CHURCHILL COUNTY AUDIT COMMITTEE
CHURCHILL COUNTY, NEVADA
155 N. Taylor Street, Suite 110
Fallon, Nevada 89406
(775) 423-4092
Fax: (775) 423-7069
Contact: Pamela D. Moore, Deputy Clerk of the Board, or Jackie Bauman, Deputy Clerk
E-mail: pammoore@churchillcounty.org and
jbauman@churchillcounty.org

****NOTICE OF PUBLIC MEETING****

PLEASE POST

PLACE OF MEETING: Churchill County Administration Building, 155 North Taylor Street, Commission Chambers, Suite 145, Fallon, NV
DATE & TIME: December 7, 2015 at 3:00 p.m.
TYPE OF MEETING: Churchill County Audit Committee Meeting

Notes:

I. ***These meetings are subject to the provisions of Nevada Open Meeting Law (NRS Chapter 241). Except as otherwise provided for by law, these meetings are open and public.***

II. ***Action will be taken on all Agenda items, unless otherwise noted.***

III. ***The Agenda is a tentative schedule. The Churchill County Audit Committee may act upon Agenda items in a different order than is stated in this notice – so as to affect the people's business in the most efficient manner possible.***

IV. ***In the interest of time, the Churchill County Audit Committee reserves the right to impose uniform time limits upon matters devoted to public comment.***

V. ***Any statement made by a member of the Churchill County Audit Committee during the public meeting is absolutely privileged.***

Agenda:

1. **Call to Order.**
2. **Pledge of Allegiance.**
3. **Public Comment:** Comment upon matters not on the Agenda.
4. **Verification of the Posting of the Agenda.**
5. **Review and Adoption of Agenda:** Action to approve the Agenda as submitted or revised.
6. **Consideration and possible action re: Approval of Minutes from October 14, 2014 and March 10, 2015.**
7. **Appointments:**

A. Consideration and possible action re: Presentation of the audited Churchill County Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2015.

B. Consideration and possible action re: Presentation of the CC Communications' Audited Financial Statements for Fiscal Year Ending June 30, 2015.

8. Discussion by Committee regarding matters affecting the Committee.

9. Consider and schedule future meeting dates and future Agenda items.

10. Public Comment: Comment upon matters not on the Agenda.

11. Adjournment.

12. Affidavit of Posting:

State of Nevada)
: ss
County of Churchill)

I, Pamela D. Moore, Deputy Clerk of the Board, do hereby affirm that I posted, or caused to be posted, a copy of this notice of public meeting, on or before the ***1st day of December, 2015****, between the hours of 9:00 and 11:00 a.m., at the following locations in Churchill County, Nevada:*

1. *City Hall;*
2. *County Administration Building;*
3. *Public Library;*
4. *Churchill County Law Enforcement Center;*
5. *The Churchill County Website @ www.churchillcounty.org;*
6. The State of Nevada Website @ *https://notice.nv.gov/.*

Pamela D. Moore, Deputy Clerk of the Board

Pamela D. Moore, who was subscribed and sworn to before me this 1st day of December, 2015.

Linda Rothery, Chief Deputy County Clerk

Endnotes/Disclosures:

**Churchill County is an equal opportunity provider and employer.*

Accommodations:

**Churchill County will make all reasonable efforts to assist and accommodate physically handicapped persons desiring to attend. Persons who are disabled and require special assistance may contact the Churchill County Commission, in writing at 155 N. Taylor Street, Suite 110, Fallon, Nevada 89406, or by calling (775) 423-4092 or the TDD Nevada Relay Number 711.*

Procedures:

**The public meetings may be conducted according to rules of parliamentary procedure.*

**Persons providing public comment will be asked to state their name for the record.*

**The Churchill County Audit Committee reserves the right to restrict participation by persons in the public meeting where the conduct of such persons is willfully disruptive to the people's business.*

**All supporting materials for this Agenda are available by requesting a copy from the Clerk prior to the meeting. During the meeting, there will be one copy available for public inspection. Additional copies are available by making the request from the Clerk. You are entitled to one copy of the supporting materials free of charge.*

** In accordance with Federal law and U.S. Department of Agriculture policy, Churchill County is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability (not all prohibited bases apply to all programs). To file a complaint of discrimination, write USDA, Director, Office of Equal Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800)795-3972 (voice), or (202)720-6382 (TDD).*

MINUTES OF THE CHURCHILL COUNTY AUDIT COMMITTEE

155 No. Taylor Street, Fallon, Nevada
October 14, 2014

CALL TO ORDER

The meeting of the Churchill County Audit Committee was called to order at 9:00 a.m. on the above date by Chairman Erquiaga.

PRESENT: Carl Erquiaga, Chairman
Sean Richardson, Member At Large
Benjamin D. Shawcroft, Civil Deputy District Attorney
Alan Kalt, Comptroller
Pamela D. Moore, Deputy Clerk of the Board
Mark Feest, General Manager, CC Communications
Lorrie Ford, CFO, CC Communications

ABSENT: Kelly G. Helton, Clerk of the Board

VERIFICATION OF POSTING OF AGENDA

It was verified by Deputy Clerk Moore that the Agenda for this meeting was posted in accordance with NRS 241.

ACTION ITEMS

AGENDA

Member Shawcroft made a motion to approve the Agenda as submitted. Member Richardson seconded the motion, which carried by unanimous vote.

MINUTES

Member Shawcroft made a motion to approve the Minutes of the meeting held on August 29, 2012 as submitted. Member Richardson seconded the motion, which carried by unanimous vote.

PUBLIC COMMENTS

Chairman Erquiaga inquired if there were any public comments on issues that were not listed on the Agenda but there were none.

APPOINTMENTS

THE BOARD MAY REQUIRE THE PROVISION OF AN OATH OR AFFIRMATION BY ANY PERSON PROVIDING ORAL TESTIMONY AT A PUBLIC HEARING.

9:00 a.m. Consideration and possible action re: Presentation of the CC Communications Audited Financial Statements for FY 2013-2014.

NRS 354 requires local government to have an independent audit annually. CC Communications retained Kafoury, Armstrong and Company for the audit. Kafoury, Armstrong and Company completed the audit and review of FY 2013-2014 for CC Communications - Telephone and CC Communications - Broadband Enterprise Funds and review of the CC Communications – Long Distance and CC Communications – MDS compilation statements for FY 2013-2014. These statements are being presented to the audit committee for their review and recommendation. At the recommendation of the Audit Committee members, Lorrie Ford CFO for CC Communications will present the financial statements and related notes to the Board of County Commissioners on November 6, 2014. The CC Communications audited financial statements are included in the Churchill County's Comprehensive Annual Financial Report (CAFR) as such the approval of the CC Communications

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audited financial statements will occur when the Comptroller for Churchill County presents the CAFR to the Board of County Commissioners.

Laurel Jackson, of Kafoury, Armstrong and Company, presented the results of the engagement for June 30, 2014 as outlined in their engagement letter with Churchill County dated February 4, 2014. They performed a financial audit over CC Communications Telephone Fund and CC Communications Broadband Fund. In addition, they performed a compilation engagement of CC Communication Long Distance Fund and CC Communication Managed Data Service (MDS) Fund. All members of the Audit Committee received a copy of the financial statements. She said that all key deadlines were met by CC Communications and Kafoury, Armstrong and Company. Field work was conducted in September and a conference with the management held in October. Overall, as a result of the audit and field work, they identified no material audit differences or adjustments. From an audit stand point, on the Telephone and Broadband Funds, the financial statement included an unmodified report.

Lorrie Ford briefly discussed the presentation. There are four different Enterprise Funds, namely: Telephone, MDS, Long Distance, and Broadband. The Telephone Fund has a total net position decreased to $49,742,000.00 with a change in net position of negative $1,023,507.00. The Capital Investment decreased by $209,000.00 due to depreciation and the CPR project they performed on almost $4,700,000.00 assets. She also mentioned that they continue to look at the FCC and the Orders that are coming out, which further affected them in the past years. The NECA review determined that they can only put $16,000.00 into their cost study, which further affected them because they gave the county $1,800,000.00 and only $416,000.00 went to the cost study and, therefore, they had a negative adjustment or an equity transfer of $1,400,000.00 to the county. The MDS Fund has a total net position of $1,700,000.00, with a decrease in net position of $289,000.00. She added that, a year ago, they transferred all assets, liabilities, revenues and expenses from the Wireless Enterprise Funds to the MDS Fund as approved by the Churchill County Board of Commissioners. She said that the Long Distance Fund has a total net position of $1,108,000.00, with a change in net position of $210,000.00. She mentioned that, every year, they continue to see a decrease in customers as most customers are using wireless communication for their long distance calls. She said that the Broadband Fund has a total net position of $1,800,000.00, with a decrease in net position of -$172,000.00. The Broadband Fund includes the Internet and Digital TV. As of June 20, 2014, the Digital TV has 1,638 customers. The DVR customers had increased by 169 customers to a total of 1,066 customers. The HD customers are up to 542 customers. Lorrie Ford presented the statement of revenue, expenses, and changes in net position for all Enterprise Funds all together. The overall decrease change in net position is -$1,275,000.00. She presented the comparison of 2013 and 2014 revenue and expenses. She showed that the revenue from 2013 decreased by $2,300,000.00. In 2014, the expenses decreased by a little over $1M.

Mark Feest pointed out what was included in the Telephone Fund that they had to payback, due to the changes on how the PILT was calculated. They were told that, in the past, they were calculating it incorrectly. Lorrie Ford explained the rest of the financial audit, comparing 2013 with 2014 financial income and audits. She said the net income for all entities from 2013 was negative $35,000.00 and the net income for 2014 is $1,275,000.00. She also explained the analysis on how the PILT affects the net position. The income before they transfer over the funds is $1,296,000.00 and, for 2014, in lieu of tax payments, the transfer was $2,320,000.00, which gave a net position of -$1,023,000.00. The income is $1,296,000 and, if CC Communications were a private business, they would have paid $416,615.00 to the county. That is all NECA would allow them to put into the cost study, which would have given them a net position of $879,000.00. She showed the PILT percentage of their income before they transfer to the county. They calculated the $879,000.00 as income for a lot of private business and take

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out the change in net position, so the amount of what they consider the equity going to the county is $1.9M. Member Richardson asked if the PILT calculation has been changed over the years. Mark Feest replied that, in the past, there was a formula created by a consultant, GVNW, and that was basically a rate of return. He explained the cost study they've performed, which has expense and we get the rate of return under Universal Service Support Mechanism. When they come out and conducted a review, they said that we cannot exceed what a private company would pay in taxes. They can send as much as money as they want, but they can only count them as an expenses if it is the same amount as a private company would have paid in taxes. That amount was the $416,000.00. That amount can be put into the cost study and, anything in excess of that, can be sent over to the county as a transfer of equity, from NECA's perspective. That was changed from last year. This year also included the money they had to pay back from the previous year. Member Richardson asked if that was the $2.3M. Mark Feest replied that the $2.3M is the total amount transferred to the county. Every year it keeps growing based on their plant and equities, which is mainly property taxes; no sales tax included. Lorrie Ford said that the estimated net position, based on what they budgeted for the current year, is $652,634.00, as there was no company transfer. They will be transferring $1.8M to the county for the current year and they are estimating a loss of $1,147,000.00 for the telephone, based on their estimated budget for the current year. Lorrie Ford offered to answer any questions anybody might have. Chairman Erquiaga asked for any public comments or questions but there were none.

Member Richardson made a motion to recommend presentation of the CC Communications Audited Financial Statements for FY 2013-2014 to the Board of County Commissioners. Member Shawcroft seconded the motion, which carried by unanimous vote.

DISCUSSION BY COMMITTEE REGARDING MATTERS AFFECTING THE COMMITTEE.

None.

CONSIDER AND SCHEDULE FUTURE MEETING DATES AND FUTURE AGENDA ITEMS.

Comptroller Kalt said that there will be another meeting towards the end of November and he will coordinate with Deputy Clerk Moore regarding the committee members' availability.

PUBLIC COMMENTS

Chairman Erquiaga inquired if there were any public comments on issues that were not listed on the Agenda but there were none.

ADJOURNMENT

There being no further business to come before the committee, the meeting was adjourned at 9:23 a.m.

APPROVED:_____
Carl Erquiaga, Chairman

APPROVED:_____
Sean Richardson, Member

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APPROVED:_____
Benjamin D. Shawcroft, Member

ATTEST:
KELLY G. HELTON, CLERK/TREASURER

_____
Jacqueline A. Bauman, Deputy Clerk of the Board

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MINUTES OF THE CHURCHILL COUNTY AUDIT COMMITTEE

155 No. Taylor Street, Fallon, Nevada
March 10, 2015

CALL TO ORDER

The meeting of the Churchill County Audit Committee was called to order at 2:00 p.m. on the above date by Chairman Erquiaga.

PRESENT: Carl Erquiaga, Chairman
Sean Richardson, Member At Large
Benjamin D. Shawcroft, Civil Deputy District Attorney
Pamela D. Moore, Deputy Clerk of the Board
Alan Kalt, Comptroller
Kristin Chinvorasopak, Eide Bailly LLC
Mark Feest, General Manager, CC Communications
Lorrie Ford, CFO, CC Communications
Sherry Wideman, Comptroller's Office

ABSENT: Kelly G. Helton, Clerk of the Board

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was recited by the board and public.

VERIFICATION OF POSTING OF AGENDA

It was verified by Deputy Clerk Moore that the Agenda for this meeting was posted in accordance with NRS 241.

PUBLIC COMMENTS

Chairman Erquiaga inquired if there were any public comments on issues that were not listed on the Agenda but there were none.

ACTION ITEMS

AGENDA

Member Richardson made a motion to approve the Agenda as submitted. Member Shawcroft seconded the motion, which carried by unanimous vote.

MINUTES

Member Shawcroft made a motion to approve the Minutes of the meeting held on December 10, 2014 and December 19, 2014 as submitted. Member Richardson seconded the motion, which carried by unanimous vote.

APPOINTMENTS

THE BOARD MAY REQUIRE THE PROVISION OF AN OATH OR AFFIRMATION BY ANY PERSON PROVIDING ORAL TESTIMONY AT A PUBLIC HEARING.

A. Consideration and possible action re: Acceptance of the Engagement Letter with Eide Bailly, LLC for Churchill County's Comprehensive Annual Financial Report for the Fiscal Year Ending June 30, 2015.

Comptroller Kalt, who was present with Kristin Chinvorasopak from Eide Bailly LLC, reported that the engagement letter from Eide Bailly to perform the audit for Churchill County for the fiscal year ending June 30, 2015 was provided for consideration. The engagement letter is prepared in accordance with accounting standards. As noted on page 7 of 9, the proposal is that the gross fees for the audit, inclusive of the hours incurred to prepare the financial

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statements and related notes, will not exceed $73,000, plus out-of-pocket costs such as travel, copies, and telephone. This is based on the following assumptions: only 3 major programs subject to the Single Audit Act, CC Communications audit will be completed on or before October 15th, key dates and timelines are met by both parties, and no unexpected circumstances will be encountered during the audit. If additional major programs need to be tested, they will cost an additional $4,000. See engagement letter for specific details.

The fiscal impact will be an amount not to exceed $73,000 for the audit and approximately $3,000 for expenses. NRS 354 requires local government to have an independent audit annually. The cost of the audit is based on several factors associated with the amount of time and complexity of performing the professional services required under General Accepted Auditing Standards. The amount is included in the General Fund Budget for FY 2015 under professional fees. Comptroller Kalt recommended for the board to accept the audit engagement from Eide Bailly LLC.

Chairman Erquiaga asked if there were any public comments but there were none. Chairman Erquiaga asked when they decide which things are being audited, if it is going to be at the beginning of the audit? Kristen Chinvorasopak, of Eide Bailly LLC, replied that the major program determination, the functions of the federal expenditures for the year, are determined once the Comptroller closes its books, when they have an idea of how many programs there will be and it is after the year end. Chairman Erquiaga once again asked if there were any public comments but there were none.

Member Richardson made a motion to recommend approval of the Audit Engagement Letter from Eide Bailly for Churchill County in the amount of $73,000 for the fiscal year ending June 30, 2015 audit to the Board of County Commissioners for their consideration at their next regularly scheduled meeting. Member Shawcroft seconded the motion, which carried by unanimous vote.

B.Consideration and possible action re: Acceptance of the Engagement Letter with Eide Bailly, LLC for CC Communications' Comprehensive Annual Financial Report for Fiscal Year End June 30, 2015.

Lorrie Ford, with CC Communications, reported that the engagement letter from Eide Bailly to perform the audit for CC Communications for the fiscal year ending June 30, 2015 was provided for consideration. The engagement letter is prepared in accordance with accounting standards.

Lorrie Ford said that CC Communications have four enterprise funds and two of them, Telephone and Broadband, are considered major funds and will be audited. The other two, Long Distance and MDS, at this point are not considered major funds so there will be a compliance report. The total for all four entities is $53,200 for this year's audit.

As noted, the gross fees for the audit will not exceed $53,200, plus out-of-pocket costs such as travel, copies, and telephone. This is based on the following assumptions: only 3 major programs subject to the Single Audit Act, CC Communications audit will be completed on or before October 15th, key dates and timelines are met by both parties, and no unexpected circumstances will be encountered during the audit. If additional major programs need to be tested, they will cost an additional $4,000. See engagement letter for specific details.

The fiscal impact will be an amount not to exceed $53,200 for the audit and approximately $3,000 for expenses. NRS 354 requires local government to have an independent audit annually. The cost of the audit is based on several factors associated with the amount of

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time and complexity of performing the professional services required under General Accepted Auditing Standards. The amount is included in their Budget for FY 2015. Chairman Erquiaga asked if there were any public comments but there were none.

Member Shawcroft made a motion to recommend approval of the Audit Engagement Letter from Eide Bailly for CC Communications in the amount of $53,200 for the fiscal year ending June 30, 2015 audit to the Board of County Commissioners for their consideration at their next regularly scheduled meeting. Member Richardson seconded the motion, which carried by unanimous vote.

SCHEDULE FUTURE MEETING DATES AND FUTURE AGENDA ITEMS.

Comptroller Kalt said that unless something else comes up, most likely the future meeting would be for the acceptance of the audit report for CC Communications in October, but we would not like to schedule that meeting at this time until the engagement is done. Comptroller Kalt added that the estimated time frame would be in October for CC Communications and December for the General County.

PUBLIC COMMENTS

Chairman Erquiaga inquired if there were any public comments on issues that were not listed on the Agenda but there were none.

ADJOURNMENT

There being no further business to come before the board, the meeting was adjourned at 2:09 p.m.

APPROVED:_____
Carl Erquiaga, Chairman

APPROVED:_____
Sean Richardson, Member

APPROVED:_____
Benjamin D. Shawcroft, Member

ATTEST:
KELLY G. HELTON, CLERK/TREASURER

_____
Pamela D. Moore, Deputy Clerk of the Board

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Agenda Item: Appointment

Churchill County
Agenda Report

Date Submitted: December 2, 2015

Agenda Date Requested: December 7, 2015
Time Requested: 25 minutes

To: Audit Committee Members
From: Alan Kalt, CPA County Comptroller
Subject Title: Presentation on the Comprehensive Annual Financial Report for the Year Ended June 30, 20145

Type of Action Requested: (check one)

(___) Resolution
(_X__) Formal Action/Motion
(____) Ordinance
(____) Other (Specify)

Does this action require a Business Impact Statement? ( ) Yes (X) No

Recommended Board Action:
A motion to recommend acceptance of the audit report and related findings for the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2015 to the Board of County Commissioners.

Discussion:
The Comprehensive Annual Financial Report will be delivered and presented to Audit Committee on December 7th in the afternoon. The Audit Committee will be recommending the acceptance and approval the audit report to the Board of County Commissioners. A PowerPoint presentation will be presented on the Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015 by Comptroller Alan Kalt and our independent auditors Kristen Chinvarasopak from EideBailley. The CAFR will be submitted to the Government Finance Officers Association for consideration in the Certificate of Excellence Program for financial reporting. The County has earned this award over the past nine years.

Prepared By: Alan Kalt (Comptroller) Date: December 2, 2015

Concurrences: Eleanor Lockwood (County Manager) Date: December 2, 2015

(Comptroller) Date: 12/2/15

(Civil Deputy District Attorney) Date: 12/2/15

Board Action Taken:
Motion: _____ 1) _____ 2) _____ Aye/Nay

_____
_____
_____

_____
(Vote Recorded By)

CHURCHILL COUNTY, NEVADA

Sand Mountain
Photographed by Marie Nygren

Comprehensive Annual Financial Report

Year Ended June 30, 2015

CHURCHILL COUNTY, NEVADA

COMPREHENSIVE ANNUAL
FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2015

PREPARED BY COMPTROLLER'S OFFICE
ALAN F. KALT, CPA COMPTROLLER
CHURCHILL COUNTY, NEVADA
155 N. TAYLOR STREET, SUITE 182
FALLON, NEVADA 89406
WWW.CHURCHILLCOUNTY.ORG

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INTRODUCTORY SECTION – UNAUDITED

Churchill County Comptroller

155 N. Taylor Street, Suite 182, Fallon, Nevada 89406-2748
(775) 428-1414 · Fax: (775) 428-0270
E-mail: comptroller@churchillcounty.org

November 24, 2015

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, 2015.

Nevada Revised Statues (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 based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatements. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operations of the County; and that all disclosures necessary to enable the reader to gain an understanding of the County's financial activities have been included.

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

REPORT PRESENTATION

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

The Financial Reporting Entity and Its Services

Churchill County was incorporated in 1861 and is a political subdivision of the State of Nevada operating under the general laws of the State. The County covers an area of approximately 4,900 square miles in the north central section of the State. The county seat is in the City of Fallon.

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, one-time assistance with utility bills and transportation through the Social Services department. Planning, zoning and building permits, tax assessment and collections, and general governmental services are also provided by the County. The County also provides for new construction and maintenance on various streets and highways, builds and maintains parks, maintains a public cemetery, operates both a library and a museum; adjudicates various civil and criminal matters in its State and local courts; maintains the civil peace through the Sheriff's Department and its law enforcement officers; fire protection through the Insurance Services Office (ISO) 1-rated volunteer fire department; and houses adult and juvenile offenders in its detention facilities.

The County has established various funds to account for these activities in compliance with legal requirements, to facilitate management control, or to satisfy the requirements of generally accepted accounting principles. Governmental, proprietary and fiduciary fund types are employed to record all financial transactions of the

County. This annual report summarizes the activities of the general fund, one major special revenue fund, 31 non-major special revenue funds, four major proprietary funds, three non-major proprietary fund, five non-major capital projects funds, one debt service fund, and 17 agency funds. Churchill County adheres to the Local Government Budget and Finance Act incorporated within the statutes of the State of Nevada. The budget is adopted annually for all governmental and proprietary funds of the County. See Note 1-Summary of Significant Accounting Policies: Budget for more details.

Local Economic Condition and Outlook

Churchill County's most recent population as certified by the Governor on February 15, 2015, as of July 1, 2014 is 25,103. This reflects a 0.9% decrease over the prior year population of 25,322. The City of Fallon's population is 8,645 compared to the prior year of 8,706 noting a decrease of 61 or 0.7%. The overall decrease in population is due to poor economic climate and unemployment that has forced residents to relocate to look for jobs. Our citizens enjoy a unique rural lifestyle with modern services being provided. After several years of a growth economy, which seems to have topped-out in fiscal year 2006, taxable sales have decreased over the past several years due to decline in population, high unemployment and poor economic conditions. The increase in FY 2009 was due to a significant geothermal development plant expansion project in our county. The level of taxable sales bottomed out in fiscal year 2011. In fiscal year 2012 and 2013, taxable sales had significant increases due to one-time taxable sales associated with building projects of the Pauta Geothermal Plant near Hazen and the Dairy Farmers of America milk processing plant. These projects were exempt from local sales tax as part of the sales and use tax abatements provided for renewable energy and economic development projects. As noted in the chart below, this amount exceeded the FY 2006 amount due to the geothermal plant construction.

TAXABLE SALES

Fiscal Year Ended 6/30	Taxable Sales	Prior Year Change	Percentage Change
2006	324,645,606	45,530,853	16.31%
2007	306,426,359	(18,219,247)	-5.61%
2008	294,410,639	(12,015,720)	-3.92%
2009	321,713,562	27,302,923	9.27%
2010	251,257,089	(70,456,473)	-21.90%
2011	249,111,479	(2,145,610)	-0.85%
2012	320,188,210	71,076,731	28.53%
2013	387,569,985	67,381,775	21.0%
2014	252,675,060	(134,894,925)	-34.8%
2015	283,496,646	30,821,586	12.20%

A review of the trends in taxable sales for the top ten business codes indicates an increase in four classifications. The amount of sales in auto dealers up $7.4M or 22.6%, general merchandise stores up $0.5M or 1.3%, furniture stores up $0.2M or 37.6% and miscellaneous retail up $1.1M or 37.6%. The six of the top ten businesses indicated a decrease with geothermal/renewable energy related business codes down $0.4M since the Patua project was completed in FY 13. Other decreases were noted in eating and drinking businesses down $1.8M or 5.4% durable goods down $1.0M or 6.1%, building materials down $0.5M or 2.7%, food stores down $1.7M or 13.0%, and construction specialty trades down $4.3M or 44.4%. Increases and decreases were seen in the other business codes. Nevada's economy is recovering from the significant blow to the state economy as the state lead the nation in unemployment and foreclosure rates during the great recession. Statewide taxable sales increased 6.1% for the year. This has had an impact on our level of taxable sales. The development of new geothermal resources and the major $300M geothermal project at Gradient's Patua Plant and the $80M DFA's Dairy plant account for a significant amount of one-time non-sustainable taxable sales in prior years. The sales directly related to these projects received tax abatement from the local sales taxes therefore do not have a positive fiscal impact to the local government's revenues in Churchill County. The decreases in the business classes reflect a downturn from the prior year which had construction project activities. The Nevada economy is starting to show signs of improvement. 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 six 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 compared to the City of Fallon. The CTX is apportioned based on statutory formula and the 2nd tier breakdown is as follows for fiscal year 2014-2015: County 74.74%, City of Fallon 21.41%, Carson-Truckee Water Conservancy 0.11% and Churchill Mosquito and Weed Abatement 3.74%. The CTX revenue was $6,948,960 compared to $6,693,903 in the prior year, which was an increase of $255,057 or +3.8%. This is off over $2.3M from the record level for CTX in fiscal year 2005-2006 and places us near FY 2004 levels. See the chart below:

CONSOLIDATED TAX DISTRIBUTION

Fiscal Year	BCCRT	SCCRT	Cigarette Tax	Liquor Tax	RPTT	GST	Total	% Change
2005	1,448,994	4,731,365	176,227	31,296	248,232	1,312,773	7,948,886	17.00%
2006	1,696,276	5,593,641	171,855	32,868	340,460	1,426,207	9,261,307	16.51%
2007	1,637,619	5,297,892	165,753	33,397	152,845	1,404,095	8,691,601	-6.15%
2008	1,522,033	4,899,629	159,061	33,322	118,631	1,379,282	8,111,958	-6.67%
2009	1,503,470	4,940,101	134,114	29,478	81,286	1,302,715	7,991,164	-1.49%
2010	1,097,035	3,486,764	120,498	31,402	73,107	1,285,453	6,094,259	-23.74%
2011	1,165,048	3,733,127	116,779	32,732	368,544	1,099,726	6,515,956	6.92%
2012	1,224,759	4,034,285	109,371	33,400	73,642	1,021,414	6,496,871	-0.29%
2013	1,280,044	4,217,886	105,281	31,347	89,257	985,248	6,709,063	3.27%
2014	1,282,640	4,175,379	99,722	33,002	70,934	1,032,226	6,693,903	-0.23%
2015	1,316,924	4,246,327	113,974	32,906	87,616	1,151,212	6,948,959	3.81%

The overall increase in the CTX distribution is primarily a result of an increase in levels of taxable sales based actual collections (BCCRT and SCCRT) being up $105,232 or 1.9%. Increases were also noted in cigarette tax up $14,252 or 14.3% offset by a decrease of $96 or -0.3% in liquor taxes. Furthermore, there was an increase of $16,682 in real property transfer tax over the prior year due to improvements in the real estate market. The increase in Government Services Tax (GST) of $118,986 or +11.5% is due to the related increase in vehicle values as resident acquire newer automobiles. The recovering national, state, and local economy had an impact on our CTX collections. CTX is considered general revenues as it is not restricted to a specific function or activity. In the current year, CTX revenues were apportioned to the following funds: General Fund, Social Services, Parks and Recreation, Compensated Absence, 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
2009	$ 725,891,895	$ 2,073,976,843	5.73%
2010	790,819,558	2,259,484,451	8.94%
2011	816,469,865	2,332,771,043	3.24%
2012	757,194,834	2,163,413,811	-7.26%
2013	694,365,680	1,983,901,943	-8.30%
2014	707,843,459	2,022,409,883	1.94%
2015	701,513,275	2,004,323,643	-0.89%

Individual residential construction in the county continued with 13 new single-family dwelling building permits issued during the period of July 1, 2014 to June 30, 2015, at a value of $2,525,351 an increase compared to the prior year amount of $2,216,394. Commercial building permits issued were valued at $2,092,611 during the year, which was up from the prior year's pace of $422,313. Additionally 138 permits were issued for improvements valued at $1,806,333. Industrial building permits decreased from $6,966,564 to $401,934 with the completion of the construction of the Patua Geothermal Plant. The value of Net Proceeds of Mine decreased $5.2M in valuations due to stipulated agreements between the geothermal operators and the Department of Taxation due to economic conditions and resource depletion of the geothermal plants. Statutes require that residential properties are valued at replacement cost new less depreciation compared to fair value. During FY 2015, the assessed values for residential properties received a reduced level of economic obsolescence due to declines in market values due to foreclosures and short sales as the real estate market started to show signs of improvement.

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

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

PROPERTY TAX RATES

	Actual 2010	Actual 2011	Actual 2012	Actual 2013	Actual 2014	Budget 2015
Churchill County	1.2529	1.2529	1.2529	1.2529	1.2529	1.2529
C.C. School District	1.3000	1.3000	1.3000	1.3000	1.3000	1.3000
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Carson Water Subconservancy	0.0300	0.0300	0.0300	0.0300	0.0300	0.0300
Mosquito Abatement	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total (Excluding City Rate)	2.8329	2.8329	2.8329	2.8329	2.8329	2.8329
Percentage Increase (Decrease)		0.00%	0.00%	0.00%	0.00%	0.00%

Over 89% of Churchill County is public lands and not subject to property tax in the same manner as private ownership. The Federal government makes an annual appropriation to local governments in the form of a payment in lieu of taxes. This program has been fully funded at $.75 per acre for the first time in Fiscal Year 2009 since inception. This revenue has been classified as intergovernmental revenues as there is no restriction to the specific function or activities that these funds maybe use for. In the current year, the total Federal Payment In Lieu of Taxes was $2,003,488 compared to the prior year amount of $2,199,782. It was apportioned to the following funds: General Fund, Parks and Recreation, Risk Management, Compensated Absence, Debt Service Fund, and Building Reserve Fund. Full funding of PILT has been approved by Congress as part of the economic stimulus package. This full funding will be used in part for capital improvements.

LONG-TERM FINANCIAL PLANNING

The County has adopted "best practices" financial policies relating to minimum fund balance, contingencies and other policies. The county intends to continue this strategy of improving its financial policies and the goal of maintaining prudent reserves. As part of this process, the county is looking at budget over multiple years.

Ending fund balance in the General Fund budget as a percentage of total expenditures is 39.8% compared to the 4% minimum recommended by State statue, and is above the adopted fund balance policy of 25% recommendation adopted by our Board of County commissioners. In addition, the ending fund balance in our Stabilization of Operations Fund is $1,646,693 which is at the ten percent maximum threshold established in statutes. The county adheres to, with no exceptions, the practice of adopting a final balanced budget.

RELEVANT FINANICAL POLICIES

Ending Fund Balance Reserves — In compliance with state law, the General Fund Financial Policy requires budgeted, unreserved fund balance to be established at least 4% of prior year expenditures, which is included in the fiscal year 2015/16 budget. The county is in compliance with this requirement and has budgeted for an ending fund balance of 15.4% for fiscal year 2015/16. In fiscal year 2015, the county transferred $54,710 into the Stabilization of Operations fund to reach full funding. Furthermore, by policy interest earned in the fund is retained in the fund. The County recognizes the importance of these reserves, along with a conservative approach to spending, in giving the County a greater level of flexibility in responding to unforeseen revenue reductions. As a result of financial policies, budget mitigation measures and long-term financial planning, Churchill County made it through the Great Recession with only rifting one half time employee with a workforce of 200 employees.

OPEB Funding — The County's decision to fund only pay-as-you-go costs rather than the full annual other post-employment benefit (OPEB) costs will result in continued growth in the County's unfunded actuarial accrued liability, as well as an increasing OPEB liability each year, as presented in the government-wide financial statements and proprietary fund statements. However, given the current economic environment, the County does not have the resources at this time needed to fully fund the annual OPEB cost but will be considering setting up a trust account to fund for this long-term liability.

Risk Management – The County has implemented a rigorous risk management program to help control its exposure to potential claims and thus reduce its costs. Our safety committee has earned distinguished levels of recognition for our Loss Control, Safety and Human Resources efforts by our insurance program.

MAJOR INITIATIVES

In preparing the 2015 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.

Transitional Housing

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

Employment

Through grant funding, Churchill County partners with other State programs to provide obtaining skills on interviewing, resume' writing skills, work ethics, C.N.A., truck driving, and obtaining their GED's which will make them better candidates for local employers.

The Social Services Department is partnering with the Churchill Economic Development Authority to assist in developing jobs in the community.

Family Car Safety Seat Program

Churchill County Social Services has partnered with a local certified car seat technician and Nevada Department of Transportation to provide car seat educational courses to families within the community. Eligible families may receive a new car seat to ensure proper safety for our youth. Ongoing events are held monthly free of charge to the community to ensure proper access for all families.

Community Partners and Resource Coalition

Through partnerships with over 65 members including non-profits, federal, state, and local agencies, this coalition was formed in January 2012 to identify gaps and duplication of services within the community. Through this initiative, it was identified that services have evolved throughout the years and many consumers have been uninformed of the resources available. The coalition provides a referral process that give guidance on the proper access to available resources to meet their specific needs.

Annually, the Coalition sponsors a Community Family Day in partnership with the Elks Club. The event allows residents to speak with the community resource partners about what is offered and how to obtain necessary services. In August 2014, over 450 kids received school supplies and over 500 community members participated in this event.

Volunteer Income Tax Assistance (VITA)

In 2015, Churchill County Social Services continued its partnership with the United Way of Northern Nevada and the IRS to provide free tax preparation. The program assists low income residence in filing taxes and accessing the Earned Income Tax Credit. Through a partnership with these agencies, volunteers in the community were trained on tax preparation. Additional funding was obtained for this program from the Community Services Block Grant program to provide a Safeway Gift Card to all recipients in the 'Fight Against Hunger". This program was a larger success in meeting three national objectives: Food cards for "The War Against Hunger", stipends for volunteers, and the education of the availability of tax credits for qualifying individuals to stimulate the economy of local communities.

Social Services Departmental Planning

Churchill County annually develops a Housing and Community Needs Assessment. The report is based on communities expressed needs, gaps in services, and other identified projects by local officials. In 2014, two large needs were identified; building capacity of agencies and Mental Health access.

During regular scheduled Board of Health Board Meetings and special designated committee meeting two projects were implemented. One to assess access to mental health services and another to prove Community Engagement of residents to access resource and event information regarding the community. In 2014 Banner Churchill Community Hospital and State of Nevada Behavioral Health furthered access through a partnership to ensure all residents have access to services through additional case workers and training.

In 2015 a project will be implemented to provide residents access to resource information and a community calendar to educate residents on local events taking place and engagement opportunities.

Western Regional Youth Facility in Silver Springs

Churchill County has been an active partner in this regional drug and alcohol abuse treatment facility for youth 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. The facility is overseen by the Oversight and Technical Committee (OTC) comprising of the Chief Juvenile Probation Officers and County Managers of the involved counties.

FIT (Focused Intervention Training)

This program began in October of 2011 and is supported by State Room and Board Medicaid dollars, Focused Intervention Training was established to continue Churchill County's efforts to reduce commitments to state correctional care. FIT provides intense support and services to probation youth (and their families) who are struggling in the community. Placement in the FIT program is considered as an alternative to a state commitment or an out-of-county placement for those youth who do not pose a serious threat to others. It is not considered to be an alternative to the WNRYC program but can be used as either a step up (precursor) or step down (transitional) program for WNRYC youth. FIT is a 60 day residential program that is based on both Cognitive Behavior and Behavior Modification interventions. The goal of the program is to assist our residents to make positive changes in their thinking and behavior. Prospective residents and their parents/guardians must be court ordered into the program. In Fiscal Year 2015, eleven youth completed the FIT program. The program continues to reduce commitments for Churchill County and keeps youth within their community and engaged with their families which is better for the youth and saves the State money.

Teurman Hall

This 16 bed detention facility began operations on August 15th, 2011. It provides short term placement for youth who pose a serious risk to themselves or the community. Youth are maintained for a short period of time within the facility until such time as they can appear in court, are placed in programs or other facilities or can be stabilized and returned home. This regional facility houses youth from Churchill, Lyon, Nye and Mineral Counties and youth from ROP (Rites of Passage). Douglas and Washoe counties have also used the facility. The goal of the facility is to provide for the care, custody and control of the youth placed within the facility. The facility offers programs to each youth that includes: school, individual and group counseling, medical services, life skills development and recreation.

During the last year, the facility has been able to offer mental health and drug and alcohol counseling to its residents, and developed a contract with West Hills Hospital for emergency mental health assessments through Skype, which has saved staff time and has completely eliminated transporting youth to the facility that do not fit the criteria thus saving staff time and transport costs.

Teurman Hall Garden/Hoop House

The Teurman Hall Garden was established in the summer of 2013. The initial garden consisted of 2 raised bed planters that were used to grow tomatoes, lettuce and carrots. In the spring of 2014, Teurman Hall was awarded grants to expand the garden to 5 small raised beds and 2 pyramid shaped garden platers. In the summer of 2014, a high tunnel hoop house was constructed behind the facility that allows the facility to grow a variety of fresh produce throughout the winter which has been incorporated into the detention facility menu.

Sheriff's Office

During Fiscal Year 2014-2015, the Sheriff's Office was integrally involved in the development process for a new adult detention facility that is moving forward. We also continued with the LAW Program which consists of reading material on various topics such as drugs and alcohol, safety, identity theft and violence that is distributed through the School District and other communication channels and completed our second school year of the Lunch with the Law program. Our Prescription Drug Drop Box has continued to be a success and benefit for our community. The Sheriff's Office also discontinued in-person visitation at the jail after we implemented a video visitation system. This system also handles monetary transactions for the inmates and our commissary account. We continue to work hard to streamline our budget and to develop new efficiencies that cut short and long-term costs.

Court Services

Through the efforts of the local Criminal Justice Committee a Court Services department was formed and operational in November 2009. Court Services provides services to the courts, detention facility, law enforcement, prosecutors, defense counsel and criminal offenders. The goal of the department is to proactively manage the jail population with monitored release programs. This innovative program has consistently met its goal to maintain a jail population of 42 or less since its inception. Court Services also offers a community service program and an ankle bracelet monitoring program available to the courts and Parole and Probation. This department received an achievement award from the National Association of Counties "in recognition of an effective and innovative program which contributes to and enhances county government in the United States" in 2011 and was nominated by the Nevada Department of Public Safety, Office of Criminal Justice Assistance for the National Criminal Justice Association's 2013 Outstanding Criminal Justice Program Award.

County Library Programs and Expansion plan

The Churchill County Library completed a $500,000 Repurpose Project in February 2015 on time and in budget. This project reallocated space to better meet the needs of patrons and staff. Upgrades included lighting, stacks, energy efficient windows, and increased seating. A Radio Frequency Identification (RFID) system allowing for streamlined check-in, checkout and inventory was installed and funded by the Churchill Library Association. Limited library services were provided in an adjacent building during the four month duration of the project.

The Churchill County Library served 104,594 patrons during FY 2014-2015 and circulated 137,686 items. The Summer Reading Program served 737 people of all ages and 1,714 books were given away to children in the community. Volunteers donated 1,373 hours of service to the Library. Grants from the Bessie Minor Swift Foundation, Raley's Nickle Aid, Library Services and Technology Act (LSTA), and Travel to Training totaled over $14,000.

County Museum Projects

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

Renewable Energy Geothermal Projects

Churchill County continues to see expansion of geothermal developments within our community. This "green energy" will assist the regional power suppliers to meet the mandated green energy requirements. Counties have benefited from the rents and royalties agreements included in the 2005 Energy Bill approved by the United States Congress. This legislation allows for 25% of the rents and royalties paid by the geothermal producers on public lands to be distributed to the Counties where the resources are extracted. There was federal legislation that eliminated the distribution as of September 30, 2009 but it was reversed in a subsequent federal action that allowed counties to share in this revenue. The County continues to work with the geothermal industry, congressional representatives and affect units of local governments to retain these rents and royalties for the counties that have the resource. Churchill County has one of the largest geothermal resources in the United States. The County received $571,507 in the fiscal year ending June 30, 2015, a decrease of $97,643 or 14.6% from the prior year amount of $669,150. The revenues were apportioned to the General Fund, Social Services Fund, Building Reserve Fund, Extraordinary Repairs and Maintenance Fund, Compensated Absence Fund and the Senior Center Fund. The current year decrease is due to less energy production on public lands, lower values for the energy sold and federal sequestration in the current year.

Water Resource Fund and Water Right Dedication

In November 2000, the Board of County Commissioners approved a water dedication ordinance in an effort to keep the water in the valley to recharge the groundwater aquifers. Developers have been required to dedicate water rights or pay impact fees equal to one and one half times current cash value to divide and develop land or build permanent structures. In the last ten years, upstream interests and the USFWS have been aggressively purchasing water rights under the Federal Programs authorized under PL 101-618, transferring the water to wildlife and habitat uses resulting in reduced agricultural irrigation and less groundwater recharge. As a result, there is a real possibility of the aquifers which serve as our only source of domestic water diminishing in both quality and quantity. A Water Resource Fund was established to account for the activities mandated under the water dedication ordinance. Funds are being accumulated to implement the recommendations in the water resources plan including development of a County municipal system in the urbanizing area, recharge to the aquifer through continued surface application, and recharge via injection wells. During fiscal year 2005, the County purchased surface water rights and 2,649 acre feet of underground water rights from the Wild Goose Ltd. Ranch for use in the municipal system. A subsequent sale of 1,002 equivalent dwelling units, (EDUs), or 1,122.24 acre feet of water were 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 $6,552,486.

Transfer of Development Rights

The Planning Department developed a Transfer of Development Rights program that was approved by the Board of County Commissioners in 2006. This program seeks to retain conservation easements on agriculture lands to preserve the open space and ground water recharge while allowing the landowners the ability to sell development rights for use on non-productive lands. An agreement with United States of America on behalf of Naval Air Station Fallon and Churchill County seeks to facilitate the placement of conservation easements on critical agricultural land and lands adjacent to or under critical military training areas. By June 30, 2007, the implementation of the TDR program resulted in eleven sending sites being approved, potentially preserving 2,000 acres of agricultural lands and 1,460 water righted acres in perpetuity. The purchases amounted to $1,854,685 and were made within the Water Resource Fund. During Fiscal Year 2008, the County was able acquire a conservation easement on the Rambling River Ranches valued at $6,099,767. This easement will provide water recharge and open space within the gateway to the community. Since fiscal year 2009, the County in cooperation with the United States Department of Defense continued to buy conservation easements and TDRs within the base buffer zone. The total purchase price has been $12,843,752 with the Navy contributing $8,949,518 and the County paying $3,894,234. In Fiscal Year 2015, the county purchased two different conservation easements at $166,420 with the Navy contributing $148,500 towards the acquisition. This plan continues to expand the buffer zone around the Naval Air Station which will allow for much needed base expansion and economic development within the military industry in our community.

Capital Improvement Projects

Fiscal Year 2015 saw a number of capital improvement projects throughout the County. The County continues to develop the water and waste water facilities by making minor capital improvements to the systems to enhance operations.

The County supported public safety by acquiring five Sheriff Vehicles, Toughbook computers for the Emergency Management and a camera system for the Fire Departments as well as replacing fire-fighting equipment as part of their equipment replacement plan. The County replaced the bridge at the golf course and completed a repurposing project at the Library. The County acquired land for a new Senior Center facility on South Maine Street. The Road Department's Equipment Replacement Program procured a new dozer for gravel plant operations. Several air conditioning units and copiers were replaced during the year.

Several road projects were completed with gas tax revenues. A summary of completed projects included: asphalt overlays for Hunter Parkway and Venturacci Lane, double chip seals on Miners Road, Flying K Ranch Road, Type II leveling course with a double chip seal on Schindler Road and Indian Lakes Road. Furthermore, the Road Department completed culvert and bridge replacement, cattle guard replacements, road crack sealing, gravel road upgrades, operating the gravel plant and various other road improvements.

Water and Sewer Development

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

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

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

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

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

Golf Course Enterprise Operations

On March 1, 2013, the County purchased the local 9 hole golf course, land and water rights from a group of local investors for approximately $700,000. This purchase preserves this recreational asset, retains water rights in the valley and provides open space for the community. The County entered into a long-term five year facility lease with Duncan Golf at Fallon, LLC to operate the facility and pay a minimum guaranteed annual rental of $1,651 for the facility plus contingent rents of five percent of gross receipts above $400,000 annually. The County provided $100,000 to be used for capital equipment and improvements to the course. Duncan Golf at Fallon had a successful second season. Capital improvements during the year included replacing the bridge on hole 2.

CC Communications: Enterprise Operations

The enterprise operations of CC Communications have been vital to the support of the County for more than 125 years by providing excellent telecommunications services together with financial support. CC Communications provides broadband, subscription television, telephone, long distance, managed data services, and security system services to customers within the County. The continuing retooling of support mechanisms, combined with customer preferences transitioning from telephone to broadband services, necessitates a significant change to the company's focus. This change had been anticipated, and as such, the company took steps to prepare for this transition over the last few years. These steps have primarily taken the form of reallocation of both human and financial resources. Between FY 05-06 and today, the company has reduced employees by 49% to become leaner and more focused on the services that remain viable. Capital resources continue to flow to the placement of fiber optic cable directly to customer premises, which has provided County residents with access to the highest amount of bandwidth available anywhere in the Country and the world. CC Communications made significant investments to place these new facilities during the last five years. After three years of experience with USF changes to the high cost funding, Management has determined that an increase in capital expenditures cannot be supported by the uncertainty of this revenue stream. As such, FTTH projects have been scaled back and many neighborhoods will be receiving VDSL instead.

In addition to allocating resources to FTTH and VDSL projects, the company now offers some new products and services to meet the changing needs of businesses. The Managed Data Services Enterprise Fund ("MDS") includes computer repair, data center services, web site design and IT support plans. While there is a need for these types of services, the last three years have been enlightening as to both internal and external barriers to success. The market for several of these services is more limited and competitive than anticipated. Further, in some cases providing these services does not play to our traditional capabilities, and hiring staff has been challenging. Computer repair has proven to provide a stable revenue stream, while capitalizing on customer contact when the customer misdiagnosis their computer problem as an Internet issue. Website design has shown a profit, as well as potential for growth. In the upcoming year the company will be implementing a growth plan for this line of business. In the future management will look much more closely at new products to ensure that they (1) align well with the existing services offered and (2) are lines of business that capitalize on our core capabilities. To that end, we will evaluate closely opportunities to expand our footprint with broadband services including the broadband connection, subscription and over-the-top television, ESI and functionally equivalent services, security systems, and telephone.

CC Communications-Broadband enterprise fund is comprised of both the Internet Service Provider (ISP) and CC Communications Digital TV. The ISP has been bolstered by the acquisition of additional capacity between Churchill County and the Internet Gateway, which supports both higher and more consistent speeds. We have taken the initiative to increase speeds delivered to many business customers, while maintaining or even lowering rates. Further, we continue to promote advantages of higher upload speeds, and we continually seek to upgrade packages sold to end-users. Management is actively seeking a technological solution to providing over-the-top content combined with off-air channels, which can be offered both on network as well as off network.

Market saturation, combined with a lack of population growth in the service area, resulted in broadband customers remaining relatively flat. This is a national trend that CC Communications will address by focusing on increasing average revenue per user (ARPU) on both the ISP and digital TV sides. Starting with national benchmarks for service penetration where available, we have set goals to increase horizontal services, thereby driving increased revenue in an otherwise flat market. Employing this strategy we have seen increases in the number of DVR customers, while total digital TV customers have remained flat. On the ISP side we have experienced increases in Secure IT and Live Drive subscribers while overall ISP customers have remained flat.

We will continue to focus a major portion of our capital expense budget for outside plant on Fiber to the Home (FTTH) and VDSL Blades construction in existing neighborhoods. With the completion of last year's projects approximately 80% of our customer base now has "fiber" within a "drops" distance of the premise. The projects planned in the next year combined with previous upgrades will have nearly 85% of our network able to provide FTTH upon the installation of the drop. Sales of advanced services in FTTH areas are resulting in over 20% of customers upgrading their product packages despite difficult economic times. Finally, demand for construction of new facilities remains at a virtual standstill.

Rising content costs, set top boxes and installation remain the primary challenges to profitability in the subscription television market. Adjustment to packages and pricing, together with expense reduction through our change to a remote headend, will result in a positive change in net revenue. While the subscription television landscape is evolving rapidly, the TV service is important to remaining competitive with the cable provider. Moreover, expansion of the company's footprint would include all three services and allow the company to capitalize on investment made to support Churchill County.

CC Communications-Long Distance continues to modify calling plans and long distance bundles to meet the needs of the competitive marketplace. CC Communications introduced an international plan which for a monthly charge per

minute the international rate is reduced for the customer. Long Distance usage continues to track downward with national averages, and we anticipate the line of business will continue to experience a decrease in minutes of use as customers substitute other technologies such as wireless and voice over internet protocol for these services. To maintain profitability in this enterprise fund we will continue to focus on expense reduction and bundling services. To that end we are currently testing SIP trunking, which would lower wholesale per minute costs.

The external challenges are many and include increased competition from national providers, product and service substitution, adverse legislation, unfavorable changes to federal regulatory policy, and potential changes to state regulation that affect CC Communications. USF's Telephone funding mechanisms have changed significantly thereby reducing the recovery CC Communications receives from Universal Service Administrative Company (USAC). Competition from other telephone, cable and wireless carriers has direct impact on the revenues received from the customer and from the National Exchange Carrier Association (NECA) pool. CC Communications is tracking with the industry trend and seeing a shift from wireline to wireless, Voice over Internet Protocol (VoIP) and other technologies. While in some instances the impact is direct, in other cases the challenges to one product negatively affects our ability to bundle services and provide a competitive suite of offerings. To remain competitive in today's business environment, CC Communications is continually exploring for new complimentary revenue streams, new technology and focusing on expense reduction. By utilizing both a product champion, as well as inter-departmental teams, CC Communications meets these challenges in a comprehensive manner

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 Eide Bailly, LLP, 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, 2014. This was the tenth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

The preparation of this report could not have been accomplished without the efficient and dedicated services of the Comptroller's Office entire staff. The Comptroller's Office comprises of Alan Kalt, Sherry Wideman, Sharon Chicvara, Mary Byrd and Deanna Tomb. Thanks to Linda Rothery, Deputy Clerk/Treasurer and Denise Felton, Assessor for all their efforts. Thanks also to the dedicated professional staff from Eide Bailly, 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, 2015

ELECTED OFFICIALS

	*	
District 1: Commissioner	2017	H. "Bus" Scharmann
District 2: Commissioner	2019	H. Pete Olsen
District 3: Commissioner	2017	Carl Erquiaga
County Clerk/Treasurer	2019	Kelly Helton
County Recorder	2019	Tasha Hessey
County Assessor	2019	Denise Felton
District Attorney	2019	Arthur Mallory
Justice of the Peace	2019	Michael Richards
Sheriff	2019	Ben Trotter

*Term expires first Monday in January of the year indicated

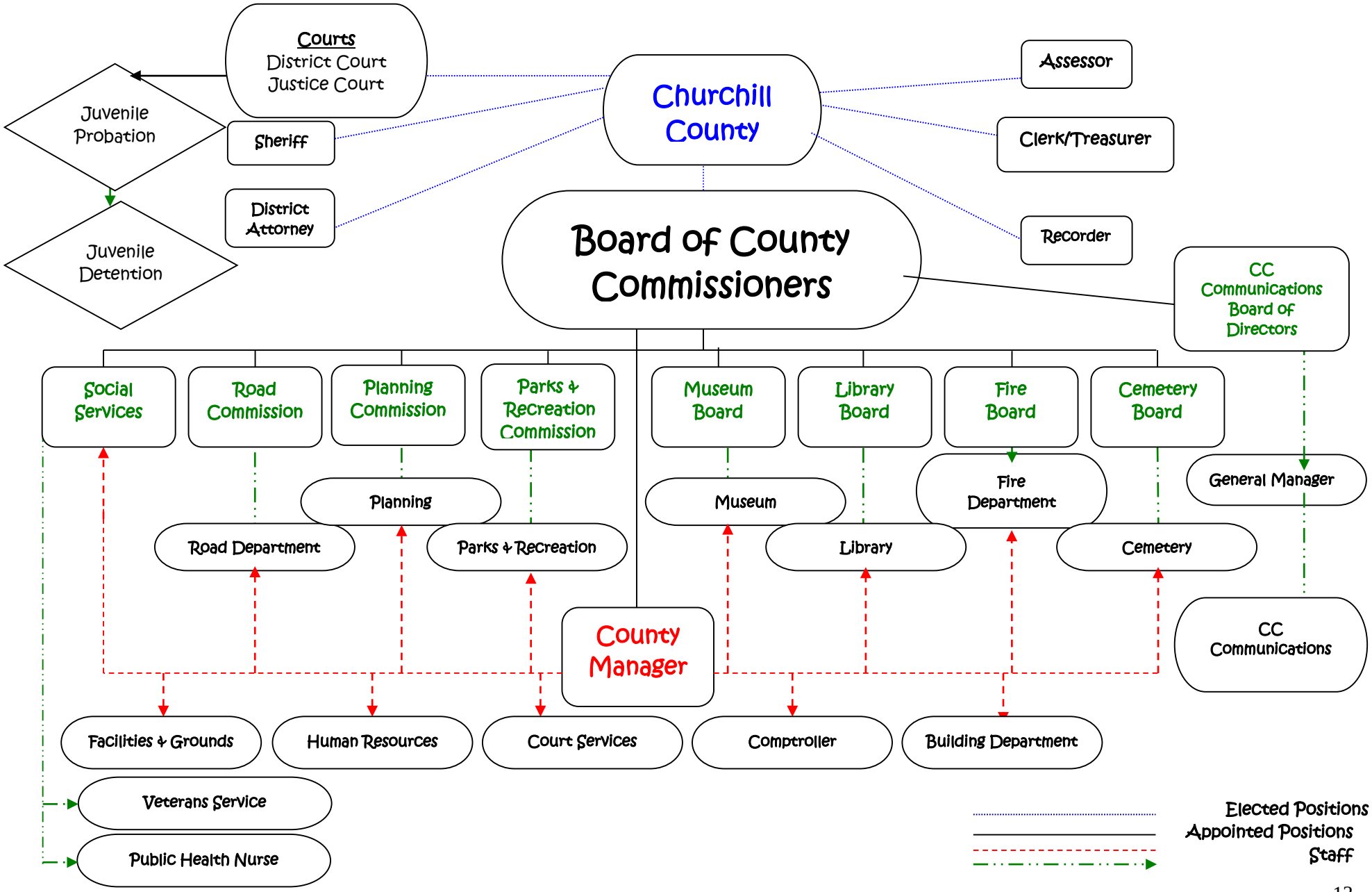
APPOINTED OFFICIALS-GENERAL COUNTY

County Manager	Eleanor Lockwood
Comptroller	Alan Kalt
Human Resources Director	Geof Stark
Building Official	Cliff Van Woert
Chief Juvenile Probation Officer	Tami Richardson
Library Director	Carol Lloyd
Museum Administrator	Donna Cossette
Director of Parks & Recreation/Facilities/Cemetery	Jorge Guerrero
Planning Director	Michael Johnson
Road Supervisor	Gary Fowkes
Social Services Director	Shannon Ernst

APPOINTED OFFICIALS-CC COMMUNICATIONS

General Manager/CEO	Mark Feest
Director of Operations	Ed Rybold
Chief Financial Officer	Lorrie Ford
Sales/Marketing Manager	Chester Caulder

Churchill County, Nevada Organization Chart



Government Finance Officers Association

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, 2014

Executive Director/CEO

FINANCIAL SECTION

Independent Auditor's Report

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon, Nevada

Report on the Financial Statements
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, 2015, and related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Churchill County, Nevada, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Road Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Notes 1 and 17 to the financial statements, the County has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress, schedule of County's share of the net pension liability, and schedule of County's contributions on pages 18-32, 82, 83, and 84, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual fund statements and schedules, including budgetary comparisons, the schedule of fees imposed subject to the provisions of NRS 354.5989, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual fund statements and schedules including budgetary comparisons, the schedule of fees imposed subject to the provisions of NRS 345.5989, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Prior Year Comparative Information
Certain supplementary information includes partial summarized comparative information for the year ended June 30, 2014. The summarized comparative information was derived from the Churchill County, Nevada's June 30, 2014 financial statements, audited by Kafoury, Armstrong & Co., who joined Eide Bailly LLP on December 15, 2014, who expressed an opinion that the accompanying supplementary information as of and for the year ended June 30, 2014, was fairly stated in all material respects in relation to the 2014 financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards
In accordance with *Government Auditing Standards*, we have also issued a report dated November 24, 2015, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Eide Bailly LLP

Reno, Nevada
November 24, 2015

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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 County has adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions made subsequent to the Measurement Date* into the financial statements.

