Interest	7,500	7,500	23,602	-	16,102
Miscellaneous	5,000	5,000	29,433	-	24,433
	<u>12,500</u>	<u>12,500</u>	<u>53,035</u>	<u>-</u>	<u>40,535</u>
Total Revenues	<u>620,775</u>	<u>2,213,263</u>	<u>2,340,954</u>	<u>1,592,488</u>	<u>127,691</u>
EXPENDITURES					
Culture and recreation:					
Administration:					
Salaries	140,185	140,185	138,094	-	2,091
Benefits	53,870	53,870	52,896	-	974
Services and supplies	21,800	25,759	24,018	(3,959)	1,741
	<u>215,855</u>	<u>219,814</u>	<u>215,008</u>	<u>(3,959)</u>	<u>4,806</u>
Public parks:					
Salaries	41,314	41,314	39,124	-	2,190
Benefits	15,746	15,746	15,035	-	711
Services and supplies	40,800	45,800	52,940	(5,000)	(7,140)
Capital outlay	42,000	1,634,488	2,015,749	(1,592,488)	(381,261)
	<u>139,860</u>	<u>1,737,348</u>	<u>2,122,848</u>	<u>(1,597,488)</u>	<u>(385,500)</u>
Recreation athletics:					
Salaries	71,355	71,355	69,195	-	2,160
Benefits	19,639	19,639	19,176	-	463
Services and supplies	65,150	90,150	91,237	(25,000)	(1,087)
Capital outlay	5,000	-	-	5,000	-
	<u>161,144</u>	<u>181,144</u>	<u>179,608</u>	<u>(20,000)</u>	<u>1,536</u>
Fairgrounds:					
Salaries	84,754	84,754	83,757	-	997
Benefits	20,743	20,743	20,754	-	(11)
Services and supplies	98,250	158,250	132,161	(60,000)	26,089
Capital outlay	61,000	61,000	56,244	-	4,756
	<u>264,747</u>	<u>324,747</u>	<u>292,916</u>	<u>(60,000)</u>	<u>31,831</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - PARKS AND RECREATION FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
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	<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>
Swimming pool:					
Salaries	\$ 98,899	\$ 108,899	\$ 105,409	\$ (10,000)	\$ 3,490
Benefits	21,873	23,873	22,258	(2,000)	1,615
Services and supplies	98,450	157,450	119,271	(59,000)	38,179
	<u>219,222</u>	<u>290,222</u>	<u>246,938</u>	<u>(71,000)</u>	<u>43,284</u>
Total Expenditures	<u>1,000,828</u>	<u>2,753,275</u>	<u>3,057,318</u>	<u>(1,752,447)</u>	<u>(304,043)</u>
Deficiency of Revenues Under Expenditures	<u>(380,053)</u>	<u>(540,012)</u>	<u>(716,364)</u>	<u>(159,959)</u>	<u>(176,352)</u>
<b>OTHER FINANCING SOURCES</b>					
Issuance of medium-term financing	-	-	256,500	-	256,500
Payments in lieu of taxes:					
CC Communications - Telephone Fund	<u>225,000</u>	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>225,000</u>	<u>225,000</u>	<u>481,500</u>	<u>-</u>	<u>256,500</u>
Net Change in Fund Balances	(155,053)	(315,012)	(234,864)	(159,959)	80,148
<b>FUND BALANCE, July 1</b>	<u>582,909</u>	<u>742,868</u>	<u>742,868</u>	<u>159,959</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 427,856</u>	<u>\$ 427,856</u>	<u>\$ 508,004</u>	<u>\$ -</u>	<u>\$ 80,148</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, 2006**

	<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>
<b>REVENUES</b>					
Intergovernmental:					
Federal payments in lieu of taxes	\$ 25,000	\$ 25,000	\$ 159,120	\$ -	\$ 134,120
Consolidated intergovernmental taxes	120,000	120,000	550,345	-	430,345
ABI04 fairshare	-	-	41,987	-	41,987
Refuge revenue sharing	-	-	37,912	-	37,912
	<u>145,000</u>	<u>145,000</u>	<u>789,364</u>	<u>-</u>	<u>644,364</u>
Charges for services:					
Water rights dedication fees	500,000	500,000	421,840	-	(78,160)
Miscellaneous:					
Interest	29,175	29,175	185,187	-	156,012
CWSD reimbursements	-	-	11,506	-	11,506
Geothermal rents and royalties	-	225,000	311,019	225,000	86,019
Other miscellaneous	1,000	1,000	5,513	-	4,513
	<u>30,175</u>	<u>255,175</u>	<u>513,225</u>	<u>225,000</u>	<u>258,050</u>
Total Revenues	<u>675,175</u>	<u>900,175</u>	<u>1,724,429</u>	<u>225,000</u>	<u>824,254</u>
<b>EXPENDITURES</b>					
General government					
Services and supplies	5,000,000	5,000,000	57,745	-	4,942,255
Capital outlay	-	225,000	170,566	(225,000)	54,434
Total Expenditures	<u>5,000,000</u>	<u>5,225,000</u>	<u>228,311</u>	<u>(225,000)</u>	<u>4,996,689</u>
Deficiency of Revenues Under Expenditures	<u>(4,324,825)</u>	<u>(4,324,825)</u>	<u>1,496,118</u>	<u>-</u>	<u>5,820,943</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sales of water rights	1,000,000	1,000,000	14,762	-	(985,238)
Transfers out:					
Debt Service Fund	(750,000)	(750,000)	(750,000)	-	-
Total Other Financing Sources (Uses)	<u>250,000</u>	<u>250,000</u>	<u>(735,238)</u>	<u>-</u>	<u>(985,238)</u>
Net Change in Fund Balances	<u>(4,074,825)</u>	<u>(4,074,825)</u>	<u>760,880</u>	<u>-</u>	<u>4,835,705</u>
<b>FUND BALANCE, July 1</b>	<u>6,276,090</u>	<u>6,276,090</u>	<u>3,175,531</u>	<u>-</u>	<u>(3,100,559)</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 2,201,265</u>	<u>\$ 2,201,265</u>	<u>\$ 3,936,411</u>	<u>\$ -</u>	<u>\$ 1,735,146</u>

See accompanying notes.

CHURCHILL COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2006  
 (Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS		
<b>ASSETS</b>							
Current Assets:							
Cash	\$ 1,300,071	\$ 2,394,967	\$ 1,293,578	\$ 235,780	\$ 1,673,393	\$ 6,897,789	
Trade accounts receivable, net	1,523,643	-	-	-	-	1,523,643	
Other accounts receivable, net	1,125,899	697,000	-	-	-	1,822,899	
Interest receivable	3,658	13,760	4,553	829	-	22,800	
Due from other governments	440,357	-	118,938	2,375,625	-	2,494,563	
Due from other funds	1,511,650	-	2,000,000	2,103,500	-	4,543,857	
Inventory	-	704,642	-	-	240,966	2,457,258	
Total Current Assets	5,905,278	3,810,369	3,417,069	4,715,734	1,914,359	19,762,809	
Noncurrent Assets:							
Goodwill, net of accumulated amortization	34,020	-	-	-	-	34,020	
Debt issuance costs, net of accumulated amortization	3,635	-	-	-	-	3,635	
Capital Assets:							
In service	56,312,101	8,948,435	240,243	244,643	3,534,266	69,279,688	
Under construction	1,078,960	1,727,292	3,013,489	5,788,233	1,670	11,609,644	
Less: Accumulated depreciation	57,391,061	10,675,727	3,253,732	6,032,876	3,535,936	80,889,332	
Total Capital Assets	30,243,789	3,000,219	-	-	2,421,758	35,665,766	
Total Noncurrent Assets	27,147,272	7,675,508	3,253,732	6,032,876	1,114,178	45,223,566	
Total Assets	33,090,205	11,485,877	6,670,801	10,748,610	3,028,537	65,024,030	
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts payable	1,589,645	1,358	125,049	463,580	56,099	2,235,731	
Deferred revenue	-	-	1,518,705	665,948	-	2,184,653	
Customer deposits	7,600	29,100	-	-	-	36,700	
Accrued interest	2,343	1,226	236	237	-	4,042	
Other accrued liabilities	644,410	5,078	-	-	-	649,488	
Due to other funds	-	437,960	2,895,878	5,217,348	2,397	8,553,583	
Total Current Liabilities	2,243,998	474,722	4,539,868	6,347,113	58,496	13,664,197	

CHURCHILL COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2006  
 (Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
Noncurrent Liabilities:								
Due within one year:								
Note payable	\$ 625,460	\$ 176,530	\$ -	\$ -	\$ -	\$ -	\$ 801,990	
Capital lease payable	56,302	-	-	-	-	-	56,302	
Compensated absences	39,102	-	-	-	-	-	39,102	
	<u>720,864</u>	<u>176,530</u>	-	-	-	-	<u>897,394</u>	
Due in more than one year:								
Note payable	637,381	179,895	-	-	-	-	817,276	
Bonds payable	-	-	2,000,000	2,000,000	-	-	4,000,000	
Capital lease payable	1,455,407	-	-	-	-	-	1,455,407	
Compensated absences	357,284	-	-	-	-	-	357,284	
	<u>2,450,072</u>	<u>179,895</u>	<u>2,000,000</u>	<u>2,000,000</u>	-	-	<u>6,629,967</u>	
Total Noncurrent Liabilities	<u>3,170,936</u>	<u>356,425</u>	<u>2,000,000</u>	<u>2,000,000</u>	-	-	<u>7,527,361</u>	
Total Liabilities	<u>5,414,934</u>	<u>831,147</u>	<u>6,539,868</u>	<u>8,347,113</u>	<u>58,496</u>	<u>58,496</u>	<u>21,191,558</u>	
NET ASSETS								
Invested in capital assets, net of related debt	24,372,722	7,319,083	1,253,732	4,032,876	1,114,178	1,114,178	38,092,591	
Unrestricted	3,302,549	3,335,647	(1,122,799)	(1,631,379)	1,855,863	1,855,863	5,739,881	
Total Net Assets	<u>\$ 27,675,271</u>	<u>\$ 10,654,730</u>	<u>\$ 130,933</u>	<u>\$ 2,401,497</u>	<u>\$ 2,970,041</u>	<u>\$ 2,970,041</u>	<u>\$ 43,832,472</u>	

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	-	
<b>OPERATING REVENUES</b>							
Charges for sales and services	\$ 13,088,574	\$ 7,690,330	\$ -	\$ -	\$ 2,993,388	\$ -	\$ 23,772,292
<b>OPERATING EXPENSES</b>							
Plant specific operations	2,284,941	-	-	-	-	-	2,284,941
Plant nonspecific operations	1,697,988	-	-	-	-	-	1,697,988
Customer operations	1,316,162	1,314,052	-	-	376,045	-	3,006,259
Network operations	-	2,648,958	-	-	838,363	-	3,487,321
Corporate operations	2,409,122	354,107	-	-	258,620	-	3,021,849
Access charges	-	-	-	-	1,836,350	-	1,836,350
Equipment sales expenses	-	780,120	-	-	-	-	780,120
Miscellaneous operating expenses	1,378,651	11,865	-	-	6,153	-	18,018
Payments to County in lieu of taxes	4,207,383	783,626	-	-	-	-	1,378,651
Depreciation and amortization	-	-	-	-	655,050	-	5,646,059
Total Operating Expenses	13,294,247	5,892,728	-	-	3,970,581	-	23,157,556
Operating Income (Loss)	(205,673)	1,797,602	-	-	(977,193)	-	614,736
<b>NONOPERATING REVENUE (EXPENSE)</b>							
Interest income	69,081	154,825	12,231	2,439	-	-	238,576
Interest expense	(89,407)	(9,709)	(236)	(237)	-	-	(99,589)
Nonregulated income	2,403,284	-	-	-	-	-	2,403,284
Nonregulated expenses	(1,747,892)	-	-	-	-	-	(1,747,892)
Rental income	-	-	-	-	-	-	-
State grants	-	-	118,938	-	18,000	-	18,000
Loss on write down of goodwill	(6,480)	-	-	2,375,625	-	-	2,494,563
Contributions out	(310,000)	-	-	-	-	-	(6,480)
Payments to County in lieu of taxes	(422,662)	(2,025,000)	-	-	(488,000)	-	(2,823,000)
Donations to County	(54,836)	-	-	-	-	-	(422,662)
Total Nonoperating Revenue (Expense)	(158,912)	(1,879,884)	130,933	2,377,827	(470,000)	-	(36)
Income (Loss) Before Capital Contributions	(304,585)	(82,282)	130,933	2,377,827	(1,447,193)	-	614,700
<b>CAPITAL CONTRIBUTIONS</b>							
Change in Net Assets	1,593,000	-	-	-	1,230,000	-	2,823,000
NET ASSETS, July 1	1,228,415	(82,282)	130,933	2,377,827	(217,193)	-	3,437,700
NET ASSETS, June 30	26,446,856	10,737,012	-	23,670	3,187,234	-	40,394,772
	\$ 27,675,271	\$ 10,654,730	\$ 130,933	\$ 2,401,497	\$ 2,970,041	\$ -	\$ 43,832,472

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
(Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash received from customers	\$ 13,926,761	\$ 7,948,188	\$ 1,285,900	\$ 314,000	\$ 3,096,668	\$ 26,571,517	
Cash payments to employees	(3,655,526)	(620,785)	-	-	(302,858)	(4,579,169)	
Cash payments for services and supplies	(7,098,701)	(4,440,843)	-	-	(2,971,953)	(14,511,497)	
Net Cash Provided (Used) by Operating Activities	<u>3,172,534</u>	<u>2,886,560</u>	<u>1,285,900</u>	<u>314,000</u>	<u>(178,143)</u>	<u>7,480,851</u>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Contributions in	1,593,000	-	-	-	1,230,000	2,823,000	
Transfers out	(310,000)	(2,025,000)	-	-	(488,000)	(2,823,000)	
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,283,000</u>	<u>(2,025,000)</u>	<u>-</u>	<u>-</u>	<u>742,000</u>	<u>-</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchase of property, plant, and equipment	(4,542,488)	(2,639,190)	-	(103,500)	(160,692)	(7,445,870)	
Principal payment on long-term debt	(677,694)	(173,159)	-	-	-	(850,853)	
Interest payment on long-term debt	(92,867)	(8,720)	-	-	-	(101,587)	
Net Cash Used for Capital and Related Financing Activities	<u>(5,313,049)</u>	<u>(2,821,069)</u>	<u>-</u>	<u>(103,500)</u>	<u>(160,692)</u>	<u>(8,398,310)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest received on investments	69,847	150,912	7,678	1,610	-	230,047	
Net Increase (Decrease) in Cash	(787,668)	(1,808,597)	1,293,578	212,110	403,165	(687,412)	
<b>CASH, July 1</b>	<u>2,087,739</u>	<u>4,203,564</u>	<u>-</u>	<u>23,670</u>	<u>1,270,228</u>	<u>7,585,201</u>	
<b>CASH, June 30</b>	<u>\$ 1,300,071</u>	<u>\$ 2,394,967</u>	<u>\$ 1,293,578</u>	<u>\$ 235,780</u>	<u>\$ 1,673,393</u>	<u>\$ 6,897,789</u>	
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>							
Land, easements, and a portion of the water and waste water systems that were exchanged for utility hook ups, reduction in connections fees, and water	\$ -	-	232,805	351,948	-	\$ 584,753	
Capital improvements for which payments were advanced by the Water Resource Fund	\$ -	-	895,878	3,113,848	-	\$ 4,009,726	

CHURCHILL COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	
	\$ (205,673)	\$ 1,797,602	\$ -	\$ -	\$ (977,193)	\$ 614,736
Operating income (loss)	4,498,998	783,626	-	-	655,050	5,937,674
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	655,392	-	-	-	-	655,392
Depreciation	-	-	-	-	18,000	18,000
Income from nonregulated operations, net of expenses	(422,662)	-	-	-	-	(422,662)
Rental income	(54,836)	-	-	-	-	(54,836)
Payments to County in lieu of taxes - nonoperating	-	(785)	-	-	-	(785)
Donations to County	-	(13,515)	-	-	-	(13,515)
Interest paid on subscriber deposits	1,052	-	-	-	-	1,052
Increase (decrease) in provision for uncollectible accounts	-	-	-	-	-	-
Changes in assets and liabilities:	-	-	-	-	-	-
(Increase) decrease in:	-	-	-	-	-	-
Accounts receivable	(666,803)	488,299	-	-	-	(178,504)
Due from other funds	(275,692)	-	-	-	147,910	(127,782)
Inventory	259,968	(219,590)	-	-	15,019	55,397
Increase (decrease) in:	-	-	-	-	-	-
Accounts payable	(159,731)	(48,614)	-	-	23,304	(185,041)
Deferred revenue	(430,184)	(228,091)	-	314,000	(62,630)	878,995
Due to other funds	(194,937)	320,323	1,285,900	-	2,397	127,783
Customer deposits	1,467	11,950	-	-	-	13,417
Other accrued liabilities	166,175	(4,645)	-	-	-	161,530
Net Cash Provided (Used) by Operating Activities	\$ 3,172,534	\$ 2,886,560	\$ 1,285,900	\$ 314,000	\$ (178,143)	\$ 7,480,851

RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:

Operating income (loss)  
 Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:  
 Depreciation  
 Income from nonregulated operations, net of expenses  
 Rental income  
 Payments to County in lieu of taxes - nonoperating  
 Donations to County  
 Interest paid on subscriber deposits  
 Increase (decrease) in provision for uncollectible accounts  
 Changes in assets and liabilities:  
 (Increase) decrease in:  
 Accounts receivable  
 Due from other funds  
 Inventory  
 Increase (decrease) in:  
 Accounts payable  
 Deferred revenue  
 Due to other funds  
 Customer deposits  
 Other accrued liabilities

Net Cash Provided (Used) by Operating Activities

**CHURCHILL COUNTY, NEVADA  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
JUNE 30, 2006**

	<u>INVESTMENT TRUST FUND</u>	<u>AGENCY FUNDS</u>
<b>ASSETS</b>		
Cash		
Accounts receivable	\$ 2,801,738	\$ 663,448
Taxes receivable	-	99,445
Interest receivable	-	118,502
Due from other governments	11,102	102
	<u>-</u>	<u>340,844</u>
	<u>2,812,840</u>	<u>1,222,341</u>
 <b>LIABILITIES</b>		
Liabilities:		
Accounts payable	-	2,989
Due to other governments	-	909,778
Due to others	-	309,574
	<u>-</u>	<u>1,222,341</u>
 <b>NET ASSETS</b>		
Reserved for pool participants	<u>\$ 2,812,840</u>	<u>\$ -</u>

See accompanying notes.

CHURCHILL COUNTY, NEVADA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006

	<u>INVESTMENT TRUST FUND</u>
<b>ADDITIONS</b>	
Investment income	\$ 129,797
Capital share transactions	<u>404,531</u>
Change in Net Assets	534,328
<b>NET ASSETS, July 1</b>	<u>2,278,512</u>
<b>NET ASSETS, June 30</b>	<u><u>\$ 2,812,840</u></u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**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. 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. 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, 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, 2006**

**NOTE 1 - Summary of Significant Accounting Policies (Continued):**

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.
- **Parks and Recreation Fund** - The Parks and Recreation Fund accounts for transactions by the County related to maintenance of parks and recreation activities.
- **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.
- **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 account for cash and receivables, primarily for shared revenues, held by Churchill County in a trustee capacity or as an agent, prior to allocation to the other governmental entities.

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.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 1 - Summary of Significant Accounting Policies (Continued):**

**Property Taxes:**

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

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

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

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to fiscal year 2004-2005 have been written off.

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.

**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, 2006**

**NOTE 1 - Summary of Significant Accounting Policies (Continued):**

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.

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 and the CC Communications - Wireless Fund. The allowances at June 30, 2006 were \$12,633 and \$1,347, respectively.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 1 - Summary of Significant Accounting Policies (Continued):**

**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 level is \$3,000. 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 all CC Communications' proprietary funds, 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:

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

Depreciation for all CC Communications' proprietary funds 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. The annual composite rates for all fixed assets of the CC Communications - Wireless Fund and the CC Communications - Broadband Fund are 10% and 20%, respectively.

**Equity Classifications:**

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

- **Invested in capital assets, net of related debt** – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **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.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 1 - Summary of Significant Accounting Policies (Continued):**

**Proprietary Funds Interexchanged Revenue:**

**CC Communications – Telephone Fund:**

The 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.

**CC Communications – Wireless Proprietary Fund:**

On May 6, 2004, the Churchill County Commission sitting as the "state commission" pursuant to NRS 710 and 47 USC 3(41), entered an order designating CC Communications - Wireless as an Eligible Telecommunications Carrier (ETC) for operations within Churchill County Nevada. Designation as an ETC entitles CC Communications - Wireless to receive Federal USF distributed by the Universal Service Administration Corporation (USAC) for customers located within Churchill County at the same per line rate as the incumbent local exchange carrier (ILEC).

The ILEC operates under various settlement/compensation agreements with connecting carriers and the National Exchange Carrier Association (NECA) whereby interexchanged revenue is settled between the connecting carriers and NECA based on tariffs, contracts and cost studies. Further, the ILEC receives universal service funding distributions from USAC, paid through NECA, as part of the settlement and compensation process. CC Communications-Wireless receives interim monthly revenue distributions from USAC based upon cost studies performed on the ILEC at the end of each calendar year for all local exchange carriers participating in the NECA revenue pool. Interim USAC distributions to CC Communications - Wireless 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 USAC distributions for any particular month are finally determined. It is CC Communications - Wireless policy to record revenue accruals from USAC 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 and sick leave benefits are not accrued as earned, but are recorded as payroll expenditures within the Compensated Absences Fund only when the time is actually used, or accumulated benefits are paid or accrued as the result of an actual or planned termination of service.

**Reclassification of Prior Year Information:**

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**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 culture and recreation function of the Parks and Recreation Fund exceeded appropriations by \$304,043.
  - Total expenditures of the intergovernmental function of the Public Transit Fund exceeded appropriations by \$174,728.
  - Total expenditures of the community support function of the Senior Citizens Ad Valorem Levy Fund exceeded appropriations by \$1,222.
  - Expenses of the CC Communications – Wireless Fund exceeded appropriations by \$1,467,822.
  - Expenses of the Waste Water Enterprise Fund exceeded appropriations by \$236.
  - Expenses of the Utility Enterprise Fund exceeded appropriations by \$237.
  - Expenses of the CC Communications – Long Distance Fund exceeded appropriations by \$528,174.
  - Expenses of the CC Communications – Broadband Fund exceeded appropriations by \$26,726.
- The above are apparent violations of NRS 354.626.
- Activity occurred in the Waste Water Enterprise Fund during the fiscal year ended June 30, 2006. The resolution to establish this fund was not approved until the following fiscal year. This is an apparent violation of NRS 354.612.
  - AB 104 Fair Share revenues were not apportioned in accordance with NRS 360.690.

**NOTE 3 - Cash and Investments:**

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

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

A summary schedule of cash and investments for Churchill County at June 30, 2006 is as follows:

Cash and investment balances held by:	
Governmental Funds	\$ 20,140,474
Proprietary Funds	6,897,789
Fiduciary Funds	3,465,186
	\$ 30,503,449
Total	\$ 30,503,449

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 3 - Cash and Investments (Continued):**

Balances at fair value classified by:	
On hand	\$ 4,110
Bank of America checking	5,786
Wells Fargo:	
Checking	7,585,348
Money market	54,841
Certificates of deposit	1,811,356
U.S. government securities	3,104,090
Local Government Investment Pool	17,937,918
Total	\$ 30,503,449

As of June 30, 2006, the County had the following investments and maturities:

Investments	Fair Value	Investment Maturity (in years) Less than 1
Certificates of deposit	\$ 1,811,356	\$ 1,811,356
U.S. government securities	3,104,090	3,104,090
Local Government Investment Pool	17,937,918	17,937,918
	\$ 22,853,364	\$ 22,853,364

*Interest Rate Risk.* Interest rate risk is the risk of possible reduction in the value of a security, especially a bond, resulting from a rise in interest rates. This risk can be reduced by the limitation of the length of investment maturities. Churchill County's investment policy requires all securities purchased to mature or have a demand feature within three years and requires the average maturity to not exceed eighteen months. All investments held by Churchill County as of June 30, 2006 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 are rated by IDC Financial Publishing, Inc. IDC Publishing, Inc. has six ratings: superior, excellent, average, below average, lowest ratios, and rank of one. Of the nineteen certificates of deposit held by Churchill County as of June 30, 2006, twelve were rated superior, five were rated excellent, and two were rated average. The Local Government Investment Pool is unrated. Churchill County's policy does not specify minimum acceptable credit ratings beyond those specified in the Nevada Revised Statutes.

*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 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.

