

# CHURCHILL COUNTY, NEVADA



*By Garrett R. Kalt*

## **Comprehensive Annual Financial Report** *Year Ended June 30, 2008*

**CHURCHILL COUNTY, NEVADA**  
COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2008

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JUNE 30, 2008

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**INTRODUCTORY SECTION - UNAUDITED**



# Churchill County Comptroller

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November 25, 2008

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, 2008.

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

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

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

## REPORT PRESENTATION

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

## The Financial Reporting Entity and Its Services

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

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

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

major special revenue funds, four major proprietary funds, two non-major proprietary funds, four non-major capital projects funds, one debt service fund, one investment trust fund, and 16 agency funds.

Local Economic Condition and Outlook

Churchill County's most recent population as certified by the Governor on February 15, 2008, as of July 1, 2007 is 27,190. This reflects a 0.7% decrease over the prior year population of 27,371. The city of Fallon's population is 8,452 compared to the prior year of 8,299. Our citizens enjoy a unique rural lifestyle with modern services being provided. After several years of a growth economy, which seems to have topped-out in fiscal year 2006, taxable sales have decreased in current year. In the year just ended June 30, 2008, taxable sales demonstrated a decrease from \$306.4 million to \$294.4 million. This decrease represents an overall decrease of 3.92%. As noted in the chart below, this is the second decrease in the past 7 years.

**TAXABLE SALES**

Fiscal Year Ended	Taxable Sales	Prior Year Change	Percentage Change
6/30			
2002	220,679,253		
2003	226,454,294	5,775,041	2.62%
2004	238,731,811	12,277,517	5.42%
2005	279,114,753	40,382,942	16.92%
2006	324,645,606	45,530,853	16.31%
2007	306,426,359	(18,219,247)	-5.61%
2008	294,410,639	(12,015,720)	-3.92%

A review of the trends in taxable sales for the top ten business codes indicates a decrease in the amount of sales in automotive dealers down \$8.8M or 16.6%, food stores down approximately \$1.7M or 13.0%, general merchandise stores down \$4.2M or 7.0%, clothing stores down \$1.8M or 37.6%, building materials down \$5.2M or 20.0%, home furnishing down \$.5M or 64.0% and food service and drinking places down \$1.4M or 4.5%. Increases were noted in wholesale durable goods up \$5.5M or 34.1%, Utilities up \$7.5M or 529% and rental and leasing services up \$1.1M or 19.7% due to increased geothermal development activities. Increases and decreases were seen in the other business codes. Higher interest rates and the credit crisis have affected housing, automobiles and big ticket items taxable sales. The development of new geothermal resources, commercial and residential development account for a significant amount of one-time taxable sales. The real estate economy and housing starts decreased significantly during the year ended June 30, 2008. The credit crunch affected the local real estate pricing and foreclosure market. The Churchill Economic Development Authority (CEDA) is working on securing additional retail and industrial businesses to the area to stabilize the tax base.

Conflicts over state distribution of intergovernmental revenues have continued to be among the main topics for review and change over the past three legislative sessions. This has required smaller counties to be active in the legislative arena as the major urban areas exercise their greater representation. The major change resulting from the 1997 session was a consolidated tax distribution (CTX) formula for combined intergovernmental revenues such as cigarette, liquor, motor vehicle privilege tax, real property transfer tax and sales tax. Under the revised formula, the City of Fallon received a modest increase in distributions of CTX over the prior year in response to growing population compared to the County. The CTX is apportioned based on statutory formula and the breakdown is as follows for fiscal year 2007-2008: County 74.17%, City of Fallon 22.09%, Carson-Truckee Water Conservancy 0.11% and Churchill Mosquito and Weed Abatement 3.63%. The CTX revenue was \$8,111,958, compared to \$8,691,601 in the prior year, which was an decrease of (\$579,643) or (6.67%). This is off over \$1,000,000 from the record level for CTX in fiscal year 2005-2006. See the chart below:

## CONSOLIDATED TAX DISTRIBUTION

Fiscal Year	BCCRT	SCCRT	Cigarette Tax	Liquor Tax	RPTT	MVPT	Total	% Change
2002	1,122,700	3,517,110	195,194	28,713	74,769	1,062,105	6,000,591	
2003	1,183,078	3,723,804	200,595	29,194	100,901	1,163,178	6,400,750	6.67%
2004	1,244,634	3,958,378	174,419	31,835	158,577	1,226,213	6,794,056	6.14%
2005	1,448,994	4,731,365	176,227	31,296	248,232	1,312,773	7,948,886	17.00%
2006	1,696,276	5,593,641	171,855	32,868	340,460	1,426,207	9,261,307	16.51%
2007	1,637,619	5,297,892	165,753	33,397	152,845	1,404,095	8,691,601	-6.15%
2008	1,522,033	4,899,629	159,061	33,322	118,631	1,379,282	8,111,958	-6.67%

The overall decrease in the CTX distribution is primarily a result of reduced levels of taxable sales based collections (BCCRT and SCCRT) being down approximately \$513,849 or 7.4%. In addition, the Real Property Transfer Tax (RPTT) decreased \$34,214 or 22.4% due to lower home values, foreclosures and a sluggish local real estate market due to credit crisis. This decrease is due in part to fewer homes being sold and the high levels of sales when the real estate market peaked in FY 2005-06. The slight decrease in Motor Vehicle Privilege Tax (MVPT) of \$24,813 or 1.8% is due to the related decrease in autos values and related taxable sales from auto dealers.. MVPT is based on the vehicle value at registration or renewal of vehicle license plates. CTX is considered general revenues as it is not restricted to a specific function or activity. In the current year, CTX revenues were apportioned to the following funds: General Fund, Social Services, Parks and Recreation, Water Resources, Building Reserve and Extraordinary Repairs and Maintenance funds.

During the year it become apparent the projected CTX revenues and related building permit and real estate development fees were not going to reach the budgeted amounts. The County Commissioners approved a Budget Mitigation Plan that addressed the budgeted shortfalls. Within the plan, there were reductions of expenditures, personnel and a focus on providing essential services. There were revenue enhancements and collection efforts to collect program and operational revenues. The plan was implemented and resulted in efficiency measures by the various departments.

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

### ASSESSED VALUE

Fiscal Year	Assessed Value	Estimated Actual Value	% Change
2002	409,762,377	1,161,606,791	
2003	429,459,479	1,209,884,226	4.81%
2004	433,003,700	1,237,153,429	0.83%
2005	441,486,591	1,261,390,260	1.96%
2006	488,296,936	1,395,134,103	10.60%
2007	570,368,036	1,629,622,960	16.81%
2008	686,529,426	1,961,512,646	20.37%

Individual residential construction in the county continued with 63 new single-family dwelling building permits issued during the period of July 1, 2007 to June 30, 2008, at a value of \$8,181,713, a decrease from the prior year of \$13,561,490. Commercial building permits issued were valued at \$14,069,377 during the year, which was up from the prior year's pace of \$4,169,508. There has been an upswing in assessed values as the assessment replacement factors have increased as well as significant increases in land values leading to the housing market price appreciation. The assessed values lagged the significant real estate market increases from FY 04-06. This increase in value is subject to tax abatement as discussed below.

The State Constitution limits total taxes levied by all overlapping governmental units within the boundaries of any county (i.e., the county, the county school district, the State, and any other city, town or and special district) to an amount not exceeding \$5 per \$100 of assessed valuation of the property taxed. The combined overlapping tax rate is further limited, by statute, to \$3.64 per \$100 of assessed valuation in all counties of the State with certain statutory

exceptions. The 2004 Legislature passed Assembly Bill 489 which caps the amount of increase in property taxes for residential housing to 3% and 8% for commercial and industrial properties in any one year. Any taxes above the cap will be abated to the taxpayer. Most taxpayers continued to see their assessments increase by the cap amount due to increases in their homes assessed value. Their abated amount was reduced in accordance with state statutes. The property tax rate increase in Budget 2009 will primarily generate revenue from new construction only as existing homes are limited to the property tax caps.

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

<b>PROPERTY TAX RATES</b>						
	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Budget 2009
Churchill County	1.1031	1.1150	1.1250	1.1250	1.1750	1.2529
C.C. School District	1.3700	1.3700	1.3700	1.3500	1.3500	1.3000
State of Nevada	0.1700	0.1700	0.1700	0.1700	0.1700	0.1700
Mosquito Abatement	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Total (Excluding City Rate)	2.7231	2.7350	2.7450	2.7250	2.7750	2.8029
Percentage Increase (Decrease)		0.44%	0.37%	-0.73%	1.83%	1.01%

Over 89% of Churchill County is public lands and not subject to property tax in the same manner as private ownership. The Federal government makes an annual appropriation to local governments in the form of a payment in lieu of taxes. This program has not been fully funded at \$.75 per acre. This revenue has been classified intergovernmental revenues as there is no restriction to the specific function or activities that these funds maybe use for. In the current year, the total Federal Payment In Lieu of Taxes was \$1,237,704. It was apportioned to the following funds: General Fund, Cooperative Extension, Library, Parks and Recreation, Compensated Absence, Water Resources and Building Reserve Funds. Full funding of PILT has been approved by Congress as part of the economic stimulus package. This full funding has been assured by legislation and will be used for capital improvements.

#### MAJOR INITIATIVES

In preparing the 2008 budget, the County Commissioners identified a number of programs to meet the needs of our citizens. The programs include the following initiatives:

##### Churchill Area Regional Transportation (CART)

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

##### Project Food

The Social Services department continues the Project Food Program in a collaborative effort with various local agencies and businesses. Project Food is a community development project in which people work together and pool their money and time in order to receive a greater amount of nutritious food into needy households. Each month an average of 70 families participate in this program. Participants volunteer a minimum of two hours per month and donate \$15.00 to receive a food basket, which includes 2-3 meats from a local butcher, a \$5.00 gift card to Safeway's Supermarket and additional package items that compliment the food package. The monthly food packages have an

estimated value of at least \$50 per month. Additional community food programs include the Holiday Food Basket program that serves over 400 meals for families during the holiday season.

In 2008, the Project Food Program expanded to offer Backpack for Youth Food Program. The program has been designed to assist in filling the gaps of the school district's breakfast and lunch program. The backpack program provides meals for up to 50 children per week when they are not in school or other community meal programs are not available. This program was made possible by funding through United Way of Northern Nevada and the Community Services Block Grant Program.

#### Transitional Housing

In 2003, Churchill County Social Services began serving homeless residents through the transitional housing program that is designed to assist individual and families who are homeless to become self-sufficient through short and long term transitional housing and supportive services. Participants are required to take an active role in addressing their significant life issues through the development and implementation of a Family Enhancement Plan. Many significant achievements have been completed including individuals obtaining a GED, starting a local moving company, and furthering their education by participating in classes at the local community college. Four families have completed this program and have become 100% self-sufficient.

The short-term transitional housing program which is an intensive stabilization program that assists families or individuals for up to fourteen days in a motel room with housing counseling has assisted over seventy families in obtaining and maintaining safe adequate housing for a minimum of 60 days, through short and long-term enhancement plans.

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

#### Western Regional Youth Facility in Silver Springs

Churchill County has been an active partner in the development of a regional youth facility in Silver Springs, Nevada. Churchill, Lyon, Carson City, Storey and Douglas Counties formed a coalition to make this regional facility a reality. The facility was constructed with state funding. Operational costs are allocated between the five counties. The facility became operational August 1, 2000. During the 2001 Legislative session, the state approved funding for a female juvenile correctional facility called Aurora Pines located adjacent to the China Springs facility in Douglas County. This facility opened in July, 2002. Churchill County has access to use the facility and is required to assist in funding operations. In 2002, the Churchill County Juvenile Probation Department created the Regional Aftercare Treatment Services (RAFTS) Program to support the youth exiting the Western Regional Youth Facility program. In the RAFTS program, youths receive ten hours of aftercare services each week for a period of six months following discharge from a treatment facility. The RAFTS program also has a parent component requiring parents to attend parenting classes and meet with the RAFTS Coordinator on a weekly basis to resolve family issues and concerns. These programs continue to be successful. The Western Regional Youth Facility has been operating at or near capacity during the fiscal year. Studies are underway to build and operate a youth detention center.

#### Wilderness Program

In 2008, the Churchill County Juvenile Probation Department was awarded \$40,000 through the Churchill Community Coalition for the Leadership and Resiliency Program (LRP) which included an additional \$20,000 to incorporate a Youth Summer Employment Program. The LRP program is a model program that has undergone scientific evaluation that has proven it to be effective in reducing delinquent behavior. LRP is operated twice a year, each program being conducted for six months. The components of the Youth Summer Employment Program included 20 hours of employability skills training and a 125 hour aid work experience within the community. Many local businesses participated in the program.

#### County Library Planning Grant for Expansion

The County was awarded a Community Development Block Grant and contracted with an architectural firm to develop a Library expansion plan. The library has held numerous fund raisers for the building project and currently has over \$400,000 in the Library Gift and Donation Fund for the fiscal year ending June 30, 2008. The library had a

record year for the number of items that were checked out as well as people using the facilities. The use of free internet access has proven to be very popular as travelers seek to catch up with their e-mail at the computer kiosks. The library added wireless internet access this last year, and each month its usage increases. In early 2008, through a grant from the Bill & Melinda Gates Foundation and matching funds from the community, the library will make available wireless laptop computers to patrons and visitors.

#### County Museum Expansion

The Churchill County Museum in connection with the Museum Association has completed some building improvements to the main room and completed the ADA restrooms in the addition. 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. Program expansions included "Senior College" which includes a history field trip to Fort Churchill State Park and Lahontan Dam, Teacher's In-service, publication of In Focus Celebrating the 100 year Centennial for the City of Fallon and over 1,500 new objects donated to the Museum during the year.

#### Desert and Community Clean-up Efforts

A non-profit group Churchill Desert Defense Coalition (CDDC) has been organized this year to take the lead in cleaning up dump sites on public lands. Four major sites have been cleaned up this calendar year and the County has provided assistance in the provision of tools and a flatbed trailer. This group has been promoting recycling and quarterly free dump days in an effort to keep the desert clean. The CDDC has collected several donations to date and is hoping to access State and Federal funds to expand this community and open space clean-up effort.

#### Orthophotography and GIS Upgrades

Orthophotography continues to be a very important planning tool. In May 2008, the County participated in a contract with Washoe County to obtain aerial photos of a portion of the county. We have been flying portions of the County annually in an effort to keep the orthophotography current. The orthophotography obtained in October 2007 is being used extensively in planning for roads, utilities, infrastructure and facilities, appraisal and assessment planning. The parcel base map and the aerial photos have been rectified to ensure a more exact overlap exists. We continue to enhance the GIS system and will continue to expand its applications. In June 2008, the County upgraded its main frame computer in connection with our Technology Plan. This new system allows for greater data storage and will allow the expansion of digital images and record retention for the County.

#### Renewable Energy Geothermal Projects

Churchill County continues to see expansion of geothermal developments within our community. This "green energy" will assist the regional power suppliers to meet the mandated green energy requirements. Counties have benefited from the rents and royalties agreements included in the 2005 Energy Bill approved by the United States Congress. This legislation allows for 25% of the rents and royalties paid by the geothermal producers on public lands to be distributed to the Counties where the resources are extracted. The County received over \$2,476,000 in the fiscal year ending June 30, 2008. The revenue was apportioned to the General Fund, Road Department Equipment Replacement Program, Water Resource Fund, and the Building Reserve. In August 2008, the BLM conducted another geothermal lease sale which will financial benefit Churchill County in Fiscal Year 2009. The County continues to work with the geothermal companies to promote the development of this renewable energy in Churchill County. The Board of County Commissioners have approved a geothermal sales and use tax abatement agreement that provides support to the industry for the entire allowed abatement after an payment in lieu of tax (PILT) agreement has been approved with the County.

#### Water Resource Fund and Water Right Dedication

In November 2000, the Board of County Commissioners approved a water dedication ordinance in an effort to keep the water in the valley to recharge the groundwater aquifers. Developers have been required to dedicate water rights or pay impact fees equal to one and one half times current cash value to divide and develop land or build permanent structures. In the last ten years, upstream interests and the USFWS have been aggressively purchasing water rights under the Federal Programs authorized under PL 101-618, transferring the water to wildlife and habitat uses resulting in reduced agricultural irrigation and less groundwater recharge. As a result, there is a real possibility of the aquifers which serve as our only source of domestic water diminishing in both quality and quantity. A Water

Resource Fund was established to account for the activities mandated under the water dedication ordinance. Funds are being accumulated to implement the recommendations in the water resources plan including development of a County municipal system in the urbanizing area, recharge to the aquifer through continued surface application, and recharge via injection wells. During fiscal year 2005, the County purchased some surface water rights and 2,649 acre feet of underground water rights on the Wild Goose Ltd. Ranch for use in the municipal system. A subsequent sale of 1,002 equivalent dwelling units, (EDUs), or 1,122.24 acre feet of water was sold to retire a portion of the debt used to acquire the land and water. Since inception, the county has acquired by dedication or purchase water rights valued at \$6,432,132.

#### 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 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 to acquire a conservation easement on the Rambling River Ranches in the amount of \$6,099,767. This easement will provide water recharge and open space within the gateway to the community.

#### Water and Sewer Development

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

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

During fiscal year 2006, phase I of the County water and wastewater distribution system was designed and construction was well underway. Phase I comprises a new municipal well with a treatment facility and a million gallon storage tank and a package treatment plant with a capacity to treat 160,000 gallons of waste water a day. Phase I is complete and became operational in August 2007. The system will initially serve 300 water and 250 waste water customers. During Fiscal Year 2007, a developer deeded their water and waste water system to the County. The system will be integrated into the phase I water and waste water project upon completion. This system has approximately 115 homes.

During fiscal year 2008, the County worked diligently on the Phase II wastewater system at Moody Lane. The state of the art facility is being funded by the United States Army Corp of Engineers and developers. It is the intent that the plant will be operation in December 2008.

#### Capital Improvement Projects

Fiscal year 2008 saw a number of capital improvement projects completed throughout the County. The County continues to develop the water and waste water facilities. These projects are recorded in the enterprise operations of the County. Construction in progress is over \$12.8 million on the waste water project.

The County has also made a grant donation to the Churchill County Library in the amount of \$25,000 for their building fund. In addition, the County has made a donation to the Museum for their expansion program. The Parks and Recreation department completed the bike path costing over \$200,000 along Sheckler from Taylor Street to Allen Road providing bicycle access to the swimming pool and the regional park athletic complex, completed restroom

facilities and a covered small arena for use with rodeo and livestock shows. Furthermore, a sign marker program at Sand Mountain was completed that allowed multi-use of public lands at Sand Mountain while being environmental sensitive to the wildlife and vegetation in the region.

The county made a substantial investment in its equipment replacement program. The new main frame computer system upgrade costing over \$100,000 was installed. The Sheriff's Office replaced 4 patrol vehicles costing over \$116,000; Communications equipment costing over \$70,000, and in car MDT software upgrade costing over \$60,000. The Road Department's Equipment Replacement Program procured over \$.37M worth of new and used equipment necessary to build and maintain roads. The road equipment was purchased using geothermal rents and royalties, charges for services, sale proceeds of old equipment and greater than anticipated revenues. A tractor was purchased for the Fairgrounds operations to support arena and fairground activities.

Several road projects were completed with gas tax revenues. A summary of completed projects include: Tarzyn Road asphalt overlay, St Clair Road, South Allen Road asphalt overlays and micro seals, culvert project at Rogers Road, St. Clair bridge replacement, road crack sealing, operating the gravel plant and various other road improvements.

#### CC Communications: Enterprise Operations

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

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

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

CC Communications-Broadband has seen an increase in the number of customers for the OnNow! video product. CC Communications continues to make investments in content and accessing channels to remain competitive with similar video providers. Furthermore, capital improvements have been made to the system to expand the service area in Churchill County for OnNow! During the past year, the internet business as an internet service provider, ISP, was moved into the Broadband enterprise fund.

#### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

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

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

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

#### CASH MANAGEMENT

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

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

#### RISK MANAGEMENT

The County funds a self-insurance program for unemployment claims. The County has a contract with State of Nevada Department of Employment Security to pay claims that have been approved. The County reimburses the State for payments made on our behalf. The ending fund balance for the Unemployment Compensation Fund as of June 30, 2008 is \$425,870. The County has joined together with similar public agencies (cities, counties, school districts, county-owned hospitals and special districts) throughout the state of Nevada to create an insurance pool under the Nevada Interlocal Cooperation Act for property, liability and related insurance. The Nevada Public Agency Insurance Pool is a public entity risk pool currently operating as a common risk management and insurance program for its members. The County has also entered into an agreement with PACT (Public Agency Compensation Trust), a self-insured association for worker's compensation coverage. The purpose of the County's participation is to enhance its ability to control costs and to better serve and protect its employees. Adequate insurance coverage is maintained for all other traditional areas for risk or concerns. See the related notes to the financial statements for more details. The ending fund balance in the Risk Management Fund as of June 30, 2008 is \$1,121,278.

#### OTHER INFORMATION

##### Independent Audit

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

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

##### Awards

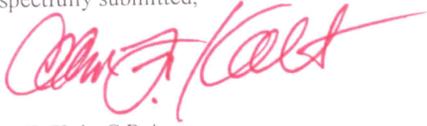
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Churchill County for its comprehensive annual financial report for the fiscal year ended June 30, 2007. This was the fourth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Acknowledgements

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

Respectfully submitted,



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

**CHURCHILL COUNTY, NEVADA  
LISTING OF COUNTY OFFICIALS  
AS OF JUNE 30, 2008**

ELECTED OFFICIALS

	*	
District 1: Commissioner	2009	Norman Frey
District 2: Commissioner	2011	Gwen Washburn
District 3: Commissioner	2009	Lynn Pearce
County Clerk/Treasurer	2011	Kelly Helton
County Recorder	2011	Vickie Tripp
County Assessor	2011	Norma Green
District Attorney	2011	Arthur Mallory
Justice of the Peace	2013	Michael Richards
Sheriff	2011	Richard Ingram

\*Term expires first Monday in January of the year indicated

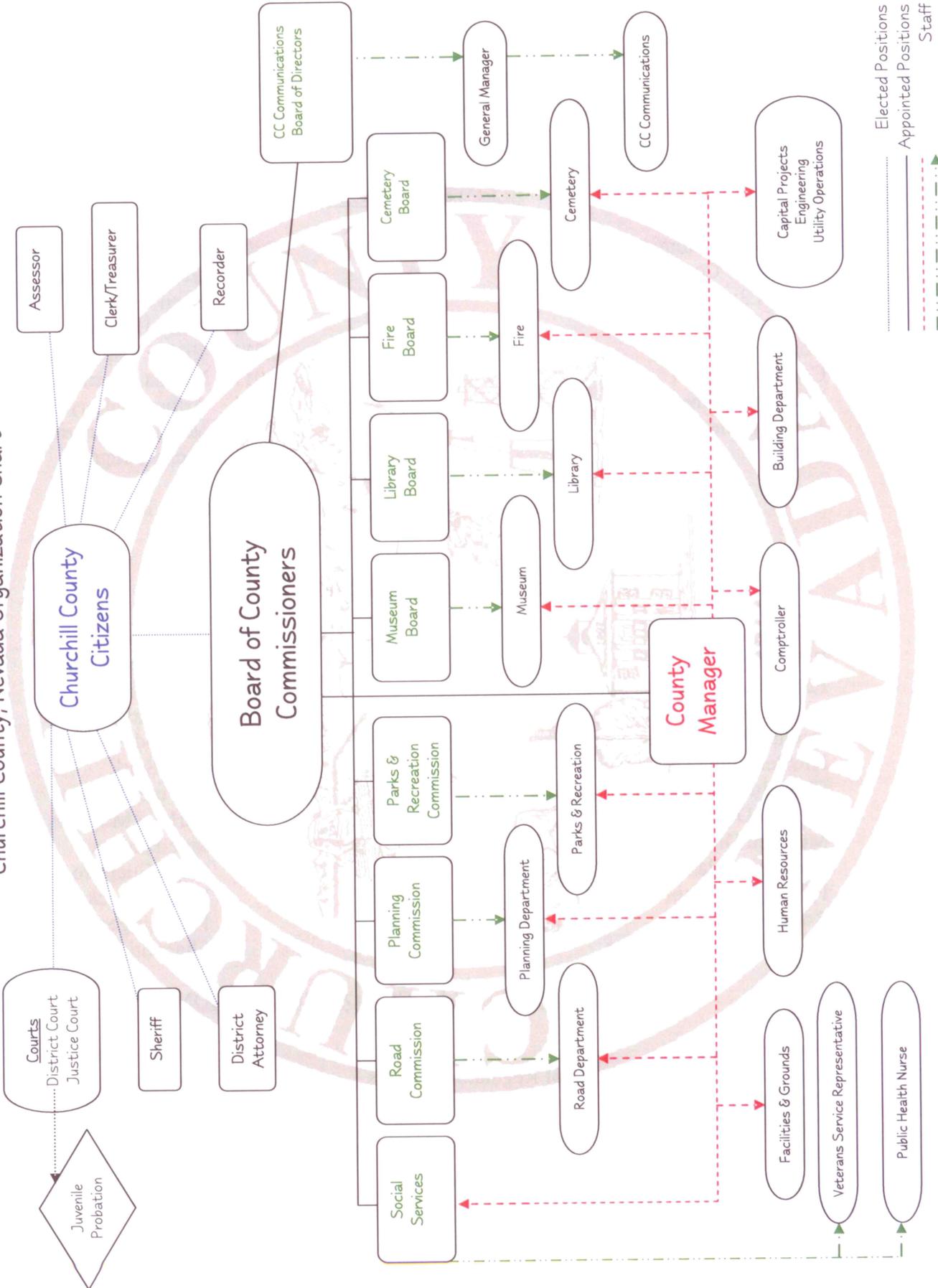
APPOINTED OFFICIALS-GENERAL COUNTY

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

APPOINTED OFFICIALS-CC COMMUNICATIONS

General Manager	Robert Adams
General Counsel & Director of Regulatory Affairs	Mark Feest
Operations Manager	John Powell
Chief Financial Officer	Lorrie Ford
Human Resources Manager	Jane Jenkins
Marketing and Customer Service Manager	Dale White
Information Technology Supervisor	Don Travis

# Churchill County, Nevada Organization Chart



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

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Churchill County  
Nevada

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2007

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



*Oliver S. Cox*

President

*Jeffrey R. Emer*

Executive Director

**FINANCIAL SECTION**



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

Independent Auditor's Report

To the Honorable Board of Commissioners of  
Churchill County, Nevada

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Churchill County, Nevada, (the "County"), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the County as of June 30, 2008, and the respective changes in financial position, and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund, Road Fund, and the Water Resource Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 25, 2008, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements of the County. The combining and individual nonmajor fund financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respect in relation to the basic financial statements taken as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.



Fallon, Nevada  
November 25, 2008

**CHURCHILL COUNTY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2008**

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

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

**Financial Highlights**

- The financial statements are prepared in conformance with GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Government*, which presents Churchill County's financial information on a government-wide basis enhancing analysis, short and long-term, and accountability for the use of total resources.
- The auditor's report offers an unqualified opinion on the financial statements, the best opinion that can be attained.
- Cash and investments of \$36,323,747 are available to meet current liabilities, including debt due within one year, of \$6,004,987. This is a conservative measure of cash and investments available to pay current obligations. The County's cash ratio is 6.0, meaning that the County has 6.0 times the unrestricted cash on hand to meet its current obligations. Last year's cash ratio was 6.3.
- The County's current assets for governmental activities exceeded current liabilities by \$23,161,717 and the current assets for business-type activities exceeded current liabilities by \$17,878,538 which is a strong indication of the County's ability to meet current obligations.
- Government-wide net assets equal \$152,440,074. Business-type activities contributed \$75,764,181 and governmental activities contributed \$76,675,893. The Business-type activities net assets grew by \$16,958,534 or 28.8% in the current year due to net revenues and contributions over expenses in Telephone \$213,323, Wireless \$2,803,065, Long Distance \$547,552, Broadband \$39,850. The development of the Waste Water and Water Utilities added \$6,352,078 and \$476,332 respectively to the increase in net assets. Tap fees collected of \$3,318,971 for future water and waste water connections increased business-type net assets. The governmental activities net assets increased by \$8,422,334 or 12.3% due to an increase in land and water rights associated with the purchase of conservation easements/transfer of development rights \$6,110,733, purchase of road equipment \$369,343 in connection with the Road Equipment Replacement Plan, and the balance from overall operations.
- Capital assets, net of accumulated depreciation increased from \$99,921,339 to \$119,234,427. This increase of \$19,313,088 or 19.3% is due to increases of \$7,210,794 in governmental activity capital increases of which \$6,110,733 related to the purchase of conservation easement/transfer of development rights and the purchase of road equipment in the amount of \$369,343. The business-type activities capital assets, net of depreciation increased by \$12,102,294 primarily as a result of construction in progress (CIP) for the water and waste water utilities. The CIP for the Utility fund was \$13,802 and \$12,847,308 in the Waste Water Fund. The CIP for the Telephone was \$2,144,288 for improvements to the network. These increases were offset by current year depreciation.
- Total revenues increased 9.7% from \$70,134,031 to \$76,937,829. Program revenues were \$49,548,868 or 65.1% of the total. Program revenues increased by \$10,576,594 as a result of business activities. The Wireless operations had an increase of revenue of \$1,051,497. Capital grants and contributions increased by \$9,758,561 related primarily to the grants received in the Waste Water and Water business activities. General revenues decreased to \$27,388,961 from \$31,161,757 a decrease of \$3,772,796. The primary decrease is due to tap fees of \$3,318,971 compared to prior year of \$7,846,014 related to the future water and waste water hook-ups for future development. This decrease was increased by a reduction in Consolidated Tax Distribution (CTX) in the amount of \$538,675. This is the second year in a row with a reduction in CTX taxes.
- The County's primary general governmental revenue sources are ad valorem and consolidated taxes. These two revenue sources comprise 26.7% and 22.0% of countywide general revenues. For the second year, general revenues included tap fees collected in connection with the water and waste water utility systems. Tap fees collected were \$3,318,971 or 12.1% of general revenues. Ad valorem revenues increased by \$431,445 or 6.3% due to the increase in the valuation rate applied to assessed value. The property tax rate had a slight increase \$2.725 to \$2.775 from the prior year. The assessed value increased as a result of higher land values, higher replacement cost facts from Marshall and Swift and increased level of new residential and commercial development. The consolidated tax revenues which includes sales tax revenues (SCCRT & BCCRT), Cigarette, Liquor Taxes, Real Property Transfer Tax and Government

Services Tax, decreased (\$538,675) or (8.2)% primarily due to decreases in taxable sales. Taxable sales related to residential and commercial development were off over 10% in the current period due to slowdown in the housing market.

- Total expenses were \$51,556,961, an increase of approximately \$1,904,707 or 3.8% county wide over the prior year. The governmental activities expenses were \$24,484,017 or 47.5% of the total expenses whereas, the business-type activities expenses were \$27,072,944 or 52.5% of the total expenses. The increase in governmental activities was \$1,321,960 or 5.7%. The largest functions are public safety, general government, public works, cultural and recreation and judicial. These account for 90.2% of the governmental activities. The increase in expense of the business-type activities was \$582,747 or 2.5% from \$26,490,197 to \$27,072,944. Telephone operations continue to be the largest business-type activity at 53.5% of the business-type activities. Wireless increased by \$478,218 or 6.3% due to capital improvements to the network and more roaming minutes paid to outside providers. There was a decrease of (\$496,486) or (41.7)% in the Long Distance due to a decrease in the number of subscribers and an decrease of (\$10,975) or (0.4)% in the Broadband due to moving the internet service provider business into the Broadband fund as well as increases in the cost of content and access charges for Broadband television services.
- Current year revenues, including capital grants, interest and contributions, exceeded expenses by \$25,380,868. This indicates that current year operations did not rely on debt or reserves to provide resources for necessary services.
- At June 30, 2008, the County's governmental funds had a fund balance of \$24,354,514. The unreserved portion of Debt Service Fund was \$768,562; reserved for notes receivable was \$993,578 and the reserved portion for revenue shortfall was \$1,447,454. The unreserved fund balance of the General Fund was \$3,036,491 of which \$2,309,792 is designated as opening fund balance for the 2008-2009 fiscal year budget. The Unreserved fund balance total reported in Special Revenue Funds was \$13,851,837 and \$4,256,592 was unreserved in the Capital Projects Funds.

## **Financial Overview**

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

### **Government-wide Financial Statements**

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

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

The *Statement of Activities* reflects the changes which have occurred during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as earned, but unused, vacation leave.

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

### **Fund Financial Statements**

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

### **Governmental Funds**

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

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

Churchill County maintains 36 separate funds that make up the governmental fund category. Information is presented separately in the governmental balance sheet and the governmental statement of revenues, expenditures, and changes in fund balance for the General Fund, and Road Fund because they qualify as major funds under the GASB 34 definition. Given the importance in our community of preserving and planning for our water resources, management believes that the activities of the Water Resource Fund should be classified as a Major Fund in the FYE 6-30-08 CAFR as it is of importance to the readers of the financial statements and provides comparability from year to year. Information for the remaining funds, which meet the definition of non-major funds, is aggregated into a single column for reporting purposes.

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

### **Proprietary Funds**

Churchill County maintains only one type of proprietary funds, that being enterprise funds. Enterprise funds are used to account for functions presented in the business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its communication business type activities and its utility business-type activity. The four proprietary funds that qualify as major funds under the GASB 34 definition are CC Communications-Telephone Fund, CC Communications-Wireless Fund, Waste Water Fund and the Utility Enterprise Fund. Churchill County is one of the only counties in the United States that owns and operates a communications business type activity. This enterprise fund has been in operations over 100 years. CC Communications offers home grown world class services of telephone, wireless, internet, broadband and television to customers within Churchill County. CC Communications provides an annual in lieu of tax payment to the General County based on what a private company would likely pay in taxes. These payments are not program revenues as they are not restricted to specific funding or activities. These transfers are classified as other financing sources in the various financial statements. The Utility funds account for the business activities of the water and waste water operations.

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

### **Fiduciary Funds**

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

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23-40 of this report.

### **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information. This includes the combining and individual fund financial statements and schedules and statistical information. Combining and individual fund statements and schedules can be found on pages 41-117 of this report, with the statistical section immediately following.

### **Financial Statement Analysis**

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

Total assets as of June 30, 2008, net of accumulated depreciation of \$77,935,280, totaled \$167,531,140. Assets include cash/investments, receivables, prepaid items, and capital assets. The majority of Churchill County's net assets, \$111,123,131 (72.9%) are reflected as investment in capital assets net of related debt (e.g., land, buildings, equipment and construction in progress). Churchill County uses these capital assets to provide services to citizens. Therefore, they are not generally available for future spending. Although investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since capital assets cannot be used to liquidate these liabilities. Liabilities, which consist primarily of long-term debt, totaled \$9,086,079. Liabilities also include payables and unearned revenue. A comparison of assets and liabilities for the government-wide financial statements reflected net assets of \$152,440,074. The following table is provided to enhance analysis.

CHURCHILL COUNTY NET ASSETS

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
Current and other assets	\$ 26,159,030	\$ 25,545,319	\$ 20,886,212	\$ 15,852,389	\$ 47,045,242	\$ 41,397,708
Noncurrent assets	897,324	217,394	354,147	104,515	1,251,471	321,909
Capital assets	55,347,213	48,136,419	63,887,214	51,784,920	119,234,427	99,921,339
<b>Total Assets</b>	<b>\$ 82,403,567</b>	<b>\$ 73,899,132</b>	<b>\$ 85,127,573</b>	<b>\$ 67,741,824</b>	<b>\$ 167,531,140</b>	<b>\$ 141,640,956</b>
Current liabilities	\$ 2,997,313	\$ 2,645,610	\$ 3,007,674	\$ 2,496,505	6,004,987	5,142,115
Noncurrent liabilities	2,730,361	2,999,963	6,355,718	6,439,672	9,086,079	9,439,635
<b>Total Liabilities</b>	<b>\$ 5,727,674</b>	<b>\$ 5,645,573</b>	<b>\$ 9,363,392</b>	<b>\$ 8,936,177</b>	<b>\$ 15,091,066</b>	<b>\$ 14,581,750</b>
Net Assets:						
Invested in capital assets						
net of related debt	\$ 53,107,597	\$ 45,563,408	\$ 58,015,534	\$ 44,973,324	111,123,131	90,536,732
Restricted	10,002,950	11,546,731	-	-	10,002,950	11,546,731
Unrestricted	13,565,346	11,143,420	17,748,647	13,832,323	31,313,993	24,975,743
<b>Total Net Assets</b>	<b>\$ 76,675,893</b>	<b>\$ 68,253,559</b>	<b>\$ 75,764,181</b>	<b>\$ 58,805,647</b>	<b>\$ 152,440,074</b>	<b>\$ 127,059,206</b>

The governmental and business-type activities for fiscal year 2007-2008 are presented in the Statement of Activities. As indicated on this statement, governmental activities increased net assets of Churchill County by \$8,422,334, thereby accounting for 33.2% of the total growth in net assets. The business-type activities increased net assets by \$16,958,534, accounting for 66.8% of the total growth. These increases were the result of the excess of revenues over expenses. Key elements of the increases are noted on the following table.

**CHURCHILL COUNTY CHANGE IN NET ASSET**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 2,199,366	\$ 2,540,688	\$ 29,210,922	\$ 28,493,744	\$ 31,410,288	\$ 31,034,432
Operating grants, interest and contributions	2,120,345	2,367,856	689,688	-	2,810,033	2,367,856
Capital grants, interest and contributions	7,724,013	804,170	7,604,534	4,765,816	15,328,547	5,569,986
General revenues:						
Ad valorem taxes	7,309,259	6,877,814	-	-	7,309,259	6,877,814
Consolidated taxes	6,016,895	6,555,570	-	-	6,016,895	6,555,570
Other taxes	7,041,462	7,078,866	-	-	7,041,462	7,078,866
Unrestricted investment earnings	996,366	1,166,080	414,903	339,420	1,411,269	1,505,500
Other/Transfers	(501,355)	1,279,615	6,111,431	7,864,392	5,610,076	9,144,007
<b>Total Revenues</b>	<b>\$ 32,906,351</b>	<b>\$ 28,670,659</b>	<b>\$ 44,031,478</b>	<b>\$ 41,463,372</b>	<b>\$ 76,937,829</b>	<b>\$ 70,134,031</b>
<b>Expenses:</b>						
General government	6,215,096	6,023,426	-	-	6,215,096	6,023,426
Judicial	2,971,738	2,908,455	-	-	2,971,738	2,908,455
Public safety	7,603,614	7,803,606	-	-	7,603,614	7,803,606
Sanitation	82,121	65,986	-	-	82,121	65,986
Public works	3,180,901	2,210,246	-	-	3,180,901	2,210,246
Health	195,743	191,090	-	-	195,743	191,090
Welfare	1,086,643	1,085,025	-	-	1,086,643	1,085,025
Culture and recreation	2,117,578	2,042,404	-	-	2,117,578	2,042,404
Community support	960,707	704,482	-	-	960,707	704,482
Intergovernmental	-	-	-	-	-	-
Interest and fiscal charges	69,876	127,337	-	-	69,876	127,337
Telephone	-	-	14,496,600	14,694,394	14,496,600	14,694,394
Wireless	-	-	8,021,572	7,543,354	8,021,572	7,543,354
Long distance	-	-	692,538	1,189,024	692,538	1,189,024
Broadband	-	-	2,683,668	2,694,643	2,683,668	2,694,643
Waste Water	-	-	787,079	269,812	787,079	269,812
Utility-Water	-	-	391,487	98,970	391,487	98,970
<b>Total Expenses</b>	<b>\$ 24,484,017</b>	<b>\$ 23,162,057</b>	<b>\$ 27,072,944</b>	<b>\$ 26,490,197</b>	<b>\$ 51,556,961</b>	<b>\$ 49,652,254</b>
<b>Increase in Net Assets</b>	<b>\$ 8,422,334</b>	<b>\$ 5,508,602</b>	<b>\$ 16,958,534</b>	<b>\$ 14,973,175</b>	<b>\$ 25,380,868</b>	<b>\$ 20,481,777</b>

**Revenues:** Total revenues of \$76,937,829 exceeded prior year revenue by 9.7%. Total governmental activity revenue increased by \$4,235,692 or 14.8% while total business-type activity revenues increased by \$2,568,106 or 6.2%. General revenues, mainly comprised of various taxes and investment earnings, represent 34.9% 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 \$50,120,816 or 65.1% of total revenues. The decrease of (\$4,105,879) in other revenues was the result of \$7,864,302 in the tap fees collected for future water and waste water connections in the prior year compared to \$3,318,971 in the current year.