- The auditor's report offers an unmodified opinion on the financial statements, the best opinion that can be attained.

- Cash and investments of $44,183,635 are available to meet current liabilities, including debt due within one year, of $2,571,318. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 17.2, meaning that the County has 17.2 times the unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 14.3.

- The County's current assets for governmental activities exceeded current liabilities by $31,017,097 and the current assets for business-type activities exceeded current liabilities by $16,431,361 which is a strong indication of the County's ability to meet current obligations.

- Government-wide net position equal $137,701,015. Business-type activities contributed $73,605,711 or 53.5% and governmental activities contributed $64,095,304 or 46.5% of the total net position. The Business-type activities net position reduced by $10,017,139 or 12.0% in the current year due to recording the net pension liability of $8,290,570 as of July 1, 2014 and due to operating revenues over (under) expenses in Telephone ($539,322) Long Distance $207,850, Broadband ($335,703), Managed Data Services ($222,194), Waste Water ($1,002,996), Water Utility Fund ($342,346) and the Golf Course ($2,165). Other Business type revenues included interest income of $28,290, miscellaneous revenues of $81,517, and transfers of $400,000. The governmental activities net position decreased by ($22,687,332) or 26.2%. The recording of the net pension liability of $22,957,790 as of July 1, 2014 was the majority of the decrease. And the deferred outflows and inflows of resources of $3,208,669 and $5,303,628 respectfully related to the net pension liability. The Business type deferred outflows and inflows of resources related to the net pension liability were $1,203,638 and $1,915,259 respectfully.

- Capital assets, net of accumulated depreciation, decreased from $129,452,819 to $127,292,513. A decrease of $2,160,306 or 1.7%. The business-type activities capital assets, net of depreciation, decreased by $1,829,737 primarily as a result of current year accumulated depreciation of $4,888,422 offset by capital additions included in the capital improvement plan. See Note 5 Capital Assets for more details. There was a decrease of $330,569 or 0.6% in governmental activity capital assets, including the purchase of land and easements valued at $195,956 and equipment additions of $1,272,611 and infrastructure improvements of various roads in the amount of $256,351. These increases were offset by current year depreciation of $2,336,627.

- Total revenues decreased by $1,037,619 or -2.4% from $44,241,673 to $43,204,054. Program revenues were $20,018,707 or 46.3% of the total. Program revenues decreased by $547,782 or 2.7% primarily as a reduction in operating grants and contributions of $663,078 from the prior year due to less funding received from the Federal and State government due to difficult national economy.

- General revenues decreased to $23,185,347 from $23,675,184 a decrease of $489,837 or 2.1%. The County's primary general governmental revenue sources are ad valorem taxes of $8,276,676 and consolidated taxes at $5,194,556 These two revenue sources comprise 35.7% and 22.4% of countywide general revenues, respectively. Ad valorem revenues increased by $330,942 or 4.2% due to the increase in the valuation rate applied to assessed value as well as a slight increase in the property tax rate to $2.8329 from $2.8029. The assessed value increased as a result of higher replacement cost factors from Marshall and Swift, less economic obsolescence of house values in certain areas of the county due to higher sales values in the residential real estate market and a slight decrease in values associated with the geothermal plants due to stipulated agreements approved by the State Board of Equalization during the year as a result of legislative changes that provides for property tax abatements to geothermal plants to promote economic development. The consolidated tax revenues which includes sales tax revenues (SCCRT & BCCRT), Cigarette, Liquor Taxes, Real Property Transfer Tax and Government Services Tax, increased $176,769 from $5,017,787 to $5,194,556 up 3.5% primarily due to an increase in taxable sales. The Department of Taxation data indicates a significant increase in taxable sales, however, due to tax abatements granted to geothermal operators as economic development incentives to expand their operations, no county sales taxes were collected related to these projects. Thus, the increase in taxable sales is misleading. Federal PILT was down $196,294 from the prior year due to decreased funding approved by Congress. The delinquent tax penalties decreased by $334,282 from the prior year due primarily to Enel Geothermal plant paying their taxes on time in the current year whereas they were late and were assessed the statutory late fee which was approximately $225,500 in fiscal year 2014.

- Total expenses were $44,660,165, a decrease of $1,832,932 or 4.0% countywide over the prior year. The governmental activities expenses were $26,466,349 or 59.3% of the total expenses. Whereas, the business-type activities expenses were $18,193,816 or 40.7% of the total expenses. The decrease in governmental activities was $1,383,415 or 5.0% due to lower operating cost during the year. The largest functions are public safety, general government, public works, cultural and recreation and judicial. These account for 91.8% of the governmental activities. The decrease in expense of the business-type activities was $449,517 or 2.4% from $18,643,333 to $18,193,816. Telephone operations continue to be the largest business-type activity at 69.3% of the business-type activities. Telephone expenses decreased $242,013 or 1.9% from $12,853,751 to $12,611,738 due to a slight decrease in operating expenses. There was a decrease of $52,769 or -15.8 % in the Long Distance due to a decrease in the number of subscribers and long distance minutes. There was an increase of $115,115 or 4.2% in the Broadband due to new contracts addressing the cost of content and access charges for Broadband television services. CC Communications established a new enterprise fund Managed Data Services in the fiscal year 2013. The prior expenses were $598,385 compared to $706,035 in the current year. Waste Water expenses decreased $209,132 from $1,384,061 to $1,174,929 due primarily to the bad debt expense reduction in the current year amount of $112,000 compared to $309,310 in the prior year due to developer agreements restructuring and payments. Water Utility expenses decreased from $724,633 to $558,293 a decrease of $166,340 or 23.0% due in large part to a decrease in bad debt expense from $253,999 to $112,000 due to developer payments and new developer agreement. The County purchased the local golf course and established the Golf Course Enterprise Fund to account for the financial activities in fiscal year 2013. Expenses of $30,687 were made for course improvements as part of the facility lease with the course operator.

- Current year revenues, including capital grants, interest and contributions, fell short of expenses by $1,456,111. This indicates that current year operations relied on prior year net position to provide resources for necessary services.

- At June 30, 2015, the County's governmental funds had a fund balance of $31,070,095. The Non-spendable portion is $96,665, Restricted $8,017,473, Committed $4,880,834, Assigned $13,538,778, and Unassigned Balance of $4,536,345. These classifications do not appear to have a negative effect on the availability of funds for the subsequent fiscal year.

Financial Overview

The basic financial statements of Churchill County are comprised of government-wide financial statements, 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 Position* presents information on all assets and liabilities of Churchill County. The difference between the total assets, total liabilities, and deferred inflows/outflows of resources is reported as "net position". Over time, increases and decreases in net position 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 position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, utility operations and the Golf Course Fund. The funds included in CC Communications are Telephone Fund, Long Distance Fund, Broadband Fund and Managed Data Services. The Utility Enterprise Funds include Water Utility Fund and Waste Water Fund. The County acquired the Fallon Golf Course in fiscal year 2013 and accounts for its activities in the Golf Course Enterprise 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 39 separate funds that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance for the General Fund and Road Fund because they qualify as a major fund under the GASB 34 definition. Information for the remaining funds, which meet the definition of non-major funds, is aggregated into a single column for reporting purposes.

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

Proprietary Funds

Churchill County maintains only one type of proprietary fund, 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, its utility and golf course business-type activities. The four proprietary funds that qualify as major funds under the GASB 34 definition are CC Communications-Telephone Fund, CC Communications-Broadband Fund, Waste Water Fund and the Water Utility Enterprise Fund. The non-major proprietary funds are CC Communications Long Distance, Managed Data Services Fund, and the Golf Course Fund. Churchill County is one of the only counties in the United States that owns and operates a communications business-type activity. CC Communications offers home grown world class services of telephone, managed data services, internet, broadband and television to customers within Churchill County. The Utility funds account for the business activities of the water and waste water operations in certain areas of the county. The Golf Course Fund accounts for the business activities of the golf course.

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 47-81 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 85-166 of this report, with the statistical section immediately following.

Financial Statement Analysis

Government-Wide Financial Statement Analysis

Total assets as of June 30, 2015, net of accumulated depreciation of $103,964,540, totaled $177,665,870. Assets include cash/investments, receivables and capital assets. The majority of Churchill County's net position, $126,392,111 is reflected as net investment in capital assets (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 net pension liability, accrued compensated absences and other post-employment benefits, totaled $37,264,775.

Liabilities also include payables and unearned revenue. A comparison of assets, deferred outflows of resources, liabilities and deferred inflows of resources for the government-wide financial statements reflect net position of $137,701,015 as of June 30, 2015. The following table is provided to enhance analysis.

CHURCHILL COUNTY NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and other assets	$ 32,659,973	$ 32,440,311	$ 17,359,803	$ 17,369,942	$ 50,019,776	$ 49,810,253
Noncurrent assets	70,133	97,332	283,448	590,351	353,581	687,683
Capital assets	59,479,665	59,810,234	67,812,848	69,642,585	127,292,513	129,452,819
Total Assets	92,209,771	92,347,877	85,456,099	87,602,878	177,665,870	179,950,755
Deferred Outflows	3,208,669	-	1,310,138	-	4,518,807	-
Current liabilities	1,642,876	2,036,817	928,442	1,112,268	2,571,318	3,149,085
Noncurrent liabilities	24,376,632	3,528,424	10,316,825	2,867,760	34,693,457	6,396,184
Total Liabilities	26,019,508	5,565,241	11,245,267	3,980,028	37,264,775	9,545,269
Deferred Inflows	5,303,628	-	1,915,259	-	4,518,807	-
Net Position:						
Net investment in capital assets	59,479,665	59,810,234	66,912,446	68,691,233	126,392,111	128,501,467
Restricted	8,017,728	7,396,768	283,448	248,017	8,301,176	7,644,785
Unrestricted	(3,402,089)	19,575,634	6,409,817	14,683,600	3,007,728	34,259,234
Total Net Position	$ 64,095,304	$ 86,782,636	$ 73,605,711	$ 83,622,850	$ 137,701,015	$ 170,405,486

The governmental and business-type activities for fiscal year 2014-2015 are presented in the Statement of Activities. As indicated on this statement, governmental activities decreased net position of Churchill County by $22,687,332 comprised of a substantial prior period adjustment of ($22,957,790) for net pension liability as required by GASB Statement No. 68 *Accounting and Financial Reporting for Pensions*. The business-type activities decreased net position by $10,017,139 for an overall decrease of net position of $32,704,471. These decreases were the result of recognizing the net pension liability of $27,991,416 and the deferred outflows and inflows related to this pension liability of $4,412,307 and $7,218,887 respectively given the implementation of GASB No. 68. Key elements of the changes in revenues and expenses are noted on the following table.

CHURCHILL COUNTY CHANGE IN NET POSITION

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program revenues:						
Charges for services	$ 2,789,482	$ 2,884,207	$ 15,931,940	$ 15,741,165	$ 18,721,422	$ 18,625,372
Operating grants, interest and contributions	1,268,039	1,931,117	-	-	1,268,039	1,931,117
Capital grants, interest and contributions	4,246	10,000	25,000	-	29,246	10,000
General revenues:						
Ad valorem taxes	8,276,676	7,945,734	-	-	8,276,676	7,945,734
Consolidated taxes	5,194,556	5,017,787	-	-	5,194,556	5,017,787
Other taxes	8,103,348	8,778,447	-	-	8,103,348	8,778,447
Unrestricted investment earnings	115,590	95,791	28,790	27,389	144,380	123,180
Other/Miscellaneous revenues	1,384,870	1,679,205	81,517	130,831	1,466,387	1,810,036
Total Revenues	27,136,807	28,342,288	16,067,247	15,899,385	43,204,054	44,241,673
Expenses:						
General government	6,344,255	6,261,050	-	-	6,344,255	6,261,050
Judicial	3,787,298	3,871,875	-	-	3,787,298	3,871,875
Public safety	8,778,764	9,345,891	-	-	8,778,764	9,345,891
Sanitation	-	1,250	-	-	-	1,250
Public works	3,218,615	3,687,337	-	-	3,218,615	3,687,337
Health	257,402	231,425	-	-	257,402	231,425
Welfare	1,236,257	1,669,279	-	-	1,236,257	1,669,279
Culture and recreation	2,176,610	2,223,468	-	-	2,176,610	2,223,468
Community support	667,148	558,189	-	-	667,148	558,189
Telephone	-	-	12,611,738	12,853,751	12,611,738	12,853,751
Long distance	-	-	281,276	334,045	281,276	334,045
Broadband	-	-	2,830,858	2,715,743	2,830,858	2,715,743
Managed Data Services	-	-	706,035	598,385	706,035	598,385
Waste Water	-	-	1,174,929	1,384,061	1,174,929	1,384,061
Utility-Water	-	-	558,293	724,633	558,293	724,633
Golf Course	-	-	30,687	32,715	30,687	32,715
Total Expenses	26,466,349	27,849,764	18,193,816	18,643,333	44,660,165	46,493,097
Change in net position before transfers	670,458	492,524	(2,126,569)	(2,743,948)	(1,456,111)	(2,251,424)
Transfers	(400,000)	(225,000)	400,000	225,000	-	-
Change in Net Position	270,458	267,524	(1,726,569)	(2,518,948)	(1,456,111)	(2,251,424)
Net Position- July 1	86,782,636	83,466,227	83,622,850	86,141,798	170,405,486	169,608,025
Prior Period Adjustment	(22,957,790)	3,048,885	(8,290,570)	-	(31,248,360)	3,048,885
Net Position- July 1, restated	63,824,846	86,515,112	75,332,280	86,141,798	139,157,126	172,656,910
Net Position- June 30	$ 64,095,304	$ 86,782,636	$ 73,605,711	$ 83,622,850	$ 137,701,015	$ 170,405,486

Revenues: Total revenues of $43,204,054 are less than prior year revenue of $44,241,673 by $1,037,619 or 2.4%. Total governmental activity revenue decreased by $1,205,481 or 4.3% while total business-type activity revenues decreased by $167,862 or 1.1%. General revenues, mainly comprised of various taxes and investment earnings, represent $23,185,347 or 53.7% 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 $20,018,707 or 46.3% of total revenues.

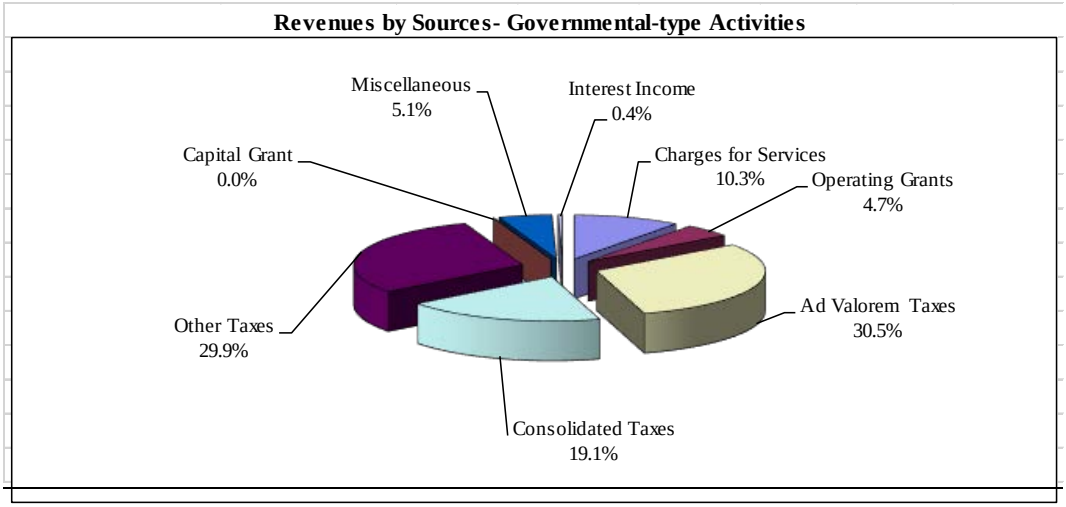
Expenses: Total expenses of $44,660,165 were less than prior year expenses by $1,832,932 or 4.0% to reflect a decrease in cost during the year as a result of budget mitigation measures put into place. Total governmental activity expenses decreased by $1,383,415 or 5.0% while total business-type activity expenses decreased by $449,517 or 2.4%. The largest expenses in the governmental activities were Public Safety, General Government, Public Works, Culture and Recreation and Judicial. The business-type activity expenses were mostly within CC Communications business operations. The Telephone activity is the largest portion at 69.3% of total business-type expenses. The Telephone expense decreased by $242,013 or 1.9%. There was an increase in expenses of $107,650 in Managed Data Services as that business line had additional cost of operations to gain market share. The decrease in Water and Waste Water Operations of $166,340 and $209,132 is due a reduction in bad debt expense due to developer payments restructuring of an agreement with the new owners of the Onde Verde subdivision.

Governmental Activities

Total program revenues and expenses for governmental activities amounted to $4,061,767 and $26,466,349, respectively, for the 2014-2015 fiscal year. Program revenues are those revenues that derive directly from the program itself or from parties outside the County's taxpayers or citizenry. These include charges for services, operating grants and contributions, and capital grants and contributions. They reduce the net cost of the function to be financed from the County's general revenues, which include property taxes, consolidated taxes, and other resources not associated with a specific program. Charges for services decreased by $94,725, or 3.3%, as there was a reduced demand for services. Operating grants decreased by $663,078 primarily as a result of an decrease in the level of Federal and State grants obtained by the county. See the Schedule of Expenditures of Federal Awards in the Compliance section of the report. In the current year, there were capital grants and contributions of $4,246 compared to $10,000 in the prior year.

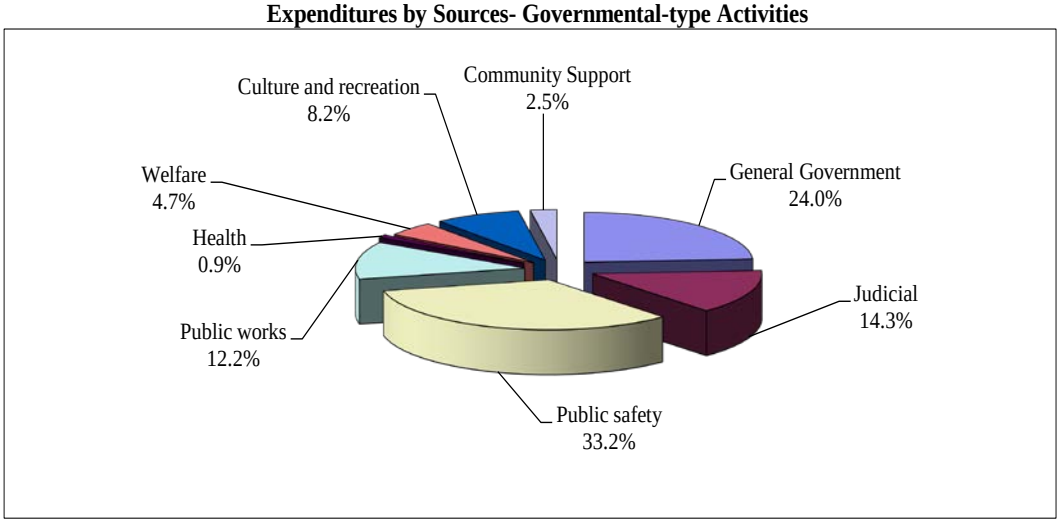
The County's primary general revenue sources are ad valorem, consolidated taxes and other taxes. These three revenue sources respectively comprise 31.0%, 19.4%, and 30.3% of countywide governmental revenues. Ad valorem revenues increased by $330,942 or 4.2% due to the increases in the assessed values due to less economic obsolescence applied to residential dwellings due to increase in values in property sales and stipulated agreements approved by the State Board of Equalization and the Department of Taxation for three geothermal plants. The property tax rate increased at $2.8329. The consolidated tax revenues increased $176,769 or 3.5% due to an increase level of taxable sales due to economic activities of the construction of a geothermal plant and a milk processing plant. Other taxes decreased $675,099 or 7.7% due to slight decreases in fuel taxes and the county optional sales tax related to a decrease in the level of gas sales due to a reduction in population and higher fuel prices.

As illustrated on the following chart, ad valorem taxes are the largest revenue source at 30.5%, followed by other taxes at 29.9%, consolidated tax at 19.1%, charges for services at 10.3%, miscellaneous at 5.1% and operating grants at 4.7%.

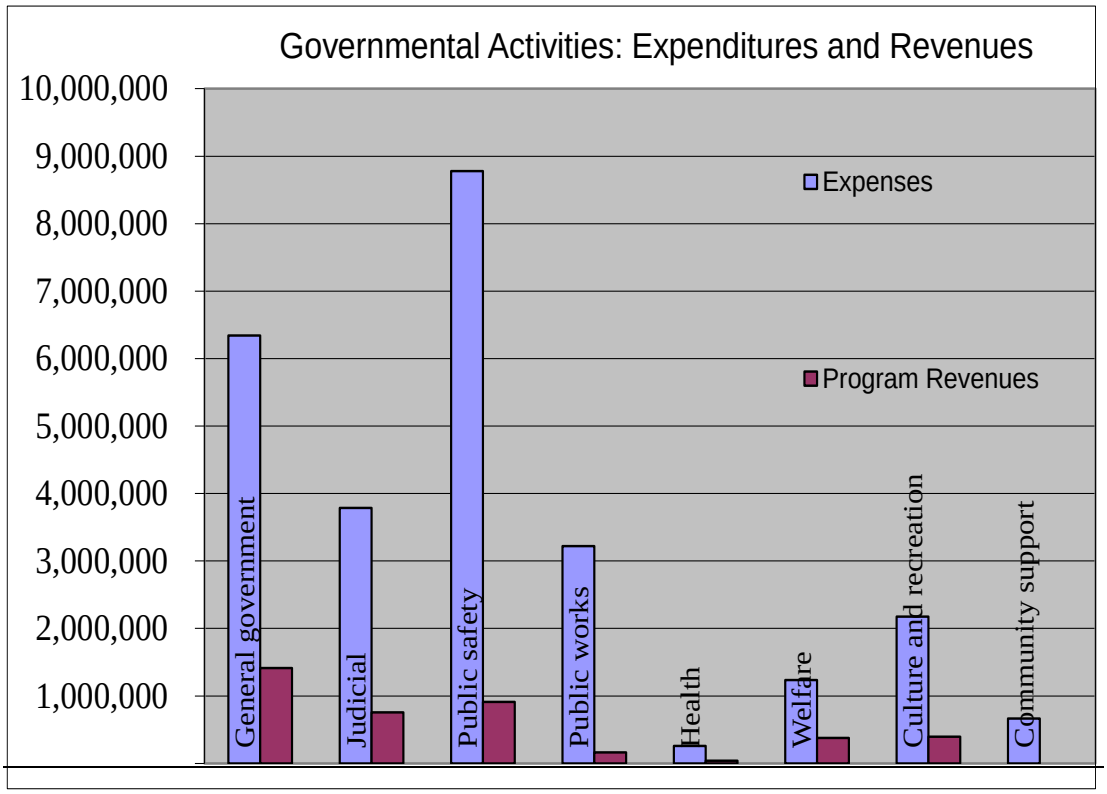


As noted, total governmental activities expenses were $26,466,349 in the current year compared to $27,849,764 in the prior year. Public safety, which is comprised of the Sheriff's Office, detention facility, juvenile probation, dispatch, and fire department, constitutes the largest cost to the County at $8,778,764 or 33.2% of the total governmental activities expenses. This is down $567,127 or 6.1% from the prior year. The decrease is primarily due to personnel cost and equipment purchases. General government which includes the following departments: Commissioners, Clerk/Treasurer, Assessor, Recorder, Records and Microfilming, County Manager, Elections, Personnel, Buildings, Comptroller, Data Processing, Facilities and Grounds, General Government, and Planning Department had expenses of $6,344,255 or 24.0% of the total governmental activities compared to $6,261,050 in the prior year. This is an increase of $83,205 or 1.3% over the prior year as a result of increase in cost offset by the continuation of budget mitigation measures. Public works had expenses of $3,218,615 or 12.2% of the total governmental activities expenses. There was a decrease of $468,722 over the prior year due to timing and number of projects completed during the year. The judicial function expenses were $3,787,298 or 14.3% of the total governmental activities expenses. They decreased by $84,577 or 2.2% due in part to gapping a position. The aforementioned increases and decreases were somewhat offset by mitigation measures taken by all departments. The other functions had similar levels of program expenses during the past two fiscal years. See the detailed statements for further details.

Expenditures by Sources- Governmental-type Activities



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

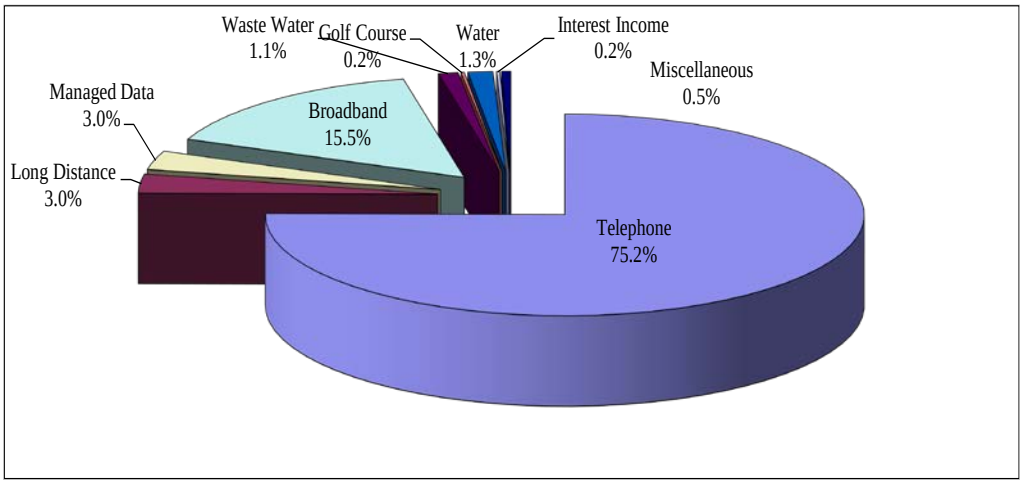


Business-Type Activities

Business-type activities include the operations of CC Communications and the water utility, waste water, and golf course enterprise operations. There are four Business-type Activities within CC Communications: Telephone, Long Distance, Broadband and Managed Data Services. Total charges for services and expenses are $15,540,538 and $16,429,907, respectively, for CC Communications business-type activities for the 2014-2015 fiscal year which results in a decrease in net position of $889,369. The total charges for services for CC Communications business-type activities increased from fiscal year 2014 by $414,234 or 2.7%. Telephone charges for services increased by $262,389 or 2.2%, due to an increase in the number of subscriber lines and changes in the settlement process. Operating expenses decreased $242,013 or 1.9% due to an effort to reduce the cost of doing business. CC Communications continues to implement new technologies and improvements to address competition. One such service is fiber to the home (FTTH). Long distance revenues decreased by $54,052 or 10.0%. Due to decreased minutes and a significant reduction in the number of subscribers. Long distance continues to see a decrease in customers, as customers move to other technologies for this service, such as Wireless and Voice over Internet (VOIP). Broadband revenues increased by $28,526 or 1.2% over the prior year amounts due to an increase in number of subscribers and the various programming packages being purchased such as HDTV. Operating expenses increased $115,115 or 4.2% due to the increase cost of content and access charges. CC Communications continues to see substantial capital investment in Broadband as it expands the service area that is able to receive the OnNow! service. The business activities of the Water Utility Fund and the Waste Water Fund came online during the fiscal year ending June 30, 2008. The Water Utility fund charges for services revenue decreased from $325,041 to $215,947 or 33.6% due to reduction in developer payments, water conservation measures due to drought conditions offset by a slight increase in users rates effective June 2014. The Waste Water charges for services revenues decreased from $287,998 to $171,933 due to decrease in collection of standby fees from developers due to restructured agreements. Golf Course revenue included facility lease revenues.

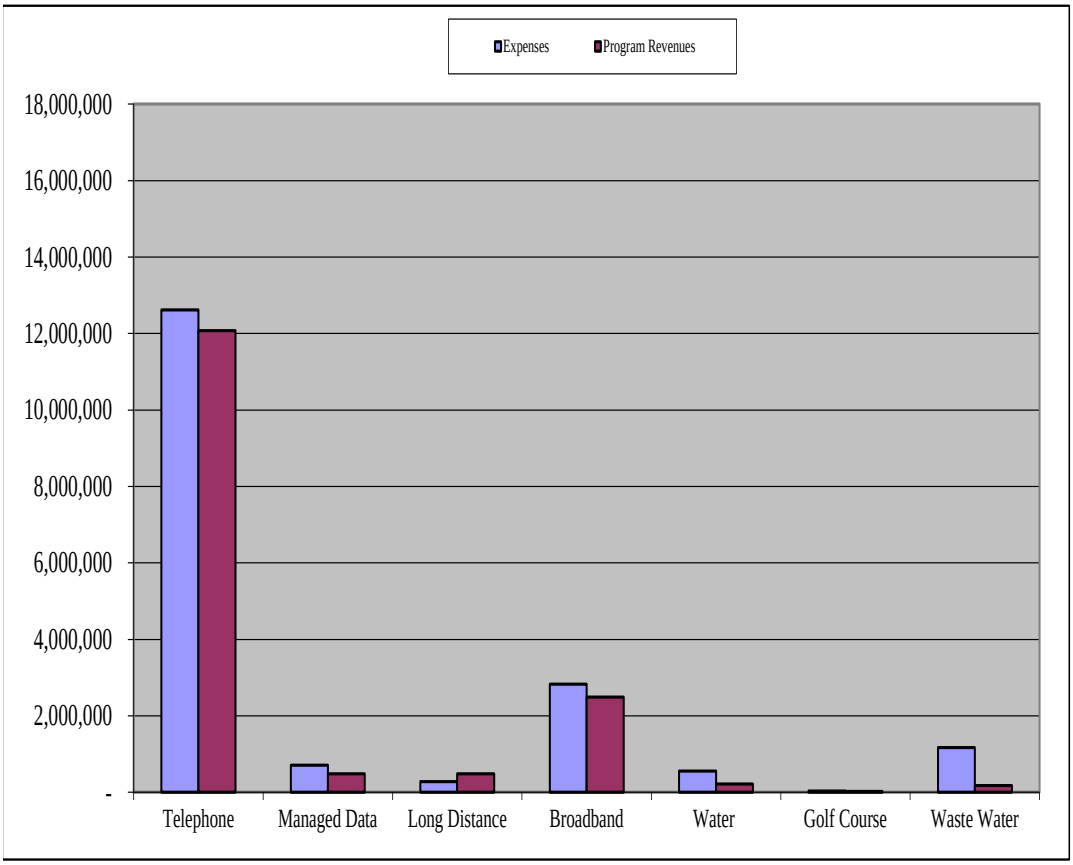
The following chart show the allocation of business-type activity revenues for the fiscal year ending June 30, 2015:

Revenues by Sources- Business-type Activities



The following chart compares the revenues and expenses for the various business programs:

Business-type Activities - Expenses and Program Revenues



The increases (decreases) in net position from business-type activities as noted on the statement of activities are as follows: Telephone activities ($539,322), Long Distance $207,850, Broadband ($335,703), Managed Data Services ($222,194), Water ($342,346), Waste Water at ($1,002,996) and Golf Course ($2,165). Currently, only Long Distance activities account for the net increase respectively for all business-type activity within CC Communications. CC Communications continues to invest in capital assets related to the network. The trend in the United States indicates a movement from wire line phones to wireless phones as technology and demographics continue to change. CC Communications is closely monitoring the regulatory/legislative issues as several key topics will be debated on the national level by the Federal Communication Commission (FCC) that may have a direct impact on the financial operations of CC Communications. The second phase of the waste water plant at Moody Lane significantly increased the net assets for the Waste Water system in FY 2008-09. During FY 2010-11, construction was completed on the Oasis Mobile Home Park Waste Water Interceptor enhancement project through federal grant funding. The limited customer base for the water and waste water utilities remains the same as there has been limited residential development of new homes due to the number of foreclosures, short sales and high unemployment rate in the County.

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, unrestricted fund balance is useful in measuring resources available for spending the subsequent fiscal year. Since the focus in fund accounting is on current resource activity, the balance sheet does not reflect long-term assets and liabilities.

Governmental Funds

The governmental funds of Churchill County reflect total assets, liabilities and deferred inflows of resources of $32,972,606, $1,795,314 and $107,197 respectively. This resulted in a total fund balance of $31,070,095 of which $96,665 is non-spendable which comprises of notes receivable of $84,973 and $11,692 of prepaids, $8,017,473 is restricted, committed amount of $4,880,834, assigned fund balance of $13,538,778 and unassigned fund balance of $4,536,345. See note 12 for Fund Balance information.

Major Governmental Funds

General Fund:
The primary operating fund of Churchill County is the General Fund. For the fiscal year ended June 30, 2015, the fund balance in the General Fund was $6,992,456 of which $11,692 is non-spendable as prepaids, $2,444,428 is assigned for Fiscal Year 2016 budgetary shortfall. The remaining fund balance of $4,536,345 was unassigned at June 30, 2015. As a measure of the General Fund's liquidity, it is useful to compare the total unassigned fund balance to total fund expenditures. Unassigned fund balance represents 25.8% of total fund expenditures. This represents over 3 months of expenditures and consistent with the Board's fund balance policy.

The General Fund balance decreased by $537,797 or 7.1% during the fiscal year. This is a result of the levels of revenue, expenditures and transfers. Revenues totaling $17,480,432 decreased by $612,028 or 3.4 % over the prior fiscal year amount of $18,092,460. Ad valorem taxes increased $371,171 or 6.4% due to the increases in assessed value due to stipulated agreements with some geothermal plants and less economic obsolescence associated with certain residential areas of the community due to higher sales values due to less short sales and foreclosures in certain areas. Fines and forfeits decreased by $356,968 due to a decrease in delinquent tax penalties paid by Enel Geothermal plant for late payment of taxes in the prior year. The penalty paid was approximately $225,500 and they were timely in their payment this year. Miscellaneous revenues decreased by $100,226 primarily from the decrease in the apportionment of geothermal rents to the General Fund in the amount of $200,000 compared to prior year of $299,779. There was an increase in charges for services of $160,458 due to the timing of the Assessor's property tax commission earned on the Enel payment. Intergovernmental revenues decreased $816,046 from $9,954,116 to $9,138,070. This was primarily due to the reduction in the collection and apportionment of local in lieu of taxes in the amount of $300,000, reduction in CTX apportionment of $208,448, reduction in the District Court JAG Grant for software in the amount of $149,799 in the prior year and none in the current year and a reduction in the collection of juvenile detention reimbursement of $107,480 due to less out of county usage. General Fund expenditures of $17,567,692 increased by $226,352 or 1.3% in the current year of operations due to increased operating cost offset by the County continuing budget mitigation measures. There were reductions in the following General Fund functions: Judicial, Culture and Recreation, Community Support, and Intergovernmental. This was offset by increases in General Government, Public Safety, and Health. These increases related to increased program and employee costs to carry out the services directed by the Board of County Commissioners. Deficiency of Revenues over Expenditures in the current year was $87,260. Total Other Financing Sources/(Uses) totaled ($450,537) which related to transfers out of $25,000 to the Golf Course Enterprise Fund for capital purchases for the Fallon Golf Course, $54,710 to fully fund the Stabilization of Operations Fund, $198,496 to establish the AB 65 Court Fees Fund as required by statutes, $125,000 transferred to Compensated Absence Fund to facilitate early retirements and $125,000 to the Building Reserve Fund to save for a new adult detention center offset by sale of assets of $77,669.

Road Fund:
The Road Fund accounts for the building and maintaining roads and bridges in Churchill County. For the fiscal year ended June 30, 2015, the fund balance in the Fund was $899,906 compared to $855,615 in the prior year. The committed portion of the fund balance is $293,821. The remaining fund balance, $606,085, is assigned for street improvements. The increase in fund balance of $44,291 is related primarily to the timing and number of projects completed during the paving season. The primary revenues of the Road Fund consist of fuel taxes collected $998,262, fuel reimbursements of $171,859, and interest income of $1,547. Other financing sources were transfers from Regional Transportation and Public Transit funds in the amount of $489,774 and $491,195 respectively for road projects approved by the Regional Transportation Commission. Total expenditures for the year were $2,240,573 compared to $2,623,034 in the prior year for a decrease of $382,461. Most of the decrease ($542,312) is related to the reduction in the amount of paving projects that qualified as capital outlay projects based our capitalization policy in the current year compared to the prior year. This was offset by increases in salary and employee benefits as the result of implementing a salary study for the Road Department employees during the year.

Proprietary Funds

The enterprise funds of Churchill County reflect total assets and liabilities of $85,780,220 and $11,569,388 respectively. The total deferred outflows of resources of $1,310,138 related primarily to the net pension liability of $1,203,638 with deferred inflows related to pensions being $1,915,259. This resulted in a total net position of $73,605,711. Unrestricted net position totaled $6,409,817 and restricted totaled $283,448. Net investment in capital assets totaled $66,912,446.

Major Proprietary Funds

CC Communications: Telephone Fund reflects total assets and liabilities of $52,522,074 and $9,185,819, respectively. Deferred Outflow of resources related to net pension liability were $934,427 and deferred inflows of resources related to the net pension liability of $1,486,884 resulting in total net position of $42,783,798. The decrease of total net position was $6,958,253. The decrease is because of the prior period adjustment of $6,436,266 to bring on CC Communications portion of the net pension liability in accordance with GASB 68/71 in fiscal year 2015.

CC Communications: Broadband Fund reflects total assets and liabilities of $2,023,967 and $1,242,265, respectively. Total deferred outflow of resources were $127,388 with deferred inflows of resources of $202,703 resulting in total net position of $706,387. The total net position decreased from prior year by $1,137,727 due primarily to bring on CC Communications portion of the net pension liability in accordance with GASB 68/71 in fiscal year 2015.

Waste Water Enterprise Fund reflects total assets and liabilities of $17,905,420 and $22,578, respectively, resulting in total net position of $17,882,842. The total net position decreased by $643,063 or 3.5 % due primarily from depreciation expense of $799,394 within the system with no major capital improvements during the year. This fund has been established to account for the waste water operations. The county took over the Pine Grove Waste Water plant and developed a waste water treatment plant with federal and state grant funding at the Golf Course. The plant was placed into operation in fiscal year 2006/2007. During 2009-2010, the county constructed a state of the art membrane technology waste water plant at Moody Lane. The waste water plant construction was completed and came on line for operations.

Water Utility Enterprise Fund reflects total assets and liabilities of $9,543,694 and $28,653, respectively, resulting in total net position of $9,515,041. This is a reduction of $338,724 or 3.4% from the prior year. The reduction in net position is due primarily to system depreciation expense of $273,984 during the year. This fund has been established to account for the water operations. The County took over Pine Grove Water operations in fiscal year 2006/2007. In addition, construction in progress has occurred on the phase I water plant that will replace five smaller water systems that were not able to meet the water quality standards. The plant came on line in fiscal year 2007/2008.

Budgetary Highlights for the General Fund

The General Fund total revenues in the original budget were $16,579,310 and remained the same in the final budget. Actual revenues were $17,480,432 or $901,122 greater than original / final budgeted total revenues in the General Fund. Functions represent the legal level of budgetary control. Final budget appropriations for the General Fund expenditures totaled $18,828,158, which is $410,000 more or 2.2% more than the original budget of $18,418,158. Actual expenditures were $17,567,692 which was less than the original budget and 6.7% less than final budgeted expenditures. The expenditure budget was augmented to allow for additional appropriations for projects, services and supplies approved by the Board of County Commissioners during the year based on greater than anticipated revenue resources, grants and opening fund balances. Budget augmentations were prepared in accordance with the provisions of Nevada Revised Statutes Chapter 354 the Local Government Budget and Finance Act.

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

EXPENDITURE BUDGET BY FUNCTION	BUDGET ORIGINAL	BUDGET FINAL	CHANGE
General Government	$ 5,242,788	$ 5,313,338	$ 70,550
Judicial	3,833,041	3,919,241	86,200
Public Safety	8,295,935	8,477,635	181,700
Health	246,722	255,322	8,600
Sanitation	5,000	5,000	-
Culture and Recreation	319,407	319,407	-
Community Support	106,500	184,000	77,500
Intergovernmental	368,765	354,215	(14,550)
Total Expenditures	$ 18,418,158	$ 18,828,158	$ 410,000

Capital Assets and Long-Term Debt Activity

At June 30, 2015, Churchill County had a net capital asset investment of $59,479,665 in governmental activities and $67,812,848 in business-type activities. This represents a decrease of $330,569 or 0.6% in the governmental activities and a decrease of $1,829,737 or 2.6% decrease in the business-type activities when compared to the prior year. This amount includes investment in land, water rights, buildings, improvements other than buildings, equipment and motor vehicles, and infrastructure.

Major capital investment activities for fiscal year 2014-2015 in the governmental activities include:

- Purchase of land, water rights and TDRs/conservation easements to support the future County Water System.
- Infrastructure improvements related to Road Department projects as approved in the County Five Year Road Plan.
- Purchase of Dozer for the gravel plant within the Road Equipment Replacement Plan.
- Purchase of land for the building site for a new Senior Center Facility.
- Purchased five new patrol vehicles for the Sheriff's Office.
- Purchase of equipment for the Volunteer Fire Department.
- Purchase of technology improvements for the Assessor, Recorder and Planning Departments.
- Copier purchases for various offices.
- Purchase of HVAC systems for various county buildings.
- Park & Recreation improvements including playground equipment, basketball court and a horse wash station at the Fairgrounds.
- Repaired and replaced the bridge at the Golf Course.

CHURCHILL COUNTY'S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities	
	2015	2014
Land	$ 17,435,789	$ 17,388,333
Water rights	6,552,486	6,546,771
Construction in Progress	30,846	41,699
Buildings and improvements	11,492,226	11,677,761
Land improvements	174,003	213,880
Equipment and motor vehicles	3,899,087	3,353,245
Infrastructure	19,895,228	20,588,545
Net Governmental Activities Capital Assets	$ 59,479,665	$ 59,810,234

	Business-Type Activities	
	2015	2014
Real estate and easements	$ 677,741	$ 677,741
Water Rights	372,812	372,812
Construction in progress	64,408	2,194,588
Buildings and improvements	1,096,541	1,349,623
Central office switching	3,723,577	4,292,897
Outside plant	33,914,002	32,113,349
Computer equipment	1,556,279	854,984
Other communication equipment	-	10,877
Vehicles and work equipment	213,612	294,118
Leasehold equipment	264,751	318,124
Software	183,410	207,189
Other equipment	1,366,498	1,590,101
Golf Course Infrastructure	68,737	-
Waste Water infrastructure	16,162,588	16,948,790
Water infrastructure	8,147,892	8,417,392
Net Business-Type Activities Capital Assets	$ 67,812,848	$ 69,642,585

Net Governmental Activities Capital Assets	$ 59,479,665	$ 59,810,234
Net Business-Type Activities Capital Assets	67,812,848	69,642,585
Total Net Capital Assets	$ 127,292,513	$ 129,452,819

Long-term debt outstanding at June 30, 2015 for governmental activities was zero as the County paid off their last note in fiscal year 2012. The business-type debt is $900,402 or $50,950 less than last year due to the payments made on the capital lease during the year. The total outstanding debt and compensated absences were $2,519,924. For more information of capital assets and long-term debt activity, please refer to the Note 5 Capital Assets and Note 7 Long Term Obligations in the financial statements.

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Capital leases payable	$ -	$ -	$ 900,402	$ 951,352	$ 900,402	$ 951,352
Compensated absences	$ 1,008,023	1,047,218	611,499	623,804	$ 1,619,522	$ 1,671,022
Total	$ 1,008,023	$ 1,047,218	$ 1,511,901	$ 1,575,156	$ 2,519,924	$ 2,622,374

Churchill County contributes to the Public Employees' Retirement System of the State of Nevada (PERS) which is a defined benefit pension plan. The County's ending net pension liability as of June 30, 2015 is $27,991,416. See Note 6 starting on page 61 for more details. Additional information regarding the PERS Comprehensive Annual Financial Report (CAFR) is available on the PERS website at www.nvpers.org under Quick Links – Publications.

Requests for Information

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

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	Governmental Activities	Business-Type Activities	Total
Assets			
Current assets			
Cash and investments	$ 29,985,897	$ 14,197,738	$ 44,183,635
Receivables			
Property taxes	468,175	-	468,175
Interest	7,222	598	7,820
Other	114,420	1,751,886	1,866,306
Notes	14,840	-	14,840
Due from other governments	2,057,727	-	2,057,727
Prepaid expenses	11,692	198,394	210,086
Inventory	-	1,211,187	1,211,187
Total current assets	32,659,973	17,359,803	50,019,776
Noncurrent assets			
Restricted cash	-	283,448	283,448
Note receivable, net of current portion	70,133	-	70,133
Capital assets (not being depreciated)	24,019,121	1,114,961	25,134,082
Capital assets (net of accumulated depreciation)	35,460,544	66,697,887	102,158,431
Total noncurrent assets	59,549,798	68,096,296	127,646,094
Total assets	92,209,771	85,456,099	177,665,870
Deferred Outflows of Resources			
Excess consideration provided for acquisition	-	106,500	106,500
Net pension liability - related amounts	3,208,669	1,203,638	4,412,307
Total deferred outflows of resources	3,208,669	1,310,138	4,518,807
Liabilities			
Current liabilities			
Accounts payable	543,386	463,438	1,006,824
Property taxes refundable	653	-	653
Accrued liabilities	539,838	305,773	845,611
Due to other governments	181,426	-	181,426
Current portion of capital leases payable	-	45,707	45,707
Current portion of contract payable	-	15,580	15,580
Current portion of accrued compensated absences	90,062	52,703	142,765
Customer deposits	9,205	45,241	54,446
Unearned revenue	278,306	-	278,306
Total current liabilities	1,642,876	928,442	2,571,318
Noncurrent liabilities			
Capital leases payable, net of current portion	-	854,695	854,695
Accrued compensated absences, net of current portion	917,961	558,796	1,476,757
Other postemployment benefits liability	2,893,717	1,476,872	4,370,589
Net pension liability	20,564,954	7,426,462	27,991,416
Total noncurrent liabilities	24,376,632	10,316,825	34,693,457
Total liabilities	26,019,508	11,245,267	37,264,775
Deferred Inflows of Resources			
Net pension liability - related amounts	5,303,628	1,915,259	7,218,887
Net Position			
Net investment in capital assets	59,479,665	66,912,446	126,392,111
Restricted for			
General government	3,666,610	-	3,666,610
Judicial	341,370	-	341,370
Public safety	902,993	-	902,993
Public works	1,182,657	-	1,182,657
Welfare	1,644,665	-	1,644,665
Culture and recreation	275,166	-	275,166
Community support	4,267	-	4,267
Capital improvements	-	283,448	283,448
Unrestricted	(3,402,089)	6,409,817	3,007,728
Total net position	$ 64,095,304	$ 73,605,711	$ 137,701,015

See Notes to Financial Statements.

Churchill County, Nevada
Statement of Activities
Year Ended June 30, 2015

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental Activities							
General government	$ 6,344,255	$ 1,096,720	$ 316,628	$ -	$ (4,930,907)	$ -	$ (4,930,907)
Judicial	3,787,298	365,599	390,826	-	(3,030,873)	-	(3,030,873)
Public safety	8,778,764	806,168	102,480	4,246	(7,865,870)	-	(7,865,870)
Public works	3,218,615	160,828	-	-	(3,057,787)	-	(3,057,787)
Health	257,402	40,520	1,250	-	(215,632)	-	(215,632)
Welfare	1,236,257	16,247	362,543	-	(857,467)	-	(857,467)
Culture and recreation	2,176,610	303,400	94,312	-	(1,778,898)	-	(1,778,898)
Community support	667,148	-	-	-	(667,148)	-	(667,148)
Total governmental activities	26,466,349	2,789,482	1,268,039	4,246	(22,404,582)	-	(22,404,582)
Business-type Activities							
Telephone	12,611,738	12,072,416	-	-	-	(539,322)	(539,322)
Long distance	281,276	489,126	-	-	-	207,850	207,850
Broadband	2,830,858	2,495,155	-	-	-	(335,703)	(335,703)
Managed data services	706,035	483,841	-	-	-	(222,194)	(222,194)
Water utility	558,293	215,947	-	-	-	(342,346)	(342,346)
Waste water	1,174,929	171,933	-	-	-	(1,002,996)	(1,002,996)
Golf course	30,687	3,522	-	25,000	-	(2,165)	(2,165)
Total business-type activities	18,193,816	15,931,940	-	25,000	-	(2,236,876)	(2,236,876)
Total county	$ 44,660,165	$ 18,721,422	$ 1,268,039	$ 29,246	(22,404,582)	(2,236,876)	(24,641,458)
General revenues							
Ad valorem taxes					8,276,676	-	8,276,676
Franchise taxes					107,753	-	107,753
Unrestricted intergovernmental revenues							
Federal payment in lieu of taxes					2,003,488	-	2,003,488
Local payment in lieu of taxes					1,800,000	-	1,800,000
AB 104 fairshare					1,096,947	-	1,096,947
Consolidated intergovernmental taxes					5,194,556	-	5,194,556
Fuel taxes					1,853,873	-	1,853,873
Optional county sales tax					1,241,287	-	1,241,287
Delinquent tax penalties					102,548	-	102,548
Interest income					115,590	28,790	144,380
Miscellaneous revenues					1,186,426	81,517	1,267,943
Gain on sale of assets					95,896	-	95,896
Transfers					(400,000)	400,000	-
Total general revenues and transfers					22,675,040	510,307	23,185,347
Change in Net Position					270,458	(1,726,569)	(1,456,111)
Net Position, Beginning of Year, as Originally Stated					86,782,636	83,622,850	170,405,486
Prior period adjustment					(22,957,790)	(8,290,570)	(31,248,360)
Net Position, Beginning of Year, as Restated					63,824,846	75,332,280	139,157,126
Net Position, End of Year					$ 64,095,304	$ 73,605,711	$ 137,701,015

	General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
Assets				
Cash and investments	$ 6,770,437	$ 537,154	$ 22,678,306	$ 29,985,897
Receivables				
Property taxes	350,790	-	117,385	468,175
Interest	1,609	140	5,473	7,222
Other	51,983	21,621	40,816	114,420
Notes	-	-	84,973	84,973
Due from other funds	-	242,500	-	242,500
Due from other governments	1,044,737	170,893	842,097	2,057,727
Prepaid expenses	11,692	-	-	11,692
Total assets	$ 8,231,248	$ 972,308	$ 23,769,050	$ 32,972,606
Liabilities				
Accounts payable	$ 354,097	$ 29,695	$ 159,594	$ 543,386
Property taxes refundable	653	-	-	653
Accrued liabilities	239,808	25,191	52,196	317,195
Accrued benefits	187,994	14,859	19,790	222,643
Due to other funds	-	-	242,500	242,500
Due to other governments	104,477	1,510	75,439	181,426
Customer deposits	4,053	1,147	4,005	9,205
Unearned revenue	267,407	-	10,899	278,306
Total liabilities	1,158,489	72,402	564,423	1,795,314
Deferred Inflows of Resources				
Unavailable revenue - property taxes	80,294	-	26,903	107,197
Fund Balances				
Non-spendable	11,692	-	84,973	96,665
Restricted	-	-	8,017,473	8,017,473
Committed	-	293,821	4,587,013	4,880,834
Assigned	2,444,428	606,085	10,488,265	13,538,778
Unassigned	4,536,345	-	-	4,536,345
Total fund balances	6,992,465	899,906	23,177,724	31,070,095
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,231,248	$ 972,308	$ 23,769,050	$ 32,972,606

See Notes to Financial Statements.

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

Total fund balances - governmental funds		$ 31,070,095
Capital assets, net of related depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds:		
Capital assets	109,230,432	
Less accumulated depreciation	(49,750,767)	
		59,479,665
Certain liabilities are not reported in the governmental funds because they are not due and payable in the current period:		
Compensated absences	(1,008,023)	
Other postemployment benefits liability	(2,893,717)	
Net pension liability	(20,564,954)	
		(24,466,694)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds.		
Deferred outflows of resources related to pensions	3,208,669	
Deferred inflows of resources related to pensions	(5,303,628)	
		(2,094,959)
Some of the County's property taxes will be collected after year-end, but not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the governmental funds.		107,197
Net position of governmental activities		$ 64,095,304

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
Year Ended June 30, 2015

	General Fund	Road Fund	Other Governmental Funds	Total Governmental Funds
Revenues				
Taxes	$ 6,136,324	$ -	$ 2,392,946	$ 8,529,270
Licenses and permits	529,282	100	34,325	563,707
Intergovernmental	9,138,070	998,262	4,327,376	14,463,708
Charges for services	757,978	-	484,522	1,242,500
Fines and forfeits	401,823	-	76,644	478,467
Miscellaneous	516,955	318,703	1,092,570	1,928,228
Total revenues	17,480,432	1,317,065	8,408,383	27,205,880
Expenditures				
Current				
General government	4,932,780	-	1,320,968	6,253,748
Judicial	3,675,541	-	63,247	3,738,788
Public safety	7,977,952	-	204,628	8,182,580
Public works	-	2,240,573	597,030	2,837,603
Health	238,297	-	4,015	242,312
Welfare	-	-	1,229,988	1,229,988
Culture and recreation	263,992	-	2,208,326	2,472,318
Community support	139,400	-	582,765	722,165
Intergovernmental	339,730	-	450,964	790,694
Debt Service				
Interest	-	-	3,032	3,032
Total expenditures	17,567,692	2,240,573	6,664,963	26,473,228
Excess (Deficiency) of Revenues Over (Under) Expenditures	(87,260)	(923,508)	1,743,420	732,652
Other Financing Sources (Uses)				
Proceeds from insurance recovery	-	-	1,837	1,837
Sale of capital assets	77,669	-	166,231	243,900
Transfers in	-	980,969	2,329,259	3,310,228
Transfers out	(528,206)	(13,170)	(3,168,852)	(3,710,228)
Total other financing sources (uses)	(450,537)	967,799	(671,525)	(154,263)
Net Change in Fund Balances	(537,797)	44,291	1,071,895	578,389
Fund Balance, Beginning of Year	7,530,262	855,615	22,105,829	30,491,706
Fund Balance, End of Year	$ 6,992,465	$ 899,906	$ 23,177,724	$ 31,070,095

See Notes to Financial Statements.

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

Net change in fund balances - total governmental funds		$ 578,389
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 position and allocated over their estimated useful lives as annual depreciation in the statement of activities:		
Expenditures for capital assets	2,155,727	
Less current year depreciation	(2,336,627)	
		(180,900)
In the statement of activities, the gain or loss on the disposal of capital assets is reported. In the governmental funds, the gain or loss is not reported. Thus, the change in net position differs from the change in fund balances by the cost of the assets sold less the balance in accumulated depreciation.		(149,669)
The liability for compensated absences is not recorded in the governmental funds, but it is reported in the statement of net position. This is the current year change in the liability, reported as an expense in the statement of activities.		39,195
The liability for other postemployment benefits is not recorded in the governmental funds, but it is reported in the statement of net position. This is the current year changes in the liability, reported as an expense in the statement of activities.		(318,437)
Governmental funds report pension contributions as expenditures. However, in the Statement of Activities, the cost of pension benefits earned is reported as pension expense.		
Pension contributions	3,023,686	
Pension expense	(2,725,809)	
		297,877
Some of the County's property taxes will be collected after year-end, but not available soon enough to pay for the current period's expenditures, and therefore are reported as unavailable revenue in the funds. Unavailable property tax revenues increased (decreased) this year.		4,003
Change in net position of governmental activities		$ 270,458

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

Year Ended June 30, 2015

	Budget			Variance with	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues					
Taxes	$ 5,621,002	$ 5,621,002	$ 6,136,324	$ -	$ 515,322
Licenses and permits	363,034	363,034	529,282	-	166,248
Intergovernmental	8,912,089	8,912,089	9,138,070	-	225,981
Charges for services	692,425	692,425	757,978	-	65,553
Fines and forfeitures	534,950	534,950	401,823	-	(133,127)
Miscellaneous	455,810	455,810	516,955	-	61,145
Total revenues	16,579,310	16,579,310	17,480,432	-	901,122
Expenditures					
General government	5,242,788	5,313,338	4,932,780	(70,550)	380,558
Judicial	3,833,041	3,919,241	3,675,541	(86,200)	243,700
Public safety	8,295,935	8,477,635	7,977,952	(181,700)	499,683
Sanitation	5,000	5,000	-	-	5,000
Health	246,722	255,322	238,297	(8,600)	17,025
Culture and recreation	319,407	319,407	263,992	-	55,415
Community support	106,500	184,000	139,400	(77,500)	44,600
Intergovernmental	368,765	354,215	339,730	14,550	14,485
Total expenditures	18,418,158	18,828,158	17,567,692	(410,000)	1,260,466
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,838,848)	(2,248,848)	(87,260)	(410,000)	2,161,588
Other Financing Sources (Uses)					
Contingency	(175,000)	-	-	175,000	-
Sale of capital assets	-	-	77,669	-	77,669
Transfers out	(25,000)	(528,206)	(528,206)	(503,206)	-
Total other financing sources (uses)	(200,000)	(528,206)	(450,537)	(328,206)	77,669
Net Change in Fund Balances	(2,038,848)	(2,777,054)	(537,797)	(738,206)	2,239,257
Fund Balance, Beginning of Year	5,724,751	6,462,957	7,530,262	738,206	1,067,305
Fund Balance, End of Year	$ 3,685,903	$ 3,685,903	$ 6,992,465	$ -	$ 3,306,562

See Notes to Financial Statements.