**CHURCHILL COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 3 - Cash and Investments (Continued):**

Summary of investments held in the external investment pool at June 30, 2006:

Investment Type	Fair Value	Number of Shares	Interest Rate	Maturity Dates
State of Nevada Local Government Investment Pool	\$ 2,801,738	2,801,738 shares	Variable	07/01/06

External Investment Pool financial statements:

**Statement of Net Assets, June 30, 2006**

**Assets**

Investments in securities:

State of Nevada Local Government Investment Pool	\$ 2,801,738
Interest receivable	11,102

Total Assets

2,812,840

**Net Assets**

Net assets consist of:

External participants	2,812,840
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Total Net Assets Held in Trust for Pool Participants  
(Participant Units Outstanding, \$1/par)

\$ 2,812,840

**Statement of Changes in Net Assets, Year Ended June 30, 2006**

Net increase resulting from operations:

Investment earnings	\$ 129,797
Capital share transactions	404,531

Total Increase

534,328

Net assets:

Beginning of year	<u>2,278,512</u>
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End of year

\$ 2,812,840

**NOTE 4 - Notes Receivable:**

Governmental Activities	Loan Amount	Terms	Balance June 30, 2006	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.	\$ 264,704	\$ 15,382	\$ 249,322
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%.	<u>992,750</u>	<u>992,750</u>	<u>-</u>
			<u>\$1,257,454</u>	<u>\$1,008,132</u>	<u>\$ 249,322</u>

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 5 - Capital Assets:**

A summary of changes in capital assets for the year ended June 30, 2006 follows:

	Balance July 1, 2005	Adjustments*	Additions	Deletions	Balance June 30, 2006
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 4,392,685	\$ -	\$ 1,966,778	\$ -	\$ 6,359,463
Water rights	5,627,177	434,405	144,780	-	6,206,362
<b>Total Capital Assets, Not Being Depreciated</b>	<b>10,019,862</b>	<b>434,405</b>	<b>2,111,558</b>	<b>-</b>	<b>12,565,825</b>
Capital assets, being depreciated:					
Buildings and improvements	13,403,925	-	135,545	3,306	13,536,164
Land improvements	1,247,233	-	210,876	-	1,458,109
Equipment	7,982,255	-	624,197	397,885	8,208,567
Infrastructure	40,350,219	-	1,964,376	-	42,314,595
<b>Total Capital Assets, Being Depreciated</b>	<b>62,983,632</b>	<b>-</b>	<b>2,934,994</b>	<b>401,191</b>	<b>65,517,435</b>
Less accumulated depreciation for:					
Buildings and improvements	(5,109,927)	-	(382,464)	2,969	(5,489,422)
Land improvements	(884,835)	-	(42,314)	-	(927,149)
Equipment	(5,143,132)	-	(613,195)	347,749	(5,408,578)
Infrastructure	(21,784,918)	-	(841,989)	-	(22,626,907)
<b>Total Accumulated Depreciation</b>	<b>(32,922,812)</b>	<b>-</b>	<b>(1,879,962)</b>	<b>350,718</b>	<b>(34,452,056)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>30,060,820</b>	<b>-</b>	<b>1,055,032</b>	<b>50,473</b>	<b>31,065,379</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 40,080,682</b>	<b>\$ 434,405</b>	<b>\$ 3,166,590</b>	<b>\$ (50,473)</b>	<b>\$ 43,631,204</b>

\* The adjustments represent a prior period adjustment for the value of water rights dedicated in lieu of paying cash.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 5 - Capital Assets (Continued):**

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
<b>Business-Type Activities:</b>				
Capital assets, not being depreciated:				
Real estate and easements	\$ 55,813	\$ 484,886	\$ -	\$ 540,699
Under construction	2,602,654	11,609,644	2,602,654	11,609,644
<b>Total Capital Assets, Not Being Depreciated</b>	<b>2,658,467</b>	<b>12,094,530</b>	<b>2,602,654</b>	<b>12,150,343</b>
Capital assets, being depreciated:				
Buildings and improvements	5,106,240	126,127	-	5,232,367
Central office switching	13,403,642	1,512,716	53,396	14,862,962
Outside plant	27,459,110	1,984,005	2,739,285	26,703,830
Furniture and fixtures	56,442	-	-	56,442
Computer equipment	1,414,068	1,493,595	15,508	2,892,155
Other communication equipment	366,038	77,632	14,137	429,533
Vehicles and work equipment	2,769,590	223,660	144,066	2,849,184
Leasehold improvements	727,865	39,190	-	767,055
Other equipment	5,860,749	653,460	264,797	6,249,412
Cell sites	7,171,582	304,563	-	7,476,145
Transport facilities	497,750	722,154	-	1,219,904
<b>Total Capital Assets, Being Depreciated</b>	<b>64,833,076</b>	<b>7,137,102</b>	<b>3,231,189</b>	<b>68,738,989</b>
Less accumulated depreciation for:				
Buildings and improvements	(1,903,514)	(224,578)	-	(2,128,092)
Central office switching	(10,409,220)	(1,907,331)	12,071	(12,304,480)
Outside plant	(10,894,940)	(964,433)	2,877,398	(8,981,975)
Furniture and fixtures	(43,696)	(5,644)	-	(49,340)
Computer equipment	(857,965)	(467,468)	12,807	(1,312,626)
Other communication equipment	(366,038)	(62,164)	-	(428,202)
Vehicles and work equipment	(2,362,440)	(525,789)	134,492	(2,753,737)
Leasehold improvements	(32,166)	(49,976)	-	(82,142)
Other equipment	(3,883,385)	(961,070)	194,421	(4,650,034)
Cell sites	(2,110,645)	(719,837)	-	(2,830,482)
Transport facilities	(95,272)	(49,384)	-	(144,656)
<b>Total Accumulated Depreciation</b>	<b>(32,959,281)</b>	<b>(5,937,674)</b>	<b>3,231,189</b>	<b>(35,665,766)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>31,873,795</b>	<b>1,199,428</b>	<b>-</b>	<b>33,073,223</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 34,532,262</b>	<b>\$ 13,293,958</b>	<b>\$ 2,602,654</b>	<b>\$ 45,223,566</b>

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

<b>Governmental activities:</b>	
General government	\$ 164,577
Judicial	56,971
Public safety	597,132
Public works	908,661
Health	9,429
Culture and recreation	141,333
Community support	1,859
<b>Total Depreciation Expense – Governmental Activities</b>	<b>\$ 1,879,962</b>

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 5 - Capital Assets (Continued):**

Business-Type Activities:		
Telephone	\$	4,498,998
Wireless		783,626
Broadband		655,050
Total Depreciation Expense – Business-Type Activities	\$	5,937,674
Telephone:		
Regulated	\$	4,207,383
Nonregulated		291,615
	\$	4,498,998

**NOTE 6 - Defined Benefit Pension Plan:**

Plan Description: Churchill County contributes to the Public Employees Retirement System of the State of Nevada (PERS), a cost sharing, multiple employer, defined benefit plan administered by the Public Employees Retirement System of the State of Nevada. PERS provides retirement benefits, disability benefits, and death benefits, including annual cost of living adjustments, to plan members and their beneficiaries. Chapter 286 of the Nevada Revised Statutes establishes the benefit provisions provided to the participants of PERS. These benefit provisions may only be amended through legislation. The Public Employees Retirement System of the State of Nevada issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained by writing to the Public Employees Retirement System of the State of Nevada, 693 West Nye Lane, Carson City, Nevada. 89703-1599 or by calling (775)687-4200.

Funding Policy: Plan members are funded under the employer paid contribution plan: under this method, the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of the Nevada Revised Statutes. 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	
2005-06	19.75%	32.00%	\$2,935,061
2004-05	20.25%	28.50%	2,801,041
2003-04	20.25%	28.50%	2,614,195

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 7 - Long-Term Obligations:**

Long-term debt consists of the following at June 30, 2006:

Governmental Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2006
<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	\$ 2,832,566
<u>Promissory Note Payable</u>					
Truckee-Carson Irrigation District	11/05	2006	0%	256,500	256,500
<u>Contract Payable</u>					
Development rights	05/05	2015	1.474%	97,025	97,025
<u>Capital Lease Payable</u>					
Wells Fargo Brokerage Services, LLC	04/03	2008	3.60%	365,000	140,254
					<u>\$ 3,326,345</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 bonds.

Business-Type Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2006
<u>Note Payable</u>					
Bank of America	07/03	2008	3.92%	\$ 3,904,940	\$ 1,619,266
<u>Revenue Interim Debenture</u>					
Wells Fargo Bank N.A.	06/06	2011	Variable at 54% of prime, currently 4.45%	8,000,000	4,000,000
<u>Capital Lease Payable</u>					
Louie's Home Center, Inc.	11/03	2029	Imputed at 3.62%	1,623,575	1,511,709
Total					<u>\$ 7,130,975</u>

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

Bonds, Notes and Contract Payable Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2007	\$ 574,171	\$ 106,614	\$ 680,785	\$ 801,990	\$ 204,067	\$ 1,006,057
2008	338,287	98,527	436,814	817,276	188,232	1,005,508
2009	317,671	81,660	399,331	-	178,200	178,200
2010	350,387	74,461	424,848	-	178,200	178,200
2011	317,671	56,694	374,365	4,000,000	178,200	4,178,200
2012-2016	1,287,904	103,252	1,391,156	-	-	-
Total	<u>\$ 3,186,091</u>	<u>\$ 521,208</u>	<u>\$ 3,707,299</u>	<u>\$ 5,619,266</u>	<u>\$ 926,899</u>	<u>\$ 6,546,165</u>

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 7 - Long-Term Obligations (Continued):**

The assets acquired through the capital lease for governmental activities are heavy equipment. As of June 30, 2006, the capital assets of \$337,752 were offset by accumulated depreciation of \$78,806.

The asset acquired through the capital lease for business-type activities is a building. As of June 30, 2006, the capital asset of \$1,623,575 was offset by accumulated depreciation of \$180,397.

The following is a schedule of future minimum lease payments under capital lease obligations as of June 30, 2006:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Remaining Payments	Less: Amount Representing Interest	Present Value of Net Minimum Lease Payments	Remaining Payments	Less: Amount Representing Interest	Present Value of Net Minimum Lease Payments
2007	\$ 72,997	\$ 4,127	\$ 68,870	\$ 105,600	\$ 49,298	\$ 56,302
2008	72,997	1,613	71,384	115,200	51,615	63,585
2009	-	-	-	115,200	49,276	65,924
2010	-	-	-	115,200	46,851	68,349
2011	-	-	-	115,200	44,336	70,864
2012 - 2016	-	-	-	514,576	182,585	331,991
2017 - 2021	-	-	-	408,480	130,772	277,708
2022 - 2026	-	-	-	408,480	75,674	332,806
2027 - 2030	-	-	-	258,704	14,524	244,180
<b>Total</b>	<b>\$ 145,994</b>	<b>\$ 5,740</b>	<b>\$ 140,254</b>	<b>\$ 2,156,640</b>	<b>\$ 644,931</b>	<b>\$ 1,511,709</b>

**Changes in Long-term Obligations:**

Governmental Activities	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
Revenue bonds	\$ 3,218,853	\$ -	\$ 386,287	\$ 2,832,566	\$ 317,671
Promissory note	-	256,500	-	256,500	256,500
Contract payable	97,025	-	-	97,025	-
Capital leases payable	206,697	-	66,443	140,254	68,870
Compensated absences	773,541	94,114	66,565	801,090	65,192
<b>Total</b>	<b>\$ 4,296,116</b>	<b>\$ 350,614</b>	<b>\$ 519,295</b>	<b>\$ 4,127,435</b>	<b>\$ 708,233</b>

Business-Type Activities	Balance July 1, 2005	Additions	Reductions	Balance June 30, 2006	Due Within One Year
Notes payable	\$ 2,405,940	\$ -	\$ 786,674	\$ 1,619,266	\$ 801,990
Bonds payable	-	4,000,000	-	4,000,000	-
Capital leases payable	1,575,888	-	64,179	1,511,709	56,302
Compensated absences	379,642	385,288	368,544	396,386	39,102
<b>Total</b>	<b>\$ 4,361,470</b>	<b>\$ 4,385,288</b>	<b>\$ 1,219,397</b>	<b>\$ 7,527,361</b>	<b>\$ 897,394</b>

Interest expense on long-term obligations for the year ended June 30, 2006 for governmental and business-type activities was \$573,535 and \$99,488, respectively.

In accordance with Nevada Revised Statutes 244A.059, the County was within the legal debit limit at June 30, 2006.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 8 - Interfund Receivables, Payables, and Transfers:**

Interfund receivable and payable balances at June 30, 2006 are as follows:

	Governmental Activities			Business-Type Activities			Total Due to Other Funds
	Major Governmental Funds	Water Resource Fund	Other Governmental Funds	CC Communications - Telephone Fund	Waste Water Enterprise Fund	Utility Enterprise Fund	
Due from:							
Governmental Activities:							
Major Governmental Funds:							
General Fund	\$ -	\$ 1,227,485	\$ 329,595	\$ -	\$ -	\$ -	\$ 1,623,461
Water Resource Fund		\$ 66,381	\$ -		\$ 2,000,000	\$ 2,103,500	\$ 4,103,500
Other governmental funds	66,381	-	389,559	-	-	-	886,285
Business-Type Activities:							
Major Proprietary Funds:							
CC Communications - Wireless Fund	-	-	-	437,960	-	-	437,960
Waste Water Enterprise Fund	-	-	-	-	-	-	2,895,878
Utility Enterprise Fund	-	-	-	-	-	-	5,217,348
Other proprietary funds	-	-	-	2,397	-	-	2,397
Total Due from Other Funds	\$ 66,381	\$ 1,227,485	\$ 719,154	\$ 440,357	\$ 2,000,000	\$ 2,103,500	\$ 15,166,829

Internal Balances at June 30, 2006 are as follows:

Due from:	
Business-Type Activities:	
Major Proprietary Funds:	
Waste Water Enterprise Fund	\$ 895,878
Utility Enterprise Fund	3,113,848
Internal Balances	\$ 4,009,726
Due to:	
Governmental Activities:	
Major Governmental Fund:	
Water Resource Fund	\$ 4,009,726

The above are the result of entries to allocate either revenues or expenditures to the appropriate funds except for the transactions between the Water Resource Fund and the Waste Water Enterprise Fund and the Utility Enterprise Fund. Transactions between these funds were to move the utility functions to the proper funds.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 8 – Interfund Receivables, Payable, and Transfers (Continued):**

Interfund transfers are shown as other financing sources or uses, as appropriate. Activity for the year ended June 30, 2006 is as follows:

	Transfers to:		
	Road Fund	Other Governmental Funds	Total Transfers to Other Funds
Transfers from:			
Governmental activities:			
Major governmental funds:			
General Fund	\$ -	\$ 250,000	\$ 250,000
Road Fund	-	80,000	80,000
Water Resource Fund	-	750,000	750,000
Other governmental funds	<u>1,539,217</u>	<u>195,000</u>	<u>1,734,217</u>
Total Transfers from Other Funds	<u>\$ 1,539,217</u>	<u>\$ 1,275,000</u>	<u>\$ 2,814,217</u>

The General Fund transferred funds to the Cemetery Beautification, Law Library, Library Gift, Risk Management, Compensated Absences, and Unemployment Compensation Funds to subsidize these programs.

The Public Library Fund transferred funds to the Library Gift Fund to subsidize this program.

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

The Water Resource Fund and the Road Fund transferred funds to the Debt Service Fund for payments on debt.

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.

**NOTE 9 – Major Contracts and Other Commitments Outstanding:**

Contractor	Contract Amount	Portion Completed	Uncompleted Contract Balance at June 30, 2006	Description
Resource Development	\$ 576,946	\$ 518,763	\$ 58,183	Water system
A & K Earthmovers	3,755,976	2,787,719	968,257	Water system
Hungerford & Terry	544,150	462,528	81,622	Water system
Syncroflo, Inc.	370,793	299,713	71,080	Water system
K. G. Walters	2,001,177	1,096,052	905,125	Water system
A & K Earthmovers	1,476,514	1,250,489	226,025	Waste water system
Ashbrook Simon-Hartley	963,969	144,595	819,374	Waste water system
	<u>\$ 9,689,525</u>	<u>\$ 6,559,859</u>	<u>\$ 3,129,666</u>	

**NOTE 10 - Operating Leases:**

CC Communications - Telephone Fund and CC Communications - Wireless Fund are parties 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 and CC Communications - Wireless Fund sublease a portion of these facilities to other entities.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**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, 2006:

	Wireless Fund	Long Distance Fund	Broadband Fund	Total
Special access charges	\$ 54,130	\$ -	\$ -	\$ 54,130
Billing and collection	109,031	257,852	40,804	407,687
Rent	34,794	6,000	6,041	46,835
Customer services	479,459	60,785	122,440	662,684
Administrative costs	214,495	5,954	2,241	222,690
Installation	-	-	128,060	128,060
Engineering and maintenance	165,538	-	128,682	294,220
	<u>\$ 1,057,447</u>	<u>\$ 330,591</u>	<u>\$ 428,268</u>	<u>\$ 1,816,306</u>

CC Communications - Telephone Fund paid CC Communications - Wireless Fund \$32,786 for cellular phone service fees during the year ended June 30, 2006.

CC Communications - Wireless Fund paid CC Communications - Long Distance Fund \$978,935 for toll charges for Wireless customers.

The above transactions were not eliminated so the cost of operations would not be distorted.

**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, 2006, 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 coverage for its members for up to \$200,000 per covered property loss and \$500,000 per casualty loss. The Pool obtains independent coverage for insured events in excess of these limits. The deductible amount paid by the County for each incident at June 30, 2006 was \$10,000.

**CHURCHILL COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2006**

**NOTE 13 - Risk Management and Concentration of Credit Risk (Continued):**

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
Self Retained Limit:		
Property/crime/equipment breakdown	200,000	

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 \$350,000 for each and every loss and/or claim and/or occurrence other than police, fire, and ambulance and \$750,000 each and every loss and/or claim and/or occurrence for police, fire, and ambulance. The indemnity above and beyond the retention amount for each accident or each employee for disease is covered by excess insurance. There is no deductible amount paid by the County for each accident/loss.

Proprietary Funds Concentration of Credit Risk:

Most of CC Communications - Telephone Fund's customers are located in Churchill County, Nevada. CC Communications - Telephone Fund's billings to the Naval Air Station - Fallon for the year ended June 30, 2006 represented 6% of total revenue.

Most of CC Communications - Wireless Fund's customers are located in Northern Nevada. CC Communications - Wireless Fund's billings to a single carrier for roamer revenue for the year ended June 30, 2006 represented 44% of total revenue.

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

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2006**

**NOTE 14 – Post Retirement Health Insurance Benefits:**

A portion of the cost of coverage under the Public Employees' Benefits Program is paid by the County for those employees retiring and joining the Public Employees' Benefits Program. The portion is established by Nevada Revised Statutes and is based on date of retirement and service years.

As of June 30, 2006, thirty-one retirees were participating in the Public Employees' Benefits Program. The County funded \$86,094 in the current fiscal year. Premium payments are funded by operating resources within the Compensated Absences Fund as incurred and no provision has been made to permanently fund future liabilities.

**NOTE 15 - Revenue Stabilization Fund:**

The Revenue Stabilization Fund established in accordance with NRS 354.6115 did not have any expenditures during the 2005-2006 fiscal year.

The budgeted resource for the Revenue Stabilization Fund for the 2006-2007 fiscal year is interest income in the amount of \$41,675. There are no budgeted expenditures for the 2006-2007 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.

**NOTE 16 – Fund Additions:**

The Residential Construction Tax Fund was created on July 7, 2005 as a Special Revenue Fund to account for the residential construction tax to be used as support fees for parks.

The Infrastructure Tax Fund was created on August 4, 2005 as a Special Revenue fund to account for a ¼% sales tax and ensure that expenditure of such funds is in accordance with NRS 377A.

The Road Impact Fee Fund was created on January 18, 2006 as a Special Revenue Fund to account for road impact fees and ensure that expenditure of such funds is in accordance with Bill No. 2005-R.

The Waste Water Enterprise Fund was created as a proprietary fund to account for the County's waste water system.

CHURCHILL COUNTY, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2006  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR DEBT SERVICE FUND	NONMAJOR CAPITAL PROJECTS FUNDS	TOTALS	
				2006	2005
<b>ASSETS</b>					
Cash and investments	\$ 8,986,605	\$ 454,753	\$ 3,634,176	\$ 13,075,534	\$ 9,850,278
Receivables:					
Property taxes	18,775	-	4,717	23,492	23,125
Interest	30,749	1,598	12,434	44,781	27,363
Other	12,857	-	-	12,857	20,664
Notes	264,704	-	-	264,704	309,983
Due from other funds	652,774	-	66,380	719,154	8,059
Due from other governments	792,308	-	63,820	856,128	1,249,445
<b>Total Assets</b>	<b>\$10,758,772</b>	<b>\$ 456,351</b>	<b>\$ 3,781,527</b>	<b>\$ 14,996,650</b>	<b>\$ 11,488,917</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 137,750	\$ -	\$ 14,505	\$ 152,255	\$ 95,148
Accrued liabilities	22,484	-	-	22,484	19,763
Deferred revenue	15,382	-	3,960	19,342	19,946
Due to other funds	886,285	-	-	886,285	366,967
Due to other governments	227,539	-	7,335	234,874	11,632
<b>Total Liabilities</b>	<b>1,289,440</b>	<b>-</b>	<b>25,800</b>	<b>1,315,240</b>	<b>513,456</b>
<b>FUND BALANCES</b>					
Reserved for:					
Notes receivable	264,704	-	-	264,704	279,711
Revenue shortfalls	1,304,495	-	-	1,304,495	1,130,561
Unreserved	7,900,133	456,351	3,755,727	12,112,211	9,565,189
<b>Total Fund Balances</b>	<b>9,469,332</b>	<b>456,351</b>	<b>3,755,727</b>	<b>13,681,410</b>	<b>10,975,461</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$10,758,772</b>	<b>\$ 456,351</b>	<b>\$ 3,781,527</b>	<b>\$ 14,996,650</b>	<b>\$ 11,488,917</b>

**CHURCHILL COUNTY, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR DEBT SERVICE FUND	NONMAJOR CAPITAL PROJECTS FUNDS	TOTALS	
				2006	2005
<b>REVENUES</b>					
Taxes	\$ 2,502,441	\$ -	\$ 341,573	\$ 2,844,014	\$ 2,533,835
Licenses and permits	297,794	-	-	297,794	-
Intergovernmental	2,792,783	-	254,000	3,046,783	2,701,543
Charges for services	59,144	-	-	59,144	57,125
Miscellaneous	764,093	8,484	469,097	1,241,674	597,012
<b>Total Revenues</b>	<b>6,416,255</b>	<b>8,484</b>	<b>1,064,670</b>	<b>7,489,409</b>	<b>5,889,515</b>
<b>EXPENDITURES</b>					
Current:					
General government	280,521	-	628,536	909,057	888,332
Judicial	89,174	-	-	89,174	134,548
Public safety	10,206	-	-	10,206	80,317
Public works	149,676	-	-	149,676	62,595
Health	1,922	-	-	1,922	2,010
Welfare	1,355,305	-	-	1,355,305	1,294,209
Culture and recreation	535,878	-	-	535,878	527,791
Community support	477,361	-	-	477,361	317,568
Intergovernmental	174,728	-	52,361	227,089	580,781
Debt service:					
Principal	-	452,730	-	452,730	145,254
Interest	-	115,845	-	115,845	23,693
<b>Total Expenditures</b>	<b>3,074,771</b>	<b>568,575</b>	<b>680,897</b>	<b>4,324,243</b>	<b>4,057,098</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,341,484	(560,091)	383,773	3,165,166	1,832,417
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	400,000	830,000	45,000	1,275,000	612,705
Transfers out	(1,734,217)	-	-	(1,734,217)	(2,261,891)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,334,217)</b>	<b>830,000</b>	<b>45,000</b>	<b>(459,217)</b>	<b>(1,649,186)</b>
<b>Net Change in Fund Balances</b>	<b>2,007,267</b>	<b>269,909</b>	<b>428,773</b>	<b>2,705,949</b>	<b>183,231</b>
<b>FUND BALANCE, July 1</b>	<b>7,462,065</b>	<b>186,442</b>	<b>3,326,954</b>	<b>10,975,461</b>	<b>10,792,230</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 9,469,332</b>	<b>\$ 456,351</b>	<b>\$ 3,755,727</b>	<b>\$ 13,681,410</b>	<b>\$ 10,975,461</b>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2006 AND 2005

	2006	2005
<b>ASSETS</b>		
Cash and investments	\$ 3,673,327	\$ 2,215,298
Receivables:		
Property taxes	52,903	53,247
Interest	10,661	4,299
Other	8,602	58,327
Due from other funds	66,381	541,068
Due from other governments	1,958,638	723,848
Total Assets	\$ 5,770,512	\$ 3,596,087
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 374,337	\$ 277,707
Accrued salaries	254,946	217,541
Accrued benefits	131,063	113,825
Deferred revenue	765,832	656,605
Due to other funds	1,623,461	9,964
Due to other governments	187,103	263,387
Customer deposits	3,285	7,344
Total Liabilities	3,340,027	1,546,373
Fund Balance:		
Unreserved	2,430,485	2,049,714
Total Liabilities and Fund Balance	\$ 5,770,512	\$ 3,596,087