**Expenses:** Total expenses of \$51,556,961 exceeded prior year expenses by 3.8%. Total governmental activity expenses increased by \$1,321,960 or 5.7% while total business-type activity expenses increased by \$582,747 or 2.2%. The largest expenses in the governmental activities were incurred Public Safety, General Government, Culture and Recreation and Judicial. The business-type activity expenses were mostly within CC Communications business operations. The Telephone activity is the largest portion at 53.5% of total business-type expenses. The reduction in Telephone expense is related in part to a reduction in land line usage as more and more subscribers are using wireless phones. The increases in wireless expenses are due to more roamer minutes paid to outside carriers.

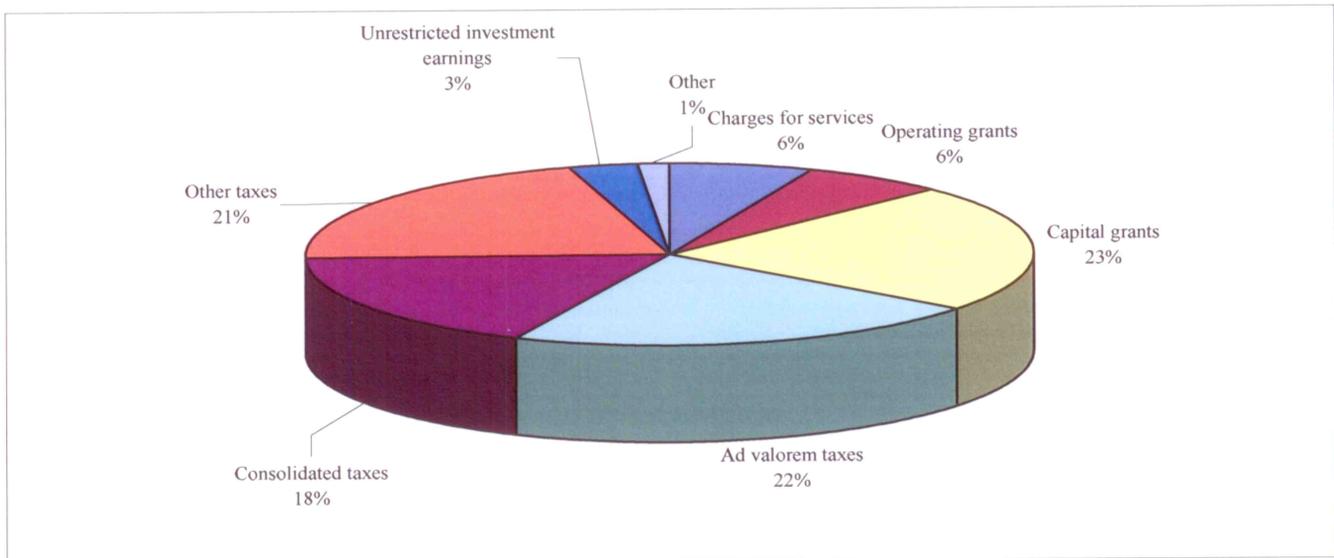
**Governmental Activities**

Total program revenues and expenses for governmental activities amounted to \$12,043,724 and \$24,484,017, respectively, for the 2007-2008 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 13.4% as there were a significant reduction in the number of commercial and residential building permits due to the slowdown in the real estate and construction economy in Churchill County. Capital grants increased by \$6,919,843 as a result of the County receiving a \$6,110,733 for the purchase of conservation easements.

The County’s primary general revenue sources are ad valorem, consolidated taxes and other taxes. These three revenue sources respectively comprise 35%, 28.8% and 33.7% of countywide general revenues. Ad valorem revenues increased by \$431,445 or 6.3% due to the increases in the assessed values due to growth in commercial, industrial and residential activities. The property tax rate had a slight reduction from \$2.725 to \$2.775. The consolidated tax revenues decreased (\$538,675) or (8.2)% due to decreases in level of taxable sales primarily from the slowdown in commercial, industrial and residential growth. Other taxes decreased \$(1,780,970) due to a transfer of \$2,750,000 to business type activities waste water fund.

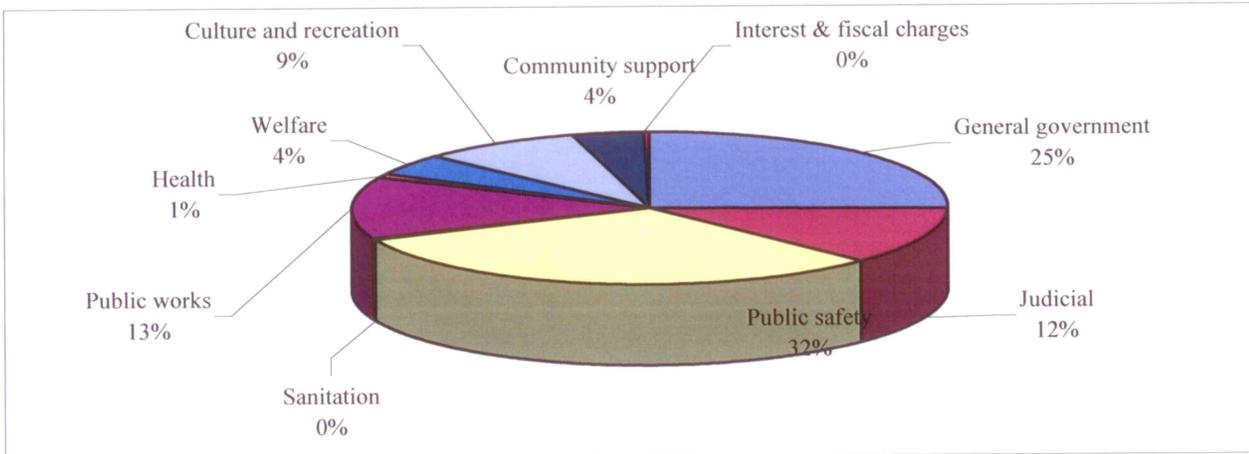
As illustrated on the following chart, capital grants are the largest revenue source at 23%, followed by ad valorem at 22%, other taxes at 21%, and consolidated taxes at 18%.

**Revenues by Sources - Governmental Activities**

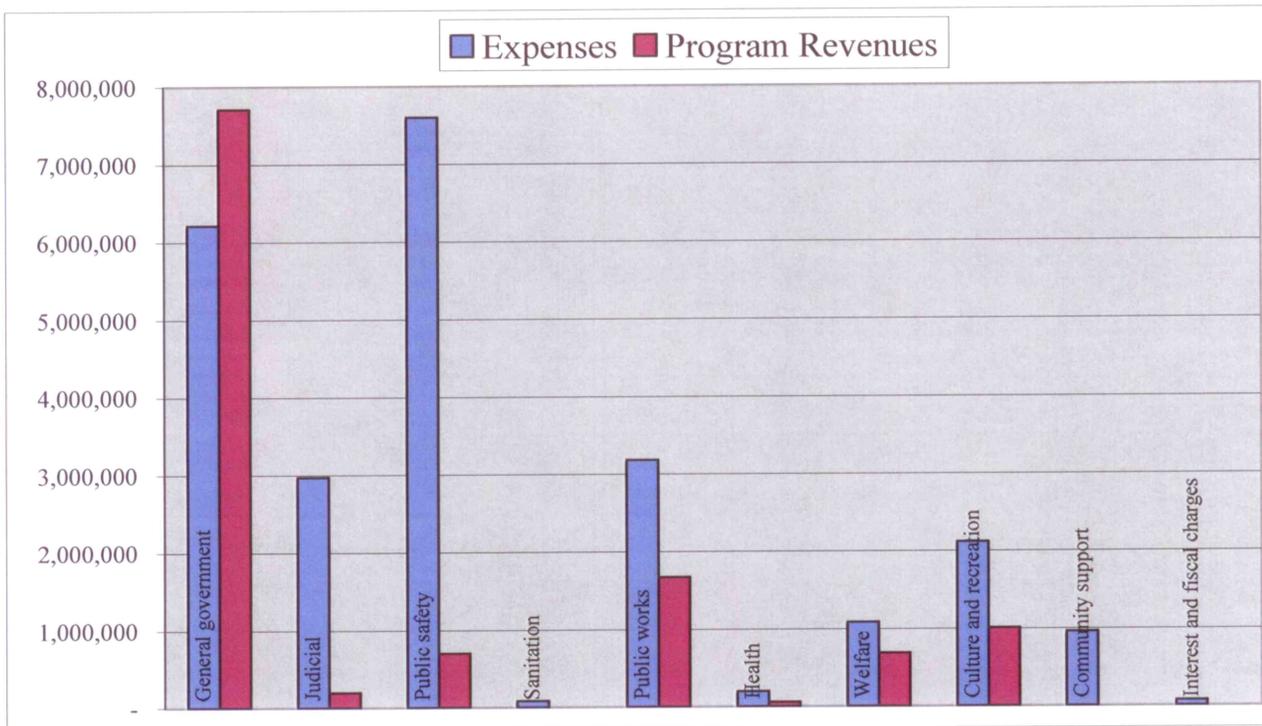


As noted, total governmental activities expenses were \$24,484,017 in the current year compared to \$23,162,057 in the prior year. Public safety, which is comprised of the Sheriff, detention facility, juvenile probation, dispatch, and fire department, constitutes the largest cost to the County at \$7,603,614 or 31.7% of the total governmental activities expenses. This is down (\$199,992) or 2.5% from the prior year. The decrease is primarily due to increases in personnel and personnel cost for merit wage increases (2.5%) and a general wage adjustment of 2.5%. Increases were noted in employee benefits with the largest in the health insurance cost. Capital additions were approximately \$375,000. General government which includes the following departments: Commissioners, Clerk/Treasurer, Assessor, Recorder, Records and Microfilming, County Manager, Elections, Personnel, Buildings, Comptroller, Data Processing, Facilities and Grounds, General Government, and Planning Department had expenses of \$6,215,096 or 25.4% of the total governmental activities expenses. This is an increase of \$191,670 or 3.2% over the prior year. Increases were noted due to additional personnel and personnel cost increases similar to those in the public safety function. Public works had expenses of \$3,180,901 or 13.0% of the total governmental activities expenses. This slight increase is due to timing of projects completed during the year as well as a reduction in the amount of gas tax collected during the year. The judicial function expenses were \$2,971,738 or 12.1% of the total governmental activities expenses. They increased by \$63,283 or 2.2% due to an increase in personnel costs offset by mitigation measures taken by all departments. The other functions had similar levels of program expenses during the past two fiscal years. See the detailed statements for further details.

**Expenditures by Function - Governmental Activities**



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



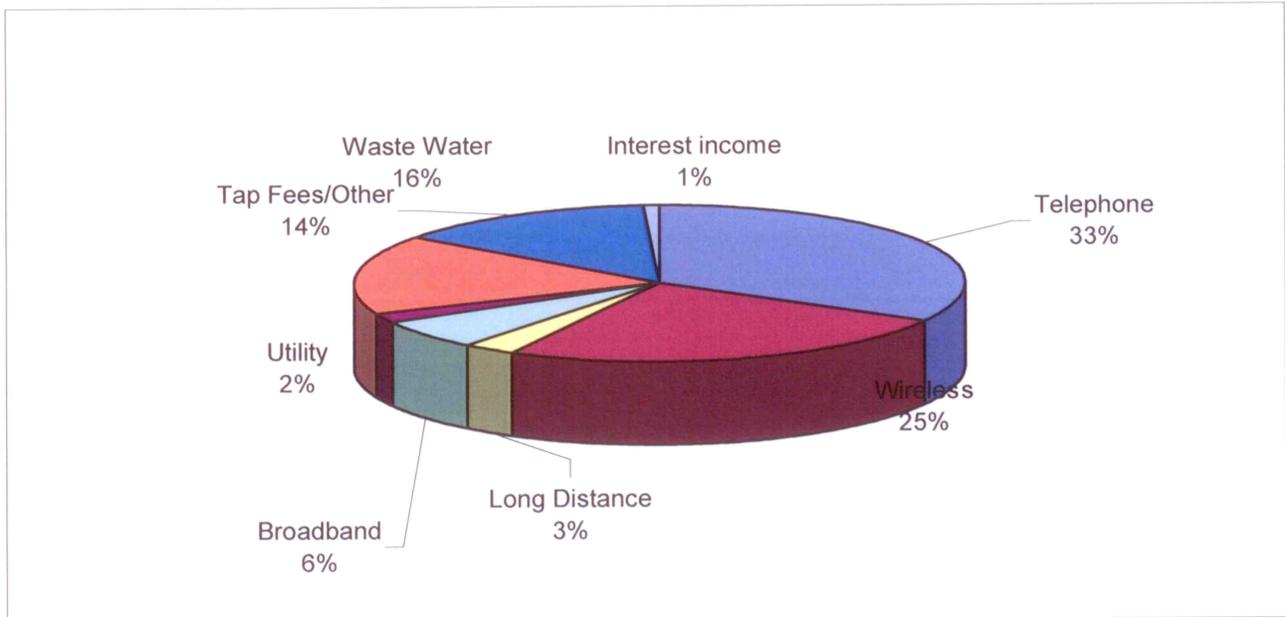
**Business-Type Activities**

Business-type activities include the operations of CC Communications and the water and waste water utility enterprise operations. There are four Business-type Activities within CC Communications: Telephone, Wireless, Long Distance and Broadband. Total revenues and expenses are \$29,498,168 and \$25,894,378, respectively, for CC Communications business-type activities for the 2007-2008 fiscal year which results in an increase in net assets of \$3,603,790. The total revenues for CC Communications business-type activities increased slightly from the 2006/2007 fiscal year by \$264,385 or 0.9%. Telephone revenues decreased by (\$691,957) or (4.5%), due to a decrease in the number of subscriber lines. Operating expenses declined due to decreases in plant specific and customer operation expenses. CC Communications continues to implement new technologies and improvements to address competition. One such service is fiber to the home (FTTH). Wireless revenues increased by \$1,051,497 or 10.8% due to increases from service charges due to an increase in the customer base. The costs per minute roamer charges continue to decrease as the minutes of use continue to increase. The roamer revenue continues to increase despite the lowering of the per minute charge. Operating expenses increased in conjunction with increasing wireless revenues. Long distance revenues decreased by (\$75,187) or (5.7%), 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

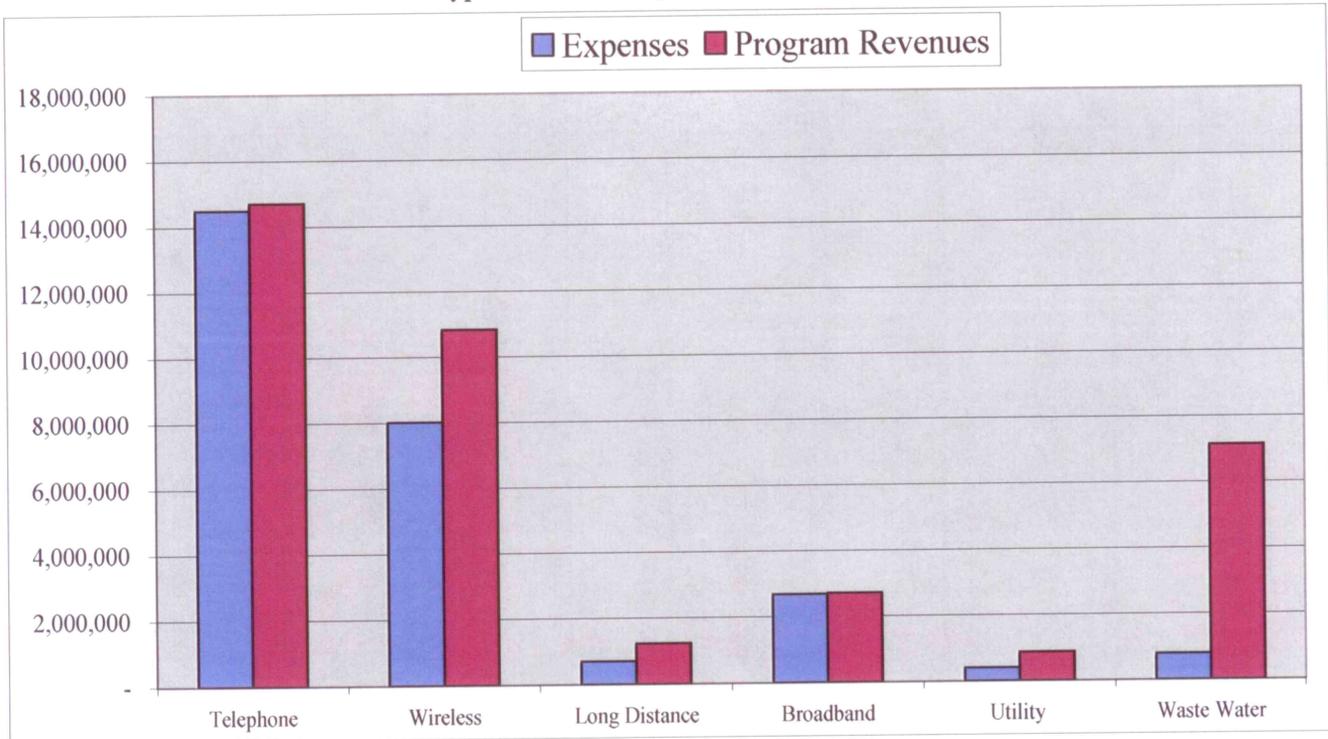
Wireless and Voice over Internet (VOIP). Broadband revenues increased by \$157,763 over the prior year amounts due to increased number of subscribers. Operating expenses increased due to the increase cost of content and access charges. CC Communications continues to see substantial capital investment in Broadband as it expands the service area that is able to receive the OnNow! service. The business activities at the Utility Fund and the Waste Water Fund were coming online and construction in progress during the fiscal year ending June 30, 2008. The Utility fund charges for services revenue increased from \$66,015 to \$244,003 and the Waste Water revenues increased from \$61,365 to \$158,439 due to the first year of operations of the new utilities.

The following charts show the allocation of business-type activity revenues for the fiscal year ending June 30, 2008:

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



## Business-type Activities - Expenses and Program Revenues



The increases in net assets from business-type activities are as follows: Telephone activities \$213,323, Wireless activities \$2,803,065, Long Distance \$547,552, Broadband \$39,850, Water \$476,332 and Waste Water at \$6,352,078, Tap fees at \$3,318,871 Interest income \$414,903 and miscellaneous revenues of \$42,460. Currently, Wireless activities account for 77.8% of the net increase for all business-type activity within in CC Communications. CC Communications continues to invest in capital assets related to the network. We anticipate that the percentage of telephone revenue will decline as a percentage of all business-type activities in the future as Wireless and Broadband business-types continue to expand and grow. The trend in the United States indicates a movement from wire line phones to Wireless phones as technology and demographics continue to change. CC Communications is closely monitoring the regulatory/legislative issues as several key topics will be debated on the national level by the Federal Communication Commission (FCC) that may have a direct impact on the financial operations of CC Communications. The Utility business activities net assets increased as the construction in progress for the development of the Phase 1 Water and Waste Water systems are developed. The second phase waste water plant at Moody Lane significantly increased the net assets for the Waste Water system. The plant will be brought on line in FY 2008-09.

### Financial Analysis of the Government's Funds

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

### Governmental Funds

The governmental funds of Churchill County reflect total assets and liabilities of \$25,527,807 and \$3,173,293, respectively. This resulted in a total fund balance of \$24,354,514 of which \$993,578 is reserved for notes receivable, and \$1,447,454 of the fund balance is reserved for revenue shortfalls. The unreserved portion of this fund balance totaled \$21,913,482.

### Major Governmental Funds

#### General Fund:

The primary operating fund of Churchill County is the General Fund. For the fiscal year ended June 30, 2008, the fund balance in the General Fund was \$3,036,491 of which all was unreserved. As a measure of the General Fund's liquidity, it is useful to compare the total fund balance to total fund expenditures. Unreserved fund balance represents 18.8% of total fund expenditures. This represents approximately 2.27 months of expenditures.

The General Fund balance increased by \$314,107 during the fiscal year. This is a result of the levels of revenue, expenditures and transfers. Revenues of \$15,076,872 increased by \$696,146 or 4.8% over the prior year, primarily due to increases in taxes and intergovernmental revenues, which make up 83.9% of General Fund revenues. The increase in ad valorem taxes is due to the rate apportioned to the General Fund as well as the increase in assessed value. The increase in intergovernmental revenues is due to increases in sales tax related revenues and additional grants received by the County. General Fund expenditures of \$16,040,034 increased by \$654,989 or 4.3%, in the current year of operations. The increase is primarily due to increases in general government expenditures of approximately \$119,183, judicial of \$49,729, public safety of \$510,716 and other increases related to increased program and employee costs to carry out the services directed by the Board of County Commissioners. These increases in expenditures are due to increases in personnel costs related to wages and employee benefits. Overall, services and supplies increased slightly as a result of additional operating costs. Capital outlay purchased included vehicles for the Sheriff's office and a fire truck for the fire department. Deficiency of Revenues under Expenditures in the current year of (\$963,162) was offset by payments in lieu of taxes by CC Communications of \$1,687,269. Transfers to other funds in the total amount of \$410,000 support Recreation Donations, Library Gift and Donation, Law Library, Risk Management, Compensated Absences, and Unemployment Compensation Funds. The net other financing sources were \$1,277,269. These transfers were to support subsequent year operations.

#### **Road Fund:**

The Road Fund accounts for the building and maintaining of roads in Churchill County. For the fiscal year ended June 30, 2008, the fund balance in the Road Fund was \$2,282,517 compared to \$2,149,824 in the prior year. The increase in fund balance of \$132,693 related to the timing of road projects and purchasing equipment for the equipment replacement program. The Board of County Commissioners approved an Equipment Replacement Program and provided revenues to support future equipment acquisitions. The dedicated resources included 3% equipment charge of gas receipts, \$30,777, equipment charges \$403,900, project savings \$53,372, equipment rental of \$1,878 and geothermal rents and royalties of \$194,282. Revenues of \$1,045,405 were collected during the fiscal year to support current year equipment maintenance of \$219,397, equipment purchases of \$369,343 and subsequent year's acquisition of equipment. The other revenues of this fund consist of various fuel taxes totaling \$1,025,893, licenses and permits, \$300, interest income of \$79,981, fuel reimbursement of \$245,587, inspection and meter fees of \$6,075 and miscellaneous revenues of \$61,225. Other financing sources were transfers in from the Regional Transportation Fund in the amount of \$455,749 and the Public Transit Fund in the amount of \$499,135 to pay for qualifying projects. Expenditures of \$2,804,983 were to assist in building and maintaining County roads.

#### **Water Resource Fund:**

The Water Resource Fund accounts for the acquisition of water resources and the development of water resources for Churchill County. For the fiscal year ending June 30, 2008, the fund balance in the Water Resource Fund was \$1,699,845 compared to \$3,065,405 in the prior year. The revenues of this fund consist of federal payment in lieu of taxes, \$75,000, U.S. Navy easement contribution \$1,050,000, federal and state grants for conservation easement purchases of \$2,080,837 and \$2,943,930 respectively, refuge revenue sharing of \$33,930, water right dedication fees of \$115,905, interest income of \$200,050, geothermal rents and royalties of \$555,478 and miscellaneous revenues of \$22,397. Expenses of \$201,511 were to assist in water resource management. In addition, capital outlay purchase of land and water rights in the amount of \$6,100,767. Other financing sources and uses included the transfer of \$443,217 to debt service to defease debt related to the purchase of water rights and a transfer of \$1,275,000 for waste water plant development.

#### **Proprietary Funds**

The enterprise funds of Churchill County reflect total assets and liabilities of \$85,145,877 and \$9,381,696 respectively. This resulted in a total net asset balance of \$75,764,181. Unrestricted net assets totaled \$17,748,647. Restricted net assets totaled \$58,015,534.

#### **Major Proprietary Funds**

CC Communications: Telephone Fund reflects total assets and liabilities of \$32,779,901 and \$3,942,196 respectively, resulting in total net assets of \$28,837,705. The increase of total net assets is \$399,131 or 1.4% for the 2007/2008 fiscal year.

CC Communications: Wireless Fund reflects total assets and liabilities of \$16,007,812 and \$22,038 respectively, resulting in total net assets of \$15,985,774. The total net assets increased from 2006/2007 to 2007/2008 by \$2,970,154 or 22.4 %.

Waste Water Enterprise Fund reflects total assets and liabilities of \$21,193,737 and \$2,916,337 respectively, resulting in total net assets of \$18,277,400. 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 state of the art waste water treatment plant with federal and state grant funding. The plant was placed into operation in fiscal year 2006/2007. During 2008, the Moody Lane Waste Water Plant construction in progress was \$12,847,308.

Utility Enterprise Fund reflects total assets and liabilities of \$11,256,671 and \$2,501,125 respectively, resulting in total net assets of \$8,755,546. 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 \$14,792,345 and \$14,786,345 for the final budget. The decrease in the budgeted amount was a reduction in the projected amount from property sales proceeds. Actual revenues were \$15,076,872 or 1.96% greater than final budgeted total revenues in the General Fund. Functions represent the legal level of budgetary control. Final budget

appropriations for the General Fund expenditures totaled \$17,067,781, which is \$74,699 less or 0.4% less than the original budget of \$17,142,480. Actual expenditures were \$16,040,034, which was less than the original budget and 6.1% less than final budgeted expenditures. The expenditure budget was augmented to allow for additional appropriations for projects, services and supplies approved by the Board of County Commissioners during the year based on greater than anticipated revenue resources, grants and opening fund balances. Budget augmentations were prepared in accordance with the provisions of Nevada Revised Statutes Chapter 354 the Local Government Budget and Finance Act.

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

<b>EXPENDITURE BUDGET BY FUNCTION</b>	<b>ORIGINAL</b>	<b>BUDGET FINAL</b>	<b>CHANGE</b>
General Government	\$ 5,676,433	\$ 5,614,012	\$ 62,421
Judicial	2,954,578	2,913,638	40,940
Public Safety	7,198,479	7,258,266	(59,787)
Health	195,224	193,024	2,200
Sanitation	89,037	89,037	-
Culture and Recreation	340,464	348,796	(8,332)
Community Support	169,500	169,500	-
Intergovernmental	518,765	481,508	37,257
Debt Service	-	-	-
<b>Total Expenditures</b>	<b>\$ 17,142,480</b>	<b>\$ 17,067,781</b>	<b>\$ 74,699</b>

#### Capital Assets and Long-Term Debt Activity

At June 30, 2008, Churchill County had a net capital asset investment of \$55,347,213 in governmental activities and \$63,887,214 in business-type activities. This represents increases of 15.0% and 23.4%, respectively, when compared to the prior year. This amount includes investment in land, water rights, buildings, improvements other than buildings, equipment and motor vehicles, and infrastructure.

Major capital investment activities for fiscal year 2007-2008 in the governmental activities include:

- Building Improvements at the Cemetery and improvements the County Fairgrounds.
- Purchase of land, water rights and conservation easements to support the future County Water System.
- Land and Improvements located at 491 Sheckler Cutoff, 2525 Beasley Drive, 107 N. Carson Street and 120 N. LaVerne Street.
- Infrastructure improvements related to Road Department projects as approved in the County Five Year Road Plan. Museum parking lot paving
- Donated roads from developers into the county system.
- Purchase of Road Equipment within the Road Equipment Replacement Plan.
- County Courthouse 1<sup>st</sup> Floor Remodel.
- Enhancements to the Sheriff's Department's dispatch system.
- Replacement of four Sheriff's Department Vehicles.
- Purchase of two brush trucks for the Volunteer Fire Department

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

	Governmental Activities	
	2008	2007
Land	\$ 14,935,122	\$ 8,860,355
Water rights	6,432,123	6,318,757
Buildings and improvements	8,533,633	8,213,685
Land improvements	432,270	481,615
Equipment and motor vehicles	4,151,024	3,909,275
Infrastructure	20,863,041	20,352,732
Net Governmental Activities Capital Assets	<u>\$ 55,347,213</u>	<u>\$ 48,136,419</u>
	Business-Type Activities	
	2008	2007
Real estate and easements	\$ 540,699	\$ 540,699
Construction in progress	15,027,516	11,420,261
Buildings and improvements	2,750,253	2,940,708
Central office switching	508,608	1,622,367
Outside plant	18,628,196	18,256,274
Furniture and fixtures	-	1,457
Computer equipment	717,614	1,157,375
Other communication equipment	-	-
Vehicles and work equipment	10,024	15,427
Leasehold equipment	585,959	637,347
Other equipment	1,229,734	1,287,317
Cell sites	6,004,430	5,340,331
Transport facilities	1,623,410	1,473,690
Waste Water infrastructure	6,210,917	6,808,731
Water infrastructure	10,049,854	282,936
Net Business-Type Activities Capital Assets	<u>\$ 63,887,214</u>	<u>\$ 51,784,920</u>
Net Governmental Activities Capital Assets	\$ 55,347,213	\$ 48,136,419
Net Business-Type Activities Capital Assets	63,887,214	51,784,920
Total Net Capital Assets	<u>\$ 119,234,427</u>	<u>\$ 99,921,339</u>

Long-term debt outstanding at June 30, 2008 totaled \$2,239,616 for governmental activities, a decrease of \$333,395 when compared to the prior year. The decrease is due to the current year principal payments. The business-type debt is \$5,871,679 or \$939,917 less than last year. The decrease is the result of current year principal payments. The total outstanding debt and compensated absences were \$9,608,938. The County's debt limit is \$102,979,414. 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	
	2008	2007	2008	2007	2008	2007
Capital leases payable	\$ -	\$ -	\$ 1,386,419	\$ 1,450,196	\$ 1,386,419	\$ 1,450,196
Revenue bonds	2,163,207	2,475,986	4,485,261	4,544,377	6,648,468	7,020,363
Compensated absences	874,168	832,320	623,474	602,180	1,497,642	1,434,500
Notes/Contract payable	76,409	97,025		817,025	76,409	914,050
Total	<u>\$ 3,113,784</u>	<u>\$ 3,405,331</u>	<u>\$ 6,495,154</u>	<u>\$ 7,413,778</u>	<u>\$ 9,608,938</u>	<u>\$ 10,819,109</u>

**Requests for Information**

This financial report is designed to provide a general overview of the financial activity and condition of Churchill County to all having an interest in Churchill County. Questions concerning any of the information provided in this report or requests for additional financial

information should be addressed to the Churchill County Comptroller's Office, 155 North Taylor Street, Suite 182, Fallon, Nevada 89406 or email at [comptroller@churchillcounty.org](mailto:comptroller@churchillcounty.org).

**CHURCHILL COUNTY, NEVADA**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

	<b>GOVERNMENTAL ACTIVITIES</b>	<b>BUSINESS-TYPE ACTIVITIES</b>	<b>TOTAL</b>
<b>ASSETS</b>			
Current Assets:			
Cash and investments	\$ 22,230,930	\$ 14,092,817	\$ 36,323,747
Receivables:			
Property taxes	210,567	-	210,567
Interest	174,014	39,250	213,264
Other	144,089	4,117,736	4,261,825
Current portion of notes receivable	96,254	-	96,254
Due from other governments	3,303,176	1,166,385	4,469,561
Inventory	-	1,470,024	1,470,024
	26,159,030	20,886,212	47,045,242
Total Current Assets			
Noncurrent Assets:			
Restricted cash	-	60,350	60,350
Other intangibles	-	293,797	293,797
Note receivable, net of current portion	897,324	-	897,324
Capital assets (not being depreciated)	21,367,245	15,568,215	36,935,460
Capital assets (net of accumulated depreciation)	33,979,968	48,318,999	82,298,967
	56,244,537	64,241,361	120,485,898
Total Noncurrent Assets			
	82,403,567	85,127,573	167,531,140
Total Assets			
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	509,120	2,519,158	3,028,278
Accrued liabilities	588,664	299,370	888,034
Accrued interest	13,042	16,945	29,987
Due to other governments	401,984	-	401,984
Current portion of capital leases payable	-	60,520	60,520
Current portion of bonds payable	312,753	48,218	360,971
Current portion of accrued compensated absences	70,670	30,698	101,368
Customer deposits	8,646	32,765	41,411
Unearned revenue	1,092,434	-	1,092,434
	2,997,313	3,007,674	6,004,987
Total Current Liabilities			
Noncurrent Liabilities:			
Capital leases payable, net of current portion	-	1,325,899	1,325,899
Contract payable, net of current portion	76,409	-	76,409
Bonds payable, net of current portion	1,850,454	4,437,043	6,287,497
Accrued compensated absences, net of current portion	803,498	592,776	1,396,274
	2,730,361	6,355,718	9,086,079
Total Noncurrent Liabilities			
	5,727,674	9,363,392	15,091,066
Total Liabilities			
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	53,107,597	58,015,534	111,123,131
Restricted for:			
General government	3,455,429	-	3,455,429
Judicial	54,389	-	54,389
Public safety	1,984,165	-	1,984,165
Public works	2,938,053	-	2,938,053
Health	34,622	-	34,622
Welfare	52,568	-	52,568
Culture and recreation	732,778	-	732,778
Community support	750,946	-	750,946
Unrestricted	13,565,346	17,748,647	31,313,993
	\$ 76,675,893	\$ 75,764,181	\$ 152,440,074
Total Net Assets			

See accompanying notes.

CHURCHILL COUNTY, NEVADA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			NET (EXPENSE) REVENUES AND CHANGES IN NET ASSETS			
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>Governmental Activities:</b>							
General government	\$ 6,215,096	\$ 1,085,982	\$ 551,362	\$ 6,074,767	\$ 1,497,015	\$ -	\$ 1,497,015
Judicial	2,971,738	197,129	-	-	(2,774,609)	-	(2,774,609)
Public safety	7,603,614	404,246	298,795	-	(6,900,573)	-	(6,900,573)
Sanitation	82,121	415	-	-	(81,706)	-	(81,706)
Public works	3,180,901	178,005	-	1,492,491	(1,510,405)	-	(1,510,405)
Health	195,743	38,580	19,881	-	(137,282)	-	(137,282)
Welfare	1,086,643	8,962	682,884	-	(394,797)	-	(394,797)
Culture and recreation	2,117,578	286,047	567,423	-	(1,107,353)	-	(1,107,353)
Community support	960,707	-	-	156,755	(960,707)	-	(960,707)
Interest and fiscal charges	69,876	-	-	-	(69,876)	-	(69,876)
<b>Total Governmental Activities</b>	<b>24,484,017</b>	<b>2,199,366</b>	<b>2,120,345</b>	<b>7,724,013</b>	<b>(12,440,293)</b>	<b>-</b>	<b>(12,440,293)</b>
<b>Business-type Activities:</b>							
Telephone	14,496,600	14,620,235	89,688	-	-	213,323	213,323
Wireless	8,021,572	10,824,637	-	-	-	2,803,065	2,803,065
Long Distance	692,538	1,240,090	-	-	-	547,552	547,552
Broadband	2,683,668	2,123,518	600,000	-	-	39,850	39,850
Waste water	787,079	158,439	-	6,980,718	-	6,352,078	6,352,078
Water	391,487	244,003	-	623,316	-	476,332	476,332
<b>Total Business-type Activities</b>	<b>27,072,944</b>	<b>29,210,922</b>	<b>689,688</b>	<b>7,604,534</b>	<b>-</b>	<b>10,432,200</b>	<b>10,432,200</b>
<b>Total County</b>	<b>\$ 51,556,961</b>	<b>\$ 31,410,288</b>	<b>\$ 2,810,033</b>	<b>\$ 15,328,547</b>	<b>(12,440,293)</b>	<b>10,432,200</b>	<b>(2,008,093)</b>
<b>General Revenues:</b>							
Property taxes					7,309,259		7,309,259
Franchise taxes					171,130		171,130
Gaming licenses					22,451		22,451
Unrestricted intergovernmental revenues:							
Federal in lieu of taxes					1,237,704		1,237,704
CC Communications in lieu of taxes					1,937,269		1,937,269
AB 104 fairshare					1,093,539		1,093,539
Consolidated intergovernmental taxes					6,016,895		6,016,895
Fuel taxes					1,025,893		1,025,893
Optional county sales tax					1,413,203		1,413,203
Delinquent tax penalties					140,273		140,273
Interest income					996,366	414,903	1,411,269
Gain on sale of assets					(250,365)	-	(250,365)
Tap fees					2,499,010	3,318,971	3,318,971
Miscellaneous revenues					(2,750,000)	42,460	2,541,470
Transfers						2,750,000	
<b>Total General Revenues and Transfers</b>					<b>20,862,627</b>	<b>6,526,334</b>	<b>27,388,961</b>
<b>Change in Net Assets</b>					<b>8,422,334</b>	<b>16,958,534</b>	<b>25,380,868</b>
<b>NET ASSETS, July 1</b>					<b>68,253,559</b>	<b>58,805,647</b>	<b>127,059,206</b>
<b>NET ASSETS, June 30</b>					<b>\$ 76,675,893</b>	<b>\$ 75,764,181</b>	<b>\$ 152,440,074</b>

See accompanying notes.