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Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road Fund – Special Revenue Fund

Year Ended June 30, 2015

	Budget			Variance with	
	Original	Final	Actual	Original to Final	Final to Actual
Revenues					
Licenses and permits	$ -	$ -	$ 100	$ -	$ 100
Intergovernmental					
Motor vehicle fuel tax ($.0125)	345,576	345,576	335,214	-	(10,362)
Motor vehicle fuel tax ($.0175)	101,889	101,889	110,837	-	8,948
Motor vehicle fuel tax ($.0360)	567,046	567,046	552,211	-	(14,835)
	1,014,511	1,014,511	998,262	-	(16,249)
Miscellaneous					
Interest	1,375	1,375	1,547	-	172
Miscellaneous	-	-	138,585	-	138,585
Water construction	-	-	6,712	-	6,712
Fuel reimbursements	260,000	260,000	171,859	-	(88,141)
	261,375	261,375	318,703	-	57,328
Total revenues	1,275,886	1,275,886	1,317,065	-	41,179
Expenditures					
Public works	2,537,256	2,537,256	2,240,573	-	296,683
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,261,370)	(1,261,370)	(923,508)	-	337,862
Other Financing Sources (Uses)					
Transfers in	1,000,000	1,000,000	980,969	-	(19,031)
Transfers out	-	(13,170)	(13,170)	(13,170)	-
Total other financing sources (uses)	1,000,000	986,830	967,799	(13,170)	(19,031)
Net Change in Fund Balances	(261,370)	(274,540)	44,291	(13,170)	318,831
Fund Balance, Beginning of Year	945,721	945,721	855,615	-	(90,106)
Fund Balance, End of Year	$ 684,351	$ 671,181	$ 899,906	$ (13,170)	$ 228,725

See Notes to Financial Statements.

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		
	CC Communications Telephone Fund	CC Communications Broadband Fund	Utility Enterprise Fund	Waste Water Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Assets						
Current assets						
Cash and investments	$ 9,067,521	$ 705,431	$ 715,236	$ 1,237,056	$ 2,472,494	$ 14,197,738
Receivables						
Trade accounts receivable, net	688,553	202,657	142,216	167,447	110,643	1,311,516
Other accounts receivable, net	439,656	-	-	-	714	440,370
Interest receivable	-	-	255	319	24	598
Due from other funds	307,150	-	-	2,797	14,174	324,121
Inventory	1,185,347	19,546	-	-	6,294	1,211,187
Prepaid expenses	179,964	13,022	-	-	5,408	198,394
Total current assets	11,868,191	940,656	857,707	1,407,619	2,609,751	17,683,924
Noncurrent assets						
Restricted cash	-	-	283,448	-	-	283,448
Capital assets						
Being depreciated	82,075,675	4,211,788	10,289,365	23,498,796	836,036	120,911,660
Not being depreciated	81,913	38,308	232,643	252,243	509,854	1,114,961
	82,157,588	4,250,096	10,522,008	23,751,039	1,345,890	122,026,621
Less accumulated depreciation	41,503,705	3,166,785	2,119,469	7,253,238	170,576	54,213,773
Total capital assets	40,653,883	1,083,311	8,402,539	16,497,801	1,175,314	67,812,848
Total noncurrent assets	40,653,883	1,083,311	8,685,987	16,497,801	1,175,314	68,096,296
Total assets	52,522,074	2,023,967	9,543,694	17,905,420	3,785,065	85,780,220
Deferred Outflows of Resources						
Excess consideration provided for acquisition	-	-	-	-	106,500	106,500
Net pension liability - related amounts	934,427	127,388	-	-	141,823	1,203,638
Total deferred outflows of resources	934,427	127,388	-	-	248,323	1,310,138

See Notes to Financial Statements.

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		
	CC Communications Telephone Fund	CC Communications Broadband Fund	Utility Enterprise Fund	Waste Water Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Liabilities						
Current liabilities						
Accounts payable	$ 421,218	$ 363	$ 15,564	$ 22,578	$ 3,715	$ 463,438
Contracts payable	-	-	-	-	15,580	15,580
Customer deposits	34,949	-	10,292	-	-	45,241
Other accrued liabilities	305,773	-	-	-	-	305,773
Due to other funds	-	299,610	2,797	-	21,714	324,121
Capital lease payable, current	45,707	-	-	-	-	45,707
Compensated absences, current	52,703	-	-	-	-	52,703
Total current liabilities	860,350	299,973	28,653	22,578	41,009	1,252,563
Noncurrent liabilities						
Capital lease payable, net of current portion	854,695	-	-	-	-	854,695
Compensated absences, net of current portion	558,796	-	-	-	-	558,796
Other postemployment benefits payable	1,146,549	156,306	-	-	174,017	1,476,872
Net pension liability	5,765,429	785,986	-	-	875,047	7,426,462
Total noncurrent liabilities	8,325,469	942,292	-	-	1,049,064	10,316,825
Total liabilities	9,185,819	1,242,265	28,653	22,578	1,090,073	11,569,388
Deferred Inflows of Resources						
Net pension liability - related amounts	1,486,884	202,703	-	-	225,672	1,915,259
Net Position						
Net investment in capital assets	39,753,481	1,083,311	8,402,539	16,497,801	1,175,314	66,912,446
Restricted for capital improvements	-	-	283,448	-	-	283,448
Unrestricted	3,030,317	(376,924)	829,054	1,385,041	1,542,329	6,409,817
Total net position	$ 42,783,798	$ 706,387	$ 9,515,041	$ 17,882,842	$ 2,717,643	$ 73,605,711

See Notes to Financial Statements.

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Churchill County, Nevada

Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds

Year Ended June 30, 2015

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		
	CC Communications Telephone Fund	CC Communications Broadband Fund	Utility Enterprise Fund	Waste Water Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating Revenues						
Charges for sales and services	$ 11,326,987	$ 2,495,155	$ 215,947	$ 171,933	$ 976,489	$ 15,186,511
Operating Expenses						
Plant specific operations	2,575,342	-	-	-	-	2,575,342
Plant nonspecific operations	1,470,272	-	-	-	-	1,470,272
Networking - data services	-	-	-	-	305,210	305,210
Networking - web services	-	-	-	-	146,754	146,754
Networking - computer & networking	-	-	-	-	87,228	87,228
Warehouse/Inventory	-	-	-	-	16,602	16,602
Customer operations	986,416	392,814	-	-	55,280	1,434,510
Network operations	-	577,357	-	-	81,663	659,020
Corporate operations	1,972,745	183,942	-	-	116,189	2,272,876
Access charges	-	1,288,953	-	-	111,706	1,400,659
Miscellaneous operating expenses	-	123,361	172,307	263,535	7,408	566,611
Payments in lieu of taxes	440,150	-	-	-	-	440,150
Attribution of excess consideration provided for acquisition	-	-	-	-	11,833	11,833
Depreciation and amortization	3,452,988	264,431	273,984	799,394	78,125	4,868,922
Total operating expenses	10,897,913	2,830,858	446,291	1,062,929	1,017,998	16,255,989
Operating Income (Loss)	429,074	(335,703)	(230,344)	(890,996)	(41,509)	(1,069,478)
Nonoperating Revenues (Expenses)						
Interest income	16,409	-	3,622	4,758	4,001	28,790
Interest expense	(42,068)	-	-	-	-	(42,068)
Bad debt expense	-	-	(112,000)	(112,000)	-	(224,000)
Nonregulated income	745,429	-	-	-	-	745,429
Nonregulated expense	(288,372)	-	-	-	-	(288,372)
Miscellaneous income	926	4,105	-	5,175	25,000	35,206
Payments in lieu of taxes and other costs	(1,383,385)	-	-	-	-	(1,383,385)
Miscellaneous nonoperating expense	-	(4)	-	-	-	(4)
Rental income	-	71,315	-	-	-	71,315
Gain (loss) on sale of assets	-	-	(2)	-	-	(2)
Total nonoperating revenues (expenses)	(951,061)	75,416	(108,380)	(102,067)	29,001	(1,057,091)
Loss Before Transfers	(521,987)	(260,287)	(338,724)	(993,063)	(12,508)	(2,126,569)
Transfers in	-	-	-	350,000	50,000	400,000
Change in Net Position	(521,987)	(260,287)	(338,724)	(643,063)	37,492	(1,726,569)
Net Position, Beginning of Year, as Originally Stated	49,742,051	1,844,114	9,853,765	18,525,905	3,657,015	83,622,850
Prior period adjustment	(6,436,266)	(877,440)	-	-	(976,864)	(8,290,570)
Net Position, Beginning of Year, as Restated	43,305,785	966,674	9,853,765	18,525,905	2,680,151	75,332,280
Net Position, End of Year	$ 42,783,798	$ 706,387	$ 9,515,041	$ 17,882,842	$ 2,717,643	$ 73,605,711

See Notes to Financial Statements.

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		
	CC Communications Telephone Fund	CC Communications Broadband Fund	Utility Enterprise Fund	Waste Water Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Operating Activities						
Cash received from customers	$ 11,116,581	$ 2,598,145	$ 294,641	$ 250,066	$ 948,275	$ 15,207,708
Cash payments for employees	(4,835,364)	(542,739)	-	-	(441,963)	(5,820,066)
Cash payments for services and supplies	(3,591,152)	(1,925,618)	(169,450)	(263,111)	(557,724)	(6,507,055)
Cash payments for nonregulated activities	(906,828)	-	-	-	-	(906,828)
Net Cash from (used for) Operating Activities	1,783,237	129,788	125,191	(13,045)	(51,412)	1,973,759
Capital and Related Financing Activities						
Transfers in	-	-	-	350,000	50,000	400,000
Principal payment on long-term debt	(50,950)	-	-	-	-	(50,950)
Interest paid on long-term debt	(43,097)	-	-	-	-	(43,097)
Payments on long-term contracts	-	-	-	-	(8,333)	(8,333)
Donations for capital improvements	-	-	-	-	25,000	25,000
Purchase of property, plant and equipment	(2,947,222)	(126,339)	(21,004)	-	(54,027)	(3,148,592)
Net Cash from (used for) Capital and Related Financing Activities	(3,041,269)	(126,339)	(21,004)	350,000	12,640	(2,825,972)
Investing Activities						
Interest received on investments	16,133	-	3,570	4,647	3,988	28,338
Net Change in Cash and Cash Equivalents	(1,241,899)	3,449	107,757	341,602	(34,784)	(823,875)
Cash and Cash Equivalents, Beginning of Year	10,309,420	701,982	890,927	895,454	2,507,278	15,305,061
Cash and Cash Equivalents, End of Year (including restricted cash of $283,448)	$ 9,067,521	$ 705,431	$ 998,684	$ 1,237,056	$ 2,472,494	$ 14,481,186

See Notes to Financial Statements.

	Business-Type Activities - Enterprise Funds			Business-Type Activities - Enterprise Funds		
	CC Communications Telephone Fund	CC Communications Broadband Fund	Utility Enterprise Fund	Waste Water Enterprise Fund	Nonmajor Enterprise Funds	Total Enterprise Funds
Reconciliation of operating income (loss) to net cash from (used for) operating activities:						
Operating income (loss)	$ 429,074	$ (335,703)	$ (230,344)	$ (890,996)	$ (41,509)	$ (1,069,478)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activities:						
Depreciation and amortization	3,472,488	264,431	273,984	799,394	78,125	4,888,422
Attribution of excess consideration provided for acquisition	-	-	-	-	11,833	11,833
Nonregulated nonoperating expenses,net	(926,328)	-	-	-	-	(926,328)
Miscellaneous revenue	926	4,101	-	5,175	-	10,202
Rental income	-	71,315	-	-	-	71,315
Pension contributions	(882,567)	(120,318)	-	-	(133,952)	(1,136,837)
Pension expense	764,189	104,180	-	-	115,984	984,353
Changes in						
Trade accounts receivable, net	(60,388)	28,207	73,402	72,958	(24,999)	89,180
Other accounts receivable, net	(107,716)	-	-	-	(714)	(108,430)
Due from other funds	(45,617)	-	-	(2,797)	(14,174)	(62,588)
Inventory	(545,562)	14,569	-	-	(1,361)	(532,354)
Prepaid expenses	(174,618)	(12,023)	-	-	(4,986)	(191,627)
Accounts payable	(217,492)	(3,248)	60	3,221	(464)	(217,923)
Accrued liabilities	12,744	-	-	-	-	12,744
Customer deposits	2,389	-	5,292	-	-	7,681
Compensated absences	(12,305)	-	-	-	-	(12,305)
Due to other funds	-	105,430	2,797	-	(42,976)	65,251
Other postemployment benefits	74,020	8,847	-	-	7,781	90,648
Net Cash from (used for) Operating Activities	$ 1,783,237	$ 129,788	$ 125,191	$ (13,045)	$ (51,412)	$ 1,973,759

See Notes to Financial Statements.

	Agency Funds
Assets	
Cash and investments	$ 874,524
Receivables	
Taxes	415,859
Interest	14
Due from other governments	56,953
Total assets	$ 1,347,350
Liabilities	
Accounts payable	$ 3,437
Due to other governments	842,886
Held in trust for others	16,515
Due to others	484,512
Total liabilities	$ 1,347,350

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 position 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

Implementation of GASB Statement No. 68 and GASB Statement No. 71

As of July 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through the plan which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The effect of the implementation of these standards on beginning net position is disclosed in Note 17 and the additional disclosures required by these standards are included in Note 6.

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Amounts accrued or received but not yet earned are reflected as unearned revenues on the statement of net position. Agency funds have no measurement focus but are reported using the accrual basis of accounting.

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

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within sixty days after the end of the current fiscal year. Amounts accrued or collected that are not available are reflected as unavailable revenues in the governmental funds balance sheet. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, compensated absences and other postemployment benefits, are recorded only when payment is due.

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

The County reports the following major governmental funds:

- **General Fund** – The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

- **Road Fund** – The Road Fund accounts for transactions by the County related to construction and maintenance of roads. Revenue resources of this fund include licenses and permits, intergovernmental, and miscellaneous revenues.

The County reports the following major proprietary funds:

- **CC Communications – Telephone Fund** - The Telephone Fund accounts for the operation of the County's telephone system.

- **CC Communications – Broadband Fund** - The Broadband Fund accounts for the operation of the County's television and internet services.

- **Utility Enterprise Fund** – The Utility Enterprise Fund accounts for the operation of the County's water system.

- **Waste Water Enterprise Fund** – The Waste Water Enterprise Fund accounts for the operation of the County's waste water system.

Additionally, the County reports the following fiduciary funds:

Agency Funds are custodial in nature and do not involve measurements of results of operations. The funds account for assets held by the County as an agent for various local governments, special districts and individuals. Included are funds for apportioned property taxes, shared revenues and other financial resources for schools, special districts and other state agencies; funds held for inmates housed at the County jail; and assets held on behalf of special districts, boards and other miscellaneous agencies.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Revenues and expenses not meeting these definitions are reported as nonoperating. In the case of CC Communications – Telephone fund, operating revenues are those revenues that are generated directly from the telephone service activity. Operating expenses are the necessary regulated costs incurred to provide telephone service. Regulated costs are associated with the tariff filing requirements contained in Title II of the Communications Act of 1934, as amended. Revenues and expenses not meeting these definitions are reported as nonoperating.

Property Taxes

All real property in Churchill County is assigned a parcel number in accordance with state law, with each parcel being subject to physical reappraisal every five years. A factoring system is used to adjust the appraised value during the years between physical appraisals. The valuation of the property and its improvements is computed at 35% of "taxable value" as defined by statute. The amount of tax levied is developed by multiplying the assessed value by the tax rate applicable to the area in which the property is located. In 2005, the Nevada State Legislature passed Assembly Bill 489 which provides for a partial abatement of the property tax levied on qualified property. For qualified property, the abatement will limit the increase of property taxes based on the previous year's assessed value. Taxes on real property are a lien on the property and attach on July 1 (the levy date) of the year for which the taxes are levied.

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

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

Taxes on personal property are collected currently. Personal property declarations are mailed out annually and the tax is computed using percentages of taxable values established by the Department of Taxation and tax rates described above.

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

Net Proceeds of Mines

Net proceeds of mines are paid on an annual basis. Payments of net proceeds received on estimated business from January 1, 2015 through December 31, 2015 are reflected in the financial statements.

Additional amounts due, based on actual business for the January 1, 2015 through December 31, 2015 in comparison to estimated payments, are determined subsequent to the 2015 calendar year. Credits for overpayments, based on actual business for the period January 1, 2015 through December 31, 2015 in comparison to estimated payments, are applied to future tax payments in accordance with NRS 362.130. The overall financial impact to the County of future additional amounts due or future credits is not determinable at June 30, 2015 and are not reflected in these financial statements.

Budgets and Budgetary Accounting

Budget Policies

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

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation, for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means to finance them.
2. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
3. Public hearings on the tentative budget are held on the third Monday in May.
4. After all the changes have been noted and hearings closed, the Board adopts the budget on or before June 1 and files it with the Nevada Department of Taxation.
5. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
6. Budgets for all funds (except fiduciary funds, which are not required to be budgeted) are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year end.
7. Budget amounts within funds and between funds may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the Budget Officer and/or the Board of County Commissioners, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval from the Churchill County Board of Commissioners following a public hearing. The budget reflected in these financial statements has been amended from original amounts in accordance with State Statute.
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 the sum of operating and nonoperating appropriations.

Cash and Investments

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

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

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

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

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

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

Investment Pool Investment Income

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

Taxes Receivable

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

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

Allowance for Uncollectible Receivables

The allowance method is used to provide for estimated uncollectible accounts in the Utility Enterprise Fund, Waste Water Enterprise Fund, CC Communications – Telephone Fund, CC Communications – Broadband Fund, CC Communications – Long Distance Fund and CC Communications – Managed Data Services Fund.

Inventory and Prepaid Expenses

For all funds, except the Proprietary Funds, Churchill County charges consumable supplies against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements. New material and supplies and reusable salvaged material of the CC Communications-Telephone Fund, CC Communications-Broadband Fund, and CC Communications-Managed Data Services Fund are carried in inventory at average cost which approximates market value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include land, easements, buildings, equipment, and infrastructure assets (i.e. roads, bridges, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date of donation. The County's capitalization threshold is $3,000 except for the CC Communications enterprise funds and roads. The capitalization threshold for roads is $50,000. In accordance with the Federal Communications Commission's 47 C.F.R. Part 32 – Uniform System of Accounts for Telecommunications Companies, the CC Communications enterprise funds capitalization threshold is $2,000 except for computer equipment which is $500. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

	Years
Buildings	40
Improvements	15-20
Vehicles	7
Machinery and equipment	3-15
Infrastructure	15-50

Depreciation for CC Communications – Telephone Fund is provided for financial reporting purposes using straight-line composite rates which will amortize the depreciable telecommunications plant over its estimated useful lives ranging from three to forty years. CC Communications – Broadband Fund's depreciation is provided for financial statement purposes using straight-line rates, which will amortize the depreciable assets over their estimated useful lives from five to seven years. CC Communications – Managed Data Services Fund's depreciation is provided for financial statement purposes using straight-line rates, which will amortize the depreciable assets over their estimated useful lives of ten years.

Water Rights

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

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

Equity Classifications

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

- **Net investment in capital assets** – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets net of unspent financing proceeds.
- **Restricted net position** – consists of net position with constraints placed on the use either by a) external groups such as creditors, grantors, contributors, or law or regulations of other governments; or b) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.
- **Unrestricted net position** – All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

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

- **Nonspendable Fund Balances** – Consist of amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaid amounts. It also includes the long-term amount of loans and notes receivable, if any.
- **Restricted Fund Balances** – Consist of amounts with constraints placed on the use either by (a) external groups such as creditors, grantors, contributors, or laws or regulations of other governments: or (b) law through constitutional provisions of enabling legislation.
- **Committed Fund Balances** – Consist of resource balances with constraints imposed by formal action of the Board of County Commissioners through passage of a resolution that specifically states the revenue source and purpose of the commitment. Commitments can only be modified or rescinded through a similar action taken by the Board of County Commissioners.
- **Assigned Fund Balances** – Consist of resource balances intended to be used for specific purpose that do not meet the criteria to be classified as restricted or committed. The Board of County Commissioners has, by formal board action, adopted the County's fund balance policy delegating authority to assign fund balance to the Board of County Commissioners, the County Manager, and the Comptroller. In the General Fund, the assigned fund balances represents Commissioner's approved projects that have been re-appropriated in the subsequent year, and amounts necessary to fund budgetary shortfalls in the next fiscal year from unassigned resources.
- **Unassigned Fund Balances** – Consist of all resource balances in the General Fund not contained in other classifications. For other governmental funds, the unassigned classification is used only to report a deficit balance resulting from specific purposes for which amounts had been restricted, committed or assigned.

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

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

Comparative Data

Comparative data for the prior year has been extracted from the 2013-2014 financial statements. It has been provided to add comparability, but it is not considered full disclosure of transactions for 2013-2014. Such information can only be obtained by referring to the audited financial statements for that year. Certain amounts in the prior year statements have been reclassified for comparison purposes to conform with current year presentation.

Proprietary Funds Interexchange Revenue

The CC Communications – Telephone Fund is operating under various settlement/compensation agreements with connecting carriers and the National Exchange Carrier Association (NECA), whereby interexchange revenues are settled between the connecting carriers and NECA based on tariffs, contracts and cost studies. The Fund receives interim monthly revenue settlements from NECA based upon cost studies performed at the end of each

calendar year for this Fund and all other carriers participating in the NECA revenue pool. Interim settlements are subject to retroactive adjustment at any point in time, based upon cost and revenue data submitted to NECA by all members of the pool, on the basis of a 24 month "look back". This means that 24 months must elapse before actual revenue settlements for any particular month are finally determined. It is the Fund's policy to record revenue accruals from NECA at the end of each fiscal year based upon the most current information available at the time and to reflect any retroactive adjustments related to prior years in the operating results of the year when such adjustments become known.

Compensated Absences

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

Pension

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) base Plan (Base Plan) and additions to/deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows and Outflows of Resources

In addition to assets, the Statement of Net Position and Governmental Funds Balance Sheet may report a separate section for deferred outflows of resources. The separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The County recognizes deferred outflow of resources as it related to the net pension liability in the Statement of Net Position. The County also recognizes deferred outflow of resources for excess consideration provided for acquisition. During the fiscal year ended June 30, 2015, in accordance with GASB 69, goodwill of the CC Communications Managed Data Services Fund has been reclassified to deferred outflows of resources and will be recognized over attributable future periods, which has been determined to be ten years. The value of the excess consideration provided for acquisition was $106,500, as of June 30, 2015. The attribution amount was $11,883 for the year ended June 30, 2015. CC Communications will periodically review and revise its' estimate of the attribution period in subsequent reporting periods.

In addition to liabilities, the Statement of Net Position and Governmental Funds Balance Sheet may report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The County recognizes deferred inflow of resources as it relates to the net pension liability in the Statement of Net Position and deferred inflows of resources as it relates to unavailable property tax revenues in the Governmental Funds Balance Sheet.

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, except for the following:

> The fund balance in the Stabilization of Operations Special Revenue Fund exceeded 10% of the expenditures of the General Fund for the previous fiscal year, excluding federal funds expended by $3,099. This is an apparent violation of NRS 354.6115.

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.
- Uncollateralized deposits in domestic banks must meet the rating criteria below:

Rating Agency	Deposit Rating: Short Term	Deposit Rating: Long Term
Moody's	P-1	A
Standard & Poor's	A-1	A
IBCA	A-1	A
Bank Watch	TBW-1	A

A summary schedule of cash and investments for Churchill County at June 30, 2015 is as follows:

Cash and investment balances held by:	
Governmental funds	$ 29,985,897
Proprietary funds	14,197,738
Proprietary funds – restricted	283,448
Fiduciary fund	874,524
	$ 45,341,607
Balances at fair value classified by:	
On hand	$ 4,745
First Independent checking	33,600
First Independent savings	5,027,408
Wells Fargo	
Checking	13,102,169
Choice IV	16,091,341
Money market mutual fund	73,895
Negotiable certificates of deposit	6,564,219
Local Government Investment Pool	4,444,230
	$ 45,341,607

As of June 30, 2015, the County had the following investments and maturities:

		Investment Maturity (in years)	
Investments	Fair Value	Less than 1	1 to 5
Local Government Investment Pool	$ 4,444,230	$ 4,444,230	$ -
Negotiable certificates of deposit	6,564,219	1,810,219	4,754,000
Money market mutual funds	73,895	73,895	-
	$ 11,082,344	$ 6,328,344	$ 4,754,000

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, 2015 meet the above requirements. The average duration of the LGIP, an unrated external investment pool, was 108 days.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The County follows state statutes for reducing exposure to investment credit risk by investing in "AAA" rated money market mutual funds that invest in securities issued by the U.S. Government or agencies of the U.S. Government.

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

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

Note 4 - Receivables

The accounts receivable balances in the Utility Enterprise Fund, Waste Water Enterprise Fund, the CC Communications - Telephone Fund, the CC Communication - Broadband Fund, the CC Communications - Long Distance Fund, and the CC Communications – Managed Data Services Fund are presented net of an estimated allowance for uncollectible accounts totaling $843,709, $874,289, $1,271, $1,279, $380 and $294, respectively, at June 30, 2015. The County's notes receivable balances at June 30, 2015 are as follows:

	Balance June 30, 2015	Current Portion	Remaining Balance
Governmental Activities			
Nonmajor Governmental Fund			
Fairgrounds Sale Proceeds Fund			
$309,983 due from Motor Sports Safety, Inc., in bi-annual payments of $8,073 including interest at 4% per annum for seven years.	$ 84,973	$ 14,840	$ 70,133
Business-Type Activities			
Utility Fund			
Developer Agreements			
$1,120,000 in multiple agreements with various terms	$ 1,120,000	$ -	$ 1,120,000
Less allowance for uncollectibles	(1,120,000)	-	(1,120,000)
	-	-	-
Waste Water Fund			
Developer Agreements			
$1,120,000 in multiple agreements with various terms	1,120,000	-	1,120,000
Less allowance for uncollectibles	(1,120,000)	-	(1,120,000)
	-	-	-
Total business-type activities	$ -	$ -	$ -

Note 5 - Capital Assets

A summary of changes in capital assets for the year ended June 30, 2015 are as follows:

Governmental Activities

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not being depreciated				
Land and easements	$ 17,388,333	$ 195,956	$ (148,500)	$ 17,435,789
Water rights	6,546,771	5,715	-	6,552,486
Under construction	41,699	18,825	(29,678)	30,846
Total capital assets, not being depreciated	23,976,803	220,496	(178,178)	24,019,121
Capital assets, being depreciated				
Buildings and improvements	21,160,087	436,447	-	21,596,534
Land improvements	1,505,170	-	-	1,505,170
Equipment	12,138,810	1,272,611	(569,127)	12,842,294
Infrastructure	49,010,962	256,351	-	49,267,313
Total capital assets, being depreciated	83,815,029	1,965,409	(569,127)	85,211,311
Less accumulated depreciation for				
Buildings and improvements	(9,482,326)	(621,982)	-	(10,104,308)
Land improvements	(1,291,290)	(39,877)	-	(1,331,167)
Equipment	(8,785,565)	(725,100)	567,458	(8,943,207)
Infrastructure	(28,422,417)	(949,668)	-	(29,372,085)
Total accumulated depreciation	(47,981,598)	(2,336,627)	567,458	(49,750,767)
Total capital assets, being depreciated, net	35,833,431	(371,218)	(1,669)	35,460,544
Governmental activities capital assets, net	$ 59,810,234	$ (150,722)	$ (179,847)	$ 59,479,665

Business-Type Activities

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
Capital assets, not being depreciated				
Real estate and easements	$ 677,741	$ -	$ -	$ 677,741
Water rights	372,812	-	-	372,812
Under construction	2,194,588	3,039,019	(5,169,199)	64,408
Total capital assets, not being depreciated	3,245,141	3,039,019	(5,169,199)	1,114,961
Capital assets, being depreciated				
Buildings and improvements	5,790,195	16,016	-	5,806,211
Central office switching	14,721,717	549,449	(193,903)	15,077,263
Outside plant	49,844,643	3,508,468	(51,111)	53,302,000
Furniture and fixtures	41,926	-	-	41,926
Computer equipment	2,430,847	1,013,362	(4,436)	3,439,773
Other communication equipment	296,506	-	(205,911)	90,595
Vehicles and work equipment	2,902,147	49,420	(128,364)	2,823,203
Leasehold improvements	800,594	-	-	800,594
Software	237,787	-	-	237,787
Other equipment	5,496,965	88,032	-	5,584,997
Golf infrastructure	-	69,607	-	69,607
Waste water infrastructure	23,383,262	-	-	23,383,262
Water infrastructure	10,254,442	-	-	10,254,442
Total capital assets, being depreciated	116,201,031	5,294,354	(583,725)	120,911,660
Less accumulated depreciation for				
Buildings and improvements	(4,440,572)	(269,098)	-	(4,709,670)
Central office switching	(10,428,820)	(1,013,284)	88,418	(11,353,686)
Outside plant	(17,731,294)	(1,707,815)	51,111	(19,387,998)
Furniture and fixtures	(41,926)	-	-	(41,926)
Computer equipment	(1,575,863)	(312,066)	4,435	(1,883,494)
Other communication equipment	(285,629)	(10,878)	205,911	(90,596)
Vehicles and work equipment	(2,608,029)	(129,922)	128,361	(2,609,590)
Leasehold improvements	(482,470)	(53,373)	-	(535,843)
Software	(30,598)	(23,779)	-	(54,377)
Other equipment	(3,906,864)	(311,635)	-	(4,218,499)
Golf infrastructure	-	(870)	-	(870)
Waste water infrastructure	(6,434,472)	(786,202)	-	(7,220,674)
Water infrastructure	(1,837,050)	(269,500)	-	(2,106,550)
Total accumulated depreciation	(49,803,587)	(4,888,422)	478,236	(54,213,773)
Total capital assets, being depreciated, net	66,397,444	405,932	(105,489)	66,697,887
Business-type activities capital assets, net	$ 69,642,585	$ 3,444,951	$ (5,274,688)	$ 67,812,848

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

Governmental Activities	
General government	$ 448,890
Judicial	80,344
Public safety	299,286
Public works	1,223,403
Health	14,408
Welfare	1,312
Culture and recreation	267,212
Community support	1,772
Total depreciation expense – governmental activities	$ 2,336,627
Business-Type Activities	
Telephone - regulated	$ 3,452,988
Telephone - non-regulated	19,500
Broadband	264,431
Utility	273,984
Waste water	799,394
Managed data services	51,480
Golf course	26,645
Total depreciation expense – business-type activities	$ 4,888,422

Impairment of Capital Asset – A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. In 2009, one of the County's waste water treatment plants was voluntarily taken out of service due to the decline in service capacity need when the new Moody Lane treatment plant was put into service. As a result, an impairment loss was recorded in prior years, and at June 30, 2015, this capital asset remains idle. The net book value of the plant was $759,209 at June 30, 2015.

Note 6 - Defined Benefit Pension Plan

Plan Description

The County contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with thirty years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015, the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

The County's contributions were $4,069,534 for the year ended June 30, 2014 and $4,160,522 for the year ended June 30, 2015.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability

At June 30, 2015, the County reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability ($27,991,416) was based on the County's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the County's proportion was 0.27673 percent.

Pension Liability Discount Rate Sensitivity

The following presents the net pension liability of the County as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	$ 15,075,135	$ 27,991,416	$ 43,529,713

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions

The County's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service Police/Fire: 5.25% to 14.5%, depending on service Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the County recognized pension expense of $3,710,158. At June 30, 2015, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 1,339,543
Changes in assumptions or other inputs	-	-
Net difference between projected and actual earnings on pension plan investments	-	5,879,344
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	251,785	-
County contributions subsequent to the measurement date	4,160,522	-
Total	$ 4,412,307	$ 7,218,887

$4,160,522 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30,	
2016	$ (1,660,671)
2017	(1,660,671)
2018	(1,660,671)
2019	(1,660,671)
2020	(190,835)
Thereafter	(133,583)
Total	$ (6,967,102)

The following is the reconciliation of the June 30, 2015 net pension liability:

Beginning Net Pension Liability	$ 35,317,894
Pension Expense	3,710,158
Employer Contributions	(4,069,534)
New Net Deferred Inflows/Outflows	(6,967,102)
Recognition of Prior Deferred (Inflows)/Outflows	-
Ending Net Pension Liability	$ 27,991,416

Additional Information

The PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

Note 7 - Long-Term Obligations

Long-term debt consists of the following at June 30, 2015:

Business-type Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2015
Capital lease payable			Imputed at		
Louie's Home Center, Inc.	11/03	2029	3.62%	$ 1,623,575	$ 900,402

The asset acquired through the capital lease for business-type activities is a building. As of June 30, 2015, the capital asset of $1,623,575 was offset by accumulated depreciation of $1,154,542.

The following is a schedule of future minimum lease payments under capital lease obligations as of June 30, 2015:

	Business-Type Activities		
Fiscal Year Ending	Remaining Payments	Less Amount Representing Interest	Present Value of Net Minimum Lease Payments
2016	$ 83,502	$ 37,795	$ 45,707
2017	83,273	31,653	51,620
2018	81,696	28,177	53,519
2019	81,696	26,208	55,488
2020	81,696	24,166	57,530
2021-2025	408,480	87,483	320,997
2026-2030	340,400	24,859	315,541
	$ 1,160,743	$ 260,341	$ 900,402

Changes in Long-Term Obligations

Governmental Activities

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Compensated absences	$ 1,047,218	$ 74,012	$ (113,207)	$ 1,008,023	$ 90,062

Business-type Activities

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Capital leases payable	$ 951,352	$ -	$ (50,950)	$ 900,402	$ 45,707
Compensated absences	623,804	515,498	(527,803)	611,499	52,703
	$ 1,575,156	$ 515,498	$ (578,753)	$ 1,511,901	$ 98,410

Interest expense on long-term obligations for the year ended June 30, 2015 business-type activities was $42,068.

In accordance with Nevada Revised Statutes 244A.059, the County was within the legal debit limit at June 30, 2015.

Note 8 - Interfund Receivables, Payables, and Transfers

Interfund receivable and payable balances at June 30, 2015 are as follows:

	Due to:				
	Governmental	Proprietary			
Due From	Road Fund	CC Communications Telephone Fund	Waste Water Enterprise Fund	Nonmajor Proprietary Funds	Total Due To Other Funds
Governmental activities					
Nonmajor governmental funds	$ 242,500	$ -	$ -	$ -	$ 242,500
Business-type activities					
Major proprietary funds					
CC Communications:					
Telephone Fund	-	-	-	14,174	14,174 (1)
Broadband Fund	-	299,610	-	-	299,610
Utility Enterprise Fund	-	-	2,797	-	2,797
Nonmajor proprietary funds	-	21,714	-	-	21,714
Total due from other funds	$ 242,500	$ 321,324 (1)	$ 2,797	$ 14,174	$ 580,795

(1) The amounts due to/due from the CC Communications Telephone Fund are reported at the net amount of $307,150 in the accompanying statement of net position - proprietary funds.

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

Interfund transfers are shown as other financing sources or uses, as appropriate, in the governmental funds. Activity for the year ended June 30, 2015 is as follows:

	Transfers in:				
	Governmental		Business-Type		
	Major Governmental		Major Proprietary		
Transfers Out	Road Fund	Nonmajor Governmental Funds	Waste Water Enterprise Fund	Nonmajor Proprietary Funds	Total Transfers Out
Governmental activities					
Major governmental funds					
General fund	$ -	$ 503,206	$ -	$ 25,000	$ 528,206
Road fund	-	13,170	-	-	13,170
Nonmajor governmental funds	980,969	1,812,883	350,000	25,000	3,168,852
Total transfers in	$ 980,969	$ 2,329,259	$ 350,000	$ 50,000	$ 3,710,228

The General Fund and Building Reserve Fund transferred funds to the Golf Course Fund to pay for improvements at the golf course.

The General Fund transferred funds to the Building Reserve Fund to pay for future capital improvement for the adult detention facility.

The General Fund transferred funds to the Compensated Absence Fund to pay for early retirement incentive buyout for retiring county employees.

The General Fund transferred funds to the AB 65 Court Fee Fund to transfer the net remaining balance of AB 65 fees into the newly created special revenue fund.

The General Fund transferred funds into the Stabilization of Operations Fund to provide additional resources to achieve full funding in the Stabilization Fund.

The Infrastructure Tax Fund transferred funds to the Waste Water Fund to be used for future capital improvements.

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

The Risk Management Fund, Indigent Services Fund, Fairgrounds Sale Proceeds Fund, and Building Reserve Fund transferred funds into the Senior Center Fund to be used as matching funds for the foundation grant to build a new senior citizen facility.

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

The Public Library Fund transferred funds to the Library Gift and Donation Fund to assist in future capital improvements for the library.

The Administrative Assessment Fund transferred funds to the Extraordinary Repairs and Maintenance Fund so the assessment fees are expended in accordance with statutory requirements.

The Regional Transportation Fund, Public Transit Fund, County Debt Service Fund and Extraordinary Repair and Maintenance Fund transferred funds into the Road Equipment Replacement Fund for future equipment replacement and maintenance.

Note 9 - Operating Leases

CC Communications – Telephone is a party to various right-of-way grants and rental agreements for transmittal site locations. The lease payments on these agreements are determined annually. Rental payments for the year ended June 30, 2015 were $16,109. CC Communications – Telephone subleases a portion of these facilities to other entities. Rent revenue received from the subleases for the year ended June 30, 2015 totaled $10,066.

CC Communications – Telephone is a party to the right-of-way agreement with Union Pacific Railroad. CC Communications – Telephone valued the right of way for the fiber to Reno project at $659,904, consisting of both cash and fiber given to Union Pacific Railroad. The agreement is a non-cancelable 30 year lease with no future payments to Union Pacific unless renewed after the initial 30 year lease.

CC Communications – Telephone is the lessor in various rental agreements for transmittal site locations. The acquisition cost, related accumulated depreciation and resulting carrying value of these leased assets are not readily extractable from CC Communication – Telephone's capital asset records. The lease payments on the transmittal site locations are determined upon renewal dates at various 5 year increments. Rental revenues for the year ended June 30, 2015 were $414,941. Rental revenues for the non-cancelable leases for the subsequent 5 years are as follows:

Fiscal Year Ending	
2016	$ 454,730
2017	447,656
2018	321,335
2019	244,313
2020	22,960
	$ 1,490,994

Note 10 - Property on Lease to Others

The County entered into a noncancelable operating lease with Duncan Golf at Fallon, LLC which allows Duncan Golf at Fallon, LLC to operate the Fallon Golf Course starting March 1, 2013. The cost of the leased property at that time was $701,764. The lease will expire on February 28, 2018, at which time, the lease can be extended for an additional five year term. The lease agreement provides for a minimum guaranteed annual rental of $1,651 for the first year and adjusted each year by the percentage increase in the Consumer Price Index for All Urban Consumers. In addition, the County receives contingent rentals of five percent of gross receipts above $400,000 annually.

Note 11 - Interfund Transactions

CC Communications - Long Distance Fund, CC Communications – Broadband Fund and CC Communications – Managed Data Services Fund rent office space and other facility space on a month-to-month basis from the CC Communications – Telephone Fund. Following is a schedule of payments from these funds to CC Communications – Telephone Fund for the year ended June 30, 2015:

	Long Distance Fund	Broadband Fund	Managed Data Services Fund	Total
Special access charges	$ -	$ 61,698	$ -	$ 61,698
Billing and collection	82,482	118,326	Incl. w/ CS	200,808
Rent	-	6,000	-	6,000
Customer services (CS)	17,697	159,568	4,941	182,206
Administrative costs	7,315	101,230	53,652	162,197
Installation	-	64,607	-	64,607
Engineering and maintenance	-	24,417	-	24,417
	$ 107,494	$ 535,846	$ 58,593	$ 701,933

CC Communications – Telephone Fund paid CC Communications – Broadband Fund $11,104 for tower/space rent during the year ended June 30, 2015.

CC Communications – Long Distance, Broadband and Managed Data Services Funds revenues are billed in conjunction with CC Communications – Telephone Fund's customers. At the time the revenue is earned the Telephone Fund transfers cash to the Long Distance, Broadband and Managed Data Services Funds for the amount of the earnings. In addition, the Telephone Fund processes and pays all Long Distance, Broadband and Managed Data Services Funds accounts payable and payroll expenses. At the time the expense is incurred, the Long Distance, Broadband and Managed Data Services Funds record a due to the Telephone Fund, therefore no payables or accruals are recorded on the Long Distance, Broadband and Managed Data Services Fund's financial statements, except for the accrual for *Net Other Postemployment Benefits Obligation* and the *Net Pension Liability* which is recorded by the Long Distance, Broadband and Managed Data Services Fund due to the fact the liability is not anticipated to be liquidated within the current period. The above transactions resulted in a due from other funds by the Telephone Fund at June 30, 2015 as follows:

CC Communication – Long Distance	$ 21,714
CC Communication – Broadband	299,610
CC Communication – Managed Data Services	(14,174)
Due from other funds	$ 307,150

Note 12 - Fund Balances/Net Position

Government-wide Financial Statements

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

Restricted net position consists of equity with externally imposed (statutory, contract or grantor) limitations on their use. Restricted net position is classified either by function, debt service, capital projects, or claims, and relate to net position of governmental and enterprise funds whose use is legally limited by outside parties for specific purpose. Of the County's $8,301,176 reflected as restricted net position, $7,949,283 is restricted by enabling legislation.

Fund Financial Statements

Governmental Funds

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

Fund balance classifications by County function by the following:

Fund Balances	General Fund	Road Fund	Nonmajor Governmental Funds	Total
Nonspendable				
Long-term notes receivable	$ -	$ -	$ 84,973	$ 84,973
Prepaids	11,692	-	-	11,692
Total nonspendable	11,692	-	84,973	96,665
Restricted for				
Street improvements and rehabilitation	-	-	1,088,234	1,088,234
Road surface repairs	-	-	94,423	94,423
Drug Task Force equipment	-	-	95,875	95,875
Park expansion projects	-	-	275,166	275,166
Court approved projects and services	-	-	275,595	275,595
Technology improvements	-	-	414,906	414,906
District and Justice Court improvements/technology	-	-	65,775	65,775
Long-term indigent hospital care	-	-	1,648,785	1,648,785
Enhancements to E-911 system	-	-	76,065	76,065
Water and Waste Water development	-	-	1,516,863	1,516,863
Court and Public Safety capital projects	-	-	1,734,749	1,734,749
Fire equipment and apparatus purchases	-	-	731,037	731,037
Total restricted	-	-	8,017,473	8,017,473
Committed to				
Stabilization of operations	-	-	1,646,693	1,646,693
Technology improvements	-	-	45,949	45,949
Road equipment replacement program	-	-	478,877	478,877
Street improvements and rehabilitation	-	293,821	509,562	803,383
Social services programs	-	-	1,494,136	1,494,136
Cooperative extension programs	-	-	43,639	43,639
Park and recreation projects	-	-	61,802	61,802
Water rights and conservation easements	-	-	64,333	64,333
Judicial programs and projects	-	-	49,476	49,476
Economic development	-	-	192,546	192,546
Total committed	-	293,821	4,587,013	4,880,834
Assigned to				
Fiscal year 2015 budget shortfall	2,444,428	-	-	2,444,428
Street improvements	-	606,085	-	606,085
Land and water right acquisitions	-	-	794,545	794,545
Building improvements/repairs	-	-	3,524,822	3,524,822
Social services and indigent programs	-	-	603,603	603,603
Cooperative extension programs	-	-	159,502	159,502
Public library and literacy programs	-	-	1,230,982	1,230,982
Park and recreation projects	-	-	901,923	901,923
Cemetery landscape improvements	-	-	27,441	27,441
Law library	-	-	57,562	57,562
Risk management	-	-	1,092,211	1,092,211
Payment of compensated absences	-	-	708,754	708,754
New senior center facility project	-	-	1,071,482	1,071,482
Unemployment compensation	-	-	315,438	315,438
Total assigned	2,444,428	606,085	10,488,265	13,538,778
Unassigned	4,536,345	-	-	4,536,345
Total Fund Balances	$ 6,992,465	$ 899,906	$ 23,177,724	$ 31,070,095

Note 13 - Stabilization Arrangements

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

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

Note 14 - 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, 2015, 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.

Churchill County requested guidance and a legal opinion from the Department of Taxation in March 2014 on the treatment of the recording of payment in lieu of taxes as intergovernmental revenues reported as “Local in lieu of taxes” in the financial statements. Management does not believe that this revenue is subject to the provisions of Nevada Revised Statutes 354.613 as it does not qualify as a loan or transfer to the General Fund and the Parks and Recreation Fund from the enterprise funds of the County. On November 10, 2014, the Department issued a letter indicating pending advice from the Attorney General, the Department acknowledges the County’s request for guidance and agrees the County may continue its current reporting practice for purposes of NRS 354.613 through fiscal year 2015.

Note 15 - Risk Management and Concentration of Credit Risk

Nevada Public Agency Insurance Pool

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

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

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

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 flood coverage, Zone A	10,000,000	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		
Bodily injury, property damage, personal injury, employment based benefits administration, law enforcement activities, and wrongful acts	10,000,000	Each and every event
	10,000,000	Annual aggregate

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.

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

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

Proprietary Funds Concentration of Credit Risk

Most of CC Communications – Telephone Fund's customers are located in Churchill County, Nevada. CC Communications – Telephone Fund's billings to one customer, the Naval Air Station – Fallon for the year ended June 30, 2015 represented 5.1% of total revenue.

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

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

CC Communication – Managed Data Services Fund's customers are located Northern Nevada.

Note 16 - Postemployment Health Care Plans

County Plans Excluding CC Communications Funds

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

Benefit provisions for the CCEHBP are established pursuant to NRS 287.023 and amended through negotiations between the County and the respective associations. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees and their beneficiaries through the County's group health insurance plan, which covers both active and retired members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2015, 10 retirees were using this plan. The CCEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. County employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for County employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2015, 63 County retirees were utilizing this benefit.

Funding Policy – For CCEHBP, contribution requirements of the plan members and the County are established and may be amended through negotiations between the County and the associations. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. The County's contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by the County. The implicit subsidy as determined by the actuary is $38,414. The County did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired County employees. The contribution requirements of plan members and the County may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2015 ranged from $750 to $2,391, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2015, retirees qualified for a subsidy of $116 at five years of service and $636 at twenty years of service, with incremental increases for years of service in between. As a participating employer, the County is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2015, the County primarily funded by the Compensated Absences Special Revenue Fund contributed $101,728 to the plan, equal to required contributions. The County did not prefund future benefits.

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

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plans, and the net OPEB obligations, by plan, for fiscal years 2013, 2014, and 2015 were as follows:

	Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCEHBP	June 30, 2015	$ 343,130	$ 38,414	14%	$ 2,598,059
PEBP	June 30, 2015	115,449	101,728	86%	295,658
		$ 458,579	$ 140,142		$ 2,893,717
CCEHBP	June 30, 2014	$ 322,683	$ 31,111	10%	$ 2,293,343
PEBP	June 30, 2014	114,760	106,416	93%	281,937
		$ 437,443	$ 137,527		$ 2,575,280
CCEHBP	June 30, 2013	$ 302,490	$ 24,790	8%	$ 2,001,771
PEBP	June 30, 2013	153,576	114,598	75%	273,593
		$ 456,066	$ 139,388		$ 2,275,364

The net OPEB obligation (NOPEBO) as of June 30, 2015 was calculated as follows:

	CCEHBP	PEBP	Total
Annual required contribution (ARC)	$ 401,809	$ 122,663	$ 524,472
Interest on net OPEB obligation	91,734	11,277	103,011
ARC adjustment	(150,413)	(18,491)	(168,904)
Annual OPEB Cost	343,130	115,449	458,579
Contributions made	(38,414)	(101,728)	(140,142)
Increase in net OPEB obligation	304,716	13,721	318,437
Net OPEB obligation - beginning of year	2,293,343	281,937	2,575,280
Net OPEB obligation, end of year	$ 2,598,059	$ 295,658	$ 2,893,717

The net OPEB obligation is liquated by the funds with the related salaries and benefits; which results in the majority of the obligation being liquated by the General Fund.

Funded Status and Funding Progress – The funded status of the plans as of the latest actuarial valuation date (January 1, 2014) were as follows:

	CCEHBP	PEBP	Total
Accrued actuarial liability (a)	$ 2,424,894	$ 1,933,463	$ 4,358,357
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a-b)	$ 2,424,894	$ 1,933,463	$ 4,358,357
Funded ratio (b/a)	0.00%	0.00%	0.00%
Covered payroll (c)	$ 9,476,080	N/A	
Unfunded Actuarial Accrued Liability as a percentage of covered payroll [(a-b)/c]	25.59%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the County and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2014 actuarial valuation were as follows:

	CCEHBP	PEBP
Actuarial valuation date	January 1, 2014	January 1, 2014
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar,	Level Dollar,
Amortization period (closed)	24 years	24 years
Asset valuation method	Market Value	Market Value
Actuarial Assumptions		
Investment rate of return	4.00%	4.00%
Projected overall salary increase	4.00%	N/A
General inflation rate	3.00%	3.00%
Medical Healthcare inflation rate*	8.00%	8.00%
PEBP Subsidy inflation rate**	-	8.00%

* Decreasing 0.5% each year until ultimate trend rate of 5% is reached in 2022.
**Decreasing 0.5% each year until ultimate trend rate of 5% is reached in 2022.

CC Communications Funds' Plans Excluding All Other Churchill County Funds

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

Benefit provisions for the CCCEHBP are established pursuant to NRS 287.023 and amended through negotiations between CC Communications and their employee association. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees and their beneficiaries through CC Communications' group health insurance plan, which covers both active and retired members.

Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2015, 19 retirees were using this plan. The CCCEHBP does not issue a publicly available financial report.

Benefit provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP nine-member board of trustees. CC Communications' employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement System had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for CC Communications' employees who retired after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2015, 55 CC Communications' retirees were utilizing this benefit.

Funding Policy – For CCCEHBP, contribution requirements of the plan members and CC Communications are established and may be amended through negotiations between CC Communications and the association. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. CC Communications contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by CC Communications. The implicit subsidy as determined by the actuary is $24,997. CC Communications did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired CC Communications' employees. The contribution requirements of plan members and CC Communications may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2015 ranged from $525 to $1,373, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2015, retirees qualified for a subsidy of $116 at five years of service and $636 at twenty years of service, with incremental increases for years of service in between. As a participating employer, CC Communication is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2015, CC Communications contributed $268,911 to the plan, equal to the required contributions. CC Communications did not prefund future benefits.

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

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

	Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCCEHBP	June 30, 2015	$ 137,998	$ 24,997	18%	$ 964,597
PEBP	June 30, 2015	246,561	268,911	109%	512,275
		$ 384,559	$ 293,908		$ 1,476,872
CCCEHBP	June 30, 2014	$ 131,310	$ 19,360	15%	$ 851,596
PEBP	June 30, 2014	246,722	259,112	105%	534,625
		$ 378,032	$ 278,472		$ 1,386,221
CCCEHBP	June 30, 2013	$ 124,786	$ 13,923	11%	$ 739,646
PEBP	June 30, 2013	246,479	248,211	101%	547,015
		$ 371,265	$ 262,134		$ 1,286,661

The net OPEB obligation (NOPEBO) as of June 30, 2015 was calculated as follows:

	CCCEHBP	PEBP	Total
Annual required contribution (ARC)	$ 153,182	$ 260,240	$ 413,422
Interest on net OPEB obligation	34,064	21,385	55,449
ARC adjustment	(49,248)	(35,064)	(84,312)
Annual OPEB Cost	137,998	246,561	384,559
Contributions made	(24,997)	(268,911)	(293,908)
Increase in net OPEB obligation	113,001	(22,350)	90,651
Net OPEB obligation - beginning of year	851,596	534,625	1,386,221
Net OPEB obligation, end of year	$ 964,597	$ 512,275	$ 1,476,872

Funded Status and Funding Progress – The funded status of the plans as of January 1, 2013 (date of latest actuarial valuation), was as follows:

	CCCEHBP	PEBP	Total
Accrued actuarial liability (a)	$ 1,225,056	$ 4,220,412	$ 5,445,468
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a-b)	$ 1,225,056	$ 4,220,412	$ 5,445,468
Funded ratio (b/a)	0.00%	0.00%	0.00%
Covered payroll (c)	$ 4,543,679	N/A	
Unfunded Actuarial Accrued Liability as a percentage of covered payroll [(a-b)/c]	27%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between CC Communications and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2013 actuarial valuation were as follows:

	CCCEHBP	PEBP
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar Amount	Level Dollar Amount
Amortization period	30 years (open)	26 years (closed)
Asset valuation method	Market Value	Market Value
Actuarial Assumptions		
Investment rate of return	4.00%	4.00%
Projected overall salary increase	4.00%	N/A
General inflation rate	3.25%	3.25%
Medical Healthcare inflation rate*	9.00%	9.00%

* Decreasing 0.5% each year until ultimate trend rate of 5% is reached in 2021.

Note 17 - Adoption of New Standard

As of July 1, 2014, the County adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The implementation of these standards requires governments to calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability and deferred outflows of resources related to contributions made after the measurement date as follows:

	Governmental Activities	Business-type Activities	Total
Net position at June 30, 2014, as previously reported	$ 86,782,636	$ 83,622,850	$ 170,405,486
Net pension liability at June 30, 2014	(25,947,627)	(9,370,267)	(35,317,894)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	2,989,837	1,079,697	4,069,534
Net position at July 1, 2014, as restated	$ 63,824,846	$ 75,332,280	$ 139,157,126

	Proprietary Funds		
	CC Communications Telephone Fund	CC Communications Broadband Fund	Nonmajor Enterprise Funds
Net position at June 30, 2014, as previously reported	$ 49,742,051	$ 1,844,114	$ 3,657,015
Net pension liability at June 30, 2014	(7,274,473)	(991,711)	(1,104,083)
Deferred outflows of resources related to contributions made during the year ended June 30, 2014	838,207	114,271	127,219
Net position at July 1, 2014, as restated	$ 43,305,785	$ 966,674	$ 2,680,151

	Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (AAL) Entry Age Normal Cost (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (b/a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
CCEHBP	January 1, 2010	$ -	$ 3,617,413	$ 3,617,413	0%	$ 9,961,270	36%
CCCEHBP	January 1, 2010	-	1,071,261	1,071,261	0%	5,113,079	21%
PEBP-CCEHP	January 1, 2010	-	3,700,675	3,700,675	0%	N/A	N/A
PEBP-CCCEHP	January 1, 2010	-	6,811,924	6,811,924	0%	N/A	N/A
CCEHBP	January 1, 2012	-	2,093,240	2,093,240	0%	8,624,426	24%
PEBP-CCEHP	January 1, 2012	-	2,620,156	2,620,156	0%	N/A	N/A
CCCEHBP	January 1, 2013	-	1,225,056	1,225,056	0%	4,543,679	27%
PEBP-CCCEHP	January 1, 2013	-	4,220,412	4,220,412	0%	N/A	N/A
CCEHBP	January 1, 2014	-	2,424,894	2,424,894	0%	9,476,080	26%
PEBP-CCEHP	January 1, 2014	-	1,933,463	1,933,463	0%	N/A	N/A

	2014
County's portion of net the pension liability	0.27673%
County's proportionate share of the net pension liability	$ 27,991,416
County's covered-employee payroll	$ 14,183,649
County's proportional share of the net pension liability as a percentage of its covered-employee payroll	197.35%
Plan fiduciary net position as a percentage of the total pension liability	76.31%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those to use for which information is available.

	2015
Statutorily required contribution	$ 4,160,522
Contributions in relation to the statutorily required contribution	$ 4,160,522
Contribution (deficiency) excess	$ -
Employer's covered-employee payroll	$ 14,236,973
Contributions as a percentage of covered-employee payroll	29.22%

* GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the County will present information for those to use for which information is available.