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)  
(Page 1 of 6)

REVENUES	BUDGET	ACTUAL	VARIANCE	2005
Property taxes:				
Ad valorem taxes	\$3,536,492	\$3,559,637	\$ 23,145	\$ 3,529,572
Licenses and permits:				
Business licenses	56,175	40,370	(15,805)	40,136
Liquor licenses	7,200	5,390	(1,810)	6,250
Local gaming licenses	48,000	45,762	(2,238)	42,709
Marriage licenses	5,350	4,836	(514)	4,950
Other permits	46,150	27,067	(19,083)	19,462
Building permits	415,175	381,297	(33,878)	365,712
Mobile home permits	300	152	(148)	140
Drug court fee	5,000	5,136	136	4,560
Septic fees	35,000	30,100	(4,900)	33,833
Manufactured home permits	-	34,900	34,900	27,225
Other license/permits fees	47,200	56,560	9,360	53,540
Franchise fees	103,000	166,914	63,914	134,709
	768,550	798,484	29,934	733,226
Intergovernmental:				
Federal in lieu of taxes	425,000	425,000	-	575,000
State gaming license	29,100	28,300	(800)	27,110
Bi-county reimbursements	-	31,710	31,710	26,801
Private car tax	-	1,827	1,827	1,622
AB104 fairshare	1,000,000	1,000,000	-	925,000
Consolidated intergovernmental taxes	5,216,000	5,216,000	-	4,529,140
Jail reimbursements:				
City	72,000	28,463	(43,537)	63,974
Paiute	-	-	-	420
Task force reimbursement	10,000	3,514	(6,486)	50,500
Grants-in-aid:				
Federal grants:				
Title IV-D	317,000	317,193	193	278,477
Title IV-D incentive	15,000	35,094	20,094	25,742
Wilderness program	-	370	370	10,915
Rural fire assistance	3,700	3,700	-	12,502
Planning assistance	185,000	172,769	(12,231)	172,204
FEMA - emergency management	4,755	4,756	1	3,425
Title V mentor link	9,975	9,975	-	-
State criminal assistance program (SCAAP)	11,816	11,816	-	12,465
Wilderness	20,588	20,594	6	20,558
OJJDP - CCBC - rafts	30,917	30,917	-	30,917
COPS grant	62,833	62,833	-	-
OJJDP substance abuse	-	-	-	7,000
OJJDP challenge grant	-	-	-	67,293
OJJDP drug free school	17,372	17,372	-	-
OJJDP girl's circle	8,700	8,700	-	9,840
Victim witness advocate	-	-	-	23,779
Homeland security	176,390	176,390	-	207,206
Coalition - mentor link	30,429	30,429	-	59,628
Traffic safety	-	24,330	24,330	-
SERC - Operations	-	-	-	4,930
SERC - Equipment	-	15,563	15,563	18,162
HMEP - Training	-	-	-	11,095
Drug free schools	65,653	74,332	8,679	-
State grants:				
CCSD summer school	10,000	10,000	-	10,000

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
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(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)  
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	BUDGET	ACTUAL	VARIANCE	2005
SB 62 water grant	\$ -	\$ 26,720	\$ 26,720	\$ -
Rafts	18,505	18,506	1	17,477
	<u>7,740,733</u>	<u>7,807,173</u>	<u>66,440</u>	<u>7,203,182</u>
Charges for services:				
Administrative assessments:				
Juvenile probation	9,250	10,045	795	10,196
Justice court	38,175	35,185	(2,990)	35,686
Municipal court	2,400	1,390	(1,010)	1,528
Juvenile court	2,000	850	(1,150)	1,610
District court	400	397	(3)	256
Assessor's property tax commissions	165,750	181,249	15,499	148,172
Assessor's department fee	2,000	2,148	148	3,634
Candidate filing fees	-	1,950	1,950	-
Justice court filing fees	51,175	62,755	11,580	60,559
Justice court forensic fees	9,275	8,790	(485)	6,924
Court clerk miscellaneous	12,175	16,129	3,954	12,976
County court fees	24,100	22,477	(1,623)	19,624
Recorder's fees	147,650	214,160	66,510	178,867
Public defender fees	12,000	6,172	(5,828)	7,269
Return check fees	-	60	60	90
Crime lab fees	1,000	1,051	51	743
Sheriff's fees	33,175	38,035	4,860	37,570
Sheriff's fees, fingerprint	3,600	1,999	(1,601)	1,960
Sheriff's fees, concealed weapon	2,700	7,465	4,765	3,620
Sheriff's fees, intermittent	3,100	1,550	(1,550)	4,240
CC Communications retainer	7,600	12,350	4,750	10,800
BLM service fee	-	2,500	2,500	-
Planning commission appeal fee	-	300	300	-
Child support withheld fee	-	1,658	1,658	1,667
Cemetery fees	49,175	49,385	210	43,130
Ortho photo fees	-	21,226	21,226	-
Mining map fees:				
Map fees - mining claims	7,500	8,999	1,499	2,494
Land plot maps - copies	1,000	205	(795)	-
	<u>585,200</u>	<u>710,480</u>	<u>125,280</u>	<u>593,615</u>
Fines and forfeits:				
Forfeited bail				
Fines	175,175	189,109	13,934	169,431
Justice court bond forfeiture	96,600	76,308	(20,292)	81,429
Delinquent tax penalties	2,100	3,126	1,026	5,527
	<u>149,175</u>	<u>117,288</u>	<u>(31,887)</u>	<u>124,203</u>
	<u>423,050</u>	<u>385,831</u>	<u>(37,219)</u>	<u>380,590</u>
Miscellaneous:				
Interest	26,000	63,187	37,187	18,522
Property sales	12,000	1,600	(10,400)	-
Miscellaneous sales	4,000	14,642	10,642	4,333
Oil and gas leases	3,033	-	(3,033)	3,034
Mine proceeds tax commissions	-	14,023	14,023	23,553
Senior citizen processing fees	-	872	872	748
Data processing	3,400	8,587	5,187	4,725
Buildings lease revenue	-	-	-	6,498
Juvenile miscellaneous reimbursements	100	-	(100)	-
Juvenile transport reimbursements	4,500	10,068	5,568	7,808
Juvenile child care reimbursements	7,500	799	(6,701)	6,687
Juvenile substance abuse reimbursements	3,000	1,155	(1,845)	1,806
Juvenile instructional supervision reimbursements	2,000	1,299	(701)	1,069
Gifts and donations	-	20,100	20,100	1,335

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
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	BUDGET	ACTUAL	VARIANCE	2005
CWSD reimbursements	\$ 40,000	\$ -	\$ (40,000)	\$ -
Mathew Homes Hazen project	-	32,242	32,242	-
Other miscellaneous	6,000	33,536	27,536	8,732
	<u>111,533</u>	<u>202,110</u>	<u>90,577</u>	<u>88,850</u>
Total Revenues	<u>13,165,558</u>	<u>13,463,715</u>	<u>298,157</u>	<u>12,529,035</u>
<b>EXPENDITURES</b>				
General government:				
Commissioners:				
Salaries	79,930	78,714	1,216	75,981
Benefits	39,095	38,040	1,055	38,081
Services and supplies	10,600	7,512	3,088	6,660
	<u>129,625</u>	<u>124,266</u>	<u>5,359</u>	<u>120,722</u>
Clerk/treasurer:				
Salaries	411,731	355,996	55,735	357,371
Benefits	170,029	141,887	28,142	139,446
Services and supplies	46,900	35,263	11,637	25,604
Capital outlay	-	-	-	10,154
	<u>628,660</u>	<u>533,146</u>	<u>95,514</u>	<u>532,575</u>
Recorder:				
Salaries	186,496	172,321	14,175	162,956
Benefits	63,143	57,810	5,333	55,475
Services and supplies	10,800	10,358	442	7,751
	<u>260,439</u>	<u>240,489</u>	<u>19,950</u>	<u>226,182</u>
Records and microfilming:				
Services and supplies	14,000	46,649	(32,649)	23,571
Assessor:				
Salaries	357,187	361,656	(4,469)	306,934
Benefits	138,310	140,643	(2,333)	118,164
Services and supplies	116,963	89,784	27,179	67,813
Capital outlay	-	-	-	10,564
	<u>612,460</u>	<u>592,083</u>	<u>20,377</u>	<u>503,475</u>
County manager:				
Salaries	158,040	154,903	3,137	146,970
Benefits	47,957	46,400	1,557	45,434
Services and supplies	11,650	11,261	389	9,562
	<u>217,647</u>	<u>212,564</u>	<u>5,083</u>	<u>201,966</u>
Buildings and grounds:				
Salaries	184,075	183,471	604	173,464
Benefits	79,077	77,670	1,407	74,274
Services and supplies	301,270	311,196	(9,926)	265,699
Capital outlay	-	9,500	(9,500)	3,310
	<u>564,422</u>	<u>581,837</u>	<u>(17,415)</u>	<u>516,747</u>
Elections:				
Salaries	-	-	-	19,787
Benefits	-	-	-	484
Services and supplies	20,000	7,280	12,720	66,580
	<u>20,000</u>	<u>7,280</u>	<u>12,720</u>	<u>86,851</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
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	BUDGET	ACTUAL	VARIANCE	2005
Personnel operations:				
Salaries	\$ 91,871	\$ 87,546	\$ 4,325	\$ 91,732
Benefits	25,414	26,881	(1,467)	26,908
Services and supplies	9,800	9,205	595	9,459
	<u>127,085</u>	<u>123,632</u>	<u>3,453</u>	<u>128,099</u>
Personnel - staff development:				
Services and supplies	4,500	4,140	360	2,799
Personnel - benefit services:				
Services and supplies	16,800	16,675	125	12,715
Comptroller:				
Salaries	223,888	212,593	11,295	210,459
Benefits	79,171	74,447	4,724	74,456
Services and supplies	17,990	12,781	5,209	13,973
	<u>321,049</u>	<u>299,821</u>	<u>21,228</u>	<u>298,888</u>
Data processing:				
Services and supplies	115,850	122,157	(6,307)	125,441
General government other:				
Services and supplies	1,107,200	1,131,154	(23,954)	955,647
Capital outlay	-	15,999	(15,999)	-
	<u>1,107,200</u>	<u>1,147,153</u>	<u>(39,953)</u>	<u>955,647</u>
Building inspection:				
Salaries	104,766	100,225	4,541	82,693
Benefits	36,926	36,050	876	33,690
Services and supplies	23,265	14,793	8,472	7,963
Capital outlay	3,500	-	3,500	18,937
	<u>168,457</u>	<u>151,068</u>	<u>17,389</u>	<u>143,283</u>
Yucca Mountain:				
Services and supplies	87,000	172,769	(85,769)	-
Planning department:				
Salaries	289,790	275,887	13,903	259,878
Benefits	108,386	102,508	5,878	96,387
Services and supplies	31,002	31,330	(328)	34,590
	<u>429,178</u>	<u>409,725</u>	<u>19,453</u>	<u>390,855</u>
Total General Government	<u>4,824,372</u>	<u>4,785,454</u>	<u>38,918</u>	<u>4,269,816</u>
Judicial:				
District court:				
Salaries	102,617	101,360	1,257	94,798
Benefits	37,355	37,034	321	35,662
Services and supplies	406,800	439,398	(32,598)	369,956
	<u>546,772</u>	<u>577,792</u>	<u>(31,020)</u>	<u>500,416</u>
Justice court:				
Salaries	288,366	275,108	13,258	244,097
Benefits	96,044	89,775	6,269	76,967
Services and supplies	115,120	113,530	1,590	89,705
Capital outlay	-	5,566	(5,566)	-
	<u>499,530</u>	<u>483,979</u>	<u>15,551</u>	<u>410,769</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**  
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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
District attorney:				
Salaries	\$ 984,422	\$ 925,290	\$ 59,132	\$ 864,400
Benefits	339,790	328,956	10,834	307,969
Services and supplies	183,710	232,512	(48,802)	196,679
Capital outlay	6,500	-	6,500	5,273
	<u>1,514,422</u>	<u>1,486,758</u>	<u>27,664</u>	<u>1,374,321</u>
Total Judicial	<u>2,560,724</u>	<u>2,548,529</u>	<u>12,195</u>	<u>2,285,506</u>
Public safety:				
Sheriff:				
Salaries	2,487,151	2,475,180	11,971	2,359,672
Benefits	1,223,349	1,210,846	12,503	1,112,417
Services and supplies	667,312	537,919	129,393	483,659
Capital outlay	53,427	89,862	(36,435)	211,238
	<u>4,431,239</u>	<u>4,313,807</u>	<u>117,432</u>	<u>4,166,986</u>
Fire protection:				
Salaries	100,595	75,242	25,353	68,380
Benefits	85,745	137,692	(51,947)	68,929
Services and supplies	152,250	150,234	2,016	148,243
Capital outlay	100,000	58,977	41,023	22,005
	<u>438,590</u>	<u>422,145</u>	<u>16,445</u>	<u>307,557</u>
Emergency management:				
Services and supplies	191,645	201,036	(9,391)	428,736
Capital outlay	-	-	-	2,169
	<u>191,645</u>	<u>201,036</u>	<u>(9,391)</u>	<u>430,905</u>
Juvenile probation:				
Salaries	682,186	598,965	83,221	566,734
Benefits	230,950	227,276	3,674	213,917
Services and supplies	194,438	245,443	(51,005)	208,266
Capital outlay	-	-	-	21,556
	<u>1,107,574</u>	<u>1,071,684</u>	<u>35,890</u>	<u>1,010,473</u>
Total Public Safety	<u>6,169,048</u>	<u>6,008,672</u>	<u>160,376</u>	<u>5,915,921</u>
Sanitation:				
Animal control and garbage disposal:				
Services and supplies	57,000	45,473	11,527	48,637
Health:				
City/County health:				
Services and supplies	3,000	-	3,000	2,000
Cemetery:				
Salaries	87,698	87,331	367	82,772
Benefits	32,997	31,878	1,119	31,891
Services and supplies	49,015	55,189	(6,174)	48,793
Capital outlay	32,000	30,275	1,725	10,523
	<u>201,710</u>	<u>204,673</u>	<u>(2,963)</u>	<u>173,979</u>
Total Health	<u>204,710</u>	<u>204,673</u>	<u>37</u>	<u>175,979</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
Culture and recreation:				
Museum:				
Salaries	\$ 215,842	\$ 198,393	\$ 17,449	\$ 188,207
Benefits	52,296	47,823	4,473	45,228
Services and supplies	30,425	37,935	(7,510)	37,103
Total Culture and Recreation	<u>298,563</u>	<u>284,151</u>	<u>14,412</u>	<u>270,538</u>
Community support:				
Services and supplies	<u>157,500</u>	<u>149,741</u>	<u>7,759</u>	<u>147,970</u>
Intergovernmental:				
Payments to other governments	<u>418,765</u>	<u>382,564</u>	<u>36,201</u>	<u>331,503</u>
Total Expenditures	<u>14,690,682</u>	<u>14,409,257</u>	<u>281,425</u>	<u>13,445,870</u>
Deficiency of Revenues Under Expenditures	<u>(1,525,124)</u>	<u>(945,542)</u>	<u>579,582</u>	<u>(916,835)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Payments in lieu of taxes:				
CC Communications - Telephone Fund	1,576,312	1,576,313	1	1,500,000
Transfers out:				
Library Gift Fund	(30,000)	(80,000)	(50,000)	-
Cemetery Beautification Fund	-	(25,000)	(25,000)	(5,000)
Indigent Donations and Gifts Fund	-	-	-	(15,000)
Law Library Fund	(20,000)	(20,000)	-	(20,000)
Risk Management Fund	-	(50,000)	(50,000)	(50,000)
Compensated Absences Fund	-	(50,000)	(50,000)	(80,000)
Unemployment Compensation Fund	-	(25,000)	(25,000)	(50,000)
Total Other Financing Sources (Uses)	<u>1,526,312</u>	<u>1,326,313</u>	<u>(199,999)</u>	<u>1,280,000</u>
Net Change in Fund Balances	1,188	380,771	379,583	363,165
<b>FUND BALANCE, July 1</b>	<u>1,067,137</u>	<u>2,049,714</u>	<u>982,577</u>	<u>1,686,549</u>
<b>FUND BALANCE, June 30</b>	<u>\$1,068,325</u>	<u>\$2,430,485</u>	<u>\$ 1,362,160</u>	<u>\$ 2,049,714</u>

**CHURCHILL COUNTY, NEVADA  
MAJOR SPECIAL REVENUE FUND - ROAD FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2006 AND 2005**

	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>		
Cash and investments	\$1,223,806	\$1,043,269
Receivables:		
Interest	4,525	2,484
Other	29,061	23,657
Due from other funds	1,227,485	366,967
Due from other governments	275,179	180,221
<b>Total Assets</b>	<b>\$2,760,056</b>	<b>\$1,616,598</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 77,025	\$ 36,912
Accrued salaries	25,772	22,816
Accrued benefits	9,756	8,139
Due to other governments	4,115	1,687
<b>Total Liabilities</b>	116,668	69,554
Fund Balance:		
Unreserved	2,643,388	1,547,044
<b>Total Liabilities and Fund Balance</b>	<b>\$2,760,056</b>	<b>\$1,616,598</b>

**CHURCHILL COUNTY, NEVADA**  
**ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Licenses and permits:				
Licenses and permits	\$ 3,000	\$ 2,750	\$ (250)	\$ 2,900
Intergovernmental:				
Federal in lieu of taxes	-	134,120	134,120	-
AB104 fairshare	-	41,986	41,986	-
Consolidated intergovernmental taxes	-	430,345	430,345	-
Motor vehicle fuel tax (\$.0125)	345,576	345,629	53	345,577
Motor vehicle fuel tax (\$.0175)	117,329	164,217	46,888	108,282
Motor vehicle fuel tax (\$.0360)	570,624	568,223	(2,401)	568,949
Other licenses and permits	250	-	(250)	10,650
	<u>1,033,779</u>	<u>1,684,520</u>	<u>650,741</u>	<u>1,033,458</u>
Miscellaneous:				
Interest	6,750	58,845	52,095	20,490
Miscellaneous	40,000	23,038	(16,962)	33,532
Property sales	750	76,867	76,117	-
Other sales	750	-	(750)	2,500
Inspection fees	-	1,500	1,500	-
Geothermal rents and royalties	-	311,019	311,019	-
Fuel reimbursements	127,000	217,521	90,521	155,687
Fleet maintenance	-	-	-	36,161
	<u>175,250</u>	<u>688,790</u>	<u>513,540</u>	<u>248,370</u>
Total Revenues	<u>1,212,029</u>	<u>2,376,060</u>	<u>1,164,031</u>	<u>1,284,728</u>
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Salaries	769,390	702,644	66,746	673,596
Benefits	302,480	268,663	33,817	267,502
Services and supplies	2,021,921	1,763,403	258,518	1,390,731
Capital outlay	7,000	4,223	2,777	-
Total Expenditures	<u>3,100,791</u>	<u>2,738,933</u>	<u>361,858</u>	<u>2,331,829</u>
Deficiency of Revenues Under Expenditures	<u>(1,888,762)</u>	<u>(362,873)</u>	<u>1,525,889</u>	<u>(1,047,101)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Regional Transportation Fund	600,000	860,200	260,200	948,395
Public Transit Fund	400,000	679,017	279,017	1,000,791
Transfers out:				
Debt Service Fund	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>	<u>(80,000)</u>
Total Other Financing Sources (Uses)	<u>920,000</u>	<u>1,459,217</u>	<u>539,217</u>	<u>1,869,186</u>
Net Change in Fund Balances	<u>(968,762)</u>	<u>1,096,344</u>	<u>2,065,106</u>	<u>822,085</u>
FUND BALANCE, July 1	<u>1,247,044</u>	<u>1,547,044</u>	<u>300,000</u>	<u>724,959</u>
FUND BALANCE, June 30	<u>\$ 278,282</u>	<u>\$2,643,388</u>	<u>\$2,365,106</u>	<u>\$1,547,044</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - PARKS AND RECREATION FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2006 AND 2005**

	2006	2005
<b>ASSETS</b>		
Cash and investments	\$ 509,263	\$ 751,039
Receivables:		
Interest	1,570	1,444
Other	3,695	7,322
Due from other governments	56,270	57,242
Total Assets	\$ 570,798	\$ 817,047
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 28,569	\$ 26,930
Accrued salaries	23,990	20,486
Accrued benefits	6,378	5,081
Due to other governments	2,502	4,443
Customer deposits	1,355	17,239
Total Liabilities	62,794	74,179
Fund Balance:		
Unreserved	508,004	742,868
Total Liabilities and Fund Balance	\$ 570,798	\$ 817,047

CHURCHILL COUNTY, NEVADA  
MAJOR SPECIAL REVENUE FUND - PARKS AND RECREATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)  
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REVENUES	BUDGET	ACTUAL	VARIANCE	2005
Taxes:				
County lodging tax	\$ 7,100	\$ 6,685	\$ (415)	\$ 8,011
Intergovernmental:				
Federal payments in lieu of taxes	175,000	175,000	-	200,000
Consolidated intergovernmental taxes	200,000	200,000	-	234,000
Grants-in-aid:				
Federal	-	4,187	4,187	-
State	1,592,488	1,592,488	-	-
	<u>1,967,488</u>	<u>1,971,675</u>	<u>4,187</u>	<u>434,000</u>
Charges for services:				
Contract clean-up	6,000	7,409	1,409	5,664
Concession stand	9,000	12,717	3,717	9,864
Recreation charges	100,000	148,745	48,745	118,366
Swimming pool receipts	53,000	67,729	14,729	57,991
Fairgrounds rentals	56,175	68,572	12,397	61,050
Public parks miscellaneous	-	361	361	-
Utilities reimbursements	-	863	863	-
Pro-shop sales	2,000	3,163	1,163	1,954
	<u>226,175</u>	<u>309,559</u>	<u>83,384</u>	<u>254,889</u>
Miscellaneous:				
Interest	7,500	23,602	16,102	13,671
Miscellaneous	5,000	29,433	24,433	6,300
	<u>12,500</u>	<u>53,035</u>	<u>40,535</u>	<u>19,971</u>
Total Revenues	<u>2,213,263</u>	<u>2,340,954</u>	<u>127,691</u>	<u>716,871</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Administration:				
Salaries	140,185	138,094	2,091	133,654
Benefits	53,870	52,896	974	50,792
Services and supplies	25,759	24,018	1,741	21,008
	<u>219,814</u>	<u>215,008</u>	<u>4,806</u>	<u>205,454</u>
Public parks:				
Salaries	41,314	39,124	2,190	40,910
Benefits	15,746	15,035	711	14,717
Services and supplies	45,800	52,940	(7,140)	41,056
Capital outlay	1,634,488	2,015,749	(381,261)	-
	<u>1,737,348</u>	<u>2,122,848</u>	<u>(385,500)</u>	<u>96,683</u>
Recreation athletics:				
Salaries	71,355	69,195	2,160	59,781
Benefits	19,639	19,176	463	17,672
Services and supplies	90,150	91,237	(1,087)	64,449
	<u>181,144</u>	<u>179,608</u>	<u>1,536</u>	<u>141,902</u>
Fairgrounds:				
Salaries	84,754	83,757	997	64,769
Benefits	20,743	20,754	(11)	17,010
Services and supplies	158,250	132,161	26,089	131,256
Capital outlay	61,000	56,244	4,756	-
	<u>324,747</u>	<u>292,916</u>	<u>31,831</u>	<u>213,035</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - PARKS AND RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**  
 (Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
Swimming pool:				
Salaries	\$ 108,899	\$ 105,409	\$ 3,490	\$ 96,488
Benefits	23,873	22,258	1,615	18,133
Services and supplies	157,450	119,271	38,179	99,910
Capital outlay	-	-	-	5,296
	<u>290,222</u>	<u>246,938</u>	<u>43,284</u>	<u>219,827</u>
Total Expenditures	<u>2,753,275</u>	<u>3,057,318</u>	<u>(304,043)</u>	<u>876,901</u>
Deficiency of Revenues Under Expenditures	<u>(540,012)</u>	<u>(716,364)</u>	<u>(176,352)</u>	<u>(160,030)</u>
<b>OTHER FINANCING SOURCES</b>				
Issuance of medium-term financing	-	256,500	256,500	-
Payments in lieu of taxes:				
CC Communications - Telephone Fund	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>218,901</u>
Total Other Financing Sources	<u>225,000</u>	<u>481,500</u>	<u>256,500</u>	<u>218,901</u>
Net Change in Fund Balances	(315,012)	(234,864)	80,148	58,871
<b>FUND BALANCE, July 1</b>	<u>742,868</u>	<u>742,868</u>	<u>-</u>	<u>683,997</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 427,856</u>	<u>\$ 508,004</u>	<u>\$ 80,148</u>	<u>\$ 742,868</u>