CHURCHILL COUNTY, NEVADA  
 GOVERNMENTAL FUNDS  
 BALANCE SHEET  
 JUNE 30, 2008

	GENERAL FUND	ROAD FUND	WATER RESOURCE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>					
Cash and investments	\$ 3,008,448	\$ 1,702,792	\$ 538,454	\$ 16,981,236	\$ 22,230,930
Receivables:					
Property taxes	145,031	-	-	65,536	210,567
Interest	4,140	2,834	141,210	25,830	174,014
Other	65,702	40,054	-	38,333	144,089
Notes	-	-	792,750	200,828	993,578
Due from other funds	11,667	369,146	25,000	65,640	471,453
Due from other governments	1,742,900	396,127	216,764	947,385	3,303,176
	<u>\$ 4,977,888</u>	<u>\$ 2,510,953</u>	<u>\$ 1,714,178</u>	<u>\$ 18,324,788</u>	<u>\$ 27,527,807</u>
Total Assets					
	\$ 4,977,888	\$ 2,510,953	\$ 1,714,178	\$ 18,324,788	\$ 27,527,807
<b>LIABILITIES</b>					
Accounts payable	\$ 222,494	\$ 116,927	\$ 9,345	\$ 160,354	\$ 509,120
Accrued liabilities	476,350	42,764	4,988	64,562	588,664
Due to other funds	-	65,640	-	405,813	471,453
Due to other governments	112,074	1,172	-	288,738	401,984
Customer deposits	3,285	1,933	-	3,428	8,646
Deferred revenue	1,127,194	-	-	66,232	1,193,426
	<u>1,941,397</u>	<u>228,436</u>	<u>14,333</u>	<u>989,127</u>	<u>3,173,293</u>
Total Liabilities					
	1,941,397	228,436	14,333	989,127	3,173,293
<b>FUND BALANCES</b>					
Reserved for:					
Notes receivable	-	-	792,750	200,828	993,578
Revenue shortfalls	-	-	-	1,447,454	1,447,454
Unreserved reported in:					
General fund	3,036,491	-	-	-	3,036,491
Special revenue funds	-	2,282,517	907,095	10,662,225	13,851,837
Debt service fund	-	-	-	768,562	768,562
Capital projects funds	-	-	-	4,256,592	4,256,592
	<u>3,036,491</u>	<u>2,282,517</u>	<u>1,699,845</u>	<u>17,335,661</u>	<u>24,354,514</u>
Total Fund Balances					
	\$ 3,036,491	\$ 2,282,517	\$ 1,699,845	\$ 17,335,661	\$ 24,354,514
Total Liabilities and Fund Balances					
	<u>\$ 4,977,888</u>	<u>\$ 2,510,953</u>	<u>\$ 1,714,178</u>	<u>\$ 18,324,788</u>	<u>\$ 27,527,807</u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2008**

<b>Total Fund Balances - Governmental Funds</b>	<b>\$ 24,354,514</b>
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets, net of the related depreciation, used in governmental activities are not financial resources and therefore are not reported in the governmental funds:	
Capital assets	91,791,698
Less: Accumulated depreciation	(36,444,485)
Certain liabilities are not reported in the governmental funds because they are not due and payable in the current period:	
Contract payable	(76,409)
Bonds payable	(2,163,207)
Compensated absences	(874,168)
Accrued interest	(13,042)
Some of the County's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	<u>100,992</u>
<b>Total Net Assets - Governmental Activities</b>	<b><u>\$ 76,675,893</u></b>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	GENERAL FUND	ROAD FUND	WATER RESOURCE FUND	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES</b>					
Taxes	\$ 4,335,438	\$ 300	-	\$ 2,963,209	\$ 7,298,947
Licenses and permits	596,322	-	-	82,200	678,522
Intergovernmental	8,309,845	1,025,893	5,133,697	3,701,468	18,170,903
Charges for services	606,733	-	115,905	334,942	1,057,580
Fines and forfeits	427,578	-	-	-	427,578
Miscellaneous	800,956	956,599	1,827,925	1,496,225	5,081,705
Total Revenues	<u>15,076,872</u>	<u>1,982,792</u>	<u>7,077,527</u>	<u>8,578,044</u>	<u>32,715,235</u>
<b>EXPENDITURES</b>					
Current:					
General government	5,200,462	-	6,302,890	833,928	12,337,280
Judicial	2,813,485	-	-	96,123	2,909,608
Public safety	6,845,837	-	-	9,609	6,855,446
Sanitation	82,121	-	-	-	82,121
Public works	-	2,804,983	-	62,066	2,867,049
Health	184,804	-	-	563	185,367
Welfare	323,812	-	-	1,080,457	1,080,457
Culture and recreation	160,987	-	-	2,366,669	2,690,481
Community support	428,526	-	-	797,891	958,878
Intergovernmental	-	-	-	244,425	672,951
Debt service:					
Principal	-	-	-	333,369	333,369
Interest	-	-	-	96,879	96,879
Total Expenditures	<u>16,040,034</u>	<u>2,804,983</u>	<u>6,302,890</u>	<u>5,921,979</u>	<u>31,069,886</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(963,162)</u>	<u>(822,191)</u>	<u>774,637</u>	<u>2,656,065</u>	<u>1,645,349</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in lieu of taxes:					
CC Communications - Telephone Fund	1,687,269	-	-	250,000	1,937,269
Sale of capital and other assets	-	954,884	53,020	-	53,020
Transfers in	(410,000)	-	(2,193,217)	1,038,217	1,993,101
Transfers out	-	-	-	(2,139,884)	(4,743,101)
Total Other Financing Sources (Uses)	<u>1,277,269</u>	<u>954,884</u>	<u>(2,140,197)</u>	<u>(851,667)</u>	<u>(759,711)</u>
Net Change in Fund Balances	314,107	132,693	(1,365,560)	1,804,398	885,638
<b>FUND BALANCE, July 1</b>	<u>2,722,384</u>	<u>2,149,824</u>	<u>3,065,405</u>	<u>15,531,263</u>	<u>23,468,876</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 3,036,491</u>	<u>\$ 2,282,517</u>	<u>\$ 1,699,845</u>	<u>\$ 17,335,661</u>	<u>\$ 24,354,514</u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2008**

**Net Change in Fund Balances - Governmental Funds** **\$ 885,638**

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

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

Expenditures for capital assets	6,951,121
Less: Current year depreciation	(2,092,799)

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

Donated capital assets	2,655,857
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In the statement of activities, the gain on the disposal of capital assets is reported. In the governmental funds, the gain is not reported. Thus, the change in net assets differs from the change in fund balances by the cost of the assets sold less the balance in accumulated depreciation. (303,385)

The liability for compensated absences is not recorded in the governmental funds, but it is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities. (41,848)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due and thus require current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues regardless of when it is due. 26,975

Some of the County's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. Deferred property tax revenues increased this year. 7,380

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

Principal payments	333,395
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**Change in Net Assets - Governmental Activities** **\$ 8,422,334**

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(Page 1 of 6)

	<u>BUDGET</u>		<u>ACTUAL</u>	<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>ORIGINAL TO FINAL</u>	<u>FINAL TO ACTUAL</u>
<b>REVENUES</b>					
Property taxes:					
Ad valorem taxes	\$ 3,973,332	\$3,973,332	\$4,335,438	\$ -	\$ 362,106
Licenses and permits:					
Business licenses	46,395	46,395	54,040	-	7,645
Liquor licenses	5,875	5,875	4,302	-	(1,573)
Local gaming licenses	43,750	43,750	40,432	-	(3,318)
Marriage licenses	4,200	4,200	5,097	-	897
Other permits	46,000	28,125	20,705	(17,875)	(7,420)
Building permits	325,000	325,000	223,296	-	(101,704)
Mobile home permits	300	300	115	-	(185)
Fictitious name/notary bonds	7,500	7,500	8,070	-	570
Passport fees	8,275	8,275	10,185	-	1,910
Drug court fee	4,000	4,000	5,159	-	1,159
Septic fees	21,500	21,500	8,300	-	(13,200)
Inspection fees	-	-	18,347	-	18,347
Manufactured home permits	21,650	21,650	12,600	-	(9,050)
Other license/permits fees	30,225	48,100	14,544	17,875	(33,556)
Franchise fees	152,000	152,000	171,130	-	19,130
	<u>716,670</u>	<u>716,670</u>	<u>596,322</u>	<u>-</u>	<u>(120,348)</u>
Intergovernmental:					
Federal in lieu of taxes	550,000	550,000	661,704	-	111,704
State gaming license	27,650	27,650	22,451	-	(5,199)
Bi-county reimbursements	-	-	36,291	-	36,291
Private car tax	-	-	2,182	-	2,182
AB104 fairshare	1,329,199	1,329,199	1,093,539	-	(235,660)
Consolidated intergovernmental taxes	6,270,000	6,270,000	5,594,895	-	(675,105)
Jail reimbursements, City of Fallon	40,000	40,000	28,354	-	(11,646)
Task force reimbursement	10,000	10,000	3,591	-	(6,409)
Grants-in-aid:					
Federal grants:					
Title IV-D	325,750	325,750	315,342	-	(10,408)
Title IV-D incentive	25,000	25,000	-	-	(25,000)
Wilderness program	-	-	3,028	-	3,028
Planning assistance	325,000	325,000	235,820	-	(89,180)
FEMA - emergency management	-	-	6,748	-	6,748
Title V mentor link	-	-	2,500	-	2,500
State criminal assistance program (SCAAP)	-	-	11,039	-	11,039
OJJDP - CCBC - rafts	-	-	28,805	-	28,805
OJJDP intensive supervision	-	-	4,800	-	4,800
Homeland security	-	-	89,575	-	89,575
SERC - Operations	-	-	952	-	952
SERC - Training	-	-	999	-	999
SERC - Equipment	-	-	59,113	-	59,113
HMEP - training	-	-	4,950	-	4,950
Nevada works summer employment	-	-	47,885	-	47,885
State grants:					
Homeland security - County	-	-	236	-	236
Homeland security - City	-	-	6,203	-	6,203
JPO family management	-	-	11,095	-	11,095
Coalition - tobacco prevention	-	-	5,181	-	5,181
Coalition - meth education	-	-	12,500	-	12,500
Rafts	-	-	20,067	-	20,067
	<u>8,902,599</u>	<u>8,902,599</u>	<u>8,309,845</u>	<u>-</u>	<u>(592,754)</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
 (Page 2 of 6)

	BUDGET			VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	ORIGINAL TO FINAL	FINAL TO ACTUAL
<b>Charges for services:</b>					
<b>Administrative assessments:</b>					
Juvenile probation	\$ 9,650	\$ 9,650	\$ 7,850	\$ -	\$ (1,800)
Justice court	35,175	35,175	27,457	-	(7,718)
Municipal court	2,050	2,050	1,476	-	(574)
Juvenile court	175	175	1,040	-	865
District court	400	400	250	-	(150)
Assessor's property tax commissions	179,655	179,655	160,119	-	(19,536)
Assessor's department fee	2,000	2,000	-	-	(2,000)
Candidate filing fees	-	-	600	-	600
Justice court filing fees	61,750	61,750	79,756	-	18,006
Justice court forensic fees	6,775	6,775	6,151	-	(624)
Court clerk miscellaneous	14,275	14,275	28,740	-	14,465
County court fees	22,650	22,650	22,632	-	(18)
Recorder RPTT collection fees	4,180	4,180	2,807	-	(1,373)
Recorder's fees	192,500	192,500	117,947	-	(74,553)
Public defender fees	12,000	12,000	12,637	-	637
Return check fees	-	-	80	-	80
Crime lab fees	800	800	669	-	(131)
Sheriff's fees	32,500	32,500	45,516	-	13,016
Sheriff's fees, fingerprint	2,675	2,675	2,525	-	(150)
Sheriff's fees, concealed weapon	4,200	4,200	7,685	-	3,485
Sheriff's fees, intermittent	2,100	2,100	3,055	-	955
CC Communications retainer	12,000	12,000	15,060	-	3,060
BLM service fee	-	-	10,000	-	10,000
Planning commission appeal fee	-	-	100	-	100
Child support withheld fee	1,600	1,600	-	-	(1,600)
Cemetery fees	47,500	47,500	38,580	-	(8,920)
Forensic fees - task force	-	-	800	-	800
DMV - spay and neuter fee	-	-	415	-	415
Inmate phone revenue	-	-	635	-	635
<b>Mining map fees:</b>					
Map fees - mining claims	3,000	3,000	12,027	-	9,027
Land plot maps - copies	200	200	124	-	(76)
	<u>649,810</u>	<u>649,810</u>	<u>606,733</u>	<u>-</u>	<u>(43,077)</u>
<b>Fines and forfeits:</b>					
Forfeited bail	183,706	183,706	216,933	-	33,227
Fines	81,275	81,275	66,032	-	(15,243)
Justice court bond forfeiture	2,000	2,000	4,340	-	2,340
Delinquent tax penalties	120,345	120,345	140,273	-	19,928
	<u>387,326</u>	<u>387,326</u>	<u>427,578</u>	<u>-</u>	<u>40,252</u>
<b>Miscellaneous:</b>					
Interest	85,000	85,000	55,355	-	(29,645)
Property sales, other	6,000	-	-	(6,000)	-
Miscellaneous sales	2,000	2,000	5,814	-	3,814
Oil and gas leases	3,033	3,033	-	-	(3,033)
Mine proceeds tax commissions	-	-	19,589	-	19,589
Senior citizen processing fees	-	-	832	-	832
Data processing	3,200	3,200	6,600	-	3,400
Buildings lease revenue	11,000	11,000	8,971	-	(2,029)
Justice court payment setup fee	1,000	1,000	9,586	-	8,586
Justice court collection fee	3,000	3,000	12,380	-	9,380
Juvenile transport reimbursements	6,500	6,500	2,452	-	(4,048)
Juvenile child care reimbursements	6,000	6,000	3,817	-	(2,183)
Juvenile substance abuse reimbursements	2,000	2,000	1,198	-	(802)
Juvenile instructional supervision reimbursements	1,000	1,000	1,706	-	706
Juvenile miscellaneous reimbursements	125	125	-	-	(125)
CWSD reimbursements	30,000	30,000	-	-	(30,000)
Mathew Homes Hazen project	-	-	7,275	-	7,275
Planning administrative fee/fine	750	-	-	(750)	-
Geothermal rents/royalties	-	-	555,478	-	555,478
Enel sales tax payments	-	-	87,930	-	87,930
Other miscellaneous	2,000	2,750	21,973	750	19,223
	<u>162,608</u>	<u>156,608</u>	<u>800,956</u>	<u>(6,000)</u>	<u>644,348</u>
<b>Total Revenues</b>	<u>14,792,345</u>	<u>14,786,345</u>	<u>15,076,872</u>	<u>(6,000)</u>	<u>290,527</u>

**CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(Page 3 of 6)**

EXPENDITURES	BUDGET		ACTUAL	VARIANCE WITH	
	ORIGINAL	FINAL		ORIGINAL TO FINAL	FINAL ACTUAL
General government:					
Commissioners:					
Salaries	\$ 81,789	\$ 87,285	\$ 84,095	\$ (5,496)	\$ 3,190
Benefits	43,507	44,257	43,536	(750)	721
Services and supplies	13,200	19,200	14,566	(6,000)	4,634
	<u>138,496</u>	<u>150,742</u>	<u>142,197</u>	<u>(12,246)</u>	<u>8,545</u>
Clerk/treasurer:					
Salaries	364,273	355,573	349,243	8,700	6,330
Benefits	172,951	165,951	149,880	7,000	16,071
Services and supplies	44,950	44,050	31,855	900	12,195
Capital outlay	-	1,000	1,000	(1,000)	-
	<u>582,174</u>	<u>566,574</u>	<u>531,978</u>	<u>15,600</u>	<u>34,596</u>
Recorder:					
Salaries	188,603	181,978	160,210	6,625	21,768
Benefits	76,168	73,201	66,531	2,967	6,670
Services and supplies	16,304	23,354	19,852	(7,050)	3,502
Capital outlay	20,000	-	-	20,000	-
	<u>301,075</u>	<u>278,533</u>	<u>246,593</u>	<u>22,542</u>	<u>31,940</u>
Records and microfilming:					
Services and supplies	29,500	29,500	16,339	-	13,161
Assessor:					
Salaries	431,674	431,674	395,841	-	35,833
Benefits	184,245	177,245	154,957	7,000	22,288
Services and supplies	105,630	78,880	58,774	26,750	20,106
	<u>721,549</u>	<u>687,799</u>	<u>609,572</u>	<u>33,750</u>	<u>78,227</u>
County manager:					
Salaries	177,183	164,125	160,873	13,058	3,252
Benefits	66,204	52,626	49,313	13,578	3,313
Services and supplies	11,250	11,650	11,390	(400)	260
	<u>254,637</u>	<u>228,401</u>	<u>221,576</u>	<u>26,236</u>	<u>6,825</u>
Buildings and grounds:					
Salaries	251,890	272,282	245,026	(20,392)	27,256
Benefits	113,220	111,624	105,023	1,596	6,601
Services and supplies	362,785	406,810	391,294	(44,025)	15,516
Capital outlay	-	4,607	4,607	(4,607)	-
	<u>727,895</u>	<u>795,323</u>	<u>745,950</u>	<u>(67,428)</u>	<u>49,373</u>
Elections:					
Salaries	-	-	33	-	(33)
Services and supplies	21,550	19,550	6,088	2,000	13,462
	<u>21,550</u>	<u>19,550</u>	<u>6,121</u>	<u>2,000</u>	<u>13,429</u>
Personnel operations:					
Salaries	88,375	83,500	82,275	4,875	1,225
Benefits	29,984	28,243	26,243	1,741	2,000
Services and supplies	11,550	8,445	6,537	3,105	1,908
	<u>129,909</u>	<u>120,188</u>	<u>115,055</u>	<u>9,721</u>	<u>5,133</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
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	BUDGET			VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	ORIGINAL TO FINAL	FINAL TO ACTUAL
Personnel - staff development:					
Services and supplies	\$ 4,000	\$ 4,000	\$ 1,761	\$ -	\$ 2,239
Personnel - benefit services:					
Services and supplies	19,750	19,750	15,171	-	4,579
Comptroller:					
Salaries	299,889	311,576	298,198	(11,687)	13,378
Benefits	117,011	115,162	106,044	1,849	9,118
Services and supplies	21,775	15,925	14,016	5,850	1,909
	438,675	442,663	418,258	(3,988)	24,405
Data processing:					
Services and supplies	129,900	144,900	137,303	(15,000)	7,597
Capital outlay	75,000	110,000	106,931	(35,000)	3,069
	204,900	254,900	244,234	(50,000)	10,666
General government other:					
Services and supplies	859,200	959,200	924,569	(100,000)	34,631
Capital outlay	-	-	6,627	-	(6,627)
	859,200	959,200	931,196	(100,000)	28,004
Building inspection:					
Salaries	130,786	151,394	149,300	(20,608)	2,094
Benefits	60,494	62,963	58,582	(2,469)	4,381
Services and supplies	16,200	9,600	8,113	6,600	1,487
	207,480	223,957	215,995	(16,477)	7,962
Yucca Mountain:					
Services and supplies	316,800	316,800	236,061	-	80,739
Contingency:					
Services and supplies	205,000	-	-	205,000	-
Planning department:					
Salaries	334,184	340,384	334,444	(6,200)	5,940
Benefits	133,038	127,814	122,689	5,224	5,125
Services and supplies	37,421	47,934	45,272	(10,513)	2,662
Capital outlay	9,200	-	-	9,200	-
	513,843	516,132	502,405	(2,289)	13,727
Total General Government	5,676,433	5,614,012	5,200,462	62,421	413,550
Judicial:					
District court:					
Salaries	112,564	118,064	115,222	(5,500)	2,842
Benefits	45,486	45,486	40,766	-	4,720
Services and supplies	439,499	458,999	453,112	(19,500)	5,887
Capital outlay	9,500	-	-	9,500	-
	607,049	622,549	609,100	(15,500)	13,449
Justice court:					
Salaries	327,612	317,912	313,562	9,700	4,350
Benefits	116,844	118,544	115,420	(1,700)	3,124
Services and supplies	134,200	118,200	102,247	16,000	15,953
Capital outlay	-	5,835	5,835	(5,835)	-
	578,656	560,491	537,064	18,165	23,427
District attorney:					
Salaries	1,084,089	1,076,197	1,057,371	7,892	18,826
Benefits	437,186	420,105	385,962	17,081	34,143
Services and supplies	237,598	227,296	223,988	10,302	3,308
Capital outlay	10,000	7,000	-	3,000	7,000
	1,768,873	1,730,598	1,667,321	38,275	63,277
Total Judicial	2,954,578	2,913,638	2,813,485	40,940	100,153

**CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(Page 5 of 6)**

	<u>BUDGET</u>			<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ORIGINAL TO FINAL</u>	<u>FINAL TO ACTUAL</u>
Public safety:					
Sheriff:					
Salaries	\$ 2,975,700	\$ 2,926,425	\$ 2,821,494	\$ 49,275	\$ 104,931
Benefits	1,569,108	1,508,996	1,411,194	60,112	97,802
Services and supplies	631,350	644,963	561,274	(13,613)	83,689
Capital outlay	260,000	396,000	371,940	(136,000)	24,060
	<u>5,436,158</u>	<u>5,476,384</u>	<u>5,165,902</u>	<u>(40,226)</u>	<u>310,482</u>
Fire protection:					
Salaries	100,595	100,595	78,274	-	22,321
Benefits	144,175	149,175	146,542	(5,000)	2,633
Services and supplies	228,551	228,551	220,801	-	7,750
Capital outlay	50,000	50,000	6,111	-	43,889
	<u>523,321</u>	<u>528,321</u>	<u>451,728</u>	<u>(5,000)</u>	<u>76,593</u>
Emergency management:					
Services and supplies	18,000	18,000	89,320	-	(71,320)
Juvenile probation:					
Salaries	705,381	629,430	609,417	75,951	20,013
Benefits	317,994	305,994	244,819	12,000	61,175
Services and supplies	170,125	272,637	261,243	(102,512)	11,394
Capital outlay	27,500	27,500	23,408	-	4,092
	<u>1,221,000</u>	<u>1,235,561</u>	<u>1,138,887</u>	<u>(14,561)</u>	<u>96,674</u>
Total Public Safety	<u>7,198,479</u>	<u>7,258,266</u>	<u>6,845,837</u>	<u>(59,787)</u>	<u>412,429</u>
Sanitation:					
Animal control and garbage disposal:					
Services and supplies	89,037	89,037	82,121	-	6,916
Health:					
City/County health:					
Services and supplies	3,000	3,000	983	-	2,017
Cemetery:					
Salaries	95,853	95,853	92,349	-	3,504
Benefits	39,471	36,971	34,291	2,500	2,680
Services and supplies	56,900	57,200	57,181	(300)	19
	<u>192,224</u>	<u>190,024</u>	<u>183,821</u>	<u>2,200</u>	<u>6,203</u>
Total Health	<u>195,224</u>	<u>193,024</u>	<u>184,804</u>	<u>2,200</u>	<u>8,220</u>
Culture and recreation:					
Museum:					
Salaries	239,454	248,575	228,975	(9,121)	19,600
Benefits	61,985	62,546	57,706	(561)	4,840
Services and supplies	39,025	37,675	37,131	1,350	544
Total Culture and Recreation	<u>340,464</u>	<u>348,796</u>	<u>323,812</u>	<u>(8,332)</u>	<u>24,984</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(Page 6 of 6)

	BUDGET			VARIANCE WITH	
	ORIGINAL	FINAL	ACTUAL	ORIGINAL TO FINAL	FINAL TO ACTUAL
Community support:					
Services and supplies	\$ 169,500	\$ 169,500	\$ 160,987	\$ -	\$ 8,513
Intergovernmental:					
Services and supplies	518,765	481,508	428,526	37,257	52,982
Total Expenditures	17,142,480	17,067,781	16,040,034	74,699	1,027,747
Deficiency of Revenues Under Expenditures	(2,350,135)	(2,281,436)	(963,162)	68,699	1,318,274
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in lieu of taxes:					
CC Communications - Telephone Fund	1,687,369	1,687,369	1,687,269	-	(100)
Contingency	-	(74,699)	-	(74,699)	74,699
Sale of capital and other assets	-	6,000	-	6,000	(6,000)
Transfers out:					
Recreation Donation Fund	-	-	(30,000)	-	(30,000)
Library Gift Fund	-	(30,000)	(30,000)	(30,000)	-
Law Library Fund	(30,000)	-	(25,000)	30,000	(25,000)
Risk Management Fund	-	-	(50,000)	-	(50,000)
Compensated Absences Fund	-	-	(250,000)	-	(250,000)
Unemployment Compensation Fund	-	-	(25,000)	-	(25,000)
Total Other Financing Sources (Uses)	1,657,369	1,588,670	1,277,269	(68,699)	(311,401)
Net Change in Fund Balances	(692,766)	(692,766)	314,107	-	1,006,873
<b>FUND BALANCE, July 1</b>	2,394,175	2,394,175	2,722,384	-	328,209
<b>FUND BALANCE, June 30</b>	\$ 1,701,409	\$ 1,701,409	\$ 3,036,491	\$ -	\$ 1,335,082

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - ROAD FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGET</u>			<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ORIGINAL TO FINAL</u>	<u>FINAL TO ACTUAL</u>
<b>REVENUES</b>					
Licenses and permits:					
Licenses and permits	\$ 2,500	\$ 2,500	\$ 300	\$ -	\$ (2,200)
Intergovernmental:					
Motor vehicle fuel tax (\$.0125)	345,576	345,576	345,581	-	5
Motor vehicle fuel tax (\$.0175)	120,365	120,365	109,992	-	(10,373)
Motor vehicle fuel tax (\$.0360)	568,775	568,775	570,320	-	1,545
	<u>1,034,716</u>	<u>1,034,716</u>	<u>1,025,893</u>	<u>-</u>	<u>(8,823)</u>
Miscellaneous:					
Interest	43,750	43,750	79,981	-	36,231
Miscellaneous	-	-	61,225	-	61,225
Other sales	30,000	-	-	(30,000)	-
Inspection fees	-	-	3,075	-	3,075
Meter fees	-	-	3,000	-	3,000
Geothermal rents and royalties	-	-	555,478	-	555,478
Water construction	-	-	6,375	-	6,375
Equipment rental	-	-	1,878	-	1,878
Fuel reimbursements	212,750	212,750	245,587	-	32,837
	<u>286,500</u>	<u>256,500</u>	<u>956,599</u>	<u>(30,000)</u>	<u>700,099</u>
Total Revenues:	<u>1,323,716</u>	<u>1,293,716</u>	<u>1,982,792</u>	<u>(30,000)</u>	<u>689,076</u>
<b>EXPENDITURES</b>					
Public works:					
Highways and streets:					
Salaries	765,976	793,173	763,736	(27,197)	29,437
Benefits	332,887	323,124	288,952	9,763	34,172
Services and supplies	1,814,975	1,847,541	1,382,952	(32,566)	464,589
Capital outlay	426,500	376,500	369,343	50,000	7,157
Total Expenditures	<u>3,340,338</u>	<u>3,340,338</u>	<u>2,804,983</u>	<u>-</u>	<u>535,355</u>
Deficiency of Revenues Under Expenditures	<u>(2,016,622)</u>	<u>(2,046,622)</u>	<u>(822,191)</u>	<u>(30,000)</u>	<u>1,224,431</u>
<b>OTHER FINANCING SOURCES</b>					
Transfers in:					
Regional Street and Highway Fund	600,000	600,000	455,749	-	(144,251)
Public Transit Fund	500,000	500,000	499,135	-	(865)
Sale of capital and other assets	-	30,000	-	30,000	(30,000)
Total Other Financing Sources	<u>1,100,000</u>	<u>1,130,000</u>	<u>954,884</u>	<u>30,000</u>	<u>(175,116)</u>
Net Change in Fund Balances	<u>(916,622)</u>	<u>(916,622)</u>	<u>132,693</u>	<u>-</u>	<u>1,049,315</u>
<b>FUND BALANCE, July 1</b>	<u>1,793,706</u>	<u>1,793,706</u>	<u>2,149,824</u>	<u>-</u>	<u>356,118</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 877,084</u>	<u>\$ 877,084</u>	<u>\$2,282,517</u>	<u>\$ -</u>	<u>\$ 1,405,433</u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	<u>BUDGET</u>			<u>VARIANCE WITH</u>	
	<u>ORIGINAL</u>	<u>FINAL</u>	<u>ACTUAL</u>	<u>ORIGINAL TO FINAL</u>	<u>FINAL TO ACTUAL</u>
<b>REVENUES</b>					
Intergovernmental:					
Federal payments in lieu of taxes	\$ 75,000	\$ 75,000	\$ 75,000	\$ -	\$ -
Grants-in-aid					
Federal	-	2,080,837	2,080,837	2,080,837	-
State	-	2,943,930	2,943,930	2,943,930	-
Refuge revenue sharing	-	-	33,930	-	33,930
	<u>75,000</u>	<u>5,099,767</u>	<u>5,133,697</u>	<u>5,024,767</u>	<u>33,930</u>
Charges for services:					
Water rights dedication fees	50,000	50,000	115,905	-	65,905
Miscellaneous:					
Interest	2,500	2,500	200,050	-	197,550
Geothermal rents and royalties	250,000	250,000	555,478	-	305,478
Development contribution conservation easement	-	1,050,000	1,050,000	1,050,000	-
Other miscellaneous	1,000	1,000	22,397	-	21,397
	<u>253,500</u>	<u>1,303,500</u>	<u>1,827,925</u>	<u>1,050,000</u>	<u>524,425</u>
Total Revenues	<u>378,500</u>	<u>6,453,267</u>	<u>7,077,527</u>	<u>6,074,767</u>	<u>624,260</u>
<b>EXPENDITURES</b>					
General government					
Salaries	89,443	93,443	92,879	(4,000)	564
Benefits	33,068	34,068	28,661	(1,000)	5,407
Services and supplies	5,000	74,000	70,617	(69,000)	3,383
Capital outlay	100,000	6,100,767	6,110,733	(6,000,767)	(9,966)
Total Expenditures	<u>227,511</u>	<u>6,302,278</u>	<u>6,302,890</u>	<u>(6,074,767)</u>	<u>(612)</u>
Excess of Revenues Over Expenditures	<u>150,989</u>	<u>150,989</u>	<u>774,637</u>	<u>-</u>	<u>623,648</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Water right sales	-	-	53,020	-	53,020
Transfers out:					
Debt Service Fund	(443,217)	(443,217)	(443,217)	-	-
Waste Water Enterprise Fund	-	(1,275,000)	(1,750,000)	(1,275,000)	(475,000)
Total Other Financing Sources (Uses)	<u>(443,217)</u>	<u>(1,718,217)</u>	<u>(2,140,197)</u>	<u>(1,275,000)</u>	<u>(421,980)</u>
Net Change in Fund Balances	<u>(292,228)</u>	<u>(1,567,228)</u>	<u>(1,365,560)</u>	<u>(1,275,000)</u>	<u>201,668</u>
FUND BALANCE, July 1	<u>1,331,675</u>	<u>2,606,675</u>	<u>3,065,405</u>	<u>1,275,000</u>	<u>458,730</u>
FUND BALANCE, June 30	<u>\$ 1,039,447</u>	<u>\$ 1,039,447</u>	<u>\$ 1,699,845</u>	<u>\$ -</u>	<u>\$ 660,398</u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF NET ASSETS**  
 JUNE 30, 2008  
 (Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
<b>ASSETS</b>							
Current Assets:							
Cash	\$ 4,020,311	\$ 6,969,119	\$ -	\$ 441,552	\$ 2,661,835	\$ 14,092,817	
Trade accounts receivable, net	1,517,634	-	718,329	300,329	-	2,536,292	
Other accounts receivable, net	548,620	932,323	34,892	65,609	-	1,581,444	
Interest receivable	6,450	10,062	20,063	724	1,951	39,250	
Due from other governments	-	-	1,110,722	55,663	-	1,166,385	
Due from other funds	-	-	814	17,490	-	18,304	
Inventory	1,001,392	312,137	-	-	156,495	1,470,024	
Total Current Assets	<u>7,094,407</u>	<u>8,223,641</u>	<u>1,884,820</u>	<u>881,367</u>	<u>2,820,281</u>	<u>20,904,516</u>	
Noncurrent Assets:							
Restricted cash	-	-	10,451	49,899	-	60,350	
Other intangibles	293,797	-	-	-	-	293,797	
	<u>293,797</u>	<u>-</u>	<u>10,451</u>	<u>49,899</u>	<u>-</u>	<u>354,147</u>	
Capital Assets:							
In service	58,893,375	10,078,819	6,939,697	10,474,202	3,964,409	90,350,502	
Under construction	2,144,288	-	12,847,308	13,802	22,119	15,027,517	
	<u>61,037,663</u>	<u>10,078,819</u>	<u>19,787,005</u>	<u>10,488,004</u>	<u>3,986,528</u>	<u>105,378,019</u>	
Less: Accumulated depreciation	35,645,966	2,294,648	488,539	162,599	2,899,053	41,490,805	
Total Capital Assets	<u>25,391,697</u>	<u>7,784,171</u>	<u>19,298,466</u>	<u>10,325,405</u>	<u>1,087,475</u>	<u>63,887,214</u>	
Total Noncurrent Assets	<u>25,685,494</u>	<u>7,784,171</u>	<u>19,308,917</u>	<u>10,375,304</u>	<u>1,087,475</u>	<u>64,241,361</u>	
Total Assets	<u>32,779,901</u>	<u>16,007,812</u>	<u>21,193,737</u>	<u>11,256,671</u>	<u>3,907,756</u>	<u>85,145,877</u>	
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts payable	1,622,291	-	876,106	20,761	-	2,519,158	
Customer deposits	9,340	20,975	-	2,450	-	32,765	
Accrued interest	1,302	1,063	6,554	8,026	-	16,945	
Other accrued liabilities	299,370	-	-	-	-	299,370	
Due to other funds	-	-	17,490	814	-	18,304	
Bonds payable, current	-	-	21,672	26,546	-	48,218	
Capital lease payable, current	60,520	-	-	-	-	60,520	
Compensated absences, current	30,698	-	-	-	-	30,698	
Total Current Liabilities	<u>2,023,521</u>	<u>22,038</u>	<u>921,822</u>	<u>58,597</u>	<u>-</u>	<u>3,025,978</u>	

CHURCHILL COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2008  
 (Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	OTHER ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	
Noncurrent Liabilities:								
Due in more than one year:								
Bonds payable	\$ -	\$ -	\$ 1,994,515	\$ 2,442,528	\$ -	\$ -	\$ -	\$ 4,437,043
Capital lease payable	1,325,899	-	-	-	-	-	-	1,325,899
Compensated absences	592,776	-	-	-	-	-	-	592,776
Total Noncurrent Liabilities	1,918,675	-	1,994,515	2,442,528	-	-	-	6,355,718
Total Liabilities	3,942,196	22,038	2,916,337	2,501,125	-	-	-	9,381,696
NET ASSETS								
Invested in capital assets, net of related debt	24,005,278	7,784,171	17,282,279	7,856,331	1,087,475	1,087,475	58,015,534	58,015,534
Unrestricted	4,832,427	8,201,603	995,121	899,215	2,820,281	2,820,281	17,748,647	17,748,647
Total Net Assets	\$ 28,837,705	\$ 15,985,774	\$ 18,277,400	\$ 8,755,546	\$ 3,907,756	\$ 3,907,756	\$ 75,764,181	\$ 75,764,181

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS					TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	
<b>OPERATING REVENUES</b>						
Charges for sales and services	\$ 13,160,578	\$ 10,824,637	\$ 158,439	\$ 244,003	\$ 3,363,608	\$ 27,751,265
<b>OPERATING EXPENSES</b>						
Plant specific operations	2,407,392	-	-	-	-	2,407,392
Plant nonspecific operations	1,751,898	-	-	-	-	1,751,898
Customer operations	1,611,345	1,228,459	-	-	711,270	3,551,074
Network operations	2,359,291	3,427,474	-	-	920,807	4,348,281
Corporate operations	-	676,986	-	-	210,587	3,246,864
Access charges	-	-	-	-	952,344	952,344
Equipment sales expenses	-	793,209	-	-	-	793,209
Miscellaneous operating expenses	-	2,869	189,264	239,952	45,533	477,618
Transfers to County in lieu of taxes	1,318,559	-	325,696	-	-	1,318,559
Depreciation and amortization	3,841,200	1,199,830	-	151,535	535,665	6,053,926
Total Operating Expenses	13,289,685	7,328,827	514,960	391,487	3,376,206	24,901,165
Operating Income (Loss)	(129,107)	3,495,810	(356,521)	(147,484)	(12,598)	2,850,100
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Interest income	185,808	167,089	-	20,681	41,325	414,903
Interest expense	(60,605)	(3,057)	-	-	-	(63,662)
Nonregulated income	1,459,657	-	-	-	-	1,459,657
Nonregulated expenses	(456,506)	-	-	-	-	(456,506)
Miscellaneous income	-	-	-	25,000	1,080	26,080
Rental income	-	-	-	-	16,380	16,380
Federal grants	-	-	6,980,718	497,590	-	7,478,308
State grants	-	-	2,399,352	126,226	-	2,525,578
Tap fees	-	-	-	919,619	-	919,619
Loss on write down of goodwill	(18,900)	-	(272,119)	-	-	(291,019)
Loss on disposal of assets	-	-	-	-	-	-
Contributions out	-	-	-	-	-	-
Transfers to County in lieu of taxes	(618,710)	(689,688)	-	-	-	(1,308,398)
Donations to County	(52,194)	-	-	-	-	(52,194)
Total Nonoperating Revenue (Expense)	438,550	(525,656)	9,107,951	1,589,116	58,785	10,668,746
Income Before Capital Contributions	309,443	2,970,154	8,751,430	1,441,632	46,187	13,518,846
Capital Contributions	89,688	-	2,750,000	-	600,000	2,750,000
Transfers In	399,131	2,970,154	11,501,430	1,441,632	646,187	16,958,534
Change in Net Assets	28,438,574	13,015,620	6,775,970	7,313,914	3,261,569	58,805,647
NET ASSETS, July 1	\$ 28,837,705	\$ 15,985,774	\$ 18,277,400	\$ 8,755,546	\$ 3,907,756	\$ 75,764,181
NET ASSETS, June 30						

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**PROPRIETARY FUNDS**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
 (Page 1 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS	ENTERPRISE FUNDS	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash received from customers	\$ 14,862,046	\$ 10,586,082	\$ (571,368)	\$ 160,883	\$ 3,381,068	\$ 28,418,711	
Cash payments to employees	(4,082,651)	(619,597)	-	-	(425,166)	(5,127,414)	
Cash payments for services and supplies	(5,575,773)	(5,115,539)	(509,673)	(588,591)	(2,402,299)	(14,191,875)	
Net Cash Provided (Used) by Operating Activities	5,203,622	4,850,946	(1,081,041)	(427,708)	553,603	9,099,422	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>							
Contributions in	-	(600,000)	-	-	600,000	600,000	
Transfers out	-	(600,000)	-	-	(600,000)	(600,000)	
Net Cash Provided (Used) by Noncapital Financing Activities	-	(600,000)	-	-	(600,000)	-	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchase of property, plant, and equipment	(3,753,538)	(1,348,404)	(11,949,720)	(585,937)	(616,159)	(18,253,758)	
Purchase of other intangibles	(210,000)	-	-	-	-	(210,000)	
Transfers in	-	-	2,750,000	-	-	2,750,000	
Federal grants	-	-	6,980,718	497,590	-	7,478,308	
State grants	-	-	-	126,226	-	126,226	
Tap fees	-	-	2,399,352	919,619	-	3,318,971	
Principal payment on long-term debt	(700,962)	(179,839)	(26,571)	(32,544)	-	(939,916)	
Interest payment on long-term debt	(61,517)	(2,464)	(71,506)	(83,409)	-	(218,896)	
Net Cash Provided (Used) for Capital and Related Financing Activities	(4,726,017)	(1,530,707)	82,273	841,545	(616,159)	(5,949,065)	
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Interest received on investments	187,263	170,877	-	28,051	42,609	428,800	
Net Increase (Decrease) in Cash	664,868	2,891,116	(998,768)	441,888	580,053	3,579,157	
<b>CASH, July 1</b>	3,355,443	4,078,003	1,009,219	49,563	2,081,782	10,574,010	
<b>CASH, June 30</b>	\$ 4,020,311	\$ 6,969,119	\$ 10,451	\$ 491,451	\$ 2,661,835	\$ 14,153,167	
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>							
Contributions of license by CC Communications - Wireless Fund to CC Communications - Telephone Fund	\$ 83,797	\$ (83,797)	-	-	-	-	
Contributions of equipment by CC Communications - Wireless Fund to CC Communications - Telephone Fund	\$ 5,891	\$ (5,891)	-	-	-	-	
Write-down of goodwill	\$ (18,900)	-	-	-	-	\$ (18,900)	

CHURCHILL COUNTY, NEVADA  
 PROPRIETARY FUNDS  
 STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (Page 2 of 2)

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS						TOTAL ENTERPRISE FUNDS
	CC COMMUNICATIONS TELEPHONE FUND	CC COMMUNICATIONS WIRELESS FUND	WASTE WATER ENTERPRISE FUND	UTILITY ENTERPRISE FUND	OTHER ENTERPRISE FUNDS		
\$ (129,107)	\$ 3,495,810	\$ (356,521)	\$ (147,484)	\$ (12,598)	\$ 2,850,100		
3,841,200	1,199,830	325,696	151,535	535,665	6,053,926		
1,818	-	-	-	-	1,818		
1,003,151	-	-	25,000	1,080	1,003,151		
-	-	-	-	16,380	26,080		
(618,710)	-	-	-	-	16,380		
(52,194)	(1,009)	-	-	-	(618,710)		
-	(1,011)	-	-	-	(53,203)		
241,689	(228,485)	(741,993)	(354,584)	-	(1,083,373)		
-	-	12,186	120,640	-	132,826		
-	-	(927,661)	124,574	-	(803,087)		
68,977	438,917	-	-	8,250	8,250		
860,388	(45,056)	801,765	(262,581)	-	1,354,516		
122	(8,050)	(194,513)	(86,058)	-	(280,571)		
(13,712)	-	-	1,250	-	(6,678)		
\$ 5,203,622	\$ 4,850,946	\$ (1,081,041)	\$ (427,708)	\$ 553,603	\$ 9,099,422		

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

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

Net Cash Provided (Used) by Operating Activities

CHURCHILL COUNTY, NEVADA  
 FIDUCIARY FUNDS  
 STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2008

	INVESTMENT TRUST FUND	AGENCY FUNDS
<b>ASSETS</b>		
Cash	\$ 3,565,148	\$ 973,554
Accounts receivable	-	17,417
Taxes receivable	-	21,416
Interest receivable	6,167	67
Due from other governments	-	322,376
	<u>3,571,315</u>	<u>1,334,830</u>
<b>LIABILITIES</b>		
Accounts payable	-	2,733
Due to other governments	-	837,743
Due to others	-	494,354
	<u>-</u>	<u>1,334,830</u>
<b>NET ASSETS</b>		
Reserved for pool participants	<u>\$ 3,571,315</u>	<u>\$ -</u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>INVESTMENT TRUST FUND</u>
<b>ADDITIONS</b>	
Investment income	\$ 158,385
Capital share transactions	<u>230,186</u>
Change in Net Assets	388,571
<b>NET ASSETS, July 1</b>	<u>3,182,744</u>
<b>NET ASSETS, June 30</b>	<u><u>\$ 3,571,315</u></u>

See accompanying notes.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 1 - Summary of Significant Accounting Policies:**

The accompanying financial statements of Churchill County, Nevada have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard-setting body for governmental accounting and financial reporting. The GASB periodically updates its codification of existing Governmental and Financial Reporting Standards which, along with subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

**Reporting Entity:**

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

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

**Government-Wide and Fund Financial Statements:**

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements.

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

**Government-Wide Financial Statements:**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Agency funds have no measurement focus but are reported using the accrual basis of accounting.

**Governmental Fund Financial Statements:**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities of the current year. For this purpose, the County considers revenues to be available if they are collected within sixty days after the end of the current fiscal year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

The County reports the following major governmental funds:

- **General Fund** - The General Fund is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- **Road Fund** - The Road Fund accounts for transactions by the County related to construction and maintenance of roads.
- **Water Resource Fund** - The Water Resource Fund accounts for transactions by the County related to the acquisition of water resources.

The County reports the following major proprietary funds:

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

Additionally, the County reports the following fiduciary funds:

- **Investment Trust Fund** - This fund accounts for the external portion of the County investment pool.
- **Agency Funds** - Agency Funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting. These funds are used to account for assets held by Churchill County in a trustee capacity or as an agent, prior to allocation to the other governmental entities.