Supplementary Information

Churchill County, Nevada

Churchill County, Nevada
Balance Sheet – General Fund
June 30, 2015
(with Comparative Totals for June 30, 2014)

	2015	2014
Assets		
Cash and investments	$ 6,770,437	$ 7,532,029
Receivables		
Property taxes	350,790	111,064
Interest	1,609	647
Other	51,983	21,973
Due from other funds	-	3,750
Due from other governments	1,044,737	1,322,629
Prepaid expenses	11,692	17,538
Total assets	$ 8,231,248	$ 9,009,630
Liabilities		
Accounts payable	$ 354,097	$ 359,806
Property taxes refundable	653	15
Accrued liabilities	239,808	195,862
Accrued benefits	187,994	194,490
Due to other funds	-	105,149
Due to other governments	104,477	110,298
Customer deposits	4,053	3,978
Unearned revenue	267,407	433,888
Total liabilities	1,158,489	1,403,486
Deferred Inflows of Resources		
Unavailable revenue - property taxes	80,294	75,882
Fund Balances		
Non-spendable	11,692	17,538
Assigned	2,444,428	2,038,848
Unassigned	4,536,345	5,473,876
Total fund balances	6,992,465	7,530,262
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 8,231,248	$ 9,009,630

	Budget	Actual	Variance	2014
Revenues				
Property taxes				
Ad valorem taxes	$ 5,621,002	$ 6,136,324	$ 515,322	$ 5,765,153
Licenses and permits				
Business licenses	60,500	71,563	11,063	65,700
Liquor licenses	4,100	4,320	220	4,270
Local gaming licenses	48,500	51,954	3,454	44,468
Marriage licenses	3,700	3,816	116	4,086
Fictitious name/notary bonds	5,500	7,230	1,730	9,020
Building permits	80,000	77,835	(2,165)	97,615
Mobile home permits	100	30	(70)	40
Other license/permits fees	6,884	8,239	1,355	12,115
Franchise fees	129,000	107,753	(21,247)	133,563
Drug court fee	7,000	7,830	830	6,415
Septic fees	5,100	7,100	2,000	5,700
Manufactured home permits	2,500	3,600	1,100	2,000
Public utility licenses	-	162,874	162,874	-
Other permits	10,150	15,138	4,988	14,707
	363,034	529,282	166,248	399,699
Intergovernmental				
Federal in lieu of taxes	1,200,000	1,200,000	-	1,200,000
Local in lieu of taxes	1,500,000	1,500,000	-	1,800,000
State gaming license	9,000	11,269	2,269	10,637
Private car tax	2,000	2,023	23	1,895
AB104 fairshare	1,007,750	1,090,436	82,686	1,082,957
Consolidated taxes	4,313,339	4,313,339	-	4,521,787
Jail reimbursement:				
Paiute	2,000	1,875	(125)	3,750
Juvenile detention reimbursement	325,000	274,403	(50,597)	381,883
Task force reimbursement	-	7,782	7,782	13,563
Grants-in-aid				
Federal grants				
Title IV-D	350,000	378,021	28,021	371,627
Title IV-D incentive	3,000	12,805	9,805	3,456
Planning assistance	200,000	166,885	(33,115)	177,283
Emergency management	-	21,875	21,875	15,000
Equitable sharing program	-	6,475	6,475	22,379
JPO Block Grant	-	-	-	14,403
CASA Funding Revenue	-	24,909	24,909	5,000
SERC - Equipment	-	50,155	50,155	56,454
District Court JAG Grant	-	-	-	149,799
NAS Joint Land Use Study	-	45,418	45,418	89,995
State grants				
JPO room and board	-	25,042	25,042	26,902
SPI sub grant	-	5,358	5,358	5,346
	8,912,089	9,138,070	225,981	9,954,116

	Budget	Actual	Variance	2014
Charges for services				
Administrative assessments				
Juvenile probation	$ 9,175	$ 10,548	$ 1,373	$ 9,743
Justice court	32,500	36,941	4,441	34,105
Municipal court	1,000	1,080	80	1,244
Juvenile court	1,000	1,090	90	830
District court	400	394	(6)	313
Assessor's property tax commissions	305,000	323,120	18,120	187,867
Candidate filing fees	-	-	-	1,420
Justice court filing fees	75,200	77,698	2,498	81,640
Justice court forensic fees	6,300	5,077	(1,223)	5,416
Court clerk miscellaneous	38,000	33,540	(4,460)	33,904
County court fees	27,000	32,303	5,303	29,216
Recorder RPTT collection fees	1,100	2,386	1,286	1,965
Recorder's fees	82,000	85,388	3,388	75,035
Public defender fees	12,000	13,608	1,608	11,254
Return check fees	100	100	-	136
Sheriff's fees	25,125	21,635	(3,490)	27,415
Sheriff's fees, fingerprint	3,000	8,643	5,643	8,715
Sheriff's fees, concealed weapon	10,125	14,950	4,825	15,770
Sheriff's fees, intermittent	3,000	2,350	(650)	2,912
Cemetery fees	33,000	40,520	7,520	38,555
Forensic fee - task force	1,400	2,086	686	1,822
Counseling reimbursement	-	1,205	1,205	570
Transcript fees	-	1,219	1,219	201
Court services fees	20,000	31,378	11,378	22,718
Mining map fees				
Map fees - mining claims	6,000	10,635	4,635	4,638
Land plot maps - copies	-	84	84	116
	692,425	757,978	65,553	597,520
Fines and forfeits				
Forfeited bail	203,125	253,279	50,154	206,057
Fines	49,000	41,307	(7,693)	49,962
Delinquent tax penalties	223,400	102,548	(120,852)	436,830
Justice court bond forfeiture	2,000	4,689	2,689	3,896
AA genetic markers	1,250	-	(1,250)	-
AB65 additional court fees	56,175	-	(56,175)	62,046
	534,950	401,823	(133,127)	758,791
Miscellaneous				
Miscellaneous sales	-	2,276	2,276	1,048
Mine proceeds tax commissions	13,200	16,332	3,132	19,344
Data proceeds tax commissions	3,000	5,625	2,625	4,500
Building lease revenue	-	-	-	1
Justice court payment setup fee	5,000	9,511	4,511	8,468
Justice court collection fee	4,000	10,546	6,546	8,119
Juvenile child care reimbursements	1,000	-	(1,000)	101
Juvenile substance abuse reimbursements	1,000	913	(87)	643
Juvenile instructional supervision reimbursement	500	-	(500)	10
Juvenile miscellaneous reimbursements	6,000	14,264	8,264	22,316
Elections reimbursements	-	7,546	7,546	1,511
Sheriff reimbursements	-	4,974	4,974	6,412
Geothermal rents/royalties	200,000	200,000	-	299,779
Enel sales tax payments	175,860	175,860	-	175,860
Other miscellaneous	27,000	42,890	15,890	47,963
Interest	19,250	26,218	6,968	21,106
	455,810	516,955	61,145	617,181
Total revenue	16,579,310	17,480,432	901,122	18,092,460

	Budget	Actual	Variance	2014
Expenditures				
General government				
Commissioners				
Salaries	$ 84,265	$ 83,035	$ 1,230	$ 82,437
Benefits	51,416	51,460	(44)	50,882
Services and supplies	15,395	15,092	303	10,392
	151,076	149,587	1,489	143,711
Clerk/treasurer				
Salaries	301,053	297,723	3,330	281,184
Benefits	140,502	139,157	1,345	134,443
Services and supplies	29,350	21,598	7,752	20,491
	470,905	458,478	12,427	436,118
Recorder				
Salaries	164,935	143,143	21,792	146,634
Benefits	72,360	69,222	3,138	69,948
Services and supplies	7,525	6,712	813	3,436
	244,820	219,077	25,743	220,018
Records and microfilming				
Services and supplies	16,700	8,700	8,000	12,769
Assessor				
Salaries	441,581	379,186	62,395	400,366
Benefits	205,501	162,742	42,759	186,300
Services and supplies	38,855	32,490	6,365	23,902
	685,937	574,418	111,519	610,568
County manager				
Salaries	185,021	180,892	4,129	176,432
Benefits	71,902	70,417	1,485	68,750
Services and supplies	9,000	6,870	2,130	4,271
	265,923	258,179	7,744	249,453
Buildings and grounds				
Salaries	229,445	223,449	5,996	211,875
Benefits	123,443	121,797	1,646	112,341
Services and supplies	280,050	262,840	17,210	246,495
	632,938	608,086	24,852	570,711
Elections				
Salaries	11,000	3,652	7,348	2,586
Benefits	970	263	707	114
Services and supplies	46,500	32,078	14,422	29,832
	58,470	35,993	22,477	32,532
Personnel operations				
Salaries	102,629	101,086	1,543	101,061
Benefits	38,858	37,957	901	37,700
Services and supplies	5,050	4,455	595	1,235
	146,537	143,498	3,039	139,996
Personnel - staff development				
Services and supplies	38,350	21,116	17,234	9,656
Personnel - benefit services				
Services and supplies	32,500	19,356	13,144	17,094
Comptroller				
Salaries	362,145	336,749	25,396	344,327
Benefits	147,443	136,138	11,305	142,572
Services and supplies	14,600	9,134	5,466	8,767
	524,188	482,021	42,167	495,666

	Budget	Actual	Variance	2014
Data processing				
Services and supplies	$ 179,150	$ 183,477	$ (4,327)	$ 138,149
General government other				
Services and supplies	869,275	910,347	(41,072)	833,989
Capital outlay	15,000	9,415	5,585	-
	884,275	919,762	(35,487)	833,989
Building inspection				
Salaries	154,084	151,764	2,320	150,619
Benefits	63,698	62,453	1,245	61,758
Services and supplies	10,080	6,022	4,058	9,378
	227,862	220,239	7,623	221,755
Yucca Mountain				
Services and supplies	232,700	166,886	65,814	177,822
Planning department				
Salaries	347,269	312,418	34,851	356,894
Benefits	149,248	136,955	12,293	153,379
Services and supplies	24,490	14,534	9,956	13,170
	521,007	463,907	57,100	523,443
Total general government	5,313,338	4,932,780	380,558	4,833,450
Judicial				
District court				
Salaries	280,615	251,547	29,068	242,909
Benefits	126,414	114,999	11,415	113,163
Services and supplies	254,000	223,014	30,986	685,508
Capital outlay	5,000	6,199	(1,199)	-
	666,029	595,759	70,270	1,041,580
Justice court				
Salaries	340,441	319,076	21,365	319,805
Benefits	140,903	131,697	9,206	136,149
Services and supplies	82,360	62,590	19,770	182,245
Capital outlay	4,200	4,087	113	-
	567,904	517,450	50,454	638,199
District attorney				
Salaries	1,295,478	1,243,752	51,726	1,210,979
Benefits	567,112	536,483	30,629	520,614
Services and supplies	185,407	139,860	45,547	124,226
	2,047,997	1,920,095	127,902	1,855,819
Court services				
Salaries	93,175	91,030	2,145	89,606
Benefits	33,536	32,111	1,425	31,409
Services and supplies	30,600	35,843	(5,243)	27,720
	157,311	158,984	(1,673)	148,735
Indigent defense				
Services and supplies	480,000	483,253	(3,253)	-
Total judicial	3,919,241	3,675,541	243,700	3,684,333
Public safety				
Sheriff				
Salaries	3,051,692	2,919,205	132,487	2,869,900
Benefits	1,850,074	1,813,443	36,631	1,786,426
Services and supplies	750,250	636,571	113,679	609,042
Capital outlay	180,000	173,443	6,557	5,747
	5,832,016	5,542,662	289,354	5,271,115

	Budget	Actual	Variance	2014
Fire protection				
Salaries	$ 110,595	$ 112,411	$ (1,816)	$ 106,142
Benefits	208,475	192,932	15,543	193,397
Services and supplies	298,701	266,779	31,922	225,013
Capital outlay	35,000	8,489	26,511	10,952
	652,771	580,611	72,160	535,504
Emergency management				
Salaries	37,549	36,984	565	36,074
Benefits	11,733	11,739	(6)	11,301
Services and supplies	82,650	51,821	30,829	60,144
	131,932	100,544	31,388	107,519
Juvenile probation				
Salaries	580,192	511,724	68,468	609,378
Benefits	290,253	267,199	23,054	297,782
Services and supplies	74,175	54,684	19,491	68,580
	944,620	833,607	111,013	975,740
Juvenile Justice Center				
Salaries	535,442	517,066	18,376	445,788
Benefits	235,090	254,263	(19,173)	223,117
Services and supplies	145,764	149,199	(3,435)	160,615
	916,296	920,528	(4,232)	829,520
Total public safety	8,477,635	7,977,952	499,683	7,719,398
Sanitation				
Animal control and garbage disposal				
Services and supplies	5,000	-	5,000	1,250
Health				
City/County health				
Services and supplies	53,000	48,049	4,951	18,468
Cemetery				
Salaries	103,831	98,789	5,042	101,869
Benefits	46,391	45,227	1,164	44,859
Services and supplies	48,500	42,633	5,867	46,083
Capital outlay	3,600	3,599	1	-
	202,322	190,248	12,074	192,811
Total health	255,322	238,297	17,025	211,279
Culture and recreation				
Museum				
Salaries	218,459	179,258	39,201	190,207
Benefits	65,248	56,054	9,194	60,004
Services and supplies	35,700	28,680	7,020	31,363
Capital outlay	-	-	-	4,041
Total culture and recreation	319,407	263,992	55,415	285,615
Community support				
Services and supplies	184,000	139,400	44,600	213,331

	Budget	Actual	Variance	2014
Intergovernmental				
Payments to other governments	$ 354,215	$ 339,730	$ 14,485	$ 392,684
Total expenditures	18,828,158	17,567,692	1,260,466	17,341,340
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,248,848)	(87,260)	2,161,588	751,120
Other Financing Sources (Uses)				
Sale of capital assets	-	77,669	77,669	56,366
Transfers out				
Stabilization of Operations Fund	(54,710)	(54,710)	-	-
AB 65 Court Fees Fund	(198,496)	(198,496)	-	-
Compensated Absences Fund	(125,000)	(125,000)	-	-
Golf Course Fund	(25,000)	(25,000)	-	(25,000)
Building Reserve Fund	(125,000)	(125,000)	-	-
Total other financing sources (uses)	(528,206)	(450,537)	77,669	31,366
Net Change in Fund Balance	(2,777,054)	(537,797)	2,239,257	782,486
Fund Balance, Beginning of Year	6,462,957	7,530,262	1,067,305	6,747,776
Fund Balance, End of Year	$ 3,685,903	$ 6,992,465	$ 3,306,562	$ 7,530,262

Churchill County, Nevada
Balance Sheet – Road Fund
June 30, 2015
(with Comparative Totals for June 30, 2014)

	2015	2014
Assets		
Cash and investments	$ 537,154	$ 394,843
Receivables		
Interest	140	96
Other	21,621	17,828
Due from other funds	242,500	661,473
Due from other governments	170,893	169,718
Total assets	$ 972,308	$ 1,243,958
Liabilities		
Accounts payable	$ 29,695	$ 347,181
Accrued salaries	25,191	23,784
Accrued benefits	14,859	13,229
Due to other governments	1,510	1,502
Customer deposits	1,147	2,647
Total liabilities	72,402	388,343
Fund Balances		
Committed	293,821	252,686
Assigned	606,085	602,929
Total fund balances	899,906	855,615
Total Liabilities and Fund Balances	$ 972,308	$ 1,243,958

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Road Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Licenses and permits	$ -	$ 100	$ 100	$ 200
Intergovernmental				
Motor vehicle fuel tax ($.0125)	345,576	335,214	(10,362)	335,214
Motor vehicle fuel tax ($.0175)	101,889	110,837	8,948	103,597
Motor vehicle fuel tax ($.0360)	567,046	552,211	(14,835)	550,511
	1,014,511	998,262	(16,249)	989,322
Miscellaneous				
Interest	1,375	1,547	172	1,784
Miscellaneous	-	138,585	138,585	1,095
Water construction	-	6,712	6,712	6,204
Fuel reimbursements	260,000	171,859	(88,141)	199,558
	261,375	318,703	57,328	208,641
Total revenues	1,275,886	1,317,065	41,179	1,198,163
Expenditures				
Public works				
Highways and streets				
Salaries	1,000,123	952,232	47,891	931,164
Benefits	462,633	439,758	22,875	433,840
Services and supplies	1,074,500	630,750	443,750	497,885
Capital outlay	-	217,833	(217,833)	760,145
Total expenditures	2,537,256	2,240,573	296,683	2,623,034
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,261,370)	(923,508)	337,862	(1,424,871)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	13,170
Transfers in				
Regional Transportation Fund	500,000	489,774	(10,226)	641,659
Public Transit Fund	500,000	491,195	(8,805)	482,782
Road Impact Fund	-	-	-	100,000
Transfers out				
Road Equipment Replacement Fund	(13,170)	(13,170)	-	(250,000)
Total other financing sources (uses)	986,830	967,799	(19,031)	987,611
Net Change in Fund Balances	(274,540)	44,291	318,831	(437,260)
Fund Balance, Beginning of Year	945,721	855,615	(90,106)	1,292,875
Fund Balance, End of Year	$ 671,181	$ 899,906	$ 228,725	$ 855,615

Churchill County, Nevada

Combining Balance Sheet – Nonmajor Governmental Funds
June 30, 2015
(with Comparative Totals for June 30, 2014)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals 2015	Totals 2014
Assets					
Cash and investments	$16,291,316	$ -	$ 6,386,990	$22,678,306	$22,065,897
Receivables					
Property taxes	88,011	-	29,374	117,385	40,565
Interest	3,887	-	1,586	5,473	5,021
Other	40,816	-	-	40,816	26,671
Notes	84,973	-	-	84,973	97,332
Due from other funds	-	-	-	-	107,806
Due from other governments	706,861	-	135,236	842,097	713,792
Total assets	$17,215,864	$ -	$ 6,553,186	$23,769,050	$23,057,084
Liabilities					
Accounts payable	$ 86,211	$ -	$ 73,383	$ 159,594	$ 119,648
Accrued salaries	52,196	-	-	52,196	32,100
Accrued benefits	19,790	-	-	19,790	15,391
Due to other funds	242,500	-	-	242,500	667,880
Due to other governments	71,892	-	3,547	75,439	75,219
Customer deposits	4,005	-	-	4,005	3,900
Unearned revenue	10,899	-	-	10,899	9,805
Total liabilities	487,493	-	76,930	564,423	923,943
Deferred Inflows of Resources					
Unavailable revenue - property taxes	20,132	-	6,771	26,903	27,312
Fund Balances					
Non-Spendable	84,973	-	-	84,973	97,332
Restricted	5,551,687	-	2,465,786	8,017,473	7,391,729
Committed	4,108,136	-	478,877	4,587,013	5,123,612
Assigned	6,963,443	-	3,524,822	10,488,265	9,493,156
Total fund balances	16,708,239	-	6,469,485	23,177,724	22,105,829
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$17,215,864	$ -	$ 6,553,186	$23,769,050	$23,057,084

Churchill County, Nevada

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance –
Nonmajor Governmental Funds
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Fund	Nonmajor Capital Projects Funds	Totals 2015	Totals 2014
Revenues					
Taxes	$ 1,593,861	$ 252,903	$ 546,182	$ 2,392,946	$ 2,292,631
Licenses and permits	34,325	-	-	34,325	26,400
Intergovernmental	3,661,991	-	665,385	4,327,376	4,991,482
Charges for services	484,522	-	-	484,522	486,184
Fines and forfeits	76,644	-	-	76,644	-
Miscellaneous	684,272	117	408,181	1,092,570	862,618
Total revenues	6,535,615	253,020	1,619,748	8,408,383	8,659,315
Expenditures					
Current					
General government	1,054,462	-	266,506	1,320,968	1,472,441
Judicial	63,247	-	-	63,247	75,287
Public safety	48,516	-	156,112	204,628	80,755
Public works	53,130	-	543,900	597,030	109,831
Health	4,015	-	-	4,015	2,498
Welfare	1,229,988	-	-	1,229,988	1,662,677
Culture and recreation	2,208,326	-	-	2,208,326	1,728,854
Community support	582,765	-	-	582,765	340,265
Intergovernmental	359,000	-	91,964	450,964	942,332
Debt Service					
Interest	-	3,032	-	3,032	-
Total expenditures	5,603,449	3,032	1,058,482	6,664,963	6,414,940
Excess (Deficiency) of Revenues Over (Under) Expenditures	932,166	249,988	561,266	1,743,420	2,244,375
Other Financing Sources (Uses)					
Proceeds from insurance recovery	1,837	-	-	1,837	488,133
Sale of capital assets	148,500	-	17,731	166,231	620,061
Transfers in	1,673,206	-	656,053	2,329,259	461,103
Transfers out	(2,493,852)	(350,000)	(325,000)	(3,168,852)	(1,635,544)
Total other financing sources (uses)	(670,309)	(350,000)	348,784	(671,525)	(66,247)
Net Change in Fund Balance	261,857	(100,012)	910,050	1,071,895	2,178,128
Fund Balance, Beginning of Year	16,446,382	100,012	5,559,435	22,105,829	19,927,701
Fund Balance, End of Year	$16,708,239	$ -	$ 6,469,485	$23,177,724	$22,105,829

Churchill County, Nevada

Combining Balance Sheet – Nonmajor Special Revenue Funds
June 30, 2015
(with Comparative Totals for June 30, 2014)

	Stabilization of Operations Fund	Forfeitures Seized Assets Fund	Road Impact Fee Fund	Social Services Fund	Cooperative Extension Fund	Public Library Fund	Parks and Recreation Fund	Residential Construction Tax Fund
Assets								
Cash and investments	$ 1,646,268	$ 98,450	$ 347,168	$ 1,932,688	$ 215,553	$ 975,066	$ 929,152	$ 244,695
Receivables								
Property taxes	-	-	-	20,382	7,333	23,537	-	-
Interest	425	25	90	505	57	256	215	63
Other	-	-	-	350	-	-	5,955	-
Notes	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	125,464	-	-	33,333	-
Total assets	$ 1,646,693	$ 98,475	$ 347,258	$ 2,079,389	$ 222,943	$ 998,859	$ 968,655	$ 244,758
Liabilities								
Accounts payable	$ -	$ 131	$ -	$ 11,570	$ 5,516	$ 9,303	$ 22,465	$ -
Accrued salaries	-	-	-	6,011	1,360	6,335	20,800	-
Accrued benefits	-	-	-	3,747	832	4,013	9,153	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	4,865	10,410	1,920	3,354	-
Customer deposit	-	-	-	1,475	-	-	2,530	-
Unearned revenue	-	2,469	-	-	-	-	8,430	-
Total liabilities	-	2,600	-	27,668	18,118	21,571	66,732	-
Deferred Inflows of Resources								
Unavailable revenue - property taxes	-	-	-	4,988	1,684	5,413	-	-
Fund Balances								
Non-spendable	-	-	-	-	-	-	-	-
Restricted	-	95,875	294,599	-	-	-	-	206,721
Committed	1,646,693	-	52,659	1,494,136	43,639	-	-	38,037
Assigned	-	-	-	552,597	159,502	971,875	901,923	-
Total fund balances	1,646,693	95,875	347,258	2,046,733	203,141	971,875	901,923	244,758
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,646,693	$ 98,475	$ 347,258	$ 2,079,389	$ 222,943	$ 998,859	$ 968,655	$ 244,758

Churchill County, Nevada

Combining Balance Sheet – Nonmajor Special Revenue Funds
June 30, 2015
(with Comparative Totals for June 30, 2014)

	Cemetery Beautification Fund	Indigent Donations and Gifts Fund	AB 65 Court Fees Fund	Law Library Fund	Regional Transportation Fund	Technology Fee Fund	E 911 System Fund	Library Gift Fund
Assets								
Cash and investments	$ 27,434	$ 51,218	$ 275,525	$ 58,085	$ 684,340	$ 458,893	$ 73,779	$ 259,035
Receivables								
Property taxes	-	-	-	-	-	132	-	-
Interest	7	13	70	15	158	129	19	72
Other	-	120	-	-	-	-	3,942	-
Notes	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	145,441	1,701	2,015	-
Total assets	$ 27,441	$ 51,351	$ 275,595	$ 58,100	$ 829,939	$ 460,855	$ 79,755	$ 259,107
Liabilities								
Accounts payable	$ -	$ 345	$ -	$ 538	$ -	$ -	$ 3,690	$ -
Accrued salaries	-	-	-	-	-	-	-	-
Accrued benefits	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	193,000	-	-	-
Due to other governments	-	-	-	-	13,000	-	-	-
Customer deposit	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	-	345	-	538	206,000	-	3,690	-
Deferred Inflows of Resources								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Fund Balances								
Non-spendable	-	-	-	-	-	-	-	-
Restricted	-	-	275,595	-	623,939	414,906	76,065	-
Committed	-	-	-	-	-	45,949	-	-
Assigned	27,441	51,006	-	57,562	-	-	-	259,107
Total fund balances	27,441	51,006	275,595	57,562	623,939	460,855	76,065	259,107
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 27,441	$ 51,351	$ 275,595	$ 58,100	$ 829,939	$ 460,855	$ 79,755	$ 259,107

Churchill County, Nevada

Combining Balance Sheet – Nonmajor Special Revenue Funds
June 30, 2015
(with Comparative Totals for June 30, 2014)

	Risk Management Fund	Compensated Absences Fund	Unemployment Compensation Fund	Graffiti Reward and Abatement Fund	District Court Security Fund	Administrative Assessment Fund	Water Resource Fund	Infrastructure Tax Fund
Assets								
Cash and investments	$ 1,080,015	$ 630,031	$ 317,680	$ 49,773	$ 39,914	$ 21,490	$ 828,089	$ 1,419,292
Receivables								
Property taxes	-	-	-	-	-	-	-	-
Interest	274	151	82	13	10	-	213	353
Other	11,922	18,399	-	128	-	-	-	-
Notes	-	-	-	-	-	-	-	-
Due from other governments	-	79,908	-	-	-	4,361	46,637	97,218
Total assets	$ 1,092,211	$ 728,489	$ 317,762	$ 49,914	$ 39,924	$ 25,851	$ 874,939	$ 1,516,863
Liabilities								
Accounts payable	$ -	$ -	$ -	$ 438	$ -	$ -	$ 13,976	$ -
Accrued salaries	-	17,690	-	-	-	-	-	-
Accrued benefits	-	2,045	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-
Due to other governments	-	-	2,324	-	-	-	2,085	-
Customer deposit	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-
Total liabilities	-	19,735	2,324	438	-	-	16,061	-
Deferred Inflows of Resources								
Unavailable revenue - property taxes	-	-	-	-	-	-	-	-
Fund Balances								
Non-spendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	39,924	25,851	-	1,516,863
Committed	-	-	-	49,476	-	-	64,333	-
Assigned	1,092,211	708,754	315,438	-	-	-	794,545	-
Total fund balances	1,092,211	708,754	315,438	49,476	39,924	25,851	858,878	1,516,863
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 1,092,211	$ 728,489	$ 317,762	$ 49,914	$ 39,924	$ 25,851	$ 874,939	$ 1,516,863

Churchill County, Nevada

Combining Balance Sheet – Nonmajor Special Revenue Funds

June 30, 2015

(with Comparative Totals for June 30, 2014)

	Recreation Donation Fund	Indigent Hospital Care Fund	Indigent Services Fund	Public Transit Fund	Senior Citizens Ad Valorem Levy Fund	One Cent Fuel Excise Tax Fund	Fairgrounds Sale Proceeds Fund	2015	2014
Assets									
Cash and investments	$ 92,315	$ 6,558	$ 1,655,313	$ 532,578	$ 1,010,990	$ 137,433	$ 192,496	$ 16,291,316	$ 16,611,728
Receivables									
Property taxes	-	5,500	22,020	-	9,107	-	-	88,011	31,035
Interest	23	-	430	124	11	34	50	3,887	3,802
Other	-	-	-	-	-	-	-	40,816	26,671
Notes	-	-	-	-	-	-	84,973	84,973	97,332
Due from other governments	-	-	-	97,218	62,908	10,657	-	706,861	580,054
Total assets	$ 92,338	$ 12,058	$ 1,677,763	$ 629,920	$ 1,083,016	$ 148,124	$ 277,519	$ 17,215,864	$ 17,350,622
Liabilities									
Accounts payable	$ 128	$ -	$ 773	$ 241	$ 9,816	$ 7,281	$ -	$ 86,211	$ 111,879
Accrued salaries	-	-	-	-	-	-	-	52,196	32,100
Accrued benefits	-	-	-	-	-	-	-	19,790	15,391
Due to other funds	-	-	-	49,500	-	-	-	242,500	642,065
Due to other governments	-	6,558	27,376	-	-	-	-	71,892	68,451
Customer deposit	-	-	-	-	-	-	-	4,005	3,900
Unearned revenue	-	-	-	-	-	-	-	10,899	9,805
Total liabilities	128	6,558	28,149	49,741	9,816	7,281	-	487,493	883,591
Deferred Inflows of Resources									
Unavailable revenue - property taxes	-	1,263	5,066	-	1,718	-	-	20,132	20,649
Fund Balances									
Non-spendable	-	-	-	-	-	-	84,973	84,973	97,332
Restricted	68,445	4,237	1,644,548	169,696	-	94,423	-	5,551,687	5,230,756
Committed	23,765	-	-	410,483	-	46,420	192,546	4,108,136	4,449,768
Assigned	-	-	-	-	1,071,482	-	-	6,963,443	6,668,526
Total fund balances	92,210	4,237	1,644,548	580,179	1,071,482	140,843	277,519	16,708,239	16,446,382
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 92,338	$ 12,058	$ 1,677,763	$ 629,920	$ 1,083,016	$ 148,124	$ 277,519	$ 17,215,864	$ 17,350,622

Churchill County, Nevada

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenues Funds
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Stabilization of Operations Fund	Forfeitures Seized Assets Fund	Road Impact Fee Fund	Social Services Fund	Cooperative Extension Fund	Public Library Fund	Parks and Recreation Fund	Residential Construction Tax Fund
Revenues								
Taxes	$ -	$ -	$ -	$ 341,555	$ 135,380	$ 434,190	$ 8,724	$ -
Licenses and permits	-	-	25,300	-	-	-	-	9,025
Intergovernmental	-	-	-	366,287	47	5,876	700,000	-
Charges for services	-	-	-	-	-	9,381	285,158	-
Fines and forfeits	-	-	-	-	-	-	-	-
Miscellaneous	6,323	7,431	1,318	79,823	967	10,888	9,529	3,559
Total revenues	6,323	7,431	26,618	787,665	136,394	460,335	1,003,411	12,584
Expenditures								
General government	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	-
Public safety	-	4,588	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	-	-	-	1,128,843	-	-	-	-
Culture and recreation	-	-	-	-	-	488,203	1,135,682	8,663
Community support	-	-	-	-	176,535	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Total expenditures	-	4,588	-	1,128,843	176,535	488,203	1,135,682	8,663
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,323	2,843	26,618	(341,178)	(40,141)	(27,868)	(132,271)	3,921
Other Financing Sources (Uses)								
Proceeds from insurance recovery	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	54,710	-	-	225,000	-	-	-	-
Transfers out	-	-	-	-	-	(50,000)	-	-
Total other financing sources (uses)	54,710	-	-	225,000	-	(50,000)	-	-
Net Change in Fund Balance	61,033	2,843	26,618	(116,178)	(40,141)	(77,868)	(132,271)	3,921
Fund Balance, Beginning of Year	1,585,660	93,032	320,640	2,162,911	243,282	1,049,743	1,034,194	240,837
Fund Balance, End of Year	$ 1,646,693	$ 95,875	$ 347,258	$ 2,046,733	$ 203,141	$ 971,875	$ 901,923	$ 244,758

Churchill County, Nevada

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenues Funds
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Cemetery Beautification Fund	Indigent Donations and Gifts Fund	AB 65 Court Fees Fund	Law Library Fund	Regional Transportation Fund	Technology Fee Fund	E 911 System Fund	Library Gift Fund
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	300	-	-	768,429	-	-	-
Charges for services	-	-	-	11,550	-	20,000	73,739	-
Fines and forfeits	-	-	76,644	-	-	-	-	-
Miscellaneous	1,363	834	455	255	2,245	147,453	226	69,617
Total revenues	1,363	1,134	77,099	11,805	770,674	167,453	73,965	69,617
Expenditures								
General government	-	-	-	-	-	142,875	-	-
Judicial	-	-	-	22,026	-	-	-	-
Public safety	-	-	-	-	-	-	43,928	-
Public works	-	-	-	-	-	-	-	-
Health	4,015	-	-	-	-	-	-	-
Welfare	-	385	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	561,558
Community support	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	263,000	-	-	-
Total expenditures	4,015	385	-	22,026	263,000	142,875	43,928	561,558
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,652)	749	77,099	(10,221)	507,674	24,578	30,037	(491,941)
Other Financing Sources (Uses)								
Proceeds from insurance recovery	-	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	-
Transfers in	-	-	198,496	-	-	-	-	50,000
Transfers out	-	-	-	-	(499,331)	-	-	-
Total other financing sources (uses)	-	-	198,496	-	(499,331)	-	-	50,000
Net Change in Fund Balance	(2,652)	749	275,595	(10,221)	8,343	24,578	30,037	(441,941)
Fund Balance, Beginning of Year	30,093	50,257	-	67,783	615,596	436,277	46,028	701,048
Fund Balance, End of Year	$ 27,441	$ 51,006	$ 275,595	$ 57,562	$ 623,939	$ 460,855	$ 76,065	$ 259,107

Churchill County, Nevada

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenues Funds
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Risk Management Fund	Compensated Absences Fund	Unemployment Compensation Fund	Graffiti Reward and Abatement Fund	District Court Security Fund	Administrative Assessment Fund	Water Resource Fund	Infrastructure Tax Fund
Revenues								
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	50,000	287,739	-	-	-	-	149,686	620,639
Charges for services	-	-	-	1,125	14,775	52,352	16,442	-
Fines and forfeits	-	-	-	-	-	-	-	-
Miscellaneous	5,922	129,844	1,279	39,945	125	-	103,646	4,316
Total revenues	55,922	417,583	1,279	41,070	14,900	52,352	269,774	624,955
Expenditures								
General government	29,415	523,814	9,274	-	-	-	182,664	166,420
Judicial	-	-	-	41,221	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Community support	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Total expenditures	29,415	523,814	9,274	41,221	-	-	182,664	166,420
Excess (Deficiency) of Revenues Over (Under) Expenditures	26,507	(106,231)	(7,995)	(151)	14,900	52,352	87,110	458,535
Other Financing Sources (Uses)								
Proceeds from insurance recovery	1,837	-	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-	-	148,500
Transfers in	-	125,000	-	-	-	-	-	-
Transfers out	(500,000)	-	-	-	-	(50,000)	-	(350,000)
Total other financing sources (uses)	(498,163)	125,000	-	-	-	(50,000)	-	(201,500)
Net Change in Fund Balance	(471,656)	18,769	(7,995)	(151)	14,900	2,352	87,110	257,035
Fund Balance, Beginning of Year	1,563,867	689,985	323,433	49,627	25,024	23,499	771,768	1,259,828
Fund Balance, End of Year	$ 1,092,211	$ 708,754	$ 315,438	$ 49,476	$ 39,924	$ 25,851	$ 858,878	$ 1,516,863

Churchill County, Nevada

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenues Funds

Year Ended June 30, 2015

(with Comparative Totals for the Year Ended June 30, 2014)

	Recreation Donation Fund	Indigent Hospital Care Fund	Indigent Services Fund	Public Transit Fund	Senior Citizens Ad Valorem Levy Fund	One Cent Fuel Excise Tax Fund	Fairgrounds Sale Proceeds Fund	2015	2014
Revenues									
Taxes	$ -	$ 104,281	$ 406,213	$ -	$ 163,518	$ -	$ -	$ 1,593,861	$ 1,659,163
Licenses and permits	-	-	-	-	-	-	-	34,325	26,400
Intergovernmental	-	35	141	620,648	35,856	56,308	-	3,661,991	4,371,920
Charges for services	-	-	-	-	-	-	-	484,522	486,184
Fines and forfeits	-	-	-	-	-	-	-	76,644	-
Miscellaneous	14,974	-	6,715	2,117	27,179	521	5,403	684,272	502,298
Total revenues	14,974	104,316	413,069	622,765	226,553	56,829	5,403	6,535,615	7,045,965
Expenditures									
General government	-	-	-	-	-	-	-	1,054,462	1,374,078
Judicial	-	-	-	-	-	-	-	63,247	75,287
Public safety	-	-	-	-	-	-	-	48,516	80,192
Public works	-	-	-	4,049	-	49,081	-	53,130	55,715
Health	-	-	-	-	-	-	-	4,015	2,498
Welfare	-	100,760	-	-	-	-	-	1,229,988	1,662,677
Culture and recreation	14,220	-	-	-	-	-	-	2,208,326	1,728,854
Community support	-	-	201,343	-	175,351	-	29,536	582,765	340,265
Intergovernmental	-	-	-	96,000	-	-	-	359,000	858,243
Total expenditures	14,220	100,760	201,343	100,049	175,351	49,081	29,536	5,603,449	6,177,809
Excess (Deficiency) of Revenues Over (Under) Expenditures	754	3,556	211,726	522,716	51,202	7,748	(24,133)	932,166	868,156
Other Financing Sources (Uses)									
Proceeds from insurance recovery	-	-	-	-	-	-	-	1,837	488,133
Sale of capital assets	-	-	-	-	-	-	-	148,500	395,576
Transfers in	-	-	-	-	1,020,000	-	-	1,673,206	150,000
Transfers out	-	-	(325,000)	(499,521)	-	-	(220,000)	(2,493,852)	(1,610,544)
Total other financing sources (uses)	-	-	(325,000)	(499,521)	1,020,000	-	(220,000)	(670,309)	(576,835)
Net Change in Fund Balance	754	3,556	(113,274)	23,195	1,071,202	7,748	(244,133)	261,857	291,321
Fund Balance, Beginning of Year	91,456	681	1,757,822	556,984	280	133,095	521,652	16,446,382	16,155,061
Fund Balance, End of Year	$ 92,210	$ 4,237	$ 1,644,548	$ 580,179	$ 1,071,482	$ 140,843	$ 277,519	$ 16,708,239	$ 16,446,382

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Stabilization of Operations Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Interest	$ 4,526	$ 6,323	$ 1,797	$ 5,344
Other Financing Sources (Uses)				
Transfers in				
General Fund	-	54,710	54,710	-
Net Change in Fund Balance	4,526	61,033	56,507	5,344
Fund Balance, Beginning of Year	1,584,441	1,585,660	1,219	1,580,316
Fund Balance, End of Year	$ 1,588,967	$ 1,646,693	$ 57,726	$ 1,585,660

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Forfeitures/Seized Assets Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Forfeitures of seized assets	$ 100,000	$ 7,043	$ (92,957)	$ 49,825
Interest	250	388	138	362
Total revenues	100,250	7,431	(92,819)	50,187
Expenditures				
Public safety				
Administration				
Services and supplies	85,000	4,588	80,412	22,596
Excess (Deficiency) of Revenues Over (Under) Expenditures	15,250	2,843	(12,407)	27,591
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	8,621
Net Change in Fund Balance	15,250	2,843	(12,407)	36,212
Fund Balance, Beginning of Year	76,995	93,032	16,037	56,820
Fund Balance, End of Year	$ 92,245	$ 95,875	$ 3,630	$ 93,032

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Road Impact Fee Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Licenses and permits				
Area A road impact fee	$ 2,300	$ 4,600	$ 2,300	$ 11,500
Area B road impact fee	-	20,700	20,700	6,900
	2,300	25,300	23,000	18,400
Miscellaneous				
Interest	925	1,318	393	1,226
Total revenues	3,225	26,618	23,393	19,626
Expenditures				
Public works				
Highways and street				
Services and supplies	319,263	-	319,263	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(316,038)	26,618	342,656	19,626
Other Financing Source (Uses)				
Transfer out				
Road Fund	-	-	-	(100,000)
Net Change in Fund Balance	(316,038)	26,618	342,656	(80,374)
Fund Balance, Beginning of Year	316,039	320,640	4,601	401,014
Fund Balance, End of Year	$ 1	$ 347,258	$ 347,257	$ 320,640

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Social Service Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 304,925	$ 341,555	$ 36,630	$ 581,519
Intergovernmental				
Private car tax	-	117	117	202
Consolidated taxes	24,000	24,000	-	60,000
Admin Annes WIC Rent	6,500	8,400	1,900	8,400
Grants-in-aid				
Federal	320,000	320,719	719	679,749
State	-	13,051	13,051	39,194
	350,500	366,287	15,787	787,545
Miscellaneous				
Welfare reimbursements	-	19,176	19,176	7,962
Geothermal rents/royalties	50,000	50,000	-	46,171
Miscellaneous	-	2,400	2,400	2,428
Interest	5,125	8,247	3,122	7,027
	55,125	79,823	24,698	63,588
Total revenues	710,550	787,665	77,115	1,432,652
Expenditures				
Welfare				
Grant assistance				
Services and supplies	719,566	216,806	502,760	615,992
Assistance in cash or goods				
Services and supplies	90,000	49,110	40,890	77,336
Medical assistance-direct				
Services and supplies	142,209	118,009	24,200	133,222
Welfare operations				
Salaries	197,604	191,760	5,844	175,121
Benefits	89,269	94,228	(4,959)	87,474
Services and supplies	26,500	25,756	744	18,655
	313,373	311,744	1,629	281,250
Public health nurse				
Services and supplies	117,020	110,520	6,500	111,037
Transitional housing				
Salaries	43,138	29,884	13,254	39,104
Benefits	22,200	14,619	7,581	20,251
Services and supplies	89,900	74,656	15,244	56,397
	155,238	119,159	36,079	115,752
Public guardian				
Services and supplies	91,546	33,141	58,405	42,632
Child protective services				
Services and supplies	170,190	170,354	(164)	170,533
Total expenditures	1,799,142	1,128,843	670,299	1,547,754
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,088,592)	(341,178)	747,414	(115,102)

	Budget	Actual	Variance	2014
Other Financing Sources (Uses)				
Sale of capital assets	$ -	$ -	$ -	$ 1,700
Transfers in				
Indigent Medical Care Fund	225,000	225,000	-	100,000
Total other financing sources (uses)	225,000	225,000	-	101,700
Net Change in Fund Balance	(863,592)	(116,178)	747,414	(13,402)
Fund Balance, Beginning of Year	1,717,769	2,162,911	445,142	2,176,313
Fund Balance, End of Year	$ 854,177	$ 2,046,733	$ 1,192,556	$ 2,162,911

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Cooperative Extension Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 121,972	$ 135,380	$ 13,408	$ 133,165
Intergovernmental				
Private car tax	-	47	47	46
Miscellaneous				
Interest	500	967	467	921
Miscellaneous	-	-	-	4,163
	500	967	467	5,084
Total revenues	122,472	136,394	13,922	138,295
Expenditures				
Community support				
Salaries	56,443	54,938	1,505	55,675
Benefits	25,163	23,913	1,250	23,794
Services and supplies	90,021	88,685	1,336	80,608
Capital outlay	8,999	8,999	-	-
Total expenditures	180,626	176,535	4,091	160,077
Net Change in Fund Balance	(58,154)	(40,141)	18,013	(21,782)
Fund Balance, Beginning of Year	227,089	243,282	16,193	265,064
Fund Balance, End of Year	$ 168,935	$ 203,141	$ 34,206	$ 243,282

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Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Public Library Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 390,915	$ 434,190	$ 43,275	$ 430,201
Intergovernmental				
Federal in lieu of taxes	-	-	-	24,000
Private car tax	-	150	150	147
Grant in aid				
Federal	-	2,878	2,878	650
State	-	2,848	2,848	3,893
	-	5,876	5,876	28,690
Charges for services				
Library fee	5,000	9,381	4,381	10,833
Miscellaneous				
Sales and rentals	-	177	177	412
Gifts and donations	-	6,666	6,666	37
Interest	2,000	4,045	2,045	3,765
	2,000	10,888	8,888	4,214
Total revenues	397,915	460,335	62,420	473,938
Expenditures				
Culture and recreation				
Salaries	244,206	240,012	4,194	241,235
Benefits	107,873	104,561	3,312	101,891
Services and supplies	143,854	143,630	224	158,043
Total expenditures	495,933	488,203	7,730	501,169
Excess (Deficiency) of Revenues Over (Under) Expenditures	(98,018)	(27,868)	70,150	(27,231)
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	803
Transfers out				
Library Gift Fund	(50,000)	(50,000)	-	(50,000)
Total other financing sources (uses)	(50,000)	(50,000)	-	(49,197)
Net Change in Fund Balance	(148,018)	(77,868)	70,150	(76,428)
Fund Balance, Beginning of Year	1,005,503	1,049,743	44,240	1,126,171
Fund Balance, End of Year	$ 857,485	$ 971,875	$ 114,390	$ 1,049,743

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Parks and Recreation Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
County lodging tax	$ 6,000	$ 8,724	$ 2,724	$ 7,873
Intergovernmental				
Federal in lieu of taxes	200,000	200,000	-	200,000
Local in lieu of taxes	300,000	300,000	-	495,001
Consolidated taxes	200,000	200,000	-	200,000
	700,000	700,000	-	895,001
Charges for services				
Contract clean-up	-	125	125	480
Concession stand	-	3,324	3,324	4,522
Recreation charges	135,000	137,174	2,174	143,728
Swimming pool receipts	51,000	68,917	17,917	69,690
Fairgrounds rentals	55,000	72,970	17,970	68,691
Pro-shop sales	1,000	690	(310)	1,640
Miscellaneous	-	1,958	1,958	1,550
	242,000	285,158	43,158	290,301
Miscellaneous				
Interest	2,076	3,413	1,337	3,246
Miscellaneous	4,000	6,116	2,116	7,686
	6,076	9,529	3,453	10,932
Total revenues	954,076	1,003,411	49,335	1,204,107
Expenditures				
Culture and recreation				
Administration				
Salaries	188,779	185,947	2,832	184,169
Benefits	83,734	82,229	1,505	81,061
Services and supplies	12,910	10,900	2,010	20,776
	285,423	279,076	6,347	286,006
Public parks				
Salaries	64,421	59,872	4,549	60,454
Benefits	24,417	23,940	477	23,553
Services and supplies	41,700	35,517	6,183	40,587
	130,538	119,329	11,209	124,594
Recreation athletics				
Salaries	108,882	97,735	11,147	96,953
Benefits	35,520	33,722	1,798	32,513
Services and supplies	77,850	76,329	1,521	76,604
	222,252	207,786	14,466	206,070
Fairgrounds				
Salaries	114,262	109,820	4,442	106,329
Benefits	34,320	34,366	(46)	33,329
Services and supplies	104,150	117,406	(13,256)	106,940
Capital outlay	-	-	-	7,872
	252,732	261,592	(8,860)	254,470

	Budget	Actual	Variance	2014
Swimming pool				
Salaries	$ 133,572	$ 131,245	$ 2,327	$ 144,243
Benefits	32,474	32,404	70	33,132
Services and supplies	109,580	104,250	5,330	99,515
	275,626	267,899	7,727	276,890
Total expenditures	1,166,571	1,135,682	30,889	1,148,030
Excess (Deficiency) of Revenues Over (Under) Expenditures	(212,495)	(132,271)	80,224	56,077
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	10,651
Net Change in Fund Balance	(212,495)	(132,271)	80,224	66,728
Fund Balance, Beginning of Year	908,388	1,034,194	125,806	967,466
Fund Balance, End of Year	$ 695,893	$ 901,923	$ 206,030	$ 1,034,194

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Residential Construction Tax Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Licenses and permits				
Park tax fee	$ 3,000	$ 9,025	$ 6,025	$ 8,000
Miscellaneous				
Interest	576	959	383	829
Miscellaneous	-	2,600	2,600	10,000
	576	3,559	2,983	10,829
Total revenues	3,576	12,584	9,008	18,829
Expenditures				
Culture and recreation				
Public parks				
Services and supplies	35,000	8,663	26,337	27,134
Net Change in Fund Balance	(31,424)	3,921	35,345	(8,305)
Fund Balance, Beginning of Year	216,767	240,837	24,070	249,142
Fund Balance, End of Year	$ 185,343	$ 244,758	$ 59,415	$ 240,837

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Cemetery Beautification Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Gifts and donations	$ 5,000	$ 1,250	$ (3,750)	$ 1,850
Interest	75	113	38	100
Total revenues	5,075	1,363	(3,712)	1,950
Expenditures				
Health				
Services and supplies	5,000	4,015	985	2,498
Net Change in Fund Balance	75	(2,652)	(2,727)	(548)
Fund Balance, Beginning of Year	27,041	30,093	3,052	30,641
Fund Balance, End of Year	$ 27,116	$ 27,441	$ 325	$ 30,093

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Indigent Donations and Gifts Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Family Vehicle Safety revenues	$ -	$ 300	$ 300	$ 420
Miscellaneous				
Gifts and donations	10,000	635	(9,365)	1,075
Interest	100	199	99	169
	10,100	834	(9,266)	1,244
Total revenues	10,100	1,134	(8,966)	1,664
Expenditures				
Welfare				
Services and supplies	5,000	385	4,615	1,315
Net Change in Fund Balance	5,100	749	(4,351)	349
Fund Balance, Beginning of Year	46,708	50,257	3,549	49,908
Fund Balance, End of Year	$ 51,808	$ 51,006	$ (802)	$ 50,257

	Budget	Actual	Variance
Revenues			
Fines and forfeits			
AB65 court fees	$ 70,000	$ 76,644	$ 6,644
Miscellaneous			
Interest	-	455	455
Total revenues	70,000	77,099	7,099
Expenditures			
Judicial			
Services and supplies	70,000	-	70,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	77,099	77,099
Other Financing Sources (Uses)			
Transfers in			
General Fund	-	198,496	198,496
Net Change in Fund Balance	70,000	275,595	205,595
Fund Balance, Beginning of Year	-	-	-
Fund Balance, End of Year	$ 70,000	$ 275,595	$ 205,595

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Law Library Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Charges for services				
Law library fees	$ 9,000	$ 11,550	$ 2,550	$ 9,045
Miscellaneous				
Interest	225	255	30	271
Total revenues	9,225	11,805	2,580	9,316
Expenditures				
Judicial				
Services and supplies	23,000	10,796	12,204	29,998
Capital outlay	12,000	11,230	770	-
Total expenditures	35,000	22,026	12,974	29,998
Net Change in Fund Balance	(25,775)	(10,221)	15,554	(20,682)
Fund Balance, Beginning of Year	63,365	67,783	4,418	88,465
Fund Balance, End of Year	$ 37,590	$ 57,562	$ 19,972	$ 67,783

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Regional Transportation Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
County Optional Motor Vehicle	$ 709,268	$ 768,429	$ 59,161	$ 743,532
Miscellaneous				
Interest	2,128	2,245	117	3,137
Total revenues	711,396	770,674	59,278	746,669
Expenditures				
Intergovernmental				
Services and supplies	280,000	263,000	17,000	566,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	431,396	507,674	76,278	180,669
Other Financing Sources (Uses)				
Transfers out				
Road Fund	(500,000)	(489,774)	10,226	(641,659)
Road Equipment Replacement Fund	-	(9,557)	(9,557)	(8,049)
Total other financing sources (uses)	(500,000)	(499,331)	669	(649,708)
Net Change in Fund Balance	(68,604)	8,343	76,947	(469,039)
Fund Balance, Beginning of Year	583,043	615,596	32,553	1,084,635
Fund Balance, End of Year	$ 514,439	$ 623,939	$ 109,500	$ 615,596

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Technology Fee Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Charges for services				
Ortho photo fees	$ -	$ 20,000	$ 20,000	$ -
Miscellaneous				
Technology fees	106,000	145,607	39,607	100,662
Interest	895	1,846	951	1,546
	106,895	147,453	40,558	102,208
Total revenues	106,895	167,453	60,558	102,208
Expenditures				
General government				
Services and supplies	231,000	112,446	118,554	129,993
Capital outlay	40,000	30,429	9,571	6,188
Total expenditures	271,000	142,875	128,125	136,181
Net Change in Fund Balance	(164,105)	24,578	188,683	(33,973)
Fund Balance, Beginning of Year	325,250	436,277	111,027	470,250
Fund Balance, End of Year	$ 161,145	$ 460,855	$ 299,710	$ 436,277

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
E 911 System Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Charges for services				
Sur-charge fees	$ 87,125	$ 73,739	$ (13,386)	$ 75,398
Miscellaneous				
Interest	100	226	126	104
Total revenues	87,225	73,965	(13,260)	75,502
Expenditures				
Public Safety				
Services and supplies	80,000	43,928	36,072	57,596
Net Change in Fund Balance	7,225	30,037	22,812	17,906
Fund Balance, Beginning of Year	5,047	46,028	40,981	28,122
Fund Balance, End of Year	$ 12,272	$ 76,065	$ 63,793	$ 46,028

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Library Gift Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Interest	$ 2,125	$ 2,305	$ 180	$ 2,307
Gifts and donations	60,000	67,312	7,312	35,666
Total revenues	62,125	69,617	7,492	37,973
Expenditures				
Culture and recreation				
Services and supplies	90,000	68,552	21,448	23,377
Capital outlay	517,064	493,006	24,058	15,420
Total expenditures	607,064	561,558	45,506	38,797
Excess (Deficiency) of Revenues Over (Under) Expenditures	(544,939)	(491,941)	52,998	(824)
Other Financing Sources (Uses)				
Transfers in				
Public Library Fund	50,000	50,000	-	50,000
Net Change in Fund Balance	(494,939)	(441,941)	52,998	49,176
Fund Balance, Beginning of Year	701,048	701,048	-	651,872
Fund Balance, End of Year	$ 206,109	$ 259,107	$ 52,998	$ 701,048

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Risk Management Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Federal in lieu of taxes	$ 50,000	$ 50,000	$ -	$ 50,000
Miscellaneous				
Interest	2,175	5,922	3,747	3,960
Miscellaneous	-	-	-	27,618
	2,175	5,922	3,747	31,578
Total revenues	52,175	55,922	3,747	81,578
Expenditures				
General government				
Services and supplies	150,000	29,415	120,585	105,188
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,825)	26,507	124,332	(23,610)
Other Financing Sources (Uses)				
Proceeds from insurance recovery	-	1,837	1,837	488,133
Transfers out				
Senior Citizen Ad Valorem Levy Fund	(500,000)	(500,000)	-	-
Total other financing sources (uses)	(500,000)	(498,163)	1,837	488,133
Net Change in Fund Balance	(597,825)	(471,656)	126,169	464,523
Fund Balance, Beginning of Year	1,517,137	1,563,867	46,730	1,099,344
Fund Balance, End of Year	$ 919,312	$ 1,092,211	$ 172,899	$ 1,563,867

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Compensated Absences Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Federal in lieu of taxes	$ 150,000	$ 150,000	$ -	$ 125,000
Consolidated taxes	102,000	137,739	35,739	48,000
	252,000	287,739	35,739	173,000
Miscellaneous				
Interest	1,750	2,315	565	2,037
Miscellaneous	65,000	127,529	62,529	91,707
	66,750	129,844	63,094	93,744
Total revenues	318,750	417,583	98,833	266,744
Expenditures				
General government				
Benefits	306,000	220,722	85,278	184,294
Services and supplies	464,904	303,092	161,812	82,088
Total expenditures	770,904	523,814	247,090	266,382
Excess (Deficiency) of Revenues Over (Under) Expenditures	(452,154)	(106,231)	345,923	362
Other Financing Sources (Uses)				
Transfers in				
General Fund	125,000	125,000	-	-
Net Change in Fund Balance	(327,154)	18,769	345,923	362
Fund Balance, Beginning of Year	689,985	689,985	-	689,623
Fund Balance, End of Year	$ 362,831	$ 708,754	$ 345,923	$ 689,985

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Unemployment Compensation Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Interest	$ 903	$ 1,279	$ 376	$ 1,164
Expenditures				
General government				
Administration				
Benefits	35,000	9,274	25,726	30,767
Net Change in Fund Balance	(34,097)	(7,995)	26,102	(29,603)
Fund Balance, Beginning of Year	329,039	323,433	(5,606)	353,036
Fund Balance, End of Year	$ 294,942	$ 315,438	$ 20,496	$ 323,433

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Graffiti Reward and Abatement Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Charges for services				
Truancy fees	$ -	$ 500	$ 500	$ 200
Restitution processing	-	625	625	374
	-	1,125	1,125	574
Miscellaneous				
District Attorney restitution collections	125,000	37,702	(87,298)	33,040
Juvenile probation restitution collections	25,000	1,945	(23,055)	2,568
Sheriff's office evidence	-	100	100	1,626
Interest	-	198	198	174
	150,000	39,945	(110,055)	37,408
Total revenues	150,000	41,070	(108,930)	37,982
Expenditures				
Judicial				
Services and supplies	125,000	41,221	83,779	40,224
Net Change in Fund Balance	25,000	(151)	(25,151)	(2,242)
Fund Balance, Beginning of Year	156,272	49,627	(106,645)	51,869
Fund Balance, End of Year	$ 181,272	$ 49,476	$ (131,796)	$ 49,627

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
District Court Security Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Charges for services				
Security fee	$ 25,000	$ 14,775	$ (10,225)	$ 12,060
Miscellaneous				
Interest	100	125	25	71
Total revenues	25,100	14,900	(10,200)	12,131
Expenditures				
Judicial				
Services and supplies	18,000	-	18,000	5,065
Capital outlay	10,000	-	10,000	-
Total expenditures	28,000	-	28,000	5,065
Net Change in Fund Balance	(2,900)	14,900	17,800	7,066
Fund Balance, Beginning of Year	8,053	25,024	16,971	17,958
Fund Balance, End of Year	$ 5,153	$ 39,924	$ 34,771	$ 25,024