CHURCHILL COUNTY, NEVADA  
 MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND  
 COMPARATIVE BALANCE SHEETS  
 JUNE 30, 2006 AND 2005

	2006	2005
<b>ASSETS</b>		
Cash and investments	\$ 1,658,544	\$1,410,354
Receivables:		
Interest	141,454	42,285
Other	4,411	-
Notes	992,750	1,432,750
Due from other funds	8,609,952	1,905
Due from other governments	112,588	393,295
Total Assets	\$ 11,519,699	\$3,280,589
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 3,478,305	\$ 99,545
Accrued salaries	1,223	-
Accrued benefits	260	-
Due to other funds	4,103,500	-
Customer deposits	-	5,513
Total Liabilities	7,583,288	105,058
Fund Balance:		
Reserved for notes receivable	992,750	1,432,750
Unreserved	2,943,661	1,742,781
Total Fund Balance	3,936,411	3,175,531
Total Liabilities and Fund Balance	\$ 11,519,699	\$3,280,589

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

<b>REVENUES</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>2005</b>
<b>Intergovernmental:</b>				
Federal payments in lieu of taxes	\$ 25,000	\$ 159,120	\$ 134,120	\$ 100,000
Consolidated intergovernmental taxes	120,000	550,345	430,345	347,070
AB104 fairshare	-	41,987	41,987	46,225
Grants-in-aid:				
State grant:				
AB 198	-	-	-	29,328
Refuge revenue sharing	-	37,912	37,912	29,915
	<u>145,000</u>	<u>789,364</u>	<u>644,364</u>	<u>552,538</u>
<b>Charges for services:</b>				
Water rights dedication fees	500,000	421,840	(78,160)	238,655
<b>Miscellaneous:</b>				
Interest	29,175	185,187	156,012	84,482
CWSD reimbursements	-	11,506	11,506	16,000
Geothermal rents and royalties	225,000	311,019	86,019	-
Other miscellaneous	1,000	5,513	4,513	48,637
	<u>255,175</u>	<u>513,225</u>	<u>258,050</u>	<u>149,119</u>
<b>Total Revenues</b>	<u>900,175</u>	<u>1,724,429</u>	<u>824,254</u>	<u>940,312</u>
<b>EXPENDITURES</b>				
General government				
Services and supplies	5,000,000	57,745	4,942,255	451,325
Capital outlay	225,000	170,566	54,434	9,240,418
<b>Total Expenditures</b>	<u>5,225,000</u>	<u>228,311</u>	<u>4,996,689</u>	<u>9,691,743</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(4,324,825)</u>	<u>1,496,118</u>	<u>5,820,943</u>	<u>(8,751,431)</u>
<b>OTHER FINANCING SOURCES</b>				
Issuance of medium-term financing	-	-	-	3,300,001
Issuance of capital lease	-	-	-	97,025
Sales of water rights	1,000,000	14,762	(985,238)	5,511,000
Transfers out:				
Debt Service Fund	(750,000)	(750,000)	-	-
<b>Total Other Financing Sources (Uses)</b>	<u>250,000</u>	<u>(735,238)</u>	<u>(985,238)</u>	<u>8,908,026</u>
<b>Net Change in Fund Balances</b>	<u>(4,074,825)</u>	<u>760,880</u>	<u>4,835,705</u>	<u>156,595</u>
<b>FUND BALANCE, July 1</b>	<u>6,276,090</u>	<u>3,175,531</u>	<u>(3,100,559)</u>	<u>3,018,936</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 2,201,265</u>	<u>\$ 3,936,411</u>	<u>\$ 1,735,146</u>	<u>\$ 3,175,531</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2006  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)  
 (Page 1 of 4)

	REVENUE STABILIZATION FUND	SOCIAL SERVICES FUND	COOPERATIVE EXTENSION FUND	PUBLIC LIBRARY FUND	CEMETERY BEAUTIFICATION FUND	INDIGENT DONATIONS AND GIFTS FUND	LAW LIBRARY FUND	REGIONAL TRANSPORTATION FUND
<b>ASSETS</b>								
Cash and investments	\$ 1,184,918	\$ 360,930	\$ 85,460	\$ 468,443	\$ 32,867	\$ 45,860	\$ 144,285	\$ 1,204,865
Receivables:								
Property taxes	-	6,939	2,195	5,699	-	-	-	-
Interest	4,165	1,365	321	1,731	72	162	513	4,633
Other	-	-	182	275	-	-	-	-
Notes	-	-	-	-	-	-	-	-
Due from other funds	66,903	155,526	-	-	-	-	-	-
Due from other governments	48,509	155,045	-	3,545	-	-	-	173,737
Total Assets	\$ 1,304,495	\$ 679,805	\$ 88,158	\$ 479,693	\$ 32,939	\$ 46,022	\$ 144,798	\$ 1,383,235
<b>LIABILITIES AND FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ -	\$ 99,559	\$ 12,170	\$ 7,541	\$ 532	\$ -	\$ 2,155	\$ -
Accrued salaries	-	3,778	1,522	9,621	-	-	-	-
Accrued benefits	-	1,781	592	3,808	-	168	-	-
Deferred revenue	-	5,770	1,839	4,794	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	429,658
Due to other governments	-	-	2,569	1,575	-	-	-	-
Total Liabilities	-	110,888	18,692	27,339	532	168	2,155	429,658
Fund Balance:								
Reserved for notes receivable	-	-	-	-	-	-	-	-
Reserved for revenue shortfalls	1,304,495	-	-	-	-	-	-	-
Unreserved	-	568,917	69,466	452,354	32,407	45,854	142,643	953,577
Total Fund Balance	1,304,495	568,917	69,466	452,354	32,407	45,854	142,643	953,577
Total Liabilities and Fund Balance	\$ 1,304,495	\$ 679,805	\$ 88,158	\$ 479,693	\$ 32,939	\$ 46,022	\$ 144,798	\$ 1,383,235

CHURCHILL COUNTY, NEVADA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2006  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)  
(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
<b>ASSETS</b>							
Cash and investments	\$ 318,891	\$ 970,943	\$ 437,882	\$ 355,458	\$ 80,585	\$ 33,611	\$ 44,848
Receivables:							
Property taxes	-	-	-	-	-	-	-
Interest	946	3,311	1,276	1,206	285	120	-
Other	-	9,719	-	-	179	2,502	-
Notes	-	-	430,345	-	-	-	-
Due from other funds	-	-	46,727	-	-	-	-
Due from other governments	-	-	-	-	-	-	4,265
Total Assets	\$ 319,837	\$ 983,973	\$ 916,230	\$ 356,664	\$ 81,049	\$ 36,233	\$ 49,113
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ -	\$ 4,630	\$ -	\$ -	\$ 1,917	\$ 3,407	\$ -
Accrued salaries	-	-	-	-	-	-	-
Accrued benefits	-	-	1,214	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	4,115	6,269	1,307	-	-
Total Liabilities	-	4,630	5,329	6,269	3,224	3,407	-
Fund Balance:							
Reserved for notes receivable	-	-	-	-	-	-	-
Reserved for revenue shortfalls	-	-	-	-	-	-	-
Unreserved	319,837	979,343	910,901	350,395	77,825	32,826	49,113
Total Fund Balance	319,837	979,343	910,901	350,395	77,825	32,826	49,113
Total Liabilities and Fund Balance	\$ 319,837	\$ 983,973	\$ 916,230	\$ 356,664	\$ 81,049	\$ 36,233	\$ 49,113

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2006  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)  
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	SENIOR CITIZENS								
	RECREATION DONATION FUND	INDIGENT HOSPITAL CARE FUND	INDIGENT MEDICAL CARE FUND	PUBLIC TRANSIT FUND	VALOREM LEVY FUND	ONE CENT FUEL EXCISE TAX FUND	FAIRGROUNDS SALE PROCEEDS FUND	HOSPITAL SUPPORT FUND	TECHNOLOGY FEE FUND
<b>ASSETS</b>									
Cash and investments	\$ 58,269	\$ 8,217	\$ 912,974	\$ 898,514	\$ 598	\$ 138,918	\$ 358,118	\$ 4,836	\$ 138,427
Receivables:									
Property taxes	-	998	670	-	1,859	-	-	187	228
Interest	203	-	3,209	2,812	-	480	1,221	-	470
Other	-	-	-	-	-	-	-	-	-
Notes	-	-	-	-	-	-	264,704	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	137,783	-	13,078	-	-	8,265
	\$ 58,472	\$ 9,215	\$ 916,853	\$ 1,039,109	\$ 2,457	\$ 152,476	\$ 624,043	\$ 5,023	\$ 147,390
Total Assets									
	\$ 58,472	\$ 9,215	\$ 916,853	\$ 1,039,109	\$ 2,457	\$ 152,476	\$ 624,043	\$ 5,023	\$ 147,390
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ -	\$ 33	\$ 598	\$ 5,208	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-	-	-	-	-	-
Accrued benefits	-	-	-	-	-	-	-	-	-
Deferred revenue	-	843	562	-	1,574	-	-	-	-
Due to other funds	-	-	155,526	301,101	-	-	-	-	-
Due to other governments	-	8,217	-	203,487	-	-	-	-	-
	\$ -	\$ 9,060	\$ 156,088	\$ 504,621	\$ 2,172	\$ 5,208	\$ -	\$ -	\$ -
Total Liabilities									
	\$ -	\$ 9,060	\$ 156,088	\$ 504,621	\$ 2,172	\$ 5,208	\$ -	\$ -	\$ -
Fund Balance:									
Reserved for notes receivable	-	-	-	-	-	-	264,704	-	-
Reserved for revenue shortfalls	-	-	-	-	-	-	-	-	-
Unreserved	58,472	155	760,765	534,488	285	147,268	359,339	5,023	147,390
	58,472	155	760,765	534,488	285	147,268	624,043	5,023	147,390
Total Fund Balance									
	\$ 58,472	\$ 9,215	\$ 916,853	\$ 1,039,109	\$ 2,457	\$ 152,476	\$ 624,043	\$ 5,023	\$ 147,390
Total Liabilities and Fund Balance									
	\$ 58,472	\$ 9,215	\$ 916,853	\$ 1,039,109	\$ 2,457	\$ 152,476	\$ 624,043	\$ 5,023	\$ 147,390

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2006  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)  
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	ROAD IMPACT FEE FUND	RESIDENTIAL CONSTRUCTION TAX FUND	INFRASTRUCTURE TAX FUND	TOTALS
	2006	2006	2006	2005
<b>ASSETS</b>				
Cash and investments	\$ 153,196	\$ 148,825	\$ 395,867	\$ 6,729,078
Receivables:				
Property taxes	-	-	-	18,393
Interest	478	499	1,271	20,755
Other	-	-	-	20,664
Notes	-	-	-	264,704
Due from other funds	-	-	-	309,983
Due from other governments	-	-	201,354	8,059
	-	-	-	840,149
Total Assets	<u>\$ 153,674</u>	<u>\$ 149,324</u>	<u>\$ 598,492</u>	<u>\$ 7,947,081</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 70,793
Accrued salaries	-	-	-	14,022
Accrued benefits	-	-	-	7,563
Deferred revenue	-	-	-	15,382
Due to other funds	-	-	-	886,285
Due to other governments	-	-	-	366,967
	-	-	-	11,632
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,016</u>
Fund Balance:				
Reserved for notes receivable	-	-	-	279,711
Reserved for revenue shortfalls	-	-	-	1,130,561
Unreserved	153,674	149,324	598,492	6,051,793
	<u>153,674</u>	<u>149,324</u>	<u>598,492</u>	<u>7,462,065</u>
Total Fund Balance	<u>\$ 153,674</u>	<u>\$ 149,324</u>	<u>\$ 598,492</u>	<u>\$ 7,947,081</u>
Total Liabilities and Fund Balance	<u>\$ 153,674</u>	<u>\$ 149,324</u>	<u>\$ 598,492</u>	<u>\$ 7,947,081</u>

**CHURCHILL COUNTY, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)**  
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	REVENUE STABILIZATION FUND	SOCIAL SERVICES FUND	AGRICULTURAL EXTENSION FUND	PUBLIC LIBRARY FUND	CEMETERY BEAUTIFICATION FUND	INDIGENT DONATIONS AND GIFTS FUND	LAW LIBRARY FUND	REGIONAL TRANSPORTATION FUND
<b>REVENUES</b>								
Taxes	\$ -	\$ 489,878	\$ 158,842	\$ 410,642	\$ -	\$ -	\$ -	\$ 1,087,972
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	115,412	599,040	8,000	65,738	-	-	-	-
Charges for services	-	-	-	-	-	-	7,710	-
Miscellaneous	58,522	20,499	4,371	35,410	1,008	14,142	6,479	44,214
<b>Total Revenues</b>	<b>173,934</b>	<b>1,109,417</b>	<b>171,213</b>	<b>511,790</b>	<b>1,008</b>	<b>14,142</b>	<b>14,189</b>	<b>1,132,186</b>
<b>EXPENDITURES</b>								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	28,381	-
Public works	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	-	1,269,493	-	-	1,922	-	-	-
Culture and recreation	-	-	-	-	-	13,091	-	-
Community support	-	-	175,721	527,485	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>-</b>	<b>1,269,493</b>	<b>175,721</b>	<b>527,485</b>	<b>1,922</b>	<b>13,091</b>	<b>28,381</b>	<b>-</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>173,934</b>	<b>(160,076)</b>	<b>(4,508)</b>	<b>(15,695)</b>	<b>(914)</b>	<b>1,051</b>	<b>(14,192)</b>	<b>1,132,186</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	-	100,000	-	(50,000)	25,000	-	20,000	-
Transfers out	-	-	-	(50,000)	-	-	-	(860,200)
<b>Total Other Financing Sources (Uses)</b>	<b>173,934</b>	<b>(60,076)</b>	<b>(4,508)</b>	<b>(65,695)</b>	<b>24,086</b>	<b>1,051</b>	<b>5,808</b>	<b>271,986</b>
<b>Net Change in Fund Balances</b>	<b>1,130,561</b>	<b>628,993</b>	<b>73,974</b>	<b>518,049</b>	<b>8,321</b>	<b>44,803</b>	<b>136,835</b>	<b>681,591</b>
<b>FUND BALANCE, July 1</b>	<b>\$ 1,304,495</b>	<b>\$ 568,917</b>	<b>\$ 69,466</b>	<b>\$ 452,354</b>	<b>\$ 32,407</b>	<b>\$ 45,854</b>	<b>\$ 142,643</b>	<b>\$ 953,577</b>
<b>FUND BALANCE, June 30</b>								

**CHURCHILL COUNTY, NEVADA**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)**  
 (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
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	606,451	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Miscellaneous	64,558	78,948	93,864	15,609	9,260	1,995	48,439
Total Revenues	64,558	78,948	700,315	15,609	9,260	62,569	48,439
<b>EXPENDITURES</b>							
General government	-	-	216,699	15,642	-	-	-
Judicial	-	48,180	-	-	-	-	-
Public safety	-	-	-	-	10,206	60,793	-
Public works	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture and recreation	1,116	-	-	-	-	-	-
Community support	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Total Expenditures	1,116	48,180	216,699	15,642	10,206	60,793	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	63,442	30,768	483,616	(33)	(946)	1,776	48,439
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	130,000	50,000	50,000	25,000	-	-	-
Transfers out	-	-	-	-	-	-	(45,000)
Total Other Financing Sources (Uses)	130,000	50,000	50,000	25,000	-	-	(45,000)
Net Change in Fund Balances	193,442	80,768	533,616	24,967	(946)	1,776	3,439
<b>FUND BALANCE, July 1</b>	126,395	898,575	377,285	325,428	78,771	31,050	45,674
<b>FUND BALANCE, June 30</b>	\$ 319,837	\$ 979,343	\$ 910,901	\$ 350,395	\$ 77,825	\$ 32,826	\$ 49,113

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)  
 (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	\$ -	\$ 72,735	\$ 48,792	\$ -	\$ 146,215	\$ 82,342	\$ -	\$ 5,023	\$ -
Taxes	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	805,804	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Miscellaneous	40,721	-	44,125	31,830	-	4,557	29,497	-	1,000
Total Revenues	40,721	72,735	92,917	837,634	146,215	86,899	29,497	5,023	94,547
EXPENDITURES	-	-	-	-	-	-	-	-	-
General government	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	132,896	-	16,780	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	72,721	-	-	-	-	-	-	-
Culture and recreation	7,277	-	155,527	-	-	-	-	-	-
Community support	-	-	-	-	146,113	-	-	-	-
Intergovernmental	-	-	-	174,728	-	-	-	-	-
Total Expenditures	7,277	72,721	155,527	307,624	146,113	16,780	-	-	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	33,444	14	(62,610)	530,010	102	70,119	29,497	5,023	95,547
OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	-	-	-
Transfers in	-	-	(100,000)	(679,017)	-	-	-	-	-
Transfers out	-	-	(100,000)	(679,017)	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	(100,000)	(679,017)	-	-	-	-	-
Net Change in Fund Balances	33,444	14	(162,610)	(149,007)	102	70,119	29,497	5,023	95,547
FUND BALANCE, July 1	25,028	141	923,375	683,495	183	77,149	594,546	-	51,843
FUND BALANCE, June 30	\$ 58,472	\$ 155	\$ 760,765	\$ 534,488	\$ 285	\$ 147,268	\$ 624,043	\$ 5,023	\$ 147,390

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2005)  
 (Page 4 of 4)

	ROAD IMPACT FEE FUND	RESIDENTIAL CONSTRUCTION TAX FUND	INFRASTRUCTURE TAX FUND	TOTALS
	2006	2006	2006	2005
<b>REVENUES</b>				
Taxes	\$ -	\$ -	\$ -	\$ 2,188,441
Licenses and permits	151,800	145,994	-	297,794
Intergovernmental	-	-	592,338	1,867,947
Charges for services	-	-	-	57,125
Miscellaneous	1,874	3,330	6,154	535,527
Total Revenues	153,674	149,324	598,492	6,416,255
<b>EXPENDITURES</b>				
General government	-	-	-	280,521
Judicial	-	-	-	350,580
Public safety	-	-	-	134,548
Public works	-	-	-	80,317
Health	-	-	-	149,676
Welfare	-	-	-	62,595
Culture and recreation	-	-	-	1,922
Community support	-	-	-	1,355,305
Intergovernmental	-	-	-	535,878
	-	-	-	527,791
	-	-	-	317,568
	-	-	-	477,361
	-	-	-	174,728
Total Expenditures	-	-	-	3,074,771
Excess (Deficiency) of Revenues Over (Under) Expenditures	153,674	149,324	598,492	1,343,422
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	400,000
Transfers out	-	-	-	(1,734,217)
Total Other Financing Sources (Uses)	-	-	-	(1,334,217)
Net Change in Fund Balances	153,674	149,324	598,492	(430,764)
<b>FUND BALANCE, July 1</b>	-	-	-	7,892,829
<b>FUND BALANCE, June 30</b>	\$ 153,674	\$ 149,324	\$ 598,492	\$ 9,469,332
				\$ 7,462,065

CHURCHILL COUNTY, NEVADA  
 REVENUE STABILIZATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Intergovernmental:				
AB104 fairshare	\$ -	\$ 115,412	\$ 115,412	\$ 31,776
Miscellaneous:				
Interest	<u>15,000</u>	<u>58,522</u>	<u>43,522</u>	<u>23,927</u>
Net Change in Fund Balances	15,000	173,934	158,934	55,703
<b>FUND BALANCE, July 1</b>	<u>1,086,858</u>	<u>1,130,561</u>	<u>43,703</u>	<u>1,074,858</u>
<b>FUND BALANCE, June 30</b>	<u><u>\$1,101,858</u></u>	<u><u>\$1,304,495</u></u>	<u><u>\$ 202,637</u></u>	<u><u>\$1,130,561</u></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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

REVENUES	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
Taxes:				
Ad valorem taxes	\$ 469,431	\$ 489,878	\$ 20,447	\$ 544,449
Intergovernmental:				
Social Security reimbursements	16,000	34,772	18,772	17,178
City utility assistance	-	-	-	20,000
Consolidated intergovernmental taxes	82,000	82,000	-	80,000
Grants-in-aid:				
Federal	370,463	446,253	75,790	472,950
State	84,336	36,015	(48,321)	66,252
	<u>552,799</u>	<u>599,040</u>	<u>46,241</u>	<u>656,380</u>
Miscellaneous:				
Welfare reimbursements	2,100	-	(2,100)	538
Interest	5,615	20,424	14,809	9,666
Sales and rentals	1,000	-	(1,000)	-
Miscellaneous	-	75	75	-
	<u>8,715</u>	<u>20,499</u>	<u>11,784</u>	<u>10,204</u>
Total Revenues	<u>1,030,945</u>	<u>1,109,417</u>	<u>78,472</u>	<u>1,211,033</u>
<b>EXPENDITURES</b>				
Welfare:				
Grant assistance:				
Services and supplies	592,369	472,383	119,986	470,501
Assistance in cash or goods:				
Services and supplies	16,000	7,924	8,076	16,029
Medical assistance-direct:				
Services and supplies	479,780	479,781	(1)	363,658
Welfare operations:				
Salaries	107,543	67,799	39,744	99,041
Benefits	37,966	23,893	14,073	34,883
Services and supplies	13,857	11,183	2,674	13,900
	<u>159,366</u>	<u>102,875</u>	<u>56,491</u>	<u>147,824</u>
Public health nurse:				
Salaries	35,273	34,584	689	32,840
Benefits	15,698	15,470	228	14,552
Services and supplies	50,800	48,470	2,330	48,964
	<u>101,771</u>	<u>98,524</u>	<u>3,247</u>	<u>96,356</u>
Transitional housing:				
Salaries	37,618	31,418	6,200	35,083
Benefits	16,004	13,190	2,814	15,084
Services and supplies	75,712	63,398	12,314	69,296
	<u>129,334</u>	<u>108,006</u>	<u>21,328</u>	<u>119,463</u>
Total Expenditures	<u>1,478,620</u>	<u>1,269,493</u>	<u>209,127</u>	<u>1,213,831</u>
Deficiency of Revenues Under Expenditures	(447,675)	(160,076)	287,599	(2,798)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Indigent Medical Care Fund	100,000	100,000	-	125,000
Net Change in Fund Balances	(347,675)	(60,076)	287,599	122,202
<b>FUND BALANCE, July 1</b>	<u>628,993</u>	<u>628,993</u>	<u>-</u>	<u>506,791</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 281,318</u>	<u>\$ 568,917</u>	<u>\$ 287,599</u>	<u>\$ 628,993</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 152,565	\$ 158,842	\$ 6,277	\$ 160,662
Intergovernmental:				
Federal payments in lieu of taxes	8,000	8,000	-	7,500
Miscellaneous:				
Interest	800	4,371	3,571	1,788
Total Revenues	<u>161,365</u>	<u>171,213</u>	<u>9,848</u>	<u>169,950</u>
<b>EXPENDITURES</b>				
Community support:				
Salaries	42,656	42,012	644	40,132
Benefits	16,769	15,889	880	15,223
Services and supplies	114,523	109,204	5,319	111,562
Capital outlay	12,316	8,616	3,700	-
Total Expenditures	<u>186,264</u>	<u>175,721</u>	<u>10,543</u>	<u>166,917</u>
Net Change in Fund Balances	(24,899)	(4,508)	20,391	3,033
<b>FUND BALANCE, July 1</b>	<u>57,650</u>	<u>73,974</u>	<u>16,324</u>	<u>70,941</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 32,751</u>	<u>\$ 69,466</u>	<u>\$ 36,715</u>	<u>\$ 73,974</u>

**CHURCHILL COUNTY, NEVADA  
PUBLIC LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

<b>REVENUES</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>2005</b>
<b>Taxes:</b>				
Ad valorem taxes	\$ 394,792	\$ 410,642	\$ 15,850	\$ 431,640
<b>Intergovernmental:</b>				
Federal payments in lieu of taxes	45,000	45,000	-	40,000
Consolidated intergovernmental taxes	-	-	-	55,000
<b>Grants-in-aid:</b>				
Federal	5,000	6,500	1,500	5,200
State	14,238	14,238	-	-
	<u>64,238</u>	<u>65,738</u>	<u>1,500</u>	<u>100,200</u>
<b>Miscellaneous:</b>				
Sales and rentals	12,000	12,268	268	12,633
Interest	4,500	23,142	18,642	9,762
	<u>16,500</u>	<u>35,410</u>	<u>18,910</u>	<u>22,395</u>
Total Revenues	<u>475,530</u>	<u>511,790</u>	<u>36,260</u>	<u>554,235</u>
<b>EXPENDITURES</b>				
<b>Culture and recreation:</b>				
Salaries	251,436	250,732	704	236,303
Benefits	93,873	90,109	3,764	86,313
Services and supplies	202,326	183,447	18,879	161,670
Capital outlay	3,311	3,197	114	-
Total Expenditures	<u>550,946</u>	<u>527,485</u>	<u>23,461</u>	<u>484,286</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(75,416)	(15,695)	59,721	69,949
<b>OTHER FINANCING SOURCES</b>				
<b>Transfers out:</b>				
Library Gift Fund	-	(50,000)	(50,000)	-
Net Change in Fund Balances	(75,416)	(65,695)	9,721	69,949
<b>FUND BALANCE, July 1</b>	<u>448,872</u>	<u>518,049</u>	<u>69,177</u>	<u>448,100</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 373,456</u>	<u>\$ 452,354</u>	<u>\$ 78,898</u>	<u>\$ 518,049</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 50	\$ 444	\$ 394	\$ 92
Gifts and donations	100	564	464	-
Total Revenues	150	1,008	858	92
<b>EXPENDITURES</b>				
Health:				
Services and supplies	2,000	1,922	78	2,010
Deficiency of Revenues Under Expenditures	(1,850)	(914)	936	(1,918)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	25,000	25,000	5,000
Net Change in Fund Balances	(1,850)	24,086	25,936	3,082
<b>FUND BALANCE, July 1</b>	<u>3,429</u>	<u>8,321</u>	<u>4,892</u>	<u>5,239</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,579</u>	<u>\$ 32,407</u>	<u>\$ 30,828</u>	<u>\$ 8,321</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