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

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

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

**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.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

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

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

Secured roll property taxes receivable reflect only those taxes receivable from the last two delinquent roll years. Delinquent taxes from all roll years prior to fiscal year 2005-2006 have been written off.

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

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

**Budgets and Budgetary Accounting:**

**Budget Policies:**

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

1. On or before April 15, the Churchill County Board of Commissioners files a tentative budget with the Nevada Department of Taxation, for the next fiscal year, commencing on July 1. The budget as submitted contains the proposed expenditures and means to finance them.
2. The Nevada State Department of Taxation notifies the County of its acceptance of the budget.
3. Public hearings on the tentative budget are held on the third Monday in May.
4. After all the changes have been noted and hearings closed, the Board adopts the budget on or before June 1 and files it with the Nevada Department of Taxation.
5. Formal budgetary integration in the financial records of all funds is employed to enhance management control during the year.
6. Budgets for all funds (except fiduciary funds, which are not required to be budgeted) are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Appropriations lapse at year end.
7. Budget amounts within funds and between funds may be transferred if amounts do not exceed the original budget. Such transfers must be approved by the Budget Officer and/or the Board of County Commissioners, depending on established criteria. Budget augmentations in excess of original budgetary amounts may not be made without prior approval from the Churchill County Board of Commissioners following a public hearing. The budget reflected in these financial statements has been amended from original amounts in accordance with State Statute.
8. In accordance with State Statute, actual expenditures may not exceed appropriations in the various governmental functions (excluding the debt service function) in the General Fund, Special Revenue and Capital Projects Funds, except as specifically permitted by NRS 354.626. Generally, the expenses in the Proprietary Funds also may not exceed appropriations.

**Cash and Investments:**

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

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

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

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

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

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

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

**Investment Pool Investment Income:**

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

**Taxes Receivable:**

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

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

**Allowance for Uncollectible Receivables:**

The allowance method is used to provide for estimated uncollectible accounts in the CC Communications - Telephone Fund and the CC Communications - Wireless Fund. The allowances at June 30, 2008 were \$10,693 and \$1,347, respectively.

**Inventory:**

For all funds, except the Proprietary Funds, Churchill County charges consumable supplies against appropriations at the time of purchase. Any inventories of such supplies at June 30 are not material to the individual funds and are not recognized in these financial statements. New material and supplies and reusable salvaged material of the CC Communications - Telephone Fund are carried in inventory at average cost which approximates market value. Inventories of the CC Communications - Wireless Fund and the CC Communications - Broadband Fund are stated at cost (which approximates market value), with cost computed on a first-in/first-out basis.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

**Capital Assets:**

Capital assets, which include land, buildings, equipment, and infrastructure assets (i.e. roads, bridges, etc.) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Assets are recorded at historical cost or estimated historical cost. Donated assets are recorded at their estimated fair market value on the date of donation. The County's capitalization level is \$3,000. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

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

Depreciation for all CC Communications' proprietary funds is provided for financial reporting purposes using straight-line composite rates which will amortize the depreciable telecommunications plant over its estimated useful lives ranging from three to forty years. Annual composite depreciation rates range from 2½% for certain outside plant facilities to 33% for certain equipment for the CC Communications - Telephone Fund. The annual composite rates for all fixed assets of the CC Communications - Wireless Fund and the CC Communications - Broadband Fund are 10% and 20%, respectively.

**Water Rights:**

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

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

**Equity Classifications:**

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

- **Invested in capital assets, net of related debt** – consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted net assets** – consists of net assets with constraints placed on the use either by 1) external groups such as creditors, grantors, contributors, or law or regulations of other governments; or 2) law through constitutional provisions or enabling legislation. The County first utilizes restricted resources to finance qualifying activities, then unrestricted resources as they are needed.
- **Unrestricted net assets** – All other net assets that do not meet the definition of the above two categories.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

**Proprietary Funds Interexchanged Revenue:**

**CC Communications – Telephone Fund:**

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

**CC Communications – Wireless Proprietary Fund:**

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

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

**Estimates:**

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

**Compensated Absences:**

In the government-wide and proprietary fund financial statements, compensated absences are recognized as expenses when the benefits are earned. In the governmental funds, the costs involved in vacation time, 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.

**Transfers in Lieu of Taxes:**

CC Communications – Telephone Fund is exempt from federal and state income taxes. However, the Fund makes transfers in lieu of taxes to several governmental funds of Churchill County which is based on a percentage of CC Communications – Telephone Fund’s net assets for the previous fiscal year. These payments are reflected as transfers in lieu of taxes in each of the governmental funds. In the CC Communications Telephone Fund the portion allowed for regulatory purposes is shown as operating expenses. The remaining portion is shown as nonoperating expenses.

**CHURCHILL COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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

**Reclassification of Prior Year Information:**

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

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

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

- Total expenditures of the general government function of the Water Resource Fund exceeded appropriations by \$612.
- Total expenditures of the culture and recreation function of the Library Gift Fund exceeded appropriations by \$2,493.
- Total expenditures of the culture and recreation function of the Recreation Donation Fund exceeded appropriations by \$28,875.
- Total expenditures of the welfare function of the Indigent Hospital Care Fund exceeded appropriations by \$11,207.
- Total expenditures of the community support function of the Indigent Medical Care Fund exceeded appropriations by \$23,542.

The above are apparent violations of NRS 354.626..

**NOTE 3 - Cash and Investments:**

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

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

A summary schedule of cash and investments for Churchill County at June 30, 2008 is as follows:

Cash and investment balances held by:	
Governmental Funds	\$ 22,230,930
Proprietary Funds	14,153,167
Fiduciary Funds	4,538,702
Total	\$ 40,922,799

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

Balances at fair value classified by:	
On hand	\$ 4,210
Bank of America checking	6,751
Wells Fargo:	
Checking	7,208,447
Money market	2,654
Certificates of deposit	5,502,100
Local Government Investment Pool	<u>28,198,637</u>
Total	<u>\$ 40,922,799</u>

As of June 30, 2008, the County had the following investments and maturities:

Investments	Fair Value	Investment Maturity (in years) Less than 1
Local Government Investment Pool	<u>\$ 28,202,721</u>	<u>\$ 28,202,721</u>

*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, 2008 meet the above requirements.

*Credit Risk.* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation and is a function of the credit quality ratings of its investments. The County's investments in certificates of deposit are rated by IDC Financial Publishing, Inc. IDC Publishing, Inc. has six ratings: superior, excellent, average, below average, lowest ratios, and rank of one. Of the fifty-eight certificates of deposit held by Churchill County as of June 30, 2008, twenty-one were rated superior, seven were rated excellent, thirteen were rated average, eight were rated below average, seven were rated lowest ratios, one was rated rank of one and one was not rated. The Local Government Investment Pool is unrated. Churchill County's policy does not specify minimum acceptable credit ratings beyond those specified in the Nevada Revised Statutes. Refer to Note 1 for further discussion of the types of investments allowed by State law.

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

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

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

Summary of investments held in the external investment pool at June 30, 2008:

Investment Type	Fair Value	Number of Shares	Interest Rate	Maturity Dates
State of Nevada Local Government Investment Pool	<u>\$ 3,565,148</u>	3,169,412 shares	Variable	07/01/08

**CHURCHILL COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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

External Investment Pool financial statements:

**Statement of Net Assets, June 30, 2008**

<b>Assets</b>		
Investments in securities:		
State of Nevada Local Government Investment Pool	\$	3,565,148
Interest receivable		6,167
Total Assets		3,571,315
<b>Net Assets</b>		
Net assets consist of:		
External participants		3,571,315
Total Net Assets Held in Trust for Pool Participants (Participant Units Outstanding, \$1/par)		\$ 3,571,315

**Statement of Changes in Net Assets, Year Ended June 30, 2008**

Net increase resulting from operations:		
Investment earnings	\$	158,385
Capital share transactions		230,186
Total Increase		388,571
Net assets:		
Beginning of year		3,182,744
End of year	\$	3,571,315

**NOTE 4 - Notes Receivable:**

Governmental Activities	Loan Amount	Terms	Balance June 30, 2008	Current Portion	Remaining Balance
Fairgrounds Sale Proceeds Fund: Motor Sports Safety, Inc.	\$ 309,983	Bi-annual payments of \$22,000 including interest at 5% per annum for seven years.	\$200,828	\$16,979	\$ 183,849
Water Resource Fund: EDU Will Serve Certificates	1,432,750	Balance was due by 12/31/05 including interest at prime plus 3% through 06/01/06 when it became prime plus 4%. As of August 4, 2008, a new agreements was reached returning the rate to prime plus 3% but requiring accrued interest and at least 10% of the outstanding balance be paid by June 15 <sup>th</sup> each year.	792,750	79,275	\$ 713,475
			\$993,578	\$96,254	\$ 897,324

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 5 - Capital Assets:**

A summary of changes in capital assets for the year ended June 30, 2008 follows:

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land and easements	\$ 8,860,355	\$ 6,099,767	\$ 25,000	\$ 14,935,122
Water rights	6,318,757	113,366	-	6,432,123
Under construction	61,593	-	61,593	-
<b>Total Capital Assets, Not Being Depreciated</b>	<b>15,240,705</b>	<b>6,213,133</b>	<b>86,593</b>	<b>21,367,245</b>
Capital assets, being depreciated:				
Buildings and improvements	14,099,656	753,854	-	14,853,510
Land improvements	1,458,109	-	-	1,458,109
Equipment	9,592,093	997,651	415,790	10,173,954
Infrastructure	43,372,405	1,703,933	1,137,458	43,938,880
<b>Total Capital Assets, Being Depreciated</b>	<b>68,522,263</b>	<b>3,455,438</b>	<b>1,553,248</b>	<b>70,424,453</b>
Less accumulated depreciation for:				
Buildings and improvements	(5,885,971)	(433,906)	-	(6,319,877)
Land improvements	(976,494)	(49,345)	-	(1,025,839)
Equipment	(5,682,818)	(730,479)	390,367	(6,022,930)
Infrastructure	(23,081,266)	(879,069)	884,496	(23,075,839)
<b>Total Accumulated Depreciation</b>	<b>(35,626,549)</b>	<b>(2,092,799)</b>	<b>1,274,863</b>	<b>(36,444,485)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>32,895,714</b>	<b>1,362,639</b>	<b>278,385</b>	<b>33,979,968</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 48,136,419</b>	<b>\$ 7,575,772</b>	<b>\$ (191,792)</b>	<b>\$ 55,347,213</b>

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

	Balance July 1, 2007	Additions	Deletions	Transfers	Balance June 30, 2008
<b>Business-Type Activities:</b>					
<b>Capital assets, not being depreciated:</b>					
Real estate and easements	\$ 540,699	\$ -	\$ -	\$ -	\$ 540,699
Under construction	11,420,261	15,066,678	11,459,423	-	15,027,516
<b>Total Capital Assets, Not Being Depreciated</b>	<b>11,960,960</b>	<b>15,066,678</b>	<b>11,459,423</b>	<b>-</b>	<b>15,568,215</b>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	5,297,740	40,273	-	(463)	5,337,550
Central office switching	15,130,104	728,159	303,280	-	15,554,983
Outside plant	28,154,831	1,333,430	208,669	463	29,280,055
Furniture and fixtures	56,442	-	10,034	-	46,408
Computer equipment	2,871,477	142,204	47,647	-	2,966,034
Other communication equipment	429,533	-	92,715	-	336,818
Vehicles and work equipment	2,657,871	139,648	25,476	-	2,772,043
Leasehold improvements	770,814	-	12,193	-	758,621
Other equipment	6,373,121	624,638	982,041	(34,681)	5,981,037
Cell sites	9,042,797	1,376,780	2,660,243	268,152	8,027,486
Transport facilities	1,631,464	497,519	57,337	(233,471)	1,838,175
Waste water infrastructure	6,980,955	-	281,499	-	6,699,456
Water infrastructure	294,000	9,917,138	-	-	10,211,138
<b>Total Capital Assets, Being Depreciated</b>	<b>79,691,149</b>	<b>14,799,789</b>	<b>4,681,134</b>	<b>-</b>	<b>89,809,804</b>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(2,357,032)	(230,265)	-	-	(2,587,297)
Central office switching	(13,507,737)	(1,839,961)	301,323	-	(15,046,375)
Outside plant	(9,898,557)	(991,114)	237,812	-	(10,651,859)
Furniture and fixtures	(54,985)	(1,457)	10,034	-	(46,408)
Computer equipment	(1,714,102)	(581,965)	47,647	-	(2,248,420)
Other communication equipment	(429,533)	-	92,715	-	(336,818)
Vehicles and work equipment	(2,642,444)	(145,051)	25,476	-	(2,762,019)
Leasehold improvements	(133,467)	(51,387)	12,192	-	(172,662)
Other equipment	(5,085,804)	(583,367)	917,868	-	(4,751,303)
Cell sites	(3,702,466)	(955,317)	2,634,727	-	(2,023,056)
Transport facilities	(157,774)	(198,126)	141,135	-	(214,765)
Waste water infrastructure	(172,224)	(325,696)	9,381	-	(488,539)
Water infrastructure	(11,064)	(150,220)	-	-	(161,284)
<b>Total Accumulated Depreciation</b>	<b>(39,867,189)</b>	<b>(6,053,926)</b>	<b>4,430,310</b>	<b>-</b>	<b>(41,490,805)</b>
<b>Total Capital Assets, Being Depreciated, Net</b>	<b>39,823,960</b>	<b>8,745,863</b>	<b>250,824</b>	<b>-</b>	<b>48,318,999</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 51,784,920</b>	<b>\$ 23,812,541</b>	<b>\$ 11,710,247</b>	<b>-</b>	<b>\$ 63,887,214</b>

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

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

Governmental activities:			
General government	\$		343,925
Judicial			82,996
Public safety			405,973
Public works			1,073,009
Health			12,079
Welfare			3,974
Culture and recreation			168,550
Community support			2,293
			2,092,799
Total Depreciation Expense – Governmental Activities	\$		2,092,799
Business-Type Activities:			
Telephone	\$		3,841,200
Wireless			1,199,830
Broadband			535,665
Waste Water			325,696
Utility			151,535
			6,053,926
Total Depreciation Expense – Business-Type Activities	\$		6,053,926

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

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

**Funding Policy:** Plan members are funded under the employer paid contribution plan: under this method, the County is required to contribute all amounts due under the plan. The contribution requirements of plan members and the County are established by Chapter 286 of the Nevada Revised Statutes. Funding provisions may only be amended through legislation. The County's contribution rates and amounts contributed (which equaled the required contributions) for the last three years are as follows:

Fiscal Year	Contribution Rate		Total Contribution
	Regular Member	Police/Fire	
2007-08	20.50%	33.50%	\$3,346,366
2006-07	19.75%	32.00%	3,008,625
2005-06	19.75%	32.00%	2,935,061

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

Long-term debt consists of the following at June 30, 2008:

Governmental Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2008
<u>Revenue Bonds</u>					
Bank of America	05/05	2015	Variable based on Prime, LIBOR or Treasury rate with cap of 8%. Beginning January 5, 2006, rate is locked at 3.92% until January 5, 2011.	\$ 3,300,001	\$ 2,163,207
<u>Contract Payable</u>					
Development rights	05/05	2015	1.474%	97,025	76,409
					<u>\$ 2,239,616</u>

The County has pledged all income and revenue received from the sale of water right shares, water right dedication fees and revenues of the County's municipal water system for payment of principal and interest on the revenue bonds.

Business-Type Activities	Date Issued	Date of Maturity	Interest Rate	Amount Issued	Balance June 30, 2008
<u>Revenue Bonds</u>					
USDA	06/07	2047	4.125%	1,213,000	1,197,219
USDA	06/07	2047	4.125%	1,288,618	1,271,854
USDA	06/07	2047	4.125%	2,042,758	2,016,187
<u>Capital Lease Payable</u>					
Louie's Home Center, Inc.	11/03	2029	Imputed at 3.62%	1,623,575	1,386,419
Total					<u>\$ 5,871,679</u>

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

Bonds, Notes and Contract Payable Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total Requirements	Principal	Interest	Total Requirements
2009	\$ 312,753	\$ 80,200	\$ 392,953	\$ 48,218	\$ 184,278	\$ 232,496
2010	345,469	70,224	415,693	50,238	182,258	232,496
2011	312,753	55,680	368,433	52,343	180,153	232,496
2012	312,752	43,421	356,173	54,536	177,960	232,496
2013	312,753	31,161	343,914	56,821	175,675	232,496
2014-2018	643,136	26,849	669,985	321,866	840,614	1,162,480
2019-2023	-	-	-	395,175	767,305	1,162,480
2024-2028	-	-	-	485,181	677,299	1,162,480
2029-2033	-	-	-	595,688	566,792	1,162,480
2034-2038	-	-	-	731,363	431,117	1,162,480
2039-2043	-	-	-	897,942	264,539	1,162,481
2044-2047	-	-	-	795,889	66,572	862,461
Total	<u>\$ 2,239,616</u>	<u>\$307,535</u>	<u>\$ 2,547,151</u>	<u>\$ 4,485,260</u>	<u>\$ 4,514,562</u>	<u>\$ 8,999,822</u>

The asset acquired through the capital lease for business-type activities is a building. As of June 30, 2008, the capital asset of \$1,623,575 was offset by accumulated depreciation of \$396,874.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

The following is a schedule of future minimum lease payments under capital lease obligations as of June 30, 2008:

Year Ending June 30	Business-Type Activities		
	Remaining Payments	Less: Amount Representing Interest	Present Value of Net Minimum Lease Payments
2009	\$ 105,600	\$ 45,079	\$ 60,521
2010	115,200	46,851	68,349
2011	115,200	44,336	70,864
2012	115,200	41,729	73,471
2013	115,200	39,026	76,174
2014 - 2018	447,568	160,084	287,484
2019 - 2023	408,480	109,860	298,620
2024 - 2028	408,480	50,735	357,745
2029 - 2030	95,312	2,121	93,191
<b>Total</b>	<b>\$ 1,926,240</b>	<b>\$ 539,821</b>	<b>\$ 1,386,419.</b>

Changes in Long-term Obligations:

Governmental Activities	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Revenue bonds	\$ 2,475,986	\$ -	\$ 312,779	\$ 2,163,207	\$ 312,753
Contract payable	97,025	-	20,616	76,409	-
Compensated absences	832,320	89,924	48,076	874,168	70,670
<b>Total</b>	<b>\$ 3,405,331</b>	<b>\$ 89,924</b>	<b>\$ 381,471</b>	<b>\$ 3,113,784</b>	<b>\$ 383,423</b>
Business-Type Activities	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Due Within One Year
Notes payable	\$ 817,024	\$ -	\$ 817,024	\$ -	\$ -
Bonds payable	4,544,376	-	59,115	4,485,261	48,218
Capital leases payable	1,450,196	-	63,777	1,386,419	60,520
Compensated absences	602,180	641,183	619,889	623,474	30,698
<b>Total</b>	<b>\$ 7,413,776</b>	<b>\$ 641,183</b>	<b>\$ 1,559,805</b>	<b>\$ 6,495,154</b>	<b>\$ 139,436</b>

Interest expense on long-term obligations for the year ended June 30, 2008 for governmental and business-type activities was \$96,879 and \$63,662, respectively. Interest capitalized was \$173,381.

In accordance with Nevada Revised Statutes 244A.059, the County was within the legal debit limit at June 30, 2008.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

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

Interfund receivable and payable balances at June 30, 2008 are as follows:

Governmental Activities	Governmental Activities		Business-Type Activities		Total Due from Other Funds
	Major Governmental Fund		Major Proprietary Funds		
	Road Fund	Other Governmental Funds	Waste Water Enterprise Fund	Utility Enterprise Fund	
Due from:					
Governmental Activities:					
Major Governmental Funds:					
General Fund	\$ -	\$ 11,667	\$ -	\$ -	\$ 11,667
Road Fund	-	369,146	-	-	369,146
Water Resource Fund	-	25,000	-	-	25,000
Other Governmental Funds	65,640	-	-	-	65,640
Business-Type Activities:					
Major Proprietary Funds:					
Waste Water Enterprise Fund	-	-	-	814	814
Utility Enterprise Fund	-	-	17,490	-	17,490
<b>Total Due to Other Funds</b>	<b>\$ 65,640</b>	<b>\$ 405,813</b>	<b>\$ 17,490</b>	<b>\$ 814</b>	<b>\$ 489,757</b>

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

Interfund transfers are shown as other financing sources or uses, as appropriate. Activity for the year ended June 30, 2008 is as follows:

Transfers from:	Transfers to:			
	Governmental Activities		Business-Type Activities	
	Major Governmental Fund	Other Governmental Funds	Major Business-Type Fund	Total Transfers to Other Funds
Governmental activities:				
Major governmental funds:				
General Fund	\$ -	\$ 410,000	\$ -	\$ 410,000
Water Resource Fund	-	443,217	1,750,000	2,193,217
Other governmental funds	954,884	185,000	1,000,000	2,139,884
<b>Total Transfers from Other Funds</b>	<b>\$ 954,884</b>	<b>\$ 1,038,217</b>	<b>\$ 2,750,000</b>	<b>\$ 4,743,101</b>

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

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

The Water Resource Fund and the Infrastructure Tax Fund transferred funds to the Waste Water Enterprise Fund to assist with the construction of the waste water facility.

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

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

**CHURCHILL COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

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

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

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

Contractor	Contract Amount	Portion Completed	Uncompleted Contract Balance at June 30, 2008	Description
A & K Earthmovers	\$ 2,411,760	\$ 2,319,524	\$ 92,236	Water system
K.G. Walters	7,700,614	7,607,739	92,875	Waste water phase II
	<u>\$ 10,112,374</u>	<u>\$ 9,927,263</u>	<u>\$ 185,111</u>	

**NOTE 10 - Operating Leases:**

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

**NOTE 11 - Interfund Transactions:**

CC Communications - Wireless Fund, CC Communications Long Distance Fund, and CC Communications - Broadband Fund rent office space and other facility space on a month-to-month basis. Following is a schedule of payments from these funds to CC Communications - Telephone Fund for the year ended June 30, 2008:

	Wireless Fund	Long Distance Fund	Broadband Fund	Total
Special access charges	\$ 90,131	\$ -	\$ 14,310	\$ 104,441
Billing and collection	117,147	238,317	52,884	408,348
Rent	104,215	6,000	6,000	116,215
Customer services	347,370	60,613	310,170	718,153
Administrative costs	257,288	10,346	29,675	297,309
Installation	-	-	55,256	55,256
Engineering and maintenance	219,067	-	79,697	298,764
	<u>\$ 1,135,218</u>	<u>\$ 315,276</u>	<u>\$ 547,992</u>	<u>\$ 1,998,486</u>

CC Communications - Telephone Fund paid CC Communications - Wireless Fund \$21,998 for cellular phone service fees during the year ended June 30, 2008.

CC Communications - Telephone Fund paid CC Communications - Broadband Fund \$8,520 for tower/space rent during the year ended June 30, 2008.

CC Communications - Wireless Fund paid CC Communications - Broadband Fund \$7,320 for tower/space rent during the year ended June 30, 2008.

CC Communications - Broadband Fund paid CC Communications - Wireless Fund \$6,030 for tower/space rent during the year ended June 30, 2008.

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

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 12 – Related Party Transactions:**

During the year ended June 30, 2008, Churchill County obtained \$6,050,000 of conservation easements along the Carson River from Rambling River Ranch. One of the County Commissioners, Norman Frey, is the principal shareholder of Rambling River Ranch. Conservation easements are an interest in land, whereby the landowner conveys specific rights, title, and interests in a property to a State, Tribal, or local government or non-governmental organization. The landowner retains those rights, title, and interests in the property which are specifically reserved to the landowner in the easement deed. The farm and ranch lands protection programs are voluntary farmland protection programs that compensate landowners for voluntarily limiting future development of their land for non-agricultural uses.

The conservation easements were acquired under the United States Department of Agriculture's (USDA) Farm and Ranch Lands Protection Program and the State of Nevada Conservation and Resource Protection Grant Program. Rambling River Ranch donated \$1,050,000 of conservation easements to Churchill County. The remaining \$5,000,000 purchase price was funded by the State of Nevada Conservation and Resource Protection Grant Program and the USDA's Farm and Ranch Lands Protection Program. The purchase price of the conservation easements was determined by an independent appraisal and approved by both the USDA and the State of Nevada.

**NOTE 13 - Contingencies:**

Claims and Lawsuits Involving Churchill County:

Several lawsuits are presently pending against Churchill County and/or some of its elected and appointed officials. The financial impact of these actions is not determinable at June 30, 2008, but in the opinion of management and legal counsel, any resulting uninsured liability will not materially affect the financial position or results of operations of the County.

**NOTE 14 - Risk Management and Concentration of Credit Risk:**

Nevada Public Agency Insurance Pool:

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

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

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

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

Maximum coverage is as follows:

**CHURCHILL COUNTY, NEVADA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2008**

**NOTE 14 - Risk Management and Concentration of Credit Risk (Continued):**

Property/Crime/Equipment:		
Blanket limit per schedule of locations	\$300,000,000	Per loss
Sub-limit for earthquake coverage	100,000,000	Annual aggregate
Sub-limit for flood coverage	100,000,000	Annual aggregate
Sub-limit for equipment breakdown, boiler, and machinery	60,000,000	Each accident
Sub-limit for money and securities	500,000	Each loss
Casualty:		
General liability, law enforcement, automobile liability and wrongful acts	10,000,000	Each and every event
General liability	13,000,000	General annual aggregate
Products/completed operations	13,000,000	Annual aggregate
Law enforcement liability	13,000,000	Annual aggregate
Wrongful acts	10,000,000	Annual aggregate
	48,750,000	Annual aggregate all members

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

Public Agency Compensation Trust:

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

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

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, 2008 represented 4.9% of total revenue.

Most of CC Communications - Wireless Fund's customers are located in Northern Nevada. CC Communications - Wireless Fund's billings to a single carrier for roamer revenue for the year ended June 30, 2008 represented 45% of total revenue.

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

**NOTE 15 - Post Retirement Health Insurance Benefits:**

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

As of June 30, 2008, 119 retirees were participating in the Public Employees' Benefits Program. The County funded \$360,770 in the current fiscal year. Premium payments are funded by operating resources within the Compensated Absences Fund as incurred and no provision has been made to permanently fund future liabilities.

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2008**

**NOTE 16 - Revenue Stabilization Fund:**

The Revenue Stabilization Fund established in accordance with NRS 354.6115 did not have any expenditures during the 2007-2008 fiscal year.

The budgeted resource for the Revenue Stabilization Fund for the 2008-2009 fiscal year is interest income in the amount of \$60,000. There are no budgeted expenditures for the 2008-2009 fiscal year.

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

**NOTE 17 - Subsequent Events:**

The CC Communications - Wireless Fund is in the process of modifying the manner in which it provides wireless service. The operation intends to move from a facilities based provider model to a reseller model. Utilizing a regional carrier's facilities to provide services to its current customer base will obviate the need to own a significant portion of the current wireless network. Thus, CC Communications intends to sell a substantial portion of the assets currently held in the CC Communications - Wireless Fund. These assets will include, among others, all wireless spectrum licenses, radios, and cell towers held in the wireless fund. It will not include customer accounts, intellectual property, cash and cash equivalents, or any assets not held by the CC Communications - Wireless Fund.

The total financial impact of this change, if it occurs, is not known presently. Due to the fact that the CC Communications - Wireless Fund will not maintain a wireless network in the future, roaming will not be a continued source of revenue to the fund. At the same time, capital costs will also be eliminated. Customer service and billing will remain as part of the ongoing cellular operation.

The foregoing intent has been detailed in the Letter of Intent signed by the Churchill County Commission on November 6, 2008. It is anticipated that definitive documents will be signed within two months.

**CHURCHILL COUNTY, NEVADA  
NONMAJOR GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 2008  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)**

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR DEBT SERVICE FUND	NONMAJOR CAPITAL PROJECTS FUNDS	TOTALS	
				2008	2007
<b>ASSETS</b>					
Cash and investments	\$ 12,156,951	\$ 792,757	\$ 4,031,528	\$ 16,981,236	\$ 14,819,159
Receivables:					
Property taxes	55,864	-	9,672	65,536	32,624
Interest	18,861	805	6,164	25,830	65,786
Other	38,333	-	-	38,333	43,009
Notes	200,828	-	-	200,828	233,555
Due from other funds	65,640	-	-	65,640	173,745
Due from other governments	718,621	-	228,764	947,385	683,922
<b>Total Assets</b>	<b>\$ 13,255,098</b>	<b>\$ 793,562</b>	<b>\$ 4,276,128</b>	<b>\$ 18,324,788</b>	<b>\$ 16,051,800</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 159,014	\$ -	\$ 1,340	\$ 160,354	\$ 144,360
Accrued liabilities	64,562	-	-	64,562	49,035
Deferred revenue	57,249	-	8,983	66,232	28,566
Due to other funds	380,813	25,000	-	405,813	1,407
Due to other governments	279,525	-	9,213	288,738	295,179
Customer deposits	3,428	-	-	3,428	1,990
<b>Total Liabilities</b>	<b>944,591</b>	<b>25,000</b>	<b>19,536</b>	<b>989,127</b>	<b>520,537</b>
<b>FUND BALANCES</b>					
Reserved for:					
Notes receivable	200,828	-	-	200,828	233,555
Revenue shortfalls	1,447,454	-	-	1,447,454	1,385,957
Unreserved	10,662,225	768,562	4,256,592	15,687,379	13,911,751
<b>Total Fund Balances</b>	<b>12,310,507</b>	<b>768,562</b>	<b>4,256,592</b>	<b>17,335,661</b>	<b>15,531,263</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,255,098</b>	<b>\$ 793,562</b>	<b>\$ 4,276,128</b>	<b>\$ 18,324,788</b>	<b>\$ 16,051,800</b>

**CHURCHILL COUNTY, NEVADA**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR DEBT SERVICE FUND	NONMAJOR CAPITAL PROJECTS FUNDS	TOTALS	
				2008	2007
<b>REVENUES</b>					
Taxes	\$ 2,665,129	\$ -	\$ 298,080	\$ 2,963,209	\$ 2,842,897
Licenses and permits	82,200	-	-	82,200	225,582
Intergovernmental	3,454,330	-	247,138	3,701,468	3,484,620
Charges for services	334,942	-	-	334,942	329,392
Miscellaneous	772,516	15,270	708,439	1,496,225	1,533,985
<b>Total Revenues</b>	<b>7,309,117</b>	<b>15,270</b>	<b>1,253,657</b>	<b>8,578,044</b>	<b>8,416,476</b>
<b>EXPENDITURES</b>					
Current:					
General government	507,886	-	326,042	833,928	1,682,721
Judicial	96,123	-	-	96,123	86,864
Public safety	9,609	-	-	9,609	4,250
Public works	62,066	-	-	62,066	130,550
Health	563	-	-	563	1,016
Welfare	1,080,457	-	-	1,080,457	1,085,511
Culture and recreation	2,366,669	-	-	2,366,669	1,975,210
Community support	797,891	-	-	797,891	541,043
Intergovernmental	167,265	-	77,160	244,425	948,089
Debt service:					
Principal	-	333,369	-	333,369	753,334
Interest	-	96,879	-	96,879	109,240
<b>Total Expenditures</b>	<b>5,088,529</b>	<b>430,248</b>	<b>403,202</b>	<b>5,921,979</b>	<b>7,317,828</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,220,588	(414,978)	850,455	2,656,065	1,098,648
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in Lieu of Taxes - CC Communications - Telephone Fund	250,000	-	-	250,000	250,000
Transfers in	535,000	443,217	60,000	1,038,217	1,370,000
Transfers out	(2,139,884)	-	-	(2,139,884)	(1,376,799)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,354,884)</b>	<b>443,217</b>	<b>60,000</b>	<b>(851,667)</b>	<b>243,201</b>
<b>Net Change in Fund Balances</b>	<b>865,704</b>	<b>28,239</b>	<b>910,455</b>	<b>1,804,398</b>	<b>1,341,849</b>
<b>FUND BALANCE, July 1</b>	<b>11,444,803</b>	<b>740,323</b>	<b>3,346,137</b>	<b>15,531,263</b>	<b>14,189,414</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 12,310,507</b>	<b>\$ 768,562</b>	<b>\$ 4,256,592</b>	<b>\$ 17,335,661</b>	<b>\$ 15,531,263</b>

**CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and investments	\$ 3,008,448	\$ 2,843,117
Receivables:		
Property taxes	145,031	74,227
Interest	4,140	10,593
Other	65,702	25,198
Due from other funds	11,667	1,407
Due from other governments	<u>1,742,900</u>	<u>1,444,806</u>
Total Assets	<u>\$ 4,977,888</u>	<u>\$ 4,399,348</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 222,494	\$ 261,427
Accrued salaries	309,722	239,900
Accrued benefits	166,628	148,623
Deferred revenue	1,127,194	894,352
Due to other governments	112,074	129,377
Customer deposits	<u>3,285</u>	<u>3,285</u>
Total Liabilities	1,941,397	1,676,964
Fund Balance:		
Unreserved	<u>3,036,491</u>	<u>2,722,384</u>
Total Liabilities and Fund Balance	<u>\$ 4,977,888</u>	<u>\$ 4,399,348</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)  
(Page 1 of 6)

REVENUES	BUDGET	ACTUAL	VARIANCE	2007
Property taxes:				
Ad valorem taxes	\$3,973,332	\$4,335,438	\$ 362,106	\$ 4,002,791
Licenses and permits:				
Business licenses	46,395	54,040	7,645	44,444
Liquor licenses	5,875	4,302	(1,573)	4,560
Local gaming licenses	43,750	40,432	(3,318)	48,822
Marriage licenses	4,200	5,097	897	3,984
Other permits	28,125	20,705	(7,420)	27,863
Building permits	325,000	223,296	(101,704)	169,712
Mobile home permits	300	115	(185)	117
Fictitious name/notary bonds	7,500	8,070	570	7,265
Passport fees	8,275	10,185	1,910	11,610
Drug court fee	4,000	5,159	1,159	5,477
Septic fees	21,500	8,300	(13,200)	19,500
Inspection fees	-	18,347	18,347	32,887
Manufactured home permits	21,650	12,600	(9,050)	19,025
Other license/permits fees	48,100	14,544	(33,556)	40,215
Franchise fees	152,000	171,130	19,130	179,593
	<u>716,670</u>	<u>596,322</u>	<u>(120,348)</u>	<u>615,074</u>
Intergovernmental:				
Federal in lieu of taxes	550,000	661,704	111,704	450,000
State gaming license	27,650	22,451	(5,199)	27,156
Bi-county reimbursements	-	36,291	36,291	52,151
Private car tax	-	2,182	2,182	1,926
AB104 fairshare	1,329,199	1,093,539	(235,660)	1,106,750
Consolidated intergovernmental taxes	6,270,000	5,594,895	(675,105)	5,988,570
City jail reimbursements	40,000	28,354	(11,646)	41,994
Task force reimbursement	10,000	3,591	(6,409)	2,652
Grants-in-aid:				
Federal grants:				
Title IV-D	325,750	315,342	(10,408)	324,220
Title IV-D incentive	25,000	-	(25,000)	40,371
Wilderness program	-	3,028	3,028	9,084
Planning assistance	325,000	235,820	(89,180)	240,445
FEMA - emergency management	-	6,748	6,748	9,559
Title V mentor link	-	2,500	2,500	10,000
State criminal assistance program (SCAAP)	-	11,039	11,039	7,988
Wilderness	-	-	-	20,558
OJJDP - CCBC - rafts	-	28,805	28,805	38,646
OJJDP intensive supervision	-	4,800	4,800	-
OJJDP girl's circle	-	-	-	8,000
Homeland security	-	89,575	89,575	-
SERC - Operations	-	952	952	988
SERC - Training	-	999	999	-
SERC - Equipment	-	59,113	59,113	43,627
HMEP - training	-	4,950	4,950	-
Drug free schools	-	-	-	17,035
Nevada works summer employment	-	47,885	47,885	28,468
State grants:				
Homeland security - County	-	236	236	-
Homeland security - City	-	6,203	6,203	-
JPO family management	-	11,095	11,095	-
Coalition - tobacco prevention	-	5,181	5,181	-
Coalition - meth education	-	12,500	12,500	-

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**  
**(Page 2 of 6)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
SB 62 water grant	\$ -	\$ -	\$ -	\$ 9,780
AOC - Justice Court	-	-	-	7,635
Volunteer firemen	-	-	-	9,000
Rafts	-	20,067	20,067	20,067
	<u>8,902,599</u>	<u>8,309,845</u>	<u>(592,754)</u>	<u>8,516,670</u>
<b>Charges for services:</b>				
<b>Administrative assessments:</b>				
Juvenile probation	9,650	7,850	(1,800)	9,128
Justice court	35,175	27,457	(7,718)	31,959
Municipal court	2,050	1,476	(574)	1,540
Juvenile court	175	1,040	865	890
District court	400	250	(150)	299
Assessor's property tax commissions	179,655	160,119	(19,536)	154,492
Assessor's department fee	2,000	-	(2,000)	-
Candidate filing fees	-	600	600	-
Justice court filing fees	61,750	79,756	18,006	66,606
Justice court forensic fees	6,775	6,151	(624)	6,264
Court clerk miscellaneous	14,275	28,740	14,465	23,060
County court fees	22,650	22,632	(18)	23,739
Recorder RPTT collection fees	4,180	2,807	(1,373)	3,613
Recorder's fees	192,500	117,947	(74,553)	164,275
Public defender fees	12,000	12,637	637	7,624
Return check fees	-	80	80	40
Crime lab fees	800	669	(131)	567
Sheriff's fees	32,500	45,516	13,016	38,329
Sheriff's fees, fingerprint	2,675	2,525	(150)	3,290
Sheriff's fees, concealed weapon	4,200	7,685	3,485	6,165
Sheriff's fees, intermittent	2,100	3,055	955	4,475
CC Communications retainer	12,000	15,060	3,060	13,280
BLM service fee	-	10,000	10,000	7,217
Planning commission appeal fee	-	100	100	300
Child support withheld fee	1,600	-	(1,600)	1,641
Cemetery fees	47,500	38,580	(8,920)	52,350
Forensic fees - task force	-	800	800	-
DMV - spay and neuter fee	-	415	415	-
Inmate phone revenue	-	635	635	-
<b>Mining map fees:</b>				
Map fees - mining claims	3,000	12,027	9,027	6,004
Land plot maps - copies	200	124	(76)	184
	<u>649,810</u>	<u>606,733</u>	<u>(43,077)</u>	<u>627,331</u>
<b>Fines and forfeits:</b>				
Forfeited bail	183,706	216,933	33,227	191,437
Fines	81,275	66,032	(15,243)	51,027
Justice court bond forfeiture	2,000	4,340	2,340	4,238
Delinquent tax penalties	120,345	140,273	19,928	129,376
	<u>387,326</u>	<u>427,578</u>	<u>40,252</u>	<u>376,078</u>
<b>Miscellaneous:</b>				
Interest	85,000	55,355	(29,645)	86,670
Miscellaneous sales	2,000	5,814	3,814	29,274
Oil and gas leases	3,033	-	(3,033)	3,034
Mine proceeds tax commissions	-	19,589	19,589	17,253
Senior citizen processing fees	-	832	832	872
Data processing	3,200	6,600	3,400	6,975
Buildings lease revenue	11,000	8,971	(2,029)	7,475
Justice court payment setup fee	1,000	9,586	8,586	4,053
Justice court collection fee	3,000	12,380	9,380	12,442
Juvenile transport reimbursements	6,500	2,452	(4,048)	10,496
Juvenile child care reimbursements	6,000	3,817	(2,183)	4,627
Juvenile substance abuse reimbursements	2,000	1,198	(802)	699
Juvenile instructional supervision reimbursements	1,000	1,706	706	448
Juvenile miscellaneous reimbursements	125	-	(125)	328
Gifts and donations	-	-	-	3,678