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Administrative Assessment Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Charges for services				
Administrative assessments	$ 50,000	$ 52,352	$ 2,352	$ 47,902
Other Financing Sources (Uses)				
Transfers out				
Extraordinary Repairs and Maintenance Fund	(50,000)	(50,000)	-	(35,000)
Net Change in Fund Balance	-	2,352	2,352	12,902
Fund Balance, Beginning of Year	10,597	23,499	12,902	10,597
Fund Balance, End of Year	$ 10,597	$ 25,851	$ 15,254	$ 23,499

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Water Resource Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Federal in lieu of taxes	$ 100,000	$ -	$ (100,000)	$ 125,000
CWSD reimbursements	-	26,082	26,082	19,286
Grants-in-aid				
Federal	-	104,325	104,325	234,733
Refuge revenue sharing	15,000	19,279	4,279	20,598
	115,000	149,686	34,686	399,617
Charges for services				
Water right dedication fees	10,000	16,442	6,442	40,071
Miscellaneous				
Interest	1,000	3,016	2,016	2,042
Lease revenues	-	97,131	97,131	-
Other miscellaneous	-	3,499	3,499	3,500
	1,000	103,646	102,646	5,542
Total revenues	126,000	269,774	143,774	445,230
Expenditures				
General government				
Services and supplies	202,000	176,949	25,051	300,670
Capital outlay	-	5,715	(5,715)	36,195
Total expenditures	202,000	182,664	19,336	336,865
Excess (Deficiency) of Revenues Over (Under) Expenditures	(76,000)	87,110	163,110	108,365
Other Financing Sources (Uses)				
Sale of capital assets	-	-	-	2,550
Net Change in Fund Balance	(76,000)	87,110	163,110	110,915
Fund Balance, Beginning of Year	628,139	771,768	143,629	660,853
Fund Balance, End of Year	$ 552,139	$ 858,878	$ 306,739	$ 771,768

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Infrastructure Tax Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Optional county sales tax ($0.0025)	$ 521,175	$ 620,639	$ 99,464	$ 619,754
Miscellaneous				
Interest	1,925	4,316	2,391	3,375
Total revenues	523,100	624,955	101,855	623,129
Expenditures				
General government				
Infrastructure development				
Services and supplies	10,000	-	10,000	-
Capital outlay	1,025,000	166,420	858,580	498,695
Total expenditures	1,035,000	166,420	868,580	498,695
Excess (Deficiency) of Revenues Over (Under) Expenditures	(511,900)	458,535	970,435	124,434
Other Financing Sources (Uses)				
Sales of capital assets	900,000	148,500	(751,500)	371,251
Transfers out				
Waste Water Enterprise Fund	(350,000)	(350,000)	-	(175,000)
Total other financing sources (uses)	550,000	(201,500)	(751,500)	196,251
Net Change in Fund Balance	38,100	257,035	218,935	320,685
Fund Balance, Beginning of Year	1,138,076	1,259,828	121,752	939,143
Fund Balance, End of Year	$ 1,176,176	$ 1,516,863	$ 340,687	$ 1,259,828

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Recreation Donation Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Gifts and donations	$ 10,000	$ 14,608	$ 4,608	$ 16,610
Interest	-	366	366	307
Total revenues	10,000	14,974	4,974	16,917
Expenditures				
Culture and recreation				
Services and supplies	30,000	14,220	15,780	13,724
Net Change in Fund Balance	(20,000)	754	20,754	3,193
Fund Balance, Beginning of Year	71,326	91,456	20,130	88,263
Fund Balance, End of Year	$ 51,326	$ 92,210	$ 40,884	$ 91,456

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Indigent Hospital Care Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 116,788	$ 104,281	$ (12,507)	$ 102,030
Intergovernmental				
Private car tax	35	35	-	35
Total revenues	116,823	104,316	(12,507)	102,065
Expenditures				
Welfare				
Services and supplies	116,296	100,760	15,536	113,608
Net Change in Fund Balance	527	3,556	3,029	(11,543)
Fund Balance, Beginning of Year	80	681	601	12,224
Fund Balance, End of Year	$ 607	$ 4,237	$ 3,630	$ 681

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Indigent Services Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 365,913	$ 406,213	$ 40,300	$ 401,989
Intergovernmental				
Private car tax	133	141	8	138
Miscellaneous				
Interest	4,121	6,715	2,594	5,960
Total revenues	370,167	413,069	42,902	408,087
Expenditures				
Community support				
Services and supplies	895,890	201,343	694,547	178,073
Excess (Deficiency) of Revenues Over (Under) Expenditures	(525,723)	211,726	737,449	230,014
Other Financing Sources (Uses)				
Transfers out				
Social Services Fund	(225,000)	(225,000)	-	(100,000)
Senior Citizens Ad Valorem Levy Fund	(100,000)	(100,000)	-	-
Total other financing sources (uses)	(325,000)	(325,000)	-	(100,000)
Net Change in Fund Balance	(850,723)	(113,274)	737,449	130,014
Fund Balance, Beginning of Year	1,110,228	1,757,822	647,594	1,627,808
Fund Balance, End of Year	$ 259,505	$ 1,644,548	$ 1,385,043	$ 1,757,822

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Public Transit Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Optional county sales tax ($0.0025)	$ 550,000	$ 620,648	$ 70,648	$ 619,753
Miscellaneous				
Interest	2,175	2,117	(58)	2,610
Total revenues	552,175	622,765	70,590	622,363
Expenditures				
Public Works				
Services and supplies	7,000	4,049	2,951	3,891
Intergovernmental				
Services and supplies	100,000	96,000	4,000	292,243
Total expenditures	107,000	100,049	6,951	296,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	445,175	522,716	77,541	326,229
Other Financing Sources (Uses)				
Transfers out				
Road Fund	(500,000)	(491,195)	8,805	(482,782)
Road Equipment Repair Fund	-	(8,326)	(8,326)	(18,054)
Total other financing sources (uses)	(500,000)	(499,521)	479	(500,836)
Net Change in Fund Balance	(54,825)	23,195	78,020	(174,607)
Fund Balance, Beginning of Year	422,846	556,984	134,138	731,591
Fund Balance, End of Year	$ 368,021	$ 580,179	$ 212,158	$ 556,984

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Senior Citizens Ad Valorem Levy Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 187,155	$ 163,518	$ (23,637)	$ 2,386
Intergovernmental				
Consolidated taxes	-	35,739	35,739	-
Private car tax	-	70	70	-
Miscellaneous	-	47	47	-
	-	35,856	35,856	-
Miscellaneous				
Geothermal rents/royalties	-	27,169	27,169	-
Interest	-	10	10	-
	-	27,179	27,179	-
Total revenues	187,155	226,553	39,398	2,386
Expenditures				
Community support				
Services and supplies	187,155	156,526	30,629	2,115
Capital outlay	-	18,825	(18,825)	-
Total expenditures	187,155	175,351	11,804	2,115
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	51,202	51,202	271
Other Financing Sources (Uses)				
Transfers in				
Risk Management Fund	-	500,000	500,000	-
Indigent Medical Care Fund	-	100,000	100,000	-
Fairgrounds Sale Proceeds Fund	-	220,000	220,000	-
Building Reserve Fund	-	200,000	200,000	-
Total other financing sources (uses)	-	1,020,000	1,020,000	-
Net Change in Fund Balance	-	1,071,202	1,071,202	271
Fund Balance, Beginning of Year	459	280	(179)	9
Fund Balance, End of Year	$ 459	$ 1,071,482	$ 1,071,023	$ 280

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
One Cent Fuel Excise Tax Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Optional county motor vehicle fuel tax	$ 51,978	$ 56,308	$ 4,330	$ 54,389
Miscellaneous				
Interest	200	521	321	415
Total revenues	52,178	56,829	4,651	54,804
Expenditures				
Public works				
Highway and streets				
Services and supplies	75,000	49,081	25,919	51,824
Net Change in Fund Balance	(22,822)	7,748	30,570	2,980
Fund Balance, Beginning of Year	91,910	133,095	41,185	130,115
Fund Balance, End of Year	$ 69,088	$ 140,843	$ 71,755	$ 133,095

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Fairgrounds Sale Proceeds Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Miscellaneous				
Interest	$ 800	$ 5,403	$ 4,603	$ 5,223
Expenditures				
Community support				
Capital outlay	250,000	29,536	220,464	-
Excess (Deficiency) of Revenues over (Under) Expenditures	(249,200)	(24,133)	225,067	5,223
Other Financing Sources (Uses)				
Transfers out				
Senior Citizens Ad Valorem Levy Fund	(220,000)	(220,000)	-	-
Net Change in Fund Balance	(469,200)	(244,133)	225,067	5,223
Fund Balance, Beginning of Year	741,286	521,652	(219,634)	516,429
Fund Balance, End of Year	$ 272,086	$ 277,519	$ 5,433	$ 521,652

Churchill County, Nevada
Balance Sheet – Nonmajor Debt Service Fund
June 30, 2015
(with Comparative Totals for June 30, 2014)

	2015	2014
Assets		
Current assets		
Cash and investments	$ -	100,000
Interest	-	12
Total assets	$ -	$ 100,012
Liabilities and Fund Balances		
Fund Balance		
Committed	$ -	$ 100,012
Total Liabilities and Fund Balances	$ -	$ 100,012

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual –
Nonmajor Debt Service Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Federal in lieu of taxes	$ 400,000	$ 252,903	$ (147,097)	$ 100,000
Miscellaneous				
Interest	-	117	117	12
Total revenues	400,000	253,020	(146,980)	100,012
Expenditures				
Debt Service				
Principal	21,694	-	21,694	-
Interest	10,285	3,032	7,253	-
Total expenditures	31,979	3,032	28,947	-
Excess (Deficiency) of Revenues over (Under) Expenditures	368,021	249,988	(118,033)	100,012
Other Financing Sources (Uses)				
Transfers out				
Road Equipment Replacement	(350,000)	(350,000)	-	-
Net Change in Fund Balance	18,021	(100,012)	(118,033)	100,012
Fund Balance, Beginning of Year	-	100,012	100,012	-
Fund Balance, End of Year	$ 18,021	$ -	$ (18,021)	$ 100,012

Churchill County, Nevada

Combining Balance Sheet – Nonmajor Capital Projects Funds
June 30, 2015
(with Comparative Totals for June 30, 2014)

	Building Reserve Fund	Special Ad Valorem Capital Projects Fund	Extraordinary Repairs and Maintenance Fund	Fire Equipment Apparatus Fund	Road Equipment Repair Fund	Totals 2015	Totals 2014
Assets							
Cash and investments	$ 2,869,018	$ 1,723,733	$ 598,365	$ 722,364	$ 473,510	$ 6,386,990	$ 5,354,169
Receivables							
Property Taxes	-	18,329	-	11,045	-	29,374	9,530
Interest	679	445	154	188	120	1,586	1,207
Due from other funds	-	-	-	-	-	-	107,806
Due from other governments	123,422	-	6,567	-	5,247	135,236	133,738
Total assets	$ 2,993,119	$ 1,742,507	$ 605,086	$ 733,597	$ 478,877	$ 6,553,186	$ 5,606,450
Liabilities							
Accounts payable	$ 3,200	$ -	$ 70,183	$ -	$ -	$ 73,383	$ 7,769
Due to other funds	-	-	-	-	-	-	25,815
Due to other governments	-	3,547	-	-	-	3,547	6,768
Total liabilities	3,200	3,547	70,183	-	-	76,930	40,352
Deferred Inflows of Resources							
Unavailable revenue - property taxes	-	4,211	-	2,560	-	6,771	6,663
Fund Balances							
Restricted	-	1,734,749	-	731,037	-	2,465,786	2,160,973
Committed	-	-	-	-	478,877	478,877	573,832
Assigned	2,989,919	-	534,903	-	-	3,524,822	2,824,630
Total fund balances	2,989,919	1,734,749	534,903	731,037	478,877	6,469,485	5,559,435
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 2,993,119	$ 1,742,507	$ 605,086	$ 733,597	$ 478,877	$ 6,553,186	$ 5,606,450

Churchill County, Nevada

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –
Nonmajor Capital Projects Funds
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Building Reserve Fund	Special Ad Valorem Capital Projects Fund	Extraordinary Repairs and Maintenance Fund	Fire Equipment Apparatus Fund	Road Equipment Repair Fund	Totals 2015	Totals 2014
Revenues							
Taxes	$ -	$ 338,490	$ -	$ 207,692	$ -	$ 546,182	$ 533,468
Intergovernmental	586,324	117	48,000	70	30,874	665,385	619,562
Miscellaneous	261,222	6,285	127,207	2,945	10,522	408,181	360,308
Total revenues	847,546	344,892	175,207	210,707	41,396	1,619,748	1,513,338
Expenditures							
General government	76,373	2,710	187,423	-	-	266,506	98,363
Public safety	-	-	-	156,112	-	156,112	563
Public works	-	-	-	-	543,900	543,900	54,116
Intergovernmental	-	91,964	-	-	-	91,964	84,089
Total expenditures	76,373	94,674	187,423	156,112	543,900	1,058,482	237,131
Excess (Deficiency) of Revenues Over (Under) Expenditures	771,173	250,218	(12,216)	54,595	(502,504)	561,266	1,276,207
Other Financing Sources (Uses)							
Sale of capital assets	-	-	-	-	17,731	17,731	224,485
Transfers in	125,000	-	50,000	-	481,053	656,053	311,103
Transfers out	(225,000)	-	(100,000)	-	-	(325,000)	(25,000)
Total other financing sources (uses)	(100,000)	-	(50,000)	-	498,784	348,784	510,588
Net Change in Fund Balance	671,173	250,218	(62,216)	54,595	(3,720)	910,050	1,786,795
Fund Balance, Beginning of Year	2,318,746	1,484,531	597,119	676,442	482,597	5,559,435	3,772,640
Fund Balance, End of Year	$ 2,989,919	$ 1,734,749	$ 534,903	$ 731,037	$ 478,877	$ 6,469,485	$ 5,559,435

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Building Reserve Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Federal in lieu of taxes	$ 350,000	$ 150,585	$ (199,415)	$ 375,782
Local in lieu of taxes	-	-	-	24,999
Consolidated taxes	400,000	435,739	35,739	140,000
	750,000	586,324	(163,676)	540,781
Miscellaneous				
Geothermal rents/royalties	200,000	227,170	27,170	277,028
Interest	3,000	12,091	9,091	5,653
Miscellaneous	-	21,961	21,961	12,560
	203,000	261,222	58,222	295,241
Total revenues	953,000	847,546	(105,454)	836,022
Expenditures				
General government				
Capital outlay	275,000	76,373	198,627	45,213
Excess (Deficiency) of Revenues Over (Under) Expenditures	678,000	771,173	93,173	790,809
Other Financing Sources (Uses)				
Transfers in				
General Fund	-	125,000	125,000	-
Transfers out				
Senior Citizen Ad Valorem Levy Fund	(200,000)	(200,000)	-	-
Golf Course Fund	(25,000)	(25,000)	-	(25,000)
Total Other Financing Sources (Uses)	(225,000)	(100,000)	125,000	(25,000)
Net Change in Fund Balance	453,000	671,173	218,173	765,809
Fund Balance, Beginning of Year	2,171,809	2,318,746	146,937	1,552,937
Fund Balance, End of Year	$ 2,624,809	$ 2,989,919	$ 365,110	$ 2,318,746

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Special Ad Valorem Capital Projects Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 304,930	$ 338,490	$ 33,560	$ 332,654
Intergovernmental				
Private car tax	113	117	4	115
Miscellaneous				
Interest	2,726	6,285	3,559	4,524
Total revenues	307,769	344,892	37,123	337,293
Expenditures				
General government				
Services and supplies	-	2,710	(2,710)	941
Capital outlay	190,000	-	190,000	-
	190,000	2,710	187,290	941
Intergovernmental				
Services and supplies	100,000	91,964	8,036	84,089
Total expenditures	290,000	94,674	195,326	85,030
Net Change in Fund Balance	17,769	250,218	232,449	252,263
Fund Balance, Beginning of Year	1,193,717	1,484,531	290,814	1,232,268
Fund Balance, End of Year	$ 1,211,486	$ 1,734,749	$ 523,263	$ 1,484,531

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Extraordinary Repairs and Maintenance Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Consolidated taxes	$ 48,000	$ 48,000	$ -	$ 48,000
Miscellaneous				
Geothermal rents/royalties	40,000	40,000	-	46,171
Interest	1,369	2,209	840	1,978
Other miscellaneous	-	84,998	84,998	4,893
	41,369	127,207	85,838	53,042
Total revenues	89,369	175,207	85,838	101,042
Expenditures				
General government				
Services and supplies	-	4,423	(4,423)	-
Capital outlay	300,000	183,000	117,000	52,209
Total expenditures	300,000	187,423	112,577	52,209
Excess (Deficiency) of Revenues Over (Under) Expenditures	(210,631)	(12,216)	198,415	48,833
Other Financing Sources (Uses)				
Transfers in				
Administrative Assessment Fund	50,000	50,000	-	35,000
Transfers out				
Road Equipment Replacement Fund	(100,000)	(100,000)	-	-
Total other financing sources (uses)	(50,000)	(50,000)	-	35,000
Net Change in Fund Balance	(260,631)	(62,216)	198,415	83,833
Fund Balance, Beginning of Year	477,481	597,119	119,638	513,286
Fund Balance, End of Year	$ 216,850	$ 534,903	$ 318,053	$ 597,119

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Fire Equipment Apparatus Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Taxes				
Ad valorem taxes	$ 187,155	$ 207,692	$ 20,537	$ 200,814
Intergovernmental				
Private car tax	-	70	70	69
Miscellaneous				
Interest	969	2,945	1,976	1,973
Total revenues	188,124	210,707	22,583	202,856
Expenditures				
Public safety				
Services and supplies	100,000	1,625	98,375	563
Capital outlay	500,000	154,487	345,513	-
Total expenditures	600,000	156,112	443,888	563
Net Change in Fund Balance	(411,876)	54,595	466,471	202,293
Fund Balance, Beginning of Year	575,173	676,442	101,269	474,149
Fund Balance, End of Year	$ 163,297	$ 731,037	$ 567,740	$ 676,442

Churchill County, Nevada

Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual
Road Equipment Replacement Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Revenues				
Intergovernmental				
Motor vehicle fuel tax ($.0125)	$ 10,367	$ 10,367	$ -	$ 10,367
Motor vehicle fuel tax ($.0175)	3,151	3,428	277	3,204
Motor vehicle fuel tax ($.0360)	17,110	17,079	(31)	17,026
	30,628	30,874	246	30,597
Miscellaneous				
Interest	500	1,603	1,103	1,071
Miscellaneous	-	8,919	8,919	4,457
	500	10,522	10,022	5,528
Total revenues	31,128	41,396	10,268	36,125
Expenditures				
Public works				
Highway and streets				
Capital outlay	977,082	543,900	433,182	54,116
Excess (Deficiency) of Revenues Over (Under) Expenditures	(945,954)	(502,504)	443,450	(17,991)
Other Financing Sources (Uses)				
Sale of capital assets	-	17,731	17,731	224,485
Transfers in				
Road Fund	13,170	13,170	-	250,000
Regional Transportation Fund	-	9,557	9,557	8,049
Public Transit Fund	-	8,326	8,326	18,054
Debt Service Fund	350,000	350,000	-	-
Extraordinary Repairs and Maintenance Fund	100,000	100,000	-	-
Total other financing (sources (uses)	463,170	498,784	35,614	500,588
Net Change in Fund Balance	(482,784)	(3,720)	479,064	482,597
Fund Balance, Beginning of Year	495,955	482,597	(13,358)	-
Fund Balance, End of Year	$ 13,171	$ 478,877	$ 465,706	$ 482,597

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual –
CC Communications – Telephone Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Charges for services				
Local network services	$ 2,709,152	$ 2,727,162	$ 18,010	$ 2,799,074
Network access services	4,632,005	4,547,530	(84,475)	4,585,296
Interstate pooling revenue	2,500,000	3,276,790	776,790	2,827,431
Miscellaneous revenue	827,800	771,938	(55,862)	808,454
Uncollectible revenue	(18,000)	3,567	21,567	(11,228)
Total operating revenues	10,650,957	11,326,987	676,030	11,009,027
Operating Expenses				
Plant specific operations	2,566,272	2,575,342	(9,070)	2,161,807
Plant nonspecific operations	1,508,637	1,470,272	38,365	1,743,339
Customer operations	912,213	986,416	(74,203)	970,657
Corporate operations	2,264,465	1,972,745	291,720	1,981,018
Payments in lieu of taxes	416,615	440,150	(23,535)	416,615
Depreciation and amortization	3,399,674	3,452,988	(53,314)	3,282,760
Total operating expenses	11,067,876	10,897,913	169,963	10,556,196
Operating Income (Loss)	(416,919)	429,074	845,993	452,831
Nonoperating Revenues (Expenses)				
Interest income	18,300	16,409	(1,891)	18,933
Interest expense	(35,250)	(42,068)	(6,818)	(43,343)
Nonregulated income	755,500	745,429	(10,071)	801,000
Nonregulated expense	(285,611)	(288,372)	(2,761)	(350,827)
Miscellaneous income	-	926	926	1,284
Payments in lieu of taxes	(1,383,385)	(1,383,385)	-	(1,903,385)
Total nonoperating revenues (expenses)	(930,446)	(951,061)	(20,615)	(1,476,338)
Change in Net Position	$ (1,347,365)	(521,987)	$ 825,378	(1,023,507)
Net Position, Beginning of Year, as Originally Stated		49,742,051		50,765,558
Prior period adjustment		(6,436,266)		-
Net Position, Beginning of Year, as Restated		43,305,785		50,765,558
Net Position, End of Year		$ 42,783,798		$ 49,742,051

	2015	2014
Operating Activities		
Cash received from customers	$ 11,116,581	$ 11,358,038
Cash payments for employees	(4,835,364)	(4,336,475)
Cash payments for services and supplies	(3,591,152)	(2,013,124)
Cash payments for nonregulated activities	(906,828)	(1,433,712)
Net Cash from Operating Activities	1,783,237	3,574,727
Capital and Related Financing Activities		
Purchase of property, plant and equipment	(2,947,222)	(3,107,782)
Proceeds from sale of capital assets	-	14,570
Principal payment on long-term debt	(50,950)	(79,215)
Interest paid on long-term debt	(43,097)	(43,980)
Net Cash used for Capital and Related Financing Activities	(3,041,269)	(3,216,407)
Investing Activities		
Interest received on investments	16,133	19,022
Net Change in Cash and Cash Equivalents	(1,241,899)	377,342
Cash and Cash Equivalents, Beginning of Year	10,309,420	9,932,078
Cash and Cash Equivalents, End of Year	$ 9,067,521	$ 10,309,420
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ 429,074	$ 452,831
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Depreciation and amortization - regulated plant	3,452,988	3,282,760
Depreciation and amortization - nonregulated plant	19,500	-
Nonregulated nonoperating expenses, net	(926,328)	(1,433,712)
Miscellaneous income	926	1,284
Pension contributions	(882,567)	-
Pension expense	764,189	-
Changes in		
Trade accounts receivable	(60,388)	16,749
Other accounts receivable	(107,716)	186,098
Due from other funds	(45,617)	139,045
Prepaid expenses	(174,618)	61,848
Inventory	(545,562)	490,697
Accounts payable	(217,492)	307,494
Customer deposits	2,389	5,835
Other accrued liabilities	12,744	(7,764)
Compensated absences	(12,305)	(8,947)
Other postemployment benefits liability	74,020	80,509
Net Cash from Operating Activities	$ 1,783,237	$ 3,574,727

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual –
CC Communications – Broadband Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Charges for services				
Digital TV	$ 1,672,296	$ 1,761,859	$ 89,563	$ 1,628,934
Internet	848,000	691,734	(156,266)	829,492
Other - CAP	36,000	51,037	15,037	24,039
Uncollectible revenue	(18,000)	(9,475)	8,525	(15,836)
Total operating revenues	2,538,296	2,495,155	(43,141)	2,466,629
Operating Expenses				
Customer operations				
Digital TV	179,582	157,601	21,981	178,630
Internet	309,593	235,213	74,380	276,317
Network operations				
Digital TV	578,934	503,257	75,677	463,168
Internet	96,406	74,100	22,306	46,795
Other - CAP	40,600	-	40,600	-
Corporate operations	188,533	183,942	4,591	199,298
Access charges	1,221,082	1,288,953	(67,871)	1,085,619
Miscellaneous operating expense				
Digital TV	97,802	109,206	(11,404)	90,553
Internet	15,645	14,155	1,490	15,725
Other CAP	6,000	-	6,000	-
Depreciation				
Digital TV	205,000	186,297	18,703	291,269
CAP	47,000	46,181	819	29,910
Internet	35,000	31,953	3,047	38,459
Total operating expenses	3,021,177	2,830,858	190,319	2,715,743
Operating Income (Loss)	(482,881)	(335,703)	147,178	(249,114)
Nonoperating Revenues (Expenses)				
Miscellaneous income	3,000	4,105	1,105	9,496
Rental income	66,000	71,315	5,315	67,551
Miscellaneous expense	-	(4)	(4)	(5)
Total nonoperating revenues (expenses)	69,000	75,416	6,416	77,042
Change in Net Position	$ (413,881)	(260,287)	$ 153,594	(172,072)
Net Position, Beginning of Year, as Originally Stated		1,844,114		2,016,186
Prior period adjustment		(877,440)		-
Net Position, Beginning of Year, as Restated		966,674		2,016,186
Net Position, End of Year		$ 706,387		$ 1,844,114

Churchill County, Nevada

Schedule of Cash Flows – CC Communications – Broadband Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Operating Activities		
Cash received from customers and others	$ 2,598,145	$ 2,562,413
Cash payments for employees	(542,739)	(569,204)
Cash payments for services and supplies	(1,925,618)	(1,743,311)
Net Cash from Operating Activities	129,788	249,898
Capital and Related Financing Activities		
Purchase of equipment	(126,339)	(302,154)
Net Change in Cash and Cash Equivalents	3,449	(52,256)
Cash and Cash Equivalents, Beginning of Year	701,982	754,238
Cash and Cash Equivalents, End of Year	$ 705,431	$ 701,982
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ (335,703)	$ (249,114)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Depreciation expense	264,431	359,638
Miscellaneous revenue	4,101	9,491
Rental income	71,315	67,551
Pension contributions	(120,318)	-
Pension expense	104,180	-
Changes in		
Trade accounts receivable	28,207	16,292
Due from other funds	-	2,450
Inventory	14,569	39,670
Prepaid expenses	(12,023)	99
Accounts payable	(3,248)	789
Due to other funds	105,430	(8,217)
Other postemployment benefits liability	8,847	11,249
Net Cash from Operating Activities	$ 129,788	$ 249,898

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual –
CC Communications – Waste Water Enterprise Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Service charges	$ 234,750	$ 443,286	$ 208,536	$ 630,195
Wastewater connection fee	-	19,500	19,500	20,250
Uncollectible revenue	-	(290,853)	(290,853)	(362,447)
Total operating revenues	234,750	171,933	(62,817)	287,998
Operating Expenses				
Telephone	4,000	3,197	803	3,161
Contracted services	201,500	193,205	8,295	174,799
Operating supplies	25,000	16,724	8,276	22,853
Repairs and maintenance	61,000	28,119	32,881	53,368
Utilities	30,000	22,290	7,710	22,648
Miscellaneous	1,000	-	1,000	-
Depreciation	825,000	799,394	25,606	797,922
Total operating expenses	1,147,500	1,062,929	84,571	1,074,751
Operating Income (Loss)	(912,750)	(890,996)	21,754	(786,753)
Nonoperating Revenues (Expenses)				
Interest income	1,500	4,758	3,258	2,535
Bad debt	(700,000)	(112,000)	588,000	(309,310)
Miscellaneous	-	5,175	5,175	1,502
Total nonoperating revenues (expenses)	(698,500)	(102,067)	596,433	(305,273)
Income (Loss) Before Contributions and Transfers	(1,611,250)	(993,063)	618,187	(1,092,026)
Transfers				
Transfers in				
Infrastructure Tax Fund	350,000	350,000	-	175,000
Change in Net Position	$ (1,261,250)	(643,063)	$ 618,187	(917,026)
Net Position, Beginning of Year		18,525,905		19,442,931
Net Position, End of Year		$ 17,882,842		$ 18,525,905

Churchill County, Nevada

Schedule of Cash Flows – CC Communications – Waste Water Enterprise Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Operating Activities		
Cash received from customers	$ 250,066	$ 343,399
Cash payments for services and supplies	(263,111)	(271,791)
Net Cash from Operating Activities	(13,045)	71,608
Noncapital Financing Activities		
Transfers in	-	175,000
Capital and Related Financing Activities		
Transfers in	350,000	-
Purchase of property, plant and equipment	-	(8,829)
Investing Activities		
Interest received on investments	4,647	2,509
Net Change in Cash and Cash Equivalents	341,602	240,288
Cash and Cash Equivalents, Beginning of Year	895,454	655,166
Cash and Cash Equivalents, End of Year	$ 1,237,056	$ 895,454
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ (890,996)	$ (786,753)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Depreciation expense	799,394	797,922
Miscellaneous revenue	5,175	1,502
Change in		
Accounts receivable, net	72,958	53,899
Due from other funds	(2,797)	-
Accounts payable	3,221	5,038
Net Cash from Operating Activities	$ (13,045)	$ 71,608

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual –
CC Communications – Utility Enterprise Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Charges for services				
Service charges	$ 309,250	$ 472,548	$ 163,298	$ 668,355
Uncollectible revenue	-	(256,601)	(256,601)	(343,314)
Total operating revenues	309,250	215,947	(93,303)	325,041
Operating Expenses				
Telephone	6,000	4,957	1,043	4,751
Contracted services	161,000	120,723	40,277	134,559
Operating supplies	10,000	10,812	(812)	14,936
Repairs and maintenance	68,000	9,809	58,191	10,517
Utilities	28,000	26,006	1,994	27,194
Depreciation	300,000	273,984	26,016	278,677
Total operating expenses	573,000	446,291	126,709	470,634
Operating Income (Loss)	(263,750)	(230,344)	33,406	(145,593)
Nonoperating Revenues (Expenses)				
Interest income	1,475	3,622	2,147	2,628
Bad debt	(500,000)	(112,000)	388,000	(253,999)
Gain (loss) on sale of assets	-	(2)	(2)	-
Total nonoperating revenues (expenses)	(498,525)	(108,380)	390,145	(251,371)
Change in Net Position	$ (762,275)	(338,724)	$ 423,551	(396,964)
Net Position, Beginning of Year		9,853,765		10,250,729
Net Position, Emd of Year		$ 9,515,041		$ 9,853,765

Churchill County, Nevada

Schedule of Cash Flows – CC Communications – Utility Enterprise Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Operating Activities		
Cash received from customers	$ 294,641	$ 329,088
Cash payments for services and supplies	(169,450)	(191,050)
Net Cash from Operating Activities	125,191	138,038
Capital and Related Financing Activities		
Purchase of property, plant and equipment	(21,004)	(5,000)
Investing Activities		
Interest received on investments	3,570	2,611
Net Change in Cash and Cash Equivalents	107,757	135,649
Cash and Cash Equivalents, Beginning of Year	890,927	755,278
Cash and Cash Equivalents, End of Year (Including Restricted Cash of $283,448)	$ 998,684	$ 890,927
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ (230,344)	$ (145,593)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Depreciation expense	273,984	278,677
Change in		
Accounts receivable, net	73,402	3,047
Accounts payable	60	907
Customer deposits	5,292	1,000
Due to other funds	2,797	-
Net Cash from Operating Activities	$ 125,191	$ 138,038

Churchill County, Nevada
Combining Statement of Net Position – Nonmajor Enterprise Funds
June 30, 2015
(with Comparative Totals for June 30, 2014)

	CC Communications Long Distance Fund	CC Communications Managed Data Services Fund	Golf Course Fund	Totals 2015	Totals 2014
Assets					
Current assets					
Cash and investments	$ 1,323,177	$ 1,080,944	$ 68,373	$ 2,472,494	$ 2,507,278
Receivables					
Trade accounts receivable, net	45,834	64,809	-	110,643	85,644
Other accounts receivable, net	-	-	714	714	-
Interest receivable	-	-	24	24	11
Due from other funds	-	14,174	-	14,174	-
Inventory	-	6,294	-	6,294	4,934
Prepaid expenses	1,231	4,177	-	5,408	421
Total current assets	1,370,242	1,170,398	69,111	2,609,751	2,598,288
Noncurrent assets					
Capital assets					
Being depreciated	-	514,797	321,239	836,036	766,429
Not being depreciated	-	-	509,854	509,854	509,854
	-	514,797	831,093	1,345,890	1,276,283
Less accumulated depreciation	-	121,514	49,062	170,576	92,451
Total capital assets, net	-	393,283	782,031	1,175,314	1,183,832
Total assets	1,370,242	1,563,681	851,142	3,785,065	3,782,120
Deferred outflows of resources					
Excess consideration provided for acquisition	-	106,500	-	106,500	118,334
Net pension liability - related amounts	27,258	114,565	-	141,823	-
Total deferred outflows of resources	27,258	221,065	-	248,323	118,334
Liabilities					
Current liabilities					
Accounts payable	$ -	$ 27	$ 3,688	$ 3,715	$ 4,180
Contracts payable	-	-	15,580	15,580	4,167
Due to other funds	21,714	-	-	21,714	64,690
Total current liabilities	21,714	27	19,268	41,009	73,037
Noncurrent liabilities					
Contracts payable	-	-	-	-	4,166
Other post employment benefits payable	33,445	140,572	-	174,017	166,236
Net pension liability	168,180	706,867	-	875,047	-
Total noncurrent liabilities	201,625	847,439	-	1,049,064	170,402
Total liabilities	223,339	847,466	19,268	1,090,073	243,439
Deferred inflows of resources					
Net pension liability - related amounts	43,373	182,299	-	225,672	-
Net Position					
Net investment in capital assets	-	393,283	782,031	1,175,314	1,183,832
Unrestricted	1,130,788	361,698	49,843	1,542,329	2,473,183
Total Net Position	$ 1,130,788	$ 754,981	$ 831,874	$ 2,717,643	$ 3,657,015

Churchill County, Nevada

Combining Statement of Revenues, Expenses, and Changes in Net Position – Nonmajor Enterprise Funds

Year Ended June 30, 2015

(with Comparative Totals for the Year Ended June 30, 2014)

	CC Communications Long Distance Fund	CC Communications Managed Data Services Fund	Golf Course Fund	Totals 2015	Totals 2014
Operating Revenues					
Charges for sales and services	$ 489,126	$ 483,841	$ 3,522	$ 976,489	$ 851,470
Operating Expenses					
Networking - Data services	-	305,210	-	305,210	292,315
Networking - Web services	-	146,754	-	146,754	84,793
Networking - Computer & networking	-	87,228	-	87,228	60,455
Warehouse/Inventory	-	16,602	-	16,602	21,745
Customer operations	33,475	21,805	-	55,280	54,742
Network operations	81,663	-	-	81,663	113,830
Corporate operations	51,066	65,123	-	116,189	124,759
Access charges	111,706	-	-	111,706	128,304
Miscellaneous	3,366	-	4,042	7,408	20,325
Attribution of excess consideration provided for acquisition	-	11,833	-	11,833	-
Depreciation	-	51,480	26,645	78,125	63,877
Total operating expenses	281,276	706,035	30,687	1,017,998	965,145
Operating Income (Loss)	207,850	(222,194)	(27,165)	(41,509)	(113,675)
Nonoperating Revenues (Expenses)					
Interest income	1,704	1,853	444	4,001	3,293
Miscellaneous income	-	-	25,000	25,000	51,003
Total nonoperating revenues (expenses)	1,704	1,853	25,444	29,001	54,296
Income (Loss) Before Transfers	209,554	(220,341)	(1,721)	(12,508)	(59,379)
Transfers In	-	-	50,000	50,000	50,000
Change in Net Position	209,554	(220,341)	48,279	37,492	(9,379)
Net Position, Beginning of Year, as Originally Stated	1,108,983	1,764,437	783,595	3,657,015	3,666,394
Prior period adjustment	(187,749)	(789,115)	-	(976,864)	-
Net Position, Beginning of Year, as Restated	921,234	975,322	783,595	2,680,151	3,666,394
Net Position, End of Year	$ 1,130,788	$ 754,981	$ 831,874	$ 2,717,643	$ 3,657,015

Churchill County, Nevada
Combining Statement of Cash Flows – Nonmajor Enterprise Funds
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	CC Communications Long Distance Fund	CC Communications Managed Data Services Fund	Golf Course Fund	Totals 2015	Totals 2014
Operating Activities					
Cash received from customers	$ 494,919	$ 450,548	$ 2,808	$ 948,275	$ 860,856
Cash payments for employees	(120,603)	(321,360)	-	(441,963)	(447,066)
Cash payments for services and supplies	(164,653)	(392,717)	(354)	(557,724)	(586,397)
Net Cash from (used for) Operating Activities	209,663	(263,529)	2,454	(51,412)	(172,607)
Capital and Related Financing Activities					
Transfers in	-	-	50,000	50,000	50,000
Payment on long-term contracts	-	(8,333)	-	(8,333)	(49,584)
Donations for capital improvements	-	-	25,000	25,000	51,003
Purchase of property, plant and equipment	-	-	(54,027)	(54,027)	(50,725)
Net Cash from (used for) Capital and Related Financing Activities	-	(8,333)	20,973	12,640	694
Investing Activities					
Interest received on investments	1,704	1,853	431	3,988	3,282
Net Change in Cash and Cash Equivalents	211,367	(270,009)	23,858	(34,784)	(168,631)
Cash and Cash Equivalents, Beginning of Year	1,111,810	1,350,953	44,515	2,507,278	2,675,909
Cash and Cash Equivalents, End of Year	$ 1,323,177	$ 1,080,944	$ 68,373	$ 2,472,494	$ 2,507,278
Reconciliation of operating income to net cash from (used for) operating activities:					
Operating income (loss)	$ 207,850	$ (222,194)	$ (27,165)	$ (41,509)	$ (113,675)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:					
Depreciation expense	-	51,480	26,645	78,125	63,877
Attribution of excess consideration provided for acquisition	-	11,833	-	11,833	-
Pension contributions	(25,745)	(108,207)	-	(133,952)	-
Pension expense	22,291	93,693	-	115,984	-
Change in					
Trade accounts receivable	5,793	(30,792)	-	(24,999)	7,737
Other accounts receivable	-	-	(714)	(714)	1,651
Due from other funds	-	(14,174)	-	(14,174)	200,000
Inventory	-	(1,361)	-	(1,361)	(4,000)
Prepaid expenses	(1,125)	(3,861)	-	(4,986)	(139)
Accounts payable	-	(4,152)	3,688	(464)	2,462
Due to other funds	(1,200)	(41,776)	-	(42,976)	(338,321)
Other postemployment benefits	1,799	5,982	-	7,781	7,801
Net Cash from (used for) Operating Activities	$ 209,663	$ (263,529)	$ 2,454	$ (51,412)	$ (172,607)

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual –
CC Communications – Long Distance Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Charges for services				
Service charges	$ 516,000	$ 489,126	$ (26,874)	$ 543,178
Operating Expenses				
Customer operations	37,895	33,475	4,420	36,953
Network operations	119,813	81,663	38,150	113,830
Corporate operations	50,389	51,066	(677)	49,698
Access charges	153,528	111,706	41,822	128,304
Miscellaneous	5,300	3,366	1,934	5,260
Total operating expenses	366,925	281,276	85,649	334,045
Operating Income (Loss)	149,075	207,850	58,775	209,133
Nonoperating Revenues (Expenses)				
Interest income	-	1,704	1,704	1,036
Change in Net Position	$ 149,075	209,554	$ 60,479	210,169
Net Position, Beginning of Year, as Originally Stated		1,108,983		898,814
Prior period adjustment		(187,749)		-
Net Position, Beginning of Year, as Restated		921,234		898,814
Net Position, End of Year		$ 1,130,788		$ 1,108,983

Churchill County, Nevada

Schedule of Cash Flows – CC Communications – Long Distance Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Operating Activities		
Cash received from customers	$ 494,919	$ 547,210
Cash payments for employees	(120,603)	(149,108)
Cash payments for services and supplies	(164,653)	(187,433)
Net Cash from Operating Activities	209,663	210,669
Investing Activities		
Interest received on investments	1,704	1,036
Net Change in Cash and Cash Equivalents	211,367	211,705
Cash and Cash Equivalents, Beginning of Year	1,111,810	900,105
Cash and Cash Equivalents, End of Year	$ 1,323,177	$ 1,111,810
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ 207,850	$ 209,133
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Pension contributions	(25,745)	-
Pension expense	22,291	-
Changes in		
Trade accounts receivable	5,793	4,032
Prepaid expenses	(1,125)	29
Due to other funds	(1,200)	(5,159)
Other postemployment benefits liability	1,799	2,634
Net Cash from Operating Activities	$ 209,663	$ 210,669

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual –
CC Communications – Managed Data Services Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Charges for services				
Data services	$ 177,800	$ 206,079	$ 28,279	$ 125,259
Web services	140,896	167,964	27,068	99,614
Computer and networking support	110,432	104,142	(6,290)	81,597
Uncollectible revenue	-	2,500	2,500	-
Miscellaneous revenue	-	3,156	3,156	-
Total operating revenues	429,128	483,841	54,713	306,470
Operating Expenses				
Networking:				
Data services	343,265	305,210	38,055	292,315
Web services	185,020	146,754	38,266	84,793
Computer and networking	94,213	87,228	6,985	60,455
Warehouse/Inventory	17,073	16,602	471	21,745
Customer operations	82,733	21,805	60,928	17,789
Corporate operations	62,300	65,123	(2,823)	75,061
Attribution of excess consideration provided for acquisition	-	11,833	(11,833)	-
Depreciation	51,000	51,480	(480)	46,227
Total operating expenses	835,604	706,035	129,569	598,385
Operating Income (Loss)	(406,476)	(222,194)	184,282	(291,915)
Nonoperating Revenues (Expenses)				
Interest income	1,500	1,853	353	2,184
Change in Net Position	$ (404,976)	(220,341)	$ 184,635	(289,731)
Net Position, Beginning of Year, as Originally Stated		1,764,437		2,054,168
Prior period adjustment		(789,115)		-
Net Position, Beginning of Year, as Restated		975,322		2,054,168
Net Position, End of Year		$ 754,981		$ 1,764,437

	2015	2014
Operating Activities		
Cash received from customers	$ 450,548	$ 310,173
Cash payments for employees	(321,360)	(279,935)
Cash payments for services and supplies	(392,717)	(398,964)
Net Cash used for Operating Activities	(263,529)	(368,726)
Capital and Related Financing Activities		
Payments on long-term contracts	(8,333)	(49,584)
Purchase of equipment	-	(8,725)
Net Cash used for Capital and Related Financing Activities	(8,333)	(58,309)
Investing Activities		
Interest received on investments	1,853	2,184
Net Change in Cash and Cash Equivalents	(270,009)	(424,851)
Cash and Cash Equivalents, Beginning of Year	1,350,953	1,775,804
Cash and Cash Equivalents, End of Year	$ 1,080,944	$ 1,350,953
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ (222,194)	$ (291,915)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Depreciation expense	51,480	46,227
Attribution of excess consideration provided for acquisition	11,833	-
Pension contributions	(108,207)	-
Pension expense	93,693	-
Changes in		
Trade accounts receivable	(30,792)	3,705
Due from other funds	(14,174)	-
Inventory	(1,361)	(4,000)
Prepaid expenses	(3,861)	(168)
Accounts payable	(4,152)	2,462
Due to other funds	(41,776)	(130,204)
Other postemployment benefits liability	5,982	5,167
Net Cash from Operating Activities	$ (263,529)	$ (368,726)

Churchill County, Nevada

Schedule of Revenues, Expenses, and Changes in Net Position – Budget and Actual – Golf Course Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	Budget	Actual	Variance	2014
Operating Revenues				
Charges for services				
Golf course lease	$ 1,600	$ 3,522	$ 1,922	$ 1,822
Operating Expenses				
Supplies	15,000	4,042	10,958	15,065
Depreciation	45,000	26,645	18,355	17,650
Total operating expenses	60,000	30,687	29,313	32,715
Operating Income (Loss)	(58,400)	(27,165)	31,235	(30,893)
Nonoperating Revenues (Expenses)				
Interest income	-	444	444	73
Miscellaneous income	25,000	25,000	-	51,003
Other	(50,000)	-	50,000	-
Total nonoperating revenues (expenses)	(25,000)	25,444	50,444	51,076
Income (Loss) Before Transfers	(83,400)	(1,721)	81,679	20,183
Transfers				
Transfers in				
General Fund	25,000	25,000	-	25,000
Building Reserve Fund	25,000	25,000	-	25,000
Total other financing sources (uses)	50,000	50,000	-	50,000
Change in Net Position	$ (33,400)	48,279	$ 81,679	70,183
Net Position, Beginning of Year		783,595		713,412
Net Position, End of Year		$ 831,874		$ 783,595

Churchill County, Nevada
Schedule of Cash Flows – Golf Course Fund
Year Ended June 30, 2015
(with Comparative Totals for the Year Ended June 30, 2014)

	2015	2014
Operating Activities		
Cash received from customers	$ 2,808	$ 3,473
Cash payments for services and supplies	(354)	(18,023)
Net Cash used for Operating Activities	2,454	(14,550)
Capital and Related Financing Activities		
Transfers in	50,000	50,000
Donations for capital improvements	25,000	51,003
Purchase of property, plant, and equipment	(54,027)	(42,000)
Net Cash Provided (Used) by Capital and Related Financing Activities	20,973	59,003
Investing Activities		
Interest received on investments	431	62
Net Change in Cash and Cash Equivalents	23,858	44,515
Cash and Cash Equivalents, Beginning of Year	44,515	-
Cash and Cash Equivalents, End of Year	$ 68,373	$ 44,515
Reconciliation of operating income to net cash from (used for) operating activities:		
Operating income (loss)	$ (27,165)	$ (30,893)
Adjustments to reconcile operating income (loss) to net cash from (used for) operating activites:		
Depreciation expense	26,645	17,650
Changes in		
Other accounts receivable	(714)	1,651
Due from other funds	-	200,000
Accounts payable	3,688	-
Due to other funds	-	(202,958)
Net Cash from Operating Activities	$ 2,454	$ (14,550)

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
State of Nevada				
Assets				
Cash	$ 61,771	$ 1,615,453	$ 1,599,160	$ 78,064
Taxes Receivable	3,650	-	1	3,649
	$ 65,421	$ 1,615,453	$ 1,599,161	$ 81,713
Liabilities				
Accounts Payable	$ 2,839	$ 598	$ -	$ 3,437
Due to Other Governments	62,582	1,629,671	1,613,977	78,276
	$ 65,421	$ 1,630,269	$ 1,613,977	$ 81,713
City of Fallon				
Assets				
Cash	$ 38,928	$ 1,594,625	$ 1,604,301	$ 29,252
Taxes Receivable	5,896	16,582	-	22,478
	$ 44,824	$ 1,611,207	$ 1,604,301	$ 51,730
Liabilities				
Due to Other Governments	$ 44,824	$ 1,611,207	$ 1,604,301	$ 51,730
Range Improvement Districts Number 2, Number 3, and Number 6				
Assets				
Cash	$ 876	$ 4,693	$ 49	$ 5,520
Liabilities				
Due to Other Governments	$ 876	$ 4,693	$ 49	$ 5,520
Truckee-Carson Irrigation District				
Assets				
Cash	$ 8,148	$ 2,810,159	$ 2,812,528	$ 5,779
Liabilities				
Due to Other Governments	$ 8,148	$ 2,810,159	$ 2,812,528	$ 5,779
State of Nevada Department of Wildlife				
Assets				
Cash	$ 2,355	$ 2,410	$ 1,675	$ 3,090
Liabilities				
Due to Other Governments	$ 2,355	$ 2,410	$ 1,675	$ 3,090

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Churchill County School District Operating				
Assets				
Cash	$ 373,669	$ 4,936,644	$ 5,274,362	$ 35,951
Taxes Receivable	27,269	184,542	-	211,811
Due from Other Governments	29,923	-	29,923	-
	$ 430,861	$ 5,121,186	$ 5,304,285	$ 247,762
Liabilities				
Due to Other Governments	$ 430,861	$ 5,121,186	$ 5,304,285	$ 247,762
Churchill County School District Debt Service				
Assets				
Cash	$ 267,704	$ 3,589,750	$ 3,831,088	$ 26,366
Taxes Receivable	20,235	135,093	-	155,328
	$ 287,939	$ 3,724,843	$ 3,831,088	$ 181,694
Liabilities				
Due to Other Governments	$ 287,939	$ 3,724,843	$ 3,831,088	$ 181,694
Churchill County Mosquito Abatement District				
Assets				
Cash	$ 89,987	$ 860,871	$ 895,592	$ 55,266
Taxes Receivable	2,906	19,687	-	22,593
Due from Other Governments	58,835	-	1,882	56,953
	$ 151,728	$ 880,558	$ 897,474	$ 134,812
Liabilities				
Due to Other Governments	$ 151,728	$ 880,558	$ 897,474	$ 134,812
Scholarship Trust				
Assets				
Cash	$ 16,172	$ 9,845	$ 9,506	$ 16,511
Interest Receivable	4	-	-	4
	$ 16,176	$ 9,845	$ 9,506	$ 16,515
Liabilities				
Funds Held in Trust for Others	$ 16,176	$ 9,845	$ 9,506	$ 16,515

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Court Clerk Trust				
Assets				
Cash	$ 283,093	$ 225,493	$ 229,707	$ 278,879
Liabilities				
Due to Others	$ 283,093	$ 225,493	$ 229,707	$ 278,879
Justice Court Trust				
Assets				
Cash	$ 111,998	$ 86,544	$ 97,983	$ 100,559
Liabilities				
Due to Others	$ 111,998	$ 86,544	$ 97,983	$ 100,559
Miscellaneous Trust				
Assets				
Cash	$ 2,017	$ 919	$ 919	$ 2,017
Liabilities				
Due to Others	$ 2,017	$ 919	$ 919	$ 2,017
Assistance to Victims of Domestic Violence Fund				
Assets				
Cash	$ 970	$ 5,600	$ 5,650	$ 920
Liabilities				
Due to Other Governments	$ 970	$ 5,600	$ 5,650	$ 920
Excess Proceeds				
Assets				
Cash	$ 69,536	$ 96,342	$ 101,416	$ 64,462
Interest Receivable	11	-	1	10
	$ 69,547	$ 96,342	$ 101,417	$ 64,472
Liabilities				
Due to Others	$ 69,547	$ 96,342	$ 101,417	$ 64,472
Jail Commissary				
Assets				
Cash	$ 21,659	$ 16,926	$ -	$ 38,585
Liabilities				
Due to Others	$ 21,659	$ 16,926	$ -	$ 38,585

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
Recorder Trust				
Assets				
Cash	$ 124,317	$ 504,504	$ 497,300	$ 131,521
Liabilities				
Due to Other Governments	$ 124,317	$ 504,504	$ 497,300	$ 131,521
Churchill County School District Residential Construction Tax				
Assets				
Cash	$ 1,782	$ 8,910	$ 8,910	$ 1,782
Liabilities				
Due to Other Governments	$ 1,782	$ 8,910	$ 8,910	$ 1,782
Totals				
Assets				
Cash	$ 1,474,982	$ 16,369,688	$ 16,970,146	$ 874,524
Taxes Receivable	59,956	355,904	1	415,859
Interest Receivable	15	-	1	14
Due from Other Governments	88,758	-	31,805	56,953
	$ 1,623,711	$ 16,725,592	$ 17,001,953	$ 1,347,350
Liabilities				
Accounts Payable	$ 2,839	$ 598	$ -	$ 3,437
Due to Other Governments	1,116,382	16,303,741	16,577,237	842,886
Held in Trust for Others	16,176	9,845	9,506	16,515
Due to Others	488,314	426,224	430,026	484,512
	$ 1,623,711	$ 16,740,408	$ 17,016,769	$ 1,347,350

Flat Fixed Fees:		
Adjusted base, June 30, 2013		$ 73,610
Adjustment to Base:		
Base Year		
1. Percentage increase in population of the local government	-0.90%	
2. Percentage increase in Consumer Price index for the year ending on December 31 next preceding year for which the limit is being calculated.	0.80%	
		-0.10%
		(74)
Adjusted base, June 20, 2014		73,536
Actual business license revenue, 2013-2014		71,563
Amount over (under) adjusted base amount		$ (1,973)

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

Contents **Page**

Financial Trends **168-174**
These schedules contain trend information to help the reader understand how the county's financial performance and well-being have changed over time.

Revenue Capacity **175-179**
These schedules contain information to help the reader assess the county's two most significant local revenue sources, property tax and sales tax.

Debt Capacity **180-184**
These schedules present information to help the reader access the affordability of the county's current levels of outstanding debt and the county's ability to issue additional debt in the future.

Demographic and Economic Information **185-188**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the county's financial activities take place.

Operating Information **189-191**
These schedules contain service and infrastructure data to help the reader understand how the information in the county's financial report relates to the services the county provides and the activities it performs.