<b>REVENUES</b>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
Miscellaneous:				
Interest	\$ 450	\$ 2,210	\$ 1,760	\$ 631
Project Food revenue	12,000	11,353	(647)	9,337
Gifts and donations	<u>5,000</u>	<u>579</u>	<u>(4,421)</u>	<u>-</u>
Total Revenues	17,450	14,142	(3,308)	9,968
<b>EXPENDITURES</b>				
Welfare:				
Services and supplies	<u>25,000</u>	<u>13,091</u>	<u>11,909</u>	<u>7,691</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,550)	1,051	8,601	2,277
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,000</u>
Net Change in Fund Balances	(7,550)	1,051	8,601	17,277
<b>FUND BALANCE, July 1</b>	<u>50,826</u>	<u>44,803</u>	<u>(6,023)</u>	<u>27,526</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 43,276</u>	<u>\$ 45,854</u>	<u>\$ 2,578</u>	<u>\$ 44,803</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, 2006**  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Charges for services:				
Law library fees	\$ 8,000	\$ 7,710	\$ (290)	\$ 6,869
Miscellaneous:				
Interest	<u>500</u>	<u>6,479</u>	<u>5,979</u>	<u>1,122</u>
Total Revenues	8,500	14,189	5,689	7,991
<b>EXPENDITURES</b>				
Judicial:				
Services and supplies	<u>31,000</u>	<u>28,381</u>	<u>2,619</u>	<u>27,588</u>
Deficiency of Revenues Under Expenditures	(22,500)	(14,192)	8,308	(19,597)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	<u>20,000</u>	<u>20,000</u>	<u>-</u>	<u>100,000</u>
Net Change in Fund Balances	(2,500)	5,808	8,308	80,403
<b>FUND BALANCE, July 1</b>	<u>56,032</u>	<u>136,835</u>	<u>80,803</u>	<u>56,432</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 53,532</u>	<u>\$ 142,643</u>	<u>\$ 89,111</u>	<u>\$ 136,835</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
County option motor vehicle fuel	\$ 823,923	\$ 1,087,972	\$ 264,049	\$ 766,144
Miscellaneous:				
Interest	<u>12,175</u>	<u>44,214</u>	<u>32,039</u>	<u>17,459</u>
Total Revenues	836,098	1,132,186	296,088	783,603
<b>EXPENDITURES</b>				
Intergovernmental:				
City of Fallon	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>536,000</u>
Excess of Revenues Over Expenditures	386,098	1,132,186	746,088	247,603
<b>OTHER FINANCING USES</b>				
Transfers out:				
Road Fund	<u>(600,000)</u>	<u>(860,200)</u>	<u>(260,200)</u>	<u>(948,395)</u>
Net Change in Fund Balances	(213,902)	271,986	485,888	(700,792)
<b>FUND BALANCE, July 1</b>	<u>1,058,830</u>	<u>681,591</u>	<u>(377,239)</u>	<u>1,382,383</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 844,928</u>	<u>\$ 953,577</u>	<u>\$ 108,649</u>	<u>\$ 681,591</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 1,200	\$ 8,890	\$ 7,690	\$ 2,547
Gifts and donations	21,000	55,668	34,668	22,369
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	22,200	64,558	42,358	24,916
<b>EXPENDITURES</b>				
Culture and recreation:				
Services and supplies	45,000	1,116	43,884	250
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,800)	63,442	86,242	24,666
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	30,000	80,000	50,000	-
Public Library Fund	-	50,000	50,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	30,000	130,000	100,000	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	7,200	193,442	186,242	24,666
<b>FUND BALANCE, July 1</b>	<u>117,249</u>	<u>126,395</u>	<u>9,146</u>	<u>101,729</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 124,449</u>	<u>\$ 319,837</u>	<u>\$ 195,388</u>	<u>\$ 126,395</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, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

<b>REVENUES</b>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
Intergovernmental:				
Consolidated intergovernmental taxes	\$ -	\$ -	\$ -	\$ 347,070
AB104 fairshare	-	-	-	46,225
	<u>-</u>	<u>-</u>	<u>-</u>	<u>393,295</u>
Miscellaneous:				
Interest	6,000	40,308	34,308	10,310
Insurance reimbursement	20,150	38,640	18,490	84,730
	<u>26,150</u>	<u>78,948</u>	<u>52,798</u>	<u>95,040</u>
Total Revenues	<u>26,150</u>	<u>78,948</u>	<u>52,798</u>	<u>488,335</u>
<b>EXPENDITURES</b>				
General government:				
Services and supplies	105,000	48,180	56,820	119,528
Capital outlay	-	-	-	12,753
	<u>105,000</u>	<u>48,180</u>	<u>56,820</u>	<u>132,281</u>
Total Expenditures	<u>105,000</u>	<u>48,180</u>	<u>56,820</u>	<u>132,281</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(78,850)	30,768	109,618	356,054
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	50,000	50,000	50,000
Net Change in Fund Balances	(78,850)	80,768	159,618	406,054
<b>FUND BALANCE, July 1</b>	<u>487,181</u>	<u>898,575</u>	<u>411,394</u>	<u>492,521</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 408,331</u>	<u>\$ 979,343</u>	<u>\$ 571,012</u>	<u>\$ 898,575</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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal payments in lieu of taxes	\$ -	\$ 134,120	\$ 134,120	\$ -
Consolidated intergovernmental taxes	-	430,345	430,345	-
AB104 fairshare	-	41,986	41,986	-
	<u>-</u>	<u>606,451</u>	<u>606,451</u>	<u>-</u>
Miscellaneous:				
Interest	6,750	15,912	9,162	8,974
Miscellaneous	77,950	77,952	2	73,700
	<u>84,700</u>	<u>93,864</u>	<u>9,164</u>	<u>82,674</u>
Total Revenues	<u>84,700</u>	<u>700,315</u>	<u>615,615</u>	<u>82,674</u>
<b>EXPENDITURES</b>				
General government:				
Benefits	199,118	155,354	43,764	134,630
Services and supplies	130,000	61,345	68,655	55,251
	<u>329,118</u>	<u>216,699</u>	<u>112,419</u>	<u>189,881</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244,418)	483,616	728,034	(107,207)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	50,000	50,000	-
Net Change in Fund Balances	(244,418)	533,616	778,034	(107,207)
<b>FUND BALANCE, July 1</b>	377,285	377,285	-	484,492
<b>FUND BALANCE, June 30</b>	<u>\$ 132,867</u>	<u>\$ 910,901</u>	<u>\$ 778,034</u>	<u>\$ 377,285</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 3,000	\$ 15,609	\$ 12,609	\$ 6,234
<b>EXPENDITURES</b>				
General government:				
Benefits	<u>25,000</u>	<u>15,642</u>	<u>9,358</u>	<u>8,816</u>
Deficiency of Revenues Under Expenditures	(22,000)	(33)	21,967	(2,582)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>50,000</u>
Net Change in Fund Balances	(22,000)	24,967	46,967	47,418
<b>FUND BALANCE, July 1</b>	<u>255,485</u>	<u>325,428</u>	<u>69,943</u>	<u>278,010</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 233,485</u>	<u>\$ 350,395</u>	<u>\$ 116,910</u>	<u>\$ 325,428</u>

**CHURCHILL COUNTY, NEVADA**  
**FORFEITURES/SEIZED ASSETS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 3,000	\$ 3,790	\$ 790	\$ 1,982
Miscellaneous	-	1,305	1,305	1,172
Forfeitures of seized assets	75,000	4,165	(70,835)	6,830
Total Revenues	78,000	9,260	(68,740)	9,984
<b>EXPENDITURES</b>				
Public safety:				
Services and supplies	80,000	10,206	69,794	80,317
Net Change in Fund Balances	(2,000)	(946)	1,054	(70,333)
<b>FUND BALANCE, July 1</b>	<u>98,791</u>	<u>78,771</u>	<u>(20,020)</u>	<u>149,104</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 96,791</u>	<u>\$ 77,825</u>	<u>\$ (18,966)</u>	<u>\$ 78,771</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, 2006**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Charges for services:				
Graffiti collections	\$ 1,000	\$ -	\$ (1,000)	\$ 250
Restitution processing	1,200	1,995	795	1,232
	<u>2,200</u>	<u>1,995</u>	<u>(205)</u>	<u>1,482</u>
Miscellaneous:				
District Attorney restitution collections	80,000	53,212	(26,788)	52,020
Juvenile probation restitution collections	20,000	4,472	(15,528)	7,534
Sheriff's office evidence	-	1,236	1,236	-
Interest	-	1,654	1,654	1,780
	<u>100,000</u>	<u>60,574</u>	<u>(39,426)</u>	<u>61,334</u>
Total Revenues	<u>102,200</u>	<u>62,569</u>	<u>(39,631)</u>	<u>62,816</u>
<b>EXPENDITURES</b>				
Judicial:				
Services and supplies	145,000	60,793	84,207	106,960
Net Change in Fund Balances	(42,800)	1,776	44,576	(44,144)
<b>FUND BALANCE, July 1</b>	<u>74,194</u>	<u>31,050</u>	<u>(43,144)</u>	<u>75,194</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 31,394</u>	<u>\$ 32,826</u>	<u>\$ 1,432</u>	<u>\$ 31,050</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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Charges for services:				
Administrative assessments	\$ 45,000	\$ 48,439	\$ 3,439	\$ 48,774
<b>OTHER FINANCING USES</b>				
Transfers out:				
Extraordinary Repairs and Maintenance Fund	(45,000)	(45,000)	-	(45,000)
Net Change in Fund Balances	-	3,439	3,439	3,774
<b>FUND BALANCE, July 1</b>	<u>36,900</u>	<u>45,674</u>	<u>8,774</u>	<u>41,900</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 36,900</u>	<u>\$ 49,113</u>	<u>\$ 12,213</u>	<u>\$ 45,674</u>

**CHURCHILL COUNTY, NEVADA**  
**RECREATION DONATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 1,200	\$ 1,759	\$ 559	\$ 1,075
Gifts and donations	6,100	38,962	32,862	10,765
	<u>7,300</u>	<u>40,721</u>	<u>33,421</u>	<u>11,840</u>
Total Revenues				
	<u>7,300</u>	<u>40,721</u>	<u>33,421</u>	<u>11,840</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Services and supplies	10,000	7,277	2,723	24,878
Capital outlay	-	-	-	18,377
	<u>10,000</u>	<u>7,277</u>	<u>2,723</u>	<u>43,255</u>
Total Expenditures				
	<u>10,000</u>	<u>7,277</u>	<u>2,723</u>	<u>43,255</u>
Net Change in Fund Balances	(2,700)	33,444	36,144	(31,415)
<b>FUND BALANCE, July 1</b>	<u>9,943</u>	<u>25,028</u>	<u>15,085</u>	<u>56,443</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 7,243</u>	<u>\$ 58,472</u>	<u>\$ 51,229</u>	<u>\$ 25,028</u>

CHURCHILL COUNTY, NEVADA  
 INDIGENT HOSPITAL CARE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 70,415	\$ 72,735	\$ 2,320	\$ 72,435
<b>EXPENDITURES</b>				
Welfare:				
Payments to State of Nevada	<u>70,000</u>	<u>72,721</u>	<u>(2,721)</u>	<u>72,687</u>
Net Change in Fund Balances	415	14	(401)	(252)
<b>FUND BALANCE, July 1</b>	<u>405</u>	<u>141</u>	<u>(264)</u>	<u>393</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 820</u>	<u>\$ 155</u>	<u>\$ (665)</u>	<u>\$ 141</u>

**CHURCHILL COUNTY, NEVADA  
INDIGENT MEDICAL CARE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 46,943	\$ 48,792	\$ 1,849	\$ 49,267
Miscellaneous:				
Interest	<u>12,100</u>	<u>44,125</u>	<u>32,025</u>	<u>23,145</u>
Total Revenues	59,043	92,917	33,874	72,412
<b>EXPENDITURES</b>				
Community support:				
Services and supplies	<u>244,149</u>	<u>155,527</u>	<u>88,622</u>	<u>44,147</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(185,106)	(62,610)	122,496	28,265
<b>OTHER FINANCING USES</b>				
Transfers out:				
Social Services Fund	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>	<u>(125,000)</u>
Net Change in Fund Balances	(285,106)	(162,610)	122,496	(96,735)
<b>FUND BALANCE, July 1</b>	<u>705,914</u>	<u>923,375</u>	<u>217,461</u>	<u>1,020,110</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 420,808</u>	<u>\$ 760,765</u>	<u>\$ 339,957</u>	<u>\$ 923,375</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, 2006**  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Intergovernmental:				
Optional county sales tax (\$.0025)	\$ 601,175	\$ 805,804	\$ 204,629	\$ 678,796
Miscellaneous:				
Interest	<u>9,750</u>	<u>31,830</u>	<u>22,080</u>	<u>16,495</u>
Total Revenues	<u>610,925</u>	<u>837,634</u>	<u>226,709</u>	<u>695,291</u>
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Services and supplies	479,000	132,896	346,104	3,018
Intergovernmental:				
City of Fallon	<u>-</u>	<u>174,728</u>	<u>(174,728)</u>	<u>-</u>
Total Expenditures	<u>479,000</u>	<u>307,624</u>	<u>171,376</u>	<u>3,018</u>
Excess of Revenues Over Expenditures	131,925	530,010	398,085	692,273
<b>OTHER FINANCING USES</b>				
Transfers out:				
Road Fund	<u>(400,000)</u>	<u>(679,017)</u>	<u>(279,017)</u>	<u>(1,000,791)</u>
Net Change in Fund Balances	<u>(268,075)</u>	<u>(149,007)</u>	<u>119,068</u>	<u>(308,518)</u>
<b>FUND BALANCE, July 1</b>	<u>499,399</u>	<u>683,495</u>	<u>184,096</u>	<u>992,013</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 231,324</u>	<u>\$ 534,488</u>	<u>\$ 303,164</u>	<u>\$ 683,495</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes				
Ad valorem taxes	\$ 145,720	\$ 146,215	\$ 495	\$ 98,803
<b>EXPENDITURES</b>				
Community support:				
Services and supplies	<u>144,891</u>	<u>146,113</u>	<u>(1,222)</u>	<u>99,400</u>
Net Change in Fund Balances	829	102	(727)	(597)
<b>FUND BALANCE, July 1</b>	<u>846</u>	<u>183</u>	<u>(663)</u>	<u>780</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,675</u>	<u>\$ 285</u>	<u>\$ (1,390)</u>	<u>\$ 183</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Optional county motor vehicle fuel tax	\$ 62,416	\$ 82,342	\$ 19,926	\$ 57,937
Miscellaneous:				
Interest	<u>515</u>	<u>4,557</u>	<u>4,042</u>	<u>1,216</u>
Total Revenues	62,931	86,899	23,968	59,153
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Services and supplies	<u>120,000</u>	<u>16,780</u>	<u>103,220</u>	<u>59,577</u>
Net Change in Fund Balances	(57,069)	70,119	127,188	(424)
<b>FUND BALANCE, July 1</b>	<u>74,073</u>	<u>77,149</u>	<u>3,076</u>	<u>77,573</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 17,004</u>	<u>\$ 147,268</u>	<u>\$ 130,264</u>	<u>\$ 77,149</u>

**CHURCHILL COUNTY, NEVADA**  
**FAIRGROUNDS SALE PROCEEDS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 17,275	\$ 29,497	\$ 12,222	\$ 26,959
Lease revenue	-	-	-	17,290
Total Revenues	<u>17,275</u>	<u>29,497</u>	<u>12,222</u>	<u>44,249</u>
<b>EXPENDITURES</b>				
Community support:				
Services and supplies	5,000	-	5,000	-
Capital outlay	125,000	-	125,000	-
Total Expenditures	<u>130,000</u>	<u>-</u>	<u>130,000</u>	<u>-</u>
Net Change in Fund Balances	(112,725)	29,497	142,222	44,249
<b>FUND BALANCE, July 1</b>	<u>408,487</u>	<u>594,546</u>	<u>186,059</u>	<u>550,297</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 295,762</u>	<u>\$ 624,043</u>	<u>\$ 328,281</u>	<u>\$ 594,546</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, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ -	\$ 5,023	\$ 5,023	\$ 7,104
<b>EXPENDITURES</b>				
Community support:				
Hospital support:				
Services and supplies	-	-	-	7,104
Net Change in Fund Balances	-	5,023	5,023	-
<b>FUND BALANCE, July 1</b>	-	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 5,023</u>	<u>\$ 5,023</u>	<u>\$ -</u>

**CHURCHILL COUNTY, NEVADA**  
**TECHNOLOGY FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Charges for services:				
Ortho photo fee	\$ -	\$ 1,000	\$ 1,000	\$ -
Miscellaneous:				
Interest	-	4,088	4,088	-
Technology fees	75,000	90,459	15,459	71,445
	<u>75,000</u>	<u>94,547</u>	<u>19,547</u>	<u>71,445</u>
Total Revenues	<u>75,000</u>	<u>95,547</u>	<u>20,547</u>	<u>71,445</u>
<b>EXPENDITURES</b>				
General government:				
Services and supplies	108,000	-	108,000	4,834
Capital outlay	20,000	-	20,000	14,768
	<u>128,000</u>	<u>-</u>	<u>128,000</u>	<u>19,602</u>
Total Expenditures	<u>128,000</u>	<u>-</u>	<u>128,000</u>	<u>19,602</u>
Net Change in Fund Balances	(53,000)	95,547	148,547	51,843
<b>FUND BALANCE, July 1</b>	<u>80,397</u>	<u>51,843</u>	<u>(28,554)</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 27,397</u>	<u>\$ 147,390</u>	<u>\$ 119,993</u>	<u>\$ 51,843</u>

CHURCHILL COUNTY, NEVADA  
 ROAD IMPACT FEE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FROM THE DATE OF INCEPTION, JANUARY 18, 2006, THROUGH JUNE 30, 2006

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Licenses and permits:			
Area A road impact fee	\$ -	\$ 89,700	\$ 89,700
Area B road impact fee	-	62,100	62,100
	-	151,800	151,800
Miscellaneous:			
Interest	-	1,874	1,874
Net Change in Fund Balances	-	153,674	153,674
<b>FUND BALANCE, July 1</b>	-	-	-
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 153,674</u>	<u>\$ 153,674</u>

**CHURCHILL COUNTY, NEVADA**  
**RESIDENTIAL CONSTRUCTION TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM THE DATE OF INCEPTION, JULY 7, 2005, THROUGH JUNE 30, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Licenses and permits:			
Park tax fee	\$ -	\$ 145,994	\$ 145,994
Miscellaneous:			
Interest	-	<u>3,330</u>	<u>3,330</u>
Net Change in Fund Balances	-	149,324	149,324
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 149,324</u>	<u>\$ 149,324</u>

**CHURCHILL COUNTY, NEVADA**  
**INFRASTRUCTURE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FROM THE DATE OF INCEPTION, AUGUST 4, 2005, THROUGH JUNE 30, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>REVENUES</b>			
Intergovernmental:			
Optional county sales tax (\$.0025)	\$ -	\$ 592,338	\$ 592,338
Miscellaneous:			
Interest	-	6,154	6,154
Net Change in Fund Balances	-	598,492	598,492
<b>FUND BALANCE, July 1</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE, June 30</b>	<u>\$ -</u>	<u>\$ 598,492</u>	<u>\$ 598,492</u>

**CHURCHILL COUNTY, NEVADA  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2006 AND 2005**

	<b>2006</b>	<b>2005</b>
<b>ASSETS</b>		
Cash and investments	\$ 454,753	\$ 186,027
Receivables:		
Interest	1,598	415
Total Assets	<b>\$ 456,351</b>	<b>\$ 186,442</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Fund Balance		
Unreserved	<b>\$ 456,351</b>	<b>\$ 186,442</b>

**CHURCHILL COUNTY, NEVADA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 1,000	\$ 8,484	\$ 7,484	\$ 2,223
<b>EXPENDITURES</b>				
Debt service:				
Principal	677,199	452,730	224,469	145,254
Interest	115,918	115,845	73	23,693
Total Expenditures	<u>793,117</u>	<u>568,575</u>	<u>224,542</u>	<u>168,947</u>
Deficiency of Revenues Under Expenditures	<u>(792,117)</u>	<u>(560,091)</u>	<u>232,026</u>	<u>(166,724)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Water Resource Fund	750,000	750,000	-	-
Road Fund	80,000	80,000	-	80,000
Special Ad Valorem Capital Projects Fund	-	-	-	142,705
Total Other Financing Sources	<u>830,000</u>	<u>830,000</u>	<u>-</u>	<u>222,705</u>
Net Change in Fund Balances	37,883	269,909	232,026	55,981
<b>FUND BALANCE, July 1</b>	<u>379,169</u>	<u>186,442</u>	<u>(192,727)</u>	<u>130,461</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 417,052</u>	<u>\$ 456,351</u>	<u>\$ 39,299</u>	<u>\$ 186,442</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2006  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2005)

	BUILDING RESERVE FUND	SPECIAL AD VALOREM CAPITAL PROJECTS FUND	EXTRAORDINARY REPAIRS AND MAINTENANCE FUND	FIRE EQUIPMENT APPARATUS FUND	TOTALS
	2006	2006	2006	2006	2005
<b>ASSETS</b>					
Cash and investments	\$ 2,289,230	\$ 595,859	\$ 600,972	\$ 148,115	\$ 2,935,173
Receivables:					
Property taxes	-	3,374	-	1,343	4,717
Interest	7,721	2,091	2,105	517	12,434
Due from other funds	66,380	-	-	-	66,380
Due from other governments	55,820	-	8,000	-	-
Total Assets	<u>\$ 2,419,151</u>	<u>\$ 601,324</u>	<u>\$ 611,077</u>	<u>\$ 149,975</u>	<u>\$ 3,781,527</u>
					<u>\$ 3,355,394</u>
<b>LIABILITIES AND FUND BALANCE</b>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 14,505	\$ -	\$ 14,505
Due to other governments	-	7,335	-	-	7,335
Deferred revenue	-	2,830	-	1,130	3,960
Total Liabilities	-	10,165	14,505	1,130	25,800
Fund Balance					
Unreserved	2,419,151	591,159	596,572	148,845	3,755,727
Total Liabilities and Fund Balance	<u>\$ 2,419,151</u>	<u>\$ 601,324</u>	<u>\$ 611,077</u>	<u>\$ 149,975</u>	<u>\$ 3,781,527</u>
					<u>\$ 3,355,394</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	BUILDING RESERVE FUND	SPECIAL AD VALOREM CAPITAL PROJECTS FUND	EXTRAORDINARY REPAIRS AND MAINTENANCE FUND	FIRE EQUIPMENT APPARATUS FUND	TOTALS
	2006	2005	2006	2005	2006
<b>REVENUES</b>					
Taxes	\$ -	\$ 244,239	\$ -	\$ 97,334	\$ 341,573
Intergovernmental	206,000	-	48,000	-	254,000
Miscellaneous	403,448	23,518	29,200	12,931	469,097
Total Revenues	609,448	267,757	77,200	110,265	1,064,670
<b>EXPENDITURES</b>					
General government	190,371	-	224,362	213,803	628,536
Intergovernmental	-	52,361	-	-	52,361
Total Expenditures	190,371	52,361	224,362	213,803	680,897
Excess (Deficiency) of Revenues (Under) Over Expenditures	419,077	215,396	(147,162)	(103,538)	383,773
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	45,000	-	45,000
Total Other Financing Sources (Uses)	-	-	45,000	-	(142,705)
Net Change in Fund Balances	419,077	215,396	(102,162)	(103,538)	428,773
FUND BALANCE, July 1	2,000,074	375,763	698,734	252,383	3,326,954
FUND BALANCE, June 30	\$ 2,419,151	\$ 591,159	\$ 596,572	\$ 148,845	\$ 3,755,727
					\$ 3,326,954