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)  
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	BUDGET	ACTUAL	VARIANCE	2007
CWSD reimbursements	\$ 30,000	\$ -	\$ (30,000)	\$ 30,000
Mathew Homes Hazen project	-	7,275	7,275	17,976
Geothermal rents/royalties	-	555,478	555,478	-
Enel sales tax payments	-	87,930	87,930	-
Other miscellaneous	2,750	21,973	19,223	6,482
	<u>156,608</u>	<u>800,956</u>	<u>644,348</u>	<u>242,782</u>
Total Revenues	<u>14,786,345</u>	<u>15,076,872</u>	<u>290,527</u>	<u>14,380,726</u>
<b>EXPENDITURES</b>				
General government:				
Commissioners:				
Salaries	87,285	84,095	3,190	79,028
Benefits	44,257	43,536	721	40,381
Services and supplies	19,200	14,566	4,634	14,122
	<u>150,742</u>	<u>142,197</u>	<u>8,545</u>	<u>133,531</u>
Clerk/treasurer:				
Salaries	355,573	349,243	6,330	363,859
Benefits	165,951	149,880	16,071	156,642
Services and supplies	44,050	31,855	12,195	33,472
Capital outlay	1,000	1,000	-	-
	<u>566,574</u>	<u>531,978</u>	<u>34,596</u>	<u>553,973</u>
Recorder:				
Salaries	181,978	160,210	21,768	165,061
Benefits	73,201	66,531	6,670	65,522
Services and supplies	23,354	19,852	3,502	29,293
	<u>278,533</u>	<u>246,593</u>	<u>31,940</u>	<u>259,876</u>
Records and microfilming:				
Services and supplies	29,500	16,339	13,161	46,382
Assessor:				
Salaries	431,674	395,841	35,833	388,971
Benefits	177,245	154,957	22,288	158,625
Services and supplies	78,880	58,774	20,106	60,448
	<u>687,799</u>	<u>609,572</u>	<u>78,227</u>	<u>608,044</u>
County manager:				
Salaries	164,125	160,873	3,252	168,848
Benefits	52,626	49,313	3,313	53,437
Services and supplies	11,650	11,390	260	9,421
	<u>228,401</u>	<u>221,576</u>	<u>6,825</u>	<u>231,706</u>
Buildings and grounds:				
Salaries	272,282	245,026	27,256	216,673
Benefits	111,624	105,023	6,601	97,062
Services and supplies	406,810	391,294	15,516	413,756
Capital outlay	4,607	4,607	-	-
	<u>795,323</u>	<u>745,950</u>	<u>49,373</u>	<u>727,491</u>
Elections:				
Salaries	-	33	(33)	13,685
Benefits	-	-	-	485
Services and supplies	19,550	6,088	13,462	87,459
	<u>19,550</u>	<u>6,121</u>	<u>13,429</u>	<u>101,629</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)  
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	BUDGET	ACTUAL	VARIANCE	2007
Personnel operations:				
Salaries	\$ 83,500	\$ 82,275	\$ 1,225	\$ 78,932
Benefits	28,243	26,243	2,000	25,867
Services and supplies	8,445	6,537	1,908	9,190
	<u>120,188</u>	<u>115,055</u>	<u>5,133</u>	<u>113,989</u>
Personnel - staff development:				
Services and supplies	4,000	1,761	2,239	3,139
Personnel - benefit services:				
Services and supplies	19,750	15,171	4,579	16,783
Comptroller:				
Salaries	311,576	298,198	13,378	217,558
Benefits	115,162	106,044	9,118	82,441
Services and supplies	15,925	14,016	1,909	15,878
	<u>442,663</u>	<u>418,258</u>	<u>24,405</u>	<u>315,877</u>
Data processing:				
Services and supplies	144,900	137,303	7,597	124,329
Capital outlay	110,000	106,931	3,069	6,714
	<u>254,900</u>	<u>244,234</u>	<u>10,666</u>	<u>131,043</u>
General government other:				
Services and supplies	959,200	924,569	34,631	930,136
Capital outlay	-	6,627	(6,627)	3,612
	<u>959,200</u>	<u>931,196</u>	<u>28,004</u>	<u>933,748</u>
Building inspection:				
Salaries	151,394	149,300	2,094	123,394
Benefits	62,963	58,582	4,381	52,978
Services and supplies	9,600	8,113	1,487	12,002
Capital outlay	-	-	-	17,028
	<u>223,957</u>	<u>215,995</u>	<u>7,962</u>	<u>205,402</u>
Yucca Mountain:				
Services and supplies	316,800	236,061	80,739	235,924
Planning department:				
Salaries	340,384	334,444	5,940	289,431
Benefits	127,814	122,689	5,125	114,086
Services and supplies	47,934	45,272	2,662	54,850
Capital outlay	-	-	-	4,375
	<u>516,132</u>	<u>502,405</u>	<u>13,727</u>	<u>462,742</u>
Total General Government	<u>5,614,012</u>	<u>5,200,462</u>	<u>413,550</u>	<u>5,081,279</u>
Judicial:				
District court:				
Salaries	118,064	115,222	2,842	107,654
Benefits	45,486	40,766	4,720	41,519
Services and supplies	458,999	453,112	5,887	467,179
	<u>622,549</u>	<u>609,100</u>	<u>13,449</u>	<u>616,352</u>
Justice court:				
Salaries	317,912	313,562	4,350	293,154
Benefits	118,544	115,420	3,124	110,500
Services and supplies	118,200	102,247	15,953	131,023
Capital outlay	5,835	5,835	-	15,272
	<u>560,491</u>	<u>537,064</u>	<u>23,427</u>	<u>549,949</u>

CHURCHILL COUNTY, NEVADA  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)  
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	BUDGET	ACTUAL	VARIANCE	2007
District attorney:				
Salaries	\$1,076,197	\$1,057,371	\$ 18,826	\$ 987,079
Benefits	420,105	385,962	34,143	377,551
Services and supplies	227,296	223,988	3,308	227,825
Capital outlay	7,000	-	7,000	5,000
	<u>1,730,598</u>	<u>1,667,321</u>	<u>63,277</u>	<u>1,597,455</u>
Total Judicial	<u>2,913,638</u>	<u>2,813,485</u>	<u>100,153</u>	<u>2,763,756</u>
Public safety:				
Sheriff:				
Salaries	2,926,425	2,821,494	104,931	2,542,635
Benefits	1,508,996	1,411,194	97,802	1,318,758
Services and supplies	644,963	561,274	83,689	549,322
Capital outlay	396,000	371,940	24,060	192,766
	<u>5,476,384</u>	<u>5,165,902</u>	<u>310,482</u>	<u>4,603,481</u>
Fire protection:				
Salaries	100,595	78,274	22,321	75,072
Benefits	149,175	146,542	2,633	142,118
Services and supplies	228,551	220,801	7,750	214,099
Capital outlay	50,000	6,111	43,889	177,361
	<u>528,321</u>	<u>451,728</u>	<u>76,593</u>	<u>608,650</u>
Emergency management:				
Services and supplies	18,000	89,320	(71,320)	52,084
Juvenile probation:				
Salaries	629,430	609,417	20,013	586,235
Benefits	305,994	244,819	61,175	236,708
Services and supplies	272,637	261,243	11,394	245,040
Capital outlay	27,500	23,408	4,092	2,923
	<u>1,235,561</u>	<u>1,138,887</u>	<u>96,674</u>	<u>1,070,906</u>
Total Public Safety	<u>7,258,266</u>	<u>6,845,837</u>	<u>412,429</u>	<u>6,335,121</u>
Sanitation:				
Animal control and garbage disposal:				
Services and supplies	89,037	82,121	6,916	65,986
Health:				
City/County health:				
Services and supplies	3,000	983	2,017	-
Cemetery:				
Salaries	95,853	92,349	3,504	89,192
Benefits	36,971	34,291	2,680	36,435
Services and supplies	57,200	57,181	19	52,288
Capital outlay	-	-	-	4,865
	<u>190,024</u>	<u>183,821</u>	<u>6,203</u>	<u>182,780</u>
Total Health	<u>193,024</u>	<u>184,804</u>	<u>8,220</u>	<u>182,780</u>

**CHURCHILL COUNTY, NEVADA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**  
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	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
Culture and recreation:				
Museum:				
Salaries	\$ 248,575	\$ 228,975	\$ 19,600	\$ 208,829
Benefits	62,546	57,706	4,840	55,613
Services and supplies	37,675	37,131	544	40,258
Total Culture and Recreation	<u>348,796</u>	<u>323,812</u>	<u>24,984</u>	<u>304,700</u>
Community support:				
Services and supplies	<u>169,500</u>	<u>160,987</u>	<u>8,513</u>	<u>170,649</u>
Intergovernmental:				
Payments to other governments	<u>481,508</u>	<u>428,526</u>	<u>52,982</u>	<u>480,774</u>
Total Expenditures	<u>17,067,781</u>	<u>16,040,034</u>	<u>1,027,747</u>	<u>15,385,045</u>
Deficiency of Revenues Over Expenditures	<u>(2,281,436)</u>	<u>(963,162)</u>	<u>(1,318,274)</u>	<u>(1,004,319)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in lieu of taxes:				
CC Communications - Telephone Fund	1,687,369	1,687,269	(100)	1,601,280
Contingency	(74,699)	-	(74,699)	-
Sale of capital and other assets	6,000	-	(6,000)	24,938
Transfers out:				
Parks and Recreation Fund	-	-	-	(50,000)
Water Resource Fund	-	-	-	(25,000)
Library Gift Fund	(30,000)	(30,000)	-	(30,000)
Recreation Donation Fund	-	(30,000)	(30,000)	-
Law Library Fund	-	(25,000)	(25,000)	(25,000)
Risk Management Fund	-	(50,000)	(50,000)	(50,000)
Compensated Absences Fund	-	(250,000)	(250,000)	(125,000)
Unemployment Compensation Fund	-	(25,000)	(25,000)	(25,000)
Total Other Financing Sources (Uses)	<u>1,588,670</u>	<u>1,277,269</u>	<u>(460,799)</u>	<u>1,296,218</u>
Net Change in Fund Balances	<u>(692,766)</u>	<u>314,107</u>	<u>1,006,873</u>	<u>291,899</u>
<b>FUND BALANCE, July 1</b>	<u>2,394,175</u>	<u>2,722,384</u>	<u>328,209</u>	<u>2,430,485</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,701,409</u>	<u>\$ 3,036,491</u>	<u>\$ 1,335,082</u>	<u>\$ 2,722,384</u>

**CHURCHILL COUNTY, NEVADA  
MAJOR SPECIAL REVENUE FUND - ROAD FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and investments	\$1,702,792	\$1,985,586
Receivables:		
Interest	2,834	9,112
Other	40,054	21,001
Due from other funds	369,146	-
Due from other governments	<u>396,127</u>	<u>217,576</u>
Total Assets	<u>\$2,510,953</u>	<u>\$2,233,275</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 116,927	\$ 42,649
Accrued salaries	31,797	25,296
Accrued benefits	10,967	8,108
Customer deposits	1,933	5,800
Due to other funds	65,640	-
Due to other governments	<u>1,172</u>	<u>1,598</u>
Total Liabilities	228,436	83,451
Fund Balance:		
Unreserved	<u>2,282,517</u>	<u>2,149,824</u>
Total Liabilities and Fund Balance	<u>\$2,510,953</u>	<u>\$2,233,275</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - ROAD FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Licenses and permits:				
Licenses and permits	\$ 2,500	\$ 300	\$ (2,200)	\$ 2,250
Intergovernmental:				
Federal in lieu of taxes	-	-	-	78,003
AB104 fairshare	-	-	-	24,366
Motor vehicle fuel tax (\$.0125)	345,576	345,581	5	345,581
Motor vehicle fuel tax (\$.0175)	120,365	109,992	(10,373)	129,676
Motor vehicle fuel tax (\$.0360)	568,775	570,320	1,545	570,320
	<u>1,034,716</u>	<u>1,025,893</u>	<u>(8,823)</u>	<u>1,147,946</u>
Miscellaneous:				
Interest	43,750	79,981	36,231	123,976
Miscellaneous	-	61,225	61,225	7,245
Inspection fees	-	3,075	3,075	750
Geothermal rents and royalties	-	555,478	555,478	194,282
Fuel reimbursements	212,750	245,587	32,837	218,477
Water construction	-	6,375	6,375	-
Equipment rental	-	1,878	1,878	-
Meter fees	-	3,000	3,000	1,500
	<u>256,500</u>	<u>956,599</u>	<u>700,099</u>	<u>546,230</u>
<b>Total Revenues</b>	<u>1,293,716</u>	<u>1,982,792</u>	<u>689,076</u>	<u>1,696,426</u>
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Salaries	793,173	763,736	29,437	709,184
Benefits	323,124	288,952	34,172	290,465
Services and supplies	1,847,541	1,382,952	464,589	1,479,255
Capital outlay	376,500	369,343	7,157	1,304,885
<b>Total Expenditures</b>	<u>3,340,338</u>	<u>2,804,983</u>	<u>535,355</u>	<u>3,783,789</u>
Deficiency of Revenues Under Expenditures	<u>(2,046,622)</u>	<u>(822,191)</u>	<u>1,224,431</u>	<u>(2,087,363)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in:				
Regional Transportation Fund	600,000	455,749	(144,251)	682,899
Public Transit Fund	500,000	499,135	(865)	503,900
Sale of capital and other assets	30,000	-	(30,000)	532,000
Transfers out:				
Debt Service Fund	-	-	-	(125,000)
<b>Total Other Financing Sources (Uses)</b>	<u>1,130,000</u>	<u>954,884</u>	<u>(175,116)</u>	<u>1,593,799</u>
<b>Net Change in Fund Balances</b>	<u>(916,622)</u>	<u>132,693</u>	<u>1,049,315</u>	<u>(493,564)</u>
<b>FUND BALANCE, July 1</b>	<u>1,793,706</u>	<u>2,149,824</u>	<u>356,118</u>	<u>2,643,388</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 877,084</u>	<u>\$2,282,517</u>	<u>\$1,405,433</u>	<u>\$2,149,824</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND**  
**COMPARATIVE BALANCE SHEETS**  
**JUNE 30, 2008 AND 2007**

	<u>2008</u>	<u>2007</u>
<b>ASSETS</b>		
Cash and investments	\$ 538,454	\$ 2,193,844
Receivables:		
Interest	141,210	48,157
Notes	792,750	792,750
Due from other funds	25,000	-
Due from other governments	<u>216,764</u>	<u>70,946</u>
Total Assets	<u>\$ 1,714,178</u>	<u>\$ 3,105,697</u>
<b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 9,345	\$ 9,911
Accrued salaries	3,823	3,038
Accrued benefits	1,165	1,343
Due to other funds	<u>-</u>	<u>26,000</u>
Total Liabilities	<u>14,333</u>	<u>40,292</u>
Fund Balance:		
Reserved for notes receivable	792,750	792,750
Unreserved	<u>907,095</u>	<u>2,272,655</u>
Total Fund Balance	<u>1,699,845</u>	<u>3,065,405</u>
Total Liabilities and Fund Balance	<u>\$ 1,714,178</u>	<u>\$ 3,105,697</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR SPECIAL REVENUE FUND - WATER RESOURCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 75,000	\$ 75,000	\$ -	\$ 58,003
Consolidated intergovernmental taxes	-	-	-	160,000
AB104 fairshare	-	-	-	24,366
U.S. Navy easement contributions	-	-	-	865,000
Grants-in-aid:				
Federal	2,080,837	2,080,837	-	-
State	2,943,930	2,943,930	-	-
Refuge revenue sharing	-	33,930	33,930	35,089
	<u>5,099,767</u>	<u>5,133,697</u>	<u>33,930</u>	<u>1,142,458</u>
Charges for services:				
Water rights dedication fees	50,000	115,905	65,905	222,799
Miscellaneous:				
Interest	2,500	200,050	197,550	119,729
Geothermal rents and royalties	250,000	555,478	305,478	194,282
Development contribution conservation easement	1,050,000	1,050,000	-	-
Other miscellaneous	1,000	22,397	21,397	3,703
	<u>1,303,500</u>	<u>1,827,925</u>	<u>524,425</u>	<u>317,714</u>
<b>Total Revenues</b>	<u>6,453,267</u>	<u>7,077,527</u>	<u>624,260</u>	<u>1,682,971</u>
<b>EXPENDITURES</b>				
General government				
Salaries	93,443	92,879	564	39,777
Benefits	34,068	28,661	5,407	7,667
Services and supplies	74,000	70,617	3,383	38,564
Capital outlay	6,100,767	6,110,733	(9,966)	1,854,685
<b>Total Expenditures</b>	<u>6,302,278</u>	<u>6,302,890</u>	<u>(612)</u>	<u>1,940,693</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>150,989</u>	<u>774,637</u>	<u>623,648</u>	<u>(257,722)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	-	-	25,000
Sales of water rights	-	53,020	53,020	111,716
Transfers out:				
Debt Service Fund	(443,217)	(443,217)	-	(750,000)
Waste Water Enterprise Fund	(1,275,000)	(1,750,000)	(475,000)	-
<b>Total Other Financing Sources (Uses)</b>	<u>(1,718,217)</u>	<u>(2,140,197)</u>	<u>(421,980)</u>	<u>(613,284)</u>
<b>Net Change in Fund Balances</b>	<u>(1,567,228)</u>	<u>(1,365,560)</u>	<u>201,668</u>	<u>(871,006)</u>
<b>FUND BALANCE, July 1</b>	<u>2,606,675</u>	<u>3,065,405</u>	<u>458,730</u>	<u>3,936,411</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,039,447</u>	<u>\$ 1,699,845</u>	<u>\$ 660,398</u>	<u>\$ 3,065,405</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)  
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	REVENUE STABILIZATION FUND	SOCIAL SERVICES FUND	COOPERATIVE EXTENSION FUND	PUBLIC LIBRARY FUND	PARKS AND RECREATION FUND	CEMETERY BEAUTIFICATION FUND	INDIGENT DONATIONS AND GIFTS FUND	LAW LIBRARY FUND	REGIONAL TRANSPORTATION FUND
<b>ASSETS</b>									
Cash and investments	\$ 1,445,190	\$ 809,405	\$ 159,087	\$ 545,718	\$ 386,590	\$ 34,568	\$ 52,074	\$ 165,408	\$ 821,416
Receivables:									
Property taxes	-	10,934	5,911	15,316	-	-	-	-	-
Interest	2,264	1,162	245	831	347	54	82	241	1,223
Other	-	294	-	265	3,798	-	315	-	-
Notes	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	65,640
Due from other governments	-	222,993	-	-	57,500	-	-	-	164,412
<b>Total Assets</b>	<b>\$ 1,447,454</b>	<b>\$ 1,044,788</b>	<b>\$ 165,243</b>	<b>\$ 562,130</b>	<b>\$ 448,235</b>	<b>\$ 34,622</b>	<b>\$ 52,471</b>	<b>\$ 165,649</b>	<b>\$ 1,052,691</b>
<b>LIABILITIES AND FUND BALANCE</b>									
Liabilities:									
Accounts payable	\$ -	\$ 50,522	\$ 14,626	\$ 10,194	\$ 23,753	\$ -	\$ -	\$ 2,396	\$ -
Accrued salaries	-	5,332	2,134	12,050	28,681	-	-	-	-
Accrued benefits	-	2,061	722	4,322	7,336	-	83	-	-
Deferred revenue	-	15,231	5,512	14,278	-	-	-	-	-
Due to other funds	-	11,667	-	-	-	-	-	-	281,550
Due to other governments	-	-	-	1,879	3,609	-	-	-	-
Customer deposits	-	-	-	-	3,428	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>85,013</b>	<b>22,994</b>	<b>42,723</b>	<b>66,807</b>	<b>-</b>	<b>83</b>	<b>2,396</b>	<b>281,550</b>
Fund Balance:									
Reserved for notes receivable	-	-	-	-	-	-	-	-	-
Reserved for revenue shortfalls	1,447,454	-	-	-	-	-	-	-	-
Unreserved	-	959,775	142,249	519,407	381,428	34,622	52,388	163,253	771,141
<b>Total Fund Balance</b>	<b>1,447,454</b>	<b>959,775</b>	<b>142,249</b>	<b>519,407</b>	<b>381,428</b>	<b>34,622</b>	<b>52,388</b>	<b>163,253</b>	<b>771,141</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,447,454</b>	<b>\$ 1,044,788</b>	<b>\$ 165,243</b>	<b>\$ 562,130</b>	<b>\$ 448,235</b>	<b>\$ 34,622</b>	<b>\$ 52,471</b>	<b>\$ 165,649</b>	<b>\$ 1,052,691</b>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)  
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	LIBRARY GIFT FUND	RISK MANAGEMENT FUND	COMPENSATED ABSENCES FUND	UNEMPLOYMENT COMPENSATION FUND	FORFEITURES/ SEIZED ASSETS FUND	GRAFFITI REWARD AND ABATEMENT FUND	ADMINISTRATIVE ASSESSMENT FUND
<b>ASSETS</b>							
Cash and investments	\$ 423,083	\$ 1,107,918	\$ 1,288,333	\$ 425,484	\$ 103,756	\$ 46,885	\$ 9,196
Receivables:							
Property taxes	-	-	-	-	-	-	-
Interest	642	1,699	1,774	647	162	73	-
Other	-	11,661	-	-	-	-	-
Notes	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-
Due from other governments	-	-	9,757	-	-	-	-
<b>Total Assets</b>	<b>\$ 423,725</b>	<b>\$ 1,121,278</b>	<b>\$ 1,299,864</b>	<b>\$ 426,131</b>	<b>\$ 103,918</b>	<b>\$ 46,958</b>	<b>\$ 9,196</b>
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ 792	\$ -
Accrued salaries	-	-	-	-	-	-	-
Accrued benefits	-	-	1,641	-	-	-	-
Deferred revenue	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-
Due to other governments	-	-	-	261	-	973	-
Customer deposits	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>2,000</b>	<b>-</b>	<b>1,641</b>	<b>261</b>	<b>-</b>	<b>1,765</b>	<b>-</b>
Fund Balance:							
Reserved for notes receivable	-	-	-	-	-	-	-
Reserved for revenue shortfalls	-	-	-	-	-	-	-
Unreserved	421,725	1,121,278	1,298,223	425,870	103,918	45,193	9,196
<b>Total Fund Balance</b>	<b>421,725</b>	<b>1,121,278</b>	<b>1,298,223</b>	<b>425,870</b>	<b>103,918</b>	<b>45,193</b>	<b>9,196</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 423,725</b>	<b>\$ 1,121,278</b>	<b>\$ 1,299,864</b>	<b>\$ 426,131</b>	<b>\$ 103,918</b>	<b>\$ 46,958</b>	<b>\$ 9,196</b>

CHURCHILL COUNTY, NEVADA  
NONMAJOR SPECIAL REVENUE FUNDS  
COMBINING BALANCE SHEET

JUNE 30, 2008

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)  
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	RECREATION DONATION FUND	INDIGENT HOSPITAL CARE FUND	INDIGENT MEDICAL CARE FUND	PUBLIC TRANSIT FUND	SENIOR CITIZENS AD VALOREM LEVY FUND	ONE CENT FUEL EXCISE TAX FUND	FAIRGROUNDS SALE PROCEEDS FUND	HOSPITAL SUPPORT FUND	TECHNOLOGY FEE FUND
ASSETS									
Cash and investments	\$ 50,629	\$ 9,072	\$ 1,057,694	\$ 754,732	\$ 8,126	\$ 90,765	\$ 467,448	\$ 5,393	\$ 253,290
Receivables:									
Property taxes		2,723	14,452	-	6,445	-	-	-	83
Interest	56	-	1,728	1,080	-	137	732	-	387
Other	-	-	-	-	-	-	22,000	-	-
Notes	-	-	-	-	-	-	200,828	-	-
Due from other funds	-	-	404	-	-	-	-	-	-
Due from other governments	-	-	-	125,450	-	12,793	-	-	-
Total Assets	\$ 50,685	\$ 11,795	\$ 1,074,278	\$ 881,262	\$ 14,571	\$ 103,695	\$ 691,008	\$ 5,393	\$ 253,760
LIABILITIES AND FUND BALANCE									
Liabilities:									
Accounts payable	\$ -	\$ -	\$ 46,361	\$ 244	\$ 8,126	\$ -	\$ -	\$ -	\$ -
Accrued salaries	-	-	-	-	-	-	-	-	-
Accrued benefits	-	-	-	-	-	-	-	-	-
Deferred revenue	-	2,543	13,651	-	6,034	-	-	-	-
Due to other funds	-	-	-	87,596	-	-	-	-	-
Due to other governments	-	9,072	263,731	-	-	-	-	-	-
Customer deposits	-	-	-	-	-	-	-	-	-
Total Liabilities	-	11,615	323,743	87,840	14,160	-	-	-	-
Fund Balance:									
Reserved for notes receivable	-	-	-	-	-	-	200,828	-	-
Reserved for revenue shortfalls	-	-	-	-	-	-	-	-	-
Unreserved	50,685	180	750,535	793,422	411	103,695	490,180	5,393	253,760
Total Fund Balance	50,685	180	750,535	793,422	411	103,695	691,008	5,393	253,760
Total Liabilities and Fund Balance	\$ 50,685	\$ 11,795	\$ 1,074,278	\$ 881,262	\$ 14,571	\$ 103,695	\$ 691,008	\$ 5,393	\$ 253,760

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING BALANCE SHEET  
 JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)  
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	ROAD IMPACT FEE FUND	RESIDENTIAL CONSTRUCTION TAX FUND	INFRASTRUCTURE TAX FUND	TOTALS
	2008	2008	2008	2007
<b>ASSETS</b>				
Cash and investments	\$ 400,600	\$ 260,630	\$ 974,461	\$ 10,899,772
Receivables:				
Property taxes				26,011
Interest	624	407	2,264	47,421
Other				17,991
Notes				233,555
Due from other funds			65,640	
Due from other governments			718,621	651,709
<b>Total Assets</b>	<u>\$ 401,224</u>	<u>\$ 261,037</u>	<u>\$ 1,102,037</u>	<u>\$ 11,876,459</u>
<b>LIABILITIES AND FUND BALANCE</b>				
Liabilities:				
Accounts payable		\$ -	\$ -	\$ 70,921
Accrued salaries				37,008
Accrued benefits				12,027
Deferred revenue				22,772
Due to other funds				1,407
Due to other governments				285,531
Customer deposits			3,428	1,990
<b>Total Liabilities</b>			<u>944,591</u>	<u>431,656</u>
Fund Balance:				
Reserved for notes receivable			200,828	233,555
Reserved for revenue shortfalls			1,447,454	1,385,957
Unreserved	401,224	261,037	1,102,037	9,825,291
<b>Total Fund Balance</b>	<u>401,224</u>	<u>261,037</u>	<u>1,102,037</u>	<u>11,444,803</u>
<b>Total Liabilities and Fund Balance</b>	<u>\$ 401,224</u>	<u>\$ 261,037</u>	<u>\$ 1,102,037</u>	<u>\$ 11,876,459</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)  
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	REVENUE STABILIZATION FUND	SOCIAL SERVICES FUND	AGRICULTURAL EXTENSION FUND	PUBLIC LIBRARY FUND	PARKS AND RECREATION FUND	CEMETERY BEAUTIFICATION FUND	INDIGENT DONATIONS AND GIFTS FUND	LAW LIBRARY FUND	REGIONAL TRANSPORTATION FUND
<b>REVENUES</b>									
Taxes	\$ -	\$ 345,288	\$ 192,827	\$ 499,091	\$ 4,830	\$ -	\$ -	\$ -	\$ 817,366
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	760,338	8,089	55,317	1,091,984	-	-	-	-
Charges for services	-	-	-	-	286,047	-	-	7,740	-
Miscellaneous	61,497	27,438	5,066	32,797	7,485	1,468	13,350	6,443	26,424
<b>Total Revenues</b>	<b>61,497</b>	<b>1,133,064</b>	<b>205,982</b>	<b>587,205</b>	<b>1,390,346</b>	<b>1,468</b>	<b>13,350</b>	<b>14,183</b>	<b>843,790</b>
<b>EXPENDITURES</b>									
General government	-	-	-	-	-	-	-	-	-
Judicial	-	-	-	-	-	-	-	31,343	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	563	-	-	-
Welfare	-	979,356	-	-	-	-	12,100	-	-
Culture and recreation	-	-	-	538,493	1,736,824	-	-	-	-
Community support	-	-	145,309	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	167,265
<b>Total Expenditures</b>	<b>-</b>	<b>979,356</b>	<b>145,309</b>	<b>538,493</b>	<b>1,736,824</b>	<b>563</b>	<b>12,100</b>	<b>31,343</b>	<b>167,265</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>61,497</b>	<b>153,708</b>	<b>60,673</b>	<b>48,712</b>	<b>(346,478)</b>	<b>905</b>	<b>1,250</b>	<b>(17,160)</b>	<b>676,525</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in lieu of taxes:	-	-	-	-	250,000	-	-	-	-
CC Communications - Telephone Fund	-	125,000	-	-	-	-	-	25,000	-
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	(455,749)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>125,000</b>	<b>-</b>	<b>-</b>	<b>250,000</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>(455,749)</b>
<b>Net Change in Fund Balances</b>	<b>61,497</b>	<b>278,708</b>	<b>60,673</b>	<b>48,712</b>	<b>(96,478)</b>	<b>905</b>	<b>1,250</b>	<b>7,840</b>	<b>220,776</b>
<b>FUND BALANCE, July 1</b>	<b>1,385,957</b>	<b>681,067</b>	<b>81,576</b>	<b>470,695</b>	<b>477,906</b>	<b>33,717</b>	<b>51,138</b>	<b>155,413</b>	<b>550,365</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 1,447,454</b>	<b>\$ 959,775</b>	<b>\$ 142,249</b>	<b>\$ 519,407</b>	<b>\$ 381,428</b>	<b>\$ 34,622</b>	<b>\$ 52,388</b>	<b>\$ 163,253</b>	<b>\$ 771,141</b>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)  
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	LIBRARY GIFT FUND	RISK MANAGEMENT FUND	COMPENSATED ABSENCES FUND	UNEMPLOYMENT COMPENSATION FUND	FORFEITURES/ SEIZED ASSETS FUND	GRAFFITI REWARD AND ABATEMENT FUND	ADMINISTRATIVE ASSESSMENT FUND
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	125,000	-	-	-	39,545
Charges for services	43,744	62,765	47,154	17,138	16,286	70,039	-
Miscellaneous	-	-	-	-	-	-	-
<b>Total Revenues</b>	<u>43,744</u>	<u>62,765</u>	<u>172,154</u>	<u>17,138</u>	<u>16,286</u>	<u>71,649</u>	<u>39,545</u>
<b>EXPENDITURES</b>							
General government	-	49,102	252,721	4,362	-	-	-
Judicial	-	-	-	-	-	64,780	-
Public safety	-	-	-	-	9,609	-	-
Public works	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-
Welfare	-	-	-	-	-	-	-
Culture and recreation	36,409	-	-	-	-	-	-
Community support	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<u>36,409</u>	<u>49,102</u>	<u>252,721</u>	<u>4,362</u>	<u>9,609</u>	<u>64,780</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>7,335</u>	<u>13,663</u>	<u>(80,567)</u>	<u>12,776</u>	<u>6,677</u>	<u>6,869</u>	<u>39,545</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in lieu of taxes:							
CC Communications - Telephone Fund	30,000	50,000	250,000	25,000	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(60,000)
<b>Total Other Financing Sources (Uses)</b>	<u>30,000</u>	<u>50,000</u>	<u>250,000</u>	<u>25,000</u>	<u>-</u>	<u>-</u>	<u>(60,000)</u>
Net Change in Fund Balances	<u>37,335</u>	<u>63,663</u>	<u>169,433</u>	<u>37,776</u>	<u>6,677</u>	<u>6,869</u>	<u>(20,455)</u>
<b>FUND BALANCE, July 1</b>	<u>384,390</u>	<u>1,057,615</u>	<u>1,128,790</u>	<u>388,094</u>	<u>97,241</u>	<u>38,324</u>	<u>29,651</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 421,725</u>	<u>\$ 1,121,278</u>	<u>\$ 1,298,223</u>	<u>\$ 425,870</u>	<u>\$ 103,918</u>	<u>\$ 45,193</u>	<u>\$ 9,196</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)  
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	RECREATION DONATION FUND	INDIGENT HOSPITAL CARE FUND	INDIGENT MEDICAL CARE FUND	PUBLIC TRANSIT FUND	SENIOR CITIZENS AD VALOREM LEVY FUND	ONE CENT FUEL EXCISE TAX FUND	FAIRGROUNDS SALE PROCEEDS FUND	HOSPITAL SUPPORT FUND	TECHNOLOGY FEE FUND
REVENUES									
Taxes	\$ -	\$ 88,970	\$ 449,047	\$ -	\$ 204,001	\$ 63,604	\$ -	\$ 105	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	41	275	706,903	83	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Miscellaneous	15,898	-	42,144	20,855	-	3,534	30,607	-	123,101
Total Revenues	15,898	89,011	491,466	727,758	204,084	67,138	30,607	105	123,101
EXPENDITURES									
General government	-	-	-	-	-	-	-	-	124,301
Judicial	-	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-
Public works	-	-	-	3,375	-	58,691	-	-	-
Health	-	-	-	-	-	-	-	-	-
Welfare	-	89,001	-	-	-	-	-	-	-
Culture and recreation	52,475	-	448,525	-	204,057	-	-	-	-
Community support	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-
Total Expenditures	52,475	89,001	448,525	3,375	204,057	58,691	-	-	124,301
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,577)	10	42,941	724,383	27	8,447	30,607	105	(1,200)
OTHER FINANCING SOURCES (USES)									
Transfers in lieu of taxes:									
CC Communications - Telephone Fund	30,000	-	-	-	-	-	-	-	-
Transfers in	-	-	(125,000)	(499,135)	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	30,000	-	(125,000)	(499,135)	-	-	-	-	-
Net Change in Fund Balances	(6,577)	10	(82,059)	225,248	27	8,447	30,607	105	(1,200)
FUND BALANCE, July 1	57,262	170	832,594	568,174	384	95,248	660,401	5,288	254,960
FUND BALANCE, June 30	\$ 50,685	\$ 180	\$ 750,535	\$ 793,422	\$ 411	\$ 103,695	\$ 691,008	\$ 5,393	\$ 253,760

CHURCHILL COUNTY, NEVADA  
 NONMAJOR SPECIAL REVENUE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2007)  
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	ROAD IMPACT FEE FUND	RESIDENTIAL CONSTRUCTION TAX FUND	INFRASTRUCTURE TAX FUND	TOTALS	
				2008	2007
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ 2,665,129	\$ 2,458,801
Licenses and permits	62,100	20,100	-	82,200	225,582
Intergovernmental	-	-	706,300	3,454,330	3,212,006
Charges for services	-	-	-	334,942	329,392
Miscellaneous	15,903	10,433	70,947	772,516	1,076,340
<b>Total Revenues</b>	<b>78,003</b>	<b>30,533</b>	<b>777,247</b>	<b>7,309,117</b>	<b>7,302,121</b>
<b>EXPENDITURES</b>					
General government	-	-	77,400	507,886	424,130
Judicial	-	-	-	96,123	86,864
Public safety	-	-	-	9,609	4,250
Public works	-	-	-	62,066	130,550
Health	-	-	-	563	1,016
Welfare	-	-	-	1,080,457	1,085,511
Culture and recreation	-	2,468	-	2,366,669	1,975,210
Community support	-	-	-	797,891	541,043
Intergovernmental	-	-	-	167,265	889,677
<b>Total Expenditures</b>	<b>-</b>	<b>2,468</b>	<b>77,400</b>	<b>5,088,529</b>	<b>5,138,251</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>78,003</b>	<b>28,065</b>	<b>699,847</b>	<b>2,220,588</b>	<b>2,163,870</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in lieu of taxes:					
CC Communications - Telephone Fund	-	-	-	250,000	250,000
Transfers in	-	-	-	535,000	430,000
Transfers out	-	-	(1,000,000)	(2,139,884)	(1,376,799)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>(1,000,000)</b>	<b>(1,354,884)</b>	<b>(696,799)</b>
<b>Net Change in Fund Balances</b>	<b>78,003</b>	<b>28,065</b>	<b>(300,153)</b>	<b>865,704</b>	<b>1,467,071</b>
<b>FUND BALANCE, July 1</b>	<b>323,221</b>	<b>232,972</b>	<b>1,402,190</b>	<b>11,444,803</b>	<b>9,977,336</b>
<b>FUND BALANCE, June 30</b>	<b>\$ 401,224</b>	<b>\$ 261,037</b>	<b>\$ 1,102,037</b>	<b>\$ 12,310,507</b>	<b>\$ 11,444,407</b>

**CHURCHILL COUNTY, NEVADA**  
**REVENUE STABILIZATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 62,000	\$ 61,497	\$ (503)	\$ 81,462
<b>FUND BALANCE, July 1</b>	<u>1,363,207</u>	<u>1,385,957</u>	<u>22,750</u>	<u>1,304,495</u>
<b>FUND BALANCE, June 30</b>	<u>\$1,425,207</u>	<u>\$1,447,454</u>	<u>\$ 22,247</u>	<u>\$1,385,957</u>

**CHURCHILL COUNTY, NEVADA**  
**SOCIAL SERVICES FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 296,174	\$ 345,288	\$ 49,114	\$ 277,627
Intergovernmental:				
Social Security reimbursements	28,000	8,744	(19,256)	19,508
Private car tax	-	193	193	144
City utility assistance	-	218	218	90
Consolidated intergovernmental taxes	80,000	80,000	-	84,000
Grants-in-aid:				
Federal	620,976	585,773	(35,203)	459,907
State	22,664	85,410	62,746	114,200
	<u>751,640</u>	<u>760,338</u>	<u>8,698</u>	<u>677,849</u>
Miscellaneous:				
Welfare reimbursements	500	623	123	264
Interest	15,175	26,815	11,640	26,206
	<u>15,675</u>	<u>27,438</u>	<u>11,763</u>	<u>26,470</u>
Total Revenues	<u>1,063,489</u>	<u>1,133,064</u>	<u>69,575</u>	<u>981,946</u>
<b>EXPENDITURES</b>				
Welfare:				
Grant assistance:				
Services and supplies	577,525	600,343	(22,818)	528,072
Assistance in cash or goods:				
Services and supplies	24,360	20,973	3,387	12,406
Medical assistance-direct:				
Services and supplies	104,500	12,061	92,439	116,721
Welfare operations:				
Salaries	107,615	100,703	6,912	90,234
Benefits	40,212	38,168	2,044	33,519
Services and supplies	33,678	16,019	17,659	16,584
	<u>181,505</u>	<u>154,890</u>	<u>26,615</u>	<u>140,337</u>
Public health nurse:				
Services and supplies	76,000	95,271	(19,271)	101,772
Transitional housing:				
Salaries	42,137	38,508	3,629	36,145
Benefits	19,479	17,073	2,406	16,923
Services and supplies	95,115	40,237	54,878	42,070
	<u>156,731</u>	<u>95,818</u>	<u>60,913</u>	<u>95,138</u>
Public Guardian				
Services and supplies	6,500	-	6,500	350
Total Expenditures	<u>1,127,121</u>	<u>979,356</u>	<u>147,765</u>	<u>994,796</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(63,632)	153,708	217,340	(12,850)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Indigent Medical Care Fund	-	125,000	125,000	125,000
Net Change in Fund Balances	(63,632)	278,708	342,340	112,150
FUND BALANCE, July 1	<u>704,722</u>	<u>681,067</u>	<u>(23,655)</u>	<u>568,917</u>
FUND BALANCE, June 30	<u>\$ 641,090</u>	<u>\$ 959,775</u>	<u>\$ 318,685</u>	<u>\$ 681,067</u>

**CHURCHILL COUNTY, NEVADA  
 COOPERATIVE EXTENSION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 170,676	\$ 192,827	\$ 22,151	\$ 177,913
Intergovernmental:				
Federal payments in lieu of taxes	8,000	8,000	-	8,500
Private car tax	-	89	89	94
	<u>8,000</u>	<u>8,089</u>	<u>89</u>	<u>8,594</u>
Miscellaneous:				
Interest	2,900	5,066	2,166	5,491
Total Revenues	<u>181,576</u>	<u>205,982</u>	<u>24,406</u>	<u>191,998</u>
<b>EXPENDITURES</b>				
Community support:				
Salaries	50,702	48,326	2,376	45,177
Benefits	20,642	18,246	2,396	17,882
Services and supplies	106,554	78,737	27,817	106,813
Capital outlay	-	-	-	10,016
Total Expenditures	<u>177,898</u>	<u>145,309</u>	<u>32,589</u>	<u>179,888</u>
Net Change in Fund Balances	3,678	60,673	56,995	12,110
<b>FUND BALANCE, July 1</b>	<u>69,704</u>	<u>81,576</u>	<u>11,872</u>	<u>69,466</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 73,382</u>	<u>\$ 142,249</u>	<u>\$ 68,867</u>	<u>\$ 81,576</u>