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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Churchill County, Nevada
Net Position by Component
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities										
Net investment in capital assets	$ 40,304,859	$ 45,563,408	$ 53,107,597	$ 54,172,246	$ 56,221,970	$ 60,437,565	$ 59,211,742	$ 58,620,105	$ 59,810,234	$ 59,479,665
Restricted	9,283,221	11,546,731	10,002,950	11,910,396	12,573,847	6,241,774	6,981,388	7,227,636	7,396,768	8,017,728
Unrestricted	13,156,877	11,143,420	13,565,346	16,583,887	17,255,368	17,146,611	18,304,638	17,618,486	19,575,634	(3,402,089)
Total governmental activities net position	62,744,957	68,253,559	76,675,893	82,666,529	86,051,185	83,825,950	84,497,768	83,466,227	86,782,636	64,095,304
Business-type Activities										
Net investment in capital assets	38,092,591	44,973,324	58,015,534	54,081,376	60,205,347	69,046,807	73,776,356	69,954,472	68,691,233	66,912,446
Restricted	36,700	-	-	-	-	37,100	212,586	212,586	248,017	283,448
Unrestricted	5,703,181	13,832,323	17,748,647	25,745,879	20,875,593	18,626,553	14,216,271	15,974,740	14,683,600	6,409,817
Total business-type activities net position	43,832,472	58,805,647	75,764,181	79,827,255	81,080,940	87,710,460	88,205,213	86,141,798	83,622,850	73,605,711
Primary Government										
Net investment in capital assets	78,397,450	90,536,732	111,123,131	108,253,622	116,427,317	129,484,372	132,988,098	128,574,577	128,501,467	126,392,111
Restricted	9,319,921	11,546,731	10,002,950	11,910,396	12,573,847	6,278,874	7,193,974	7,440,222	7,644,785	8,301,176
Unrestricted	18,860,058	24,975,743	31,313,993	42,329,766	38,130,961	35,773,164	32,520,909	33,593,226	34,259,234	3,007,728
Total primary government net position	$ 106,577,429	$ 127,059,206	$ 152,440,074	$ 162,493,784	$ 167,132,125	$ 171,536,410	$ 172,702,981	$ 169,608,025	$ 170,405,486	$ 137,701,015

Churchill County, Nevada
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental activities										
General Government	$ 5,476,938	$ 6,023,426	$ 6,215,096	$ 8,158,909	$ 7,002,902	$ 6,899,761	$ 7,384,377	$ 6,564,950	$ 6,261,050	$ 6,344,255
Judicial	2,707,588	2,908,455	2,971,738	3,182,250	3,188,923	3,523,166	3,447,483	3,731,187	3,871,875	3,787,298
Public Safety	7,007,531	7,803,606	7,603,614	8,311,974	8,144,478	8,319,657	8,979,772	8,641,764	9,345,891	8,778,764
Public Works	2,224,763	2,210,246	3,180,901	3,243,179	3,135,451	3,226,784	3,128,985	3,895,618	3,687,337	3,218,615
Health & Sanitation	233,208	257,076	277,864	288,786	292,002	257,993	292,414	240,317	232,675	257,402
Welfare	1,349,477	1,085,025	1,086,643	1,094,676	1,596,872	1,493,043	1,632,111	1,724,628	1,669,279	1,236,257
Culture & Recreation	1,930,550	2,042,404	2,117,578	2,373,490	2,296,223	2,141,169	2,202,033	2,190,280	2,223,468	2,176,610
Community Support	620,020	704,482	960,707	854,941	642,884	648,028	695,982	560,841	558,189	667,148
Interest & Fiscal Charges	120,806	127,337	69,876	79,431	68,031	32,116	291	-	-	-
Total governmental activities expenses	21,670,881	23,162,057	24,484,017	27,587,636	26,367,766	26,541,717	27,763,448	27,549,585	27,849,764	26,466,349
Business-type activities										
Telephone	15,615,524	14,694,394	14,496,600	14,046,402	11,922,649	12,214,342	12,769,471	12,807,802	12,853,751	12,611,738
Wireless	5,902,437	7,543,354	8,021,572	5,658,091	3,334,552	2,794,841	2,348,102	932,899	-	-
Long Distance	1,925,914	1,189,024	692,538	641,110	487,404	468,029	440,695	408,925	334,045	281,276
Broadband	2,044,667	2,694,643	2,683,668	3,211,611	3,239,824	2,898,968	2,900,612	2,764,626	2,715,743	2,830,858
Managed Data Services	-	-	-	-	-	-	-	650,818	598,385	706,035
Waste Water	236	269,812	787,079	843,580	988,500	1,526,193	1,267,623	1,368,232	1,384,061	1,174,929
Water Utility	237	98,970	391,487	573,662	577,421	708,604	610,479	709,256	724,633	558,293
Golf Course	-	-	-	-	-	-	-	94,239	32,715	30,687
Total business-type activities expenses	25,489,015	26,490,197	27,072,944	24,974,456	20,550,350	20,610,977	20,336,982	19,736,797	18,643,333	18,193,816
Total primary government expenses	$ 47,159,896	$ 49,652,254	$ 51,556,961	$ 52,562,092	$ 46,918,116	$ 47,152,694	$ 48,100,430	$ 47,286,382	$ 46,493,097	$ 44,660,165
Program Revenues										
Governmental activities										
Charges for services										
General government	$ 1,568,728	$ 1,270,461	$ 1,108,433	$ 960,116	$ 971,336	$ 1,019,073	$ 1,010,489	$ 995,104	$ 1,237,925	1,096,720
Judicial	178,691	202,141	197,129	177,975	203,327	394,629	331,778	390,359	336,663	365,599
Public safety	378,439	369,360	404,246	399,964	417,964	441,169	810,797	799,600	937,530	806,168
Public works	573,640	376,899	178,005	169,841	28,521	149	14,000	86,889	18,600	160,828
Culture and recreation	308,335	276,771	286,047	323,269	317,452	289,955	261,669	277,091	308,832	303,400
Other activities	84,157	72,212	47,957	88,126	77,916	59,585	33,831	47,027	44,657	56,767
Operating grants and contributions	1,661,058	2,367,856	2,120,345	2,952,180	2,639,487	1,946,749	1,788,506	1,618,107	1,931,117	1,268,039
Capital grants and contributions	2,336,339	804,170	7,724,013	641,325	-	-	4,575	280,000	10,000	4,246
Total governmental activities program revenues	7,089,387	5,739,870	12,066,175	5,712,796	4,656,003	4,151,309	4,255,645	4,494,177	4,825,324	4,061,767
Business-type activities										
Charges for services										
Telephone	15,491,858	15,312,192	14,620,235	14,367,316	12,603,429	13,156,739	12,987,955	12,909,351	11,810,027	12,072,416
Wireless	7,690,330	9,773,140	10,824,637	8,338,204	2,976,518	3,044,203	2,825,288	1,052,135	-	-
Long Distance	2,330,170	1,315,277	1,240,090	1,119,834	978,290	762,496	682,634	614,429	543,178	489,126
Broadband	663,218	1,965,755	2,123,518	2,540,951	2,717,321	2,889,297	2,816,871	2,681,535	2,466,629	2,495,155
Managed Data Services	-	-	-	-	-	-	-	174,645	306,470	483,841
Waste Water [1]	-	5,212,583	2,557,791	225,732	201,748	424,824	284,269	319,569	287,998	171,933
Water Utility [1]	-	2,760,811	1,163,622	331,686	272,385	358,491	372,104	360,238	325,041	215,947
Golf Course	-	-	-	-	-	-	-	7,651	1,822	3,522
Operating grants and contributions	-	-	689,688	-	-	-	-	-	-	-
Capital grants and contributions	2,494,563	4,765,816	7,604,534	557,373	1,624,242	674,592	451,312	15,137	-	25,000
Total business-type activities program revenues	28,670,139	41,105,574	40,824,115	27,481,096	21,373,933	21,310,642	20,420,433	18,134,690	15,741,165	15,956,940

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

Churchill County, Nevada
Changes in Net Position
(Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total primary government										
program revenues	$ 35,759,526	$ 46,845,444	$ 52,890,290	$ 33,193,892	$ 26,029,936	$ 25,461,951	$ 24,676,078	$ 22,628,867	$ 20,566,489	$ 20,018,707
Net (Expense)/Revenue										
Government activities	$ (1,241,371)	$ (1,179,848)	$ (1,093,539)	$ (1,059,969)	$ (998,130)	$ (1,085,263)	$ (1,086,233)	$ (1,041,498)	$ (1,067,755)	$ (22,404,582)
Business-type activities	-	-	-	-	-	-	-	-	-	(2,236,876)
Total primary government net expense	$ (1,241,371)	$ (1,179,848)	$ (1,093,539)	$ (1,059,969)	$ (998,130)	$ (1,085,263)	$ (1,086,233)	$ (1,041,498)	$ (1,067,755)	$ (24,641,458)
General Revenues and Other Changes in Net Position										
Governmental activities										
Ad valorem taxes	$ 6,408,357	$ 6,877,814	$ 7,309,259	$ 8,903,720	$ 9,355,013	$ 9,042,417	$ 8,337,905	$ 7,862,384	$ 7,945,734	8,276,676
Franchise taxes	166,914	179,593	171,130	159,439	161,549	153,336	132,583	117,857	133,563	107,753
Federal in lieu of taxes	1,230,360	1,157,509	1,237,704	2,790,842	2,088,531	2,060,410	2,151,359	2,053,174	2,199,782	2,003,488
Local payment in lieu of taxes	1,801,313	1,851,280	1,937,269	1,990,700	2,018,639	2,249,073	2,442,480	2,509,710	2,320,000	1,800,000
AB 104 fairshare	1,241,371	1,179,848	1,093,539	1,059,969	998,130	1,085,263	1,086,233	1,041,498	1,067,755	1,096,947
Consolidated intergovernmental taxes	7,013,035	6,555,570	6,016,895	5,927,194	4,554,601	4,856,743	4,855,007	4,999,886	5,017,787	5,194,556
Fuel taxes	1,078,069	1,045,577	1,025,893	1,008,609	1,017,349	2,021,899	1,937,297	1,848,150	1,817,840	1,853,873
Optional county sales tax	1,398,142	1,508,527	1,413,203	1,437,398	1,050,588	1,102,981	1,258,636	1,222,123	1,239,507	1,241,287
Delinquent tax penalties	117,288	129,376	140,273	204,493	251,945	279,052	228,496	230,767	436,830	102,548
Interest income	870,566	1,166,080	996,366	517,326	180,530	132,933	93,993	90,600	95,791	115,590
Gain on sale of assets [1]	48,161	377,714	(250,365)	611,380	-	-	81,606	2,258	123,977	1,186,426
Miscellaneous revenues	1,193,030	901,901	2,499,010	4,619,406	3,675,246	2,501,570	1,899,026	1,070,460	1,118,398	95,896
Transfers	-	-	(2,750,000)	(500,000)	(255,702)	(4,947,927)	(325,000)	(1,025,000)	(225,000)	(400,000)
Total governmental activities	22,566,606	22,930,789	20,840,176	28,730,476	25,096,419	20,537,750	24,179,621	22,023,867	23,291,964	22,675,040
Business-type activities										
Interest income	238,576	339,420	414,903	222,339	112,684	43,005	21,796	25,228	27,389	28,790
Gain on sale of assets	-	-	-	810,043	-	-	-	-	-	-
Miscellaneous income	18,000	18,378	42,460	24,051	61,716	75,129	64,506	77,799	130,831	81,517
Transfers	-	-	2,750,000	500,000	255,702	4,947,927	325,000	1,025,000	225,000	400,000
Total business-type activities	256,576	357,798	3,207,363	1,556,433	430,102	5,066,061	411,302	1,128,027	383,220	510,307
Total primary government	$ 22,823,182	$ 23,288,587	$ 24,047,539	$ 30,286,909	$ 25,526,521	$ 25,603,811	$ 24,590,923	$ 23,151,894	$ 23,675,184	$ 23,185,347
Change in Net Position										
Government activities	$ 21,325,235	$ 21,750,941	$ 19,746,637	$ 27,670,507	$ 24,098,289	$ 19,452,487	$ 23,093,388	$ 20,982,369	$ 22,224,209	$ 270,458
Business-type activities	256,576	357,798	3,207,363	1,556,433	430,102	5,066,061	411,302	1,128,027	383,220	(1,726,569)
Total change to net position	$ 21,581,811	$ 22,108,739	$ 22,954,000	$ 29,226,940	$ 24,528,391	$ 24,518,548	$ 23,504,690	$ 22,110,396	$ 22,607,429	$ (1,456,111)

Churchill County, Nevada
Fund Balances – Governmental Funds
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Unreserved	$ 2,430,485	$ 2,722,384	$ 3,036,491	$ 3,488,236	$ 4,102,297	$ -	$ -	$ -	$ -	$ -
Non-Spendable	-	-	-	-	-	-	145,694	162,080	17,538	11,692
Committed	-	-	-	-	-	92,932	-	-	-	-
Assigned	-	-	-	-	-	3,948,798	2,555,367	1,893,157	2,038,848	2,444,428
Unassigned	-	-	-	-	-	4,145,167	4,110,862	4,692,539	5,473,876	4,536,345
Total general fund	2,430,485	2,722,384	3,036,491	3,488,236	4,102,297	8,186,897	6,811,923	6,747,776	7,530,262	6,992,465
All Other Governmental Funds										
Reserved	2,561,949	2,412,262	2,441,032	2,508,021	3,027,237	-	-	-	-	-
Unreserved reported in:										
Special revenue funds	13,995,186	14,247,770	13,851,837	17,774,466	17,963,051	-	-	-	-	-
Debt service fund	456,351	740,323	768,562	832,605	836,953	-	-	-	-	-
Capital projects funds	3,755,727	3,346,137	4,256,592	5,440,559	5,804,838	-	-	-	-	-
Non-Spendable	-	-	-	-	-	162,639	124,850	104,349	97,332	84,973
Restricted	-	-	-	-	-	6,241,775	6,981,389	7,227,629	7,391,729	8,017,473
Committed	-	-	-	-	-	5,659,038	5,786,164	5,274,710	5,376,298	4,880,834
Assigned						5,675,263	8,695,721	8,613,888	10,096,085	11,094,350
Unassigned	-	-	-	-	-	(535)	(7,807)	-	-	-
Total all other governmental funds	20,769,213	20,746,492	21,318,023	26,555,651	27,632,079	17,738,180	21,580,317	21,220,576	22,961,444	24,077,630
Total governmental funds	$23,199,698	$23,468,876	$24,354,514	$30,043,887	$31,734,376	$25,925,077	$28,392,240	$27,968,352	$30,491,706	$31,070,095

Churchill County, Nevada

General Government Revenues by Source for Government Fund Types
(Modified Accrual Basis of Accounting)
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
2006	$ 5,325,114	$ 1,096,278	$ 18,188,800	$ 1,501,023	$ 385,831	$ 4,500,147	$ 30,997,193
2007	5,959,835	840,656	17,031,077	1,179,522	376,078	4,491,991	29,879,159
2008	6,481,581	678,522	20,925,538	1,057,580	427,578	7,018,974	36,589,773
2009	7,974,989	443,523	16,872,274	1,309,647	463,247	8,577,825	35,641,505
2010	9,029,447	390,479	14,663,440	1,082,614	586,119	4,415,196	30,167,295
2011	9,150,053	406,780	15,569,786	1,164,724	612,116	3,002,398	29,905,857
2012	8,351,759	459,351	15,662,314	1,092,743	606,555	2,762,081	28,934,803
2013	7,941,390	468,348	15,897,241	1,199,163	548,957	1,756,493	27,811,592
2014	8,057,784	426,299	15,934,920	1,083,704	758,791	1,688,440	27,949,938
2015	8,529,270	563,707	14,463,708	1,242,500	478,467	1,928,228	27,205,880

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

Churchill County, Nevada
Governmental Expenditures by Function
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health & Sanitation	Welfare	Culture & Recreation	Community Support	Intergov-ernmental	Capital Outlay	Debt Service Principal	Debt Service Interest	Totals
2006	$ 5,913,322	$ 2,632,137	$ 5,870,039	$ 2,713,820	$ 221,793	$ 1,355,305	$ 1,802,157	$ 618,486	$ 609,653	$ 2,452,775	$ 452,730	$ 115,845	$ 24,758,062
2007	6,641,330	2,830,348	5,788,960	740,749	244,917	1,085,511	1,833,003	701,676	1,428,863	6,269,425	753,334	109,240	28,427,355
2008	6,931,905	2,903,773	6,453,987	2,497,706	267,488	1,080,457	1,921,372	958,878	672,951	6,951,121	333,369	96,879	31,069,886
2009	7,589,203	2,969,485	6,585,269	2,408,861	258,159	1,073,827	1,982,872	848,581	889,447	3,572,568	312,753	80,090	28,571,115
2010	6,208,393	3,130,831	6,705,715	2,319,332	261,812	1,658,626	2,015,362	638,279	1,093,252	6,229,729	345,468	70,055	30,676,854
2011	6,429,031	3,127,582	7,004,019	2,354,927	240,367	1,481,706	1,903,214	641,377	999,655	7,246,791	1,537,701	41,460	33,007,830
2012	6,383,037	3,291,226	7,490,825	2,249,625	278,534	1,597,501	1,903,695	669,030	1,303,617	2,064,810	43,693	1,307	27,276,900
2013	6,172,033	3,573,233	7,553,087	2,958,885	221,221	1,751,612	1,958,978	576,202	746,316	2,039,502	-	-	27,551,069
2014	5,745,510	3,751,120	7,765,512	1,898,282	185,074	1,657,994	1,973,347	553,596	1,335,016	1,513,863	-	-	26,379,314
2015	5,782,396	3,717,272	7,846,161	2,075,870	238,713	1,229,988	1,968,570	664,805	790,694	2,155,727	-	3,032	26,473,228

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
(Modified Accrual Basis of Accounting)
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total revenues	$ 30,997,193	$ 29,879,159	$ 36,589,773	$ 35,641,505	$ 30,167,295	$ 29,905,857	$ 28,934,803	$ 27,811,592	$ 27,949,938	$ 27,205,880
Total expenditures	(24,758,062)	(28,427,355)	(31,069,886)	(28,571,115)	(30,676,854)	(33,007,830)	(27,276,900)	(27,551,069)	(26,379,314)	(26,473,228)
Excess of revenues over (under) expenditures	6,239,131	1,451,804	5,519,887	7,070,390	(509,559)	(3,101,973)	1,657,903	260,523	1,570,624	732,652
Other Financing Sources (Uses)										
Proceeds - medium-term financing	256,500	-	-	-	-	-	-	-	-	-
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Proceeds from insurance recovery	-	-	-	-	-	-	-	-	488,133	1,837
Proceeds from sales of capital assets	14,762	668,654	53,020	1,109,683	2,455,750	2,515,252	1,134,260	340,589	689,597	243,900
Transfer in	1,012,904	730,519	55,832	249,343	1,547,442	3,090,754	1,067,691	1,832,176	1,685,544	3,310,228
Transfer out	(2,814,217)	(2,581,799)	(4,743,101)	(2,740,043)	(1,803,144)	(7,940,754)	(1,392,691)	(2,857,176)	(1,910,544)	(3,710,228)
Total other financing sources (uses)	(1,530,051)	(1,182,626)	(4,634,249)	(1,381,017)	2,200,048	(2,334,748)	809,260	(684,411)	952,730	(154,263)
Net Change in Fund Balances	$ 4,709,080	$ 269,178	$ 885,638	$ 5,689,373	$ 1,690,489	$ (5,436,721)	$ 2,467,163	$ (423,888)	$ 2,523,354	$ 578,389
Debt service as a percentage of noncapital expenditures	2.55%	3.89%	1.78%	1.57%	1.70%	6.13%	0.18%	0.00%	0.00%	0.01%

Churchill County, Nevada
Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Real Property Assessed Value	Real Property Less: Tax Exempt	Real Property Total Assessed Value	Personal Property Assessed Value	Personal Property Less: Tax Exempt	Personal Property Total Assessed Value	Total Taxable Assessed Value	Estimated Actual Taxable Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
2006	$ 417,819,803	$ 82,687,755	$ 335,132,048	$ 70,477,133	$ 269,625	$ 70,207,508	$ 405,339,556	$1,158,113,017	35%	1.0950
2007	494,132,674	100,808,265	393,324,409	76,235,362	315,324	75,920,038	469,244,447	1,340,698,420	35%	1.0950
2008	596,832,131	107,466,746	489,365,385	89,697,295	546,482	89,150,813	578,516,198	1,652,903,423	35%	1.1450
2009	616,935,264	114,197,275	502,737,989	108,956,631	623,718	108,332,913	611,070,902	1,745,916,863	35%	1.2229
2010	626,060,135	110,649,310	515,410,825	164,759,423	5,049,812	159,709,611	675,120,436	1,928,915,531	35%	1.2229
2011	636,746,092	105,999,370	530,746,722	176,484,520	4,731,529	171,752,991	702,499,713	2,007,142,037	35%	1.2229
2012	535,498,220	88,815,421	446,682,799	197,787,953	1,755,249	196,032,704	642,715,503	1,836,330,009	35%	1.2229
2013	485,218,337	104,024,476	381,193,861	209,147,343	2,108,591	207,038,752	588,232,613	1,680,664,609	35%	1.2229
2014	539,040,774	96,590,613	442,450,161	156,584,003	31,096,741	125,487,262	567,937,423	1,622,678,351	35%	1.2229
2015	494,094,881	100,418,208	393,676,673	207,418,394	16,614,478	190,803,916	584,480,589	1,669,944,540	35%	1.2229

Source: Churchill County Assessor's Office

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

Churchill County, Nevada
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	County Direct Tax Rate												*Overlapping Rates**						
Collected in Fiscal Year	General	Social Services	Co-op Ext	Public Library	Capital Improv	Tax Act 1991	Youth Services	Hosp Care MVA	Ind Med Care	Sr Cnt Levy	Fire Eqp Levy	Total County Direcct Tax Rate	Churchill County School District	State of Nevada	Mosquito Abatement	Carson City Subconservancy	City of Fallon	Total	County Assessed Valuation
2005-06	0.6668	0.1000	0.0325	0.0841	0.0500	0.0219	0.0647	0.0150	0.0100	0.0300	0.0200	1.0950	1.3700	0.1700	0.0800	0.0300	0.8171	3.5621	488,296,936
2006-07	0.6684	0.0500	0.0325	0.0841	0.0500	0.0219	0.0631	0.0150	0.0600	0.0300	0.0200	1.0950	1.3500	0.1700	0.0800	0.0300	0.8271	3.5521	570,368,036
2007-08	0.6862	0.0700	0.0325	0.0841	0.0500	0.0219	0.0553	0.0150	0.1000	0.0300	0.0000	1.1450	1.3500	0.1700	0.0800	0.0300	0.8371	3.6121	686,529,426
2008-09	0.7215	0.0979	0.0325	0.1041	0.0500	0.0219	0.0500	0.0150	0.1000	0.0300	0.0000	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	725,891,895
2009-10	0.7215	0.0979	0.0325	0.1041	0.0500	0.0219	0.0500	0.0150	0.1000	0.0000	0.0300	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	790,819,558
2010-11	0.7740	0.0779	0.0200	0.0841	0.0500	0.0219	0.0500	0.0150	0.1000	0.0000	0.0300	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	813,230,612
2011-12	0.8040	0.0879	0.0200	0.0841	0.0500	0.0219	0.0500	0.0150	0.0600	0.0000	0.0300	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	733,286,173
2012-13	0.8040	0.0879	0.0200	0.0841	0.0500	0.0219	0.0500	0.0150	0.0600	0.0000	0.0300	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	694,365,680
2013-14	0.8240	0.0879	0.0200	0.0641	0.0500	0.0219	0.0500	0.0150	0.0600	0.0000	0.0300	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	695,624,777
2014-15	0.8619	0.0500	0.0200	0.0641	0.0500	0.0219	0.0500	0.0150	0.0600	0.0000	0.0300	1.2229	1.3000	0.1700	0.0800	0.0300	0.8371	3.6400	701,513,275

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 and Nine Years Ago

		Fiscal Year 2015				Fiscal Year 2006			
Taxpayer	Type of Business	Rank	Taxable Estimated Appraised Value [1]	Approximate Taxable Assessed Value	% of Taxable Assessed Valuation	Rank	Taxable Estimated Appraised Value [1]	Approximate Taxable Assessed Value	% of Taxable Assessed Valuation
ENEL Stillwater Geothermal Plant	Geothermal	1	$ 279,140,620	$ 97,699,217	16.72%				
Sierra Pacific Power Company	Utility	2	96,207,446	33,672,606	5.76%	1	$ 56,691,571	$ 19,842,050	4.90%
Terra-Gen Dixie Valley LLC (Caithness)	Geothermal	3	71,901,409	25,165,493	4.31%	2	52,901,457	18,515,510	4.57%
Gradient Resources (Patua Project, LLC)	Geothermal	4	42,433,871	14,851,855	2.54%				0.00%
Union Pacific System	Railroad	5	38,000,169	13,300,059	2.28%	6	15,930,371	5,575,630	1.38%
Ormat Nevada Inc	Geothermal	6	36,137,171	12,648,010	2.16%	3	23,389,971	8,186,490	2.02%
Southwest Gas Corp	Utility	7	34,903,789	12,216,326	2.09%	4	19,429,017	6,800,156	1.68%
URS Federal Services (Northrop Grumman)	Base Contractor	8	30,971,454	10,840,009	1.85%				0.00%
US Bank National Association	Equipment Leasing	9	27,942,663	9,779,932	1.67%				0.00%
Bango Oil LLC	Oil Refining	10	16,052,774	5,618,471	0.96%				0.00%
AMP Resources Geothermal	Geothermal					5	17,736,200	6,207,670	1.53%
Magma Energy (Constellation Power)	Geothermal					7	10,544,457	3,690,560	0.91%
Peters, James R. Trustee (Stockman's)	Casino					8	8,109,629	2,838,370	0.70%
Wal Mart Stores	Retail					9	6,965,771	2,438,020	0.60%
Kinder Morgan, LP Gas	Geothermal					10	5,893,906	2,062,867	0.51%

Source: Churchill County Tax Assessor's Office

[1] Estimated appraised value assumes that assessed value is 35% of appraised value.

* Denotes pending State Board of Equalization Notice of Decisions

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
2006	$ 10,711,267	$ 10,564,755	98.632%	$ 145,656	$ 10,710,411	99.992%	$ 856	0.008%
2007	12,329,997	12,078,595	97.961%	250,525	12,329,120	99.993%	877	0.007%
2008	13,897,422	13,419,092	96.558%	477,423	13,896,515	99.993%	907	0.007%
2009	14,914,689	14,284,217	95.773%	628,205	14,912,422	99.985%	2,267	0.015%
2010	15,707,402	15,183,754	96.666%	521,179	15,704,933	99.984%	2,469	0.016%
2011	14,938,415	14,524,846	97.232%	411,093	14,935,939	99.983%	2,476	0.017%
2012	13,867,055	13,523,233	97.521%	327,420	13,850,653	99.882%	16,402	0.118%
2013	12,858,661	12,560,762	97.683%	238,794	12,799,556	99.540%	59,105	0.460%
2014	12,720,183	12,473,908	98.064%	2,333	12,476,241	98.082%	243,942	1.918%
2015	13,239,682	12,926,624	97.635%	73,906	13,000,530	98.194%	239,152	1.806%

Source: Churchill County Clerk/Treasurer's Office

Churchill County, Nevada
Taxable Sales by Category
Last Ten Fiscal Years

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Wholesale trade - durable goods	$ 22,660,724	$ 16,119,291	$ 22,263,594	$ 25,254,866	$ 14,508,333	$ 14,469,943	$ 16,036,142	$ 16,054,559	$ 16,033,774	$15,093,610
Building merchandise, hardware	33,173,959	25,941,813	20,177,778	22,694,208	19,204,306	19,337,205	18,722,718	19,015,149	19,984,752	19,444,105
General merchandise stores	56,442,958	60,910,456	56,438,228	47,821,345	43,777,822	42,771,768	43,150,097	43,020,000	42,103,019	42,634,604
Food stores [1]	12,617,952	13,336,226	11,597,634	10,057,349	9,864,765	10,188,992	11,056,021	11,665,896	12,806,168	11,142,097
Automotive dealers & parts	64,290,574	53,288,419	44,336,953	29,160,740	25,040,453	25,509,259	30,840,673	33,852,358	32,640,583	40,024,006
Home furniture & fixtures	11,482,066	6,742,159	6,916,754	6,863,055	6,051,143	4,530,561	5,087,411	5,453,322	5,374,868	5,584,353
Eating and drinking places	28,723,713	30,959,935	29,568,371	30,491,176	26,840,492	27,296,189	28,720,363	27,584,993	32,489,607	30,743,015
Miscellaneous retail	26,967,481	30,218,763	28,343,952	26,902,665	21,561,191	21,401,112	19,831,655	18,166,876	22,300,202	29,641,279
Business services	6,323,478	4,692,929	2,543,325	2,148,401	1,615,818	1,285,107	2,420,564	2,958,374	2,286,103	2,991,198
Automotive repairs & services	6,990,272	5,036,129	5,044,368	5,416,434	4,723,421	5,229,914	6,220,508	7,769,636	8,430,607	11,425,457
All other categories	54,972,429	59,180,239	67,179,682	114,903,323	78,059,345	77,091,429	138,102,058	202,028,822	58,225,377	74,772,922
Total	$324,645,606	$306,426,359	$294,410,639	$321,713,562	$251,247,089	$249,111,479	$320,188,210	$387,569,985	$252,675,060	$283,496,646
County direct sales tax rate										
Basic City-County Relief Tax	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Supplemental City-County Relief Tax	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Public Mass Transportation & Construction of Roads	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Local Government Tax Act	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Infrastructure Development	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Source: Nevada Department of Taxation

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

Churchill County, Nevada
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

	Governmental Activities			Business-Type Activities						
Fiscal Year	Capital Leases	Contract/Note Payable	Revenue Bond	Capital Leases	Telecommunications Equipment Payable	Contract/Note Payable	Utility Bond Payable	Total Primary Government	% of Personal Income [1]	Per Capita [1]
2006	$ 140,254	$ 353,525	$ 2,832,566	$ 1,511,709	$ 1,619,266	$ -	$ 4,000,000	$ 10,457,320	1.14%	382.06
2007	-	97,025	2,475,986	1,450,196	817,024	-	4,544,376	9,384,607	0.99%	345.15
2008	-	76,409	2,163,207	1,386,419	-	-	4,485,261	8,111,296	0.80%	300.63
2009	-	76,409	1,850,454	1,320,297	-	-	4,437,042	7,684,202	0.81%	286.09
2010	-	43,693	1,537,701	1,251,741	-	-	4,386,804	7,219,939	0.72%	273.90
2011	-	43,693	-	1,180,663	-	-	-	1,224,356	0.12%	48.71
2012	-	-	-	1,106,971	-	-	-	1,106,971	0.15%	43.86
2013	-	-	-	1,030,567	-	59,634	-	1,090,201	0.15%	43.05
2014	-	-	-	951,352	-	8,333	-	959,685	Unavailable	Unavailable
2015	-	-	-	900,402	-	15,580	-	915,982	Unavailable	Unavailable

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

[1] See Pledge Revenue Coverage for personal income and population data.

Ratio of General Obligation Debt Outstanding
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Debt Outstanding: General Obligation Debt	General Debt Outstanding: Less: Amounts Available in Debt Service Fund	General Debt Outstanding: Total	Percentage of Assessed Value of Property [1]	Per Capita [2]
2006	$ 3,326,345	$ 456,351	$ 2,869,994	0.59%	$ 105
2007	2,573,011	740,323	1,832,688	0.32%	67
2008	2,239,616	768,562	1,471,054	0.21%	55
2009	1,926,863	832,605	1,094,258	0.15%	41
2010	1,581,394	836,953	744,441	0.09%	28
2011	43,693	-	43,693	0.01%	2
2012	-	-	-	0.00%	-
2013	-	-	-	0.00%	-
2014	-	-	-	0.00%	Unavailable
2015	-	-	-	0.00%	Unavailable

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

[1] See Assessed and Estimated Actual Value of Taxable Property for property value data.
[2] See Demographic and Economic Statistics for personal income and population data.

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed Value	$701,513,275
Debt limit (15% of assessed value)	105,226,991
Debt applicable to limit:	
General obligation debt	-
CC Communications debt	900,402
Utility Bond Debt	-
Total debt applicable to limit	900,402
Legal debt margin	$104,326,589

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt limit	$ 73,244,540	$ 85,555,205	$102,979,414	$108,883,784	$118,622,934	$121,984,592	$109,992,926	$104,154,852	$104,343,717	$105,226,991
Total debt applicable to limit	10,457,320	9,384,607	8,111,296	7,684,202	7,219,939	1,224,356	1,106,971	1,090,201	959,685	915,982
Legal debt margin	$ 62,787,221	$ 76,170,598	$ 94,868,118	$101,199,582	$111,402,995	$120,760,236	$108,885,955	$103,064,651	$103,384,032	$104,311,009
Total debt applicable to the limit as a percentage of debt limit	14.28%	10.97%	7.88%	7.06%	6.09%	1.00%	1.01%	1.05%	0.92%	0.87%

The statutory county debt limit is 15% of the assessed value of all taxable property in the County, as set forth in Chapter 244A.059 of the Nevada Revised Statues.

Name of Government Unit	Debt Outstanding	Estimated Percentage Applicable [1]	Estimated Share of Overlapping Debt
State of Nevada	$ 1,555,490,000	6.1%	$ 94,342,752
City of Fallon	11,133,604	100.0%	11,133,604
Churchill County School District	43,375,800	100.0%	43,375,800
Subtotal, overlapping debt			148,852,156
County direct debt			-
Total direct and overlapping debt			$ 148,852,156

Sources: Debt outstanding data provided by each governmental unit.

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

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

	Business-Type Activities - Bond, Note Payable & Capital Lease					
Fiscal Year Ended June 30,	Business-Type Activities Revenue	Less: Operating Expenses	Net Available Revenue	Principal	Interest	Coverage
2006	$ 23,772,292	$ 23,157,556	$ 614,736	$ 858,292	$ 253,365	0.55
2007	27,100,541	24,538,123	2,562,418	934,513	230,634	2.20
2008	27,751,265	24,901,165	2,850,100	108,739	229,357	8.43
2009	25,788,872	23,638,054	2,150,818	112,985	225,111	6.36
2010	18,950,696	19,013,080	(62,384)	117,399	220,697	(0.18)
2011	19,825,727	18,430,941	1,394,786	67,450	38,150	13.21
2012	19,154,165	18,205,902	948,263	67,449	41,042	8.74
2013	17,350,876	17,504,346	(153,470)	72,504	39,923	(1.37)
2014	14,940,165	15,782,469	(842,304)	46,869	38,725	(9.84)
2015	15,186,511	16,255,989	(1,069,478)	45,707	37,795	(12.81)

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

Fiscal Year Ended June 30,	Population [5]	Personal Income [1]	Per Capita Personal Income [1]	School Enrollment [2]	Unemployment Rate [3]
2006	27,371	$ 914,247,000	$ 36,802	4,462	3.8%
2007	27,190	946,406,000	37,915	4,410	4.1%
2008	26,981	1,012,739,000	40,430	4,409	5.7%
2009	26,859	951,195,000	37,946	4,352	8.7%
2010	26,360	997,661,000	40,222	4,206	11.4%
2011	25,136	1,041,680,000	42,281	4,169	10.9%
2012	25,238	735,004,554 [4]	29,123 [4]	4,048	9.5%
2013	25,322	751,232,725 [4]	29,667 [4]	3,740	8.2%
2014	Unavailable	Unavailable	Unavailable	3,675	6.4%
2015	Unavailable	Unavailable	Unavailable	3,488	7.1%

[1] Source: U.S. Dept. of Commerce, Bureau of Economic Analysis
[2] Source: Nevada Department of Education
[3] Source: Nevada State Employment Training and Rehabilitation
[4] Source: Nevada Governor's Office of Economic Development
[5] Source: Estimates from NV Department of Taxation and NV State Demographer, University of NV, Reno

Churchill County, Nevada
Principal Employers
Current and Nine Years Ago

2015					2006				
Rank	Employer	Product/Service	Number of Employees	Percentage of Total County Employment	Rank	Employer	Product/Service	Number of Employees	Percentage of Total County Employment
1	NAS-Fallon Military Personnel [1]	U.S. Navy	1,000	8.45%	1	NAS-Fallon Military Personnel	U.S. Navy	1,800	14.21%
2	Churchill County School District	Education	500 to 599	5.49%	2	Churchill County School District	Education	712	5.62%
3	Banner Churchill Community Hospital	Health Care	200 to 299	2.11%	3	Churchill Community Hospital	Health Care	320	2.53%
4	Wal-Mart Supercenter	Retail	200 to 299	2.11%	4	Wal-Mart Supercenter	Retail	300	2.37%
5	Churchill County	Local Government	200 to 299	2.11%	5	CMC Joist Steel Fabricators	Manufacturing	225	1.78%
6	L-3 Comm/Vertex Aerospace, LCC	Aviation	200 to 299	2.11%	6	Boeing Aerospace	Aviation	225	1.78%
7	Department of Defense	Federal Government	200 to 299	2.11%	7	Churchill County	Local Government	189	1.49%
8	A & K Earthmovers	Construction	100 to 199	1.27%	8	A & K Earthmovers	Construction	175	1.38%
9	Chugach Support Services, Inc.	Various	100 to 199	1.27%	9	Chugach Support Services, Inc.	Various	150	1.18%
10	New Millennium Building System	Fabricated Structural Metal	100 to 199	1.27%	10	Kennametal	Manufacturing	140	1.11%

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

[1] NAS-Fallon

	Commercial Construction		Residential Construction	
Fiscal Year Ended June 30,	Number of Permits	Value	Number of Permits	Value
2006	20	$ 3,302,870	264	$ 28,651,637
2007	25	4,272,306	165	18,971,522
2008	26	14,327,226	107	10,961,026
2009	19	6,665,507	60	4,701,661
2010	1	79,292	4	173,250
2011	5	500,417	3	338,806
2012	1	38,298	6	1,301,024
2013	1	349,140	2	328,665
2014	3	15,529,333	2	501,126
2015	0	-	18	3,422,216

Source: Churchill County Tax Assessor's Office

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

Date County Created: 1861

Form of Government:

Type:	County Commission
	Commission composed of three elected members

Terms of Office:

Commissioners - 4 year terms

Area: 4,929 square miles

Climate:

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

Economy:

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

Education:

Elementary Schools	4
Middle School (grades 6-8)	1
High School (grades 9-12)	1
Parochial/Christian	2
Academy/Charter School	1
Western Nevada Community College	
Embry-Riddle Aeronautical University	
Sierra Nevada College	

Medical and Health Services:

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

Churchill County, Nevada

Full-Time Equivalent County Government Employees by Department
Last Ten Fiscal Years

	Fiscal Year									
Department	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Commissioners	3	3	3	3	3	3	3	3	3	3
Clerk/Treasurer	8	8	8	9	9	6	6	5	6	7
Recorder	3	4	3	3	3	3	3	3	3	3
Assessor	9	8	8	8	8	8	8	8	7	7
County Manager	2	2	2	2	2	2	1	2	2	2
Facilities & Grounds	5	6	6	7	7	7	5	6	6	6
Human Resources	1	1	1	1	1	1	1	1	1	1
Comptroller	4	5	4	4	4	4	4	5	5	5
Sheriff	44	47	47	49	48	46	47	48	48	47
Fire	1	1	1	1	1	1	1	1	1	1
Emergency Management	-	-	-	1	1	1	1	1	1	1
District Court	2	2	2	2	2	5	4	5	5	5
District Attorney	18	19	18	21	21	20	21	21	20	21
Justice Court	6	7	6	6	6	6	6	6	6	6
Juvenile Probation	14	12	11	10	10	11	9	10	10	9
Juvenile Justice Center	-	-	-	-	-	1	11	11	12	13
Court Services	-	-	-	-	2	2	2	1	2	2
Parks & Recreation	15	16	19	19	19	17	17	19	17	17
Museum	10	5	5	5	5	3	4	4	5	5
Building	3	3	3	3	2	2	2	2	2	2
Planning	7	6	7	7	7	7	8	8	7	5
Cemetery	3	2	2	3	3	3	2	3	3	2
Water Resource	-	1	1	1	1	1	1	-	-	-
Welfare	4	2	3	3	5	4	5	4	5	5
Road	16	17	15	15	17	17	18	18	18	16
Cooperative Extension	1	1	1	1	2	2	2	2	2	1
Library	6	7	7	7	7	6	5	5	6	5
CC Communications	105	96	97	83	77	74	66	62	60	58
Total FTE	290	281	280	274	273	263	263	264	263	255

Source: Churchill County Comptroller's Office

Department/Program	Fiscal Year 2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Museum										
Number of visitors	12,000	10,000	10,582	11,627	8,624	9,458	10,414	11,175	12,104	12,322
Items in collection	50,000	48,588	50,500	53,145	54,000	55,261	55,880	56,320	57,556	58,356
Bus tours	61	69	50	56	36	30	56	57	56	56
Public Library										
Items owned by library	101,445	101,300	101,931	103,676	103,647	104,997	107,772	90,891	65,570	56,075
Circulation	169,903	168,878	170,137	173,578	177,862	172,697	166,675	152,046	149,629	135,636
Justice Court										
Criminal filings	5,615	4,932	4,344	4,717	4,923	5,429	7,418	5,591	6,161	6,241
Civil filings	1,624	1,488	1,655	1,305	1,254	1,369	999	1,042	1,005	930
Parks & Recreation										
Programs/Events	30	68	35	35	37	35	41	35	36	34
Event attendance	8,145	3,795	7,823	7,833	7,276	7,430	7,104	8,015	10,426	10,222
Fairground attendance	70,597	82,702	96,502	84,285	89,883	89,282	73,098	75,881	80,803	80,677
Fairground event days	178	149	177	186	197	200	142	203	228	273
Cemetery										
Full burials	55	50	49	42	42	38	35	35	37	39
Cremations	41	37	52	39	42	30	33	50	27	43
Sheriff										
Reports by patrol	12,477	16,127	19,102	17,715	15,446	7,604	7,762	7,732	7,830	8,067
Civil papers received	6,122	4,168	4,879	4,227	3,744	3,084	2,881	2,869	2,755	2,865
Average inmate populati	48.23	52.00	44.50	45.00	42.50	36.00	42.00	43.00	42.00	57.64
Fire										
Rescue calls	18	7	10	11	17	22	14	21	16	14
Fire calls	220	363	230	185	181	243	272	234	257	213
CC Communications [1]										
Subscriber lines	12,849	12,249	12,082	11,423	10,507	9,878	9,247	8,742	8,259	7,897

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.

	Fiscal Year									
Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Pubic Safety										
Sheriff										
Office locations	3	3	3	3	3	3	3	3	3	3
Vehicles	18	24	19	18	19	23	22	22	22	25
All-terrain vehicles	4	4	4	4	4	4	2	3	2	2
Command trailer	1	1	1	1	1	1	1	1	1	1
Detention facility	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Public Works										
Road										
Paved roads (miles)	170.8	186.12	193.69	194.4	194.4	194.82	194.82	194.82	194.84	191.31
Unpaved roads (miles)	321.89	275.01	273.49	273.49	273.49	273.49	273.49	273.49	272.69	254.79
Major bridges (over 26 feet)	21	21	21	21	21	21	21	21	21	17
Culture and Recreation										
Library										
Building	1	1	1	2	2	2	2	2	2	2
Museum										
Building	1	1	1	1	1	1	1	1	1	1
Parks and Recreation										
Acreage [1]	1,134.19	1,136.45	1,136.45	1,136.45	1,173.51	1,173.51	1,173.51	1,173.51	1,173.51	1,173.51
Swimming pool (indoor)	1	1	1	1	1	1	1	1	1	1
Tennis courts	4	4	4	4	4	4	4	4	4	4
Community centers	2	2	2	2	2	2	2	2	2	2
Health										
Cemetery										
Acreage	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5	63.5
General Government										
Water Resources										
Water rights (acre feet)	3,604	3,604	3,614	3,624	3,624	3,624	3,624	3,624	3,624	3,624
Water Utility										
Maximum daily capacity (thousands of gallons)	-	-	1650	1650	1650	1650	1650	1650	1650	1650
Waste Water Utility										
Maximum daily capacity (thousands of gallons)	-	345	345	900	900	900	900	900	900	900

Sources: Various county departments.

[1] Soda Lake property purchased in Fiscal Year 2006.

Independent Auditor's 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
Churchill County, Nevada
Fallon, Nevada

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Churchill County, Nevada, (the "County"), as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 24, 2015.

Internal Control over Financial Reporting
In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness on the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the County's financial statements are free from 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*.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
November 24, 2015

Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon, Nevada

Report on Compliance for Each Major Federal Program
We have audited Churchill County, Nevada's, (the "County"), compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2015. 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.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the County's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.

Opinion on Each Major Federal Program
In our opinion, the County complied, in all material respects, with the requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2015.

Report on Internal Control over Compliance
Management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Eide Bailly LLP

Reno, Nevada
November 24, 2015

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Identifying Number	Expenditures
Department of Defense			
Direct Program:			
Office of Economic Adjustment:			
Community Economic Adjustment Planning Assistance for Joint Land Use	12.610	HQ00051210031	$ 45,418
Department of Housing and Urban Development			
Passed through State of Nevada:			
Commission on Economic Development:			
CDBG - State-Administered CDBG Program			
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - Access to Health Care Network	14.228	CDBG/13/PS/01	$ 40,552
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - Economic Development Plan and Implementation Project	14.228	CDBG/14/ED/01	68,391
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii - Youth Advocate CASA Program	14.228	CDBG/14/PS/02	11,663
			120,606
State Housing Division:			
Emergency Solutions Grants Program	14.231	E11-DC-32-0001	16,924
Direct Program:			
Continuum of Care Program	14.267	NV0058L9T021202	12,758
Continuum of Care Program	14.267	NV0058L9T021303	83,069
			95,827
Total Department of Housing and Urban Development			$ 233,357
Department of Interior			
Direct Program:			
Bureau of Reclamation:			
Dixie Valley Ground Water Export Study	15.562	R10AC80887	$ 104,325
Department of Justice			
Direct Program:			
Criminal Division:			
Equitable Sharing Program	16.922	13-DEA	$ 6,475

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Identifying Number	Expenditures
Institute of Museum and Library Services			
Passed through State of Nevada:			
Nevada State Library and Archives			
Grants to States	45.310	2014-20	$ 2,878
Department of Energy			
Direct Program:			
Nuclear Waste Disposal Siting	81.065	89-5227-0-2-271	$ 166,885
Department of Health and Human Services			
Passed through State of Nevada:			
Division of Welfare and Supportive Services:			
Child Support Enforcement	93.563	T81032440F	$ 378,021
Child Support Enforcement - Incentive	93.563	T81032440F	12,805
			390,826
Department of Health and Human Services:			
Community Services Block Grant - Discretionary	93.569	T81032440	6,122
Community Services Block Grant - Emergency Assistance	93.569	T81032440	81,240
			87,362
The Nevada Administrative Office of the Courts			
Nevada Supreme Court:			
State Court Improvement Program	93.586	1484-11	5,000
Total Department of Health and Human Services			$ 483,188
Department of Homeland Security			
Passed through State of Nevada:			
Division of Emergency Management:			
Emergency Management Performance Grants	97.042	9704214	$ 15,400
Emergency Management Performance Grants	97.042	9704215	6,475
			21,875
Interoperable Emergency Communications	97.055	15-SERC-02-01	29,587
Interoperable Emergency Communications	97.055	15-UWS-02-01	20,568
			50,155
Total Department of Homeland Security			$ 72,030
Total Expenditures of Federal Awards			$ 1,114,556

Note A - Reporting Entity

The accompanying schedule of expenditures of federal awards presents the expenditure activity of all federal award programs of Churchill County, Nevada, ("the County"), for the year ended June 30, 2015. 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.

Note B - Basis of Accounting

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

Note C - Relationship to Basic Financial Statements

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

Governmental Activities	
Major Governmental Fund	
General Fund	$ 686,634
Other Governmental Funds	
Social Services Fund	320,719
Public Library Fund	2,878
Water Resource Fund	104,325
	$ 1,114,556

Note D - Subrecipients

Expenditures of $40,552 related to the Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii (14.228) from the State of Nevada Commission on Economic Development were passed through to a Nevada non-profit corporation.

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Significant deficiencies identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?	No
Identification of major programs:	

Name of Federal Program or Cluster	CFDA Number
Nuclear Waste Disposal Siting	CFDA 81.065
Child Support Enforcement	CFDA 93.563

Dollar threshold used to distinguish between Type A and Type B programs:	$300,000
Auditee qualified as a low-risk auditee?	No

Section II – Financial Statement Findings

None reported in the current year.

Section III – Federal Award Findings and Questioned Costs

None reported in the current year.

No findings in relation to federal awards were reported in the prior year.

Auditor's Comments

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon, Nevada

In connection with our audit of the financial statements of the governmental activities, 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, 2015, and the related notes to the financial statements, nothing came to our attention that caused us to believe that Churchill County, Nevada failed to comply with the specific requirements of Nevada Revised Statutes except as noted below. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the County's noncompliance with the requirements of Nevada Revised Statutes cited below, insofar as they related to accounting matters.

Statute Compliance

The County conformed to all significant statutory constraints on its financial administration during the year, except for those items identified in Note 2 of the accompanying financial statements.

Prior Year's Statute Compliance

Expenditures were monitored during the current year to avoid over-expenditures in accordance with NRS.

Prior Year's Audit Recommendations

See Summary Schedule of Prior Audit Findings.

Current Year's Audit Recommendations

We have no current year recommendations to report.

Nevada Revised Statute 244.186 (1)(a) & (b)

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

Nevada Revised Statute 354.598155

The Special Ad Valorem Capital Projects Fund made $94,674 worth of expenditures for the general government and intergovernmental functions.

Nevada Revised Statute 354.6115

The financial statements of the Stabilization of Operations Fund are located in this report. Compliance with Nevada Revised Statutes is contained in Note 2 to the financial statements.

Eide Bailly LLP

Reno, Nevada
November 24, 2015

CHURCHILL COUNTY

There's no place like home!

Summary of the Comprehensive Annual Financial Report FYE 6-30-15

Presented By Alan Kalt, CFO
Kristen Chinvarasopak, EideBailly

Churchill County Est. 1861

CC Communications

Telephone ✦ Long Distance ✦ Internet ✦ Wireless

EideBailly

Comprehensive Annual Financial Report (CAFR)

- **Introductory Section:** Unaudited

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- **Financial Section**

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Independent Auditor's Report

- Kristen Chinvarasopak
  Engagement Shareholder
- Unmodified Opinions ***Clean Opinion*** ***p 15-17***
- Note 2 Compliance with NRS and NAC ***p 56***
- Review Compliance Section of Report ***p 192***
- Schedule of Findings and Questioned Costs ***p 199-201***
- Auditor's Comments ***p 202-203***

Management Discussion & Analysis

- *Financial Highlights* **pages 18-32**

  Cash & Investments $44.2M
  Current Liabilities $2.6M Cash Ratio 17.2 times
  Government Wide Net Position $137.7M
  Business Type $73.6M Gov't Activities $64.1M
  Decline in Business-Type -$10M Gov't-Type -$22.7M
  GASB 68 Net Pension Liability: See Note 17 page 81
  Capital Assets decreased from $129.5M to $127.3M
  Total Revenues decreased 2.4% from $44.2M to $43.2M
  Decreases in Charges for services, Capital Grants, Operating grants and program revenues.
  Total Expenses $44.7M decrease $1.8M -4.0%
  Total Expenses exceeded Revenues by $1,456,111
  Fund Balances Governmental Fund Wide $31,070,095
  General Fund Balance $6,992,465 -$537,797

Statement of Net Position

page 33

- ***Governmental Activities***

Current Assets	$32,659,973
Capital/Other Assets	59,549,798
Total Assets	**$92,209,771**
Deferred Outflows	$3,208,669
Current Liabilities	$1,642,876
Non-current Liab.	24,376,632
Total Liabilities	**$26,019,508**
Deferred Inflows:	$5,303,628
Net Position	
Invested C. Assets	$59,479,665
Restricted	8,017,728
Unrestricted	(3,402,089)

- **Total Net Assets $64,095,304**

- ***Business-Type Activities***

Current Assets	$17,359,803
Capital/Other Assets	68,096,296
Total Assets	**$85,456,099**
Deferred Outflows	$1,310,138
Current Liabilities	$ 928,442
Non-current Liab.	10,316,825
Total Liabilities	**$11,245,267**
Deferred Inflows:	$1,915,259
Net Position	
Invested C. Assets	$66,912,446
Restricted	283,448
Unrestricted	6,409,817

- **Total Net Assets $73,605,711**

Statement of Activities: Governmental Activities

page 34

- **Functional Expenses**

General Government	$6,344,255
Judicial	3,787,298
Public Safety	8,778,764
Public Works	3,218,615
Health	257,402
Welfare	1,236,257
Culture & Recreation	2,176,610
Community Support	667,148
Total Expenses	**$26,466,349**

- **Program Revenues**

Charges for Services	$2,789,482
Operating Grants/Rev	1,268,039
Capital Grants/Contrib	4,246
Total Program Rev.	**$4,061,767**

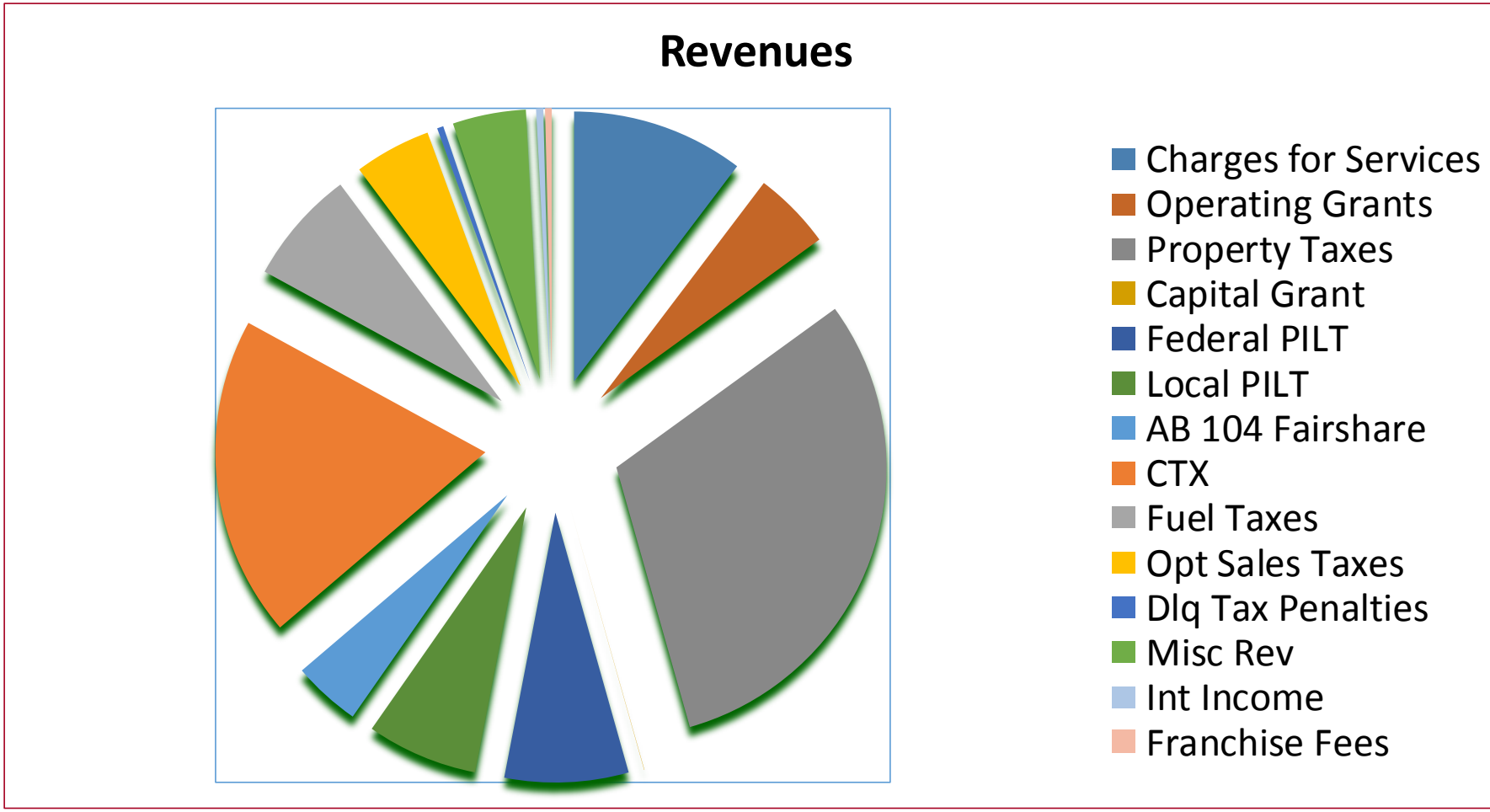
- **General Revenues**

Ad Valorem Taxes	$8,276,676
Franchise Fees	107,753
Federal PILT	2,003,488
Local PILT	1,800,000
AB 104 Fairshare	1,096,947
Consolidated Tax	5,194,556
Unrestricted Fuel	1,853,873
Optional Sales Tax	1,241,287
Delinqt Tax Penalties	102,548
Interest Income	115,590
Miscellaneous Rev	1,186,426
Gain on sale of assets	95,896
Transfers	(400,000)
Total General Rev.	**$22,675,040**

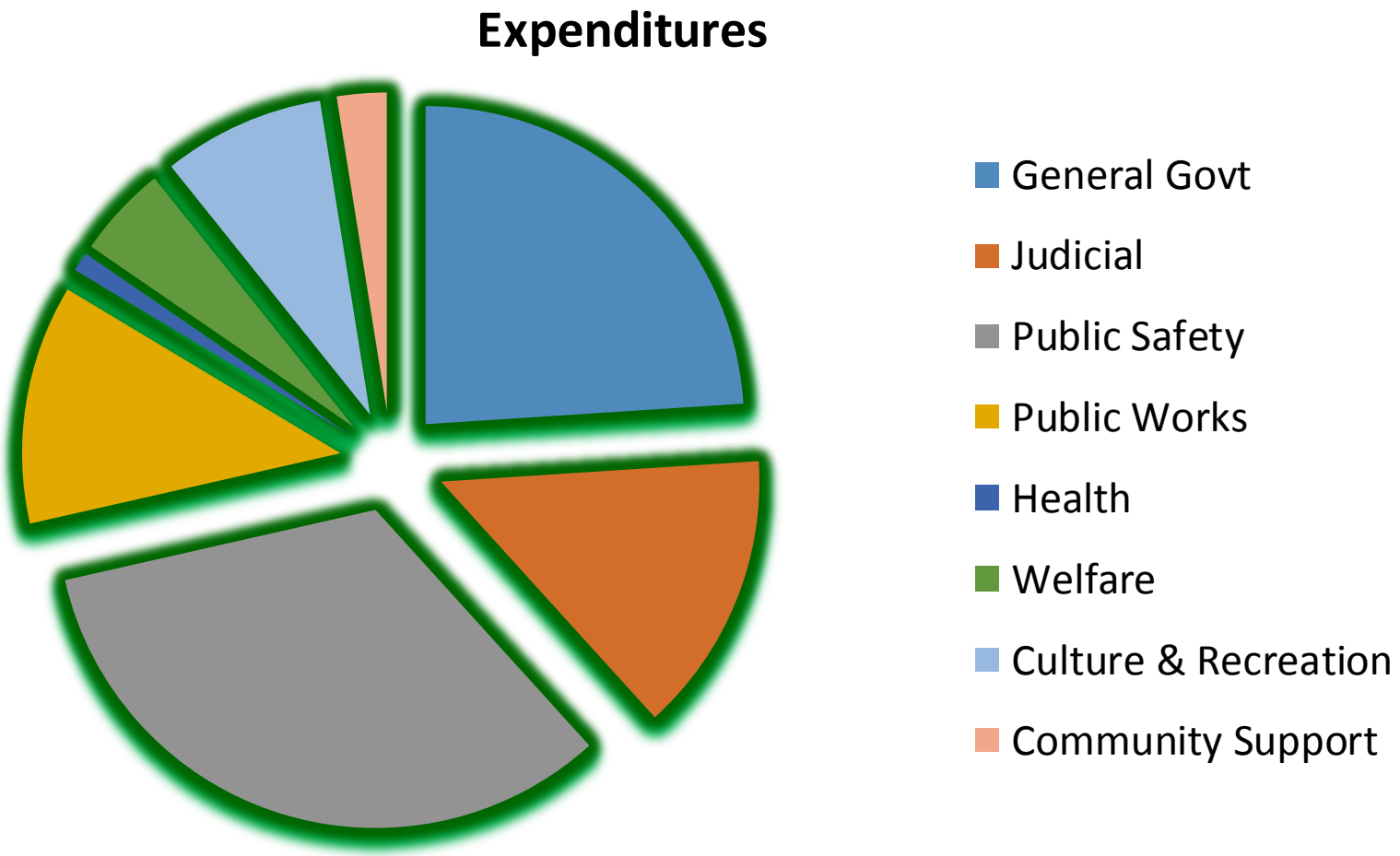
- **Change in Net Position** $270,458
- Prior Period Adjustment GASB 68 Pension Liability ($22,957,790)

Net Position at June 30, 2015
$64,095,304

Statement of Activities: Governmental Activities Revenues



Statement of Activities: Governmental Activities Expenditures



Statement of Activities: Business Type Activities

Page 34

- **Functional Expenses**

Telephone	$12,611,738
Long Distance	281,276
Broadband	2,830,858
Managed Data Svs	706,035
Waste Water	1,174,929
Water Utility	558,293
Golf Course	30,687

Total Expenses $18,193,816

- **Charges for Services**

Telephone	$12,072,416
Long Distance	489,126
Broadband	2,495,155
Managed Data	483,841
Waste Water	171,933
Water	215,947
Golf Course	3,522

Total Charges for Services $15,931,940

- **Capital Grants** $25,000
- **General Revenues**

Interest Income	$	28,790
Miscellaneous Rev		81,517
Total General Rev.		**$110,307**

- **Transfers** 400,000
- **Change in Net Position** **($1,726,569)**
- **Prior Period Adjustment**

GASB 68 Net Pension **($8,290,570)**

Net Position at June 30, 2015 $73,605,711

CC Communications

Telephone ✧ Long Distance
Internet ✧ Cellular ✧ Television

Fund Information

- **Major Funds:**
  Governmental Funds:
  General Fund, Road Fund
  Business-Type Funds:
  CC Communications: Telephone, Broadband, Waste Water, Water Utility Fund
- **New Funds:** AB 65 Court Fees Fund

Supplemental Information: Statements

- Combining and Individual Fund Statements and Schedules
- Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget/Actual
- Non-Major Governmental & Proprietary Funds
- Major Governmental & Proprietary Funds

Schedule of Revenues, Expenses and Changes in Fund Balance: Gov'tal Funds

- Net Change in Fund Balances

General Fund	-$	537,797	$6,992,465
Road Fund	+$	44,291	$ 899,906
Regional Transportation	+$	8,343	$ 623,939
Social Services	-$	116,178	$2,046,733
Public Transit	+$	23,195	$ 580,179
Cooperative Extension	-$	40,141	$ 203,141
Library	-$	77,868	$ 971,875
Parks & Rec	-$	132,271	$ 901,923
Water Resources	+$	87,110	$ 858,878
Infrastructure	+$	257,035	$1,516,863
Building Reserve	+$	671,173	$2,989,919
X.O. Repairs	-$	62,216	$ 534,903

Schedule of Revenues, Expenses and Changes in Net Position: Business Type

- Net Change in Net Position

CC Comm. Telephone	-$632,294
CC Comm. Broadband	-$260,287
County Waste Water	-$643,063
County Water Utility	-$338,724
CC Comm. Long Dist	+$209,554
CC Comm. MDS	- $220,341
Golf Course	+$ 48,279

Statistical Section: Unaudited

- Financial Trends
- Revenue Capacity
- Debt Capacity
- Demographic and Economic Information
- Operating Information

Acknowledgements

- ***Comptroller***
  Sherry Wideman
  Sharon Chicvara
  Mary Byrd
  DeAnna Tomb

- ***County Manager***
  Eleanor Lockwood

- ***Clerk Treasurer***
  Kelly Helton
  Linda Rothery
- **Assessor's Office**
  Denise Felton

Photo Credit:
Sand Mountain
Marie Nygren

Churchill County Contacts

CHURCHILL COUNTY

There's no place like home!