**CHURCHILL COUNTY, NEVADA**  
**BUILDING RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

<b>REVENUES</b>	<b>BUDGET</b>	<b>ACTUAL</b>	<b>VARIANCE</b>	<b>2005</b>
Intergovernmental:				
Federal payments in lieu of taxes	\$ 150,000	\$ 150,000	\$ -	\$ 314,386
Consolidated intergovernmental taxes	56,000	56,000	-	395,070
AB104 fairshare	-	-	-	46,225
Refuge revenue sharing	-	-	-	29,915
	<u>206,000</u>	<u>206,000</u>	<u>-</u>	<u>785,596</u>
Miscellaneous:				
Interest	15,000	92,429	77,429	28,498
Geothermal rents and royalties	-	311,019	311,019	-
	<u>15,000</u>	<u>403,448</u>	<u>388,448</u>	<u>28,498</u>
Total Revenues	221,000	609,448	388,448	814,094
<b>EXPENDITURES</b>				
General government:				
Capital outlay	<u>1,000,000</u>	<u>190,371</u>	<u>809,629</u>	<u>280,245</u>
Net Change in Fund Balances	(779,000)	419,077	1,198,077	533,849
<b>FUND BALANCE, July 1</b>	<u>1,577,400</u>	<u>2,000,074</u>	<u>422,674</u>	<u>1,466,225</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 798,400</u>	<u>\$ 2,419,151</u>	<u>\$ 1,620,751</u>	<u>\$ 2,000,074</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, 2006**  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 234,716	\$ 244,239	\$ 9,523	\$ 247,011
Miscellaneous:				
Interest	<u>3,500</u>	<u>23,518</u>	<u>20,018</u>	<u>8,998</u>
Total Revenues	<u>238,216</u>	<u>267,757</u>	<u>29,541</u>	<u>256,009</u>
<b>EXPENDITURES</b>				
General government:				
Capital projects	125,000	-	125,000	-
Intergovernmental:				
City of Fallon	<u>56,250</u>	<u>52,361</u>	<u>3,889</u>	<u>44,781</u>
Total Expenditures	<u>181,250</u>	<u>52,361</u>	<u>128,889</u>	<u>44,781</u>
Excess of Revenues Over Expenditures	56,966	215,396	158,430	211,228
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Debt Service Fund	-	-	-	(142,705)
Net Change in Fund Balances	56,966	215,396	158,430	68,523
<b>FUND BALANCE, July 1</b>	<u>477,325</u>	<u>375,763</u>	<u>(101,562)</u>	<u>307,240</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 534,291</u>	<u>\$ 591,159</u>	<u>\$ 56,868</u>	<u>\$ 375,763</u>

**CHURCHILL COUNTY, NEVADA**  
**EXTRAORDINARY REPAIRS AND MAINTENANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Intergovernmental:				
Consolidated intergovernmental taxes	\$ 48,000	\$ 48,000	\$ -	\$ 48,000
Miscellaneous:				
Interest	9,200	29,200	20,000	17,284
Total Revenues	57,200	77,200	20,000	65,284
<b>EXPENDITURES</b>				
General government:				
Capital outlay	450,000	224,362	225,638	257,507
Deficiency of Revenues Under Expenditures	(392,800)	(147,162)	245,638	(192,223)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Administrative Assessment Fund	45,000	45,000	-	45,000
Net Change in Fund Balances	(347,800)	(102,162)	245,638	(147,223)
<b>FUND BALANCE, July 1</b>	<u>697,707</u>	<u>698,734</u>	<u>1,027</u>	<u>845,957</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 349,907</u>	<u>\$ 596,572</u>	<u>\$ 246,665</u>	<u>\$ 698,734</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, 2006**  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 93,886	\$ 97,334	\$ 3,448	\$ 98,383
Miscellaneous:				
Interest	<u>1,675</u>	<u>12,931</u>	<u>11,256</u>	<u>4,482</u>
Total Revenues	95,561	110,265	14,704	102,865
<b>EXPENDITURES</b>				
General government:				
Capital outlay	<u>327,343</u>	<u>213,803</u>	<u>113,540</u>	-
Net Change in Fund Balances	(231,782)	(103,538)	128,244	102,865
<b>FUND BALANCE, July 1</b>	<u>252,383</u>	<u>252,383</u>	-	<u>149,518</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 20,601</u>	<u>\$ 148,845</u>	<u>\$ 128,244</u>	<u>\$ 252,383</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>OPERATING REVENUE</b>				
Local network services		\$ 3,824,870		\$ 3,858,511
Network access services		4,442,266		4,984,124
Interstate pooling revenue		4,079,764		4,462,830
Miscellaneous revenue		765,861		814,447
Uncollectible revenue		<u>(24,187)</u>		<u>(62,245)</u>
Total Operating Revenue	<u>\$14,129,760</u>	<u>13,088,574</u>	<u>\$ (1,041,186)</u>	<u>14,057,667</u>
<b>OPERATING EXPENSES</b>				
Plant specific operations	2,975,120	2,284,941	690,179	2,170,551
Plant nonspecific operations	1,796,598	1,697,988	98,610	1,545,630
Customer operations	1,411,763	1,316,162	95,601	1,200,348
Corporate operations	2,774,530	2,409,122	365,408	2,514,231
Payments to County in lieu of taxes	1,378,650	1,378,651	(1)	1,352,921
Depreciation and amortization	<u>3,406,041</u>	<u>4,207,383</u>	<u>(801,342)</u>	<u>4,136,871</u>
Total Operating Expenses	<u>13,742,702</u>	<u>13,294,247</u>	<u>448,455</u>	<u>12,920,552</u>
Operating Income	<u>387,058</u>	<u>(205,673)</u>	<u>(592,731)</u>	<u>1,137,115</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	76,000	69,081	(6,919)	125,938
Interest expense	(60,000)	(89,407)	(29,407)	(98,669)
Nonregulated income	3,451,678	2,403,284	(1,048,394)	2,966,938
Nonregulated expenses	(2,677,121)	(1,747,892)	929,229	(2,499,570)
Loss on write down of goodwill	-	(6,480)	(6,480)	(13,500)
Contributions to CC Communications - Broadband Fund	-	(310,000)	(310,000)	(475,000)
Payments to County in lieu of taxes	(422,662)	(422,662)	-	(365,980)
Donations to County	<u>(66,050)</u>	<u>(54,836)</u>	<u>11,214</u>	<u>(63,456)</u>
Total Nonoperating Revenue (Expense)	<u>301,845</u>	<u>(158,912)</u>	<u>(460,757)</u>	<u>(423,299)</u>
Income (Loss) Before Capital Contributions	<u>\$ 688,903</u>	<u>(364,585)</u>	<u>\$ (1,053,488)</u>	<u>713,816</u>
<b>CAPITAL CONTRIBUTIONS</b>				
CC Communications - Wireless		1,105,000		-
CC Communications - Long Distance		<u>488,000</u>		<u>-</u>
		<u>1,593,000</u>		<u>-</u>
Change in Net Assets		1,228,415		713,816
<b>NET ASSETS, July 1</b>		<u>26,446,856</u>		<u>25,733,040</u>
<b>NET ASSETS, June 30</b>		<u>\$27,675,271</u>		<u>\$26,446,856</u>

CHURCHILL COUNTY, NEVADA  
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - TELEPHONE FUND  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 13,926,761	\$ 16,713,652
Cash payments to employees	(3,655,526)	(4,003,143)
Cash payments for services and supplies	(7,098,701)	(7,436,903)
Net Cash Provided by Operating Activities	3,172,534	5,273,606
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Capital contributions from:		
CC Communications - Wireless Fund	1,105,000	-
CC Communications - Long Distance Fund	488,000	-
Capital contribution to CC Communications - Broadband Fund	(310,000)	(475,000)
Net Cash Provided (Used) by Noncapital Financing Activities	1,283,000	(475,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(4,434,676)	(4,018,724)
Purchase of nonregulated investments	(107,812)	(580,536)
Principal payment on long-term debt	(677,694)	(649,125)
Interest payment on long-term debt	(92,867)	(91,473)
Net Cash Used by Capital and Related Financing Activities	(5,313,049)	(5,339,858)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	69,847	126,551
Net Decrease in Cash	(787,668)	(414,701)
<b>CASH, July 1</b>	2,087,739	2,502,440
<b>CASH, June 30</b>	\$ 1,300,071	\$ 2,087,739
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Operating income (loss)	\$ (205,673)	\$ 1,137,115
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation - regulated plant	4,207,383	4,136,871
Depreciation - nonregulated plant	291,615	290,047
Income from nonregulated operations, net of expenses	655,392	467,367
Payments to County in lieu of taxes - nonoperating	(422,662)	(365,980)
Donations to County	(54,836)	(63,455)
Increase (decrease) in allowance for uncollectible accounts	1,052	(2,118)
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Receivables	(666,803)	(355,941)
Due from other funds	(275,692)	94,994
Inventory of materials and supplies	259,968	(233,635)
Increase (decrease) in:		
Accounts payable	(159,731)	167,906
Advance billings and payments	(430,184)	(53,640)
Due to other funds	(194,937)	7,468
Customer deposits	1,467	(1,717)
Other accrued liabilities	166,175	48,324
Net Cash Provided by Operating Activities	\$ 3,172,534	\$ 5,273,606

**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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>OPERATING REVENUE</b>				
Initiation fees		\$ 37,984		\$ 33,933
Service charges		1,851,930		1,577,245
Local air time		201,130		205,244
Roamer air time		4,044,730		3,655,061
Interconnection revenue		16,906		4,796
USF revenue		1,220,611		432,545
Miscellaneous revenue		35,720		45,522
Equipment sales/installation		289,135		244,608
Uncollectible revenue		<u>(7,816)</u>		<u>(42,538)</u>
Total Operating Revenue	<u>\$ 7,534,355</u>	<u>7,690,330</u>	<u>\$ 155,975</u>	<u>6,156,416</u>
<b>OPERATING EXPENSES</b>				
Customer operations	726,722	1,314,052	(587,330)	1,075,951
Network operations	1,229,343	2,648,958	(1,419,615)	1,895,648
Corporate operations	1,227,892	354,107	873,785	393,313
Equipment sales expenses	694,780	780,120	(85,340)	564,969
Miscellaneous operating expenses	740,940	11,865	729,075	11,525
Depreciation	929,938	<u>783,626</u>	<u>146,312</u>	<u>686,885</u>
Total Operating Expenses	<u>5,549,615</u>	<u>5,892,728</u>	<u>(343,113)</u>	<u>4,628,291</u>
Operating Income	<u>1,984,740</u>	<u>1,797,602</u>	<u>(187,138)</u>	<u>1,528,125</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	9,600	154,825	145,225	24,158
Interest expense	-	(9,709)	(9,709)	(12,551)
Contributions to:				
CC Communications - Telephone Fund	-	(1,105,000)	(1,105,000)	-
CC Communications - Broadband Fund	<u>(910,000)</u>	<u>(920,000)</u>	<u>(10,000)</u>	<u>(475,000)</u>
Total Nonoperating Revenue (Expense)	<u>(900,400)</u>	<u>(1,879,884)</u>	<u>(979,484)</u>	<u>(463,393)</u>
Change in Net Assets	<u>\$ 1,084,340</u>	<u>(82,282)</u>	<u>\$ (1,166,622)</u>	<u>1,064,732</u>
<b>NET ASSETS, July 1</b>		<u>10,737,012</u>		<u>9,672,280</u>
<b>NET ASSETS, June 30</b>		<u>\$ 10,654,730</u>		<u>\$ 10,737,012</u>

CHURCHILL COUNTY, NEVADA  
MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - WIRELESS FUND  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 7,948,188	\$ 5,924,400
Cash payments to employees	(620,785)	(700,507)
Cash payments for services and supplies	(4,440,843)	(3,447,007)
Net Cash Provided by Operating Activities	<u>2,886,560</u>	<u>1,776,886</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Capital contribution to:		
CC Communications - Telephone Fund	(1,105,000)	-
CC Communications - Broadband Fund	(920,000)	(475,000)
Net Cash Used by Noncapital Financing Activities	<u>(2,025,000)</u>	<u>(475,000)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payment on long-term debt	(173,159)	(169,383)
Interest paid on long-term debt	(8,720)	(12,335)
Purchase of property, plant and equipment	(2,639,190)	(1,197,755)
Net Cash Used by Capital and Related Financing Activities	<u>(2,821,069)</u>	<u>(1,379,473)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	150,912	15,005
Net Decrease in Cash	(1,808,597)	(62,582)
<b>CASH, July 1</b>	<u>4,203,564</u>	<u>4,266,146</u>
<b>CASH, June 30</b>	<u>\$ 2,394,967</u>	<u>\$ 4,203,564</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 1,797,602	\$ 1,528,125
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	783,626	686,885
Interest paid on subscriber deposits	(785)	(217)
Decrease in provision for uncollectible accounts	(13,515)	(1,594)
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	488,299	(240,181)
Inventory	(219,590)	(112,886)
Increase (decrease) in:		
Accounts payable	(48,614)	(62,557)
Due to other fund	320,323	(30,066)
Advance billings and payments	(228,091)	3,359
Customer deposits	11,950	6,400
Other accrued liabilities	(4,645)	(382)
Net Cash Provided by Operating Activities	<u>\$ 2,886,560</u>	<u>\$ 1,776,886</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - WASTE WATER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Interest income	\$ -	\$ 12,231	\$ 12,231
State grants	-	118,938	118,938
Interest expense	-	(236)	(236)
	-	118,702	118,466
Change in Net Assets	\$ -	130,933	\$ 130,933
<b>NET ASSETS, July 1</b>		-	
<b>NET ASSETS, June 30</b>		\$ 130,933	

CHURCHILL COUNTY, NEVADA  
 MAJOR PROPRIETARY FUND - WASTE WATER ENTERPRISE FUND  
 SCHEDULE OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2006

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers and others	\$ 1,285,900
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest received on investments	<u>7,678</u>
Net Increase in Cash	1,293,578
<b>CASH, July 1</b>	<u>-</u>
<b>CASH, June 30</b>	<u>\$ 1,293,578</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>	
Land, easements, and a portion of the water and waste water systems that were exchanged for utility hook ups, reduction in connections fees, and water	<u>\$ 232,805</u>
Capital improvements for which payments were advanced by the Water Resource Fund	<u>\$ 895,878</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>	
Operating income	\$ -
Increase (decrease) in:	
Deferred revenue	<u>1,285,900</u>
Net Cash Provided by Operating Activities	<u>\$ 1,285,900</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, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	\$ -	\$ 2,439	\$ 2,439	\$ -
State grants	-	2,375,625	2,375,625	-
Interest expense	-	<u>(237)</u>	<u>(237)</u>	-
Change in Net Assets	<u>\$ -</u>	<u>2,377,827</u>	<u>\$2,377,827</u>	-
<b>NET ASSETS, July 1</b>		<u>23,670</u>		<u>23,670</u>
<b>NET ASSETS, June 30</b>		<u>\$ 2,401,497</u>		<u>\$ 23,670</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - UTILITY ENTERPRISE FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 314,000	\$ -
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(103,500)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	1,610	-
Net Increase in Cash	212,110	-
CASH, July 1	23,670	23,670
CASH, June 30	\$ 235,780	\$ 23,670
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Land, easements, and a portion of the water and waste water systems that were exchanged for utility hook ups, reduction in connections fees, and water	\$ 351,948	\$ -
Capital improvements for which payments were advanced by the Water Resource Fund	\$ 3,113,848	\$ -
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ -	\$ -
Deferred revenue	314,000	-
Net Cash Provided by Operating Activities	\$ 314,000	\$ -

**CHURCHILL COUNTY, NEVADA  
NONMAJOR PROPRIETARY FUNDS  
COMBINING SCHEDULE OF NET ASSETS  
JUNE 30, 2006**

<b>ASSETS</b>	<b>CC COMMUNICATIONS LONG DISTANCE FUND</b>	<b>CC COMMUNICATIONS BROADBAND FUND</b>	<b>TOTAL</b>
<b>Current Assets:</b>			
Cash	\$ 1,242,637	\$ 430,756	\$ 1,673,393
Inventory	-	240,966	240,966
<b>Total Current Assets</b>	<u>1,242,637</u>	<u>671,722</u>	<u>1,914,359</u>
<b>Noncurrent Assets:</b>			
Property, Plant and Equipment			
In service	-	3,534,266	3,534,266
Under construction	-	1,670	1,670
	-	3,535,936	3,535,936
Less: Accumulated depreciation	-	2,421,758	2,421,758
<b>Total Noncurrent Assets</b>	<u>-</u>	<u>1,114,178</u>	<u>1,114,178</u>
<b>Total Assets</b>	<u>1,242,637</u>	<u>1,785,900</u>	<u>3,028,537</u>
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	56,099	-	56,099
Due to other funds	-	2,397	2,397
<b>Total Liabilities</b>	<u>56,099</u>	<u>2,397</u>	<u>58,496</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	1,114,178	1,114,178
Unrestricted	1,186,538	669,325	1,855,863
<b>Total Net Assets</b>	<u>\$ 1,186,538</u>	<u>\$ 1,783,503</u>	<u>\$ 2,970,041</u>

CHURCHILL COUNTY, NEVADA  
NONMAJOR PROPRIETARY FUNDS  
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND  
CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2006

	CC COMMUNICATIONS LONG DISTANCE FUND	CC COMMUNICATIONS BROADBAND FUND	TOTAL
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 2,330,170	\$ 663,218	\$ 2,993,388
<b>OPERATING EXPENSES</b>			
Customer operations	75,593	300,452	376,045
Network operations	279,483	558,880	838,363
Corporate operations	132,138	126,482	258,620
Access charges	1,432,547	403,803	1,836,350
Miscellaneous operating expenses	6,153	-	6,153
Depreciation and amortization	-	655,050	655,050
Total Operating Expenses	1,925,914	2,044,667	3,970,581
Operating Income (Loss)	404,256	(1,381,449)	(977,193)
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Rental income	-	18,000	18,000
Contributions to CC Communications - Telephone Fund	(488,000)	-	(488,000)
Total Nonoperating Revenue (Expense)	(488,000)	18,000	(470,000)
Loss Before Capital Contributions	(83,744)	(1,363,449)	(1,447,193)
<b>CAPITAL CONTRIBUTIONS</b>	-	1,230,000	1,230,000
Change in Net Assets	(83,744)	(133,449)	(217,193)
<b>NET ASSETS, July 1</b>	1,270,282	1,916,952	3,187,234
<b>NET ASSETS, June 30</b>	\$ 1,186,538	\$ 1,783,503	\$ 2,970,041

**CHURCHILL COUNTY, NEVADA  
NONMAJOR PROPRIETARY FUNDS  
COMBINING SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2006**

	CC COMMUNICATIONS LONG DISTANCE FUND	CC COMMUNICATIONS BROADBAND FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 2,467,486	\$ 629,182	\$ 3,096,668
Cash payments to employees	(42,781)	(260,077)	(302,858)
Cash payments for services and supplies	(1,859,829)	(1,112,124)	(2,971,953)
Net Cash Provided (Used) by Operating Activities	564,876	(743,019)	(178,143)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Capital contributions out	(488,000)	-	(488,000)
Capital contributions in	-	1,230,000	1,230,000
Net Cash Provided (Used) by Noncapital Financing Activities	(488,000)	1,230,000	742,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of property, plant, and equipment	-	(160,692)	(160,692)
Net Increase in Cash	76,876	326,289	403,165
<b>CASH, July 1</b>	<b>1,165,761</b>	<b>104,467</b>	<b>1,270,228</b>
<b>CASH, June 30</b>	<b>\$ 1,242,637</b>	<b>\$ 430,756</b>	<b>\$ 1,673,393</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 404,256	\$ (1,381,449)	\$ (977,193)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	655,050	655,050
Rental income	-	18,000	18,000
Changes in assets and liabilities:			
(Increase) decrease in:			
Due from other funds			
Inventory	137,316	10,594	147,910
Increase (decrease) in:	-	15,019	15,019
Accounts payable	23,304	-	23,304
Advance billing and payments	-	(62,630)	(62,630)
Due to other funds	-	2,397	2,397
Net Cash Provided (Used) by Operating Activities	<b>\$ 564,876</b>	<b>\$ (743,019)</b>	<b>\$ (178,143)</b>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - LONG DISTANCE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>OPERATING REVENUE</b>				
Service charges		\$ 2,348,040		\$ 1,832,873
Uncollectible revenue		(17,870)		(23,406)
Total Operating Revenue	<u>\$ 2,078,200</u>	<u>2,330,170</u>	<u>\$ 251,970</u>	<u>1,809,467</u>
<b>OPERATING EXPENSES</b>				
Customer operations	140,600	75,593	65,007	39,129
Network operations	264,000	279,483	(15,483)	258,427
Corporate operations	152,400	132,138	20,262	119,701
Access charges	1,328,740	1,432,547	(103,807)	1,076,693
Miscellaneous operating expenses	-	6,153	(6,153)	3,748
Total Operating Expenses	<u>1,885,740</u>	<u>1,925,914</u>	<u>(40,174)</u>	<u>1,497,698</u>
Operating Income	192,460	404,256	211,796	311,769
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Capital contributions to CC Communications - Telephone Fund	-	(488,000)	(488,000)	-
Change in Net Assets	<u>\$ 192,460</u>	<u>(83,744)</u>	<u>\$ (276,204)</u>	<u>311,769</u>
<b>NET ASSETS, July 1</b>		<u>1,270,282</u>		<u>958,513</u>
<b>NET ASSETS, June 30</b>		<u>\$ 1,186,538</u>		<u>\$ 1,270,282</u>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - LONG DISTANCE FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 2,467,486	\$ 1,812,593
Cash payments to employees	(42,781)	-
Cash payments for services and supplies	<u>(1,859,829)</u>	<u>(1,469,156)</u>
Net Cash Provided by Operating Activities	564,876	343,437
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Capital contribution to CC Communications - Telephone Fund	<u>(488,000)</u>	<u>-</u>
Net Increase in Cash	76,876	343,437
<b>CASH, July 1</b>	<u>1,165,761</u>	<u>822,324</u>
<b>CASH, June 30</b>	<u>\$ 1,242,637</u>	<u>\$ 1,165,761</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 404,256	\$ 311,769
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in certain assets and liabilities:		
Decrease in due from other fund	137,316	3,126
Increase in accounts payable	<u>23,304</u>	<u>28,542</u>
Net Cash Provided by Operating Activities	<u>\$ 564,876</u>	<u>\$ 343,437</u>

CHURCHILL COUNTY, NEVADA  
 CC COMMUNICATIONS - BROADBAND FUND  
 SCHEDULE OF REVENUES, EXPENSES, AND  
 CHANGE IN NET ASSETS - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2005</u>
<b>OPERATING REVENUE</b>				
Service charges		\$ 683,894		\$ 617,321
Uncollectible revenue		(20,676)		-
	<u>\$ 1,084,584</u>	<u>663,218</u>	<u>\$ (421,366)</u>	<u>617,321</u>
<b>OPERATING EXPENSES</b>				
Customer operations	258,652	300,452	(41,800)	210,840
Network operations	664,603	558,880	105,723	544,947
Corporate operations	59,188	126,482	(67,294)	48,075
Access charges	272,410	403,803	(131,393)	273,378
Depreciation	763,088	655,050	108,038	621,309
Total Operating Expenses	<u>2,017,941</u>	<u>2,044,667</u>	<u>(26,726)</u>	<u>1,698,549</u>
Operating Loss	<u>(933,357)</u>	<u>(1,381,449)</u>	<u>(448,092)</u>	<u>(1,081,228)</u>
<b>NONOPERATING REVENUE</b>				
Rebate revenue	-	-	-	45,512
Rental income	27,735	18,000	(9,735)	18,000
Total Nonoperating Revenue	<u>27,735</u>	<u>18,000</u>	<u>(9,735)</u>	<u>63,512</u>
Loss Before Capital Contributions	<u>(905,622)</u>	<u>(1,363,449)</u>	<u>(457,827)</u>	<u>(1,017,716)</u>
<b>CAPITAL CONTRIBUTIONS</b>				
CC Communications - Telephone Fund	-	310,000	310,000	475,000
CC Communications - Wireless Fund	910,000	920,000	10,000	475,000
	<u>910,000</u>	<u>1,230,000</u>	<u>320,000</u>	<u>950,000</u>
Change in Net Assets	<u>\$ 4,378</u>	<u>(133,449)</u>	<u>\$ (137,827)</u>	<u>(67,716)</u>
NET ASSETS, July 1		<u>1,916,952</u>		<u>1,984,668</u>
NET ASSETS, June 30		<u>\$ 1,783,503</u>		<u>\$ 1,916,952</u>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - BROADBAND FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2005)**