**CHURCHILL COUNTY, NEVADA  
PUBLIC LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 441,659	\$ 499,091	\$ 57,432	\$ 460,498
Intergovernmental:				
Federal payments in lieu of taxes	43,000	43,000	-	45,000
Private car tax	-	231	231	242
Grants-in-aid:				
Federal	-	-	-	18,695
State	-	12,086	12,086	12,072
	<u>43,000</u>	<u>55,317</u>	<u>12,317</u>	<u>76,009</u>
Miscellaneous:				
Sales and rentals	10,000	12,732	2,732	11,445
Interest	12,000	20,065	8,065	26,757
	<u>22,000</u>	<u>32,797</u>	<u>10,797</u>	<u>38,202</u>
Total Revenues	<u>506,659</u>	<u>587,205</u>	<u>80,546</u>	<u>574,709</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Salaries	289,022	280,758	8,264	256,936
Benefits	107,992	102,030	5,962	98,315
Services and supplies	199,580	155,705	43,875	194,423
Capital outlay	-	-	-	6,694
Total Expenditures	<u>596,594</u>	<u>538,493</u>	<u>58,101</u>	<u>556,368</u>
Net Change in Fund Balances	(89,935)	48,712	138,647	18,341
<b>FUND BALANCE, July 1</b>	<u>385,616</u>	<u>470,695</u>	<u>85,079</u>	<u>452,354</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 295,681</u>	<u>\$ 519,407</u>	<u>\$ 223,726</u>	<u>\$ 470,695</u>

**CHURCHILL COUNTY, NEVADA  
PARKS AND RECREATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)  
(Page 1 of 2)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
County lodging tax	\$ 6,100	\$ 4,830	\$ (1,270)	\$ 4,886
Intergovernmental:				
Federal payments in lieu of taxes	200,000	200,000	-	200,000
Consolidated intergovernmental taxes	220,000	220,000	-	200,000
Grants-in-aid:				
Federal	156,755	156,755	-	17,243
State	515,229	515,229	-	331,510
	<u>1,091,984</u>	<u>1,091,984</u>	<u>-</u>	<u>748,753</u>
Charges for services:				
Contract clean-up	7,000	4,560	(2,440)	-
Concession stand	9,125	9,725	600	10,844
Recreation charges	130,000	144,089	14,089	127,559
Swimming pool receipts	61,250	57,810	(3,440)	55,159
Fairgrounds rentals	63,000	67,491	4,491	71,317
Flag football fees	-	90	90	-
Utilities reimbursements	-	-	-	298
Pro-shop sales	3,000	2,282	(718)	8,472
	<u>273,375</u>	<u>286,047</u>	<u>12,672</u>	<u>273,649</u>
Miscellaneous:				
Interest	17,760	2,036	(15,724)	22,129
Miscellaneous	6,500	5,449	(1,051)	7,713
	<u>24,260</u>	<u>7,485</u>	<u>(16,775)</u>	<u>29,842</u>
Total Revenues	<u>1,395,719</u>	<u>1,390,346</u>	<u>(5,373)</u>	<u>1,057,130</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Administration:				
Salaries	149,450	145,710	3,740	143,550
Benefits	61,138	58,041	3,097	58,164
Services and supplies	25,105	22,236	2,869	24,420
Capital outlay	-	-	-	6,335
	<u>235,693</u>	<u>225,987</u>	<u>9,706</u>	<u>232,469</u>
Public parks:				
Salaries	41,521	38,515	3,006	34,400
Benefits	17,297	16,366	931	15,516
Services and supplies	47,300	46,333	967	54,799
Capital outlay	713,059	706,724	6,335	368,458
	<u>819,177</u>	<u>807,938</u>	<u>11,239</u>	<u>473,173</u>
Recreation athletics:				
Salaries	72,626	71,632	994	64,378
Benefits	22,022	20,536	1,486	18,776
Services and supplies	96,100	92,078	4,022	78,135
Capital outlay	-	-	-	3,827
	<u>190,748</u>	<u>184,246</u>	<u>6,502</u>	<u>165,116</u>
Fairgrounds:				
Salaries	83,426	86,369	(2,943)	93,791
Benefits	27,813	25,179	2,634	25,295
Services and supplies	129,100	128,252	848	137,499
	<u>240,339</u>	<u>239,800</u>	<u>539</u>	<u>256,585</u>

**CHURCHILL COUNTY, NEVADA**  
**PARKS AND RECREATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**  
 (Page 2 of 2)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
Swimming pool:				
Salaries	\$ 146,421	\$ 138,230	\$ 8,191	\$ 116,110
Benefits	26,156	25,221	935	21,758
Services and supplies	117,680	115,402	2,278	122,017
	<u>290,257</u>	<u>278,853</u>	<u>11,404</u>	<u>259,885</u>
Total Expenditures	<u>1,776,214</u>	<u>1,736,824</u>	<u>39,390</u>	<u>1,387,228</u>
Deficiency of Revenues Under Expenditures	<u>(380,495)</u>	<u>(346,478)</u>	<u>34,017</u>	<u>(330,098)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	30,000	-	(30,000)	50,000
Transfers in lieu of taxes:				
CC Communications - Telephone Fund	<u>250,000</u>	<u>250,000</u>	<u>-</u>	<u>250,000</u>
Total Other Financing Sources	<u>280,000</u>	<u>250,000</u>	<u>(30,000)</u>	<u>300,000</u>
Net Change in Fund Balances	(100,495)	(96,478)	4,017	(30,098)
<b>FUND BALANCE, July 1</b>	<u>417,031</u>	<u>477,906</u>	<u>60,875</u>	<u>508,004</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 316,536</u>	<u>\$ 381,428</u>	<u>\$ 64,892</u>	<u>\$ 477,906</u>

**CHURCHILL COUNTY, NEVADA**  
**CEMETERY BEAUTIFICATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 1,003	\$ 1,468	\$ 465	\$ 2,076
Gifts and donations	1,000	-	(1,000)	250
Total Revenues	2,003	1,468	(535)	2,326
<b>EXPENDITURES</b>				
Health:				
Services and supplies	2,500	563	1,937	1,016
Net Change in Fund Balances	(497)	905	1,402	1,310
<b>FUND BALANCE, July 1</b>	<u>31,507</u>	<u>33,717</u>	<u>2,210</u>	<u>32,407</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 31,010</u>	<u>\$ 34,622</u>	<u>\$ 3,612</u>	<u>\$ 33,717</u>

**CHURCHILL COUNTY, NEVADA**  
**INDIGENT DONATIONS AND GIFTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 1,750	\$ 2,272	\$ 522	\$ 3,072
Project Food revenue	12,000	7,833	(4,167)	10,870
Gifts and donations	1,000	3,245	2,245	-
Total Revenues	14,750	13,350	(1,400)	13,942
<b>EXPENDITURES</b>				
Welfare:				
Services and supplies	25,000	12,100	12,900	8,658
Net Change in Fund Balances	(10,250)	1,250	11,500	5,284
<b>FUND BALANCE, July 1</b>	<u>33,604</u>	<u>51,138</u>	<u>17,534</u>	<u>45,854</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 23,354</u>	<u>\$ 52,388</u>	<u>\$ 29,034</u>	<u>\$ 51,138</u>

**CHURCHILL COUNTY, NEVADA**  
**LAW LIBRARY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Charges for services:				
Law library fees	\$ 7,500	\$ 7,740	\$ 240	\$ 8,205
Miscellaneous:				
Interest	<u>3,300</u>	<u>6,443</u>	<u>3,143</u>	<u>8,708</u>
Total Revenues	10,800	14,183	3,383	16,913
<b>EXPENDITURES</b>				
Judicial:				
Services and supplies	<u>34,646</u>	<u>31,343</u>	<u>3,303</u>	<u>29,143</u>
Deficiency of Revenues Under Expenditures	(23,846)	(17,160)	6,686	(12,230)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>
Net Change in Fund Balances	(23,846)	7,840	31,686	12,770
<b>FUND BALANCE, July 1</b>	<u>148,093</u>	<u>155,413</u>	<u>7,320</u>	<u>142,643</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 124,247</u>	<u>\$ 163,253</u>	<u>\$ 39,006</u>	<u>\$ 155,413</u>

**CHURCHILL COUNTY, NEVADA**  
**REGIONAL TRANSPORTATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
County option motor vehicle fuel	\$ 821,000	\$ 817,366	\$ (3,634)	\$ 888,103
Miscellaneous:				
Interest	<u>24,735</u>	<u>26,424</u>	<u>1,689</u>	<u>41,782</u>
Total Revenues	845,735	843,790	(1,945)	929,885
<b>EXPENDITURES</b>				
Intergovernmental:				
City of Fallon	<u>400,000</u>	<u>167,265</u>	<u>232,735</u>	<u>650,198</u>
Excess of Revenues Over Expenditures	445,735	676,525	230,790	279,687
<b>OTHER FINANCING USES</b>				
Transfers out:				
Road Fund	<u>(600,000)</u>	<u>(455,749)</u>	<u>144,251</u>	<u>(682,899)</u>
Net Change in Fund Balances	(154,265)	220,776	375,041	(403,212)
<b>FUND BALANCE, July 1</b>	<u>712,156</u>	<u>550,365</u>	<u>(161,791)</u>	<u>953,577</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 557,891</u>	<u>\$ 771,141</u>	<u>\$ 213,250</u>	<u>\$ 550,365</u>

**CHURCHILL COUNTY, NEVADA**  
**LIBRARY GIFT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 17,041	\$ 17,041	\$ -	\$ 21,029
Gifts and donations	40,800	26,703	(14,097)	13,661
Total Revenues	<u>57,841</u>	<u>43,744</u>	<u>(14,097)</u>	<u>34,690</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Services and supplies	25,000	26,409	(1,409)	137
Capital outlay	8,916	10,000	(1,084)	-
Total Expenditures	<u>33,916</u>	<u>36,409</u>	<u>(2,493)</u>	<u>137</u>
Excess of Revenues Over Expenditures	23,925	7,335	(16,590)	34,553
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	30,000	30,000	-	30,000
Net Change in Fund Balances	53,925	37,335	(16,590)	64,553
<b>FUND BALANCE, July 1</b>	<u>388,413</u>	<u>384,390</u>	<u>(4,023)</u>	<u>319,837</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 442,338</u>	<u>\$ 421,725</u>	<u>\$ (20,613)</u>	<u>\$ 384,390</u>

**CHURCHILL COUNTY, NEVADA**  
**RISK MANAGEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal payments in lieu of taxes	\$ -	\$ -	\$ -	\$ 24,000
Miscellaneous:				
Interest	29,175	45,776	16,601	60,174
Insurance reimbursement	20,000	16,989	(3,011)	19,838
	<u>49,175</u>	<u>62,765</u>	<u>13,590</u>	<u>80,012</u>
Total Revenues	<u>49,175</u>	<u>62,765</u>	<u>13,590</u>	<u>104,012</u>
<b>EXPENDITURES</b>				
General government:				
Services and supplies	120,000	49,102	70,898	49,240
Capital outlay	-	-	-	26,500
	<u>120,000</u>	<u>49,102</u>	<u>70,898</u>	<u>75,740</u>
Total Expenditures	<u>120,000</u>	<u>49,102</u>	<u>70,898</u>	<u>75,740</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(70,825)	13,663	84,488	28,272
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	50,000	50,000	50,000
Net Change in Fund Balances	(70,825)	63,663	134,488	78,272
<b>FUND BALANCE, July 1</b>	<u>995,018</u>	<u>1,057,615</u>	<u>62,597</u>	<u>979,343</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 924,193</u>	<u>\$ 1,121,278</u>	<u>\$ 197,085</u>	<u>\$ 1,057,615</u>

**CHURCHILL COUNTY, NEVADA  
 COMPENSATED ABSENCES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 75,000	\$ 75,000	\$ -	\$ 144,003
Consolidated intergovernmental taxes	50,000	50,000	-	-
AB104 fairshare	-	-	-	24,366
	<u>125,000</u>	<u>125,000</u>	<u>-</u>	<u>168,369</u>
Miscellaneous:				
Interest	17,127	47,154	30,027	46,424
Miscellaneous	-	-	-	165,700
	<u>17,127</u>	<u>47,154</u>	<u>30,027</u>	<u>212,124</u>
Total Revenues	<u>142,127</u>	<u>172,154</u>	<u>30,027</u>	<u>380,493</u>
<b>EXPENDITURES</b>				
General government:				
Benefits	196,150	197,431	(1,281)	199,580
Services and supplies	165,000	55,290	109,710	88,024
Total Expenditures	<u>361,150</u>	<u>252,721</u>	<u>108,429</u>	<u>287,604</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(219,023)	(80,567)	138,456	92,889
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	250,000	250,000	125,000
Net Change in Fund Balances	(219,023)	169,433	388,456	217,889
<b>FUND BALANCE, July 1</b>	<u>854,964</u>	<u>1,128,790</u>	<u>273,826</u>	<u>910,901</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 635,941</u>	<u>\$ 1,298,223</u>	<u>\$ 662,282</u>	<u>\$ 1,128,790</u>

**CHURCHILL COUNTY, NEVADA**  
**UNEMPLOYMENT COMPENSATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 12,975	\$ 17,138	\$ 4,163	\$ 22,242
<b>EXPENDITURES</b>				
General government:				
Benefits	25,000	4,362	20,638	9,543
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,025)	12,776	24,801	12,699
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	25,000	25,000	25,000
Net Change in Fund Balances	(12,025)	37,776	49,801	37,699
<b>FUND BALANCE, July 1</b>	<u>362,895</u>	<u>388,094</u>	<u>25,199</u>	<u>350,395</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 350,870</u>	<u>\$ 425,870</u>	<u>\$ 75,000</u>	<u>\$ 388,094</u>

**CHURCHILL COUNTY, NEVADA**  
**FORFEITURES/SEIZED ASSETS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 2,600	\$ 4,428	\$ 1,828	\$ 5,491
Forfeitures of seized assets	<u>65,000</u>	<u>11,858</u>	<u>(53,142)</u>	<u>18,175</u>
Total Revenues	67,600	16,286	(51,314)	23,666
<b>EXPENDITURES</b>				
Public safety:				
Services and supplies	<u>71,000</u>	<u>9,609</u>	<u>61,391</u>	<u>4,250</u>
Net Change in Fund Balances	(3,400)	6,677	10,077	19,416
<b>FUND BALANCE, July 1</b>	<u>35,185</u>	<u>97,241</u>	<u>62,056</u>	<u>77,825</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 31,785</u>	<u>\$ 103,918</u>	<u>\$ 72,133</u>	<u>\$ 97,241</u>

**CHURCHILL COUNTY, NEVADA**  
**GRAFFITI REWARD AND ABATEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Charges for services:				
Graffiti collections	\$ 1,000	\$ -	\$ (1,000)	\$ -
Restitution processing	2,000	1,610	(390)	2,000
	<u>3,000</u>	<u>1,610</u>	<u>(1,390)</u>	<u>2,000</u>
Miscellaneous:				
District Attorney restitution collections	80,000	58,562	(21,438)	56,581
Juvenile probation restitution collections	20,000	7,697	(12,303)	2,214
Sheriff's office evidence	-	1,890	1,890	110
Interest	1,000	1,890	890	2,314
	<u>101,000</u>	<u>70,039</u>	<u>(30,961)</u>	<u>61,219</u>
Total Revenues	<u>104,000</u>	<u>71,649</u>	<u>(32,351)</u>	<u>63,219</u>
<b>EXPENDITURES</b>				
Judicial:				
Services and supplies	90,000	64,780	25,220	57,721
Net Change in Fund Balances	14,000	6,869	(7,131)	5,498
<b>FUND BALANCE, July 1</b>	<u>42,576</u>	<u>38,324</u>	<u>(4,252)</u>	<u>32,826</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 56,576</u>	<u>\$ 45,193</u>	<u>\$ (11,383)</u>	<u>\$ 38,324</u>

**CHURCHILL COUNTY, NEVADA**  
**ADMINISTRATIVE ASSESSMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET*</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Charges for services:				
Administrative assessments	\$ 45,000	\$ 39,545	\$ (5,455)	\$ 45,538
<b>OTHER FINANCING USES</b>				
Transfers out:				
Extraordinary Repairs and Maintenance Fund	<u>(75,000)</u>	<u>(60,000)</u>	<u>15,000</u>	<u>(65,000)</u>
Net Change in Fund Balances	(30,000)	(20,455)	9,545	(19,462)
<b>FUND BALANCE, July 1</b>	<u>31,613</u>	<u>29,651</u>	<u>(1,962)</u>	<u>49,113</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,613</u>	<u>\$ 9,196</u>	<u>\$ 7,583</u>	<u>\$ 29,651</u>

**CHURCHILL COUNTY, NEVADA**  
**RECREATION DONATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 2,000	\$ 2,418	\$ 418	\$ 3,809
Gifts and donations	12,350	13,480	1,130	26,458
Total Revenues	<u>14,350</u>	<u>15,898</u>	<u>1,548</u>	<u>30,267</u>
<b>EXPENDITURES</b>				
Culture and recreation:				
Services and supplies	23,600	5,267	18,333	31,477
Capital outlay	-	47,208	(47,208)	-
Total Expenditures	<u>23,600</u>	<u>52,475</u>	<u>(28,875)</u>	<u>31,477</u>
Deficiency of Revenues Under Expenditures	(9,250)	(36,577)	(27,327)	(1,210)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
General Fund	-	30,000	30,000	-
Net Change in Fund Balances	(9,250)	(6,577)	2,673	(1,210)
<b>FUND BALANCE, July 1</b>	<u>55,437</u>	<u>57,262</u>	<u>1,825</u>	<u>58,472</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 46,187</u>	<u>\$ 50,685</u>	<u>\$ 4,498</u>	<u>\$ 57,262</u>

**CHURCHILL COUNTY, NEVADA**  
**INDIGENT HOSPITAL CARE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 88,970	\$ 88,970	\$ -	\$ 82,029
Intergovernmental:				
Private car tax	41	41	-	43
Total Revenues	89,011	89,011	-	82,072
<b>EXPENDITURES</b>				
Welfare:				
Payments to State of Nevada	77,794	89,001	(11,207)	82,057
Net Change in Fund Balances	11,217	10	(11,207)	15
<b>FUND BALANCE, July 1</b>	1,234	170	(1,064)	155
<b>FUND BALANCE, June 30</b>	<u>\$ 12,451</u>	<u>\$ 180</u>	<u>\$ (12,271)</u>	<u>\$ 170</u>

**CHURCHILL COUNTY, NEVADA**  
**INDIGENT MEDICAL CARE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 448,698	\$ 449,047	\$ 349	\$ 324,778
Intergovernmental:				
Private car tax	-	275	275	173
Miscellaneous:				
Interest	27,675	42,144	14,469	57,910
Total Revenues	476,373	491,466	15,093	382,861
<b>EXPENDITURES</b>				
Community support:				
Services and supplies	424,983	448,525	(23,542)	186,032
Excess of Revenues Over Expenditures	51,390	42,941	(8,449)	196,829
<b>OTHER FINANCING USES</b>				
Transfers out:				
Social Services Fund	-	(125,000)	(125,000)	(125,000)
Net Change in Fund Balances	51,390	(82,059)	(133,449)	71,829
<b>FUND BALANCE, July 1</b>	475,484	832,594	357,110	760,765
<b>FUND BALANCE, June 30</b>	<u>\$ 526,874</u>	<u>\$ 750,535</u>	<u>\$ 223,661</u>	<u>\$ 832,594</u>

**CHURCHILL COUNTY, NEVADA**  
**PUBLIC TRANSIT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Optional county sales tax (\$.0025)	\$ 713,409	\$ 706,903	\$ (6,506)	\$ 757,356
Miscellaneous:				
Interest	<u>12,732</u>	<u>20,855</u>	<u>8,123</u>	<u>22,932</u>
Total Revenues	<u>726,141</u>	<u>727,758</u>	<u>1,617</u>	<u>780,288</u>
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Services and supplies	5,000	3,375	1,625	3,223
Intergovernmental:				
City of Fallon	<u>370,000</u>	<u>-</u>	<u>370,000</u>	<u>239,479</u>
Total Expenditures	<u>375,000</u>	<u>3,375</u>	<u>371,625</u>	<u>242,702</u>
Excess of Revenues Over Expenditures	351,141	724,383	373,242	537,586
<b>OTHER FINANCING USES</b>				
Transfers out:				
Road Fund	<u>(500,000)</u>	<u>(499,135)</u>	<u>865</u>	<u>(503,900)</u>
Net Change in Fund Balances	(148,859)	225,248	374,107	33,686
<b>FUND BALANCE, July 1</b>	<u>433,822</u>	<u>568,174</u>	<u>134,352</u>	<u>534,488</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 284,963</u>	<u>\$ 793,422</u>	<u>\$ 508,459</u>	<u>\$ 568,174</u>

**CHURCHILL COUNTY, NEVADA**  
**SENIOR CITIZENS AD VALOREM LEVY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes				
Ad valorem taxes	\$ 204,001	\$ 204,001	\$ -	\$ 175,136
Intergovernmental				
Privatge car tax	83	83	-	86
Total Revenues	204,084	204,084	-	175,222
<b>EXPENDITURES</b>				
Community support:				
Services and supplies	204,084	204,057	27	175,123
Net Change in Fund Balances	-	27	27	99
<b>FUND BALANCE, July 1</b>	679	384	(295)	285
<b>FUND BALANCE, June 30</b>	<u>\$ 679</u>	<u>\$ 411</u>	<u>\$ (268)</u>	<u>\$ 384</u>

**CHURCHILL COUNTY, NEVADA**  
**ONE CENT FUEL EXCISE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Optional county motor vehicle fuel tax	\$ 64,269	\$ 63,604	\$ (665)	\$ 67,566
Miscellaneous:				
Interest	1,249	3,534	2,285	7,741
Total Revenues	65,518	67,138	1,620	75,307
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Services and supplies	175,000	58,691	116,309	127,327
Net Change in Fund Balances	(109,482)	8,447	117,929	(52,020)
<b>FUND BALANCE, July 1</b>	<u>127,443</u>	<u>95,248</u>	<u>(32,195)</u>	<u>147,268</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 17,961</u>	<u>\$ 103,695</u>	<u>\$ 85,734</u>	<u>\$ 95,248</u>

**CHURCHILL COUNTY, NEVADA**  
**FAIRGROUNDS SALE PROCEEDS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 21,071	\$ 30,607	\$ 9,536	\$ 36,358
<b>EXPENDITURES</b>				
Community support:				
Capital outlay	75,000	-	75,000	-
Net Change in Fund Balances	(53,929)	30,607	84,536	36,358
<b>FUND BALANCE, July 1</b>	<u>621,018</u>	<u>660,401</u>	<u>39,383</u>	<u>624,043</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 567,089</u>	<u>\$ 691,008</u>	<u>\$ 123,919</u>	<u>\$ 660,401</u>

**CHURCHILL COUNTY, NEVADA**  
**HOSPITAL SUPPORT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ -	\$ 105	\$ 105	\$ 265
<b>EXPENDITURES</b>				
Community support:				
Services and supplies	<u>5,100</u>	<u>-</u>	<u>5,100</u>	<u>-</u>
Net Change in Fund Balances	(5,100)	105	5,205	265
<b>FUND BALANCE, July 1</b>	<u>5,122</u>	<u>5,288</u>	<u>166</u>	<u>5,023</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 22</u>	<u>\$ 5,393</u>	<u>\$ 5,371</u>	<u>\$ 5,288</u>

**CHURCHILL COUNTY, NEVADA**  
**TECHNOLOGY FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 3,975	\$ 10,391	\$ 6,416	\$ 13,094
Technology fees	106,738	112,710	5,972	145,719
Total Revenues	<u>110,713</u>	<u>123,101</u>	<u>12,388</u>	<u>158,813</u>
<b>EXPENDITURES</b>				
General government:				
Services and supplies	95,000	91,368	3,632	42,603
Capital outlay	82,220	32,933	49,287	8,640
Total Expenditures	<u>177,220</u>	<u>124,301</u>	<u>52,919</u>	<u>51,243</u>
Net Change in Fund Balances	(66,507)	(1,200)	65,307	107,570
<b>FUND BALANCE, July 1</b>	<u>254,960</u>	<u>254,960</u>	-	<u>147,390</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 188,453</u>	<u>\$ 253,760</u>	<u>\$ 65,307</u>	<u>\$ 254,960</u>

**CHURCHILL COUNTY, NEVADA**  
**ROAD IMPACT FEE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Licenses and permits:				
Area A road impact fee	\$ 200,000	\$ 23,000	\$(177,000)	\$ 48,300
Area B road impact fee	<u>100,000</u>	<u>39,100</u>	<u>(60,900)</u>	<u>105,800</u>
	300,000	62,100	(237,900)	154,100
Miscellaneous:				
Interest	<u>6,000</u>	<u>15,903</u>	<u>9,903</u>	<u>15,447</u>
Total Revenues	306,000	78,003	(227,997)	169,547
<b>EXPENDITURES</b>				
Public works:				
Highways and streets:				
Capital outlay	<u>300,000</u>	<u>-</u>	<u>300,000</u>	<u>-</u>
Net Change in Fund Balances	6,000	78,003	72,003	169,547
<b>FUND BALANCE, July 1</b>	<u>2,674</u>	<u>323,221</u>	<u>320,547</u>	<u>153,674</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 8,674</u>	<u>\$ 401,224</u>	<u>\$ 392,550</u>	<u>\$ 323,221</u>

**CHURCHILL COUNTY, NEVADA**  
**RESIDENTIAL CONSTRUCTION TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Licenses and permits:				
Park tax fee	\$ 136,000	\$ 20,100	\$(115,900)	\$ 71,482
Miscellaneous:				
Interest	<u>4,200</u>	<u>10,433</u>	<u>6,233</u>	<u>12,166</u>
Total Revenues	140,200	30,533	(109,667)	83,648
<b>EXPENDITURES</b>				
Culture and recreation:				
Public parks:				
Services and supplies	<u>100,000</u>	<u>2,468</u>	<u>97,532</u>	<u>-</u>
Net Change in Fund Balances	40,200	28,065	(12,135)	83,648
<b>FUND BALANCE, July 1</b>	<u>193,425</u>	<u>232,972</u>	<u>39,547</u>	<u>149,324</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 233,625</u>	<u>\$ 261,037</u>	<u>\$ 27,412</u>	<u>\$ 232,972</u>

**CHURCHILL COUNTY, NEVADA**  
**INFRASTRUCTURE TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Optional county sales tax (\$.0025)	\$ 578,000	\$ 706,300	\$ 128,300	\$ 751,170
Miscellaneous:				
Interest	12,750	70,947	58,197	52,528
Total Revenues	<u>590,750</u>	<u>777,247</u>	<u>186,497</u>	<u>803,698</u>
<b>EXPENDITURES</b>				
General government:				
Infrastructure development:				
Services and supplies	25,000	-	25,000	-
Capital outlay	1,200,000	77,400	1,122,600	-
Total Expenditures	<u>1,225,000</u>	<u>77,400</u>	<u>1,147,600</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(634,250)	699,847	1,334,097	803,698
<b>OTHER FINANCING USES</b>				
Transfers out:				
Waste Water Enterprise Fund	(455,275)	(1,000,000)	(544,725)	-
Net Change in Fund Balances	(1,089,525)	(300,153)	789,372	803,698
<b>FUND BALANCE, July 1</b>	<u>1,401,317</u>	<u>1,402,190</u>	<u>873</u>	<u>598,492</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 311,792</u>	<u>\$ 1,102,037</u>	<u>\$ 790,245</u>	<u>\$ 1,402,190</u>

**CHURCHILL COUNTY, NEVADA  
DEBT SERVICE FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 2008 AND 2007**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
Cash and investments	\$ 792,757	\$ 563,572
Receivables:		
Interest	805	3,006
Due from other funds	-	173,745
Total Assets	<b>\$ 793,562</b>	<b>\$ 740,323</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
Liabilities:		
Due to other funds	\$ 25,000	\$ -
Fund Balance		
Unreserved	768,562	740,323
Total Liabilities and Fund Balance	<b>\$ 793,562</b>	<b>\$ 740,323</b>

**CHURCHILL COUNTY, NEVADA**  
**DEBT SERVICE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Miscellaneous:				
Interest	\$ 3,200	\$ 15,270	\$ 12,070	\$ 15,046
<b>EXPENDITURES</b>				
Debt service:				
Principal	4,384,542	333,369	4,051,173	496,834
Interest	285,793	96,879	188,914	109,240
Total Expenditures	<u>4,670,335</u>	<u>430,248</u>	<u>4,240,087</u>	<u>606,074</u>
Deficiency of Revenues Under Expenditures	<u>(4,667,135)</u>	<u>(414,978)</u>	<u>4,252,157</u>	<u>(591,028)</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Water Resource Fund	443,217	443,217	-	750,000
Road Fund	-	-	-	125,000
Waste Water Enterprise Fund	2,113,559	-	(2,113,559)	-
Utility Enterprise Fund	2,113,559	-	(2,113,559)	-
Total Other Financing Sources	<u>4,670,335</u>	<u>443,217</u>	<u>(4,227,118)</u>	<u>875,000</u>
Net Change in Fund Balances	3,200	28,239	25,039	283,972
<b>FUND BALANCE, July 1</b>	<u>933,435</u>	<u>740,323</u>	<u>(193,112)</u>	<u>456,351</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 936,635</u>	<u>\$ 768,562</u>	<u>\$ (168,073)</u>	<u>\$ 740,323</u>

CHURCHILL COUNTY, NEVADA  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET

JUNE 30, 2008

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2007)

	BUILDING RESERVE FUND	SPECIAL AD VALOREM CAPITAL PROJECTS FUND	EXTRAORDINARY REPAIRS AND MAINTENANCE FUND	FIRE EQUIPMENT APPARATUS FUND	TOTALS	
					2008	2007
<b>ASSETS</b>						
Cash and investments	\$ 2,251,232	\$ 1,121,124	\$ 562,703	\$ 96,469	\$ 4,031,528	\$ 3,355,815
Receivables:						
Property taxes	-	9,097	-	575	9,672	6,613
Interest	3,438	1,744	831	151	6,164	15,359
Other	-	-	-	-	-	25,018
Due from other governments	220,764	-	8,000	-	228,764	32,213
Total Assets	<u>\$ 2,475,434</u>	<u>\$ 1,131,965</u>	<u>\$ 571,534</u>	<u>\$ 97,195</u>	<u>\$ 4,276,128</u>	<u>\$ 3,435,018</u>
<b>LIABILITIES AND FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 1,340	\$ -	\$ -	\$ -	\$ 1,340	\$ 73,439
Due to other governments	-	9,213	-	-	9,213	9,648
Deferred revenue	-	8,485	-	498	8,983	5,794
Total Liabilities	1,340	17,698	-	498	19,536	88,881
Fund Balance						
Unreserved	2,474,094	1,114,267	571,534	96,697	4,256,592	3,346,137
Total Liabilities and Fund Balance	<u>\$ 2,475,434</u>	<u>\$ 1,131,965</u>	<u>\$ 571,534</u>	<u>\$ 97,195</u>	<u>\$ 4,276,128</u>	<u>\$ 3,435,018</u>

**CHURCHILL COUNTY, NEVADA**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	BUILDING RESERVE FUND	SPECIAL AD VALOREM CAPITAL PROJECTS FUND	EXTRAORDINARY REPAIRS AND MAINTENANCE FUND	FIRE EQUIPMENT APPARATUS FUND	TOTALS
	2008	2007	2008	2007	2008
<b>REVENUES</b>					
Taxes	\$ -	\$ 296,656	\$ -	\$ 1,424	\$ 298,080
Intergovernmental	199,000	138	48,000	-	247,138
Miscellaneous	640,513	43,345	20,678	3,903	708,439
Total Revenues	839,513	340,139	68,678	5,327	1,253,657
<b>EXPENDITURES</b>					
General government	238,799	-	87,243	-	326,042
Intergovernmental	-	77,160	-	-	77,160
Debt Service:					
Principal	-	-	-	-	-
Total Expenditures	238,799	77,160	87,243	-	403,202
Excess (Deficiency) of Revenues Over (Under) Expenditures	600,714	262,979	(18,565)	5,327	850,455
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	60,000	-	60,000
Net Change in Fund Balances	600,714	262,979	41,435	5,327	910,455
<b>FUND BALANCE, July 1</b>	1,873,380	851,288	530,099	91,370	3,346,137
<b>FUND BALANCE, June 30</b>	<u>\$ 2,474,094</u>	<u>\$ 1,114,267</u>	<u>\$ 571,534</u>	<u>\$ 96,697</u>	<u>\$ 4,256,592</u>

**CHURCHILL COUNTY, NEVADA**  
**BUILDING RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Federal payments in lieu of taxes	\$ 175,000	\$ 175,000	\$ -	\$ 150,000
Consolidated intergovernmental taxes	<u>24,000</u>	<u>24,000</u>	<u>-</u>	<u>75,000</u>
	<u>199,000</u>	<u>199,000</u>	<u>-</u>	<u>225,000</u>
Miscellaneous:				
Interest	62,000	85,035	23,035	133,200
Geothermal rents and royalties	250,000	555,478	305,478	194,282
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,000</u>
	<u>312,000</u>	<u>640,513</u>	<u>328,513</u>	<u>352,482</u>
Total Revenues	<u>511,000</u>	<u>839,513</u>	<u>328,513</u>	<u>577,482</u>
<b>EXPENDITURES</b>				
General government:				
Capital outlay	1,025,000	238,799	786,201	866,753
Debt Service:				
Principal	<u>-</u>	<u>-</u>	<u>-</u>	<u>256,500</u>
Total Expenditures	<u>1,025,000</u>	<u>238,799</u>	<u>786,201</u>	<u>1,123,253</u>
Net Change in Fund Balances	(514,000)	600,714	1,114,714	(545,771)
<b>FUND BALANCE, July 1</b>	<u>2,000,326</u>	<u>1,873,380</u>	<u>(126,946)</u>	<u>2,419,151</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 1,486,326</u>	<u>\$ 2,474,094</u>	<u>\$ 987,768</u>	<u>\$ 1,873,380</u>

**CHURCHILL COUNTY, NEVADA**  
**SPECIAL AD VALOREM CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ 287,580	\$ 296,656	\$ 9,076	\$ 273,688
Intergovernmental:				
Private car tax	-	138	138	144
Miscellaneous:				
Interest	<u>17,500</u>	<u>43,345</u>	<u>25,845</u>	<u>44,709</u>
Total Revenues	<u>305,080</u>	<u>340,139</u>	<u>35,059</u>	<u>318,541</u>
<b>EXPENDITURES</b>				
General government:				
Capital projects	225,000	-	225,000	-
Intergovernmental:				
City of Fallon	<u>83,749</u>	<u>77,160</u>	<u>6,589</u>	<u>58,412</u>
Total Expenditures	<u>308,749</u>	<u>77,160</u>	<u>231,589</u>	<u>58,412</u>
Net Change in Fund Balances	(3,669)	262,979	266,648	260,129
<b>FUND BALANCE, July 1</b>	<u>583,421</u>	<u>851,288</u>	<u>267,867</u>	<u>591,159</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 579,752</u>	<u>\$ 1,114,267</u>	<u>\$ 534,515</u>	<u>\$ 851,288</u>

**CHURCHILL COUNTY, NEVADA  
EXTRAORDINARY REPAIRS AND MAINTENANCE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Intergovernmental:				
Consolidated intergovernmental taxes	\$ 48,000	\$ 48,000	\$ -	\$ 48,000
Miscellaneous:				
Interest	<u>14,750</u>	<u>20,678</u>	<u>5,928</u>	<u>35,004</u>
Total Revenues	62,750	68,678	5,928	83,004
<b>EXPENDITURES</b>				
General government:				
Capital outlay	<u>400,000</u>	<u>87,243</u>	<u>312,757</u>	<u>214,477</u>
Deficiency of Revenues Under Expenditures	(337,250)	(18,565)	318,685	(131,473)
<b>OTHER FINANCING SOURCES</b>				
Transfers in:				
Administrative Assessment Fund	<u>75,000</u>	<u>60,000</u>	<u>(15,000)</u>	<u>65,000</u>
Net Change in Fund Balances	(262,250)	41,435	303,685	(66,473)
<b>FUND BALANCE, July 1</b>	<u>334,347</u>	<u>530,099</u>	<u>195,752</u>	<u>596,572</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 72,097</u>	<u>\$ 571,534</u>	<u>\$ 499,437</u>	<u>\$ 530,099</u>