Eleanor Lockwood
County Manager
423-5136

Alan F. Kalt
Chief Financial Officer
428-1414

Kelly Helton
Clerk/Treasurer
423-6028

Mark Feest
General Manager
423-7654

Lorrie Ford
Chief Financial Officer
423-7171

CC Communications

Telephone ✧ Long Distance
Internet ✧ Cellular ✧ Television

EideBailly Contacts

Kristen Chinvarasopak & Felicia O'Carroll
Engagement Partners

Kurt Schlicker Engagement Senior Auditor

Andrew Carr, Laura Nelson, Colby Cross

689-9100 EideBailly.com

CHURCHILL COUNTY

There's no place like home!

Questions & Answers

Thank You

CC COMMUNICATIONS – BROADBAND
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

CC COMMUNICATIONS – BROADBAND
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

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CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon Nevada

Report on the Financial Statements
We have audited the accompanying statement of net position of CC Communications – Broadband Fund of Churchill County, Nevada, as of June 30, 2015 and the related statement of revenues, expenses and changes in net position and statement of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise CC Communications – Broadband Fund of Churchill County, Nevada's basic financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of CC Communications – Broadband Fund of Churchill County, Nevada, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 1 and Note 11 to the financial statements, CC Communications – Broadband Fund has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinion has not been modified with respect to this matter.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the CC Communications – Broadband Fund and do not purport to, and do not, present fairly the financial position of Churchill County, Nevada, the changes in its financial position, or, where applicable, its cash flows as of June 30, 2015 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion has not been modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the schedule of funding progress – other postemployment benefit plans, the schedule of proportionate share of net pension liability and the schedule of proportionate contributions on pages 24, 25, and 26, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CC Communications – Broadband Fund of Churchill County, Nevada's basic financial statements. The schedule of revenues, expenses and changes in net position – budget and actual is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of revenues, expenses and changes in net position – budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses and changes in net position – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Reno, Nevada
November 20, 2015

CC COMMUNICATIONS - BROADBAND
STATEMENT OF NET POSITION
JUNE 30, 2015

	2015
ASSETS	
Current Assets:	
Cash	$705,431
Accounts Receivable, Customers	202,657
Inventory	19,546
Prepaid Expenses	13,022
Total Current Assets	940,656
Noncurrent Assets:	
Capital Assets:	
Equipment	4,211,788
Under construction	38,308
	4,250,096
Less: Accumulated depreciation	(3,166,785)
Capital Assets, Net	1,083,311
Total Assets	2,023,967
DEFERRED OUTFLOWS OF RESOURCES	
Pension	127,388
LIABILITIES	
Current Liabilities:	
Accounts payable	363
Due to other funds	299,610
Total Current Liabilities	299,973
Noncurrent Liabilities:	
Other Postemployment Benefits Liability	156,306
Net Pension Liability- PERS	785,986
Total Noncurrent Liabilities	942,292
Total Liabilities	1,242,265
DEFERRED INFLOWS OF RESOURCES	
Pension	202,703
NET POSITION	
Net investment in capital assets	1,083,311
Unrestricted	(376,924)
Total Net Position	$706,387

See accompanying notes.

CC COMMUNICATIONS - BROADBAND
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	2015
OPERATING REVENUE	
Service Charges	
Digital TV	$ 1,761,859
Internet	691,734
Other - CAP	51,037
Uncollectible revenue	(9,475)
Total Operating Revenue	2,495,155
OPERATING EXPENSES	
Customer operations	
Digital TV	157,601
Internet	235,213
Network operations	
Digital TV	503,257
Internet	74,100
Corporate operations	183,942
Access charges	1,288,953
Miscellaneous operating expenses	
Digital TV	109,206
Internet	14,155
Depreciation	
Digital TV	186,297
CAP	46,181
Internet	31,953
Total Operating Expenses	2,830,858
Operating Income (Loss)	(335,703)
NONOPERATING REVENUE (EXPENSE)	
Rental income	71,315
Miscellaneous income	4,105
Miscellaneous nonoperating expense	(4)
Total Nonoperating Revenue (Expenses)	75,416
Change in Net Position	(260,287)
NET POSITION BEGINNING, July 1, as originally reported	1,844,114
Prior period adjustment for pension	(877,440)
NET POSITION BEGINNING, July 1, as adjusted	966,674
NET POSITION ENDING, June 30	$ 706,387

See accompanying notes.

CC COMMUNICATIONS - BROADBAND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	2015
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$2,598,145
Cash payments to employees	(542,739)
Cash payments for services and supplies	(1,925,618)
Net Cash Provided by Operating Activities	129,788
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of equipment	(126,339)
Net Increase (Decrease) in Cash	3,449
CASH AND CASH EQUIVALENTS, July 1	701,982
CASH AND CASH EQUIVALENTS, June 30	$705,431

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income (Loss)	(335,703)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	264,431
Miscellaneous Income	4,101
Rental Income	71,315
Pension Contributions	(120,318)
Pension Expense	104,180
Changes in assets and liabilities:	
(Increase) Decrease in:	
Accounts receivable	28,207
Inventory	14,569
Prepaid Expenses	(12,023)
Increase (Decrease) in:	
Accounts payable	(3,248)
Due to other funds	105,430
Other postemployment benefits liability	8,847
Net Cash Provided by Operating Activities	$129,788

See accompanying notes.

CC COMMUNICATIONS – BROADBAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 1 – Summary of Significant Accounting Policies:

Nature of Operations:

CC Communications – Broadband, an enterprise fund of Churchill County, Nevada, was created February 3, 2001 to account for providing of cable television, internet and competitive access provider (CAP) services to the citizens of Churchill County, Nevada. CC Communications – Broadband is subject to the Nevada Revised Statutes and is regulated by the Federal Communications Commission. Churchill County operates under a three-member board of commissioners' form of government.

Reporting Entity:

CC Communications – Broadband's financial statements are included in the financial statements of Churchill County, Nevada. These financial statements include solely the activities of CC Communications – Broadband.

Accounting Changes:

CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition from Contributions Made Subsequent to the Measurement Date*, in the current year. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through Public Employees' Retirement System of the State of Nevada (PERS) which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

Fund Accounting:

CC Communications – Broadband's financial activities are accounted for in a proprietary fund. A proprietary fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges. All assets and liabilities (whether current or noncurrent) associated with the fund's activity are included on its statement of net position. The reported net position is segregated into net investment in capital assets and unrestricted components.

Basis of Accounting:

The financial statements of CC Communications – Broadband are prepared using the economic resources measurement focus and the accrual basis of accounting wherein revenue is recognized when earned and expense are recognized at the time liabilities are incurred regardless of the timing of the related cash flows.

CC COMMUNICATIONS – BROADBAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

Budgets and Budgetary Accounting:

CC Communications – Broadband adheres to the Local Government Budget and Finance Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in the supplementary schedule.

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation.

2. Public hearings on the tentative budget are held on the third Monday in May.

3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for final hearings and approval.

4. Formal budgetary integration in the financial records is employed to enhance management control during the year.

5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year-end.

6. In accordance with state statute, actual expenses may not exceed appropriations.

Accounts Receivable:

The allowance method is used to provide for estimated uncollectible accounts. The allowance at June 30, 2015 was $1,279 for Broadband accounts receivable.

Cash and Cash Equivalents:

Cash balances from some funds of Churchill County are combined and, to the extent practicable, invested as permitted by law (NRS 355.170).

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, all highly liquid debt instruments with original maturities of three months or less and investments in pool accounts which are available upon request.

CC Communications – Broadband Fund's bank deposits are covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

Inventories:

Inventories are recorded at average cost approximating market value.

Capital Assets:

Capital assets are stated at original cost and include improvements that significantly add to the useful life. Costs of maintenance and repair are charged to operations as incurred. In accordance with generally accepted accounting practices in the industry, upon retirement of equipment, related costs are removed from the accounts and charged to the accumulated depreciation accounts. All costs of equipment removal are likewise charged to the accumulated depreciation accounts. Any salvage realized from the retirement or disposal is credited to the related accumulated depreciation accounts, and no gain or loss on the disposition is reflected in the financial statements. The capitalization threshold is $2,000 except for computer equipment which is $500.

Depreciation Policy:

Depreciation is provided for financial reporting purposes using straight-line rates, which will amortize the depreciable capital assets over their estimated useful life from five to twenty-five years.

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. CC Communications - Broadband reflects deferred outflows of resources which are related to pension reported in the statement of net position under the accrual basis of accounting. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflows of resources (revenue) until that time. CC Communications - Broadband reflects deferred inflows of resources which are related to pensions reported in the statement of net position under the accrual basis of accounting.

Pensions:

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to /deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Operating Revenue and Expenses:

Operating revenues are those revenues that are generated directly from the broadband service activity of CC Communications – Broadband and are recognized when earned. Operating expenses are the necessary costs incurred to provide broadband service. Revenues and expenses not meeting these definitions are reported as nonoperating.

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.

Subsequent Events:

Management has evaluated subsequent events through November 20, 2015, which is the date these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

NOTE 2 - Compliance with Nevada Revised Statutes:

CC Communications - Broadband conformed to all significant statutory constraints on its financial administration during the year.

NOTE 3 - Cash and Investments:

The following schedule summarizes cash and investments for CC Communications – Broadband Fund at June 30:

Balances at Fair Value Classified by:	2015
Wells Fargo:	
Bank checking	$705,431
Total Cash and Investments	$705,431

CC Communications – Broadband Fund's bank deposits are covered by FDIC insurance and collateralized by the State Treasurer/Nevada Collateral Pool.

CC COMMUNICATIONS – BROADBAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 – Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2015 follows:

Capital Assets:

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
Capital assets, not being depreciated				
Construction in progress	$ -	$ 91,797	$ 53,489	$ 38,308
Other capital assets:				
Video Head-End Equipment	2,923,974	-	-	2,923,974
Computer Equipment	212,391	53,489	-	265,880
Eagle Ridge Cell Site	66,843	-	-	66,843
Internet Equipment	409,957	-	-	409,957
CAP-Fiber Equipment	180,638	-	-	180,638
CAP-Fiber Route to Reno	329,952	34,543	-	364,495
Total Capital Assets being Depreciated	4,123,755	88,032	-	4,211,787
Total Capital Assets	4,123,755	179,829	53,489	4,250,095
Less accumulated depreciation for:				
Video Head-End, Computer Equip. and Eagle Ridge Cell Site	(2,575,094)	(186,297)	-	(2,761,391)
Internet Equipment	(266,298)	(46,181)	-	(312,479)
CAP-Fiber Route & Equipment	(60,962)	(31,953)	-	(92,915)
Total Accumulated Depreciation	(2,902,354)	(264,431)	-	(3,166,785)
Capital Assets, Net	$1,221,401	$ (84,602)	$ 53,489	$ 1,083,310

NOTE 5 – Defined Benefit Pension Plan:

Plan Description:

CC Communications contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided:

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting:

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions:

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

CC Communications - Broadband contributions were $114,270 for the year ended June 30, 2014 and $120,318 for the year ended June 30, 2015.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability:

At June 30, 2015, CC Communications reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. CC Communication's proportion of the net pension liability was based on CC Communication's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the CC Communications proportion was 0.07126 percent of which .0075 percent or $785,986 was attributable to Broadband.

Pension Liability Discount Rate Sensitivity:

The following presents the net pension liability of CC Communications – Broadband as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what CC Communications – Broadband net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	$1,222,294	$785,986	$423,303

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions:

CC Communication's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service
	Police/Fire: 5.25% to 14.5%, depending on service
	Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2015, CC Communications – Broadband recognized pension expense of $104,179. At June 30, 2015, CC Communications - Broadband reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 37,614
Changes in assumptions or other inputs	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	$ -	$ 165,089
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 7,070	$ -
CC Communications – Broadband contributions subsequent to the measurement date	$ 120,318	$ -
Total	$ 127,388	$ 202,703

$120,318 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2016	$ 46,631
2017	$ 46,631
2018	$ 46,631
2019	$ 46,631
2020	$ 5,359
Thereafter	$ 3,750

Reconciliation of Net Pension Liability CC Communications - Broadband	
Beginning Net Pension Liability	$ 991,710
Pension Expense	104,179
Employer Contributions	(114,270)
New Net Deferred Inflows/Outflows	(195,633)
Recognition of Prior Deferred (Inflows)/Outflows	-
Ending Net Pension Liability	$ 785,986

Additional Information:

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

NOTE 6 – Postemployment Health Care Plans:

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

Benefit provisions for the CCCEHBP are established pursuant to NRS 287.023 and amended through negotiations between CC Communications and their employee association. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees their beneficiaries through CC Communications' group health insurance plan, which covers both active and retires members.

Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2015, 19 retirees are using this plan. The CCCEHBP does not issue a publicly available financial report.

Benefits provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP ten-member board of trustees. CC Communications' employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement system had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for CC Communications' employees who retires after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2015, 55 CC Communications' retirees were utilizing this benefit.

Funding Policy*:* For CCCEHBP, contribution requirements of the plan members and CC Communications are established and may be amended through negotiations between CC Communications and the association. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. CC Communications contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by CC Communications. The implicit subsidy as determined by the actuary is $24,997. CC Communications did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired CC Communications' employees. The contribution requirements of the plan members and CC Communications may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2015 ranged from $525 to $1,373, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2015, retirees qualified for a subsidy of $116 at five years of service and $636 at twenty years of service, with incremental increases for years of service in between. As a participating employer, CC Communication is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2015, CC Communications contributed $268,911 to the plan, equal to the required contributions. CC Communications did not prefund future benefits.

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

CC COMMUNICATIONS – BROADBAND
NOTES TO FINANCIAL STATEMENTS
June 30, 2015

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

	Fiscal Year End	AnnualOPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCCEHBP	June 30, 2015	$ 137,998	$ 24,997	18%	$ 964,597
PEBP	June 30, 2015	246,561	268,911	109%	512,275
		$ 384,559	$ 293,908		$ 1,476,872
CCCEHBP	June 30, 2014	$ 131,310	$ 19,360	15%	$ 851,596
PEBP	June 30, 2014	246,722	259,112	105%	534,625
		$ 378,032	$ 278,472		$ 1,386,221
CCCEHBP	June 30, 2013	$ 124,786	$ 13,923	11%	$ 739,646
PEBP	June 30, 2013	246,479	248,211	101%	547,015
		$ 371,265	$ 262,134		$ 1,286,661

The net OPEB obligation (NOPEBO) as of June 30, 2015, was calculated as follows:

	CCCEHBP	PEBP	Total
Annual Required Contribution (ARC)	$ 153,182	$ 260,240	$ 413,422
Interest on net OPEB obligation	34,064	21,385	55,449
Adjustment to annual required contribution	(49,248)	(35,064)	(84,312)
Annual Required Contribution	137,998	246,561	384,559
Less: Contributions made	24,997	268,911	293,908
Increase (decrease) in net OPEB obligation	113,001	(22,350)	90,651
Net OPEB obligation- beginning of the year	851,596	534,625	1,386,221
Net OPEB obligation - end of year	$ 964,597	$ 512,275	$ 1,476,872

CC Communications – Broadband Fund's portion of the CC Communications' OPEB liability as of June 30, 2015 was $ 156,306 based on salaries.

Funded Status and Funding Progress: The funded status of the plans as of the latest valuation date, January 1, 2013, was as follows:

	CCCEHBP	PEBP	Total
Accrued actuarial liability (a)	$ 1,225,056	$4,220,412	$5,445,467
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a) - (b)	$1,225,056	$4,220,412	$5,445,467
Funded Ratio (b) / (a)	0%	0%	0%
Covered payroll (c)	$4,543,679	N/A	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ([(a) - (b)] /(c)))	27%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between CC Communications and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2013 actuarial valuation were as follows:

	CCEHBP	PEBP
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar Amount	Level Dollar Amount
Amortization period	30 Years (open)	26 Years (closed)
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	4%	4%
Projected overall salary increase	4%	4%
Medical Healthcare inflation rate*	9%	9%
General inflation rate	3.25%	3.25%

*Decreasing 1/2% each year until ultimate trend Rate of 5% is reached in 2021

NOTE 7 – Related Party Transactions:

The CC Communications – Broadband (Broadband Fund) rents office and other facility space on a month-to-month basis and contracts with CC Communications - Telephone another enterprise fund of Churchill County. In addition, the Broadband Fund incurs fees for information system services from the Telephone Fund.

Broadband Fund payments to the Telephone Fund for the year ended June 30, 2015 follows:

	2015
Rent	$ 6,000
Special access charges	61,698
Billing and collection services	118,326
Customer services	159,568
Administrative costs	101,230
Installation	64,607
Engineering and maintenance	24,417
	$ 535,846

Telephone Fund payments to the Broadband Fund:

	2015
Tower/Space Rent	$ 11,104

CC Communications – Broadband Fund revenues are billed in conjunction with CC Communications – Telephone Fund's customers. The Telephone Fund processes and pays all Broadband Fund accounts payable and payroll expenses. At the time the expense is incurred, the Broadband Fund records a due to the Telephone Fund, therefore no payables or accruals are recorded on the Broadband Fund's financial statements, except for the accrual for *Net Other Post Employment Benefits Obligation and the Net Pension Obligation,* which are recorded by the Broadband Fund due to the fact the liability is not anticipated to be liquidated within the current period. The above transactions resulted in a due to CC Communications – Telephone Fund of $299,610 at June 30, 2015.

NOTE 8 – Risk Management and Concentration of Credit Risk:

Nevada Public Agency Insurance Pool:

Churchill 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. CC Communications is included in the County's coverage, as described below.

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

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

Maximum coverage is as follows:

Property/Crime/Equipment:		
Blanket limit per schedule Of locations	$300,000,000	Per loss
Sub-limit for earthquake coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage zone A	10,000,000	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:		
Bodily injury, property damage, personal injury, employment based benefits administration	10,000,000	Per event
Law enforcement activities, wrongful acts	10,000,000	Annual aggregate

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 as 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.

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

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

Limits of liability afforded to PACT members, subject to the application for coverage, are as follows:

Workers compensation each accident or disease	$ Statutory
Employers liability each accident or disease	$2,000,000

Concentration of Credit Risk:

Credit is granted to customers, substantially all of whom are located in Churchill County, Nevada.

NOTE 9 – Adoption of New Standards:

Restatement and Prior Period Adjustment:

As described in Note 1, CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Following this statement, the fiscal year 2015 financial statements have been adjusted with a prior period restatement of the Beginning Net Position to reflect the net pension liability of CC Communications – Broadband at June 30, 2014 in the amount of $877,440.

Net position at June 30,2014, as previously reported	$ 1,844,114
Net pension liability at June 30, 2014	(991,710)
Deferred outflows related to contributions made during the year ended June 30, 2014	114,270
Net position at July 1, 2014, as restated	$ 966,674

CC COMMUNICATIONS - BROADBAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLANS

	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) - ENTRY AGE NORMAL COST (b)	UNFUNDED AAL (UAAL) (b - a)	FUNDED RATIO (a/b)	COVERED PAYROLL* (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ([b - a]/c)
CCCEHBP	January 1, 2013	$0	$1,225,056	$1,225,056	0%	$4,543,679	27%
PEBP	January 1, 2013	$0	$4,220,412	$4,220,412	0%	n/a	0%
CCCEHBP	January 1, 2010	$0	$1,179,311	$1,179,311	0%	$5,317,602	22%
PEBP	January 1, 2010	$0	$6,810,813	$6,810,813	0%	n/a	0%

*PEBP was closed to new employees effective November 9, 2008. Therefore there is no covered payroll.

The principal reasons for the large decline in the PEBP plan from the 2010 report to the 2013 report are as follows:

(1) a decrease in the required subsidy for PEBP retirees, (2) updates in members receiving a subsidy, and (3) an update in the mortality assumption.

CC COMMUNICATIONS - BROADBAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2014
CC Communications Broadband portion of net pension liability	.0075%
CC Communications Broadband proportionate share of the net pension liability	$785,986
CC Communications Broadband covered-employee payroll	$462,873
CC Communications Broadband proportional share of the net pension liability as a percentage of its covered-employee payroll	169.81%
Plan fiduciary net position as a percentage of the total pension liability	76.30%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communication – Broadband will present information for those to use for which information is available.

CC COMMUNICATIONS - BROADBAND
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

SCHEDULE OF PROPORTIONATE CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2015
Statutorily required contribution	$120,318
Contributions in relation to the statutorily required contribution	$120,318
Contribution (deficiency) excess	$ -
Employer's covered-employee payroll	$467,254
Contributions as a percentage of covered-employee payroll	25.75%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communication - Broadband will present information for those to use for which information is available.

CC COMMUNICATIONS – BROADBAND
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUE			
Service Charges			
Digital TV	$ 1,672,296	$ 1,761,859	89,563
Internet	848,000	691,734	(156,266)
Other - CAP	36,000	51,037	15,037
Uncollectible revenue	(18,000)	(9,475)	8,525
Total Operating Revenue	2,538,296	2,495,155	(43,141)
OPERATING EXPENSES			
Customer operations			
Digital TV	179,582	157,601	21,981
Internet	309,593	235,213	74,380
Network operations			
Digital TV	578,934	503,257	75,677
Internet	96,406	74,100	22,306
Other - CAP	40,600	-	40,600
Corporate operations	188,533	183,942	4,591
Access charges	1,221,082	1,288,953	(67,871)
Miscellaneous operating expenses			
Digital TV	97,802	109,206	(11,404)
Internet	15,645	14,155	1,490
Other - CAP	6,000	-	6,000
Depreciation			
Digital TV	205,000	186,297	18,703
CAP	47,000	46,181	819
Internet	35,000	31,953	3,047
Total Operating Expenses	3,021,177	2,830,858	190,319
Operating Income (Loss)	(482,881)	(335,703)	147,178
NONOPERATING REVENUE (EXPENSE)			
Miscellaneous Income	3,000	4,105	1,105
Rental Income	66,000	71,315	5,315
Miscellaneous Expense	-	(4)	(4)
Total Nonoperating Revenue	69,000	75,416	6,416
Change in Net Position	$ (413,881)	(260,287)	$ 153,594

NET POSITION BEGINNING, July 1, as originally reported	1,844,114
Prior period adjustment for pension	(877,440)
Net Position, beginning July 1, as adjusted	966,674
NET POSITION ENDING, June 30	$ 706,387

CC COMMUNICATIONS – LONG DISTANCE
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

CC COMMUNICATIONS – LONG DISTANCE
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

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CPAs & BUSINESS ADVISORS

Independent Accountant's Compilation Report

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon, Nevada

We have compiled the accompanying basic financial statements of CC Communications - Long Distance Fund of Churchill County, Nevada, as of and for the year ended June 30, 2015, as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management of CC Communications – Long Distance Fund of Churchill County, Nevada, is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As discussed in Note 1 and Note 8 to the financial statements, CC Communications – Long Distance Fund has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014.

As discussed in Note 1, the financial statements present only the CC Communications - Long Distance Fund and do not purport to, and do not, present fairly the financial position of Churchill County, Nevada, as of June 30, 2015, the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United State of America.

The schedule of funding progress – other postemployment benefit plans, the schedule of proportionate share of net pension liability and the schedule of proportionate contributions on pages 22, 23, and 24, respectively, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have not audited or reviewed the required supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has omitted management's discussion and analysis that is required to be presented for purposes of additional analysis. Such missing supplementary information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained in the schedule of revenues, expenses, and changes in net position – budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Eide Bailly LLP

Fallon, Nevada
November 30, 2015

CC COMMUNICATIONS - LONG DISTANCE
STATEMENT OF NET POSITION
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	2015
ASSETS	
Current Assets:	
Cash	$ 1,323,177
Accounts Receivable, net	45,834
Prepaid Expenses	1,232
Total Assets	1,370,243
DEFERRED OUTFLOWS OF RESOURCES	
Pension	27,258
LIABILITIES	
Current Liabilities:	
Due to other funds	21,715
Noncurrent Liabilities:	
Other Postemployment Benefits Liability	33,445
Net Pension Liability – PERS	168,180
Total Noncurrent Liabilities	201,625
Total Liabilities	223,340
DEFERRED INFLOWS OF RESOURCES	
Pension	43,373
NET POSITION	
Unrestricted	$ 1,130,788

See accompanying notes.

CC COMMUNICATIONS - LONG DISTANCE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	2015
OPERATING REVENUE	
Service Charges	$ 489,126
Total Operating Revenue	489,126
OPERATING EXPENSES	
Customer operations	33,475
Network operations	81,663
Corporate operations	51,066
Access charges	111,706
Miscellaneous operating expenses	3,366
Total Operating Expenses	281,276
Operating Income (Loss)	207,850
NONOPERATING REVENUE(EXPENSE)	
Interest Income	1,704
Change in Net Position	209,554
NET POSITION BEGINNING, July 1, as originally reported	1,108,983
Prior period adjustment for pensions	(187,749)
NET POSITION, BEGINNING, July 1, as adjusted	921,234
NET POSITION ENDING, June 30	$ 1,130,788

See accompanying notes.

CC COMMUNICATIONS - LONG DISTANCE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

		2015
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$	494,919
Cash payments to employees		(120,603)
Cash payments for services and supplies		(164,653)
Net Cash Provided by Operating Activities		209,663
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest Received on Investments		1,704
Net Increase (Decrease) in Cash and Cash Equivalents		211,367
CASH AND CASH EQUIVALENTS, July 1		1,111,810
CASH AND CASH EQUIVALENTS, June 30	$	1,323,177

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income	$	207,851
Adjustments to reconcile operating income to net cash provided by operating activities:		
Pension Contributions		(25,745)
Pension Expense		22,291
Changes in assets and liabilities:		
(Increase) Decrease in:		
Accounts receivable		5,794
Prepaid Expense		(1,127)
Increase (Decrease) in:		
Due to other funds		(1,200)
Other postemployment benefits liability		1,799
Net Cash Provided by Operating Activities	$	209,663

See accompanying notes.

CC COMMUNICATIONS – LONG DISTANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 – Summary of Significant Accounting Policies:

Nature of Operations:

CC Communications – Long Distance, a proprietary fund of Churchill County, Nevada, was created September 4, 1997 to account for providing in-region, interstate, and interexchange services (especially long distance services) to the citizens of Churchill County, Nevada. CC Communications – Long Distance is subject to the Nevada Revised Statutes and is regulated by the Federal Communications Commission. Churchill County operates under a three-member board of commissioners' form of government.

Reporting Entity:

CC Communications – Long Distance's financial statements are included in the financial statements of Churchill County, Nevada. These financial statements include solely the activities of CC Communications – Long Distance.

Accounting Changes:

CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition from Contributions Made Subsequent to the Measurement Date*, in the current year. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through Public Employees' Retirement System of the State of Nevada (PERS) which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

Fund Accounting:

CC Communications – Long Distance's financial activities are accounted for in a proprietary fund. A proprietary fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges. All assets and liabilities (whether current or noncurrent) associated with the fund's activity are included on its statement of net position. The reported net position is unrestricted.

CC COMMUNICATIONS – LONG DISTANCE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

Basis of Accounting:

The financial statements of CC Communications – Long Distance are prepared in conformity with accounting principles generally accepted in the United States of America applicable to regulated utilities, utilizing the uniform system of accounts prescribed by the Federal Communications Commission for telecommunications companies. CC Communications – Long Distance maintains its accounting records using the economic resources measurement focus and the accrual basis of accounting wherein revenue is recognized when earned and expense are recognized at the time liabilities are incurred regardless of the timing of the related cash flows.

Budgets and Budgetary Accounting:

CC Communications – Long Distance adheres to the Local Government Budget and Finance Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in the supplementary schedule.

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation.

2. Public hearings on the tentative budget are held on the third Monday in May.

3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for final hearings and approval.

4. Formal budgetary integration in the financial records is employed to enhance management control during the year.

5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year-end.

6. In accordance with state statute, actual expenses may not exceed appropriations.

Accounts Receivable:

The allowance method is used to provide for estimated uncollectible accounts. The allowance at June 30, 2015 was $ 380 for Long Distance accounts receivable.

Cash and Cash Equivalents:

Cash balances from some funds of Churchill County are combined and, to the extent practicable, invested as permitted by law (NRS 355.170)

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, all highly liquid debt instruments with original maturities of three months or less and investments in pool accounts which are available upon request.

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. CC Communications – Long Distance reflects deferred outflows of resources which are related to pension reported in the statement of net position under the accrual basis of accounting. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflows of resources (revenue) until that time. CC Communications – Long Distance reflects deferred inflows of resources which are related to pensions reported in the statement of net position under the accrual basis of accounting.

Pensions:

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to /deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the long distance service activity of CC Communications – Long Distance and are recognized when earned. Operating expenses are the necessary costs incurred to provide long distance service. Revenues and expenses not meeting these definitions are reported as nonoperating.

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.

Subsequent Events:

Management has evaluated subsequent events through November 30, 2015, which is the date these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

NOTE 2 – Compliance:

There were no instances of non-compliance reported in 2015.

NOTE 3 - Cash:

The following schedule summarizes cash for CC Communications – Long Distance Fund at June 30, 2015:

Balances at Fair Value Classified by:	2015
Wells Fargo:	
Bank checking	$ 1,323,177

CC Communications – Long Distance Fund's bank deposits are covered by FDIC insurance and collateralized by the State Treasurer/Nevada Collateral Pool.

NOTE 4 – Defined Benefit Pension Plan:

Plan Description:

CC Communications contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided:

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting:

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions:

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

CC Communications – Long Distance contributions were $24,450 for the year ended June 30, 2014, and $25,745 for the year ended June 30, 2015.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability:

At June 30, 2015, CC Communications reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. CC Communication's proportion of the net pension liability was based on CC Communication's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the CC Communications proportion was 0.07126 percent of which .0016 percent or $168,180 was attributable to Long Distance.

Pension Liability Discount Rate Sensitivity:

The following presents the net pension liability of CC Communications – Long Distance as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what CC Communications – Long Distance net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	$261,537	$168,180	$90,575

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions:

CC Communication's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service
	Police/Fire: 5.25% to 14.5%, depending on service
	Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2015, CC Communications – Long Distance recognized pension expense of $22,291. At June 30, 2015, CC Communications – Long Distance reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 8,048
Changes in assumptions or other inputs	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	$ -	$ 35,325
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 1,513	$ -
CC Communications – Long Distance contributions subsequent to the measurement date	$ 25,745	$ -
Total	$ 27,258	$ 43,373

$25,745 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	$ 9,978
2017	$ 9,978
2018	$ 9,978
2019	$ 9,978
2020	$ 1,147
Thereafter	$ 801

Reconciliation of Net Pension Liability CC Communications – Long Distance	
Beginning Net Pension Liability	$ 212,199
Pension Expense	22,291
Employer Contributions	(24,450)
New Net Deferred Inflows/Outflows	(41,860)
Recognition of Prior Deferred (Inflows)/Outflows	-
Ending Net Pension Liability	$ 168,180

Additional Information:

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

NOTE 5 – Postemployment Health Care Plans:

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

Benefit provisions for the CCCEHBP are established pursuant to NRS 287.023 and amended through negotiations between CC Communications and their employee association. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees their beneficiaries through CC Communications' group health insurance plan, which covers both active and retires members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2015, 19 retirees are using this plan. The CCCEHBP does not issue a publicly available financial report.

Benefits provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP ten-member board of trustees. CC Communications' employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement system had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for CC Communications' employees who retires after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2015, 55 CC Communications' retirees were utilizing this benefit.

Funding Policy*:* For CCCEHBP, contribution requirements of the plan members and CC Communications are established and may be amended through negotiations between CC Communications and the association. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. CC Communications contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by CC Communications. The implicit subsidy as determined by the actuary is $24,997. CC Communications did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired CC Communications' employees. The contribution requirements of the plan members and CC Communications may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2015 ranged from $525 to $1,373, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2015, retirees qualified for a subsidy of $116 at five years of service and $636 at twenty years of service, with incremental increases for years of service in between. As a participating employer, CC Communication is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2015, CC Communications contributed $268,911 to the plan, equal to the required contributions. CC Communications did not prefund future benefits.

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

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

	Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCCEHBP	June 30, 2015	$ 137,998	$ 24,997	18%	$ 964,597
PEBP	June 30, 2015	246,561	268,911	109%	512,275
		$ 384,559	$ 293,908		$ 1,476,872
CCCEHBP	June 30, 2014	$ 131,310	$ 19,360	15%	$ 851,596
PEBP	June 30, 2014	246,722	259,112	105%	534,625
		$ 378,032	$ 278,472		$ 1,386,221
CCCEHBP	June 30, 2013	$ 124,786	$ 13,923	11%	$ 739,646
PEBP	June 30, 2013	246,479	248,211	101%	547,015
		$ 371,265	$ 262,134		$ 1,286,661

The net OPEB obligation (NOPEBO) as of June 30, 2015, was calculated as follows:

	CCCEHBP	PEBP	Total
Annual Required Contribution (ARC)	$ 153,182	$ 260,240	$ 413,422
Interest on net OPEB obligation	34,064	21,385	55,449
Adjustment to annual required contribution	(49,248)	(35,064)	(84,312)
Annual Required Contribution	137,998	246,561	384,559
Less: Contributions made	24,997	268,911	293,908
Increase(decrease) in net OPEB obligation	113,001	(22,350)	90,651
Net OPEB obligation- beginning of the year	851,596	534,625	1,386,221
Net OPEB obligation - end of year	$ 964,597	$ 512,275	$ 1,476,872

CC Communications – Long Distance Fund's portion of the CC Communications' OPEB liability as of June 30, 2015 was $ 33,445 based on salaries.

Funded Status and Funding Progress: The funded status of the plans as of the latest valuation date, January 1, 2013, was as follows:

	CCCEHBP	PEBP	Total
Accrued actuarial liability (a)	$ 1,225,056	$4,220,412	$5,445,468
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a) - (b)	$1,225,056	$4,220,412	$5,445,468
Funded Ratio (b) / (a)	0%	0%	0%
Covered payroll (c)	$4,543,679	N/A	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ([(a) - (b)] /(c)))	27%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between CC Communications and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2013 actuarial valuation were as follows:

	CCEHBP	PEBP
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar Amount	Level Dollar Amount
Amortization period	30 Years(open)	26 Years(closed)
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	4%	4%
Projected overall salary increase	4%	4%
Medical Healthcare inflation rate*	9%	9%
General inflation rate	3.25%	3.25%

*Decreasing 1/2% each year until ultimate trend
Rate of 5% is reached in 2021

NOTE 6 – Related Party Transactions:

The CC Communications – Long Distance Fund incurs fees for information system services provided by the Telephone Fund. Following is a schedule of related party transactions incurred for the year ended June 30, 2015.

Long Distance Fund payments to the Telephone Fund:

	2015
Billing and collection services	$ 82,482
Customer services	17,697
Administrative costs	7,315
	$ 107,494

CC Communications – Long Distance Fund revenues are billed in conjunction with CC Communications – Telephone Fund's customers. At the time the revenue is earned the Telephone Fund transfers cash to the Long Distance Fund for the amount of the earnings. The Telephone Fund processes and pays all Long Distance Fund accounts payable and payroll expenses. At the time the expense is incurred, the Long Distance Fund records a due to the Telephone Fund, therefore no payables or accruals are recorded on the Long Distance Fund's financial statements, except for the accrual for *Net Other Post Employment Benefits Obligation* and the *Net Pension Liability-PERS* which is recorded by the Long Distance Fund due to the fact the liability is not anticipated to be liquidated within the current period. The above transactions resulted in a due to CC Communications – Telephone Fund of $21,715 at June 30, 2015.

NOTE 7 – Risk Management and Concentration of Credit Risk:

Nevada Public Agency Insurance Pool:

Churchill 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. CC Communications is included in the County's coverage, as described below.

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

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

Maximum coverage is as follows:

Property/Crime/Equipment:		
Blanket limit per schedule Of locations	$300,000,000	Per loss
Sub-limit for earthquake coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage zone A	10,000,000	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:		
Bodily injury, property damage, personal injury, employment based benefits administration	10,000,000	Per event
Law enforcement activities, wrongful acts	10,000,000	Annual aggregate

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 as 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.

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

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

Limits of liability afforded to PACT members, subject to the application for coverage, are as follows:

Workers compensation each accident or disease	$ Statutory
Employers liability each accident or disease	$2,000,000

Concentration of Credit Risk:

Credit is granted to customers, substantially all of whom are located in Churchill County, Nevada

Note 8 – Adoption of New Standard:

Restatement and Prior Period Adjustment:

As described in Note 1, CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB No. 27*and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Following this statement, the fiscal year 2015 financial statements have been adjusted with a prior period restatement of the Beginning Net Position to reflect the net pension liability of CC Communications – Long Distance at June 30, 2014 in the amount of $187,749.

Net position at June 30,2014, as previously reported	$ 1,108,983
Net pension liability at June 30, 2014	(212,199)
Deferred outflows related to contributions made during the year ended June 30,2014	24,450
Net position at July 1, 2014, as restated	$ 921,234

CC COMMUNICATIONS – LONG DISTANCE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLANS

	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) - ENTRY AGE NORMAL COST (b)	UNFUNDED AAL (UAAL) (b - a)	FUNDED RATIO (a/b)	COVERED PAYROLL* (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ([b - a]/c)
CCCEHBP	January 1, 2013	$0	$1,225,056	$1,225,056	0%	$4,543,679	27%
PEBP	January 1, 2013	$0	$4,220,412	$4,220,412	0%	n/a	0%
CCCEHBP	January 1, 2010	$0	$1,179,311	$1,179,311	0%	$5,317,602	22%
PEBP	January 1, 2010	$0	$6,810,813	$6,810,813	0%	n/a	0%

*PEBP was closed to new employees effective November 9, 2008. Therefore, there is no covered payroll.

The principal reasons for the large decline in the PEBP plan from the 2010 report to the 2013 report are as follows:

(1) a decrease in the required subsidy for PEBP retirees, (2) updates in members receiving a subsidy, and (3) an update in the mortality assumption.

CC COMMUNICATIONS – LONG DISTANCE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2014
CC Communications Long Distance portion of net pension liability	.0016%
CC Communications Long Distance proportionate share of the net pension liability	$168,180
CC Communications Long Distance covered-employee payroll	$ 99,044
CC Communications Long Distance proportional share of the net pension liability as a percentage of its covered-employee payroll	169.81%
Plan fiduciary net position as a percentage of the total pension liability	76.30%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communications – Long Distance will present information for those to use for which information is available.

CC COMMUNICATIONS – LONG DISTANCE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

SCHEDULE OF PROPORTIONATE CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2015
Statutorily required contribution	$25,745
Contributions in relation to the statutorily required contribution	$25,745
Contribution (deficiency) excess	$ -
Employer's covered-employee payroll	$99,980
Contributions as a percentage of covered-employee payroll	25.75%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communications – Long Distance will present information for those to use for which information is available.

CC COMMUNICATIONS – LONG DISTANCE
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUE			
Service Charges	$ 516,000	$ 489,126	$ (26,874)
Total Operating Revenue	516,000	489,126	(26,874)
OPERATING EXPENSES			
Customer operations	37,895	33,475	4,420
Network operations	119,813	81,663	38,150
Corporate operations	50,389	51,066	(677)
Access charges	153,528	111,706	41,822
Miscellaneous operating expenses	5,300	3,366	1,934
Total Operating Expenses	366,925	281,276	85,649
Operating Income (Loss)	149,075	207,850	58,775
NONOPERATING REVENUE (EXPENSE)			
Interest Income	-	1,704	1,704
Change in Net Position	$ 149,075	209,554	$60,479

NET POSITION BEGINNING, July 1, as originally reported	1,108,983
Prior period adjustment for pensions	(187,749)
NET POSITION BEGINNING, July 1, as adjusted	921,234
NET POSITION ENDING, June 30	$ 1,130,788

CC COMMUNICATIONS – MANAGED DATA SERVICES
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

CC COMMUNICATIONS – MANAGED DATA SERVICES
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

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CPAs & BUSINESS ADVISORS

Independent Accountant's Compilation Report

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon, Nevada

We have compiled the accompanying basic financial statements of CC Communications – Managed Data Services Fund of Churchill County, Nevada, as of and for the year ended June 30, 2015, as listed in the table of contents. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management of CC Communications – Managed Data Services Fund of Churchill County, Nevada, is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As discussed in Note 1 and Note 9 to the financial statements, CC Communications – Managed Data Services Fund has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014.

As discussed in Note 1, the financial statements present only the CC Communications – Managed Data Services Fund and do not purport to, and do not, present fairly the financial position of Churchill County, Nevada, as of June 30, 2015, the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United State of America.

The schedule of funding progress – other postemployment benefit plans, the schedule of proportionate share of net pension liability and the schedule of proportionate contributions on pages 24, 25, and 26, respectively, are presented for purposes of additional analysis. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. This information is the representation of management. This information was subjected to our compilation engagement; however, we have not audited or reviewed the required supplementary information and, accordingly, we do not express an opinion or provide any assurance on such supplementary information.

Management has omitted management's discussion and analysis that is required to be presented for purposes of additional analysis. Such missing supplementary information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of basic financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

The supplementary information contained in the schedule of revenues, expenses, and changes in net position – budget and actual is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Eide Bailly LLP

Fallon, Nevada
November 30, 2015

CC COMMUNICATIONS - MANAGED DATA SERVICES
STATEMENT OF NET POSITION
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	2015
ASSETS	
Current Assets:	
Cash and investments	$ 1,080,944
Accounts receivable, net	64,809
Due from other funds	14,174
Inventory	6,294
Prepaid expenses	4,177
Total Current Assets	1,170,398
Capital Assets:	
In service and depreciable	514,797
Less: Accumulated depreciation	(121,514)
Total Capital Assets	393,283
Total Assets	1,563,681
DEFERRED OUTFLOWS OF RESOURCES	
Excess consideration provided for acquisition	106,500
Pension	114,565
Total Deferred Outflows of Resources	221,065
LIABILITIES	
Current Liabilities:	
Accounts payable	27
Noncurrent Liabilities:	
Other Postemployment Benefits Liability	140,572
Net Pension Liability – PERS	706,867
Total Noncurrent Liabilities	847,439
Total Liabilities	847,466
DEFERRED OUTFLOWS OF RESOURCES	
Pension	182,299
NET POSITION	
Net investment in capital assets	393,283
Unrestricted	361,698
Total Net Position	$ 754,981

See accompanying notes.

CC COMMUNICATIONS - MANAGED DATA SERVICES
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	2015
OPERATING REVENUE	
Data Services	$ 206,079
Web Services	167,964
Computer & Networking Support	104,142
Uncollectible Revenue	2,500
Miscellaneous Revenue	3,156
Total Operating Revenue	483,841
OPERATING EXPENSES	
Network-Data Services	305,210
Network-Web Services	146,754
Network-Computer & Networking	87,228
Warehouse/Inventory	16,602
Customer operations	21,805
Corporate operations	65,123
Attribution of excess consideration provided for acquisition	11,833
Depreciation	51,480
Total Operating Expenses	706,035
Operating Income (Loss)	(222,194)
NONOPERATING REVENUE (EXPENSE)	
Interest Income	1,853
Change in Net Position	(220,341)
Net Position-beginning, July 1, as originally reported	1,764,437
Prior period adjustment for pensions	(789,115)
Net Position-beginning, July 1, as adjusted	975,322
Net Position-ending, June 30	$ 754,981

See accompanying notes.

CC COMMUNICATIONS - MANAGED DATA SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	2015
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 450,548
Cash payments to employees	(321,360)
Cash payments for services and supplies	(392,717)
Net Cash Used for Operating Activities	(263,529)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Payment of long-term contracts	(8,333)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	1,853
Net Increase (Decrease) in Cash and Cash Equivalents	(270,009)
CASH AND CASH EQUIVALENTS, July 1	1,350,953
CASH AND CASH EQUIVALENTS, June 30	$ 1,080,944
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED FOR OPERATING ACTIVITIES:	
Operating Income (Loss)	(222,194)
Adjustments to reconcile operating income(loss) to net cash provided by operating activities:	
Depreciation	51,480
Attribution of excess consideration provided for acquisition	11,833
Pension Contributions	(108,207)
Pension Expense	93,693
Changes in assets and liabilities:	
(Increase) Decrease in:	
Accounts receivable	(30,792)
Due from other funds	(14,174)
Inventory	(1,361)
Prepaid Expenses	(3,861)
(Increase) Decrease in:	
Accounts payable	(4,152)
Due to other funds	(41,776)
Other postemployment benefits liability	5,982
Net Cash Used for by Operating Activities	$ (263,529)

See accompanying notes.

CC COMMUNICATIONS – MANAGED DATA SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

NOTE 1 – Summary of Significant Accounting Policies:

Nature of Operations:

CC Communications – Managed Data Services, a proprietary fund of Churchill County, Nevada, was created July 1, 2012 to account for IT and data services provided by CC Communications to the citizens of Churchill County. CC Communications – Managed Data Services is subject to the Nevada Revised Statutes. Churchill County operates under a three-member board of commissioners' form of government.

Reporting Entity:

CC Communications – Managed Data Services financial statements are included in the financial statements of Churchill County, Nevada. These financial statements include solely the activities of CC Communications – Managed Data Services.

Accounting Changes:

CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition from Contributions Made Subsequent to the Measurement Date*, in the current year. . The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through Public Employees' Retirement System of the State of Nevada (PERS) which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

CC Communications implemented GASB Statement No. 69, *Government Combinations and Disposals of Government Operations* in the current year. This statement establishes accounting and financial reporting requirements related to a government acquisition.

Fund Accounting:

CC Communications – Managed Data Services financial activities are accounted for in a proprietary fund. A proprietary fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges. All assets and liabilities (whether current or noncurrent) associated with the fund's activity are included on its statement of net position. The reported net position is unrestricted.

CC COMMUNICATIONS – MANAGED DATA SERVICES
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

Basis of Accounting:

The financial statements of CC Communications – Managed Data Services are prepared using the economic resources measurement focus and the accrual basis of accounting wherein revenue is recognized when earned and expenses are recognized at the time liabilities are incurred regardless of the timing of the related cash flows.

Budgets and Budgetary Accounting:

CC Communications – Managed Data Services adheres to the Local Government Budget and Finance Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in the supplementary schedule.

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation.

2. Public hearings on the tentative budget are held on the third Monday in May.

3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for final hearings and approval.

4. Formal budgetary integration in the financial records is employed to enhance management control during the year.

5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year-end.

6. In accordance with state statute, actual expenses may not exceed appropriations.

Accounts Receivable:

The allowance method is used to provide for estimated uncollectible accounts. The allowance at June 30, 2015 was $294 for Managed Data Services accounts receivable.

Inventories:

Inventories are recorded at average cost approximately market value.

Capital Assets:

Capital assets are stated at original cost and include improvements that significantly add to the useful life. Costs of maintenance and repair are charged to operations as incurred. In accordance with generally accepted accounting practices in the industry, upon retirement of equipment, related costs are removed from the accounts and charged to the accumulated depreciation accounts. All costs of equipment removal are likewise charged to the accumulated depreciation accounts. Any salvage realized from the retirement or disposal is credited to the related accumulated depreciation accounts, and no gain or loss on the disposition is reflected in the financial statements. The capitalization threshold is $2,000 except for computer equipment which is $500.

Deferred Outflow and Inflow of Resources:

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future period(s) and so will not be recognized as an outflow of resources (expense) until then. The CC Communications – Managed Data Services has two items that qualify for reporting in this category. The first is excess consideration provided for acquisition. During the fiscal year ended June 30, 2015, in accordance with GASB 69, goodwill has been reclassified to deferred outflows of resources and recognized over the determined attributable future periods. CC Communications has determined this period to be ten years. The value of the excess consideration provided for acquisition was $106,500 as of June 30, 2015. The attribution amount was $11,883 for the year ended June 30, 2015. CC Communications – Managed Data Services will periodically review and revise its' estimate of the attribution period in subsequent reporting periods. The second is deferred outflows related to pensions. Deferred outflows of resources are reported in the statement of net position under the accrual basis of accounting.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflows of resources (revenue) until that time. CC Communications – Managed Data Services reflects deferred inflows of resources which are related to pensions reported in the statement of net position under the accrual basis of accounting.

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Depreciation Policy:

Depreciation is provided for financial reporting purposes using straight-line rates, which will amortize the depreciable capital assets over their estimated useful life of ten years.

Cash and Cash Equivalents:

Cash balances from some funds of Churchill County are combines and, to the extent practicable, invested as permitted by law (NRS 355.170).

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, all highly liquid debt instruments with original maturities of three months or less and investments in pool accounts which are available upon request.

Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the Managed Data Services service activity of CC Communications – Managed Data Services and are recognized when earned. Operating expenses are the necessary costs incurred to provide Managed Data Services service. Revenues and expenses not meeting these definitions are reported as nonoperating.

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.

Subsequent Events:

Management has evaluated subsequent events through November 30, 2015, which is the date these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

NOTE 2 - Compliance:

There were no instances of non-compliance reported in 2015.

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NOTE 3 - Cash:

The following schedule summarized cash and investments for CC Communications – Managed Data Services Fund at June 30:

Balances at Fair Value Classified by:	2015
Wells Fargo:	
Bank checking	$ 1,080,944
Total Cash and Investments	$ 1,080,944

CC Communications – Managed Data Services Fund's bank deposits were covered by FDIC insurance and collateralized by the Office of the State Treasurer/Nevada Collateral Pool.

NOTE 4– Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2015 follows:

Capital Assets:

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
Other capital assets:				
Software	$237,787	-	-	$237,787
Equipment	277,010	-	-	277,010
Total Capital Assets, being depreciated	514,797	-	-	514,797
Total Capital Assets	514,797	-	-	514,797
Less accumulated depreciation for:				
Software	(30,598)	(23,779)	-	(54,377)
Equipment	(39,436)	(27,701)	-	(67,137)
Total accumulated depreciation:	(70,034)	(51,480)	-	(121,514)
Capital Assets, Net	$ 444,763	$ (51,480)	$ -	$ 393,283

NOTE 5 – Defined Benefit Pension Plan:

Plan Description:

CC Communications contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided:

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting:

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions:

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

CC Communications – Managed Data Services contributions were $102,768 for the year ended June 30, 2014, and $108,207 for the year ended June 30, 2015.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability:

At June 30, 2015, CC Communications reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. CC Communication's proportion of the net pension liability was based on CC Communication's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the CC Communications proportion was 0.07126 percent of which .0068 percent or $706,867 was attributable to Managed Data Services.

Pension Liability Discount Rate Sensitivity:

The following presents the net pension liability of CC Communications – Managed Data Services as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what CC Communications – Managed Data Services net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	$1,099,256	$706,867	$380,693

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions:

CC Communication's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service
	Police/Fire: 5.25% to 14.5%, depending on service
	Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

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Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2015, CC Communications – Managed Data Services recognized pension expense of $93,693. At June 30, 2015, CC Communications – Managed Data Services reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 33,827
Changes in assumptions or other inputs	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	$ -	$ 148,472
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 6,358	$ -
CC Communications – Managed Data Services contributions subsequent to the measurement date	$ 108,207	$ -
Total	$ 114,565	$ 182,299

$108,207 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	$ 41,937
2017	$ 41,937
2018	$ 41,937
2019	$ 41,937
2020	$ 4,819
Thereafter	$ 3,374

Reconciliation of Net Pension Liability CC Communications - Telephone	
Beginning Net Pension Liability	$ 891,883
Pension Expense	93,693
Employer Contributions	(102,768)
New Net Deferred Inflows/Outflows	(175,941)
Recognition of Prior Deferred (Inflows)/Outflows	-
Ending Net Pension Liability	$ 706,867

Additional Information:

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

NOTE 6 – Postemployment Health Care Plans:

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

Benefit provisions for the CCCEHBP are established pursuant to NRS 287.023 and amended through negotiations between CC Communications and their employee association. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees their beneficiaries through CC Communications' group health insurance plan, which covers both active and retires members. Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2015, 19 retirees are using this plan. The CCCEHBP does not issue a publicly available financial report.

Benefits provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP ten-member board of trustees. CC Communications' employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement system had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for CC Communications' employees who retires after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2015, 55 CC Communications' retirees were utilizing this benefit.

Funding Policy: For CCCEHBP, contribution requirements of the plan members and CC Communications are established and may be amended through negotiations between CC Communications and the association. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. CC Communications contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by CC Communications. The implicit subsidy as determined by the actuary is $24,997. CC Communications did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired CC Communications' employees. The contribution requirements of the plan members and CC Communications may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan premiums in effect for fiscal year 2015 ranged from $525 to $1,373, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health plan chosen by the retiree, as reduced by the amount of the subsidy; therefore, their contributions are not available. For the plan year ended June 30, 2015, retirees qualified for a subsidy of $116 at five years of service and $636 at twenty years of service, with incremental increases for years of service in between. As a participating employer, CC Communication is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2015, CC Communications contributed $268,911 to the plan, equal to the required contributions. CC Communications did not prefund future benefits.

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

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

	Fiscal Year End	Annual OPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCCEHBP	June 30, 2015	$ 137,998	$ 24,997	18%	$ 964,597
PEBP	June 30, 2015	246,561	268,911	109%	512,275
		$ 384,559	$ 293,908		$ 1,476,872
CCCEHBP	June 30, 2014	$ 131,310	$ 19,360	15%	$ 851,596
PEBP	June 30, 2014	246,722	259,112	105%	534,625
		$ 378,032	$ 278,472		$ 1,386,221
CCCEHBP	June 30, 2013	$ 124,786	$ 13,923	11%	$ 739,646
PEBP	June 30, 2013	246,479	248,211	101%	547,015
		$ 371,265	$ 262,134		$ 1,286,661

The net OPEB obligation (NOPEBO) as of June 30, 2015, was calculated as follows:

	CCCEHBP	PEBP	Total
Annual Required Contribution (ARC)	$ 153,182	$ 260,240	$ 413,422
Interest on net OPEB obligation	34,064	21,385	55,449
Adjustment to annual required contribution	(49,248)	(35,064)	(84,312)
Annual Required Contribution	137,998	246,561	384,559
Less: Contributions made	24,997	268,911	293,908
Increase(decrease) in net OPEB obligation	113,001	(22,350)	90,651
Net OPEB obligation- beginning of the year	851,596	534,625	1,386,221
Net OPEB obligation - end of year	$ 964,597	$ 512,275	$ 1,476,872

CC Communications – Managed Data Services Fund's portion of the CC Communications' OPEB liability as of June 30, 2015 was $140,572 based on salaries.