	<u>2006</u>	<u>2005</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers and others	\$ 629,182	\$ 732,869
Cash payments to employees	(260,077)	(272,340)
Cash payments for services and supplies	<u>(1,112,124)</u>	<u>(976,441)</u>
Net Cash Used by Operating Activities	<u>(743,019)</u>	<u>(515,912)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Capital contributions from:		
CC Communications - Telephone Fund	310,000	475,000
CC Communications - Wireless Fund	<u>920,000</u>	<u>475,000</u>
Net Cash Provided by Noncapital Financing Activities	<u>1,230,000</u>	<u>950,000</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property, plant and equipment	<u>(160,692)</u>	<u>(333,065)</u>
Net Increase in Cash	326,289	101,023
<b>CASH, July 1</b>	<u>104,467</u>	<u>3,444</u>
<b>CASH, June 30</b>	<u>\$ 430,756</u>	<u>\$ 104,467</u>
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (1,381,449)	\$ (1,081,228)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	655,050	621,309
Rebate revenue	-	45,512
Rental income	18,000	18,000
Changes in assets and liabilities:		
(Increase) decrease:		
Inventory	15,019	(106,613)
Due from other fund	10,594	(10,594)
Increase (decrease):		
Advance billing and payments	(62,630)	62,630
Due to other funds	<u>2,397</u>	<u>(64,928)</u>
Net Cash Used by Operating Activities	<u>\$ (743,019)</u>	<u>\$ (515,912)</u>

**CHURCHILL COUNTY, NEVADA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
(Page 1 of 4)

<u>State of Nevada</u>	<u>BALANCE JULY 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2006</u>
<b>ASSETS</b>				
Cash	\$ 323,692	\$ 1,447,934	\$ 1,735,550	\$ 36,076
Accounts receivable	20,770	-	20,770	-
Taxes receivable	1,565	9,793	-	11,358
Due from other governments	194,920	2,825	-	197,745
	<u>\$ 540,947</u>	<u>\$ 1,460,552</u>	<u>\$ 1,756,320</u>	<u>\$ 245,179</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,374	\$ -	\$ 385	\$ 2,989
Due to other governments	537,573	1,460,552	1,755,935	242,190
	<u>\$ 540,947</u>	<u>\$ 1,460,552</u>	<u>\$ 1,756,320</u>	<u>\$ 245,179</u>
<u>City of Fallon</u>				
<b>ASSETS</b>				
Cash	\$ 28,084	\$ 1,322,174	\$ 1,322,107	\$ 28,151
Taxes receivable	1,364	7,897	-	9,261
Due from other governments	-	50	-	50
	<u>\$ 29,448</u>	<u>\$ 1,330,121</u>	<u>\$ 1,322,107</u>	<u>\$ 37,462</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 29,448	\$ 1,330,121	\$ 1,322,107	\$ 37,462
<u>Range Improvement Districts Number 2, Number 3, and Number 6</u>				
<b>ASSETS</b>				
Cash	\$ 5,388	\$ 6,780	\$ 6,524	\$ 5,644
<b>LIABILITIES</b>				
Due to other governments	\$ 5,388	\$ 6,780	\$ 6,524	\$ 5,644
<u>Truckee-Carson Irrigation District</u>				
<b>ASSETS</b>				
Cash	\$ 2,793	\$ 1,710,287	\$ 1,709,852	\$ 3,228
<b>LIABILITIES</b>				
Due to other governments	\$ 2,793	\$ 1,710,287	\$ 1,709,852	\$ 3,228
<u>State of Nevada Department of Wildlife</u>				
<b>ASSETS</b>				
Cash	\$ 621	\$ 696	\$ 479	\$ 838
<b>LIABILITIES</b>				
Due to other governments	\$ 621	\$ 696	\$ 479	\$ 838
<u>Churchill County School District Operating</u>				
<b>ASSETS</b>				
Cash	\$ 278,389	\$ 3,443,088	\$ 3,683,425	\$ 38,052
Taxes receivable	6,938	43,712	-	50,650
Due from other governments	10	66,374	-	66,384
	<u>\$ 285,337</u>	<u>\$ 3,553,174</u>	<u>\$ 3,683,425</u>	<u>\$ 155,086</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 285,337	\$ 3,553,174	\$ 3,683,425	\$ 155,086

**CHURCHILL COUNTY, NEVADA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
(Page 2 of 4)

	<u>BALANCE</u> <u>JULY 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2006</u>
<b>Churchill County School District</b>				
<b>Debt Service</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 2,622,998	\$ 2,622,998	\$ -
Taxes receivable	5,735	36,137	-	41,872
	<u>\$ 5,735</u>	<u>\$ 2,659,135</u>	<u>\$ 2,622,998</u>	<u>\$ 41,872</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 5,735</u>	<u>\$ 2,659,135</u>	<u>\$ 2,622,998</u>	<u>\$ 41,872</u>
<b>Churchill County Mosquito</b>				
<b>Abatement District</b>				
<b>ASSETS</b>				
Cash	\$ 56,735	\$ 779,896	\$ 801,059	\$ 35,572
Taxes receivable	740	4,621	-	5,361
Due from other governments	68,470	8,195	-	76,665
	<u>\$ 125,945</u>	<u>\$ 792,712</u>	<u>\$ 801,059</u>	<u>\$ 117,598</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 125,945</u>	<u>\$ 792,712</u>	<u>\$ 801,059</u>	<u>\$ 117,598</u>
<b>Scholarship Trust</b>				
<b>ASSETS</b>				
Cash	\$ 22,627	\$ 725	\$ 2,000	\$ 21,352
Accounts receivable	-	175	-	175
Interest receivable	55	37	-	92
	<u>\$ 22,682</u>	<u>\$ 937</u>	<u>\$ 2,000</u>	<u>\$ 21,619</u>
<b>LIABILITIES</b>				
Funds held in trust for others	<u>\$ 22,682</u>	<u>\$ 937</u>	<u>\$ 2,000</u>	<u>\$ 21,619</u>
<b>Court Clerk Trust</b>				
<b>ASSETS</b>				
Cash	\$ 68,425	\$ 76,849	\$ 62,420	\$ 82,854
<b>LIABILITIES</b>				
Due to others	<u>\$ 68,425</u>	<u>\$ 76,849</u>	<u>\$ 62,420</u>	<u>\$ 82,854</u>
<b>Justice Court Trust</b>				
<b>ASSETS</b>				
Cash	\$ 97,322	\$ 305,705	\$ 329,598	\$ 73,429
Accounts receivable	-	10,539	-	10,539
	<u>\$ 97,322</u>	<u>\$ 316,244</u>	<u>\$ 329,598</u>	<u>\$ 83,968</u>
<b>LIABILITIES</b>				
Due to others	<u>\$ 97,322</u>	<u>\$ 316,244</u>	<u>\$ 329,598</u>	<u>\$ 83,968</u>
<b>Miscellaneous Trust</b>				
<b>ASSETS</b>				
Cash	\$ 2,140	\$ 2,598	\$ 3,021	\$ 1,717
<b>LIABILITIES</b>				
Due to others	<u>\$ 2,140</u>	<u>\$ 2,598</u>	<u>\$ 3,021</u>	<u>\$ 1,717</u>

CHURCHILL COUNTY, NEVADA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (Page 3 of 4)

	BALANCE JULY 1, 2005	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2006
<b>Assistance to Victims of Domestic Violence Fund</b>				
<b>ASSETS</b>				
Cash	\$ 520	\$ 4,580	\$ 4,600	\$ 500
<b>LIABILITIES</b>				
Due to other governments	\$ 520	\$ 4,580	\$ 4,600	\$ 500
<b>Excess Proceeds</b>				
<b>ASSETS</b>				
Cash	\$ 24,793	\$ 96	\$ -	\$ 24,889
Accounts receivable	-	88,731	-	88,731
Interest receivable	5	5	-	10
	<u>\$ 24,798</u>	<u>\$ 88,832</u>	<u>\$ -</u>	<u>\$ 113,630</u>
<b>LIABILITIES</b>				
Due to others	<u>\$ 24,798</u>	<u>\$ 88,832</u>	<u>\$ -</u>	<u>\$ 113,630</u>
<b>Jail Commissary</b>				
<b>ASSETS</b>				
Cash	\$ 8,661	\$ -	\$ 2,875	\$ 5,786
<b>LIABILITIES</b>				
Due to others	<u>\$ 8,661</u>	<u>\$ -</u>	<u>\$ 2,875</u>	<u>\$ 5,786</u>
<b>Recorder Trust</b>				
<b>ASSETS</b>				
Cash	\$ 278,906	\$ -	\$ 11,121	\$ 267,785
Accounts receivable	12,067	-	12,067	-
	<u>\$ 290,973</u>	<u>\$ -</u>	<u>\$ 23,188</u>	<u>\$ 267,785</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 290,973</u>	<u>\$ -</u>	<u>\$ 23,188</u>	<u>\$ 267,785</u>
<b>Churchill County School District Residential Construction Tax</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 37,575	\$ -	\$ 37,575
<b>LIABILITIES</b>				
Due to other governments	<u>\$ -</u>	<u>\$ 37,575</u>	<u>\$ -</u>	<u>\$ 37,575</u>

**CHURCHILL COUNTY, NEVADA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2006**  
 (Page 4 of 4)

<u>Totals</u>	<u>BALANCE JULY 1, 2005</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2006</u>
<b>ASSETS</b>				
Cash	\$ 1,199,096	\$ 11,761,981	\$ 12,297,629	\$ 663,448
Accounts receivable	32,837	99,445	32,837	99,445
Taxes receivable	16,342	102,160	-	118,502
Interest receivable	60	42	-	102
Due from other governments	<u>263,400</u>	<u>77,444</u>	<u>-</u>	<u>340,844</u>
	<u>\$ 1,511,735</u>	<u>\$ 12,041,072</u>	<u>\$ 12,330,466</u>	<u>\$ 1,222,341</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 3,374	\$ -	\$ 385	\$ 2,989
Due to other governments	1,284,333	11,555,612	11,930,167	909,778
Due to others	<u>224,028</u>	<u>485,460</u>	<u>399,914</u>	<u>309,574</u>
	<u>\$ 1,511,735</u>	<u>\$ 12,041,072</u>	<u>\$ 12,330,466</u>	<u>\$ 1,222,341</u>

**STATISTICAL SECTION - UNAUDITED**

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## **STATISTICAL SECTION**

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

<b><u>Contents</u></b>	<b><u>Page</u></b>
<b>Financial Trends</b> These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.	S-1 to S-7
<b>Revenue Capacity</b> These schedules contain information to help the reader assess the county's two most significant local revenue sources, property tax and sales tax.	S-8 to S-12
<b>Debt Capacity</b> 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.	S-13 to S-17
<b>Demographic and Economic Information</b> These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.	S-18 to S-21
<b>Operating Information</b> 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.	S-22 to S-24

**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 Four Fiscal Years

(accrual basis of accounting)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<i>Governmental Activities:</i>				
Invested in capital assets, net of related debt	\$29,443,134	\$ 30,526,736	\$ 39,873,985	\$ 40,304,859
Restricted	-	6,974,262	7,696,537	9,283,221
Unrestricted	<u>14,873,916</u>	<u>9,312,796</u>	<u>6,754,918</u>	<u>13,156,877</u>
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>
<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
Restricted	-	-	23,283	36,700
Unrestricted	<u>10,825,954</u>	<u>9,035,581</u>	<u>9,821,054</u>	<u>5,703,181</u>
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>
<i>Primary Government:</i>				
Invested in capital assets, net of related debt	55,341,034	59,863,326	70,424,419	78,397,450
Restricted	-	6,974,262	7,719,820	9,319,921
Unrestricted	<u>25,699,870</u>	<u>18,348,377</u>	<u>16,575,972</u>	<u>18,860,058</u>
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>

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 Four Fiscal Years  
(accrual basis of accounting)

Page 1 of 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Expenses</b>				
<i>Governmental Activities:</i>				
General Government	\$4,764,913	\$ 4,816,466	\$ 5,738,745	\$ 5,476,938
Judicial	1,824,443	2,249,588	2,480,177	2,707,588
Public Safety	4,829,737	5,199,687	5,819,578	7,007,531
Public Works	2,237,184	2,358,526	1,195,487	2,224,763
Health & Sanitation	194,704	178,623	231,116	233,208
Welfare	1,301,822	1,182,556	1,286,989	1,349,477
Culture & Recreation	1,354,439	1,583,404	1,806,818	1,930,550
Community Support	487,889	436,695	471,294	620,020
Intergovernmental	550,720	675,209	912,284	-
Interest & Fiscal Charges	2,941	11,960	39,253	120,806
Total governmental activities expenses	<u>17,548,792</u>	<u>18,692,714</u>	<u>19,981,741</u>	<u>21,670,881</u>
<i>Business-type Activities:</i>				
Telephone	15,241,445	16,669,012	15,961,728	15,615,524
Wireless	4,056,763	4,713,632	4,640,842	5,902,437
Long Distance	1,989,913	1,498,543	1,497,698	1,925,914
Broadband	1,031,808	1,413,234	1,698,549	2,044,667
Waste Water	-	-	-	236
Utility	-	-	-	237
Total business-type activities expenses	<u>22,319,929</u>	<u>24,294,421</u>	<u>23,798,817</u>	<u>25,489,015</u>
Total primary government expenses	<u>\$39,868,721</u>	<u>\$ 42,987,135</u>	<u>\$ 43,780,558</u>	<u>\$ 47,159,896</u>
<b>Program Revenues</b>				
<i>Governmental activities:</i>				
Charges for services	1,875,897	2,269,585	2,529,582	3,063,690
Operating grants and contributions	1,271,975	1,538,337	1,618,785	1,661,058
Capital grants and contributions	109,389	735,000	3,108,887	2,336,339
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>
<i>Business-type activities:</i>				
Charges for services	25,278,710	25,137,944	25,607,810	26,175,576
Operating grants and contributions	-	-	-	-
Capital grants and contributions	-	725,000	-	2,494,563
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>
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>

**CHURCHILL COUNTY, NEVADA**

Changes in Net Assets  
Last Four Fiscal Years  
(accrual basis of accounting)

Page 2 of 2

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>Net (Expense)/Revenue</b>				
Government activities	(14,291,531.00)	\$ (14,149,792)	\$ (12,724,487)	\$ (14,609,794)
Business-type activities	<u>2,958,781</u>	<u>1,568,523</u>	<u>1,808,993</u>	<u>3,181,124</u>
Total primary government net expense	<u>(11,332,750)</u>	<u>\$ (12,581,269)</u>	<u>\$ (10,915,494)</u>	<u>\$ (11,428,670)</u>
<b>General Revenues and Other Changes in Net Assets</b>				
<i>Governmental activities:</i>				
Property taxes	5,689,424	5,577,083	6,063,988	6,408,357
Franchise fees	100,357	160,863	134,709	166,914
Federal in lieu of taxes	1,151,139	1,183,436	1,236,886	1,230,360
CC Communication in lieu of taxes	1,576,767	1,600,910	1,718,901	1,801,313
Gaming licenses	26,612	29,902	27,110	28,300
AB104 fairshare	891,290	978,651	1,095,451	1,241,371
Consolidated intergovernmental taxes	4,790,166	5,083,657	6,035,350	7,013,035
Unrestricted fuel taxes	1,050,537	1,041,120	1,022,808	1,078,069
Optional county sales tax	546,182	588,281	678,796	1,398,142
Delinquent tax penalties	161,851	163,213	124,203	117,288
Interest income	195,779	177,714	363,816	870,566
Gain on sale of assets (1)	-	-	1,543,366	48,161
Miscellaneous revenues	156,622	61,706	190,748	1,193,030
Total governmental activities	<u>16,336,726</u>	<u>16,646,536</u>	<u>20,236,132</u>	<u>22,594,906</u>
<i>Business-type activities:</i>				
Interest income	118,270	79,794	150,095	238,576
Miscellaneous income	-	-	63,512	18,000
Total business-type activities	<u>-</u>	<u>79,794</u>	<u>213,607</u>	<u>256,576</u>
Total primary government	<u>16,454,996</u>	<u>\$ 16,726,330</u>	<u>\$ 20,449,739</u>	<u>\$ 22,851,482</u>
<b>Change in Net Assets</b>				
Government activities	2,045,195	2,496,744	7,511,645	7,985,112
Business-type activities	<u>3,077,051</u>	<u>1,648,317</u>	<u>2,022,600</u>	<u>3,437,700</u>
Total primary government	<u>5,122,246</u>	<u>\$ 4,145,061</u>	<u>\$ 9,534,245</u>	<u>\$ 11,422,812</u>

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

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

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>General Fund</b>										
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	1,185,075	1,474,241	1,714,168	1,035,248	1,704,306	1,761,165	2,212,723	1,686,549	2,049,714	2,430,485
<b>Total general fund</b>	1,185,075	1,474,241	1,714,168	1,035,248	1,704,306	1,761,165	2,212,723	1,686,549	2,049,714	2,430,485
<b>All Other Governmental Funds</b>										
Reserved	330,050	304,975	261,477	327,419	308,854	316,154	248,342	187,535	1,712,461	2,561,949
Unreserved reported in:										
Special revenue funds	5,499,183	6,375,244	6,893,666	7,137,731	8,010,751	9,580,211	11,204,208	12,133,186	11,215,047	13,995,186
Debt service fund	163,054	175,138	231,294	247,864	278,655	2,871	83,059	130,461	186,442	456,351
Capital projects funds	2,446,678	1,769,633	2,480,695	3,589,368	1,790,051	1,604,310	1,669,088	2,768,940	3,326,954	3,755,727
<b>Total all other governmental funds</b>	8,438,965	8,624,990	9,867,132	11,302,382	10,388,311	11,503,546	13,204,697	15,220,122	16,440,904	20,769,213
<b>Total governmental funds</b>	\$ 9,624,040	\$ 10,099,231	\$ 11,581,300	\$ 12,337,630	\$ 12,092,617	\$ 13,264,711	\$ 15,417,420	\$ 16,906,671	\$ 18,490,618	\$ 23,199,698

**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
1997	4,032,831	320,730	7,571,760	542,594	303,813	828,002	13,599,730
1998	4,048,471	329,024	7,823,661	594,723	303,428	1,046,309	14,145,616
1999	4,220,593	383,863	7,836,223	610,045	267,679	1,091,206	14,409,609
2000	4,992,187	372,110	8,562,451	241,539	328,249	1,365,402	15,861,938
2001	4,926,646	355,822	8,883,199	659,210	289,376	1,508,181	16,622,434
2002	5,132,580	379,254	10,354,321	713,717	325,755	946,883	17,852,510
2003	5,708,390	399,855	10,031,125	865,389	398,637	773,134	18,176,530
2004	5,609,961	527,787	10,610,330	1,020,576	428,266	830,332	19,027,252
2005	6,071,418	736,126	11,924,721	1,144,284	380,590	1,103,322	21,360,461
2006	6,413,086	1,096,278	15,299,515	1,501,023	385,831	2,698,834	27,394,567

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	
1997	3,246,624	629,056	3,266,972	1,063,040	154,053	941,488	1,054,417	1,004,438	381,755	1,412,815	367,435	56,012	13,378,105
1998	3,325,952	626,592	3,609,102	1,063,458	196,487	767,364	1,184,562	796,641	324,422	2,553,316	437,721	58,981	14,944,598
1999	3,829,604	659,807	3,809,055	1,146,713	164,405	719,891	1,238,898	736,187	453,413	1,125,348	555,162	35,886	14,474,369
2000	3,994,615	767,075	4,111,100	1,237,016	191,367	895,716	1,315,209	921,962	672,643	2,454,584	366,859	22,640	16,950,786
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

*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**

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Total revenues (S-5)	\$ 13,599,730	\$ 14,145,616	\$ 14,409,609	\$ 15,861,938	\$ 16,622,434	\$ 17,832,510	\$ 18,176,530	\$ 19,027,252	\$ 21,360,461	\$ 27,394,567
Total expenditures (S-6)	(13,578,105)	(14,944,598)	(14,474,369)	(16,950,786)	(18,714,207)	(18,081,977)	(18,101,671)	(19,138,911)	(30,403,441)	(24,758,062)
Excess of revenues over (under) expenditures	21,625	(798,982)	(64,760)	(1,088,848)	(2,091,773)	(229,467)	74,859	(111,659)	(9,042,980)	2,636,505
<b>Other Financing Sources (Uses)</b>										
Payment in lieu of taxes:										
CC Communications	1,132,708	1,271,182	1,332,288	1,437,005	1,449,113	1,441,561	1,576,767	1,600,910	1,718,901	1,801,313
Proceeds - medium-term financing	350,000	-	212,369	-	393,930	-	501,083	-	3,300,001	256,500
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Principal received	2,775	2,991	3,222	3,172	3,717	-	-	-	97,025	-
Proceeds from sales	-	-	-	-	-	-	-	-	-	-
Transfer in	2,184,568	1,294,081	1,616,916	1,976,754	1,293,271	1,800,064	1,574,183	1,965,662	2,561,891	2,814,217
Transfer out	(2,184,568)	(1,294,081)	(1,616,916)	(1,976,754)	(1,293,271)	(1,800,064)	(1,574,183)	(1,965,662)	(2,561,891)	(2,814,217)
Total other financing sources (uses)	1,485,483	1,274,173	1,547,879	1,440,177	1,846,760	1,441,561	2,077,850	1,600,910	10,626,927	2,072,575
Net Change in fund balances	1,507,108	475,191	1,483,119	351,329	(245,013)	1,212,094	2,152,709	1,489,251	1,583,947	4,709,080
Debt service as a percentage of noncapital expenditures	3.48%	4.01%	4.43%	2.69%	1.26%	2.80%	0.44%	1.01%	0.86%	2.55%

**CHURCHILL COUNTY, NEVADA**  
 Assessed and Estimated Actual Value of Taxable Property  
 Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real and Personal Property		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value		
1997	375,338,274	1,072,395,069	35%	0.8831
1998	395,744,384	1,130,698,240	35%	0.8466
1999	396,478,377	1,132,795,363	35%	0.9063
2000	398,226,147	1,137,788,991	35%	1.0077
2001	403,920,033	1,154,057,237	35%	0.9577
2002	409,762,377	1,170,749,649	35%	1.0004
2003	429,459,479	1,227,027,083	35%	1.0706
2004	433,003,700	1,237,153,429	35%	1.0731
2005	441,486,591	1,261,390,260	35%	1.0850
2006	488,296,936	1,395,134,103	35%	1.0950

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	Overlapping Rates#				City of Fallon	Total	County Assessed Valuation
		Churchill Co. School District	State of Nevada	Mosquito Abatement	Cason Water Subconservancy			
1996-97	0.8831	1.3700	0.1500	0.0450	0.0300	0.5112	2.9893	375,338,274
1997-98	0.8466	1.3700	0.1500	0.0800	0.0300	0.5389	3.0155	395,744,384
1998-99	0.9063	1.3700	0.1500	0.0600	0.0300	0.7876	3.3039	396,478,377
1999-00	1.0077	1.3700	0.1500	0.0600	0.0300	0.7730	3.3907	398,226,147
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

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 Five Years Ago

Taxpayer	Type of Business	Fiscal Year 2006				Fiscal Year 2001			
		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
Sierra Pacific Power Company	Electric Utility	1	\$ 56,691,571	\$ 19,842,050	35.00%	1	\$ 69,021,769	\$ 24,157,619	35.00%
Caithness Geothermal	Geothermal	2	\$ 52,901,457	18,515,510	35.00%	2	\$ 59,534,886	20,837,210	35.00%
Ormat Nevada, Inc.	Geothermal	3	\$ 23,389,971	8,186,490	35.00%	3	\$ 37,532,429	13,136,350	35.00%
Southwest Gas Corp	Gas/Pipeline	4	\$ 19,429,017	6,800,156	35.00%	5	\$ 19,931,111	6,975,889	35.00%
AMP Resources Geothermal	Geothermal	5	\$ 17,736,200	6,207,670	35.00%	-	\$ -	-	35.00%
Union Pacific System	Railroad	6	\$ 15,930,371	5,575,630	35.00%	7	\$ 10,789,446	3,776,306	35.00%
Constellation Power	Geothermal	7	\$ 10,544,457	3,690,560	35.00%	4	\$ 24,837,171	8,693,010	35.00%
Peters, James R. Trustee (Stockmans)	Casino	8	\$ 8,109,629	2,838,370	35.00%	-	\$ -	-	35.00%
Wal Mart Stores	Retail	9	\$ 6,965,771	2,438,020	35.00%	-	\$ -	-	35.00%
Kinder Morgan, LP Gas	Geothermal	10	\$ 5,893,906	2,062,867	35.00%	-	\$ -	-	35.00%
Kennametal, Inc	Manufacturing	-	-	-	-	8	\$ 9,242,309	3,234,808	35.00%
Reno Air	Airline	-	-	-	-	9	\$ 7,278,940	2,547,629	35.00%
AT & T Communications	Communications	-	-	-	-	7	\$ 10,052,540	3,518,389	35.00%
United Airlines Inc.	Airline	-	-	-	-	10	\$ 7,047,394	2,466,588	35.00%