**CHURCHILL COUNTY, NEVADA**  
**FIRE EQUIPMENT APPARATUS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>REVENUES</b>				
Taxes:				
Ad valorem taxes	\$ -	\$ 1,424	\$ 1,424	\$ 109,482
Miscellaneous:				
Interest	<u>6,200</u>	<u>3,903</u>	<u>(2,297)</u>	<u>10,404</u>
Total Revenues	6,200	5,327	(873)	119,886
<b>EXPENDITURES</b>				
General government:				
Capital outlay	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>177,361</u>
Net Change in Fund Balances	(68,800)	5,327	74,127	(57,475)
<b>FUND BALANCE, July 1</b>	<u>78,081</u>	<u>91,370</u>	<u>13,289</u>	<u>148,845</u>
<b>FUND BALANCE, June 30</b>	<u>\$ 9,281</u>	<u>\$ 96,697</u>	<u>\$ 87,416</u>	<u>\$ 91,370</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - TELEPHONE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>OPERATING REVENUE</b>				
Local network services	\$ 4,272,800	\$ 3,498,125	\$ (774,675)	\$ 3,626,591
Network access services	4,561,500	5,212,406	650,906	4,609,398
Interstate pooling revenue	4,500,000	3,554,602	(945,398)	4,930,111
Miscellaneous revenue	744,000	898,711	154,711	784,073
Uncollectible revenue	(25,000)	(3,266)	21,734	(31,184)
<b>Total Operating Revenue</b>	<u>14,053,300</u>	<u>13,160,578</u>	<u>(892,722)</u>	<u>13,918,989</u>
<b>OPERATING EXPENSES</b>				
Plant specific operations	2,479,932	2,407,392	72,540	2,367,679
Plant nonspecific operations	1,408,305	1,751,898	(343,593)	1,856,416
Customer operations	1,410,660	1,611,345	(200,685)	1,281,571
Corporate operations	2,729,279	2,359,291	369,988	2,357,907
Transfers to County in lieu of taxes	1,318,559	1,318,559	-	1,395,651
Depreciation and amortization	4,257,901	3,841,200	416,701	4,141,053
<b>Total Operating Expenses</b>	<u>13,604,636</u>	<u>13,289,685</u>	<u>314,951</u>	<u>13,400,277</u>
<b>Operating Income (Loss)</b>	<u>448,664</u>	<u>(129,107)</u>	<u>(577,771)</u>	<u>518,712</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	60,000	185,808	125,808	145,505
Interest expense	(66,300)	(60,605)	5,695	(75,520)
Nonregulated income	1,360,000	1,459,657	99,657	1,393,203
Nonregulated expenses	(548,126)	(456,506)	91,620	(477,016)
Loss on write down of goodwill	-	(18,900)	(18,900)	(15,120)
Contributions to CC Communications - Broadband Fund	-	-	-	(217,420)
Transfers to County in lieu of taxes	(618,710)	(618,710)	-	(455,629)
Donations to County	(54,000)	(52,194)	1,806	(53,412)
<b>Total Nonoperating Revenue (Expense)</b>	<u>132,864</u>	<u>438,550</u>	<u>305,686</u>	<u>244,591</u>
<b>Income Before Capital Contributions</b>	<u>\$ 581,528</u>	<u>309,443</u>	<u>\$ (272,085)</u>	<u>763,303</u>
<b>CAPITAL CONTRIBUTIONS</b>				
CC Communications - Wireless		<u>89,688</u>		<u>-</u>
<b>Change in Net Assets</b>		<u>399,131</u>		<u>763,303</u>
<b>NET ASSETS, July 1</b>		<u>28,438,574</u>		<u>27,675,271</u>
<b>NET ASSETS, June 30</b>		<u>\$28,837,705</u>		<u>\$28,438,574</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - TELEPHONE FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 14,862,046	\$ 16,095,766
Cash payments to employees	(4,082,651)	(4,002,879)
Cash payments for services and supplies	(5,575,773)	(6,710,435)
Net Cash Provided by Operating Activities	<u>5,203,622</u>	<u>5,382,452</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(3,753,538)	(2,705,520)
Purchase of other intangibles	(210,000)	-
Principal payment on long-term debt	(700,962)	(687,169)
Interest payment on long-term debt	(61,517)	(75,649)
Net Cash Used by Capital and Related Financing Activities	<u>(4,726,017)</u>	<u>(3,468,338)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	187,263	141,258
Net Increase in Cash	664,868	2,055,372
<b>CASH, July 1</b>	<u>3,355,443</u>	<u>1,300,071</u>
<b>CASH, June 30</b>	<u>\$ 4,020,311</u>	<u>\$ 3,355,443</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Contributions of equipment to CC Communications - Broadband Fund	<u>\$ -</u>	<u>\$ (217,420)</u>
Write-down of goodwill	<u>\$ (18,900)</u>	<u>\$ (15,120)</u>
Contribution of license from CC Communications - Wireless Fund	<u>\$ 83,797</u>	<u>\$ -</u>
Contribution of equipment from CC Communications - Wireless Fund	<u>\$ 5,891</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (129,107)	\$ 518,712
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation - regulated plant	3,841,200	4,141,053
Depreciation - nonregulated plant	-	42,145
Amortization of loan costs	1,818	1,817
Income from nonregulated operations, net of expenses	1,003,151	916,187
Payments to County in lieu of taxes - nonoperating	(618,710)	(455,629)
Donations to County	(52,194)	(53,412)
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Receivables	241,689	341,599
Due from other funds	-	440,357
Inventory of materials and supplies	68,977	441,281
Increase (decrease) in:		
Accounts payable	860,388	(827,742)
Customer deposits	122	1,618
Other accrued liabilities	(13,712)	(125,534)
Net Cash Provided by Operating Activities	<u>\$ 5,203,622</u>	<u>\$ 5,382,452</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - WIRELESS FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>OPERATING REVENUE</b>				
Initiation fees	\$ 36,000	\$ 64,759	\$ 28,759	\$ 50,574
Service charges	2,262,433	2,677,758	415,325	2,215,526
Local air time	180,000	169,172	(10,828)	146,079
Roamer air time	5,274,200	5,963,691	689,491	5,321,618
Interconnection revenue	18,000	18,564	564	17,000
USF revenue	1,641,980	1,501,710	(140,270)	1,718,358
Miscellaneous revenue	132,000	51,181	(80,819)	31,999
Equipment sales/installation	300,000	413,730	113,730	316,656
Uncollectible revenue	(24,000)	(35,928)	(11,928)	(44,670)
<b>Total Operating Revenue</b>	<u>9,820,613</u>	<u>10,824,637</u>	<u>1,004,024</u>	<u>9,773,140</u>
<b>OPERATING EXPENSES</b>				
Customer operations	649,002	1,228,459	(579,457)	1,346,378
Network operations	974,225	3,427,474	(2,453,249)	3,074,551
Corporate operations	2,444,405	676,986	1,767,419	459,100
Equipment sales expenses	1,032,000	793,209	238,791	985,920
Miscellaneous operating expenses	1,377,490	2,869	1,374,621	12,536
Depreciation	1,154,972	1,199,830	(44,858)	1,007,605
<b>Total Operating Expenses</b>	<u>7,632,094</u>	<u>7,328,827</u>	<u>303,267</u>	<u>6,886,090</u>
<b>Operating Income</b>	<u>2,188,519</u>	<u>3,495,810</u>	<u>1,307,291</u>	<u>2,887,050</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	126,000	167,089	41,089	131,104
Interest expense	(2,000)	(3,057)	(1,057)	(7,265)
Contributions to:				
CC Communications - Telephone Fund	-	(89,688)	(89,688)	-
CC Communications - Broadband Fund	(600,000)	(600,000)	-	(649,999)
<b>Total Nonoperating Revenue (Expense)</b>	<u>(476,000)</u>	<u>(525,656)</u>	<u>(49,656)</u>	<u>(526,160)</u>
<b>Change in Net Assets</b>	<u>\$ 1,712,519</u>	<u>2,970,154</u>	<u>\$ 1,257,635</u>	<u>2,360,890</u>
<b>NET ASSETS, July 1</b>		<u>13,015,620</u>		<u>10,654,730</u>
<b>NET ASSETS, June 30</b>		<u>\$ 15,985,774</u>		<u>\$ 13,015,620</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - CC COMMUNICATIONS - WIRELESS FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 10,586,082	\$ 9,765,467
Cash payments to employees	(619,597)	(696,566)
Cash payments for services and supplies	(5,115,539)	(5,627,671)
Net Cash Provided by Operating Activities	<u>4,850,946</u>	<u>3,441,230</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Capital contribution to:		
CC Communications - Broadband Fund	(600,000)	(649,999)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payment on long-term debt	(179,839)	(176,586)
Interest paid on long-term debt	(2,464)	(5,241)
Purchase of other intangibles	-	(83,797)
Purchase of property, plant and equipment	(1,348,404)	(973,585)
Net Cash Used by Capital and Related Financing Activities	<u>(1,530,707)</u>	<u>(1,239,209)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	170,877	131,014
Net Increase in Cash	2,891,116	1,683,036
<b>CASH, July 1</b>	<u>4,078,003</u>	<u>2,394,967</u>
<b>CASH, June 30</b>	<u>\$ 6,969,119</u>	<u>\$ 4,078,003</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Contribution of license to CC Communications - Telephone Fund	\$ (83,797)	\$ -
Contribution of equipment to CC Communications - Telephone Fund	\$ (5,891)	\$ -
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 3,495,810	\$ 2,887,050
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	1,199,830	1,007,605
Interest paid on subscriber deposits	(1,009)	(1,771)
Decrease in provision for uncollectible accounts	(1,011)	-
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(228,485)	(5,827)
Inventory	438,917	(46,412)
Increase (decrease) in:		
Accounts payable	(45,056)	43,698
Due to other fund	-	(437,960)
Customer deposits	(8,050)	(75)
Other accrued liabilities	-	(5,078)
Net Cash Provided by Operating Activities	<u>\$ 4,850,946</u>	<u>\$ 3,441,230</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - WASTE WATER ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>OPERATING REVENUE</b>				
Service charges	\$ 162,800	\$ 158,439	\$ (4,361)	\$ 61,365
<b>OPERATING EXPENSES</b>				
Telephone	5,000	2,181	2,819	408
Contracted services	173,000	143,474	29,526	81,048
Operating supplies	10,000	11,036	(1,036)	426
Repairs and maintenance	4,400,000	813	4,399,187	495
Utilities	23,000	31,657	(8,657)	14,518
Bad debt	-	103	(103)	-
Depreciation	-	325,696	(325,696)	172,224
Total Operating Expenses	<u>4,611,000</u>	<u>514,960</u>	<u>4,096,040</u>	<u>269,119</u>
Operating Loss	<u>(4,448,200)</u>	<u>(356,521)</u>	<u>4,091,679</u>	<u>(207,754)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	50,000	-	(50,000)	25,953
Federal grants	4,400,000	6,980,718	2,580,718	1,338,234
Tap fees	-	2,399,352	2,399,352	5,151,218
Loss on disposal of assets	-	(272,119)	(272,119)	-
Interest expense	-	-	-	(693)
Total Nonoperating Revenue (Expense)	<u>4,450,000</u>	<u>9,107,951</u>	<u>4,657,951</u>	<u>6,514,712</u>
Income Before Capital Contributions	<u>1,800</u>	<u>8,751,430</u>	<u>8,749,630</u>	<u>6,306,958</u>
<b>TRANSFERS IN</b>				
Water Resource Fund	-	1,750,000	1,750,000	338,079
Infrastructure Tax Fund	-	1,000,000	1,000,000	-
	<u>-</u>	<u>2,750,000</u>	<u>2,750,000</u>	<u>338,079</u>
Change in Net Assets	<u>\$ 1,800</u>	<u>11,501,430</u>	<u>\$ 11,499,630</u>	<u>6,645,037</u>
<b>NET ASSETS, July 1</b>		<u>6,775,970</u>		<u>130,933</u>
<b>NET ASSETS, June 30</b>		<u>\$ 18,277,400</u>		<u>\$ 6,775,970</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - WASTE WATER ENTERPRISE FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers and grants	\$ (571,368)	\$ 454,309
Cash payments for services and supplies	(509,673)	(2,831,478)
Net Cash Used for Operating Activities	<u>(1,081,041)</u>	<u>(2,377,169)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Capital contributions	-	16,579
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Principal payment on long-term debt	(26,571)	(2,000,000)
Debt issued	-	2,042,758
Interest paid on long-term debt	(71,506)	(89,843)
Transfers in	2,750,000	-
Federal grants	6,980,718	1,338,234
Tap fees	2,399,352	5,151,218
Purchase of property, plant and equipment	(11,949,720)	(4,391,246)
Net Cash Provided by Capital and Related Financing Activities	<u>82,273</u>	<u>2,051,121</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	-	25,110
Net Decrease in Cash	<u>(998,768)</u>	<u>(284,359)</u>
<b>CASH, July 1</b>	<u>1,009,219</u>	<u>1,293,578</u>
<b>CASH, June 30</b>	<u>\$ 10,451</u>	<u>\$ 1,009,219</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Donated capital improvements	<u>\$ -</u>	<u>\$ 321,500</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (356,521)	\$ (207,754)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	325,696	172,224
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(741,993)	(11,228)
Due from other governments	(927,661)	(64,123)
Due from other funds	12,186	1,987,000
Increase (decrease) in:		
Accounts payable	801,765	(50,708)
Deferred revenue	-	(1,518,705)
Due to other funds	(194,513)	(2,683,875)
Net Cash Used for Operating Activities	<u>\$ (1,081,041)</u>	<u>\$ (2,377,169)</u>

**CHURCHILL COUNTY, NEVADA**  
**MAJOR PROPRIETARY FUND - UTILITY ENTERPRISE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>OPERATING REVENUE</b>				
Service charges	\$ 330,280	\$ 244,003	\$ (86,277)	\$ 66,015
<b>OPERATING EXPENSES</b>				
Telephone	5,000	2,043	2,957	767
Contracted services	126,700	174,696	(47,996)	63,901
Operating supplies	40,000	28,636	11,364	2,447
Repairs and maintenance	1,000,000	1,588	998,412	3,548
Utilities	14,000	32,719	(18,719)	17,243
Bad debt	-	270	(270)	-
Depreciation	-	151,535	(151,535)	11,064
Total Operating Expenses	<u>1,185,700</u>	<u>391,487</u>	<u>794,213</u>	<u>98,970</u>
Operating Income (Loss)	<u>(855,420)</u>	<u>(147,484)</u>	<u>707,936</u>	<u>(32,955)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	52,000	20,681	(31,319)	28,492
Miscellaneous	-	25,000	25,000	-
State grants	-	126,226	126,226	1,911,505
Federal grants	300,000	497,590	197,590	-
Tap fees	-	919,619	919,619	2,694,796
Transfers out	<u>(2,113,559)</u>	<u>-</u>	<u>2,113,559</u>	<u>-</u>
Total Nonoperating Revenue (Expense)	<u>(1,761,559)</u>	<u>1,589,116</u>	<u>3,350,675</u>	<u>4,634,793</u>
Income Before Capital Contributions	<u>(2,616,979)</u>	<u>1,441,632</u>	<u>4,058,611</u>	<u>4,601,838</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,579</u>
Change in Net Assets	<u>\$ (2,616,979)</u>	<u>1,441,632</u>	<u>\$ 4,058,611</u>	<u>4,912,417</u>
<b>NET ASSETS, July 1</b>		<u>7,313,914</u>		<u>2,401,497</u>
<b>NET ASSETS, June 30</b>		<u>\$ 8,755,546</u>		<u>\$ 7,313,914</u>

CHURCHILL COUNTY, NEVADA  
MAJOR PROPRIETARY FUND - UTILITY ENTERPRISE FUND  
SCHEDULE OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 160,883	\$ 3,550,671
Cash payments for services and supplies	(588,591)	(5,398,620)
Net Cash Used for Operating Activities	<u>(427,708)</u>	<u>(1,847,949)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Capital contributions	-	16,579
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal payment on long-term debt	(32,544)	(2,000,000)
Debt issued	-	2,501,618
Interest paid on long-term debt	(83,409)	(89,843)
State grants	126,226	952,573
Federal grants	497,590	958,932
Tap fees	919,619	2,694,796
Purchase of property, plant and equipment	(585,937)	(3,394,150)
Net Cash Provided by Capital and Related Financing Activities	<u>841,545</u>	<u>1,623,926</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received on investments	28,051	21,227
Net Increase (Decrease) in Cash	441,888	(186,217)
<b>CASH, July 1</b>	<u>49,563</u>	<u>235,780</u>
<b>CASH, June 30</b>	<u>\$ 491,451</u>	<u>\$ 49,563</u>
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Donated capital improvements	<u>\$ -</u>	<u>\$ 294,000</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ (147,484)	\$ (32,955)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation	151,535	11,064
Miscellaneous income	25,000	-
Changes in certain assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	(354,584)	(11,354)
Due from other governments	124,574	2,195,388
Due from other funds	120,640	1,965,370
Increase (decrease) in:		
Accounts payable	(262,581)	(180,238)
Deferred revenue	-	(665,948)
Customer deposits	1,250	1,200
Due to other funds	(86,058)	(5,130,476)
Net Cash used for Operating Activities	<u>\$ (427,708)</u>	<u>\$ (1,847,949)</u>

CHURCHILL COUNTY, NEVADA  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
JUNE 30, 2008

	<u>CC COMMUNICATIONS LONG DISTANCE FUND</u>	<u>CC COMMUNICATIONS BROADBAND FUND</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Current Assets:			
Cash	\$ 1,908,083	\$ 753,752	\$ 2,661,835
Interest receivable	1,951	-	1,951
Inventory	<u>-</u>	<u>156,495</u>	<u>156,495</u>
Total Current Assets	<u>1,910,034</u>	<u>910,247</u>	<u>2,820,281</u>
Noncurrent Assets:			
Property, Plant and Equipment			
In service	-	3,964,409	3,964,409
Under construction	<u>-</u>	<u>22,119</u>	<u>22,119</u>
	-	3,986,528	3,986,528
Less: Accumulated depreciation	<u>-</u>	<u>2,899,053</u>	<u>2,899,053</u>
Total Noncurrent Assets	<u>-</u>	<u>1,087,475</u>	<u>1,087,475</u>
Total Assets	<u>1,910,034</u>	<u>1,997,722</u>	<u>3,907,756</u>
<b>NET ASSETS</b>			
Invested in capital assets	-	1,087,475	1,087,475
Unrestricted	<u>1,910,034</u>	<u>910,247</u>	<u>2,820,281</u>
Total Net Assets	<u>\$ 1,910,034</u>	<u>\$ 1,997,722</u>	<u>\$ 3,907,756</u>

**CHURCHILL COUNTY, NEVADA  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
CHANGE IN NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>CC COMMUNICATIONS LONG DISTANCE FUND</u>	<u>CC COMMUNICATIONS BROADBAND FUND</u>	<u>TOTAL</u>
<b>OPERATING REVENUES</b>			
Charges for sales and services	\$ 1,240,090	\$ 2,123,518	\$ 3,363,608
<b>OPERATING EXPENSES</b>			
Customer operations	79,329	631,941	711,270
Network operations	242,896	677,911	920,807
Corporate operations	86,302	124,285	210,587
Access charges	271,165	681,179	952,344
Miscellaneous operating expenses	12,846	32,687	45,533
Depreciation and amortization	-	535,665	535,665
Total Operating Expenses	<u>692,538</u>	<u>2,683,668</u>	<u>3,376,206</u>
Operating Income (Loss)	<u>547,552</u>	<u>(560,150)</u>	<u>(12,598)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>			
Interest income	41,325	-	41,325
Miscellaneous income	-	1,080	1,080
Rental income	-	16,380	16,380
Total Nonoperating Revenue (Expense)	<u>41,325</u>	<u>17,460</u>	<u>58,785</u>
Loss Before Capital Contributions	588,877	(542,690)	46,187
<b>CAPITAL CONTRIBUTIONS</b>	-	600,000	600,000
Change in Net Assets	588,877	57,310	646,187
<b>NET ASSETS, July 1</b>	<u>1,321,157</u>	<u>1,940,412</u>	<u>3,261,569</u>
<b>NET ASSETS, June 30</b>	<u>\$ 1,910,034</u>	<u>\$ 1,997,722</u>	<u>\$ 3,907,756</u>

**CHURCHILL COUNTY, NEVADA  
NONMAJOR PROPRIETARY FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2008**

	<u>CC COMMUNICATIONS LONG DISTANCE FUND</u>	<u>CC COMMUNICATIONS BROADBAND FUND</u>	<u>TOTAL</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from customers	\$ 1,240,090	\$ 2,140,978	\$ 3,381,068
Cash payments to employees	(44,204)	(380,962)	(425,166)
Cash payments for services and supplies	<u>(648,334)</u>	<u>(1,753,965)</u>	<u>(2,402,299)</u>
Net Cash Provided by Operating Activities	547,552	6,051	553,603
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>			
Capital contributions in	-	600,000	600,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>			
Purchase of property, plant, and equipment	-	(616,159)	(616,159)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Interest received on investments	<u>42,609</u>	<u>-</u>	<u>42,609</u>
Net Increase (Decrease) in Cash	590,161	(10,108)	580,053
<b>CASH, July 1</b>	<u>1,317,922</u>	<u>763,860</u>	<u>2,081,782</u>
<b>CASH, June 30</b>	<u><u>\$ 1,908,083</u></u>	<u><u>\$ 753,752</u></u>	<u><u>\$ 2,661,835</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>			
Operating income (loss)	\$ 547,552	\$ (560,150)	\$ (12,598)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	-	535,665	535,665
Miscellaenous income	-	1,080	1,080
Rental income	-	16,380	16,380
Changes in assets and liabilities:			
(Increase) decrease in:			
Prepaid expenses	-	8,250	8,250
Inventory	<u>-</u>	<u>4,826</u>	<u>4,826</u>
Net Cash Provided by Operating Activities	<u><u>\$ 547,552</u></u>	<u><u>\$ 6,051</u></u>	<u><u>\$ 553,603</u></u>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - LONG DISTANCE FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>OPERATING REVENUE</b>				
Service charges	\$ 1,398,000	\$ 1,284,183	\$ (113,817)	\$ 1,355,895
Uncollectible revenue	(60,000)	(44,093)	15,907	(40,618)
Total Operating Revenue	<u>1,338,000</u>	<u>1,240,090</u>	<u>(97,910)</u>	<u>1,315,277</u>
<b>OPERATING EXPENSES</b>				
Customer operations	113,385	79,329	34,056	97,155
Network operations	272,146	242,896	29,250	269,806
Corporate operations	139,120	86,302	52,818	121,332
Access charges	354,000	271,165	82,835	694,408
Miscellaneous operating expenses	-	12,846	(12,846)	6,323
Total Operating Expenses	<u>878,651</u>	<u>692,538</u>	<u>186,113</u>	<u>1,189,024</u>
Operating Income	459,349	547,552	88,203	126,253
<b>NONOPERATING REVENUE (EXPENSE)</b>				
Interest income	-	41,325	41,325	8,366
Change in Net Assets	<u>\$ 459,349</u>	588,877	<u>\$ 129,528</u>	134,619
<b>NET ASSETS, July 1</b>		<u>1,321,157</u>		<u>1,186,538</u>
<b>NET ASSETS, June 30</b>		<u>\$ 1,910,034</u>		<u>\$ 1,321,157</u>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - LONG DISTANCE FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>2008</u>	<u>2007</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 1,240,090	\$ 1,315,277
Cash payments to employees	(44,204)	(65,037)
Cash payments for services and supplies	<u>(648,334)</u>	<u>(1,180,086)</u>
Net Cash Provided by Operating Activities	547,552	70,154
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest received on investments	<u>42,609</u>	<u>5,131</u>
Net Increase in Cash	590,161	75,285
<b>CASH, July 1</b>	<u>1,317,922</u>	<u>1,242,637</u>
<b>CASH, June 30</b>	<u>\$ 1,908,083</u>	<u>\$ 1,317,922</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 547,552	\$ 126,253
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in certain assets and liabilities:		
Increase (decrease) in accounts payable	<u>-</u>	<u>(56,099)</u>
Net Cash Provided by Operating Activities	<u>\$ 547,552</u>	<u>\$ 70,154</u>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - BROADBAND FUND**  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGE IN NET ASSETS - BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2008**

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u>	<u>2007</u>
<b>OPERATING REVENUE</b>				
Service charges				
OnNow!	\$ 856,080	\$ 890,223	\$ 34,143	\$ 811,724
Internet	1,253,160	1,313,315	60,155	1,220,710
Uncollectible revenue	-	(80,020)	(80,020)	(66,679)
Total Revenues	<u>2,109,240</u>	<u>2,123,518</u>	<u>14,278</u>	<u>1,965,755</u>
<b>OPERATING EXPENSES</b>				
Customer operations				
OnNow!	359,590	255,154	104,436	335,609
Internet	301,516	376,787	(75,271)	477,737
Network operations				
OnNow!	603,668	576,323	27,345	695,299
Internet	244,428	101,588	142,840	56,675
Corporate operations	107,644	124,285	(16,641)	110,813
Access charges	638,942	681,179	(42,237)	537,740
Miscellaneous operating expenses				
OnNow!	5,400	12,887	(7,487)	2,137
Internet	21,000	19,800	1,200	24,865
Depreciation				
OnNow!	497,404	453,637	43,767	373,912
Internet	81,441	82,028	(587)	79,856
Total Operating Expenses	<u>2,861,033</u>	<u>2,683,668</u>	<u>177,365</u>	<u>2,694,643</u>
Operating Loss	<u>(751,793)</u>	<u>(560,150)</u>	<u>191,643</u>	<u>(728,888)</u>
<b>NONOPERATING REVENUE</b>				
Miscellaneous income	-	1,080	1,080	1,028
Rental income	12,000	16,380	4,380	17,350
Total Nonoperating Revenue	<u>12,000</u>	<u>17,460</u>	<u>5,460</u>	<u>18,378</u>
Loss Before Capital Contributions	<u>(739,793)</u>	<u>(542,690)</u>	<u>197,103</u>	<u>(710,510)</u>
<b>CAPITAL CONTRIBUTIONS</b>				
CC Communications - Telephone Fund	-	-	-	217,420
CC Communications - Wireless Fund	600,000	600,000	-	649,999
Total Capital Contributions	<u>600,000</u>	<u>600,000</u>	<u>-</u>	<u>867,419</u>
Change in Net Assets	<u>\$ (139,793)</u>	<u>57,310</u>	<u>\$ 197,103</u>	<u>156,909</u>
NET ASSETS, July 1		<u>1,940,412</u>		<u>1,783,503</u>
NET ASSETS, June 30		<u>\$ 1,997,722</u>		<u>\$ 1,940,412</u>

**CHURCHILL COUNTY, NEVADA**  
**CC COMMUNICATIONS - BROADBAND FUND**  
**SCHEDULE OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
**(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2007)**

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash received from customers and others	\$ 2,140,978	\$ 1,984,133
Cash payments to employees	(380,962)	(426,101)
Cash payments for services and supplies	(1,753,965)	(1,745,776)
Net Cash Provided (Used) by Operating Activities	6,051	(187,744)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Capital contributions from:		
CC Communications - Wireless Fund	600,000	649,999
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of property, plant and equipment	(616,159)	(129,151)
Net Increase (Decrease) in Cash	(10,108)	333,104
<b>CASH, July 1</b>	763,860	430,756
<b>CASH, June 30</b>	\$ 753,752	\$ 763,860
<b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES</b>		
Contributions of equipment from CC Communications - Telephone Fund	\$ -	\$ 217,420
<b>RECONCILIATION OF OPERATING LOSS TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating loss	\$ (560,150)	\$ (728,888)
Adjustments to reconcile operating (loss) to net cash provided (used) by operating activities:		
Depreciation	535,665	453,768
Miscellaneous income	1,080	1,028
Rental income	16,380	17,350
Changes in assets and liabilities:		
(Increase) decrease:		
Prepaid expenses	8,250	(8,250)
Inventory	4,826	79,645
Increase (decrease):		
Due to other funds	-	(2,397)
Net Cash Provided (Used) by Operating Activities	\$ 6,051	\$ (187,744)

**CHURCHILL COUNTY, NEVADA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(Page 1 of 4)

	<u>BALANCE</u> <u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2008</u>
<b>State of Nevada</b>				
<b>ASSETS</b>				
Cash	\$ 162,321	\$ 1,484,042	\$ 1,531,714	\$ 114,649
Accounts receivable	178	-	178	-
Taxes receivable	1,960	124	-	2,084
	<u>\$ 164,459</u>	<u>\$ 1,484,166</u>	<u>\$ 1,531,892</u>	<u>\$ 116,733</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,735	\$ -	\$ 2	\$ 2,733
Due to other governments	161,724	1,484,166	1,531,890	114,000
	<u>\$ 164,459</u>	<u>\$ 1,484,166</u>	<u>\$ 1,531,892</u>	<u>\$ 116,733</u>
<b>City of Fallon</b>				
<b>ASSETS</b>				
Cash	\$ 26,540	\$ 1,698,801	\$ 1,673,536	\$ 51,805
Taxes receivable	1,358	-	34	1,324
Due from other governments	106	-	106	-
	<u>\$ 28,004</u>	<u>\$ 1,698,801</u>	<u>\$ 1,673,676</u>	<u>\$ 53,129</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 28,004	\$ 1,698,801	\$ 1,673,676	\$ 53,129
<b>Range Improvement Districts Number 2, Number 3, and Number 6</b>				
<b>ASSETS</b>				
Cash	\$ 6,342	\$ 7,264	\$ 11,766	\$ 1,840
<b>LIABILITIES</b>				
Due to other governments	\$ 6,342	\$ 7,264	\$ 11,766	\$ 1,840
<b>Truckee-Carson Irrigation District</b>				
<b>ASSETS</b>				
Cash	\$ 3,086	\$ 1,625,384	\$ 1,617,779	\$ 10,691
Taxes receivable	-	410	-	410
	<u>\$ 3,086</u>	<u>\$ 1,625,794</u>	<u>\$ 1,617,779</u>	<u>\$ 11,101</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 3,086	\$ 1,625,794	\$ 1,617,779	\$ 11,101
<b>State of Nevada Department of Wildlife</b>				
<b>ASSETS</b>				
Cash	\$ (346)	\$ 3,774	\$ 417	\$ 3,011
<b>LIABILITIES</b>				
Due to other governments	\$ (346)	\$ 3,774	\$ 417	\$ 3,011
<b>Churchill County School District Operating</b>				
<b>ASSETS</b>				
Cash	\$ 305,259	\$ 4,359,240	\$ 4,456,572	\$ 207,927
Accounts receivable	-	17,417	-	17,417
Taxes receivable	8,797	429	-	9,226
Due from other governments	15,514	239,393	-	254,907
	<u>\$ 329,570</u>	<u>\$ 4,616,479</u>	<u>\$ 4,456,572</u>	<u>\$ 489,477</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 329,570	\$ 4,616,479	\$ 4,456,572	\$ 489,477

**CHURCHILL COUNTY, NEVADA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
 (Page 2 of 4)

	<u>BALANCE</u> <u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2008</u>
<b>Churchill County School District</b>				
<b>Debt Service</b>				
<b>ASSETS</b>				
Cash	\$ -	\$ 3,331,869	\$ 3,331,869	\$ -
Taxes receivable	7,090	301	-	7,391
	<u>\$ 7,090</u>	<u>\$ 3,332,170</u>	<u>\$ 3,331,869</u>	<u>\$ 7,391</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 7,090</u>	<u>\$ 3,332,170</u>	<u>\$ 3,331,869</u>	<u>\$ 7,391</u>
<b>Churchill County Mosquito Abatement District</b>				
<b>ASSETS</b>				
Cash	\$ 68,225	\$ 834,571	\$ 819,125	\$ 83,671
Taxes receivable	935	46	-	981
Due from other governments	72,437	-	4,968	67,469
	<u>\$ 141,597</u>	<u>\$ 834,617</u>	<u>\$ 824,093</u>	<u>\$ 152,121</u>
<b>LIABILITIES</b>				
Due to other governments	<u>\$ 141,597</u>	<u>\$ 834,617</u>	<u>\$ 824,093</u>	<u>\$ 152,121</u>
<b>Scholarship Trust</b>				
<b>ASSETS</b>				
Cash	\$ 17,691	\$ 2,498	\$ 7,758	\$ 12,431
Interest receivable	103	-	58	45
	<u>\$ 17,794</u>	<u>\$ 2,498</u>	<u>\$ 7,816</u>	<u>\$ 12,476</u>
<b>LIABILITIES</b>				
Funds held in trust for others	<u>\$ 17,794</u>	<u>\$ 2,498</u>	<u>\$ 7,816</u>	<u>\$ 12,476</u>
<b>Court Clerk Trust</b>				
<b>ASSETS</b>				
Cash	<u>\$ 988,818</u>	<u>\$ 34,561</u>	<u>\$ 635,000</u>	<u>\$ 388,379</u>
<b>LIABILITIES</b>				
Due to others	<u>\$ 988,818</u>	<u>\$ 34,561</u>	<u>\$ 635,000</u>	<u>\$ 388,379</u>
<b>Justice Court Trust</b>				
<b>ASSETS</b>				
Cash	<u>\$ 16,737</u>	<u>\$ 194,308</u>	<u>\$ 215,489</u>	<u>\$ (4,444)</u>
<b>LIABILITIES</b>				
Due to others	<u>\$ 16,737</u>	<u>\$ 194,308</u>	<u>\$ 215,489</u>	<u>\$ (4,444)</u>
<b>Miscellaneous Trust</b>				
<b>ASSETS</b>				
Cash	<u>\$ 1,655</u>	<u>\$ 1,483</u>	<u>\$ 1,483</u>	<u>\$ 1,655</u>
<b>LIABILITIES</b>				
Due to others	<u>\$ 1,655</u>	<u>\$ 1,483</u>	<u>\$ 1,483</u>	<u>\$ 1,655</u>

**CHURCHILL COUNTY, NEVADA**  
**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED JUNE 30, 2008**  
(Page 3 of 4)

	<u>BALANCE</u> <u>JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 2008</u>
<b>Assistance to Victims of Domestic Violence Fund</b>				
<b>ASSETS</b>				
Cash	\$ 240	\$ 5,080	\$ 4,840	\$ 480
<b>LIABILITIES</b>				
Due to other governments	\$ 240	\$ 5,080	\$ 4,840	\$ 480
<b>Excess Proceeds</b>				
<b>ASSETS</b>				
Cash	\$ 88,668	\$ 847	\$ -	\$ 89,515
Interest receivable	44	-	22	22
	<u>\$ 88,712</u>	<u>\$ 847</u>	<u>\$ 22</u>	<u>\$ 89,537</u>
<b>LIABILITIES</b>				
Due to others	\$ 88,712	\$ 847	\$ 22	\$ 89,537
<b>Jail Commissary</b>				
<b>ASSETS</b>				
Cash	\$ 7,555	\$ -	\$ 804	\$ 6,751
<b>LIABILITIES</b>				
Due to others	\$ 7,555	\$ -	\$ 804	\$ 6,751
<b>Recorder Trust</b>				
<b>ASSETS</b>				
Cash	\$ (2,916)	\$ 5,436	\$ -	\$ 2,520
Accounts receivable	3,095	-	3,095	-
	<u>\$ 179</u>	<u>\$ 5,436</u>	<u>\$ 3,095</u>	<u>\$ 2,520</u>
<b>LIABILITIES</b>				
Due to other governments	\$ 179	\$ 5,436	\$ 3,095	\$ 2,520
<b>Churchill County School District Residential Construction Tax</b>				
<b>ASSETS</b>				
Cash	\$ 27,801	\$ 18,711	\$ 43,839	\$ 2,673
<b>LIABILITIES</b>				
Due to other governments	\$ 27,801	\$ 18,711	\$ 43,839	\$ 2,673

CHURCHILL COUNTY, NEVADA  
 AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (Page 4 of 4)

<u>Totals</u>	<u>BALANCE JULY 1, 2007</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE JUNE 30, 2008</u>
<b>ASSETS</b>				
Cash	\$ 1,717,676	\$ 13,607,869	\$ 14,351,991	\$ 973,554
Accounts receivable	3,273	17,417	3,273	17,417
Taxes receivable	20,140	1,310	34	21,416
Interest receivable	147	-	80	67
Due from other governments	88,057	239,393	5,074	322,376
	<u>\$ 1,829,293</u>	<u>\$ 13,865,989</u>	<u>\$ 14,360,452</u>	<u>\$ 1,334,830</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,735	\$ -	\$ 2	\$ 2,733
Due to other governments	705,287	13,632,292	13,499,836	837,743
Due to others	1,121,271	233,697	860,614	494,354
	<u>\$ 1,829,293</u>	<u>\$ 13,865,989</u>	<u>\$ 14,360,452</u>	<u>\$ 1,334,830</u>

**STATISTICAL SECTION - UNAUDITED**

# **STATISTICAL SECTION**

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

## **Contents**

## **Page**

### **Financial Trends**

S-1 to S-7

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

### **Revenue Capacity**

S-8 to S-12

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

### **Debt Capacity**

S-13 to S-17

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

### **Demographic and Economic Information**

S-18 to S-21

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

### **Operating Information**

S-22 to S-24

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

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

**CHURCHILL COUNTY, NEVADA**  
**Net Assets by Component**  
**Last Six Fiscal Years**  
**(accrual basis of accounting)**

	2003	2004	2005	2006	2007	2008
<i>Governmental Activities:</i>						
Invested in capital assets, net of related debt	\$ 29,443,134	\$ 30,526,736	\$ 39,873,985	\$ 40,304,859	45,563,408	53,107,597
Restricted	-	6,974,262	7,696,537	9,283,221	11,546,731	10,002,950
Unrestricted	14,873,916	9,312,796	6,754,918	13,156,877	11,143,420	13,565,346
<b>Total governmental activities net assets</b>	<b>44,317,050</b>	<b>46,813,794</b>	<b>54,325,440</b>	<b>62,744,957</b>	<b>68,253,559</b>	<b>76,675,893</b>
<i>Business-type Activities:</i>						
Invested in capital assets, net of related debt	25,897,900	29,336,590	30,550,434	38,092,591	44,973,324	58,015,534
Restricted	-	-	23,283	36,700	0	0
Unrestricted	10,825,954	9,035,581	9,821,054	5,703,181	13,832,323	17,748,647
<b>Total business-type activities net assets</b>	<b>36,723,854</b>	<b>38,372,171</b>	<b>40,394,771</b>	<b>43,832,472</b>	<b>58,805,647</b>	<b>75,764,181</b>
<i>Primary Government:</i>						
Invested in capital assets, net of related debt	55,341,034	59,863,326	70,424,419	78,397,450	90,536,732	111,123,131
Restricted	-	6,974,262	7,719,820	9,319,921	11,546,731	10,002,950
Unrestricted	25,699,870	18,348,377	16,575,972	18,860,058	24,975,743	31,313,993
<b>Total primary government net assets</b>	<b>\$ 81,040,904</b>	<b>\$ 85,185,965</b>	<b>\$ 94,720,211</b>	<b>\$ 106,577,429</b>	<b>127,059,206</b>	<b>152,440,074</b>

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

**CHURCHILL COUNTY, NEVADA**

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

Page 1 of 2

	2003	2004	2005	2006	2007	2008
<b>Expenses</b>						
<i>Governmental Activities:</i>						
General Government	\$ 4,764,913	\$ 4,816,466	\$ 5,738,745	\$ 5,476,938	\$ 6,023,426	\$ 6,215,096
Judicial	1,824,443	2,249,588	2,480,177	2,707,588	2,908,455	2,971,738
Public Safety	4,829,737	5,199,687	5,819,578	7,007,531	7,803,606	7,603,614
Public Works	2,237,184	2,358,526	1,195,487	2,224,763	2,210,246	3,180,901
Health & Sanitation	194,704	178,623	231,116	233,208	257,076	277,864
Welfare	1,301,822	1,182,556	1,286,989	1,349,477	1,085,025	1,086,643
Culture & Recreation	1,354,439	1,583,404	1,806,818	1,930,550	2,042,404	2,117,578
Community Support	487,889	436,695	471,294	620,020	704,482	960,707
Intergovernmental	550,720	675,209	912,284	-	-	-
Interest & Fiscal Charges	2,941	11,960	39,253	120,806	127,337	69,876
Total governmental activities expenses	<u>17,548,792</u>	<u>18,692,714</u>	<u>19,981,741</u>	<u>21,670,881</u>	<u>23,162,057</u>	<u>24,484,017</u>
<i>Business-type Activities:</i>						
Telephone	15,241,445	16,669,012	15,961,728	15,615,524	14,694,394	14,496,600
Wireless	4,056,763	4,713,632	4,640,842	5,902,437	7,543,354	8,021,572
Long Distance	1,989,913	1,498,543	1,497,698	1,925,914	1,189,024	692,538
Broadband	1,031,808	1,413,234	1,698,549	2,044,667	2,694,643	2,683,668
Waste Water	-	-	-	236	269,812	787,079
Utility	-	-	-	237	98,970	391,487
Total business-type activities expenses	<u>22,319,929</u>	<u>24,294,421</u>	<u>23,798,817</u>	<u>25,489,015</u>	<u>26,490,197</u>	<u>27,072,944</u>
Total primary government expenses	<u>\$ 39,868,721</u>	<u>\$ 42,987,135</u>	<u>\$ 43,780,558</u>	<u>\$ 47,159,896</u>	<u>\$ 49,652,254</u>	<u>\$ 51,556,961</u>
<b>Program Revenues</b>						
<i>Governmental activities:</i>						
Charges for services						
General government	923,274	1,192,230	1,333,553	1,540,428	1,243,305	1,085,982
Judicial	139,152	155,895	170,398	178,691	202,141	197,129
Public safety	439,651	472,693	451,241	378,439	369,360	404,246
Public works	89,424	129,899	238,655	573,640	376,899	178,005
Culture and recreation	216,228	232,072	254,889	308,335	276,771	286,047
Other activities	68,168	86,796	80,846	84,157	72,212	47,957
Operating grants and contributions	1,271,975	1,538,337	1,618,785	1,661,058	2,367,856	2,120,345
Capital grants and contributions	109,389	735,000	3,108,887	2,336,339	804,170	7,724,013
Total governmental activities program revenues	<u>3,257,261</u>	<u>4,542,922</u>	<u>7,257,254</u>	<u>7,061,087</u>	<u>5,712,714</u>	<u>12,043,724</u>
<i>Business-type activities:</i>						
Charges for services						
Telephone	17,620,445	17,774,825	17,024,606	15,491,858	15,312,192	14,620,235
Wireless	5,323,073	4,907,496	6,156,416	7,690,330	9,773,140	10,824,637
Long Distance	2,103,009	1,766,700	1,809,467	2,330,170	1,315,277	1,240,090
Broadband	232,183	688,923	617,321	663,218	1,965,755	2,123,518
Water Utilities	-	-	-	-	127,380	402,442
Operating grants and contributions	-	-	-	-	-	689,688
Capital grants and contributions	-	725,000	-	2,494,563	4,765,816	7,604,534
Total business-type activities program revenues	<u>25,278,710</u>	<u>25,862,944</u>	<u>25,607,810</u>	<u>28,670,139</u>	<u>33,259,560</u>	<u>37,505,144</u>
Total primary government program revenues	<u>\$ 28,535,971</u>	<u>\$ 30,405,866</u>	<u>\$ 32,865,064</u>	<u>\$ 35,731,226</u>	<u>\$ 38,972,274</u>	<u>\$ 49,548,868</u>

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

CHURCHILL COUNTY, NEVADA

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

Page 2 of 2

	2003	2004	2005	2006	2007	2008
<b>Net (Expense)/Revenue</b>						
Government activities	(14,291,531)	\$ (14,149,792)	\$ (12,724,487)	\$ (14,609,794)	\$ (17,449,343)	\$ (12,440,293)
Business-type activities	2,958,781	1,568,523	1,808,993	3,181,124	6,769,363	10,432,200
<b>Total primary government net expense</b>	<b>(11,332,750)</b>	<b>\$ (12,581,269)</b>	<b>\$ (10,915,494)</b>	<b>\$ (11,428,670)</b>	<b>\$ (10,679,980)</b>	<b>\$ (2,008,093)</b>
<b>General Revenues and Other Changes in Net Assets</b>						
<i>Governmental activities:</i>						
Property taxes	5,689,424	5,577,083	6,063,988	6,408,357	6,877,814	7,309,259
Franchise fees	100,357	160,863	134,709	166,914	179,593	171,130
Federal in lieu of taxes	1,151,139	1,183,436	1,236,886	1,230,360	1,157,509	1,237,704
CC Communication in lieu of taxes	1,576,767	1,600,910	1,718,901	1,801,313	1,851,280	1,937,269
Gaming licenses	26,612	29,902	27,110	28,300	27,156	22,451
AB104 fairshare	891,290	978,651	1,095,451	1,241,371	1,179,848	1,093,539
Consolidated intergovernmental taxes	4,790,166	5,083,657	6,035,350	7,013,035	6,555,570	6,016,895
Unrestricted fuel taxes	1,050,537	1,041,120	1,022,808	1,078,069	1,045,577	1,025,893
Optional county sales tax	546,182	588,281	678,796	1,398,142	1,508,527	1,413,203
Delinquent tax penalties	161,851	163,213	124,203	117,288	129,376	140,273
Interest income	195,779	177,714	363,816	870,566	1,166,080	996,366
Gain on sale of assets (1)	-	-	1,543,366	48,161	377,714	-250,365
Miscellaneous revenues	156,622	61,706	190,748	1,193,030	901,901	2,499,010
Transfers						-2,750,000
<b>Total governmental activities</b>	<b>16,336,726</b>	<b>16,646,536</b>	<b>20,236,132</b>	<b>22,594,906</b>	<b>22,957,945</b>	<b>20,862,627</b>
<i>Business-type activities:</i>						
Interest income	118,270	79,794	150,095	238,576	339,420	414,903
Miscellaneous income	-	-	63,512	18,000	18,378	42,460
Tap Fees	-	-	-	-	7,846,014	3,318,971
Transfers						2,750,000
<b>Total business-type activities</b>	<b>118,270</b>	<b>79,794</b>	<b>213,607</b>	<b>256,576</b>	<b>8,203,812</b>	<b>6,526,334</b>
<b>Total primary government</b>	<b>16,454,996</b>	<b>\$ 16,726,330</b>	<b>\$ 20,449,739</b>	<b>\$ 22,851,482</b>	<b>31,161,757</b>	<b>27,388,961</b>
<b>Change in Net Assets</b>						
Government activities	2,045,195	2,496,744	7,511,645	7,985,112	5,508,602	8,422,334
Business-type activities	3,077,051	1,648,317	2,022,600	3,437,700	14,973,175	16,958,534
<b>Total primary government</b>	<b>5,122,246</b>	<b>\$ 4,145,061</b>	<b>\$ 9,534,245</b>	<b>\$ 11,422,812</b>	<b>\$ 20,481,777</b>	<b>\$ 25,380,868</b>