Funded Status and Funding Progress: The funded status of the plans as of the latest valuation date, January 1, 2013, was as follows:

	CCCEHBP	PEBP	Total
Accrued actuarial liability (a)	$ 1,225,056	$4,220,412	$5,445,468
Actuarial value of plan assets(b)	-	-	-
Unfunded Actuarial Accrued Liability (a) - (b)	$1,225,056	$4,220,412	$5,445,468
Funded Ratio (b) / (a)	0%	0%	0%
Covered payroll (c)	$4,543,679	N/A	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ([(a) - (b)] /(c)))	27%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between CC Communications and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2013 actuarial valuation were as follows:

	CCEHBP	PEBP
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar Amount	Level Dollar Amount
Amortization period	30 Years(open)	26 Years(closed)
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	4%	4%
Projected overall salary increase	4%	4%
Medical Healthcare inflation rate*	9%	9%
General inflation rate	3.25%	3.25%

*Decreasing 1/2% each year until ultimate trend
Rate of 5% is reached in 2021

NOTE 7 – Related Party Transactions:

The CC Communications – Managed Data Services (Managed Data Services Fund) contracts with CC Communications – Telephone (Telephone Fund), another enterprise fund of Churchill County.

Following is a schedule of related party transactions incurred for the years ended June 30, 2015.

Managed Data Services Fund payments to the Telephone Fund:

	2015
Billing and collection services	$ Incl w/ CS
Administrative costs	53,652
Customer services	4,941
	$ 58,593

CC Communications – Managed Data Services Fund revenues are billed in conjunction with CC Communications – Telephone Fund's customers except for billings to other Managed Data Services carriers. At the time the revenue is earned the Telephone Fund transfers cash to the Managed Data Services Fund for the amount of the earnings. In addition, the Telephone Fund processes and pays all Managed Data Services Fund accounts payable and payroll expenses. At the time the expense is incurred, the Managed Data Services Fund records a due to the Telephone Fund, therefore no payables or accruals are recorded on the Managed Data Services financial statements, except for the accrual for *Net Other Post Employment Benefits Obligation* and the *Net Pension Liability-PERS* which is recorded by the Managed Data Services Fund due to the fact the liability is not anticipated to be liquidated within the current period. The above transactions resulted in a due from CC Communications – Telephone Fund of $14,174 as of June 30, 2015.

NOTE 8 – Risk Management and Concentration of Credit Risk:

Nevada Public Agency Insurance Pool:

Churchill 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. CC Communications is included in the County's coverage, as described below.

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

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

Maximum coverage is as follows:

Property/Crime/Equipment:		
Blanket limit per schedule Of locations	$300,000,000	Per loss
Sub-limit for earthquake coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage zone A	10,000,000	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:		
Bodily injury, property damage, personal injury, employment based benefits administration	10,000,000	Per event
Law enforcement activities, and wrongful acts	10,000,000	Annual aggregate

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 as 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.

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

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

Limits of liability afforded to PACT members, subject to the application for coverage, are as follows:

Workers compensation each accident or disease	$ Statutory
Employers liability each accident or disease	$2,000,000

Concentration of Credit Risk:

Credit is granted to customers, substantially all of whom are located in Churchill County, Nevada.

Note 9 – Adoption of New Standard:

Restatement and Prior Period Adjustment:

As described in Note 1, CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB No. 27*and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Following this statement, the fiscal year 2015 financial statements have been adjusted with a prior period restatement of the Beginning Net Position to reflect the net pension liability of CC Communications – Managed Data Services at June 30, 2014 in the amount of $789,115.

Net position at June 30,2014, as previously reported	$ 1,764,437
Net pension liability at June 30, 2014	(891,883)
Deferred outflows related to contributions made during the year ended June 30,2014	102,768
Net position at July 1, 2014, as restated	$ 975,322

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SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLANS

	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) - ENTRY AGE NORMAL COST (b)	UNFUNDED AAL (UAAL) (b - a)	FUNDED RATIO (a/b)	COVERED PAYROLL* (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ([b - a]/c)
CCCEHBP	January 1, 2013	$0	$1,225,056	$1,225,056	0%	$4,543,679	27%
PEBP	January 1, 2013	$0	$4,220,412	$4,220,412	0%	n/a	0%
CCCEHBP	January 1, 2010	$0	$1,179,311	$1,179,311	0%	$5,317,602	22%
PEBP	January 1, 2010	$0	$6,810,813	$6,810,813	0%	n/a	0%

*PEBP was closed to new employees effective November 9, 2008. Therefore there is no covered payroll.

The principal reasons for the large decline in the PEBP plan from the 2010 report to the 2013 report are as follows:

(1) a decrease in the required subsidy for PEBP retirees, (2) updates in members receiving a subsidy, and (3) an update in the mortality assumption.

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SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2014
CC Communications Managed Data Services portion of net pension liability	.0068%
CC Communications Managed Data Services proportionate share of the net pension liability	$706,867
CC Communications Managed Data Services covered-employee payroll	$416,280
CC Communications Managed Data Services proportional share of the net pension liability as a percentage of its covered-employee payroll	169.81%
Plan fiduciary net position as a percentage of the total pension liability	76.30%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communications – Managed Data Services will present information for those to use for which information is available.

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JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

SCHEDULE OF PROPORTIONATE CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2015
Statutorily required contribution	$108,207
Contributions in relation to the statutorily required contribution	$108,207
Contribution (deficiency) excess	$ -
Employer's covered-employee payroll	$420,219
Contributions as a percentage of covered-employee payroll	25.75%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communications – Managed Data Services will present information for those to use for which information is available.

CC COMMUNICATIONS - MANAGED DATA SERVICES
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGE IN NET POSITION-BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015
(SEE INDEPENDENT ACCOUNTANT'S COMPILATION REPORT)

	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUE			
Managed Data Services	$177,800	$ 206,079	$ 28,279
Web Services	140,896	167,964	27,068
Computer & Networking Support	110,432	104,142	(6,290)
Uncollectible Revenue	-	2,500	2,500
Miscellaneous Revenue	-	3,156	3,156
Total Operating Revenue	429,128	483,841	54,713
OPERATING EXPENSES			
Network-Data Services	343,265	305,210	38,055
Network-Web Services	185,020	146,754	38,266
Network-Computer & Networking	94,213	87,228	6,985
Warehouse/Inventory	17,073	16,602	471
Customer operations	82,733	21,805	60,928
Corporate operations	62,300	65,123	(2,823)
Attribution of excess consideration provided for acquisition	-	11,833	(11,833)
Depreciation	54,000	51,480	2,520
Total Operating Expenses	838,604	706,035	132,569
Operating Income (Loss)	(409,476)	(222,194)	187,282
NONOPERATING REVENUE (EXPENSE)			
Interest income	1,500	1,853	353
Change in Net Position	$(407,976)	(220,341)	$ 187,635
NET POSITION BEGINNING, July 1, as originally reported		1,764,437	
Prior period adjustment for pensions		(789,115)	
NET POSITION, BEGINNING, July 1, as adjusted		975,322	
NET POSITION ENDING, June 30		$ 754,981	

CC COMMUNICATIONS – TELEPHONE
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

CC COMMUNICATIONS – TELEPHONE
CHURCHILL COUNTY, NEVADA

JUNE 30, 2015

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EideBailly
CPAs & BUSINESS ADVISORS

Independent Auditor's Report

To the Honorable Board of Commissioners
Churchill County, Nevada
Fallon, Nevada

Report on the Financial Statements
We have audited the accompanying statement of net position of CC Communications – Telephone Fund of Churchill County, Nevada, as of June 30, 2015 and the related statement of revenues, expenses and changes in net position and statement of cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise CC Communications – Telephone Fund of Churchill County, Nevada's basic financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of CC Communications – Telephone Fund of Churchill County, Nevada, as of June 30, 2015, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle
As discussed in Note 1 and Note 11 to the financial statements, CC Communications – Telephone Fund has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and

GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of July 1, 2014. Our opinion has not been modified with respect to this matter.

Emphasis of Matter
As discussed in Note 1, the financial statements present only the CC Communications – Telephone Fund and do not purport to, and do not, present fairly the financial position of Churchill County, Nevada, the changes in its financial position, or, where applicable, its cash flows as of June 30, 2015 and for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion has not been modified with respect to this matter.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the schedule of funding progress – other postemployment benefit plans, the schedule of proportionate share of net pension liability and the schedule of proportionate contributions on pages 31, 32, and 33, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Other Information
Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the CC Communications – Telephone Fund of Churchill County, Nevada's basic financial statements. The schedule of revenues, expenses and changes in net position – budget and actual is presented for purposes of additional analysis and is not a required part of the financial statements. The schedule of revenues, expenses and changes in net position – budget and actual is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of revenues, expenses and changes in net position – budget and actual is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Eide Bailly LLP

Fallon, Nevada
November 20, 2015

CC COMMUNICATIONS - TELEPHONE
STATEMENT OF NET POSITION
JUNE 30, 2015
(Page 1 of 2)

	2015
ASSETS	
Current Assets:	
Cash and investments	$ 9,067,521
Telecommunications accounts receivable, net	688,553
Other accounts receivable, net	439,656
Due from other funds	307,150
Inventory of materials and supplies	1,185,347
Prepaid Expenses	179,964
Total Current Assets	11,868,191
Noncurrent Assets:	
Capital Assets:	
Telecommunications plant:	
In service and depreciable	82,075,675
Under construction and not being depreciated	81,913
	82,157,588
Less: Accumulated depreciation	41,503,705
Total Capital Assets, Net	40,653,883
Total Assets	52,522,074
DEFERRED OUTFLOWS OF RESOURCES	
Pension	934,427

See accompanying notes.

CC COMMUNICATIONS - TELEPHONE
STATEMENT OF NET POSITION
JUNE 30, 2015
(Page 2 of 2)

LIABILITIES	
Current Liabilities:	
Accounts payable	421,218
Customer deposits	34,949
Capital lease payable	45,707
Compensated absences	52,703
Other accrued liabilities	305,773
Total Current Liabilities	860,350
Noncurrent Liabilities:	
Other postemployment benefits liability	1,146,549
Net Pension Liability – PERS	5,765,429
Capital lease payable	854,695
Compensated absences	558,796
Total Noncurrent Liabilities	8,325,469
Total Liabilities	9,185,819
DEFERRED INFLOWS OF RESOURCES	
Pension	1,486,884
NET POSITION	
Net investment in capital assets	39,753,481
Unrestricted	3,030,317
Total Net Position	$42,783,798

See accompanying notes.

CC COMMUNICATIONS – TELEPHONE
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	2015
OPERATING REVENUE	
Local network services	$ 2,727,162
Network access services	4,547,530
Interstate pooling revenue	3,276,790
Miscellaneous revenue	771,938
Uncollectible revenue	3,567
Total Operating Revenue	11,326,987
OPERATING EXPENSES	
Plant specific operations	2,575,342
Plant nonspecific operations	1,470,272
Customer operations	986,416
Corporate operations	1,972,745
Payments to County in lieu of taxes	440,150
Depreciation and amortization	3,452,988
Total Operating Expenses	10,897,913
Operating Income (Loss)	429,074
NONOPERATING REVENUE (EXPENSE)	
Nonregulated:	
Nonregulated income	745,429
Nonregulated expense	(288,372)
Payments to County/other costs	(1,383,385)
Interest income	16,409
Interest expense	(42,068)
Miscellaneous income	926
Total Nonoperating Revenue (Expense)	(951,061)
Changes in Net Position	(521,987)
NET POSITION BEGINNING, July 1, as originally reported	49,742,051
Prior period adjustment for pensions	(6,436,266)
NET POSITION BEGINNING, July 1, as adjusted	43,305,785
NET POSITION ENDING, June 30	$ 42,783,798

See accompanying notes.

CC COMMUNICATIONS – TELEPHONE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(Page 1 of 2)

	2015
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	$ 11,116,581
Cash payments to employees	(4,835,364)
Cash payments for services and supplies	(3,591,152)
Cash payments for nonregulated activities	(906,828)
Net Cash Provided by Operating Activities	1,783,237
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Purchase of telecommunications plant	(2,947,222)
Principal payment on long-term debt	(50,950)
Interest payment on long-term debt	(43,097)
Net Cash (Used for) Capital and Related Financing Activities	(3,041,269)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Interest received on investments	16,133
Net Decrease in Cash and Cash Equivalents	(1,241,899)
CASH AND CASH EQUIVALENTS, July 1	10,309,420
CASH AND CASH EQUIVALENTS, June 30	$ 9,067,521

See accompanying notes.

CC COMMUNICATIONS – TELEPHONE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015
(Page 2 of 2)

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	$ 429,074
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization - regulated plant	3,452,988
Depreciation and amortization – nonregulated plant	19,500
Nonregulated nonoperating expenses, net	(926,328)
Miscellaneous income	926
Pension Contributions	(882,567)
Pension Expense	764,189
Changes in assets and liabilities:	
(Increase) Decrease in:	
Telecommunication accounts receivable	(60,388)
Other accounts receivable	(107,716)
Due from other funds	(45,617)
Inventory of materials and supplies	(545,562)
Prepaid expenses	(174,618)
Increase (Decrease) in:	
Accounts payable	(217,492)
Customer deposits	2,389
Other accrued liabilities	12,744
Other postemployment benefits liability	74,020
Compensated absences	(12,305)
Net Cash Provided by Operating Activities	$1,783,237

See accompanying notes.

CC COMMUNICATIONS – TELEPHONE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1 – Summary of Significant Accounting Policies:

Nature of Operations:

CC Communications – Telephone, an enterprise fund of Churchill County, Nevada, was created in 1889 to account for telephone service to Churchill County. CC Communications - Telephone provides telephone services, PBX, and security systems to the citizens of Churchill County, Nevada. CC Communications – Telephone is subject to the Nevada Revised Statutes and is regulated by the Federal Communications Commission. Churchill County operates under a three-member board of commissioners' form of government.

Reporting Entity:

CC Communications – Telephone's financial statements are included in the financial statements of Churchill County, Nevada. These financial statements include solely the activities of CC Communications – Telephone.

Accounting Changes:

CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition from Contributions Made Subsequent to the Measurement Date*, in the current year. The implementation of these standards requires governments calculate and report the costs and obligations associated with pensions in their basic financial statements. Employers are required to recognize pension amounts for all benefits provided through Public Employees' Retirement System of the State of Nevada (PERS) which include the net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

Fund Accounting:

CC Communications – Telephone's financial activities are accounted for in a proprietary fund. A proprietary fund accounts for operations that are financed and operated in a manner similar to those found in the private business sector, where the costs of providing goods or services to the general public on a continuing basis are recovered primarily through user charges. All assets and liabilities (whether current or noncurrent) associated with the fund's activity are included on its statement of net position. The reported net position is segregated into net investment in capital assets, and unrestricted components.

CC COMMUNICATIONS – TELEPHONE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Basis of Accounting:

The financial statements of CC Communications – Telephone are prepared in conformity with accounting principles generally accepted in the United States of America applicable to regulated utilities, utilizing the uniform system of accounts prescribed by the Federal Communications Commission for telecommunications companies. CC Communications – Telephone maintains its accounting records using the economic resources measurement focus and the accrual basis of accounting wherein revenue is recognized when earned and expense are recognized at the time liabilities are incurred regardless of the timing of the related cash flows.

Revenue Recognition:

Revenues are recognized when earned. Local service rates are approved by the Churchill County Board of Commissioners. Interstate access revenues are based on tariffs filed with the FCC by the National Exchange Carrier Association, and distributed based on cost based settlements which include eligible funds governed by the Universal Service Administrative Company. Access revenues based on cost are estimated pending completion of final cost studies. Intrastate access services mirror the National Exchange Carrier Association rates in accordance with the approval of the Churchill County Board of Commissioners. Nonregulated revenue, customer premises equipment, and other miscellaneous services is highly competitive and based on open market conditions.

CC COMMUNICATIONS – TELEPHONE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

Budgets and Budgetary Accounting:

CC Communications – Telephone adheres to the Local Government Budget and Finance Act incorporated within state statutes, which includes the following major procedures to establish the budgetary data, which is reflected in the supplementary schedule.

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation.

2. Public hearings on the tentative budget are held on the third Monday in May.

3. Prior to June 1, at a public hearing, the Board indicates changes, if any, to be made to the tentative budget and adopts a final budget by the favorable vote of a majority of the members of the Board. The final budget must then be forwarded to the Nevada Tax Commission for final hearings and approval.

4. Formal budgetary integration in the financial records is employed to enhance management control during the year.

5. The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year-end.

6. In accordance with state statute, actual expenses may not exceed appropriations.

The budget amounts reflected in the financial statements have been amended from the original amounts in accordance with state statue.

Accounts Receivable:

The allowance method is used to provide for estimated uncollectible accounts. The allowance at June 30, 2015 was $1,271 for telecommunications accounts receivable and $684 for other accounts receivables at June 30, 2015.

Inventory of Materials and Supplies:

New material and supplies and reusable salvaged material are carried in inventory at average cost approximating market value.

Capital Assets:

Capital assets are stated at original cost and include improvements that significantly add to the useful life. Costs of maintenance and repair are charged to operations as incurred. For regulated capital assets, 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 or disposal 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. For non-regulated capital assets, gain or loss upon sale or disposal is recorded following generally accepted accounting principles.

In accordance with the Federal Communications Commission's 47 C.F.R. Part 32 – Uniform System of Accounts for Telecommunications Companies, the capitalization threshold is $2,000 except for computer equipment which is $500.

Depreciation Policy:

Depreciation is provided for financial reporting purposes using straight-line composite rates, which will amortize the depreciable telecommunications plant over their estimated useful life from three to forty years.

Deferred Outflows and Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents the consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. CC Communications - Telephone reflects deferred outflows of resources which are related to pension reported in the statement of net position under the accrual basis of accounting. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflows of resources (revenue) until that time. CC Communications - Telephone reflects deferred inflows of resources which are related to pensions reported in the statement of net position under the accrual basis of accounting.

Interexchange Revenue:

CC Communications – Telephone is operating under various settlement/compensation agreements with connecting carriers and the National Exchange Carrier Association (NECA), whereby interexchange revenue is settled between the connecting carriers and NECA based on tariffs, contracts and cost studies. CC Communications – Telephone receives interim monthly revenue settlements from NECA based upon cost studies performed at the end of each calendar year for this system and all other carriers participating in the NECA revenue pool. Interim settlements are subject to retroactive adjustments 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 CC Communications – Telephone'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 became known.

Cash and Cash Equivalents:

Cash balances from some funds of Churchill County are combined and invested as permitted by law (NRS 355.170).

For purposes of the statement of cash flows, cash equivalents include time deposits, certificates of deposit, all highly liquid debt instruments with original maturities of three months or less and investments in pool accounts which are available upon request.

Compensated Absences:

Compensated absences are absences for which employees will be paid, such as vacation leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of CC Communications enterprises funds (Telephone, Managed Data Services, Long Distance, and Broadband) or their employees are accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of CC Communications enterprise funds or their employees are accounted for in the period in which such services are rendered or such events take place. The expense for compensated absences is borne by all CC Communications enterprise funds; however, the outstanding liability is recorded in the CC Communications – Telephone Fund because the other CC Communications enterprise funds pay CC Communications – Telephone Fund for their respective share of the expense at the time the expense is incurred.

Pensions:

For purposes of measuring the net pension liability and pension expense, information about the fiduciary net position of the Public Employees' Retirement System of the State of Nevada (PERS) Base Plan (Base Plan) and additions to /deductions from Base Plan's fiduciary net position have been determined on the same basis as they are reported by the Base Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the telephone service activity of CC Communications – Telephone. 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.

Payments in Lieu of Taxes and other costs:

CC Communications – Telephone Fund makes payments in lieu of taxes and other costs to governmental funds of Churchill County. These payments are based on a percentage of CC Communications – Telephone Fund's net assets for the previous fiscal year excluding equity transfers. Federal Communications Commission (FCC) regulations allow other taxes (including property, gross receipts, franchise and capital stock taxes) to be charged to operating and non-operating expenses. The County believes that these charges represent an in lieu of tax and other costs. As CC Communications – Telephone Fund financial statements are prepared in conformity with accounting principles generally accepted in the United States of America applicable to regulated utilities, utilizing the uniform system of accounts prescribed by the Federal Communications Commission for telecommunications companies, the payments in lieu of taxes for regulatory purposes in the amount of $440,150 for 2015 are reported as operating expense, while the remaining payments for other costs of $1,383,385 for 2015 are reported as a non-operating expense.

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.

Subsequent Events:

Management has evaluated subsequent events through November 20, 2015 which is the date these financial statements were available to be issued and these financial statements have not been updated for subsequent events occurring after that date.

NOTE 2 - Compliance:

There were no instances of non-compliance reported in 2015.

NOTE 3 - Cash and Investments:

The following schedule summarizes cash and investments for CC Communications – Telephone Fund at June 30, 2015:

Balances at Fair Value Classified by:

	2015
Bank checking-Wells Fargo	$ 6,141,896
Local Government Investment Pool	2,924,135
Petty Cash	1,490
Total Cash and Investments	$ 9,067,521

As of June 30, 2015, CC Communications – Telephone Fund had the following investments and maturities:

Investments	Maturities	Fair Value
State of Nevada Investment Pool	108 days*	$ 2,924,135

Nevada Revised Statutes 355.170 sets forth acceptable investments for Nevada local governments. CC Communications – Telephone Fund has not adopted a formal investment policy that would further limit its exposure to certain risks as set forth below:

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. As noted above, the fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates beyond those specified in the statute.

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 State of Nevada Investment Pool is unrated and, as noted above, the CC Communications – Telephone Fund does not have a formal investment policy that specifies minimum acceptable credit ratings.

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

CC Communications – Telephone 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.

CC Communications - Telephone Fund's investments in this pool is equal to its original investment plus monthly allocation of interest income and realized and unrealized gains and losses. The investments have been reported at fair value, the same as the value of pool shares.

CC COMMUNICATIONS – TELEPHONE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 4 – Capital Assets:

A summary of changes in capital assets for the year ended June 30, 2015 follows:

	Balance 7/1/2014	Additions	Deletions	Balance 6/30/2015
Capital assets, not being depreciated:				
Real estate and easements	$ 55,813	$ -	$ -	$ 55,813
Construction in progress	2,194,588	2,947,222	5,115,710	26,100
Total Capital Assets, Not Being Depreciated	2,250,401	2,947,222	5,115,710	81,913
Other capital assets:				
Regulated:				
Buildings and improvements	5,585,645	16,017	-	5,601,662
Central office switching	14,721,718	549,448	193,903	15,077,263
Outside plant	49,844,643	3,508,468	51,111	53,302,000
Furniture and fixtures	41,926	-	-	41,926
Computer equipment	2,430,847	1,013,360	4,436	3,439,771
Other communication equipment	296,506	-	205,911	90,595
Vehicles and work equipment	2,716,110	28,416	118,864	2,625,663
Leasehold improvements	800,594	-	-	800,594
Nonregulated:				
Leased equipment	1,096,200	-	-	1,096,200
Total Capital Assets Being Depreciated	77,534,189	5,115,710	574,225	82,075,674
Total Capital Assets	79,784,590	8,062,932	5,689,935	82,157,587
Less accumulated depreciation for:				
Regulated:				
Buildings and improvements	(4,427,977)	(262,385)	-	(4,690,362)
Central office switching	(10,428,819)	(1,013,284)	88,418	(11,353,686)
Outside plant	(17,731,293)	(1,707,815)	51,111	(19,387,998)
Furniture and fixtures	(41,926)	-	-	(41,926)
Computer equipment	(1,575,862)	(312,068)	4,436	(1,883,494)
Other communication equipment	(285,630)	(10,877)	205,911	(90,596)
Vehicles and work equipment	(2,560,902)	(93,184)	118,863	(2,535,223)
Leasehold improvements	(482,469)	(53,374)	-	(535,843)
Nonregulated:				
Leased equipment	(965,077)	(19,500)	-	(984,577)
Total Accumulated Depreciation	(38,499,955)	(3,472,488)	468,738	(41,503,705)
Capital. Assets, Net	$41,284,634	$ 4,590,444	$ 5,221,196	$40,653,882

CC COMMUNICATIONS – TELEPHONE
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 5 – Long-term Liabilities:

Long-term liabilities consists of the following:

Payee	Date Issues	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2015
Capital Lease Payable:			Imputed		
Louie's Home Center, Inc			at		
	11/6/2003	11/1/2029	3.62%	$1,623,575	$ 900,402

Summary of debt service requirements to maturity:

Capital Lease Payable:

Year Ending June 30	Remaining Payments	Less Amount Representing Interest	Present Value of Net Minimum Lease Payments
2016	$ 83,502	$ 37,795	$ 45,707
2017	83,273	31,653	51,620
2018	81,696	28,177	53,519
2019	81,696	26,208	55,488
2020	81,696	24,166	57,530
2021-2025	408,480	87,483	320,997
2026-2030	340,400	24,859	315,541
Total	$ 1,160,743	$ 260,341	$ 900,402

Changes in Long-term Liabilities as of June 30, 2015:

	Balance July 1, 2014	Additions	Reductions	Balance June 30, 2015	Due Within One Year
Capital lease payable	$ 951,352	$ -	$ 50,950	$ 900,402	$ 45,707
Compensated absences	623,804	515,498	527,803	611,499	52,703
	$ 1,575,156	$ 515,498	$ 578,753	$ 1,511,901	$ 98,410

The asset acquired through the capital lease is a building. As of June 30, 2015, this capital asset of $1,623,575 was offset by accumulated depreciation of $1,154,542.

NOTE 6 – Defined Benefit Pension Plan:

Plan Description:

CC Communications contributes to the Public Employees' Retirement System of the State of Nevada (PERS). PERS administers a cost-sharing, multiple-employer, defined benefit public employees' retirement system which includes both Regular and Police/Fire members. PERS was established by the Nevada Legislature in 1947, effective July 1, 1948. PERS is administered to provide a reasonable base income to qualified employees who have been employed by a public employer and whose earnings capacities have been removed or substantially impaired by age or disability.

Benefits Provided:

Benefits, as required by the Nevada Revised Statutes (NRS or statute), are determined by the number of years of accredited service at time of retirement and the member's highest average compensation in any 36 consecutive months with special provisions for members entering PERS on or after January 1, 2010. Benefit payments to which participants or their beneficiaries may be entitled under the plan include pension benefits, disability benefits, and survivor benefits.

Monthly benefit allowances for members are computed as 2.5% of average compensation for each accredited year of service prior to July 1, 2001. For service earned on and after July 1, 2001, this multiplier is 2.67% of average compensation. For members entering PERS on or after January 1, 2010, there is a 2.5% multiplier. PERS offers several alternatives to the unmodified service retirement allowance which, in general, allow the retired employee to accept a reduced service retirement allowance payable monthly during his or her lifetime and various optional monthly payments to a named beneficiary after his or her death.

Post-retirement increases are provided by authority of NRS 286.575 - .579.

Vesting:

Regular members are eligible for retirement at age 65 with five years of service, at age 60 with 10 years of service, or at any age with thirty years of service. Regular members entering PERS on or after January 1, 2010, are eligible for retirement at age 65 with five years of service, or age 62 with 10 years of service, or any age with 30 years of service.

Police/Fire members are eligible for retirement at age 65 with five years of service, at age 55 with ten years of service, at age 50 with twenty years of service, or at any age with twenty-five years of service. Police/Fire members entering PERS on or after January 1, 2010, are eligible for retirement at 65 with five years of service, or age 60 with ten years of service, or age 50 with twenty years of service, or at any age with thirty years of service. Only service performed in a position as a police officer or firefighter may be counted towards to eligibility for retirement as Police/Fire accredited service.

The normal ceiling limitation on monthly benefits allowances is 75% of average compensation. However, a member who has an effective date of membership before July 1, 1985, is entitled to a benefit of up to 90% of average compensation. Both Regular and Police/Fire members become fully vested as to benefits upon completion of five years of service.

Contributions:

The authority for establishing and amending the obligation to make contributions and member contribution rates, is set by statute. New hires, in agencies which did not elect the Employer-Pay Contribution (EPC) plan prior to July 1, 1983, have the option of selecting one of two contribution plans. Contributions are shared equally by employer and employee. Employees can take a reduced salary and have contributions made by the employer (EPC) or can make contributions by a payroll deduction matched by the employer.

PERS' basic funding policy provides for periodic contributions at a level pattern of cost as a percentage of salary throughout an employee's working lifetime in order to accumulate sufficient assets to pay benefits when due.

PERS receives an actuarial valuation on an annual basis indicating the contribution rates required to fund PERS on an actuarial reserve basis. Contributions actually made are in accordance with the required rates established by the Nevada Legislature. These statutory rates are increased/decreased pursuant to NRS 286.421 and 286.450.

The actuary funding method used is the Entry Age Normal Cost Method. It is intended to meet the funding objective and result in a relatively level long-term contributions requirement as a percentage of salary.

For the fiscal year ended June 30, 2014 and June 30, 2015 the Statutory Employer/employee matching rate was 13.25% for Regular and 20.75% for Police/Fire. The Employer-pay contribution (EPC) rate was 25.75% for Regular and 40.50% for Police/Fire.

CC Communications – Telephone contributions were $838,207 for the year ended June 30, 2014, and $882,567 for the year ended June 30, 2015.

PERS Investment Policy

PERS' policies which determine the investment portfolio target asset allocation are established by the PERS Board. The asset allocation is reviewed annually and is designed to meet the future risk and return needs of the System.

The following was the PERS Board adopted policy target asset allocation as of June 30, 2014:

Asset Class	Target Allocation	Long-Term Geometric Expected Real Rate of Return
Domestic Equity	42%	5.50%
International Equity	18%	5.75%
Domestic Fixed Income	30%	0.25%
Private Markets	10%	6.80%

As of June 30, 2014, PERS' long-term inflation assumption was 3.5%.

Net Pension Liability:

At June 30, 2015, CC Communications reported a liability for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. CC Communication's proportion of the net pension liability was based on CC Communication's share of contributions in PERS pension plan relative to the total contributions of all participating PERS employers and members. At July 1, 2014, the CC Communications proportion was 0.07126 percent of which .0553 percent or $5,765,429 was attributable to Telephone.

Pension Liability Discount Rate Sensitivity:

The following presents the net pension liability of CC Communications – Telephone as of June 30, 2014, calculated using the discount rate of 8.00%, as well as what CC Communications - Telephone net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00%) or 1-percentage-point higher (9.00%) than the current discount rate:

	1% Decrease in Discount Rate (7.00%)	Discount Rate (8.00%)	1% Increase in Discount Rate (9.00%)
Net Pension Liability	$8,965,873	$5,765,429	$3,105,045

Pension Plan Fiduciary Net Position:

Detailed information about the pension plan's fiduciary net position is available in the PERS Comprehensive Annual Financial Report, available on the PERS website.

Actuarial Assumptions:

CC Communication's net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation Rate	3.50%
Payroll Growth	5.00% including inflation
Investment Rate of Return	8.00%
Productivity Pay Increase	0.75%
Projected Salary Increases	Regular: 4.60% to 9.75%, depending on service
	Police/Fire: 5.25% to 14.5%, depending on service
	Rates include inflation and productivity increases
Consumer Price Index	3.50%
Other Assumptions	Same as those used in the June 30, 2014 funding actuarial valuation

Mortality rates for non-disabled male regular members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA. Mortality rates for non-disabled female regular members were based on the RP-2000 Combined Healthy Mortality Table, projected to 2013 with Scale AA, set back one year. Mortality rates for all non-disabled police/fire members were based on the RP-2000 Combined Healthy Mortality Table projected to 2013 with Scale AA, set forward one year. The mortality table used in the actuarial valuation to project mortality rates for all disabled regular members and all disabled police/fire members is the RP-2000 Disabled Retiree Mortality Table projected to 2013 with Scale AA, set forward three years.

Actuarial assumptions used in the June 30, 2014 valuation were based on the results of the experience review completed in 2013.

The discount rate used to measure the total pension liability was 8.00% as of June 30, 2014 and June 30, 2013. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rate specified in statute. Based on that assumption, the pension plan's fiduciary net position at June 30, 2014, was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2014 and June 30, 2013.

Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:

For the year ended June 30, 2015, CC Communications – Telephone recognized pension expense of $764,187. At June 30, 2015, CC Communications - Telephone reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ -	$ 275,907
Changes in assumptions or other inputs	$ -	$ -
Net difference between projected and actual earnings on pension plan investments	$ -	$ 1,210,977
Changes in the employer's proportion and differences between the employer's contributions and the employer's proportionate contributions	$ 51,860	$ -
CC Communications - Telephone contributions subsequent to the measurement date	$ 882,567	$ -
Total	$ 934,427	$ 1,486,884

$882,567 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2016.

The average of the expected remaining service lives of all employees that are provided with pensions through PERS (active and inactive employees) determined at July 1, 2013 (the beginning of the measurement period ended June 30, 2014) is 6.7 years.

Other estimated amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2016	$ 342,050
2017	$ 342,050
2018	$ 342,050
2019	$ 342,050
2020	$ 39,308
Thereafter	$ 27,516

Reconciliation of Net Pension Liability CC Communications - Telephone	
Beginning Net Pension Liability	$ 7,274,473
Pension Expense	764,187
Employer Contributions	(838,207)
New Net Deferred Inflows/Outflows	(1,435,024)
Recognition of Prior Deferred (Inflows)/Outflows	-
Ending Net Pension Liability	$ 5,765,429

Additional Information:

Additional information supporting the Schedule of Employer Allocations and the Schedule of Pension Amounts by Employer is located in the PERS Comprehensive Annual Financial Report (CAFR) available on the PERS website at www.nvpers.org under Quick Links – Publications.

NOTE 7 – Postemployment Health Care Plans:

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

Benefit provisions for the CCCEHBP are established pursuant to NRS 287.023 and amended through negotiations between CC Communications and their employee association. NRS 288.150 assigns the authority to establish benefit provisions to the Board of Trustees. The plan provides healthcare insurance for eligible retirees their beneficiaries through CC Communications' group health insurance plan, which covers both active and retires members.

Under NRS 287.023, eligible retirees are able to participate in the plan with blended rates, thereby benefitting from an implicit subsidy. Retirees are required to pay 100% of their premiums under the plan. As of June 30, 2015, 19 retirees are using this plan. The CCCEHBP does not issue a publicly available financial report.

Benefits provisions for the PEBP are administered by the State of Nevada. NRS 287.043 assigns the authority to establish and amend benefit provisions to the PEBP ten-member board of trustees. CC Communications' employees who met the eligibility requirements effective September 1, 2008 for retirement within the Nevada Public Employee Retirement system had the option upon retirement to enroll in coverage under the PEBP. NRS 287.023 sunsetted the option to join PEBP for CC Communications' employees who retires after November 29, 2008. Local governments are required to pay the same portion of the cost of coverage for their retirees joining PEBP that the State of Nevada pays for state retirees participating in the plan. As of June 30, 2015, 55 CC Communications' retirees were utilizing this benefit.

Funding Policy: For CCCEHBP, contribution requirements of the plan members and CC Communications are established and may be amended through negotiations between CC Communications and the association. Retirees pay 100% of the pay-as-you-go premiums based on a blended rate that blends active participants and retirees. CC Communications contribution requirements for retirees relate to the implicit subsidy that results from using the blended rates and is determined in actuarial studies contracted for by CC Communications. The implicit subsidy as determined by the actuary is $24,997. CC Communications did not prefund any future benefits.

For the PEBP, NRS 287.046 establishes the subsidies to be contributed toward the premium costs of the eligible retired CC Communications' employees. The contribution requirements of the plan members and CC Communications may be amended by the PEBP board. Premium rates determined by PEBP are the same for all participating members. The unsubsidized nonstate retiree plan health premiums in effect for fiscal year 2015 ranged from $525 to $1,373, depending on the type of plan chosen. Plan members receiving benefits have their monthly contribution deducted from their pension checks based on the health of the subsidy, therefore, their contributions are not available. For the plan year ended June 30, 2015, retirees qualified for a subsidy of $116 at five years of service and $636 at twenty years of service, with incremental increases for years of service in between. As a participating employer, CC Communication is billed for the subsidy on a monthly basis and is legally required to provide for it. For fiscal year 2015, CC Communications contributed $268,911 to the plan, equal to the required contributions. CC Communications did not prefund future benefits.

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

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

	Fiscal Year End	AnnualOPEB Cost (Entry Age Normal Cost Method)	Employer Contributions	Percentage of Annual OPEB Contributed	Net OPEB Obligation
CCCEHBP	June 30, 2015	$ 137,998	$ 24,997	18%	$ 964,597
PEBP	June 30, 2015	246,561	268,911	109%	512,275
		$ 384,559	$ 293,908		$ 1,476,872
CCCEHBP	June 30, 2014	$ 131,310	$ 19,360	15%	$ 851,596
PEBP	June 30, 2014	246,722	259,112	105%	534,625
		$ 378,032	$ 278,472		$ 1,386,221
CCCEHBP	June 30, 2013	$ 124,786	$ 13,923	11%	$ 739,646
PEBP	June 30, 2013	246,479	248,211	101%	547,015
		$ 371,265	$ 262,134		$ 1,286,661

The net OPEB obligation (NOPEBO) as of June 30, 2015, was calculated as follows:

	CCCEHBP	PEBP	Total
Annual Required Contribution (ARC)	$ 153,182	$ 260,240	$ 413,422
Interest on net OPEB obligation	34,064	21,385	55,449
Adjustment to annual required contribution	(49,248)	(35,064)	(84,312)
Annual Required Contribution	137,998	246,561	384,559
Less: Contributions made	24,997	268,911	293,908
Increase (decrease) in net OPEB obligation	113,001	(22,350)	90,651
Net OPEB obligation- beginning of the year	851,596	534,625	1,386,221
Net OPEB obligation - end of year	$ 964,597	$ 512,275	$ 1,476,872

CC Communications – Telephone Fund's portion of the CC Communications' OPEB liability as of June 30, 2015 was $1,146,549 based on salaries.

Funded Status and Funding Progress: The funded status of the plans as of the latest valuation date, January 1, 2013, was as follows:

	CCCEHBP	PEBP	Total
Accrued actuarial liability (a)	$ 1,225,056	$4,220,412	$5,445,468
Actuarial value of plan assets (b)	-	-	-
Unfunded Actuarial Accrued Liability (a) - (b)	$1,225,056	$4,220,412	$5,445,468
Funded Ratio (b) / (a)	0%	0%	0%
Covered payroll (c)	$4,543,679	N/A	
Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll ([(a) - (b)] /(c)))	27%	N/A	

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between CC Communications and plan members to that point. Actuarial calculations reflect long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and actuarial value of assets.

Significant methods and assumptions used in the January 1, 2013 actuarial valuation were as follows:

	CCEHBP	PEBP
Actuarial valuation date	January 1, 2013	January 1, 2013
Actuarial cost method	Entry Age Normal Cost	Entry Age Normal Cost
Amortization method	Level Dollar Amount	Level Dollar Amount
Amortization period	30 Years (open)	26 Years (closed)
Asset valuation method	Market Value	Market Value
Actuarial Assumptions:		
Investment rate of return	4%	4%
Projected overall salary increase	4%	4%
Medical Healthcare inflation rate*	9%	9%
General inflation rate	3.25%	3.25%

*Decreasing 1/2% each year until ultimate trend
Rate of 5% is reached in 2021

NOTE 8 – Related Party Transactions:

The CC Communications – Long Distance (Long Distance Fund), CC Communications – Broadband (Broadband Fund) and CC Communications – Managed Data Services, other enterprise funds of Churchill County, rent office and other facility space from CC Communications – Telephone (Telephone Fund) on a month-to-month basis.

Following is a schedule of related party transactions received by the Telephone Fund for the year ended June 30, 2015.

	Long Distance Fund	Broadband Fund	Managed Data Services Fund	Total
Special Access/DSL Lines	$ -	$ 61,698	$ -	$ 61,698
Billing & Collection Services	82,482	118,326	Incl. w/ CS	200,808
Rent	-	6,000	-	6,000
Customer Services	17,697	159,568	4,941	182,206
Administrative Costs	7,315	101,230	53,652	162,197
Installation	-	64,607	-	64,607
Engineering & Maintenance	-	24,417	-	24,417
	$ 107,494	$ 535,846	$ 58,593	$701,933

Telephone Fund paid the Broadband Fund $11,104 for tower/space rent during the year ended June 30, 2015.

CC Communications – Long Distance, Broadband and Managed Data Services Funds revenues are billed in conjunction with CC Communications – Telephone Fund's customers. At the time the revenue is earned the Telephone Fund transfers cash to the Long Distance, Broadband and Managed Data Services Funds for the amount of the earnings. In addition, the Telephone Fund processes and pays all Long Distance, Broadband and Managed Data Services Funds accounts payable and payroll expenses. At the time the expense is incurred, the Long Distance, Broadband and Managed Data Services Funds record a due to the Telephone Fund and the Telephone Fund records a due from other funds. Therefore no payables or accruals are recorded on the Long Distance, Broadband, and Managed Data Services Fund's financial statements, except for the accrual for *Net Other Post Employment Benefits Obligation* and the *Net Pension Liability-PERS* which is recorded by the Long Distance, Broadband, and Managed Data Services Fund due to the fact the liability is not anticipated to be liquidated within the current period.

The above transactions resulted in a net amount due from other funds at June 30, 2015 as follows:

	2015
CC Communications – Long Distance	21,714
CC Communications – Broadband	299,610
CC Communications - Managed Data Services	(14,174)
Due from other funds	$ 307,150

NOTE 9 – Operating Leases:

CC Communications – Telephone is a party to various right-of-way grants and rental agreements for transmittal site locations. The lease payments on these agreements are determined annually. Rental payments for the year ended June 30, 2015 were $16,109. CC Communications – Telephone subleases a portion of these facilities to other entities. Rent revenue received from the subleases for the year ended June 30, 2015 totaled $10,066.

CC Communications – Telephone is a party to the right-of-way agreement with Union Pacific Railroad. CC Communications – Telephone valued the right of way for the fiber to Reno project at $659,904, consisting of both cash and fiber given to Union Pacific Railroad. The agreement is a non-cancelable 30 year lease with no future payments to Union Pacific unless renewed after the initial 30 year lease.

CC Communications – Telephone is the lessor in various rental agreements for transmittal site locations. The acquisition cost, related accumulated depreciation and resulting carrying value of these leased assets are not readily extractable from CC Communication – Telephone's capital asset records. The lease payments on the transmittal site locations are determined upon renewal dates at various 5 year increments. Rental revenues for the year ended June 30, 2015 were $414,941. Rental revenues for the non-cancelable leases for the subsequent 5 years are as follows:

Year ending June 30,	
2016	$ 454,730
2017	447,656
2018	321,335
2019	244,313
2020	22,960
	$ 1,490,994

NOTE 10 – 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. CC Communications is included in the County's coverage, as described below.

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

The County pays an annual premium and specific deductibles, as necessary, to the Pool for its general insurance coverage. The Pool is considered a self-sustaining risk pool that will provide liability coverage for its members up to $10,000,000 per event and a $10,000,000 general aggregate

per member. Property crime and equipment breakdown coverage is provided to its members up to $300,000,000 per loss with various sublimits established for earthquake, flood, equipment breakdown, and money and securities.

NOTE 10 – Risk Management and Concentration of Credit Risk:

Maximum coverage is as follows:

Property/Crime/Equipment:		
Blanket limit per schedule Of locations	$300,000,000	Per loss
Sub-limit for earthquake coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage	125,000,000	Annual aggregate
Sub-limit for flood coverage zone A	10,000,000	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:		
Bodily injury, property damage, personal injury, employment based benefits administration	10,000,000	Per event
Law enforcement activities, and wrongful acts	10,000,000	Annual aggregate

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 as 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.

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

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

Limits of liability afforded to PACT members, subject to the application for coverage, are as follows:

Workers compensation each accident or disease	$ Statutory
Employers liability each accident or disease	$2,000,000

Concentration of Credit Risk:

Credit is granted to customers, substantially all of whom are located in Churchill County, Nevada.

Billings to the Naval Air Station – Fallon for the year ended June 30, 2015 represented 5.1% of total revenue.

Note 11 – Adoption of New Standard:

Restatement and Prior Period Adjustment:

As described in Note 1, CC Communications implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB No. 27*and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, in the current year. Following this statement, the fiscal year 2015 financial statements have been adjusted with a prior period restatement of the Beginning Net Position to reflect the net pension liability of CC Communications – Telephone at June 30, 2014 in the amount of $6,436,266.

Net position at June 30,2014, as previously reported	$49,742,051
Net pension liability at June 30, 2014	(7,274,473)
Deferred outflows related to contributions made during the year ended June 30,2014	838,207
Net position at July 1, 2014, as restated	$43,305,785

CC COMMUNICATIONS - TELEPHONE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFIT PLANS

	ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS (a)	ACTUARIAL ACCRUED LIABILITY (AAL) - ENTRY AGE NORMAL COST (b)	UNFUNDED AAL (UAAL) (b - a)	FUNDED RATIO (a/b)	COVERED PAYROLL* (c)	UAAL AS A PERCENTAGE OF COVERED PAYROLL ([b - a]/c)
CCCEHBP	January 1, 2013	$0	$1,225,056	$1,225,056	0%	$4,543,679	27%
PEBP	January 1, 2013	$0	$4,220,412	$4,220,412	0%	n/a	0%
CCCEHBP	January 1, 2010	$0	$1,179,311	$1,179,311	0%	$5,317,602	22%
PEBP	January 1, 2010	$0	$6,810,813	$6,810,813	0%	n/a	0%

*PEBP was closed to new employees effective November 9, 2008. Therefore there is no covered payroll.

The principal reasons for the large decline in the PEBP plan from the 2010 report to the 2013 report are as follows:

(1) a decrease in the required subsidy for PEBP retirees, (2) updates in members receiving a subsidy, and (3) an update in the mortality assumption.

CC COMMUNICATIONS - TELEPHONE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2014
CC Communications Telephone portion of net pension liability	.0553%
CC Communications Telephone proportionate share of the net pension liability	$5,765,429
CC Communications Telephone covered-employee payroll	$3,395,305
CC Communications Telephone proportional share of the net pension liability as a percentage of its covered-employee payroll	169.81%
Plan fiduciary net position as a percentage of the total pension liability	76.30%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communication - Telephone will present information for those to use for which information is available.

CC COMMUNICATIONS - TELEPHONE
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2015

SCHEDULE OF PROPORTIONATE CONTRIBUTIONS PUBLIC EMPLOYEES' RETIREMENT SYSTEM OF NEVADA (PERS) LAST TEN FISCAL YEARS*

	2015
Statutorily required contribution	$882,567
Contributions in relation to the statutorily required contribution	$882,567
Contribution (deficiency) excess	$ -
Employer's covered-employee payroll	$3,427,437
Contributions as a percentage of covered-employee payroll	25.75%

*GASB Statement No. 68 requires 10 years of information to be presented in this table. However, until a full 10-year trend is compiled, CC Communications - Telephone will present information for those to use for which information is available.

CC COMMUNICATIONS – TELEPHONE
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2015

	FINAL BUDGET	ACTUAL	VARIANCE
OPERATING REVENUE			
Local network services	$ 2,709,152	$ 2,727,162	$ 18,010
Network access services	4,632,005	4,547,530	(84,475)
Interstate pooling revenue	2,500,000	3,276,790	776,790
Miscellaneous revenue	827,800	771,938	(55,862)
Uncollectible revenue	(18,000)	3,567	21,567
Total Operating Revenues	10,650,957	11,326,987	676,030
OPERATING EXPENSES			
Plant specific operations	2,566,272	2,575,342	(9,070)
Plant nonspecific operations	1,508,637	1,470,272	38,365
Customer operations	912,213	986,416	(74,203)
Corporate operations	2,264,465	1,972,745	291,720
Payments to County in lieu of taxes	416,615	440,150	(23,535)
Depreciation and amortization	3,399,674	3,452,988	(53,314)
Total Operating Expenses	11,067,876	10,897,913	169,963
Operating Income (Loss)	(416,919)	429,074	845,993
NONOPERATING REVENUE (EXPENSE)			
Interest income	18,300	16,409	(1,891)
Interest expense	(35,250)	(42,068)	(6,818)
Nonregulated income	755,500	745,429	(10,071)
Nonregulated expense	(285,611)	(288,372)	(2,761)
Miscellaneous income	-	926	926
Payments to County/other costs	(1,383,385)	(1,383,385)	-
Total Nonoperating Revenue (Expense)	(930,446)	(951,061)	(20,615)
Change in Net Position	$(1,347,365)	(521,988)	$ 825,377
NET POSITION BEGINNING, July 1, as originally reported		49,794,051	
Prior period adjustment for pensions		(6,436,266)	
NET POSITION, BEGINNING, July 1, as adjusted		43,305,785	
NET POSITION ENDING, June 30		$42,783,798	

2015 Audited Financial Statements Presentation

CC Communications

A summary of the audited financial statements for fiscal year ended June 30, 2015

Presented by

Lorrie Ford, Chief Financial Officer, CC Communications

Kristen Chinvarasopak, Eide Bailly

Agenda

- Overview/Definitions
- Statements of Net Position
- Statement of Revenues, Expenses, and Changes in Net Position
- Acknowledgements
- Summary

Overview

- CC Communications Enterprise Funds consists of four companies for FY 2014-2015:

- Telephone
- MDS
- Long Distance
- Broadband

Definitions

Enterprise funds – Proprietary fund type used to report an activity for which a fee is charged to external users for goods or services. (SGAS34)

Proprietary funds – Funds that focus on the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. There are two different types of proprietary funds: enterprise funds and internal service funds.

Business-type activities – One of two classes of activities reported in the government-wide financial statements. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. These activities are usually reported in enterprise funds. (SGAS34)

SGAS – Statement of Governmental Accounting Standards

Financial Overview
Telephone – Statement of Net Position

Current Assets:	
Cash	$ 9,067,521
A/R Net	1,128,209
Other	1,672,461
Total C. Assets	$11,868,191
Non-Current Assets:	
Capital Assets	
In Service	$82,075,675
CIP	81,913
Less Deprec.	(41,503,705)
Total Non-Curr	$40,653,883
Total Assets	$52,522,074
Deferred Outflows Of Resources:	
Pension	$ 934,427

Current Liabilities:	
A/P	$ 421,218
Capital Lease	45,707
Comp. Abs	52,703
Other	340,722
Total C Liab.	$ 860,350
Non-Current Liabilities:	
Capital Lease	$ 854,695
OPEB	1,146,549
Comp. Abs	558,796
Net Pension-PERS	5,765,429
Total Non-C.Lia.	$ 8,325,469
Total Liabilities	$ 9,185,819
Deferred Inflows of Resources	
Pension	$ 1,486,884
Total Net Position	$42,783,798

MDS – Statement of Net Position

Current Assets:		
Cash	$	1,080,944
A/R		64,809
Other		24,645
Total C. Assets	$	1,170,398
Non-Current Assets:		
Capital Assets		
In Service	$	514,797
CIP		0
Less Deprec.		(121,514)
Total Non-Curr	$	393,283
Total Assets	$	1,563,681
Deferred Outflows of Resources		
Excess consideration provided for acquisition	$	106,500
Pension		114,565
Total Deferred Outflows of Res.	$	221,065

Current Liabilities:		
A/P	$	27
Other		0
Total C Liab.	$	27
Non-Current Liabilities:		
OPEB	$	140,572
Net Pension – PERS		706,867
Total Non-C.Lia.	$	847,439
Total Liabilities	$	847,466
Deferred Inflows of Resources		
Pension	$	182,299
Total Net Position (Equity)	$	754,981

Long Distance – Statement of Net Position

Current Assets:		
Cash	$	1,323,177
A/R		45,834
Prepaid Exp.		1,232
Total Assets	$	1,370,243
Deferred Outflows of Resources		
Pension	$	27,258

Current Liabilities:		
A/P	$	21,715
Total C Liab.	$	21,715
Non-Current Liabilities:		
OPEB	$	33,445
Net Pension-PERS		168,180
Total Non-C.Lia.	$	201,625
Total Liabilities	$	223,340
Deferred Inflows of Resources		
Pension	$	43,373
Total Net Position (Equity)	$	1,130,788

CC Communications

Broadband – Statement of Net Position

Current Assets:		
Cash	$	705,431
A/R		202,657
Other		32,568
Total C. Assets	$	940,656
Non-Current Assets:		
Capital Assets		
In Service	$	4,211,788
CIP		38,308
Less Deprec.		(3,166,785)
Total Non-Curr	$	1,083,311
Total Assets	$	2,023,967
Deferred Outflows of Resources		
Pension	$	127,388

Current Liabilities:		
A/P	$	363
Other		299,610
Total C Liab.	$	299,973
Non-Current Liabilities:		
OPEB	$	156,306
Net Pension-PERS		785,986
Total Non-C.Lia.	$	942,292
Total Liabilities	$	1,242,265
Deferred Inflows of Resources		
Pension	$	202,703
Total Net Position (Equity)	$	706,387

Statement of Revenue, Expenses, and Changes in Net Position

Operating Revenue:	
Telephone	$ 11,326,987
MDS	483,841
Long Distance	489,126
Broadband	2,495,155
Total Oper. Rev	$ 14,795,109

Non-Operating Revenue:	
Telephone	$ 762,764
MDS	1,853
Long Distance	1,704
Broadband	75,420
Total Non-OpR	$ 841,741
Total Revenue	$ 15,636,850

Operating Expenses:	
Telephone	$10,897,913
MDS	706,035
Long Distance	281,276
Broadband	2,830,858
Total Oper. Exp	$14,716,082

Total Non-Operating Expenses:	
Telephone	$ 1,713,825
Broadband	4
Total Non-OpE	$ 1,713,829
Total Expenses	$16,429,911
Change in Net Position	$(793,061)

Revenue & Expense Comparison

Revenue	2015	2014	Change
Telephone	$12,089,751	$11,830,244	$ 259,507
MDS	485,694	308,654	177,040
Long Distance	490,830	544,214	- 53,384
Broadband	2,570,575	2,543,676	26,899
Total Revenue	$15,636,850	$15,226,788	$ 410,062
Expense			
Telephone	$12,611,738	$12,853,751	$ -242,013
MDS	706,035	598,385	107,650
Long Distance	281,276	334,045	-52,769
Broadband	2,830,862	2,715,748	115,114
Total Expense	$16,429,911	$16,501,929	$ -72,018

Change in Net Position (Income) Comparative

	2015	2014	Change
Telephone	$ -521,987	$-1,023,507	$ 501,520
MDS	-220,341	- 289,731	69,390
Long Distance	209,554	210,169	-615
Broadband	-260,287	- 172,072	- 88,215
Changes in Net Position	$(793,061)	$(1,275,141)	

GASB No. 68 – Accounting and Financial Reporting for Pensions – Effect on Statements

Deferred Outflows	$1,203,638
Deferred Inflows	$1,915,259
Net Pension Liability – PERS	$7,426,462
Net Effect on Statements – All Companies	$8,138,083

Deferred outflow represents the consumption of net position (equity) that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time

Deferred inflow of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time

Net pension liability – PERS is a new liability required by GASB No. 68 to be included in the financial statements.

The net effect on statements reduced CC Communications net position (equity)

PILT / Equity Transfer Analysis

CC Communications	
Income (Loss) Before Transfers	$1,006,939
In Lieu of Tax Payment (PILT) / Equity Transfer	1,800,000
Change in Net Position (Net Income)	-793,061
Income (Loss) Before Transfers	$1,006,939
Private Business – property tax etc.	(440,150)
Calculated Net Income for private business	$ 566,789
PILT as % of Income Before Transfer	179%
Calculated Net Income for private business	$ 566,789
CC Communications Change in Net Position (Net Income)	-793,061
Amount of Equity to Churchill County	$-1,359,850
Equity Paid as % of Income before Transfer	135%

Estimated Net Position (Income) for 2015-2016 FY

Estimate (Budgeted) Net Position before PILT/Equity Transfer FY 2015-16	989,205
Budgeted PILT/Equity transfer 2015-2016	(1,300,000)
Estimated Net Position/Income (Loss) 2015-16	$ (310,795)

Acknowledgements

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- Kristen Chinvarasopak, Engagement Partner
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CC Communications Accounting Staff

- Jim Stilwell, Sr. Financial Analyst
- Jamie Hyde, Accountant
- Mary Kelsey, Accounting/Revenue Analyst
- Sandy Mangus, Accounting Assistant
- Dawn Ballard, HR Generalist

CC Communications

Summary

The County owned and operated enterprise operations of CC Communications have been vital to the support of the County over the past 126 years of operations by not only providing excellent telecommunications services to its residents but providing financial support as well. CC Communications provides telephone, managed data services, long distance, broadband and digital video services to customers within the County.