Source: Churchill County Tax Assessor's Office

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

**CHURCHILL COUNTY, NEVADA**  
 Property Tax Collections  
 Last Ten Fiscal Years

Fiscal Year Ending June 30,	Total Tax Levy	Current Tax Collections	Percentage of Current Tax Collected	Delinquent Tax Collections	Total Tax Collection	Total Tax Collections to Total Tax Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Total Tax Levy
1997	6,039,751	5,887,905	97.486%	151,794	6,039,699	99.999%	52	0.001%
1998	6,428,173	6,303,791	98.065%	124,330	6,428,121	99.999%	52	0.001%
1999	7,204,412	7,055,320	97.931%	149,039	7,204,359	99.999%	53	0.001%
2000	8,006,883	7,896,710	98.624%	110,118	8,006,828	99.999%	55	0.001%
2001	8,160,947	7,926,072	97.122%	234,786	8,160,858	99.999%	89	0.001%
2002	8,635,011	8,342,968	96.618%	289,357	8,632,325	99.969%	2,686	0.031%
2003	9,120,824	8,904,601	97.629%	211,742	9,116,343	99.951%	4,481	0.049%
2004	9,331,950	9,140,581	97.949%	149,067	9,289,648	99.547%	42,302	0.453%
2005	9,845,411	9,697,516	98.498%	-	9,697,516	98.498%	147,895	1.502%
2006	10,711,267	10,564,755	98.632%	-	10,708,363	99.973%	143,608	1.341%

Source: Churchill County Clerk/Treasurer's Office

**CHURCHILL COUNTY, NEVADA**  
Taxable Sales by Category  
Last Ten Fiscal Years

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Wholesale trade - durable goods	\$ 12,439,797	\$ 12,187,977	\$ 12,649,431	\$ 10,492,164	\$ 7,835,817	\$ 9,391,045	\$ 11,535,049	\$ 12,398,313	\$ 15,685,515	\$ 22,660,724
Building merchandise, hardware	21,743,576	21,090,754	21,839,275	20,591,673	17,792,294	17,891,507	17,640,309	20,232,336	28,020,278	33,173,939
General merchandise stores	31,479,280	33,559,154	37,473,392	39,026,304	36,979,951	38,548,913	40,937,038	43,028,716	47,634,499	56,442,958
Food stores(1)	14,554,154	14,375,785	14,665,139	12,952,380	12,050,635	12,761,045	12,482,687	12,540,170	13,190,554	12,617,952
Automotive dealers & gasoline	40,694,697	42,059,332	45,399,706	48,982,170	44,440,309	46,832,165	51,080,003	53,920,392	64,791,467	64,290,574
Home furniture & fixtures	8,153,956	9,456,973	9,467,878	7,851,832	7,442,088	10,494,981	7,243,908	9,271,098	9,349,861	11,482,066
Eating and drinking places	15,395,719	18,386,862	18,109,612	18,430,959	19,599,442	19,166,629	20,857,034	21,270,821	23,144,099	28,723,713
Miscellaneous retail	13,252,200	14,850,334	18,496,150	22,876,257	19,767,961	17,440,784	18,815,834	17,575,407	23,883,610	26,967,481
Business services	6,505,802	5,095,761	5,308,929	3,924,907	7,926,607	5,188,351	4,312,436	4,363,705	4,311,275	6,323,478
Automotive repairs & services	4,375,893	4,391,354	4,889,276	4,973,820	6,705,802	6,057,195	7,203,971	6,663,898	6,499,354	6,990,272
All other categories	32,541,745	34,423,136	32,205,732	32,194,483	32,464,888	36,906,638	34,346,025	37,466,955	42,604,241	54,972,429
<b>Total</b>	<b>\$201,136,819</b>	<b>\$209,877,422</b>	<b>\$220,504,520</b>	<b>\$222,296,949</b>	<b>\$213,005,794</b>	<b>\$220,679,253</b>	<b>\$226,454,294</b>	<b>\$238,731,811</b>	<b>\$279,114,753</b>	<b>\$324,645,606</b>
<b>County direct sales tax rate</b>	<b>0.50%</b>									
Basic City-County Relief Tax										
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%	0.00%	0.00%	0.00%	0.00%	0.25%
	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	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			
1997	520,120	831,076	-	-	-	-	1,351,196	0.27%	62.06
1998	355,287	558,188	-	-	3,000,000	-	3,913,475	0.71%	166.78
1999	285,245	285,438	-	-	2,642,455	-	3,213,138	0.56%	134.72
2000	285,245	81,615	-	-	2,254,883	-	2,621,743	0.44%	104.65
2001	89,375	80,623	-	-	4,320,791	-	4,490,789	0.70%	171.08
2002	-	-	-	-	3,699,414	-	3,699,414	0.56%	135.51
2003	431,856	-	-	-	3,904,940	-	4,336,796	0.63%	152.08
2004	270,806	-	-	1,623,575	3,177,128	-	5,071,509	Not Available	Not Available
2005	206,697	97,025	3,218,853	1,575,888	2,405,940	-	7,504,403	Not Available	Not Available
2006	140,254	353,525	2,832,566	1,511,709	1,619,266	4,000,000	10,457,320	Not Available	Not Available

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	CC Communications Debt	Utility Debt	Total		
1997	1,351,196	-	-	1,351,196	0.36%	56.63
1998	913,475	3,000,000	-	3,913,475	0.99%	162.93
1999	570,683	2,642,455	-	3,213,138	0.81%	126.95
2000	366,860	2,254,883	-	2,621,743	0.66%	101.28
2001	169,998	4,320,791	-	4,490,789	1.11%	183.08
2002	-	3,699,414	-	3,699,414	0.90%	148.40
2003	431,856	3,904,940	-	4,336,796	1.01%	172.67
2004	270,806	4,800,703	-	5,071,509	1.17%	196.51
2005	3,522,575	3,981,828	-	7,504,403	1.70%	287.46
2006	3,326,345	3,130,976	4,000,000	10,457,321	2.14%	393.35

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 2006**

Assessed Value	\$ 488,296,936
Debt limit (10% of assessed value)	48,829,694
Debt applicable to limit:	
General obligation debt	3,326,345
CC Communications debt	3,130,976
Utility Bond Debt	4,000,000
Total debt applicable to limit	<u>10,457,321</u>
Legal debt margin	<u>\$ 38,372,373</u>

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Debt limit	\$ 37,533,827	\$ 39,574,438	\$ 39,647,838	\$ 39,822,615	\$ 40,392,003	\$ 40,976,238	\$ 42,945,948	\$ 43,300,370	\$ 44,148,659	\$ 48,829,694
Total debt applicable to limit	1,351,196	3,913,475	3,213,138	2,621,743	4,490,789	3,699,414	4,336,796	5,071,509	7,504,405	10,457,321
Legal debt margin	\$ 36,182,631	\$ 35,660,963	\$ 36,434,700	\$ 37,200,872	\$ 35,901,214	\$ 37,276,824	\$ 38,609,152	\$ 38,228,861	\$ 36,644,254	\$ 38,372,373
Total debt applicable to the limit as a percentage of debt limit	3.60%	9.89%	8.10%	6.58%	11.12%	9.03%	10.10%	11.71%	17.00%	21.42%

The statutory county debt limit is 10% 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, 2006

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
State of Nevada	\$ 16,090,883,026	6.2%	\$ 996,520,989
City of Fallon	10,082,180	100.0%	10,082,180
Churchill County School District	19,465,000	100.0%	<u>19,465,000</u>
Subtotal, overlapping debt			1,026,068,169
County direct debt (S-13)			<u>10,457,320</u>
Total direct and overlapping debt			<u>\$ 1,036,525,489</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/\$2,745).

**CHURCHILL COUNTY, NEVADA**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Fiscal Year Ended June 30,	CC Communications Debt - Note Payable & Capital Lease			Principal	Interest	Coverage
	Telephone & Wireless Fund Revenue	Less: Operating Expenses	Net Available Revenue			
1997	-	-	-	-	-	-
1998	13,568,582	11,320,217	2,248,365	229,939	150,065	5.92
1999	14,525,000	13,466,538	1,058,462	291,749	88,255	2.79
2000	14,586,476	13,615,685	970,791	277,837	102,207	2.55
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	20,778,904	19,186,975	1,591,929	850,852	101,807	1.67

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

Fiscal Year Ended June 30,	Population (1)	Personal Income(2)	Per Capita Personal Income (2)	School Enrollment (3)	Unemployment rate (4)
1997	23,860	504,653,000	21,772	4,743	5.3%
1998	24,020	551,488,000	23,465	4,766	6.3%
1999	25,310	569,063,000	23,851	4,824	7.5%
2000	25,887	601,860,000	30,437	4,736	7.4%
2001	24,529	642,315,000	30,727	4,678	8.6%
2002	24,928	666,725,000	30,736	4,610	6.1%
2003	25,116	714,828,000	31,943	4,544	5.8%
2004	25,808	781,397,000	33,787	4,500	5.0%
2005	26,106	Unavailable	Unavailable	4,507	4.0%
2006	26,585	Unavailable	Unavailable	4,462	3.8%

(1) Source: Nevada State Demographer's Office

(2) Source: U.S. Dept. of Commerce, BEA

(3) Source: Churchill County School District

(4) Source: Nevada State Employment Agency

**CHURCHILL COUNTY, NEVADA**  
Principal Employers  
June 30, 2006

Rank	Employer	Product/Service	Number of Employees
1	NAS-Fallon Military Personnel	U.S. Navy	1,800
2	Churchill County School District	Education	712
3	Churchill Community Hospital	Health Care	320
4	Wal-Mart	Retail	300
5 T	Boeing Aerospace	Aviation	225
5 T	CMC Joist Steel Fabricators	Manufacturing	225
7	Churchill County	Local Government	189
8	A&K Earthmovers	Construction	175
9	Chugach Support Services	Technology	150
10	Kennametal	Manufacturing	140

Source: Churchill Economic Development Authority

**CHURCHILL COUNTY, NEVADA**  
**Property Value and Construction**  
**June 30, 2006**

Fiscal Year Ended June 30,	Commercial Construction		Residential Construction	
	Number of Permits	Value	Number of Permits	Value
1997	40	11,426,509	264	16,834,540
1998	47	9,856,623	272	17,597,943
1999	32	5,638,476	300	19,686,807
2000	38	5,108,532	162	12,351,098
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

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, 2006

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: 67.3 F  
Jan Avg. Temp: 30.9 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 2,900 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.

**Other Medical Sources:**

Chiropractors (5)	Full-Service Hospital (1)	Pharmacies (6)
Clinics (4)	Internists (2)	Physical Therapy (3)
Convalescent Center (1)	Nursing Home/Guest Home (2)	Specialists from Reno, Daily (1)
Dentists/Orthodontists (9)	Optometrists (4)	Surgeons (2)
Family Practices (8)	Pediatricians (3)	

Source: Churchill County Economic Development

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

Department	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Commissioners	3	3	3	3	3	3	3	3	3	3
Clerk/Treasurer	7	7	8	8	8	8	9	9	9	8
Recorder	3	3	3	3	3	3	3	3	3	3
Assessor	7	7	8	7	7	7	7	7	8	9
County Manager	2	2	2	2	2	2	2	2	2	2
Facilities & Grounds	2	3	3	3	3	5	5	5	5	5
Human Resources	1	1	1	1	2	2	2	2	2	1
Comptroller	3	3	3	4	4	4	4	4	4	4
Sheriff	42	41	44	44	44	43	44	44	44	44
Fire	1	1	1	1	1	1	1	1	1	1
District Court	2	2	2	2	2	2	2	2	2	2
District Attorney	10	10	10	15	17	17	17	18	19	18
Justice Court	5	5	5	4	5	5	5	5	5	6
Juvenile Probation	6	8	8	9	9	8	10	11	12	14
Parks & Recreation	16	16	16	16	17	17	16	16	15	15
Museum	8	10	10	10	10	10	10	9	9	10
Building	-	-	-	-	-	-	-	-	2	3
Planning	6	6	5	4	6	7	7	8	7	7
Cemetery	4	4	4	3	3	3	3	3	3	3
Welfare	3	3	3	5	5	5	5	5	4	4
Road	17	18	20	20	20	20	20	17	17	16
Cooperative Extension	1	1	1	1	1	1	1	1	1	1
Library	7	8	8	8	8	8	8	7	7	6
CC Communications	94	96	99	100	100	100	102	105	107	105
<b>Total FTE</b>	<b>250</b>	<b>258</b>	<b>267</b>	<b>273</b>	<b>280</b>	<b>281</b>	<b>286</b>	<b>287</b>	<b>291</b>	<b>290</b>

Source: Churchill County Comptroller's Office

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

Department/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Museum</b>										
Number of visitors	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Items in collection	NA	47,752	50,000							
Bus tours	60	70	73	63	66	57	56	48	26	61
<b>Public Library</b>										
Items owned by library	63,139	72,301	72,301	71,629	71,629	88,387	92,613	91,312	93,855	101,445
Circulation	141,540	148,374	138,185	143,738	145,156	149,684	154,911	168,603	159,914	169,903
<b>Justice Court</b>										
Criminal filings	3,510	2,980	3,035	2,887	3,626	3,503	4,556	6,283	6,380	5,615
Civil filings	689	706	679	915	1,036	1,078	1,065	1,185	1,371	1,624
<b>Parks &amp; Recreation</b>										
Programs/Events	NA	NA	NA	23	37	32	34	33	35	30
Event attendance	NA	NA	4,266	4,855	5,000	5,761	8,120	7,008	8,638	8,145
Fairground attendance	NA	NA	72,000	71,850	73,000	71,850	80,000	84,000	72,346	70,597
Fairground event days	NA	NA	NA	NA	212	222	221	234	207	178
<b>Cemetery</b>										
Full burials	63	69	70	55	52	64	65	55	45	55
Cremations	93	34	38	31	33	31	47	47	33	41
<b>Sheriff</b>										
Reports by patrol	7,935	8,223	7,797	7,985	8,314	8,244	9,802	11,468	11,467	12,477
Civil papers received	3,501	3,663	3,907	4,178	4,363	4,147	4,222	4,541	4,858	6,122
Average inmate population	NA	NA	NA	NA	46.41	49.20	44.27	40.32	44.40	48.23
<b>Fire</b>										
Rescue calls	NA	NA	10	12	9	17	15	12	16	18
Fire calls	NA	NA	175	156	157	174	133	147	129	220
<b>CC Communications (1)</b>										
Subscriber lines	NA	NA	NA	NA	14,939	14,318	13,886	13,509	13,397	12,849

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 Statistics by Department  
 Last Ten Fiscal Years

Department	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
<b>Sheriff</b>										
Office locations	2	2	2	2	2	2	2	2	2	3
Vehicles	13	14	14	17	14	17	19	14	19	18
All-terrain vehicles	4	4	4	4	4	4	4	4	4	4
Command trailer	-	-	-	-	-	-	-	1	1	1
Detention facility	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	2	2	3	3	3	3	3	3	3	3
<b>Road</b>										
Paved roads (miles)	134.9	136.9	137.2	137.7	140.4	144.0	146.4	165.4	166.9	170.8
Unpaved roads (miles)	402.6	402.6	402.6	402.6	402.6	402.6	402.6	402.6	402.6	321.89
Major bridges (over 26 feet)	16	18	18	19	19	20	20	20	21	21
<b>Library</b>										
Building	1	1	1	1	1	1	1	1	1	1
<b>Museum</b>										
Building	1	1	1	1	1	1	1	1	1	1
<b>Parks and Recreation</b>										
Acres (2)	93	93	108	108	108	108	108	108	108	1,134.19
<b>Cemetery</b>										
Acres	28	28	28	28	28	28	28	28	28	63.5
<b>Water Resource</b>										
Water rights (acre feet) (1)	-	-	-	-	-	-	-	51	2,819	3,604

Sources: Various county departments.

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

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

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## COMPLIANCE SECTION

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**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 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, 2006, which collectively comprise the County's basic financial statements and have issued our report thereon dated January 26, 2007. 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 in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Churchill County, Nevada, in a separate letter dated January 26, 2007.

This report is intended solely for the information and use of the audit committee, 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  
January 26, 2007

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

**Report on Compliance with Requirements Applicable to 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 the compliance of Churchill County, Nevada, (the "County"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Churchill County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as Findings 06-1 and 06-2.

**Internal Control over Compliance**

The 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 requirements that could have a direct and material effect on a major federal program in order to determine our 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.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the County's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. Reportable conditions are described in the accompanying schedule of findings and questions costs as Findings 06-1 and 06-2.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that none of the reportable conditions described above are material weaknesses.

This report is intended for the information and use of the audit committee, 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.

CHURCHILL COUNTY, NEVADA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (Page 1 of 2)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
<b><u>Department of Health and Human Services:</u></b>		
Passed through State of Nevada:		
Department of Health and Human Services:		
CSBG, Emergency Assistance	93.569	\$ 43,118
Bureau of Drug and Alcohol Abuse:		
SIG Wilderness	93.243	20,594
SAMSHA drug free schools	93.276	74,332
Nevada State Welfare Division:		
Title IV-D Child Support, Incentive	93.563	35,094
Title IV-D Child Support	93.563	317,193
		<hr/>
Total Department of Human Resources		490,331
<b><u>Department of Housing and Urban Development:</u></b>		
Passed through State of Nevada:		
Commission on Economic Development:		
CDBG - New Frontier	14.228	14,400
CDBG - Homeowner Rehabilitation	14.228	17,670
CDBG - RNCOC	14.228	40,000
CDBG - Library	14.228	1,500
HUD Transitional Housing	14.235	48,641
Emergency Shelter Grant Program	14.231	12,435
		<hr/>
Total Department of Housing and Urbal Development		134,646
<b><u>Department of Justice:</u></b>		
Passed through State of Nevada:		
Department of Health and Human Services:		
Division of Child and Family Services:		
OJJDP Formula Grant - Mentor Link	16.540	30,429
OJJDP - CCBC - RAFT Grant	16.540	30,917
OJJDP Girls Circle	16.540	8,700
OJJDP Drug Free Schools	16.549	17,372
OJJDP - JAIBG - Wilderness Program	16.523	370
OJJDP - Title V mentor link	16.548	9,975
Bureau of Justice Assistance:		
State Criminal Alien Assistance Program (SCAAP)	16.606	11,816
COPS grant	16.710	62,833
		<hr/>
Total Department of Justice		172,412
<b><u>Fish and Wildlife Service, Department of the Interior:</u></b>		
Direct Program:		
Rural Fire Assistance	15.608	3,700
<b><u>Department of Energy:</u></b>		
Direct Program:		
Nuclear Waste Disposal Siting	81.065	172,769
<b><u>National Endowment for the Humanities:</u></b>		
Passed through State of Nevada:		
Library and Archives:		
LSTA - Audio Books Project	45.310	5,000
		<hr/>

CHURCHILL COUNTY, NEVADA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2006  
 (Page 2 of 2)

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	FEDERAL CFDA NUMBER	EXPENDITURES
<b>Department of Homeland Security:</b>		
Direct Program:		
Stewart B. McKinney Homeless Administration Act: Phase XXIII	97.024	\$ 8,068
Passed through State of Nevada:		
Office for Domestic Preparedness (ODP): State Domestic Preparedness Equipment Support Program	97.004	176,390
Department of Motor Vehicles and Public Safety:		
Division of Emergency Management: Emergency Management Assistance	97.055	4,756
SERC - Equipment	97.055	15,563
		<hr/>
Total Federal Emergency Management Agency		204,777
<b>Department of the Transportation:</b>		
Passed through State of Nevada:		
Department of Transportation:		
Nonurbanized Area Formula Program	20.509	146,974
Road Enhancement	20.205	4,187
Smart VHS Radar and Readerboard Trailer	20.600	24,330
Elderly and Persons With Disabilities Program	20.513	114,947
		<hr/>
Total Department of Transportation		290,438
		<hr/>
Total Expenditures of Federal Awards		\$ 1,474,073

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2006**

**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, 2006. 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:

Major Governmental Funds:	
General Fund	\$ 1,017,133
Parks and Recreation Fund	4,187
Other Governmental Funds:	
Social Service Fund	446,253
Public Library Fund	<u>6,500</u>
	<u>\$ 1,474,073</u>

**CHURCHILL COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006**

**A. SUMMARY OF AUDITORS' 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, 2006.
2. No reportable conditions relating to the audit of the financial statements are reported in the 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*.
3. No instances of noncompliance material to the financial statements of Churchill County, Nevada, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. Two reportable conditions in internal control over major federal award programs disclosed during the audit are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133. These conditions are not reported as material weaknesses.
5. The auditor's report on compliance for the major federal award programs for Churchill County, Nevada expresses an unqualified opinion on all major federal programs.
6. The audit finding required to be reported in accordance with Section 510(a) of OMB Circular A-133 relative to the major federal award programs for Churchill County, Nevada is reported in Part C of this schedule.
7. The programs tested as a major programs were:

Title IV-D Child Support, CFDA 93.563  
Nuclear Waste Disposal Siting, CFDA 81.065.
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Churchill County, Nevada was determined to be a low-risk auditee.

**B: FINDINGS – FINANCIAL STATEMENT AUDIT:**

NONE

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

**Finding 06-1:**

*Grant award number:* U.S. Department of Energy CFDA 81.065.

*Condition:* Of the nineteen disbursements that were tested, one disbursement's supporting documentation did not agree to the invoice amount paid. The invoice was computed using ninety-two hours when the supporting timesheets only showed ninety hours. The difference resulted in an overpayment of \$160. (Projected difference is \$204).

*Criteria:* All supporting documentation should be traced to the invoice and the invoice should be recalculated before payment is made.

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

*Effect:* Invoice was overpaid.

*Cause:* Invoice hours were not traced to supporting documentation before payment was made.

CHURCHILL COUNTY, NEVADA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2006

*Recommendation:* We recommend procedures are implemented to ensure supporting documentation is traced to invoices before payment is made.

*Client response:* Policies and procedures are in place requiring supporting documentation prior to the payment of invoices. County personnel involved in accounts payable processing have had additional training on the review process. Furthermore, the vendor has been advised to improve the format of their invoices to allow for tracing to the supporting documentation.

**Finding 06-2:**

*Grant award number:* U.S. Department of Health and Human Services CFDA 93.563.

*Condition:* Supporting documentation and proper calculation was tested on two of the twelve monthly IV-D reports submitted to the State of Nevada. The following errors were noted:

1. The total indirect regular salaries on the payroll summary sheet did not foot either month; however, the right number did carry forward to the summary page in the report.
2. On the December 2005 payroll summary, the direct salary for one employee was reported at \$1,000 less than the actual salary.
3. On the December 2005 payroll summary, the fringe benefits for one of the direct employees was reported at 200% rather than 100% resulting in reporting \$1,113 more than actual expenditures.
4. The SIIS column for three of the direct employees on the December 2005 payroll summary did not agree to the detail. The total difference resulted in \$25 more than actual expenses being reported and \$34 less than actual expenses being reported.
5. In December 2005, telephone expenses reported were \$80 less than the actual invoices.
6. One line of the postage log did not compute correctly either month. This resulted in reporting \$25 less than actual expenses in December 2005 and \$34 less than actual expenses in May 2006.

The above resulted in \$1,138 in unreimbursed costs. (Projected difference is \$5,719.)

*Criteria:* Reports submitted to the State of Nevada for reimbursement should be accurate.

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

*Effect:* The dollar amounts in total result in less being submitted to the State of Nevada than the costs actually incurred.

*Cause:* Reports do not appear to be reviewed by someone other than the preparer before submission to the State of Nevada.

*Recommendation:* We recommend procedures an employee is designated to trace the amounts to supporting documentation and to foot the spreadsheets before the reports are submitted to the State of Nevada.

*Client response:* Policies and procedures have been developed at the District Attorney's office requiring the grant submittal be reviewed and proofed prior to submittal to the State of Nevada. Furthermore, the Comptroller's office will conduct periodic internal audits on grant submittals.

**CHURCHILL COUNTY, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2006**

There were no findings reported in the June 30, 2005 audit.



**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/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2006 (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 conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2006 (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  
January 26, 2007

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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, 2006

Flat Fixed Fees:

Adjusted base, June 30, 2005	<u>\$ 60,420</u>
------------------------------	------------------

Adjustment to Base:

Base year

- |  |               |              |
|--|---------------|--------------|
| 1. Percentage increase in population of the local government.  | 1.12 %        |              |
| 2. Percentage increase in Consumer Price index for the year ending on December 31 next preceding year for which the limit is being calculated. | <u>3.30 %</u> | <u>4.65%</u> |

2,810

Adjusted base, June 30, 2006

63,230

Actual business license revenue, 2005-06

40,370

Amount over (under) adjusted base amount

\$ (22,860)

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

### **PRIOR YEAR'S AUDIT RECOMMENDATIONS**

There were no specific recommendations made in the audit report for the year ended June 30, 2005.

### **CURRENT YEAR'S AUDIT RECOMMENDATIONS**

We did not find any financial weaknesses of a magnitude to justify inclusion within our audit report.