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

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

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
General Fund										
Reserved	\$ 1,714,168	\$ 1,035,248	\$ 1,704,306	\$ 1,761,165	\$ 2,212,723	\$ 1,686,549	\$ 2,049,714	\$ 2,430,485	\$ 2,722,384	\$ 3,036,491
Unreserved										
Total general fund	\$ 1,714,168	\$ 1,035,248	\$ 1,704,306	\$ 1,761,165	\$ 2,212,723	\$ 1,686,549	\$ 2,049,714	\$ 2,430,485	\$ 2,722,384	\$ 3,036,491
All Other Governmental Funds										
Reserved	261,477	327,419	308,854	316,154	248,342	187,535	1,712,461	2,561,949	2,412,262	2,441,032
Unreserved reported in:										
Special revenue funds	6,893,666	7,137,731	8,010,751	9,580,211	11,204,208	12,133,186	11,215,047	13,995,186	14,247,770	13,851,837
Debt service fund	231,294	247,864	278,655	2,871	83,059	130,461	186,442	456,351	740,323	768,562
Capital projects funds	2,480,695	3,589,368	1,790,051	1,604,310	1,669,088	2,768,940	3,326,954	3,755,727	3,346,137	4,256,592
Total all other governmental funds	\$ 9,867,132	\$ 11,302,382	\$ 10,388,311	\$ 11,503,546	\$ 13,204,697	\$ 15,220,122	\$ 16,440,904	\$ 20,769,213	\$ 20,746,492	\$ 21,318,023
Total governmental funds	\$ 11,581,300	\$ 12,337,630	\$ 12,092,617	\$ 13,264,711	\$ 15,417,420	\$ 16,906,671	\$ 18,490,618	\$ 23,199,698	\$ 23,468,876	\$ 24,354,514

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

Fiscal Year Ended June 30,	Taxes	Licenses and Permits	Intergovernmental Revenues	Charges for Services	Fines and Forfeits	Interest and Miscellaneous	Total
1999	4,220,593	383,863	7,836,223	610,045	267,679	1,091,206	14,409,609
2000	4,992,187	372,110	8,562,451	241,539	328,249	1,365,402	15,861,938
2001	4,926,646	355,822	8,883,199	659,210	289,376	1,508,181	16,622,434
2002	5,132,580	379,254	10,354,321	713,717	325,755	946,883	17,852,510
2003	5,708,390	399,855	10,031,125	865,389	398,637	773,134	18,176,530
2004	5,609,961	527,787	10,610,330	1,020,576	428,266	830,332	19,027,252
2005	6,071,418	736,126	11,924,721	1,144,284	380,590	1,103,322	21,360,461
2006	6,413,086	1,096,278	15,299,515	1,501,023	385,831	2,698,834	27,394,567
2007	6,847,938	840,656	14,291,694	1,179,522	376,078	2,640,711	26,176,599
2008	7,298,947	678,522	18,170,903	1,057,580	427,578	5,081,705	32,715,235

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

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

Fiscal Year	General Government	Judicial	Public Safety	Public Works	Health & Sanitation	Welfare	Culture & Recreation	Community Support	Intergovernmental	Capital Outlay	Debt Service		Totals
											Principal	Interest	
1999	3,829,604	659,807	3,809,055	1,146,713	164,405	719,891	1,238,898	736,187	453,413	1,125,348	555,162	35,886	14,474,369
2000	3,994,615	767,075	4,111,100	1,237,016	191,367	895,716	1,315,209	921,962	672,643	2,454,584	366,859	22,640	16,950,786
2001	4,226,153	755,341	4,180,440	1,226,978	199,278	1,112,232	1,271,574	855,133	889,588	3,810,214	169,998	17,278	18,714,207
2002	3,694,491	1,896,780	4,330,850	1,389,763	182,475	1,234,840	1,362,444	465,787	890,568	2,188,784	427,755	17,440	18,081,977
2003	3,855,012	2,000,113	4,727,244	1,219,459	188,516	1,297,303	1,419,499	484,783	550,720	2,289,794	69,228	-	18,101,671
2004	4,455,696	2,192,355	4,971,306	1,471,284	200,512	1,175,267	1,515,064	439,347	675,208	1,868,323	161,050	13,499	19,138,911
2005	5,541,113	2,414,781	5,357,489	1,539,338	216,103	1,294,209	1,651,557	465,538	912,284	10,842,082	145,254	23,693	30,403,441
2006	5,913,322	2,632,137	5,870,039	2,713,820	221,793	1,355,305	1,802,157	618,486	609,653	2,452,775	452,730	115,845	24,758,062
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

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

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

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

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total revenues (S-5)	\$ 14,409,609	\$ 15,861,938	\$ 16,622,434	\$ 17,852,510	\$ 18,176,530	\$ 19,027,252	\$ 21,360,461	\$ 27,394,567	\$ 26,176,599	\$ 32,715,235
Total expenditures (S-6)	(14,474,369)	(16,950,786)	(18,714,207)	(18,081,977)	(18,101,671)	(19,138,911)	(30,403,441)	(24,758,062)	(28,427,355)	(31,069,886)
Excess of revenues over (under) expenditures	(64,760)	(1,088,848)	(2,091,773)	(229,467)	74,859	(111,659)	(9,042,980)	2,636,505	(2,250,756)	1,645,349
<b>Other Financing Sources (Uses)</b>										
Payment in lieu of taxes:										
CC Communications	1,332,288	1,437,005	1,449,113	1,441,561	1,576,767	1,600,910	1,718,901	1,801,313	1,851,280	1,937,269
Proceeds - medium-term financing	212,369	-	393,930	-	501,083	-	3,300,001	256,500	-	-
Proceeds from capital lease	-	-	-	-	-	-	97,025	-	-	-
Principal received	3,222	3,172	3,717	-	-	-	-	-	-	-
Proceeds from sales	-	-	-	-	-	-	5,511,000	14,762	668,654	53,020
Transfer in	1,616,916	1,976,754	1,293,271	1,800,064	1,574,183	1,965,662	2,561,891	2,814,217	2,581,799	1,993,101
Transfer out	(1,616,916)	(1,976,754)	(1,293,271)	(1,800,064)	(1,574,183)	(1,965,662)	(2,561,891)	(2,814,217)	(2,581,799)	(4,743,101)
Total other financing sources (uses)	1,547,879	1,440,177	1,846,760	1,441,561	2,077,850	1,600,910	10,626,927	2,072,575	2,519,934	(759,711)
Net Change in fund balances	1,483,119	351,329	(245,013)	1,212,094	2,152,709	1,489,251	1,583,947	4,709,080	269,178	885,638
Debt service as a percentage of noncapital expenditures	4.43%	2.69%	1.26%	2.80%	0.44%	1.01%	0.86%	2.55%	3.89%	1.78%

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

Fiscal Year Ended June 30,	Real and Personal Property		Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
	Assessed Value	Estimated Actual Value		
1999	396,478,377	1,132,795,363	35%	0.9063
2000	398,226,147	1,137,788,991	35%	1.0077
2001	403,920,033	1,154,057,237	35%	0.9577
2002	409,762,377	1,170,749,649	35%	1.0004
2003	429,459,479	1,227,027,083	35%	1.0706
2004	433,003,700	1,237,153,429	35%	1.0731
2005	441,486,591	1,261,390,260	35%	1.0850
2006	488,296,936	1,395,134,103	35%	1.0950
2007	570,368,036	1,629,622,960	35%	1.0950
2008	686,529,426	1,961,512,646	35%	1.1450

Source: Churchill County Assessor's Office

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

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

Collected in Fiscal Year	County Direct Tax Rate	Overlapping Rates#					City of Fallon	Total	County Assessed Valuation
		Churchill Co. School District	State of Nevada	Mosquito Abatement	Carson Water Subconservancy				
1998-99	0.9063	1.3700	0.1500	0.0600	0.0300	0.7876	3.3039	396,478,377	
1999-00	1.0077	1.3700	0.1500	0.0600	0.0300	0.7730	3.3907	398,226,147	
2000-01	0.9577	1.3700	0.1500	0.0600	0.0300	0.7837	3.3514	403,920,033	
2001-02	1.0004	1.3700	0.1500	0.0720	0.0300	0.8471	3.4695	409,762,377	
2002-03	1.0706	1.3700	0.1500	0.0800	0.0300	0.8471	3.5477	429,459,479	
2003-04	1.0731	1.3700	0.1700	0.0800	0.0300	0.8471	3.5702	433,003,700	
2004-05	1.0850	1.3700	0.1700	0.0800	0.0300	0.8171	3.5521	441,486,591	
2005-06	1.0950	1.3700	0.1700	0.0800	0.0300	0.8171	3.5621	488,296,936	
2006-07	1.0950	1.3500	0.1700	0.0800	0.0300	0.8271	3.5521	570,368,036	
2007-08	1.1450	1.3500	0.1700	0.0800	0.0300	0.8371	3.6121	686,529,426	

Source: Churchill County Clerk/Treasurer's Office

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

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

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

Taxpayer	Type of Business	Fiscal Year 2008				Fiscal Year 2002			
		Rank	Taxable Estimated Appraised Value (1)	Approximate Taxable Assessed Value	% of Taxable Assessed Valuation	Rank	Taxable Estimated Appraised Value (1)	Approximate Taxable Assessed Value	% of Taxable Assessed Valuation
Sierra Pacific Power Company	Utility	1	\$ 57,362,217	\$ 20,076,776	2.92%	1	\$ 67,766,234	\$ 23,718,182	5.79%
Caitness Geothermal	Geothermal	2	\$ 53,475,200	18,716,320	2.73%	2	\$ 55,438,657	19,403,530	4.74%
Ormat Nevada, Inc (Brady Power)	Geothermal	3	\$ 38,651,829	13,528,140	1.97%	4	\$ 15,749,286	5,512,250	1.35%
Wal Mart Stores	Retail	4	\$ 20,231,726	7,081,104	1.03%				
ENEL Stillwater Geothermal	Geothermal	5	\$ 20,024,286	7,008,500	1.02%				
Southwest Gas Corp	Utility	6	\$ 19,665,251	6,882,838	1.00%	3	\$ 20,849,094	7,297,183	1.78%
Union Pacific System	Railroad	7	\$ 16,899,520	5,914,832	0.86%	5	\$ 11,054,406	3,869,042	0.94%
Kenametal, Inc.	Manufacturing	8	\$ 12,839,974	4,493,991	0.65%	7	\$ 8,869,840	3,104,444	0.76%
PCCP V-I-II LLC	Developer	9	\$ 11,553,214	4,043,625	0.59%				
Constellation Power	Geothermal	10	\$ 8,626,343	3,019,220	0.44%	6	\$ 9,810,000	3,433,500	0.84%
AT&T Communications	Communications					8	\$ 6,883,831	2,409,341	0.59%
United Airlines, Inc.	Airline					9	\$ 6,644,694	2,325,643	0.57%
Peters, Jim (Stockmans)	Casino					10	\$ 6,547,831	2,291,741	0.56%

Source: Churchill County Tax Assessor's Office

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

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

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

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
1999	7,204,412	7,055,320	97.931%	149,092	7,204,412	100.000%	-	0.000%
2000	8,006,883	7,896,710	98.624%	110,173	8,006,883	100.000%	-	0.000%
2001	8,160,947	7,926,072	97.122%	234,875	8,160,947	100.000%	-	0.000%
2002	8,635,011	8,342,968	96.618%	292,043	8,635,011	100.000%	-	0.000%
2003	9,120,824	8,904,601	97.629%	216,214	9,120,815	100.000%	9	0.000%
2004	9,331,950	9,140,581	97.949%	190,069	9,330,650	99.986%	1,300	0.014%
2005	9,845,411	9,697,516	98.498%	144,603	9,842,119	99.967%	3,292	0.033%
2006	10,711,267	10,564,755	98.632%	138,396	10,703,151	99.924%	8,116	0.076%
2007	12,329,997	12,078,595	97.961%	173,840	12,252,435	99.371%	77,562	0.629%
2008	13,897,422	13,419,092	96.558%	82,487	13,501,579	97.152%	395,843	2.848%

Source: Churchill County Clerk/Treasurer's Office

**CHURCHILL COUNTY, NEVADA**

Taxable Sales by Category  
Last Ten Fiscal Years

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Wholesale trade - durable goods	\$ 12,649,431	\$ 10,492,164	\$ 7,835,817	\$ 9,391,045	\$ 11,535,049	\$ 12,398,313	\$ 15,685,515	\$ 22,660,724	\$ 16,119,291	\$ 22,263,594
Building merchandise, hardware	21,839,275	20,591,673	17,792,294	17,891,507	17,640,309	20,232,336	28,020,278	33,173,959	25,941,813	20,177,778
General merchandise stores	37,473,392	39,026,304	36,979,951	38,548,913	40,937,038	43,028,716	47,634,499	56,442,958	60,910,456	56,438,228
Food stores(1)	14,665,139	12,952,380	12,050,635	12,761,045	12,482,687	12,540,170	13,190,554	12,617,952	13,336,226	11,597,634
Automotive dealers & gasoline	45,399,706	48,982,170	44,440,309	46,832,165	51,080,003	53,920,392	64,791,467	64,290,574	53,288,419	44,336,953
Home furniture & fixtures	9,467,878	7,851,832	7,442,088	10,494,981	7,243,908	9,271,098	9,349,861	11,482,066	6,742,159	6,916,754
Eating and drinking places	18,109,612	18,430,959	19,599,442	19,166,629	20,857,034	21,270,821	23,144,099	28,723,713	30,959,935	29,568,371
Miscellaneous retail	18,496,150	22,876,257	19,767,961	17,440,784	18,815,834	17,575,407	23,883,610	26,967,481	30,218,763	28,343,952
Business services	5,308,929	3,924,907	7,926,607	5,188,351	4,312,436	4,363,705	4,311,275	6,323,478	4,692,929	2,543,325
Automotive repairs & services	4,889,276	4,973,820	6,705,802	6,057,195	7,203,971	6,663,898	6,499,354	6,990,272	5,036,129	5,044,368
All other categories	32,205,732	32,194,483	32,464,888	36,906,638	34,346,025	37,466,955	42,604,241	54,972,429	59,180,239	67,179,682
<b>Total</b>	<b>\$220,504,520</b>	<b>\$222,296,949</b>	<b>\$213,005,794</b>	<b>\$220,679,253</b>	<b>\$226,454,294</b>	<b>\$238,731,811</b>	<b>\$279,114,753</b>	<b>\$324,645,606</b>	<b>\$306,426,359</b>	<b>\$294,410,639</b>

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>County direct sales tax rate</b>										
Basic City-County Relief Tax	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
Supplemental City-County Relief Tax	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Public Mass Transportation & Construction of Roads	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Local Government Tax Act	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
Infrastructure Development	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.25%	0.25%	0.25%
	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	2.75%	3.00%	3.00%	3.00%

Source: Nevada Department of Taxation

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

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

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	% of Personal Income (1)	Per Capita (1)
	Capital Leases	Contract/Note Payable	Revenue Bond	Capital Leases	Telecommunications Equipment Payable	Utility Bond Payable			
1999	285,245	285,438	-	-	2,642,455	-	3,213,138	0.56%	126.95
2000	285,245	81,615	-	-	2,254,883	-	2,621,743	0.44%	99.89
2001	89,375	80,623	-	-	4,320,791	-	4,490,789	0.70%	180.15
2002	-	-	-	-	3,699,414	-	3,699,414	0.55%	147.29
2003	431,856	-	-	-	3,904,940	-	4,336,796	0.61%	168.04
2004	270,806	-	-	1,623,575	3,177,128	-	5,071,509	0.65%	194.27
2005	206,697	97,025	3,218,853	1,575,888	2,405,940	-	7,504,403	0.90%	282.28
2006	140,254	353,525	2,832,566	1,511,709	1,619,266	4,000,000	10,457,320	1.17%	382.06
2007	-	97,025	2,475,986	1,450,196	817,024	4,544,376	9,384,607	Unavailable	345.15
2008	-	76,409	2,163,207	1,386,419	-	4,485,261	8,111,296	Unavailable	Unavailable

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

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

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

Fiscal Year Ended June 30,	General Debt Outstanding				Percentage of Assessed Value of Property (1)	Per Capita (2)
	General Obligation Debt	CC Communications Debt	Utility Debt	Total		
1999	570,683	2,642,455	-	3,213,138	0.81%	126.95
2000	366,860	2,254,883	-	2,621,743	0.66%	99.89
2001	169,998	4,320,791	-	4,490,789	1.11%	180.15
2002	-	3,699,414	-	3,699,414	0.90%	147.29
2003	431,856	3,904,940	-	4,336,796	1.01%	168.04
2004	270,806	4,800,703	-	5,071,509	1.17%	194.27
2005	3,522,575	3,981,828	-	7,504,403	1.70%	282.28
2006	3,326,345	3,130,976	4,000,000	10,457,321	2.14%	382.06
2007	2,573,011	2,267,220	4,544,376	9,384,607	1.65%	345.15
2008	2,239,616	1,386,419	4,485,261	8,111,296	1.18%	Unavailable

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

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

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

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

**Legal Debt Margin Calculation for Fiscal Year 2008**

Assessed Value	\$686,529,426
Debt limit (10% of assessed value)	68,652,943
Debt applicable to limit:	
General obligation debt	2,239,616
CC Communications debt	1,386,419
Utility Bond Debt	4,485,261
Total debt applicable to limit	<u>8,111,296</u>
Legal debt margin	<u>\$ 60,541,647</u>

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Debt limit	\$ 39,647,838	\$ 39,822,615	\$ 40,392,003	\$ 40,976,238	\$ 42,945,948	\$ 43,300,370	\$ 44,148,659	\$ 48,829,694	\$ 57,036,804	\$ 68,652,943
Total debt applicable to limit	3,213,138	2,621,743	4,490,789	3,699,414	4,336,796	5,071,509	7,504,403	10,457,321	9,384,607	8,111,296
Legal debt margin	\$ 36,434,700	\$ 37,200,872	\$ 35,901,214	\$ 37,276,824	\$ 38,609,152	\$ 38,228,861	\$ 36,644,256	\$ 38,372,373	\$ 47,652,197	\$ 60,541,647
Total debt applicable to the limit as a percentage of debt limit	8.10%	6.58%	11.12%	9.03%	10.10%	11.71%	17.00%	21.42%	16.45%	11.81%

The statutory county debt limit is 10% of the assessed value of all taxable property in the County, as set forth in Chapter 244A.059 of the Nevada Revised Statutes.

**CHURCHILL COUNTY, NEVADA**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2008**

<u>Name of Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
State of Nevada	\$ 5,104,600,813	6.1%	\$ 312,714,284
City of Fallon	15,391,953	100.0%	15,391,953
Churchill County School District	18,973,465	100.0%	<u>18,973,465</u>
Subtotal, overlapping debt			347,079,702
County direct debt (S-13)			<u>8,111,296</u>
Total direct and overlapping debt			<u>\$ 355,190,998</u>

**Sources:** Debt outstanding data provided by each governmental unit.

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

(1) Estimated percentage applicable was based upon the percentage of State tax rate to County direct tax rate (\$.1700/\$2.775)

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

Fiscal Year Ended June 30,	Business-Type Activities - Bond, Note Payable & Capital Lease			Principal	Interest	Coverage
	Business-Type Activities Revenue	Less: Operating Expenses	Net Available Revenue			
1999	14,525,000	13,466,538	1,058,462	291,749	88,255	2.79
2000	14,586,476	13,615,685	970,791	277,837	102,207	2.55
2001	17,517,144	13,938,233	3,578,911	576,554	196,510	4.63
2002	19,624,555	14,455,354	5,169,201	614,516	201,686	6.33
2003	19,393,439	15,820,414	3,573,025	649,776	166,426	4.38
2004	18,774,202	17,300,690	1,473,512	804,454	90,603	1.65
2005	20,214,084	17,548,844	2,665,240	845,611	97,947	2.82
2006	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

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

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

<u>Fiscal Year Ended June 30,</u>	<u>Population (1)</u>	<u>Personal Income(2)</u>	<u>Per Capita Personal Income (2)</u>	<u>School Enrollment (3)</u>	<u>Unemployment rate (4)</u>
1999	25,310	569,063,000	23,851	4,824	7.5%
2000	26,247	601,860,000	25,052	4,736	7.4%
2001	24,928	642,315,000	26,247	4,678	8.6%
2002	25,116	666,725,000	27,494	4,610	6.1%
2003	25,808	706,554,000	29,164	4,544	5.8%
2004	26,106	785,839,000	32,347	4,500	5.0%
2005	26,585	831,247,000	33,681	4,507	4.0%
2006	27,371	895,816,000	36,305	4,462	3.8%
2007	27,190	Unavailable	Unavailable	4,410	4.1%
2008	Unavailable	Unavailable	Unavailable	4,409	5.7%

(1) Source: Nevada State Demographer's Office

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

(3) Source: Nevada Department of Education

(4) Source: Nevada State Employment Training and Rehabilitation

**CHURCHILL COUNTY, NEVADA**  
Principal Employers  
Current Year and Nine Years Ago

2008		1999							
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	1,130	11.05%	1	NAS-Fallon Military Personnel (1)	U.S. Navy	1,050	12.51%
2	Churchill County School District	Education	600 to 699	7.28%	2	Churchill County School District	Education	600 to 699	7.52%
3	Churchill Community Hospital	Health Care	300 to 399	4.42%	3	Churchill Community Hospital	Health Care	300 to 399	4.36%
4	Wal-Mart Supercenter	Retail	300 to 399	4.05%	4	SMI Joist-Nevada	Manufacturing	300 to 399	4.12%
5	Churchill County	Local Government	200 to 299	2.75%	5	Boeing Aerospace	Aviation	300 to 399	3.90%
6	Boeing Aerospace Operation	Aviation	200 to 299	2.43%	6	Day Zimmerman, Inc.	Various	200 to 299	3.51%
7	Department of Defense	Various	100 to 199	2.26%	7	Wal-Mart Stores, Inc.	Retail	200 to 299	2.90%
8	CMC Joist-Nevada	Manufacturing	100 to 199	2.06%	8	NAS-Fallon - Civil Service	Various	200 to 299	2.75%
9	A & K Earthmovers	Construction	100 to 199	1.86%	9	Churchill County	Local Government	200 to 299	2.44%
10	Chugach Support Services, Inc.	Various	100 to 199	1.77%	10	Kenecott Rawhide Mining Co	Mining	100 to 199	2.22%

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

**CHURCHILL COUNTY, NEVADA**  
Property Value and Construction  
June 30, 2008

<u>Fiscal Year Ended June 30,</u>	<u>Commercial Construction</u>		<u>Residential Construction</u>	
	<u>Number of Permits</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
1999	32	5,638,476	300	19,686,807
2000	38	5,108,532	162	12,351,098
2001	30	5,629,670	134	10,268,561
2002	34	3,104,538	165	13,820,520
2003	15	3,189,790	132	12,341,108
2004	23	6,716,325	223	23,017,541
2005	22	14,744,769	330	32,905,412
2006	20	3,302,870	264	28,651,637
2007	25	4,272,306	165	18,971,522
2008	26	14,327,226	107	10,961,026

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

Source: Churchill County Tax Assessor's Office

## CHURCHILL COUNTY, NEVADA

Miscellaneous Statistical Data

June 30, 2008

DATE COUNTY CREATED: 1864

### FORM OF GOVERNMENT:

Type: County Commission  
Commission composed of three elected members

### TERMS OF OFFICE:

Commissioners - 4 year terms

AREA: 4,929 square miles

### CLIMATE:

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



### ECONOMY:

Farming: Alfalfa, Corn & "Hearts of Gold" cantaloupes  
Ranching: Cattle, sheep, hogs, horses & dairy cows  
Over 180 million pounds of milk produced each year  
Military: Fallon Naval Air Station employs 2,900 residents  
Home of "Top Gun" fighter pilot training

### EDUCATION:

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

### MEDICAL AND HEALTH SERVICES:

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

#### Other Medical Sources:

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

Source: Churchill County Economic Development

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

Department	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Commissioners	3	3	3	3	3	3	3	3	3	3
Clerk/Treasurer	8	8	8	8	9	9	9	8	8	8
Recorder	3	3	3	3	3	3	3	3	4	3
Assessor	8	7	7	7	7	7	8	9	8	8
County Manager	2	2	2	2	2	2	2	2	2	2
Facilities & Grounds	3	3	3	5	5	5	5	5	6	6
Human Resources	1	1	2	2	2	2	2	1	1	1
Comptroller	3	4	4	4	4	4	4	4	5	4
Sheriff	44	44	44	43	44	44	44	44	47	47
Fire	1	1	1	1	1	1	1	1	1	1
District Court	2	2	2	2	2	2	2	2	2	2
District Attorney	10	15	17	17	17	18	19	18	19	18
Justice Court	5	4	5	5	5	5	5	6	7	6
Juvenile Probation	8	9	9	8	10	11	12	14	12	11
Parks & Recreation	16	16	17	17	16	16	15	15	16	19
Museum	10	10	10	10	10	9	9	10	5	5
Building	-	-	-	-	-	-	2	3	3	3
Planning	5	4	6	7	7	8	7	7	6	7
Cemetery	4	3	3	3	3	3	3	3	2	2
Water Resource	0	0	0	0	0	0	0	0	1	1
Welfare	3	5	5	5	5	5	4	4	2	3
Road	20	20	20	20	20	17	17	16	17	15
Cooperative Extension	1	1	1	1	1	1	1	1	1	1
Library	8	8	8	8	8	7	7	6	7	7
CC Communications	99	100	100	100	102	105	107	105	96	97
<b>Total FTE</b>	<b>267</b>	<b>273</b>	<b>280</b>	<b>281</b>	<b>286</b>	<b>287</b>	<b>291</b>	<b>290</b>	<b>281</b>	<b>280</b>

Source: Churchill County Comptroller's Office

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

Department/Program	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Museum</b>										
Number of visitors	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	10,000	10,582
Items in collection	NA	NA	NA	NA	NA	NA	47,752	50,000	48,588	50,500
Bus tours	73	63	66	57	56	48	26	61	69	50
<b>Public Library</b>										
Items owned by library	72,301	71,629	71,629	88,387	92,613	91,312	93,855	101,445	101,300	101,931
Circulation	138,185	143,738	145,156	149,684	154,911	168,603	159,914	169,903	168,878	170,137
<b>Justice Court</b>										
Criminal filings	3,035	2,887	3,626	3,503	4,556	6,283	6,380	5,615	4,932	4,344
Civil filings	679	915	1,036	1,078	1,065	1,185	1,371	1,624	1,488	1,655
<b>Parks &amp; Recreation</b>										
Programs/Events	NA	23	37	32	34	33	35	30	68	35
Event attendance	4,266	4,855	5,000	5,761	8,120	7,008	8,638	8,145	3,795	7,823
Fairground attendance	72,000	71,850	73,000	71,850	80,000	84,000	72,346	70,597	82,702	96,502
Fairground event days	NA	NA	212	222	221	234	207	178	149	177
<b>Cemetery</b>										
Full burials	70	55	52	64	65	55	45	55	50	49
Cremations	38	31	33	31	47	47	33	41	37	52
<b>Sheriff</b>										
Reports by patrol	7,797	7,985	8,314	8,244	9,802	11,468	11,467	12,477	16,127	19,102
Civil papers received	3,907	4,178	4,363	4,147	4,222	4,541	4,858	6,122	4,168	4,879
Average inmate population	NA	NA	46.41	49.20	44.27	40.32	44.40	48.23	52.00	44.50
<b>Fire</b>										
Rescue calls	10	12	9	17	15	12	16	18	7	10
Fire calls	175	156	157	174	133	147	129	220	363	230
<b>CC Communications (1)</b>										
Subscriber lines	NA	NA	14,939	14,318	13,886	13,509	13,397	12,849	12,249	12,082

Sources: Various county departments.

Note: Indicators not available for the general government function.

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

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

Department	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<b>Sheriff</b>										
Office locations	2	2	2	2	2	2	3	3	3	3
Vehicles	14	17	14	17	19	14	19	18	24	19
All-terrain vehicles	4	4	4	4	4	4	4	4	4	4
Command trailer	-	-	-	-	-	1	1	1	1	1
Detention facility	1	1	1	1	1	1	1	1	1	1
<b>Fire</b>										
Stations	3	3	3	3	3	3	3	3	3	3
<b>Road</b>										
Paved roads (miles)	137.2	137.7	140.4	144.0	146.4	165.4	166.9	170.8	186.12	193.69
Unpaved roads (miles)	402.6	402.6	402.6	402.6	402.6	402.6	402.6	321.89	275.01	273.49
Major bridges (over 26 feet)	18	19	19	20	20	20	21	21	21	21
<b>Library</b>										
Building	1	1	1	1	1	1	1	1	1	1
<b>Museum</b>										
Building	1	1	1	1	1	1	1	1	1	1
<b>Parks and Recreation</b>										
Acreage (2)	108	108	108	108	108	108	108	1,134.19	1,136.45	1,136.45
<b>Cemetery</b>										
Acreage	28	28	28	28	28	28	28	63.5	63.5	63.5
<b>Water Resource</b>										
Water rights (acre feet) (1)	-	-	-	-	-	51	2,819	3,604	3,604	3,614

Sources: Various county departments.

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

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

**COMPLIANCE SECTION**



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

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

To the Honorable Board of Commissioners of  
Churchill County, Nevada

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Churchill County, Nevada, (the "County"), as of and for the year ended June 30, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated November 25, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the County's financial statements that is more than inconsequential will not be prevented or detected by the County's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the County's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

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

We noted certain matters that we reported to the management of Churchill County in a separate letter dated November 25, 2008.

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

*Kafoury, Armstrong & Co.*

Fallon, Nevada  
November 25, 2008



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

**Report on Compliance with Requirements Applicable to Each  
Major Program and on Internal Control over Compliance in  
Accordance with OMB Circular A-133**

To the Honorable Board of Commissioners of  
Churchill County, Nevada

**Compliance**

We have audited the compliance of Churchill County, Nevada, (the "County"), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2008. Churchill County's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

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

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2008.

**Internal Control over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 *control deficiency* in an entity's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purposes described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

Kafury, Armstrong & Co.

CHURCHILL COUNTY, NEVADA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (Page 1 of 2)

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
<b><u>Department of Agriculture:</u></b>		
Direct Program:		
Water and Waste Disposal Systems for Rural Communities	10.760	\$ 757,314
Farm and Ranch Lands Protection Program	10.913	<u>2,080,837</u>
Total Department of Agriculture		<u>2,838,151</u>
<b><u>Department of Housing and Urban Development:</u></b>		
Passed through State of Nevada:		
Commission on Economic Development:		
CDBG - SBDC	14.228	82,011
CDBG - Multiuse Feasibility Study	14.228	47,435
CDBG - RNCOC	14.228	33,236
Supportive Housing Program	14.235	23,115
State Housing Division:		
Emergency Shelter Grants Program	14.231	<u>10,141</u>
Total Department of Housing and Urban Development		<u>195,938</u>
<b><u>Department of Justice:</u></b>		
Direct Program:		
Public Safety Partnership and Community Policing	16.710	89,575
Passed through State of Nevada:		
Department of Health and Human Services:		
Division of Child and Family Services:		
OJJDP - CCBC - RAFT Grant	16.540	28,805
OJJDP Intensive Supervision	16.540	4,800
OJJDP JAIBG Wilderness Program	16.540	3,028
OJJDP Title V Mentor Link	16.548	2,500
Bureau of Justice Assistance:		
State Criminal Alien Assistance Program (SCAAP)	16.606	<u>11,039</u>
Total Department of Justice		<u>139,747</u>
<b><u>Department of Labor:</u></b>		
Passed through State of Nevada:		
Nevada Works Summer Employment:		
WIA Youth Activities	17.259	<u>47,885</u>
<b><u>Department of Transportation:</u></b>		
Passed through State of Nevada:		
Department of Transportation:		
Highway Planning and Construction	20.205	156,755
Formula Grant for Nonurbanized Area Formula Program	20.509	103,297
Capital Assistance Program for Elderly and Persons With Disabilities Program	20.513	169,649
HMEP Grant Training	20.703	<u>4,950</u>
Total Department of Transportation		<u>434,651</u>
<b><u>Department of Energy:</u></b>		
Direct Program:		
Nuclear Waste Disposal Siting	81.065	<u>235,820</u>

CHURCHILL COUNTY, NEVADA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED JUNE 30, 2008  
 (Page 2 of 2)

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>EXPENDITURES</u>
<b><u>Department of Health and Human Services:</u></b>		
Passed through State of Nevada:		
Nevada State Welfare Division:		
Title IV-D Child Support	93.563	\$ 315,342
Department of Health and Human Services:		
CSBG, Emergency Assistance	93.569	<u>107,233</u>
Total Department of Human Resources		<u>422,575</u>
<b><u>Department of Homeland Security:</u></b>		
Direct Program:		
Emergency Food and Shelter National Board Program	97.024	9,656
Passed through State of Nevada:		
Department of Motor Vehicles and Public Safety:		
Division of Emergency Management:		
Emergency Management Performance	97.042	6,748
SERC - Operations	97.055	952
SERC - Training	97.055	999
SERC - Equipment	97.055	<u>59,113</u>
Total Federal Emergency Management Agency		<u>77,468</u>
<b><u>United States Army Corps of Engineers:</u></b>		
Direct Program		<u>6,720,994</u>
Total Expenditures of Federal Awards		<u>\$ 11,113,229</u>

**CHURCHILL COUNTY, NEVADA**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**A. REPORTING ENTITY:**

The accompanying schedule of expenditures of federal awards presents the expenditure activity of all federal awards programs of Churchill County, Nevada, ("the County"), for the year ended June 30, 2008. The County's reporting entity is defined in Note 1 to its basic financial statements. All expenditures of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

**B. BASIS OF ACCOUNTING:**

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

**C. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS:**

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

Governmental Activities:	
Major Governmental Fund:	
General Fund	\$ 811,556
Water Resource Fund	2,080,837
Other Governmental Funds:	
Social Service Fund	585,773
Parks and Recreation Fund	156,755
Business-Type Activities:	
Major Business-Type Funds:	
Waste Water Enterprise Fund	6,980,718
Utility Enterprise Fund	497,590
	<u>\$ 11,113,229</u>

**CHURCHILL COUNTY, NEVADA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2008**

**A. SUMMARY OF AUDITORS' RESULTS**

1. The auditor's report expresses an unqualified opinion on the basic financial statements of Churchill County, Nevada for the year ended June 30, 2008.
2. No significant deficiencies relating to the audit of the financial statements are reported in the Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Churchill County, Nevada, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies in internal control over major federal award programs are reported in the Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award programs for Churchill County, Nevada expresses an unqualified opinion on the major federal award program.
6. There were no audit findings relative to the major federal award program for Churchill County, Nevada as reported in Part C of this schedule.
7. The programs tested as major programs were:
  - Farm and Ranch Lands Protection Program, CFDA 10.913
  - Agreement for Design and Construction Water Supply and Wastewater Treatment Facilities
8. The threshold for distinguishing Type A and B programs was \$300,000.
9. Churchill County, Nevada was determined to be a low-risk auditee.

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

None.

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

None.

**CHURCHILL COUNTY, NEVADA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2008**

**Finding 07-1:**

*Condition:* Nine of the eleven adjusting journal entries proposed by the auditor and agreed to by management, involved the Waste Water Enterprise Fund and the Utility Enterprise Fund. These entries resulted in material changes to the financial statements.

*Criteria:* Enterprise funds use the accrual basis of accounting.

*Effect:* Capital assets, depreciation, grant revenues and tap fee revenues were not properly recorded until the adjusting journal entries were recorded.

*Cause:* In the past, the only enterprise funds of the County were the CC Communication enterprise funds which have separate management and accounting staff from other County operations other than the governing board. The County Comptroller's office was not involved in accounting for these funds and is not as familiar with proper recording of transactions using the full accrual basis of accounting. In addition, the Comptroller's office was also not fully staffed during much of the fiscal year, which caused delays in recording transactions.

*Recommendation:* We recommend procedures are implemented to ensure reporting for these funds is performed timely and accurately.

*Client response:* County will develop procedures that provide for periodic statements and reconciliations for the Enterprise Funds. In addition, staff will take continuing professional education classes related to Enterprise fund accounting.

*Current status:* The records of Enterprise Funds were reconciled correctly this year.

**Finding 07-2:**

*Condition:* Capital asset records were incomplete and not reconciled to the general ledger at the time audit field work began. When the auditors eventually received the capital asset records they were still found to not reconcile to the general ledger and were therefore returned several times to the comptroller's staff. They were not fully completed until November 16, 2007.

*Criteria:* Capital asset records need to be maintained in a timely and accurate manner

*Effect:* The delay prevented completion of the preparation of the financial statements.

*Cause:* In previous years, infrastructure assets were not maintained in the capital asset program. The transfer of these assets from a spreadsheet to the capital asset program was not performed in a timely manner and the reconciliation received by the auditors was found to be incorrect.

*Recommendation:* We recommend all capital assets be maintained in the capital asset program and that entries are made as transactions occur rather than waiting until after year end to record any additions and/or reconcile beginning balances from the prior year.

*Client response:* Capital assets are now maintained in the capital asset program. Procedures are in place to provide for timely recording of transactions and reconciliation to the general ledger and beginning balances to financial statements.

*Current status:* Capital asset records were complete and reconciled correctly this year.



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

Independent Accountant's Report on Nevada Revised Statute 354.6241

To the Honorable Board of Commissioners of  
Churchill County, Nevada

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

- The identified funds are being used expressly for the purposes for which they were created,
- The funds are administered in accordance with accounting principles generally accepted in the United States of America,
- The reserved fund balances/net assets in the funds were reasonable and necessary to carry out the purposes of the funds at June 30, 2008 (based on the interpretation of reasonable and necessary provided by the Legislative Counsel Bureau),
- The sources of revenues, including transfers, available for funds are as noted in the financial statements,
- The funds conform to significant statutory and regulatory constraints on its financial administration during the year ended June 30, 2008 (except as noted under statute compliance),
- The fund balance and net assets of the funds are as noted in the financial statements.

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

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

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

*Kafoury, Armstrong & Co.*

Fallon, Nevada  
November 25, 2008

**CHURCHILL COUNTY, NEVADA**  
**SCHEDULE OF FEES IMPOSED SUBJECT TO THE**  
**PROVISIONS OF NRS 354.5989**  
**LIMITATION OF FEES FOR BUSINESS LICENSES**  
**FOR THE YEAR ENDED JUNE 30, 2008**

Flat Fixed Fees:

Adjusted base, June 30, 2007	<u>\$ 66,537</u>
------------------------------	------------------

Adjustment to Base:

Base year

- |  |        |       |
|--|--------|-------|
| 1. Percentage increase in population of the local government.  | 2.96 % |       |
| 2. Percentage increase in Consumer Price index for the year ending on December 31 next preceding year for which the limit is being calculated. | 2.50 % | 5.46% |

3,633

Adjusted base, June 30, 2008

70,170

Actual business license revenue, 2007-08

54,040

Amount over (under) adjusted base amount

\$ (16,130)

## **AUDITOR'S COMMENTS**

### **STATUTE COMPLIANCE**

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

### **PRIOR YEAR'S STATUTE COMPLIANCE**

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

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

We recommended procedures be implemented to ensure reporting for the Waste Water Enterprise Fund and the Utility Enterprise Fund is performed timely and accurately. See current year status at finding 07-1.

We recommended procedures be implemented to provide for timely recording of capital asset transactions in the general ledger and the reconciliation of beginning capital assets balances in the financial statements. See current year status at finding 07-2.

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

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